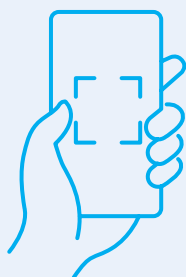




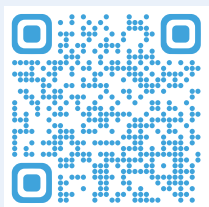
BOARD OF DIRECTORS'
REPORT 2022



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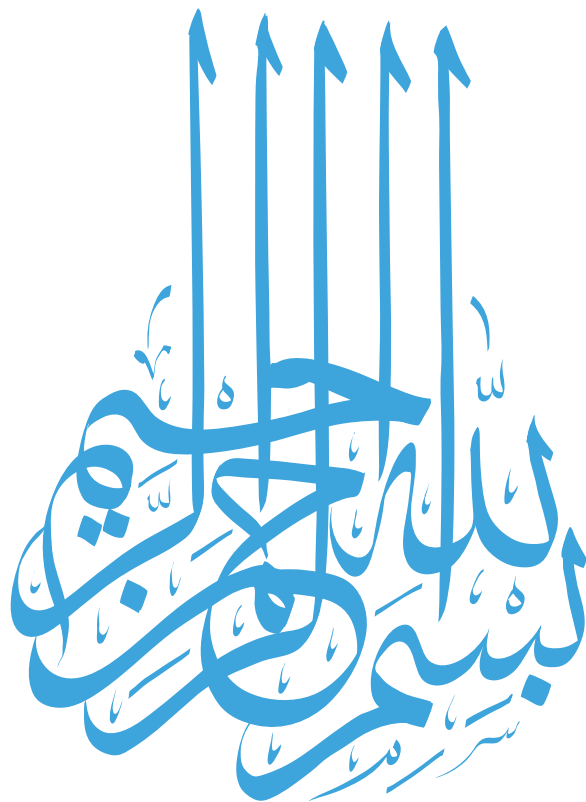


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Branches & ATM



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Fawri Branches





**IN THE NAME OF ALLAH,
THE MOST GRACIOUS, THE MOST MERCIFUL**



“

My primary goal is to create an exemplary and leading nation in all aspects, and I will work with you in achieving this endeavour.

”

King Salman bin Abdulaziz Al Saud
Custodian of the Two Holy Mosques



“

Our real wealth lies in the ambition of our people and the potential of our younger generations.

”

HRH Prince Mohammad bin Salman Abdulaziz Al Saud,
The Crown Prince, Prime Minister, the chairman of the Council of Economic
and Development Affairs and chairman of the Council of Political and
Security Affairs



The Board of Directors is pleased to submit to the shareholders the annual report of Bank AlJazira ("the Bank" or "BAJ") for the financial year ended on 31 December 2022. This report provides information about the bank's operations, financial results and future plans together with information about the Board of Directors, its committees and other supplementary information designed to meet the needs of the audience of this report.



بنك الجزيرة
BANK ALJAZIRA



Financial Highlights 2022



Financing, net

70,599
SAR Million



Total assets

115,849
SAR Million



Customer deposits

86,023
SAR Million



Total Liabilities

102,240
SAR Million



Shareholders' equity

11,734
SAR Million



Net income before Zakat
and income tax

1,297
SAR Million



Net income after Zakat
and income tax

1,109
SAR Million

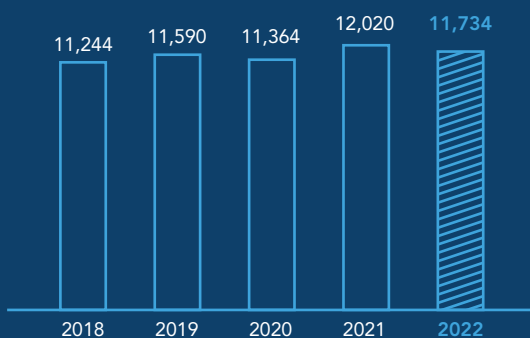


Total Operating income

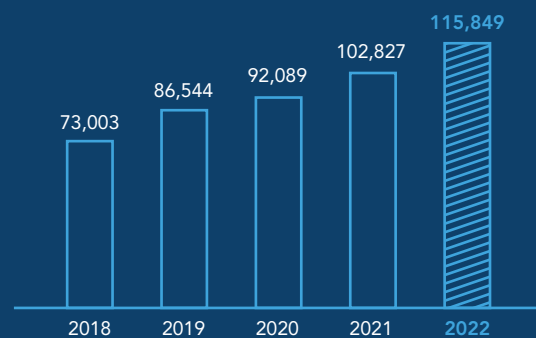
3,495
SAR Million

The net income after Zakat & Income Tax saw a high increase of **SR 1,109** million, registering a whopping **10.24%** rise. It rose from SR 1,006 million in 2021

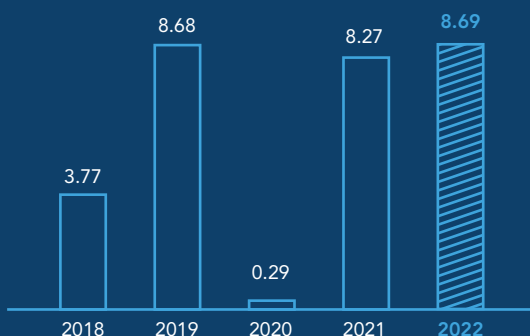
Shareholders' equity



Total Assets



Return on average shareholder's equity (%)



Customer deposits



The Board of Directors is pleased to submit to the shareholders the annual report of Bank AlJazira for the financial year ended on 31 December 2022.

Introduction

Bank AlJazira here-in-after referred to as "the Bank" or "BAJ" is a joint Stock Company incorporated in the Kingdom of Saudi Arabia and established pursuant to Royal Decree No. 46/M dated Jumada Al-Thani 12, 1395H (i.e. June 21, 1975). The Bank commenced its business on Shawwal 16, 1396H (October 9, 1976) with the takeover of the National Bank of Pakistan's (NBP) branches in the Kingdom of Saudi Arabia.

The Bank operates under commercial registration No. 4030010523 dated Rajab 29, 1396H (July 27, 1976) issued in Jeddah. The issued and fully paid up share capital of the Bank amounts to SAR 8.2 billion divided into 820 million shares of SAR 10 each.

The objective of the Bank is to provide a full range of Shari'ah compliant banking products and services to Retail and Corporate customers including: current accounts, saving accounts, Murabaha, Istisna'a, Ijarah, Tawarruq, Musharaka, Wa'ad foreign exchange, credit cards and Sukuk which are approved and supervised by an independent Shari'ah Committee.

The Bank conducts its business through the Bank's departments and branches all over the Kingdom and has no branches operating abroad.

The Bank is recognized as one of the leading Shari'ah compliant fast-growing financial institution in Saudi Arabia, which provides individuals, businesses and institutions with innovative Shari'ah compliant financial services through professional and dedicated staff.

Five-year financial highlights

The table below depicts the five-year historical financial performance of the Bank:

Financial highlights					
(SAR millions, except as otherwise indicated)	2018	2019	2020	2021	2022
Financing, net	40,897	49,660	53,961	62,434	70,599
Total assets	73,003	86,544	92,089	102,827	115,849
Customer deposits	51,804	62,697	68,004	78,365	86,023
Total Liabilities	61,759	74,955	80,724	88,932	102,240
Shareholders' equity	11,244	11,590	11,364	12,020	11,734
Net income before Zakat and income tax	1,000	1,122	31	1,153	1,297
Net income after Zakat and income tax	378	991	34	1,006	1,109
Total Operating income	2,665	2,977	3,287	3,547	3,495
Net income growth (%)	(54.42)	161.98	(96.59)	2880.61%	10.24
Total Operating income growth (%)	3.30	11.72	10.41	7.91	(1.46)
Return on average shareholders' equity (%)	3.77	8.68	0.29	8.27	8.69
Return on average assets (%)	0.54	1.24	0.04	1.03	1.01
Earnings per share (SAR)	0.50	1.21	0.04	1.18	1.26

Notes: Earnings per share and other ratios for the current and prior years have been calculated based on net income for the year after Zakat and income tax (adjusted for Tier 1 Sukuk related costs). Starting from the quarter ended June 2019 the Bank changed its accounting policy for reporting zakat and income taxes and has reported zakat and income tax through the statement of income for the year-ended 2019 and restated the year-ended 2018. Previously zakat and income tax were reported in the statement of changes in equity.

Financing, net: Totaled SAR 70.6 billion at 2022 year-end, registering an increase of 13.1% compared to SAR 62.4 billion in 2021. The Bank continued to further diversify the financing portfolio over various economic sectors and broadened the client base, thus lowering the risk of concentration.

Due from banks and other financial institutions: Total outstanding amount as at the end of 2022 was SAR 1.7 billion versus SAR 0.7 billion in 2021. This is a short-term activity and represents the day to day liquidity / cash flow management.

Investment Book: The investment portfolio comprises of Sukuks, investment in equities and mutual funds. Total portfolio at 2022 year-end was SAR 34.6 billion versus SAR 31.4 billion in 2021, an increase of 10.2%. This increase is mainly due to additional investment in government and corporate Sukuks.

Total Assets: Total assets amounted to SAR 115.8 billion at the end of 2022, as compared to SAR 102.8 billion in 2021, representing an increase of 12.7% over the previous year.

Customer Deposits: Customer deposits increased by 9.8% to SAR 86.0 billion as at the end of 2022, compared to SAR 78.4 billion in 2021. The increase is mainly due to increase in customers' time investments by 21.2 % from SAR 37.1 billion to SAR 44.9 billion.

Total Liabilities: Amounted to SAR 102.2 billion as at the end of 2022, compared to SAR 88.9 billion in 2021, representing an increase of 15.0% over the previous year

Geographical analysis of income:

The bank realizes its operational income from its activities in the Kingdom of Saudi Arabia and has no branches operating abroad. The table below depicts region-wise analysis of the

total operating income of the bank. The operating profit of Bank AlJazira includes the operational income of AlJazira Capital (100 % subsidiary of the bank) which amounted to SAR 341 million as of the end of for 2022.

SAR '000

Regions	Central	Eastern	Western	Total
Total Groups Operating Income	1,197,565	329,257	1,968,488	3,495,310

Main Business Segments

The Bank's activities consist mainly of the following business lines:

Personal banking	Deposit, credit and investment products for individuals.
Corporate banking	Financing, deposits and other credit products for corporate, small to medium sized business and institutional customers.
Treasury	Treasury includes money market, foreign exchange, trading and treasury services.
Brokerage and asset management	Provides shares brokerage services to customers (this segment includes the activities of the Bank's subsidiary AlJazira Capital Company).
Others	Others include investment in associate, inter segment income and expense eliminations and gain on sale of other real estate.



Customer deposits increased by **9.8%** to **SAR 86.0 billion** as at the end of 2022, compared to SAR 78.4 billion in 2021. The increase is mainly due to increase in customers' time investments by 21.2 % from SAR 37.1 billion to SAR 44.9 billion.

The table below depicts total operating income, total operating expenses, and net profit before zakat and income tax for each operating segment:

(SAR'000)						
2022	Personal Banking	Corporate Banking	Treasury	Brokerage and Asset Management	Others	Total
Total operating income	1,816,030	807,534	814,893	340,530	(283,677)	3,495,310
Total operating expenses	(1,353,642)	(473,788)	(189,575)	(190,774)	2,098	(2,205,681)
Share in net income of associates	-	-	-	1,004	6,022	7,026
Net income/(loss) before zakat and income tax	462,388	333,746	625,318	150,760	(275,557)	1,296,655



Total Operating income

3,495,310
SAR Thousand



Total Operating expenses

2,205,681
SAR Thousand



Share in net income of associates

7,026
SAR Thousand



Net income/(loss) before Zakat and income tax

1,296,655
SAR Thousand



Subsidiaries and Associates

The following table summarizes the names of subsidiaries/associate, their share capital, the Bank's holding percentage, their main business, their principal country of operation and country of incorporation as at 31st December 2022:

Subsidiaries / Associate	Country of incorporation	Country of operation	Nature of business	Share Capital	Ownership
Subsidiaries:					
AlJazira Capital Company (Closed Joint-Stock Company)	Saudi Arabia	Saudi Arabia	Brokerage and asset management	SAR 500 million	100%
Aman Development and Real Estate Investment Company (Limited-Liability Co.)	Saudi Arabia	Saudi Arabia	Holding and management of real estate collaterals on behalf of the Bank	SAR 1 million	100%
Aman Insurance Agency Company (Limited Liability Co.) [under liquidation – note (a) below]	Saudi Arabia	Saudi Arabia	Acting as an agent for bancassurance activities on behalf of the Bank	SAR 500 Thousand	100%
Al Jazira Securities Limited (Limited Liability Co.)	Cayman Islands	Saudi Arabia	Carry out Shari'ah compliant derivative and capital market transactions	Authorized capital: USD 50,000 Paid up capital: USD 100	100%
BAJ Sukuk Tier 1 Limited (Limited Liability Co.)	Cayman Islands	Saudi Arabia	Trustee for issuance of Tier 1 Sukuk certificates	Authorized capital: USD 50,000 Paid up capital: USD 250	100%
Associate:					
AlJazira Takaful Ta'awuni Company (Listed Joint-Stock Company)	Saudi Arabia	Saudi Arabia	Shari'ah compliant protection and saving products	SAR 550 million	26.03%

The issued share capital of AlJazira Capital Company amounts to SAR 500 million divided into 50 million shares of SAR 10 each. The issued share capital of Aman Development and Real Estate Investment Company amounts to SAR 1 million divided into 100 shares of SAR 10,000 each. The issued share capital of Aman Insurance Agency Company amounts to SAR 500,000 divided into 50,000 shares of SAR 10 each. The authorized capital of Al Jazira Securities Limited amounts to USD 50,000 and its paid-up capital is USD 100 divided into 100 shares of USD 1 each. The authorized capital of BAJ Sukuk Tier 1 Limited amounts to USD 50,000 and its paid-up capital is USD 250 divided into 250 shares of USD 1 each. The issued share capital of AlJazira Takaful Ta'awuni amounts to SAR 550 million divided into 55 million shares of SAR 10 each.

The Bank confirms that there were no debt securities in issue for any of these subsidiaries.

Note (a): During financial year 2021, Aman Insurance Agency Company (the Company) applied for its license renewal from Saudi Central Bank ("SAMA"), however, it was not renewed, as SAMA had issued rules governing bancassurance activities during May 2020 which require the banks to carry out Bancassurance business directly. This, as a result, restricted the ability of the Company to carry out business activities and therefore, management of the Company decided to initiate the winding up procedures which are in process as at 31 December 2022.

Bank's Profitability and growth of financial assets and liabilities

The Bank has recorded a net income before zakat and income tax of SAR 1,296.7 million for the year ended December 31, 2022. This represents an increase of SAR 143.5 million or 12.4% compared to SAR 1,153.2 million during the financial year 2021. The net profit after zakat and income tax for the year ended December 31, 2022 was SAR 1,109.1 million. This represents an increase of SAR 103.0 million or 10.2% compared to SAR 1,006.1 million for the financial year 2021. Net income has increased by SAR 103.0 million or 10.2 % due to a decrease in total operating expenses by SAR 235.7 million or 9.7%, from SAR 2,441.4 million to SAR 2,205.7 million. The reduction in total operating expenses is mainly due to a decrease in net impairment charge for financing and other financial assets which for the year ended December 31, 2022 was SAR 286.3 million compared to SAR 624.6 million in the previous year, representing a decrease of 54.2%. This was partially offset by an increase in other general and administrative expenses by SAR 108.8 million, or 21.7% from SAR 502.6 million to SAR 611.4 million.

On the other hand, Total operating income has decreased by 1.5% during the current year. This was mainly due to a decrease in net financing and investment income by SAR 109.8 million, or 4.0% from SAR 2,717.1 million to SAR 2,607.4 million, net gains on de recognition of financial assets at amortized cost by SAR 70.0 million from SAR 95.5 million to SAR 25.5 million and Fees

from banking services, net by SAR 58.3 million from SAR 546.4 million to SAR 488.1 million. This decline was partially offset by an increase in net gain on FVIS financial instruments by SAR 62.3 million, from a loss of SAR 11.6 million to a gain of SAR 50.7 million, other operating income by SAR 52.2 million, from SAR 12.1 million to SAR 64.3 million, dividend income by SAR 44.2 million, from SAR 0.8 million to SAR 45.0 million and exchange income, net by SAR 34.8 million, from SAR 172.6 million to SAR 207.4 million.

The increase in net income was also partially offset due to higher zakat charge by SAR 40.4 million, from SAR 138.4 million to SAR 178.8 million and absence of a one-time gain on deemed disposal of an associated company amounting to SAR 39.4 million that was recorded in 2021.

Earnings per share were SAR 1.26 for the year ended 31 December 2022 against SAR 1.18 for the financial year 2021. Total assets were SAR 115.8 billion as at 31 December 2022, compared to SAR 102.8 billion as at 31 December 2021, an increase of 12.7% or SAR 13.0 billion. Net financing to customers amounted to SAR 70.6 billion as at 31 December 2022, an increase of SAR 8.2 billion, or 13.1%, from SAR 62.4 billion as at 31 December 2021. The Bank's investment portfolio totaled SAR 34.6 billion as at 31 December 2022, an increase of SAR 3.2 billion or 10.2 % compared to SAR 31.4 billion as at 31 December 2021. Total liabilities were SAR 102.2 billion as at 31 December 2022, compared with SAR 88.9 billion as at 31 December 2021, an increase of 15.0% or SAR 13.3 billion. Customer deposits totaled SAR 86.0 billion as at 31 December 2022, an increase of SAR 7.7 billion, or 9.8%, compared to SAR 78.4 billion as at 31 December 2021. Due to banks and other financial institutions totaled SAR 12.1 billion as at 31 December 2022, an increase of SAR 5.7 billion, or 89.0%, compared to SAR 6.4 billion as at 31 December 2021. There was no change in the Subordinated Sukuk (without transaction costs) balance during the year which totaled SAR 2.0 billion as at 31 December 2022.

Borrowings and Sukuk in issue

In the course of normal business practices, the Bank exchanges borrowings and funds with other banks and SAMA, in accordance with the profit rates prevailing in the market and are appropriately disclosed in the consolidated financial statements of the Bank.

SAR 1,875 million (denominated in US Dollars) Perpetual Tier 1 Sukuk

During financial year 2021, the Bank through a Shariah compliant arrangement issued cross border Tier 1 Sukuk, amounting to SAR 1.875 billion (denominated in US Dollars). This arrangement 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 3.95% per annum from date of issue up to 2026 and is subject to reset every 5 years. The applicable



profit on the Sukuks is payable semi-annual 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.

This Sukuk has been treated as "Equity" instrument in line with the requirements of IAS 32- 'Financial Instruments: Presentation' and shown as part of total equity in the consolidated financial statements of the Bank.

SAR 2,000 million 10-year subordinated sukuk (Tier 2 Sukuk)

On December 08, 2021, the Bank issued 2,000 Subordinated Sukuk Certificates (Sukuk) of SAR 1 million each, with a profit distribution rate based on 6 month Saudi Inter-Bank Offered Rate (SIBOR), reset semi-annually in advance, plus a margin of 155 basis point per annum and payable semi-annually in arrears on December 08 and June 08 each year until December 08, 2031, on which date the Sukuk will expire. The Bank has a call option which can be exercised on or after December 08, 2026 on meeting certain conditions and as per the terms mentioned in the related offering circular. The Sukuk may also be called upon occurrence of certain other conditions as per the terms specified in the offering circular. These Sukuk are registered with Saudi Exchange (Tadawul).

As at 31 December 2022	SAR'000
SAR 2,000 million 10-year subordinated sukuk	2,000,000
Total	2,000,000

Note: In the financial statements the amount has been shown at amortised cost in line with IFRS requirements

Borrowing from Banks and other financial institutions

Total outstanding at the end of 2022 were SAR 12.1 billion versus SAR 6.4 billion in 2021, higher by SAR 5.7 billion or 89.0%. This is a short-term activity and represents day to day liquidity / cash flow management.

Disclosure of details of the treasury Shares held by the Bank and details of uses of these Shares

The Bank does not hold treasury shares.

Staff Benefits and Schemes

To be in line with the supervisory directives issued by SAMA and the principles of the Financial Stability Board (FSB), the bank is conducting a periodic researches to ensure consistency of compensation structure of the employees which is being submitted to be revised by the Nomination and Remuneration Committee.

Compensation and benefits levels and amounts are determined by conducting periodic research that includes salary benchmark surveys and through other means of market pay intelligence, in order to enable Bank to keep abreast of the local and regional market conditions relating to bank staff employed in the Kingdom, which are contrasted to cyclical performance levels, and mitigated for any associated risks.

The distribution of compensation is composed of a pay mix of fixed and variable pay, allowances, periodic reward schemes and non-cash benefits in line with the standards and norms for the financial services industry in the Kingdom of Saudi Arabia.

According to the Labor Law of the Kingdom of Saudi Arabia and the Bank's internal policies, staff end of service benefits are due for payment at the end of a staff service period.

The total accrued amount of End of Service Benefits outstanding at the end of December 2022 totaled SAR 291.8 million.

Key Risks Faced by The Bank

Bank AlJazira (BAJ) has adopted a robust, transparent and prudent approach towards Risk Management and thus continues to invest into building an infrastructure that is able to proactively identify, assess, measure and control the risks the Bank is faced with on an Enterprise Wide basis. As a core risk management practice, the management keeps a close track of the top and emerging risks that are expected to emanate and challenge not only the International economies and financial markets but also their ripple effects on the Saudi Economy and thus the Financial Industry.

Some of the most prominent national and global issues, opportunities and considerations are as follows:

- According to the IMF's World Economic Outlook Update, Russia's invasion of Ukraine, and the rising interest rates all weigh heavily on the outlook. Global growth is forecast to slow to 3.2% percent in 2022 and 2.7% in 2023. Global inflation is forecast to rise to 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024.
- As reported by OPEC, oil demand will rise in 2023 by 2.5%. This is expected to lead to a global economy's recovery that is estimated to result in yearly and quarterly increases in oil consumption.
- The strong recovery in oil GDP along with the robust expansion in the non-oil sector lead to an economic growth in 2022 by 9.9%. The Public Investment Fund (PIF) is expected to continue to provide additional stimulus to the KSA economy.
- The annualized real Gross Domestic Product growth was the quickest since 2011, in oil-related economic activity in the Kingdom - Opec's biggest crude producer, grew by 23% on an annual basis. Non-oil economic activity rose to 8.2%, revised higher by (GASTAT) from its 5.4% flash estimates. The Kingdom's economy is set to grow at the quickest pace in a decade and could be one of the world's fastest-growing economies.
- Saudi Arabia's balance of payment position is expected to improve and strengthen over the medium term. This will be fueled by a rebound in oil exports and an increasing share of non-oil exports, as well as higher tourist receipts and both direct and portfolio investments.
- The Financial Sector Development Program (FSDP), one of the 12 Vision Realization Programs, has seen significant development in critical areas. SME lending, capital markets, and digital banking and financial services have all seen remarkable progress.

1. Maintenance of Capital Adequacy:

Management ensured that the Bank continues to maintain adequate levels of quality capital, allowing it to support and maintain the envisaged growth in Risk Weighted Assets (RWA) and also meet the regulatory capital adequacy expectations. In this regard, the Bank has implemented a well thought out capital enhancement strategy, which takes into consideration the underlying advantages, limitations, cost of capital generation and implementation timelines.

In its endeavor to fortify the Bank's capital position, the management continues to remain vigilant and has strategized optimal scenarios which would ensure not only the quantity of capital but also the quality of the capital whilst meeting the regulatory expectations. The Bank is fully geared towards implementation of Basel III PCR (Basel IV) which is set to take effect across The Kingdom by Q1 2023. Necessary projects are already underway to deliver the related functionalities and capital adequacy reforms envisaged under the new regime.

2. Liquidity Management:

One of the key risks emanating from the recent global events and their impact on the regional and local financial markets has been the generation of liquidity / funds at a cost that does

The Bank has given due focus to ensure that the quality of assets, across its lines of business remains of a satisfactory quality



not outweigh the inflow of economic benefits derived from the financed assets. BAJ's management is cognizant of its liquidity requirements after taking into consideration the current and planned business requirements. Therefore, the Bank has put in place a robust liquidity management framework which ensures a proactive identification of current and assessed liquidity requirements and gauges the same against the cost of such liquidity. The Bank's ALCO team remains focused on ensuring that funding / liquidity remains at reasonable costs while providing the Bank an opportunity to finance the growth of high yielding assets. The Bank has also implemented a comprehensive ILAAP (Internal Liquidity Adequacy Assessment Process) regime in accordance with regulatory mandate. ILAAP primarily focuses on the Bank's Liquidity Risk Assessment, Governance structure, associated strategies and contingency arrangements to deal with liquidity events.

3. Asset Quality:

The Bank has given due focus to ensure that the quality of assets, across its lines of business remains of a satisfactory quality, thus rationalizing any unwarranted classifications, provisioning and / or write-offs. The Bank has generally remained selective across all business segments and has approached its target customer segments with a well-defined approach based on:

- A clearly spelled out Credit Policy which has been recently revised.
- Well defined Target Market, and Risk Acceptance Criteria
- Identified industry segments in terms of risks, rewards, regulatory requirements and their performance trends.
- Risk Appetite Framework to ensure risk associated with a particular Business line is duly reflected in the underlying Risk Appetite Matrices to be monitored, reviewed and reported in accordance with Board approved limits.
- Maintenance of a Target Obligor Risk Rating across its business segments and portfolios to ensure that the same supports the planned asset quality growth, probability of default and cost of credit estimates. The Bank has implemented IFRS-9 through a structured approach to adopt IFRS-9 Expected Credit Losses (ECL) framework in line with the regulatory mandate.

Market Risk Management

The Bank's willingness to accept risk is influenced by various factors including market volatility, business direction, macroeconomic and subjective factors. This is managed and contained through relevant market risk limits and policies governed under the approved risk management framework and regulatory compliance. The Bank continuously monitors its market risk by quantifying its capital requirement, profit rate risk, currency risk and by ensuring that its Treasury Business operates within its respective limits. Market Risk is subject to the following drivers:

- Maximum Cumulative Outflow of the Balance Sheet.
- Economic Value of Equity (EVE) and Stressed EVE (Δ EVE)
- Liquid Assets Ratio (SAMA Liquidity Ratio).
- Net Stable Funding Ratio (NSFR)
- Liquidity Coverage Ratio (LCR)

- Loan-to-Deposit Ratio (LDR)
- Concentration of Funding Sources
- Market Risk Factors

Market Risks

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in market variables such as equity prices, profit rates, foreign exchange rates, and commodity prices.

Management of Market Risks

Delegated by the Board, the Market Risk Policy Committee (MRPC) is responsible for the policies, limits and controls used in managing market risks. The Bank has an approved Market Risk Policy and Treasury Limits Package that clearly defines policies, procedures, and limits of market risk exposures.

The primary objective is to manage volatility in earnings and highlight the market risk and liquidity risk profile to Senior Management, Management Risk Committee, Asset and Liability Committee (ALCO), Board Risk Committee (BRC), the Board of Directors and SAMA.

Foreign Exchange Risks

Foreign Exchange risk is the risk that financial assets that are denominated in foreign currency lose value, or financial liabilities that are denominated in foreign currency gain value. The MRPC has set limits on Net Open Positions by currency. There are limits for USD, Other G10 Currencies, GCC Currencies, and currencies in other regions. The Bank has negligible exposure in foreign exchange because its assets and liabilities are mainly denominated in Saudi Riyals (SAR) and to a limited extent in United States Dollars (USD) or in USD-pegged currencies.

Equity Price Risk

Equity price risk refers to the risk of a decrease in fair values of the Bank's investments in equities. The Bank's portfolio of securities is regularly marked to market and positive/ negative changes are taken into the Bank's equity or income statement.

Capital Treatment for Market Risk

Bank AlJazira computes the minimum capital requirements against market risk using the Standardized Approach. The capital serves as a financial buffer to withstand any adverse market risk movements. Profit rate risk and liquidity risks are covered under BASEL Pillar 2 risk assessments which are the primary risk factors experienced in the Bank's activities. For the next year (2023) The Bank has initiated various projects to implement the Basel IV reform. Accordingly in line with SAMA requirements, the Bank will adopt the new mandated approach under Market Risk for calculating Market Risk charge.

Stress Testing

The Bank performs Stress Testing semi-annually to further evaluate potential losses. By evaluating the size of the unexpected losses, the Bank is able to understand the risk profiles and potential exposures to unlikely but plausible events in abnormal market conditions using multiple scenarios, and undertake the appropriate measures. Given the current

economic environment, a broad spectrum of scenarios including liquidity and impact on sources of funding are considered in line with applicable regulatory guidelines. These scenarios are updated and may be redefined on an ongoing basis. The Stress Test results are reported to Senior Management, Board Risk Committee, Management Risk Committee, the Board and SAMA to facilitate and manage risk resilience with more transparency.

Liquidity Risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up. To mitigate this risk, management actively pursues the diversification of funding sources, assets are priced taking liquidity into consideration while the Bank maintains an adequate balance of cash and cash equivalents. The recent global financial crisis has resulted in a significant change in the regulation and supervision of liquidity risk in financial institutions. Arising from the Basel III liquidity risk management requirements, two ratios are used to manage liquidity risks: Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Liquidity Risk Management Approach

In terms of day-to-day liquidity management, Treasury Business Group ensures sufficient funding is available to meet the Bank's payment and settlement obligations on a timely basis. The process of managing liquidity risk also includes:

- Maintaining a sufficient amount of unencumbered high quality liquidity buffer as a protection against any unforeseen interruption to cash flow;

- Managing short term and long term cash flows via maturity mismatch report and various indicators;
- Monitoring depositor concentration at Bank level to avoid undue reliance on large fund providers;
- Diversifying funding sources to ensure proper funding mix which is also considered as part of Contingency Funding Plan (CFP) and tested on a regular basis;
- Ensuring that regulatory ratios such as SAMA Liquidity Ratio, LCR and NSFR are maintained above the required levels.
- Conducting regular liquidity stress testing under various scenarios as part of prudent liquidity planning to examine the effectiveness and robustness of the liquidity plans.
- Instituting ILAAP (Internal Liquidity Adequacy Assessment Process) regime in accordance with regulatory mandate to focus on the Bank's Liquidity Risk Assessment.

All liquidity policies and procedures are governed by the Market Risk Policy Manual which is subject to review and approval every year by the Market Risk Policy Committee. In accordance with Banking Control Law and the regulations issued by SAMA, the Bank maintains a statutory deposit with SAMA equal to 7% of total demand deposits and 4% of customers' time deposits. In addition to the statutory deposit, the Bank also maintains liquid reserves of no less than 20% of its deposit liabilities in the form of cash and liquid assets which can be converted into cash within a period not exceeding 30 days. The bank is currently holding an investment portfolio, with a large portion of it comprising of Government and Corporate Sukuk. This portfolio is considered high quality and liquid with availability of funding (up to 85-100% depending on instrument) through SAMA's repo window.



Operational Risks

Introduction

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Operational risk has an enterprise wide presence and can arise from any activity within the Bank.

Management of Operational Risks

The Operational Risk Framework is designed to establish an effective association between the risk management and the risk owners represented by various Business & Support groups within the Bank. Business & Support groups are responsible to manage the activities and risks within their respective groups, however processes have been established to involve the Operational Risk Management Division (ORMD) to facilitate risk identification, measurement, assessment and control.

In preparation for and before commencing the risk identification and assessment activity across the Bank, a comprehensive Risk Profiling program is being carried out involving management, risk champions and respective risk owners.

Assessment of risks and categorizing them into levels of significance is conducted in consultation with business/ support groups to draw their attention to risks that require management consideration.

The tools used to manage and monitor operational risks are as follows:

Risk & Control Self-Assessment (RCSA)

Risk & Control Self-Assessment (RCSA) is a tool used to monitor the performance of controls within a process. A risk register with controls is maintained and updated regularly on an ongoing basis. The RCSA review cycle involves discussions with the business/ support groups and periodic submissions to the Management Risk Management Committee (MRC) to seek directions on risk acceptance and treatments including decision for taking actions to review and to improve the control environment.

The Bank's comprehensive RCSA program involves facilitation of workshops by ORMD to identify risks and control within each business and support function level. The controls are periodically assessed to ensure the processes are functioning as per the design.

The Bank has also established a Policy and Product Review Committee to oversee the development of new or existing policies and products. Responsibility of the committee is to challenge the policy or product owners on various aspects of risks to ensure they are adequately addressed before operationalization.

Key Risk Indicators (KRIs)

Key Risk Indicators (KRIs) are a metric to measure how risky a process is through early warning signals developed to indicate increasing risk exposures within the enterprise. KRI provides a trend of risk exposure by comparing it against the thresholds defined and accepted by the Bank.

KRIs for business and support groups are defined through workshops and periodically monitored by ORMD. Trends highlighting risk exposures over the defined thresholds are analyzed and discussed with respective business or support groups to develop appropriate corrective action plans.

Loss Data Management (LDM)

Loss Data Management is a centralized process to methodically record loss incidents occurring in the Bank to enable analysis of control failures and ensure such incidents do not recur.

The Bank has established an internal loss data collection process through which incidents are reported to ORMD for the purpose of recording and further management reporting. A comprehensive Loss Database from 2013 till date is maintained by ORMD.

Business Continuity Management (BCM)

The bank has developed and maintained a full-fledged Business Continuity Management (BCM) program that focuses on the continuity and recovery capabilities of key processes and assets. The program is structured based on international standards, best practices and SAMA requirements and its scope extends to include:

- Crisis Management and Response
- Safety and Security
- People Continuity
- Business Recovery
- IT Disaster Recovery

The bank's BCM program is ongoing and is regularly reviewed by internal and external stakeholders. These features enhance the Bank's readiness and the capabilities to respond and manage adverse events. The results are minimized negative impacts, enhanced performance and reputation, and compliance with regulatory requirements.

Outsourcing

Complying with SAMA regulations on outsourcing, the Bank has a dedicated department handling outsourcing and supplier activities. ORMD is involved in reviewing agreements related material outsourcing of banking activities. This involves a diligent review of operational risks and business continuity requirements that are associated with the outsourced activity.

Measurement of Operational Risk (OR) Capital Charge

Operational Risk capital charge is calculated using the Basic Indicator Approach (BIA) as per SAMA and BASEL III regime. The BIA for operational risk capital charge calculation applies an alpha (15%) to the average of positive gross income that was achieved over the previous three years by the Bank. The Bank will be migrating from BIA to the approach recommended by BCBS (Basel Committee on Banking Supervision) through its "Basel III – Finalizing post-crisis reforms" document issued in December 2017 and subsequent SAMA guidelines. The Bank is already in the process of implementing the new approach as per the timelines suggested by the regulator. The Bank will continue to collect loss data and map it against the business lines to establish a comprehensive Internal Loss data history before migrating to the new methodology subject to receiving SAMA's final guidelines on the same.

Capital Adequacy under BASEL II and BASEL III

The Saudi Central Bank (SAMA) has been at the forefront of ensuring that the Saudi Banking Sector adopts and implements the best practices that Bank for International Settlements (BIS) proposes and has accordingly issued various guidelines to that effect. As per SAMA guidelines, BASEL III became effective January 1, 2013 and has brought significant amendments to the computation of regulatory capital and Pillar I risk weighted assets. Furthermore, the Pillar II and Pillar III requirements have also undergone an enhancement under this revised framework.

During 2017, Basel Committee on Banking Supervision (BCBS) issued comprehensive reforms to the existing Basel III framework which are mandated by SAMA to be implemented by Q1 2023.

These new reforms seek to restore credibility in the calculation of Risk Weighted Assets (RWAs) and improve the comparability of bank's capital ratios. BCBS reforms seek revision to the standardized approaches for calculating Credit Risk, Market Risk, Credit Valuation Adjustment (CVA) and Operational Risk to bring about greater risk sensitivity and comparability. Constraints on using internal models aim to reduce unwarranted variability in banks' calculations of RWAs.

RWAs are an estimate of risk that determines the minimum level of regulatory capital a bank must maintain to deal with unexpected losses. A prudent and credible calculation of RWAs is an integral element of the risk based capital framework. With the foregoing in mind, the Bank therefore, monitors the adequacy of its capital using standards and their underlying ratios as set and enforced by SAMA. The Bank's Internal Capital Adequacy Assessment Process (ICAAP) is designed to capture capital requirements for Pillar-II risks, on an as-is and forward looking basis while taking into consideration the Bank's current exposures and future growth plans. The ICAAP also assesses the resilience of the Bank's business and capital models under various levels of plausible and severe stress scenarios. Based on the Pillar II framework and on a fully consolidated basis, it reflects a risk centric and realistic approach to the assessment of BAJ current and planned capital requirements.

The capital adequacy disclosures have been prepared in accordance with the Basel disclosure guidelines, as issued by SAMA from time to time and as applicable to the Bank.

The Saudi Central Bank (SAMA) also requires that Banks develop the Internal Liquidity Assessment Plan (ILAAP) document. The purpose of the ILAAP is to inform the Board of the Bank as well as the regulator of an assessment of the Bank's liquidity risks and the impact on regulatory requirements and capital, where relevant.

ILAAP is a tool that enables the Bank to systematically assess its liquidity requirements given its strategies, business plans, risks and policies. The Bank duly follows ILAAP guidelines and complies with regulatory guidelines in this regard.

Accounting Standards

The Bank maintains proper books of accounts and records in an accurate manner. The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom

of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and in compliance with the provisions of Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Bank

The accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2022 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021. Based on the adoption of new standards, interpretations, amendments and in consideration of current economic environment, certain accounting policies as disclosed in the consolidated financial statements are applicable effective January 1, 2022 replacing, amending or adding to the corresponding accounting policies set out in 2021 annual consolidated financial statements.

Appointment of External Auditors

The External Auditors are responsible for the annual audit and quarterly review of the Bank's financial statements. The Bank's Annual General Meeting held on 19 April 2022 (corresponding to 18th Ramadan, 1443H) approved the recommendation of the Board of Directors and the Audit Committee to re appoint PWC and EY as the external Auditors of the Bank for the financial year ended 31 December 2022.

Statutory Payments

The statutory payments paid by the bank in the year 2022 consisted mainly from zakat, taxes and amounts payable to GOSI as staff contributions. The following table includes details of such payments.

The Bank has made the following payments during 2022 in respect of the mentioned captions:

Type of Statutory Payments	SAR in million
Zakat (related to 2021)	149.07
Income Tax (related to 2021)	9.20
Value Added Tax & Withholding Tax & RETT	96.52
Zakat, VAT, WHT for previous periods*	113.14
Advance Tax Payment for 2022	4.60
GOSI (including Bank and the employees)	83.76
Visa, Iqama and related services, Municipality	5.65

The bank announced on 20 December 2018 that it has agreed with Zakat, Tax and Customs Authority on the settlement of zakat liabilities due for the previous periods up to the end of the fiscal year 2017 against payment of SAR 551 million. An advance payment of this settlement (20%) has been paid in 2018, and the balance will be paid on five equal instalments within five years commencing on 1 December 2019G and ending on 1 December 2023G (4th instalment of SAR 88.2 million was paid in 2022).

*This amount includes SAR 88.2 million as 4th instalment of the agreement made with Zakat, Tax and Customs Authority for settlement of Zakat assessments payable for the previous years up to the end of the fiscal year 2017.

As per SAMA guidelines, BASEL III became effective January 1, 2013 and has brought significant amendments to the computation of regulatory capital and Pillar I risk weighted assets. Furthermore, the Pillar II and Pillar III requirements have also undergone an enhancement under this revised framework



Penalties, fines and Regulatory Restrictions

The bank acknowledges its full commitment to enforce all banking instructions and systems and the regulatory rules and regulations issued by the supervisory authorities in the conduct of its daily business. The following tables reflect details of the penalties imposed against the bank:

Saudi Central Bank penalties

Subject of violation	2021 Fiscal year		2022 Fiscal year	
	Number of Penalties	Total amount of Penalties SAR	Number of Penalties	Total amount of Penalties SAR
Violation of SAMA supervisory instructions	15	3,320,500	18	10,974,781
Violation of SAMA instructions for protecting customers	2	332,000	Nil	-
Violation of SAMA instructions related due diligence	Nil	-	Nil	-
Violation of SAMA instructions regarding the level of performance of ATMs and point of sale machines	Nil	-	1	15,000
Violation of SAMA instructions for due diligence in Anti money laundering and the financing of terrorism	3	1,780,000	4	1,739,000



Other Penalties, fines and Regulatory Restrictions

Some Municipalities and other government related entities have imposed fines on the Bank with a total of SAR 218.52 thousand during 2022 most of them are related to the municipals regulations in regard to the Bank ATMs and branches as specified below, The Bank has taken care to enhance the handling of various aspects of regulations:

Name of Authority	SAR '000
Eastern Province Municipality	5.00
Royal Commission for Jubail and Yanbu	0.20
Ministry of Municipal and Rural Affairs	0.50
Saudi Payments	50.82
Jeddah Municipality	0.70
Riyadh Municipality	160.30
Jazan Municipality	1.00
Total	218.52

Related Party Transactions

In the ordinary course of its activities, the Bank transacts business with related parties. The related party transactions are governed by the limits set by the Banking Control Law and regulations issued by Saudi Central Bank (SAMA).

The balances as at December 31 resulting from such transactions included in the consolidated financial statements are as follows:

	2022 SAR '000	2021 SAR '000
Subsidiary companies		
Investments	501,480	501,480
Customer deposits	41,128	13,937
Due from banks and other financial institutions	1,409,149	1,331,550
Due to banks and other financial institutions	290,854	290,658
Receivables and other assets	102,755	175,999
Payables and liabilities	17,145	16,341
Contingencies and commitments	30,247	530,247
Notional values of outstanding shari'ah compliant contracts	6,138,303	4,271,339
Associate and affiliate entities with significant influence		
Investments	217,871	211,143
Customer deposits	243,788	87,223
Contingencies and commitments	7,280	7,280

	2022 SAR '000	2021 SAR '000
Directors, key management personnel, other major shareholders and their affiliates		
Financing	395,442	441,221
Customers' deposits	7,237,109	5,341,214
Contingencies and commitments	26,237	6,948

Other major shareholders represent shareholdings of more than 5% of the Bank's issued share capital.

	2022 SAR '000	2021 SAR '000
Mutual Funds under subsidiary's management		
Investments	1,118,059	255,823
Customers' deposits	114,032	519,901
Receivables	214	214

Income, expenses and other transactions with related parties included in the consolidated financial statements:

	2022 SAR '000	2021 SAR '000
Income from investments and financing	179,344	77,559
Return on deposits and financial liabilities	301,982	180,620
Fees income	1,455	2,537
Fee expense	9,980	9,053
Exchange loss	2,244	-
Insurance premium	60,371	50,329
Claims received	31,667	32,277
Directors' remuneration	9,088	8,134
Income under shared service agreements	2,751	3,391
Operating expenses	24,335	-
Reimbursement of expense to a subsidiary	38	37
Reimbursement of building related expense	6,250	6,971
Rent expense for branches	768	768
Dividend paid	15	7
Participation in DMO sukuk auction for an associate	-	99,251
Face value of bonus shares received	-	20,649
Purchase of Sukuks	530,000	-
Foreign currency dealing	500	-

Total amount of remunerations paid to directors and key management personnel during the year:

	2022 SAR '000	2021 SAR '000
Short-term employee benefits	119,413	105,480
Termination benefits	37,146	39,314

Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The contracts and dealings between the Bank and AlJazira Takaful Ta'awuni Company (AJT) in the year 2022 amounted to SAR 94.2 million. Whereas,

- Eng. Abdulmajeed Al Sultan has an indirect interest in these as he is the Vice Chairman of Bank AlJazira Board of Directors and the Chairman of the Board of Directors of AJT
- Mr. Naif Al Abdulkareem has an indirect interest in these as he is the CEO & Managing Director of Bank AlJazira and the Vice Chairman of Board of Directors of AJT

SAR '000

Nature of Contract	Period of the Contract	Transaction amount in 2022
Personal Dinar Insurance Policy	One Year	21,673
Mortgage Insurance Policy	One Year	27,393
Group Life Insurance Policy	One Year	2,198
Staff Credit Cover Policy	One Year	537
Property All Risk- Mortgage Employee	One Year	34
Property All Risk- Mortgage Customer	One Year	1,906
Property All Risk –Own Property	One Year	330
Banker Blanket bond	One Year	6,300
Bancassurance Distribution Agreement	One Year	659
Return on time deposits investments	Dealings	1,483
Claims received	One Year	31,667
Dividend paid	Dealings	15
Total		94,195

The contracts and dealings between the Bank and AlJazira Capital (AJC) in the year 2022 amounted to SAR 53.1 million. Whereas:

- Eng. Tarek bin Othman Al Kasabi has an indirect interest in these transactions as he is the Chairman of Bank AlJazira Board of Directors and the Chairman of the Board of Directors of AJC
- Mr. Naif Al Abdulkareem has an indirect interest in these transactions as he is the CEO & Managing Director of Bank AlJazira and the Vice Chairman of Board of Directors of AJC

SAR '000		
Nature of Contract	Period of the Contract	Transaction amount in 2022
Service Level Agreement	Effective, unless terminated	2,751
Return on time deposits investments	Dealings	275
Financing income earned on money market placements	Dealings	30,957
Fees and commission income	Dealings	676
Custody fee expense	Effective, unless terminated	7,337
Investment advisory fee	Dealings	2,642
Rent and building related expense	Effective, unless terminated	6,250
Loss on foreign exchange contracts	Dealings	2,244
Total		53,132

List of rental contracts where the below listed members of board directors may have direct or indirect interest:

SAR '000					
Contractor	Name of the related party	Relationship	Nature of Contract	Term of Contract	Amount in 2022
Mr. Ahmed bin Othman Al Kasabi	Eng. Tarek bin Othman Al Kasabi	Brother of Mr. Ahmed bin Othman Al Kasabi	Rental for Al-Hassan Bin Ali Road branch	10 years	316
Dallah Health Care Holding Company	1) Eng. Tarek bin Othman Al Kasabi 2) Adil Dahlawi	Board member in Dallah Health Care Holding Company	Rental for ATM in Riyadh	5 years	35
Consolidated Brothers Company	Eng. Abdul Majeed bin Ibrahim Al Sultan	Board member & Owns part of Consolidated Brothers Company	Rental for Al-Rehab Branch	12 years	417
Total					768

Note: The amounts above include VAT where applicable.

Information relating to any competing business with the Bank or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses, including the names of persons in relation, the nature, conditions of such competing businesses:

Board Member	Competing Businesses	Main Activity
1 Mr. Abdulwahab Abdulkarim Albetari	Impact46 Company	A Company Managing Private Non-Real-Estate Investment Funds, Managing Sophisticated Investor Portfolios, and arranging activities in the securities business.
	Osool & Bakheet Investment Company (OBIC)	A Company dealing as principle and agent, Investment Fund Management, Discretionary Portfolio Management and Custody.
2 Mr. Mohammed Saad Bindawood	Alpha Capital	A Company Dealing, Managing (Managing investment and operating funds), Arranging (Financial advisor/Corporate finance advisor), Advising (Investment advisor).
	Dar Al Tamleek Company	A Company Specialized in providing housing finance solutions in the Kingdom of Saudi Arabia.
	The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF)	A Company providing comprehensive choices of cooperative Health, Motor, Property and other insurance and reinsurance services.



Board of Directors assurance

The Board of Directors assures shareholders and other stakeholders that to the best of their knowledge, and in all material aspects:

- Proper books of account have been maintained,
- The system of internal control is sound in design and has been effectively implemented,
- There are no significant doubts concerning the bank ability to continue as a going concern,
- There are no business or contracts in which the bank is a party, or in which any board member, the CEO, Managing Director, Senior Financial Officer, or senior executives of the bank, or any party directly related to them, hold large interests, except as otherwise disclosed in the (Related Parties Transactions) herein and in the Note 37– (Transactions with related parties) of the audited financial statements for 2022.
- The Board of Directors did not recommend replacement of the bank's auditors prior to their term of appointment, and there was no contradiction between the recommendations of the Audit Committee and the Board resolutions.

2022 Dividends

Based on the authorization of the Ordinary general meeting held on Monday, 15 November 2021 distributing interim cash dividends to the shareholders for the first half of 2022 to the

Board of directors to distribute provisional dividends on half-yearly/quarterly basis for 2022, the Board of Directors resolved on Thursday, 01/08/2022 Corresponding to 03/01/1444 to distribute cash dividends for the first half of 2022, of SAR 328 million (net of Zakat) to shareholders, at the rate of SAR 0.40 per share, which represents 4% of the share nominal value. These dividends were distributed to shareholders effective Monday 17th Muharram 1444H (As per Ummul Qura), corresponding to 15 August 2022.

Proposed way to distribute dividends for the year 2022:

In 2022, an interim cash dividend of SAR 328 million equal to SAR 0.40 per share (net of Zakat) was distributed to the shareholders of the Bank for the first half of the financial year 2022. This was distributed based on eligible shares for distribution which equal to 820 million shares.

Dividend Distribution Policy

In line with the bank's updated Articles of Association as approved at the General Assembly Meeting held on Wednesday, 15 Jumada I, 1442H (30 Dec 2020G) and BAJ Governance document, the bank's dividends policy complies with the Banking Control Law and the rules and regulations issued by the regulatory authorities. The Bank pays approved dividends to shareholders, after deduction of overheads and other expenses, formation of reserves as necessary to meet doubtful

debts, investment losses and contingent liabilities as deemed necessary by the board of directors and required under the banking control law provisions, as follows:

- Sums required for payment of the Zakat due on Saudi shareholders and the tax due on non-Saudi shareholders shall be calculated according to the laws and regulations in force in Kingdom of Saudi Arabia. Such sums shall be paid by the bank to the competent authorities. Zakat paid on behalf of Saudi shareholders shall be deducted from their share in the net profits, and tax paid on behalf of non-Saudi shareholders will be deducted from their share in the net profits.
- 25% of the remainder of annual net profits, after deduction of zakat, will be transferred to statutory reserve until this reserve is equal to the paid-up capital of the bank, at least.
- Out of the remainder of the profit after deduction of the statutory reserve and Zakat and tax, a sum of not less than 2.5% of the paid-up capital shall be allocated for distribution to Saudi and non-Saudi shareholders in proportion to the paid-up part of the shares of the Saudi and non-Saudi shareholders as recommended by the Board of Directors and endorsed by General Meeting. In case the remainder of the profits payable to the shareholders concerned is not sufficient for paying such dividend, shareholders may not be entitled to claim the payment thereof in the following year or years. The General Meeting may not resolve to pay a percentage of the dividends which exceeds the percentage that is recommended by the Board of Directors.
- The remainder after the sums set forth in paragraph (a), (b), (c) herein have been allocated shall be utilized in the manner recommended by the Board of Directors and approved by the General Meeting.
- The respective percentage of shareholding of each of the Saudi and non-Saudi shareholders shall be maintained (observed) when calculating the sum to be allocated as statutory reserve and other reserves out of the net profit (after Zakat and Tax). Each of the two categories of shareholders shall participate in the transfer to such reserves on a pro-rata basis of their shareholding in the capital provided their contributions will be deducted from their shares in the net profits.
- Without prejudice to (a), (b), (c), (d) and (e) hereof, the bank may, after having obtained the Saudi Central Bank's (SAMA) no-objection, and in line with the relevant regulatory rules, may pay provisional dividends to shareholders, half-yearly or quarterly, if any

Credit Ratings

The strength of the credit rating is a sign of the bank's relative financial strength and enhances the Bank's ability to access optimal sources of financing, particularly as credit ratings take into account the financial strengths, liquidity position and reputation of Bank AlJazira taking into consideration the local sovereign rating. The table below reflects the bank's latest credit assessment:

Rating	Moody's Nov-2022	Fitch Rating Nov-2022	Islamic Int'l Rating Agency Aug-2022
Credit Rating - Long Term	Baseline Credit Assessment BCA BAA3	Issuer Default Rating IDR BBB+	
Outlook	Stable	Positive	Positive
Deposits Rating	BAA1/P-2*	Issuer Default Rating IDR F2 Short Term	
International Scale			A-/A2
National scale			A+(sa) / A1 (sa)
Counterparty Risk Assessment CR	A3(cr)/P-2(cr)		
Overall Fiduciary Rating Score			76-80
Long Term Local Currency IDR		BBB+	
Support Rating Floor		BBB+	
Viability Rating		BB+	
National Long Term Rating		AA-(sau)	

Local regulatory and supervisory requirements and international standards:

In line with local regulatory and supervisory requirements and international standards, Bank AlJazira has taken several actions to monitor its business to comply with the instructions of the Saudi Central Bank (SAMA), the Capital Market Authority, and other legislators, in addition to international best practices. The Bank rely on the Compliance and Anti-Financial Crime Group, which plays an active role in assisting the Bank and enabling it to achieve its strategic objectives which were established in accordance with standards and regulations related to compliance and Anti-Financial Crimes.

In pursuing to ensure the implementation of regulations published by regulators, Bank AlJazira has set controls at the level of the bank and its various business groups or Departments, and worked to raise employees' awareness of Non-compliance risks through intensive training courses for its Employees, As well as reviewing all policies, procedures, products and services and ensuring their effectiveness and to be complied with updated regulations and instructions. Moreover, the bank emphasizes monitoring on non-compliance risks and money laundering and terrorist financing and other financial crimes including fraud, bribery and corruption.

Anti-Fraud Management Program

The Bank has assessed the Anti-Fraud Risk Management framework in line with SAMA guidelines and international best practices. The updated Anti-Fraud Risk Management framework has addressed the following aspects:

- Reviewed the counter Fraud Risk Management Governance structure and associated strategy across the Bank.
- Developed, reviewed and updated counter Fraud Risk Management policies, procedures, processes and Manuals.
- Conducted and upgraded Fraud Risk Assessments and diagnosis.
- Implementing comprehensive Fraud Prevention and Detection solution across the bank.

Board of Directors General Secretariat and Governance Group:

The General Secretariat of the Board of Directors assumes the organizing of the business of the Board of Directors and its committees. It undertakes the preparations for and holding of the board meetings, maintains related records and files, receives incoming correspondence, and documents the decisions relevant to the work of the Board and committees and following up on their implementation. It also assumes all the tasks and responsibilities entrusted thereto by the chairman and members of the Board. The Board of Directors Secretariat is also responsible for the work and reports concerning the bank's various business courses and reports to the Board of Directors and committees for decisions.

Furthermore, the Group is responsible for leading and managing the bank's governance matters in line with the Governance Principles issued by the Saudi Central Bank (SAMA), Corporate Governance Rules issued by CMA and other supervisory directives. The Group has formed and aligned the bank's governance framework and complementing policies relating to conflict of interests, disclosure and related parties transactions, terms of reference of the board and subcommittees and management committees to ensure these are aligned with the rules and regulations in force. This is in addition to the Groups' contribution to the development, assessment frameworks, suitability and training of the Board and committees' members.

Principles of Corporate Governance

Bank AlJazira is aware of the positive implications of adopting the principles of governance that require the bank to observe highest professional and ethical standards in its business by implementing compliance, disclosure and transparency rules, thereby contributing to the strengthening and improvement of the efficiency of the bank's business and relations with its stakeholders. The Bank believes that the adoption of these principles will enhance investors and stakeholders confidence in the Bank and positively reflect on the integrity of the banking industry in the Kingdom of Saudi Arabia. In the Bank's endeavors to enhance channels of communication with its shareholders, the Bank continued its initiatives to urge shareholders holding share certificates, who did not receive their dividends for the past period, to contact the bank in order to update their information and arrange their share rights. A search engine has been provided on the bank's electronic website for this purpose. The Bank's Articles of Association and Governance Document guarantee shareholders' right to dividends and to

attend, discuss and vote at the general meeting assemblies, and dispose of their shares whether in person or in any means of modern technology. Based on the bank's disclosure policy, information and data relating to general meetings, balance sheets, financial statements and directors annual report are provided to shareholders on a continuous basis, published in newspapers, The Saudi Stock Exchange website (Tadawul) and posted on the Bank's electronic website.

In its keenness to comply with the recent supervisory requirements, the Bank has, in 2022, made the necessary amendments to the relevant Board and Subcommittees' terms of reference as follows:

a. Terms of reference of the board of directors and subcommittees and governance policies

At its meetings held in 2022, the Board of Directors approved the updates to the Bank's Governance Policies after they were aligned with the key governance principles issued by the Saudi Central Bank (SAMA) in June 2021. These policies included, for example, Conflict of Interest Policy, the policy Regulating Relationships with Stakeholders, Related Party Transaction Policy, Subsidiaries Oversight Policy, the Procedural Policies and Standards for membership in the Board of Directors and its Subcommittees and the Governance Manual. The Board also approved the updated and amended terms of reference of the Board and its Subcommittee's after the same have been aligned with key governance principles issued by the Saudi Central Bank, including for example, the Sharia Committee, Sustainability and Social Responsibility Committee, Risk Committee and Executive Committee.

The Bank's shareholders ordinary general assembly, at its meeting held on 19 April 2022, approved the updated and amended terms of reference of the Audit Committee, after the same have been aligned with the key principles of governance for the financial institutions supervised by the Saudi Central Bank.

b. Evaluation of the effectiveness of the board, board members and board committees:

As per the supervisory directives contained in the Governance Principles document, the Corporate Governance Rules and Bank AlJazira Governance document, the board of directors evaluates, on an annual basis, the effectiveness of its members and the volume of their participation in its business, both individually and as a group, as well as the effectiveness of the board sub-committees. In the third quarter of 2022, under the directives of the Remuneration and Nomination Committee, the Human Capital Group conducted and supervised an assessment process of the members of the board and committees, and the results and recommendations of this process were conveyed to the Remuneration and Nomination Committee who presented same to the Board of Directors. The bank seeks to rotate the evaluation process of board and committees to an external consultant to be conducted once every three years.

c. Training courses to board and sub-committee members:

In its keenness to enhance the skills of the members of the board member in all aspects of banking industry, direct training and physical learning programs were designed for the whole board during the term (Jan 2022 – Dec 2024). These programs cover all members of the board. In 2022 all members of the Board have physically attended a full day deep dive development session drafted and implemented by INSEAD business school

as a leadership development program. Board members also received a one-day development program by CCL Academy on how to avoid risk in various global economic situations. In addition to sessions in line with Saudi Central Bank (SAMA) requirements, sessions were reviewed by the members and subsequently confirmed. The sessions covered the following points:

• Aspects of Effective Governance	• Decision Making
• Methods of Addressing Obstacles of Governance	• Cyber Security
• Sharia Governance	• Performance and Risk Management
• Business Continuity	• Fraud & Money Laundering

d. Shareholders rights

Under the related supervisory directives, and as a general rule, the bank is keen to enable shareholders to exercise their legal rights relating to the shares, including the submission of comments and suggestions regarding the bank and performance. To this effect, the Phone number 012 609-8394 or 011 215-7325 and e-mail address (SSU@bankaljazeera.com) were assigned to receive inquiries from all shareholders, and the board was informed of all such inquiries and feedback. In addition, and as per the Bank's practices, the board addressed all questions and inquiries of shareholders raised at the bank's general meetings held in the year 2022 and through the shareholders unit. The board reviews such comments and reacts appropriately to them.

Shareholders registry submissions

In 2022, submissions to shareholders registry were made as per following details:

No. of Submissions Made to Shareholders Register	Submission Date	Reasons
(1)	09/01/2022	Others
(2)	08/02/2022	Dividends File
(3)	27/02/2022	Others
(4)	13/04/2022	Others
(5)	22/06/2022	Others
(6)	02/08/2022	Dividends File
(7)	04/10/2022	Others

In general, Bank Al-Jazira complies in letter and spirit with all mandatory provisions and directives contained in the CMA Corporate Governance Rules, except for what stated below, which compliance is reflected by incorporating such mandatory requirements in the bank's articles of association, governance document and terms of reference of the board of directors and its sub-committees. Such requirements were also incorporated in the policies and governance frameworks of Bank Al-Jazira, and in the internal policies and business directories regulating the business of the bank's various departments. These requirements provide for guarantee of shareholders right to the shares and to participate in the general meetings and be provided with all information that enable them to exercise such rights; disclosure of financial and non-financial information; full compliance with transparency requirements within the legal limits; determination of the duties of the board and liabilities of its members and the formation of its various sub-committees in line with its terms of reference which are consistent with the regulatory directives.

Article	Requirements	Reasons for bank non-compliance
92	Formation of Governance Committee (Guidance Article)	As per its terms of references, the Board supervises all aspects of governance the bank.
90 Subparagraph(b) From paragraph (4)	Disclosure of senior Executive bonuses	Data is included in the aggregate.

Notification relating to shareholding of major shareholders:

The Bank did not receive any notifications from shareholders and related parties regarding change of their shareholding in the bank as per the provisions of article 68 of the requirements for securities issuance and continuous liabilities issued by the Capital Market Authority. The following tables include description of the interests of major shareholders, board directors and senior executives and their spouses and children in the bank's shares or debt instruments:

Description of any interest, securities or subscription right held by major shareholders:

S	Name of interested person	Beginning of the year 2022		End of the year 2022		Net Change	% Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
1	Consolidated Brothers Development Company	54,070,295		41,000,000		-13,070,295	-24.17%
2	Mr. Ibrahim Abdulrahman Mohammed Al Qunaibet	41,002,903		41,002,903		0	0%



Description of any interest, securities and subscription rights held by the directors of the Board and their spouses and children:

Name	Relation	Shares Balance Beginning of the year 2022	Shares Balance End of the year 2022	Net Change	% Change
Eng. Tarek Bin Othman Al Kasabi	Self	1,000	1,000	0	0.00%
Mrs. Manal Tarek Bin Othman Al Kasabi	Board Member Daughter	30,000	28,000	-2,000	-6.67%
Eng. Abdulmajeed bin Ibrahim Al Sultan	Self	2,731	2,731	0	0.00%
Consolidated Brothers Co	Board Member Partner	54,070,295	41,000,000	-13,070,295	-24.17%
Mr. Saad Ibrahim Al Mushawah	Self	2,000	2,000	0	0.00%
Mr. Abdulwahab Abdulkareem Al Betari	Self	65,000	65,000	0	0.00%
Mrs. Fahdah Fayz Fahad Al Gusaabi	Board Member Wife	2,500	2,500	0	0.00%
Mr. Adil Bin Saud Dahlawi	Self	10	0	-10	-100.00%
Mr. Ibrahim Bin Abdulaziz Al Shaia	Self	0	10,000	10,000	100.00%
General Organization for social Insurance	Representative	7,390,992	40,180,000	32,789,008	443.63%
Hassana Investment Company	Representative	5,748,600	0	-5,748,600	-100.00%
Mr. Abdullatif Bin Khalifa Al Mulhem	Self	3,799,040	3,799,040	0	0.00%
Mr. Khalifa Al Mulhem	Father of Board Member	300,000	280,000	-20,000	-6.67%
Mr. Naif Bin Abdulkareem Al Abdulkareem	Self	1,000	1,000	0	0.00%

Description of any interest, securities and subscription rights held by senior executives, their spouses and children:

Name	Relationship	Shares Balance Beginning of the year 2022	Shares Balance End of the year 2022	Net Change	% Change
Mr. Naif Bin Abdulkareem Al Abdulkareem CEO & Managing Director	Self	1,000	1,000	0	0
Dr. Fahad Bin Ali Al Elayan Senior Vice President and Head of Shariah Group and Sustainability & Social Responsibility Group	Self	30,000	30,000	0	0
Mrs. Haneen Fahad Bin Ali Al Elayan	Daughter of Executive	0	800	800	100 %
Mr. Faisal Mashhour Al Mansour Senior Vice President and Head of Human Capital Group	Self	1,563	0	-1,563	-100%
Mr. Osama Al Ibrahim Senior Vice President & Group Head of Risk Management	Self	5,102	5,102	0	0



Composition of the board of directors and membership categories

As per the provisions of the Bank's articles of association, the board of directors of Bank AlJazira consists of 9 members. On 15 November 2021, the bank's general meeting convened to select and elect the board directors for a new term from 01 January 2022 to 31 Dec 2024 based on the accumulative voting method. In accordance with the supervisory directives and after having obtained the consent of the regulatory authorities, a Chairman, Deputy Chairman and a managing director were elected from among the board members.

The Board of directors has also selected and appointed the chairmen and members of the board sub-committees for the board term starting from 01 Jan 2022 to 31 Dec 2024, as follows:

SN	Director's name	Membership Classification (Executive – Non-Executive – Independent)
1	Eng. Tarek Bin Othman Al Kasabi	Non-Executive
2	Eng. Abdul Majeed Bin Ibrahim Al Sultan	Non-Executive
3	Mr. Naif Bin Abdulkareem Al Abdulkareem	Executive
4	Mr. Abdulwahab Bin Abdulkareem Al Betari	Non-Executive
5	Mr. Adil Bin Saud Dahlawi	Non-Executive
6	Mr. Mohammed Bin Saad Bindawood	Non-Executive
7	Mr. Abdullatif Bin Khalifa Al Mulhem	Independent
8	Mr. Ibrahim Bin Abdulaziz Al Shaia	Independent
9	Mr. Saad Bin Ibrahim Al Mushawah	Independent

The Board of Directors also took into account the selection and appointment of the chairmen and members of the Board sub-committees for the Board term starting from 01 January 2022 to 31 December 2024, which were formed as follows:

1. Executive Committee
2. Risk Committee
3. Remuneration and Nomination Committee
4. Sustainability & Social Responsibility Committee
5. Audit Committee (which members appointment was ratified by the general meeting (63) held on 15 Nov 2021)

1) Names of board directors, board committee members and executive management and their present and past positions, qualifications and experience:

a. Board directors:



Eng. Tarek bin Othman Al-Kasabi

Present Positions

1. 1995 - Chairman of the Board of Directors of Dallah Health Care Company.
2. 2006 - Member of the Board of Directors of Kingdom University Company (Kingdom of Bahrain).
3. 2008 - Chairman of the Board of Directors of Rozam Investment Company.
4. 2010 - Chairman of the Board of Directors of Ataa Educational Company.
5. 2013 Chairman of the Board of Directors - NEBA.
6. 2016 - Chairman of the Board of Directors of Bank AlJazira.
7. 2017 Chairman of the Board of Directors of Dallah Pharma Company.
8. 2020 - Chairman of the Board of Directors of Dar'a AlRiyah Holding Co.
9. 2022 Al Jazira Securities Company – Chairman of the Board of Directors.

Past Positions

- 1 1981 - 1989 Vice President of Kara Contracting Establishment.
- 2 1989 - 1990 General Manager of Makkah Company for Reconstruction and Development.
- 3 1990-2007 Vice President - Dallah Al Baraka Holding Company.
- 4 1998 – 2015 Member of the Board of Directors of Bank AlJazira.
- 5 2007-2019 Vice Chairman of the Board of Directors of Aseer Company for Trade, Tourism and Industry.
- 6 2008-2013/2015-2016 Chairman of the Board of Directors – Al Jazira Securities Company.
- 7 2018-2021 Member of the Board of Directors of Al-balad Al-Ameen Property Development Company.
- 8 2018 – 2021 Member of the Board of Directors of Dahiat Sumou Co.
- 9 2019 -2021 General Organization for Social Insurance.

Qualifications

Bachelor of Civil Engineering, King Saud University - 1976.

Experience

- Member of the Board of BAJ since 1998, member of Executive Committee, Previous Chairman of Risk Committee.
- Chairman and member of the Boards of Directors of many investment companies in and out of the Kingdom of Saudi Arabia.



Eng. Abdul Majeed bin Ibrahim Al-Sultan

Present Positions

1. 1993 - Member of the Board of Directors of the Brothers Union Company.
2. 2004 – Member of the Board of Directors of Bank AlJazira.
3. 2009 – Chairman of the Board of Directors of Olat Development Company.
4. 2013 - Chairman of the Board of Directors of Al-Jazira Takaful Cooperative Company.
5. 2013 – Chairman of the Board of Directors of Al-Durra Development Company.

Past Positions

1. 1990 – 1993 Corporate Account Management at the National Commercial Bank.
2. 1991-2007 Member of the Board of Directors of the Marafeq Construction Company.
3. 1991-2007 Chairman of the Board of Directors of the Packaging Materials Manufacturing Company - FIPCO.
4. 1993-2000 General Manager of the Construction Facilities Company.
5. 1994-2021 CEO of Brothers Union Company.
6. 1998-2018 Member of the Board of Directors of Qassim Cement Company.

Qualifications

1989 – Bachelor of Engineering – King Saud University, Riyadh

Experience

- Member of the Board of BAJ since 2004, Chairman of Jazira Takaful Taawuni Committee.
- Chairman and member of the Boards of Directors of many investment companies in and out of the Kingdom of Saudi Arabia.



Mr. Naif Bin Abdulkarim Alabdulkarim

Present Positions

1. 2020 – CEO of Bank AlJazira.
2. 2020 Member of the Nomination and Remuneration Committee - Al Jazira Securities Company.
3. 2020 Member of the Board of Directors of Aljazira Capital.
4. 2021 Managing Director of Bank AlJazira.
5. 2021 Member of the Executive Committee of Bank AlJazira.
6. 2020 Member of the Nomination and Remuneration Committee Saudi Credit Bureau (SIMAH).
7. 2020 Member of the Executive Committee Saudi Credit Bureau (SIMAH).
8. 2022 Member of the Board of Directors Aljazira Takaful.
9. 2022 Member of the Investment Committee Aljazira Takaful.
10. 2022 Member of the Executive Committee Aljazira Takaful.

Past Positions

1. 2001 – 2004 Credit Relations Manager – Riyad Bank.
2. 2004 – 2011 Regional Manager of Retail Banking – Ahli Bank.
3. 2012 Head of Private Banking – SABB Bank.
4. 2012-2013 General Manager of Branches & Wealth Management – SABB Bank.
5. 2012 – 2018 Chairman of the Board of Directors – SABB Insurance Agency.
6. 2014-2017 Member of the Board of Directors / Member of the Executive Committee – SANID.
7. 2014-2019 General Manager of Retail Banking & Wealth Management – SABB Bank.
8. 2016-2018 Board Member / Executive Committee Member – SABB Takaful.
9. 2017-2019 Member of the Board of Directors – HSBC Saudi Arabia.
10. 2017-2020 Member of the Board of Directors – SIMAH.
11. 2019-2020 Deputy General Manager of Retail Banking and Wealth Management – SABB Bank.

Qualifications

- 1995 Bachelor of Finance- King Saud University. 2001 Master of Business
- Administration – University of Illinois, USA.

Experience

Past and present experience in commercial banks.



Mr. Abdulwahab Bin Abdulkareem Al Betari

Present Positions

1. 2004 Member of the Board of Directors - Manafez Company for Ambulance Vehicles and Disabled.
2. 2013 Member of the Board of Directors - Alhimmah Partnership Company Ltd.
3. 2014 Chairman of the Board of Directors - Osool & Bakheet Investment Company.
4. 2014 Co-founder – Watar Business Partners Trading Co. Ltd.
5. 2015 Vice Chairman – Alujain Company.
6. 2015 Member of the Board of Directors - Sunbulah Group.
7. 2019 Member of the Board of Directors - Riyadh Cable Group Company.
8. 2020 Vice Chairman of the Board of Directors – National Petrochemical Industries Company (NATPET).
9. 2022 member of the Risk Committee, Bank AlJazira.
10. 2022 Member of the Board of Directors of Saudi Airlines Catering Company.
11. 2022 Member of the Board of Directors of Tarabot Company.

Past Positions

1. 1999 – 2004 Investment Portfolio Manager – Saudi American Bank (SAMBA).
2. 2004 - 2014 - Co-founder / Member of the Executive Committee - Family Office Company - Wealth Management / Bahrain.
3. 2018-2020 - Vice Chairman of the Advisory Committee - Capital Market Authority.
4. 2020 Member of the Risk Committee - Bank AlJazira.

Qualifications

- 2010 – Masters of Business Administration, London Business School.
- 2000 Bachelor in Finance - King Fahd University of Petroleum and Minerals.
- 2021 General Certificate in Dealing in Securities (CME-1) & Stock Brokers Certification Exam (CME-3) - Capital Market Authority.

Experience

Various past experience in accounting and auditing in financial and investment companies in and out of the Kingdom.

a. Board directors:



Mr. Ibrahim Bin Abdulaziz Al Shaia

Present Positions

1. 2014 Director General of Financial Affairs – General Organization for Social Insurance.
2. 2016 Member of the Board of Directors of Bank AlJazira.
3. 2016 Member of the Audit Committee Hassana Investment Company.
4. 2019 Member of the Board of Directors of Masdar Data Solutions.
5. 2020 Member of the Executive Committee - Bank AlJazira.
6. 2020 Member of the Nomination and Remuneration Committee - Bank AlJazira.

Past Positions

1. 2002-2004 External Auditor - Al-Rashid Accountants, Auditors and Legal Consultants.
2. 2010-2013 Member of the Audit Committee – Allianz Saudi Fransi Cooperative Insurance Company.
3. 2011-2014 Director of Budget Department – General Organization for Social Insurance.
4. 2011-2015 Member of the Board of Directors of Al-Safwa Cement Company.
5. 2013-2015 Chairman of the Audit Committee - Al-Safwa Cement Company.
6. 2014-2021 Director General of Financial Affairs - General Organization for Social Insurance.
7. 2016-2020 Chairman/Member of the Risk Committee – Bank AlJazira.

Qualifications

2004: Bachelor of Accounting, King Saud University.
2008: Master of Professional Advanced Accounting, University of Queensland For Technology, Australia.

Experience

Past and present varied experience in a number of financial and investment companies in accounting and auditing fields.



Mr. Adil Bin Saud Dahlawi

Present Positions

1. 2017 Founding Director, Mauthouq Financial Consultancy.
2. 2019 Member of the Board of Directors of Bank AlJazira.
3. 2021 Member of the Board/Executive Committee and the Nomination and Remuneration Committee in Taajeer Group.
4. 2021 CEO Counsel – Dallah Al Baraka Investment Holding Company.
5. 2022 Chairman of Risk Committee of Bank AlJazira.

Past Positions

1. 1994-2002 Corporate Banking Relations Officer –Saudi Fransi Bank.
2. 2002 – 2006 Team Leader Samba Corporate & Investment Services – Samba Financial Group.
3. 2006-2011 Assistant Chief Investment Officer – Dallah Al Baraka Holding Company.
4. 2011 – 2017 Managing Director and CEO – Itqan Capital.
5. 2018 – 2020 Assistant Chief Investment Officer - Dallah Al Baraka Holding Company.
6. 2019 -2021 Member Board/Audit / Executive Committee - Bank AlJazira.
7. 2019 – 2021 Member of the Board of Directors – Sharma Dallah Health Services.
8. 2020-2022 Managing Director - Dallah Investment Holding Company.

Qualifications

1993 – Bachelor of Medical Science, King Saud University

Experience

- Commercial banks
- Corporate Credit – Investment Management.
- Banking Investment.
- Financial Consultation.



Mr. Saad Bin Ibrahim Al Mushawah

Present Positions

1. 2010 Member and Chairman of the Audit Committee in Qassim Cement Company.
2. 2016 Member of the Board of Directors of Qassim Cement.
3. 2017 Member of the Supervisory Board / Audit Committee of the Center for Building Productive Families (Jana) - one of the branches of Sulaiman Al-Rajhi Finance Corporations.
4. 2019 Member of the Board of Directors of Creative Closets Company.
5. 2019 Member of the Audit Committee of Fawaz Alhokair Company, Public Joint Stock Company.
6. 2019 Member of Thobe Al-Aseel Co Audit Committee.
7. 2021 Member and Chairman of the Executive Committee at Qassim Cement Company.
8. 2021 Member of the Audit Committee of Chemanol Company.
9. 2021 Member of the Audit Committee of Al-Durra Sugar Company.
10. 2022 Member of the Audit Committee of Luna Foods Company.
11. 2022 Member of the Audit Committee of Bank AlJazira.

Past Positions

1. 1985-2003 Head of the lending team of the Saudi Industrial Development Fund.
2. 2003-2019 Chief Executive Officer of Gulf Union Foods Company.
3. 2013-2016 Member of the Board of Directors / Chairman of the Audit Committee of Al Jazira Takaful Company.
4. 2014-2016 Member of the Audit Committee of Alissa Industries.
5. 2020 Member and Chairman of the Nomination and Remuneration Committee at Qassim Cement Company.
6. 2020 Member of the Nomination and Remuneration Committee at Raza Company, an institution affiliated to the Pension and Retirement Authority.

Qualifications

- - 1985- Bachelor of Industrial Engineering King Fahd University For Petroleum and Minerals.
- - 1987 - Specialized course in financial management and investment - Chase Manhattan Bank - United States of America.
- -1990 - Specialized Course - Finance / Economics - United States / Harvard.

Experience

Previous and current experience in joint stock companies and management in several fields, including banking, finance, auditing, and industry.



Mr. Abdullatif Bin Khalifa Al Mulhem

Present Positions

1. 2016 Saudi Industrial Development Fund.
2. 2019 Member of the Board of Directors of the manufacturing company.
3. 2022 Bank AlJazira Risk Committee.
4. 2022 Bank AlJazira Nomination and Remuneration Committee.
5. 2022 Member of the Board of Directors / Executive and Strategy Committee / Nomination and Remuneration Committee of Walaa Insurance Company.

Past Positions

1. 2013-2015 Flour company, Saudi Arabia.
2. 2016 Saudi Industrial Development Fund.

Qualifications

2013 - Bachelor- Industrial Engineering- Concordia University - Montreal

Experience

Multi experiences in different administrative sectors

a. Board directors:



Mr. Mohammed Bin Saad Bindawood

Present Positions

1. 2014 Member of the Board of Directors / Audit Committee of Mohammed Abdulaziz Al-Rajhi & Sons Investment Company.
2. 2014 Member of the Board of Directors of Manafea Investment Company.
3. 2015 Member of the Board of Directors / Risk Committee of Dar Al Tamleek Company.
4. 2018 Member of the Board of Directors of Alpha Capital.
5. 2019 Member of the Board of Directors / Executive Committee of the Saudi Real Estate Company.
6. 2019 Member of the Board of Directors of the Saudi Chemical Company.
7. 2020 Member of the Board of Directors of Oqalat Company Ltd.
8. 2020 Member of the Board of Directors / Governance Committee of Thiqa Company.
9. Member of the Risk Committee of the Ground Services Company.
10. Chairman of the Investment Committee of Abdullatif Alissa Holding Group.
11. 2022 Member of the Board / Executive Committee of Bank AlJazira.

Past Positions

1. 2004-2013 Deputy General Manager of Corporate Banking at Arab National Bank.
2. 2009-2013 Member of the Board of Directors of Al-Araby Investment Company.
3. 2009-2013 Member of the Board of Directors of Al-Araby Heavy Equipment Company.
4. 2012 – 2014 Member of the Board of Directors of the Saudi Home loans Company.
5. 2013-2014 General Manager of Corporate Banking Services at The Saudi British Bank.
6. 2013-2014 Member of the Board of Directors of SABB Takaful Company.
7. 2014 - 2018 CEO/Member of the Board of Directors of Mohammed Abdulaziz Al-Rajhi & Sons Investment Company.
8. 2015 – 2018 Member of the Board of Directors of Falcon Plastic Industries.
9. 2015-2018 Member of the Board of Directors of Al-Jazirah Home Appliance Co.
10. 2015-2019 Member of the Board of Directors of the International Refreshments Company.
11. 2015 – 2020 Member of the Board of Directors of Fiberglass Oasis Company.
12. 2016 Member of the Board of Directors – Investment Committee Real Estate Development Fund.
13. 2017-2018 Member of the Industrial Committee of the Riyadh Chamber.
14. 2019 Member of the Board of Directors / Chairman of the Investment Committee of the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (Med Gulf Insurance).
15. 2019 Member of the Board of Directors of Al Rajhi Steel Industries Company.
16. 2021 Member of the Board of Directors / Member of the Executive Committee of Abdullah Al-Othaim Investment Company.




Qualifications

1996- Bachelor – Accounting – King Saud University.

Experience



Past experience in the investment and banking sector.

b. Board subcommittee members:

S	Name	Present memberships	Past memberships	Qualifications	Experience
1	Eng. Tarek Bin Othman Al Kasabi 	<ol style="list-style-type: none"> Chairman of the Executive Committee - Bank AlJazira. Chairman of the Investment and Financing Committee and member of the Nomination and Remuneration Committee at Dallah HealthCare Company. Member of the Nomination and Remuneration Committee – Ataa Educational Company. Chairman of the Executive Committee and Investment of Care Shield Holding Company. 	<ol style="list-style-type: none"> 1998-2015 Member of the Executive Committee of Bank AlJazira. 2013-2015, Chairman of the Risk Management Committee - Bank AlJazira. 	<p>Bachelor of Civil Engineering, King Saud University - 1976.</p>	<p>Member of the Board of BAJ since 1998, member of Executive Committee, Previous Chairman of Risk Committee.</p> <p>Chairman and member of the Boards of Directors of many investment companies in and out of the Kingdom of Saudi Arabia.</p>
2	Eng. Abdul Majeed Bin Ibrahim Al Sultan 	<ol style="list-style-type: none"> 2016 Member of the Executive Committee – Bank AlJazira. 2019 Chairman of the Social Responsibility Committee (Khair Al-Jazira Program) - Bank AlJazira. 2020 Member of the Nomination and Remuneration Committee - Bank AlJazira. Member of the Executive Committee/Investment Committee of Dar Al Tanmya Company. 	<ol style="list-style-type: none"> 2004-2009 Chairman of the Audit Committee - Bank AlJazira. 	<p>1989 – Bachelor of Engineering – King Saud University, Riyadh</p>	<p>Member of the Board of BAJ since 2004, Chairman of Jazira Takaful Taawuni Committee.</p> <p>Chairman and member of the Boards of Directors of many investment companies in and out of the Kingdom of Saudi Arabia.</p>
3	Mr. Naif Bin Abdulkareem Al Abdulkareem 	<ol style="list-style-type: none"> 2021 Member of the Executive Committee of Bank AlJazira. 2020 Member of the Nomination and Remuneration Committee - Al Jazira Securities Company. Member of the Nomination and Remuneration and the Executive Committee of SIMAH Saudi Credit Bureau. 2020 Member of the Nomination and Remuneration Committee - SIMAH Saudi Credit Bureau Company. 2022 Member of the Board of Directors Aljazira Takaful. 2022 Member of the Investment Committee Aljazira Takaful. 2022 Member of the Executive Committee Aljazira Takaful. 	<ol style="list-style-type: none"> 2021 Member of the Executive Committee of Bank AlJazira. 2020 Member of the Nomination and Remuneration Committee - Al Jazira Securities Company. Member of the Nomination and Remuneration Committee and the Executive Committee of SIMAH Saudi Credit Bureau. 2020 Member of the Nomination and Remuneration Committee – SIMAH Saudi Credit Bureau Company. 2020 Member of the Executive Committee – SIMAH Saudi Credit Bureau Company. 	<p>1995 Bachelor of Finance- King Saud University.</p> <p>2001 Master of Business Administration – University of Illinois, USA.</p>	<p>Past and present experience in commercial banks.</p>


b. Board subcommittee members:

S	Name	Present memberships	Past memberships	Qualifications	Experience
4	Mr. Saad Bin Ibrahim Al Mushawah 	<ol style="list-style-type: none"> 2010 Member and Chairman of the Audit Committee in Qassim Cement Company. 2017 Member of the Supervisory Board and the Audit Committee of the Center for Building Productive Families (Jana) - one of the branches of Sulaiman Al-Rajhi Finance Corporation. 2019 Member of the Audit Committee of Fawaz Alhokair Company, Public Joint Stock Company. 2019 Member of the Thobe Al-Aseel Audit Committee. 2020 Member and Chairman of the Nomination and Remuneration Committee of Qassim Cement Company. 2020 Member of the Nomination and Remuneration Committee at Raza Company, an institution affiliated to the Pension and Retirement Authority 2022 member of the Audit Committee at Bank AlJazira. 	<ol style="list-style-type: none"> 2013-2016 Management of Al Jazira Takaful Company and Chairman of the Audit Committee. 2014-2016 Member of the Audit Committee of Alissa Industries. 	<ul style="list-style-type: none"> - 1985- Bachelor of Industrial Engineering King Fahd University For Petroleum and Minerals. - 1987 - Specialized course in financial management and investment - Chase Manhattan Bank - United States of America. -1990 - Specialized Course - Finance / Economics - United States / Harvard. 	<p>Previous and current experience in joint stock companies and management in several fields, including banking, finance, auditing, and industry.</p>
5	Mr. Ibrahim Bin Abdulaziz Al Shaia 	<ol style="list-style-type: none"> 2016 Member of the Audit Committee from outside the Board of Hassana Investment Company. 2020 Member of the Executive Committee of Bank AlJazira. 2020 Chairman of the Nomination and Remuneration Committee - Bank AlJazira. 	<ol style="list-style-type: none"> 2010-2013 Member of the Audit Committee, Allianz Saudi Fransi Cooperative Insurance Company. 2013-2015 Chairman of the Audit Committee – Al-Safwa Cement Company. 2016-2020 Chairman/ Member of the Risk Committee – Bank AlJazira. 	<ul style="list-style-type: none"> 2004: Bachelor of Accounting, King Saud University. 2008: Master of Professional Advanced Accounting, University of Queensland For Technology, Australia. 	<p>Past and present varied experience in a number of financial and investment companies in accounting and auditing fields.</p>
6	Mr. Adil Bin Saud Dahlawi 	<ol style="list-style-type: none"> 2022 Chairman of the Risk Committee Bank AlJazira. Member of the Executive Committee and the Nomination and Remuneration Committee of Taajeer Group. 	<ol style="list-style-type: none"> 2019-2021 Member of the Executive Committee of Bank AlJazira. 2019-2021 Chairman of the Audit Committee of Bank AlJazira. 	<ul style="list-style-type: none"> 1993 – Bachelor of Medical Science, King Saud University 	<ul style="list-style-type: none"> - Commercial banks - Corporate Credit – Investment Management. - Banking Investment. - Financial Consultation.

S	Name	Present memberships	Past memberships	Qualifications	Experience
7	Dr. AbuBaker Bin Ali BaGabir 	<ol style="list-style-type: none"> 2022 Member of the Audit Committee – Bank AlJazira. Member of the Audit Committee of SABB Takaful. Member of the Audit Committee of Cisco. Member of the Audit Committee of Nahdi Medical Company. Member of the Audit Committee of Abdullatif Jameel Finance. 	<ol style="list-style-type: none"> 1974-2012 Several management positions – National Commercial Bank. 	<p>1972 - Bachelor of Accounting - University of Khartoum - Sudan.</p> <p>1979 - Master of Accounting - University of Birmingham - Britain.</p> <p>1984 - PhD in Accounting and Financial Management - University of Straslyde - Britain.</p> <p>Fellowship of British Certified Public Accountants.</p> <p>- 1989 Chartered Accountant in Britain - Association of Chartered Certified Accountants - London.</p> <p>Member of the British Chartered Accountants-Association of Chartered Certified Accountants - London - 1984.</p>	<p>Current and previous experience in the fields of auditing, finance and commercial banks in the Kingdom.</p>
8	Mr. Fawzi Bin Ibrahim Al Hobayb 	<ol style="list-style-type: none"> Member of the Audit Committee of the Packaging Materials Manufacturing Company (FIPCO). Member of the Audit Committee of Qassim Cement Company. 2022 member of the Risk Committee of Bank AlJazira. 	<ol style="list-style-type: none"> Progression in auditing - Ernst & Young. Head of Internal Audit Department - Arab National Bank. Head of Follow-up and Enforcement Department - Head of Internal Audit Department – Capital Market Authority. Founding and managing WACAD Financial Consulting Office (non-securities). 	<p>1989 Bachelor of Accounting, King Abdulaziz University.</p> <p>1993 - Fellowship of Chartered Accountants (CPA) - USA.</p> <p>Advanced Management Program – Wharton – University of Pennsylvania – 1997</p>	<p>Membership in audit committees, and has experience in account management, internal audits, and financial advisory for banks and the Capital Market Authority.</p>
9	Mr. Abdullatif Bin Khalifa Al Mulhem 	<ol style="list-style-type: none"> 2016 Saudi Industrial Development Fund. 2019 Member of the Board of Directors of the manufacturing company. 2022 Bank AlJazira Risk Committee. 2022 Bank AlJazira Nomination and Remuneration Committee. 2022 Member of the Board of Directors / Executive and Strategy Committee / Nomination and Remuneration Committee of Walaa Insurance Company. 	<ol style="list-style-type: none"> 2013-2015 Flour company, Saudi Arabia. 2016 Saudi Industrial Development Fund. 	<p>2013 - Bachelor-Industrial Engineering- Concordia University- Montreal</p>	<p>Multi experiences in different administrative sectors</p>

b. Board subcommittee members:

S	Name	Present memberships	Past memberships	Qualifications	Experience
10	Mr. Mohammed Bin Saad Bindawood 	<ol style="list-style-type: none"> Chairman of the Investment Committee of the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company. (Med Gulf Insurance). Member of the Risk Committee of the Ground Services Company. Member of the Risk Committee at Dar Al Tamleek Company. Member of the Audit Committee at Mohammed Abdulaziz Al-Rajhi & Sons Investment Company. Chairman of the Investment Committee of Abdullatif Al-Essa Holding Group. Member of the Executive Committee of Abdullah Al-Othaim Investment Company. Member of the Governance Committee of Thiqa Company. Member of the Executive Committee of the Saudi Real Estate Company. 2022 Member of Executive Committee of Bank AlJazira. 	<ol style="list-style-type: none"> 2017 – 2018 Member of the Industrial Committee of the Riyadh Chamber. 	1996- Bachelor – Accounting – King Saud University.	Past experience in the investment and banking sector.
11	Mr. Abdullah Bin Ibrahim Al Hagbani 	<ol style="list-style-type: none"> 2020 Chairman of the Remuneration and Nomination Committee at the Health Cluster (Riyadh). Remuneration and Nomination Committee in Health Cluster (Jeddah - Al-Jouf). 2022 Member of the Nomination and Remuneration Committee – Bank AlJazira. Member of the Remuneration and Nomination Committee at Smart Marinas Management and Development Company. Member of the Remuneration and Nomination Committee at the Saudi Post. 	<ol style="list-style-type: none"> 2001-2004 Training & Development Officer- Silki La Silki. 2005-2018 Director, Human Resources- Capital Market Authority "CMA". 2018 –2021 Senior Human Capital Advisor - Executive Office of H.E Minister Ahmed Alkhateeb. 2019-2020 chief Human Capital – Ministry of Tourism. 2021 -Present - Chief Executive & External Affairs - Saudi Tourism Authority. 	2001 – Bachelor – Human Resources – University of Eastern Washington – USA. 2005 - Master of Business Administration - Lebanese American University - Lebanon. 2008 - Diploma - Training and Development - Lingvin Training Facility - United States of America.	More than 18 years of experience in human Recourses.

S	Name	Present memberships	Past memberships	Qualifications	Experience
12	Mr. Abdulwahab Bin Abdulkareem Al Betari 	2020 Member of the Risk Committee - Bank AlJazira.	<ol style="list-style-type: none"> 2004-2014 Member of the Executive Committee - Family Office Company / Bahrain. 2018-2020 Vice Chairman of the Advisory Committee - Capital Market Authority. 	2010 – Masters of Business Administration, London Business School.	Various past experience in accounting and auditing in financial and investment companies in and out of the Kingdom.
13	Mr. Abdulaziz Bin Ibrahim Al Hadlaq 	2013 Member of the Social Responsibility Committee (Khair Al-Jazira le ahl AlJazira Program) - Bank AlJazira.	<ol style="list-style-type: none"> Member of the Standing Committee – Ministry of Foreign Affairs. 1994 Member of the National Committee in the Kingdom of Saudi Arabia for the Family International Year. 1995 Member of the National Committee in charge of preparing the national report of the World Summit for Social Development - Copenhagen, Denmark. 1996-1998 Assistant General Manager -International Organizations Affairs- Ministry of Labour and Social Affairs. 1998-2005 General Manager -International Organizations Affairs, Ministry of Labour and Social Affairs. 1996-2005 Member of the Board - International Work Organization. 2005-2006 General Supervisor of Public Affairs and Social Media Department -Ministry of Social Affairs. 2005-2007 Director of International Cooperation - Ministry of Social Affairs for Social Development. 2007-2011 Deputy Assistant Minister -Ministry of Social Affairs For Social Development. 2001-2013 Deputy Minister - Ministry of Social Affairs for Social Development. 2014-2015/2015-2016 Chairman of the Social Affairs, Family and Youth Committee in the Shura Council. 2016-2017 Deputy Chairman of the Social Affairs, Family and Youth Committee in the Shura Council. 	<ul style="list-style-type: none"> 1982: Bachelor of Social Services, King Saud University. 1984: Diploma of Community Development, Research and Training Center. 1991: Diploma of International Development, Missouri Columbia University, USA. 1992: Masters of Community Development, Missouri Columbia University, USA. 	Past experience in the departments of Ministry of Social Affairs and membership of many international organizations involved in community services.

b. Board subcommittee members:

S	Name	Present memberships	Past memberships	Qualifications	Experience
14	Dr. Fahad Bin Ali Al Elayan 	<ol style="list-style-type: none"> 2018 Member of the Social Responsibility Committee (Khair AlJazira le ahl AlJazira Program) - Bank AlJazira. 2021 Member of the Sustainability Committee – General Council for Islamic Financial Institutions. Member of the Board of Directors - Awareness and Rehabilitation Association (WAIE) Member of the Board of Directors - AlShabab Club. Member of the Sustainability Committee – General Council for Islamic Banks and Financial Institutions. Member of the Board of Directors of Tayiba Educational City for Special Education. 	<ol style="list-style-type: none"> Member of the Social Responsibility Committee of the Chamber of Commerce in Riyadh. Faculty member, Education and Social Science College - Al Imam Mohammed Bin Saud Islamic University. Vice Dean of the University Center for Community Service and Continuing Education - Al Imam Mohammed bin Saud Islamic University. Part time consultant - Ministry of Education. Director of the National Cultural Project - King Abdul Aziz Public Library. 	1990 - Bachelor Degree Sharia College – Al Imam University. 1995 - Master Degree Applied Linguistics - Al Imam University. 2001 - PhD Ohio University, United States of America.	He has multiple experiences in the academic and educational fields, research and studies, memberships related to development, cultural and scientific participations.

C. Executive Management

Mr. Naif A. Al Abdulkareem

Position: Chief Executive Officer and Managing Director



Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Saud University	Financial Management	Bachelor Degree	1995
University of Illinois	Business Administration	Master Degree	2001

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	Riyadh Bank	Credit Relationship Manager	2001 –2004
Banks and Financial Services	Listed Joint-Stock Company	NCB	Regional Manager – Retail Banking	2004 –2011
Banks and Financial Services	Listed Joint-Stock Company	SABB	Head of Private Banking	2012
Banks and Financial Services	Listed Joint-Stock Company	SABB	GM Branches & Wealth Management	2012 –2013
Banks and Financial Services	Listed Joint-Stock Company	SABB	GM Retail & Wealth Management	2014 –2019
Banks and Financial Services	Listed Joint-Stock Company	SABB	DMD-Retail & Wealth Management	2019
Banks and Financial Services	Listed Joint-Stock Company	SANID	Board Member/Excom Member	2014 –2017
Banks and Financial Services	Listed Joint-Stock Company	SABB Insurance Agency	Chairman of the Board	2012 –2018
Banks and Financial Services	Listed Joint-Stock Company	SABB Takaful	Board Member/Excom Member	2016 –2018
Banks and Financial Services	Listed Joint-Stock Company	HSBC-SA	Board Member	2017 –2019
Banks and Financial Services	Listed Joint-Stock Company	SIMAH	Board Member	2017

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Chief Executive Officer and Managing Director	2020



Mr. Hani S. Noori

Position: Chief Financial Officer

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Baker College, USA	Business Administration - Accounting	Bachelor Degree	2002
Central Michigan University, USA	Science - Information Systems	Master Degree	2003
Association of Certified Public Accountants, Colorado State, USA	General Accounting	Member (CPA)	2012
The Saudi Organization for Chartered and Professional Accountants, Saudi Arabia	General Accounting	Member (SOCPA)	2021

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	NCB	Financial Controller	2003 - 2009
Banks and Financial Institution	Listed Joint Stock Company	NCB	VP, Senior Financial Controller	2009 - 2014
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	VP, Head of Financial Controllers	2014 - 2016
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	VP, Chief Accounting Officer	2016 - 2021

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Chief Financial Officer	2021



Mr. Khalid Al Othman

Position: Head of Retail Banking Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
London Business School - UK	Business Administration	Master Degree	2012

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	Banque Saudi Fransi	Head of Retail Banking in Central Region	2003 - 2006
Banks and Financial Services	Listed Joint-Stock Company	NCB	Head of Retail Banking in Central Region	2006 - 2008
Banks and Financial Services	Listed Joint-Stock Company	Al Bilad Bank	Head of Retail Banking Branches	2008 - 2010
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Retail Banking Branches	2010 - 2011

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Retail Banking Group	2011

C. Executive Management



Mr. Ahmed Al Hassan

Position: Chief Operating Officer

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Saud University - Kingdom of Saudi Arabia	Computer Sciences	Bachelor Degree	2002

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Governmental	Governmental Body	SAMA	Systems Analyst	2002- 2005
Governmental	Governmental Body	SADAD	IT Director	2005-2009
Banks and Financial Services	Listed Joint-Stock Company	SABB	Director of Banking Channels Development	2009-2011
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Logistics Transformation Department	Feb 2011-Jun 2011
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of IT Department	Jun 2011-2017

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Chief Operations Officer	2017



Mr. Ibrahim A. Al Omar

Position: Chief Operating Officer

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
New York Institute Of Technology	Management Information System (MIS)	Bachelor Degree	2006

Previous Positions

Sector	Legal Entity	Company/Organization	Position	Duration of Service
Education	Governmental Organization	KFUPM	Computer Graphics Art Designer	1996-1998
Commercial	Private Company	FAMA Holdings	MIS Manager – Business Development Manager	1999-2007
Media	Listed Joint-Stock Company	SRMG	IT Department Manager	2007-2009
Health and Care Services	Governmental Organization	National Unified Procurement Medical Supplies Company (NUPCO)	IT Manager	2009-2013
Technology Provider	Private Establishment	Higility (CR is closed)	Founder and CEO	2011-2011
Banks and Financial Services	Listed Joint-Stock Company	Al Rajhi Bank	Chief Technology Officer (CTO)	2013-2017
Financial Sector	Governmental Organization	Social Development Bank (SDB)	Chief Operations Officer (COO)	2017-2022

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Chief Operations Officer	2022



Mr. Faisal M. Al Mansour
Position: Head of Human Capital Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Fahad university of Petroleum and Minerals	MIS	Bachelor	2007

Previous Positions

Sector	Legal Entity	Company/Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	HR Assistant Relationship Manager	April 2009 – October 2009
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	HR Relationship Manager	2009 - 2012
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	HR Senior Manager Relationship	2013 - 2015
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	Head of Resourcing	2016 - 2017
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	Head of Resourcing and HR Service Delivery	2017 - 2018
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	Head of Learning and Talent	2018 - 2020
Government	Governmental Body	Tourism Development Fund	Chief Human Capital Officer	2020
Health	Governmental Body	Ministry of Health, Cluster	Member of Board Nomination and Remuneration Committee	2020
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	SVP, Head of Human Capital Group	2021

Current Positions

Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Human Capital Group	2021



Mr. Sami J. Al Mehaid
Position: Head of Corporate and Institutional Banking Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Faisal University	Business Management	Bachelor	2021
ICC- Manchester University	International Compliance	International Diploma in Compliance	2011
Institute of Public Administration	Banking Business	Diploma in Banking Business	2000

Previous Positions

Sector	Legal Entity	Company/Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	SAMBA	Corporate Banking Customer Service Professional	2000 - 2003
Banks and Financial Institution	Listed Joint Stock Company	Saudi Hollandi Bank	Customer Experience Management	2003 - 2004
Banks and Financial Institution	Listed Joint Stock Company	Saudi Hollandi Bank	Senior RM Corporate Banking	2004 - 2008
Banks and Financial Institution	Listed Joint Stock Company	SABB	Senior Relationship Corporate Manager /Team Leader	2008 - 2009
Banks and Financial Institution	Listed Joint Stock Company	Saudi Hollandi Bank	Compliance Specialist (Senior Manager)	2009 - 2011
Banks and Financial Institution	Listed Joint Stock Company	Al-Rajhi Bank	Head of AML / CTF	2011 - 2013
Banks and Financial Institution	Listed Joint Stock Company	SABB	Chief Compliance Officer	2013 - 2019
Insurance Services	Listed Joint Stock Company	SABB Takaful	- Board Member and Vice Chairman - Chairman of the Board Risk Committee	2019-2020
Securities Services	Saudi Closed Joint Stock Company	HSBC Saudi Arabia	- Audit Committee Member	2018-2020
Banks and Financial Institution	Listed Joint Stock Company	SABB	CRO Designate	2019 - 2020
Banks and Financial Institution	Listed Joint Stock Company	Saudi Fransi Bank	Chief Compliance Officer	2020 - 2021

Current Positions

Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head Of Corporate and Institutional Banking Group	2021

C. Executive Management



Mr. Osama Al Ibrahim

Position: Chief Risk Officer

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Fahd University of Petroleum and Minerals	Industrial Management	Bachelor Degree	1994

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	SAMBA	Customer Relations Manager and Head of Customer Relations	1996-2006
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Corporate Banking Division - Central Region	2006-2008
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Corporate Banking Division - KSA	2008-2014

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Chief Risk Officer	2017



Dr. Fahad Al Elayan

Position: Head of Sharia, Sustainability & Social Responsibility Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Sharia College – Al Imam University	Education	Bachelor Degree	1990
Applied Linguistics - Al Imam University	Education	Master Degree	1995
Ohio University, United States of America	Education	PhD	2001

Previous Positions

Sector	Legal Entity	Company/Organization	Position	Duration of Service
Charity	Charity Foundation	King Abdul Aziz Public Library	Director of the National Cultural Project	2003
Education	Governmental Organization	Ministry of Education	Part time consultant	2003-2007
Education	Governmental Organization	Al Imam Mohammed bin Saud Islamic University, Saudi Arabia	Vice Dean of the University Center for Community Service and Continuing Education	2005-2008
Education	Governmental Organization	Al Imam Mohammed Bin Saud Islamic University	Faculty member, Education and Social Science College	2001 -2018

Current Positions

Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Social Responsibility	2008
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Sharia, Sustainability & Social Responsibility Group	2015
Charity	Charity Foundation	Awareness and Social habilitation Society	Member of Board of Directors	2017
Sport and Youth	Governmental Organization	Al Shabab Club	Member of Board of Directors and Supervisor of Social Responsibility	2018
Non-Profit Organization	Specialized Organization	CIBAFI Sustainability Working Group (SWG)	Member of the General Council Sustainability Working Group	2020



Mr. Abdulaziz Al Zammam

Position: Chief Audit Executive

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
University of London – Royal Holloway - UK	Information Security	Masters of Science	2007
King Saud University	Computer Science	Bachelor Degree	2001

Previous Positions

Sector	Legal Entity	Company/Organization	Position	Duration of Service
Government	Government	SAMA	Banking Inspector	2002 - 2010
Semi Government	Governmental Body	Ministry of Communication and IT	Audit and Compliance	2010 - 2013
Banking and Financial Services	Listed Joint Stock Company	Riyad Bank	VP – Audit Division Head	2013 - 2019

Current Positions

Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banking and Financial Services	Listed Joint Stock Company	Bank AlJazira	Chief Audit Executive	March 2019



Mr. Hamad Al Essa

Position: Chief Compliance & Anti Financial Crime Officer

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Saud University	Computer Science	Bachelor Degree	2002

Previous Positions

Sector	Legal Entity	Company/Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	Bank AlBilad	Chief Compliance & Anti-Money laundering officer	2016 - 2020

Current Positions

Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Chief Compliance & Anti Financial Crime Officer	2020

C. Executive Management



Mr. Hani A. Araki

Position: Head of Treasury Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Abdulaziz University	Business Administration	Bachelors	1995

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	Samba	Senior Supervisor Operation and Technology Group	1995 - 2000
Banks and Financial Institution	Listed Joint Stock Company	Samba	Credit Member Corporate Banking Group	2000 - 2001
Banks and Financial Institution	Listed Joint Stock Company	Samba	Product Development Islamic Banking Group	2001 - 2002
Banks and Financial Institution	Listed Joint Stock Company	Samba	Unit Head for Money Market	2002 - 2011
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Money Market & ALM	2011 - 2021

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Treasury Group	2021



Mr. Sultan S. Al Qahtani

Position: Board Secretary & Head of Corporate Governance Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Imam University	Science of Sociology	Bachelor	1998
Florida Institute of Technology – USA	Science of Management	Master	2003

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Agricultural	Limited Liability Company	Takamul National Agriculture Company	Relationship Manager- HR	1990 - 1993
Banks and Financial Institution	Listed Joint Stock Company	United Saudi Bank	Customer Service Representative	1993 - 1994
Banks and Financial Institution	Listed Joint Stock Company	NCB	Recruitment Manager	2003 - 2006
Banks and Financial Institution	Listed Joint Stock Company	NCB	Senior Relationship Private Banking	2006 - 2008
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	HR Relationship Manager	2008 - 2009
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	VP, Chairman Office Manager	2009 - 2015
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	VP, Head of Corporate Governance	2016 - 2019
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	VP, Deputy Board Secretary & Governance Group	2019 - 2021

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Board Secretary & Head Of Corporate Governance Group	2021



Mr. Nahim Y. Bassa

Position: Head of Strategy & Digital Transformation Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
University of Witwatersrand	Digital Business	Masters	2021
University of Kwazulu-Natal	Business Management	Post-Graduate (Diploma)	2004
University of Kwazulu-Natal	Economics	Post-Graduate (Honors)	2003
University of Natal	Commerce	Bachelor	2001

Previous Positions

Sector	Legal Entity	Company/Organization	Position	Duration of Service
Financial Consultations		Accenture	Management Consultant	2004-2012
Financial Consultations		Barclays Africa	Strategy Lead	2013-2015
Financial Consultations	Shareholding Company	Absa Group	Director: Strategic Initiatives & Digital Transformation	2016-2019
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Digital Banking Division	2020

Current Positions

Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Strategy & Digital Transformation Group	2021



Mr. Badr A. Al Rashodi

Position: Head of Customer Experience and Protection Division

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Alimam Mohammed Ibn Saud Islamic University	Law	Bachelor Degree	2020-2021
EF International Language Schools- California	Language	Diploma	2001
Churchill House school - UK	Language	Diploma	1996-1997

Previous Positions

Sector	Legal Entity	Company/Organization	Position	Duration of Service
Non-profit sector	Specialized Organization	Sultan bin Abdulaziz Humanitarian City	Interpreter	2002
Banks and Financial Institution	Listed Joint Stock Company	SABB	Customer Care Representative	2003-2005
Postal and logistic services	Governmental Organization	Saudi Post	Supervisor	2007-2009
Postal and logistic services	Governmental Organization	Saudi Post	Manager of Customer Service	2009-2010
Postal and logistic services	Governmental Organization	Saudi Post	Special products deputy Manager	2010
Postal and logistic services	Governmental Organization	Saudi Post	Special products center operation Manager	2010
Postal and logistic services	Governmental Organization	Saudi Post	VIP Customers office Manager	2011

Current Positions

Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Customer Experience and Protection Division	2021

C. Executive Management



Mr. Mohammed Al Faris

Position: Head of Private Banking and Wealth Management Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
American University in Washington DC	Finance	Master Degree	2003

Previous Positions

Sector	Legal Entity	Company/Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	NCB	Senior Corporate Banker	2003-2008
Banks and Financial Services	Listed Joint-Stock Company	SABB	Senior Manager Commercial Banking	2008-2013
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Private Banking and Wealth Management Regional head	2012-2022

Current Positions

Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Private Banking and Wealth Management Group	2022



Name: Mr. Khalid R. Al Shabanat

Position: Head of Fawri Banking Services Group (Acting)

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Imam Mohammed Ben Saud University	Sciences	Bachelor	2003

Previous Positions

Sector	Legal Entity	Company/Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	AlRajhi Bank	Customer Services Specialist	1997-1999
Banks and Financial Services	Listed Joint-Stock Company	AlRajhi Trading	Branch Manager	2000-2005
Banks and Financial Services	Listed Joint-Stock Company	Bank AlBilad	Head of Quality & Business Development Department	2005-2013
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	VP .Head of Business Development Division	2013-2021

Current Positions

Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint – Stock Company	Bank AlJazira	Head of FAWRI Banking Services Group (Acting)	2022



2) Brief description of the responsibilities and functions of board committees:

1 - Board Executive Committee

As per the bank's articles of association and its terms of reference, the executive committee of Bank AlJazira consists of 5 board members chosen by the board of directors and chaired for the board term by the chairman of the board of directors. The board of directors determines the authorities and powers of this committee. It is the responsibility of the executive committee, in accordance with the delegated powers, to monitor the implementation of the strategy and policies set by the board of directors, risk management and control of the bank's performance, recommend the balance sheet and action plan submitted for the fiscal year, and ensure proper implementation of the policies of the board of directors, in addition to monitoring the efficiency of internal control standards and policies implementation. The committee holds 6 meetings at least per year. The board of directors at its meeting No. 226 held on 29 Jumada I, 1443H (corresponding to January 02, 2022). Re-formed the executive committee for the board term starting from 01 Jan 2022 to 31 Dec 2024, to consist of Eng. Tarek Bin Othman Al Kasabi (Chairman) and Eng. Abdulmajeed Bin Ibrahim Al Sultan, Mr. Naif Bin Abdulkareem Al Abdulkareem, Mr. Mohammed Bin Saad Bin Dawood, Mr. Ibrahim Bin Abdulaziz Al Shaia, (members).

The committee held 9 meetings during 2022 which were attended by members of the committee as described in the table below:

S	Name	Function	1 st meeting 26/01/2022	2 nd meeting 28/02/2022	3 rd meeting 23/03/2022	4 th meeting 19/04/2022	5 th meeting 18/05/2022	6 th meeting 23/06/2022	7 th meeting 27/09/2022	8 th meeting 15/11/2022	9 th meeting 07/12/2022
1	Eng. Tarek Bin Othman Al Kasabi	Chairman	√	√	√	√	√	√	√	√	√
2	Eng. Abdul Majeed bin Ibrahim Al Sultan	Member	√	√	√	√	√	√	√	√	√
3	Mr. Naif Bin Abdulkareem Al Abdulkareem	Member	√	√	√	√	√	√	√	√	√
4	Mr. Mohammed Bin Saad Bindawood	Member	√	√	√	√	√	√	√	√	√
5	Mr. Ibrahim Bin Abdulaziz Al Shaia	Member	√	√	√	√	√	√	√	√	√

2 - Audit Committee:

As per its terms of reference, the audit committee of Bank AlJazira consists of 3-5 members. This committee plays a key role in helping the Board of Directors to meet its supervisory duties regarding the integrity of the bank's financial statements and the independency and qualifications of auditors, effectiveness of disclosure controls and procedures, effectiveness of the internal audit and external auditors, adequacy of the Bank's internal accounting systems and financial controls, supervision of the bank's compliance department and evaluation of its alignment with the ethical policies and regulatory and supervisory requirements.

The ordinary general assembly, in its 64 meeting held on 19 April 2022 endorsed to adjust the terms of reference and duties of the audit committee to comply with regulatory requirements. The committee reviews the quarterly financial statements and assists the board of directors in carrying out the evaluation and annual review of the efficiency of internal controls, identifying potential risks and development of strategic plans to mitigate them.

The results of the annual audit of effectiveness of the bank's internal control procedures have reflected reasonable assurance in terms of covering the important control aspects that materially affect the bank's achievement of its objectives. In this regard, BAJ adopts all policies and procedures required by the various statutory bodies and best international practices.

The audit committee membership consists of the chairman to be chosen from among the Independent members of the board of directors and two independent members at least from outside the board. The committee holds 4 meetings at least per year, and the meetings of audit committee are attended by the Chief Internal Audit and the Chief Financial Officer on a regular basis. The meetings are also attended by the CEO and senior executives as required. The audit committee was re-formed for the board term starting from 01 Jan 2022 to 31 Dec 2024, to consist of Mr. Saad Bin Ibrahim Al Mushawah (Chairman) and Mr. Fawzi Bin Ibrahim Al Hobayb and Dr. AbuBaker Bin Ali BaGabir (members) which composition was endorsed by General Assembly in its meeting held on 15 November 2021. The committee held 5 meetings during 2022 which were attended by the chairman and members, as shown in the table below:

S	Name	Function	1st. meeting 31/01/2022	2nd. meeting 09/02/2022	3rd. meeting 24/04/2022	4th. meeting 31/07/2022	5th. meeting 19/10/2022
1	Mr. Saad Bin Ibrahim Al Mushawah	Chairman of Audit Committee	√	√	√	√	√
2	Mr. Fawzi Bin Ibrahim Al Hobayb	Member of Audit Committee	√	√	√	√	√
3	Dr. AbuBaker Bin Ali BaGabir	Member of Audit Committee	√	√	√	√	√

3 - Nomination and Remuneration Committee

The board of directors, based on its powers and authorities, forms the Remuneration and Nomination Committee which consists of 3-5 members appointed by the board after having obtained Saudi Central Bank's (SAMA) no-objection. The functions and duties of the committee focus on recommending nominations to the Board of Directors as per the approved policies and standards, performing annual reviews on the skills required for the membership of the board of directors, performing reviews of the board of directors' structure and recommending those changes that could be carried out. The committee is also responsible for ensuring the independence of independent members and lack of any conflict of interests in case any director was a member in any other company's board, ensuring recommended appointment is commensurate with the proper skills and required qualifications, and development and review of remuneration for the directors and senior executives.

The ordinary general meeting, in its 63rd meeting held on 15 November 2021 ratified to adjust the terms of reference and duties of the Remuneration and Nomination Committee to comply with regulatory requirements. The committee holds two meetings at least per year.

The members of the Remuneration and Nomination Committee were appointed for the present board term at the board's meeting No. 226 held on 29 Jumada I, 1443H (corresponding to January 02, 2022). The committee was re-formed for the board term starting from 01 Jan 2022 to 31 Dec 2024, to consist of Mr. Ibrahim Bin Abdulaziz Al Shaia (Chairman) and Eng. Abdulmajeed Bin Ibrahim Al Sultan, Mr. Abdullatif Bin Khalifa Al Mulhem and Mr. Abdullah Bin Ibrahim Al Hagbani (members). The Committee held 4 meetings during 2022 which were attended by the chairman and members of the committee as reflected in the table below:

S	Name	Function	1st meeting 24/02/2022	2nd meeting 30/10/2022	3rd meeting 17/11/2022	4th meeting 15/12/2022
1	Mr. Ibrahim Bin Abdulaziz Al Shaia	Chairman of the Nomination and Remuneration Committee	√	√	√	√
2	Eng. Abdulmajeed Bin Ibrahim Al Sultan	Member of the Nomination and Remuneration Committee	√	√	√	√
3	Mr. Abdullatif Bin Khalifa Al Mulhem	Member of the Nomination and Remuneration Committee	√	√	√	√
4	Mr. Abdullah Bin Ibrahim Al Hagbani	Member of the Nomination and Remuneration Committee	√	√	√	√

4 - Board Risk Committee

As per its terms of reference, the Risk Committee of Bank AlJazira consists of 3-5 board members and holds 4 meetings at least per year. This committee assists the board of directors in fulfilling the responsibilities of overseeing the risks in the bank's businesses and controls.

Its duties and responsibilities are focused on the supervision and control, review of the banks' ability to manage and undertake risks based on appropriate analysis, and formulation of appropriate risk management policies. It also approves the credit rating system in the bank and risk policies for assets and liabilities management as developed by the Assets and Liabilities Committee.

The committee measures the exposures to financial risks and other significant exposures as well as the steps taken by the management to monitor, control and report cases of risks, including, but not limited to, review of credits, market, liquidity, reputational, operational, fraud and strategic risks in addition to evaluating exposures, tolerance levels and approval of appropriate transactions or commercial restrictions. The Committee also reviews the scope of risk management and the targeted activities related to the functions of the Bank's risk management.

The members of the board risk committee for the current term have been appointed at the board of directors' meeting No. 226 held on 29 Jumada I, 1443H (corresponding to January 02, 2022). The committee was re-formed for the board term starting from 01 Jan 2022 to 31 Dec 2024, to consist of Mr. Adil Bin Saud Dahlawi (chairman) and Mr. Abdullatif Bin Khalifa Al Mulhem, and Mr. Abdulwahab Bin Abdulkareem Al Betari (members). The Committee held 4 meetings during 2022 which were attended by the chairman and members as stated in the table below:

S	Name	Function	1st meeting 21/02/2022	2nd meeting 22/05/2022	3rd meeting 27/09/2022	4th meeting 07/12/2022
1	Mr. Adil Bin Saud Dahlawi	Chairman of the Board Risk Committee	√	√	√	√
2	Mr. Abdullatif Bin Khalifa Al Mulhem	Member of the Board Risk Committee	√	√	√	√
3	Mr. Abdulwahab Bin Abdulkareem Al Betari	Member of the Board Risk Committee	√	√	√	√


5 - Sustainability & Social Responsibility Committee

As per its terms of reference, the Social Responsibility Committee of Bank AlJazira consists of 3-5 board members and holds 3 meetings at least per year. This committee plays an important role in assisting the board of directors in the fulfillment of its social responsibilities Related to the 'Khair AlJazira le Ahl AlJazira' program. It is responsible for the formulation of policies and procedures related to the activities and social responsibility programs, approval of the annual budget for 'Khair AlJazira le Ahl AlJazira' program, approval of the annual plan for the program, creating solutions for the obstacles that might hinder the social responsibility programs and review of the objectives of the program by highlighting the bank's role in the community service. It also contributes and participates actively in many social responsibility programs in the Kingdom, builds cooperation and communication between the bank and the authorities related to those programs and establishes specific partnerships with associations and charities in the kingdom which contribute to highlighting the role of private sector in enhancing the process of social responsibility. The Committee also strives to create an appropriate environment to help the youth and rehabilitate them for the market, and it provides distinctive programs for rehabilitating disabled people. The committee of the 'Khair AlJazira le Ahl AlJazira' program reports annually to the Board of Directors about the activities and functions of Sustainability & Social Responsibility program.


The members of the social responsibility committee for the current term have been appointed at the board of directors' meeting No. 226 held on 29 Jumada I, 1443H (corresponding to January 02, 2022), to consist of Eng. Abdulmajeed Bin Ibrahim Al Sultan (Chairman), Dr. Fahd Bin Ali Al Elayan and Mr. Abdulaziz Bin Ibrahim Al Hadlaq (members). The committee held 4 meetings during 2022 which were attended by the chairman and members as stated in the table below:

s	Name	Function	1st meeting 30/01/2022	2nd meeting 17/04/2022	3rd meeting 12/09/2022	4th meeting 18/12/2022
1	Eng. Abdulmajeed Bin Ibrahim Al Sultan	Chairman of the Board Risk Committee	√	√	√	√
2	Dr. Fahd Bin Ali Al Elayan	Member of the Board Risk Committee	√	√	√	√
3	Mr. Abdulaziz Bin Ibrahim Al Hadlaq	Member of the Board Risk Committee	√	√	√	√


3) Details of the entities in/out of the Kingdom, in which members of BAJ Board of Directors hold/held board membership or management positions, excluding BAJ membership:


Director's name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc.)	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/unlisted joint-stock/ limited liability, etc.)
Eng. Tarek Bin Othman Al Kasabi 	1. 1995 - Chairman of the Board of Directors of Dallah Health Care Company	Inside the Kingdom	Listed Joint Stock	1. 1981 - 1989 Vice President of Kara Contracting Establishment.	Inside the Kingdom	Limited Liability Company
	2. 2006 - Member of the Board of Directors of Kingdom University Company (Kingdom of Bahrain).	Outside the Kingdom	Limited Liability	2. 1989 - 1990 General Manager of Makkah Company for Reconstruction and Development.	Inside the Kingdom	Listed Joint Stock
	3. 2008 - Chairman of the Board of Directors of Rozam Investment Company.	Inside the Kingdom	Closed Joint Stock	3. 1990-2007 Vice President - Dallah Al Baraka Holding Company.	Inside the Kingdom	Limited Liability Company
	4. 2010 - Chairman of the Board of Directors of Ataa Educational Company.	Inside the Kingdom	Listed Joint Stock	4. 1998 - 2015 Member of the Board of Directors of Bank AlJazira.	Inside the Kingdom	Listed Joint Stock
	5. 2013 Chairman of the Board of Directors - NEBA.	Outside the Kingdom	Closed Joint Stock	5. 2007-2019 Vice Chairman of the Board of Directors of Aseer Company for Trade, Tourism and Industry.	Inside the Kingdom	Listed Joint Stock
	6. 2016 - Chairman of the Board of Directors of Bank AlJazira.	Inside the Kingdom	Listed Joint Stock	6. 2008-2013/2015-2016 Chairman of the Board of Directors - Al Jazira Securities Company.	Inside the Kingdom	Listed Joint Stock
	7. 2017 Chairman of the Board of Directors of Dallah Pharma Company	Inside the Kingdom	Limited Liability	7. 2018-2021 Member of the Board of Directors of Al-balad Al-Ameen Property Development Company.	Inside the Kingdom	Closed Joint Stock
	8. 2020 - Chairman of the Board of Directors of Dar'a AlRiyah Holding Co.	Inside the Kingdom	Closed Joint Stock	8. 2018 - 2021 Member of the Board of Directors of Dahiat Sumou Co Company.	Inside the Kingdom	Limited Liability
	9. 2022 Al Jazira Securities Company - Chairman of the Board of Directors.	Inside the Kingdom	Listed Joint Stock	9. 2019 - 2021 General Organization for Social Insurance.	Inside the Kingdom	Government entity

Director's name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc."	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/unlisted joint-stock/ limited liability, etc."
Eng. Abdulmajeed Bin Ibrahim Al Sultan 	1. 1993 - Member of the Board of Directors of the Brothers Union Company.	Inside the Kingdom	Closed Joint Stock Company	1. 1990 – 1993 Corporate Account Management at the National Commercial Bank.	Inside the Kingdom	Listed Joint Stock
	2. 2004 – Member of the Board of Directors of Bank AlJazira.	Inside the Kingdom	Listed Joint Stock Company	2. 1991-2007 Member of the Board of Directors of the Marafeq Construction Company.	Inside the Kingdom	Listed Joint Stock
	3. 2009 – Chairman of the Board of Directors of Olat Development Company.	Inside the Kingdom	Limited Liability Company	3. 1991-2007 Chairman of the Board of Directors of the Packaging Materials Manufacturing Company - FIPCO.	Inside the Kingdom	Listed Joint Stock
	4. 2013 - Chairman of the Board of Directors of Al-Jazira Takaful Cooperative Company.	Inside the Kingdom	Listed Joint Stock Company	4. 1993-2000 General Manager of the Marafeq Construction Company.	Inside the Kingdom	Listed Joint Stock
	5. 2013 – Chairman of the Board of Directors of Al-Durra Development Company.	Inside the Kingdom	Limited Liability Company	5. 1994-2021 CEO of Brothers Union Company.	Inside the Kingdom	Closed Joint Stock Company
				6. 1998-2018 – Member of the Board of Directors of Qassim Cement Company.	Inside the Kingdom	Listed Joint Stock
Mr. Naif Bin Abdulkareem Al Abdulkareem 	1. 2020 for the CEO of Bank AlJazira.	Inside the Kingdom	Listed Joint Stock	1. 2001 – 2004 Credit Relations Manager – Riyadh Bank.	Inside the Kingdom	Listed Joint Stock
	2. 2020 Member of the Nomination and Remuneration Committee - Al Jazira Securities Company.	Inside the Kingdom	Closed Joint Stock	2. 2004 – 2011 Regional Manager of Retail Banking – Ahli Bank.	Inside the Kingdom	Listed Joint Stock
	3. 2020 Member of the Board of Directors of Aljazira Capital.	Inside the Kingdom	Listed Joint Stock	3. 2012 Head of Private Banking – SABB Bank.	Inside the Kingdom	Listed Joint Stock
	4. 2021 Managing Director of Bank AlJazira.	Inside the Kingdom	Listed Joint Stock	4. 2012-2013 General Manager of Branches & Wealth Management – SABB Bank.	Inside the Kingdom	Listed Joint Stock
	5. 2021 Member of the Executive Committee of Bank AlJazira.	Inside the Kingdom	Listed Joint Stock	5. 2012 – 2018 Chairman of the Board of Directors – SABB Insurance Agency.	Inside the Kingdom	Listed Joint Stock
	6. 2020 Member of the Nomination and Remuneration Committee Saudi Credit Bureau (SIMAH).	Inside the Kingdom	Limited Liability Company	6. 2014-2017 Member of the Board of Directors / Member of the Executive Committee – SANID.	Inside the Kingdom	Closed Joint Stock
	7. 2020 Member of the Executive Committee Saudi Credit Bureau (SIMAH).	Inside the Kingdom	Limited Liability Company	7. 2014-2019 General Manager of Retail Banking & Wealth Management – SABB Bank.	Inside the Kingdom	Listed Joint Stock
	8. 2022 Member of the Board of Directors Aljazira Takaful.	Inside the Kingdom	Public Joint Stock	8. 2016-2018 Board Member / Executive Committee Member – SABB Takaful.	Inside the Kingdom	Listed Joint Stock
	9. 2022 Member of the Investment Committee Aljazira Takaful.	Inside the Kingdom	Public Joint Stock	9. 2017-2019 Member of the Board of Directors – HSBC Saudi Arabia.	Inside the Kingdom	Closed Joint Stock
	10. 2022 Member of the Executive Committee Aljazira Takaful.	Inside the Kingdom	Public Joint Stock	10. 2017-2020 Member of the Board of Directors –Saudi Credit Bureau Company SIMAH.	Inside the Kingdom	Government
				11. 2019-2020 Deputy General Manager of Retail Banking and Wealth Management – SABB Bank.	Inside the Kingdom	Listed Joint Stock

Director's name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc."	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc."
Mr. Abdulwahab Bin Abdulkareem Al Betari 	1. 2004 Member of the Board of Directors - Manafez Company for Ambulance vehicles and Disabled.	Inside the Kingdom	Mixed Liability Company	1. 1999 – 2004 Investment Portfolio Manager – Saudi American Bank (SAMBA).	Inside the Kingdom	Listed Joint Stock
	2. 2013 Member of the Board of Directors - Alhimamah Partnership Company Ltd.	Inside the Kingdom	Limited Liability Company	2. 2004 - 2014 - Co-founder / Member of the Executive Committee - Family Office Company - Wealth Management / Bahrain.	Outside the Kingdom	Closed Joint Stock
	3. 2014 Chairman of the Board of Directors - Osool & Bakheet Investment Company.	Inside the Kingdom	Closed Joint Stock	3. 2018-2020 - Vice Chairman of the Advisory Committee - Capital Market Authority.	Inside the Kingdom	Government entity
	4. 2014 Co-founder – Watar Business Partners Trading Co. Ltd.	Inside the Kingdom	Limited Liability Company	4. 2020 Member of the Risk Committee - Bank AlJazira.	Inside the Kingdom	Listed Joint Stock
	5. 2015 Vice Chairman – Alujain Company.	Inside the Kingdom	Closed Joint Stock			
	6. 2015 Member of the Board of Directors - Sunbulah Group.	Inside the Kingdom	Closed Joint Stock			
	7. 2019 Member of the Board of Directors - Riyadh Cable Group Company.	Inside the Kingdom	Closed Joint Stock			
	8. 2020 Vice Chairman of the Board of Directors – National Petrochemical Industries Company (NATPET).	Inside the Kingdom	Listed Joint Stock			
	9. 2022 member of the risk Committee Bank AlJazira.	Inside the Kingdom	Listed Joint Stock			
	10. 2022 Member of the Board of Directors of Saudi Airlines Catering Company.	Inside the Kingdom	Closed Joint Stock			
	11. 2022 Member of the Board of Directors of Tarabot Company.	Inside the Kingdom	Private Company			
Mr. Ibrahim Bin Abdulaziz Al Shaia 	1. 2014 Director General of Financial Affairs – General Organization for Social Insurance.	Inside the Kingdom	Government Entity	1. 2002-2004 External Auditor - Al-Rashid Accountants, Auditors and Legal Consultants.	Inside the Kingdom	Limited Liability Company
	2. 2016 Member of the Board of Directors of Bank AlJazira.	Inside the Kingdom	Listed Joint Stock	2. 2010-2013 Member of the Audit Committee – Allianz Saudi Fransi Cooperative Insurance Company.	Inside the Kingdom	Closed Joint Stock
	3. 2016 Member of the Au dit Committee Hassana Investment Company.	Inside the Kingdom	Closed Joint Stock	3. 2011-2014 Director of Budget Department – General Organization for Social Insurance.	Inside the Kingdom	Government Entity
	4. 2019 Member of the Board of Directors of Masdar Data Solutions.	Inside the Kingdom	Limited Liability Company	4. 2011-2015 Member of the Board of Directors of Al-Safwa Cement Company.	Inside the Kingdom	Listed Joint Stock
	5. 2020 Member of the Executive Committee - Bank AlJazira.	Inside the Kingdom	Listed Joint Stock	5. 2013-2015 Chairman of the Audit Committee - Al-Safwa Cement Company.	Inside the Kingdom	Listed Joint Stock
	6. 2020 Member of the Nomination and Remuneration Committee - Bank AlJazira.	Inside the Kingdom	Listed Joint Stock	6. 2014-2021 Director General of Financial Affairs - General Organization for Social Insurance.	Inside the Kingdom	Government Entity
				7. 2016-2020 Chairman/Member of the Risk Committee – Bank AlJazira.	Inside the Kingdom	Listed Joint Stock

Director's name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc."	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/unlisted joint-stock/ limited liability, etc."
Mr. Adil Bin Saud Dahlawi 	1. 2017 Founding Director, Mauthouq Financial Consultancy.	Inside the Kingdom	Incensed Office	1. 1994-2002 Corporate Banking Relations Officer –Saudi Fransi Bank.	Inside the Kingdom	Listed Joint Stock
	2. 2019 Member of the Board of Directors of Bank AlJazira.	Inside the Kingdom	Listed Joint Stock	2. 2002 – 2006 Team Leader Samba Corporate & Investment Services – Samba Financial Group.	Inside the Kingdom	Listed Joint Stock
	3. 2021 Member of the Board/Executive Committee and the Nomination and Remuneration Committee in Taajeer holding.	Inside the Kingdom	Closed Joint Stock	3. 2006-2011 Assistant Chief Investment Officer – Dallah Al Baraka Holding Company.	Inside the Kingdom	Limited Liability Company
	4. 2019 Member of the Board of Directors and Chairman of the Investment Committee - Al AlBuhaira Investment Company.	Inside the Kingdom	Hidden name company	4. 2011 – 2017 Managing Director and CEO – Itqan Capital.	Inside the Kingdom	Listed Joint Stock
	5. 2019 Chairman of the Board of Directors – New Spanish Restaurant Company.	Outside The Kingdom	Limited Liability company	5. 2018 – 2020 Assistant Chief Investment Officer - Dallah Al Baraka Holding Company.	Inside the Kingdom	Limited Liability Company
	6. 2022 Chairman of the Board of Directors - Qasr El Wurud Agadir Palace Company.	Outside The Kingdom	Closed Joint Stock	6. 2020-2022 Managing Director - Dallah Investment Holding Company.	Inside the Kingdom	Closed Joint Stock company
	7. 2022 Chairman of Risk Committee of Bank AlJazira.	Inside The Kingdom	Listed Joint Stock	7. 2019 -2021 Member Board/Audit / Executive Committee - Bank AlJazira.	Inside the Kingdom	Listed Joint Stock
				8. 2019 – 2021 Member of the Board of Directors – Sharma Dallah Health Services.	Inside the Kingdom	Limited Liability Company
				9. 2022 Chairman of the Board of Directors - Qasr El Wurud Agadir Palace Company.	Outside The Kingdom	Closed Joint Stock company
Mr. Abdulatif Bin Khalifah Al Mulhem 	1. 2016 Saudi Industrial Development Fund.	Inside the Kingdom	Government Entity	1. 2013-2015 Flour company, Saudi Arabia.	Inside the Kingdom	Holding
	2. 2019 Member of the Board of Directors of the manufacturing company.	Inside the Kingdom	Listed Joint Stock	2. 2019 Member of the Board of Directors of the manufacturing company.	Inside the Kingdom	Listed Joint Stock
	3. 2022 Bank AlJazira Risk Committee.	Inside the Kingdom	Listed Joint Stock			
	4. 2022 Bank AlJazira Nomination and Remuneration Committee.	Inside the Kingdom	Listed Joint Stock			
	5. 2022 Member of the Board of Directors / Executive and Strategy Committee / Nomination and Remuneration Committee of Walaa Insurance Company.	Inside the Kingdom	Listed Joint Stock			

Director's name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc."	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/unlisted joint-stock/ limited liability, etc."
Mr. Mohammed Bin Saad Bindawood 	1. 2014 Member of the Board of Directors / Audit Committee of Mohammed Abdulaziz Al-Rajhi & Sons Investment Company.	Inside the Kingdom	Closed Joint Stock	1. 2004-2013 Deputy General Manager of Corporate Banking at Arab National Bank.	Inside the Kingdom	Listed Joint Stock
	2. 2014 Member of the Board of Directors of Manafa Investment Company.	Inside the Kingdom	Limited Liability Company	2. 2009-2013 Member of the Board of Directors of Al-Araby Investment Company.	Inside the Kingdom	Listed Joint Stock
	3. 2015 Member of the Board of Directors / Risk Committee of Dar Al Tamleek Company.	Inside the Kingdom	Closed Joint Stock	3. 2009-2013 Member of the Board of Directors of Al-Araby Heavy Equipment Company.	Inside the Kingdom	Listed Joint Stock
	4. 2018 Member of the Board of Directors of Alpha Capital.	Inside the Kingdom	Closed Joint Stock	4. 2012 – 2014 Member of the Board of Directors of the Saudi Home loans Company.	Inside the Kingdom	Closed Joint Stock
	5. 2019 Member of the Board of Directors / Executive Committee of the Saudi Real Estate Company.	Inside the Kingdom	Listed Joint Stock	5. 2013-2014 General Manager of Corporate Banking Services at The Saudi British Bank.	Inside the Kingdom	Listed Joint Stock
	6. 2019 Member of the Board of Directors of the Saudi Chemical Company.	Inside the Kingdom	Listed Joint Stock	6. 2013-2014 Member of the Board of Directors of SABB Takaful Company.	Inside the Kingdom	Listed Joint Stock
	7. 2020 Member of the Board of Directors of Oqalat Company Ltd.	Inside the Kingdom	Limited Liability Company	7. 2014 - 2018 CEO/Member of the Board of Directors of Mohammed Abdulaziz Al-Rajhi & Sons Investment Company.	Inside the Kingdom	Closed Joint Stock
	8. 2020 Member of the Board of Directors / Governance Committee of Thiqa Company.	Inside the Kingdom	Limited Liability Company	8. 2015 – 2018 Member of the Board of Directors of Falcon Plastic Industries.	Inside the Kingdom	Limited Liability Company
	9. Member of the Risk Committee of the Ground Services Company.	Inside the Kingdom	Listed Joint Stock	9. 2015-2018 Member of the Board of Directors of Al-Jazierah Home Appliance Co.	Inside the Kingdom	Limited Liability Company
	10. Chairman of the Investment Committee of Abdullatif Alissa Holding Group.	Inside the Kingdom	Closed Joint Stock	10. 2015-2019 Member of the Board of Directors of the International Refreshments Company.	Inside the Kingdom	Holding
	11. 2022 Member of the Board / Executive Committee of Bank AlJazira.	Inside the Kingdom	Listed Joint Stock	11. 2015 – 2020 Member of the Board of Directors of Fiberglass Oasis Company.	Inside the Kingdom	Closed Joint Stock
				12. 2016 Member of the Board of Directors – Investment Committee Real Estate Development Fund.	Inside the Kingdom	Government entity
				13. 2017-2018 Member of the Industrial Committee of the Riyadh Chamber.	Inside the Kingdom	Government entity
				14. 2019 Member of the Board of Directors / Chairman of the Investment Committee of the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (Med Gulf Insurance).	Inside the Kingdom	Listed Joint Stock
				15. 2019 Member of the Board of Directors of Al Rajhi Steel Industries Company.	Inside the Kingdom	Limited Liability Company
				16. 2021 Member of the Board of Directors / Member of the Executive Committee of Abdullah Al-Othaim Investment Company.	Inside the Kingdom	Closed Joint Stock

Director's name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc.)	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/unlisted joint-stock/ limited liability, etc.)
Mr. Saad Bin Ibrahim Al Mushawah 	1. 2010 Member and Chairman of the Audit Committee in Qassim Cement Company.	Inside the Kingdom	Listed Joint Stock	1. 1985-2003 Head of the lending team of the Saudi Industrial Development Fund.	Inside the Kingdom	Government entity
	2. 2016 Member of the Board of Directors of Qassim Cement.	Inside the Kingdom	Listed Joint Stock	2. 2003-2019 Chief Executive Officer of Gulf Union Foods Company.	Inside the Kingdom	Closed Joint Stock
	3. 2017 Member of the Supervisory Board / Audit Committee of the Center for Building Productive Families (Jana) - one of the branches of Sulaiman Al-Rajhi Finance Corporations.	Inside the Kingdom	Private	3. 2013-2016 Member of the Board of Directors / Chairman of the Audit Committee of Al Jazira Takaful Company.	Inside the Kingdom	Listed Joint Stock
	4. 2019 Member of the Board of Directors of Creative Closets Company.	Inside the Kingdom	Limited Liability Company	4. 2014-2016 Member of the Audit Committee of Alissa Industries.	Inside the Kingdom	Listed Joint Stock
	5. 2019 Member of the Audit Committee of Fawaz Alhokair Company, Public Joint Stock Company.	Inside the Kingdom	Listed Joint Stock	5. 2020 Member and Chairman of the Nomination and Remuneration Committee at Qassim Cement Company.	Inside the Kingdom	Listed Joint Stock
	6. 2019 Member of Thobe Al-Aseel Co Audit Committee.	Inside the Kingdom	Listed Joint Stock	6. 2020 Member of the Nomination and Remuneration Committee at Raza Company, an institution affiliated to the Pension and Retirement Authority.	Inside the Kingdom	Government Entity
	7. 2021 Member and Chairman of the Executive Committee at Qassim Cement Company.	Inside the Kingdom	Listed Joint Stock			
	8. 2021 Member of the Audit Committee of Chemanol Company.	Inside the Kingdom	Listed Joint Stock			
	9. 2021 Member of the Audit Committee of Al-Durra Sugar Company.	Inside the Kingdom	Listed Joint Stock			
	10. 2022 Member of the Audit Committee of Luna Foods Company.	Inside the Kingdom	Listed Joint Stock			
	11. 2022 Member of the Audit Committee of Bank AlJazira.	Inside the Kingdom	Listed Joint Stock			

4) Statement of Shareholders General meetings held during the fiscal year 2022 and the names of attending directors:

The following agenda was discussed:

1. Approval on the Board of Directors Annual Report for the fiscal year ending 31 December 2021.
2. Approval on the Financial Statements for the year ending 31 December 2021.
3. Approval on the External Auditor's Report for the year ending 31 December 2021.
4. Approval on releasing the Board members from their liability for the fiscal year ending 31 December 2021.
5. Approval on appointing the Bank's External Auditors among the candidates based on the Audit Committee recommendation as to examine, review and audit the financial statements for the second and third quarters along with 2022 year end financials and the first quarter for the year 2023 and determining their fees.
6. Approval on the amendment of Audit committee charter.
7. Approval to delegate the Board of Directors with the authority of the General Assembly with the license mentioned in Section (1) of Article (71) of the Companies Law, for a one year period effective upon the AGM approval date or up to ending of the authorized Board term, whichever is earlier, in accordance with the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.
8. Approval on the participation and licensing for next year of the Board Member Mr. Abdulwahab Abdulkareem Al Betari, as he owns more than 5% of Impact Capital Company which is a Managing Private Non-Real-Estate Investment Funds, Managing Sophisticated Investor Portfolios, and Arranging activities in the securities business. This company competes with AlJazira Capital, a 100% owned company by the bank.
9. Approval on the participation and licensing for next year of the Board Member Mr. Abdulwahab Abdulkareem Al Betari, Chairman of the Board of Directors of Osool & Bakheet Investment Company which deals as principle and agent representation, Investment Fund Management, Discretionary Portfolio Management and Custody. This company competes with AlJazira Capital, a 100% owned company by the bank.



10. Approval on the participation and licensing for next year of the Board Member Mr. Mohammed Saad Bindawood, as he is a member of the Board of Directors of Alpha Capital Company which is a securities business (Dealing, Managing, Arranging, and advising) in investments. This company competes with AlJazira Capital, a 100% owned company by the bank.
11. Approval on the participation and licensing for next year of the Board Member Mr. Mohammed Saad Bindawood, as he is a member of the Board of Directors of Dar Al Tamleek Company which provides housing finance solutions in the Kingdom of Saudi Arabia. This company competes with Bank AlJazira.
12. Approval on the participation and licensing for next year of the Board Member Mr. Mohammed Saad Bindawood, as he is a member of the Board of Directors of The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF) for insurance. This company competes with Bank AlJazira, as the bank markets insurance products to the company AlJazira Takaful Taawuni according to the agreement approved by the Saudi Central Bank (SAMA).
13. Approval on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al Sultan, a BAJ member of the board of directors, has an indirect interest in it being a member of the board of directors of AlJazira Cooperative Takaful Company. This agreement is related to Personal Dinar Insurance Policy that amounted to SAR 21,519,831 MM in 2021 and were done without any preferential treatment.
14. Approval on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng.

Abdulmajeed Al Sultan, a BAJ member of the board of directors, has an indirect interest in it being a member of the board of directors of AlJazira Cooperative Takaful Company. This agreement is related to Mortgage Insurance Policy that amounted to SAR 25,938,928 MM in 2021 and were done without any preferential treatment.

15. Approval on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al Sultan, a BAJ member of the board of directors, has an indirect interest in it being a member of the board of directors of AlJazira Cooperative Takaful Company. This agreement is related to Group Life Insurance Policy that amounted to SAR 2,262,561 MM in 2021 and were done without any preferential treatment.
16. Approval on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al Sultan, a BAJ member of the board of directors, has an indirect interest in it being a member of the board of directors of AlJazira Cooperative Takaful Company. This agreement is related to Staff Credit Cover Policy that amounted to SAR 607,228 in 2021 and were done without any preferential treatment.
17. Approval on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al Sultan, a BAJ member of the board of directors, has an indirect interest in it being a member of the board of directors of AlJazira Cooperative Takaful Company. This transaction is related to return on Time Deposits Investments that amounted to SAR 40,857 in 2021 and were done without any preferential treatment.

18. Approval on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al Sultan, a BAJ member of the board of directors, has an indirect interest in it being a member of the board of directors of AlJazira Cooperative Takaful Company. This transaction is related to Claim Received that amounted to SAR 32,276,533 MM in 2021 and were done without any preferential treatment.
19. Approval on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al Sultan, a BAJ member of the board of directors, has an indirect interest in it being a member of the board of directors of AlJazira Cooperative Takaful Company. This transaction is related to Dividend Paid that amounted to SAR 7,048 in 2021 and were done without any preferential treatment.
20. Approval on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al Sultan, a BAJ member of the board of directors, has an indirect interest in it being a member of the board of directors of AlJazira Cooperative Takaful Company. This transaction is related to Participation in Sukuk Auction for AlJazira Takaful Ta'awuni that amounted to SAR 99,251,103 MM in 2021 and were done without any preferential treatment.
21. Approval on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al Sultan, a BAJ member of the board of directors, has an indirect interest in it being a member of the board of directors of AlJazira Cooperative Takaful Company. This transaction is related to Face Value of Bonus Shares Received that amounted to SAR 20,648,810 MM in 2021 and were done without any preferential treatment.
22. Approval on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Mr. Naif Al Abdulkareem, a BAJ member of the board of directors, has an indirect interest in it being a member of the board directors of AlJazira Capital Company. This is a Service Level Agreement that amounted to SAR 3,390,900 MM in 2021 and were done without any preferential treatment.
23. Approval on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Mr. Naif Al Abdulkareem, a BAJ member of the board of directors, has an indirect interest in it being a member of the board directors of AlJazira Capital Company. This transaction is related to return on Time Deposits Investments that amounted to SAR 54,043 in 2021 and were done without any preferential treatment.
24. Approval on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Mr. Naif Al Abdulkareem, a BAJ member of the board of directors, has an indirect interest in it being a member of the board directors of AlJazira Capital Company. This transaction is related to Financing Income Earned on Money Markets Placements that amounted to SAR 10,125,917 MM in 2021 and were done without any preferential treatment.
25. Approval on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Mr. Naif Al Abdulkareem, a BAJ member of the board of directors, has an indirect interest in it being a member of the board directors of AlJazira Capital Company. This transaction is related to Joint Lead Manager, Book Runner and Arranging Fee Expense that amounted to SAR 3,125,000 MM in 2021 and were done without any preferential treatment.
26. Approval on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Mr. Naif Al Abdulkareem, a BAJ member of the board of directors, has an indirect interest in it being a member of the board directors of AlJazira Capital Company. This transaction is related to Fees and Commission Income that amounted to SAR 928,716 in 2021 and were done without any preferential treatment.
27. Approval on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Mr. Naif Al Abdulkareem, a BAJ member of the board of directors, has an indirect interest in it being a member of the board directors of AlJazira Capital Company. This transaction is related to Custody Fee Expense that amounted to SAR 5,928,054 MM in 2021 and were done without any preferential treatment.
28. Approval on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Mr. Naif Al Abdulkareem, a BAJ member of the board of directors, has an indirect interest in it being a member of the board directors of AlJazira Capital Company. This transaction is related to Rent and Building Related Expense that amounted to SAR 6,971,222 MM in 2021 and were done without any preferential treatment.

The table below shows board director's attendance of the meeting:

S	Name	1 st . EOGM (19.04.2022)
1	Eng. Tarek Bin Othman Al Kasabi	√
2	Eng. Abdul Majeed Bin Ibrahim Al Sultan	√
3	Mr. Naif Bin Abdulkareem Al Abdulkareem	√
4	Mr. Abdulwahab Bin Abdulkareem Al Betari	√
5	Mr. Adil Bin Saud Dahlawi	√
6	Mr. Mohammed Bin Saad Bindawood	√
7	Mr. Abdullatif Bin Khalifa Al Mulhem	-
8	Mr. Ibrahim Bin Abdulaziz Al Shaia	√
9	Mr. Saad Bin Ibrahim Al Mushawah	√

5) Management Committees

The governance framework of Bank AlJazira is based on the structure of the board of directors, 5 board sub-committees and 14 management committees. The governance structure is also based on a series of governance empowerment factors which ensure achievement of required clarity and good discipline of governance, namely: Institutional values, design of organizational structure, Procedures and policies, bank's matrix of authorities as well as effective communication at internal and external levels. Bank AlJazira formed the following management committees to undertake specific tasks and responsibilities. Membership of these committees is restricted to the bank's employees and officials who are directly involved in the business of these committees:

1. Management Credit Committee
2. Micro small and medium enterprises Committee
3. Asset and Liabilities Committee
4. Transformation & Innovation Steering Committee
5. IT Steering Committee
6. Business Continuity Committee
7. Management Risk Committee
8. Market Risk Policy Committee
9. Product Policy Review Committee
10. Anti-Fraud High Level Committee
11. Information Security Management Committee
12. Fraud Control Committee
13. Real Estate Committee
14. Remedial Committee

6) Number and dates of Board meetings held in the last fiscal year, and attendance record detailing names of attending directors:

As per the bank's articles of association, the board shall hold 4 meetings per year at least. In the year 2022, the Board held 5 meetings. The table below reflects the meetings held and member's attendance record:

S	Name	1st meeting 02/01/2022	2nd meeting 28/02/2022	3rd meeting 23/05/2022	4th meeting 28/09/2022	5th meeting 19/12/2022
1	Eng. Tarek Bin Othman Al Kasabi	√	√	√	√	√
2	Eng. Abdul Majeed Bin Ibrahim Al Sultan	√	√	√	√	√
3	Mr. Naif Bin Abdulkareem Al Abdulkareem	√	√	√	√	√
4	Mr. Abdulwahab Bin Abdulkareem Al Betari	√	√	√	√	√
5	Mr. Adil Bin Saud Dahlawi	√	√	√	√	√
6	Mr. Mohammed Bin Saad Bindawood	√	√	√	√	√
7	Mr. Abdullatif Bin Khalifa Al Mulhem	√	√	√	√	√
8	Mr. Ibrahim Bin Abdulaziz Al Shaia	√	√	√	√	√
9	Mr. Saad Bin Ibrahim Al Mushawah	√	√	√	√	√

7) Details of any arrangements or agreement under which any director of the board or senior executive of the bank has waived any remuneration or right:

The Bank is not aware of any arrangements or agreements for the waiver by any of the directors of the board or senior executives of any of their rights to any remuneration.

8) Details of any arrangements or agreement under which any shareholder of the bank has waived any right to dividends:

The Bank is not aware of any arrangements or agreements for the waiver by any of the bank shareholders of any of their rights to any dividends.

9) Actions taken by the Board to notify its members – particularly non-executives – of shareholders suggestions and comments regarding the bank and its performance:

In line with the relevant supervisory directives, and as a general rule, the bank is keen to facilitate shareholders exercise of their statutory rights relating to shares, including submission of suggestions and feedback regarding the bank and its performance. In line with the bank's practices, the board answered shareholders inquiries raised at the General Assembly meeting held in 2022, or through the shareholders' unit of the bank. The board reviews such feedback and comments and takes the appropriate actions in this regard.

Payments to directors and key executives

Compensation Policy:

The BAJ Rewards and Compensation Policy sets the framework of rewards and compensations payable to board and non-board members in line with the supervisory authorities guidelines and shall generally be subject to the provisions of the Companies Act, Key Principles of Governance for Banks operating in the Kingdom of Saudi Arabia and the compensation and Remuneration rules issued by the Saudi Central Bank (SAMA), and Corporate Governance rules and organizational procedures issued in enforcement Companies Act relating to listed joint-stock companies issued by CMA, in line with the Bank's Articles of Association and the circular of the Saudi Central Bank (SAMA), which provides that the remuneration, compensation and benefits payable to the Chairman and members of the Board of Directors shall not exceed the sum of SAR 500,000 per Director per annum, excluding the chairman and members of Audit Committee. In the year 2022, none of the members of the board or subcommittees have performed any work of technical or advisory nature, and therefore they did not get any consideration or special benefits in respect thereof. The table below shows the remunerations and compensations paid to the members of the Board of Directors, members of its committees and senior executives of the Bank during the year:

Board Remuneration

For the year ending 31, Dec 2022

For the year ending 31/12/2022																SAR
	Fixed remunerations						Variable remunerations									
	Specific Amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans					Granted shares (insert the value)
First: Independent Directors																
Mr. Saad Bin Ibrahim Al Mushawah *	450,000	175,000					625,000									
Mr. Ibrahim Bin Abdulaziz Al Shaya	450,000	50,000					500,000									
Mr. Abdullatif Bin Khalifa Al Mulhem	450,000	50,000					500,000									
Total	1,350,000	275,000					1,625,000									
Second: Non-Executive Directors																
Eng. Tarek Bin Othman Al Kasabi	450,000	50,000					500,000									
Eng. Abdul Majeed Bin Ibrahim Al Sultan	450,000	50,000					500,000									
Mr. Adel Bin Saud Abdulhameed Dahlawi	450,000	50,000					500,000									13,087
Mr. Mohammed Bin Saad Bindawood	450,000	50,000					500,000									
Mr. Abdulwahab Bin Abdulkareem Al Betari	450,000	50,000					500,000									
Total	2,250,000	250,000					2,500,000									13,087
Third: Executive Directors																
Mr. Naif Bin Abdulkareem Al Abdulkareem	450,000	50,000					500,000									
Total	450,000	50,000					500,000									

* This amount also contains the amount received for his membership in the Audit Committee

Committees Members Remuneration

For the year ending 31, Dec 2022

SAR

	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
Executive Committee members			
Eng. Tarek Bin Othman Al Kasabi		50,000	50,000
Eng. Abdul Majeed Bin Ibrahim Al Sultan		50,000	50,000
Mr. Naif Bin Abdulkareem Al Abdulkareem		50,000	50,000
Mr. Adel Bin Saud Abdulhameed Dahlawi		50,000	50,000
Mr. Ibrahim Bin Abdulaziz Al Shaya		50,000	50,000
Total	-	250,000	250,000
Audit Committee members			
Mr. Saad Al Mushawah	100,000	25,000	125,000
Dr. Abubaker Bajabir	100,000	25,000	125,000
Mr. Fawzi Al Hobayb	100,000	25,000	125,000
Total	300,000	75,000	375,000
Remuneration and Nomination Committee members			
Mr. Ibrahim Bin Abdulaziz Al Shaya		20,000	20,000
Eng. Abdul Majeed Bin Ibrahim Al Sultan		20,000	20,000
Mr. Abdullah Al Hagbani	100,000	20,000	120,000
Mr. Abdullatif Bin Khalifa Al Mulhem		20,000	20,000
Total	100,000	80,000	180,000
Risk Committee members			
Mr. Adel Bin Saud Abdulhameed Dahlawi		20,000	20,000
Mr. Abdullatif Bin Khalifa Al Mulhem		20,000	20,000
Mr. Abdulwahab Bin Abdulkareem Al Betari		20,000	20,000
Total	-	60,000	60,000
Sustainability and Social Responsibility Committee members			
Eng. Abdul Majeed Bin Ibrahim Al Sultan		20,000	20,000
Mr. Abdulaziz Bin Ibrahim Bin Saad Al Hadlaq	100,000	20,000	120,000
Dr. Fahd Bin Ali Al Elayan	100,000	20,000	120,000
Total	200,000	60,000	260,000

* The Audit Committee, Remuneration and Nomination Committee and Social Responsibility Committee includes members who are not Directors of the Board.

Remunerations of Senior Executives

For the year ended 31 December 2022

SAR

Senior Executives	Fixed remunerations				Variable remunerations					End-of service award	Total remunerations for Board executives, if any	Aggregate Amount
	Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)			
5 senior executives including CEO and Senior Finance Officer	12,040,000	290,000		12,330,000	1,900,000		10,413,926		12,313,926	2,501,862		27,145,788



Internal Audit Group

The Bank's Internal Audit Group performs independent audit and evaluating the control processes across the Bank, covering all businesses and functions. The group uses standardized internal audit methodologies in providing reasonable assurance and independent opinion in relation to assessment of governance, risks and internal control systems including the submission of recommendations and follow up to optimize the internal control systems' efficacy and enhance awareness of the efficiency and importance of the control environment. The Chief Audit Executive manages the Internal Audit group and the Audit Committee has an oversight responsibility for ensuring that the group's objectives are achieved.

Internal Audit Group pursues a risk-based approach in the planning and execution of audit engagements on risk-based prioritization. The scope of the internal audit activity encompasses all aspects of internal systems, governance and risk management frameworks.

The Internal Audit Group maintains a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the internal audit activities in addition to an external assessment conducted by an independent qualified body on a periodic basis for conformance with the Institute of Internal Auditors standards

Annual Review of the Effectiveness of Internal Control Procedures

Being a financial institution, the Bank gives high importance to the internal control environment.

At the Bank, effective internal control procedures are in place across the organization by applying the principle of three lines of defense. This is adopted based on their suitability to the work patterns of the bank taking into consideration industry best practices and international standards applicable in the banking and financial industry and by contracting with international organizations to provide advisory services to evaluate and optimize the efficiency of control systems, and their effectiveness is continuously monitored and tested by the control functions in the Bank, and additionally tested by the independent external auditors and regulatory inspection team.

The Board of Directors and its committees as well as the executive management play a vital role in the enhancement of internal control environment through direct supervision of the functions of the bank's control groups such as Compliance and Risk groups. The internal control process relies basically on the efficacy of the control systems in the bank. The effective internal control increases confidence in the financial reports and audit processes.

The results of the annual audit of the effectiveness of the internal control procedures of the Bank have reflected good and acceptable levels of controls.

Audit Committee review of the adequacy of the bank's internal control systems.

During 2022, the Audit Committee reviewed various reports to assess and measure the adequacy of internal controls and systems, including the financial statements and risk reports.

The committee's discussions and resolutions are documented in the minutes of the meetings and issues that require attention are brought to the Board of Directors.

During the year, members of the Audit Committee held meetings with the heads of internal audit group, risks group, compliance group, Sharia group finance group and external auditors, where the Committee was briefed on the latest developments on issues requiring the committee's attention. The Committee also received internal audit reports, regulatory and supervisory reports, as well as the letters of external auditors made to the management during the year and reviewed the management's action plans for the issues filed.

The audit committee also reviewed the effectiveness of the internal control system, procedures for compliance with the Bank's internal policies and relevant regulatory and legal requirements in Saudi Arabia, and whether the management has fulfilled its duties in establishing an effective internal control system and seek independent confirmation by the internal audit for assessment of the adequacy and effectiveness of such internal controls.

The Audit Committee confirms to the Board of Directors and shareholders that, to their best knowledge and in all material respects, the bank's internal control system is adequate and effectively implemented. The committee also confirms that the recommendations relating to appointment, dismissal, assessment or fixing of the fees of the auditors were approved by the Board.

Retail Banking Group

The Retail Banking Group continues to redefine banking services and reinforces BAJ position within the Saudi banking industry by offering innovative products and smart banking solutions with a nationwide distribution network of 79 branches, 1 Ladies section, 622 ATMs, and 22,044 Point of Sale devices. Our products and services are designed to meet the end-to-end needs of all customers from online account opening to time deposits, debit and credit cards to personal finance in addition to a wide range of mortgage finance products. Furthermore, enhancement on AlJazira app continues reaching more than 140 services that make BAJ application one stop shop for all banking transactions and having competitive offering by launching full suite of control for cards and improve the app usability and ability to bank immediately upon account opening via virtual cards. In addition to bringing new features to avoid customers visiting physical branches like issuing stamped document online instantly. Also, launching several methods of engagement with customers like tracking request and conducting campaigns via whatsapp. In addition to introduction of new capabilities and tools for investments like enabling Sukuk subscriptions for BAJ client as well as enabling Nomu IPOs for the users via the bank app. Overall, BAJ Liabilities portfolio has increased to reach SAR 49,073 million at the end of 2022. Meanwhile, the Group's Loans book has increased by 8% in 2022 to reach SAR 30,824 million from SAR 28,513 million in 2021. The Bank's real estate finance portfolio grew by 9% in 2022 compared to 2021, with a market share of 3.1% as at Q3 2022.

Continuing with Bank AlJazira's strategic direction to optimize its Branch network and better utilize valuable resources, ladies branches continue to merge.

Private Banking and Wealth Management Group

The Private Banking Group serves the high net worth (HNW) Individuals segment by providing a comprehensive array of private Sharia- compliant banking product and services.

The Group devotes all of its experience and capabilities to deliver & achieve the financial goals and objectives of its customers in a professional and timely manner.

The Group serves its customers through 3 centers located in Riyadh, Jeddah and AlKhobar. These centers offer all services and banking transactions needed by HNW individuals through highly qualified Saudi staff.

In an effort to grow and develop the Group's services in light of the intense competition in the local market and to capture a larger segment of wealthy client, private companies and endowments, and in order to provide comprehensive and diversified services in wealth management, the Group has cooperated with Aljazira Capital to provide investment products and services through AlJazira Capital.

The Group, through its partnership with Aljazira Capital, aims to support Private Banking in developing sharia compliant wealth management proposition platform. This step comes in line with the bank's strategy, which was recently approved by BAJ Board of Directors.

As a result, a number of specialized funds in the field of alternative assets have been offered to Private Banking clients which contributed to the diversification and development of their investments.

In order to strengthen our relationship with our existing customers, the Group participates in events that are of interest to HNW customers, for example, but not limited to, the Group invited a group of its customers to the Formula 1 race in Jeddah, and a charity auction was sponsored on valuables in cooperation with one of the most prestigious charities in the city of Riyadh.

FAWRI

With the advent of several fintech companies and innovative digital financial products, the landscape of money transfer business in the Kingdom has witnessed a significant shift in the customer behavior and business model primarily; affecting profit margins due to intense competition. Despite of all these challenges, FAWRI Division has successfully repositioned and aligned itself and continued to be one of the most trusted Remittance Service Providers in the Kingdom of Saudi Arabia.

In 2022, FAWRI Division achieved commendable success by focusing more on digital Channels and by exerting continuous efforts to enhance customer experience through Bank AlJazira



The Retail Banking Group continues to redefine banking services and reinforces BAJ position within the Saudi banking industry by offering innovative products and smart banking solutions with a nationwide distribution network of **79 branches**, **1 Ladies section**, **622 ATMs**, and **22,044 Point of Sale devices**.



digital Channels at a very competitive price. In addition, Fawri is gearing up to launch "FAWRI Smart App and FAWRI Online", which will allow customers to send money and make inquiries online in a simpler way and in 8 different languages thereby; adding more excellence to the customer experience and satisfaction.

On the other hand, Fawri centers maintained firm position and presence on ground against competition taking its tally to 54 locations at the end of year. With the ability to re-evaluate and take appropriate decisions to raise the efficiency of operations, six (6) centers were merged this year which also, coincided with the closure of two (2) centers due to ongoing development of old district in Jeddah. Necessary measures were taken to direct customers to nearby centers and serve them through alternate solution of Fawri cards for sending money.

Fawri continued to develop its relationship with key partners MoneyGram and RIA by providing value added services. Besides, FAWRI also continued to expand its reach across the world by adding four (4) new correspondent partners to its direct correspondent network.

Enterprise Risk Management Group (ERMG)

During the year 2022 Bank AlJazira continued its drive to focus on strengthening the Risk Management culture and ensuring the same is institutionalized at an enterprise wide basis. With this objective set forth, the management remained committed to ensure that the bank adopts best in class risk management practices supported by necessary infrastructure, in terms of people, processes and systems.

The priority has been to strengthen the Enterprise Risk Management function with core emphasis on the following:

1. Building a robust architecture and risk strategy to facilitate not only the current business strategy but also to adapt to the changing business landscape and environment.
2. Investment in and development of risk analytics capabilities and technology to lay a strong foundation for the Risk Data Warehouse. In this regards the bank continues to invest in relevant technology infrastructure in line with Basel Committee on Banking Supervision (BCBS) 239 guidelines. The ultimate vision of the bank is aimed at developing a state of the art Risk Data Warehouse serving as the single source of truth for all risk data and analytics needs.
3. Delineation of the approvals and review processes, ensuring that Risk Approvers and Reviewers remain independent with an objective of strict adoption to Credit Committee Culture and minimum four eyes principle.
4. Enterprise Information Security Function, in line with the banks mission and strategy and also SAMA's Cyber Security Framework, continued its effort to strengthen, protect information and information systems to ensure that the confidentiality, integrity and availability of all information, is commensurate with mission needs, information value, and associated threats.
5. Alignment and strategizing Capital Adequacy process in sync with bank's strategic direction. The Internal Capital

Adequacy Assessment Process (ICAAP) goals are being continually rationalized in accordance with the existing strategic focus and the business plan on an annual basis. Capital adequacy assessment has been carried out in accordance with the nature, size and complexity of the Bank's Business Model along with detailed documentation.

6. The Bank has also developed its Internal Liquidity Adequacy Assessment Process (ILAAP) Framework in accordance with regulatory mandate. ILAAP primarily focuses on the Bank's Liquidity Risk Assessment, Governance structure, associated strategies and contingency arrangements to deal with both, foreseeable and unforeseen liquidity events.
7. Implementation of the Basel IV Program is perceived as a critical opportunity to:
 - a. Continuously update Pillar-1 reporting to ensure that these reports are accurate, timely and remain in line with the regulatory guidelines.
 - b. Review, validate and improve the Pillar – 2 Risk Assessment Models, on a continuing basis, aligning them to the industry's best practices and SAMA guidelines and expectations.
 - c. Upgrade and align the bank's risk management policies and procedures to ensure that the same are in line with the global best practices and local regulatory requirements.
 - d. Develop, institutionalize and monitor detailed Risk Appetite Framework, which acts not only as a connection between the Board's strategy and Business execution of the same, but also serves as a feedback loop to ensure alignment of the strategy with the prevailing business and regulatory environment.
8. Refining and Strengthening the Stress Testing framework, prepared in light of best practices, SAMA and Basel guidelines enabling the bank to conduct Regulatory stress testing across various risk parameters and scenarios. Results of the stress testing are taken as a valuable feedback for business and capital planning purposes on a forward looking basis.
9. Ensuring that the bank remains compliant with Financial Institution under IFRS-9.
10. Implementation of an Operational Risk Policy/ Framework that is compliant with the recommendations of the Basel Committee and SAMA. This framework aims to promote and encourage a culture of risk awareness and loss prevention across the Bank. It lays down the principles of how operational risks are identified, assessed, mitigated, monitored & reported within the Bank.
11. Ensuring through validation and calibration that Bank's credit risk rating models and score cards maintain their forecasting power to assess the risk associated with default of a prospective and / or existing customer. The bank has been at the forefront in successfully validating and implementing its recalibrated risk rating models.

Strategy and Digital Transformation Group:

The Strategy and Digital Transformation (S&DT) Group is a new capability within Bank AlJazira. Launched in May 2021, the Group's mandate is to turbo-charge our transformation efforts and deliver on the promise of enriching lives through financial well-being.

The Group brings together a combination of Strategy, Digital Transformation, Marketing and PR expertise to enhance our execution efforts, improve our digital capabilities and embed a culture of innovation. This will be done through the leveraging and adoption of new digital technologies such as Social Media, Artificial Intelligence, Cloud and Quantum Computing and the Internet-of-Everything.

The opportunity created by these technologies as well as the rapidly shifting customer demographics, emerging business models and regulatory changes requires the Bank to accelerate our digitalization efforts, by creating a robust and resilient operational backbone to improve our operations, engagement of BAJ customers through advance analytics like AI, Transformation of our products and services through co-creating value propositions and empowerment of BAJ employees through collaboration tools and workforce enablement.

Responding to dynamic market trends, leveraging the latest tools and technologies including building a community of customers, the Bank can be able to make a compelling and positive impact in supporting the 2030 Vision and the FSDP of entrenching partnerships with government, winning the digitalization challenge through aggressive and targeted partnership with fintech's and refining our value propositions and distribution models.

The S&DT plays an integral role in the above and will be a key enabler on delivering on our ambitions.

Corporate and Institutional Banking Group (CIBG)

Vision 2030 ushered a significant change to the economy in Saudi Arabia, promising significant opportunities for the Financial Services Industry through its Vision Realization Program "VRPs", which is geared to be a key stakeholder in this process. The impact from the pandemic consequently accelerated the drive towards transformation, accentuated by the emergence of Fintech's and the universal adoption of digital banking services.

Despite challenges posed by the disruption of the global economy due to inflationary environments, supply chain disruptions, and interest rates hikes. CIBG exceeded their



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targeted budget by increasing the customer base providing unique Sharia-Compliant products and services that played a major role in enhancing the customer experience, while building strategic partnerships by offering unique banking propositions.

CIBG succeeded by undertaking an in-depth assessment of the potential gaps within its overall offerings and re-focusing on specific segments and sectors vis-à-vis their competitors for adequate alignment to enrich customer expectations. This contributed to maximizing CIBG's share of wallet "SOW", increase its profitability, while sustaining the ultimate objective of a satisfactory Risk vs. Return-on-Assets (ROA) position.

As we move to 2023, CIBG aims to maintain its growth trajectory, by providing sharia compliant products and services that focus on fee-based income, cross-selling, and building a stronger presence in the market.

Corporate Banking Group (CBG)

In 2022, CBG performed exceedingly well, achieving 29% growth in the total assets portfolio over the preceding year. The extensive efforts to acquire new prospects and businesses, to capture new financing opportunities, cross selling BAJ products & services are the key drivers behind CBG's performance.

CBG portfolio is well diversified as they apply a cautious and selective approach also by taking into consideration the overall macro-economic environment and developments, to ensure that the asset quality is adequately maintained at all times and that the risks of impairment are minimized.

As part of the overall strategy, focusing on Mid-corporate segments will lead to maximize their growth potential. CBG, by diversifying their portfolio efficiently, is geared to continue their growth momentum.

Specialized Finance Division (SFD)

The Specialized Finance Division is tasked with providing structured financing solutions and participating in syndicated arrangements. This unit is proactively serving a sophisticated client base, and works with other leading banks in mega syndicated deals arranged on behalf of corporate and sovereign clients as well as maximizing opportunities with the crystallization of Vision 2030 VRPs. SFD also engages in offering their expertise in project finance solutions and providing agency functions to large corporate customers.

Commercial Banking Services (CBS)

The growth and prosperity of MSMEs remains one of Bank Al Jazira's major goals, as MSMEs are considered an important engine of economic growth and the backbone of the Kingdom's economy.

CBS provides a wide range of banking products and services to Micro, Small & Medium Enterprises (MSMEs) aligning its strategy with the Kingdom's 2030 Vision initiatives of increasing their contribution to GDP from current levels of 20% to 35%.

In 2022, CBS performed satisfactorily with minimal impacts to the portfolio and strong profits by focusing on growing its portfolio and improving their profitability by cross-selling the bank's products and services, and improving their offerings.

As part of CIBG strategy, CBS will continue their efforts to have a strong presence in the market backed up with cross-selling strategy, partnerships, and enhanced products and services backed by digitization that will result in a satisfactory growth momentum.

Financial Institution Unit (FIU)

Financial Institutions Unit manages BAJ's domestic and international banks relationships as well as other financial institutions and supra-national entities by covering trade and cash management needs. FIU, with its ambitious aim of making BAJ as the partner bank of choice in the Kingdom, will continue working closely with other stakeholders to enhance the capabilities of the bank to meet customer requirements and facilitating the remittances and commercial transactions enabling BAJ to cater to its core clients' needs around the globe.

FIU also performs a key role by in the bank, serving other business stakeholders including CIBG, Retail, Private Banking, FAWRI, Treasury etc.

During 2022, FIU achieved significant growth in unfunded exposure of 622% with the introduction of strategies related to SABIC as well as Aramco and Maaden export LCs. They also recorded a Fee Income growth of 20% was recorded across numerous business streams, such as LC Confirmations, remittances, counter-guarantee issuances.

Public Sector Unit (PSU)

Public Sector Unit manages the portfolio of government and quasi-government entities that operate in various sectors. PSU plays an essential role by providing superior and professional customer service in marketing and maintaining available Sharia Compliant products and services including but not limited to financing and investment services, cash management, and e-banking technologies, in addition to treasury based products.

Global Transaction Services (GTS)

Global Transaction Services is supported by state-of-the-art technological platforms providing the commercial and financial institutions around the Kingdom with innovative and superior banking solutions that are cost-effective and efficient. Their services consist of online corporate banking channels such as "E-Corp" and "M-Corp", "E-trade", payroll services "Rawatebkom", cash pick-up, and delivery services.

GTS works with their clients to enhance its services and delivery, leveraging the current technological advancements in the banking industry as well as supporting all available products for CIBG segments in coordination with several departments among the bank such as point of Sale "POS", payment gateway, and corporate credit cards.

GTS growth is aligned with the changes and development of digitalization and process modernization and automation across all sectors in the Kingdom.



PSU plays an essential role by providing superior and professional customer service in marketing and maintaining available Sharia Compliant products and services including but not limited to **financing and investment services, cash management, and e-banking technologies**, in addition to **treasury based products**

Micro, Small and Medium size Enterprises (MSMEs)

Current approved definition of MSMEs

MSME clients are categorized in line with the regulatory guidance and internal policy of the Bank, and are segmented as follows:

Entity Type	Annual Revenues (Sales) SAR MM	Number of Employees (Full Time)*
Micro Small	0 to 3	01 to 05
Small	3 to 40	06 to 49
Medium	40 to 200	50 to 249

*Bank AlJazira considers Annual revenue as the main criteria, however, if this criteria is not available, then the number of full time employees becomes the main criteria for segmenting MSME clients.

Initiatives for MSMEs taken by the Bank:

- BAJ have in place 3 dedicated centers for MSMEs located in the 3 main Regions (Central, Eastern & Western)
- Implement a specific Risk Acceptance Criteria/ Customer Selection Criteria which includes a scoring mechanism aimed to improve overall turnaround time.
- Operate a dedicated Call Centre (MSME Phone Banking) to serve existing and new prospect clients. Toll free number "800 244 9090"
- Put in place a sales unit mainly as a centralized unit for all corporate referrals and to also monitor the onboarding of clients from all BAJ banking partners such as SIDF, REDF, TDF,,etc.
- Implement a segmentation module within the bank core system to differentiate between MSME clients segments, relationship, needs etc.
- Actively monitor MSME activities/ performance on a monthly basis through a committee headed by the CEO.
- Continuous development of dedicated training programs for MSME RMs focusing on relationship, credit & risk management.
- Continue to support the Credit Card product for MSME clients.
- Launched a POS financing product mainly targeting MSME clients
- In the final stages of launching a new proposition called "AMAAL" which is a package of integrated banking and financial solutions specifically catered for MSME clients

MSMEs unit and staff:

MSMEs are managed by our Commercial Banking Services division within the Corporate & Institutional Banking Group (CIBG). Currently, CBS has more than 40 dedicated staff members serving our valued MSME clients.

Number of training and workshop for staff and customers :	
Number of training for Staff	0 man-days
Number of training for Customer	-

Loans, Commitments and Contingencies granted to micro, small and medium enterprises:

000 SAR

2022

	Micro	Small	Medium	Total
Loans to MSMEs on BS	854,796	2,031,435	2,279,776	5,166,007
Loans to MSMEs off BS	100,154	470,367	474,402	1,044,923
On BS MSMEs Loans as a % on Total BS Loans	1.4%	3.3%	3.7%	9.6%
Off BS MSMEs Loans as a % on Total BS Loans	0.2%	0.8%	0.8%	1.9%
Number of Loans on and Off	383	744	414	1541
Number of Customers for Loans	253	480	163	896
Number of Loans guaranteed by Kafalah program (on & Off)	32	44	10	86
Amount of Loans guaranteed by Kafalah program (on & Off)	23,862	38,267	15,628	77,757

2021

	Micro	Small	Medium	Total
Loans to MSMEs on BS	544,025	1,511,202	1,976,684	4,031,911
Loans to MSMEs off BS	125,557	312,317	888,628	1,326,502
On BS MSMEs Loans as a % on Total BS Loans	0.9%	2.4%	3.2%	7.5%
Off BS MSMEs Loans as a % on Total BS Loans	0.2%	0.5%	1.4%	2.5%
Number of Loans on and Off	422	623	339	1384
Number of Customers for Loans	309	456	216	981
Number of Loans guaranteed by Kafalah program (on & Off)	50	63	17	130
Amount of Loans guaranteed by Kafalah program (on & Off)	46,670	55,150	50,652	152,471

Treasury Group:

For many years, our Treasury Group has been at the forefront of providing innovative Shari'ah-compliant solutions, including bespoke products based on customer demands across asset classes.

In the past few years, we have experienced a pandemic and a conflict in Ukraine, both of which have had an effect on the distribution of the essential economic components. The Treasury Group contributed 48% of the Bank's Net Income. This was accomplished through effort and perseverance despite rising inflation and recession concerns.

Treasury Group's strategic principles are founded on the notion that we are a cog in the larger scheme of things and Vision 2030. To this end, we conduct business with one eye on the big picture, recognizing that our commitment to the development of the financial system is essential while we compete with our peers to elevate the standard.

Moreover, it is with pleasure that we mention that Treasury Primary Dealer, which aims to widen the reach and distribution of Kingdom of Saudi Arabia Government Sukuk, achieved a milestone in coordination with NDMC by launching an electronic online platform that will further expand the reach.

On the same strategic mindset and principles, Treasury Money Market along with Treasury sales have effectively regulated the borrowing costs in an environment when market interest rates are at high levels as a result of Saudi Central Bank's inflation-fighting rate hikes.

Human Capital Group

In 2022, the local market achieved a positive impact on activities and operations as a result of market recovery after following the general procedures for occupational safety and health requirements, in addition to following the precautionary instructions from the official authorities, which contributed to enabling Bank AlJazira to ensure a safe return of all employees to the offices.

The Human Capital Group succeeded in launching the human capital strategy, which contributed to laying distinguished foundations as a starting point for launching the strategy for the coming years.

Human Capital Group launched a transformational project aimed at elevating the organization culture to achieve best environment and to enhance and provide the required skills to support BAJ strategy and continues to focus on streamlining technology to serve our ongoing development by introducing enhanced digital self-services to employees enabling more efficient mechanics of daily processes. Moreover, the group focused on elevating and developing governance levels for its policies and procedures.

Human Capital Group continued the Saudization programs in 2022, by attracting Saudi candidates and launching an ambitious program named "future leaders" to attract the best Saudi talents, which maintains the bank's continuous commitment to fill new jobs with the best competencies and opening prospects for internships for university students. These initiatives aim to create the best ways to attract competencies, which is reflected in a high Saudization success rate of more than 95.77%. In addition, the group worked to study the bank's current training needs, market requirements, and the requirements of the Saudi Central Bank to develop human capital, and accordingly provided a set of professional development programs through training courses and specialized professional certificates. Human Capital Group have organized more than 326 training programs and 6,836 training opportunities were provided, with a total of 10,255 working days, and establishing a program that supports achieving specialized professional certificates (Badge Your Expertise- BYE).

Staff ethical and professional principles:

Bank AlJazira has a proven track record in taking the right actions towards its employees, customers, shareholders, regulatory and supervisory bodies. The values of Bank AlJazira represent the basis on which the bank relies in working to achieve the bank's overall objectives.

The bank has adopted a number of ethical and professional principles as set out in the staff "Code of Conduct" which encourage the creation of an appropriate work environment and help achieve the aspired growth, under the existing protection systems against financial crime, bribery and corruption. The policies and standards embraced by the Bank AlJazira provide an appropriate framework for employees to conduct their business. These policies and standards help staff to take the best decisions in their endeavor to achieve long-term and sustainable growth. It is the responsibility of all the bank's employees to comply with these policies and to demonstrate the bank's values through their internal and external dealings

and relations with colleagues, customers, regulators and the community as a whole at all times.

Sharia Group:

Shariah Quality:

Keeping in mind the satisfaction and expectations of customers and shareholders, the Shariah Group focuses on the Shariah quality control of Bank AlJazira services and products by conducting intensive review and audit of the bank's transactions to ensure all activities of the Bank and its subsidiaries are compliant with the Islamic Shariah rules. The group submits quarterly reports to the bank's Shariah Board, and its review of the bank's transactions and criteria for selection of samples is based on the international audit criteria for sample selection.

Governance:

During the year, the Shariah Group enhanced the application of Sharia governance framework as issued by the Saudi Central Bank across all parts of the bank to ensure the full implementation of Sharia Governance Framework in cooperation with all bank groups.

The structure of the Shariah group has been amended by separating the Shariah audit from the Shariah compliance in two different sections. In addition, the Shariah Committee was reconfigured and the number of its members increased in anticipation of the implementation of Article 7, which prohibits committee's multiple members in other banking committees.

Services and Products:

The Shariah Group believes that innovation and development derived from the Islamic Shariah Rules is an essential requirement to promote the Islamic banking industry so as to be able to grow, compete and meet the accelerating and renewable market requirements. To this effect, the group permanently cooperates with other business groups within the bank to innovate and develop their tools and services and helps in the automation of a lot of their processes to facilitate customer's transactions and enable them to achieve utmost investment of their time and avoid human errors as far as possible.

In this context, a committee was established to innovate and develop financial products compatible with Islamic Sharia comprising all the bank's groups, including the Sharia Group, with the aim of creating Islamic financial products that would enable the bank to continue its leadership in the field of Islamic banking.

Research:

The group is aware that maintaining the Bank's leading position in the Islamic banking industry, requires collection of information and preparation of reports and surveys about Islamic banking market and products, extent of customers' satisfaction and aspects of competition, points of strength and weaknesses and customers' expectations.

The Research Department of Shariah Group continued to collect and analyze data and information, prepare various reports, particularly on Islamic finance in the Kingdom of Saudi



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Arabia. In this context, three reports on Islamic finance activity in the Saudi market have been updated and prepared namely:

- 1- Islamic banking in the Saudi market,
- 2- Insurance Industry in the Saudi market,
- 3- Sukuk market in the Kingdom of Saudi Arabia,

The Shariah Group has also established a program for cooperation with Shariah researchers to prepare Shariah research on some contemporary issues facing the bank. The first of this program was a research on (Ruling on the bank providing its services to clients who execute some non shariah transactions).

Translating the book "Bank Aljazira's experience in transformation into Islamic Finance:

The Shariah Group translated and printed the book "Bank Aljazira's experience in transformation into Islamic Finance" in English and French. The book was distributed to financial institutions and parties interested in Islamic finance industry, after printed in Arabic earlier.

In this context, the Saudi Fikh Society, in cooperation with the Shariah Group, held a symposium on the bank's experience in transformation into Islamic Finance, in which His Excellency the Chairman of the Board of Directors of Bank Aljazira spoke about this pioneering experience, with the interventions of a number of eminence sheikhs and specialists in Islamic finance.

Publication of Books and Academic Research Papers:

The Shariah Group has adopted a plan to spread knowledge through publishing and distribution of books and academic research papers which cater for the financial aspects, particularly the Islamic finance issues. Such published books and academic research papers are distributed to Specialists and those interested and financial institutions free of charge., namely:

- The waqf investment funds,
- The down-payment contribution and its contemporary applications,
- Provisions related to ethics in financial transactions.
- symposium: Islamic Banks .. Success Story "Bank Aljazira as a Model"

Support to Islamic financial Industry:

The Bank, through its Sharia Group, continues its support to infra-structure organizations of Islamic Financial Industry, including the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Council General of Islamic Banks and Financial Institutions (CIBAFI), Council of Islamic Financial Services (IFSB), based on the bank's belief in the importance of supporting such institutions to enable them to develop Islamic Financial Industry and achieve standardization. In spite of the exceptional circumstances dictated by COVID-19 pandemic this year, the Shariah Group participated in many of the conferences and workshops that were organized by such entities remotely via the electronic channels to cope with the latest developments in the Islamic finance industry,

The efforts of the Bank's Shariah Group have reflected positively on how the community and customers look at the bank and have

also enhanced the level of confidence in the bank as an Islamic bank and contributed to the Bank's winning of many awards in the Islamic financial services domain.

Our excellence and leadership in the Islamic banking industry is due to the Bank's compliance, in all its businesses aspects, with the principles and rules of Islamic Shariah as well as with the decisions and advice of their honor the scholars, members of the bank's Shariah Board.

Support Group

Automation & Robotics Division

As an extension of the series of achievements we achieved last year, the automation and robotics team doubled its efforts in 2022, where more than 1,000 operations were evaluated within 10 groups and 54 departments, which raised productivity, as the number of robots launched so far reached 31, which led to the implementation of about 140,000 transactions and saving 28,000 man-hours. This helped reduce cost and reduce human errors, and raise efficiency and productivity. Most importantly, it raised the morale of employees to enable them to focus on high-value, non-routine activities.

In line with the bank's strategic goals to support digital growth, and in an effort to enrich life through financial well-being, the automation and robotics team continues to expand automation processes and reengineer and support operations through the adoption of new technologies such as artificial intelligence, machine learning and other solutions in line with this vision.

Support Business Management

The Support Business Division works to improve the levels of quality and governance and contribute to the digital transformation process of the Support Group through close and continuous monitoring, follow-up, collecting information and data, performing data analysis, and prepare relevant reports.

Within the scope of business governance and quality, the Support Management Division monitored and followed up on 72 circulars issued by the Saudi Central Bank and contributed to achieving full compliance with them, which led to achieving a timely compliance rate of 87%.

The division also monitored and followed up all the Internal Audit observations related to the Support Group and contributed to the responsible divisions in closing them; as a result of these efforts, the on-time closing rate reached 99%. Within the scope of business quality, the Support Management Division worked on the financial management reports of the expenses of the Support Group's divisions, analyzing their data and contributing, in cooperation with the divisions, in rationing expenses; which led to achieving compliance with the group's budget of 100%. The Support Management division has also monitored and followed up on all the group's initiatives and projects included in the Digital Transformation project.

In addition to the above, the Support Management division has successfully monitored all the Key Performance Indicators of the group and has also monitored more than 31 other performance indicators.

Project Management Office

The Project Management Office (PMO) provides support and organization for all annual projects of Bank AlJazira in alignment with the relevant business.

PMO has delivered all the projects required by the Saudi Central Bank, such as Tanfeeth Program - Wave 4, Early Warning Signs, SIMAH Affordability Model for individual Consumers, Entity Account Opening Phases (I) and (II).

In addition, PMO delivered other critical business projects such as Sakani - NHC Online Mortgage, SoftPOS, Online segregation, WhatsApp outbound solution, Equal Payment Plan (EPP) and Enrich Account Opening Enhancement.

Logistics & Shared Services

Is a specialized Division that provides all services and logistical support to Aljazira Group in terms of professional advice, consultation on the designs and construction of the Banks network expansion program, (Branches, FAWRI centers, ATMs, premises, and others), enhancement of existing workplaces to be more compatible with business needs, provide clean environment and utility services to employees and customers in all branches and head office buildings, including the security and safety to staff, clients and properties at all times. To secure the continuity of business by ensuring that all government permits and licenses are valid, and to provide mailing services, storage, photocopying and archiving of daily banking transactions.

This year, the multi-parking building adjacent to the Head Office building in Jeddah was completed and inaugurated to provide 323 additional parking spaces for employees and customers.

Preparations have also begun for the construction of a multi-storey building on King Fahd Road in Riyadh for AlJazira Capital,

Private Banking, a Training Center and a Branch for Retail Banking Services and Affluent Services, in addition to a multi-storey parking building attached to it to provide an additional number of parking spaces for employees and customers.

The implementation of all instructions of the Saudi Central Bank and the Ministry of Interior regarding security and safety has also been completed, the most important of which is the installation of IP cameras for all branch buildings and ATMs, where the installation of cameras was completed by the end of July 2022.

The main headquarters of Operations Division in Al Quds building in Riyadh has been completed after making the necessary improvements to the building and parking to accommodate all the employees of the Banking Operations Division.

In addition, the Tahlia branch was moved to the new and distinctive location after its construction was completed by November.

Moreover, 8 "Fawri" remittance centers have been closed due to the fact that some of these branches are located within the demolition area scope of some Jeddah neighborhoods, which were either removed at the direction of the government or closed at the request of the RBG management.

Property Management

Property Management leads Contracts and Assets Management, Procurement and tender management unit, Business Continuity Management and AMAN Real Estate Development and Investment Company) including Real Estate valuation)



Contracts and Assets Management Unit:

Its main achievements are summarized in managing 39 real estate properties with a value of SAR 712 million and reviewing, signing and keeping 229 contracts worth SAR 211 million, covering and protecting bank interest & govern its relation with third parties while adhering to rules & instruction of SAMA.

In addition to managing Fixed Assets by adding 1,290 assets, transferring 1,238 disposing of 3,980 and as a result extracted a savings of SAR 32,600

Procurement and tender management unit:

Procurement had a remarkable role in achieving many of the bank's objectives, which was reflected through a number of axes as follows:

- 6,243 Purchase orders cost of SAR 779,919,560
- Total savings amounting SAR 23 million.
- Decreasing the insurance rates for some renewed Insurance Policies resulting in obtaining better pricing.
- Automation of Procurements and tender process.
- Develop the policies and procedures of Procurements and Tender Management in line with the bank strategy.

Business Continuity Management Unit:

The bank has developed and maintained a full-fledged Business Continuity Management (BCM) program that focuses on the continuity and recovery capabilities of key processes and assets. The program is structured based on international standards, best practices and SAMA requirements and its scope extends to include; Crisis Management and response, Safety and Security, People continuity, Business recovery and IT Disaster Recovery.

The bank's BCM program is ongoing and is regularly reviewed by internal and external stakeholders. These features enhance the Bank's readiness and the capabilities to respond and manage adverse events. The expected results is to minimized negative impacts, enhanced performance and reputation, and compliance with regulatory requirements. Conducting several experiment aimed at ensuring business continuity without interruption.

Through the Business Continuity, business continuity tests was conducted successfully for 24 critical / division in Riyadh and 29 in Jeddah, including In – house awareness training workshops for more than 95 employees.

Aman Real Estate Development and Investment Company:

Aman Real Estate and Investment Department has been able to carry several operations for the benefit of the bank as follows; 10 Ejarah Transactions, 2,275 Murabaha Transactions, 308 Real Estate Returns, 230 Third Party Sales, 37 Bayt Al Hassan, 38 POA's, 420 Authorization letters, 363 Redemption Release, 294 Corrections, 171 Corporate and 272 Miscellaneous.

In addition a number of 38 title deeds transferred to the Saudi Real Estate Refinance Company (SRC) under a contract for the sale of a real estate portfolio between the bank and the Saudi company (SRC).

Custody amendment of title deeds that placed in the custody of Executives and Implementation of all requests within the specified times by 100% in accordance with the SLA.

Real Estate Evaluation Unit:

The following has been the accomplishments of Real Estate Evaluation Unit; a total of 6,541 Valuation requests completed for RBG, 110 completed for CIBG, 20 completed for Human Capital Group, 52 for Private Banking and 26 requests for Asset Real Estate. Moreover maintaining the level of companies evaluation payment, finalizing the evaluation automation project phase 2, and full integration of the automation with LMS in the production.

Information Technology Division

Information Technology Division is continuing to build and maintain technology platform corresponding with the best technology standards to support existing and new development of solutions that support the bank's products and services. The provided technical solutions are built in accordance with the Banks' strategic goals and directions, and meant to meet business objectives, support expansions, regulatory mandates, business continuity as well as the delivery of banks' internal improvement initiatives.

Examples of major achievements in 2022, successfully concluded the Full DR Live test for all critical systems and operating for five business days from DRC, Switching ATMs Connectivity from Satellite to GSM 4G, Successful implementation of a Capacity Management Solution that monitors the capacity of all critical systems and Upgrade the 3D Secure system to the latest version. In addition to a number of enhancements and major changes in AlJazira Online systems and databases, which contributed immensely in correcting program design issues and minimizing service interruption to ensure service availability around the clock.

Not to mention its contribution in the implementation of key projects in partnership with the Project Management Office.

Banking Operations

In line with bank's new organizational structure and the merger into the Banking Operations Group of several departments, such as Card Operations, Cash Center Operations, Fawri Operations, ATM Feeding Operations and Cash Transit Operations, the Banking Operations Group has been restructured to align with the bank's strategic plans for provision of the necessary tools and technologies and use of appropriate and highly professional manpower to perform the Bank's operations with high quality and accuracy. Accordingly, the strategy of Operations Group has been reformed to focus on respect and appreciation and shall be based on four key elements:

- The right employee with the right environment (recruitment, training, development and qualification, motivation, and appreciation)
- Appropriate processes (review and development of internal work procedures)
- Appropriate technology
- Management and coordination of relations with the Bank's internal departments and outside partners.

Based on the new strategy, the Operations Group has been restructured to consist of the following departments:

A. Operations Control Department:

The task of this department is to re-examine the operations progress at all stages and to introduce the appropriate technology and update implementation based on the latest developments. The department directly coordinates with its partners in the technology, projects, and automation departments.

Also, this department is responsible for updating the work policies and processes in line with the instructions issued by the Central Bank as well as for follow-up to ensure the accuracy of implementation and compliance. It shall also monitor the management of banking accounts for individuals, companies and Fawri. The primary role of Financial Ruling Execution Department is to implement what is included in the requests received from the Saudi Central Bank.

Card Settlement is responsible for Settlement of Visa, MasterCard transactions, and Chargeback dep , Dispute amount for customers

Achievement

1. Merging Operational Excellence Department with Control Department, in order to develop the work mechanism
2. Launching the project WAVE 3 and 4 of TANFEETH B2B System
3. Unreconciled balance identified since 2016 in the settlements account it has been corrected and adjusted.

B. Shared Operations Department:

The tasks of this department focus on the implementation, control, and follow up on the domestic and global payment processes, clearing checks and collection processes as well as on the management of the relations of Credit Bureau companies. Bank Aljazira achieved top rank in the first six months for the quality and accuracy of credit reports issued to SIMAH. Also Bank Aljazira receives the Excellence Award for executing Straight Through Payments (STP) in US Dollars.

C. Consumer Finance Operation Department:

This department is responsible for reviewing the credit applications for Personal Finance, Mortgage Finance and Credit Cards with high accuracy and speed. It works in coordination with the Sales Department, Branch Network, Product Departments, and Risks Departments to achieve the bank's objectives and minimize human errors.

One of the most important goals achieved during the year is to pass all products through the scanner, which greatly contributed to reducing costs and speeding up completion to serve the bank's customers satisfactorily and distinctively.

D. Corporate Operations Department:

This department shall implement all treasury and corporate processes with high accuracy and professionalism, including the processes and operations relating to the purchase and sale of currencies, investment in Islamic Sukuk, trading in international capital markets, hedging using financial derivatives, issuance of guarantees and bank credits in addition to carrying out financing operations for companies.

1. Supported launching an online subscription service for NDMC auctions
2. Succeeded in processing new Equity Investments
3. Centralized all Letter of Guarantee issuance at Riyadh
4. Enabled new online Trade request s through Etimad Platform.
5. Developed a new corporate review and execution teams.

E. Operations Support Department:

This department coordinates with other departments within the Operations Group and other departments to facilitate the implementation of operations and exceptions and addresses complaints to achieve highest extent of excellence in customer service.

1. A mechanism was developed in coordination with the relevant departments to ensure that pending applications reach zero daily by 99% throughout the month, and close all complaints for a period not exceeding 24 hours.
2. Automated four main tasks in the department: (FAWRI support – Cards maintenance - ATM claims - personal finance support), which led to saving time and effort and being content with fewer employees.
3. Establishing a daily follow-up mechanism for transactions with high amounts and repeated requests, which led to the discovery of loopholes in the system. This procedure caused the bank to avoid an increase in losses after frauds were discovered.
4. Preserving the availability (SLA) and readiness rate of more than 98% for ATMs, according to the monthly report from SAMA.

F. Cash Centers & Replenishment Services Department:

This Department is responsible for providing cash to the branches - FAWRI - Offsite ATM & Deposit /Withdrawal of cash from/to SAMA including receiving surplus cash from Branches & FAWRI & ATM, also receive cash from the customers through the cash pickup services The ATM Replenishment service has been outsourced to SANID, one of the strongest companies in this field to minimize the operational risks and expenses. The ATM replenishment services was in-house by BAJ staff also we already outsourced Riyadh Cash Center to Multi Bank Cash Center for SANID Company. We are in progress to complete the process for outsourcing the remaining cash Centers (Jeddah-Hofouf –Madina and Qassim by the end of Q2/2023 as per the plan that was sent to SAMA.

Sustainability & Social Responsibility Group

Bank Aljazira continues its journey in sustainability and social responsibility through continuous support for various projects that promote the principles of sustainability and social responsibility, which portrays a positive image of the bank as a responsible financial institution that is working on effective plans and projects that help achieve a positive impact on the economic, environmental and social aspects, through various partnerships with non-profit organizations, charities, private sector and the public sector, where the bank contributes -



Bank Aljazira continues its journey in **sustainability and social responsibility** through continuous support for various projects that promote the principles of sustainability and social responsibility, which portrays a positive image of the bank as a responsible financial institution



through the program (Khair Aljazira Le Ahl Aljazira) - in the implementation of a number of unprecedented projects in the field of community service and meeting the aspirations of those communities in all regions of the Kingdom, which amounted to more than (107) community projects in more than (40) cities, governorates and centers, resulting in more than (20,970) beneficiaries throughout the year 2022.

During this year, the system for sustainability was established at BAJ after the approval of the Board of Directors to issue annual sustainability reports, and the name of the Social Responsibility Group was changed to "Sustainability & Social Responsibility Group" in addition to changing the name of the Social Responsibility Committee to "Sustainability & Social Responsibility Committee", thus establishing the role of sustainability through sustainable practices and drawing a sustainability roadmap for BAJ to work on initiatives, indicators and implementation mechanisms by initiating the transformation leadership and forming links between different sectors, centered around knowledge. The Sustainability & Social Responsibility Group also contributed to updating the evaluation mechanism for measuring KPI in coordination with both the Human Capital Group and the Strategy & Digital Transformation Group.

The group has made the necessary arrangements to work on Bank AlJazira's annual sustainability report, which will provide information regarding the KPI of environmental, social and corporate governance practices, in addition to determining the group's approach and its strategic directions in this scope in accordance with international standards, as the bank's first sustainability & social responsibility report will be shared by

the beginning of the new year, based on a comprehensive framework for sustainability practices at BAJ in the form of an annual report that meets the most important foundations, standards and regulations and also complies with the best practices according to benchmark comparisons.

In this context, the bank contributed through the "Khair Aljazira Le Ahl Aljazira" in the field of sustainability and the environmental awareness by sponsoring the Social Responsibility and Green Economy Forum under the title "The Road towards Carbon Neutrality" to promote the culture of reducing carbon emissions. In addition to that, BAJ sponsored the initiative "Environmental Conservation is a Covenant and a Promise", which contributed to promoting the culture of preserving the cleanliness of touristic wild parks, as well as implementing a rehabilitation program for the leaders of environmental associations on the scale of the Kingdom.

In addition to that, the societal role of Bank AlJazira stands out when it comes to contributing and focusing on the rehabilitation and empowerment of marginalized people in the society through support and assistance in financing micro-projects through the benevolent loans portfolio to support productive families in order to increase their income and improve their standard of living and education with the aim of achieving economic and social stability for the members of those families.

Bank Aljazira's program to support innovation "Mobtakeroon" is also one of the most prominent programs that helped enable creativity, innovation and entrepreneurship skills, as it was implemented twice as a business incubator for innovative projects in the field of digital montage and the field of smart cities, with the participation of a wide range of young



entrepreneurs. The first three places were rewarded with cash prizes to incentivize them to proceed in their innovation journeys, and BAJ did not neglect to support and empower the innovation skills amongst the younger generation aged (8-15) years, where the bank also held the “Mobdeoon” program in the technical and industrial fields and rewarded the first three places with cash prizes.

Based on the bank’s concern towards people with disabilities, many specialized programs have been initiated for people with hearing, visual, motor and mental disabilities, with training, orientation and raising awareness for their families and those dealing with them.

The Bank’s contribution is still ongoing in establishing and operating the Center for Autism, for the fourth consecutive year, where Saudi banks participated in establishing and operating it for the first five years.

Continuing to support young men and women, the Bank provides support to this group with the aim of education and professional training by providing them with many programs to prepare them for the labor market and help them acquire basic life skills.

The non-profit sector has great interest from Bank Aljazira for its key role in community work, where many agreements were signed, including the signing of a governance facilitation agreement with the National Center for Non-Profit Sector, as well as supporting many programs in the fields of health, environment and society by qualifying the leaders and establishing the infrastructure for many non-profit organizations by providing them with basic equipment, in addition to

programs to spread financial, legal, health, cultural and other awareness in various regions and governorates of the Kingdom.

Aljazira Capital:

Aljazira Capital (AJC) offers a comprehensive range of investment services to its institutional and retail clients, that include; brokerage, asset management, wealth management, investment banking, and custody services.

2022 was very significant for Aljazira Capital, as it was the year in which AJC executed its 5-year new strategy (approved in Q4 2021). The philosophy of the new strategy was to maintain leadership position in brokerage while creating a sustainable sources of revenues in other business lines. Hence, AJC’s Strategy is structured around developing Asset & Wealth Management business and redeployment of AJC capital into investments with attractive yields.

Effective implementation of the new strategy is noticeable from AJC’s financial results as, despite the decline in brokerage revenues versus 2021, AJC’s revenues grew by 16% in 2022, driven by the strong growth in other business lines. AJC’s net income before Zakat & income tax for 2022 amounted to SAR 154.3 million, which exceeds 2021 net income by 14%.

2022 was a challenging year for Capital Markets as the sharp rise in interest rates negatively impacted the financial markets liquidity. AJC continued to maintain its leading position as a local brokerage house. Overall, brokerage business contributed SAR 112 MM to AJC topline. Furthermore, margin finance portfolio showed high utilization during the year with revenue of SAR 89 MM, an increase of 60% versus previous



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year. AJC is continuously seeking to enhance its brokerage leading position and capabilities through the implementation of strategic initiatives that support such position in all aspects, including; technology, offering new products & service, as well as enhancing existing ones.

AJC's other business lines have witnessed an unprecedented improvement. Asset and Wealth Management business grew substantially in 2022 at 107% with a revenue that amounted to SAR 92 MM (2021: SAR 44 MM). Such growth was supported by the growth in number and values of DPMs and the introduction of multiple alternative investment and Real Estate Funds. Furthermore, Investment Banking played a vital role in adding to AJC's revenues, with a growth of 65% over 2021, at SAR 40 MM (2021: SAR 24 MM). In addition, AJC continues to invest its capital in high yielding asset classes. This substantially improved return on AJC principal investments during 2022 and contributed SAR 34 MM to total revenues. Such growth in the various businesses comes in line with AJC's income diversification strategy.

With relation to awards, AJC received several awards in various securities business aspects. Refinitiv has awarded AJC the best 3 year & 10 year performance for AJC's International Equity Fund. Furthermore, International Finance Magazine recognized our International Equity Fund for the Most Innovative Equity Fund. The same Magazine also awarded AJC for the most Innovative Islamic Brokerage House.

Looking forward, AJC's ambition is to be an established asset and wealth manager and remain the broker of choice by offering superior trading experience. Management is confident that, by leveraging the new digital technologies and enhancing the products offering, AJC will achieve its growth plans.

Future Plans:

The post-Covid world has affected the economy and customer behaviour leading to shifting expectations and demands. To meet this new paradigm, Bank AlJazira is focused on enriching lives through financial wellbeing. To enable us to deliver on this purpose, we have set ourselves a set of key priorities that include:

Creating Distinctive Value Propositions by:

- Being a boutique bank that is retail affluent focused.
- Focusing on mid-market and selected sectors in CIBG.
- Bringing together the power of One Bank AlJazira with AlJazira Capital.

Building a Thriving Organization by:

- Being customer obsessed in our conduct.
- Positively impacting our planet and communities through our ESG and CSR agenda.
- Building a learning organization.

Growing Digitally by:

- Increasing our digital transformation investments and upgrading our offerings to improve customer experience.
- Targeted Partnerships with Fintech's to differentiate our value propositions and distribution models.

- Commercializing our efforts through customer acquisition and retention.

Overall, these priorities will drive a set of outcome which are to:

- Improve our economic health – bringing our financial ratios (C/I, CoF, RoA, RoE and Cross-Sell) in-line with peers;
- Address our organizational health (Culture, Values and being an Employer of Choice); and
- Drive an improved customer experience (Net Promoter Score - NPS) through our brand, customer journeys and digital experiences

Awards and Certifications

BAJ was granted a number of awards and recognitions locally and Internationally which reflects the banks integrity, professionalism and efforts in providing its valuable clients an exceptional products and services, and these are as follows;

- Most Innovative Islamic Bank – Saudi Arabia 2022, awarded to BAJ by International Finance Magazine
- Best CSR Bank – Saudi Arabia 2022, awarded to BAJ by International Finance Magazine
- Bank AlJazira one of the best performing Financial Companies in CGI Corporate Governance by Alfaisal University Award
- Most Innovative Islamic Retail Bank in Saudi Arabia 2021 - 7th Islamic Retail Banking Awards 2021
- IRBA Excellence Award for Islamic Digital Banking 2021 - 7th Islamic Retail Banking Awards 2021
- The Excellence in Digital Transformation Award 2021 granted to BAJ by the Digital Banking Saudi 2030 Summit Awards
- Change Leaders Award for the Private Sector – Awarded to BAJ during the 10th Business Management Forum
- Contact Center World Awards – Gold Medal and 1st rank in three Categories, Best Contact Center, Best in Customer Service and Best Branch Support Categories in Europe Middle East and Africa 2019.
- Most Innovative Islamic Bank – Saudi Arabia 2019, awarded to BAJ by International Finance Magazine
- Best Credit Card Offerings – Saudi Arabia 2019, Awarded to BAJ by Global Business Outlook Magazine
- Most Innovative E-Banking Platform – Saudi Arabia 2019, Awarded to BAJ by Global Business Outlook Magazine
- Award for being one of the Best Performing Companies in the Corporate Governance Index – Awarded to BAJ by Alfaisal University Corporate Governance Center
- Contact Center World Awards – Gold Medal and 1st Rank for Best Contact Center and Best in Customer Service in the World 2019 – Awarded to BAJ by Contact Center World
- Excellence Award in Syndicated Financing – Awarded to BAJ by International Islamic Trade Finance Corporation (ITFC)

- Princess Sitah bin Abdulaziz for Excellence in Social Work National Achievement Award – Awarded to BAJ by His Highness Prince Fahd bin Abdullah bin Saud Al Kabeer and the Ministry of Labor and Social Development
- Contact Center Awards – Gold Medal and First Rank in Best Customer Service Category, Silver Medal for the Best Contact Center Category in Europe Middle East and Africa and Silver Medal for the Best Contact Center Manager in Europe Middle East and Africa – Contact Center World
- Critics Choice Best Islamic Digital Banking Award – Awarded to BAJ by Cambridge International Financial Advisory
- Critics Choice Best Islamic Retail Banking Innovation Award – Awarded to BAJ by Cambridge International Financial Advisory
- Best Customer Service Award Gold Medal and First Rank – Awarded to BAJ by Contact Center World
- Best Social Responsibility Program K.S.A. 2017 – CPI Financial
- Critics Choice Best Islamic Retail Bank in Saudi Arabia 2017 – Cambridge Analytica
- Contact Center Award – Silver Medal Best Customer Service 2017 in the Middle East, Europe and Africa
- Best Customer Service, Abshir Baezzak Program - Awarded to BAJ by Banker Middle East Product Awards
- Most Innovative Personal Banking Provider, Saudi Arabia – Awarded to BAJ by Al Global Media
- Top Three Banks with the Highest ATM Performance and Cash Management – Awarded to BAJ by Saudi Central Bank (SAMA)

Gratitude:

The Board of Directors of Bank Aljazira takes this opportunity to express their thanks and gratitude to our wise government under the leadership of the Custodian of the two Holy Mosques, King Salman bin Abdul Aziz Al Saud, HRH Prince Mohammad bin Salman Abdulaziz Al Saud, the Crown Prince , Prime Minister, also serves as the chairman of the Council of Economic and Development Affairs and chairman of the Council of Political and Security Affairs. And all Ministers for their continued support.

We are also grateful for the continued support and guidance of the Ministry of Finance, the Ministry of Commerce and Industry, Saudi Central Bank and Capital Market Authority.

The Board also want to take this opportunity to express its sincere thanks and appreciation to the Bank's Shareholders and customers for their confidence and continued support and to the Bank's management and all staff members for their performance and achievements.



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