

# Board of Directors Report 2023



البنك السعودي للاستثمار  
The Saudi Investment Bank

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The Custodian of the Two Holy Mosques  
**King Salman Bin Abdulaziz Al Saud**



His Royal Highness Crown Prince  
**Mohammad Bin Salman Bin Abdulaziz  
Al Saud**





The Board of Directors of The Saudi Investment Bank (“the Bank”) are pleased to present the Annual Board of Directors Report for the year ended December 31, 2023. In addition to the financial results, the Report includes information about the Bank’s activities, achievements, strategies, the composition and oversight of the Board of Directors (hereinafter referred to as “the Board”), and its subcommittees, in addition to other complementary data to inform the reader.

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## LETTER FROM THE CHAIRMAN



It is a pleasure for the Board of Directors to express its gratitude once again to the Government of the Custodian of the Two Holy Mosques, particularly to the Ministry of Finance, the Saudi Central Bank, the Ministry of Commerce, and the Capital Market Authority, for their continued and constructive support. The Board of Directors also extends its thanks to the shareholders and clients for their support and trust, which motivates us to achieve more. Additionally, the Board of Directors appreciates the dedication and loyalty of the Bank's Management Team and employees, who have contributed to the Bank's performance.

I am pleased to announce that the Bank achieved its strategic goals in 2023, leveraging its strengths and surpassing performance expectations. As the Board, we are committed to ensuring that the business maintains this positive trajectory in the upcoming reporting period.

Abdallah Saleh Jum'ah  
Chairman



## Total operating income

SAR  
**3,967**  
million

## Net income

SAR  
**1,762**  
million

I have the pleasure of presenting the Annual Board of Directors Report for the fiscal year that ended on December 31, 2023, on behalf of The Saudi Investment Bank's Board of Directors, ("the Bank"). Apart from the financial outcomes, this report furnishes the reader with further information regarding the Bank's achievements, accomplishments, tactics, and the makeup and supervision of the Board of Directors (henceforth referred to as "the Board") and its subcommittees.

### Outstanding Financial Results

This year, the Bank's remarkable year-over-year growth in its net income of 17% not only set a new record, but also underscored the enduring value we deliver to our stakeholders. This achievement was made possible by the Bank's team of committed workers, focused strategic execution, and competent leadership.

### Working Towards Vision 2030

In 2023, by serving government, semi-government, and private sectors, the Bank played a pivotal role in bolstering the Saudi economy, thereby contributing significantly to the Kingdom's Vision 2030 objectives. The primary goal of the Saudi Investment Bank is to establish itself as the bank that our clients' trust. In addition, we strive to cultivate long-lasting connections with our customers, create an

exceptional work environment for our employees, and consistently generate wealth for our shareholders.

### Innovation and Digitization

The Bank maintained its focus on digitization and innovation, recognizing that our ability to execute quickly is a crucial factor in our success. In pursuit of this, the Bank has organized its business units to cater to specific target markets and enhance customer experience through improved efficiency and effectiveness. I am pleased to announce that the Bank achieved its strategic goals in 2023, leveraging its strengths and surpassing performance expectations. As the Board, we are committed to ensuring that the business maintains this positive trajectory in the upcoming reporting period.

### Keeping Risks Under Control

During 2023, The Saudi Investment Bank conducted several risk initiatives, including several at Board level. As digitalization increases, the Bank becomes more vulnerable to new cyber security and fraud risks, which can pose challenges to business resilience and data security. We implemented a cohesive organization-wide approach to data security to mitigate these risks. This approach included the digitalization of processes to

meet the continuously evolving demands of our customers and regulators.

I am confident that the Bank has the agility, innovation and exceptional talent to leverage the solid macroeconomics of the Kingdom for the benefit of the Bank and its stakeholders.

### In Gratitude

It is a pleasure for the Board of Directors to express its gratitude once again to the Government of the Custodian of the Two Holy Mosques, particularly to the Ministry of Finance, the Saudi Central Bank, the Ministry of Commerce, and the Capital Market Authority, for their continued and constructive support. The Board of Directors also extends its thanks to the shareholders and customers for their support and trust, which motivates us to achieve more. Additionally, the Board of Directors appreciates the dedication and loyalty of the Bank's Management Team and employees, who have contributed to the Bank's performance.

## LETTER FROM CEO



I would like to express my gratitude to the members of the Board for their ongoing support and ambitious vision, alongside my executive team and all our valued employees. Their dedication, strong work ethic, and unwavering commitment have been crucial to the Saudi Investment Bank's success in 2023, and will continue driving us into the future.

The Bank's upcoming strategy - branded as Strategy 2027 - was developed based on global best practices, competitive insights, customer behaviour analysis, macro trends, and our current bank capabilities.

Mr. Faisal Abdullah Al-Omran  
CEO





The bank successfully achieved a high performance in 2023 and delivered a strong financial performance, built on sound corporate governance, a robust organisational culture, and focused strategic execution. These factors all contributed to our success.

### **Excellent Results in Key Metrics**

The Saudi Investment Bank's successful 2023 results are directly attributed to the team's diligent work in implementing our 2020-2022 strategy. Our net income increased 17 % in 2023 compared to 2022. Also, a 19% increase was recorded in total assets in 2023 compared to 2022. Our emphasis on customer centricity through digitisation demonstrated our ability to consistently generate value for stakeholders by pursuing organic growth through disciplined strategic execution.

### **Partnership with Real Madrid Football Club**

The Saudi Investment Bank is a purpose-driven business, with our employees at the forefront of the constant interactions with customers and other stakeholders that establish our Bank's brand. By partnering with the Real Madrid Football Club, we are engaging our clients in Saudi Arabia and creating an additional interface for providing them with exceptional experiences, customised products, and

services tailored to their individual needs. This partnership is designed to lead the industry in customers' rewards.

### **Moving on to Strategy 2027**

The Bank's upcoming strategy branded Strategy 2027 - was developed based on global best practices, competitive insights, customer behaviour analysis, macro trends, and our current bank capabilities. Strategy 2027's primary goals are to accelerate growth in key business categories and continue investing in and expanding digital offerings. The Bank's business plan includes significant investments in operations, risk management, IT, and organisational effectiveness to drive our continuing expansion.

### **In Gratitude**

I would like to express my gratitude to the members of the Board for their ongoing support and ambitious vision, alongside my executive team and all our valued employees. Their dedication, strong work ethic, and unwavering commitment have been crucial to the Saudi investment Bank's success in 2023, and will continue driving us into the future.

# Board of Directors Report 2023

The Board of Directors of The Saudi Investment Bank (“the Bank”) are pleased to present the Annual Board of Directors Report for the year ended December 31, 2023. In addition to the financial results, the Report includes information about the Bank’s activities, achievements, strategies, the composition and oversight of the Board of Directors (hereinafter referred to as “the Board”), and its subcommittees, in addition to other complementary data to inform the reader.

## Overview

The Bank is a Saudi joint stock company formed pursuant to a Royal Decree M/31 issued in 1976, with its Head Office in Riyadh. The Bank operates 51 branches located throughout the Kingdom of Saudi Arabia. The Bank’s major shareholder with 25.61% is the General Organization for Social Insurance (GOSI).

The Bank’s website address is [www.saib.com.sa](http://www.saib.com.sa).

## Main Banking Activities

The Bank offers conventional and Sharia compliant products and services for large corporate clients, individuals, and commercial businesses comprising small and medium size enterprises through the Bank’s Head Office and a network of retail branches located throughout the Kingdom. The Bank also provides financial products and services to corporate, government, and public sector entities through its three Regional Offices located in Riyadh, Jeddah, and Al-Khobar. The Bank, through its wholly-owned subsidiary Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital), also provides brokerage services in the Saudi and international markets, as well as offering asset management products and services.

The Bank is subject to the laws and regulations of the Kingdom of Saudi Arabia and is regulated by the Saudi Central Bank (“SAMA”). The Bank also follows the regulations issued by the Ministry of Commerce (“MOC”) and the Capital Market Authority (“CMA”).

## Significant Highlights

The Bank completed the implementation of the previous three-year strategy in 2022 and embarked a new five-year Strategy 23-27, with continued progress in several core business areas: increasing our customer base, improving service quality, and further automating the Personal Banking business. As part of our ongoing retail activities, the Bank continued to enhance the ALASALAH

Islamic Banking brand. Under this brand, the Bank operates 48 Sharia compliant branches within the Kingdom.

The Bank also continued its credit rating review process with Standard & Poor’s (S&P), Fitch, and Moody’s Ratings the details of which are included later in this report.

During 2023, the Bank received a number of awards including:

- Highest International Transaction Volume (ITV) for Visa Multicurrency Travel Card Globally 2021 and 2022 presented by VISA
- KSA Most Innovative Bank for Trade Finance Products
- KSA Hall of Fame Trade Finance Bank

## Basis of Preparation of the Bank’s Consolidated Financial Statements

The consolidated financial statements as of and for the year ended December 31, 2023 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in KSA and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”); and are in compliance with the provisions of the Banking Control Law, the Regulations for Companies in KSA, and the Bank’s By-laws.

## Financial Position

A summary of the Bank’s statement of financial position as of December 31, 2023 compared to December 31, 2022 follows.

## Total Assets

Total assets were SAR 130.0 billion as of December 31, 2023 which were higher by SAR 20.9 billion or 19.16% compared to the December 31, 2022 amount of SAR 109.1 billion. The key balance sheet movements are discussed below.



### Cash and Balances with SAMA

The Bank's cash and balance with SAMA totaled SAR 11.0 billion as of December 31, 2023 compared to SAR 6.4 billion as of December 31, 2022.

### Investments

The Bank's investment portfolio totaled SAR 32.3 billion as of December 31, 2023 compared to SAR 28.2 billion on December 31, 2022, representing an increase of SAR 4.1 billion or 14.54%.

### Loans and Advances, net

Loans and advances, net as of December 31, 2023 totaled SAR 80.8 billion compared to SAR 68.9 billion as of December 31, 2022, representing an increase of SAR 11.9 billion or 17.27%. Total performing loans increased to SAR 81.4 billion as of December 31, 2023 compared to SAR 69.6 billion as of December 31, 2022, which was primarily due to higher commercial loans.

Non-performing loans totaled SAR 1.2 billion as of December 31, 2023 compared to SAR 1.1 billion as of December 31, 2022. Non-performing loans as a percentage of total loans and advances was 1.50% as of December 31, 2023, compared to 1.57% as of December 31, 2022.

The allowance for credit losses totaled SAR 1.9 billion as of December 31, 2023 which was 2.33% of total loans, and 155.19% of non-performing loans. The allowance for credit losses totaled SAR 1.8 billion as of December 31, 2022 which was 2.55% of total loans, and 162.99% of non-performing loans.

Loans and advances as of December 31, 2023 include non-interest based banking products including Murabaha agreements, Tawarruq, and Ijarah totaling SAR 54.1 billion, compared to SAR 48.0 billion as of December 31, 2022.

The Bank in the ordinary course of lending activities holds collateral as security for Credit Risk Mitigation (CRM) on its loans and advances. The collateral includes primarily time, demand, and

other cash deposits, financial guarantees, local and international equities, real estate, and other assets. The estimated fair value of collateral held as CRM by the Bank for total loans and advances is approximately SAR 78.7 billion as of December 31, 2023 (December 31, 2022: SAR 78.1 billion).

### Customer Deposits

Customer deposits totaled SAR 83.2 billion as of December 31, 2023 compared to SAR 69.6 billion as of December 31, 2022, representing an increase of SAR 13.6 billion or 19.54%. Demand and other deposits totaled SAR 30.0 billion as of December 31, 2023 compared to SAR 31.2 billion as of December 31, 2022, representing a decrease of SAR 1.2 billion, or 3.85%. Demand and other deposits represent 36.06% of total deposits in 2023 compared to 44.83% of total deposits in 2022. Commission bearing deposits increased by SAR 15.0 billion during the year ended December 31, 2023, or 39.16%.

The volume of deposits compliant with Sharia controls amounted to SAR 40.8 billion as of December 31, 2023.

### Total Equity

During the year ended December 31, 2023, the Bank's total equity increased to SAR 17.2 billion compared to SAR 16.8 billion as of December 31, 2022.

The percentage of total equity to total assets as of December 31, 2023 was 13.23%, compared to 15.40% as of December 31, 2022. The Bank's Shareholders' Equity leverage ratio was 8.97 on December 31, 2023 compared to 8.03 as of December 31, 2022.

### Tier I Sukuk Program

The Bank established Sharia compliant Tier I Sukuk Program (the Program) in 2016 and 2022. The Program was approved by the Bank's regulatory authorities. The following tranches of Tier I Sukuk issued under the program on the dates indicated below are outstanding as of December 31, 2023 and 2022:



	2023 SAR '000	2022 SAR '000
March 21, 2018	-	1,000,000
April 15, 2019	215,000	215,000
June 29, 2022	2,000,000	2,000,000
February 6, 2023	500,000	-
<b>Total</b>	<b>2,715,000</b>	<b>3,215,000</b>

The Tier I Sukuk securities are perpetual with no fixed redemption dates and represent an undivided ownership interest in the Sukuk assets, constituting an unsecured conditional and subordinated obligation of the Bank classified under equity. However, the Bank has the exclusive right to redeem or call the Tier I Sukuk debt securities in a specific period of time, subject to the terms and conditions stipulated in the Program.

#### Capital Adequacy

The Bank's objectives when managing capital are to comply with the capital requirements set by SAMA 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 regularly monitored by the Bank's management. SAMA requires the Bank to hold a minimum level of regulatory capital and maintain a ratio of total Regulatory capital to Risk Weighted Assets (RWA) at or above the requirement of 10.5%, which includes additional buffers as required by the Basel Committee on Banking Supervision.

The Bank monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Group's eligible capital with its consolidated statement of financial position assets, commitments, and notional amounts of derivatives, at a weighted amount to reflect their relative risk.

As of December 31, 2023, the Bank's Tier I plus Tier II capital adequacy ratio was 20.06% compared to 18.22% as of December 31, 2022.

#### Summary Results of Operations

A summary of the Bank's operating results for the year ended December 31, 2023 compared to December 31, 2022 follows.

#### Operating Income

Total operating income reached SAR 3,967 million in 2023, compared to SAR 3,278 million in 2022, an increase of SAR 689 million, or 21.02%. A summary of the 2023 operating income compared to 2022 follows:

- Net special commission income, which includes special commission income from placements, investments, and loans, less special commission expense from deposits and other borrowings, reached SAR 3,417 million in 2023 compared to SAR 2,845 million in 2022, an increase of SAR 572 million, or 20.11%.
- Fees from banking services reached SAR 302 million in 2023, compared to SAR 295 million in 2022, an increase of SAR 7 million, or 2.37%.
- Exchange income reached SAR 216 million in 2023, compared to SAR 196 million in 2022, an increase of SAR 20 million, or 10.20%.
- Other investment related gains earned from income recognized through profit and loss and sales of debt securities totaled SAR 17 million in 2023 compared to SAR 12 million in 2022.
- Unrealized fair value through profit and loss statement was a profit of SAR 14 million in 2023 compared to a loss of SAR 71 million in 2022.

#### Geographical Distribution of Operating Income

The Bank's total operating income is entirely generated from its operations in the Kingdom of Saudi Arabia and is summarized below in SAR million.



	Central Region	Western Region	Eastern Region	Total
2023	3,239	452	276	<b>3,967</b>
2022	2,549	445	284	<b>3,278</b>

#### Operating Expenses Before Provisions for Credit and Other Losses

Operating expenses before provisions for credit and other losses totaled SAR 1,657 million in 2023 compared to SAR 1,445 million in 2022, an increase of SAR 212 million or 14.67%. A summary of these operating expenses follows:

- Salaries and employee related expenses in 2023 totaled SAR 787 million compared to SAR 747 million in 2022.
- Rent and premises related expenses in 2023 totaled SAR 76 million compared to SAR 68 million in 2022.
- Depreciation and amortization in 2023 totaled SAR 183 million compared to SAR 155 million in 2022.
- Other general and administrative expenses totaled SAR 610 million in 2023 compared to SAR 475 million in 2022.

#### Provisions for Credit and Other Losses

The provisions for credit and other losses incurred in 2023 compared to 2022 is summarized as follows:

	2023 SAR '000	2022 SAR '000
<b>Provisions for credit losses:</b>		
Due from banks and other financial institutions	(956)	(6,881)
Investments	433	(15,747)
Loans and advances	362,863	150,673
Financial guarantee contracts	(3,745)	37,557
Other assets	62	194
<b>Provisions for credit losses</b>	<b>358,657</b>	<b>165,796</b>
Provisions for real estate and other losses	-	25,773
<b>Provisions for credit and other losses</b>	<b>358,657</b>	<b>191,569</b>

#### Share in Earnings of Associates

The Bank's share in earnings of Associates totaled SAR 77 million in 2023, compared to SAR 71 million in 2022, an increase of SAR 6 million.

#### Provisions for Zakat

The provisions for Zakat totaling SAR 267 million in 2023 was higher than the SAR 204 million in 2022.

#### Net Income

The Bank reported net income for the year ended December 31, 2023 of SAR 1,762 million, an increase of SAR 254 million, or 16.84%, compared to the 2022 net income of SAR 1,508 million. The return on average assets was 1.47% in 2023 compared to 1.43% in 2022, and the return on average shareholders' equity was 12.54% in 2023 compared to 10.63% in 2022.



### Profit Distribution

In accordance with Saudi Arabian Banking Control Law and the Articles of Association of the Bank, a minimum of 25% of the annual net income is required to be transferred to a statutory reserve until this reserve equals the paid-up capital of the Bank. Accordingly, SAR 441 million has been transferred from 2023 net income. The statutory reserve is not currently available for distribution.

During the year ended December 31, 2022, the Board of Directors proposed an interim cash dividend of SAR 300 million equal to SAR 0.3 per share, for the year 2022, to 1,000 million eligible shares. The proposed cash dividend were paid during the year ended December 31, 2022.

During the year ended December 31, 2022, the Board of Directors proposed another cash dividend of SAR 450 million equal to SAR 0.45 per share, for

the second half of 2022, to 1,000 million eligible shares. The proposed cash dividend was approved by the Bank's shareholders in an ordinary general assembly meeting held on April 10, 2023. During the year ended December 31, 2023, the cash dividends were paid.

During the year ended December 31, 2023, the Board of Directors proposed an interim cash dividend of SAR 400 million equal to SAR 0.40 per share, for the first half of the fiscal year 2023, to 1,000 million eligible shares. The proposed cash dividend were paid during the year ended December 31, 2023

### Net Income by Operating Segment

The income of the Bank's reportable operating segments for the years ended December 31, 2023 and 2022 is summarized as follows:

	2023 SAR'000	2022 SAR'000
Personal Banking	321,698	453,197
Corporate Banking	899,017	897,224
Treasury and Investments	940,611	498,691
Asset Management and Brokerage	94,433	81,959
Others	(227,425)	(219,106)
<b>Income before provisions for Zakat</b>	<b>2,028,334</b>	<b>1,711,965</b>
Provisions for Zakat	(266,727)	(204,110)
<b>Net income</b>	<b>1,761,607</b>	<b>1,507,855</b>



### Five-year Financial Highlights

A summary of the Bank's operations, financial position, and key ratios follows.

	SAR in millions				
	2023	2022	2021	2020	2019
<b>Operations</b>					
Total income (1)	4,044	3,349	2,808	2,892	2,906
Total expense (2)	1,657	1,445	1,270	1,214	1,234
Operating profit before provisions	2,387	1,904	1,538	1,678	1,672
Provisions for credit and other losses	359	192	271	449	1,343
Provisions for Zakat and Income Tax	267	204	206	249	90
Net income	1,762	1,508	1,062	980	239
<b>Financial Position</b>					
Total assets	129,984	109,071	101,619	99,885	100,815
Loans and advances, net	80,751	68,883	57,798	55,074	57,112
Investments	32,301	28,180	28,842	30,514	26,175
Investments in associates	968	923	884	846	994
Term loans	-	-	-	2,006	2,012
Customer deposits	83,233	69,579	61,485	60,144	69,058
Shareholders' equity	14,520	13,575	14,801	13,331	12,007
Tier I Sukuk	2,715	3,215	1,500	2,000	2,000
Total equity	17,235	16,790	16,301	15,331	14,007
<b>Key Ratios</b>					
Return on average Shareholders' equity (%)	12.54	10.63	7.55	7.73	2.03
Return on average assets (%)	1.47	1.43	1.05	0.98	0.24
Capital adequacy (%)	20.06	18.22	20.84	21.21	18.26
Equity to total assets (%)	13.23	15.40	16.04	15.35	13.89

(1) Total income includes total operating income plus share in earnings of associates.

(2) Total expense includes total operating expenses before impairment charges.

### Regulatory Payments

The Bank in the ordinary course of its business, makes regulatory payments including Zakat, Income Tax, Withholding Tax, Value Added Tax, and other regulatory payments.

A summary of the payments made during 2023 follows, which also includes regulatory fines incurred during the year.

The discounted Zakat liability of SAR 711.8 million was fully provided for through a charge to the consolidated statement of income with the corresponding liability included in other liabilities as of December 31, 2018. The Bank has paid SAR 155 million on January 1, 2019 and SAR 124 million on December 1, 2019, December 1, 2020, December 1, 2021, December 1, 2022, and December 1, 2023 respectively, as per the settlement agreement.

### Zakat Settlement

In December 2018, the Bank agreed with the ZATCA to a settlement of Zakat assessments for the years 2006 to 2017 for SAR 775.5 million.



The Zakat settlement also included provisions for the Bank to calculate the Zakat liability for the year ended December 31, 2018 using the same methodology as was agreed in the settlement for the prior years. The 2018 Zakat was calculated based on this method and was also charged to the consolidated statement of income in 2018 and was settled by April 30, 2019.

On March 14, 2019, the ZATCA published rules (the "Rules") for the computation of Zakat for companies engaged in financing activities and licensed by SAMA. The Rules are issued pursuant to the Zakat Implementing Regulations and are applicable for the periods beginning January 1, 2019. In addition to providing a new basis for calculation of the Zakat base, the Rules have also introduced a minimum floor and maximum cap at 4 times and 8 times respectively of net income. The Zakat liability for the Saudi shareholders will continue to be calculated at 2.5% of the Zakat base but it should not fall below the minimum floor nor should exceed the maximum cap as prescribed by the Rules.

The Bank has provided for Zakat for the year ended December 31, 2023 and 2022 on the basis of the Bank's understanding of these rules.

#### Withholding Tax

The Bank paid SAR 31.1 million to the ZATCA for Withholding Tax for the year ended December 31, 2023.

#### Value Added Tax (VAT)

The Bank paid SAR 119.6 million to the ZATCA for VAT for the year ended December 31, 2023.

#### Real Estate Transactions Tax (RETT)

The Bank paid SAR 20.3 million to the ZATCA for RETT for the year ended December 31, 2023.

#### Other Regulatory Payments

The Bank paid SAR 55.4 million to the General Organization for Social Insurance for its employees, including the employee share of SAR 24.9 million during the year ended December 31, 2023. The Bank also paid SAR 1.1 million for visa and other related governmental fees during the year ended December 31, 2023.

#### Regulatory Penalties and Fines

During 2023, the Bank paid SAR 11,344,020 to SAMA as a result of 10 regulatory fines and penalties. Below is a breakdown of regulatory fines borne by the Bank during 2023 and 2022.

Description of the Fine	Last Year 2022		Current Year 2023	
	# of SAMA Decisions	Amount In SAR	# of SAMA Decisions	Amount In SAR
Violating the supervisory instructions of the Saudi Central Bank	8	1,427,850	8	10,919,020
Violating the instructions of Saudi Central Bank related to due diligence	-	-	-	-
Violating the instructions of Saudi Central Bank related to due diligence in combating money laundering and terrorist financing	1	-	1	105,000
Violating the instructions of Saudi Central Bank related to customer protection	-	-	1	320,000
Violating the instructions of Saudi Central Bank related to the level of performance of ATMs and POS machines	1	15,000	-	-





Regarding the above fines, SAIB has remediated the root cause of breach and prepared corrective action plans with the concerned departments to ensure avoiding recurrence of these fines.

During 2023, the Bank paid SAR 337,976 in penalties and fines to the following Supervisory or regulatory agencies:

- A total of 13 Fines paid to the Saudi Payments totalled SAR 35,176
- A total of 1 Fine paid to General Organization for Social Insurance totalled SAR 2,000
- A total of 6 Fines paid to the Riyadh & Eastern Region Municipalities totalled SAR 300,800.

During 2023, the bank did not receive any penalties or fines from any judicial authority.

### **Our Strategy**

The Bank's new strategy has been designed in conjunction with macro-trends and customer behavior analysis, competitor insights, banks current capabilities and international best practices.

The core objective of the strategy is to accelerate growth in core business segments in addition to the continuous investment and expansion of digital proposition.

The business strategy includes significant investment in Information Technology (IT), operations, risk and organization effectiveness to enable growth.

### **Overview of Strategy in Various Segments and Business Lines**

#### **Corporate Banking: accelerate profitable growth**

- Increase customer centricity through redesigning operating model, coverage, and segmentation.
- Achieve customer primacy through revamping value proposition and launching new products and partnerships.

- Improve customer experience by streamlining and automating key processes.

#### **Private Banking: accelerate profitable growth**

- Elevate role of Private Banking to increase focus on high value customers.
- Improve customer experience through redesigning operating model, coverage, and segmentation.
- Become a bank of choice for High Net Worth (HNW) and Ultra High Net Worth (UHNW) customers through introducing new products, revamping the investment portfolio and redesigning key journeys.

#### **Public Institutions: increase customer base and cross sell ratio**

- Develop core offering for Public Institutions (PIs) given importance of the segment in line with vision 2030.
- Optimize value proposition for PI customers by improving existing products and bringing the best of SAIB's cross functional offering.

#### **Affluent Consumers: build differentiated value proposition**

- Significantly improve digital proposition.
- Improve overall value proposition for affluent consumers including journeys, products and investment proposition.

#### **Treasury and Investment: enable and support funding of strategy**

- Maintain optimal risk-return on investments.
- Balance mix of liabilities to lower cost of fund.
- Increase cross-sell of products.
- Maintain prudent capital management.



### Key Enablers to Support Achieving the Strategic Direction

#### Risk: enhance enterprise risk management and capabilities

- Automate key risk processes to speed up decision making.
- Review risk appetite to better cater for priority segments/sectors in line with new strategy.
- Increase reporting and insight capabilities to drive prudent risk practices.

#### Innovation to keep pace with future development

- Build new partnerships with fintech.
- Developing innovative solutions and products for select segments.

#### Information Technology: strengthen digital and analytics

- Introduce new tools to support front liners in Corporate Banking and Private Banking.
- Build automated testing and pipeline systems.
- Build centralized data warehouse and data lake for central data processing, advanced analytics and governance.
- Institutionalize agile ways of working across the organization.

### Organization: enhance organization effectiveness and culture

- Hire needed talents to support strategy execution.
- Improve organization health and culture.

#### Strengthen the Bank's Affiliates

- Strengthen cooperation with affiliates by cross selling, referrals, and incentives.

### Micro, Small, and Medium Enterprises (MSME)

#### MSME summary and staffing

The Bank's staff who serve MSME clients are spread throughout the Corporate Banking Departments, with the majority of the staff working in the Business Banking Department, with total staff of 26 employees at the end of 2023. SAIB actively throughout the year participated in MSME initiatives, including:

- Sponsorship and participation in BIBAN 2023 Exhibition and Conference.
- Sponsorship and participation in NIDL's 1K MILE Competition initiative.
- Financing Awareness Campaign in cooperation with The SME General Authority "Monshaat".

#### Quantitative Disclosures

The following tables summarize the key financial information for the Bank's credit facilities provided to the MSMEs during year 2023 and 2022.

#### 2023 SAR'000

	Micro	Small	Medium	Total
Loans to MSMEs-on Balance Sheet (B/S)	88,100	2,797,952	5,550,501	<b>8,436,553</b>
Loans to MSMEs-off Balance Sheet (Notional amount)	1,616	242,903	1,502,087	<b>1,746,606</b>
On B/S MSMEs Loans as a % of total on B/S loans	0.11%	3.43%	6.82%	<b>10.36%</b>
Off B/S MSMEs position as a % of total off B/S position	0.01%	1.61%	9.93%	<b>11.55%</b>
Number of loans (on and off B/S)	12	193	607	<b>812</b>
Number of customers for loans (with Credit Facility Limit)	10	107	214	<b>331</b>
Number of loans guaranteed by Kafalah program (on and off B/S)	1	20	40	<b>61</b>
Amount of loans guaranteed by Kafalah program (on and off B/S)	3,110	48,315	187,165	<b>238,590</b>



2022 SAR'000

	Micro	Small	Medium	Total
Loans to MSMEs-on Balance Sheet (B/S)	259,760	1,559,675	4,873,396	<b>6,692,831</b>
Loans to MSMEs-off Balance Sheet (Notional amount)	133,507	281,533	932,335	<b>1,347,375</b>
On B/S MSMEs Loans as a % of total on B/S loans	0.37%	2.22%	6.95%	<b>9.54%</b>
Off B/S MSMEs position as a % of total off B/S position	1.09%	2.30%	7.63%	<b>11.02%</b>
Number of loans (on and off B/S)	534	446	689	<b>1,669</b>
Number of customers for loans (with Credit Facility Limit)	14	97	204	<b>315</b>
Number of loans guaranteed by Kafalah program (on and off B/S)	-	40	54	<b>94</b>
Amount of loans guaranteed by Kafalah program (on and off B/S)	-	182,097	171,240	<b>353,337</b>



### The Saudi Investment Bank Signs An MOU With Drahim App

The Saudi Investment Bank signs an MOU with Drahim App to cooperate in Open Banking financial services.



## Risk Management

The complexity of today's financial services sector in a globalized economy requires the identification, measurement, aggregation, and effective management of risks, including an efficient allocation of regulatory capital to support the balance sheet and derive an optimal risk and return ratio. The Bank endeavors to:

- Ensure that significant and measurable risks are identified, quantified and managed proactively;
- Enhance risk adjusted returns and provide financial comfort and stability to our many customers and other stakeholders.

The Bank's stakeholders including regulators and rating agencies also expect the Bank to have a clear and well-documented risk management framework in place that addresses the various dimensions of the Bank's business.

The Bank has comprehensive policies dealing with all aspects of risk management. The Board Approved Risk Management Policy Guide is the overarching policy document prepared in conformity with SAMA guidelines which covers in depth, the risks the Bank is exposed to in the pursuit of its business. It also describes the risk governance structures and risk management policies in place for the management, monitoring and control of the risks through the Board Approved policies such as Risk Appetite Framework Policy, Credit Policy Guide and the Treasury Policy Guide, Stress Testing Policy, Internal Capital Adequacy Assessment Plan Policy, Operational Risk Management Framework and Policy, and Cybersecurity Policy among others.

The Bank manages its risks in a structured, systematic, and transparent manner through a broad-based Risk Appetite Framework (RAF) approved by the Board of Directors that incorporates a comprehensive risk management into the Bank's organizational structure, risk measurement, and monitoring processes thereon. The Bank's RAF is aligned with the Bank's strategy, business planning, capital planning, policies and various other documents approved by the Board. The Bank's RAF is in compliance with the Financial Stability Board's "Principles for an effective Risk Appetite Framework" dated November 18, 2013, as adopted by SAMA.

The Bank's RAF includes the following key characteristics:

- The nature of risks to be assumed as a result of the Bank's strategy;
- The maximum level of risk at which the Bank can operate (Risk Capacity) and the maximum level of risk it should take (Risk Appetite);
- The maximum level of other quantifiable risks that should be considered (Other Risk Limits);
- The desired balance of risks versus returns by Business Line (Business Unit Risk Appetite measurements);
- The desired risk culture, compensation programs, business continuity management, information technology and cybersecurity risk, and the overall compliance environment of the Bank for a successful implementation of the RAF (Qualitative Reporting).

The Bank's Board is also responsible for establishing Corporate Governance processes in addition to approving and implementing other required policies to ensure compliance with SAMA guidelines, accounting and reporting standards, and best industry practices including Basel guidelines.

The Bank's Board approved "IFRS 9 Governance Framework Policy" addresses the Bank's IFRS 9 Approach and Methodology Policy, which is supplemented with additional management level policies including an IFRS 9 Data Management and Control Framework Policy, and the IFRS 9 Governance Framework along with related accounting and operating procedures.

The Board is supported by the Board Risk Committee, a sub-committee of the Board, responsible for reviewing and subsequently recommending risk management policies and other documents for Board approval and for monitoring risks within the Bank. At the Management level, the Bank operates various committees including an Enterprise Risk Management Committee, a Credit Committee, and an Asset Liability Committee, which are responsible for various areas of risk management. A Management level Expected Credit Loss Committee linked to the Bank's IFRS 9 Governance and Framework Policy is responsible for all aspects of IFRS 9 including the determination of expected credit loss calculations and provisioning levels.



Other Management level committees include the Operational Risk Management Sub-Committee, Business Continuity Management Sub-Committee, Cybersecurity Security Steering Committee, and the Structured Solution Approval Committee.

The Bank has a Risk Management Group headed by the Chief Risk Officer where the Risk Management Function is segregated into various departments / sub-divisions such as; Risk Analytics and Monitoring, Retail Risk Management, Market Risk Management, Credit Risk Review, Financial Restructuring, Cybersecurity, Operational Risk Management, Special Credit Unit, Legal Affairs, Retail Collection, Credit Administration, and Anti-Fraud, Anti-Bribery and Corruption.

In addition to the above, the Bank's Internal Audit Function Reports to the Audit Committee of the Board of Directors and provides an independent validation of business and support units' compliance with risk policies and procedures and the adequacy and effectiveness of the risk management framework on a Bank-wide basis.

The following provides a description of the Bank's significant risks including how the Bank manages these risks:

#### **Credit Risk**

Credit Risk arises from the potential that a borrower or counterparty will fail to meet its financial obligations to the Bank. The exposure to credit risk arises primarily from loans and advances, investments, and due from Banks and other financial institutions. Credit risk is also present in off-balance sheet financial instruments such as Letters of Credit, Acceptances, Guarantees, Derivatives, and Commitments to extend credit.

The Bank has a comprehensive framework for managing credit risk which includes an independent credit risk review function and credit risk monitoring process. The Bank assesses the probability of default of counterparties using internal rating tools. This is supplemented by external ratings assigned by the major rating agencies, where available.

In addition, the Bank has improved the overall credit risk control function by further investment in a post sanction review process to ensure credit underwriting standards are maintained.

#### **Real Estate Finance Risk**

The Bank's total outstanding residential real estate finance portfolio as of 31 December 2023 was SAR 2,859 Million. The Bank has developed adequate policies and procedures to ensure that the appropriate insurance coverage is in place to hedge against potential financial losses associated with residential real estate portfolio. However, risk elements which are not part of the insurance coverage are dealt with according to the Bank's internal risk management framework.

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

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

#### **Market Risk**

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

Commission rate risk arises from the possibility that changes in commission rates will affect either the fair values or the future cash flows of financial instruments. The Board of Directors has established commission rate gap limits for stipulated time periods. The Bank also routinely monitors its positions and uses hedging



strategies to ensure maintenance of positions within established gap limits.

Currency risk is the risk of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are independently monitored.

Equity price risk is the risk of a decrease in fair values of equities in the Bank's investment portfolio as a result of possible changes in levels of equity indices and the value of individual shares. The Board of Directors sets limits on the level of exposure to each industry, and overall portfolio limit, which are independently monitored.

#### Liquidity Risk

Liquidity risk is when the Bank may be unable to meet its net funding requirements when needed and at an acceptable cost. Liquidity risk can be caused by market disruptions or credit rating downgrades for the Bank, which may cause certain sources of funding to dry-up unexpectedly.

The Bank's Management carefully monitors the maturity profile of its assets and liabilities to ensure that adequate liquidity is maintained on a daily basis. In addition, the Daily Liquidity Coverage Ratio, Net Stable Funding Ratio, and the Loans to Deposit Ratio are monitored regularly and independently to ensure compliance with SAMA guidelines. The Bank also conducts regular liquidity stress testing under a variety of scenarios which covers both normal and more severely stressed market conditions. All liquidity policies and procedures are subject to review and approval by the Bank's Asset and Liability Committee.

#### Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events.

The Bank's Operational Risk Management Framework and Policy provides a Bank-wide definition of operational risk and lays down a framework through which operational risks are identified, assessed, monitored, and controlled. The key components of this framework include the Risk and Control Self-Assessment (RCSA),

Key Risk Indicators (KRIs), Scenario Analysis, and Incident Management, which are comprehensively documented in the Bank's operational risk procedures.

Operational risks and respective controls across business and support units of the Bank are regularly monitored through RCSA exercises, close monitoring of agreed action plans emanating from the RCSA exercises, and establishing an Operational Risk Appetite for the Bank. In addition, operational risk losses incurred by the Bank are analyzed for defining corrective actions to eliminate or minimize similar losses in the future. Global major operational loss incidents across the Banking industry are also duly analyzed to assess expected impact in case similar incidents are experienced by the Bank. The Bank's KRIs cover all the business and support units to facilitate proactive monitoring and management of operational risks.

#### Cybersecurity Risk

The Cyber and Information Security Risk landscape continues to be dynamic and challenging. The Bank proactively addresses on-going Cyber Security challenges and deploys dynamic defenses using multiple countermeasures for prevention, detection, and response. Various security measures are deployed using the defense in-depth and multilayer security principle to ensure the effectiveness of the Bank's overall security posture.

The Bank has also strengthened its existing governance structure by implementing industry best security practices that ensures confidentiality, integrity, privacy, and availability, which are treated as an integral part of all business and technical processes. Alignment of information security and business objectives are maintained through the implementation of the Cyber and Information Security Strategy, which is supervised and monitored by the Cyber Security Steering Committee. Also, the Bank is continuously enhancing the security culture through various awareness and training programs targeting staff and customers.

Security assurance assessments are regularly performed on the Bank's systems and applications to ensure business services are secure and reliable. Furthermore, the Bank conducts independent internal and external audits by reputable vendors to



ensure the effectiveness of implemented security controls and compliance with regulatory and international standards such as the SAMA Cyber Security Framework (CSF), National Cybersecurity Authority (NCA), SARIE, SWIFT and Payment Card Industry and Data Security Standard (PCI DSS), The result of the audit exercises evidences ongoing compliance with regulations and security standards and shows that the Bank's security posture is aligned with industry best practice.

The Bank has a 24/7/365 Security Operation Center (SOC) which continuously monitors and responds to cyber security threats and attacks in a timely manner, moreover SOC is continuously maturing its defense mechanism by using Cyber Threat Intelligence (CTI). As a result of implemented security measures, the Bank has maintained system and data integrity in the face of ongoing cyber-attacks targeting the Middle East and Saudi Arabia with no cyber and information security related downtime or operational losses incurred during 2023.

#### **Anti-Fraud, Anti-Bribery and Corruption**

Financial crimes are considered a significant risk for financial institutions and related stakeholders (which include customers, staff, shareholders, vendors, counterparties etc.). Occurrence of such crimes can have significant negative financial and reputational impacts.

Measures against financial crimes (including frauds, bribery and corruption) are managed by the Anti-Fraud, The Anti-Bribery and Corruption. The Anti-Fraud, Anti-Bribery and Corruption continuously enhances the Bank's fraud risk policies and procedures in response to emerging trends and regulations for financial crimes against financial services businesses. Relevant and contemporary measures have been put in place to ensure detection, prevention, monitoring and reporting of financial crimes against the Bank and its stakeholders.

#### **Business Continuity Management**

The Bank recognizes the importance of planning for Business Continuity. An effective Business Continuity Plan (BCP) helps in managing serious disruptive incidents in a controlled, timely and structured manner.

There are wide number of threats surrounding every business in the world. Natural and environmental disasters, biological diseases, political issues and economical challenges are all risks threatening the Bank's ability to continue delivering its critical services. Business Continuity Management monitors the development of such threats and ensures the preparedness to manage and recover from any disruptive incident utilizing the alternative resources and recovery procedures which are regularly validated and tested.

Business Continuity Department (BCD) updated all the information related to business processes across the Bank, analyzed how their disruption will impact the Bank and set the priority of recovering Bank operation to ensure the effective response and recovery from incidents through business impact analysis (BIA) report. Additionally, BCD enhanced the capacity of Business Continuity sites to align with latest emergency requirements identified by business units within SAIB BIA.

In addition, BCD successfully passed the ISO 22301 audit for 2023. This certification confirms that the bank's BCM program meets the international standards and local regulations for ensuring the resilience and recovery of its critical operations.

During 2023, the Bank further strengthened its incident and crisis management capabilities by completing various detailed tests on different occasions. Emergency Response Team and Crisis Management Team have tested the Bank's crisis management plan by simulating a crisis of having a major fire incident affect the HQ and the datacenter. The test was successfully accomplished showing the importance of having well-maintained business continuity plans and recovery procedures, also indicated the readiness of the Bank recovery capabilities to deal with such an extreme scenario.

Further tests were conducted for Business Continuity Plans and IT Disaster recovery plan which were successfully completed, and ensured the readiness of disaster recovery data center and business continuity sites to handle the critical Bank operations. In addition, the bank conducted a remote work test to ensure that the bank readiness to work remotely from the head office. The Bank also proved the resiliency against critical third party



failures by successfully conducting numerous tests simulating the scenario of losing (SMS, Internet or power) service providers through implementing alternative recovery plans.

Call tree test was also conducted to ensure that the bank staff are accessible in a timely manner in case of an incident or crisis.

Business Continuity Department extended its training and awareness efforts to include the critical third parties by sharing a training material explaining their obligations and responsibilities to SAIB. Along with holding awareness sessions for all SAIB's staff to further enhance their knowledge in Business continuity field and illustrate their roles and responsibilities during incidents and crises.

The Bank will continue to comply with the requirements of SAIB's Internal Audit, SAMA BCM framework and remain certified with the requirements of ISO 22301. In addition to further enhance its capabilities to respond to major disruptive incidents that may require the activation of its continuity and emergency environments in the DRC for IT systems or its Business Continuity Sites by applying multiple testing scenarios in the coming year.

### Information Technology Transformation Strategy

In 2023, Information Technology Group (ITG) completed the implementation of the main projects and initiatives resulted from bank's three-year strategy and bank transformation programs, ITG is now planning to kickoff new IT strategy for the next four years with main focus on alignment with business objectives resulted from the business strategy, IT modernization and IT digital capabilities enhancements. IT will also continue to focus on enabling flexible infrastructure and innovative business solutions to meet increasing business demands, rising cost of capital, compliance with more stringent local and international regulatory requirements, and the Board of Directors mandate to support long term sustainability and effective governance.

ITG also continued the focus on completing the IT strategy related projects which aim to define the digital and strategic moves for better enablement

and alignment with business strategy for the bank. ITG has completed the following during 2023:

- Complete the migration of credit card solution from outside KSA to be hosted within the bank premises and build new credit card services on top of the new card management system.
- Successfully completed the SAMA mandated DR testing with an excellent record in the recovery time.
- Complete the open banking strategy with consultation firm and finalize the open banking initiatives and roadmap in response to open banking new regulation.
- Launch the new VISA infinite credit card
- Enable Mada-Pay for SAIB credit cards
- Complete the certification and readiness to launch Samsung pay
- Introduce the new cyber fraud hunting system that detect suspicious activities and protect the customers from cyber fraud initiated by all digital channels.
- Complete the integration of cyber fraud system with the transactional fraud systems to build more advanced fraud detection and protection capabilities.
- Complete the IBOR to RFR Migration of all IRS (Interest Rate SWAPs) transactions and migrating OTC (Over the Counter) bilateral trades under LCH (London Clearing House) settlements
- Enhance the agent banking offerings with Virgin mobile to add new financial services and resolve technical and operational issues with FriendiPay services.
- Complete the adaption of the cloud native infrastructure with high availability setup and start launching new applications on top of this new infrastructure which will bring the benefit of cloud computing scalability and ease of service delivery.
- Implement new credit engine for personal loans for better controls on the credit scoring model and quick time to market for credit scoring updates
- Implement a new Identity Access Management solution to control and monitor bank users access and roles.
- Extended the robotics usage across multiple processes in the bank for example, handling SAMA care processing within the bank





departments, different type of reconciliation processes, replace manual repeated activities, process the financial disputes and violations requests.

- Complete the implementation of phase two for the ITSM (IT service management) solution that covers the assets management and other ITSM services.
- Complete major technology upgrades for bank systems and applications (Virtual desktops infrastructure upgrade, standalone dialers upgrades. Rabbit hole upgrade, RMA upgrade, IVR recording system upgrade, patch management upgrades and more...)
- Complete major upgrades for banking operations applications (SWIFT Standards 2023 GTX Upgrade, SWIFT incoming for Trade, SWIFT ISO2022 CBPR plus, GT match upgrade, SAMA deduction, FILE-ACT SWIFT and GTX, SWIFT STP based on currency rates).
- Automate major internal processes within the bank (incentive letters workflow, guarantor screening, contracts approval process, event management, Tanfeeth payment approval, incidents investigations process and more).
- Implement full IT Asset Management and IT Risk Management functions, and formalized many other processes in compliance with SAMA ITGF
- Enhance the internal IT system performance and availability (EOD automation, SADAD service availability during EOD, ERP integration with HR system, Services availability monitoring dashboards)
- Enhance the IT security operations by implementing new tools.
- Create new high-performance infrastructure environment for critical production services to improve service quality
- Finalize the API management platform on top of modern microservice architecture and automate the fintech onboarding process.
- Introduce the new IBM middleware that run on top of cloud native architecture and start the services migration from the old middleware.
- Launch the new board appraisal portal to automate the board appraisal process.

### Business Segments

In 2023, the Bank achieved a number of key milestones. The Bank continued developing products and services for its different segments in pursuit of fulfilling our customers' needs and expectations.

The Bank is managed on a line-of-business basis. Transactions between business segments are conducted on normal commercial terms and conditions through the use of funds transfer pricing and cost allocation methodologies.

The Bank has three significant business segments, each of which is described below.

### Personal Banking Group

Individual customers in SAIB are handled by Personal Banking, offering full suite of products and services under the umbrella of deposits and financing. Customers have a wide variety of financial products to choose from, depending on their needs, whether they want to invest their funds to gain profits or borrow in case of liquidity crunch. Apart from offering various deposit products including Current Account, Savings Account, Murabaha Deposit, Time Deposit etc. and number of financing products including Personal Finance, Home Finance, REDF products etc. customers are also offered a range of card products which include Credit Cards, Travel Card, Shopping Card, Household Card, Student Card, Mada Debit Card etc. to cater to all customer segments and requirements. Customers have the choice of availing these products and services either through SAIB's branches across the Kingdom or through digital channels consisting of Internet Banking, Mobile Banking, ATMs, Interactive Teller Machines (ITMs) and Call Center or Telesales.

### Corporate Banking Group

The Corporate Banking Group serves the financial needs of a range of business establishments from micro, small, and medium enterprises (MSMEs) to large corporate entities. The Group operates from three regional headquarters based in Riyadh, Jeddah, and Al-Khobar along with separate Business Segments covering Syndications, Project, and Structured Financing to provide tailor-made financial solutions and customized structures to an array of economic sectors.

Offerings span both conventional and Sharia compliant products and services and include facilities related to working capital, contract, project, real estate, and capital expenditure financing, while supporting businesses with trade finance, cash management, and treasury services requirements. It continually strives to increase the



range and quality of the Bank's product and service offerings to meet customers' evolving needs and expectations.

The Corporate Banking Group also provides ancillary business products and solutions to its customers, constantly liaising with cross-functional stakeholders and continues its focus and robust pursuit of enhancing the customer journeys by achieving higher levels of digitalization.

The Group has also undertaken strategic initiatives to align the business model to support the Saudi Government's Vision 2030 goals as it looks forward to continuing business growth and maximizing opportunities in the coming year.

#### Treasury and Investment Group

Treasury and Investment Group is responsible for the Bank's Asset-Liability management including interest rate, Liquidity and market risks as well as liquidity funding management. It also manages foreign exchange trading, structured products, as well as managing the Bank's Investment portfolio and derivative products.

Treasury and Investment Group also manages the Bank's Financial Institution, Strategic partnerships and Public Institution relationships.

#### Customer Programs

The Bank offers 3 key customer segment programs, based on a variety of factors consisting of salary, average balance or instant deposit of customers. Each segment is unique in its offering and offers hosts of benefits for customers.

Apart from the above, the Bank also offers an exclusive program for its high net-worth customers under the Private Banking program.

#### Silver, Gold and Platinum Customer Programs

Depending on the lifestyle needs of customers, the Bank offers 3 key segments for its Personal Banking clients which include Silver, Gold and Platinum segment programs. While Silver is for entry level customers, Gold and Platinum are specifically for a higher class of customer segments, offering exclusive services tailored to their financial requirements.

#### Private Banking

The Private Banking program offered by the Bank is the most exclusive program, offered to the high net worth segment of customers. The high-class services are offered through a highly skilled team of dedicated Relationship Managers who are there to assist the clients in all their financial requirements.

#### Digital Services

The Bank has been in the forefront of introducing various innovative services and products to its customers in order to provide a friendly digital banking experience that aligns with the Bank's strategy in digitalization. Accordingly, the Bank has introduced new technologies, channels, and services to meet the increasing business demands, which have positively impacted overall customer experience.

In addition, there have been several services and enhancements introduced to customers during 2023 including:

- Complete the open banking requirements for the account information services and finalize the integration with four fintech companies approved by central bank.
- Launch the new remittance services via Moneygram for bank channels (Retail internet banking and prepaid internet banking).
- Enhance the online account opening to authenticate the customers via the new nafath app and enhance the customer experience to expedite the account opening process.
- Upgrade the corporate multi-currency product to enable SADAD & MOI payments via Mada/ Visa cards and enhance the spending controls & management.
- Migrate the ecommerce authentication service 3DS to local service provider instead of hosting outside KSA as per central bank recommendation.
- Enable fingerprint service at all KIOSK machines to modernize the process and protect the customer from possible fraud attacks.
- Implement the new digital service Ehsan donation that enable the bank customers to donate to Ehsan charity.



- Add the new digital service “request to pay” that enable the customer to request funds from any other customers in all local banks.
- Add the new digital service “account validation” that enable the customer to validate the beneficiary account before performing the fund transfer.
- Add the new digital service “panic button” to protect the customers from fraud attacks, this service enables the bank customers to report fraud attack immediately and perform temporarily block of all accounts & cards
- Add the new digital service “account finder” that enable the bank customers to verify all their existing accounts in any local bank.
- Enhance the corporate internet banking by adding new Admin functions that enable the company admin to fully manage the user’s privileges.
- Enhance the corporate internet mobile app by adding all types of transfers, bill payments and refund services, beneficiary management and many other financial transactions.
- Enhance the corporate internet banking channels with new services that allows the corporate to view, establish, modify and delete balance (sweep) orders
- Enhance the corporate internet banking channels with new services to view, establish, modify and delete standing orders between their own accounts or another account within SAIB.
- Complete revamp of UI/UX of the existing corporate internet banking channels Web and Mobile.
- Complete the integration of retail and corporate internet banking channels with the new cyber fraud detection and prevention system.
- Enhance the mortgage portal to add market place solution that enable the customers to go through the developers housing offering and automate and integrate with existing customer journey.
- Enhance the bank loyalty offering by the integration with STC Qitaf and Skyworld loyalty programs.
- Launch digital and marketing campaigns for different products and services.

As digital business development grows in Saudi Arabia, the Bank continue to work on new and innovative FinTech-based initiatives to enable digital payment services.

#### **Branch network and related services**

As of December 31, 2023, the Bank has 51 branches and operates a network of 379 ATMs and Interactive Teller Machines throughout Saudi Arabia. The Bank also operates more than 11,000 Point of Sale (POS) terminals.

#### **Personal Banking Assets and Liabilities – Islamic and Conventional**

While the strategic direction for Personal Banking is to offer Sharia compliant products, as per the requirements of customers, the Bank does offer conventional products at a limited scale as well through its 3 conventional Banking branches.

#### **Subsidiaries and Associate Companies**

The Bank has three wholly-owned subsidiaries as follows:

- Alistithmar for Financial Securities and Brokerage Company (ICAP), which offers brokerage, asset management, investment Banking and other services in the Kingdom of Saudi Arabia. ICAP is a closed Joint Stock company with a total capital of SAR 250 million and no debt instruments issued. The Company provides brokerage services, investment management services to mutual funds and private portfolios, custody services and investment Banking advisory services. Assets under management totaled SAR 31,741 million as of December 31, 2023, of which SAR 13,306 million is considered Sharia approved.



- The Saudi Investment Real Estate Company in the Kingdom of Saudi Arabia. The total capital of the Company is SAR 500 thousand, with no debt. The primary purpose of the Company is to hold title deeds as collateral on behalf of the Bank for real estate related lending transactions.
- SAIB Markets Limited Company, was registered as a limited liability company in the Cayman Islands in July 2017 with a total capital of SAR 187.5 thousand, and no debt instruments issued. The objective of this Company is trading in derivatives and Repo activities on behalf of the Bank.

The Bank also has investments in three associate companies in Saudi Arabia as follows:

- American Express (Saudi Arabia) - (“AMEX”), is a Saudi closed joint stock company. The total capital is SAR 100 million and the Bank holds a 50% interest. The principal activities of AMEX are to issue credit cards and offer other American Express products and services in Saudi Arabia.
- Yanal Finance Company (“Yanal”). Yanal is a Saudi closed joint stock company in Saudi Arabia. The total capital is SAR 550 million, and the Bank holds 38% of the outstanding shares. The primary business activities of Yanal include providing lease financing services in Saudi Arabia.
- Amlak International Finance Company (“Amlak”). Amlak is a Saudi joint stock company with a total capital of SAR 906 million. The Bank holds 22.41% of the outstanding shares. Amlak offers Sharia-compliant real estate financing, SME financing, and consumer financing in Saudi Arabia.

### Credit Ratings

Credit ratings are an integral component for participation in the international financial markets. As the global economy becomes more integrated, credit ratings are necessary not only to ensure funding and obtain access to capital markets, but also to demonstrate a commitment to meeting a high level of internationally recognized credit and risk management standards and disclosure requirements.

During the year, the Bank continued its program of rating reviews with Standard & Poor’s Ratings Services (S&P), Moody’s, and Fitch Ratings. A summary of the Bank’s current ratings follows:

Credit Rating Agency	Long-Term	Short-Term	Outlook
Moody’s	A3	P-2	Positive
S&P	BBB	A-2	Positive
Fitch	A-	F2	Stable

The Bank’s ratings are the result of our financial performance, asset quality and capitalization levels, supported by a stable strategy and adequate liquidity profile. Our ratings take into consideration the fact that the Bank operates in one of the strongest Banking sectors and best regulated markets in the Middle East. The ratings also reflect Saudi Arabia’s sovereign credit ratings from Moody’s, Fitch, and S&P in addition to the country’s economic fundamentals, adherence to BIS norms, and G20 alignment.



### Compliance Group

The Compliance Group ensures the Bank's compliance with all applicable laws and regulations issued by local and international regulatory bodies, and therefore plays an essential role to preserve the integrity and reputation of the Bank.

Compliance is a culture and it is everyone's responsibility starting with the Board and Executive Management and reaching out to all staff members within the Bank. A strong compliance culture is an integral part of the Bank's day-to-day business and operational activities.

The Main Roles and Responsibilities of the Compliance Group include:

- Supporting: Senior Management on implementing compliance practices.
- Circulating: the laws and regulations issued either by SAMA or by other regulators submitted through SAMA and monitoring the compliance on implementation.
- Organizing responsibilities: through the Compliance Policy to all Bank's Departments' roles.
- Advisory: Compliance identifies regulatory risks that the Bank faces and provides advice to help mitigate such risks. It also resolves compliance related issues as they arise and advises business units to overcome these issues.
- Guidance and Awareness: on preparing periodic training sessions and circulating frequent awareness communications to ensure that all employees are up to date with the relevant regulators' rules and regulations to mitigate the risk.
- Identifying measures, and assessing the risk of non-compliance: related to the followings:
  - Bank's activities (regulation risks, financial risks, reputation risks and/or strategic risks).
  - Products, services, on boarding relationships and/or major updates on current relationships.
  - Indications of increasing customer complaints, fraud cases, notifications and/or increasing penalties.
- Assessment: by designing and helping in implementing controls to protect the Bank from regulatory risks and reputational risks. Compliance is one of the Bank's key success factors in protecting the Bank's reputation and credibility as well as safeguarding shareholders' and depositors' interests by:
  - Managing regulatory risks and avoiding financial penalties due to violations and/or unmanaged changes to rules and regulations.
  - Reviewing the standard operating and accounting procedures, products, services, forms, contracts and agreements to ensure they are in line with latest laws and regulations governing related business segments.
  - Assessing new laws and regulations and providing guidance on their implementation and advising lines of business on regulatory matters.
  - Ensuring effective controls are in place to protect the Bank from violating applicable rules and regulations.
- Monitoring: Compliance conducts periodical reviews of business areas to ensure that the effectiveness of controls is adequate. The Compliance monitoring function also generates necessary reporting that highlights all identified gaps and assesses the level of Compliance across the Bank.
- Correspondence: The Compliance function handles incoming and outgoing communications with regulatory bodies, ensures the Bank is represented appropriately, and assists in obtaining regulatory approvals for products, services, campaigns, and all other requests that are subject to regulatory no-objections.
- Compliance Program: Compliance clarifies roles and responsibilities from a regulatory perspective through implementing policies, procedures, non-compliance risk assessment and employees' awareness on a risk-based approach.



- Communication: Correct representation of the Bank with regulatory bodies through handling correspondence, and helping to obtain needed approvals related to products, services, campaigns and/or any other related no-objection requirements.
- Whistleblowing: As part of Compliance role, all raised reports related to violations and noncompliance are taken into consideration with extreme confidentiality, and would be handled according to the Bank's Policies and Violation Reporting Guidelines issued by SAMA.
- Handling and managing Self-Supervision unit requests in a timely manner and providing all required documents to SAMA.

#### **Anti-Money Laundering and Counter Terrorist Financing Department**

The Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) Department is an independent department that reduces the risk of money laundering and terrorist financing in addition to Anti-Concealment by setting the Bank's AML and CTF programs, and policies and procedures to comply with local and international standards.

The responsibilities of the AML and CTF Department include:

- Monitoring and identifying suspicious transactions, performing investigations, classifying suspicious activities, and reporting them to the General Administration of Financial Investigation.
- Reviewing products and services from a regulatory view point and following a risk based approach.
- Ensuring that enhanced due diligence is applied in all cases warranted to mitigate AML exposure.
- Monitoring and managing high risk accounts and related activities.
- Maintaining a sanction system and related controls.
- Identifying hits which require additional due diligence.
- Ensuring hits/alerts are handled in accordance with defined procedures and meet the standards for both quality and timelines.

- Monitoring and assisting in the resolution of complex issues.
- Response to official authorities directives and inquiries related to customer accounts.
- Preparing necessary technical reports in a timely manner and providing all required documents to SAMA.

#### **Human Resources Group**

The Bank has always invested in people development and engagement as a key strategic driver for the Human Resources. This forms a building block for the success of the Bank through the years.

#### **Saudization and employee development**

The Bank continues to invest in the employment and development of Saudi talents. As of December 31, 2023, the Saudization ratio was 92% with female staff representing 24% of the workforce. Around 85% of staff have received formal training and the Bank has offered eLearning modules via the learning management system to all staff.

#### **Employee Benefits**

Benefits payable to employees at the end of their services are accrued in accordance with guidelines set by the Saudi Labor Regulations and as per the Bank's accounting policies. The amount of provision made during the year ended December 31, 2023 for employees' end of service benefits was SAR 35.6 million. The balance of the accrued benefits outstanding is approximately SAR 248.9 million as of December 31, 2023.

In addition, the Bank grants to its eligible employee's other types of security and savings plans that are based on mutual contributions by the Bank and the employees. These contributions are paid to the participating employees at the respective maturity date of each Plan. The amount of provision made during the year ended December 31, 2023 for these plans was approximately SAR 56.0 million.



### Related Party Transactions

In the ordinary course of its activities, the Group transacts business with related parties. Related parties, balances, and transactions are governed by the Banking Control Law and other regulations issued by SAMA.

The Bank's related party identification and disclosure of transactions complies with the guidelines issued by SAMA, and has been approved by the Bank's Board of Directors. These guidelines include the following definitions of related parties:

- Management of the Bank, their relatives and/or their affiliated entities;
- Principal shareholders of the Bank and/or their relatives;
- Affiliates of the Bank, entities for which the investment is accounted for using the equity method of accounting, their management and relatives;
- Trusts for the benefit of the Bank's employees such as pension or other benefit plans that are managed by the Bank; and
- Any other parties whose management and operating policies can be directly or indirectly significantly influenced by the Bank.

Management of the Bank includes those persons who are responsible for achieving the objectives of the Bank and who have the authority to establish policies and make decisions by which those objectives are pursued. Management therefore includes the members of the Bank's Board of Directors, CEO, GMs, their deputies, CFO, Managers of key departments, officers of risk management, Internal audit, and Compliance functions, and similar positions in the Bank, in addition to incumbents of any other positions determined by SAMA.

Principal shareholders include those owners of record of more than five percent of the Bank's voting ownership and/or voting interest of the Bank.

Relatives include spouses, children, parents, grandparents, siblings, grandchildren, and offspring to whom a member of management of either the Bank, principal shareholder, or affiliate, might control or influence or by whom they might be controlled or influenced, because of the family relationship.



### Honoring the Saudi Investment Bank

His Excellency the Minister of Commerce honors The Saudi Investment Bank for sponsoring Biban 23 Forum



### Related Party Balances

The balances as of December 31, 2023, resulting from such transactions included in the consolidated statement of financial position are as follows:

	SAR'000
<b>Management of the Bank, their relatives and/or their affiliated entities:</b>	
Loans and advances	155,377
Customers' deposits	1,135,008
Tier 1 Sukuk	25,300
Commitments and contingencies	1,360,983
Investments	249,900
<b>Principal shareholders of the Bank and/or their relatives:</b>	
Customers' deposits	4,945,712
Tier 1 Sukuk	50,000
<b>Affiliates of the Bank, entities for which the investment is accounted for using the equity method of accounting, their management and relatives:</b>	
Loans and advances	1,500,906
Customers' deposits	1,048,678
Tier 1 Sukuk	10,000
Commitments and contingencies	455,794
<b>Trusts for the benefit of the Bank's employees such as pension or other benefits plans that are managed by the Bank:</b>	
Customers' deposits and other liabilities	325,176

### Related party transactions

Income and expense for the years ended December 31, 2023, pertaining to transactions with related parties included in the consolidated statement of income are as follows:

	SAR'000
<b>Management of the Bank and/or members of their immediate family:</b>	
Special commission income	40,223
Special commission expense	46,811
Fee income from Banking services	63
Other expenses	51,765
<b>Principal shareholders of the Bank and/or members of their immediate family:</b>	
Special commission expense	132,101
Rent and premises-related expenses (Building rental)	7,758
<b>Affiliates of the Bank and entities for which the investment is accounted for by the Equity method of accounting:</b>	
Special commission income	203,997
Special commission expense	36,968
Fee income from Banking services	266
Other income	7,891
Other expenses	8,408
<b>Board of Directors and other Board Committee member remuneration</b>	<b>10,574</b>





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The Saudi Investment Bank



**The Saudi Investment Bank is the Official Partner of Real Madrid Club**

The Saudi Investment Bank has signed an agreement with Real Madrid to be the club's official partner



**Visa Honors the Saudi Investment Bank**

Visa honors The Saudi Investment Bank for registering the world's highest spending volume in its class for 2022-2021

## The Board of Directors and Board Committees

### Composition of the board of directors

The Bank's Board of Directors (Board of Directors) acts as a supervisory body for the Bank's management, including providing leadership, strategy, providing guidance to management, assessing opportunities and risks, and establishing controls that limit and mitigate the risks to which the Bank is exposed. The Board of Directors also oversees the bank's governance, risk management

and compliance. The current members of the Board of Directors consist of nine members, headed by Mr. Abdullah Saleh Jum'ah Al-Dawsari.

### Board members

The names of the members of the Board of Directors, Board Committees, and their classification, qualifications, and experience as follows:



**Mr. Abdullah Saleh Jum'ah Al-Dawsari**  
 Non-Executive Member (Chairman)

**Current job:**  
 Retired

#### Previous jobs:

1. President and Chief Executive Officer – Saudi Aramco
2. Executive Vice President for International Affairs – Saudi Aramco
3. Senior Vice President for International Affairs – Saudi Aramco
4. Senior Vice President for Industrial Relations – Saudi Aramco
5. Vice President for Human Resources – Saudi Aramco
6. Director of the Electrical Networks Department – Saudi Aramco
7. Head of the Publication Department in the Public Relation Department – Saudi Aramco
8. Government Affairs Department – Saudi Aramco

#### Qualifications:

1. Business Management Program, Harvard University, Cambridge, USA
2. Bachelor of Political Science, American University, Beirut and Cairo

#### Current Memberships:

1. The Chairman - The Saudi Investment Bank
2. Board Member - Hasana Investment Company
3. Board Member - Saudi Arabian Mining Co. (MA'ADEN)
4. Co-Chairman - US-Saudi Arabian Business Council
5. Board Member - AlRa'idah Investment Company

#### Previous Memberships:

##### In Kingdom

1. Board Member – Saudi Aramco
2. Member of the Supreme Council for Petroleum and Minerals Affairs
3. Board Member – Saudi Aramco Mobil Refinery Co. Ltd. (SAMREF)
4. Board Member – Saudi Airlines Corporation
5. Vice Chairman – Zamil Industrial Investment Co
6. Board Member – Hassana Investment Company
7. Vice President of the International Advisory Board for King Fahad University of Petroleum and Minerals
8. Board member of the Supreme Economic Council
9. Board Member of Economic Cities and Special Zones Authority
10. Member of the Board of Ash-Shargiya Province Council

##### OOK (Overseas)

1. Board Member – S-OIL, South Korea
2. Board Member – Petron Corporate, Philippines
3. Board Member – Motor Oil Hellas, Greece
4. Board Member – Saudi Petroleum International, United States
5. Chairman of the Board – Motiva Enterprise, United States
6. Board Member – Halliburton Company, United States
7. Member – JP Morgan Chase & Co. Int. Advisory Council, United States
8. Advisory Board Member – Schlumberger Business Consulting, France
9. Advisory Board Member – Reliance int. India
10. The Chairman of – Vela International Marine Limited
11. Member of the Board of trustees of the American University in Cairo
12. Member of the Visiting Advisory Committee at MIT
13. Advisory Board member of Accountability, United States
14. Member of the International Business Council of the World Economic Forum



**Mr. Abdulaziz Al-Khamis**  
Non-Executive Member  
(Vice Chairman)

**Current job:**  
Retired

**Previous jobs:**

1. Investment Advisor, AlRa'idah Investment Co
2. Vice Governor for investment – Public Pension Agency
3. Director General for Financial Investment – Public Pension Agency
4. Fixed Income Chief Dealer, Investment Management Department – Saudi Central Bank
5. Assistant Chief Dealer, Investment Management Department – Saudi Central Bank
6. Senior Fixed Income Dealer, Investment Management Department – Saudi Central Bank
7. FX & Money Market Dealer Investment Management Department – Saudi Central Bank

**Qualifications:**

Bachelor of Economics, North-eastern University, Boston, USA

**Current Memberships:**

1. Vice Chairman – The Saudi Investment Bank
2. Vice Chairman – The Company of Cooperative Insurance (TAWUNIYA)
3. Board Member – Tabuk Cement Co
4. Board Member – The United Insurance Company, Bahrain

**Previous Memberships:**

1. Board Member – Petrochem
2. Board Member – Sipchem
3. Board Member – Saudi Polymer Company
4. Board Member – Gulf Polymers Distribution Company, UAE
5. CMA Advisory Committee Member
6. Asma Capital Partners, Bahrain – Investment Committee member
7. Asma Capital Partners, Bahrain – Chairman of the Steering Committee
8. Alinma Bank – Member of the Steering Committee
9. Committee member – Simah Rating Agency (Tassnief)



**Mr. Abdulrahman Al-Rawaf**  
Non-Executive Member

**Current job:**  
Business Man

**Previous jobs:**

1. General Manager of International Markets Hassana Investment Company
2. General Manager of Deposit and Bond Management Hassana Investment Company
3. Director of Investment Portfolio Management – General Organization for Social Insurance
4. Financial Analyst in the General Administration of Investment – General Organization for Social Insurance

**Qualifications:**

1. Master of Public Administration, University of Southern California
2. Bachelor of Science Business Administration, Arkansas State University

**Current Memberships:**

1. Board Member – The Saudi Investment Bank
2. Board Member – Qassim Cement Co.
3. Board Member – The Mediterranean and Gulf Insurance and Reinsurance Co. (MEDGULF)

**Previous Memberships:**

1. Board Member – The Industrialization and Energy Services Company
2. Board Member – Sahara Petrochemical Company
3. Board Member – Samba Financial
4. Board Member – Bank Aljazira
5. Board member Jabal Omar Development Company
6. Member of several committees (Audit, Executive Committee, Nominations and Rewards) in several other companies and Banks



**Mr. Mohammed Al-Greenees**  
Independent Member

**Current job:**  
Chief of Investment – Assila Investments

**Previous jobs:**

1. Head of Local Equity and Fixed income – Alraidah Investment Co.
2. Investment Portfolio Manager – Jadwa Investment Company
3. Head of Local Share Division – Alahli Capital Company
4. Investment Portfolio Manager – HSBC, Saudi Arabia

**Qualifications:**

Bachelor of Chemical Engineering, Kuwait University, Kuwait

**Current Memberships:**

1. Board Member – The Saudi Investment Bank
2. Board Member – Taiba Investment Company
3. Board Member – Derayah GCC Growth and Income Equity Fund
4. Board Member - Saudi Ceramic Co.
5. Audit Committee Member – Bin Laden International Holding Group
6. Audit Committee Member – Alhassan Shaker Company
7. Board Member – Ruyat Alwatan Holding Company
8. Board Member – Knowledge Economic City

**Previous Memberships:**

1. Board Member – Alinma Makkah Real Estate Fund



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**Mr. Yaser Al-Jarallah**  
Independent Member

**Current job:**

Chief Executive Officer and Co-Founder – Tharwaa Investment LLC – UAE

**Previous jobs:**

1. Co-Founder, PI Capital – USA
2. Chief Executive Officer and Co-Founder – Tharwaa Alkhaleej General Trading LCC-UAE
3. Co-Founder and Chief Executive Officer – Hadaf Aljazeera General Trading LLC-UAE

**Qualifications:**

1. Master of Economics, University of Southern California, USA
2. Bachelor of Economics, University of Southern California, USA

**Current Memberships:**

1. Chairman – Ash-Sharqiyah Development Company
2. Board Member – The Saudi Investment Bank
3. Board Member – Inma Medical Services
4. Co-Founder and Board Member – Tharwa Escan Inves

**Previous Memberships:**

1. Founder and Board Member – Metahq Takaful Insurance Company, UAE
2. Board Member – VC Bank, Bahrain



**Mr. Mohammed Bamaga**  
Independent Member

**Current job:**

Chief Executive Officer, ALQaryan

**Previous jobs:**

1. Chief Executive Officer, Information Technology – Saudi Airlines
2. Director of Information technology – Sadara
3. Managing Director – Accenture Middle East
4. Regional General Manager of information Technology – SABIC

**Qualifications:**

Bachelor of Management Information Systems from King Fahad University for Petroleum and Minerals, Saudi Arabia.

**Current Memberships:**

1. Board Member - The Saudi Investment Bank
2. Board Member – The Saudi Federation for Cybersecurity, Programming and Drones
3. Board Member – AlQarayan Group
4. Audit Committee Member – Area development programme

**Previous Memberships:**

1. Member of the Advisory Board, Computer Sciences College, King Fahad University for Petroleum and Minerals
2. Board Member and Chairman of Audit and Risk Committees – Dammam Airports Company



**Mr. Khaled Al-Rowais**  
Independent Member

**Current job:**

Retired

**Previous jobs:**

1. Senior Executive Advisor – Ma'aden
2. Vice President Phosphate – Ma'aden
3. Vice President, Finance and CFO – Ma'aden
4. Executive Director, Strategy and planning – Ma'aden
5. Treasury – Ma'aden
6. Director of Finance – SABIC
7. Division Head, Supervision of Islamic Banking Operations Department – Saudi Central Bank

**Qualifications:**

1. Bachelor of Accounting, King Saud University – Saudi Arabia
2. CPA, Colorado Society of CPAs – United States

**Current Memberships:**

1. Board Member - The Saudi Investment Bank
2. Board Member- SABIC Agri-Nutrients
3. Board member and member of Audit Committee – Hasana
4. Audit Committee Member – Saudi Electricity Company
5. Audit Committee Member – TAQA Company

**Previous Memberships:**

1. Chairman of the Board – Ma'aden Waad Shammal Phosphate Co.
2. Chairman of the Board – Ma'aden Phosphate Company
3. Board Member – Al Jazira Capital
4. Chairman of the Board – Ma'aden aluminum Company
5. Chairman of the Board – Ma'aden Barrick Copper Company
6. Chairman of the Board – Ma'aden Gold and Base Metal Company
7. Chairman of Audit Committee – National Petrochemical Company (PETROCHEM)
8. Board Member and Chairman of Audit Committee and Member of Strategy Committee – Middle East Paper Co. (MEPCO)
9. Audit Committee Member – The Company of Cooperative Insurance (TAWUNIYA)



**Mr. Abdullah Al-Zaben**  
Non-Executive Member

**Current job:**

Director General – Sultan Bin Abdulaziz Medical and Educational Telecommunications Program Company

**Previous jobs:**

1. Financial Resources Director – Sultan Bin Abdulaziz Al-Saud Foundation
2. Project Manager – The Arab Investment Company
3. Expert Assistant / Economic Researcher – Saudi Development Fund

**Qualifications:**

1. Master in Economics / Finance, University of Alabama – USA
2. Bachelor of Economics, College of Business Administration, Kind Saud university – Saudi Arabia

**Current Memberships:**

1. Board Member – The Saudi Investment Bank
2. Board Member – Mohammed Alali Alswailem for trading and Contracting

**Previous Memberships:**

1. Chairman of the Board – Alistithmar Capital
2. Board Member – Imar Al-watan Real Estate Investment Co.
3. Board Member and Vice Chairman – Arab Syrian Hotel and Tourism Co, Syira
4. Board and Executive Committee Member – International Hotel and Tourism Co, Egypt
5. Board Member – Batic Investment and Logistics Co.
6. Board Member – AlQassim Medical Services
7. Board Member – Saudi Health Investment Company
8. Board Member- Inmaeyah for Investment and Real Estate and Tourism Development
9. Board Member Baramjiyat for Computers
10. Board Member – the Founding Committee for Blood Plasma Separation Project
11. Board Member – Founding Committee for Jazan Medical Company
12. Board Member – Makkah Medical Centre



**Mr. Mohammed Al-Khalil**  
Non-Executive Member

**Current job:**

Business Man

**Previous jobs:**

1. Board Chairman Member and Chairman in several Companies working in real estate, investment, tourism, charity and social community committees

**Qualifications:**

1. Master in Business Administration, Colorado University – USA.
2. Bachelor of Computer Science Engineering, King Fahad University – Saudi Arabia

**Current Memberships:**

1. Board Member – The Saudi Investment Bank
2. Chairman – Al Mosafer for Travel and Tourism
3. Chairman – Lumi Rental Company
4. Board Member – Asagefah Business development Company
5. Chairman – Seera Holding Company
6. Chairman – Alujain Holding Company
7. Chairman of the Board Managers – FAD Investment and Development Company
8. Board Member – Akwaan Real Estate Company
9. Board Member – Arkan Steel Company
10. Vice Chairman – Cementra
11. Chairman of the Board Managers – Kanolli Food Industries Company
12. Board Member – Tatweer Buildings Company
13. Chairman of the Board Managers – Enwan Al-Makan for Real Estate dev. And Investment Co.
14. Board Member – Altahluf Real Estate Company
15. Chairman – Roa'a Al-Madina Holding Company
16. Chairman – National Petrochemical Industrial Company (NATPET)

**Previous Memberships:**

1. Board Member – Bilda Company for specialized commercial complexes
2. Board Member – Thakher Investment and Real Estate Development Company
3. Board Member – Riyadh Chamber of commerce cycle 16th

4. Board Member – Tatweer Education Holding Co.
5. Board Member – Manafea Holding Company
6. Chairman – Middle East Real Estate Company
7. Chairman of the Board Managers International Environment Service Co.
8. Chairman of the Board Managers – Keram for Development and Investment Company
9. Chairman – Unaizah Investment Company
10. Vice Chairman – Unaizah Alwaqfia Company
11. Board Member – AlMagar Development Company
12. Vice Chairman – Elite Hospital Company
13. Board Member – Alwedyan Real Estate Company
14. Chairman Board of Managers – National Real Estate Group Co.



## Audit Committee – non-Board Members

### Mr. Fayez Belal

Independent Audit Committee Member

#### Current job:

Director Finance and Accounting – PetroRabigh

#### Previous jobs:

1. Director finance & accounting – PetroRabigh
2. Chief Financial Officer – Saudi Aramco
3. Treasurer – Saudi Aramco
4. Chief Financial Officer – PetroRabigh
5. Senior Consultant – Finance Saudi Aramco
6. Finance Representative – Central & Western Regions Admin Area – Saudi Aramco
7. Various Professional Posts – Saudi Aramco

#### Qualifications:

Bachelor of Accounting, King Abdulaziz University KSA

#### Current Memberships:

1. Independent Audit Committee member – The Saudi Investment Bank

### Mr. Alma Saeed Al-Moter

Independent Audit Committee Member

#### Current job:

Technology & Functional Audit VP

#### Previous jobs:

1. Chief Audit Executive, VP – Solutions
2. Corporate and Business Audit GM – STC
3. Investment and Operations Audit GM – STC
4. Investment and Special Assignment Audit Director – STC
5. Process Transformation and Sustainability Senior Manager – NWC
6. Quality and Compliance Senior Manager – NWC
7. Financial Controller & Supervisor, Performance Auditing Department (GAB)
8. Performance Auditor – Performance Auditing Department (GAB)

#### Qualifications:

1. CRMA, Certification in Risk Management Assurance the IIA
2. CFE, Certified Fraud Examiner, the ACFE
3. CIA, Certified Internal Auditor, the IIA
4. Master of Commerce, Griffith University, Australia
5. Bachelor of Accounting, King Abdulaziz University

#### Current Memberships:

1. Committee Member – The Saudi Investment Bank
2. Audit Committee Member – Vision Development Holding Company
3. Chairman of the Audit Committee Samama Holding
4. Audit Committee Member – Tawal Company
5. Audit Committee Observer – STC Bahrain

### Mr. Bader Abdullah Al-Mazroua

Independent Audit Committee Member

#### Current job:

General Managers, Information Systems and Network Audit, STC

#### Previous jobs:

1. Director, Infrastructure Design and Implementation Dept. – STC
2. Director, IT Security Dept. – STC
3. Director, Data Network Services – STC
4. Section Manager, Network Implementation – STC
5. Project Manager, IT Security – STC

#### Qualifications:

1. Bachelor of Computer and Information Science, King Saud University

#### Current Memberships:

1. Audit Committee Member – The Saudi Investment Bank
2. Audit Committee Member – Agalat Company
3. Audit Committee Member – Intigral Company

#### Previous Memberships:

1. Audit Committee Member – Tawal Company
2. Audit Committee Member – Sirar by STC



## Sharia Committee – non-Board Members

### **Dr. Abdulrahman Abdulla Al-Saadi**

Chairman of the Sharia Committee - Independent

#### Current job:

1. Professor Islamic Banking and Finance Bahrain University
2. Sharia and legal advisor, general secretary of the Sharia council at the Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI)

#### Qualifications:

1. PhD in Comparative Jurisprudence “Alfiqh Almuqaran” From Higher Judicial Institute – Imam Muhammad Ibn Saud Islamic University – Riyadh
2. Master in Comparative Jurisprudence “Alfiqh Almuqaran” from Higher Judicial Institute – Imam Muhammad Ibn Saud Islamic University – Riyadh
3. Bachelor of Sharia from the College of Sharia Imam Muhammad Ibn Saud Islamic University – Riyadh

#### Current Memberships:

1. Chairman of the Sharia Committee – The Saudi Investment Bank
2. Member of Sharia Committee – Mozen Bank
3. Member of Sharia Committee – Fujairah National Bank
4. Member of Sharia Committee – J Equity Partners

### **Dr. Ibrahim Bin Abdullah Al-Lahim**

Independent Member of the Sharia Committee

#### Current job:

1. Teaching staff Member at the College of Fundamentals of Religion and Sharia at Qassim University

#### Previous Jobs:

Professor of the hadiths, the Qassim University

#### Qualifications:

1. PhD in the Sunnah of the Prophet specializing in financial transaction ruling from Imam Mohammed bin Saud Islamic University
2. Master's degree in the Sunnah of the Prophet specializing in financial transaction ruling from Imam Mohammed bin Saud Islamic University
3. Bachelor degree in Sharia, Sharia College, Al-Imam Muhammad Ibn Saud University, Riyadh, KSA

#### Current Memberships:

1. Sharia Committee Member – The Saudi Investment Bank

#### Previous Memberships:

1. Chairman of the Sharia Committee at MedGulf

### **Mr. Nasser Abdulrahman Al-Dawood**

Independent Member of the Sharia Committee

#### Current job:

Sharia and Legal Advisor

#### Previous job:

AGM Products Development – Corporate Sector Al Inma Bank

#### Qualifications:

1. Master's Degree in Fiqa from Imam Mohammad Ibn Saud Islamic University
2. Bachelor's Degree in Sharia from the College of Sharia, Imam Mohammad Ibn Saud Islamic University

#### Current Memberships:

1. Sharia Committee Member – The Saudi Investment Bank



## Senior Management

The names of the Senior Management of the Bank with their qualifications and experience follows:

### Mr. Faisal Al-Omran Chief Executive Officer

Mr. Al-Omran joined the Bank in 2007. Prior to his current position as CEO, Mr. Al-Omran was the Deputy CEO and prior to that Bank Treasurer and Chief Investment Officer. Mr. Al-Omran holds a Bachelor's Degree with Honours in Finance and Accounting from Northeastern University, and throughout his career he has attended various executive management courses at reputable institutions and universities including the London Business School and INSEAD.

### Mr. Salman Al-Fughom Deputy Chief Executive Officer

Mr. Al-Fughom joined the Bank in 2006 in treasury investments. Prior to joining the Bank, he was an investment analyst at the Saudi Central Bank (SAMA), where he worked for almost three years. Mr. Al-Fughom also held the position of Treasurer and Chief Investment Officer in 2017 before being promoted to Deputy Chief Executive Officer in 2020. Mr. Al-Fughom holds a bachelor's degree in engineering and business management from the University of Greenwich and a master of science in investment management from Cass Business School, UK.

### Mr. Saad Al-Tayyar Chief Financial Officer

Mr. Al Tayyar re-joined the Bank in 2023 as Chief Financial Officer, where he first joined in 2017 as Finance AGM. He has more than 28 years of experience in the financial field. Prior to joining the Bank, he held Deputy CEO Position at General Saudi Authority for Industrial Cities and Technology Zones (Modon) for five years. Mr. Al-Tayyar joined al Tawuniya insurance company as financial controller. Also, he joined Al Rajhi Bank as head financial reporting and statutory reporting after spending 4 years in National Air Services (NAS) as Director Finance. Mr. Al-Tayyar holds a Bachelor's Degree in Accounting from King Saud University and a Master Degree in Accounting from University of Adelaide, Australia. Mr. Al-Tayyar is a basic member of Saudi Organization for Chartered and Professional Accountants (SOCPA).

### Mr. Thamer Al-Humayyd Acting General Manager of Personal Banking and General Manager of Quality Group

Mr. Thamer joined the bank in May 2018 as DGM of the Quality Group. Thamer has more than 17 years of experience in the retail & banking industries. Prior to joining SAIB, he worked for Jarir Bookstore as the service manager, responsible for leading after-sale service. He started his career in SABB's corporate banking as a relationship manager. He then joined SAGIA as a PMO for the economic cities before joining Jarir Bookstore in 2009. He then joined the bank in 2018 in the Quality group and since then was involved in the transformation of multiple departments & functions across the organization. Thamer holds a bachelor's degree in Economics from the University of Colorado at Boulder.

### Mr. Majed A. Fakeeh General Manager of Corporate Banking

Mr. Fakeeh joined the Bank in his current position in 2012. Prior to joining the Bank, he was Chief Corporate Banker and Senior Credit Officer at NCB, where he worked for twelve years. Mr. Fakeeh also held the positions of Team Leader and Senior Relationship Manager in Corporate Banking. He started his corporate Banking career 28 years ago when he joined SAIB as a Relationship Officer in 1995 until 2000. He holds a Bachelor's Degree in Business Administration majoring in Finance from King Saud University, and attended several executive management training programs with INSEAD and IMD. Beside his responsibilities as GM – Corporate Banking, he is a member of several management committees including the Credit Committee and the Asset-Liability Committee. In addition, he is a board member in Amlak International for Real Estate Financing (publicly listed company) since 2012, and a board member in Alistithmar Capital (CMA licensed company) since 2021.

### Mr. Naif Al-Hammad Treasurer and Chief Investment Officer

Mr. Al-Hammad joined SAIB in April 2015 as Portfolio Manager – Investments. He was promoted to the Head of Investments in March 2018, Deputy Treasurer and Chief Investment Officer in March 2019 and Treasurer and Chief Investment Officer in September 2020. Prior to joining the Bank, he was a Senior Credit Manager (Treasury) at Bank Aljazira, and worked with SAMA from 2006 to 2013 in various positions, the last one being the Head of the Risk Control Division. He holds a Bachelor Degree in Accounting from King Saud University and a Master of Arts in Economics from the University of Arkansas, USA. He has completed a number of professional trainings and certifications from leading international institutions.





### **Mr. Mansour Al-Obaikan**

Chief Risk Officer and Acting Chief Operating Officer

Mr. Al-Obaikan joined the Bank in 2018, and was appointed as Chief Risk Officer in Dec 2019. Prior to joining the Bank, he worked in the Saudi British Bank from 2007 onwards in various positions in Corporate Banking and Global Banking and Markets. He holds a Bachelor of Honor's degree in Finance from Prince Sultan University, in addition to attending several management courses and professional programs at reputable institutions including HSBC U.K, HSBC India, HSBC Middle East, the International Institute for Management Development, INSEAD, IMD Business School, and Euromoney.

### **Mr. Badr Allaf**

General Manager of Compliance Group

Mr. Allaf joined the Bank in 2017. Prior to joining the Bank, he was an executive team member and Chief AML and CTF Compliance Group at Bank AlJazira, where he worked for ten years. Mr. Allaf also held the position of western and southern regions Chief Compliance Officer at SAMBA Financial Group. Mr. Allaf holds a bachelor's degree in mechanical power engineering from King Abdulaziz University.

### **Ms. Monirah Al-Swaydani**

Chief Governance Officer and Secretary of the Board

Ms. Al-Swaydani joined the Bank in 2017. She has held Senior positions in leading Banks where she accumulated experience in the Banking sector over the past 18 years with demonstrated history in Retail Banking, Credit risk and control, legal and operational procedures and Governance, Syndication, and Structured Finance. She holds a Bachelor's degree in English from King Saud University. She is also, a certified board secretary.

### **Mr. Rakan Al-Musa**

Chief Internal Auditor

Mr. Rakan AlMusa joined the Bank in 2021 as Chief Internal Auditor. He holds a bachelor degree in Business Administration (Finance) from King Saud University. He has a vast experience of managing audits at different managerial positions in SABB and Riyadh Bank. Prior to joining SAIB, he was the Head of Retail and Wealth Management Banking Audits in the Saudi British Bank (SABB). During his tenor with SABB he worked closely with HSBC Group auditors from across the globe including UK, Hong Kong and US. He was integral part of various structural changes in the Internal Audit. Also, he underwent various management development programs in SABB including attachment with different HSBC Group entities. In addition, he was Audit representative who participated in Integration activities post SABB and AlAwwal Banks' merger.

### **Mr. Fahad Khalil**

General Manager of Human Resources

Mr. Fahad Khalil joined The Saudi Investment Bank as Chief of Human Resources Group in May 2023. He served as Chief of Human Resources at Emkan Company between August 2022 and May 2023, and was a member of the Nominations and Remuneration Committee in the same company between March and August 2022. He also assumed a number of tasks and responsibilities at Al Rajhi Bank, including: Assistant General Manager HR Center of Excellence between 2021 and 2022 and Assistant General Manager HR Business Partners and Recruitment between 2019 and 2021. He previously held several positions at the Saudi British Bank (SABB), including: Senior Manager of Human Resources Transformation and Operations between 2016 and 2017, Manager of Talent Management between 2012 and 2013, and was Senior Business Partner for Human Resources at Banque Saudi Fransi between 2014 and 2015. He holds a Bachelor's degree in Mechanical Engineering in 2005 from King Saud University. He has also completed a number of programs in the fields of organizational leadership, human resources management, the future of work, executive presence and influence, corporate governance, and leadership basics.



### Board Committees and their Composition

The Board has the ultimate responsibility for the success, soundness and solvency of the Bank and is accountable for protecting depositors' and shareholders' funds. The main responsibilities of the Board members include challenging, contributing, approving and monitoring the business strategy of the Bank, approving and overseeing the implementation of the Bank's overall risk management strategies, monitoring and overseeing the Bank's performance and risks through laid down limits for management, including those for its subsidiaries. The Board operates through six Committees as given below:

1. **The Executive Committee** is comprised of five Board members. The Committee supervises the credit and financial policies of the Bank, and oversee the Bank's business strategy and its execution. The Committee's responsibilities also include reviewing, monitoring and approving key financial and non-financial business, and investment and operational decisions of the Bank within the authority defined by the Bank. Review of the risks relating to the Bank's subsidiaries and their potential impact.
2. **The Audit Committee** is comprised of five members, two Board members and three non-Board members. The Committee's activities include ensuring the quality and accuracy of financial accounting and financial statements including review of quarterly and annual financial statements and recommendation to the Board for approval, supervising and reviewing the effectiveness and independence of Internal Audit and External Auditors, reviewing the Compliance and Anti-money laundering processes including code of conduct and whistleblowing cases, reviewing and evaluating the nature and effectiveness of the Bank's Internal Control system including IT systems controls, their security and their vulnerabilities, and recommending the appointment of the External Auditors.
3. **The Nomination and Remuneration Committee** is comprised of four Board members. The Committee is responsible for recommending to the Board new membership appointments in accordance with the approved policies and standards, reviewing on an annual basis the requirements for the suitable skills for membership of the Board, reviewing the Board structure, and recommending changes thereto. It is also responsible to recommend to the Board the approval of the Bank's compensation policy and any required amendments, and other activities related to the Bank's compensation policies and guidelines. It is also responsible for approving the appointment and remuneration of senior executives of the Bank, reviewing and supervising the implementation of succession planning and training of the Bank's Board members, the CEO, and the direct reports of the CEO.
4. **The Governance Committee** is composed of three Board members. The Committee is responsible for promoting and implementing best practices of governance by acting on behalf of the Board to ensure the implementation of these practices in all activities of the Bank. The Committee also monitors the Bank's compliance with relevant local and international regulations. The Committee also monitors and guides the Governance function in the Bank, including its ownership of corporate governance policies, processes and procedures.
5. **The Risk Committee** is comprised of four Board members. The Committee supervises the risk management activities of the Bank including market, credit, operational, and other risks. The Committee's activities also include setting the Bank's Risk Management Strategy, setting the Bank's Risk Appetite framework, periodically reviewing the actual risk profile against the approved risk capacity and risk appetite, reviewing the Internal Capital Adequacy Assessment Plan and the Internal Liquidity Adequacy Assessment Plan, reviewing stress test results.
6. **The Sharia Committee** is comprised of three members. The Committee is responsible for providing Sharia opinions on submitted applications and related contracts and forms. The Committee is also responsible for ensuring the Bank's compliance with Sharia principles and decisions on the respective activities through the overseeing Sharia control function's reports and activities. In addition, the Committee answers Sharia related enquiries for the Bank and its customers.



Executive Committee	Audit Committee	Nomination and Remuneration Committee	Governance Committee	Risk Committee	Sharia Committee
Mr. Abdulaziz Al-Khamis (Chairman)	Mr. Khaled Al-Rowais (Chairman)	Mr. Mohammed Al-Greenees (Chairman)	Mr. Yaser Al-Jarallah (Chairman)	Mr. Mohammed Bamaga (Chairman)	Dr. Abdulrahman Al-Saadi (Chairman) (non-Board)
Mr. Abdul Rahman Al-Rawaf	Mr. Mohammed Bamaga	Mr. Abdulaziz Al-Khamis	Mr. Khaled Al-Rowais	Mr. Mohammed Al-Greenees	Dr. Ibrahim Al-Lahim (non-Board)
Mr. Mohammed Saleh Al-Khalil	Mr. Bader Al-Mazroua (non-Board)	Mr. Yaser Al-Jarallah	Mr. Abdullah Suliman Al-Zaben	Mr. Khalid Al-Rowais	Mr. Nasser Aldawood (non-Board)
Mr. Abdullah Suliman Al-Zaben	Mr. Alma Al-Moter	Mr. Abdul Rahman Al-Rawaf	-	Mr. Yaser Al-Jarallah	-
Mr. Mohammed Al-Greenees	Mr. Fayez Belal (non-Board)	-	-	-	-

#### Directors' Attendance

The Details of the attendance of the Board and non-Board members in the Bank's Board and Board Committee meetings held during the year follows

#### Board Meetings

Six Board of Directors meetings were held during 2023 as follows:

Board Member	Board of Directors meetings attended					
	March 16, 2023	April 10, 2023	July 06, 2023	October 03, 2023	October 26, 2023	December 21, 2023
Mr. Abdullah Saleh Jum'ah	✓	✓	✓	✓	✓	✓
Mr. Abdulaziz Al-Khamis	✓	✓	✓	✓	✓	✓
Mr. Abdulrahman Al-Rawaf	✓	✓	✓	✓	✓	✓
Mr. Mohammed Al-Greenees	✓	✓	✓	✓	✓	✓
Mr. Mohammed Bamaga	✓	✓	✓	✓	✓	✓
Mr. Yaser Al-Jarallah	✓	✓	(Apologized)	✓	✓	✓
Mr. Abdullah Al-Zaben	✓	✓	✓	✓	✓	✓
Mr. Khaled Al-Rowais	✓	✓	✓	✓	✓	✓
Mr. Mohammed Al-Khalil	✓	✓	✓	✓	✓	✓



### Executive Committee Meetings

Thirteen Executive Committee meetings were held during 2023 as follows:

Committee member	Executive Committee meetings attended												
	January 30, 2023	February 27, 2023	March 27, 2023	May 29, 2023	June 22, 2023	July 03, 2023	July 31, 2023	August 28, 2023	September 25, 2023	October 08, 2023	October 30, 2023	November 28, 2023	December 25, 2023
Mr. Abdulaziz Al-Khamis	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abdul Rahman Al-Rawaf	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mohammed Al-Greenees	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mohammed Al-Khalil	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abdullah Al-Zaben	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

### Audit Committee Meetings

Six Audit Committee meetings were held during 2023 as follows:

Committee member	Audit Committee meetings attended					
	February 15, 2023	March 30, 2023	April 30, 2023	July 26, 2023	October 25, 2023	December 19, 2023
Mr. Khaled Salem Al-Rowais	✓	✓	✓	✓	✓	✓
Mr. Mohammed Bamaga	✓	✓	✓	✓	✓	✓
Mr. Fayez Belal	✓	✓	✓	✓	✓	✓
Mr. Alma Saeed Al-Moter	✓	✓	✓	✓	✓	✓
Mr. Bader Abdullah Al-Mazroua	✓	✓	✓	✓	✓	✓



### Nomination and Remuneration Committee Meetings

Three Nomination and Remuneration Committee meetings were held during 2023 as follows:

Committee Member	Nomination and Remuneration Committee Meetings Attended		
	March 29, 2023	September 07, 2023	December 14, 2023
Mr. Mohammed Al-Greenees	✓	✓	✓
Mr. Abdulaziz Al-Khamis	✓	✓	✓
Mr. Abdul Rahman Al-Rawaf	✓	✓	✓
Mr. Yaser Al-Jarallah	✓	✓	✓

### Governance Committee Meetings

Three Governance Committee meetings were held during 2023 as follows:

Committee Member	Governance Committee Meetings attended		
	October 03, 2023	October 09, 2023	December 14, 2023
Mr. Yaser Al-Jarallah	✓	(Apologized)	✓
Mr. Khaled Al Rowais	✓	✓	✓
Mr. Abdullah Al Zaben	✓	✓	✓

### Risk Committee Meetings

Four Risk Committee meetings were held during 2023 as follows:

Committee member	Risk Committee Meetings attended			
	February 26, 2023	May 23, 2023	August 23, 2023	December 18, 2023
Mr. Mohammed Bamaga	✓	✓	✓	✓
Mr. Mohammed Al-Greenees	✓	✓	✓	✓
Mr. Yaser Al-Jarallah	✓	✓	✓	✓
Mr. Khaled Al-Rowais	✓	✓	✓	✓



### Sharia Committee Meetings

Six Sharia Committee meetings were Held During 2023 as follows

Committee member	Sharia Committee meetings attended					
	February 02, 2023	March 19, 2023	June 19, 2023	September 17, 2023	November 19, 2023	December 21, 2023
Dr. Abdulrahman Abduallah Al-Saadi	✓	✓	✓	✓	✓	✓
Dr. Ibrahim Al-Lahim	✓	✓	✓	✓	✓	✓
Nasser Abdulrahman Al-Dawood	✓	✓	✓	✓	✓	(Apologized)

### Ordinary General Assembly Committee Meetings

One Ordinary General Assembly meeting was held during 2023 as follows:

Date of Meeting	Members Attended
10 April 2023	Mr. Abdallah Saleh Jum'ah Mr. Abdulaziz Al-Khamis Mr. Abdul Rahman Al-Rawaf Mr. Khaled Al-Rowais Mr. Abdullah Al-Zaben Mr. Mohammed Al-Khalil Mr. Yaser Al-Jarallah Mr. Mohammed Bamaga Mr. Mohammed Al-Greenees

### Extraordinary General Assembly Committee Meetings

One Extraordinary General Assembly meeting was held during 2023 as follows:

Date of Meeting	Members Attended
December 21, 2023	Mr. Abdallah Saleh Jum'ah Mr. Abdulaziz Al-Khamis Mr. Abdul Rahman Al-Rawaf Mr. Abdullah Al-Zaben Mr. Khaled Al-Rowais Mr. Mohammed Al-Khalil Mr. Yasser Al-Jarallah Mr. Mohammed Bamaga Mr. Mohammed Al-Greenees



### Performance of the Board of Directors

Corporate Governance continues to be an important aspect of the business world where the Board of Directors are entrusted among other duties to oversee the Bank, implementation of the Bank's strategic objectives, approving risk strategy, approving corporate governance rules and principles of professional conduct, and supervision of Senior Management.

In the aim of reviewing the Board's effectiveness including its own controls and work procedures, the Board of Directors carries out an annual internal

assessment of the Board as whole, its members, its Committees and Board Committees' members. The assessment is carried out by an external specialized consultant every three years.

### Changes in the Bank's Ownership (Board of Directors and Senior Executives)

The Board of Directors is composed of natural persons represented on the Board in their personal capacities. Below is the list of the overall ownership of Bank's shares by the Board of Directors and senior executives and their immediate relatives who have an interest in such ownership.

#### Directors

No	Name	Shares at the Beginning of the Year	Shares at the End of the Year	Net Change	Percentage of Change
1	Mr. Abdallah Saleh Jum'ah	376,193	376,193	-	-
2	Mr. Abdulaziz Al-Khamis	175,801	175,801	-	-
3	Mr. Abdul Rahman Al-Rawaf	2,468	2,468	-	-
4	Mr. Mohammed Al-Greenees	133	133	-	-
5	Mr. Mohammed Bamaga	1,356	1,356	-	-
6	Mr. Yasser Al-Jarallah	145,356,666	145,356,666	-	-
7	Mohammed Al-Khalil	133	133	-	-

#### Senior Executives

No	Name	Shares at the Beginning of the Year	Shares at the End of the Year	Net Change	Percentage of Change
1	Mr. Faisal Al-Omran	24,278	24,278	-	-
2	Mr. Salman Al-Fughom	16,000	16,000	-	-
3	Mr. Naif Al-Hammad	204	204	-	-

There were no debt instruments held by Board members or Senior executives during 2023.



### Number of Orders Related to the Register of Company Shareholders and the Dates and Causes of Such Applications

The Bank ordered the following 15 registers on the dates indicated during 2023:

Date of Order	Reason of Order	Date of Order	Reason of Order
02-01-23	Corporate Action	02-08-23	Corporate Action
02-02-23	Corporate Action	07-08-23	Dividends file
02-03-23	Corporate Action	04-09-23	Corporate Action
03-04-23	Corporate Action	18-09-23	Corporate Action
12-04-23	Dividends file	02-10-23	Corporate Action
02-05-23	Corporate Action	02-11-23	Corporate Action
04-06-23	Corporate Action	04-12-23	Corporate Action
03-07-23	Corporate Action		

### Directors' and Senior Executives' Remuneration

The Bank aims to ensure that the rewards and compensation of the Board of Directors, its committees, and the executive management are consistent with the rules and regulations issued by the competent authorities and in line with best practices, taking into account the interests of shareholders and the long-term strategic objectives of the bank.

Accordingly, the Nominations and Remuneration Committee submits recommendations to the Board of Directors related to the remuneration of Board members in exchange for their membership in the Board and their participation in Board meetings and decisions. The Board, in turn, studies the recommendations of the Nominations

and Remuneration Committee in preparation for submitting them to the General Assembly for approval, taking into account that it does not exceed any amount presented to Board members, what is binding by the Central Bank of Saudi Arabia, the Capital Market Authority, and the Ministry of Commerce wherever applicable, and in accordance with the "Remuneration Policy for Members of the Board of Directors and Committees emanating from the Board of Directors and Executive Management" approved by the General Assembly and published on the bank's website.





The remuneration payable to Directors during the year ended December 31, 2023 is given below:

### Board Remuneration (SAR '000)

	Fixed Remunerations				Variable Remunerations									
	Specific amount	Allowance for attending Board Meeting	Total Allowance for attending Committee Meetings	Remuneration of the Chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	End-of-services award	Aggregate Amount	Expenses Allowance
<b>First: Independent Directors</b>														
Mohammed Al-Greenees	1,700	25	95	-	1,820	-	-	-	-	-	-	-	1,500	-
Yasser Al-Jarallah	1,700	20	45	-	1,765	-	-	-	-	-	-	-	1,500	-
Mohammed Bamaga	1,425	25	50	-	1,500	-	-	-	-	-	-	-	1,500	-
Khaled Al-Rowais	1,700	25	65	-	1,790	-	-	-	-	-	-	-	1,500	16
<b>Total</b>	<b>6,525</b>	<b>95</b>	<b>255</b>	<b>-</b>	<b>6,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>16</b>
<b>Second : Non -Executive Directors</b>														
Abdallah Saleh Jum'ah	2,400	25	-	-	2,425	-	-	-	-	-	-	-	2,425	89
Abdulaziz Al-Khamis	1,425	25	75	-	1,525	-	-	-	-	-	-	-	1,500	9
Abdul Rahman Al-Rawaf	1,400	25	75	-	1,500	-	-	-	-	-	-	-	1,500	-
Mohammed Al-Khalil	1,125	25	60	-	1,210	-	-	-	-	-	-	-	1,210	-
Abdullah Al-Zaben	1,400	25	75	-	1,500	-	-	-	-	-	-	-	1,500	-
<b>Total</b>	<b>7,750</b>	<b>125</b>	<b>285</b>	<b>-</b>	<b>8,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,135</b>	<b>97</b>

The specific amount includes annual remuneration for the membership of the Board of Directors and fixed remuneration for membership in Committees. The aggregate amount refers to the amount that is payable to the members considering the cap as per the Remuneration Policy for the Board, Board Committees and Senior Management.

The details of the remuneration for the year ended December 31, 2023 is given in the table below:



	Board Membership Remuneration	Executive Committee	Audit Committee	Board Risk Committee	Nomination & Remuneration Committee	Corp Governance Committee	Specific Amount Total	Allowance for attending Board Meetings	Total Allowance for attending Committee Meetings	Total including allowances	Capped Amount	Already Paid in 2023	Remaining Amount to be paid	Total Remuneration for 2023
<b>First: Independent Directors</b>														
Mohammed Al-Greenees	850	275	-	275	300	-	1,700	25	95	1,820	1,500	500	1,000	1,500
Yasser Al-Jarallah	850	-	-	275	275	300	1,700	20	45	1,765	1,500	490	1,010	1,500
Mohammed Bamaga	850	-	275	300	-	-	1,425	25	50	1,500	1,500	500	1,000	1,500
Khaled Al-Rowais	850	-	300	275	-	275	1,700	25	65	1,790	1,500	500	1,000	1,500
<b>Total</b>	<b>3,400</b>	<b>275</b>	<b>575</b>	<b>1,125</b>	<b>575</b>	<b>575</b>	<b>6,525</b>	<b>95</b>	<b>255</b>	<b>6,875</b>	<b>6,000</b>	<b>1,990</b>	<b>4,010</b>	<b>6,000</b>
<b>Second : Non -Executive Directors</b>														
Abdallah Saleh Jum'ah	2,400	-	-	-	-	-	2,400	25	-	2,425	-	1,800	625	2,425
Abdulaziz Al-Khamis	850	300	-	-	275	-	1,425	25	75	1,525	1,500	500	1,000	1,500
Abdul Rahman Al-Rawaf	850	275	-	-	275	-	1,400	25	75	1,500	1,500	500	1,000	1,500
Mohammed Al-Khalil	850	275	-	-	-	-	1,125	25	60	1,210	1,500	500	710	1,210
Abdullah Al-Zaben	850	275	-	-	-	275	1,400	25	75	1,500	1,500	500	1,000	1,500
<b>Total</b>	<b>5,800</b>	<b>1,125</b>	<b>-</b>	<b>-</b>	<b>550</b>	<b>275</b>	<b>7,750</b>	<b>125</b>	<b>285</b>	<b>8,160</b>	<b>6,000</b>	<b>3,800</b>	<b>4,335</b>	<b>8,135</b>

The remaining amount will be paid after approval from the General Assembly.

(SAR '000)

Non-Board Committee member remuneration	Audit Committee Members	Sharia Committee Members
Fixed Remuneration	825	1,050
Allowances for attending committee meetings	90	35
<b>Total</b>	<b>915</b>	<b>1,085</b>

There was no variable remuneration paid to the other non-Board Committee members during 2023. The remuneration paid to senior executives during the year ended December 31, 2023 is as follows:

Senior Executive remuneration	(SAR '000)
<b>Fixed remuneration</b>	
Salaries	14,744
Allowances	6,625
<b>Sub total</b>	<b>21,369</b>
<b>Variable remuneration</b>	
Deferred Amount	1,675
Short-term incentive plans	13,473
<b>Sub total</b>	<b>15,148</b>
End-of service award	1,868
<b>Total</b>	<b>38,385</b>



### Board of Directors' Declaration

The Board of Directors hereby declares that to the best of its knowledge and belief and in all material respects:

1. Proper books of account have been maintained;
2. The system of internal control is sound in design and has been effectively implemented; and
3. There are no significant doubts concerning the Bank's ability to continue as a going concern.

Transactions with related parties which include a set of business and contracts that are made for the account of the Bank in which the members of the board of directors have a direct or indirect interest and are as follows

Related Party	Owner	The Nature of Relation	The Nature of the Contract	End Date of the Contract	Annual Contract Value (SAR)
Board Member Mr. Abdulaziz Al-Khamis	Tawuniya Insurance Company	Member of the Board of Directors of Tawuniya Insurance Company	Health insurance services to the employees of the Bank	July 31, 2024	40,724,640.00
Board Member Mr. Abdulaziz Al-Khamis	Tawuniya Insurance Company	Member of the Board of Directors of Tawuniya Insurance Company	Cyber Risk Insurance services	July 31, 2024	3,457,091.25
Board Member Mr. Abdulaziz Al-Khamis	Tawuniya Insurance Company	Member of the Board of Directors of Tawuniya Insurance Company	Marine Cargo Insurance	May 31, 2024	No Financial Impact on the Bank
Board Member Mr. Abdulrahman Al-Rawaf	Medgulf Insurance Company	Member of the Board of Directors of Medgulf Insurance Company	Bankers Blanket Bond Insurance	July 31, 2024	4,374,421.50
Board Member Mr. Abdulrahman Al-Rawaf	Medgulf Insurance Company	Member of the Board of Directors of Medgulf Insurance Company	General Insurance Policies	July 31, 2024	591,322.53

The Bank has worked on enhancing effective communication and transparency with all shareholders to ensure consistency and transparency of disclosures at all times. To this end the Bank has established procedures to ensure that shareholders' suggestions and feedback relating to the Bank and its performance are well reported to the Board.

None of the members of the Board of Directors participated in businesses competing with the bank, in accordance with the rules and regulations issued by the competent authorities, the bank's approved regulations and policies, and the standards of competitive businesses in the Saudi Investment Bank.

### Auditors

The Ordinary General Assembly meeting held on April 10, 2023 appointed Ernst & Young & Co. and Deloitte as the Bank's Auditors for the financial year 2023.

### Auditors' Unmodified opinion on the annual financial statements

The 2023 auditor's report indicates that "the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs that are endorsed in the Kingdom of Saudi Arabia")."

The auditor's report also indicates that "nothing has come to our attention that causes us to believe that the Bank was not in compliance, in all material respects, with the applicable requirements of the Regulations for Companies, the Banking Control



Law in the Kingdom of Saudi Arabia and the Bank's Bylaws in so far as they affect the preparation and presentation of the consolidated financial statements for the year ended December 31, 2023".

#### **The Board of Directors' Recommendation and Reason to Replace the Auditors**

The Board of Directors has not recommended to replace the auditors before the end of their assignment period.

#### **Corporate Governance, Community Service and Sustainability**

The Bank's governance substantially complies with the "Key Principles of Corporate Governance in Financial institutions" under the control and supervision of the Saudi Central Bank issued by The Saudi Central Bank (SAMA), as well as the "Corporate Governance Regulation" issued by the Capital Market Authority (CMA) including its guiding articles. The Bank also complies with the "Implementing Regulation of the Companies Law for Listed Joint Stock Companies".

#### **Bank's Code of Conduct and Ethical Standards**

The Bank's ethical standards and Code of Conduct represent a standard and a guide for high ethical principles and professional business dealings practices. Through its Code of Conduct, the Bank is committed to instill and maintain a culture of professionalism where the utmost ethical standards prevail. The Bank's Code of Conduct is based on fundamental principles of integrity, confidentiality, and professionalism. It applies to all Directors, employees, consultants, affiliates, and any other person that may represent the Bank. The Bank operates under the governing authority of its Board of Directors, which oversees the implementation and effectiveness of the Bank's ethical standards and Code of Conduct.

#### **Annual Review of the Effectiveness of Internal Control**

The Bank's management is responsible for establishing and maintaining an adequate and effective internal control system which includes the policies, procedures and processes designed under supervision of the Board of Directors to achieve the strategic objectives of the Bank.

The Management of the Bank has adopted the internal controls integrated framework as recommended by the Saudi Central Bank through its guidelines on internal controls issued in 2013 and also emphasized upon in the Principles of Internal Auditing issued in December 2021. In line with SAMA and Basel guidelines, the Bank has adopted a three lines of defense model. Concerted and integrated efforts are made by all first line functions of the Bank to strengthen the control environment by continuous review of its processes, risks and controls through the "Risk and Controls Self-Assessment Process" to identify and address any control deficiencies. Each function, under the supervision of senior management, is also entrusted with the responsibility to oversee the rectification of control deficiencies identified by internal and external auditors, and various control units across the Bank. Second line functions such as Compliance, AML, Anti-fraud and Risk (Operational, Credit, Market and Cybersecurity) provide ongoing monitoring and oversight over respective risks to manage those appropriately.

In addition, Internal Audit (being third line) periodically validates the control environment and provides an independent reasonable assurance to the Board, on management of risks in achieving the Bank's strategic objectives. Internal control systems, no matter how well designed, have inherent limitations, and may not prevent or detect all control deficiencies. The projection of current evaluations of the effectiveness to future periods is subject to a limitation that controls may become inadequate due to changes in conditions or compliance with policies or procedures.

The scope of internal control system validation includes assessment of adequacy and effectiveness of the policies, procedures and related internal control system across the Bank. All audit reports together with the significant and material findings related to internal controls are submitted to the Audit Committee of the Bank on quarterly basis. The Audit Committee actively monitors the adequacy and effectiveness of the internal control system to ensure that identified risks are mitigated to safeguard the interests of the Bank.



Based on the results through ongoing testing and assessment of controls carried out during the year, Management considers that the Bank's existing internal control system is adequate and operating effectively. For further enhancing of controls, Management continuously evaluates the internal control system of the Bank.

Based on the above, the Board has duly endorsed Management's evaluation of the Bank's internal control system.

### **Community Service and Sustainability**

In 2023, the Bank contribute to the community with many Sustainability initiatives such as:

- Ehsan Donation Initiative through WooW Alkhair
- 1,000,000 Iftar Meals Initiative
- The Anti-fraud Initiative

Governed by the Bank's Corporate Social Responsibility Policy, the Bank actively worked to maximize its corporate strategy, contribute to the community, and ensure alignment with Saudi Arabia's Vision 2030 for the long-term sustainability of our Bank and the Kingdom by supporting local companies and SMEs, employing and promoting Saudi nationals, especially women, contributing to the private sector's growth, promoting and enhancing a culture of innovation and discipline, and encouraging flexibility and positivity in business performance.

"Awn" (helping others) and "Hifth" (environmental protection) are 2 of the pillars of The Saudi Investment Bank's sustainability framework that highlights the Bank's social and environmental responsibility. The Bank has a responsibility to support the Saudi Arabian communities that form our customer base, and to help the disadvantaged. The Bank also has a responsibility to minimize its environmental footprint and conserve natural resources to ensure continued long-term value creation.

The Bank sponsored a number of projects ranging from sporting, cultural and youth activities to spread further guidance and awareness within society of financial products and services as well as its different inherited risks. Supporting various social projects and work to increase the

level of awareness and guidance exercise due consideration for environmental and sustainability issues in the conduct of its business. Support and encourage small and medium enterprises without compromising the Bank and its stakeholders. Achieving sustainability development for the society as well as Bank employees.

Our sustainability strategy is to influence all stakeholders and to be aligned to practices that benefit society, the economy, and the nation as a whole. The Bank has a responsibility to its communities – from providing support to employees, to increasing awareness on important local issues and striving to make a positive impact within society.

SAIB recognizes the importance of sustainability, and continuously assesses new sustainable business opportunities. The Bank proactively supports sustainable initiatives through the financing of environmentally friendly projects that center around renewable energy, recycling, water treatment, wastewater treatment, hazardous waste disposal, and other environmental services.

Our Building Management System continues to reduce electricity consumption at our various buildings and shows reductions in electricity usage and resulting in a positive impact on the environment. Active campaigns to recycle paper and plastics continued with year on year recyclable metrics.

The Bank continues to retain its Global Reporting Initiative (GRI) Community Membership.

### **Conclusion**

It is a pleasure, once again, for the Board of Directors to express its gratitude to the Government of the Custodian of the Two Holy Mosques, and in particular to the Ministry of Finance, as well as to the Saudi Central Bank, the Ministry of Commerce, and the Capital Market Authority, for their continued and constructive support. The Board of Directors would also like to thank its shareholders and customers for their support and trust which encourages us to achieve more. The Board of Directors acknowledges with appreciation the dedication and loyalty of the Bank's officers and staff to improve the performance of the Bank in order to achieve its strategic objectives.