

INTERNAL AUDIT

Internal Audit is an independent and objective function that reports directly to the Audit Committee formed by the general assembly of the bank and aims to provide reasonable assurances to the audit committee and the senior management of the bank about the adequacy and effectiveness of the internal control system, through the application of a systematic approach to assess and improve the effectiveness of governance and risk management processes and oversight. Internal Audit follows the risk-based audit methodology in the planning and implementation of audit work. It also follows up on correcting the observations contained in the reports of internal audits, external auditors, and regulatory and supervisory bodies to ensure that they are implemented according to the set

target dates and that the implemented actions ensure the integrity of internal control controls. The Internal Audit Division applies a quality assurance program that covers all Internal Audit activities and contributes to raising the level of performance and adherence to internal audit standards and applying best practices.

The Internal Audit scope of the work includes all the activities and departments of the bank and subsidiaries that do not have an independent audit committee and audit department. In 2022, Internal Audit carried out the internal audit work according to its plan approved by the audit committee, which is based on an integrated study and a comprehensive assessment of risks for the units subject to audit (universe items) at the bank's level. In addition, the Internal Audit carried out many other tasks assigned to it by the Bank's management, Audit Committee or the Central Bank of Saudi Arabia.

INTERNAL CONTROL SYSTEM

The Bank's executive management is responsible for creating an appropriate and effective internal control system that includes policies and procedures prepared under the supervision of the Board of Directors to achieve the Bank's strategic objectives. Accordingly, an integrated internal control system has been developed as recommended by the regulatory and supervisory authorities, starting with the general governance framework in the bank, which defines the roles and responsibilities assigned to the Board of Directors, its committees, as well as the executive management committees, to ensure the availability of appropriate control at the level of the bank. All administrative units of the Bank are making concerted and integrated efforts to improve the control environment through the continuous development and review of policies and procedures to reduce any abuses and to avoid and correct any deficiencies in the internal control system.

In addition to the control work carried out by the Bank's regulatory authorities, including the Compliance and Financial Crime Sector and the Risk Management Group, internal audit is an independent line of defense for the executive management, and its scope of work includes evaluating the effectiveness of the internal control system, including compliance with approved policies and procedures. Audit reports containing weaknesses in the internal control system as well as corrective actions are submitted to the Audit Committee and the CEO. The Audit Committee monitors the adequacy and effectiveness of Internal control system to reduce risks and protect the interests of the Bank.

Based on the results of the continuous evaluation of the internal control system during the year 2021, the Board of Directors believes that the internal control system is adequately designed and implemented effectively and that there are no control gaps or material weaknesses in the Bank's business for the year 2021, and this comes based on reasonable assurances by the Board of Directors about the soundness of the design and effectiveness of the application of the internal control system, and the Bank's management believes that the internal control system currently in force is adequate, works effectively and is monitored on a regular basis, and seeks Constantly strengthening the internal control system, note that any internal control system regardless of the soundness of its design and the effectiveness of its application cannot provide absolute assurance.

Dividend Policy

The Bank's annual net profits determined by the Bank after deducting all general expenses and other costs and the formation of reserves necessary to meet doubtful debts, investment losses and contingent liabilities that the Board of Directors deems necessary in accordance with the provisions of the Banking Control Law, the Companies Law and its regulations and the directives of the Saudi Central Bank shall be distributed as follows:

1. The amounts necessary to pay the Zakat prescribed by the shareholders shall be calculated, and the Bank shall pay these amounts to the competent authorities.
2. At least twenty-five percent (25%) of the remaining net profits after deduction of Zakat shall be carried forward to the statutory reserve until the said reserve becomes at least equal to the paid-up capital.
3. An amount of not less than (5%) five percent of the paid-up capital shall be allocated from the remaining profits after deduction of the statutory reserve and zakat for distribution to shareholders as proposed by the Board of Directors and decided by the General Assembly. If the remaining percentage of the profits due to the shareholders is not sufficient to pay this percentage, the shareholders may not demand payment in the following year or years, and the General Assembly may not decide to distribute a percentage of the profits in excess of what was proposed by the Board of Directors.
4. The remaining shall be used after the allocation of the amounts mentioned in paragraphs (1,2,3) as recommended by the Board of Directors and approved by the General Assembly.

MAJOR SHAREHOLDERS:

The Bank's major shareholders who owned more than 5% of shares as at the end of trading on 31 December 2022 are as follows:

No.	Stakeholder name	Percentage (%)
1	Mohammed Ibrahim Alsubeaei & Sons Company	19.34
2	Abdullah Ibrahim Alsubeai Investment Co.	11.14
3	Mr. Khalid Abdulrahman AlRajhi	9.12
4	Mr. Abdulrahman Abdulaziz Saleh AlRajhi	6.66

GENERAL ASSEMBLY MEETINGS HELD DURING THE YEAR 2022

Bank Albilad held an Extraordinary General Assembly Meeting for its shareholders during the fiscal year 2022, which is the twelfth Extraordinary General Assembly on 10 Ramadan 1443AH corresponding to 11 April 2022:

- a. Record of attendance of the members of the Board of Directors and the chairmen of the committees for the extraordinary general assembly meeting held during the year 2022

The meeting of the Assembly was held by means of modern technology, and the attendance was from the members of the Board of Directors as follows:

M	Name	Attendance Record
1	Mr. Nasser Mohammed Al-Subaie (Chairman)	√
2	Mr. Fahad bin Abdullah bin Dakheel (Vice Chairman)	√
3	Mr. Khalid bin Abdulaziz Al-Muqairen	√
4	Mr. Khalid Abdulrahman Al-Rajhi	√
5	Mr. Ahmed Abdulrahman Al-Hussan	√
6	Mr. Samir Omar Baissa	√
7	Dr. Ziad Othman Alhogail	√
8	Mr. Abdulaziz Mohammed Al-Onaizan	√
9	Mr. Adeb Abanmi	√
10	Mr. Haitham Sulaiman Al-Suhaimi	√

THE RESULTS OF THE VOTING ON THE ITEMS OF THE GENERAL ASSEMBLY WERE AS FOLLOWS:

- 1) Approval on the Board of Directors' report for the fiscal year ending on 31 December 2021.
- 2) Approval on the external auditors report for the fiscal year ending on 31 December 2021.
- 3) Approval on the financial statements for the fiscal year ending on 31 December 2021.
- 4) Approval on appointing the auditors for the Bank (Ernst & Young (EY) and Price Waterhouse Coopers (PwC)) from among the candidates based on the Audit Committee's recommendation. The appointed auditors shall examine, review and audit the (second, third) quarter and annual financial statements of the fiscal year 2022, and the first quarter of the fiscal year 2023, and the determination of the auditors' remuneration.
- 5) Approval on releasing the members of the Board of Directors from their liabilities for the fiscal year ending on 31 December 2021.
- 6) Approval on the Board of Directors recommendation to increase the capital by way of issuing bonus shares as follows:
 - a) Total amount of increase: SAR 2,500 Million
 - b) Capital before increase: SAR 7,500 Million. Capital after increase: SAR 10,000 Million. Increase percentage: 33.33%
 - c) Number of shares before increase: 750 Million shares. Number of shares after increase: 1,000 Million shares.
 - d) This recommendation aims to enhance the Bank's financial solvency and retain its resources in operational activities.
 - e) The capital increase will be made through the capitalization of SAR 2,500 M from the retained earnings by granting one share for every three shares.
 - f) In the event of stock fractures, the fractions will be grouped into a single portfolio for all shareholders and sold at the market price and then distributed to the shareholders entitled to the grant each according to their share within 30 days of the date of the determination of the shares due to each shareholder.
 - g) In case the Bank's shareholders approved in the extraordinary general assembly on the increase of the capital, the shareholders registered in the Bank's shareholders' register with the Securities Depository Center Company (Edaa) by the end of the second trading day following the date of the Extraordinary General Assembly meeting, will be eligible for the bonus shares.
 - h) Approval on to amend Article No. 7 relating to Capital, of the Articles of Association of the Bank.
- 7) Approval on delegating the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year 2022.
- 8) Approval on paying an amount of (SAR 3,520,000) as remuneration to the Board members by (320) thousand riyals for each member for the fiscal year ending on 31 December 2021.

9) Approval on the election of 11 of board members from among the candidates for the next term, which will start from 17 Apr 2022 for a period of three years ending on 16 Apr 2025. The following members were elected:

- 1) Mr. Nasser bin Mohammed Ibrahim Al-Subaie - Non-executive
 - 2) Mr. Mohammed Abdulrahman Abdulaziz AL Rajhi - Non-executive
 - 3) Mr. Khalid Abdulrahman Saleh Al Rajhi - Non-executive
 - 4) Mr. Abdulaziz Mohammed Ali AlOnaizan – Executive
 - 5) Mr. Khalid Abdulaziz AlMukairin - Non-executive
 - 6) Mr. Haytham Suliman Abdulaziz Alsuhaime - Non-executive
 - 7) Mr. Haitham Mohammad Abdulrhman Alfayez – Independent
 - 8) Dr. Zeyad Othman Ibrahim Alhekail – Independent
 - 9) Mr. Adeeb Mohammed Abanumai – Independent
 - 10) Mr. Nasser Sulaiman Abdullah AlNasser – Independent
 - 11) Mr. Muadh Abdulrahman Hasan Alhusaini – Independent
- 10) Approval on forming the Audit Committee, defining its duties, operating controls, and remuneration for its members for the new term that starts on 17 Apr 2022 for a period of three years ending on 16 Apr 2025, noting that the candidates are:
- 1) Mr. Adeeb Mohammed Abanumai
 - 2) Mr. Mohammed Farhan bin Nader
 - 3) Mr. Abdulaziz Abdullah Alakil
- 11) Approval on forming the Shariah Committee for the new term that starts on 17 Apr 2022 for a period of three years ending on 16 Apr 2025, noting that the candidates are:
- 1) Dr. Abdullah Musa Al-Amar
 - 2) Dr. Muhammad Saud Al-Osaimi
 - 3) Dr. Yusuf Abdullah Al-Shubaili
- 12) Approval on the amendments of the Audit Committee Charter.
 - 13) Approval on the amendments of the succession policy for members of the Board of Directors and its committees.
 - 14) Approval on the amendments of the policy of rules and controls for nomination and appointment in the Board of Directors and its committees.
 - 15) Approval on the amendments of Rules and standards proceeding to BoD member of competing with the Bank or any of its activities.

16) Approval on delegating to the Board of Directors the authorisation powers of the General Assembly stipulated in paragraph (1) of Article 71 of the Companies Law, for a period of one year starting from the date of the approval by the General Assembly or until the end of the delegated Board of Directors' term, whichever is earlier, in accordance with the conditions set forth in the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.

CODE OF ETHICS AND CONDUCT

The principles and rules of professional and ethical conduct and related principles form the cornerstone of Bank Albilad Group's business ethics and behavior, as their application helps the bank to achieve its vision and mission, protect all its stakeholders, including investors, customers and customers, as well as protect its interests and develop its business, reputation and brand. The Bank has gained its good reputation as a result of its commitment to the application of its principles and banking values based on the provisions of Islamic Sharia and committed to the laws, regulations and instructions of regulatory authorities such as the Saudi Central Bank and the Capital Market Authority, as well as the sincerity, commitment and dedication of all the Bank's employees to serve its customers and ensure the provision of the best possible banking service to them in accordance with the highest professional and ethical level. Trust, responsibility, honesty and respect are essential elements and fundamental pillars of this reputation and a source of value that the Bank provides to its customers and the obligations it has placed on itself towards multiple stakeholders, to maintain the values and principles of the Bank, which obliges all employees without exception to perform their work and tasks in a manner that reflects a good image of the Bank and its employees and ensures the preservation of the Bank's reputation and spares it any damages or risks resulting from any abnormal behavior inside and outside the Bank, whether inside and outside the Kingdom of Saudi Arabia. All employees must treat others with dignity and respect, take responsibility for their actions, act in accordance with the letter and spirit of laws and regulations, and be open, honest and frank in order to make high-level decisions based on facts.

Compliance And Anti Financial Crime

Bank Albilad considers that compliance with regulations, standards and instructions issued by the

regulatory and supervisory authorities is one of the most important success factors of the bank and maintains its reputation and credibility and the interests of shareholders and depositors, as well as providing protection against regulatory and legal penalties. And it is on the top priority of the bank.

Compliance And Anti Financial Crime Division Role

Compliance is an independent function that identifies, assesses and monitors non-compliance risks, provides advice and consultation, and reports on compliance issues, with the objective of protecting the bank and its ambassadors from being exposed to regulatory or administrative penalties, financial losses, or loss of reputation that occur as a result of failure to comply with regulations, instructions, controls and the code of principles and rules of professional and ethical conduct.

The Compliance and Anti Financial Crime Division ensures that all the bank's policies, manuals and procedures comply with regulations and instructions issued by the regulatory and supervisory authorities as well as ensures the proper implementation of these policies, manuals and procedures in the bank.

Compliance and Anti Financial Crimes Division has several general roles and responsibilities. Following are Some of the specific functions fall under the Division:

- Anti-Money Laundering, Combat of terrorist financing and Preventing Proliferation and Combating Commercial Concealment.
- Combat Financial Fraud and Financial Crimes
- Providing advisory and support to all administrative units
- Anti-corruption and whistleblowing
- Identify, analyze and assess the risks of non-compliance related to the bank's customers, services, products, geographical areas, delivery channels, and setting appropriate controls and standards.
- Strengthen relations with regulatory and supervisory authority
- Training and awareness
- Report on non-compliance issues and provide recommendations related to the processes of resolving those issues

Monitor And Evaluate The Effectiveness Of Implementing Regulations And Instructions

The Compliance and Anti Financial Crimes Division is responsible for ensuring that the bank's policies, directives, procedures, products and services are in line with the regulations and instructions issued by the regulatory and legislative bodies and monitoring the effectiveness of the proper implementation of these policies, directives and procedures.

COMPLIANCE INITIATIVES

Bank Albilad aims to enhance the culture of its employees and the community related to compliance and anti-financial crimes.

One of the Compliance and Anti Financial Crime Division functions is to organize the education and

awareness of staff on compliance and anti-financial crimes subjects. The Bank continuously conducts training on compliance, including compliance, AML&CTF and anti-financial fraud and corruption training to all the Bank's Ambassadors to enhance their knowledge of all relevant compliance regulations, and to develop their skills and capabilities in the compliance area, in addition to the specialized training to Compliance and Anti Financial Crime Division employees, online courses to the Bank's employees, and training for new hires which emphasizes compliance and anti-financial crimes. Further, our compliance and anti-financial crimes training extends to the Board of Directors where we concentrate on enhancing the board members knowledge related to relevant rules and regulations.

Bank Albilad is committed to follow the rules and regulations to protect the Bank and its customers from risks. Documents have been prepared for the Bank's employees on the appropriate implementation of compliance regulations, rules, and standards through policies and procedures and other documents such as compliance manual and internal rules.

Human Resources Policy

The Bank's compliance with rules, laws and regulations, is one of the most important bases and factors of its success, excellence and maintenance of its reputation and credibility. It is obligatory, therefore, that all the Bank's staff are committed to recognize the importance of compliance with regulations, instructions and policies related to the bank's business and the tasks assigned thereto, and apply them without any violation, breach or negligence.

Business Continuity

The Bank recognizes the criticality of business continuity and has a robust Business Continuity Plan (BCP) to enable it to respond to any serious and/or disruptive incident in a timely and appropriate manner. During 2022, two comprehensive tests (BCP Test – cyber security Test) were carried out to ensure the effectiveness of the Plan. In addition, a continuous seven -day recovery test was conducted on all critical IT operations by switching them over to the Bank's Disaster Recovery Centre (DRC).

The Bank also conducted Sudden Test for Disaster Recovery (DR) that lasted for Three – Days which held the transfer critical IT to Disaster Recovery Centre. (DRC).

The Bank will continue to upgrade and update its disaster recovery , Business Continuity and crisis management capabilities, as well as provide ongoing training in all Divisions and Departments which also include (ABIC – Enjaz payment solution) Quarterly with continues update for online training in ALBILAD ACADEMY specific to business continuity, to ensure its optimum response capability in the event of a major incident.

RISK MANAGEMENT

A Primary part of the nature of a bank's businesses to be exposed to risks. To mitigate them, these risks are monitored and managed by the Risk Management Group in the bank which is responsible for managing credit risks, market risks, operational risks, and information security risks. And abiding by the requirements of Saudi Central Bank and Basel Committee. A full description of these risks is found in the representations attached to the consolidated financial statements notes from 30 to 35 considering them complements to the report of the Board of Directors. Below is a short summary of these risks:

Such risks are monitored and managed through the Bank's Risk Management Group, whose tasks include managing a range of risks, as well as ensuring compliance with the requirements of the Saudi Central Bank (SAMA) and the Basel Committee.

Throughout 2022, the Risk Management Group continued to focus on improving the effectiveness of its risk management system, while implementing best practices to ensure that the Bank's activities maintain the right balance between achieved returns and expected risks.

The Group's framework is based on three key pillars, namely the sound principles of risk management, the organizational structure and risk measurement and monitoring. These practices should align with the banking activities to ensure that risks are maintained at an acceptable level. The Risk Management Group operates separately and independently from the Bank's other business groups and divisions, in line with SAMA's guidelines and Basel Committee's requirements.

The Bank implements frameworks to identify, measure, monitor and manage risks, covering credit risk, market risk, liquidity risk, operational risk , information security and cybersecurity risk. The Bank regularly reviews the policies and systems of risk management, and keeps up with market and product changes, in order to adopt and implement best international banking practices. The most important risks are summarized as follows:

1. Credit Risk: Credit risk is one of the key risks to which the Bank is exposed, mainly through financing and investment activities. Managing credit risks involves multiple units that operate under a unified system in accordance with approved credit policies and procedures.

a. Measurement of Credit Risk Rating : The Bank measures the rating of credit risk to identify the qualitative and quantitative amounts of risk to which it might be exposed, and to determine the rating of credit risks to which the Bank is actually exposed. The Bank employs an advanced system for the internal assessment of the rating of credit risk to which corporate banking, private banking, financial institution clients, corporations and small and medium enterprise clients may present. This assessment helps measure the probability of default, the volume of projected default and the likely amount of losses resulting from such default. To ensure a more accurate and fair assessment of risk rating , the Bank continues to improve its assessment methods and applies a different assessment methodology Additionally, the Bank has put in place a system to measure the level of risk for retail banking clients.

b. Credit Risk Mitigation and Control: The Bank employs several methods of assessment aimed at mitigating the degree of credit risk within reasonable levels. Such methods include analyzing future data in order to measure the client's ability to meet financing obligations. Credit approvals in such cases are issued by several levels and several credit committees composed of Bank executives, or by Board-level committees. The approval depends on the rating of credit risk, potential credit loss and the total volume of credit facilities provided to each client depending on the credit authority matrix.

In addition to these measures, the Bank requires clients to provide such reasonable collateral as is deemed necessary against the facilities to be provided. There are many types of collateral against facilities, such as cash coverage, mortgage against investments and assets for the Bank, mortgage of commercial and residential real estate assets, acknowledge assignment of project proceeds in certain instances of project financing, as well as requiring financial, personal or third-party guarantees against the facilities. Guarantees under Kafalah guarantee program for the financing of small and medium enterprises (SMEs) should be collected as long as the program's terms are met However, financing for

individuals is on the basis of approved program criteria that involve specific credit standards to be met.

This type of financing also requires that the credit portfolio involves no concentration of credit risk, as well as the conformity of credit exposure levels with relevant established controls, be it exposure to a certain entity or a specific sector or activity and the bank sets internal limits to monitor the credit concentrations.

c. Monitoring and Reporting: The Bank, at minimum, conducts a comprehensive annual credit review of the financial and credit positions of all clients who are financed through corporate and retail banking services. This review ensures that the client's status, and their financing needs, is sustainable and that the smooth functioning of credit relations with them remain viable. The Bank also conducts reviews that involve regular visits to financed clients throughout the year. The bank also measures and monitors early warning signs for its clients on a periodical basis to ensure the quality of their credit Position.

High credit risk corporate clients are categorized as clients who require special attention. Their credit exposure is closely and carefully monitored and reviewed bi-annually in order to properly mitigate the risk exposure. On the other hand, the Bank conducts comprehensive monitoring of the portfolio of retail banking clients who have obtained credit facilities for consumer purposes. This involves the evaluation of established standards for each segment in the portfolio independently, The bank also takes the necessary insurance coverage against the retail financing portfolio to ensure that the risks are mitigated upon the death of the customer, God forbid, in addition to insurance coverage on the real estate subject to financing for customers in the retail financing portfolio to mitigate the risks associated with this type of financing.

The Bank calculates the appropriate level of credit provisions in its records and financial statements in accordance with recognized international financial standards for accounts that may incur losses. This measure is adopted when there are indications that circumstances exist which may affect the expected cash flow of these assets or investments and that such provisions are required. The bank also reviews the inputs and assumptions employed to specify expected credit losses such as adjusting the factors/ inputs of the macroeconomy that the bank uses in the form of expected credit losses including missing payment rates taking into consideration the economic changes that occur from time to time

The Bank also prepares a comprehensive monthly status report for its portfolio, analyzing the concentration of credit exposure, and comparing it with approved percentages. This report is submitted for the Bank's Senior Management's for review and supervision.

2. Market Risk: Market risks are among the key risks to which bank activities are exposed, where fluctuations in price, profit margin rates and foreign exchange rates lead to negative outcomes and may consequently result in losses for the Bank. Additionally, the sudden and significant change in these rates may affect the Bank's liquidity position as well as its financing ability. Market risk involves several main risks to which the Bank is exposed, including:

Profit rate risk: Known as the potential impact on the Bank's profitability due to fluctuations in market return rates. These changes often occur as a result of overall market activity, or due to economic changes or specific reasons affecting the borrower.

Foreign exchange risk: The risk resulting from Exchange rate fluctuations, which impacts both the Bank's profitability and shareholder rights and exposes the Bank to increased risk.

Managing the Bank's market risk is generally based on monitoring market risk exposure to increase return within the limits of approved market risk policies, as well as within the Bank's acceptable risk levels.

The Bank is exposed to market risks from the following sources:

Trading portfolios: Risk exposure in the case of foreign exchange trading portfolios arising from meeting the Bank's and clients' requirements for foreign exchange.

Non-trading portfolios: Risk exposure in the case of non-trading portfolios mainly occurs due to non-conformity of assets and their maturity dates with the maturity dates of liabilities. It also occurs due to the impact of rate fluctuations upon re-investment.

3. Liquidity risk: Considered one of the most critical risks to which the banking sector in general as well as individual banks could be exposed, liquidity risk takes into consideration the Bank's potential inability to meet financing requirements at reasonable cost (liquidity financing risk) or its inability to liquidate its position reasonably quickly while maintaining an appropriate price level (market liquidity risk).

Market and Liquidity Risk Governance: Managing market risks helps to place limits as well as monitor compliance by implementing policies and controls that are approved and adopted by the Board of Directors. The Assets and Liabilities Committee is responsible for managing market risks on a strategic level in accordance with its delegated duties and responsibilities. Additionally, portfolio and product limitations, as well as risk types, are identified based on the levels of market liquidity and associated credit risks.

The Market Risk Management sector is categorized as an independent supervisory function, responsible for a range of activities. These include:

The effective implementation of market risk policies; the development of the Bank's market risk management techniques and methods; the development of measurement mechanisms and behavioral assumptions of liquidity and investment; the immediate reporting to Senior Management of any violation of established limits and controls in accordance with the approved procedure and adopted by the Board; reporting to the Assets and Liabilities Committee and the Board, of any exposure to market risks and limit violations.

In order to limit exposure to liquidity risk, the Bank seeks to diversify financing sources to help reduce the degree of concentration and maintain an acceptable level of liquid assets. The Bank also puts in place policies and standards aimed at managing liquidity risks, and develops a contingency plan in accordance with the Basel Committee's best practices regarding liquidity risk management. A regular review of liquidity risk management policies and measures is subject to the approval of the Assets and Liabilities Committee and the Board of Directors.

Moreover, additional controls and measures often help maintain market risk exposure within an acceptable level of readiness in the case of adverse events. These measures include stress tests. Stress testing on a regular basis helps identify the impact of fluctuating profit rates and foreign exchange rates, as well as other risk factors that affect the Bank's profitability, capital adequacy and liquidity. These results are periodically sent to the Executive Management and the Board of Directors for their assessment of the potential financial impact on the Bank's profitability of exceptional circumstances. Over the course of 2022, the Risk Management Group continue improved the performance of IT

systems that help measure liquidity and Market risks and manage assets and liabilities, as well carried out relevant studies, reports and stress tests as part of a comprehensive system developed to measure market and liquidity risks.

4. Operational Risk: Operational risk is the risk of losses arising from the inadequacy or failure of internal operations, individuals, technical systems or external incidents. This definition of Operational risks includes legal risk – but excludes strategic risk and reputation risk. To this end, Operational risk is an inherent risk in all the Bank’s products, activities, operations and technical systems, resulting from internal factors, unlike credit and market risks, which arise from external factors. Taking these aspects into consideration, the Bank adopts a strategy based on the active and effective involvement of its Executive Management in managing this type of risk, which can potentially affect the Bank’s various activities. As part of its continuous efforts to limit the effects of operating risk, and consequently help achieve its strategic objectives, the Bank adopts the following practices:

- i) Analysis and evaluation of objectives and activities, in order to better limit exposure to operating risk
- ii) Identification of potential Operational risk in existing and new products, services as well as in IT activities, operations and systems. This is achieved primarily through measuring operational risk in order to identify any potential gap that may lead to operational losses, and developing corrective measures to prevent future losses. It also involves evaluating risks inherent in the Bank’s various activities, as well as monitoring elements in place to manage these risks. Collecting data for key risks indicators to monitor exposure levels of Operational risks. These indicators act as an early warning indicators before the risk occurs.
- iii) A proactive approach to operating risk management.
- iv) Continuous and independent assessment of policies, procedures and Bank performance.
- v) Compliance with the guidelines and regulations issued by regulatory bodies as well as international standards of risk management.
- vi) Regular reporting to the Bank’s Executive Management and Board of Directors about risk assessment and operating losses, as well as corrective measures put in place to manage the risks.

6. Information Security Risk: In view of the increased reliance on information and telecommunication technologies, there is an increased risk, both emerging and potential, that could critically threaten companies’ networks and information security. The Bank’s Information Security Department is responsible for supporting the growth of the Bank’s IT capability by mitigating information and cyber security risks. This is achieved by applying information security standards within the organization, which include Availability, Integration and Confidentiality. These efforts go hand in hand with a continuous evaluation of risks to ensure increasing security in all tech-related services and technologies adopted by the Bank in order to service its client base. Evaluating information security risks includes the following steps:

- i. Evaluating any new services, technological projects or changes adopted by the Bank in its efforts to improve e-services.
- ii. Evaluating the level of response to cyber security incidents periodically to ensure the effectiveness of the procedure.

- iii. Evaluating and detecting security Vulnerabilities within the Bank’s offering, by looking for any gaps and testing for breaches existing in highly sensitive data systems, which may occur due to the digital transformation within the organization.

- iv. Periodically evaluating risks targeted at business and IT divisions to detect any vulnerabilities or risks related to security in the procedures or regulations of security systems.

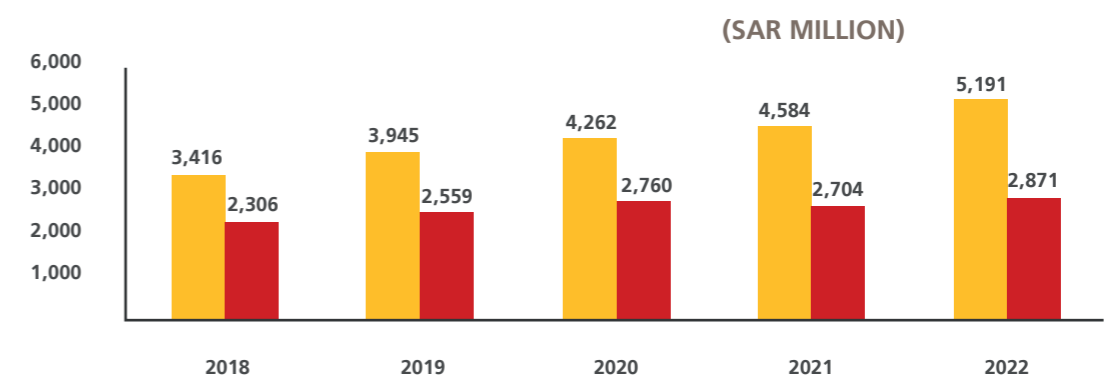
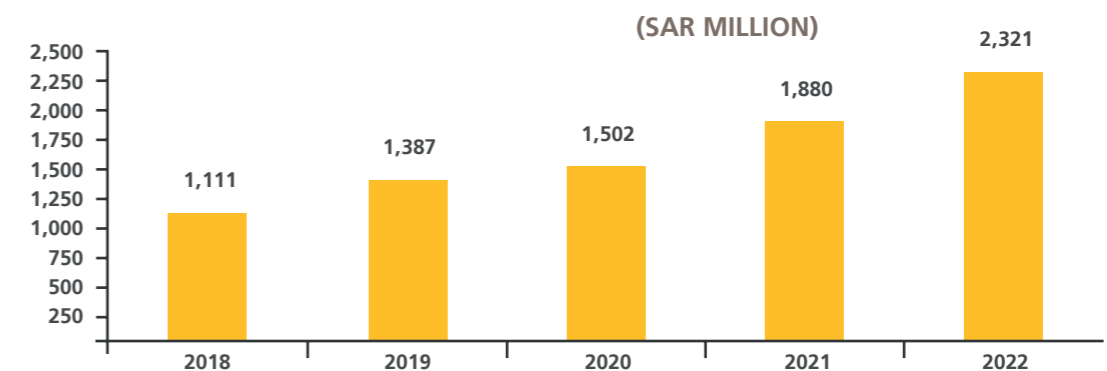
- v. Overseeing the implementation of compliance with relevant regulations, making sure cyber security controls are properly and adequately implemented.

OPERATIONAL RESULTS

During the year 2022, the Bank net income of SAR 2,082 million after Zakat compared to SAR 1,687 million in 2021, an increase of 23%.

Further, the Bank net income before Zakat for the year 2022 of SAR 2,321 million compared to a net income of SAR 1,880 million in 2021, an increase of 23%. This growth was mainly due to the increase of total operating income by 13%, as a result of the net income of investment and financing assets increase by 11%, to reach SAR 3,887 million. The total operating expenses increased by 6% to reach SAR 2,871 million, as a result of the increase in Salaries and employee related expenses and other general and administrative expenses

NET INCOME OF THE BANK’S SHAREHOLDERS IN THE PAST FIVE YEARS

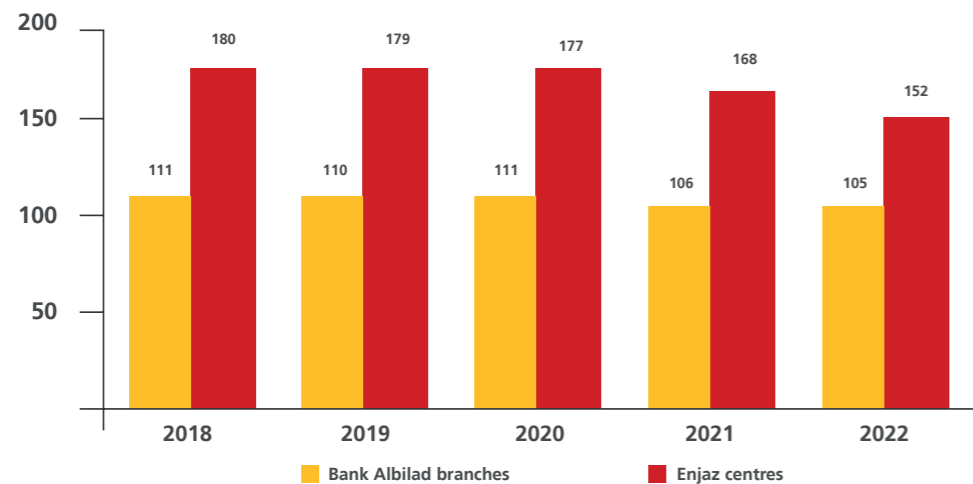
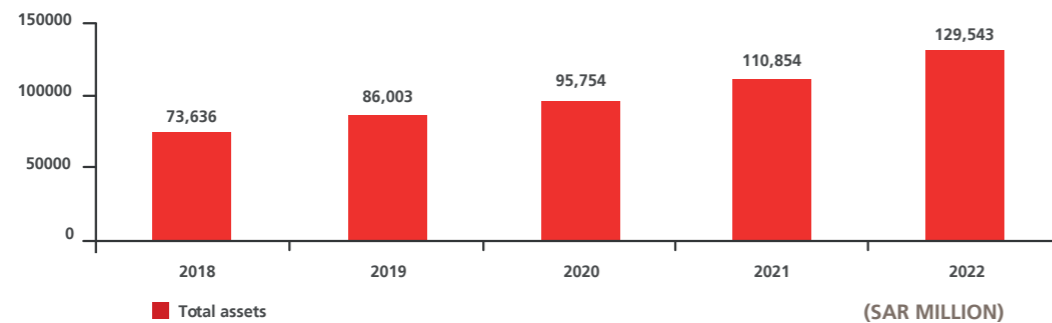
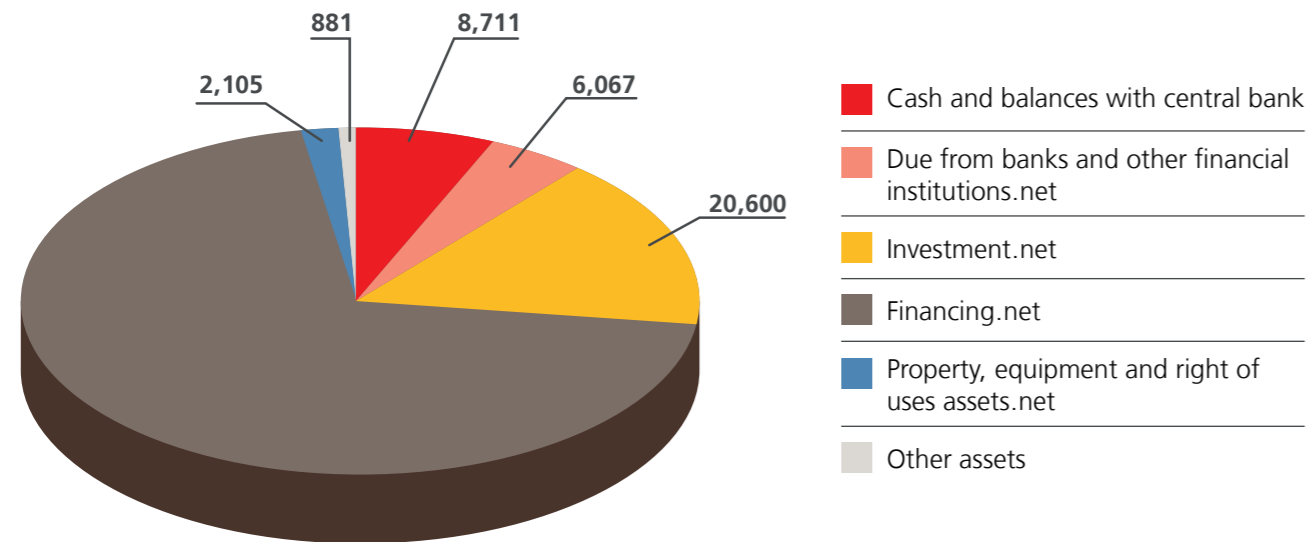


■ Total Operating Income ■ Total Operating Expenses

FINANCIAL POSITION:

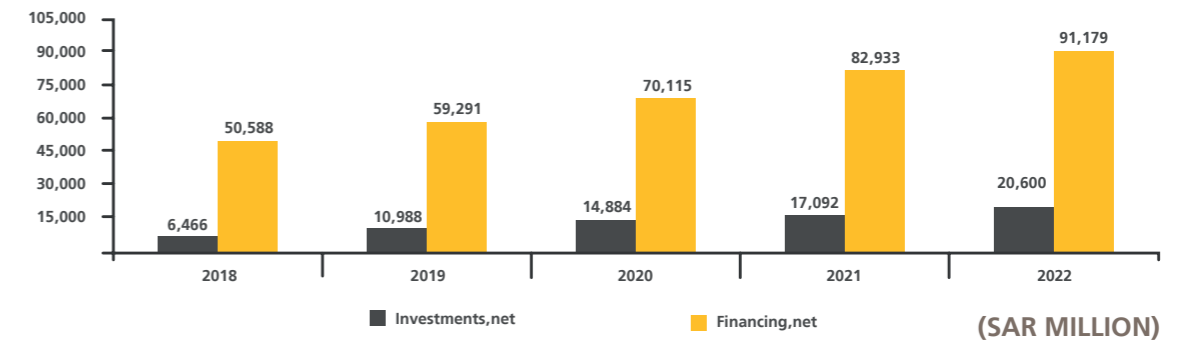
Assets

By the end of the year 2022, the bank's assets amounted to SAR 129,543 million, compared to SAR 110,854 million in the 2021, i.e. an increase of SAR 18,689 million or 17% compared to last year. The increase in financial assets is due to the increase in the bank's financing and investments.



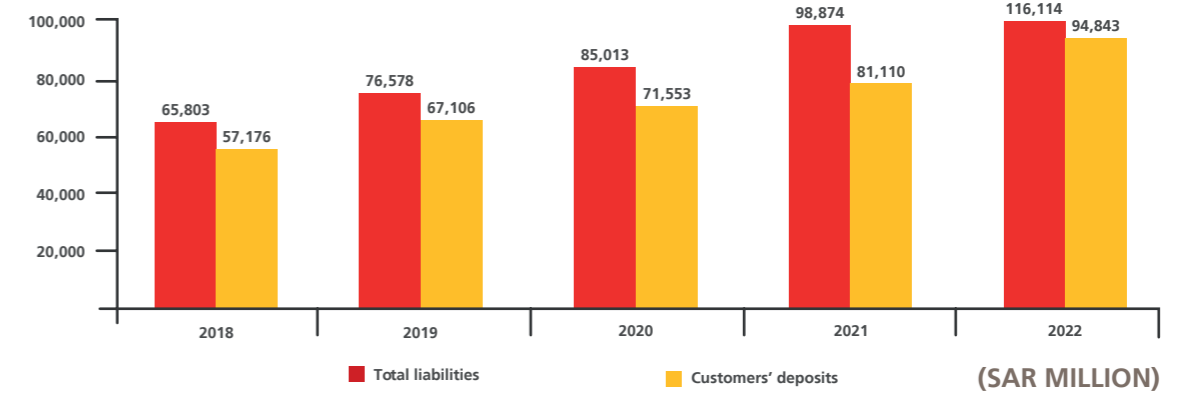
NET FINANCING AND INVESTMENTS

The net financing portfolio increased by SAR 8,246 million or 10% to reach SAR 91,179 million at the end of December 2022. Likewise, the investment portfolio recorded an increase of SAR 3,508 million or 21% to reach SAR 20,600 million.



CUSTOMERS' DEPOSITS

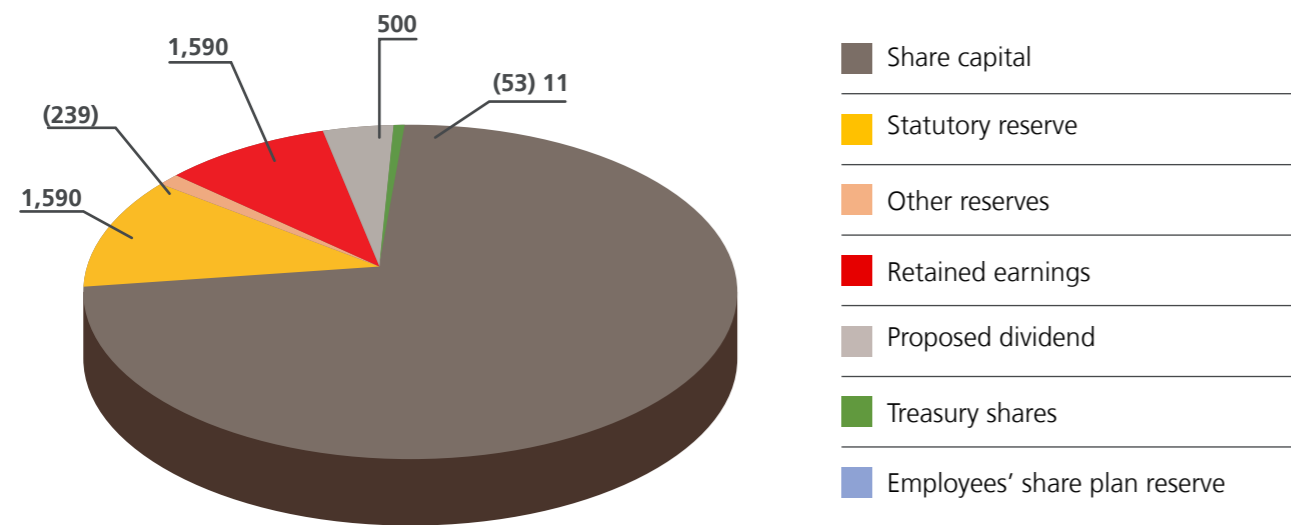
The Customers' deposits increased by SAR 13,732 million or 17%, to reach SAR 94,843 million by the end of the year 2022, compared to SAR 81,110 million by the end of the year 2021.



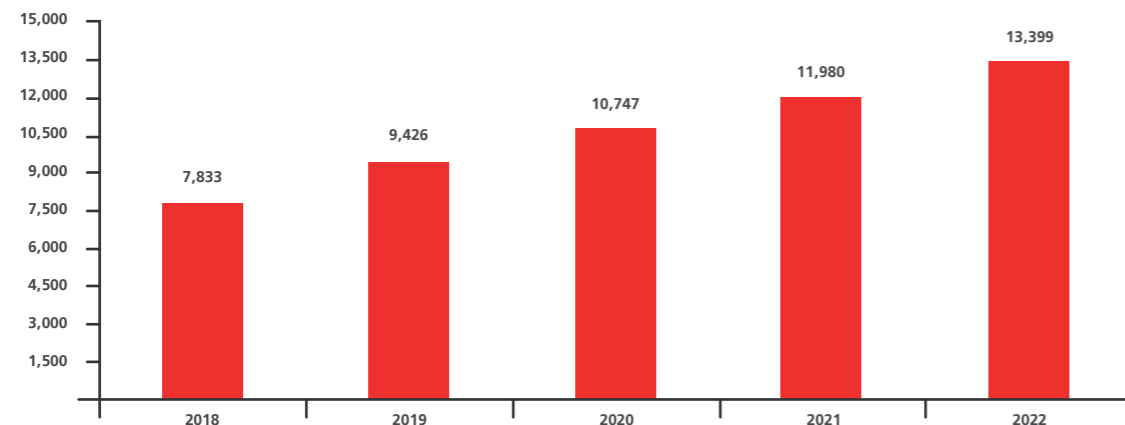
OWNERS' EQUITY

Total equity recorded an increase of SAR 1,419 million, or 12% to reach SAR 13,399 million by the end of December 2022, compared to SAR 11,980 million by the end of December 2021. This is mainly attributed to the increase of the bank's net income. Issued common shares totaled 1,000 million shares. Capital adequacy ratio of 17.70% by the end of 2022. The bank's return on average assets reached 1.7% after zakat deduction, whereas return on average equity reached 16.4% and earnings per share amounted to SAR 2.09.

COMPOSITION OF EQUITY (SAR MILLION)



TOTAL EQUITY FOR THE PAST FIVE YEARS (SAR MILLION)



FINANCIAL STATISTICS

The following is an analysis of the most important items in the consolidated statement of financial position:

(SAR million)	2022	2021	2020	2019	2018
Investments, net	20,600	17,092	14,884	10,988	6,466
Financing, net	91,179	82,933	70,115	59,291	50,588
Total assets	129,543	110,854	95,754	86,003	73,636
Customers' deposits	94,843	81,110	71,553	67,106	57,176
Total liabilities	116,144	98,874	85,013	76,578	65,803
Total owners' equity to the Bank's shareholders	13,399	11,980	10,741	9,426	7,833

(SAR million)	2022	2021	Change	Change %
Investments, net	20,600	17,092	3,508	%21
Financing, net	91,179	82,933	8,246	%10
Total assets	129,543	110,854	18,689	%17
Customers' deposits	94,843	81,110	13,733	%17
Total liabilities	116,144	98,874	17,270	%17
Total owners' equity to the Bank's shareholders	13,399	11,980	1,419	%12

ANALYSIS OF THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF INCOME

(SAR million)	2022	2021	Change	Change %
Income from investing and financing assets, net	3,887	3,489	398	11%
Fee and commission, net	669	731	(62)	(9%)
Exchange income, net	398	313	85	27%
Total operating income	5,191	4,584	607	13%
Impairment charge for expected credit losses, net	551	570	(19)	(3%)
Total operating expenses	2,871	2,704	167	6%
Net income for the year before zakat	2,321	1,880	441	23%
Zakat for the year	239	194	45	23%
Net income for the year after zakat	2,082	1,687	395	23%

(SAR million)	2022	2021	2020	2019	2018
Income from investing and financing assets, net	3,887	3,489	3,293	2,824	2,164
Fee and commission, net	669	731	627	677	843
Exchange income, net	398	313	362	314	316
Total operating income	5,191	4,584	4,262	3,945	3,416
Impairment charge for expected credit losses, net	551	570	695	543	490
Total operating expenses	2,871	2,704	2,760	2,559	2,306
Net income for the year before zakat	2,321	1,880	1,502	1,387	1,111
Zakat for the year	239	194	153	143	498
Net income for the year after zakat	2,082	1,687	1,349	1,244	613

APPLIED ACCOUNTING STANDARDS

These consolidated financial statements of the Group as at and for the year ended 31 December 2022 and 31 December 2021, respectively, were prepared in compliance with the International Financial Reporting Standards ("IFRS") respectively, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and the Banking Control Law and the Regulations for Companies in the Kingdom of Saudi Arabia.

Key business sectors and activities of the Bank and its subsidiaries

The Bank and its subsidiaries practice the following activities:

Retail banking:	Services and products to individuals, including deposits, financing, remittances and currency exchange.
Corporate banking:	Services and products to corporate customers including deposits, financing and trade services.
Treasury:	Money market and treasury services.
Investment banking and brokerage:	Investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities.

Impact of key activities on the Bank businesses and total revenues are illustrated as follows

2022 (SAR million)	Activity Revenues	%
Retail banking	2,768	%53
Corporate banking	1,414	%27
Treasury	742	%15
Investment banking and brokerage	267	%5
Total	5,191	%100

Geographical analysis of the Bank total operating income and its subsidiaries

Analysis of the total operating income by region

(SAR Million)	Central	Western	Eastern	Total
Total Income for the Year 2022	3,473	982	736	5,191

Most of Bank Albilad's revenue (including its subsidiaries) are mainly achieved inside the Kingdom of Saudi Arabia. The Bank has no branches or companies operating outside the Kingdom of Saudi Arabia.

Subsidiaries of the Bank

The Bank has three subsidiaries as follows:

Company Name	Date of Establishment	Main Activity	Money Capital	The country is the main place of its operations	State of Incorporation	Percentage of ownership
Albilad Investment Company (Albilad Finance)	20 November 2007	Carry out investment services and asset management activities such as dealing, arranging and managing, advising and custody of securities	SAR 200M	Riyadh, Saudi Arabia	Saudi Arabia	100%
Albilad Real Estate Company (1)	17 September 2006	Carrying out registration procedures related to real estate guarantees obtained by the bank from its customers	500K Saudi Riyal	Riyadh, Saudi Arabia	Saudi Arabia	100%
Enjaz Payment Services Company ²	October 8 2022	Payments & Remittances Services	SAR 200M	Riyadh, Saudi Arabia	Saudi Arabia	99%

(1) Bank Albilad established Albilad Real Estate Company Ltd. on September 17, 2006. One Person Limited Liability Company Owned by the Bank by 100%. Done Convert to One Person Company Closed contribution (Albilad Real Estate Company) ب Date 7/4/2022M.

After that, and after the approval of the Board of Directors, it was decided to establish Financial Solutions Investment Company on 21/4/2022

It was decided to convert Albilad Real Estate Company Ltd. into Albilad Real Estate Company for a closed joint stock company on 7/4/2022

After that, and after the approval of the Board of Directors, it was decided to establish Financial Solutions Investment Company on 21/4/2022

(2) It's done Establishment A company Accomplish Services Payments company As a company Contribution Closed Owned Who is it bank Country by 99% بEquivalent to 19.8 million (nineteen million eight hundred thousand) shares worth 198 (One hundred Ninety-eight million Saudi Riyals, و "Financial Solutions for Investment" Company A subsidiary of Albilad Real Estate Company, a subsidiary of the Bank, by 1%, equivalent to (200) two hundred thousand shares worth 2 (two) million Saudi Riyals.

Strategic investments

These consolidated financial statements comprise the financial statements of the Bank and its subsidiaries, "Albilad Investment Company", "Albilad Real Estate Company" and "Enjaz Payment Services Company".

Company Name	Establishment date	Main activity	Authorized capital	Paid capital	Country of operations	Country of establishment	Ownership (%)
Bayan Credit Information Company	30 November 2015	The Company provides credit information services, valuation services, credit valuation and consultation for companies and businesses.	SAR 100 million	SAR 75 million	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	18.75%
Saudi Financial Lease Registration Company "Sajil"	14 December 2017	Registration of financial lease contracts	Thirty eight million three hundred and ninety two thousand eight hundred and fifty Saudi riyals	Thirty eight million three hundred and ninety two thousand eight hundred	Riyadh, Saudi Arabia	Saudi Arabia	2.30%
Saudi Financial Support Services Company "Sanid"	9 July 1984	Installation and maintenance of banking and cash machinery and equipment, Management and operation of cash centers, Providing payment services for points of sale and secure and smart electronic outlets ATMs, automatic deposits, wholesale of banking and cash machinery devices and equipment, Transportation of cash, precious metals and documents of value	SAR 25 Million	SAR 25 Million	Riyadh, Saudi Arabia	Saudi Arabia	5.00%
Kinan International Real Estate Development Company	13 April 2004	Development and management of residential communities and commercial centers in various cities of the Kingdom	SAR 1.7 Billion	SAR 1.7 Billion	Riyadh, Saudi Arabia	Saudi Arabia	6.78%

Summary of the financial results of the Bank and its subsidiaries (Group) as of 31 December 2022

2022 (SAR thousand)	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Total
Total assets	58,022,131	44,450,264	26,015,078	1,055,383	129,542,856
Total liabilities	59,423,524	23,526,969	33,034,229	159,186	116,143,908
Net income from investment and financing assets	2,161,894	1,229,852	444,622	50,300	3,886,668
Fee, commission and other income, net	606,109	184,424	297,204	217,027	1,304,764
Total operating income	2,768,003	1,414,276	741,826	267,327	5,191,432
Impairment charge for expected credit losses, net	194,386	327,441	26,179	2,646	550,652
Depression and amortization	246,732	36,716	3,908	3,054	290,410
Total operating expenses	2,033,852	583,515	117,447	135,895	2,870,709
Net income for the year before zakat	734,151	830,761	624,379	131,432	2,320,723

These consolidated financial statements comprise the financial statements of the Bank and its subsidiaries, "Albilad Investment Company", "Albilad Real Estate Company" and "Enjaz Payment Services Company".

Penalties imposed on the Banks and its subsidiaries by the Supervisory Authorities

During the year 2022, financial penalties were imposed on the Bank and its subsidiaries because of violations in the operating activities. All of which have been remedied.

The table below illustrates the penalties imposed on the Bank by the Saudi Central Bank:

Penalty subject	2021		Penalty subject	2022	
	Number of penal decisions	Total amount of financial penalties SAR		Number of penal decisions	Total amount of financial penalties SAR
Violation of the instructions given by the Saudi Central Bank	4	245,000	Violation of the instructions given by the Saudi Central Bank	3	256,500
Violation of the instructions given by the Saudi Central Bank related to customers' safety	2	1,584,800	Violation of the instructions of Sarie system	1	10,000
Violation of the instructions given by the Saudi Central Bank on counterfeit currency	7	45,000	Violation of the instructions given by the Saudi Central Bank on counterfeit currency	4	25,000
Violation of the instructions related to data request	1	504,000	Violation of the instructions related to data request	1	32,500
Violation of the instructions related to AML & CTF	1	365,000	Violation of the instructions related to Anti-Fraud	4	2,888,560
Violation of the instructions related to Examination instructions	1	18,000	Violation of the instructions related to Banking products and services	1	1,510,000
Violation of the instructions related to financial security measures	1	100,000	Violation of the instructions related to self-assessment	2	152,500
Total	17	2,861,800	Total	16	4,875,060

The table below illustrates the penalties imposed on the Bank from supervisory and regulatory authorities

Supervisory authorities	Number of penalties	Total number of penalties SAR	Penalties Brief
ATM violations for the year of 1442 AH	31	237,000.00	Increasing the percentage of construction on the site beyond the permissible limit + unavailability of entry and exit paths + lack of setback + posters
ENJAZ Branches violations for the year 1442 AH	29	58,000.00	Violation plates (flag)
Albilad Branches violations for the year 1442 AH	1	2,000.00	Violation plates (flag)
Total	61	297,000.00	-

The Bank seeks to avoid the recurrence of these penalties by adopting policies and allocating the necessary resources in line with the instructions of the supervisory and regulatory authorities.

SMALL, MEDIUM AND MICRO ENTERPRISES

Qualitative disclosure

During 2022, the Bank was keen to complete its expansion policy in this sector, to contribute and implement the Kingdom's Vision 2030 and to meet the needs of this sector in terms of banking by providing distinguished financing programs and innovative, specialized banking solutions directed to several governmental and private sectors.

Accordingly, the Bank's contribution in the financings' Guarantee for Small and Medium Enterprises program "Kafalah" has been increased significantly and advanced positions are obtained at the "Finance Gateway" affiliated to The Small, Medium and Micro enterprises Authority "Monshaat", which stimulates maximum benefit from Kafalah program for the small, medium, and micro enterprises sector. Also, BAB signed an agreement with the SMEs' bank to support the sector and meet the financing gap and needs, in addition to , Several strategic partnerships with supervisory and regulatory authorities for this sector were also discussed, in addition to supporting the targeted activities within the Kingdom's Vision 2030.

As well as continuing to strengthen the relationship with customers and provide them with the best banking practices through holding several specialized workshops for them presented by several specialists in the field of trade finance and electronic services. And conducting several questionnaires about the services provided to survey the opinions of customers and evaluate their experience with the bank and work to improve it.

Quantitative Disclosure (SAR million – 2022)

Details	Micro	Small	Medium	Total
Direct facilities provided to MSMEs	345	1,429	9,696	11,470
Indirect facilities provided to MSMEs (face value)	899	472	1,473	2,845
Direct facilities provided to MSMEs as percentage to total direct facilities	0.77%	3.17%	21.48%	25.41%
Indirect facilities provided to MSMEs as percentage to total indirect facilities	8.42%	4.42	13.80%	26.65%
Direct and indirect facilities				
Number direct and indirect facilities customers	1041	561	207	1809
Number of direct and indirect facilities guaranteed by Kafalah Program	188	274	77	539
Total direct and indirect facilities guaranteed by Kafalah Program	87	604	617	1308

(SAR million – 2022)

Details	Micro	Small	Medium	Total
Direct facilities provided to MSMEs	121	943	10,665	11,729
Indirect facilities provided to MSMEs (face value)	613	225	1,095	1,934
Direct facilities provided to MSMEs as percentage to total direct facilities	0.14%	1.10%	12.46%	13.71%
Indirect facilities provided to MSMEs as percentage to total indirect facilities	6.21%	2.28%	11.08%	19.57%
Number of direct and indirect facilities				
Number direct and indirect facilities customers	952	278	214	1,444
Number of direct and indirect facilities guaranteed by Kafalah Program	101	194	75	370
Total direct and indirect facilities guaranteed by Kafalah Program	59	385	582	1,026

Financing and issued Sukuk

In the course of its normal activities, Bank Albilad exchanges finance with other banks and the Saudi Central Bank.

On August 30, 2016, the Bank issued 2,000 Tier 2 Sukuk Certificates (Sukuk) of SR 1 million each, and payable quarterly in arrears on February 28, May 30, August 30, November 30 each year until August 30, 2026, on which date the Sukuk will be redeemed. During 2021, the Bank exercised the call option on its previous sukuk and recalled Sukuk amounting to SAR 1,061 million. These arrangements were approved by the regulatory authorities and the Board of Directors of the Bank.

On April 15, 2021, the Bank issued 3,000 Tier 2 Sukuk Certificates (Sukuk) of SR 1 million each, and payable quarterly each year until April 15, 2031. The Bank has a call option which can be exercised on or after April 15, 2026 as per the terms mentioned in the related offering circular. The expected profit distribution on the sukuk is the base rate for three months in addition to a profit margin of 1.65%. The Bank has not defaulted on any of payments (profit / principal) due during the year.

The offer also included an option for the holders of the SAR 2 billion Sukuk (due 2026) that were previously issued by the Bank (the "Previous Sukuk") to exchange their investment in the Previous Sukuk with an investment in the Tier 2 Sukuk, subject to the terms and conditions of the Sukuk. Certain Sukuk holders with carrying value of SR 939 million have exercised their exchange option and subscribed into the investment in the Tier 2 Sukuk.

Basic and diluted earnings per share

Basic and diluted earnings per share for the years ended December 31, 2022 and 2021 is calculated by dividing the net income for the year attributable to the equity holders by the weighted average number of outstanding shares 2022: 996

million shares (2021: 996 million shares - restated) after accounting for treasury shares and issuance of bonus shares during the current year. Basic and diluted earnings per share for the year ended December 31, 2021 have been adjusted to take into account the issuance of bonus shares.

End of service benefits

The bank's employees end of service is provided according to the Saudi labor law and is included among other liabilities in the consolidated statement of financial position.

Employees' share program

The Bank offers its eligible employees an equity-settled share-based payment plan as approved by central bank. As per the plan, eligible employees of the Bank are offered stocks to be withheld out of their annual bonus payments.

The cost of the plan is measured by reference to the fair value at the date on which the stocks are granted.

The cost of the plan is recognized over the period in which the service condition is fulfilled, ending on the date on which the relevant employees become fully entitled to the stock option ('the vesting date'). The cumulative expense recognized for the plan at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of income for a year represents the movement in cumulative expense recognized as at the beginning and end of that year.

The Bank, with the approval from central bank, has entered into an agreement with an independent third-party for custody of the shares under the plan, plus any benefits accrued there-on.

The Bank has following share-based payment plans outstanding at the end of the year. Significant features of these plans are as follows:

Maturity dates	Between January 2023 and December 2025
Total number of shares granted	1,048,643
Grant Period	3 Years
Method of settlement	Equity
Fair value of share on grant date	Average SAR 45.88

The shares are granted only under service condition with no market condition associated with them.

Transactions with related parties

In the ordinary course of activities, the Group transacts business with related parties. Related party transactions are governed by limits set by the Banking Control Law and the regulations issued by central bank.

The nature and balances of transactions with the related parties for the years ended December 31 are as follows:

A) DIRECTORS, KEY MANAGEMENT PERSONNEL, OTHER MAJOR SHAREHOLDERS, THEIR AFFILIATES BALANCES AND OTHERS:

Details	2022 SAR '000
Finance*	1,987,593
Finance**	3,708,490
Commitments and contingencies	115,537
Deposits	26,823

*The amounts of credit facilities used according to the definition of the related parties according to the international financial reporting standards.

** The values of the amounts of the credit facilities used according to the definition of the related parties in accordance with the international standards for financial reports and the Saudi Central Bank.

B) GROUP'S MUTUAL FUNDS

These are the outstanding balances with Group's mutual funds as of December 31:

Details	2022
	SAR '000
Customers deposits	148
Investments - units	268,545

C) INCOME AND EXPENSE

Directors, Key management personnel, other major shareholders and their affiliates and mutual funds managed by the Group:

Details	2022
	SAR '000
Income	210,897
Expenses	8,658

The total amount of compensation paid to key management personnel during the year is as follows:

Details	2022
	SAR '000
Employee benefits	151,667

Major shareholders are those who own 5% or more of the bank's capital. Senior executives mean those persons who have the authority and responsibility to carry out the planning, direction and supervision of the Bank's direct and indirect activities.

The following table lists information of the activities and contracts to which the Bank was a party and in which any of the Board Members or Senior Executive or any person related to any of them has interest in, during 2022 (all amounts in SAR).

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
1	Mr. Abdulrahman Saleh Al-Rajhi	Mr. Khalid Abdulrahman Al-Rajhi	(Father) Member of the Board of Directors of Bank Albilad	Lease contract for Enjaz Center – Khafji Governorate, owned by Mr. Abdulrahman bin Saleh Al-Rajhi	150,000 SR	From 11/04/2010 To 10/04/2024
2	Mr. Abdulrahman Abdulaziz Al-Rajhi	Mr. Abdulrahman Abdulaziz Al-Rajhi	One of the major shareholders of Bank Albilad	Lease contract for Enjaz Main Center - Yanbu City, owned by Mr. Abdulrahman bin Abdulaziz bin Saleh Al-Rajhi	180,000 SR	From 09/08/2010 To 08/08/2025
3	Mr. Abdulrahman Abdulaziz Al-Rajhi	Mr. Abdulrahman Abdulaziz Al-Rajhi	One of the major shareholders of Bank Albilad	Lease contract for Al-Bilad Al-Khabib Branch - Buraidah City, owned by Mr. Abdulrahman bin Abdulaziz bin Saleh Al-Rajhi	400,000 SR	From 01/06/2005 To 31/05/2025
4	Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	Mr. Nasser bin Mohammed Al-Subaie	Chairman of Bank Albilad Member of the Board of Directors of MASIC	ATM site lease contract - Riyadh city owned by Mohammed Ibrahim Al-Subaie & Sons Company (MASIC)	25,000 SAR	From 01/12/2019 To 30/11/2029
		Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	One of the major shareholders of Bank Albilad			
5	Masic Logistics Company	Mr. Khalid bin Saleh Al-Hathal	Member of the Nomination and Remuneration Committee, Bank Albilad Member of Albilad Capital Board of Directors Member of the Board of Directors of MASIC	An ATM site - Riyadh city held a return on investment for MASIC Logistics.	60,000 SAR	From 18/03/2018 To 17/03/2028
		Mr. Nasser bin Mohammed Al-Subaie	Chairman of Bank Albilad Member of the Board of Directors of MASIC			

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
6	Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	Mr. Nasser bin Mohammed Al-Subaie	Chairman of Bank Albilad Member of the Board of Directors of MASIC	Lease contract for the center of Enjaz of the southern Khalidiya branch - Dammam city, owned by Mohammed bin Ibrahim Al-Subaie & Sons Company	174,790 SR	From 05/12/2016 To 04/12/2026
		Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	One of the major shareholders of Bank Albilad			
		Mr. Khalid bin Saleh Al-Hathal	Member of the Nomination and Remuneration Committee, Bank Albilad Member of Albilad Capital Board of Directors Member of the Board of Directors of MASIC			
7	Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	Mr. Nasser bin Mohammed Al-Subaie	Chairman of Bank Albilad Member of the Board of Directors of MASIC	Lease contract for the location of an ATM - Riyadh city, owned by Mohammed bin Ibrahim Al-Subaie & Sons Company	100,000 SAR	From 03/07/2015 To 02/07/2025
		Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	One of the major shareholders of Bank Albilad			
		Mr. Khalid bin Saleh Al-Hathal	Member of the Nomination and Remuneration Committee, Bank Albilad Member of Albilad Capital Board of Directors Member of the Board of Directors of MASIC			

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
8	Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	Mr. Nasser bin Mohammed Al-Subaie	Chairman of Bank Albilad Member of the Board of Directors of MASIC	Lease contract for the second industrial center - Riyadh, owned by Mohammed bin Ibrahim Al-Subaie & Sons Company	472,000 SR	From 15/11/2016 To 14/11/2026
		Mohammed Ibrahim Al Subaie & Sons Company (MASIC)	One of the major shareholders of Bank Albilad			
		Mr. Khalid bin Saleh Al-Hathal	Member of the Nomination and Remuneration Committee, Bank Albilad / Member of Albilad Capital Board of Directors Member of the Board of Directors of MASIC			
9	Kinan International Real Estate Development Company	Mr. Abdullah Al-Arifi	- As a member of the Board of Directors of Kinan International Company - representing Bank Albilad - Deputy Chief Risk Officer	Lease contract for Albilad Dana Mall 729 branch -First three years 133,504 -Second three years 146,020 -The last four years 158,536	133,504 SR	From 01/01/2019 To 31/12/2028
10	Riyadh Development Company	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of Bank Albilad - Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of Riyadh Development Company	Car Auction Agreement	Individual prices	From 05/04/2022PM To 04/04/2023PM
		Mr. Khalid bin Saleh Al-Hathal	- Member of the Nomination and Remuneration Committee, Bank Albilad / Member of Albilad Capital Board of Directors			

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
11	Riyadh Development Company	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of Bank Albilad - Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of Riyadh Development Company	Money Transfer Services and Counting	Individual prices	From 28/12/2022pm To 27/12/2023pm
		Mr. Khalid bin Saleh Al-Hathal	- Member of the Nomination and Remuneration Committee, Bank Albilad / Member of Albilad Capital Board of Directors			
12	Saudi Automotive Services Co. (SASCO)	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of Bank Albilad - Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of SASCO	Lease contract for an ATM location - Taif city - owned by SASCO	65,000 SR	From 01/01/2021 To 31/12/2025
13	Khalid Company Abdulaziz Al-Muqairen and his children	Mr. Khalid bin Abdulaziz Al-Muqairen	Member of the Board of Directors of Bank Albilad (Resigned from the Bank's Board of Directors on 17 April 2022)	Lease contract for offices No. (101, 102, 103, 104) leased to Albilad Capital Company, located on King Fahd Road in Riyadh (Smart Tower), and owned by Khalid Company Abdulaziz Al-Muqairen Sons Holding has the right to lease the property.	2,000,700 SAR	From 01/01/2021 To 31/12/2023
14	Khalid Company Abdulaziz Al-Muqairen and his children	Mr. Khalid bin Abdulaziz Al-Muqairen	Member of the Board of Directors of Bank Albilad (Resigned from the Bank's Board of Directors on 17 April 2022)	Lease contract for office No. (401) leased to Albilad Investment Company, located on King Fahd Road in Riyadh (Smart Tower), and owned by Khalid Company Abdulaziz Al-Muqairen Sons Holding the right to lease the property	247,650 SR	From 01/01/2021 To 31/12/2023
15	Albilad Capital Company	Albilad Capital Company	Albilad Capital is wholly owned by Bank Albilad	Support Services Contract	2,500,000	From 01/01/2017 and the contract continues

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
16	Albilad Capital Company	Albilad Capital Company	Albilad Capital is wholly owned by Bank Albilad	Rent an office inside the branch of Takhassusi in Riyadh Bank Albilad	281,964	There is no contract between Albilad Capital and Bank Albilad
17	Albilad Capital Company	Albilad Capital Company	Albilad Capital is wholly owned by Bank Albilad	Rent an office inside Al Rayyan branch in Riyadh - Bank Albilad	151,698	There is no contract between Albilad Capital and Bank Albilad
18	Albilad Capital Company	Albilad Capital Company	Albilad Capital is wholly owned by Bank Albilad	Bank Albilad Sukuk Custody Management Contract Storage fee for 2022	87,500	From 30/08/2016 To 30/08/2026
19	Albilad Capital Company	Albilad Capital Company	Albilad Capital is wholly owned by Bank Albilad	Renewal of a letter of guarantee - in the amount of 100 million riyals - from Bank Albilad	137,500	from 01/01/2022 To 31/12/2022
20	Albilad Capital Company	Albilad Capital Company	Albilad Capital is wholly owned by Bank Albilad	Issuance of a letter of guarantee - in the amount of SAR 1 million - from Bank Albilad	625	from 15/06/2022 to 15/09/2022
21	Albilad Capital Company	Albilad Capital Company	Albilad Capital is wholly owned by Bank Albilad	Conclusion of a forward sale contract with Bank Albilad	49,900,000	from 21/02/2022 to 16/02/2023
22	Bank Albilad	Albilad Capital Company	Albilad Capital is wholly owned by Bank Albilad	Bank Albilad Portfolio Management Contract	1,468,493 Administration Fees for 2022	From 10/12/2016
23	Aljawhara Bint Fahad Bin Dakhil	Mr. Fahad Bin Dakhil	Daughter of the Chairman of Albilad Capital	Margin financing contract	36,399,859	From 17/01/2022 to 16/01/2023
24	Aljawhara Bint Fahad Bin Dakhil	Mr. Fahad Bin Dakhil	Daughter of the Chairman of Albilad Capital Company	Margin Financing Contract	17,489,917	From 14/08/2022 to 13/08/2023
25	Aljawhara Bint Fahad Bin Dakhil	Mr. Fahad Bin Dakhil	Daughter of the Chairman of Albilad Capital Company	Margin Finance Contract Repayment	17,489,917	From 14/08/2022 To 13/08/2023
26	Abdullah bin Fahad bin Dakhil	Mr. Fahad Bin Dakhil	Son of the Chairman of Albilad Capital Company	Margin Financing Contract	381,849	from 20/11/2022 to 14/11/2023
27	Abdul Rahman Saleh Al Rajhi Company & Partners Ltd.	Khalid Abd El , RahmanN Al , Rajhi	Member of the Board of Directors of Albilad Capital Company	Investment Banking Advisory Contract	0.25% of the agreed finance amount	Contract Activation Date 6/1/2022
28	Procure Specialty Care Hospital	Mr. Khalid Abdulrahman Al Rajhi	- Member of the Board of Directors of Bank Albilad	ATM site lease contract - Riyadh city	20,000 SAR	From 01/06/2020 To 31/05/2025

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
29	Riyadh Development Company	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of Bank Albilad - Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of Riyadh Development Company	Lease contract for Enjaz Al-Haraj branch 174	96,900 SR	From 07/02/2018 To 04/12/2023
		Mr. Khalid bin Saleh Al-Hathal	- Member of the Nomination and Remuneration Committee at Bank Albilad / - Member of the Board of Directors of Albilad Capital - Member of the Board of Directors of Riyadh Development Company			
30	DirectFN - Post Trade Technology Program	Mr. Saleh bin Suleiman Al-Habib	- Executive Vice President of Shared Services	Software license agreement	727,500 SR	From 2021/03/26 To 2024/03/25
31	Saudi Automotive Services Co. (SASCO)	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of Bank Albilad - Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of SASCO	Lease contract for ATM location - Taif city - owned by SASCO	90,000 SAR	From 01/01/2021 To 31/12/2025
32	Abdullah Ibrahim Al Subaie Real Estate Company	Abdullah Ebrahim Al-Subaie Investment Company (One Person Company)	- Major shareholders of Bank Albilad	Lease contract for a branch of Bank Albilad - Aqrabiya Branch 921 owned by Abdullah bin Ibrahim Al-Subaie Real Estate Company	2,590,600 SAR	from 01/03/2005 To 12/11/2024

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
33	Saudi Automotive Services Co. (SASCO)	Mr. Nasser bin Mohammed Al-Subaie	Chairman of Bank Albilad Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of SASCO	ATM site lease contract - Makkah City - owned by SASCO	80,000 SAR	22-Nov-2017 21-Aug-2022
34	Saudi Automotive Services Co. (SASCO)	Mr. Nasser bin Mohammed Al-Subaie	Chairman of Bank Albilad Kinship (father) with Mr. Majid bin Nasser Al-Subaie, member of the Board of Directors of SASCO	ATM site lease contract - Makkah City - owned by SASCO	280,000 SR	22-Nov-2017 21-Aug-2022
35	Makan Company	Mr. Jasser bin Abdulkarim Al-Jasser	- Member of the Audit Committee at Bank Albilad - Kinship (brother) with Mr. Khalid bin Abdul Karim Al-Jasser, member of the Board of Directors of Makan Company	Real Estate Valuation - Self Construction	Individual prices	16-Feb-2020 15-Feb-2023
36	Alkhaleej Training and Education Company	Mr. Musab Abdulrahman Al-Sheikh	- Member of the Audit Committee of Albilad Finance - Member of the Board of Directors of Alkhaleej Training and Education Company	Labour Services Contract No. 14HRD02003	Individual prices	3-Mar-2021 2-Mar-2022
37	Saudi Lease Contracts Registration Company	Raed Muhammad Alabd Alkarim Abdullah Saad Salem Al-Ruwais	Member of the Board of Directors of the Saudi Lease Contracts Registration Company Member of the Executive Committee of the Saudi Lease Contracts Registration Company	Lessors Agreement	375,000	17-Mar-2019 16-Mar-2023

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
38	Bayan Credit Bureau	Yousef Bin Muhammad Alkhilwi	CGO and Secretary General of the Bank representing Bank Albilad at Bayan Credit Bureau	Membership Agreement	Individual Rates	25-Sep-2017 24-Sep-2021
		Abdulaziz Mohammed Alonaizan	Chairman of the Board of Directors Chairman of the Executive Committee	Membership Agreement	Individual Rates	22-Mar-2017 21-Mar-2018
39	Bayan Credit Bureau	Abdulaziz Mohammed Alonaizan	Chairman of the Board of Directors Chairman of the Executive Committee	Memorandum of Understanding	Individual Rates	25-Sep-2017 24-Sep-2022
40	ALARGAN Homes Company	Mr. Nasser bin Mohammed Al-Subaie	- Chairman of Bank Albilad - Member of the Board of Directors of Alargan Homes Company	ATM site contract - Jubail city owned by Alargan Homes Company	90,000.00	5-Aug-2018 4-Aug-2025
		Khalid Saleh Al-Hathal	- Member of the Nominations and Remuneration Committee at Bank Albilad / - Member of the Board of Directors of Albilad Capital - Member of the Nomination and Compensation Committee at Alargan Company	contract for ATM locations - Yanbu city owned by Alargan Homes Company	80,000.00	1-Sep-2018 31-Aug-2025
					80,000.00	1-Sep-2018 31-Aug-2025
41	Saudi Exchange	Zaid Muhammad Almufarah	Independent Board Member at Tadawul - Chief Executive Officer of AlbiladFinance	Listing Service Continuation Form	-	1-Apr-2017 31-Mar-2027
42	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Mohammedia Land Contract - Regional Administration	50,000	1-Jul-2022 30-Jun-2055
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
43	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Land contract of the land of Al-Munsia	50,000	1-Sep-2022 31-Aug-2055
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
44	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Alworoud District contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
45	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Rawda Branch Land Contract	50,000	25-Sep-2018 31-Dec-2050
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
46	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Naseem Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
47	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Alhamra Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
48	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Alsafraa Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
49	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Safa Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
50	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	South of Azizia Makkah Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
51	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Alsadad Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
52	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Alrawdah Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
53	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Rabwah Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
54	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	South Dhahran Land Contract	50,000	1-May-2021 30-Apr-2054
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
55	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Alhezam Road Land Contract	50,000	1-May-2021 30-Apr-2054
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
56	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Dammam Corniche Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
57	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Khalidiya Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
58	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Mirqab Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
59	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Al Faisaliah Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
60	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Tahlia Land Contract	50,000	1-Jan-2021 31-Dec-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
61	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Hittin Land Contract	50,000	25-Dec-2022 24-Dec-2055
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
62	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Al-Hada Al-Khobar Land Contract	50,000	22-Jan-2023 21-Jan-2056
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
63	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Altakhassusi Road Land Contract	50,000	22-Jan-2023 21-Jan-2056
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
64	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Unaizah Land Contract	50,000	22-Jan-2023 21-Jan-2056
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
65	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Rass Land Contract	50,000	1-Nov-2022 31-Oct-2056
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
66	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Nozha District land contract	50,000	1-Nov-2022 31-Oct-2053
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			

No.	Related Party	Member/Person with Direct or Indirect Interest	Reason	Type/nature of relationship or conflict	Contract Amount	Contract Date
67	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Shifa District Riyadh Land Contract	50,000	15-Nov-2022 14-Nov-2024
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			
68	Albilad Real Estate	Saleh Suleiman Alhabeeb	Chairman of the Board of Directors	Nokra District Land Contract - Hail	50,000	5-Feb-2023 4-Feb-2025
		Anas Mohammed Alammash	CEO			
		Raed Muhammad Alabd Alkarim	Vice Chairman			

Outstanding statutory payments

(SAR million)

Details	2022	2021
Legal Zakat (1)	239	194
General Organization for Social Insurance (GOSI) 2)	8.8	8.4

(1) Legal Zakat – As per the Zakat Acknowledgement to be submitted for 2022, the Bank estimated the outstanding Zakat for 2022 with SAR 239 million (2021: SAR 194 million).

(2) The Bank estimated the outstanding amount due to the General Organization for Social Insurance (GOSI) for 2022 with SAR 8.8 million (2021: SAR 8.4 million) paid during January 2023.

VALUE OF STATUTORY PAID AND ACCRUED PAYMENTS FOR THE PERIOD ENDING ON 31 DECEMBER 2022:

(SAR THOUSAND)

Item	Paid	Accrued until the end of the annual fiscal year and not paid	Brief	Reasons
Zakat	256,713	-	Annual Zakat for 2021 plus the annual installment of settlement for 2022	Zakat for 2022 which will be paid in April 2023
Withholding tax for non-residents	8,130	559	Withholding tax for non-residents	December 2022 tax which will be paid in Jan 2023
VAT	124,093	10,662	VAT	December 2022 tax which will be paid in Jan 2023
General Organization for Social (GOSI)	101,708	7,071	Social insurance payments paid during 2022	Social insurance payments for December 2022 which will be paid in Jan 2023

Item	Paid	Accrued until the end of the annual fiscal year and not paid	Brief	Reasons
Visa and passport costs	2,606	-	Renewal of residency fees, exit and return fees, and sponsorship transfer	Renewal of foreign employee residency, exit and return fees, and sponsorship transfer
Capital Market Authority	1,167	-	Fees for Capital Market Authority	Fees of the Capital Market Authority in addition to fees for registering employees with it
Municipality fees	7,115	-	Annual Municipality fees	Annual Municipality fees

Albilad Capital Company

(SAR million – 2022)

Item	Paid	Accrued until the end of the annual fiscal year and not paid	Brief	Reasons
Zakat	11,954	13,143	Zakat due for 2022	Annual zakat for 2022
Tax	2,427	74	Tax for non-residents	Tax for non-residents due for Dec 2022
VAT	34,404	5,960	VAT	VAT due for Dec 2022
General Organization for Social Insurance (GOSI)	6,827	605	Social insurance payments paid during 2022	Social insurance payments for December 2022
Visa and passport costs	31	-	Renewal of residency fees, exit and return fees, and sponsorship transfer	Renewal of foreign employee residency, exit and return fees, and sponsorship transfer
Labor office fees	121	-	Work permit fees for foreign employees	Work permit fees for foreign employees
Capital Market Authority	388	-	Fees for Capital Market Authority	Fees of the Capital Market Authority in addition to fees for registering employees with it
Municipality Fees	10	-	Annual Municipality fee	Annual Municipality fee
Renewal of the commercial register	15	-	Renewal of the commercial register and the Chamber of Commerce from 19/04/2022 to 23/04/2024	Annual fee

Capital adequacy

The Group's objectives when managing capital are to comply with the capital requirements set by central bank; to safeguard the Group's ability to continue as a going concern; and to maintain a strong capital base. Capital adequacy and the use of regulatory capital are monitored regularly by the Group's management. central bank requires holding the minimum level of the regulatory capital of and maintaining a ratio of total regulatory capital to the risk-weighted asset at or above the agreed minimum of 8%.

The Group monitors the adequacy of its capital using ratios established by central bank. These ratios measure capital adequacy by comparing the Group's eligible capital with its consolidated statement of financial position assets and commitments at a weighted amount to reflect their relative risk. SAMA through its Circular Number 391000029731 dated 15 Rabi Al-Awwal 1439H (3 December 2017), which relates to the interim approach and transitional arrangements for the accounting allocations under IFRS 9, has directed banks that the initial impact on the capital adequacy ratio as a result of applying IFRS 9 shall be transitioned over five years.

As part of the latest SAMA guidance on Accounting and Regulatory Treatment of COVID-19 Extraordinary Support Measures, Banks are now allowed to add-back up to 100% of the transitional adjustment amount to Common Equity Tier 1 (CET1) for the full two years' period comprising 2021 and 2022 effective from 31 March 2021 financial statement reporting. The add-back amount must be then phased-out on a straight-line basis over the subsequent 3 years.

THE FOLLOWING TABLE SUMMARIZES THE GROUP'S PILLAR-I RISK WEIGHTED ASSETS, TIER I AND TIER II CAPITAL AND CAPITAL ADEQUACY RATIOS.

Details	2022 (SAR '000)
Credit Risk RWA	88,162,110
Operational Risk RWA	8,712,282
Market Risk RWA	2,242,872
Total Pillar-I RWA	99,117,264
Tier I Capital	13,446,502
Tier II Capital	4,102,026
Total Tier I & II Capital	17,548,528
Capital Adequacy Ratio %	
Tier I ratio	13.57%
Tier I + Tier II ratio	17.70%

Basel Notes – Third Pillar

These notes have been prepared by virtue of SAMA's requirement of quantitative and qualitative notes related to Basel Third Pillar. For reviewing these notes, please visit the Bank's website: www.bankalbilad.com.

Independent Auditors

In the General Assembly meeting held on 10 Ramadan 1443H, corresponding to 11 April 2022, Ernst & Young Professional Services and PricewaterhouseCoopers have been appointed as external auditors of the Bank for the fiscal year 2022. As for the year 2023, the auditors will be appointed at the meeting of the General Assembly scheduled to be held in the early second quarter 2023.

Independent Auditors' Report

The auditors submitted unqualified audit report on the Bank's consolidated financial statements for the current fiscal year.

Credit rating

The below table illustrates the credit rating for the Bank:

Rating Agency	Long-term	Short-term	Future overview
Moody's	A3	P-2	Stable

Communication with Shareholders

Based on the bank's keenness to strengthen its relationship with shareholders, all investors and customers, and believing in the principle of transparency and disclosure of information, the bank's board of directors works on an ongoing basis, in accordance with the principles of governance that work to ensure fair dealing for all shareholders and determine the responsibility of the board of directors towards the bank and its shareholders, and the bank follows in this the regulations, standards and guidelines of the Saudi Central Bank, the Capital Market Authority, the recommendations of the Basel Committee and others on corporate governance, as the bank provides comprehensive and adequate information on all its activities and business. which is guaranteed and published in the annual report and summary financial statements, and on the Saudi Exchange website, as well as its participation in investor conferences inside and outside the Kingdom, as well as in the bank's website (www.bankalbilad.com), which contains in addition to that additional information and news about the bank such as capital increases, as well as dividends of shares that have been distributed to shareholders, inquiries about unreceived profits and other tools, as well as responding to all inquiries raised by shareholders, and encouraging shareholders to participate in annual general assembly meetings. The bank continues focusing on developing the bank's website and the mechanisms of communication with shareholders and investors.

Actions taken by the Board of Directors to inform its Members of shareholders' feedback about the Bank and its performance

The bank continuously works to protect the rights of all stakeholders, especially shareholders, which has been included, whether in the bank's articles of association or in the relevant policies, manuals and procedures, and one of the most important related rights is the right to attend ordinary and extraordinary general assembly meetings, discuss the announced agenda, ask questions to the board, auditors and executive management, and what includes submitting proposals and observations about the bank and its performance, in accordance with the specific mechanisms for that, which are informed to the members of the board of directors, whether they were made during the general assembly meetings through the minutes of the meeting or by presenting the proposals received from shareholders and others through the channels designated to the members at the first meeting held by the Board and including the minutes of the meeting - if any -, noting that most of the members of the current Board are either non-executive or independent and one executive member.

Voting shares interests

There are no interest rights in the category of voting shares for individuals who informed the Bank of these rights (except for the Bank's Board Members, Senior Executives and their spouses and minor children)

Waiver of the Interests rights of the Shareholders, Board Members or Senior Executives

- 1 There are no arrangements or agreements with any one of the Board Members or the Senior Executives for the waiver of salaries, remunerations or compensations.
- 2 There are no arrangements of agreements with any of the shareholders for the waiver of profit rights

Number of Bank's requests for shareholders' registration with dates and reasons

No.	Property File Date	Property File Date
1	2022/1/3	Bank procedures
2	2022/2/2	Bank procedures
3	2022/3/2	Bank procedures
4	2022/4/4	Bank procedures
5	2022/5/9	Bank procedures
6	2022/6/2	Bank procedures
7	2022/7/4	Bank procedures
8	2022/8/2	Bank procedures
9	2022/9/4	Bank procedures
10	2022/10/3	Bank procedures
11	2022/11/2	Bank procedures
12	2022/12/4	Bank procedures

Compliance with Corporate Governance Regulations

The Bank shall comply with the updated Corporate Governance Regulations issued by the Capital Market Authority on 13/2/2017, its updates, the regulatory controls and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies and their updates, the main principles of governance in financial institutions subject to the supervision and supervision of the Saudi Central Bank, their updates, and other regulatory instructions and controls issued in accordance with the Companies Law, its updates and regulations, and the Bank's relevant policies and documents.

The Bank has committed to implement all the provisions of the aforementioned Corporate Governance Regulations, with the exception of sub-paragraph (b) related to (disclosure of senior executives' remuneration) of subparagraph (4) of paragraph (a) of Article (90) and related to paragraph (b) of the same article, as it was partially complied with by disclosing the total remuneration of the aforementioned senior executives.

Board Acknowledgments

The Board of Directors of the Bank affirms the following:

- The account records have been properly prepared.
- The internal control system has been properly developed and effectively implemented.
- There is no doubt whatsoever about the Bank's ability to continue its activities.

In conclusion, the Board of Directors, the CEO and all the ambassadors of the Bank have the honor to extend their deepest thanks and appreciation to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud - may Allah protect him, and to His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and the Prime Minister - may Allah protect him - for the assistance, support and encouragement received by the banking sector and financial institutions, and thanks to the Ministry of Finance, the Ministry of Commerce, the Saudi Central Bank and the Capital Market Authority.

The Board of Directors and the CEO would also like to extend their thanks and appreciation to all the Bank's shareholders and customers for their support and trust. They also thank Albilad ambassadors for their sincere efforts to develop and improve performance and achieve the Bank's goals and objectives.

