

2- Remunerations of the Committee members

Committee Members	Fixed Remuneration (Except for attendance allowance)	Allowance for Attending Meetings	Total
Members of the Nominations and Remunerations Committee:			
Khalid Bin Saleh Alhathal	110,000	30,000	140,000
Sameer Bin Omar Baissa	110,000	40,000	150,000
Total	220,000	70,000	290,000
Members of the Nominations and Remunerations Committee:			
Mohammed Bin Farhan Bin Nader	150,000	35,000	185,000
Abdulaziz bin Abdullah Al-Aql	150,000	35,000	185,000
Total	300,000	70,000	370,000
Members of the Risk Committee:			
Faisal Bin Taleb Bin Humaid	110,000	25,000	135,000
Total	110,000	25,000	135,000
Members of the Compliance and Governance Committee:			
Sameer Bin Omar Baissa	110,000	25,000	135,000
Total	110,000	25,000	135,000
Members of the Sharia Committee:			
Sheikh Prof. Abdullah bin Musa Al-Ammar	350,000	110,000	460,000
Sheikh Prof. Mohammed bin Saud Al-Osaimi	300,000	110,000	410,000
Sheikh Prof. Yousef bin Abdullah Al-Shubaily	300,000	110,000	410,000
Total	950,000	330,000	1,280,000

5- Details of remunerations, salaries, allowances, and other compensation paid to senior executives

Statement	Five senior executives including the CEO and CFO (Thousands of Saudi riyals)
Salaries and compensation	15,186
Periodic and annual allowances and remunerations	32,433
Total	47,620

Mechanisms and means for evaluating the performance of the Board of Directors, its committees, and their respective members:

The Board of Directors assesses its own performance and the performance of its committees and members through a comprehensive mechanism. This includes the Nominations and Remuneration Committee, which conducts an annual evaluation of the Board and its committees. The Committee, along with an affiliated work team, has developed specific models and evaluation mechanisms for this purpose. Additionally, an external party evaluates the Board and its committees every three years. The Committee oversees, studies, and discusses the evaluation results, identifying strengths and recommending ways to enhance them, as well as addressing weaknesses and recommending improvement strategies. A summary of the results, along with the Committee's recommendations, is then presented to the Board of Directors. In 2023, the Board of Directors and its committees underwent evaluation by a specialized company, following the aforementioned mechanism.

Internal Audit

The internal audit department operates independently and provides an objective assessment of the bank's operations. It reports directly to the audit committee, which is formed by the bank's general assembly. Its goal is to provide the audit committee and senior management of the bank with reliable assurances regarding the sufficiency and efficiency of the internal control system, by using a structured and methodical approach to assess and enhance the effectiveness of governance, control, and risk management procedures. The Internal Audit department utilizes a risk-based audit methodology when planning and implementing audit work. The department diligently addresses the necessary corrections outlined in the reports of internal audit, external auditors, and regulatory and supervisory bodies. These corrections are promptly implemented according to the established timetable and specific procedures, ensuring the utmost integrity of internal audit controls. The Internal Audit department implements a comprehensive quality assurance program that encompasses all internal audit activities. This program aims to enhance performance, ensure compliance with internal audit standards, and promote the adoption of best practices.

The internal audit department is responsible for overseeing all of the bank's activities and departments. In 2023, the department carried out its internal audit work in line with the plan approved by the Audit Committee. This plan was developed after a detailed study and comprehensive risk assessment of the units to be audited at the bank level. Additionally, the Internal Audit Department successfully fulfilled various tasks assigned to it by the bank management or the Central Bank of Saudi Arabia.

Internal Control System

The bank’s executive management is tasked with developing a viable and effective internal control system. This system encompasses policies and procedures that are prepared under the guidance of the Board of Directors, all aimed at achieving the bank’s strategic goals. Accordingly, an integrated internal control system was developed as per the recommendations of regulatory and supervisory bodies. This system starts with the general governance framework of the bank, which outlines the roles and responsibilities of the Board of Directors, its committees, and the executive management committees. The aim is to ensure effective oversight at the bank level.

In addition, to the bank’s regulatory authorities, such as the Compliance and Combating Financial Crimes Department, the Risk Management Group, and the Sharia Department, the internal audit functions as an independent line of defence separate from executive management. Its primary objective is to evaluate the effectiveness of the internal control system, and ensure compliance with approved policies and procedures. Audit reports that identify areas of improvement in the internal control system, along with the corresponding corrective actions, are submitted to both the CEO and the Audit Committee. The committee monitors the progress made in the correction processes and ensures that the internal control system is sufficient and effective in mitigating risks and safeguarding the bank’s interests.

After thoroughly evaluating the internal control system throughout 2023 AD, the Board of Directors is confident in its effective design and implementation. They have determined that there are no control gaps or significant weaknesses in the bank’s operations for the year. This statement is based on the Board of Directors’ confidence in the design and implementation of the internal control system. The bank’s management is confident in the effectiveness of the internal control system currently in place, which is regularly monitored. It is always striving to enhance the internal control system, acknowledging that even the most well-designed and effective system cannot guarantee absolute assurance.



Dividend Policy

The bank follows the rules of the Banking Control Law, the Companies Law, and the regulations of the Central Bank of Saudi Arabia when distributing its net annual profits. After deducting general expenses, other costs, and establishing necessary reserves for doubtful debts, investment losses, and contingent liabilities as determined by the Board of Directors, as detailed below:

1. The bank calculates the necessary amounts to pay the zakat imposed on shareholders and promptly submits these payments to the competent authorities.
2. At least twenty-five percent (%25) of the residual net profits, after deducting Zakat, will be allocated to the statutory reserve until the reserve reaches a value that is at least equal to the paid-up capital.
3. A minimum of %5 of the paid-up capital will be set aside from the remaining profits, after deducting the statutory reserve and zakat, for distribution to shareholders. The distribution will be based on the proposal made by the Board of Directors and approved by the General Assembly. If the remaining portion of profits allocated to shareholders is inadequate to cover this portion, shareholders are not entitled to request its payment in the subsequent year or years, and the General Assembly is prohibited from approving the distribution of a surplus percentage of profits beyond the amount proposed by the Board of Directors.
4. The remaining amount is utilized after the allocation of the sums specified in paragraphs (1,2,3) as suggested by the Board of Directors and approved by the General Assembly.

Primary Shareholders

The primary shareholders of the bank are those who possess a minimum of %5 ownership of the bank’s shares at the end of December 2023 ,31. The ownership distribution is as follows:

	Shareholder Name	Percentage (%)
1	Mohammed Ibrahim Al Subaie & Sons Company	19.34
2	Abdullah Ibrahim Al Subaie Investment Company	6.36
3	Khalid Abdulrahman Saleh Al Rajhi	8.87
4	Abdulrahman Abdulaziz Saleh Alrajhi	6.68

2023 General Assemblies held during the year

The bank organized an extraordinary general assembly for its shareholders in the fiscal year 2023. This assembly marked the thirteenth extraordinary assembly on Shawwal 1444 ,11 AH, corresponding to May 2023 ,1.

a. Attendance log for the Board of Directors members and committee chairs at the Extraordinary General Assembly meeting in 2023.

The assembly’s meeting was conducted using modern technologies, and the Board of Directors’ members were in attendance as follows:

	Name	Attendance Record
1	Mr. Nasser bin Mohammed Al-Subaie (Chairman)	√
2	Mr. Adeb Mohammed Abanmi (Vice Chairman)	√
3	Dr. Ziad Othman Alhogail	√
4	Mr. Abdulaziz Mohammed Al-Onaizan	√
5	Mr. Khalid bin Abdulrahman bin Saleh Al-Rajhi	√
6	Mr. Nasser bin Sulaiman Al-Nasser	√
7	Mr. Mohammed Abdulrahman Abdulaziz Al-Rajhi	√
8	Mr. Haitham Mohammed Al-Fayez	√
9	Mr. Moaz Abdulrahman Al-Husseini	√
10	Mr. Haitham Sulaiman Al-Suhaimi	√

b. Following a vote on the General Assembly's clauses, the following outcomes were obtained:

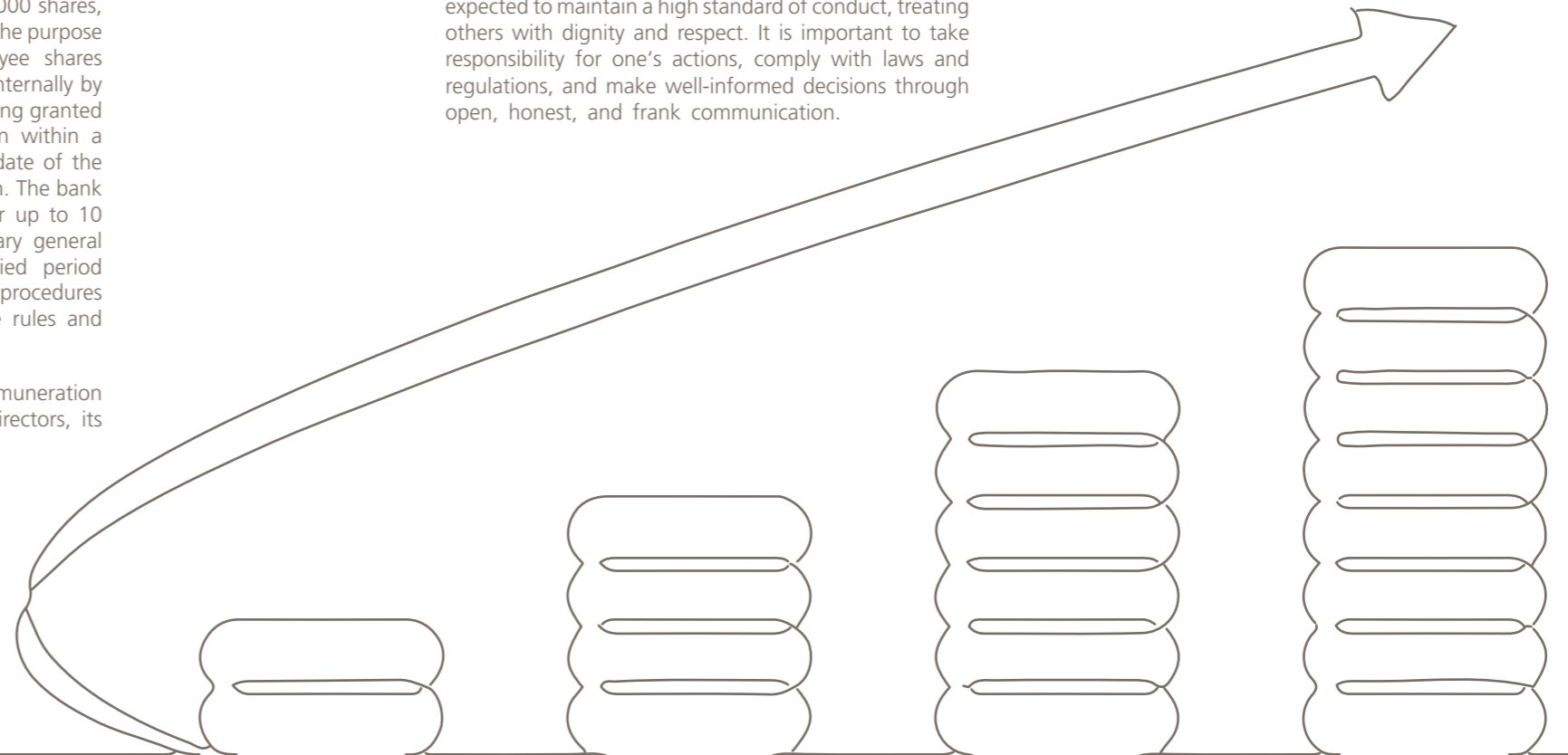
1. The Board of Directors' report for the fiscal year ending on 2022/31/12 was reviewed and discussed.
2. After a thorough discussion, the auditors' report for the fiscal year ending on 2022/31/12 AD has been approved.
3. The financial statements for the fiscal year ending on 2022/31/12 were examined and deliberated upon.
4. The Audit Committee has approved the reappointment of Ernst & Young & Co. (EY) and PricewaterhouseCoopers (PwC) as auditors of the Bank. They will be responsible for examining, reviewing, and auditing the bank's financial statements for the second and third quarters, as well as the annual financial statements for the fiscal year 2023 and the first quarter of the fiscal year 2024. Their fees have also been approved.
5. The resolution to absolve the members of the Board of Directors from their liabilities for the fiscal year ending on 2022/31/12 was approved.
6. Authorizing the Board of Directors to distribute interim dividends to the bank's shareholders on a semi-annual or quarterly basis for the fiscal year 2023.
7. Approval of the disbursement of a sum of 3,200,000 Saudi riyals as a remuneration to the members of the Board of Directors. Each member will receive an amount of 320,000 riyals for their services for the fiscal year concluding on December 2022 ,31.
8. The Board of Directors' recommendation to distribute cash dividends for the financial year 2022 has been approved. Shareholders will receive a dividend of 0.5 riyals per share, which is %5 of the nominal value of the share. To be eligible for the dividend, shareholders must own the shares by the end of the trading day of the General Assembly and be registered in the Bank's shareholders register with the Securities Depository Centre Company (Deposit Centre) by the end of the second trading day following the maturity date. Dividend distribution will begin on Wednesday May 2023 ,10.
9. Approval of delegating the authority of the Ordinary General Assembly to the Board of Directors with the license contained in Paragraph (1) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of the General Assembly's approval or until the end of the session of the delegated Board of Directors, whichever is earlier, in accordance with the conditions contained in the Executive Regulations of the Companies Law for listed joint stock companies.
10. Approval to delegate the authority of the Ordinary General Assembly to the Board of Directors in accordance with Paragraph (2) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of the General Assembly's approval or until the end of the session of the delegated Board of Directors, whichever is earlier, in accordance with the conditions contained in the Executive Regulations of the Companies Law for listed joint stock companies.
11. Approving for the employee shares program and empowering the Board of Directors to establish the program's terms, including the price at which each share will be allocated to employees, if applicable.
12. Authorizing the bank to acquire a specified number of its own shares, not exceeding 5,000,000 shares, and holding them as treasury shares, for the purpose of allocating them within the employee shares program. The purchase will be funded internally by the bank, with the Board of Directors being granted the authority to finalize the acquisition within a maximum of twelve months from the date of the extraordinary general assembly's decision. The bank will hold onto the purchased shares for up to 10 years from the date of the extraordinary general assembly's approval. Once the specified period has ended, the bank will adhere to the procedures and controls outlined in the applicable rules and regulations.
13. Approval of the amendment to the remuneration policy for members of the Board of Directors, its committees, and senior executives.

Principles and Code of Professional and Ethical Conduct

The principles and code of professional and ethical conduct and related principles are fundamental to Bank Al Bilad Group's business ethics and conduct. Their application is instrumental in driving the bank's strategic goals, safeguarding its interests, and ensuring the satisfaction of all stakeholders, including investors, customers, and dealers. Additionally, it plays a vital part in fostering business growth, enhancing the bank's reputation, and strengthening its brand. The bank has established a strong reputation by diligently adhering to its banking principles and values, which are rooted in Islamic Sharia and comply with the regulations set forth by regulatory bodies like the Central Bank of Saudi Arabia and the Capital Market Authority. The bank's reputation has been further solidified by the loyalty, commitment, and dedication of its employees to provide customers with the utmost level of professional and ethical banking service. Trust, responsibility, honesty, and respect are fundamental elements that form the foundation of the Bank's reputation. They are also key in delivering value to the customers and fulfilling the bank's obligations to all stakeholders in a view to preserve the values and principles. This requires all employees, regardless of their position, to conduct themselves in a manner that upholds the bank's values and principles. This commitment ensures the preservation of the bank's reputation and protects it from any potential harm or risks arising from any improper conduct, both within and outside the bank, whether in or outside the Kingdom. Every employee is expected to maintain a high standard of conduct, treating others with dignity and respect. It is important to take responsibility for one's actions, comply with laws and regulations, and make well-informed decisions through open, honest, and frank communication.

Compliance and Combating Financial Crimes

Bank Albilad places great importance on complying with regulations, standards, and instructions set by regulatory and supervisory bodies. This commitment is crucial for the bank's success and is a top priority. By doing so, the bank safeguards its reputation, credibility, and the interests of its shareholders and depositors. It also helps protect the bank from potential regulatory and legal consequences.



The Role of the Compliance and Combatting Financial Crime Department

Compliance is an independent function that is charged with identifying, evaluating, providing advice and counsel, and following up and preparing reports on the risks of the bank's non-compliance with regulations and instructions. The objective is to shield the bank and its representatives from potential regulatory or administrative penalties, as well as any actions that could damage the bank's reputation due to its failure to follow rules, regulations, controls, or good organizational and behavioural standards and professional practices.

The Compliance and Combatting Financial Crimes Department at the Bank plays a key role in ensuring that all of the Bank's policies, manuals, and procedures are in line with the regulations and instructions set by regulatory and supervisory bodies. They also ensure that these guidelines are effectively implemented by the Bank. **The department is responsible for a variety of tasks and responsibilities that are categorized into specific functions, such as:**

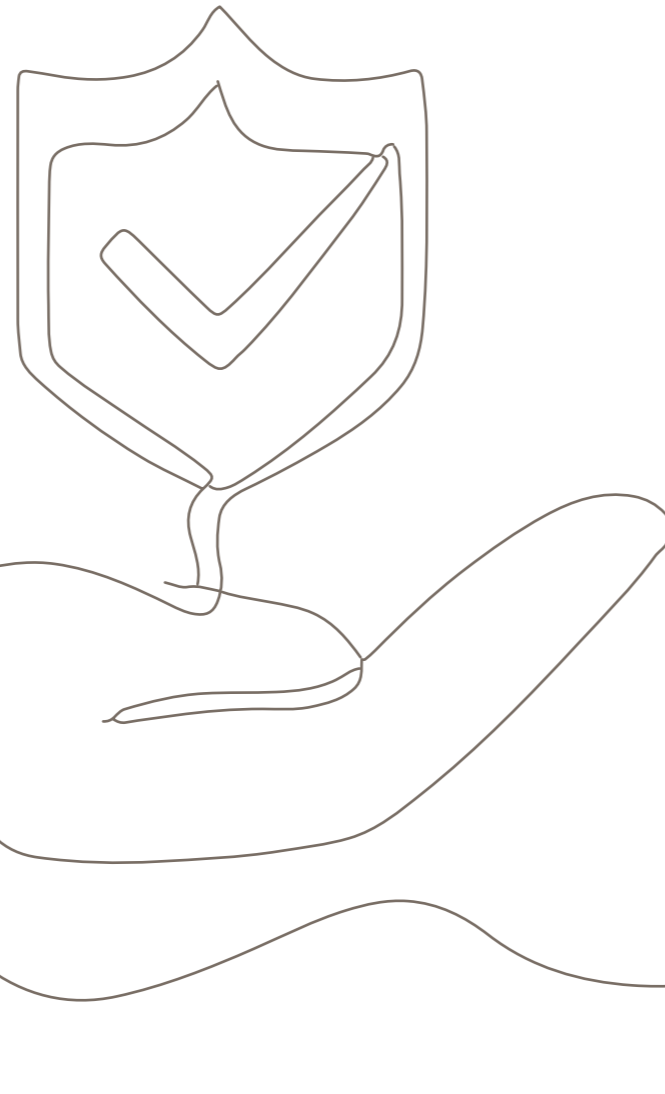
- Combating money laundering and terrorist financing, preventing its spread, and combating commercial concealment.
- Providing advice and support - in this regard - to all administrative units.
- Combating corruption and reporting violations.
- Identifying, analysing, and evaluating non-compliance risks related to the bank's clients, services, products, geographical areas of operation and delivery channels, and establishing appropriate controls and standards.
- Strengthening relations with regulatory and supervisory bodies.
- Training and awareness.
- Submitting reports on non-compliance problems and providing recommendations on procedures for dealing with these problems.

Monitoring and assessing the effectiveness of implementing regulations and instructions

The Compliance and Combatting Financial Crimes Department is responsible for assessing and supervising the bank's compliance with rules, regulations, and instructions established by regulatory and legislative authorities. This involves ensuring that the bank adheres to its own policies, guidelines, processes, products, and services.

HR Policies

The bank's commitment to adhering to regulations, laws, and policies is crucial for its success, reputation, and credibility. It was essential for all the bank's ambassadors to understand and follow all necessary regulations, instructions, and policies related to their work and assigned tasks, without any transgressions or negligence.



Business Continuity

The bank is dedicated to thoroughly reviewing, updating, and developing the concept of business continuity to assess the bank's readiness in the unfortunate event of crises, God forbid. In 2023, the bank successfully obtained the ISO 22301 standard certificate.

This is an international standard that focuses on identifying and implementing the most effective practices for business continuity management. This standard is designed to assist organizations in identifying and assessing the risks related to halting operations or being exposed to crises and disasters. Acquiring the certificate and adopting the international standard for business continuity management demonstrates the bank's readiness to maintain uninterrupted business operations and services, regardless of any crises or challenges that may arise.

The bank conducted a comprehensive crisis management test, assuming a cyber-attack. All systems were smoothly transferred to the backup data centre, and employees were relocated to the business continuity centre for a period of seven days. All tests were successfully completed, praise be to God.

The bank makes sure that all employees of the bank and its subsidiaries receive business continuity training every quarter. In addition, the bank raises awareness by sending a monthly internal email to all employees. As employees become more aware of business continuity, they are better able to apply business continuity plans and procedures with greater flexibility.

Current and Future Risks

Exposure to risks is related to the nature of the bank's business; however, the bank monitors and manages these risks through the risk management group responsible for managing credit risks, market risks, operations risks, information security, and supervising the follow-up and collection of distressed debts. The bank strictly adheres to the requirements of the Saudi Central Bank and the Basel Committee. The risks are thoroughly detailed in the notes accompanying the consolidated financial statements from page 31 to 36, serving as a supplement to the Board of Directors' report. Here are the most important ones: In 2023, the Risk Management Group remained dedicated to enhancing the effectiveness of the risk management system and implementing the best practices and systems. Their goal was to ensure that the bank's banking activities achieve the right balance between return and expected risks.

The risk management group's framework is built upon three key pillars: solid risk management principles, a well-defined organizational structure, and effective risk measurement and control processes. These pillars work together to maintain an acceptable level of risk in line with the bank's activities. The risk management group operates autonomously and is independent of the bank's business groups and departments, as per the directives of the Central Bank of Saudi Arabia.

The bank has put in place strong frameworks to identify, measure, monitor, and effectively manage risks. The banking risk management process encompasses various types of risks that banks face, including credit risks, market risks, liquidity risks, operational risks, information security risks, and cybersecurity. The bank regularly evaluates risk management policies and systems to stay current with market and product changes, aiming to achieve the highest standards of international banking practices. Following is a summary of the most significant risks: