

BOARD OF DIRECTORS' REPORT 2023



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البنك السعودي الفرنسي خاضع لإشراف
ورقابة البنك المركزي السعودي

Introduction

Ladies and Gentlemen: Shareholders of Banque Saudi Fransi

Greetings,

Banque Saudi Fransi (BSF) Board members are pleased to present their Annual Board Report for the fiscal year 2023.

Banque Saudi Fransi is a Saudi Joint Stock Company established by Royal Decree No. M/23 dated Jumada Al Thani 17, 1397H (corresponding to June 4, 1977), after taking over the operations of the Banque de l'Indochine et de Suez in the Kingdom of Saudi Arabia. The Bank formally commenced its activities on Muharram 1, 1398H (corresponding to December 11, 1977). It operates under Commercial Registration Number. 1010073368 dated Safar 4, 1410H (corresponding to September 5, 1989), through its 82 branches and 3 self-service centers in the Kingdom of Saudi Arabia, with 2,784 employees. The objective of the Bank is to provide a full range of banking services, including Islamic products and services, which are approved and supervised by an independent Shariah Committee. The Bank's Head Office is located at King Saud Road (AlMa'ather previously), AlMuraba' District, P.O. Box 56006, Riyadh 11554, Kingdom of Saudi Arabia.

Net income after Zakat for 2023 financial year amounted to SAR 4,223 million compared to SAR 3,575 million in 2022. Net income increased by 18.1% mainly due to higher revenue (SAR 1,307 million) which was partially offset by higher expenses (SAR 368 million) and higher impairment (SAR 234 million).

Total operating income increased by 16.3% driven by net special commission income and net fee and commission income, this was partially offset by a reduction exchange income, trading income and in gain on non-trading investment.

Meanwhile, total operating expenses excluding impairment charges increased by 13.9%. This increase was primarily due to increase in Salaries and staff related expenses, depreciation and amortization and other operating and general and administration expenses which was offset by reduction in rent and premises related expenses. Net impairment charges amounted to SAR 1,594 million, increased by 17.2% or SAR 234 million, reflecting a comprehensive review of the bank's credit portfolio.

Net special commission income increased to SAR 7,835 million, an increase of 21.9% (SAR 1,408 million) compared to SAR 6,427 million in previous year. Total assets amounted to SAR 253,383 million at the end of 2023, an increase of 9.2% compared to SAR 232,078 million in 2022. The investment portfolio grew by 8.9% to SAR 48,467 million at the end of December 2023 compared to SR 44,518 million at the end of previous year. Net loans and advances also increased by 12.8% to SAR 179,391 million at the end of 2023 compared to SAR 159,012 million for the previous year. Customer deposits increased by 9.3% to SAR 172,209 million at the end of December 2023 compared to SAR 157,592 million for the previous year.

Banque Saudi Fransi will continue to achieve its strategic objectives to enhance its position in the banking sector, improve its profitability and deliver a seamless customer and employee experience.

In this report, information is given on the bank's activities, major indicators during 2023 and details on the governance framework of the Board of Directors, its committees and internal controls.

(1) Bank's strategy and future plans:

In 2022, the banking industry witnessed a year of extraordinary changes. Historic levels of inflation, unexpected levels of interest rates, and geopolitical tensions in the macroeconomic and geopolitical environment created challenges that many industries struggled to cope with. In response to these transformative events, Banque Saudi Fransi launched a Strategy Refocus exercise, commencing in late 2022 and concluding in the first quarter of 2023.

The Strategy Refocus concentrated on simplifying the bank's strategy to ten (10) key focus areas across all business lines. Geared towards capitalizing on our strengths and realizing inter-group synergies, the strategy incorporated focus areas for our subsidiaries JB (formerly Saudi Fransi for finance Leasing) and Saudi Fransi Capital (SFC) for the first time. The result was a well-integrated strategy with balanced targets that prioritize profitability, market share, and customer experience. Following its approval by our Board of Directors in March 2023, the Strategy Refocus was subsequently shared with the investor community.

Ten (10) Focus Areas:

The strategy refocus paved the way towards achieving our strategic ambitions through ten focus areas across all business lines:

Bank-wide:

1. **Technology infrastructure upgrade:** a focus area that encompasses the development of the Core Banking System (CBS), Integrated Corporate Banking Portal (ICP), and an omnichannel platform to enhance digital capabilities and customer experience.

Wholesale Banking:

2. **Expand Financial Institution & Government (FIG) & Multinational Company (MNC) Coverage:** this Initiative aims to broaden lending and partnerships with high rated financial institutions, active collaboration with multinational companies, and enhance segmentation and lending for government clients.
3. **Revamp Global Transaction Solutions (GTS):** an initiative that aims to enhance our services for corporate client, improve customer satisfaction, and increase our market share.

Personal Banking:

4. **Scale up in affluent:** a strategic initiative to strengthen our foothold in that affluent segment. This initiative includes enhancing our offering through improving our rewards and loyalty program and collaborating with SFC to create more advanced financial solutions.
5. **Provide superior daily banking:** the goal of this initiative is to enhance everyday banking through omnichannel services, improved customer support in our branches, and advanced digital solutions.

Private Banking:

6. **Expand product suite:** this initiative focuses on diversifying our private banking offering, introducing a wider range of financial products and services tailored to meet the unique needs of our clients
7. **Experience centric rewards:** this program is designed to enrich our loyalty system with rewards that prioritize exclusive experiences and personalized serviced enhancing client's satisfaction and engagement

(1) Bank's strategy and future plans (Continued):

JB:

8. **Scale up financing and leasing:** a focus area that encompasses three initiatives
 - a. Product diversification and simplification: this initiative aims to expand JB offering to include personal loans and credit cards. This new offering will introduce JB to new customers and enhance JB market positioning
 - b. Digital channels acceleration: focused on enhancing JB digital footprint with implementing the new branding to all digital channels, this initiative accelerates the development and optimization of digital channels to provide a more efficient, user-friendly online experience
 - c. JB Repositioning (rebrand): this rebranding effort is designed to redefine JB's Market presence, refreshing the brand identity and aligning it with the new offering that JB offers

SFC:

9. **Leverage opportunities in capital markets:** a focus area that encompasses three initiatives
 - a. Wealth management collaboration model: this initiative focuses on establishing a collaborative framework in wealth management, integrating expertise and resources to provide comprehensive, customized financial solutions for our clients
 - b. Real estate advisory unit: this initiative establishes a specialized unit within Saudi Fransi Capital, dedicated to offering experts real estate investment advice. It aims to guide clients through complex real estate markets, providing strategic insights and tailored investments opportunities
 - c. Attractive investment solutions: this initiative is centered on developing and offering a diverse range of investment products and solutions, tailored to meet the evolving needs and preferences of investors

We are proud to report outstanding progress across all focus areas in 2023, and we look forward to report on their successful completion of these initiatives in the upcoming years.

Operating Model & Organization Excellence:

Moreover, during the second half of the 2023, the bank has completed an Operating Model and Organization Excellence review with the goal of enhancing its operations and aligning our execution with our strategy. The review enabled BSF strategy by future proofing the organization, operating model and governance structure; driving simplification and efficiency; increasing organization agility and productivity; and driving investment in the priority areas

The outcomes of the Strategy Refocus and our enhancement of our operating model will make the Bank more robust when confronting future challenges and solidify its aspiration to be the region's leading, forward-thinking, and customer-centric bank.

The Bank has established its strategic priorities, centered on consistently generating value for shareholders, maintaining earnings and dividend stability, operating efficiently, providing exceptional customer experiences, and ensuring a positive work environment. The effectiveness of this strategy will be led by outstanding leaders in every business unit and department, empowered by our skilled workforce, and backed by a dedicated and robust Board of Directors.

(2) A description of the main scope of business of the Bank and its affiliates and a statement showing each activity and how it affects the Bank businesses and results:

The main activities of the Bank are as follows:

A. Personal Banking – offers individual customers through physical channels and digital platforms with their daily banking needs such as fund transfers, cash withdrawals, deposits and bill payments as well as products like demand deposit account, savings account, fixed deposit, personal finance, mortgage, debit & credit card and car lease.

B. Wholesale Banking – one of the largest providers of corporate banking services in the Kingdom, among the top tier banks in terms of key volume and profitability matrices. WBG provides a wide range of corporate banking services to large local and international corporates, government and public sector entities, financial and non-banking financial entities as well as Medium, Small and Micro (MSME) enterprises. It operates under the banner “One Client, One Bank” as the group offers integrated lending, payments, deposits, liquidity and cash management solutions.

C. Treasury – is responsible for managing the overall balance sheet and liquidity of the bank. Including trading, investments and capital market activities. Moreover, Treasury has a dedicated market advisory team, which caters for clients' hedging and market needs through bespoke financial products offering.

D. Investment Banking, Asset Management and Brokerage – It includes managing investment solutions for individuals, corporations and institutions including, portfolios and investment funds, brokerage and custody of securities, and providing investment banking services including arranging and advice.

The impact of these major activities on the Bank's size and contribution to the results is as follows:

Activity type	Net income before Zakat (in thousands of Saudi Riyals)	Percentage
Personal Banking	1,926,092	40.9%
Wholesale Banking	1,876,029	39.9%
Treasury	664,988	14.1%
Investment Banking, Asset Management and Brokerage	240,724	5.1%
Total	4,707,833	100%

The activities of major subsidiaries and their impact on the Bank's business volume and its contribution to the results are as follows:

Subsidiary	Activity	Net income before Zakat (in thousands of Saudi Riyals)	Percentage
Saudi Fransi Capital	Acts as principal and agent, and undertake, manage, arrange, advise and file in securities trading	240,724	5.1%
JB (formerly Saudi Fransi for Finance Leasing)	Leasing and financing of vehicle assets (Cars, motorcycles, trucks) and heavy equipment and machinery, in addition to the purchase and registration of these assets	8,695	0.2%

(2) A description of the main scope of business of the Bank and its affiliates and a statement showing each activity and how it affects the Bank businesses and results (Continued):

The Bank also owns Saudi Fransi Insurance Agency (SAFIA), Sofinco Saudi Fransi and Saudi Fransi Digital Ventures having 100% share in equity in each of these subsidiaries. The Bank owns 100% (95% direct ownership and 5% indirect ownership through its subsidiary) share in Sakan Real Estate Financing. These subsidiaries are incorporated in the Kingdom of Saudi Arabia.

The Bank also formed subsidiaries, BSF Markets Limited and BSF Finance Limited registered in Cayman Islands having 100% share in equity in each of these subsidiaries. The objective of BSF Markets Limited is derivative trading and Repo activities. BSF Finance Limited is a special purpose vehicle established to raise capital for Banque Saudi Fransi by the issuance of debt instruments.

The Bank formed a subsidiary Sur Multi Family Office Limited registered in United Kingdom having 100% share in equity. The objective of this subsidiary is to provide a wide range of wealth management services to BSF's high net worth clients and their families. The contribution to the results for the mentioned subsidiaries are insignificant (less than 0.005%).

(3) Credit ratings of the Banque Saudi Fransi granted by international rating agencies:

Ratings	Standard & Poor's Ratings Services	Moody's Investors Service	Fitch Ratings
Long-term ratings	A-	A2	A-
Short-term ratings	A-2	P-1	F2
Outlook / Review	Stable	Positive	Stable
Last published credit opinion	29/03/2023	23/03/2023	17/04/2023



(4) The Bank's assets, liabilities and financial results in the last five financial years:

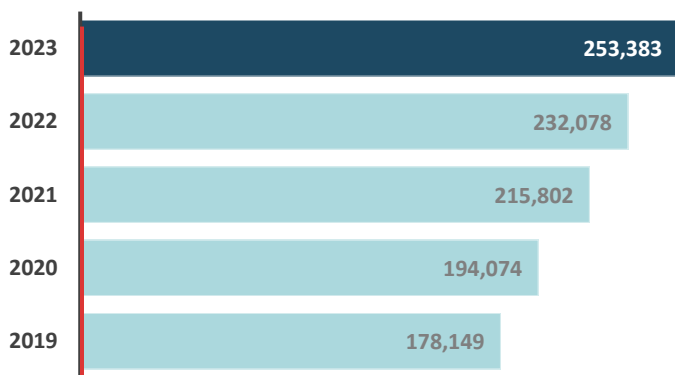
(in thousands of Saudi Riyals)	2023	2022	2021	2020	2019
Total assets	253,382,849	232,078,119	215,802,026	194,073,584	178,148,577
Investments and investments in associates, net	48,476,984	44,527,244	43,867,936	37,688,336	31,463,474
Loans and advances, net	179,391,223	159,011,525	147,812,759	130,564,835	125,725,096
Total liabilities	212,261,628	193,332,794	176,116,356	155,437,639	145,201,859
Customer Deposits	172,208,983	157,592,320	141,950,208	127,111,644	132,837,502
Total equity	41,121,221	38,745,325	39,685,670	38,635,945	32,946,718
Total operating income	9,323,994	8,017,275	7,127,926	7,044,594	6,872,550
Total operating expenses	4,616,161	4,013,372	3,290,549	5,034,358	3,253,408
Share in earnings of associates, net	0	0	0	0	0
Net income before Zakat	4,707,833	4,003,903	3,837,377	2,010,236	3,619,142
Net special commission income	7,835,197	6,426,553	5,698,645	5,240,388	5,205,677
Fees from banking services, net	914,675	896,861	887,929	1,081,816	1,139,506
Impairment charge for credit losses and other financial assets, net	1,594,455	1,359,797	843,605	2,670,268	966,244
Salaries and employees related expenses	1,741,583	1,494,960	1,397,452	1,418,703	1,329,250
Number of employees	3,154	3,105	2,997	2,881	2,998



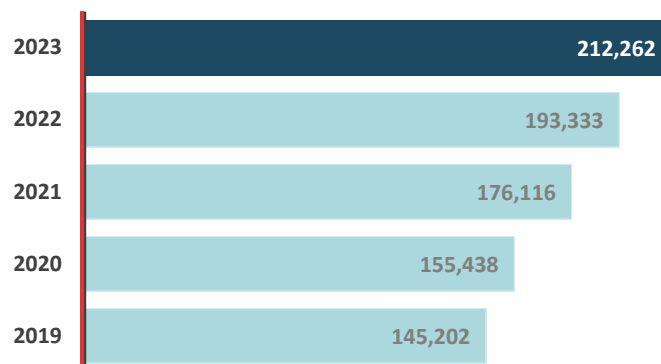
(4) The Bank's assets, liabilities and financial results in the last five financial years (Continued):

Financial indicators for the last five years:

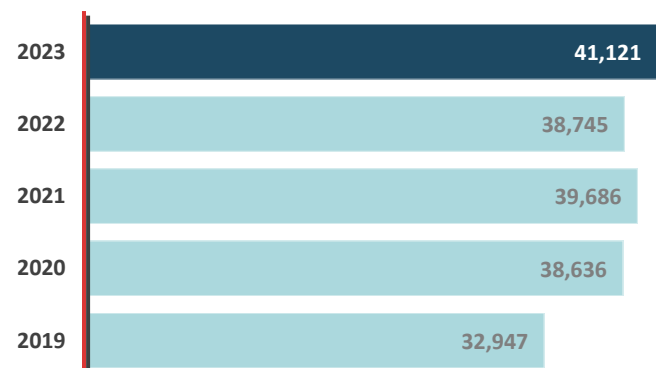
Total assets
(in million of Saudi Riyals)



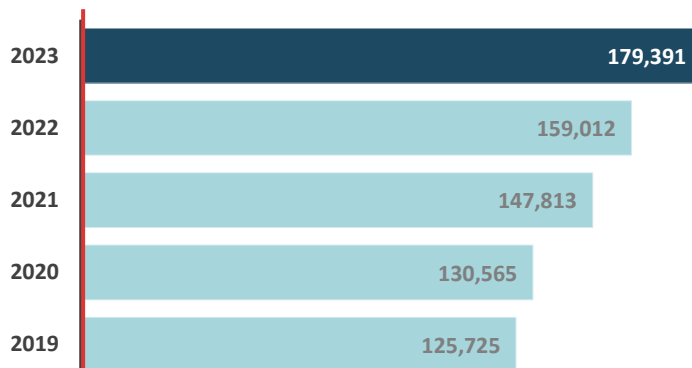
Total Liabilities
(in millions of Saudi Riyals)



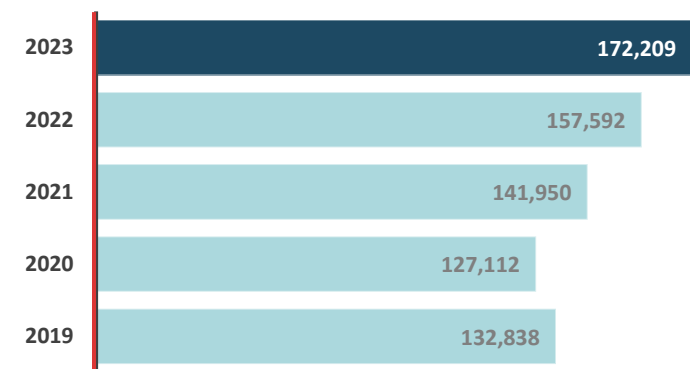
Total Equity
(in millions of Saudi Riyals)



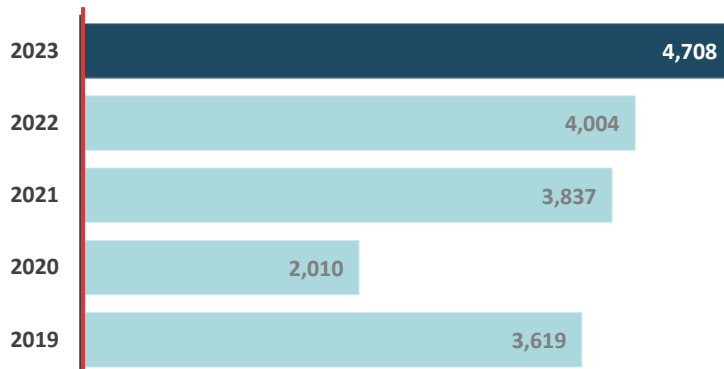
Loans and advances, net
(in millions of Saudi Riyals)



Customer Deposits
(in millions of Saudi Riyals)



Net income before Zakat
(in millions of Saudi Riyals)



(5) Geographical analysis of the Bank's and its affiliates' revenues:

The following table shows the income for each region (Eastern, Western, Central, Head Office, and subsidiaries) for 2023:

Banque Saudi Fransi and its subsidiaries, excluding Saudi Fransi Capital					
(in thousands of Saudi Riyals)	Western	Eastern	Central	Head Office	Total
Total income	1,659,240	1,785,282	3,566,520	1,843,985	8,855,027
Total Expenses (before provisions)	(198,654)	(172,274)	(407,293)	(2,015,242)	(2,793,463)
Provisions	(939,902)	(886,900)	232,347	0	(1,594,455)
Net income before Zakat	520,684	726,108	3,391,574	(171,257)	4,467,109
Saudi Fransi Capital					
(in thousands of Saudi Riyals)	Western	Eastern	Central	Head Office	Total
Total income	38,182	69,478	41,600	319,707	468,967
Total Expenses (before provisions)	(307)	(59)	(232)	(227,645)	(228,243)
Provisions	0	0	0	0	0
Net income before Zakat	37,875	69,419	41,368	92,062	240,724
Banque Saudi Fransi Group					
(in thousands of Saudi Riyals)	Western	Eastern	Central	Head Office	Total
Total income	1,697,422	1,854,760	3,608,120	2,163,692	9,323,994
Total Expenses (before provisions)	(198,961)	(172,333)	(407,525)	(2,242,887)	(3,021,706)
Provisions	(939,902)	(886,900)	232,347	0	(1,594,455)
Net income before Zakat	558,559	795,527	3,432,942	(79,195)	4,707,833

(6) Material differences in the operational results compared to the preceding year's results, along with any expectations announced by the Bank:

(6/A) Consolidated income statement for the years ended on 31 December, 2023 and 2022:

(in thousands of Saudi Riyals)	2023	2022
Special commission income	13,218,031	8,307,199
Special commission expense	5,382,834	1,880,646
Net special commission income	7,835,197	6,426,553
Fee and commission income	1,491,777	1,423,040
Fee and commission expense	577,102	526,179
Net fee and commission income	914,675	896,861
Exchange income, net	455,222	474,684
Trading income, net	114,016	201,748
Dividend income	15,213	13,397
Gains on FVOCI / non-trading investments, net	(16,260)	3,524
Other operating income	5,931	508
Total operating income	9,323,994	8,017,275
Salaries and employee related expenses	1,741,583	1,494,960
Rent and premises related expenses	67,464	73,122
Depreciation and amortization	250,658	221,428
Other operating and general and administrative expenses	962,001	864,065
Total operating expenses before impairment charge	3,021,706	2,653,575
Impairment charge for expected credit losses on loans and advances, net	1,668,817	1,363,944
Impairment reversal for investments, financial assets and others, net	(74,362)	(4,147)
Total operating expenses, net	4,616,161	4,013,372
Net income for the year before zakat	4,707,833	4,003,903
Zakat for the year	485,100	428,773
Net income for the year after zakat	4,222,733	3,575,130
Basic and diluted earnings per share (SAR)	3.33	2.79



(6) Material differences in the operational results compared to the preceding year's results, along with any expectations announced by the Bank (Continued):

(6/B) Summary of financial results as follows:

(in millions of Saudi Riyals)	31-12-23	31-12-22	Change	%
Net income after Zakat	4,223	3,575	648	18.13%
Net income before Zakat	4,708	4,004	704	17.58%
Total Operating income	9,324	8,017	1,307	16.30%
Net special commission income	7,835	6,427	1,408	21.91%
Assets	253,383	232,078	21,305	9.18%
Investments	48,467	44,518	3,949	8.87%
Loan and advances portfolio	179,391	159,012	20,379	12.82%
Customer Deposits	172,209	157,592	14,617	9.28%
Total equity	41,121	38,745	2,376	6.13%
Earnings per share (SAR)	3.33	2.79	0.54	19.35%

(7) The name of each affiliate, its capital, the Bank's ownership percentage, the main scope of business, the country of operation, and the country of incorporation:

Company Name	Capital	Equity percentage	Activity	Main State of its Operations	State of Incorporation
Saudi Fransi Capital	500 million Saudi Riyals	100	Acting as a principal and an agent, undertaking management, arranging, advising and custody in securities trading	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
JB (formerly Saudi Fransi for Finance Leasing)	500 million Saudi Riyals	100	Leasing and financing of vehicle assets (Cars, motorcycles, trucks) and heavy equipment and machinery, in addition to the purchase and registration of these assets	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sakan Real Estate Company	500 thousand Saudi Riyals	100	Financing real estate and land through Ijarah & Murabaha, buying land and real estate, and investing on behalf of the Bank	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Fransi Insurance Agency Co.	500 thousand Saudi Riyals	100	Insurance brokerage services	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Fransi Digital Venture (SFDV)	35,000,000	100	SFDV is a Sole Shareholder joint stock company, a subsidiary of BSF, focuses on technology services for the bank and its subsidiaries, adhering to Central Bank regulations.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

(7) The name of each affiliate, its capital, the Bank's ownership percentage, the main scope of business, the country of operation, and the country of incorporation (Continued):

Banque Saudi Fransi has a share in the Saudi Credit Bureau (SIMAH) of 10.9% of its capital of SAR 20 million. It also owns shares in the Saudi Financial Support Services Company (SANID) (formerly Saudi Traveler Cheques Company) of 5% of its capital of SAR 25 million. The Bank also invested SAR 1.8 million in the Saudi Financial Lease Registration Company. Moreover, Banque Saudi Fransi owns shares in Sofinco Saudi Fransi of 100% of its capital, however it has no material impact on the Group financial statements.

All of the companies listed above are existing and established in Saudi Arabia.

The Bank invested in Halalah company (incorporated in UAE), SAR 9 Million and hold 10.88% shares in its capital.

In addition, the Banque Saudi Fransi Markets Co. Ltd., a limited liability company owned 100% by the Bank with authorised capital of USD 50,000, has been established in the Cayman Islands. This company is engaged in derivative trading and repo activities. The Bank also owns BSF Finance Limited company, which is a special purpose vehicle established to raise capital for Banque Saudi Fransi by the issuance of debt instruments, it is incorporated in the Cayman Islands, having a 100% share in equity (authorised capital of USD 50,000), which has no material impact on the Group financial statements. BSF Sukuk Limited has been liquidated.

The Bank has investments in other companies. It owns 27% of the capital of Banque BEMO Saudi Fransi, a joint stock company established in 2004 in Syria. It has issued share capital of SYP 13.0 billion (as of 30.09.2023). The Bank also owns 10.33% of Banque BEMO Lebanon, a company incorporated in 2003 in Lebanon, Beirut. It has issued share capital of LBP 77.8 billion (as of 31.12.2022). All legal and contractual procedures are being followed to complete the sale of Banque Saudi Fransi's share in Banque BEMO Saudi Fransi, Syria, and Banque BEMO Lebanon based on the announcement on 26/11/2011 through Tadawul; that the Board of Directors of the Banque Saudi Fransi has decided to sell its shares in Banque BEMO Saudi Fransi, Syria (27%) and its shares in Banque BEMO Lebanon (10.33%). Banque Saudi Fransi is not represented on the boards of the Banque BEMO Saudi Fransi, Syria or Banque BEMO Lebanon as of 26/11/2011, and its main partners in Banque BEMO Lebanon were informed of this decision.

The Bank also owns 8,400,000 shares in Allianz Saudi Fransi Cooperative Insurance Company (60 million shares), i.e. 14% of the company's share capital of SR 600 million.

Sur Multifamily Office Ltd. is a London based multi-family office that is 100% owned by Banque Saudi Fransi, focusing on serving Banque Saudi Fransi private clients and their families. It was incorporated in February 2023, the subsidiary dedicated its first year to office setup and execution, while 2024 will focus on business strategy and client on-boarding. Sur Multifamily Office Ltd offers a range of services such as real estate solutions, investment and private office, estate planning and structuring .

(8) Details of shares and debt instruments issued for each affiliate Company:

A.No shares or debt instruments were issued to subsidiaries during 2023.

B.Loans provided by the Bank to its subsidiaries:

The following table shows the loans made on 31/12/2023 by Banque Saudi Fransi to its subsidiaries:

Name of Subsidiary	(in thousands of Saudi Riyals)
Saudi Fransi Capital*	617,384
Saudi Fransi for Finance Leasing**	2,732,505

Saudi Fransi Capital has an overdraft facility and Saudi Fransi for Finance Leasing has a term loan facility from Banque Saudi Fransi. There is no other loan available to the subsidiaries, except for the above loans provided by Banque Saudi Fransi

(8) Details of shares and debt instruments issued for each affiliate Company (Continued):

* Details of Saudi Fransi Capital loans:

(in thousands of Saudi Riyals)	2023	2022
Opening balance	1,460,759	1,784,471
Loan granted during the period	3,240,815	6,227,642
Repayment of loans during the period	4,084,190	6,551,354
Closing balance of loans	617,384	1,460,759

** Details of loans to JB (rebranded from Saudi Fransi for Finance Leasing):

(in thousands of Saudi Riyals)	2023	2022
Opening balance	2,869,800	2,075,834
Loan granted during the period	750,000	1,193,967
Repayment of loans during the period	887,295	400,001
Closing balance of loans	2,732,505	2,869,800

(9) Main shareholders of the Bank, and a description of any interest in a class of voting shares held by persons (other than the Bank's Directors, Senior Executives and their relatives) who have notified the Bank of their holdings, together with any change to such interests during the last fiscal year:

The table below shows the equity of the main shareholders in the Bank's shares during the fiscal year 2023:

Main shareholders in the capital of the Bank as at 31/12/2023							
S.	Shareholder	Number of Shares at the beginning of the year	Equity percentage at the beginning of the year	Number of Shares at the end of the year	Equity percentage at the end of the year	Net change	Change percentage
1	Kingdom Holding Company	195,267,861	16.199%	195,267,861	16.199%	0	0%
2	Rashed Abdul Rahman Al Rashed & Sons Co.	118,488,534	9.830%	118,488,534	9.830%	0	0%

No person (other than the Bank's Directors, Senior Executives and their relatives) has notified the bank about any interest in a class of voting shares.

(10) A description of any interest, contractual securities or rights issue of the Board members, Senior Executives and their relatives on shares or debt instruments of the Bank or its affiliates, and any change on these interests or rights during the last fiscal year:

Description of any interest, contractual securities and subscription rights of the Board members and their relatives in the Bank's shares or debt instruments							
Name of those who have interest or contractual securities or subscription rights		Beginning of the year		End of the year		Net change	Change percentage
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
1	Mazin Al Romaih	6,000	-	6,000	-	0	0 %
2	Talal Al Maiman	50,000	-	50,000	-	0	0 %
3	Abdulrahman Al Rashed	312,685	-	312,685	-	0	0 %
4	Relatives of Abdulrahman Al Rashed	4,689,480	-	4,689,480	-	0	0 %
5	Bader Al Issa	1,000	-	1,000	-	0	0 %
6	Abdullatif Al Othman	1	-	1	-	0	0 %
7	Ghazi Al Rawi	1,000	-	1,000	-	0	0 %
8	Khalid Al Omran	40	-	40	-	0	0 %
9	Relatives of Khalid Al Omran	19,366,352	-	19,366,352	-	0	0%
10	Rayan Fayez	290,010	-	322,310	-	32,300	11 %
11	Khalid Al Sharif	100	-	100	-	0	0 %
12	Relatives of Khalid Al Sharif	200	-	500	-	300	150 %

Description of any interest, contractual securities and subscription rights of Senior Executives and their relatives in the Bank's shares or debt instruments							
Name of those who have interest		Beginning of the year		End of the year		Net change	Change percentage
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
1	Mohammed Al-Sheikh	18,500	-	73,614	-	55,114	%298
2	May Al Hoshan	507	-	0	-	(507)	(%100)
3	Zuhair Mardam	39,400	-	111,700	-	72,300	%184
4	Relatives of Zuhair Mardam	0	-	13,779	-	13,779	%100
5	Abdallah Alshaikh	22,254	-	49,811	-	27,557	%124
6	Relatives of Abdallah Alshaikh	0	-	22,621	-	22,621	%100

(10) A description of any interest, contractual securities or rights issue of the Board members, Senior Executives and their relatives on shares or debt instruments of the Bank or its affiliates, and any change on these interests or rights during the last fiscal year (Continued):

Description of any interest, contractual securities and subscription rights of Senior Executives and their relatives in the Bank's shares or debt instruments							
Name of those who have interest		Beginning of the year		End of the year		Net change	Change percentage
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
7	Thamer Yousef	44,507	–	99,621	–	55,114	%124
8	Abdulaziz Al Molhem	165,474	–	220,588	–	55,114	%33
9	Mutasim Mufti	17,254	–	39,811	–	22,557	%131
10	Relatives of Mutasim Mufti	5,000	–	10,000	–	5,000	%100
11	Ramzi Darwish	0	-	68,106	-	68,106	%100

(11) Information on any loans (payable upon request or not), a statement of the total indebtedness of the Bank and its affiliates, any amounts paid by the Bank in repayments of loans during the year, the amount of the principal debts, the creditor name, the loan term and remaining amount:

A. There are no loans on the Bank (loans to subsidiaries are set out in item 8 of this report).

B. Debt instruments and sukuks.

Debt Security and Term Loans:

During 2022 the Bank has established a USD 4 Billion Euro Medium term Note (MTN) Programme. The issuer under the programme is BSF Finance Limited, operating as a special purpose entity for the guarantor Banque Saudi Fransi. In 2023 the Bank established a USD 4 Billion Trust Certificate Issuance Programme. The issuer under the programme is BSF Sukuk Company, which operates as a special purpose entity for the guarantor Banque Saudi Fransi.

Debt Securities and term loans issued by the bank under its various programs include:

Issue Date	Type	Market	Tenure	Currency	Value	Term	Maturity
Nov 23 2022	Bond	London stock exchange	5 Years	USD	700 Million	5.5% Semi Annual	Nov 23 2027
Dec 22 2022	Term Loan facility	Syndicated Facility - International FI Lenders	3 years	USD	500 Million	SOFR + 70 bps Quarterly	Dec 22 2025
May 31 2023	Sukuk	London stock exchange	5 years	USD	900 Million	4.75% Semi Annual	May 31 2028

(11) Information on any loans (payable upon request or not), a statement of the total indebtedness of the Bank and its affiliates, any amounts paid by the Bank in repayments of loans during the year, the amount of the principal debts, the creditor name, the loan term and remaining amount (Continued):

Issue Date	Type	Market	Tenure	Currency	Value	Term	Maturity
Jun 21 2023	Term Loan facility	Syndicated Facility - International FI Lenders	2.5 years	USD	50 Million	SOFR + 70 bps Quarterly	Dec 22 2025
Jul 18 2023	Sukuk	Private placement	4 years	USD	100 Million	5.47% Semi Annual	Jul 18 2027
Nov 09 2023	Bond	Private placement	3 years	USD	50 Million	SOFR + 115 bps Quarterly	Nov 09 2026

Tier I Sukuk

During 2020, the Bank through a Shariah compliant arrangement issued Tier 1 Sukuk (the "Sukuk"), amounting to SAR 5 billion. The issuance was approved by the regulatory authorities and the Board of Directors of the Bank.

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sakk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk Agreement.

The applicable profit rate is 4.5% per annum from date of issue up to 2025 and is subjected to reset every 5 years. The applicable profit on the Sukuks is payable quarterly in arrears on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

Repayment of debt instruments:

During the year 2023, the Bank had no debt settlement.

- A. There are no convertible debt instruments, contractual securities and subscription rights or similar rights issued or granted by the Bank and its subsidiaries during the fiscal year.
- B. There are no converting or subscription rights under convertible debt instruments, contractual securities, notes of subscription rights or similar rights issued or granted by the Bank during the fiscal year.
- C. There is no redemption, purchase or cancellation by the Bank of any redeemable debt instruments.

(12) Description of the dividend distribution policy:

Cash distribution of dividends by the Bank depends on several factors including assumptions and recommendations of the Board of Directors based on the financial position of the Bank, results of the Bank's operations, current capital adequacy and prospective financial position of the Bank and liquidity requirements in the short and medium term considering the Bank's expansion plans and projects.

The distribution of the annual net profit, after deducting all expenses and other costs, taking the necessary precautions for doubtful debts, investment losses and contingent liabilities as deemed appropriate by the Board in compliance with the provisions of the Banking Control Law, are as follows:

- 1 The amounts required to pay Zakat assessed on the Saudi shareholders and the tax assessed on foreign shareholders are calculated in accordance with the applicable laws and regulations of the Kingdom of Saudi Arabia. The Bank shall pay these amounts to the competent authorities. The Zakat paid on behalf of Saudi shareholders will be deducted from their share in the net profit, and the tax paid on behalf of non-Saudi shareholders will likewise be deducted from their share of the net profit.
 - 2 A minimum of 25% of the net profits remaining after the deduction of Zakat and tax as stated above in paragraph (1), shall be transferred to the statutory reserve until the mentioned reserve is equal, at least, to the paid-up capital.
 - 3 From the remaining profits, after the deduction of the statutory reserve, Zakat and tax, a minimum of 5% of the paid-up capital shall be allocated to Saudi and non-Saudi shareholders to be distributed prorata to the value of paid-up shares of Saudi and non-Saudi shareholders, as recommended by the Board and decided by the General Assembly. If the remaining profits accruing to any Saudi or non-Saudi shareholder is found to be insufficient to pay such dividends to the respective shareholders, such shareholders shall not have the right to demand such distribution from the following year/s' profits. Moreover, the General Assembly shall not be entitled to distribute any dividends that exceed the limit duly recommended by the Board.
 - 4 The remaining profits after the allocation of the amounts mentioned in the aforementioned paragraphs (1), (2) & (3) shall be used as recommended by the Board and determined by the General Assembly.
 - 5 The subscription ratio of each Saudi and non-Saudi shareholder must be maintained upon calculation of the allocations needed for the statutory reserve and other reserves from net profits (after Zakat and tax). The two shareholding groups shall contribute to those reserves as per their percentage of the capital, and their contributions will be deducted from their shares of the net profits.
 - 6 Cash dividends shall be distributed to shareholders at the place and time determined by the Board of Directors in accordance with applicable regulations.
 - 7 The Board may decide not to distribute cash dividends and use such dividends in the settlement of debts, obligations or commitments of shareholders to the Bank.
 - 8 The Bank may distribute interim dividends for its shareholders semiannually or quarterly, after satisfying the necessary requirements stipulated in the Articles of Association.
- Shareholders must be informed of this policy during the General Assembly meeting.

Basic and diluted earnings per share:

Basic and diluted earnings per share for the year ended 31 December 2023 are calculated on a weighted average basis by dividing the net income adjusted for Tier 1 sukuk cost for the year by 1,200 million shares after excluding treasury shares of 7.6 million shares (as of 31 December 2022 5.8 million shares).

(12) Description of the dividend distribution policy (Continued):

Total dividends:

The Board of Directors has proposed a final net dividend of SAR 1,198 million (2022: SAR 1,080 million), i.e. SAR 1.00 (2022: SAR 0.90) net per share for the year, which is subject to the approval of the shareholders at the Annual General Assembly Meeting and the regulatory agencies. The Board of Directors has declared an interim net dividend of SAR 1,140 million (2022: SAR 901 million), i.e. SAR 0.95 (2022: SAR 0.75) net per share.

	Dividends distributed during the year 2022		Proposed dividend for the end of 2023	Total for 2023
	Final for 2022	Interim 2023		
Amount (in thousands of Saudi Riyals)	1,079,633	1,140,213	1,197,738	2,337,951
Pay-out Ratio (after Zakat)	58%	53%	58%	55%

(13) Description of any transactions between the Bank and a related party:

The Bank during its normal course of business deals with related parties. The management and the Board of Directors consider that transactions with related parties have been made on the same terms with other parties. Transactions with related parties are subject to the ratios stipulated in the Banking Control Law and the instructions issued by the Saudi Central Bank. The balances resulting from these transactions as of 31 December 2023 and 2022, which are included in the consolidated financial statements, are as follows:

(in thousands of Saudi Riyals)	2023	2022
Associates		
Investments	9,695	9,695
Due to banks and other financial institutions	8,462	8,204
Directors, senior management, shariah members and their affiliates (key management personal)		
Loans and advances	7,442,827	9,201,213
Investments	1,021,721	957,941
Due from banks and other financial institutions	395,625	-
Other assets	25,736	17,783
Customers' deposits	10,020,831	10,645,043
Due to banks and other financial institutions	2,822,190	900,000
Other liabilities	4,550	6,542
Derivatives at fair value, net	(13,772)	(45,733)
Commitments and contingencies	3,055,299	3,224,229



(13) Description of any transactions between the Bank and a related party (Continued):

(in thousands of Saudi Riyals)	2023	2022
Major shareholders' and their affiliates		
Loans and advances	671,978	2,611,976
Customers' deposits	6,284,014	1,467,292

The following table shows the income and expenses of transactions with related parties that are included in the consolidated financial statements:

(in thousands of Saudi Riyals)	2023	2022
Special commission income		
-Directors, senior management, shariah members and their affiliates (key management personal)	671,220	339,109
-Major shareholders' and their affiliates	139,813	79,699
Total Special commission income	811,033	418,808
Special commission expense		
-Directors, senior management, shariah members and their affiliates (key management personal)	256,253	86,429
Major shareholders' and their affiliates	221,188	22,768
-Associates	368	103
Total Special commission expense	477,809	109,300
Fees, commission income and others, net	89,355	32,181
Directors' fees	9,318	9,513
Other general and administrative expenses	196,715	249,984



(14) Contracts and transactions made with the Bank, in which there is or there was an interest of a Board member of the Bank or a Senior Executive, or any person related to any of them:

	The nature of business or contract	The amount of business or contract	Start date of the contract	End date of the contract	Contract status	Name of the Board member, Senior Executive or any person related to them
1	National address Services (Saudi Postal and Logistics Services (SPL))	Various based on services Total amount paid for 2023 816,049.14	4-9-2022	3-9-2024	Active	Abdulaziz Almolhem's brother Jamel Almolhem (Senior Executive of the Bank)
2	IT Professional services (Professionals Consultants for Technology Company LLC (AppsPro*)) *no longer a related party after September 7th 2023.	Total Amount Paid for 2023 920,326.10	Variable according to the type of service provided to the bank		Active	Bader AlSalloom's brother Abdulaziz AlSalloom (Senior Executive of the Bank)
3	SANID Services: A -ATM Replenishment service B- Maintenance of Cash Depository Machines (SANID)	Various based on services Total Amount Paid for 2023 5,511,123.71	1-3-2022	30-6-2024	Active	Thamer Yousef (Senior Executive of the Bank)
4	Telecom Service Provisioning (Saudi Telecom Company (STC))	Total Amount Paid for 2023 7,473,787.21	25-8-2019	24-8-2024	Active	Abdulaziz Almolhem's brother Jamel Almolhem (Senior Executive of the Bank)
5	Bulk SMS services and Telecom Service Provisioning (Saudi Telecom Company (STC))	Total Amount Paid for 2023 13,760,000	Variable according to the type of service provided to the bank		Active	Abdulaziz Almolhem's brother Jamel Almolhem (Senior Executive of the Bank)
6	CCTV lease line services (Saudi Telecom Company (STC))	11,382,356	1-6-2021	31-5-2026	Active	Abdulaziz Almolhem's brother Jamel Almolhem (Senior Executive of the Bank)
7	ABANA Services: A- Maintenance of Cash Counting Machines B- Leasing to own Agreement* (ABANA Enterprise Group) *There was no payment during 2022	Various based on services Total amount paid for 2023 314,849.00	1-4-2015	13-6-2026	Active	Abdulrahman Alrashed's brother Abdulaziz Al Rashed (Board of Directors member)
8	Manpower and professional services Al Khaleej Training and Education (SMARTLINK)	Various based on services Total amount paid for 2023 8,136,966.03	1-1-2023	31-12-2023	Active	Abdulrahman Alrashed's brother Abdulaziz Al Rashed (Board of Directors member)



(14) Contracts and transactions made with the Bank, in which there is or there was an interest of a Board member of the Bank or a Senior Executive, or any person related to any of them (Continued):

	The nature of business or contract	The amount of business or contract	Start date of the contract	End date of the contract	Contract status	Name of the Board member, Senior Executive or any person related to them
9	Network and Security Privacy (Cyber) Insurance (Wala Cooperative Insurance Company)	2,584,391.00	1-1-2023	31-12-2023	Active	Abdulaziz Almolhem's Brother Jameel Almolhem (Senior Executive of the Bank)
10	Credit Life and General Insurance Policies Allianz Saudi Fransi Cooperative Insurance Company	Various based on the Policies Total amount paid for 2023 68,700,934.48	1-7-2023	30-6-2024	Active	Bader Hamad AlSalloom (Senior Executive of the Bank)
11	Hotel services Burj Assila For Hotel Services Company (ShangriLa Jeddah)	248,266.14	Variable according to the type of service provided to the bank		Expired	Bader Al Essa (Board of Directors member)
12	SIMAH Services: A- Agreement to provide data and commercial information services B- Registration and Disclosure all Agreements C- Agreement to provide IT services (SIMAH SAUDI CREDIT BUREAU)* *no longer a related party after April 7 th 2023.	Various based on services Total amount paid for all contract 2023 2,690,725.55	30-7-2019	19-4-2024	Active	Mohammed Al Alshikeh (Senior Executive of the Bank)
13	ATM Sites (Panda Retail Company*) *Contracts were on hold in 2022	853,500.00 Total amount paid for 2023 230,500.00	1-12-2021	31-1-2025	Active	Bader Alissa (Board of Directors member)
14	Car Parking (Malathik Real Estate Investment Company)	491,000.00	1-4-2023	31-3-2024	Active	Abdulrahman Alrashed's brother Salah Al Rashed (Board of Directors member)
15	Hotel services (Riyadh Marriott Hotel)	34,500.00	One Time Purchase 13-10-2022		Expired	Bader Alissa (Board of Directors member)



(15) Competing Business with the Bank or with any of its activities that any member of the Board is engaging in or was engaging:

	Member's name	Competing Business Name	Nature of the Competing Businesses	Member Relationship with the competing Business
1	Khalid Alsharif	The Family Office International Investment Company	Securities Business activities licensed by the Capital Market Authority	Board Member

(16) A statement of the value of any paid and outstanding statutory payment on account of any Zakat, taxes, fees or any other charges that have not been paid until the end of the annual financial period with a brief description and the reasons therefor:

Statement (in thousands of Saudi Riyals)	2023	
	Paid	Due amount
Zakat*	654,539	-
General Organization for Social Insurance	109,724	-
Costs of visas and passports	320	-
Fees of labour office	1,955	-

* **Zakat:** Zakat attributable to Saudi shareholders for the year of 2023 amounted to SAR 485 million (2022: SAR 429 million).

(17) Disclosures Related to Small, Medium and Micro Enterprises:

A. Qualitative Disclosures:

Banque Saudi Fransi established an MSME unit in 2014 due to the growing importance of this sector in the Saudi economy and to facilitate providing the best financing solutions and banking services. The unit comprises of 52 employees distributed among the three main regional offices with each region managed by a coverage manager overseeing business development in his/her region and reporting progress to Head of MSME unit .

Collaboration with SME Bank

Banque Saudi Fransi and the Small and Medium Enterprises Bank signed a joint financing agreement, which aims to finance micro, small and medium enterprises to bridge the financing gap by using the existing BSF infrastructure, processes, systems and existing customer base.

(17) Disclosures Related to Small, Medium and Micro Enterprises (continued):

The Small and Medium Enterprises Loan Guarantee Program “Kafalah”

The Bank had been actively developing the business with Kafalah program to support financing of MSME sector. It enjoys two portfolio arrangements with Kafalah (for active entities & startups) to issue Kafalah guarantees based on internal approvals.

During the year, the loan portfolio guaranteed by kafalah increased by 24%, and the number of customers benefiting from this program increased by 21%. Furthermore, the bank collaborated with Kafalah on many marketing campaigns to boost the financing of Micro, Small, and Medium Enterprises in emerging sectors such as Entertainment, Cultural, Sport, Technology, and Education. KAFALAH Program chose BSF MSME Center to host one of two local bank visits for international delegations attending the BIBAN23 Forum on the margins of the BIBAN23 Forum.

The Small and Medium Enterprises General Authority “Monshaat”

General Authority for Small and Medium Enterprises (Monsha'at) was established in 2016 to support & develop MSME sector. The Bank conducted several Financial Awareness sessions in collaboration with Monsha'at.

BSF has sponsored and participated in BIBAN23 forum as a contributing partner which aims to support the entrepreneurial sector and providing new financial solutions for SME's. On the sidelines of BIBAN23 forum, BSF and Nusaned investment Co. / SABIC signed with MSME a cooperation agreement. There is also a collaborative deal with the objective of financing emerging SMEs in which the company invests and in the companies that benefit from SABIC's localization. The partnership comes within the framework of BSF's constant keenness to establish local partnerships with concerned authorities for enhancing integration and cooperation, and open new horizons to improve services to MSMEs.

Staff awareness & Training

BSF conducted several awareness workshops for Kafalah and Monsha'at with all the updated processes and with the new KAFALAH portal. Moreover, training sessions were undertaken to develop staff skills and banking know-how to enhance customer journey.

Number of training days for staff	709
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Projects & Initiatives

1. Banque Saudi Fransi inaugurated the Small and Medium Enterprises Center in the central region &. This was within the framework of BSF MSME Strategy to develop and improve our financing services to small and medium enterprises and as an offshoot, serve the national economy and help achieve the Kingdom's Vision 2030.
2. Launched point-of-sale (POS) Tawarroq financing product in in cooperation with Kafalah program.
3. Integration with government portals.
4. Online account onboarding.
5. Value proposition for MSME segments shall be formulated based on BSF directions.
6. Development of MSME products/programs for the suppliers of the Large Corporate Groups within BSF.
7. Identification of potential partnership with 3rd party / FinTech's for collaboration on platform/services as the Bank aims to provide clients with the latest technology for better customer experience and ease of doing business.

All initiatives are part of BSF's endeavor to support and develop the Micro, Small and Medium enterprises sector (MSMEs) to improve their contribution to GDP in line with the target of the Kingdom of Saudi Arabia for Vision 2030.

B. Quantitative Disclosures:

(in Saudi Riyals)	On December 31, 2023				On December 31, 2022			
	Micro	Small	Medium	Total	Micro	Small	Medium	Total
Loans to MSMEs – on balance sheet (SAR millions)	26	2,193	9,701	11,921	140	2,568	8,772	11,480
Loans to MSMEs – off balance sheet (SAR millions)	84	797	3,424	4,305	159	809	1,283	2,251
On balance sheet loans to MSMEs as a percentage of total on balance sheet loans	0.02%	1.56%	6.88%	8.46%	0.09%	1.57%	5.37%	7.04%
Off balance sheet loans to MSMEs as a percentage of total off balance sheet loans	0.16%	1.48%	6.38%	8.02%	0.2%	1%	2%	3.2%
Number of loans (on and off-balance sheet)	466	827	1,144	2,437	526	764	873	2,163
Number of customers (Finance Applicants)	184	430	206	820	183	215	260	658
Number of loans guaranteed by the Kafalah Program (on and off-balance sheet)	16	127	60	203	5	99	51	155
Amount of loans guaranteed by the Kafalah Program (on and off-balance sheet)	17	318	243	578	13	296	111	420

(18) Disclosure of details of treasury shares held by the Bank and details of the uses of these shares:

The below table demonstrates Banque Saudi Fransi's outstanding obligations under the bank's Long-Term Incentive Plan (LTIP), by annual cycle, in chronological order.

The total number of treasury shares outstanding as of 31 December 2023 was 7.6 million shares.

The significant features of these plans are as follows:

Nature of plan	Long Term Incentive Plan	Long Term Incentive Plan	Long Term Incentive Plan
Number of outstanding plans	1	1	1
Grant date	March 31, 2021	March 31, 2022	March 31, 2023
Maturity date	April 01, 2024	April 01, 2025	April 01, 2026
Grant price (SAR)	31.455	51.141	37.338
Vesting period	3 years	3 years	3 years
Vesting conditions	Employees remain in service, meets performance and service criteria	Employees remain in service, meets performance and service criteria	Employees remain in service, meets performance and service criteria
Method of settlement	Equity	Equity	Equity
Valuation model	Monte-Carlo	Monte-Carlo	Monte-Carlo
Fair value per share on grant date (SAR)	29.318	46.745	30.862

The share performance will be granted under a service condition along with market condition associated with them. The total amount of expense recognized in the consolidated financial statements in respect to the equity-based payment plans as mentioned above for the year is SAR 47 million (2022: SAR 26 million).

	2023
Number of shares allocated for LTI calculation at the beginning of the year	4,234,340
Vested / forfeited during the year	(1,559,520)
Allocated during the year, net	1,814,587
Number of shares allocated for LTI calculation at the year end	4,489,407

Total number of unallocated treasury shares under LTI plan as of December 31, 2023 was 3.1 million shares (December 31, 2022: 1.5 million shares).



(19) Statement of the value of any investments made or any reserves set up for the benefit of the employees of the Bank:

The Bank is keen to encourage its employees and provides incentive programmes and remuneration that enhances their confidence and loyalty to the Bank. The following is a statement of the Employee Takaful Al Ghad Program and the movement it received during 2023:

(in thousands of Saudi Riyals)	Employee Share	Bank Share	Total
Balance as at the beginning of 2023	49,881	59,256	109,137
Amount added during 2023	15,775	12,603	28,378
Amount refunded during 2023	(15,765)	(1,842)	(17,607)
Balance at the end of 2023	49,891	70,017	119,908

(20) Any punishment, penalty, precautionary procedure or preventive measure imposed on the Bank by the Authority or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future:

A. Penal Decisions of the Saudi Central Bank:

Subject of the violation	2022		2023		Ways to treat and avoid them in the future
	Number of Penal Decisions	Total amount of financial penalties (in Saudi Riyals)	Number of Penal Decisions	Total amount of financial penalties (in Saudi Riyals)	
Violation of SAMA's supervisory instructions	13	6,658,315	15	3,392,700	The required corrective measures have been placed to ensure compliance with the instructions issued by SAMA to avoid the recurrence of these violations in the future.
Violation of SAMA's instructions for protecting customers	None	None	None	None	
Violation of SAMA's instructions regarding due diligence	None	None	None	None	
Violation of SAMA's instructions regarding the performance level of the ATMs and point of sale devices	None	None	None	None	
Violation of SAMA's instructions regarding due diligence in combating money laundering and financing of terrorism	1	315,000	None	None	
Total	14	6,973,315	15	3,392,700	

B. Other Penal Decisions:

Penalty / Sanction / Precautions / Restriction	Reasons for the violation	Violating Body	Ways to treat and avoid them in the future
SAR 58,800 (10 fines)	<ul style="list-style-type: none"> No municipal licence Insufficient Space No (Your opinion matters) sticker on the ATM 	Ministry of Municipal, Rural Affairs & Housing.	We raised the level of regulation and follow-up of licenses and the procedures of the concerned authorities, and procedures have been improved to ensure complying with the instructions issued by the regulatory authorities in order to avoid violations and ensure that they are not repeated, as well as the understanding with the concerned internal authorities such as the branches management to reach solutions to these observations.

(21) Any inconsistency with the standards approved by the Saudi Organization for Chartered and Professional Accountants:

These consolidated financial statements of the Group as at and for the years ended December 31, 2023 have been prepared in compliance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and the Banking Control Law and the Regulations for Companies in the Kingdom of Saudi Arabia.

(22) Auditors' reservations to the financial statements:

The auditors' report did not include any reservations to the annual financial statements.

(23) Composition of the Board of Directors and the classification of its members:

	Member's name	Position	Membership classification
1	Mazin Al Romaih	Chairman of the Board	Non-executive
2	Talal Al Maiman	Vice Chairman of the Board	Non-executive
3	Abdulrahman Al Rashed	Member	Non-executive
4	Bader Al Issa	Member	Independent
5	Abdullatif Al Othman	Member	Independent
6	Ghazi Al Rawi	Member	Independent
7	Khalid Al Omran	Member	Independent
8	Rayan Fayez	Member	Non-executive
9	Khalid Al Sharif	Member	Non-executive
10	Abdulaziz Algudaimi*	Member	Independent

* Appointed as a member of the Board of Directors as of 31/01/2023.

(24) Names, qualifications and experience of the Board, Board committees' members and Executive Management:

(A) Board of Directors Members:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Mazin Al Romaih	<ul style="list-style-type: none"> - CEO of Future Generation Investment Company. 	<ul style="list-style-type: none"> - Member of the Board of Capital Market Authority, 2009-2014. - Chief Executive Officer at Samba Capital & Investment Group Company 2007-2009. - General Manager of Corporate Finance Department at Capital Market Authority, 2004-2007. - Director of Mergers and Acquisitions Department - SAMBA Financial Group, 2003-2004. - Senior Manager - Gulf International Bank, 2002-2003. - Senior Associate - Merrill Lynch International Group, 1998-2002. - Senior Auditor and Consultant - Ernst & Young Law Firm, 1993-1998. 	<ul style="list-style-type: none"> - Bachelor of Accounting and Financial Management, University of Buckingham, 1992.
2	Talal Al Maiman	<ul style="list-style-type: none"> - CEO & Board Member of Kingdom Holding Company. 	<ul style="list-style-type: none"> - Chairman of the Board and CEO of Kingdom Real Estate Development, 2010-2017. - CEO of Kingdom Holding Company, 1996-2016. - Director of Computer Department at Saudi Central Bank, 1986-1996. - Director of Operations and Maintenance at Ministry of Interior, 1979-1986. 	<ul style="list-style-type: none"> - Master of Business Administration, University of Liverpool, UK, 2009. - Bachelor of Sciences in Electrical Engineering, University of Evansville Indiana, US, 1979 - Executive Management Program, Harvard University, 1986. - Diploma in Computer Science, Computer Sciences Corporation (CSC), Herndon, Virginia, 1981.
3	Abdulrahman Al Rashed	<ul style="list-style-type: none"> - Executive partner at Rashed Abdul Rahman Al Rashed & Sons Company. 	<ul style="list-style-type: none"> - Member of Al Shura Council. 	<ul style="list-style-type: none"> - Bachelor of Business Administration, Department of Finance, University of Seattle, 1985.

(A) Board of Directors Members (continued):

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
4	Bader Al Issa	CEO of Assila Investment Company.	<ul style="list-style-type: none"> - CFO of Assila Investment Company, 2010 – 2019. - CEO – AMIAS Holding, 2008-2019. - Investment Portfolios Manager at HSBC Saudi Arabia Limited, 2006-2008. - Financial and Marketing Analyst at SABIC America, Houston, Texas, 2002-2004. - Financial Analyst at JP Morgan, London, 2001-2002. 	<ul style="list-style-type: none"> - MBA, Rice University, 2006. - Bachelor of Economy, The University of Virginia, Virginia, 2001.
5	Abdullatif Al Othman	Owner and CEO of Al-Othman Engineering Consultants.	<ul style="list-style-type: none"> - Governor and Chairman of the Board of Directors, General Authority for Investment, 2012-2016. - More than 35 years in the field of planning and managing oil and gas projects, financial management, investment, business and international relations development. 	<ul style="list-style-type: none"> - MBA, Sloan Fellows program, Massachusetts Institute of Technology, 1998. - Bachelor of Civil Engineering, King Fahad University of Petroleum and Minerals, 1979.
6	Ghazi Al Rawi	Founder and Chairman, Valuegate Company for Investment & Real Estate Development.	<ul style="list-style-type: none"> - Founder and Managing Partner, Eastgate Capital Group, 2006-2015. - Advisor, Saudi Commercial Bank, 2005-2006. - Assistant Professor, College of Engineering, King Abdulaziz University, 2004-2006. - Advisor, Capital Market Authority, 2004. - Associate, McKinsey & Company, 2003-2004. 	<ul style="list-style-type: none"> - Ph.D. in Electrical Engineering (EE), Communications, Stanford University, 2002. - M.S. in Management Science and Engineering (MS&E), Finance and Investment, Stanford University, 2001. - M.S. in Electrical Engineering (EE), Communications, Stanford University, 1998. - B.S. in Electrical Engineering (EE), Communications, King Abdulaziz University, 1994
7	Khalid Al Omran	-General Manager of Daily Food Company.	<ul style="list-style-type: none"> - Board Member at Goldman Sachs Saudi Arabia, 2018-2021. - Executive Project Manager, Banque Saudi Fransi, 2009-2010. - Business Development Manager, Almarai Company, 2009. - Business Analyst, Mckinsey & Company 2006-2009. 	<ul style="list-style-type: none"> - Master's in Business Administration, IESE Business School, Spain, 2012 - Bachelor of Finance, King Fahad University of Petroleum and Minerals, 2006.

(A) Board of Directors Members (continued):

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
8	Rayan Fayeze	- Deputy CEO of NEOM.	<ul style="list-style-type: none"> - Managing Director and CEO of Banque Saudi Fransi 2018-2022. - CEO of Savola Group, 2016-2018. - Managing Director and Senior Regional Officer at JPMorgan Chase N.A, Riyadh Branch, 2013-2016 - CEO of JP Morgan Saudi Arabia Limited, 2012-2013. - CEO of Goldman Sachs, Saudi Arabia, 2009-2012. - Executive Director at Goldman Sachs International, London, 2007-2009. 	- Bachelor of Science in Mechanical Engineering, Massachusetts Institute of Technology (MIT), 2001.
9	Khalid Al Sharif	- Retired.	<ul style="list-style-type: none"> - Head, Retail Banking Group, National Commercial Bank 2018-2020. - Head, Corporate Banking Group, National Commercial Bank 2010-2018. - Progressed in several positions in National Commercial Bank, the latest is the Head, Retail Banking Group, 2000 – 2010. - Progressed in several positions in Riyadh Bank, the latest is the Executive Vice President – 1986 – 2000. 	<ul style="list-style-type: none"> - Master's in Business Administration, College of Notre Dame, USA, 1985. - B.S in Business Administration, College of Notre Dame, USA, 1984.
10	Abdulaziz Algudaimi*	- Retired	<ul style="list-style-type: none"> - Senior vice chairman – Aramco 2015-2022. - Vice chairman- Aramco 2006-2014. - Department Manager – Aramco 1996-2006. 	<ul style="list-style-type: none"> - Master of Business Administration – Sloan Fellowship from the Massachusetts Institute of Technology, 2001. - Bachelor of Engineering – King Fahd University of Petroleum and Minerals, 1983.

* Appointed as a member of the Board of Directors as of 31/01/2023.

(24) Names, qualifications and experience of the Board, Board committees' members and Executive Management: (Continued)

(B) Board Committees' Members:

(B/1) Executive Committee:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Mazin Al Romaih	- CEO of Future Generation Investment Company	<ul style="list-style-type: none"> - Member of the Board of Capital Market Authority, 2009-2014. - Chief Executive Officer at Samba Capital & Investment Group Company 2007-2009. - General Manager of Corporate Finance Department at Capital Market Authority, 2004-2007. - Director of Mergers and Acquisitions Department - SAMBA Financial Group, 2003-2004. - Senior Manager - Gulf International Bank, 2002-2003. - Senior Associate - Merrill Lynch International Group, 1998-2002. - Senior Auditor and Consultant - Ernst & Young Law Firm, 1993-1998. 	- Bachelor of Accounting and Financial Management, University of Buckingham, 1992.
2	Abdulrahman Al Rashed	- Executive partner at Rashed Abdul Rahman Al Rashed & Sons Company.	- Member of Al Shura Council.	- Bachelor of Business Administration, Department of Finance, University of Seattle, 1985.
3	Talal Al Maiman	- CEO & Board Member of Kingdom Holding Company.	<ul style="list-style-type: none"> - Chairman of the Board and CEO of Kingdom Real Estate Development, 2010-2017. - CEO of Kingdom Holding Company, 1996-2016. - Director of Computer Department at Saudi Central Bank, 1986-1996. - Director of Operations and Maintenance at Ministry of Interior, 1979-1986. 	<ul style="list-style-type: none"> - Master of Business Administration, University of Liverpool, UK, 2009. - Bachelor of Sciences in Electrical Engineering, University of Evansville Indiana, US, 1979. - Executive Management Program, Harvard University, 1986. - Diploma in Computer Science, Computer Sciences Corporation (CSC), Herndon, Virginia, 1981.

(B/1) Executive Committee (Continued)

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
4	Rayan Fayeze	- Deputy CEO of NEOM.	<ul style="list-style-type: none"> - Managing Director and CEO of Banque Saudi Fransi 2018-2022. - CEO of Savola Group, 2016-2018. - Managing Director and Senior Regional Officer at JPMorgan Chase N.A, Riyadh Branch, 2013-2016 - CEO of JP Morgan Saudi Arabia Limited, 2012-2013. - CEO of Goldman Sachs, Saudi Arabia, 2009-2012. - Executive Director at Goldman Sachs International, London, 2007-2009. 	- Bachelor of Science in Mechanical Engineering, Massachusetts Institute of Technology (MIT), 2001.
5	Khalid Al Sharif	- Retired	<ul style="list-style-type: none"> - Head, Retail Banking Group, National Commercial Bank 2018-2020. - Head, Corporate Banking Group, National Commercial Bank 2010-2018. - Progressed in several positions in National Commercial Bank, the latest is the Head, Retail Banking Group, 2000 – 2010. - Progressed in several positions in Riyadh Bank, the latest is the Executive Vice President – 1986 – 2000. 	<ul style="list-style-type: none"> - Master's in Business Administration, College of Notre Dame, USA, 1985. - B.S in Business Administration, College of Notre Dame, USA, 1984.

(B/2) Audit Committee:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Bader Al Issa	<ul style="list-style-type: none"> - CEO of Assila Investment Company. 	<ul style="list-style-type: none"> - CFO of Assila Investment Company, 2010 – 2019. - CEO – AMIAS Holding, 2008-2019. - Investment Portfolios Manager at HSBC Saudi Arabia Limited, 2006-2008. - Financial and Marketing Analyst at SABIC America, Houston, Texas, 2002-2004. - Financial Analyst at JP Morgan, London, 2001-2002. 	<ul style="list-style-type: none"> - MBA, Rice University, 2006. - Bachelor of Economy, The University of Virginia, Virginia, 2001.
2	Ghazi Al Rawi	<ul style="list-style-type: none"> - Founder and Chairman, Valuegate Company for Investment & Real Estate Development. 	<ul style="list-style-type: none"> - Founder and Managing Partner, Eastgate Capital Group, 2006-2015. - Advisor, Saudi Commercial Bank, 2005-2006. - Assistant Professor, College of Engineering, King Abdulaziz University, 2004-2006. - Advisor, Capital Market Authority, 2004. - Associate, McKinsey & Company, 2003-2004. 	<ul style="list-style-type: none"> - Ph.D. in Electrical Engineering (EE), Communications, Stanford University, 2002. - M.S. in Management Science and Engineering (MS&E), Finance and Investment, Stanford University, 2001. - M.S. in Electrical Engineering (EE), Communications, Stanford University, 1998. - B.S. in Electrical Engineering (EE), Communications, King Abdulaziz University, 1994.
3	Mamdoh Al Majed (from outside the Board)	<ul style="list-style-type: none"> - Managing Partner - Mamdoh Al-Majed and Faisal Al-Enzi Company Certified Public Accountants and Auditors. 	<ul style="list-style-type: none"> - Finance Manager at Kingdom Holding Company, 2004-2010. - Financial Controller at Kingdom Holding Company, 1997-2003. 	<ul style="list-style-type: none"> - Saudi Fellowship in Accounting and Auditing - Saudi Organization for Accountants and Auditors 1999. - Bachelor of Arts in Accounting, King Saud University, 1995.
4	Khalid Al Faddagh (from outside the Board)	<ul style="list-style-type: none"> - Retired. 	<ul style="list-style-type: none"> - Chief Audit Executive (General Auditor) at Saudi Aramco, 2009-2015. - Corporate Planning at Saudi Aramco, 2007-2009. - President & CEO at Petron Corporation – Manila, Philippines, 2003-2007. 	<ul style="list-style-type: none"> - PhD, DIC, Mechanical Eng., Imperial College – London, UK, 1983. - Master of Science, Mechanical Eng., University of Manchester (UMIST) – Manchester, UK, 1979.

(B/2) Audit Committee (Continued):

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
4	Khalid Al Faddagh (Continued) (from outside the Board)		- Engineering and Operation & Maintenance at Saudi Aramco, 1983-2003.	
5	Homood Al Tuwaijri (from outside the Board)	- Retired.	- Vice CEO for Legal and Audit at SABIC, 2008-2012. - Vice CEO for Petrochemicals at SABIC, 2004-2008. - Vice CEO for Finance at SABIC, 2002-2004.	- Master of Science in Industrial Engineering, The Georgia Institute of Technology, USA, 1983. - Bachelor of Science in Industrial Engineering, The University of Washington, USA, 1980 - Bachelor of Arts in Business Administration, The University of Washington, USA, 1980

(B/3) Nominations and Remunerations Committee:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Ghazi Al Rawi	- Founder and Chairman, Valuegate Company for Investment & Real Estate Development.	- Founder and Managing Partner, Eastgate Capital Group, 2006-2015. - Advisor, National Commercial Bank, 2005-2006. - Assistant Professor, College of Engineering, King Abdulaziz University, 2004-2006. - Advisor, Capital Market Authority, 2004. - Associate, McKinsey & Company, 2003-2004.	- Ph.D. in Electrical Engineering (EE), Communications, Stanford University, 2002. - M.S. in Management Science and Engineering (MS&E), Finance and Investment, Stanford University, 2001. - M.S. in Electrical Engineering (EE), Communications, Stanford University, 1998. - B.S. in Electrical Engineering (EE), Communications, King Abdulaziz University, 1994.
2	Abdulrahman Al Rashed	- Executive partner at Rashed Abdul Rahman Al Rashed & Sons Company.	- Member of Al Shura Council.	- Bachelor of Business Administration, Department of Finance, University of Seattle, 1985.

(B/3) Nominations and Remunerations Committee (Continued):

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
3	Talal Al Maiman	<ul style="list-style-type: none"> - CEO & Board Member of Kingdom Holding Company. - 	<ul style="list-style-type: none"> - Chairman of the Board and CEO of Kingdom Real Estate Development, 2010-2017. - CEO of Kingdom Holding Company, 1996-2016. - Director of Computer Department at Saudi Central Bank, 1986-1996. - Director of Operations and Maintenance at Ministry of Interior, 1979-1986. - 	<ul style="list-style-type: none"> - Master of Business Administration, University of Liverpool, UK, 2009. - Bachelor of Sciences in Electrical Engineering, University of Evansville Indiana, US, 1979. - Executive Management Program, Harvard University, 1986. - Diploma in Computer Science, Computer Sciences Corporation (CSC), Herndon, Virginia, 1981.
4	Khalid Al Omran	<ul style="list-style-type: none"> - General Manager of Daily Food Company. 	<ul style="list-style-type: none"> - Board Member at Goldman Sachs Saudi Arabia, 2018-2021. Executive Project Manager, Banque Saudi Fransi, 2009-2010. - Business Development Manager, Almarai Company, 2009. - Business Analyst, Mckinsey & Company 2006-2009. 	<ul style="list-style-type: none"> - Master's in Business Administration, IESE Business School, Spain, 2012. - Bachelor of Finance, King Fahad University of Petroleum and Minerals, 2006.
5	Mansoor Al Mansoor (From outside the Board)	<ul style="list-style-type: none"> - Vice President for Finance and Operation at the King Abdullah Petroleum Studies and Research Center, 2016. 	<ul style="list-style-type: none"> - Deputy Director General at HRDF, 2014-2016. - Vice President, HR & Admin of Arabian Pipes Company, 2006-2014. 	<ul style="list-style-type: none"> - Ph.D. in Applied Linguistics, Ball State University, USA, 2004 - Master of Science in Human Resources, University of Central Missouri, USA, 1997

(B/4) Board Risk Committee:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Abdullatif Al Othman	<ul style="list-style-type: none"> - Owner and CEO of Al-Othman Engineering Consultants. 	<ul style="list-style-type: none"> - Governor and Chairman of the Board of Directors, General Authority for Investment, 2012-2016. - More than 35 years in the field of planning and managing oil and gas projects, financial management, investment, business and international relations development. 	<ul style="list-style-type: none"> - MBA, Sloan Fellows program, Massachusetts Institute of Technology, 1998. - Bachelor of Civil Engineering, King Fahad University of Petroleum and Minerals, 1979.
2	Khalid Al Sharif	<ul style="list-style-type: none"> - Retired. 	<ul style="list-style-type: none"> - Head, Retail Banking Group, National Commercial Bank 2018-2020. - Head, Corporate Banking Group, National Commercial Bank 2010-2018. - Progressed in several positions in National Commercial Bank, the latest is the Head, Retail Banking Group, 2000 – 2010. - Progressed in several positions in Riyadh Bank, the latest is the Executive Vice President – 1986 – 2000. 	<ul style="list-style-type: none"> - Master's in Business Administration, College of Notre Dame, USA, 1985. - B.S in Business Administration, College of Notre Dame, USA, 1984.
3	Khalid Al Omran	<ul style="list-style-type: none"> - General Manager of Daily Food Company. 	<ul style="list-style-type: none"> - Board Member at Goldman Sachs Saudi Arabia, 2018-2021. - Executive Project Manager, Banque Saudi Fransi, 2009-2010. - Business Development Manager, Almarai Company, 2009. - Business Analyst, Mckinsey & Company 2006-2009. 	<ul style="list-style-type: none"> - Master's in Business Administration, IESE Business School, Spain, 2012. - Bachelor of Finance, King Fahad University of Petroleum and Minerals, 2006.

(B/4) Board Risk Committee (Continued):

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
4	Vanessa Eastham Fisk (From outside the Board)	<ul style="list-style-type: none"> - Independent Member, Board Strategy Committee, The National Bank of Ras Al Khaimah. - Independent Non-Executive Director, ABC International Bank plc, Europe. - Independent Member, Board Risk Committee, Al Marai Company. - Advisory Board Member, Ila Bank, Bahrain. 	<ul style="list-style-type: none"> - Non-Executive Director, Chair Audit & Risk Committee, Anglo Gulf Trade Bank, UAE, 2018-2020. - Independent Member, Board Risk Committee, Commercial Bank International PSC, Abu Dhabi, 2016-2019. - Independent Member, Board Credit Committee, Commercial Bank International PSC, Abu Dhabi, 2017-2018. - Wholesale Banking Managing Director & Chief Operating Officer, Standard Chartered PLC, Middle East, North Africa, Pakistan, 2010-2015. - Managing Director, Ingram Group, Middle East, 2008-2009. - Chief Operating Officer and Chief Risk Officer, Barclays Bank PLC, UAE & Middle East, 2006-2008. 	<ul style="list-style-type: none"> - Masters Degree in Leadership Studies, Exeter University, UK, 2000. - Bachelors in Accountancy, Huddersfield Polytechnic, UK, 1990.
5	Brian Byagaba (From outside the Board)	<ul style="list-style-type: none"> - Head of data and technology governance, Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market (ADGM), Abu Dhabi. 	<ul style="list-style-type: none"> - General Manager, Pattamar, Abu Dhabi, 2019 – 2022. - Senior Manager (CISO), Information Security (IS) at Commercial Bank International (CBI), Dubai, 2016-2019. - Head of Operational Risk & Information Security at Dunia Finance LLC, Dubai, 2015-2016. - Internal Audit Manager at Dunia Finance LLC, Dubai, 2014-2015. - Co-Founder & CEO at Coin It Africa Limited, Uganda, 2014-2016 - Vice President, Corporate & Investment Banking at Barclays Africa Group, Johannesburg, 2012-2014. - Chief Internal Auditor Barclays Mauritius & Seychelles at Barclays Bank PLC, Mauritius, 2010-2012. - Associate Director, Barclays Internal Audit at Barclays Bank PLC, Uganda, 2008-2011. 	<ul style="list-style-type: none"> - MBA, Durham University, England, 2018. - Bachelor of Commerce, Accounting, Makerere University, Uganda, 2003.

(B/5) Environment, Social and Governance Board Committee:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Abdullatif Al Othman	<ul style="list-style-type: none"> - Owner and CEO of Al-Othman Engineering Consultants. 	<ul style="list-style-type: none"> - Governor and Chairman of the Board of Directors, General Authority for Investment, 2012-2016. - More than 35 years in the field of planning and managing oil and gas projects, financial management, investment, business and international relations development. 	<ul style="list-style-type: none"> - MBA, Sloan Fellows program, Massachusetts Institute of Technology, 1998. - Bachelor of Civil Engineering, King Fahad University of Petroleum and Minerals, 1979.
2	Bader Al Issa	<ul style="list-style-type: none"> - CEO of Assila Investment Company. 	<ul style="list-style-type: none"> - CFO of Assila Investment Company, 2010 – 2019. - CEO – AMIAS Holding, 2008-2019. - Investment Portfolios Manager at HSBC Saudi Arabia Limited, 2006-2008. - Financial and Marketing Analyst at SABIC America, Houston, Texas, 2002-2004. - Financial Analyst at JP Morgan, London, 2001-2002. 	<ul style="list-style-type: none"> - MBA, Rice University, 2006. - Bachelor of Economy, The University of Virginia, Virginia, 2001.
3	Rayan Fayez	Deputy CEO of NEOM.	<ul style="list-style-type: none"> - Managing Director and CEO of Banque Saudi Fransi 2018-2022. - CEO of Savola Group, 2016-2018. - Managing Director and Senior Regional Officer at JPMorgan Chase N.A, Riyadh Branch, 2013-2016 - CEO of JP Morgan Saudi Arabia Limited, 2012-2013. - CEO of Goldman Sachs, Saudi Arabia, 2009-2012. - Executive Director at Goldman Sachs International, London, 2007-2009. 	<ul style="list-style-type: none"> - Bachelor of Science in Mechanical Engineering, Massachusetts Institute of Technology (MIT), 2001.

(B/6) Board Strategy Committee:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Talal Al Maiman	<ul style="list-style-type: none"> - CEO & Board Member of Kingdom Holding Company. 	<ul style="list-style-type: none"> - Chairman of the Board and CEO of Kingdom Real Estate Development, 2010-2017. - CEO of Kingdom Holding Company, 1996-2016. - Director of Computer Department at Saudi Central Bank, 1986-1996. - Director of Operations and Maintenance at Ministry of Interior, 1979-1986. 	<ul style="list-style-type: none"> - Master of Business Administration, University of Liverpool, UK, 2009. - Bachelor of Sciences in Electrical Engineering, University of Evansville Indiana, US, 1979. - Executive Management Program, Harvard University, 1986. - Diploma in Computer Science, Computer Sciences Corporation (CSC), Herndon, Virginia, 1981.
2	Bader Al Issa	<ul style="list-style-type: none"> - CEO of Assila Investment Company. 	<ul style="list-style-type: none"> - CFO of Assila Investment Company, 2010 – 2019. - CEO – AMIAS Holding, 2008-2019. - Investment Portfolios Manager at HSBC Saudi Arabia Limited, 2006-2008. - Financial and Marketing Analyst at SABIC America, Houston, Texas, 2002-2004. - Financial Analyst at JP Morgan, London, 2001-2002. 	<ul style="list-style-type: none"> - MBA, Rice University, 2006. - Bachelor of Economy, The University of Virginia, Virginia, 2001.
3	Rayan Fayeze	<ul style="list-style-type: none"> - Deputy CEO of NEOM. 	<ul style="list-style-type: none"> - Managing Director and CEO of Banque Saudi Fransi 2018-2022. - CEO of Savola Group, 2016-2018. - Managing Director and Senior Country Officer at JPMorgan Chase N.A, Riyadh Branch, 2013-2016 - CEO of JP Morgan Saudi Arabia Limited, 2012-2013. - CEO of Goldman Sachs, Saudi Arabia, 2009-2012. - Executive Director at Goldman Sachs International, London, 2007-2009. 	<ul style="list-style-type: none"> - Bachelor of Science in Mechanical Engineering, Massachusetts Institute of Technology (MIT), 2001.

(B/6) Board Strategy Committee (Continued):

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
4	Khalid Al Omran	General Manager of Daily Food Company.	<ul style="list-style-type: none"> - Board Member at Goldman Sachs Saudi Arabia, 2018-2021. - Executive Project Manager, Banque Saudi Fransi, 2009-2010 - Business Development Manager, Almarai Company, 2009. - Business Analyst, Mckinsey & Company 2006-2009 	<ul style="list-style-type: none"> - Master's in Business Administration, IESE Business School, Spain, 2012. - Bachelor of Finance, King Fahad University of Petroleum and Minerals, 2006.
5	Abdulaziz Algudaimi*	- Retired	<ul style="list-style-type: none"> - Senior vice chairman – Aramco 2015-2022. - Vice chairman- Aramco 2006-2014. - Department Manager – Aramco 1996-2006. 	<ul style="list-style-type: none"> - Master of Business Administration - Sloan Fellowship from the Massachusetts Institute of Technology, 2001. - Bachelor of Engineering - King Fahd University of Petroleum and Minerals, 1983.

* Appointed as a member of the Board of Directors as of 31/01/2023.

(C) Executive Management:

Name		Current Position	Previous Position	Qualifications	Experiences
1	Bader Alsallloom	Chief Executive Officer	Head of Wholesale Banking – Banque Saudi Fransi	Bachelors of Science, Finance 2004	19 years' experience in Banking sector
2	Ramzy Darwish	Chief Strategy and Finance Officer	Head, Treasury group – Saudi National Bank.	Bachelors of Science in Industrial and Labor Relations – 2005.	18 years' experience in Banking sector
3	Majed Alsadhan	Head of Wholesale Banking	Head of Corporate Banking – Banque Saudi Fransi.	Bachelors of Accounting, King Faisal University, 2004 Masters of Accounting and Finance, Southampton university, 2007	19 years' experience in Banking sector
4	Zuhair Mardam	Chief Treasury and Investment Officer	Head of Marketing and Trading – Banque Saudi Fransi	Bachelors of Finance, Prince Sultan University, 2004	19 years' experience in treasury.
5	Mohammad Al Alsheikh	Head of Personal Banking	Head of Branch Network for Retail Banking at Al Rajhi Bank	Bachelor of Industrial Engineering, King Saud University, 2005	18 years' experience in Islamic and Retail Banking
6	Abdulaziz Al-Molhem	Eastern Regional General Manager	Credit Officer of Retail Banking, Regional Director at AlAwwal Bank	Bachelor of Business Administration, Indiana State University, 1983	38 years of experience in banking sector

(C) Executive Management (Continued):

	Name	Current Position	Previous Position	Qualifications	Experiences
7	Thamer Yousef	Chief Operating Officer	Head of Information Systems Department at SABB	Bachelor of Computer Engineering, King Saud University, 1994	29 years of experience in IT & Operations
8	May Alhoshan	Chief Human Capital Officer	Director of Human Resources at AlAwwal Bank	Master of Engineering Management- George Washington University, 2004	18 years of experience in Human Resources
9	Abdulmohsen Al-Rayes	Chief Audit Executive	Director of Internal Audit at Arab National Bank	Bachelor of Arabic Grammar, 1981	36 years of experience in the banking sector
10	Yasser Alanssari	Chief Compliance Officer	Director of Compliance Group and anti-money laundering- Gulf International Bank.	Bachelors of Science 2018	19 years' experience in Compliance
11	Abdallah Alshaikh	Chief Legal & Governance Officer, Corporate Secretary	Head of Legal Affairs and Secretary of the Board of Directors at Samba Financial Group	LL.M, Harvard Law School, 2008	20 years of legal experience in several positions in the financial sector
12	Mutasim Mufti	Chief Risk Officer	Risk Deputy Director – Banque Saudi Fransi	Bachelors of Accounting & Finance 1991. MBA 1993	23 years' experience in Banking sector
13	Turki AlMehaid	Head of Customer care	Senior Business Analyst Private Banking Sector – Bank Saudi Fransi.	Bachelors of Business Administration 2017. Masters in Business Administration 2021.	18 years' experience in Banking sector
14	Michael Cunningham*	Chief Digital & Innovation Officer	Co-Founder & CEO at Clearly Executive Vice President and Head of Group Strategy & Innovation at Abu Dhabi Commercial Bank	Diploma of Business Administration, University of Durham	11 years of banking experience in banking sector

* Resigned on 15/01/2023

(25) Names of the companies inside and outside the Kingdom in which a Board member is a member of their current or previous Board member or manager:

Member's name		Current			Previous		
		Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
1	Mazin AlRomaih	Future Generation Investment Company	Inside the Kingdom	Limited Liability Company	Saudi Fransi Capital	Inside the Kingdom	Closed Joint Stock Company
		Dr. Sulaiman Al Habib Medical Group	Inside the Kingdom	Listed Joint Stock Company	Samba Capital & Investment Management Group	Inside the Kingdom	Joint Stock Company
		Sada Company for Investment	Inside the Kingdom	Limited Liability Company	HSBC Saudi Arabia Limited	Inside the Kingdom	Closed Joint Stock Company
		-	-	-	Al Yammamh Steel Company	Inside the Kingdom	Closed Joint Stock Company
		-	-	-	Food Concepts Ltd.	Inside the Kingdom	Limited Liability Company
		-	-	-	Alissa Holding Group	Inside the Kingdom	Closed Joint Stock Company
2	Talal Al Maiman	Kingdom Holding company	Inside the Kingdom	Listed Joint Stock Company	Savola Group	Inside the Kingdom	Listed Joint Stock Company
		Tasnee Company	Inside the Kingdom	Listed Joint Stock Company	SRMJ	Inside the Kingdom	Closed Joint Stock Company
		NAS Holding Company	Inside the Kingdom	Closed Joint Stock Company	Der' alreayah Health Company	Inside the Kingdom	Closed Joint Stock Company
		Real Estate Investment Company	Inside the Kingdom	Limited Liability Company	Five Capital advisors company (DIFC)	Outside the Kingdom	Private Company
		Kingdom School Company limited	Inside the Kingdom	Limited Liability Company	Trade Center Company	Inside the Kingdom	Limited Liability Company
		Kingdom International School	Inside the Kingdom	Limited Liability Company	-	-	-
		Kingdom Investment and	Inside the Kingdom	Closed Joint Stock Company	-	-	-

Member's name	Current			Previous		
	Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
Talal Al Maiman (continued)	Development Company					
	Jeddah Economic Limited Company	Inside the Kingdom	Limited Liability Company	-	-	-
	Kingdom Real Estate Development	Inside the Kingdom	Closed Joint Stock Company	-	-	-
	Saudi Fransi Capital	Inside the Kingdom	Closed Joint Stock Company	-	-	-
	Dallah Health Care Company	Inside the Kingdom	Listed Joint Stock Company	-	-	-
	Four Seasons Hotel	Inside the Kingdom	Limited Liability Company	-	-	-
	Fly Nas Company	Inside the Kingdom	Closed Joint Stock Company	-	-	-
3 Abdulrahman Al Rashed	Rashed Abdul Rahman Al Rashed & Sons Company	Inside the Kingdom	General Partnership	Al Yamama Investment Company	Inside the Kingdom	Closed Joint Stock Company
	Dhahran Techno Valley Company	Inside the Kingdom	Closed Joint Stock Company	Rashed Al Rashed & Sons Donaldson Company Ltd	Inside the Kingdom	Limited Liability Company
	Al Awael Investment Holding	Inside the Kingdom	Limited Liability Company	Sanad Healthcare Company	Inside the Kingdom	Limited Liability Company
	UNICOIL, Universal Metal Coating Company	Inside the Kingdom	Closed Joint Stock Company	-	-	-
	Dammam Hotels Company	Inside the Kingdom	Closed Joint Stock Company	-	-	-
	Beit Al Tawazun Holding Company	Inside the Kingdom	Limited Liability Company	-	-	-



Member's name	Current			Previous		
	Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
Abdulrahman Al Rashed (continued)	Company of Crystal Ice Factory	Inside the Kingdom	Limited Liability Company	-	-	-
	Rashed Development Company - RASHEDCO	Inside the Kingdom	Limited Liability Company	-	-	-
	Rashed Alrashed & Partners Commercial Investment Company	Inside the Kingdom	Limited Liability Company	-	-	-
	Rashed Alrashed & Partners Business Development Company	Inside the Kingdom	Limited Liability Company	-	-	-
	Rashed Alrashed & Partners Development & Real Estate Investment company	Inside the Kingdom	Limited Liability Company	-	-	-
	Ibhar Albenaa Real Estate Company	Inside the Kingdom	Limited Liability Company	-	-	-
	Aqar & Amaar Company	Inside the Kingdom	Limited Liability Company	-	-	-
	Alrashed Global United Investment Company	Inside the Kingdom	Limited Liability Company	-	-	-
	Denys Arabia Company	Inside the Kingdom	Limited Liability Company	-	-	-
	Al-Awael Al-Asriya Contracting Company	Inside the Kingdom	Limited Liability Company			
4	Bader Al Issa	Savola Group	Inside the Kingdom	Listed Joint Stock Company	AMIAS Holding	Inside the Kingdom Limited Liability Company

Internal Use

Member's name	Current			Previous		
	Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
Bader Al Issa (continued)	United Sugar Company	Inside the Kingdom	Closed Joint Stock Company	Saudi Fransi Capital	Inside the Kingdom	Closed Joint Stock Company
	Afia International Company	Inside the Kingdom	Closed Joint Stock Company	Kinan International for Real Estate Development Company	Inside the Kingdom	Closed Joint Stock Company
	Savola Foods	Inside the Kingdom	Closed Joint Stock Company	Knowledge Economic City	Inside the Kingdom	Listed Joint Stock Company
	Dur Hospitality Company	Inside the Kingdom	Listed Joint Stock Company	Savola for Packaging	Inside the Kingdom	Closed Joint Stock Company
	Panda Retail Company	Inside the Kingdom	Closed Joint Stock Company	Al Aqiq for Real Estate Development	Inside the Kingdom	Closed Joint Stock Company
	Almarai	Inside the Kingdom	Listed Joint Stock Company	Sukoon International Company	Inside the Kingdom	Closed Joint Stock Company
	Assila Investments	Inside the Kingdom	Closed Joint Stock Company	-	-	-
	Taiba Investments Company	Inside the kingdom	Listed Joint Stock Company	-	-	-
	Burj Assilah For Hotel Services Company	Inside the Kingdom	Limited Liability Company	-	-	-
	Al-Othman Engineering Consultants	Inside the Kingdom	Closed Joint Stock Company	Aramco Trading Company	Inside the Kingdom	Joint Stock Company
5 Abdullatif Al Othman	Olayan Saudi Holding	Inside the Kingdom	Closed Joint Stock Company	Wa'ed, established by Aramco to support small and medium enterprises	Inside the Kingdom	Joint Stock Company
	Investcorp Bahrain	Outside the Kingdom	Joint Stock Company	Sadara Chemical Company, partnership between Saudi Aramco and The	Inside the Kingdom	Joint Stock Company

Member's name	Current			Previous		
	Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
Abdullatif Al Othman (continued)				Dow Chemical Company		
	Business Park Complex (Amaad)	Inside the Kingdom	Closed Joint Stock Company	Dussur, The Saudi Industrial Investments Company	Inside the Kingdom	Joint Stock Company
	-	-	-	Wahed	Outside the Kingdom	Joint Stock Company
	-	-	-	Remaiyah	Inside the Kingdom	Closed Joint Stock Company
6 Ghazi Al Rawi	MATARAT Holding Company	Inside the Kingdom	Closed Joint Stock Company	Saudi Fransi Capital	Inside the Kingdom	Closed Joint Stock Company
	Riyadh Airports Company	Inside the Kingdom	Limited Liability Company	National Medical Care Company	Inside the Kingdom	Listed Joint Stock Company
	Valuegate Company for Investment & Real Estate Development	Inside the Kingdom	Limited Liability Company	Sanabil Investment	Inside the Kingdom	Closed Joint Stock Company
	Green Oasis Hotel Company	Inside the Kingdom	Limited Liability Company	Eastgate Capital Group	Outside the Kingdom	Limited Liability Company
	Ithmar Taiba Dates Company	Inside the Kingdom	Limited Liability Company	L'azurde	Inside the Kingdom	Listed Joint Stock Company
	Valuegate Investments International	Outside the Kingdom	Limited Liability Company	Tadrees Holding	Inside the Kingdom	Closed Joint Stock Company
	Valuegate Astro SPV1	Outside the Kingdom	Limited Liability Company	SIGMA Pharmaceutical Industries	Outside the Kingdom	Closed Joint Stock Company
	Qasim Cement Company	Inside the Kingdom	Listed Joint Stock Company	Multiple Investments Company for Medical Services (Future Lab)	Inside the Kingdom	Limited Liability Company

Member's name		Current			Previous		
		Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
Ghazi Al Rawi (Continued)		-	-	-	Creative Spirit Food Management Company	Inside the Kingdom	Limited Liability Company
		-	-	-	Al-Safa Company for Medicine and Medical Supplies	Inside the Kingdom	Limited Liability Company
		-	-	-	Maedat Aljood	Inside the Kingdom	Limited Liability Company
		-	-	-	Smart Health Solutions for Information Technology	Inside the Kingdom	Limited Liability Company
		-	-	-	Adaptive Spectrum & Signal Alignment, Inc	Outside the Kingdom	Closed Joint Stock Company
7	Khalid Al Omran	Daily Food Company	Inside the Kingdom	A Limited Liability Company	Goldman Sachs Saudi Arabia	Inside the Kingdom	Closed Joint Stock Company
		Samaya Investment Company	Inside the Kingdom	Limited Liability Company	-	-	-
8	Rayan Fayeز	Al Ula Company for Development	Inside the Kingdom	Closed Joint Stock Company	Saudi Fransi Capital	Inside the Kingdom	Closed Joint Stock Company
		Neom	Inside the Kingdom	Closed Joint Stock Company	Hassana Investment Company	Inside the Kingdom	Closed Joint Stock Company
		Hala Payments Company	inside the Kingdom	Closed Joint Stock Company	Saudi Stock Exchange (Tadawul)	Inside the Kingdom	Listed Joint Stock Company
		Gulf coast development company	Inside the Kingdom	Closed Joint Stock Company	Saudi Agricultural & Livestock Investment Company (SALIC)	Inside the Kingdom	Closed Joint Stock Company
		-	-	-	Herfy for Food Services	Inside the Kingdom	Listed Joint Stock Company
		-	-	-	Almarai	Inside the Kingdom	Listed Joint Stock Company
		-	-	-	Knowledge Economic City	Inside the Kingdom	Listed Joint Stock Company

Member's name	Current			Previous		
	Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
Rayan Fayez (continued)	-	-	-	Panda Retail Company	Inside the kingdom	Closed Joint Stock Company
	-	-	-	Savola for Foods	Inside the Kingdom	Closed Joint Stock Company
	-	-	-	Kinan International Real Estate Development Company	Inside the Kingdom	Closed Joint Stock Company
	-	-	-	JP Morgan Chase NA, Riyadh Branch	Inside the Kingdom	Closed Joint Stock Company
	-	-	-	-	-	-
9 Khalid Al Sharif	The Family Office International Investment Company (TFOIIC)	Inside the Kingdom	Closed Joint Stock Company	United Electronics Company (eXtra)	Inside the Kingdom	Listed Joint Stock Company
	Rua Al Madinah Holding Company	Inside the Kingdom	Closed Joint Stock Company	Al Ahli Takaful	Inside the Kingdom	Listed Joint Stock Company
	Arabian Petroleum Supply (APSCO)	Inside the Kingdom	Closed Joint Stock Company	Turkiye Finance Katilim Bankasi	Outside the Kingdom	Closed Joint Stock Company
	-	-	-	Oryx Mutual Funds (Bahrain)	Outside the Kingdom	Investment Fund
	-	-	-	Estgate Company (Dubai)	Outside the Kingdom	Closed Joint Stock Company
10 Abdulaziz Algudaimi*	Vision Invest	Inside the Kingdom	Closed Joint Stock Company	-	-	-

* Appointed as a member of the Board of Directors as of 31/01/2023.

(26) The number of Board meetings held during the last financial year, their dates and the attendance record of each meeting, listing the names of the attendees:

Member Name		Date of Meetings					Total	Attendance percentage
		First meeting 28/02/2023	Second meeting 01/03/2023	Third meeting 23/05/2023	Fourth meeting 23/09/2023	Fifth meeting 12/12/2023		
1	Mazin Al Romaih	✓	✓	✓	✓	✓	5	100%
2	Talal Al Maiman	✓	✓	✓	✓	✓	5	100%
3	Abdulrahman Al Rashed	✓	✓	✓	✓	✓	5	100%
4	Bader Al Issa	✓	✓	✓	✓	✓	5	100%
5	Abdullatif Al Othman	✓	✓	✓	✓	✓	5	100%
6	Ghazi Al Rawi	✓	✓	✓	✓	✓	5	100%
7	Khalid Al Omran	✓	✓	✓	✓	✓	5	100%
8	Rayan Fayez	✓	✓	✓	✓	✓	5	100%
9	Khalid Al Sharif	✓	✓	✓	✓	✓	5	100%
10	Abdulaziz Algudaimi*	✓	✓	✓	✓	✓	5	100%

* Appointed as a member of the Board of Directors as of 31/01/2023.

(27) A brief description of the competencies and duties of the committees, indicating their names, names of their chairmen, names of their members, the number of their respective meetings, dates of those meetings and the members' attendance details of each meeting:

The Board of Directors of Banque Saudi Fransi has formed the following six committees for a three-year period from 01/01/2022 to 31/12/2024: The Executive Committee, the Audit Committee, the Nominations and Remunerations Committee, the Board Risk Committee, the Environment, Social and Governance Board Committee and the Board Strategy Committee. These committees have powers under their own regulations. The details of these committees are as follows:

(27/A) Executive Committee:

The Committee consists of five members, presided by the Board of Directors Chairman, the members enjoy academic and administrative qualification that enable them to perform duties assigned to them. The committee held seven meetings during 2023. The following are the members of the Committee and its meetings during the year:

Name	Type of membership	Date of Meetings							Total	Attendance percentage
		First meeting 13/02/2023	Second meeting 21/03/2023	Third meeting 15/05/2023	Fourth meeting 28/05/2023	Fifth meeting 04/09/2023	Sixth meeting 18/10/2023	Seventh meeting 29/11/2023		
1 Mazin Al Romaih	Chairman Non-Executive	✓	✓	✓	✓	✓	✓	✓	7	100%
2 Abdulrahman Al Rashed	Non-Executive Member	✓	✓	✓	✓	✓	✓	✓	7	100%
3 Talal Al Maiman	Non-Executive Member	✓	✓	✓	✓	✓	✓	✓	7	100%
4 Rayan Fayez	Non-Executive Member	✓	✓	✓	✓	✓	✓	✓	7	100%
5 Khalid Al Sharif	Non-Executive Member	✓	✓	✓	✓	✓	✓	✓	7	100%

The Committee's main responsibilities include but are not limited to the following:

- Approve related party transactions as per the 'Delegation of Authority Manual' and the Related Party Transactions Policy;
- Approve loans and credit facilities to Banque Saudi Fransi's clients, as per the Bank's 'Delegation of Authority Manual', in line with SAMA rules and regulations for granting loans and credit facilities;
- Review periodic management report activities and reports on the execution and completion of the Bank's major projects; and
- Review annual budgets and plans, and verifying material differences in the budget (if any) before submitting its recommendation to the Board for review.

(27/B) Audit Committee:

The Committee consists of five independent members, presided by an independent member of the Board and most of the members are from outside the Board. The members of the Audit Committee have academic qualifications and professional experience in auditing and risk management, including knowledge of accounting and auditing standards, ability to understand financial reports, in addition to understanding the laws and regulations issued by the competent authorities. The Audit Committee held eight meetings during 2023. The following are the members of the Committee and its meetings during the year:

Name	Type of membership	Date of Meetings								Total	Attendance percentage
		First meeting 08/02/2023	Second meeting 16/03/2023	Third meeting 03/05/2023	Fourth meeting 15/05/2023	Fifth meeting 23/07/2023	Sixth meeting 28/08/2023	Seventh meeting 22/10/2023	Eighth meeting 29/11/2023		
1 Bader Al Issa	Chairman Independent	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
2 Ghazi Al Rawi	Independent Member	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
3 Mamdoh Al Majed	Member (from outside the Board)	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
4 Khalid Al Faddagh	Member (from outside the Board)	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
5 Homood Al Tuwajiri	Member (from outside the Board)	✓	✓	✓	✓	✓	✓	✓	✓	8	%100

The Audit Committee's members assist the Bank's Board of Directors in fulfilling its oversight responsibility relating to the following:

- Shareholders, potential shareholders, the investment community and others relating to the financial reporting process;
- The system of Internal Controls;
- The audit process;
- The Bank's financial statements;
- Related parties transactions and conflict of interests' cases; and
- The Bank's process for monitoring compliance with applicable laws and regulations and the Code of Conduct.

(27/C) Nominations and Remunerations Committee:

The Committee is composed of five members of the Board of Directors and other specialists. The Committee members enjoy academic and administrative qualifications and variety of experience, which include memberships in Nomination and Remuneration committees, in addition to other experiences that qualify the committee members to carry out their duties and responsibilities, the committee held five meetings during 2023:

Name	Type of membership	Date of Meetings					Total	Attendance percentage
		First meeting 01/01/2023	Second meeting 15/02/2023	Third meeting 16/05/2023	Fourth meeting 27/08/2023	Fifth meeting 04/12/2023		
1 Ghazi Al Rawi	Chairman Independent	✓	✓	✓	✓	✓	5	100%
2 Talal Al Maiman	Non-Executive Member	✓	✓	✓	✓	✓	5	100%
3 Abdul rahman Al Rashed	Non-Executive Member	✓	✓	✓	✓	✓	5	100%
4 Khalid Al Omran	Independent Member	✓	✓	✓	✓	✓	5	100%
5 Mansoor Al Mansoor	Member (from outside the Board)	✓	✓	✓	✓	✓	5	100%

Functions of the Committee include but are not limited to the following:

- Preparing a clear policy for the remunerations of the Board members, the Board committees' members and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that are linked to performance, and disclosing and ensuring the implementation of such policy;
- Evaluating practices by which compensation is paid for potential future revenues whose timing and likelihood remain uncertain;
- Making recommendations to the Board on the level and composition of remuneration of key executives of the Bank whose appointment is subject to obtaining 'No Objection by SAMA;
- Determining the bonus pool based on risk-adjusted profit of the Bank for payment of performance bonus;
- Reviewing compliance of the Remunerations and Compensation policy with the relevant rules and the principles and standards of the Financial Stability Board (FSB); and
- Determine the points of strength and weakness in the Board of Directors and the Board committees through performance assessments and recommend remedies that are compatible with Banque Saudi Fransi's interests.

(27/D) Board Risk Committee:

The Board Risk Committee comprises five members at present, including members of the Board of Directors and other specialists. The committee members hold experience in risk management, academic and practical qualifications that enable them to perform the committee responsibilities and take appropriate decisions, and experience in the financial and administrative affairs, the committee held four meetings during 2023. The Committee's members and meetings during the year are as follows:

Name		Type of membership	Date of Meetings				Total	Attendance percentage
			First meeting 14/02/2023	Second meeting 17/5/2023	Third meeting 31/08/2023	Fourth meeting 22/11/2023		
1	Abdullatif Al Othman	Chairman Independent	✓	✓	✓	✓	4	100%
2	Khalid Al Omran	Independent Member	✓	✓	✓	✓	4	100%
3	Khalid AlSharif	Non-Executive Member	✓	✓	✓	✓	4	100%
4	Vanessa Eastham Fisk	Member (from outside the Board)	✓	✓	✓	✓	4	100%
5	Brian Byagaba	Member (from outside the Board)	✓	✓	✓	✓	4	100%

The Board Risk Committee has responsibility for Executive management managing risks by providing governance oversight and strategic direction aligned with duly approved risk management framework, policies, procedures and regulatory obligations.

Major functional responsibilities of the Board Risk Committee include but are not limited to:

- Require and review development of strategies, objectives and comprehensive policies for risk management that are consistent with the nature and volume of the Bank's activities, risk profile, risk appetite and risk tolerance for the bank taking into account cyber and technology risks and ensuring that the operationalization of these policies, and regular review & update based on the Bank's internal and external changing factors;
- Require assessment and periodic review of Risk Appetite (acceptable level of risk faced by the Bank) and monitoring to ensure that the Bank does not go beyond such level;
- Require establishment of bank-wide risk measurement methodologies for quantifying risks;
- Require and review management assessment of risks covering credit, market, operational (including technology), cyber /information security, business continuity, fraud, reputational, strategic, AML risk and other material risks;
- Review the adequacy of the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP);
- Provide detailed reports to the board on risk exposures and the recommended measures to manage such risks;
- Review periodically the adequacy of the Bank's risk management systems and management's assessment of the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Bank in order to determine areas of inadequacy therein, maintenance of the risk register and recommend appropriate measures;
- Review the organizational structure for risk management and providing recommendations regarding the same before approval by the BoD;
- Review any issues raised by the Audit Committee that may affect the Bank's risk management; and
- Set up a comprehensive Credit Risk Management process including recommending formulation of the Credit Policy.

(27/E) Environment, Social and Governance Board Committee:

The Board of Directors of Banque Saudi Fransi is keen to support the largest possible segment of society and all stakeholders in all fields and to adopt ESG practices, the Board formed ESG Board Committee, in which consists of three members. The Committee held one meeting in 2023. The Committee's members and the meeting attendance record during 2023 are as follows:

Name		Type of membership	Date of Meeting	Total	Attendance percentage
			First meeting 30/11/2023		
1	Abdullatif Al Othman	Chairman Independent	✓	1	%100
2	Bader Al Issa	Independent Member	✓	1	%100
3	Rayan Fayeز	Non-Executive Member	✓	1	%100

The tasks of Environment, Social and Governance Board Committee include but are not limited to the following:

- Review & approve ESG KPIs/Targets recommended by the relevant Management Committee;
- Approve Banque Saudi Fransi's ESG programs & initiatives as recommended by the relevant Management Committee and ensure they are aligned with BSF strategy;
- Oversee the implementation & status of ESG KPIs/targets, programs & initiatives by receiving periodic reports from the relevant Management Committee
- Review the annual report related to ESG prior to Board approval and approve any other disclosures made in regards to ESG;
- Oversee/monitor ESG-related risks and opportunities; and
- Keep updated and aware of ESG developments and attend trainings when needed.

(27/F) Board Strategy Committee:

The Board Strategy Committee consists of five members of the Board of Directors, and the committee members holds academic and administrative qualifications that enable them to perform the duties assigned to them. The Committee held four meetings during 2023. The Committee's members and meetings during the year are as follow:

Name	Type of membership	Date of meetings				Total	Attendance percentage
		First Meeting 16/02/2023	Second Meeting 14/05/2023	Third Meeting 29/08/2023	Fourth Meeting 30/11/2023		
1 Talal Al Maiman	Chairman Non-Executive	✓	✓	✓	✓	4	100%
2 Bader Al Issa	Independent Member	✓	✓	✓	✓	4	100%
3 Khalid Al Omran	Independent Member	×	✓	✓	✓	3	75%
4 Rayan Fayez	Non-Executive Member	✓	×	✓	✓	3	75%
5 Abdulaziz Algudaimi*	Independent Member	✓	✓	✓	✓	4	100%

* Appointed as a member of Board Strategy Committee as of 19/02/2023.

Major duties and responsibilities of the Board Strategy Committee include but are not limited to the following:

- Review and evaluate all recommendations from the Strategy Steering Committee against the strategic direction of the Board;
- Critique said recommendations to ensure they fit with the strategic direction of the Board;
- Review and make recommendations to the Board with respect to BSF's overall Strategy, business plan and all strategy related matters; and
- Monitor and suggest remedial action during the implementation of our 5 Year Strategy.

(28) A list of the dates of the General Assembly meetings held during the last fiscal year and the names of the Board members who attended them:

A General Assembly Meeting was held during 2023. The following is the attendance report of the meeting:

Name	Attendance Record	
	Extraordinary General Assembly Meeting 24/05/2023	
1	Mazin Al Romaih (Chairman of the Board and Executive Committee)	✓
2	Talal Al Maiman (Vice Chairman of the Board and Chairman of Board Strategy Committee)	✓
3	Abdulrahman Al Rashed	✓
4	Bader Al Issa (Chairman of the Audit Committee)	✓
5	Abdullatif Al Othman (Chairman of the Board Risk Committee, Chairman of Environment, Social and Governance Board Committee)	✓
6	Ghazi Al Rawi (Chairman of Nomination and Remuneration Committee)	✓
7	Khalid Al Omran	✓
8	Rayan Fayeze	✓
9	Khalid Al Sharif	✓
10	Abdulaziz Algudaimi*	✓
Attendance percentage		100%

* Appointed as a member of the Board of Directors as of 31/01/2023.

(29) Disclosure of the remuneration of the Board members, Committee Members and Executive Management as stated in the regulations:

Members of the Board of Directors shall receive a certain amount of money as a remuneration for each member in accordance with his performance and the number of meetings he attends, as per the recommendations of the Nominations and Remuneration Committee, according to Companies Law and the laws and controls issued by the Capital Market Authority and the Saudi Central Bank and the internal Remuneration Policy of BSF, emphasizing on the absence of any differences between the approved remunerations and what has been approved by the Board of Directors based on the recommendations of the Nominations and Remuneration Committee. In regard to Executive Management remunerations, they are determined based on performance criteria and approved by the Nominations and Remuneration Committee.

To ensure compliance with SAMA Banks Remuneration Rules, and to ensure alignment with local and international remuneration best-practices, the Board Nomination and Remuneration Committee (NRC) commissioned an independent recognized third-party to conduct a review of Banque Saudi Fransi's remuneration policy and practices. Accordingly, the NRC and the Board of Directors took into account the outcomes of the assessment when reviewing and approving Banque Saudi Fransi's revised remuneration policies. The scope of this review applies to the remuneration and remuneration practices of the Banque Saudi Fransi's employees and Executive Management.

Remunerations and compensations of the Board of Directors, committees' members and Executive Management are as follows:



(29) Disclosure of the remuneration of the Board members, Committee Members and Executive Management as stated in the regulations (Continued):

(29/A) The Board's members remunerations:

Board members remuneration (in thousands of Saudi Riyals)																	
		Fixed Remunerations							Variable Remunerations						Leaving indemnity	Sum total*	Expenses allowances
		Certain amount	Allowance for attending Board's sessions	Total allowance for attending committees' sessions	Benefits in kinds	A statement of what members of the Board have received as workers, administrative or as a return for technical, administrative or consulting work	The remuneration of the Chairman of the Board, the Managing Director or the Secretary if he is a member	Total*	Percentage of profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plan	Granted shares (the value must be inserted)	Total			
First: Independent members:																	
1	Bader Al Issa	420	15	39	-	-	-	474	-	-	-	-	-	-	-	474	-
2	Abdullatif Al Othman	420	15	15	-	-	-	450	-	-	-	-	-	-	-	450	-
3	Ghazi Al Rawi	420	15	39	-	-	-	474	-	-	-	-	-	-	-	474	-
4	Khalid Al Omran	420	15	36	-	-	-	471	-	-	-	-	-	-	-	471	-
5	Abdulaziz Algudaimi*	385	15	12		-	-	412	-	-	-	-	-	-	-	412	-
Total		2,065	75	141	-	-	-	2,281	-	-	-	-	-	-	-	2,281	-
Second: Non-executive members:																	
1	Mazin Al Romaih	-	15	21	-	-	3,750	3,786	-	-	-	-	-	-	-	3,786	-
2	Talal Al Maiman	420	15	48	-	-	-	483	-	-	-	-	-	-	-	483	-
3	Abdulrahman Al Rashed	420	15	36				471								471	
4	Rayan Fayez	420	15	33	-	-	-	468	-	-	-	-	-	-	-	468	-
5	Khalid Al Sharif	420	15	33	-	-	-	468	-	-	-	-	-	-	-	468	-
Total		1,680	75	171	-	-	3,750	5,676	-	-	-	-	-	-	-	5,676	-
Third: Executive members:																	
1	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Appointed as a member of the Board of Directors as of 31/01/2023.



(29) Disclosure of the remuneration of the Board members, Committee Members and Executive Management as stated in the regulations (Continued):

(29/B) Committees' members remunerations:

Committees' members remunerations (in thousands of Saudi Riyals)					
Committees		Fixed remunerations (except attending sessions allowance)	Allowance for attending sessions	Total	Notes
Audit Committee members					
1	Bader Al Issa	-	24	24	
2	Ghazi Al Rawi	-	24	24	
3	Mamdoh Al Majed	200	24	224	
4	Khalid Al Faddagh	200	24	224	
5	Homood Al Tuwaijri	200	24	224	
Total		600	120	720	
Nomination and Remuneration Committee members					
1	Ghazi Al Rawi	-	15	15	
2	Talal Al Maiman	-	15	15	
3	Abdulrahman Al Rashed	-	15	15	
4	Khalid Al Omran	-	15	15	
5	Mansoor Al Mansoor	200	15	215	
Total		200	75	275	
Board Risk Committee members					
1	Abdullatif Al Othman	-	12	12	
2	Khalid Al Omran	-	12	12	
3	Khalid Al Sharif	-	12	12	
4	Vanessa Fisk	200	12	212	
5	Brian Byagaba	200	12	212	
Total		400	60	460	
Executive Committee members					
1	Mazin Al Romaih	-	21	21	
2	Abdulrahman Al Rashed	-	21	21	
3	Talal Al Maiman	-	21	21	
4	Rayan Fayez	-	21	21	
5	Khalid Al Sharif	-	21	21	
Total		-	105	105	



Committees' members remunerations (in thousands of Saudi Riyals)					
Committees		Fixed remunerations (except attending sessions allowance)	Allowance for attending sessions	Total	Notes
Environment, Social and Governance Board Committee members					
1	Abdullatif Al Othman	–	3	3	
2	Bader Al Issa	–	3	3	
3	Rayan Fayez	–	3	3	
Total		–	9	9	
Board Strategy Committee members					
1	Talal Al Maiman	–	12	12	
2	Bader Al Issa	–	12	12	
3	Rayan Fayez	–	9	9	
4	Khalid Al Omran	–	9	9	
5	Abdulaziz Algudaimi*	–	12	12	
Total		–	54	54	

* Appointed as a member of the Board Strategy Committee as of 19/02/2023.



(29) Disclosure of the remuneration of the Board members, Committee Members and Executive Management as stated in the regulations (Continued):

(29/C) Senior Executives remunerations:

Remunerations of five Senior Executives, including CEO and CFO (in thousands of Saudi Riyals)												
Fixed Remunerations				Variable Remunerations						End-of-service award	Total Executives' remuneration for the Board, if any*	Aggregate
Salaries	Allowances	In-kind benefits	Total	Periodic Remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
11,138	5,845	247	17,230	-	-	15,500	-	6,390	21,890	0	0	39,120

Remunerations of Senior Executives whose appointment requires obtaining no objection of the Saudi Central Bank (in thousands of Saudi Riyals)												
Fixed Remunerations				Variable Remunerations						End-of-service award	Total Executives' remuneration for the Board, if any*	Aggregate
Salaries	Allowances	In-kind benefits	Total	Periodic Remunerations	Earnings	Short-term incentive plans	Long-term incentive plans	Shares awarded (value entered)	Total			
21,067	11,234	508	32,809	-	-	29,591	-	15,089	44,680	2,880	0	80,369

(30) Waiver of remuneration or dividends by Board members, Senior Executives or shareholders:

There are no arrangements or agreements whereby members of the Board of Directors or Senior Executives have waived any remuneration or compensation.

There are no arrangements or agreements whereby a shareholder of the Bank has waived any rights in profits.

(31) The means used by the Board of Directors to assess its performance, the performance of its committees and members and the external body, which conducted the assessment and its relationship with the Bank, if any:

On an annual basis the performance of the Board of Directors and its committees is evaluated, and the performance of each member is evaluated individually, this is done through appropriate performance indicators related to the extent to which the Bank's strategic objectives are achieved, the quality of risk management, the adequacy of internal control systems and others, in addition to assigning a specialized external party to conduct the evaluation at least once every three years.

For the year 2023, the Board of Directors appointed a specialized external party to conduct a comprehensive assessment on the performance and effectiveness of the Board & its relevant committees. The performance evaluation is based on international best practices and by using key performance indicators linked to the extent to which BSF strategic objectives have been achieved, the quality of risk management, efficiency of the internal control systems, corporate governance, board and committees' structure and members experience and skills among other indicators.

The results of the evaluation and related recommendations were presented to the Board of Directors, in order to identify solutions to enhance the effectiveness of the Board of Directors and its committees.

(32) Training workshops offered to the members of the Board of Directors:

The Bank shall pay adequate attention to the training and preparation of the Board members, and to develop the members skills and knowledge in the fields related to the activities of the Bank, as such a workshop was presented to the members of the Board of Directors on Anti-Money Laundering and Counter Terrorist Financing by Compliance Group in addition to a workshop on Artificial Intelligence Productivity which was presented by a specialized third party.

(33) The audit committees recommendation with conflict with Board resolution or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor, as well as justifications for those recommendations and reasons for disregarding them:

There are no recommendations from the Audit Committee that contradict with the decisions of the Board of Directors and the Board of Directors have not rejected any recommendations from the Audit Committee regarding the appointment, dismissal, assessment or determining the remuneration of the Bank's External Auditors.

(34) Board of Directors' recommendations to change auditors:

There was no change in the Joint Auditors for Financial Year FY 2023 and the first quarter of 2024 versus FY2022. The Board of Directors and General Assembly had approved Ernst & Young (EY) & KPMG as the Joint External Auditors of the Bank to perform the quarterly and annual audit of financial statements for FY 2023.

(35) Actions taken by the Board of Directors to inform its members, especially non-executives, of shareholders' proposals and observations on the Bank and its performance:

The Board is keen to enable shareholders to exercise their rights and submit their comments and inquiries during the General Assembly meetings. These comments and inquiries shall be recorded in the minutes of the meeting. The Bank also allocates means of communication dedicated for shareholders (telephone, postal address, e-mail) through which comments and inquiries of shareholders, if any, are received and then submitted to Board members at the first subsequent meeting of the Board of Directors, and this is included in the minutes of the meeting.

(36) Declarations of the Board of Directors:

The Board of Directors of the Banque Saudi Fransi declares the following:

- A. Proper books of account have been maintained;
- B. The system of internal control is sound in design and has been effectively implemented; and
- C. There are no significant doubts concerning the Bank's ability to continue its activity.

Transactions with the related parties and the information concerning any contracts or acts in which the Bank is a party, or in which there is a material interest to the Chairman and members of the Board of Directors of the Bank, the Chief Executive Officer, the Chief Financial Officer or any person directly related to any of them, have been disclosed in Disclosure No. (37) on transactions with related parties in the consolidated financial statements, and Articles (13) and (14) of this report.

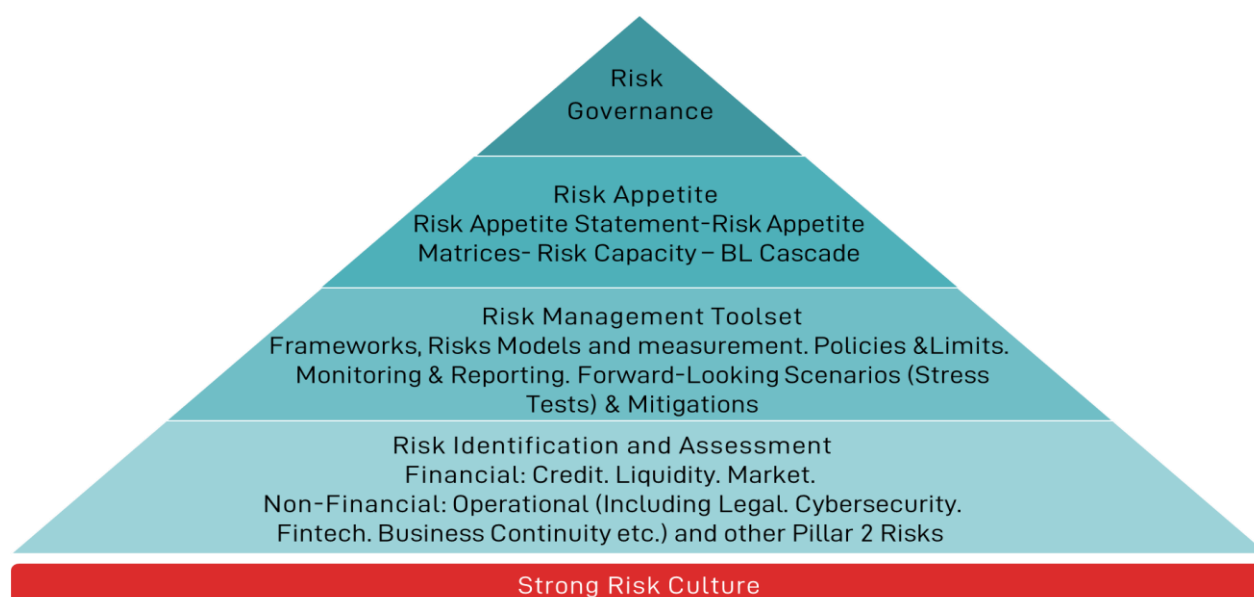
(37) Risk Management:

Effective risk management is fundamental to the success and resilience of the Bank and key to the Bank's overall long-term strategy. BSF has a strong, disciplined risk culture where managing risk is a responsibility shared between the three lines of defense: Business Lines and Functions, Risk Management Group and Group Audit.

Risk Management Framework

The primary goal of risk management is to ensure that the outcomes of risk-taking activities are consistent with the Bank's strategies and risk appetite, and that there is an appropriate balance between risk and reward in order to maximize shareholder value. The Risk Management Framework articulates the foundation for achieving these goals.

The framework is evolutionary to meet the challenges of external /global environment, demanding regulatory standards and best practices, risks brought about by customer competitiveness and financial innovations and resilience in the face of global event risk uncertainties e.g. Supply shocks and inflation, higher global interest environment and credit spreads, global slowdowns through Black Swan events like pandemic or war.



Risk Management Principles

BSF's Risk Management Principles can be summarized as:

Balancing Risk and Reward: Business and risk decisions are consistent with strategies and Risk Appetite.

Material Risk Identification: Understanding, identification, quantification for all material risks (Financial, Non-Financial and event risks), supported by a strong analytical toolset for Risk Management.

Pro-active: Emerging risks and potential vulnerabilities are proactively identified and managed.

Shared Accountability: Strong Risk Governance with 3 Lines of Defense and a top driven and accountable shared Risk Culture where every employee is responsible for managing risks and controls.

Resilience: Being prepared operationally and financially to respond to adverse events.

Brand Franchise protection: Processes in line with Bank's Risk Appetite and policy principles with a customer centric business and Risk decision-making.

Controls: A robust control environment to protect the stakeholders.

(37) Risk Management (Continued):

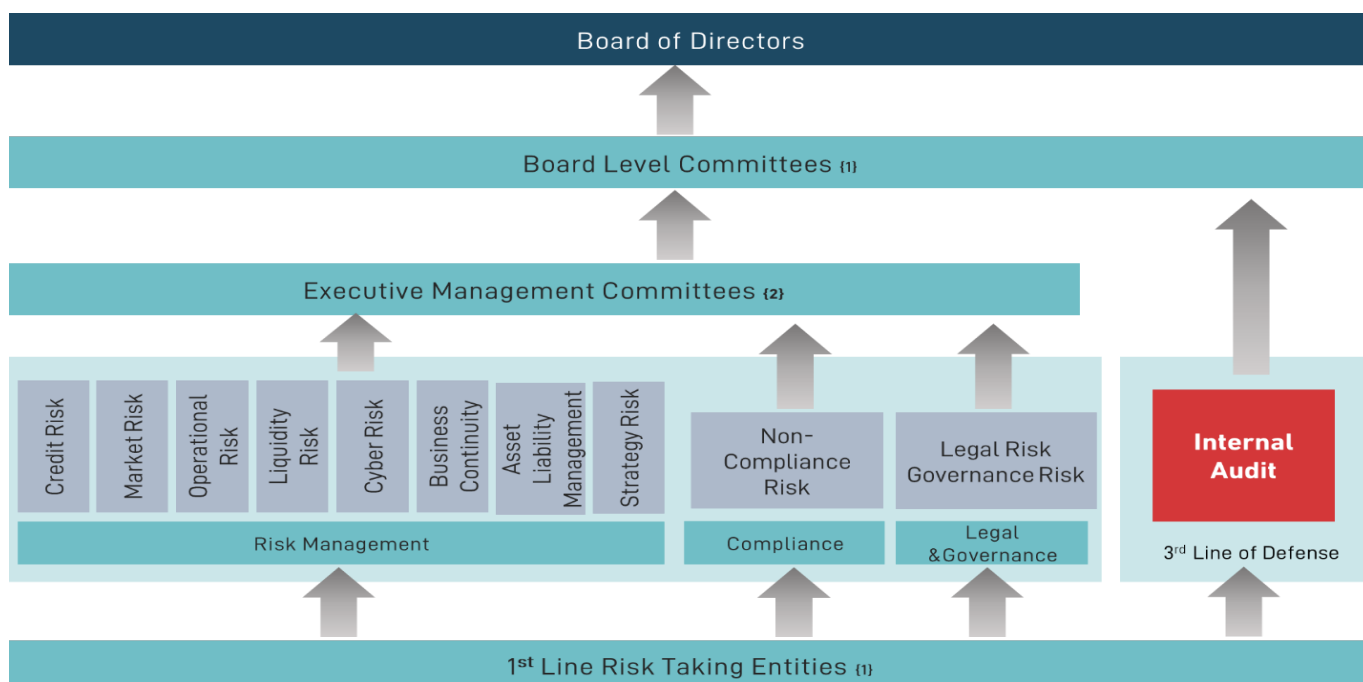
Risk Governance

Effective risk management begins with effective risk governance. The Bank has a well-established risk governance structure, with an active and engaged Board of Directors supported by an experienced executive management team. Its Risk Management framework is predicated on the 3 Lines of Defense model:

- The First Line of Defense (Business lines and functions) incur and owns the risks, ensure that risks generated are identified, assessed, managed with the Risk Appetite and Product policies, in compliance with relevant limits.
- The Second Line of Defense (Risk Management, Compliance and Legal) to establish Risk Appetite, limits, measurement models, frameworks, policies, and assurance practice in accordance with the Risk Management principles, best practices and Regulatory requirements.
- The Third Line of Defense (Audit) provides enterprise-wide independent, objective assurance over the design and operation of the Bank's internal control, risk management and governance processes.

A strong Risk Culture aligns all employees to be risk owners, accountable for owning and managing reputational and operational risks.

Risk Governance Structure



In this context, the Board and its Committees have ultimate responsibility for the Bank's business, strategy and financial soundness, as well as its management and compliance obligations.

The Risk Committee of the Board of Directors is responsible for advising the Board on the Bank's overall current and emerging risks; appropriateness of appetite & thresholds including adherence to the same; overseeing senior management's implementation of the Risk Management Framework; reporting on the state of risk culture; and overseeing the adequate functioning of the risk management function.

A consistent functional comprehensive Risk Taxonomy has been developed, with a Risk Management Committee integrating the Non-Financial Risks in its fold. Considering the functional charters of the Board Committees a matrix of reporting has been created from the Management Committees, reporting into the Board Committees. This Governance streamlining ensures a seamless comprehensive oversight of all key risks /contingencies facing the Bank by Executive Management and the Board Committees, without being constrained by the Board Committees' structure & charters, in line with global best practices.

(38) Information on any risks facing the Bank (operational, financing, or market related) and the policy of managing and monitoring these risks:

A. Risk Appetite, Capital Planning and Regulations:

The Risk Appetite Statement is reviewed and renewed by the Board of Directors annually, or on significant changes to business strategy. It encapsulates the quantum and type of risks that the Bank is willing to accept within its risk capacity to achieve its Strategic Risk Objectives and Business Plan. Its objective is to provide the Bank's management and business lines with guidance regarding the risk profile that the Bank targets and is prepared to accept. The Risk Appetite articulates the Bank's tolerance for risk across a wide range of parameters, which include solvency and capital adequacy, liquidity and funding, credit quality and provisioning, credit concentration, market risk, operational risk, people risk and the investment portfolio. The limits have been established considering adequate buffers vis-à-vis regulatory thresholds, where applicable.

The Bank further revised its Risk Appetite Framework for 2023 adopting to Regulatory led changes planned for 2023. In the process, its coverage of Risk Appetite and business line cascades for Corporate and Retail with improvements in risk based segmental and country limits have been incorporated. The focus is on meaningful representation of change in regulatory requirements, changing thresholds in line with business growth and Risk Capacity (e.g. Increase in Credit RWA thresholds to accommodate Budgeted growth) and ease of monitoring and decision making.

The Risk Management Group monitors adherence to the approved Risk Appetite Statement. Deviations, if any, from the acceptable tolerance bands are escalated for further action by Senior Management, with corrective actions initiated. At quarterly intervals, the Executive Committee of the Board and the Board Risk Committee review the actual position of the risk indicators vis-à-vis the laid down parameters.

The Risk Appetite Framework is closely integrated with and actively used for Capital Planning, Stress Testing and will ensure compliance with the new Recovery Plan of BSF, where the Solvency and Liquidity Metrics are actively used to estimate the impact of Event Risks and decide on the effectiveness of various Mitigating Actions.

Capital Planning: The Bank showed a degree of sophistication in various aspects of its Balance sheet evolution for its ICAAP and Annual / Semi- Annual Stress Testing scenarios incorporating a Medium-Term Capital and Profitability Plan Business Growth strategy, asset quality and concentration, Funding pattern and non-financial risks with Mitigating Actions. It comprehensively covers Pillar 2 Risks, Basel 3 enhancements and gives the Bank preparedness to plan its strategy and franchise under any market conditions. It was favorably reviewed by SAMA. In addition, BSF successfully developed and submitted a comprehensive Recovery Plan as per the new SIFI Law to SAMA in Q2 23, providing a nuanced understanding of the extremely rare sequence of events and a wider range of feasible Recovery Actions relating to Solvency, liquidity and controls that will obviate these tail outcomes.

Regulatory Initiatives: Basel III Reforms Capital Computations came in effect from January 2023, for which the Bank is deeply committed to its transversal program across Credit, Market and Operation Risks through integration of SAS and Finastra modules to its critical Core Banking Solution. The new regulations represent an overhaul of the framework of Capital Adequacy Ratio (CAR) computation across Risk types and has resulted in an improvement of the CAR, mainly on recognition of a wider variety of collateral and a relatively favorable history of operational losses.

(38) Information on any risks facing the Bank (operational, financing, or market related) and the policy of managing and monitoring these risks (Continued):

B. Credit Risk Management:

The Bank's credit portfolio is managed in accordance with the enhanced Credit Policy and Risk Appetite, which together provide the qualitative and quantitative guidelines, with particular emphasis on avoiding undue concentrations or aggregations of risk.

The Bank's Credit Policy (Wholesale and Retail) comprehensively incorporates industry good practices, regulatory guidelines (e.g. Large Exposures, Related Party and Management of Problem Loans) and business stakeholder expectations. The Risk Rating Standards further enhances guidance on aspects related to Risk Rating and overrides a critical element of the lifecycle management of credit processes.

The credit granting and approval process is performed through credit committees with different levels of credit approval delegation, and the Credit Risk Department being entrusted with the responsibility of providing independent risk opinions on the credit requests emanating from the business lines.

The decision making in the credit committees of the Bank is aided by internal credit rating models developed and maintained for different segments of the banking book and subject to re-validation at periodical intervals. It may be specifically mentioned that the Corporate and SME models were newly re-developed to higher standards for better decision-making and risk measurement.

Key priorities for Credit Risk include:

- Enabling resilient portfolio growth while managing concentration
- Early identification and pro-active exposure management of Problem accounts to reduce Non-Performing Assets in future and ensuring a strong Provision Coverage
- Drive process efficiencies through Corporate Credit Transformation (CCT) initiatives (including knowledge sharing, intensive portfolio and sector reviews, contract monitoring) and reducing Turnaround Time (TAT) for Corporate and Retail. The advances in the Core Banking system has also contributed to this.

In addition, a key initiative this year has been the implementation of the Early Warning Signals (EWS) framework, a SAMA driven initiative, integrated into the Bank's systems through a workflow and analytical tool for efficient operationalization in pro-active Credit decision making and monitoring. This has been successfully implemented in 2023.

C. Market Risk Management:

Market risk is the risk that the fair value will fluctuate due to changes in market variables such as interest rates, FX rates and equity prices. BSF classifies market risk exposures into trading, non-trading or banking book. Market risk within the trading and banking book is managed and monitored using various indicators such as VAR, stress testing and sensitivity analyses, on a daily basis. It also performs daily stress testing in order to estimate the potential economic loss based on a defined set of significant changes in market conditions (i.e. extreme adverse market movements). The Bank applies on a daily basis a VAR methodology based on historical rates evolution observed in the market. The Bank has clearly defined policies and procedures related to market risk activities, as well as a comprehensive set of market risk limits (together with loss alerts) for the trading book which are reviewed at least annually, and independently monitored by the dedicated Market Risk department.

The FRTB framework (Standardized Approach) was implemented in Q1 2023 as part of the Basel III Reforms and has increased the capital requirements to some extent owing to the integration of equity investments in funds from subsidiaries.

(38) Information on any risks facing the Bank (operational, financing, or market related) and the policy of managing and monitoring these risks (Continued):

D. Operational Risk Management:

The Operational Risk Management in the bank is positioned to function as a second line of defense within an established Operational Risk Framework and a set of standardized Operational Risk Procedures. Operational Risk Management's philosophy is focused on enhancing the risk culture across the Bank in alignment with the Bank's Risk Appetite, Risk Capacity and Strategic plans. Operational Risk Management engages closely with business lines, support units and other control functions to ensure a comprehensive and continuous alignment with the Operational Risk Framework through the continuous risk and control assessments that are carried out throughout the year. Risk champions are identified and appointed within each functional domain to ensure implementation of prescribed operational risk practices.

Operational Risk Management's scope is primarily composed of, Risk-Control-Self- Assessments (RCSA), Key Risk Indicators (KRIs), Operational and Technology Incidents Risk Management, Regulatory and Management reporting, stress testing, ICAAP related calculations & reporting for Operational Risk, Insurance Risk Management, Loss Data Management, New Products & Services Risk Management, and Policies/procedures reviews.

All critical Operational Risk activities are carried out by Operational Risk Management teams, working in collaboration with designated risk champions, representing their specific functional domains.

Loss & Incident Management covers all reported incidents including technology risk related as well. A comprehensive framework is in place to ensure capturing of all critical incidents including near-misses. A detailed Root Cause Analysis ensures identification of major operational gaps/risks and implementation of action plans to prevent recurring of such incidents. Operational losses are duly identified, recorded and reported as per regulatory requirements.

Operational Risk Management is an integral part of New Products & Services (NPS) working group. Operational Risk Management participates as a member of the risk assessment team. Operational Risk Management also assesses technology risk, as well as insurance risk and outsourcing risk from an operational risk perspective and provides advice on proposed process/system changes as well. Operational Risk is a member of the Policies and Procedure Review Committee. A Comprehensive Risk Profiling framework (Risk Register, RCSA, KRIs) is managed, monitored and reported by Operational Risk Management.

A broader scope of Risk Management takes into consideration financial risks, operational risks, and strategic risks via prompting an enhanced risk culture across the Bank where all members share the responsibility of identifying risks and actively participating in the risk management process. A comprehensive refresh of Bank wide Register and update of the Control Testing framework has been successfully achieved in 2023 capturing all material risks. This establishes a central repository of all material risks across processes in the Bank (including subsidiaries), evaluates the potential impact and likelihood and facilitates appropriate Risk Mitigation strategies. The project, initiated in 2022 also continues to enhance the Key Risk Indicators (KRIs).

Furthermore, the Bank has transitioned to Operational risk Capital/Risk Weighted Assets computation by Modified Standardized Approach under Basel 3 Reforms, with capital saves on account of favorable historical Loss Experience.

E. Business Continuity Management:

Business Continuity Management (BCM) aims to implement a robust arrangement for BSF operations resilience with effective response procedures, and provides the baseline for resiliency practices including Incident, crisis and communication plan management, in cooperation of BCM stakeholders and designated team.

BCM Program is sponsored by the Board and managed through one of the Management committees, which is the Risk Management Committee, that meets on a quarterly basis to direct, monitor and ensure BCM lifecycle implementation. In 2023 Business Continuity division has enhanced and leveraged the organization capability with regard of ensuring continuous services in case of major incidents or crisis that disrupting Banque Saudi Fransi normal operations.

(38) Information on any risks facing the Bank (operational, financing, or market related) and the policy of managing and monitoring these risks (Continued):

Several projects have been implemented covering aspects of technology, power infrastructure, recovery sites, remote access, planning, testing, exercising, and training. Current BSF disaster recovery center hosts critical systems and applications that are necessary to sustain the organizations important functions. Furthermore, BSF has 3 regional recovery sites hosting more than 350 desks, in addition to providing more than 1,260 laptops to key staff for remote access, in order to resume critical daily office functions.

In September 2023, BSF-BCM renewed its ISO-22301 certification for the second year

F. International Financial Reporting Standards (IFRS):

Since January 2018, the Bank adopted International Financial Reporting Standard 9 (IFRS 9), a forward-looking expected credit loss (ECL) approach for Credit Provisioning. Since the Provisions based on the ECL are associated with the probability of default and loss given default, over the next 12 months and if there has been a significant increase in credit risk since origination, over the life of the asset, in 2021 SAMA initiated a finer Staging Criteria, which was duly adopted.

Further, now that the Bank's input processes are automated and policies are well established, a number of improvements were made since 2021. in the estimation of the Risk Components on the IFRS9 technology platform processes and in analytics, The models are regularly validated to keep them fit-for-purpose including YE 2023 thus ensuring precision in IFRS 9 ECL estimates and SAMA's requirements. This includes a close review of Staging Effectiveness and calibration.

The current year's improvements in Analytics include internal Retail LGD Models and their term structures and Retail Macroeconomic Models. Wholesale Macroeconomic Models, Risk Rating models have already been developed & validated meeting SAMA requirements with a full suite of models and Policies and Processes to ensure Rating system effectiveness, It may be mentioned that a close review by Credit Risk Division (with assistance of Risk Strategy) has resulted in a rationalization of the Non- Performing Loan (to Loans & Advances) ratio and consistent improvement in Provision Coverage. BSF thus ensures precision in Provision estimates and a very nuanced Capital Planning and Stress Testing regime, with a positive impact on decision making.

G. Corporate Information Security Division:

In its continuous pursuit for excellence, BSF Board of Directors recognize Cybersecurity as strategic enabler to accomplish corporate mission and achieve business goals, and hence, treat Cybersecurity as high priority. BSF and its Board of Directors are firmly committed to maintain high standards of Cybersecurity over its assets and information. The Vision of Cybersecurity is "Protect BSF data and reputation by providing a secure and resilient digital banking environment and security posture which is in compliance with local and international cybersecurity standards and regulations".

The Cybersecurity function at BSF in its steadfast endeavor to transcend the threat of everchanging threat landscapes and risk of emerging technologies has adopted several cybersecurity controls during the year including establishing cybersecurity Cyber & Digital Crimes function and Implementation of user behavioral solution with prevention and detective scenarios in place. Multiple cybersecurity initiatives are adopted during the year to strengthen cybersecurity capabilities for discovering and manage cyber threats and exposures, perform effective incident response, strengthening Cyber Resilience and to influence and drive secure behaviors and culture within the organization

The Bank has also established the Data Privacy Office in line with the Personal Data Protection Law where cybersecurity together with Data Privacy office provide a powerful set of complementary measures and tools to protect individuals' personal data and their privacy. The organization is committed to safeguarding customers information and so implements rigorous data security standards. BSF is also certified on the latest version of Payment card industry: Data Security Standard V4.0 and ISO 27001:2013.

The cybersecurity Function at BSF with its adoption of executive mandates for cybersecurity, strong governance structure, security strategy, security processes, compliance to National and international cybersecurity regulations, standards and framework, ensuring robust cybersecurity and privacy measures is supplementing BSF efforts in meeting their environmental, social, and governance (ESG) targets.

(38) Information on any risks facing the Bank (operational, financing, or market related) and the policy of managing and monitoring these risks (Continued):

The components of Cybersecurity include the following:

- **Cybersecurity Leadership:** Cybersecurity in BSF is an independent entity under Risk Management Group and managed by Senior Level Executive - Chief Information Security Officer (CISO) who is responsible for establishing and maintaining the enterprise vision, strategy, and program on cybersecurity. The BSF Cybersecurity Governance Committee consisting of Group Heads from all relevant Groups who support the overall cybersecurity governance in BSF. Cybersecurity inputs are also provided to Management & Board committees.
- **BSF Cybersecurity Strategy:** BSF Board of Directors have approved the four years Cybersecurity Strategy which is in aligned with the Bank's strategic objectives, business requirements, future state aspirations, emerging technologies and also encompasses the requirements of regulations.
- **Policy, procedure, baseline and standards:** BSF Corporate Information Security continuously strives to maintain the highest standards in cybersecurity and hence have established, approved and implemented Cybersecurity policies, procedures, baselines and standards to ensure alignment with industry best practices and national and international security standards and regulation.
- **Cybersecurity Governance Function:** BSF Corporate Information Security Division is staffed with qualified resources to fulfill the cybersecurity responsibilities. Ensuring that detailed security standards and procedures are established, delivering risk-based cybersecurity solutions that address people, process and technology and cybersecurity solutions in a business context. BSF has also adopted strategy to attract and retain the best talents in Cybersecurity and has implemented training programs that are designed to rapidly accelerate the development of core skills and to provide paths for specialized development of advanced cybersecurity expertise.
- **Security Awareness program for staff, customers & Third Parties:** BSF Corporate Information Security Division adopts multi-channel approach for awareness dispersion. The program encompasses and explains proper rules of behavior for the safe and secure use of information and systems for staff customers & third parties. Periodic phishing exercise, other awareness drills, and targeted training are carried out to influence and drive secure behaviors and culture within the organization
- **Risk Management Framework:** BSF Corporate Information Security Division adopts a risk-based approach to manage Cybersecurity risk to detect, analyze, evaluate, communicate and mitigate cybersecurity risk.
- **Continuous Compliance program:** BSF Corporate information Security Division maintains a continuous compliance status against Payment Card Industry Data Security Standard (PCI DSS) certification - the rigorous data security standards that BSF applies in protecting customers' information, reducing credit card fraud and thereby enhancing customer confidence. Corporate Information Security has also robust methodologies to ensure compliance with mandates of SAMA Cybersecurity Framework, SAMA Counter Fraud Framework, SAMA Cyber Threat Intelligence Principles, mandates from National Cybersecurity Authority and compliance to SWIFT Customer Security Framework.
- **24/7 Cybersecurity Monitoring:** BSF Corporate Information Security is maintaining a Security Operations Center (SOC) where security-related data from enterprise information systems is monitored, assessed and actioned. The security operations center (SOC) is responsible for monitoring and analyzing the security posture of banks critical assets on a 24/7 basis.
- **Cyber & Digital Crime:** Dedicated function is established under cybersecurity to support the Anti-Fraud function of BSF and is staffed with skilled and trained staff and supported with technologies including the implementation of user behavioral solution with prevention and detective scenarios in place.
- **Cyber Resilience:** Cybersecurity adopts a forward learning approach where security testing is conducted proactively to ensure the security investments are effective and providing assurance to regulatory requirements.
- **Digital forensic and incident response:** BSF Corporate Information Security has a matured security incident management process for managing security incident and conducting drills for Incident Management. Procedure to challenge existing controls with real life attacks in order to measure their resilience and effectiveness are performed.
- **Threat Hunting:** BSF Corporate Information Security has established a Threat hunting function, which uses a mixture of forensics capabilities and threat intelligence to track down possible attacks attempts.
- **The Information Security Committee:** BSF Corporate Information Security is a member in Banking Committee on Information Security (BCIS), this committee is managed by SAMA for exchanging information, risk, alert and expertise in information security across banks and with SAMA

(38) Information on any risks facing the Bank (operational, financing, or market related) and the policy of managing and monitoring these risks (Continued):

H. Real Estate Finance Risk:

The Bank's total outstanding residential real estate finance portfolio as of 31 December 2023 was SAR 15,439 Million. The Bank has developed adequate policies and procedures to ensure that the appropriate insurance coverage is in place to hedge against potential financial losses associated with residential real estate portfolio. However, risk elements which are not part of the insurance coverage are dealt with according to the Bank's internal risk management framework.

Following are the different types of insurance covers that the Bank has utilized to hedge various risks associated with its residential real estate finance portfolio.

- (i) **Life Insurance:** The life insurance provides financial protection in the event of death resulting from natural or accidental events or specified cause as per the insurance policy in order to recover the outstanding finance amount from insurance company.
- (ii) **Disability Insurance:** The disability insurance provides financial protection to recover the outstanding financing amount in the event that the policyholder becomes fully and permanently disabled and is unable to work or engage in an income earning activity.
- (iii) **Property Insurance:** Property insurance provides coverage for physical damage or loss to the property caused by events such as fire, flood, or natural disasters etc. This is aimed to mitigate the financial impact of property damage, allowing the Bank to recover the costs due to unexpected / unforeseen events.

(39) Results of the annual review of the effectiveness of the internal control procedures of the Bank and the opinion of the Audit Committee with respect to the adequacy of Bank's internal control system:

A. Internal Control Framework (ICF):

Considering the importance of the internal controls environment, the Board of Directors has taken the responsibility for ensuring that BSF essential policies are designed to provide effective internal controls to manage risks within the defined risk appetite. Accordingly, the Board has adopted an integrated framework for internal controls to provide a reasonable assurance on the effectiveness and efficiency of controls within the Bank.

The Bank has an Internal Control Policy, intended to strengthen the governance of Internal Control processes and operations in accordance with systems and controls framework set-out in the Bank's Corporate Governance Manual, approved by the Board of Directors and guidelines on Internal Controls, issued by the Saudi Central Bank (SAMA).

This policy sets out key internal control objectives and principles for BSF as well as duties of the Board, the Board's Audit Committee, the Board Risk Committee, Executive Management and related management committees and control functions; Risk Management, Compliance, Internal Audit and other functions of BSF. The policy also sets the role of the External Auditors within the parameters of BSF control framework.

The Board and its Committees are independent from Management, and are responsible for providing oversight for the development and performance of internal controls. The Board approves and oversees the implementation of the bank's overall risk strategy including risk appetite, risk tolerance and policies relating to risk management, compliance, compensation, code of conduct, related party transactions and corporate governance.

The Executive Management at Banque Saudi Fransi is responsible for the implementation and effectiveness of the internal control environment, in line with the directives of the Saudi Central Bank (SAMA), other regulatory bodies and as specified in the internal control framework approved by the Board of Directors. The Internal Control Framework (ICF) is based on the model of 'Three Lines of Defense' in the Management and Control of risks. Business units are accountable and fully responsible for managing risks in their respective areas of activity as the first line of defense while other control functions i.e. Risk Management Group, Compliance Group, Legal and Governance Group, Human Resources Group and Finance Group play the role of the second line of defense.

(39) Results of the annual review of the effectiveness of the internal control procedures of the Bank and the opinion of the Audit Committee with respect to the adequacy of Bank's internal control system (Continued):

Internal Audit (the third line of defense) provides a reasonable assurance, based on the highest level of independence and objectivity, on the effectiveness of governance, risk management and internal controls. Moreover, the Board of Directors, through the Board Audit Committee are provided with periodic reports that clarify the level of effectiveness of the internal control environment.

B. Internal Audit Group (IAG):

The responsibilities of the 'Internal Audit Group' are established and defined by the Board Audit Committee, whose role is based on adding value to improve the Bank's operations and providing independent and objective assurance to Executive Management and the Board of Directors through the Board Audit Committee. In addition, IAG provides advisory services to all Banking functions and has adopted a Quality Assurance & Improvement Program (QAIP) that monitors and enhances all activities within the Internal Audit Group.

To ensure Internal Audit's independence, the Chief Audit Executive is nominated by the Board Audit Committee and assigned by the Board of Directors to manage the Internal Audit Group, reporting functionally to the Board Audit Committee, and administratively to the Chief Executive Officer (CEO). The Internal Audit Group has full and unrestricted access to all the Bank's systems, records, physical assets and to employees. Internal Audit is subject to strict responsibility for the protection and confidentiality of records and information.

C. Compliance Group (CPG):

Undoubtedly, the principles of compliance and combating financial crimes are attracting more attention from international, regional and local legislative and supervisory bodies in many countries. The prominence role of Compliance function has been recognized by internal and external stakeholders; such as, shareholders, Board of Directors, senior management, employees as well as customers. The objective is to enhance transparency, improve control and reduce non-compliance risks which ultimately benefit customers, protect the reputation of the Bank and enhance compliance with supervisory & regulatory standards across the bank.

In Banque Saudi Fransi, the Compliance Group plays an essential role in achieving the Bank's vision, mission, goals and values by applying the utmost due diligence of compliance principals and fundamentals in all works' tasks and activities related to the Bank, customers and employees. Compliance forms an integral part of Banque Saudi Fransi culture, by urging to adhere to high ethical and professional behavior standards, as well as contributing to raise awareness of compliance among Bank's employees, considering the values and principles of Banque Saudi Fransi and the Kingdom's vision 2030.

Being a 2nd Line of Defense (LoD) function, Compliance group has a key role and is an effective contributor in achieving the strategic mission and objectives of the Bank. Significant emphasis had been placed to further support the financial technologies for banking operations and simultaneously enhance the overall Compliance Program (i.e. Compliance policies, processes, tools and skill set) to implement the guidelines, regulations, and rules received from the regulatory bodies throughout the year. This is achieved by close monitoring of the business activities and its adherence to the regulations and internal controls requirements.

(39) Results of the annual review of the effectiveness of the internal control procedures of the Bank and the opinion of the Audit Committee with respect to the adequacy of Bank's internal control system (Continued):

Among others, one of the focus areas of the Compliance Group is to continuously contribute to an effective and efficient internal control framework within the Bank. The integrity, accuracy and transparency are the fundamental pillars of our framework, to not only reduce the financial crimes and anti-money laundering & fraud risks, but also to meet and exceed the level of compliance, soundness of financial transactions, and implementation of the regulatory requirements, principles and initiatives of the Saudi Central Bank and the regulatory bodies in the Kingdom.

Anti-Money Laundering and Terrorist Financing & Suspicious Transactions

Banque Saudi Fransi is firmly committed to encourage highest standards in combating money laundering and terrorist financing activities. Banque Saudi Fransi is also committed to identify money laundering and terrorist financing transactions with high level of transparency and compliance with the applicable laws, rules and guidelines issued either by Saudi Central Bank (SAMA), and the relevant international organizations.

Additionally, Banque Saudi Fransi has implemented a program to combat money laundering and terrorist financing to prevent the use of the bank's branches, trade finance centers, Banque Saudi Fransi products in general and its affiliates as channels of illegal activities in connection with money laundering and terrorist financing and other financial crimes activities.

This program is ensuring compliance with global requirements, including the Financial Action Task Force (FATF) recommendations, local laws as well as Saudi Central Bank (SAMA), and other regulatory requirements to prevent illegal transactions or activities.

Banque Saudi Fransi has established robust AML & CTF policies and procedures grounded on local and global practices to combat and prevent any criminal activities. The subject policies and proper controls covering such as Know Your Customer (KYC), monitoring customer transactions, sanction, training and awareness, monitoring suspicious activities & reporting procedures, and independent stress-testing. Banque Saudi Fransi proudly acknowledge the adherence of regulatory and supervisory requirements in our daily work, and show aspects of utmost care to strengthen the good and distinguished relationship with the regulatory and supervisory authorities in the Kingdom. Compliance function's mission is to continuously promote and enhance a robust compliance culture in the Bank that encourages ethical conduct with full commitment to compliance with the regulatory laws, rules and guidelines in the Kingdom of Saudi Arabia.

D. Risk Management Group (RMG):

The key function of the Risk Management Group is to manage financial and non-financial risk and to effectively oversee internal control at the Bank level, thus contributing to the Bank's strategic directions, which includes identifying, reducing, controlling and reporting all types of risks.

In this regard, the Risk Management Group works closely with all the Bank's internal stakeholders to ensure an appropriate control system that operates effectively and continuously. The Bank uses sound internal controls to manage range of operational and financial risk from both external forces and its own activities. Based on the nature of the continuous development of banking services, the Risk Management Group continuously seeks to close gaps, address risks and strengthen the internal control systems.

(39) Results of the annual review of the effectiveness of the internal control procedures of the Bank and the opinion of the Audit Committee with respect to the adequacy of Bank's internal control system (Continued):

E. Results of reviewing the effectiveness of internal controls:

The Audit Committee's mandate includes oversight responsibilities relating to the system of internal controls of the Bank, which includes examining interim and annual financial statements and recommending them for board approval, in addition, the committee performs other roles related to the activities of internal audit and compliance which fall within the committee scope as per the approved charter.

The Audit Committee reviews, on quarterly basis, reports related to the Bank's internal control, issued by the Internal Audit and Compliance Groups.

Based on the aforementioned, the current control environment and the annual reviews on the efficiency and effectiveness of control tools, the Audit Committee believes that the controls and procedures that constitute the current Internal Control Framework are 'sufficient'. The Internal Control Framework is continuously monitored and updated in order to manage any changes or developments that may affect the control environment.

(40) Principles applied by the Bank in the area of corporate governance:

The Bank-in general-complies with all regulations and instructions issued by regulatory authorities on governance, such as the Key Principles of Governance in Financial Institutions operating in the Kingdom of Saudi Arabia issued by the Saudi Central Bank, the Corporate Governance Regulations issued by the Capital Markets Authority, and the Companies Law issued by the Ministry of Commerce. The Bank affirms that it continues to update the Articles of Association of the Bank, the regulations of the Board and its committees, and the Governance Manual, as well as its policies and procedures in accordance with these regulations and any updates or instructions issued in accordance with the highest professional standard and best practices to keep abreast of any developments and to ensure the implementation of effective governance in all the Bank's businesses

In alignment with the Bank dedication to Environmental, Social, and Governance (ESG) principles, in 2023 BSF received the approval for its ESG Policy Framework from the General Assembly which revolves around the key pillars that defines the focus areas which are aligned with the material issues selected for BSF as part of the materiality assessment. As part of our commitment, BSF continues to disclose ESG reports, which highlights our achievements to assure our shareholders and stakeholders our commitment to this journey.

(41) Ethical principles and professional foundations of the Banque Saudi Fransi:

The Principles of Conduct and Business Ethics document of Banque Saudi Fransi has been aligned to comply with SAMA's Instructions related to the principles of conduct and business ethics in financial institutions that aim to enhance job discipline, integrity, transparency, objectivity, efficiency, loyalty and effectiveness in the behavior of financial institutions employees.

This document includes the principles that govern the work process, which employees representing the bank, whether directly or indirectly, must adhere to, including but not limited to the following:

First: Code of Conduct and Professional Ethics:

- Commitment to the official working hours, integrity, good manners in personal dealings.
- Combatting financial and administrative corruption crimes and the employees' duties to accomplish that.
- Dealing with conflict of interest such as giving and receiving gifts, working for others and personal investment.
- Maintaining Confidentiality and Mechanisms for Disclosure of Information.
- Reporting Actual or Potential Violations.
- Safe and Contraband-Free Workplace
- Fair dealings.
- Protection of Bank Assets.
- Validity of Financial Records and Reports.
- Compliance with Laws, Regulations, Directives and Internal Policies within Banque Saudi Fransi.
- Commitment to perform the daily tasks and missions.
- Not to deal with any unaccredited third party for marketing or bring in clients or handing over documents related to transfers or opening customer accounts.
- Not managing clients' accounts on their behalf without obtaining the prior written approval of the Business Sector Department and the Human Resources Group in the bank.
- The employee is not allowed to open a commercial account with the bank.
- The employee's not carrying out his own banking operations.
- The employee undertakes to abide by the instructions and laws of cyber security and to work with the internal cyber security policies.

Second: Acceptable Use Policies of Computer, E-mail and Internet Services:

Includes an extract of the cyber security acceptable use policy where all Banque Saudi Fransi users are responsible for complying with the cyber security policies, standards and procedures, including the acceptable use policy, unacceptable uses, and control and monitoring standards.

It is the responsibility of the directors of the concerned departments or the director of the Information Security Department, in consultation with the Human Resources Group and the Regulatory Control Service, to assess non-compliance with these policies. Violations of these policies will be thoroughly examined and action will be taken based on the degree and seriousness of the violation.

Third: Consequences of failure to adhere to the principles of conduct and work ethics:

It is the responsibility of the Board of Director is to ensure the implementation of its Code of Conduct and Professional Ethics and to monitor and control any violations thereof. If the Bank employees do not adhere to these principles, the necessary measures will be taken and penalties shall be imposed in accordance with the internal work regulations and penalties of Banque Saudi Fransi.

(42) Details of the Bank's social contributions:

Details of the bank's social contributions:

BSF is a viable player in the Saudi society, where our commitment to operating with integrity and providing innovative ideas are central elements to our culture and are reflected across our businesses. We are a key enabler in creating good jobs, supporting local communities and, ultimately, securing the future of individuals and families across the Kingdom.

BSF thrives to expand the role of corporate social responsibility to maintain a sustainability mindset. By achieving these strategic goals, we believe we have created the necessary foundations to advance BSF's sustainability agenda and position the Bank to effectively support the objectives of Vision 2030, as well as the United Nations Sustainable Development Goals. This stance is reinforced by the bank's commitment to advance the development of environmental, social, and governance projects, and to contribute in supporting social and charitable activities and programs.

During 2023, the bank has conducted several CSR initiatives involving raising awareness about the country's national donation platform "Ehsan" as well as international fund raising for the King Salman Humanitarian Aid and Relief Center via the platform "Sahem".

We have also offered discounts and rates for our special needs customers called Purple Saturday. Offer was from 29 July to August 31st as well as other CSR related activities progressing to 2024.

BSF participation in 2023:

Program name
The Saudi National Platform for Charitable Work "Ehsan",.
Universities Student visits to the bank in collaboration with Al Nahda non-profit organization
Sponsorship of educational labs for Madac non-profitable academy (ongoing)
Fund raising for the King Salman Humanitarian Aid and Relief Center via the platform "Sahem"
Purple Saturday Initiative (offering special discount on products for people with disabilities)

Government related initiatives:

Saudi Export and Import Bank:

- Banque Saudi Fransi signed a guarantees program agreement with Saudi Export and Import Bank "Exim" to finance the Saudi Exporter. The EXIM Guarantee program support exporting Saudi products, Saudi services and execution contracts for Saudi Companies
- Banque Saudi Fransi signed a Memorandum of Understanding with Saudi Export and Import Bank "Exim ". The MoU aims to support Non-Oil exports activities

Associations Support Fund:

- Banque Saudi Fransi signed a cooperative framework agreement with Associations Support Fund "ASF". The framework agreement is passing a portion of BSF donations to the targeted associations through ASF.

(42) Details of the Bank's social contributions (Continued):

King Salman Humanitarian and Relief Center

- As part of Banque Saudi Fransi strategic relation with ksrelief, we have participated in ksrelief initiatives by sponsoring:
 - Parent Insurance Program.
 - Welcoming kit to the newly onboarded employees.
 - Walaa program.
 - Participating in Sudan campaign.
 - Sponsoring Riyadh International Humanitarian Forum.

Um AlQura University "UQ"

- As a part of the strategic relation between Banque Saudi Fransi and Um AlQura University. BSF participated in UQ activities by sponsoring:
 - The 22nd scientific forum for Haj, Umrah and visit Research.
 - The graduation ceremony for the year of 2023.
 - The profession forum hosted by UQ as a diamond sponsor.

Social Development Bank "SDB"

- BSF have participated in sponsoring Empretec International Forum as a Platinum sponsor organized by SDB.

General Food Security Authority "GFSA"

- BSF have participated in the awareness campaign organized by GFSA regarding food waste by Media contribution through BSF's digital channels.

(43) Communication with shareholders:

In accordance with the instructions issued by the regulatory and supervisory authorities, the Bank is keen to ensure that shareholders fully exercise their rights and urges them to actively participate and submit their inquiries during the General Assembly meetings. A telephone number and e-mail are also posted on the Bank's home page to receive inquiries from shareholders. The Bank also publishes any significant developments of the Bank through the Tadawul website, in accordance with the instructions issued in this regard. The Bank's representatives continuously participate in meetings and conferences with investors and shareholders.

(44) Number of company's requests of shareholders records, including dates and reasons:

	Share Book Date	Request Reasons
1	31/12/2023	Companies Procedures
2	14/12/2023	Other
3	12/12/2023	Other
4	06/11/2023	Companies Procedures
5	28/09/2023	Other
6	07/08/2023	Dividends file
7	30/06/2023	Other
8	19/06/2023	Other
9	24/05/2023	General Assembly
10	28/05/2023	Dividends file
11	18/05/2023	Other
12	30/03/2023	Other
13	09/03/2023	Other
14	05/01/2023	Other
15	29/12/2022	Other

In conclusion, the Board of Directors of the Banque Saudi Fransi expresses its sincere thanks and appreciation to the Custodian of the Two Holy Mosques, His Highness the Crown Prince and to our rational government. We extend our thanking to the Ministry of Finance, the Ministry of Commerce, the Saudi Central Bank and the Capital Market Authority for their continuous help and support towards raising the level of banking services. We also thank our valued shareholders and customers of the Bank for their trust, which is respected and appreciated. The Board of Directors also thanks all employees of the Bank for their sincere efforts.

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