البنك العربي الوطني
arab national bank

Accelerating transformation **and performance**

Annual Report **2023**

The Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud
(May Allah protect him)

His Royal Highness
Prince Mohammad bin Salman bin Abdulaziz Al Saud
Crown Prince and Prime Minister
(May Allah protect him)

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01

Overview


anb

Theme of the year

Accelerating transformation and performance

In 2023, arab national bank (anb) continued to strengthen its leadership position in the Kingdom by delivering unprecedented and extraordinary growth, reflecting the excellent progress and achievements of its operating divisions. The Bank's success is attributed to its future-focused transformation and growth strategy, which is intended to improve operations and resource management, increase competitiveness, and maintain its dominant position in the Saudi banking sector.

The Bank's commitment to digital innovation, in line with its new brand promise of "faster, simpler banking," has improved operational efficiency, enhanced customer experience, expanded its provision of cutting-edge financial services, and developed alternative channels that meet customer expectations with ease and flexibility.

Supporting Saudi Vision 2030 remained a key focus for anb, with substantial contributions to various initiatives and partnerships with government programs. Investments in employee development and a commitment to becoming a preferred employer in the sector also remained high on the strategic agenda.

Looking forward, anb aims to align more closely with Saudi Vision 2030 growth sectors, focusing on sustainable growth in wholesale banking and enhancing fintech support, thereby reinforcing its prominence and contribution to the Kingdom's continued economic diversification and development.

At a glance

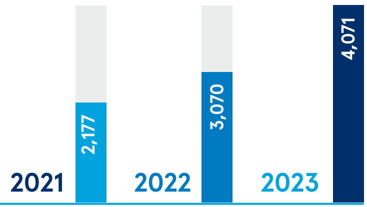
Financial highlights

Net income after zakat and income tax attributable to equity holders of the Bank

(SAR million)

4,071

^ 33%

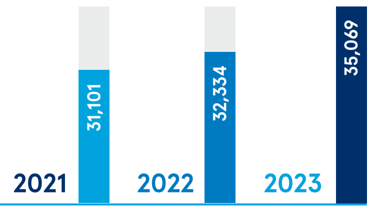


Equity attributable to equity holders of the Bank

(SAR million)

35,069

^ 8%

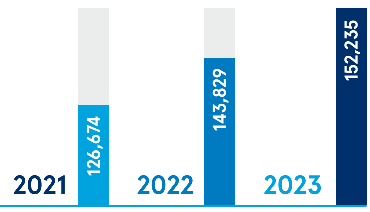


Loans and advances, net

(SAR million)

152,235

^ 6%

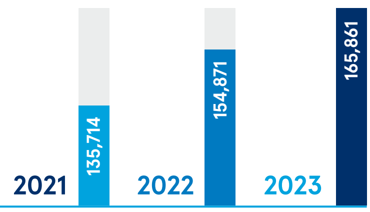


Customers' deposits

(SAR million)

165,861

^ 7%



Operational highlights

Robust capital adequacy and liquidity

2 million+
people chose anb

44 years
of operation

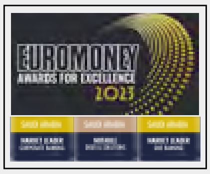
96.43%
Saudization

3,786
total employees

127
branches

1,178
ATMs

Awards



The anb story

1979 anb was established, taking over the existing operations of Arab Bank in the Kingdom of Saudi Arabia. The Bank started its business with 6 branches and a capital of SAR 150 million.

1985 anb continued to expand its reach, with the number of branches reaching 79.

1986 anb's head office building at Al Murabaa was inaugurated.

anb established its employee training center.

1991 The Bank launched a branch in London, offering a broad range of products and solutions to customers in the United Kingdom.

1992 anb launched its TeleMoney service, allowing money transfers to various countries.

1998 In line with Saudization efforts, the Bank's Saudization rate reached 73%.

2000 anb launched the first internet banking service in the Kingdom.

2005 The Bank established the Business Continuity Center (BCM).

2007 The Bank established the Saudi Home Loan Company (SHL).

2013 anb launched its mobile service.

2015 anb inaugurated its new head office tower in Riyadh.

2017 The training center was transformed into anb Academy.

2018 anb opened its first digital branch in Prince Mohammed bin Abdulaziz Road (Tahlia Street), Riyadh.

2019 The Bank's Saudization rate reached 93%, of which 20% are female.

2021 anb appointed its first Saudi MD and CEO.

2022 anb launched its corporate identity, moving towards "Faster and Simpler" banking solutions.

Year in review

anb delivered another solid performance filled with key achievements and strategic partnerships, during a year that proved to be a significant step in our journey of growth and innovation.

January

Cooperation agreement with Saudi EXIM Bank

anb and Saudi EXIM Bank collaborated to provide credit insurance and credit solutions, supporting Saudi exporters to increase non-oil exports from the Kingdom and expand into new regional and global markets for locally produced goods and services.

February

"Transport Finance Deal of the Year"

anb won the award at the Capital Markets & ESG Finance Saudi Arabia Awards for successfully leading a SAR 2.5 billion financing deal in record time for Tibah Airports Development Company, the developer and operator of Prince Mohammed bin Abdulaziz International Airport in Madinah.

March

Cooperation agreement with Monsha'at to support SMEs

anb signed a cooperation agreement with the General Authority for Small and Medium Enterprises (Monsha'at) worth up to SAR 1.1 billion to launch several new financial products in support of the small and medium-sized enterprises (SME) sector.

2 cooperation agreements with the Saudi Industrial Development Fund (SIDF)

anb signed 2 agreements with SIDF to provide a Guarantee for working capital financing, and a Letter of Credit service program, in line with SIDF's efforts to stimulate the growth of industrial projects in the sectors of manufacturing, mining, energy, logistics services, technology development, infrastructure and others.

May

Investment in the establishment of the Arab Bank of Iraq

anb announced the investment to co-establish Arab Bank of Iraq, with a 20% ownership of the new bank's capital (worth USD 38.2 million), which will facilitate and support trade exchange for the Bank's customers, diversify income sources and facilitate entry into new promising markets.

June

Launch of "anb initiative to serve pilgrims"

anb launched a social initiative called "anb initiative to serve pilgrims" in partnership with a number of government entities, which provided a package of services to support pilgrims to perform their rituals through a team of 650 specialized and qualified Saudi volunteers.

July

First Saudi bank with Payment Card Industry Data Security Standard certification

anb achieved a new milestone by obtaining the latest version (4.0) of the Payment Card Industry Data Security Standard (PCI-DSS) certification, a first in the Saudi banking sector, highlighting the proactive steps it takes to enhance security standards for the protection of its customers.

August

"Visa Global" awards for excellence in business and innovation

anb received this award in recognition of its efforts to enrich and enhance its banking services and products, and in appreciation of the efficiency and excellence of the standards governing its banking operations.

September

"She's Next" initiative

anb demonstrated its support for the initiative aimed at supporting and empowering women entrepreneurs and small to medium-sized enterprises across various sectors in the Kingdom, in partnership with Visa, as part of the Bank's commitment to empowering Saudi women and Saudi businesswomen.

Launch of the "Our Giving Renews Their Hope" initiative

anb launched its corporate social responsibility "Our Giving Renews Their Hope" initiative, in partnership with King Salman Hospital and the Rheumatism Association to perform 93 knee replacement operations in honor of the 93rd Saudi National Day.

October

Best SME Bank in Saudi Arabia by Global Finance

anb won the SME Bank of the Year in Saudi Arabia by the renowned Global Finance Magazine.

Partnership with the "Wave" for positive environmental impact

anb partnered with the "Wave" initiative to support international efforts for environmental sanitation, preservation of the oceans and seas and restoring their balance, and sustainability in general, in line with the Bank's sustainability focus and commitments.

First bank to obtain ISO certification for cybersecurity

anb became the first organization in the IMETA region to obtain the ISO/IEC 27001:2022 certification from BSI, reflecting the Bank's continuous efforts in implementing and improving its risk management framework, cybersecurity and operational excellence.

November

Cooperation agreement with The National Center for Privatization & PPP (NCP)

anb signed an agreement with NCP to cooperate in exchanging experiences and knowledge, enhancing the flexibility and efficiency in privatization initiatives in line with the goals of Vision 2030 and its implementation programs for the sectors targeted for privatization. This supports the integration of the partnership between government and private entities.

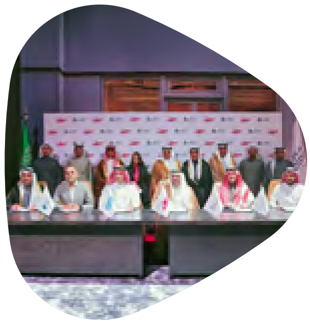
December

anb's Managing Director and Chief Executive Officer wins "Best CEO for Giant Establishments"

Out of 88,000 competing establishments, Mr. Obaid Al-Rasheed won "Best CEO for Giant Establishments" in the third edition of the Labor Awards by the Ministry of Human Resources and Social Development.

Leading the financing for development of the "Avenues – Al Khobar"

anb led a SAR 4.35 billion syndicated financing that includes the Tourism Development Fund (TDF) and a syndicate of local and regional banks to finance "The Avenues - Al Khobar" project, in one of the largest joint financing operations led by the Bank, reflecting the its strategic interest in supporting significant projects in line with the Kingdom's Vision 2030.



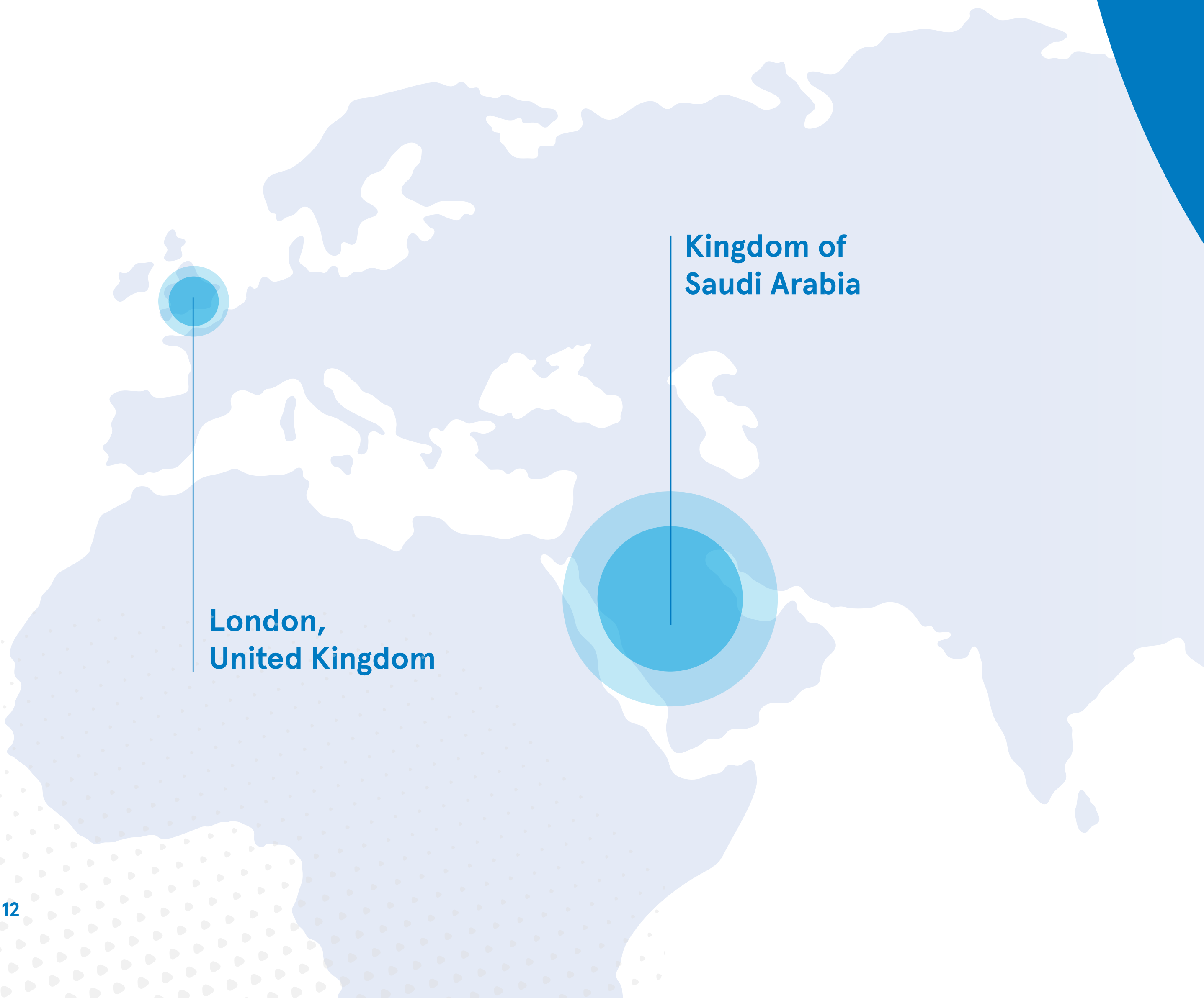
"MENA Most Innovative Bank of the Year"

This prestigious award received at the MENA Banking Excellence Awards 2023 (a MEED product) reflects anb's steadfast dedication to delivering cutting-edge and customer-focused transactional solutions, utilizing state-of-the-art technology to elevate exceptional customer experience.

Geographic footprint

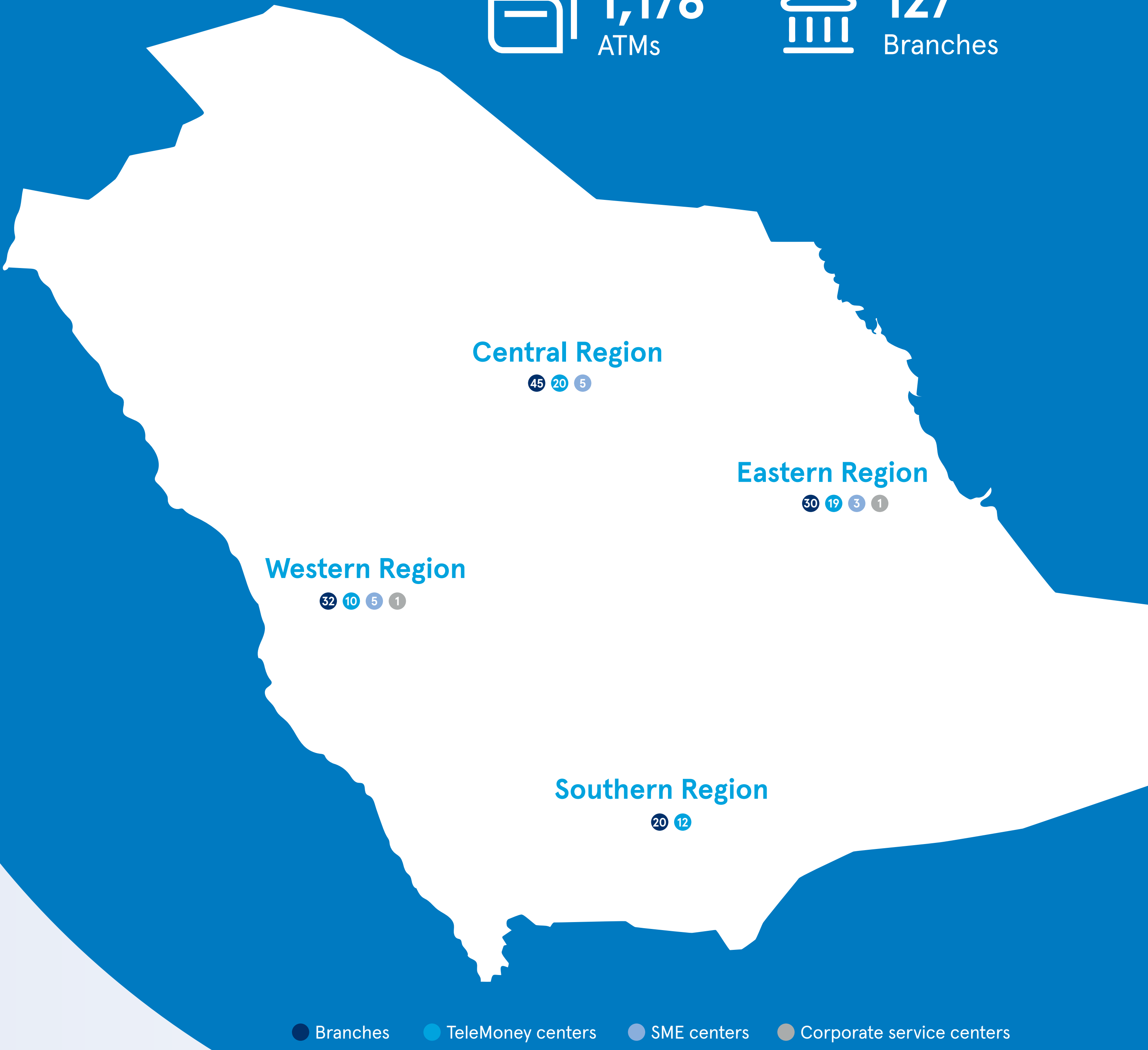
anb caters to all the needs of its individual and corporate clients through an extensive network covering all regions of the Kingdom. It consists of 127 branches, 61 remittance centers (TeleMoney) and 13 centers for servicing small and medium-sized enterprises.

Moreover, the Bank has a number of branches specializing in corporate services, in addition to an international branch in London (UK). The Bank also owns more than 1,100 ATMs.

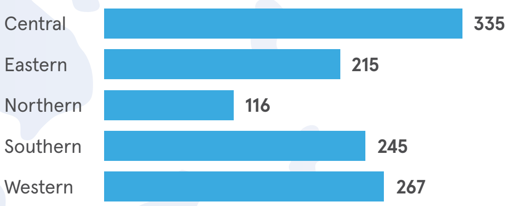


1,178
ATMs

127
Branches



ATMs according to region



Stakeholder engagement

Stakeholder group	Our employees	Our customers	Our suppliers/partners	Our community	Our shareholders
How we engage	· Regular engagement surveys. · Dedicated employee experience unit. · Collaborative culture. · Organize events and team-building workshops. · Training programs. · Financial support for our employees completing Master's degrees.	· Customer surveys. · Customer visits. · Customer inquiries and complaints.	· Engagement sessions for ongoing evaluation, exploring new opportunities and addressing concerns. · Fintech partners utilize anb Connect, a seamless platform for effective collaboration and expanding product and service engagements. · Innovation events, including conducting hackathons to explore and implement new technologies and solutions. · Explorations with consulting partners to refine the technology strategy, optimize operating models, manage demand and advance data transformation.	· Various initiatives that aim to address crucial social and environmental issues that have the most positive impact on our community and society.	· Earnings' calls. · Investor meetings. · Road shows. · Analyst days. · Conferences.
How often we engage	· Continuous engagement embedded in all functions. · Daily engagement with staff participating in training programs, events or session evaluations. · Surveys annually and quarterly, as well as before conducting any hackathon.	· Banking hours. · Customer engagement. · Digital banking. · Quality experience.	· Monthly operational meetings to discuss ongoing projects and immediate concerns. · Half yearly reviews with suppliers to discuss state of health of the engagement and future plans. · Quarterly meetings with our fintech partners to discuss broader trends, share insights and strengthen relationships.	· Periodically, we analyze the efficacy of our social responsibility initiatives with our partners to make the necessary improvements and ensure that we achieve the best results.	· Monthly/ quarterly basis for formal and pre-arranged engagements. · Ongoing engagements concerning ad-hoc interactions with investors.

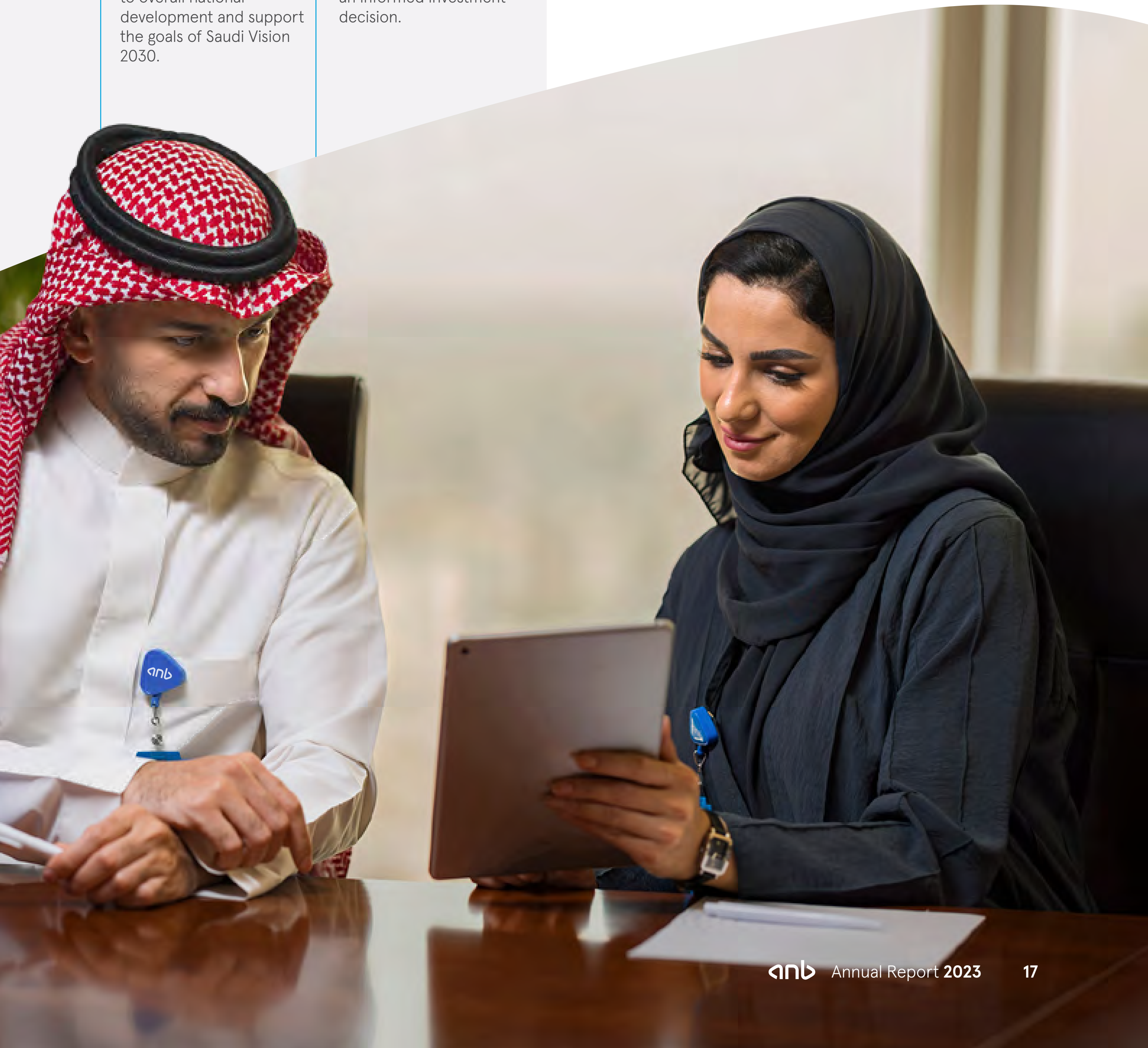
anb is proud of the vital and central role it plays in the Kingdom's financial ecosystem. We work hard to engage and support all our valued stakeholders in order to move forward, create sustainable value for the Bank and help achieve the vision and ambitions of the Kingdom, its financial sector and service its people.

Stakeholder group	Our employees	Our customers	Our suppliers/partners	Our community	Our shareholders
Key items discussed	· Issues related to performance management. · Setting objectives and KPIs.	· Card deliveries. · New mobile app. · Providing banking services and products for people with disabilities on the new mobile app.	· Performance metrics reviewed to assess the effectiveness of current partnerships and projects. · Digital transformation opportunities for digitalization and exploring customer experience solutions. · Technology trend opportunities in Cloud, Gen AI, CBDC (Blockchain) and other emerging technologies. · Transformation assessment of technology operations for efficiency and better control.	· Our efforts to build innovative programs and initiatives that will contribute to the country's environmental, social and economic development in the long run. · Evaluate the effectiveness of our CSR initiatives. · Communicate our CSR goal, vision and principles to all stakeholders in a clear and consistent manner.	· Current period financial performance. · anb's strategy, plans and outlook.
Key actions from these discussions	· Implemented workshops on performance management, objectives setting and KPIs. · Hackathon to unleash employee creativity.	· Emergency stop. · Mada card renewal. · anb ambassador. · Voice guidance. · Re-branding of ATMs. · Gifts for customers when taking a housing loan. · Integrated with third parties to ease the application process and the manual work. · Updated expired IDs on the Interactive Voice Response system (IVR) · Birthday SMS messages sent. · Braille brochures made available in branches, and sign language for our products is accessible on YouTube through QR codes · Amended hygiene policy.	· Implemented new technologies (Cloud, AI, Blockchain – CBDC). · Enhanced efficiency using insights from consultants and vendors, particularly focusing on ITG processes and key performance indicators. · Formed collaborations with fintech's for innovative financial solutions, strengthening our leadership in the Kingdom's Open Banking sector. · Formulated strong risk mitigation strategies with consultant input, addressing cybersecurity, compliance and operational risks. · Developed customized IT solutions, such as advanced reconciliation systems, through partner collaboration and strategic alignment.	· 4 volunteer initiatives undertaken for important causes. · Top management executives took part in 2 major activities. · Planned to organize additional volunteer initiatives in the future.	· Identification and decomposition of the perception gap in order to align financial markets and intrinsic value of anb. · Conducted earnings call and additional outreach programs.

Stakeholder engagement (continued)

Stakeholder group	Our employees	Our customers	Our suppliers/partners
How we create value for this stakeholder group	· Sponsored engaged team development, emphasizing their role in enhancing employee engagement through initiatives including training and skill-building. · Assessment center for staff development established to evaluate staff skills and potential, aiding employees in articulating development plans and career paths. · New leadership and coaching programs at anb Academy in collaboration with top universities, showcasing a commitment to high-quality education and strategic investment in leadership capabilities. · Compensation aligned with market standards to attract and retain top talent, ensuring a motivated and satisfied workforce. · Financial support for education and certifications, including Master's degrees and professional certifications.	· Provided outstanding experience to customers. · New products. · New channels. · New ways of delivering services.	· Partners gain access to varied markets and clients through their integrated expertise in anb services. · Shared optimized processes enhances partners' efficiency and cost-effectiveness. · Collaboration on pioneering projects boosts partners' innovation credentials. · Partners improve their operational excellence and customer satisfaction by engaging with our advanced solutions.

Our community	Our shareholders
· Adopted an integrated framework of high-quality community-focused activities that have a positive impact on our society, contribute to overall national development and support the goals of Saudi Vision 2030.	· Provided current and potential shareholders with an accurate portrayal of anb's performance and prospects, which in turn helped them to make an informed investment decision.



Investment case

As a well-established Bank, undergoing an ambitious transformation, anb provides investors with a unique proposition to benefit from the growth of the Saudi financial sector and Saudi Arabia's vibrant fintech ecosystem.

Large and growing market position

anb is one of the largest banks in the Middle East and Saudi Arabia by assets. We have a wide network of 127 branches across the Kingdom and a bespoke London branch. We offer a comprehensive range of products and services across Wholesale, Retail, MSME, Private, Treasury and Investment Banking (Capital).

Solid and consistent financial performance

anb has consistently delivered profitable growth and maintained a healthy balance sheet. In 2023, our net income of SAR 4,071 million shows a 33% increase over 2022, in addition to a return on equity of 12.1% and NIM of 2.74%.

Innovative digital strategy and fintech enabler

anb is committed to enhancing its digital capabilities and providing a superior customer experience. We have invested in developing our online and mobile banking platform, in addition to enhancing our corporate transaction banking platform and upgrading our systems to support the latest Open Banking Standards, and provide our BaaS offerings for fintech, as the leading provider in that market.

Diversified customer segments and revenue streams

anb has a diversified operating model focused on various segments and markets. We have a strong market position across all our operating segments, including Wholesale, Retail, Private, Treasury and Capital. In addition, we are regionally present across Saudi Arabia and have a strong footprint in the UK with our London branch.

Contribution to social and economic growth

anb is committed to supporting the social and economic development of the Kingdom and is an active participant in key Vision 2030 and Saudi economic development initiatives. This includes MSME support and the REDF Housing program, while also serving as a banking partner for key financial transactions, such as being the joint bookrunner for the PIF inaugural green bond.

Shareholders' information

Listing date:
1 December 1979

Exchange:
Saudi Exchange (Tadawul)

Symbol:
1080.SE

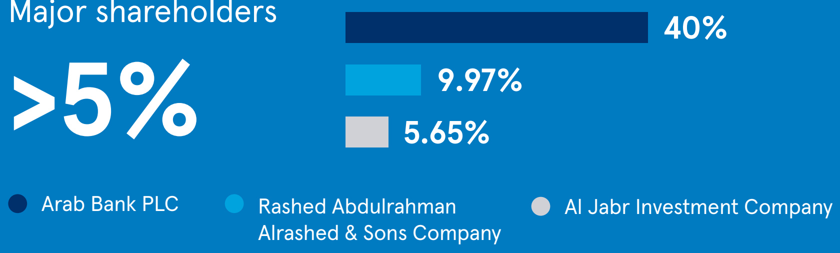
ISIN:
SA0007879105

Number of shares issued
1,500m

Closing price as of 31 December 2023
SAR 25.30

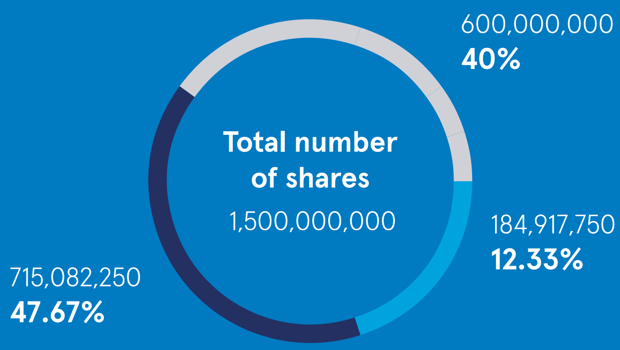
Market cap as of 31 December 2023
SAR 37,950m

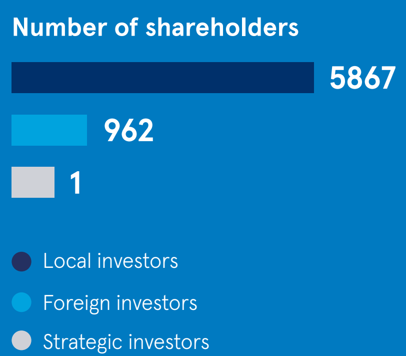
Major shareholders
>5%



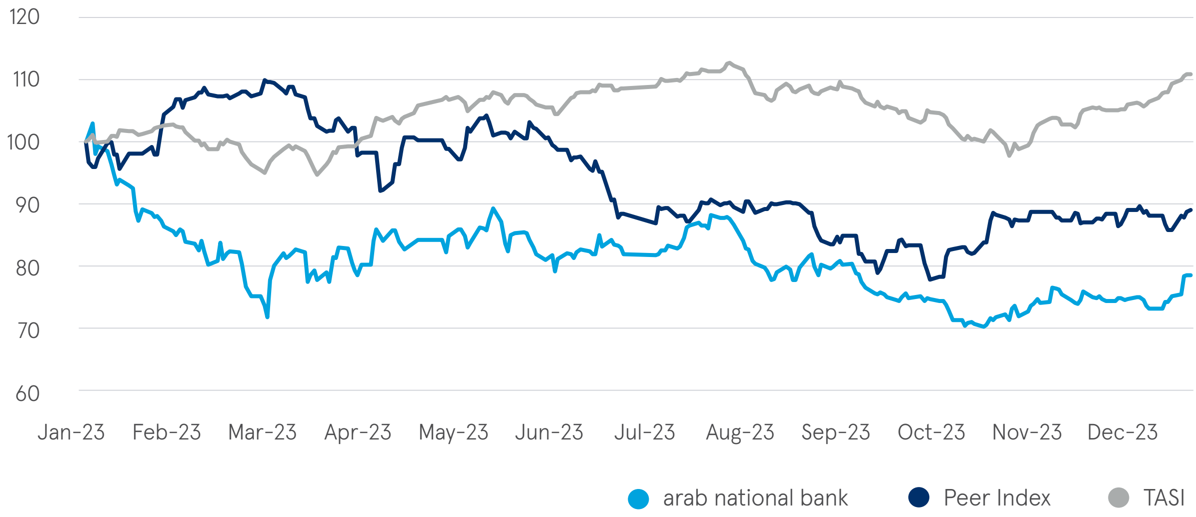
Foreign ownership limit
49%

Shareholding by type



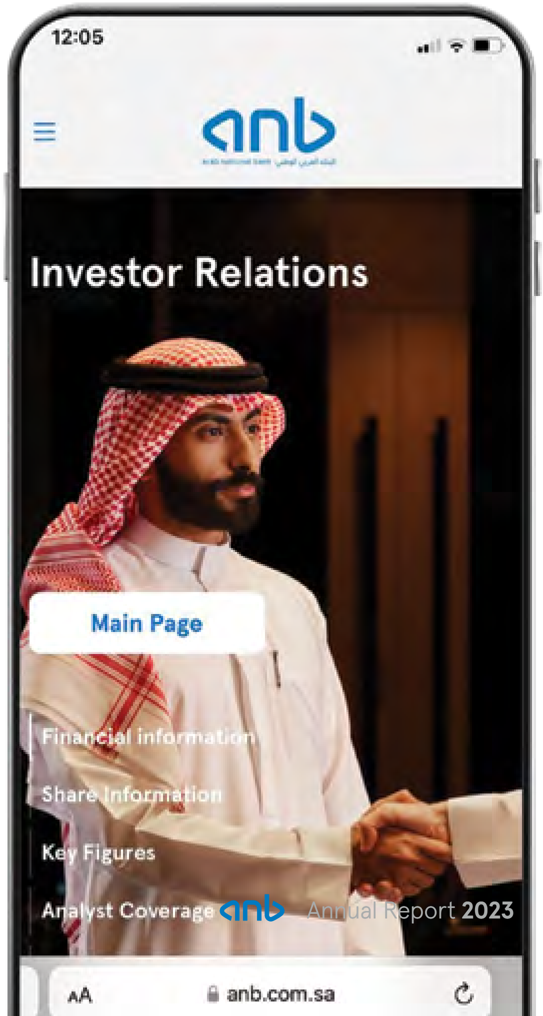


Share price performance vs. benchmark equity indices



For more information, please visit our Investor Relations page:

https://anb.com.sa/ar/web/anb/investor-relations



02

Strategic review


anb

Chairman's statement

Accelerating transformation and performance

>> It gives me pleasure to present anb's Annual Report and closing accounts for the 2023 fiscal year. Our Bank enjoyed another exceptional year, with strong performances by our various divisions as the business accelerated its transformation and focused on profitable growth. >>

Salah Rashed Al Rashed
Chairman of the Board

Superb implementation of our strategy, particularly continued investment in digital technology, advanced our vision to become one of Saudi Arabia's leading banks and delivered the highest net income recorded in the Bank's history.

As Saudi Arabia continued its wide-ranging economic development and diversification agenda, despite regional and global uncertainty, anb was once again an active player in the Kingdom's outstanding growth. The Bank was a key contributor in supporting the Government's vision and projects across the Kingdom, which presented a plethora of significant opportunities. The Bank's results were especially notable in 2023, considering the increasing competitiveness of the banking sector and challenging external factors.

We continued our progress towards our five-year strategy targets by augmenting and deploying our digital capabilities to further enhance our customer's journeys and experience, and to optimize our internal bank functions. Thanks to this proven strategy and our customer-centric approach, we delivered healthy growth and enhanced profitability. Furthermore, our achievements in 2023 will underpin the many initiatives planned for the years ahead to deliver our ambition of providing "Fast and Simple" banking services for all our clients and elevating the quality of their banking experience.

Saudi Arabia's continued economic growth momentum relies on the sustainable expansion and diversification of the economy. During 2023, anb invested in providing the products, services and customer experience aligned to the national priority sectors for Wholesale Banking, in addition to our continued participation in the key initiatives targeting the retail sector and MSMEs. Our dedication to enhancing customer experience has already earned us recognition from our experts and clients as a preferred banking partner for the fintech sector, top partner for the Kafala program and active participant with the Kingdom's Investment and Development Funds.

Saudi Vision 2030 partnerships gathering momentum

Our continuing investment in developing our human capital as well as enhancing our technological infrastructure and digital capabilities has enabled us to expand our participation in the Saudi Vision 2030 initiatives. In particular, we are honored to be playing an important role in nurturing the MSME sector by providing financing and business support in partnership with Monsha'at and Kafala to develop this crucial segment. The growth and success of MSMEs, which fosters innovation and contributes to economic growth, will help build a diversified, future-proof economy, which in turn will have many positive ramifications.

Our Wholesale Banking team continued to focus on emerging opportunities and large-scale developments as public-private partnership projects stemming from the Kingdom's exceptional growth and the giga projects outlined by Saudi Vision 2030 gained significant momentum.

The Retail Banking team continued developing digital propositions and optimizing the branch network to support our clients with products to enable them to achieve their ambitions. This was aided by our partnership with the REDF Housing program to continue expanding the mortgage proposition, providing savings programs and products, and launching awareness campaigns to develop financial literacy.

Maintaining excellent governance during accelerated transformation

During a period of rapid transformation and growth, it is imperative to maintain high standards of governance, compliance and risk management. During 2023, we remained vigilant in our adherence to the policies and procedures that ensure the stability and sustainability of our operations and the sound implementation of our ambitious strategy. Furthermore, we strengthened our Shariah Committee with new appointees who have the requisite expertise to guarantee that our new digital products and services are fully compliant with Islamic law.

Commitment to our community

Recognizing our social responsibility, the Bank has continued to launch initiatives with a sustainable impact on the community. This is our way of contributing and showing loyalty to the community we take pride in being a part of. It also underscores our active role in achieving the Kingdom's 2030 developmental goals, driven by our commitment and profound values that define our operations.

Acknowledgments

On behalf of all the Bank's members, I extend my gratitude to the leaders of our Kingdom and Government, under the leadership of the Custodian of the Two Holy Mosques and the Crown Prince (may God protect them), for providing a thriving and growing economy that continues to enable our progress in all categories.

We are also once again appreciative of the oversight of the Governors of the Saudi Central Bank (SAMA), particularly during this period of transformation in the banking sector.

Our valued customers and shareholders are central to our business model, and we thank them for their continued trust and partnership.

My fellow Board Members, the MD and CEO and his executive management team, and all anb's employees worked diligently in the past year to deliver another outstanding result, and I thank them for their commitment.

Managing Director's message

Increasing profitability for sustainable growth

>> anb's performance in 2023 reflected our intensified actions to driving a profitable growth in line with our five-year strategy, during a year that was characterized by an increasingly competitive banking sector and persistently high global interest rates. >>

We continued our commitment towards our strategic transformation plans which were reflected in our positive organizational and financial performance, placing us among the top three Saudi banks in terms of year-on-year profitability growth and net interest margin (NIM).

Our continued resilience and the impact of our five-year strategy was demonstrated by record net income after zakat and income tax of SAR 4,071 million, compared to SAR 3,070 million in 2022. This represented a 33% increase and translated into a return on assets of 1.9% (2022: 1.5%).

The Bank's operational efficiency was also reflected in maintaining the cost-to-income ratio at 33.86% (compared to 35.8% in 2022), with our asset book ending the year at SAR 220,683 million, 3.8% higher than 2022. This reflected customer loan growth of 6%, a 3% increase in liabilities, and a 7% surge in customer deposits.

Strengthening our foundation for accelerated transformation

Our transformation into one of the Kingdom's leading banks, led by our brand promise of faster, simpler banking, requires strengthening and enhancing of our infrastructure to provide a dynamic and agile foundation for our growth and operational expansion. In 2023, we made excellent headway in this regard, embarking on a core banking system update to support our digital transformation, enhance our client services and future-proof our operations.

In addition to the technology improvements which were implemented, we developed and launched our updated digital strategy, kicking off with the release of our revamped retail mobile app. The app was extremely well received by the market and our customers, and is the first milestone of several major enhancements which are planned across all our business lines and service centers.

A dedicated focus on customer experience has been at the heart of our mission to deliver faster, simpler banking. In 2023, this imperative was progressed by operational enhancements and a focus on developing our CX function to spearhead our ambition to become the chosen banking partner across our main segments. We rejuvenated our Retail Bank loyalty program and made substantial improvements in products and end-to-end digital journeys.

Obaid Abdullah Al-Rasheed
Managing Director and
Chief Executive Officer

Changes were made to our branch network and physical channels in 2023, installing best-in-class customer experience designs and applying our new brand identity within our branches. We also revamped Telemoney, which saw significant growth by attracting new customers this year. Its services are now offered at over 60 centers around the Kingdom, in addition to various digital channels, fulfilling all our customers' needs.

Our Wholesale Bank Group (WBG) implemented substantial improvements to transaction banking services for our corporate and MSME clients.

WBG strengthened its market-leading banking-as-a-service (BaaS) capabilities to enhance our ability to target fintech's and position ourselves to become the market leader in this segment.

We also maintained our dominance in the Open Banking realm with SAMA Open Banking certification and streamlined fintech integration via anb connect, setting a benchmark in accessibility and fintech enablement.

The MSME Banking division maintained its Saudi Vision 2030 alignment, consolidating its status as a key partner supporting Government initiatives to grow the sector.

Finally, recognizing the importance of Treasury as a key business driver and enabler for growth, we have invested in upgrading our systems and infrastructure to enhance our offerings and operations, in addition to growing our investment book to diversify our revenue streams and cater to our balance sheet growth in line with our market expectations and risk appetite.

Enabling and partnering with Saudi Vision 2030 initiatives

In 2023, anb continued to play an integral role in enabling and supporting important initiatives as part of Vision 2030. We continued our partnerships with the MSME support programs as part of Kafala and Monsha'at.

Moreover, anb remains the chosen partner for fintech, which is an important aim for the Financial Sector Development program to increase and improve access to financial services and promote public financial literacy. We continued our active partnership with the National Development Fund and its supervised funds on a number of collaboration initiatives that will support the Kingdom's development funds to achieve their government mandate in line with Vision 2030 objectives.

In our Wholesale Bank Group, we established the Vision Realization Department to focus on this important segment and provide bespoke financial services to the various development projects and pioneer companies spearheading the Kingdom's National Transformation as well as creating initiatives to contribute to achieving Vision 2030 objectives.

Investing in our employees to support growth

In 2023, anb undertook a proactive transformation process to enhance its standing as a leading employer in the financial sector. This involved a comprehensive overhaul of employee benefits and the refinement of the performance management framework to emphasize continuous improvement and enhance workforce engagement and performance. The Bank also organized events and celebrations aligned with national and social occasions to foster a sense of community and belonging.

Our efforts to position anb as an employer of choice were recognized as we received both the prestigious "Best CEO" award as well as the "Best Training Program" award from the Ministry of Human Resources and Social Development.

Looking ahead to 2024

anb's alignment with Saudi Vision 2030 will manifest in our continued focus on the strategy's identified growth sectors.

Our Wholesale Bank Group will pursue opportunities to deliver strong and sustainable growth for the bank, contributing to the Kingdom's Vision 2030 economic goals. In addition to the aim of becoming the chosen banking partner for our large corporate clients, WBG expects to participate in project and structured financing deals as Saudi Vision 2030 and PIF infrastructure development projects accelerate.

The Treasury business will continue to expand further their products offerings and reach during 2024. The other main focus will be to grow the investment book to support the Bank's growth ambitions and liquidity requirements.

Reflecting our Government's emphasis on the small and micro business sector, our MSME Banking team will explore more partnership opportunities with key Government entities to expand our financing activities in this segment.

Retail Banking Group will continue investing in their digital and physical channels. Other plans for 2024 include new products and services, loyalty offerings and bespoke rewards.

anb Capital's primary objective for 2024 is to enhance its market positioning in key investment banking and brokerage categories. The new brokerage app, which will be launched with market-leading services, is expected to deliver an exceptional customer experience.

Acknowledgements

During a year of growth and transformation, our Board of Directors provided sound counsel and guidance, and I am deeply grateful for their invaluable contribution. Our success would not have been possible without the efforts of all our colleagues across the Bank. My executive team and I express our appreciation to every member of the anb team for their dedication and hard work in making anb one of the Kingdom's best banks. We would also like to thank our valued customers for their loyalty and trust in the Bank, and we are committed to ensuring that their success and satisfaction always remain our highest priority.

Business model

As a recognized and respected bank in Saudi Arabia, anb's business model leverages our strengths and core capabilities to create significant and sustainable value for all our stakeholders.

Inputs

anb's unique proposition and strengths provide the foundation for sustainable value creation

Solid capital base: paid-up capital and equity (SAR 15 billion of Tier 1 + Tier 2).

Talented human resources: over 3700 employees across different business units and groups, including Retail Banking, Wholesale Banking, Treasury, Capital and other support functions.

Advanced technologies: investments in technology to enhance operational efficiency, customer service and digital transformation, and offering on-line and mobile banking, ATMs, POS terminals and other digital channels to customers.

Robust regulatory environment: operating under the supervision and regulation of the Saudi Central Bank (SAMA) and compliant with all local and international banking regulations.

Value creation levers

anb creates value through:

Diversified operations:

- Serves different segments of customers, including individuals, small and medium enterprises (SMEs), corporate and institutional clients and government entities.
- Offers a range of products and services to meet the needs and preferences of each segment, such as deposit accounts, loans, credit cards, investment products, insurance products, trade finance, cash management and treasury services.

Continuous innovation and digitalization:

- Focuses on innovation and digitalization to enhance its competitive edge and customer satisfaction.
- Develops new products and services, eBusiness+, Mobile App, Online Banking, Banking-as-a-Service and Open Banking.

Strict risk management and compliance:

- Adopts a prudent and proactive approach to risk management and compliance to ensure its financial stability and reputation.
- Has a comprehensive risk management framework that covers credit risk, market risk, operational risk, liquidity risk and reputational risk.
- Follows the best practices and standards of corporate governance, internal control, anti-money laundering and social responsibility.

Outputs

anb generates outputs that reflect its performance, impact and value proposition

Strong financial results:

- Net income after zakat and income tax of SAR 4,071 million for 2023, an increase of 33% over the previous year.
- Increased total assets by 3.8% to SAR 220 billion, total deposits by 7% to SAR 165 billion, and total loans and advances by 6% to SAR 152 billion.
- Return on equity (ROE) was 12% and return on assets (ROA) was 1.8%.

Increasing customer loyalty and satisfaction:

- Over 2 million customers and 214 premises across Saudi Arabia.
- Providing high-quality service and financial solutions to enrich customer experience.
- Invested in CRM systems to manage customer interactions.

Significant social and environmental impact:

- Contributes to the social and economic development of Saudi Arabia and supports the goals of Vision 2030.
- Participates in various initiatives and programs, such as the SME Financing program, the Mortgage program and the Financial Literacy program.
- Supports various charitable and humanitarian causes, including the health, education, culture, sports and environmental sectors.

Strategy and KPIs

Amongst the largest banks in the Middle East, anb's headquarters are based in Riyadh, Saudi Arabia with regional offices in Jeddah, Khobar and a network of branches throughout the Kingdom, in addition to an international branch in London, United Kingdom.

Our philosophy

Our Vision: To become the chosen financial partner in the Kingdom.

Our Mission: To empower the Kingdom's ambitious people, organizations and society by providing innovative tailored financial solutions and a fast simple experience.

Our Promise: Beyond Banking.

Our strategic pillars

Our corporate strategy aims to drive profitable growth through a focus on:

Strategic pillar	**Bank of choice for large and mid-corporates**
Description	• **Corporate Banking:** growing our portfolio, boosting profitability and aligning with Vision 2030. • **Mid-sized corporates:** sustainable growth through a diversified portfolio. • **SME:** become a leading SME bank.
KPIs	• Net loans. • Total operating income. • ROAA. • NIM. • NFI/operating income.

Saudi Arabia's affluent bank of choice

- Offer a differentiated product/service for our affluent customers.
- Transform our channels digitally to drive growth and optimize our operations.

- Net loans.
- Total operating income.
- ROAA.
- NIM.
- NFI/operating income.

Diversify treasury revenue streams and support anb's growth

- Expand treasury products and grow the investment book.
- Enhance our infrastructure and systems.

- Assets.
- Total operating income.
- NIM.
- ROAA.

Become the premier capital markets player

- Diversify products across different asset classes, themes and geographies.
- Develop institutional capabilities.
- Build a strong investment banking brand.

- Assets.
- Total operating income.
- NIM.

Brand and engagement

Building our brand and enhancing engagement

anb's strategic and data-driven approach to launching products and services fit for market, constantly improving experience and engagement to acquire and retain customers, and building the strength and equity of our brand accelerated during 2023.

Our approach and initiatives to create value for the Bank and our shareholders through brand and marketing included:

Digital marketing

We continued to leverage digital channels to reach our target audience. This included strategies such as search engine optimization (SEO) to improve online visibility, pay-per-click (PPC) advertising, content marketing and social media marketing. Digital marketing enabled better connections with customers through web-sites, mobile apps, social media platforms and e-mail campaigns.

Personalized customer experience

We focused on delivering personalized experiences to our customers. We used customer data and analytics to understand individual preferences and needs, allowing us to provide tailored products and offers. Personalization has been achieved through targeted marketing and public relations campaigns, customized communications and product recommendations based on customer behavior and segments.

Launching the new mobile app in 2023

Data-driven marketing and analytics

We leveraged data analytics to gain insights into customer behavior, preferences and market trends. By analyzing data, we've identified cross-selling opportunities, refined marketing strategies and measured the effectiveness of our campaigns. Data-driven marketing allowed us to make informed decisions and optimized our marketing efforts for better results.

Content marketing

We created valuable and informative content to educate and engage customers. Content marketing includes blog articles, videos, infographics and interactive tools that address financial topics, provide financial planning tips and offer insights into the banking industry.

Customer Relationship Management (CRM)

We invested in CRM systems to manage customer interactions, track leads and enhance customer satisfaction. The CRM platform enabled us to consolidate customer data, streamline communication and provide a unified view of customer interactions across various touchpoints. This helped us in building stronger customer relationships and delivering personalized experiences.

Rebranding branches and ATMS

Market overview

Despite economic headwinds globally, the Saudi banking sector maintained its growth trajectory in 2023 and anb captured strategic opportunities to continue maintaining a profitable growth.

Challenging global economic landscape

The world economy experienced a challenging macroeconomic and geopolitical environment in 2023. High inflation led to major central banks tightening monetary policy and increasing interest rates to generational-high levels. This policy initially showed limited success in curbing inflation, due to geopolitical uncertainties leading to increasing commodity prices, and a robust US economy and job market, which maintained consumer spending power.

With slower than forecasted economic growth, OPEC+ aimed to bolster oil prices by implementing production cuts. This led to a slowdown in the Saudi oil sector's GDP growth. Nevertheless, non-oil GDP growth was very healthy at over 4% in 2023.

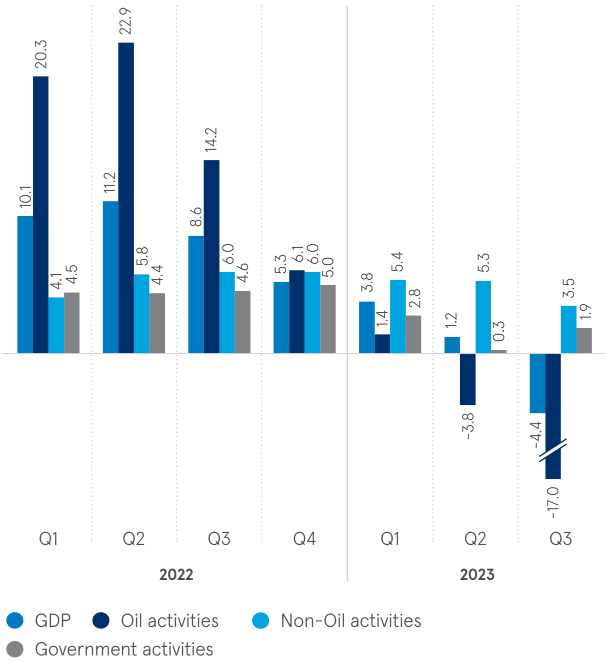
Despite the uncertain global macroeconomic environment, Saudi Arabia continued its steadfast development and implementation of Vision 2030's ambitious economic and social reforms. The pace of infrastructure development picked up and multiple giga project contracts and key milestones were announced, including NEOM and The Red Sea Project.

The economic successes culminated in 2023 with Saudi Arabia winning the bid to host Expo 2030 and the FIFA World Cup 2034. These major events are expected to provide an additional boost to the Saudi economy, as preparations in the leading years will drive major sectors including tourism, construction and manufacturing.

Additionally, the economic diversification away from oil was spearheaded by PIF, with multiple international and local investments and new ventures announced.

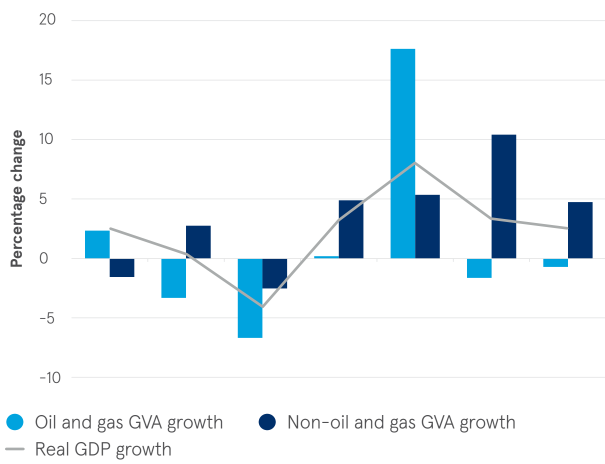
The Government also maintained its fiscal discipline and continued to reduce its budget deficit, while also providing targeted support and equal opportunities. It is set to continue on an expansionary budget policy in 2024.

Quarterly real GDP growth rates (year-on-year, %)



Source: General Authority for Statistics

Gross value added (GVA) growth breakdowns based on implied forecasts



Source: S&P Global

Resilient Saudi banking sector

The aforementioned events in 2023 influenced the Saudi banking sector in several ways. It benefited from increased lending, especially to the corporate and retail segments, as well as increased profitability (despite the higher liquidity cost). The Saudi Central Bank (SAMA) implemented the final Basel III reforms and maintained its vigilance to ensure the stability and resilience of the financial system.

Digitization and fintech growth continued to show strength, driven by the high level of internet penetration and young age demographics in the Kingdom. Banks launched enhanced digital propositions and SAMA continued to enable the seamless banking experience in the Kingdom, by enhancing inter-bank transaction functionality and supporting the adoption of the latest Open Banking framework.

The sector also embraced the opportunities and challenges of emerging technologies, such as blockchain, virtual assets, cloud computing and biometrics. SAMA continued to foster a conducive and supportive environment for financial innovation, through its regulatory sandboxes, fintech initiatives and digital transformation programs.

Finally, with COP28 taking place in the GCC and Saudi Arabia pledging to reach net-zero by 2060, the focus shifted to the role of banks in enabling this transition and contributing to the protection of our planet.

anb capitalized on opportunities for growth

2023 was a continuation of anb's strong financial performance. Despite the challenging market conditions due to generation-high interest rates, the Bank was able to maintain the health of its loan book, enhance its deposit base and boost its profitability.

This has enabled anb to grow its NIMs to be one of the market leaders. Additionally, despite the tighter monetary policy with higher interest rates, the Bank was able to grow its NIBs, while greatly increasing time deposits and saving accounts, which provided healthy liquidity and protected the Bank's ability to continue to profitably grow its loan book.

In addition, with the growing emphasis on digitization and with the Bank continuing its role as a key enabler for fintech's in the Kingdom, anb launched its revamped mobile app and enhanced its technology infrastructure to maintain this leading market position.

Chief Financial Officer's review

Achieving record results

>> In line with our five-year strategy that began in 2022, arab national bank continued to achieve exceptional financial results in 2023. Total operating income increased by 24.8% to SAR 8,567 million at the end of the current financial year from SAR 6,862 million in 2022. >>

Saad Aldughish
Chief Financial Officer

Demonstrating its financial strength, the Bank achieved sustained growth in financing and investment portfolios of 5.8% and 13.8% respectively. The Bank also maintained a balance between the Wholesale and Retail Banking, while continuing to focus on digital transformation.

Despite the great challenges and rising prices worldwide, the Saudi economy was able to overcome these challenges, thanks to its robust fiscal standing and the Kingdom's Vision 2030 economic diversification initiatives.

Supported by these favorable market conditions, the Bank developed an ambitious five-year strategy plan in 2022, laying sound foundations for its future transformation and business sustainability. The plan focused on effective management of its operations and emphasized the Bank's position as a major player in the market with a focus on sustainable growth and enhanced profitability. The Bank has been able to take advantage of the changes in the banking sector to achieve impressive results in 2023, which consolidated its initial progress in 2022; while maintaining a balance among the different sectors, with a continued focus on digital transformation.

anb was able to achieve an increase in net income, after zakat and tax, of SAR 4,071 million for the current fiscal year, compared to SAR 3,070 million in 2022; an increase of 32.6%. This increase is attributed to a 24.8% growth in total operating income offset by a 12.8% increase in impairment charges and a 15.9%

increase in operating expenses compared to 2022. The increase in total operating income comes as a result of a 26.6% increase in net special commission income resulting from an increase in investments and net financing of 13.8% and 5.8%, respectively. Furthermore, the net commission margin has improved this year despite the increase in cost of funds year-on-year. Total assets increased by 3.8% to reach SAR 220.7 billion as at year-end 2023 compared to SAR 212.6 billion in 2022.

Recent operating performance at a glance

anb maintained its solid financial position and robust performance in 2023.

Total assets (SAR)
220.7bn
^ 3.8% (22-23)

Loans and advances, net (SAR)
152.2bn
^ 5.8% (22-23)

Customer deposits (SAR)
165.9bn
^ 7.1% (22-23)

Shareholders' equity (SAR)
35.1bn
^ 8.5% (22-23)

Total operating income (SAR)
8.6bn
^ 24.8% (22-23)

Net income after Zakat and Tax (SAR)
4.1bn
^ 32.6% (22-23)

Net commission margin
3.64%
^ 17.4% (22-23)

C/I ratio
33.86%
v 5.4% (22-23)

ROAE
12.08%
^ 24.8% (22-23)

ROAA
1.88%
^ 23.7% (22-23)

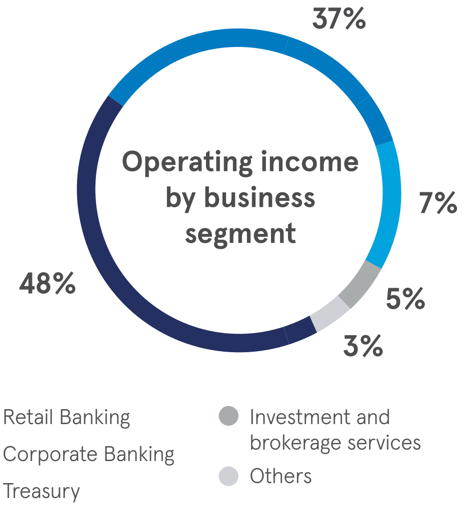
NPL coverage ratio
145%

Total CAR
20.86%
Tier 1 ratio 18.82%

Net income and profitability metrics

The Bank was able to achieve excellent financial results in the year 2023, as net income after zakat and tax recorded SAR 4,071 million in 2023 compared to SAR 3,070 million in 2022, an increase of 32.6%. This growth is mainly due to an increase in total operating income of 24.8%, reaching SAR 8,567 million compared to SAR 6,862 million in the year 2022. This increase is attributed to the growth in the investment and financing portfolios and the increase in the Bank's core operations; in addition to the improvement in the net commission margin this year, higher net banking fees, net gain on sale of non-trading instruments and other operating income.

Accordingly, the 24.8% increase in total operating income comes as a direct result of the growth of the Bank's financing and investments portfolio to meet the enhanced market demand for economic and business diversification in addition to the increase in the Bank's core operations. The financing and investment portfolios grew by 5.8% and 13.8% respectively, coupled with increased yields. Accordingly, the net special commission income reached SAR 7,137 million in 2023 compared to SAR 5,636 million for the previous year, an increase of 26.6%. Furthermore, the net fee and commission income amounted to SAR 637 million, an increase of 16.6% from SAR 546 million in 2022. Additionally, the Bank achieved profits from sale of non-trading instruments amounting to SAR 156 million in 2023 and other operating income reached SAR 106 million in 2023 compared to SAR 74 million in 2022, an increase of 42.3%. Meanwhile, exchange income and dividend income showed a decrease of 6.5% and 10.3% respectively from the previous year, reaching SAR 331 million and SAR 143 million respectively in 2023.



Operating expenses increased by 15.9% to reach SAR 2,848 million in 2023 from SAR 2,458 million in the previous year. This increase is mainly due to the increase in computer maintenance expenses, consultancy services, communication expenses, advertising expenses, etc., in addition to the increase in salaries and wages and related benefits. Despite the increase in total operating expenses, the high growth in operating income led to an improvement in the cost-to-income ratio by 5.4% to reach 33.86% in 2023.

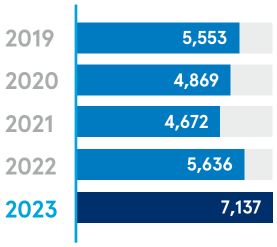
Chief Financial Officer’s review (continued)

The Bank recorded an improvement in its profitability and earnings metrics in the year 2023, as a result of the increase in the net income after zakat and tax. Earnings per share reached SAR 2.71 in 2023, up from SAR 2.05 in 2022. ROAA and ROAE increased to 1.88% and 12.08% respectively in 2023, compared to 1.52% and 9.68% respectively in 2022. The net commission margin ratio increased and cost-to-income ratio decreased to reach 3.64% and 33.86% respectively in 2023, compared to 3.10% and 35.81% respectively in 2022.

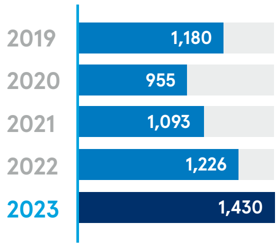
Below is a five-year summary of the income statement:

Income Statement
(all numbers are in SAR million)

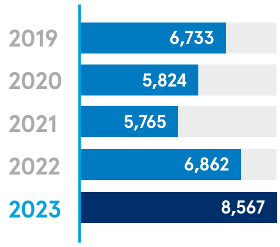
Net special commission income



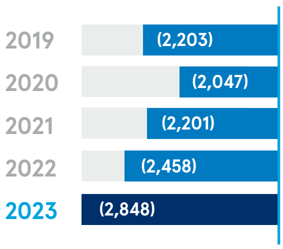
Fee, exchange, and other operating income



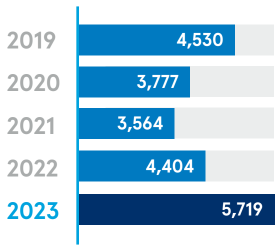
Total operating income



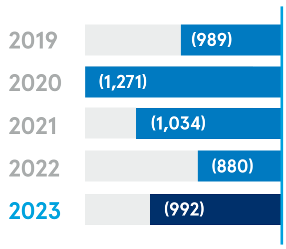
Total operating expenses



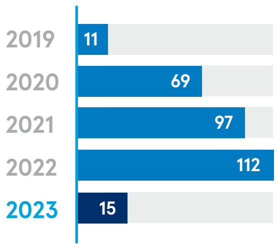
Net income before provisions



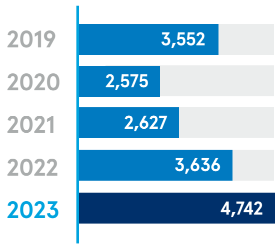
Provision for financing and other assets*



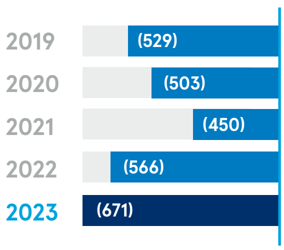
Share in earnings of associates - net**



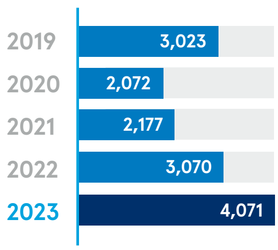
Net income before Zakat and tax



Zakat and tax



Net income after Zakat and tax



Allowance charges for expected credit losses

anb continued to maintain an adequate coverage ratio by allocating an allowance for credit losses of SAR 670 million in 2023, compared to SAR 880 million in the previous year. The total provision for expected credit losses on financed facilities was SAR 3,329 million at year-end 2023 compared to SAR 3,920 million at the end of 2022. Credit quality remained stable, as evidenced by the non-performing loans (NPL) ratio and NPL coverage ratio. The cost of risk decreased by 19 basis points to 0.45%. The NPL ratio improved by 31 basis points to reach 1.5% at the end of 2023. NPL coverage ratio decreased slightly from 148% at the end of the fiscal year 2022 to reach 145% at 31 December 2023.

*2023 figure includes impairment in value of property acquired in recovery of debt in prior year.
** Inclusive of gain on disposal of investments in associates and non-controlling interests.

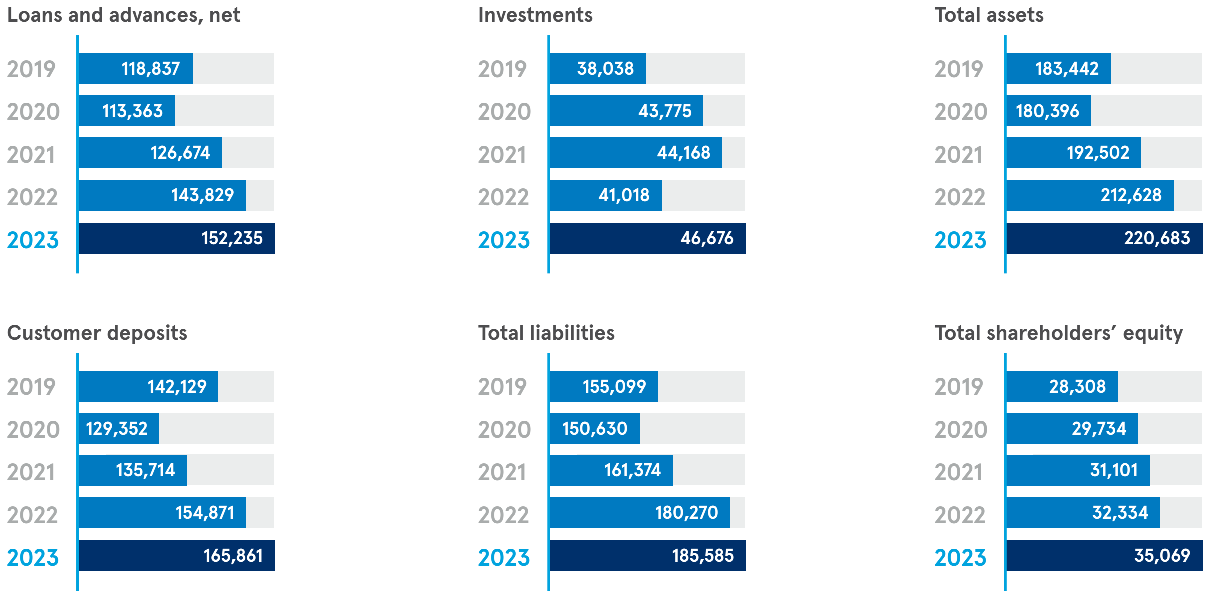
The Bank also recorded a provision for impairment in the value of a property acquired in recovery of debt from a customer for the amount of SAR 322 million during the current year.

Summary of financial position

anb maintained its strong financial position as of year-end 2023, highlighted by a healthy growth in assets and liabilities during the year.

Below is a five-year summary of the statement of financial position:

Financial Position
(all numbers are in SAR million)



The Bank's balance sheet remained strong, with growth in gross lending balances reaching SAR 155.6 billion and deposit balances reaching SAR 165.9 billion at the end of 2023. Net loans and advances also achieved an annual growth of 5.8% in 2023, as the consumer loans and corporate loans portfolios witnessed significant improvements. Consumer loans witnessed a growth in financing of 10.2% during the year, driven mainly by mortgage financing, while commercial loans witnessed 4.3% growth in financing on an annual basis.

Stability and liquidity

All key indicators of stability, growth, balance sheet strength, liquidity and asset quality were at satisfactory levels during the reporting period. anb maintained a good liquidity position throughout 2023, with Loan-to-deposit Ratio (LDR) at 80.97% (below the regulatory maximum) as of 31 December 2023. The Bank's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) stood at 177.56% and 121.17% respectively, as of 31 December 2023, both well above the regulatory minimum.

anb recorded an 8.5% growth in shareholders' equity in 2023. This is mainly due to the increase in retained earnings resulting from growth in net income in addition to statutory reserves and other reserves. The Bank remained well capitalized, as evidenced by the Capital Adequacy Ratio of 20.86% at the end of 2023 from 19.78% in 2022, with the Tier 1 Capital ratio reaching 18.82% in 2023.

Going forward, anb is looking forward to taking advantage of the available opportunities and is in a prime position to sustain its growth trajectory, capitalizing on its current strong position and the remarkable achievements of 2023. anb aims primarily to achieve a strong financial performance in the year 2024 and onwards.

Business review

Wholesale Bank Group

anb's Wholesale Bank Group (WBG) created exceptional value for shareholders, delivering impressive revenue and profit growth by increasing anb's share of wallet of ancillary business with the existing client base. Supported by enhanced efficiencies and optimizations, this also contributed to onboarding new clients in sectors offering high ancillary and cross-selling opportunities.

Our wholesale integrated businesses made important gains in capturing a larger share of the market, expanding our client base, and growing our share of wallet. Our ongoing technology investment should also accelerate progress, build a solid framework for transformation and consolidate our capacity and capabilities to differentiate anb in a competitive market.

In 2023, our digitalization program, especially for the SME and fintech segments, continued to expand the availability of digital channels to deliver our faster, simpler banking objectives. Improving both speed and agility in the provision and operability of our platform contributed to a better customer experience.

Saudi Arabia's unparalleled economic growth relies on the sustainable expansion of the country's business segment across the spectrum – from large scale corporates to mid-sized businesses and SMEs. Our Wholesale Bank Group provides diverse financial solutions that are carefully designed to advance our clients' business objectives and encourage them to partner with us throughout their growth journey.

These enduring relationships are essential to maintaining the Bank's growth momentum and contributing to the attainment of Saudi Vision 2030's ambitious goals. In 2023, WBG intensified its efforts to embed end-to-end relationships with our clients by providing the appropriate products and quality services that support every step of their growth.

We enhanced this approach by collaborating with other business teams across anb to promote cross-selling opportunities to further enhance client relationships and maximize returns.

Corporate

In 2023, our Corporate team secured new business from existing clients and expanded the portfolio by targeting new clients.

Saudi Arabia's economy was exposed to the high interest rates in 2023, and accordingly, our Corporate Banking team maintained a stringent risk management approach. Being selective in growing the loan book and generating higher returns by focusing on fee-based services, maintained our robust and resilient portfolio.

We also introduced further enhancements to ensure that our products and services are enabled for better efficiency and responsiveness to our clients' requirements. These improvements were aligned with the Bank-wide commitment to a seamless customer experience.

Project and Structured Finance

anb's Project and Structured Finance Department enhanced the return on the portfolio by focusing on opportunities to generate higher fees and ancillary income.

The Bank, which is one of Saudi Arabia's leading project and structured finance providers, was involved in financing a number of high-profile projects in 2023. We are the sole lead arranger of SAR 4.35 billion financing for a lifestyle project encompassing a shopping mall and towers comprising hotels and offices in Al Khobar. The syndicated transaction includes the Tourism Development Fund, and local and regional banks. anb also played a leading role in a USD 1.3 billion debt refinancing for a leading regional airline's plane-leasing transaction.

Saudi Arabia is set to spearhead public-private partnership projects in the region in the coming years, driven by its exceptional growth and the many new initiatives outlined by Saudi Vision 2030. The attendant opportunities for project and structured finance have been targeted by our team as key growth enablers and will remain an essential element of our strategy.

Commercial

In 2023, our Banking business targeting small and middle-market organizations consolidated the high standard of service provided to our clients and focused on adding new clients to the portfolio.

Our investment in digitalizing our operations continued, while our face-to-face services were bolstered with the addition of a new branch in AlMadinah AlMunawwarah. Commercial Banking is now offered at 4 regional locations: Riyadh, Jeddah, Khobar, and Madinah. A plan to open new branches in other regions is in place for 2024, which should contribute to further expanding our client base and market reach.

Physical engagement with clients, supported by our digital capabilities, will remain an essential element of our strategy to build enduring relationships with existing and new clients. Accordingly, we plan to expand our branch presence to other parts of the Kingdom in 2024.

Small and medium enterprises (SMEs)

In 2023, we made further progress on our aspirations to be the leading SME bank in the Kingdom by enhancing the customer experience and extending our reach into this important economic sector.

Saudi Vision 2030 has identified SMEs as strategically critical to the continued prosperity of the Kingdom. Emerging businesses are innovative and engines of new employment – with the right financial support, they unlock the potential to drive diverse and sustainable economic expansion.

anb's activities in the SME sector continues to grow, cementing our reputation as a bank of choice for small and medium businesses. In 2023, we were honored to win SME Bank of the Year from Global Finance Magazine.

During 2023, we further enhanced our digital channels to ensure that our products and services are enabled for best-in-class efficiency and responsiveness to our clients' requirements. Our technological improvements were aligned with the Bank-wide commitment to a seamless customer experience.

Our SME clients, supported by 13 centers across the country, will soon have access to an additional 2 new centers, opening in the Northern and Southern regions. A new mobile app has been developed and will be launched in 2024, which will have many advanced features such as funds transfer, loan applications, trade finance and other services.

Global Transaction Banking (GTB)

GTB, underpinned by advanced technology and infrastructure, and the expertise of our team, allows both corporate and financial institutions to generate synergies through greater efficiencies and automation. As a result, in 2023, we restructured our Transaction Banking Department to better and more quickly respond to the international requirements of our large corporate clients which thereafter became GTB.

Capitalizing on anb's global reach and the technological advancements in the payments sector, GTB offers the Kingdom's largest companies and financial institutions transactional products and services that meet their exacting standards. GTB has a variety of off-the-shelf solutions for our corporate and institutional clients, ranging from corporate and transactional banking for public and private entities across the spectrum to cash-management products for companies involved in off-plan real estate sales, investment houses and fintechs.

GTB provides tailored banking solutions to some of the biggest and most demanding corporate clients in the Kingdom. Our products are designed to meet the transactional needs of the Corporate business. One or more of these products can be customized to provide a banking solution to serve our clients' unique financial requirements.

anb's ongoing digital transformation has played a significant role in optimizing our clients' management of working capital in their commercial activity by employing appropriate technology without compromising on information security. Our services and products are powered by cutting-edge technology and top-tier expertise, which allows businesses to maintain greater transparency over collections and payments, improve digital capabilities and ensure agility and control.

anb has strategically positioned itself as a leading fintech enabler bank since 2018. Our goal is to empower fintech's to deliver secure, customizable, compliant and efficient solutions. At present, anb boasts a diverse fintech portfolio encompassing Aggregators (Information, Bill, Ecommerce and POS), PSPs, Digital Payment, Micro Lending, Equity Crowdfunding, Crowdfunding and Receivable Financing.

Backed by a dedicated fintech team, we act as a gateway to other departments within the Bank, ensuring seamless support for the fintech sector. With more than 50% market share in the Saudi fintech sector, anb is committed to driving the success and market penetration of fintech companies at every stage, providing advisory and guidance along the way.

We differentiate ourselves by our ability to customize our products to suit our clients' cash management requirements. anb has always been at the forefront of digital innovation in Saudi Arabia, and we are known to be the partner of choice for fintechs, investment firms, and major retail companies. Accordingly, our product suite continuously evolves as we adopt new technologies, perpetually introducing new and innovative solutions, allowing our corporate clients to become more efficient in managing their cash.

Vision Realization

anb's Vision Realization Department, established in 2022, successfully rallied the entire Bank to pursue opportunities in the public sector.

As a result, deposits have increased fivefold in 2023, and further solidified anb's positioning to engage and support the Kingdom's projects.

Our dedicated team has fostered meaningful relationships with Saudi Vision 2030 champions in the public sector, with a mandate to identify and create initiatives that will make a material contribution to the Kingdom's economic and societal advancement.

As one of anb's most important priorities, our support for Saudi Vision 2030 takes the form of providing banking and financial services to projects in sectors identified as strategically important. These include industrialization, tourism, entertainment, sports, transportation and logistics, housing, utilities and renewables, aerospace, education, healthcare, food and agriculture and automotive.

Our team in the Vision Realization Department continues to grow as a result of the growing opportunities that have emerged following the Kingdom's Vision, reflecting our dedication to meet and exceed the desired deliverables of our clients.

Deposits have increased fivefold in 2023, and further solidified anb's positioning to engage and support the Kingdom's projects.

Case study:

Pioneering fintech excellence

Empowering the Kingdom's financial landscape

The financial sector, both domestically and globally, is undergoing a transformative journey driven by the disruptive force of fintech's. Commercial banks find themselves at a crossroads of challenges and opportunities, necessitating strategic decisions to navigate this paradigm shift. Recognizing the vast potential that collaboration with fintech's holds, the GTB management at anb strategically positioned the Bank as a fintech enabler. However, despite anb's longstanding provision of eWallet, eCommerce, payments, collections and other cash management solutions to the market customers since 2004, the Bank's strategy signifies its commitment to being a force in the dynamic fintech ecosystem.

Navigating challenges, capturing opportunities

In the pursuit of meaningful collaborations between commercial banks and fintechs, anb has encountered promising benefits and overcome intricate complexities.

More than

50%

of Saudi fintech companies chose anb

Key benefits

Innovation and disruption – new income: fintech startups inject innovative solutions into the market, disrupting traditional financial services and introducing new business models. GTB's solutions, notably in collaboration with fintechs, have played a pivotal role in transforming the cross-border home remittance market, creating new income streams and propelling anb into the vanguard of industry innovation.

Cost efficiency: collaborations with fintech's, known for operating with leaner overhead costs, promote more competitive pricing for consumers. anb's strategic partnerships extend to fintechs working on Open Banking API solutions, enhancing the Bank's market reach and capitalizing on the innovation and agility inherent in fintechs.

Key challenges

Regulatory compliance: navigating the intricate regulatory landscape remains a weighty challenge, demanding meticulous due diligence and carefully drafted agreements to ensure compliance from the time-to-market and adherence.

Cybersecurity and protection: the financial industry's susceptibility to cyber-attacks is a prime concern. Fintech startups, lacking the robust security infrastructure of established institutions, face challenges in safeguarding sensitive customer data. Addressing these concerns is crucial for maintaining the integrity of collaborative efforts.

Trust and credibility: establishing trust in revenue-sharing models within the fintech space is a formidable challenge. Customer hesitation in adopting new financial technologies poses a potential blind spot for banks engaged in collaborations with fintech companies.

Scaling operations: the rapid scaling of fintech companies introduces operational challenges for traditional banks. anb recognizes the importance for scalable solutions to accommodate increased transaction volumes while maintaining operational efficiency.

Capturing value through a strategic approach

anb's strategic engagement with fintech's involves a multifaceted approach:

1. Risk management and compliance: rigorous due diligence ensures regulatory compliance, with all fintech agreements carefully drafted to shield the Bank against unforeseen events. GTB collaboration with RMG, Compliance and Legal guarantees adherence to all risk and compliance requirements without compromising solutions.

2. Technology stack: anb procured a state-of-the-art technology stack, seamlessly integrating it with core banking and allied applications to furnish effective APIs. This scalable technological prowess instilled market confidence and facilitated the successful onboarding of numerous fintech entities. GTB collaborated with ITG to provide a technology stack that scales with growing transaction volumes.

3. Accelerator and Incubator program: anb introduced a revolutionary free sandbox environment, providing a platform for potential fintech's to develop and prove their concepts without incurring exorbitant expenses. GTB drove the program directly with fintech's, offering mentorship and technical guidance to support promising startups.

4. Cultural transformation: GTB initiated a cultural shift, fostering a culture of innovation integral for adapting to the dynamic fintech landscape. Encouraging experimentation, agility and a willingness to embrace new technologies became a cornerstone of this cultural transformation. GTB management worked with all GTB staff to communicate the importance of continuous improvement and learning, enabling effective communication horizontally within the Bank and vertically with customers.

Driving growth and innovation

Through this strategic fintech enablement, anb adeptly navigated challenges, surpassing the targets for 2023. The onboarding of more than 50% of SAMA/CMA-licensed fintech companies resulted in incremental recurring revenue and a diversified fintech customer portfolio. anb's success, with over 100 fintech's onboarded, stands as a testament to the profound impact of the Bank's solutions in navigating and thriving within the dynamic fintech landscape. This notable achievement not only lays the foundation for sustained growth but also catalyzes transformative changes in the Kingdom's financial industry. anb, through its fintech strategy, has created a platform for future growth, setting the stage for continued innovation and excellence.

Retail Banking

Our Retail Banking business delivered solid growth in 2023, with the affluent segment performing particularly well. The division's success this year is testament to our clear focus, financial discipline and precise alignment with anb's overarching strategy.

Optimizing capabilities

In a year of strategic transformation, the Bank benefited from its exceptional leadership, guiding our retail business to deliver improvements across products and services. In addition, our branch and ATM network optimization progressed well, buoyed by the implementation of the new brand identity.

In line with our branding strategy, Retail Banking extended its affluent and upper mass client segment in 2023, with business improvements, new value propositions, product innovation and digital technology supporting customer acquisition and sales volume growth.

These enhancements, combined with the evolution in our customer journey process, delivered a better customer experience. This was particularly notable with affluent customers who benefited from product differentiation and new services, and thus resulted in an increase of the overall customer base.

Retail Banking's ongoing strategy to grow its affluent and middle customer segment included the introduction of new value propositions in 2023. These included end-to-end digital loan processing, a seamless youth customer acquisition experience and revamped touch points for consumer loans and cards customers, to provide them with a better customer journey. Coupled with faster turnaround times, these improvements boosted new-to-bank customer acquisition and raised our ability to cross-sell asset products.

The importance of driving customer experience motivated a decision to expand our dedicated function. Our Customer Experience team's mandate is to deliver customer-centric solutions to improve every step of a customer's Retail Banking journey.

At the front end, we developed a real-time feedback system for customers on branch services to identify areas needing improvement. The attendant insights and advanced analytics resulted in better leads' management, enabling the Retail Bank to cross-sell more asset products and raise customer retention.

Customer adoption and use of digital channels increased significantly in 2023, reinforcing anb's focus on digital transformation.

Product and service launches and enhancements

In line with our primary focus on our existing affluent and middle customer base, the Retail Bank added new products to its extensive range, including salary advances and micro loans, as well as enhancements to our savings product.

We continued our training program to enhance the sales and service excellence of our relationship managers engaging with customers in branches and through digital platforms. This program substantially contributed to the success of our initiatives to enhance our products, deliver growth and advance diversification.

The Retail Banking cards and payments business reported unprecedented success in 2023, reflecting our investment in innovation and superior products and services. Our unwavering dedication to customer satisfaction and our exceptional ability to meet our valued customers' evolving needs led to an outstanding increase in new customer numbers.

Moreover, the expansion of our anb rewards banner further cemented our enduring relationships with our customers, ensuring their continued trust and support.

Our cards business in 2023 earned us a prestigious award from our global partner VISA. This accolade recognized our continuous pursuit of innovation and excellence. It also acknowledged our persistent focus on delivering an exceptional banking experience to our customers by providing value-added and high-quality solutions and products that exceed our customers' expectations.

Delivering growth and diversifying offerings

Retail Banking recorded growth in its asset portfolio due largely to efficiency improvements, shorter service delivery times, and the introduction of new products in our auto leasing business.

Mortgage lending grew steadily, reflecting the strength of the market and the Real Estate Development Fund's (REDF) strategy to provide financing.

As part of ongoing efforts, Retail Banking launched the Platinum program and the Classic Business program for small firms, offering dedicated services and transaction fees, prioritized branch banking, competitive financing and lower fees for certain banking solutions.

As a socially responsible corporate citizen, anb continued to urge our customers to save for the future. We augmented our efforts in this regard by strengthening our relationship with the Social Development Bank (SDP) with unique and appealing savings options, including the Zood program in which anb participates.

Private Banking

During the year, our teams further strengthened their strategic relationship with each high net worth client, using their expertise to identify and manage their unique banking requirements and investment appetites, supported by our sophisticated suite of wealth management products and services.

In 2023, we continued expanding our client base and we increased assets under management and grew both the loan and deposits portfolios.

Leveraging our growing client base and the successful implementation of our business model, Private Bank is primed for another year of growth ahead. Our expert relationship managers will build on their deepening engagement with our existing high net worth clients and apply this knowledge to secure new business and clients from this lucrative segment.

London branch

Since its establishment in 1991, anb’s London branch has contributed to the Bank’s profile and visibility in one of the world’s largest and most important financial centers. During the year, we expanded our support for our valued customers’ banking requirements in the UK.

Despite economic challenges and rising interest rates, our London branch positively contributed to anb’s overall financial results. Following our expansion of mortgage finance transactions to cities and regions beyond London, we anticipate this trend will continue in 2024 and beyond.

Furthermore, new services for Private Banking and VIP clients are providing broader, yet more personalized assistance, based on individual needs. Our collaboration with selected external business partners and a dedicated concierge service have become important elements of this extended offering.

TeleMoney

Our TeleMoney business is an important contributor to anb’s strategy to grow revenue from transaction fees and foreign exchange, providing customers with multiple options to execute their transfers in a convenient and simple manner.

In 2023, our TeleMoney business achieved strong growth by attracting new customers and encourage them to use the Bank to send remittances. Services are now offered at more than 60 TeleMoney centers around the Kingdom, as well as via our digital channels which includes the TeleMoney App, Retail internet banking, ATMs and TeleMoney kiosks.

In addition to building a larger customer base, our growth in new customers has generated more opportunities for cross-selling other Bank products and services.

In 2023, we signed up the money transfer operations of Mastercard, Thunes and Moneygram, all of which use TransFast, a network provider for cross-border remittance banking.

Islamic Banking

anb's Islamic Banking division continued to benefit from Saudi Arabia's position as the leading Islamic finance market. With the Islamic banking sector in the Kingdom comprising a third of all Islamic banking assets worldwide, anb is well positioned to capture a significant portion of this business thanks to its impressive reputation and operating excellence.

During 2023, our Islamic Banking division achieved a significant 8.4% increase in assets compared to 2022, due to intensive promotion of our Shariah-compliant finance products to clients.

Our Shariah Committee, which is an integral part of anb's governance framework, provided exceptional guidance and counsel to all anb's divisions across the wider Bank, ensuring that all new consumer products and services developed during the year met with the compliance requirements of Shariah law.

The committee grew this year with the addition of new members as planned in 2022. These scholars all have requisite expertise to oversee the Bank's implementation of appropriate Shariah-compliant digitalization, specifically our new digital products for customers to apply for banking facilities entirely online.

An additional highlight of the year was the publication of the research, findings and recommendations stemming from our first conference on Islamic Banking, which we hosted in 2022. We also ran several training courses on Islamic banking products for staff across the Bank.

anb capital

anb capital, a leading capital markets player in the Kingdom of Saudi Arabia, continued its growth trajectory in 2023 and demonstrated the strength of its brand by completing transactions and launching new products. As our capital markets arm increased its revenues, it also strengthened its team, expanded its product offering and invested in its infrastructure.

This was an important year for the investment banking business, which began the year by completing 2 high profile transactions in the mergers and acquisitions space. In the first transaction, anb capital advised Saudi Tabreed District Cooling Company on the sale of a 30% shareholding to the Public Investment Fund (PIF) of Saudi Arabia. In the second transaction, anb capital advised Tamimi Markets on the sale of a 30% equity stake, also to the PIF. With a number of deals on the way that will go to market over the coming months and years, the investment banking business has now begun to establish a firm footing in the Saudi capital markets.

The asset management business continued to gain ground in 2023, with 4 new funds and new investment strategies launched, which greatly expanded its product offering. anb capital's Equity Fund (Shariah) continues to outperform their relative benchmarks, while its Money Market fund was the top performer for the year in Saudi Arabia, based on information provided on the Saudi Stock Exchange website. anb capital has plans to take new products to the market in the coming months, including thematic funds and innovative investment strategies.

The Real Estate Department launched 3 new closed-ended funds in 2023 and added SAR 1.8 billion of new assets under management. Two of the funds launched will invest in projects in the city of Riyadh, while the third fund will invest in a development in the city of Buraidah. The year also witnessed the successful exit of Almubarak Real Estate Income Fund II.

anb capital retained its ranking among bank-affiliated capital market institutions in the Kingdom in terms of brokerage volumes. With the dynamics of the brokerage market changing, anb capital is investing in new technologies and service propositions to change how its brokerage business is positioned. anb capital expects brokerage to continue to be one of its main revenue drivers in the coming years, and accordingly, will invest in its development in line with the market's evolution.

anb capital in 2024

There are tremendous opportunities in the Saudi capital markets on the back of the projects that are being developed under Vision 2030. The capital markets will have to evolve and expand to meet the requirements of the Kingdom's public and private sectors, creating avenues of growth for Saudi investment banks such as ourselves.

In alignment with Vision 2030, we remain steadfast in our commitment to delivering high quality investment advisory and investment management services to our clients, while taking advantage of the opportunities being created.

Treasury Group

In 2023, anb's Treasury business continued its track record of positive contributions to the Bank's overall performance. The year under review was also notable for the progress made towards the Bank's strategic objectives relating to investments, automation and the development of its human capital.

Over the year, our Treasury team expertly and efficiently managed the Bank's liquidity requirements, investment portfolio and market risks to maintain the institution's financial stability and maximize returns in line with our strategy and risk appetite.

Capitalizing on volatile markets

Despite challenging markets, Treasury capitalized on opportunities arising from interest rate volatility, diversifying into different asset classes and geographies.

Among the initiatives undertaken in 2023 was our customer outreach program where our emphasis on cross-selling Treasury products resulted in noteworthy success.

We also achieved pleasing results from expanding the sales teams in the regional areas and improving their skills and knowledge to improve their client interactions.

Treasury in 2024

In the coming year, Treasury intends to further expand cutting-edge financial solutions for our clients following our recent technology upgrades. We will also continue diversifying our growing investment portfolio.

As part of our commitment to sustainable returns, the Treasury governance framework will be strengthened by the incorporation of Environmental, Social and Governance (ESG) factors into practices and investment decision-making.

Digital transformation and technology

Revolutionizing the future of banking, anb's digital transformation journey:

The birth of the digital office

In 2021, anb set up its digital office (DO), a center for innovation and digital progress. Since then, we have continued to expand and strengthen our digital capabilities through groundbreaking initiatives. Thanks to the relentless commitment at all levels of the Bank, the DO is harnessing the power of digitalization to improve the anb customer experience and optimize internal banking functions.

Unveiling the future: 2023 initiatives

In 2023, the DO created a new digital landscape with a number of exciting and thrilling initiatives. The DO was able to expand anb's digital product portfolio and the full range of products across retail, SME, wholesale, global transaction banking, trading platforms and payments, with a focus on developing omnichannel customer experiences. The DO team was able to harness the power of collaboration by partnering with leading fintech companies and developing best-in-class user interfaces and new customer experiences. These initiatives are paving the way for integrated services that enable customers to access a wide range of solutions through our anb mobile app, from digital account opening to savings and investment options, digitized financing solutions and online payment channels. The evolving needs of our customers are always at the forefront of our digital banking services.

A resounding success: the mobile banking app

In 2023, the DO achieved exceptional results with the high-profile launch of our new digital apps and our innovative banking offering. The market response was overwhelming: more than 80% of new retail accounts were opened via our digital channels. Customers have embraced the seamless interface and simplified customer journey introduced in the same year, resulting in a significant increase in new customer acquisition and unprecedented revenue convergence in anb's history through digital and mobile applications for credit cards and personal finance via the anb mobile app.

At anb, we are reimagining the future of banking each day, making our operations more efficient, our people more productive and our customers more empowered. This year, there has been significant progress in accelerating our digital transformation, building a solid foundation for the future while applying technologies and expertise to deliver tangible progress.

Unleashing the power of partnerships: anb connect

To further enhance our offering, we have developed a compelling value proposition and operating model for anb connect, our Open Banking channel. anb connect facilitates partnerships with financial companies and fintech's through API banking interfaces and switches, fostering innovation and expanding the horizons of financial services. In addition, we launched Cashee as the first digital engagement in the local market, providing a platform for financial education and a savings account tailored for children and young customers that encourages saving habits amongst the youth.

80%+

new retail accounts were opened via our digital channels

Aligning with Vision 2030

At anb, we embrace Vision 2023 as our guiding principle for the development of the financial sector. Our commitment lies in providing unparalleled digital products and services, fostering a culture of savings, facilitating access to financing and investment opportunities and supporting income diversification through our modern digital channels. With the largest market share among all banks and financial sectors in promoting startups, fintech's and Banking as a Service (BaaS), our primary objective is to prioritize the preferred and simplest banking infrastructure as a main service. This enables the financial sector to offer Open Banking and embedded financial services within the framework of SAMA regulations, all while meeting the market demand for new innovative banking solutions.

A comprehensive digital strategy

Looking to the future, the DO has developed a comprehensive digital strategy that addresses the goals for the next 5 years and targets new digital revenue growth to be realized. Our strategy focuses on improving digital offerings across all channels, driving customer loyalty and attracting new customers. With expertise, flexibility, innovative digital solutions and enhanced digital business models as our guiding principles, we will revolutionize the digital banking ecosystem and meet the needs of retail, wholesale and investment customers.

Embracing innovation and cutting-edge technologies

In 2023, anb's Technology Group delivered significant advances for the business, with a focus on digital and technological leadership, driven by customer-first strategies.

Our efforts in modernizing digital architecture, expanding our ecosystem, utilizing big data, improving operational efficiency and revamping digital channels, led to remarkable growth and innovation. Highlights for this year included:

Innovative banking experience: relaunched a state-of-the-art mobile banking application with a new look, complemented by inventive financial products like micro-lending and overdraft facilities.

Architectural transformation: achieved significant architectural transformation with revolutionized digital channels and ecosystem, unlocking new and dynamic product offerings and empowering future-ready banking ecosystem.

Open Banking leadership: maintained our dominance in the Open Banking realm with SAMA Open Banking certification and streamlined fintech integration via anb connect, setting a benchmark in accessibility and fintech enablement.

IT and fraud threats fortification:
advanced our IT framework and fraud detection mechanisms, safeguarding our operations and clients in alignment with SAMA's fraud framework.

Data empowerment:
elevated our strategic insight with cutting-edge data infrastructure and analytics, enabling rapid, informed business decisions.

Agile delivery:
streamlined operations through Agile and DevOps methodologies, significantly boosting market responsiveness and customer satisfaction.

Legacy system modernization:
launched a transformational journey to upgrade our core systems with completion expected by Q1 2024, paving the way for innovation in digital services delivery and client engagement.

Workforce digitalization:
launched new employee engagement capabilities, enriching our workplace environment and productivity.

Modern IT infrastructure:
executed pivotal projects improving, expanding and modernizing our IT infrastructure, automation, machine learning and traffic analysis capabilities which will bolster anb's preparedness for future technological trends and evolving customer needs.

Collectively, this outstanding progress demonstrates that anb has not just embraced change; we have become the catalyst of it, setting new standards in financial services through innovation and strategic excellence. We will continue to build on this momentum and create increasing value for our business and stakeholders in the years to come.

Customer experience

In 2023, anb implemented several enhancements across the organization to substantially improve the relationship and experience our customers have at every point in their journey with the Bank. These far-reaching refinements and upgrades followed extensive monitoring and evaluation of our valued customers' feedback across all products and services under our Voice of the Customer program. This vital new initiative embraced a holistic approach to assessing every interaction, from opening accounts to after-sales service, to ensure that any avenue for improvement is identified and pursued.

anb's mission to provide exceptional products and service to our customers puts unparalleled customer experience at the heart of our strategy. In addition, our product and service development hinges on the incorporation of the customer's perspective on any proposed changes.

In the previous financial year, the Bank formulated a vision to place the customer at the center of all major enhancements, pledging to become a faster and simpler bank. Since then, all anb's initiatives have pivoted around customer experience – from engaging with the Retail Bank to digitalizing Bank processes, all the while creating memorable moments for customers.

Using a precise methodology, the Customer Experience division adopted key metrics to measure our progress, providing a comprehensive and integrated overview of our customers' interactions with the Bank.

In 2023, the success of this strategy manifested in a very pleasing uplift in customer sentiment and a marked increase in growth. The primary focus was on our affluent customer segment, the housing loan and digital journeys. Following the early successes in these areas of the Bank's operations, the customer-centered initiative was expanded to include all remaining touchpoints throughout the organization.

Customer behavior is changing rapidly. anb is committed to its digital transformation as it explores new opportunities to meet customer demands with innovative solutions.

ESG approach

At anb, we are committed to being a responsible corporate player and force for positive progress for our people, communities, environment and the Kingdom of Saudi Arabia.

From the highest levels of our Board of Directors and senior management to every talented and dedicated employee across our operations and branches, we are individually and collectively committed to doing our part, leveraging our resources and capabilities to stimulate meaningful change every day.

Although we are in the development stages of our Environmental, Social, and Governance (ESG) journey, we are integrating ESG factors into our strategy, divisions and corporate culture to create a solid foundation for increasing initiatives and impact in the years ahead.

Launching our ESG journey

In line with our overarching commitment to enhancing and embedding ESG across all aspects of our business, we have launched a multi-faceted program to develop a comprehensive strategy and roadmap, which is currently focused on developing our framework and conducting internal materiality assessments at both management and Executive levels.

Emphasizing corporate sustainability, our approach includes a blend of Human Capital and CSR initiatives under the social category, while our environmental efforts currently consist of a number of energy and resource saving initiatives and partnerships. In governance, we uphold standards through quality control and information security certifications, aligning with global standards like the SDGs and Saudi Vision 2030.

Our ESG governance structure

As part of our ESG framework, anb has developed the following proposed ESG governance structure, outlining key roles and responsibilities for effective governance of our ESG strategy and initiatives.

Proposed governance structure

Level 1

Board of Directors

Key roles
Set anb's ESG ambition and key priorities

Level 2

ESG Management Committee

Key roles
Monitor and oversee ESG progress within anb, ensuring execution of BoD's direction

Level 3

ESG Working Group

Key roles
Develop initial ESG framework, conduct current state assessment, manage day-to-day ESG initiatives and operations

ESG Credit Committee

Key roles
Define risk criteria and business KPIs to develop and offer ESG- compliant financial products

We have also defined key stakeholders across the organization, along with proposed meeting cadence, to effectively oversee and execute our ESG strategy, programs and projects.

Our environment

Safeguarding our natural environment

In 2023, anb demonstrated a robust commitment to environmental stewardship, deploying a series of strategic initiatives. These efforts reflect our deepening engagement with sustainability practices, aiming to reduce our ecological footprint while contributing positively to the environment.

Our actions encompass various aspects of our operations, from infrastructural enhancements to innovative financial instruments, and form a part of our broader strategy to align with global environmental goals and the Saudi green initiative. This comprehensive approach signifies our dedication to a sustainable future and the importance we place on environmental responsibility in our corporate ethos.

Activities and achievements in 2023

In 2023, anb’s environmental initiatives included:

Recycling boxes
installation around the headquarters for waste management.

Solar-powered branches
installation and implementation of solar panels in 2 branches.

Green spaces
enhancing green areas around the headquarters and preserving local wildlife.

Saudi green initiative contribution
planting 12,000 seedlings as part of the Saudi green initiative.

Green bonds investment
USD 150 million invested in green bonds by the Treasury.

Digital transformation in retail
83% of individual account openings are now digital, with personal loan applications fully digitalized.

Launching the Wave initiative

anb showcased its commitment to environmental conservation and sustainable development through its active involvement in the “Wave” initiative. A collaborative effort led by the Future Investment Initiative Institute and the Ministry of Energy, Wave is focused on the regeneration and sustainability of oceans, a critical component in maintaining global ecological and climate balance. It aims to support international efforts in restoring ocean health, preserving their sustainability, and ensuring their role in the global economy is sustained and enhanced.

The Bank’s participation in Wave is a key component of its strategy to support sustainable initiatives that have a meaningful impact on both the environment and the economy. By aligning itself with such a significant global cause, anb reinforces its commitment to the preservation of natural resources and demonstrates its role as a responsible corporate citizen.

Our society

Supporting the success of our people, communities, and country

Our people

anb's Human Resources Group's (HRG) embarked on a differentiated employee value proposition to attract and retain talent and motivate staff to achieve the Bank's strategic objectives. HRG played a pivotal role in accelerating employees' embrace of its organization-wide transformation program, resulting in a well-equipped, resilient and agile workforce, that aims to achieve the best results, strengthen the Bank's presence, and provide the easiest and fastest solutions for our valued customers.

New hires
654

Total employees
3,786

Saudization
96.43%

Female employees
850 (23%)

Training hours
289,491

Enhancing our HR function

An integral element of anb's transformation strategy in 2023 encompassed the alignment of employee performance and productivity. Accordingly, the Bank enhanced its performance management approach to empower our workforce to play an effective role in delivering meaningful outcomes. The Bank's vision, mission and commitment to our promise provided a robust framework for this performance-driven approach, with the primary objective being to remain our customers' preferred bank.

Across the Bank, HRG invested in initiatives to encourage our people to fully embrace our corporate culture and behaviors. These included reinforcing the Bank's core competency and leadership frameworks and embedding them in performance reviews.

anb's leadership team plays an essential role in shaping and driving our organizational culture. Our leaders' outstanding commitment to fostering a culture of integrity, teamwork and innovation in 2023 once again provided an admirable example for all employees to emulate.

Key achievements in 2023

Leadership and talent development are key strategic priorities for the Bank. Consequently, a comprehensive Assessment Center project was launched to provide HRG with oversight on all functions and provide talent identification and development. The new center uses a structured process to identify future leaders and provide them with tailored learning to develop and accelerate their growth and impact in the Bank. During the 2023 year, 3,355 employees from all job functions participated in 283 assessment sessions.

In a competitive, regulated and highly complex industry, building the skills and competencies of all employees is an ongoing, essential business imperative. In 2023, the Bank delivered 289,491 hours of training to develop the expertise of our staff.

This exceptional investment in our people included technical training, leadership development, and new compliance learning, and was geared to ensuring that our teams remain agile and well-prepared for the challenges and opportunities in the financial services industry.

Aligned to improving performance by raising skills and competencies is delivering the right environment and motivation to optimize employee experience. In the year under review, we continued to enhance our policies to make the workplace more attractive and distinctive for our people. With their well-being an important objective, the Bank implemented a comprehensive suite of programs, activities and benefits that were designed to safeguard the physical and mental health of our workforce. These include wellness programs, mental health resources and work-life balance initiatives.

HRG rolled out a number of initiatives over the year to improve organizational effectiveness. These included reviews to streamline the Bank's structure, capacity planning to ensure headcount optimization and a comprehensive job evaluation exercise. Additionally, the Bank revamped salary structures and completed the implementation of the Saudi Central Bank's (SAMA) mandatory new remuneration rules.

New initiatives for employee retention

The Bank's ability to deliver superior and unparalleled customer service is linked to the engagement and satisfaction of our dedicated and enthusiastic employees. To this end, the Bank established a dedicated Employee Experience team in 2023 to create a positive and enriching work environment by focusing on employee engagement, recognition programs, internal communication and building a culture that fosters collaboration and innovation.

In addition, the Bank undertook several reward activities in 2023, including a total remuneration review exercise and a revamp of allowances as part of our strategy to retain the best talent and reward outstanding performance and productivity. Our retention approach was enhanced by a decision to support employees embarking on a Master's degree program by funding 75% of their tuition fees, capped at SAR 100,000. anb once again demonstrated its market-leading credentials by being the only Saudi bank to offer such a benefit.

Diversity building innovation for business outcomes

At the end of 2023, the Bank's total workforce was 3786 individuals whose varying backgrounds enrich our ability to serve our customers effectively. We believe that diversity and inclusivity lead to stronger business and customer outcomes. To this end, anb remains steadfastly committed to promoting diversity and inclusion in our organization by embedding them into our recruitment practices and employee resource groups and providing equal opportunities to all staff members.

Diversity is also essential for innovation, which is a core business prerequisite as Saudi Arabia's banking industry undergoes rapid digital innovation. HRG is the lead sponsor of innovation within the Bank, spearheading its "anb beyond" program in 2023 to host hackathons for our employees to participate in competitive think tanks that foster no-limits innovation. Our objective is to develop novel solutions to internal challenges, and the Bank has already started implementing some of the winning ideas.

Looking forward

In the year ahead, anb is determined to fulfill its commitment to investing in a digitally savvy workforce that will promote innovation. Our ongoing pledge to attract top talent is matched by expanding our training initiatives and empowering our employees to reach their full potential.

Our people remain central to achieving our strategic goals and advancing our competitive edge in the ever-evolving banking industry. We are extremely proud of their achievements, and we extend our sincere gratitude to each one for their commitment and contribution to our continuing success in delivering our brand promise.

Our communities and country

anb is focused on developing a groundbreaking banking experience that mirrors the values of our society and supports the Kingdom's comprehensive development strategy. Our efforts in partnerships and initiatives are centered on driving economic growth, enhancing community welfare, and improving lives across Saudi Arabia, all in alignment with the objectives of Vision 2030.

We have developed a Corporate Social Responsibility (CSR) strategy to organize and elevate our diverse CSR initiatives and activities from their traditional framework to a more effective system that aligns with institutional standards and can be measured and continually improved. As part of this strategy, we have established 5 CSR pillars representing the foundation of selecting the social initiatives in line with its strategy:

1. **Sustainability**
initiatives with a sustainable impact.

2. **Empowerment and development**
foster personal and professional growth among employees and communities.

3. **Innovation**
embrace and drive technological advancements and creative solutions in banking.

4. **Partnership**
build strong, collaborative relationships with various stakeholders to enhance societal progress.

5. **Meaningful impact**
make a significant, positive difference in the communities and environments.

Activities and achievements in 2023

Supporting the success of family businesses

anb launched this initiative in partnership with various Saudi government entities, with the aim of training and qualifying 100 productive families across the Kingdom. The initiative reflected our dedication to community welfare and aligned with the goals of Saudi Vision 2030, focusing on improving living standards, empowering women, and addressing female unemployment.

The program was designed to support family businesses by making them sustainable and scalable. It offers practical training in economic feasibility, professional business transformation, and online marketing. Participants also gained fruitful insights into technology investment and business establishment, and learned about successful business models.

Upon completion, participants received certificates and benefited from marketing support through social media, boosting the exposure and sales potential of their projects. This not only enhanced individual success, but also contributed to the overall economic growth of the community.

Giving Renews their Hope initiative

In commemoration of Saudi Arabia's 93rd National Day, anb renewed its national initiative, "Our Giving Renews their Hope", Collaborating with King Salman Hospital and the Rheumatism Association, we financed 93 knee joint replacement surgeries, focusing on patients with rheumatism and joint stiffness, particularly those on waiting lists, while adhering to established medical policies.

This was inspired by the positive impact on patients' mobility and quality of life, underscoring our ongoing commitment to community well-being, and reflecting our dedication to supporting the Kingdom's health through each renewed effort.

Assisting the Guests of Rahman initiative

anb launched a noble mission, bringing together the National Center for Social Responsibility, the Ministry of Hajj, and various government entities. This joint effort aimed to enrich the Hajj experience by offering a spectrum of services to 115,000 pilgrims, including services like health and medical aid, first aid, multilingual translation, guidance, counseling, and logistical assistance.

It included a volunteer campaign with 650 qualified Saudi youths who actively assisted pilgrims throughout Hajj. Beyond facilitating the pilgrims' experience, the initiative also set a benchmark for community volunteering, demonstrating a model of cooperation. anb's involvement in this initiative reflected its commitment to social responsibility, emphasizing its role in supporting community initiatives and fostering a spirit of volunteerism among Saudi youth. The Bank also distributed more than 60,000 umbrellas to the pilgrims across all holy sites.

Rahab community project

The Rahab community project is a groundbreaking initiative developed by anb and the Ministry of Municipal and Rural Affairs and Housing to construct 100 housing units for the neediest families across Saudi Arabia. With anb's support, Mawa for Social Services has implemented the project, which is aligned with the objectives of the Kingdom's Development Housing program.

The initiative represented a synergistic collaboration between the government, the private sector, and non-profit organizations, dedicated to improving standards of living, and aligning with Vision 2030 goals. anb was a proud participant, reflecting the Bank's commitment to social development and supporting the sustainable growth of the non-profit sector in the Kingdom.

Rahab community project

03

Directors' report


anb
Share price performance vs. Benchmark equity indices (%)
Mar-22
Apr-22
May-22
Jun-22
Jul-22
Aug-22
Sep-22
Oct-22
Nov-22
Dec-22

Report of the Board of Directors of the arab national bank

For the fiscal year ended 31 December 2023

To: The Shareholders of arab national bank

The Board of Directors (the Board) is pleased to submit arab national bank's Annual Report for the financial year ended 31 December 2023.

Introduction

arab national bank (the Bank or anb), a Saudi joint stock company, was incorporated pursuant to Royal Decree No. M/38 dated 18 Rajab1399H (corresponding to 13 June 1979). The Bank commenced business on 2 February 1980 by taking over the operations of Arab Bank Limited in the Kingdom of Saudi Arabia. The Bank operates under the unified No. 7000018007 and commercial registration No. 1010027912 dated 1 Rabi Al-Awwal 1400H (corresponding to 19 January 1980) and is subject to the supervision and control of the Saudi Central Bank under license number 4017/M/A/254 through its network of branches, comprising of 127 branches and 59 remittance centers in the Kingdom of Saudi Arabia and one branch in the United Kingdom.

The Bank's head office is located in Riyadh - Kingdom of Saudi Arabia and its national address is:
7317 King Faisal Road, Al Murabba, Unit "1" , Riyadh 12613 – 3536, P.O. Box 65921 – Riyadh 11546

The objectives of the Bank are to provide a full range of banking services. The Bank also provides its customers non-commission based banking products which are approved and supervised by an independent Sharia Board established by the Bank.

Financial Results

Net profit after zakat and income tax attributable to equity holders of the Bank for the year 2023 amounted to SAR 4,071 million compared to SAR 3,070 million last year, an increase of 32.6%. Earnings per share amounted to SAR 2.71 from SAR 2.05 in 2022.

Net special commission income increased by 26.6% to reach SAR 7,137 million compared to SAR 5,636 million in the previous year, while fees and commission income increased by 16.6% to reach SAR 637 million from SAR 546 million in 2022. In 2023, the Bank also achieved profits from the sale of bonds listed at fair value through other comprehensive income in the amount of SAR 156 million, resulting mainly from the sale of government bonds and cession of its related hedging. Thus, total operating income increased by 24.8% to reach SAR 8,567 million in the current fiscal year from SAR 6,862 million in 2022.

Operating expenses before provisions amounted to SAR 2,848 million compared to SAR 2,458 million in 2022, an increase of 15.9%. The Bank assigned a provision charge for credit losses of SAR 670 million compared to SAR 880 million in 2022, a decrease of 23.8%, and the coverage ratio of the non-performing loans portfolio reached 145% as of 31 December 2023. The Bank also recorded a provision for the decrease in the value of an acquired property from a customer in the amount of SAR 322 million during the current year.

The Bank's loan portfolio amounted at year-end to SAR 152,235 million compared to SAR 143,829 million in 2022, an increase of 5.8%; while its investment portfolio increased to SAR 46,676 million from SAR 41,018 million in 2022, an increase of 13.8%.

The Bank's total assets and customer deposits as of 31 December 2023 amounted to SAR 220,683 million and SAR 165,861 million, respectively. Equity attributable to equity holders of the Bank amounted to SAR 35,069 million compared to SAR 32,334 million in 2022, an increase of 8.5%.

Financial Highlights

	SAR millions				
	2023	**2022**	**2021**	**2020**	**2019**
Loans and advances, net	**152,235**	143,829	126,674	113,363	118,837
Investments, net	**46,676**	41,018	44,168	43,775	38,038
Customers' deposits	**165,861**	154,871	135,714	129,352	142,129
Equity attributable to equity holders of the Bank	**35,069**	32,334	31,101	29,734	28,308
Total assets	**220,683**	212,628	192,502	180,396	183,442
Total liabilities	**185,585**	180,270	161,374	150,630	155,099
Total operating income	**8,567**	6,862	5,765	5,824	6,733
Total operating expenses	**3,840**	3,338	3,236	3,317	3,192
Net income after zakat and income tax attributable to equity holders of the Bank	**4,071**	3,070	2,177	2,072	3,023

Geographical Analysis of Revenues

The Group's revenues are earned mainly through its activities in the Kingdom of Saudi Arabia and are distributed as follows:

	SAR '000s
Central Region*	5,429,322
Western Region	1,754,236
Eastern Region	1,383,551
Total	**8,567,109**

* Includes London branch revenues (not disclosed separately due to being immaterial to the Bank as a whole).

Subsidiaries and Associates

anb capital

anb capital (anbc) is a closed joint stock company wholly owned by the Bank, registered in the Kingdom of Saudi Arabia under commercial registration No. 1010239908 issued on 26 Shawwal 1428H (corresponding to 7 November 2007). The company's authorized and issued capital is SAR 1,000 million (100 million shares), and its objective is to undertake and manage the Bank's investment services and asset management activities consisting of dealing, managing, arranging, advising and custody of securities regulated by the Capital Market Authority (CMA). The subsidiary commenced operations on 3 Muharam 1429H (corresponding to 12 January 2008). On 19 Muharram 1436H (corresponding to 12 November 2014), the subsidiary changed its legal structure from a limited liability company to a closed joint stock company. The objective of the subsidiary was amended and approved by the CMA on 28 Muharram 1437H (corresponding to 10 November 2015) through a resolution No. S/1/6/14832/15 to include dealing as a principal activity. The objective of the subsidiary was further amended on 26 Sha'ban 1437H (corresponding to 2 June 2016) to provide loans to the subsidiary's customers to trade in shares as per the Saudi Central Bank's circular No. 371000014867 dated 5 Safar 1437H, and the CMA's circular No. S/6/16287/15 dated 10 Rabih Al-Awwal 1437H. The General Assembly of ANB Capital approved the name change of the company from Arab National Bank Investment Company (ANBI) to anb capital on 28 Dhu Al-Qi`dah 1443H (corresponding to 27 June 2022).

Arabian Heavy Equipment Leasing Company (AHEL)

An 87.5% owned subsidiary incorporated in the Kingdom of Saudi Arabia as a Saudi closed joint stock company under commercial registration No. 1010267489 issued in Riyadh on 15 Jumada Alawwal 1430H (corresponding to 10 May 2009). The company's authorized and fully paid up capital amounts to SAR 300 million representing 30 million shares of SAR 10 each as of 31 December 2023. The company is engaged in the leasing of heavy equipment and operates in compliance with Sharia principles. The Bank started consolidating the subsidiary's financial statements effective 10 May 2009, the date the subsidiary started its operations. On 6 May 2014, the Bank increased its ownership percentage in this subsidiary from 62.5% to 87.5%.

Saudi Home Loan Company (SHL)

A 40% owned associate incorporated in the Kingdom of Saudi Arabia as a Saudi closed joint stock company under commercial registration No. 1010241934. SHL's authorized and fully paid share capital amounts to SAR 1,000 million representing 100 million shares of SAR 10 each as of 31 December 2023. The company started its operations during the fourth quarter of 2007 and the Bank's share in the company is equity accounted. The company's activities are to finance the purchase of Islamic home and real estate products that are fully Sharia-compliant.

During the first quarter of 2022, the Bank offered 30% of its shareholding (12 million shares) as part of the Initial Public Offering (IPO) for a gain of SAR 36.1 million which was recognized as a realized gain on partial disposal of an investment in an associate in the consolidated statement of income.

During the second quarter of 2022, the Bank purchased 1.4 million shares for an amount of SAR 28 million (SAR 20 per share) representing 1.4% of SHL's issued capital.

The Group continues to classify its remaining interest of 29.4% in the company (29,4 million shares) as an associate, as the Bank still exercises significant influence over SHL.

ANB Insurance Agency

A Saudi limited liability company established during 2013 as a wholly owned subsidiary, registered in the Kingdom of Saudi Arabia under commercial registration No. 1010396423 issued in Riyadh dated 28 Muharram 1435H (corresponding to 1 December 2013). The company's capital amounted to SAR 500,000 consisting of 50,000 parts (at a nominal value of SAR 10 per part) as of 31 December 2022. The subsidiary obtained its license from the Saudi Central Bank to start its activities in insurance and related business on 5 Jumada Alawwal 1435H (corresponding to 6 March 2014).

In reference to Article No (75) of the Insurance Company Control Law, the company requested to cease its operations on 28 Dhul Qadah 1441H (corresponding to 19 July 2020). The request was approved by the Saudi Central Bank at 4 Rabih Al-Thani 1442H (corresponding to 19 November 2020). The same was communicated to the Ministry of Commerce. On 29 Dhul Hijjah 1444H (corresponding to 17 July 2023), the company completed the closure procedures with the relevant regulatory authorities.

Al-Manzil Al-Mubarak Real Estate Financing Ltd.

A wholly owned subsidiary, registered in the Kingdom of Saudi Arabia as a limited liability company under commercial registration No. 1010199647 issued in Riyadh dated 18 Jumada Alawwal 1425H (corresponding to 6 July 2004). The company's capital amounts to SAR 1 million consisting of 10,000 parts (at a nominal value of SAR 100 per part) as of 31 December 2023. The company's activities include engaging in the purchase of land and real estate, selling or renting in favor of the company, maintaining and managing of owners and others' assets as a guarantee, and the sale and purchase of real estate for financing purposes as per the Saudi Central Bank's approval No. 361000109161 dated 10 Shaban 1436H.

anbc Business Gate Fund

The Bank indirectly owned 25.47% of anbc Business Gate Fund (the Fund), which is a closed-ended private placement real estate investment fund launched on 25 August 2014 for a period of 5 years starting from the date of closure of the first offering on 11 January 2015. The CMA was informed of the offering of the Fund through letter No. 8/14//411 dated 9 Shawwal 1435H (corresponding to 5 August 2014). The Fund's activity is to acquire real estate assets, including an income generating real estate property located in the city of Riyadh, out of which the Fund receives rental and hotel operating income over the Fund period. The Fund's total shareholding reached SAR 950 million divided into 950,000 units and each unit value is SAR 1,000.

Since its launch, the Fund's period has been extended a number of times. The last extension being 14 December 2020, when the unit holders approved an extension to 31 December 2025.

On 26 May 2021, the Fund's total shareholding was reduced by an amount of SAR 375 million to reach SAR 575 million, instead of SAR 950 million, as it was divided into 950,000 units, each with a value of SAR 605.

At the end of May 2021, the Bank sold half of the Group's share in the Fund to other unit holders. Consequently, the Bank's indirect ownership became 12.75% in the Fund instead of 25.47%. The Bank still has significant influence over the Fund; thus, the Bank continued to classify its investment in the Fund as an investment in an associate.

Sara Second Real Estate Investment Fund

The Bank owns directly and indirectly 31.9% of Sara Second Real Estate Investment Fund (the Fund), which is a closed-ended, Sharia-compliant, private real estate fund established in the Kingdom of Saudi Arabia and launched on 22 May 2020 for a period of 12 years. The CMA was informed of the offering of the Fund on 4 June 2020. The Fund's activity was to acquire the Sara Village Residential Compound, an income generating real estate property located in Al Khobar, out of which the Fund receives rental income over the Fund term. The Fund's total shareholding reached SAR 1,368 million divided to 136.8 million units of SAR 10 each.

The Bank's share in the Fund is equity accounted.
It is to be noted that the above-mentioned subsidiaries and associates' primary businesses operate in the Kingdom of Saudi Arabia.

ANB Global Markets Limited

The Bank established on 3 Jumada Alawwal 1438H (corresponding to 31 January 2017) ANB Global Markets Limited, a limited liability company registered in the Cayman Islands, which is 100% owned by the Bank. The company's capital amounts to USD 50,000 consisting of 50,000 parts (at a nominal value of USD 1 per part). The objective of ANB Global Markets Limited is to trade in derivatives and repo activities on behalf of the Bank.

Dividend Distribution Policy

The rules governing the Bank's dividend distribution are as follows:

1. In accordance with the Saudi Central Bank's requirements, a minimum of 25% of the Bank's annual net income is required to be transferred to a statutory reserve until such reserve equals the Bank's paid up capital.
2. The Board of Directors periodically reviews and analyzes the Bank's financial position, capital adequacy and growth projections. Accordingly, it proposes to the General Assembly whether to distribute dividends or not.
3. If the General Assembly decides to distribute dividends, they will be distributed to shareholders in proportion to their shareholdings held at the eligibility date as per the dividend announcement.
4. The Board of Directors may also decide to distribute interim dividends based on the Bank's financial situation.
5. Non-distributed earnings are transferred to the next year or to the general reserve.

The Board proposed to distribute 2023 net income as follows:

	SAR '000s
2023 net income – after zakat and income tax	4,070,510
Retained earnings from previous years*	6,832,670
Total	**10,903,180**
Distributed as follows:	
Transferred to statutory reserve	(1,018,000)
Total interim dividends (for the first half of 2023 at a rate of 22.1% of net income)**	(900,359)
Retained earnings for 2024	**8,984,821**

* Net of gain on derecognition of FVOCI equity investments.
** On 6 February 2024, the Board of Directors approved to pay cash dividends of SAR 1,050 million for the second half of 2023 after deducting zakat. The proposed final dividends resulted in a net payment of SAR 0.70 per share to Saudi shareholders. The income tax liability of the foreign shareholders for the current and prior period (if any) will be deducted from their dividend share. This final dividend will be distributed on 25 February 2024; accordingly, the total interim and final dividends for 2023 will be 45.6% of the net income of the year 2023.

Future Strategic Plans

anb embarked on an ambitious Five-year strategy in 2022 by laying the foundation for its future transformation and business sustainability. The strategy is focused on positioning the Bank as a leading player in the market with a focus on sustainable growth and enhancement of profitability across the key business segments.

Wholesale Banking – Becoming the Bank of Choice for large and mid-sized corporates:

anb aims to differentiate itself in the Wholesale Banking segment by enhancing its service offerings and becoming the chosen banking partner for the leading corporations in the Kingdom of Saudi Arabia, in addition to supporting and leveraging the opportunities driven by the Kingdom's transformation as part of Vision 2030.

Corporate and Commercial Banking:

Focusing on sustainable growth through leading and participating in project and structured finance solutions, as well as bolstering anb's position as a key financial partner by offering bespoke transaction banking, liquidity management solutions and capital market products in collaboration with anb capital. In addition to the activation of the newly established Vision Realization Division, which will support the Bank in its collaborations with Vision 2030 initiatives by offering tailored solutions.

Micro, Small & Medium Enterprises (MSME) Banking:

Maintaining anb's strong position as a supporter of this crucial segment, by partnering with Monshaat and the Kafalah program. Enhancing product offerings and services by providing new innovative lending, transaction banking and advisory products.

Finally, with the growth of fintech players in the Kingdom of Saudi Arabia, anb will continue to focus on enhancing the infrastructure and API capabilities to maintain its market-leading position.

Retail Banking – Bank of Choice for affluent customers:

As part of the Five-year strategy, anb aims to capitalize on the Kingdom's growing retail banking opportunities, driven by the socioeconomic development taking place across the country. Therefore, Retail Banking is gearing itself toward enhancing its affluent customer segment and providing tailored offerings. The Bank will enhance and expand its product offerings in-line with clients' needs. This will include tailored mortgage propositions, introducing new credit card products, enhancing personal finance products and growing the auto leasing portfolio. Furthermore, in-line with the Kingdom's Vision 2030 initiative to support financial literacy and savings, anb is expanding its savings products, including current accounts, call accounts and time deposits, in addition to collaborating with anb capital to offer bespoke brokerage and investment solutions for the various client segments. Finally, in line with the updated brand, optimizing the branch network to improve customer satisfaction and enhance operational efficiency is a key focus area.

Treasury – Diversifying revenue streams to support growth:

Treasury aims to diversify its income sources by expanding its product offerings and increasing cross-selling with

Wholesale and Private Banking to enhance existing relationships. In addition, Treasury will continue to cater to the expected balance sheet growth in the business segments and ensure the Bank's healthy capital position is maintained.

In order for the Bank to achieve its business targets, anb's Five-year strategy identified the key enablers, with the following highlights:

Digital – Becoming digital first:

anb established the Digital Office to drive digital transformation across the Bank and support the business lines to be at the forefront of innovation. This includes launching and enhancing digital channels in Retail Banking to offer end-to-end digital customer journeys across all products and services, in addition to improving efficiency in Retail Banking client services and operations to grow satisfaction and efficiency. Moreover, Wholesale Banking will develop its proprietary transaction banking solutions and enhance relationship management tools to enable best-in-class services for corporate, commercial and MSME clients.

Marketing and Customer Experience – Enhancing customer service excellence and strengthening brand equity:

Following the highly successful rebrand and positive market reception of the new corporate identity, anb will continue to enhance its brand positioning across its key customer segments, by introducing new offerings such as strategic brand partnerships and a market-leading retail loyalty program. The Customer Experience Division was established to focus on enhancing and optimizing customer journeys, ensuring the voice of the customer is always at the forefront of service design, to deliver on the promise of "faster, simpler banking".

Infrastructure – Optimize its infrastructure to accelerate its transformation:

anb is investing in its technology infrastructure to enhance operational resilience and future-proof its capabilities in a fast-evolving banking sector. This includes the upgrade of the core and back-end systems to enhance the agility and efficiency required for digitization across all business lines.

Human Capital – Investing in human capital to deliver its ambition:

anb has placed increased emphasis on human capital initiatives to support the Bank's growth and position itself as a leading employer in the Kingdom of Saudi Arabia. This includes focusing on learning and development to enhance employees' competencies in the emerging digital field. In addition, anb is focused on enhancing the employer value proposition to attract and retain the best talent, by introducing cultural initiatives and enhancing the flexibility for employees to perform their daily activities.

Principal Activities

For management purposes, the Bank is organized into the following major operating segments:

Retail Banking	Deposits, credit facilities and investment products for individuals, and the Bank's London branch.
Corporate Banking	Loans and advances, deposits and other credit products for corporate and institutional customers, and small to medium sized businesses.
Treasury Banking	Manages the Bank's trading and investment portfolios and its funding, liquidity, currency and commission rate risks.
Investment and Brokerage Services	Investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities.
Other	Includes income on capital and unallocated costs and assets and liabilities of Head Office and other supporting departments.

Transactions between business segments are reported in accordance with the Group's transfer pricing system. The basis for determining the intersegment operating income/ (expenses) for the current year are consistent with the basis used for 31 December 2022. Segment assets and liabilities mainly comprise of operating assets and liabilities.

The Group's primary business is conducted in the Kingdom of Saudi Arabia with one international branch in London, United Kingdom however, the total assets, liabilities, commitments and results of operations of this branch are not material to the Group's overall consolidated financial statements.

The Group's total assets and liabilities as of 31 December 2023 and its total operating income, expenses and net income for the year then ended, by operating segments, are as follows:

2023 – SAR' 000s	Retail Banking	Corporate Banking	Treasury	Investment and Brokerage Services	Other	Total
Total assets	63,288,965	93,894,239	60,246,063	591,689	2,662,354	220,683,310
Investments in associates	–	–	–	328,489	620,914	949,403
Total liabilities	89,551,969	80,433,353	13,422,936	129,727	2,047,426	185,585,411
Operating income/ (expenses) from external customers	2,077,731	6,164,298	68,985	384,898	(128,803)	8,567,109
Intersegment operating income/ (expenses)	2,067,323	(2,990,452)	508,807	–	414,322	–
Total operating income	4,145,054	3,173,846	577,792	384,898	285,519	8,567,109
Of which:						
Net special commission income	3,998,029	2,690,763	(69,342)	172,699	344,845	7,136,994
ECL allowance charges and other provisions, net	411,135	257,454	1,576	–	–	670,165
Impairment charge on other real estate owned	–	322,000	–	–	–	322,000
Depreciation and amortization	189,659	9,432	498	5,307	23,391	228,287
Total operating expenses	2,356,993	1,251,299	165,312	128,503	(62,240)	3,839,867
Share in earnings of associates	–	–	–	11,991	7,517	19,508
Net income before zakat and income tax	1,788,061	1,922,547	412,480	268,386	355,276	4,746,750

Micro, Small and Medium Enterprises (MSMEs)

MSME relationships are managed at anb by dedicated business units catering for the financial services requirements of (i) micro and small enterprises and (ii) medium sized businesses. This bifurcation is necessary because of the different client coverage, credit underwriting and risk management / control models required for these 2 segments. In view of the importance of this sector to the economy, a dedicated work force has been allocated for small and micro enterprises, this is in addition to the Commercial Banking department specialized to serve the medium-sized enterprises' sector. This specialization in relationship management comes from the Bank's keenness to cover and meet all the needs of these enterprises in view of their sizes and growth requirements.

Establishing a meaningful presence in the MSME segment is a key strategic priority and to this end, the Bank, over the past four years expanded its distribution footprint by establishing 13 dedicated MSME centers across the Kingdom covering 9 cities. anb offers its clients a range of services and products including borrowing services that include short and medium-term loans, and non-borrowing services such as trade services, account services, internet banking, utility bill payments, payroll services and merchant POS. For the micro and small sub-segments, the Bank offers customized solutions via product programs to cover a wide range of financing requirements along with a competitive price range.

anb is one of the leading participants of the Kafalah program, under the umbrella of Monshaat (the Government's SME Authority) by participating with their developmental programs through launching new finance programs and awareness initiatives. anb is the first Bank to launch an electronic service that allows micro and small enterprises to apply for facilities through the Bank's electronic gate, to obtain the necessary approvals and sign contracts electronically. In addition, the Bank is one of the most important supporting financing bodies in the MSME funding platform; being one of the leading banks to co-finance the collaboration with the SME Bank which commenced financing in 2023. The Bank was awarded the best SME banking in Saudi Arabia in 2024 (based on the Bank's performance during 2023) from Global Finance business publication.

The Bank envisages growth in 2024 to be challenging with increasing competition amongst financial institutions in the MSME segment. The Bank will continue to focus on selective industry and geographic segments and endeavor to provide innovative and relevant research based financial services solutions to the selected segments. Besides, technology requirements including digital solutions will be a key enabler in this regard.

Building bench strength and a knowledge pool is another key dependency in our strategic plan. We plan to keep investing in our staff strength during 2024 as training needs are identified at the start of the year based on competency gaps. Individuals are then assigned to appropriate external and internal programs.

The Bank is committed to play its part in facilitating the Government's initiatives to increase the GDP participation of the MSME segment by introducing new research based product propositions that meet the borrowing and non-borrowing financial servicing needs of the segment.

anb also remains committed to supporting the Kafalah program, governmental funds and entities, by partaking in initiatives to promote and develop the MSME segment, as identified by Monshaat and other government institutions.

Quantitative Disclosures

The year-on-year growth in the MSME business, as reported periodically to the Saudi Central Bank is highlighted as follows:

	As of 31 December 2023				As of 31 December 2022			
Details	**Micro**	**Small**	**Medium**	**Total**	**Micro**	**Small**	**Medium**	**Total**
Loans to MSMEs – on balance sheet (SAR millions)	**1,083**	**5,188**	**11,324**	**17,595**	773	4,048	10,542	15,363
Loans to MSMEs – off balance sheet (SAR millions)	**182**	**1,340**	**4,479**	**6,001**	114	876	2,714	3,704
On balance sheet loans to MSMEs as a percentage of total on balance sheet loans	**0.70%**	**3.33%**	**7.28%**	**11.31%**	0.52%	2.74%	7.14%	10.40%
Off balance sheet loans to MSMEs as a percentage of total off balance sheet loans	**0.48%**	**3.53%**	**11.79%**	**15.80%**	0.43%	3.31%	10.26%	14.00%
Number of loans (on and off-balance sheet)	**2,332**	**6,592**	**3,575**	**12,499**	2,214	6,854	3,235	12,303
Number of customers (on and off balance sheet)	**1,489**	**2,659**	**642**	**4,790**	1,158	2,009	496	3,663
Number of loans guaranteed by Kafalah program (on and off balance sheet)	**1,204**	**1,886**	**103**	**3,193**	1,331	2,088	117	3,536
Amount of loans guaranteed by Kafalah program (on and off balance sheet) (SAR millions)	**511**	**1,381**	**446**	**2,338**	544	1,673	507	2,724

MSMEs training initiatives and workshops for staff and customers	**FY 2023**
Number of man-days training provided to staff *	244
Number of man-days training provided to customers *	26

* Man-days based on 8 hours per day.

Risks Encountered or that could Potentially be Encountered by the Bank

Risk Management

The recent failures in the banking sector have highlighted the importance of having rigorous and robust approaches to identify and manage emerging risks within the operating environment. anb's Risk Management Group (RMG) provides an independent and centralized risk management function to ensure that an optimal balance between risk and return is achieved given the Bank's strategic objectives. RMG is also responsible for implementing the Basel Accord's capital and liquidity adequacy rules and other related requirements. RMG performs a critical role in ensuring that our activities are prudent and reflect the dynamic nature of current and emerging risk factors.

The Bank is exposed to the following main risks:

a) Credit Risk

Credit risk is the risk that a customer or counter-party may not settle an obligation for full value, either when due or at any time thereafter. This risk arises from the potential that a customer or counter-party is either unwilling to perform an obligation or its ability to perform such an obligation is impaired, resulting in an economic loss to the Bank. The Bank is exposed to credit risk when its business units extend credit to various counterparties.

Established credit risk policies and procedures provide control over credit risk portfolios through periodic assessment of the credit worthiness of obligors, quantifying maximum permissible exposure to specific obligors and continuous monitoring of individual exposures and portfolios.

For mortgage loans, the Bank has taken insurance coverage from an approved insurance company providing the Bank effective hedging coverage against mortality, permanent disability and damages to property.

b) Market Risk

Market risk is the risk that the value of the Bank's on- and off-balance sheet positions will be adversely affected by movements in market rates or prices. Major market risk factors that the Bank is exposed to include interest rates (IR), foreign exchange (FX) rates and equity prices, which exist in both the trading book and the banking book and could result in losses to earnings and capital.

Liquidity risk could be of 2 types: funding liquidity risk and market liquidity risk. The former is the risk that the Bank will not be able to efficiently meet both, expected and unexpected, current and future cash flows and collateral needs, without affecting either daily operations or the financial position of the Bank. The latter refers to the risk that the Bank cannot easily liquidate some or all of its holdings of liquid asset reserves without suffering significant difficulties due to inadequate market depth or market disruption.

Market risk is managed by effectively implementing Board-approved limits for all relevant market risk factors, e.g. interest rate risk, FX risk and equity prices in the investment portfolio. The Board has also established a set of limits for liquidity risk to ensure that adequate level of high-quality liquid assets is maintained to meet the Bank's obligations under both normal and stressed conditions.

c) Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk.

Operational risks are inherent in the Bank's products, activities, processes and systems. The Bank continually strives to reduce operational risks to acceptable levels.

Operational risks are managed through established risk management policies and procedures including a wide range of sources of operational risk such as business continuity, information security, technology risk, Sharia non-compliance risk, regulatory risk and fraud risk.

d) Regulatory and Reputational Risk

Reputational risk is the risk arising from adverse perceptions of the image of anb on the part of customers, counterparties, shareholders, investors and /or regulators and supervisory authorities. It is also the potential risk that negative publicity, whether true or not, would cause a decline in the customer base, entail additional costs, affect the Bank's brand value and/or result in revenue reductions.

The regulatory risks are related to imposing penalties by regulatory and supervisory authorities resulting from non-compliance to related regulations and instructions and resulting violations. Risks are managed mainly by the Bank's Compliance and Anti-Money Laundering Group as an independent body, which is assigned to evaluate such risks and formulate the controls framework to mitigate such risks.

e) Digital Transformation Risk

The technology landscape has evolved in recent years due to the Bank's focus on delivery of services through digital channels, process automation, customer migration to online channels and the increasing role of data analytics in management's decision-making and regulatory reporting.

Digital transformation has triggered new risks including but not limited to third-party risk, emerging technologies risk, fintech risk, data privacy risk, cloud computing risk, etc.

Mitigation of these risks is managed by the Information Technology Group as well as multiple control functions within the Risk Management Group e.g. Technology Risk, Information Security Risk, Business Continuity and Operational Risk departments.

f) Fraud Risk

Fraud risk refers to the risk of intentional deceit to obtain direct or indirect benefits by exploiting technical or documentary means, relationships or social means, using functional powers, or deliberately neglecting or exploiting weaknesses in systems or standards.

The rapid development of new channels, services and products to enhance the customers experience and align with the ongoing technological advancements creates new methods for fraudulent activities that can be exposed by fraudsters.

Fraud risks are mitigated by assessing potential fraud risks prior to launching any new product, service or channel, as well as identifying risks and implementing required controls post implementation through the annual bank-wide fraud risk assessment, and monitoring fraud incidents on a daily basis to identify root-cause analysis and take corrective measures when needed.

g) Cybersecurity Risk

Cybersecurity is the practices and measures taken to protect digital information and technology systems from unauthorized access, data breaches and other cyber threats. This encompasses protecting sensitive customer data, financial transactions and internal banking systems.

The digitization of banking services inherently introduces various cybersecurity risks. Online banking, mobile applications and cloud-based services, while offering convenience and efficiency, also create vulnerabilities to cyber-attacks such as hacking, phishing and malware.

The Bank employs various strategies to manage and mitigate cybersecurity risks requiring a comprehensive approach that includes robust security measures, ongoing risk assessment, employee training, legal compliance and a proactive stance towards evolving cyber threats. This comprehensive approach is essential for protecting sensitive data and maintaining the trust and confidence of customers in the digital banking environment.

Corporate Governance in the Kingdom of Saudi Arabia

The Bank implements all the mandatory Corporate Governance rules issued by the CMA. The following table stipulates the non-implemented provisions with justification:

SN.	Article No.	Justification
1.	Article No. 39 - paragraph (e)	Guiding article, noting that the assessment is carried out internally and on an annual basis.
2.	Article No. 82 - paragraph 1	Guiding article, however, partially implemented.
3.	Article No. 85	Guiding article, however, partially implemented.
4.	Article No. 86 - paragraph 3	Guiding article, disclosure is made through a Tadawul platform.
5.	Article No. 92	Guiding article.

Governance Message

Rational governance, along with adherence to the rules and regulations in force, represents an essential element directing anb's activities and operations. The Bank has instilled the rational management culture which ensures adherence to honesty and integrity, whereby the Board of Directors leads by example and management strives to have full commitment to regulations to the letter and spirit.

The Bank's philosophy is based on following the best practice of corporate governance, in addition to adherence to the regulatory stipulations of all the countries of its operations. Furthermore, the Bank adheres to the Corporate Governance Regulations issued by the Saudi Central Bank and the Capital Market Authority, in addition to the Companies Law pursuant to Royal Decree (M/132) dated 1 Dhu Al-Hijjah1443H.

Sukuk

On 21 October 2020, the Bank issued USD 750 million, 10-year subordinated Tier II capital (Sukuk), callable in 5 years, carrying a special commission rate of 3.326%.

Share Capital

As of 31 December 2023, the authorized and fully paid share capital of the Bank consists of 1,500 million shares of SAR 10 each. The ownership of the Bank's share capital is as follows:

Saudi and non-strategic foreign shareholders	60%
Strategic shareholder - Arab Bank PLC - Jordan	40%

On 7 February 2024, the Board of Directors recommended increasing the Bank's share capital by issuing 500 million bonus shares with a nominal value of SAR 10 per share, by transferring SAR 5 billion from retained earnings, so that the Bank's capital becomes SAR 20 billion (2,000 million shares with nominal value of SAR 10 per share), after completing the approvals of the regulatory authorities and issuing a decision to this effect from the Extraordinary General Assembly of the Bank's shareholders.

Report of the Board of Directors of the arab national bank

For the fiscal year ended 31 December 2023

Board of Directors

The Bank's management represented by the Chairman and members of the Board are keen to deliver sustainable long-term value to shareholders. Implementation of the strategy set by the Board is delegated to the Managing Director, who is supported by the Executive Committee (that comprises mainly of Board Members) as well as Board committees.

The Board of Directors consists of ten members, who are elected by the General Assembly of the Bank's shareholders for a period of three years. All members of the Board of Directors may be reappointed. When nominating members, professional skills, financial experience, appropriate qualifications and appropriate personal characteristics are taken into account, as well as a high degree of good reputation, integrity, competence, responsibility and the ability to carry out the duties and responsibilities as a member of the Board of Directors. Therefore, each member is required, before his appointment, to complete the suitability form issued by the Saudi Central Bank, where the Bank obtains a non-objection from the Saudi Central Bank to ensure integrity and suitability.

The Board has a clearly documented schedule of meetings and an agenda of key discussion points that include the agreement of strategy, budgets, major capital expenditures, policies covering treasury, credit and other business units, the annual internal audit plan and authority levels for expenditure as well as proposing dividend distributions and approving the appointment of general managers and the Head of Internal Audit. All directors have full and timely access to relevant information through the Board Secretary. They may also opt for independent professional advice, where needed, to discharge their responsibilities as Board Members.

The Board ensures that the Bank's organizational structure is effectively established to manage its business. This structure includes appropriate delegation of authority and accountability considering acceptable levels of risks. This is documented in the Bank's high level control framework which is reviewed by the Board annually.

As of 31 December 2023, the Board consisted of the following members**:

	Name	Position
1.	Mr. Salah Rashed Al-Rashed	Chairman of the Board (Non-Executive)
2.	Mr. Abdulmohsen Ibrahim Al-Touq	Deputy Chairman of the Board (Independent)
3.	Mr. Obaid Abdullah Al-Rasheed	Managing Director (Executive)
4.	Mr. Hesham Abdullatif Al-Jabr	Board Member (Non-Executive)
5.	Dr. Mohammed Faraj Alkanani Al-Zahrani	Board Member (Independent)
6.	Mr. Thamer Mesfer Al-Wadai	Board Member (Independent)
7.	Mr. Mohammed Abdulfattah Alghanamah	Board Member (Non-Executive)
8.	Mr. Osama Khalid Alatiki *	Board Member (Independent)
9.	Mrs. Randa Muhammad Al-Sadiq *	Board Member (Non-Executive)
10.	Mr. Naim Rassem Al-Hussaini *	Board Member (Non-Executive)

*Membership started on 1 April 2023.
** Membership of the following ended at the end of the Board session on 31 March 2023:
- Mr. Ahmed Mohammed Al-Omran
- Mr. Nemeh Elias Sabbagh
- Mr. Ziyad Anwar Akrouk

Report of the Board of Directors of the arab national bank

For the fiscal year ended December 31, 2023

1 **Naim Rassem Al-Hussaini**
Board Member

2 **Mohammed Faraj Alkanani Al-Zahrani**
Board Member

3 **Obaid Abdullah Al-Rasheed**
Managing Director and Chief Executive Officer

4 **Randa Muhammad Al-Sadiq**
Board Member

5 **Salah Rashed Al-Rashed**
Chairman of the Board

6 **Abdulmohsen Ibrahim Al-Touq**
Deputy Chairman of the Board

7 **Hesham Abdullatif Al-Jabr**
Board Member

8 **Thamer Mesfer Al-Wadai**
Board Member

9 **Osama Khalid Alatiki**
Board Member

10 **Mohammed Abdulfattah Alghanamah**
Board Member

The following is a brief description of the qualifications and experience of the Board Members, Board Committees and Senior Executives:

a) Brief description of the Board Members and Board Committees members' qualifications and experience

Mr. Salah Rashed Al-Rashed

Position
- Chairman of the Board
- Chairman of the Executive Committee
- Member of the Nomination and Remuneration Committee

Academic qualifications
- Bachelor's degree in Engineering from Washington University

Practical experience
He is the Executive Manager and Partner at Rashid Abdulrahman Al-Rashid and Sons Co. He has wide and extensive accumulated experience in finance, business, management, commercial and industrial investment. He was a member of the Consulting Authority of the Supreme Economic Council, Board Member for the Chamber of Commerce & Industry, a member of the Finance Committee and Chairman of the Investment Committee. He was also the Chairman and a member of many joint stock, closed and limited liability companies.

Mr. Abdulmohsen Ibrahim Al-Touq

Position
- Deputy Chairman of the Board
- Member of the Executive Committee
- Member of the Strategy Committee

Academic qualifications
- Bachelor's degree in Business Administration from King Saud University

Practical experience
He is the Chairman of the Board of Al Touq Company. He has extensive experience in management, real estate investment, energy, communication and financial services. He is also a member of the Young Presidents Organization (YPO) and the Youth Arab Leaders Organization (YAL). He is a Board Member at the Tourism Development Fund, as well as Chairman of the Audit Committee, Chairman of the Risk Committee and a Member of the Credit Committee. He serves as member of the Board of Directors of several leading companies in the Kingdom of Saudi Arabia and abroad.

Obaid Abdullah Al-Rasheed

Position
- Managing Director
- Chief Executive Officer
- Member of the Executive Committee
- Member of the Strategy Committee

Academic qualifications
- Bachelor's degree in Business Administration from Saint Jose University in California, USA

Practical experience
He currently holds the position of Managing Director and CEO at anb. He has extensive and long experience in the retail sector, private banking, the public sector, medium and small enterprises, customer care and complaints handling departments. Furthermore, he is a member of the Executive Committee and Strategy Committee at anb. He is also the Chairman of the Board of Arabian Heavy Equipment Leasing Company (a subsidiary) and Deputy Chairman of the Saudi Home Loan Company (an associate company). He is the Deputy Chairman of the Saudi Chemical Company and a Board Member at Doctor Sulaiman Al-Habib Medical Services Holding Group.

Mr. Hesham Abdullatif Al-Jabr

Position
- Board Member
- Member of the Executive Committee
- Member of the Strategy Committee

Academic qualifications
- Management and Human Sciences/ (Secondary)

Practical experience
He has extensive experience in the fields of management, finance and investment. He is a Board Member and General Manager at Al-Jabr Holding Co. He previously served as a Board Member for (Natly) Company for Furniture and Internal Design and for KIA Co. Furthermore, he was a Board Member for the Gulf Commercial Bank, the United Company for Gas Transportation, the Advanced Electronic Tools Co. Ltd., the Saudi Chinese Business Council and the Saudi Chinese Friendship Association, amongst many others. He has completed many specialized courses in marketing, sales and finance, and attended seminars on governance.

Dr. Mohammed Faraj Alkanani Al-Zahrani

Position
- Board Member
- Chairman of the Nomination and Remuneration Committee
- Member of the Risk Committee
- Member of the Strategy Committee

Academic qualifications
- PHD in Financial Sciences Statistics from Oklahoma University in 2006
- Master's degree in Financial Sciences from Colorado University in Denver, USA
- Bachelor's degree in Financial Sciences from King Fahd University of Petroleum and Minerals
- Chartered Financial Analyst (CFA)

Practical experience
He is the Founder and CEO of the Development Alliance, as well as has experience in various other leadership roles. He held several positions including Executive Vice President and General Supervisor of Endowment Investments for King Fahd University of Petroleum and Minerals. He is a Board Member and a member of auditing and investment committees of several listed and unlisted companies. He has provided consultations and training to Aramco, Bin Laden Group, Al Rajhi Endowments and the General Presidency of the Two Holy Mosques Endowments. He is also experienced in mergers and acquisitions for private companies. He serves as the Dean of the College of Business Administration at King Fahd University of Petroleum and Minerals and has worked in the fields of executive and non-executive education.

Mr. Thamer Mesfer Al-Wadai

Position
- Board Member
- Member of the Nomination and Remuneration Committee
- Chairman of the Audit Committee

Academic qualifications
- Master's degree in Business Administration from Yamamah University
- Bachelor's degree in Business Administration from Imam Mohammed Bin Saud University
- Accounting Diploma from the Institute of Public Administration

Practical experience
He has held several positions including Assistant Director of Internal Control and Director of the Control and Quality Assurance Program for SAMBA Financial Group, Board Member at MetLife-AIG-ANB for Cooperative Insurance, Internal Audit Assistant Manager at Al-Inma Bank and Alawwal Bank and CEO of Internal Audit for Alyusr Company for Ijara and Finance and American Express. He served as the General Director of the General Department of Internal Audit at the Saudi Customs Authority. Currently, he is the Internal Audit Executive Director at the Human Resources Development Fund.

Mrs. Randa Muhammad Al-Sadiq

Position
- Board Member
- Chairman of the Strategy Committee

Academic qualifications
- Master's degree in Banking and Financial Sciences from the American University of Beirut
- Bachelor's degree in Business Administration from the American University of Beirut

Practical experience
She currently holds the position of Managing Director and Chief Executive Officer of Arab Bank PLC, Jordan. She has held several other positions including General Manager of the International Banking Group at the National Bank of Kuwait - Kuwait, Managing Director and Executive Director of the Treasury Department, and Director of Current Assets Management at the National Bank of Kuwait, London.

Mr. Mohammed Abdulfattah Alghanamah

Position
- Board Member
- Member of the Executive Committee
- Chairman of the Risk Committee

Academic qualifications
- Bachelor's degree in Mathematics from King Saud University
- Diploma in Programming

Practical experience
He is a Board Member of anb representing Arab Bank PLC, Jordan, and has extensive experience in banking. Currently he is Head of the Credit Department at Arab Bank PLC, Jordan.

Mr. Naim Rassem Al-Hussaini

Position
- Board Member
- Member of the Risk Committee

Academic qualifications
- Bachelor's degree in Industry Management from King Fahd University of Petroleum and Minerals

Practical experience
He currently holds the position of Deputy General Manager of Retail Banking and Wealth Management at Arab Bank PLC. He has held several other positions, including Director of Retail Banking Services at Arab Bank PLC, positions at Banque Saudi Fransi as Director of the Retail Banking Group, Acting Director of the Retail Banking Group, Director of the Retail Assets Sales sector, Regional Director of the Retail Banking Group in the Eastern Region, Director of the Business Network and Financial Planning Department - Retail Banking Group and General Administration and Director of Personnel Affairs in the Human Resources Department, as well as Director of Recruitment and Government Relations in the Human Resources Department. He also served as Director of Budget and Financial Planning and Head of Bidding and Contracts at Saudi Telecommunications Company.

Mr. Osama Khalid Alatiki

Position

- Board Member
- Member of the Risk Committee

Academic qualifications

- Master's degree in Administration Technology from Wisconsin Stout in USA
- Bachelor's degree in Information Systems from Wisconsin Stout in USA

Practical experience

He currently holds the position of Chief Operating Officer at Hassana Investment Company. He has held several other senior positions including Executive Director of Investor Services at JP Morgan Saudi Arabia and various positions at HSBC Saudi Arabia and the Saudi British Bank.

b) Brief description of the Audit Committee Members' qualifications and experience

Member	Academic qualifications	Practical experience
Mr. Thamer Mesfer Al-Wadai	• Master's degree in Business Administration from Yamamah University • Bachelor's degree in Business Administration from Imam Mohammed Bin Saud University • Accounting Diploma from the Institute of Public Administration	He held several positions including Assistant Director of Internal Control and Director of the Control and Quality Assurance Program for SAMBA Financial Group, Board Member at MetLife-AIG-ANB for Cooperative Insurance, Internal Audit Assistant Manager at Al-Inma Bank and Alawwal Bank, and CEO of Internal Audit for Alyusr Company for Ijara and Finance and American Express. He served as the General Director of the General Department of Internal Audit at Saudi Customs Authority. Currently, he is the Internal Audit Executive Director at the Human Resources Development Fund.
Mr. Khaled Mohammed Al-Bawardi	• Bachelor's degree in Industrial Management from King Fahd University of Petroleum and Minerals	He has lengthy experience in the field of management, investment and trade. He served as Vice President of the Chamber of Commerce and Industry in the Eastern Province and served as Chairman and Board Member for several joint stock companies, committees and social events. He currently holds the position of Chairman of the Board for many companies including: Al Bawardi Holding Group, Transports and Warehousing International Ltd. Co., Eastern Gate for Logistics Services Company Ltd., Almasadir Construction Trading Co., The Saudi Development and Export Services Company Ltd., Binaa Steel Industries Company, and is a Board Member of many other companies.
Mr. Abdullah Sayel Alanizi	• Executive Master's degree in Business Administration from King Fahd University of Petroleum and Minerals • Bachelor's degree in Information Systems from King Saud University	He has extensive experience in the fields of internal audit, governance, risk management, fraud examination, information security and technology, and he currently holds the position of CEO of the Group Internal Audit Unit for Saudi Telecom Company.

c) Brief description of the qualifications and experience of the Risk Committee Member from outside the Board

Member	Position	Academic qualifications	Practical experience
Mr. Sultan Suleiman Al-Tukheim	• Member of the Risk Committee (from outside the Board)	• Master's degree in Engineering Management from Florida Tech, USA • Master's degree in Information Systems from King Saud University	He held several positions including: Director of the Information Security Department at the Capital Market Authority, Head of Information Security at the Saudi Investment Bank, and currently serves as a member of the Corporate Risk Committee at American Express Saudi Arabia and is the Director General of Cybersecurity and Data Governance at the Communications, Space and Technology Commission.

d) Brief description of the Senior Executives' qualifications and experience *

Name	Position	Academic qualifications	Practical experience
Mr. Kamal Khodr	• Head of Risk Group	• Master's degree in Business Administration (with specialization in Finance) from the University of Liverpool, UK • Bachelor's degree in Accounting and Business Administration from the University of Richmond in London, UK • Executive Leaders Program from Harvard Business School	He holds the position of Head of Risk Management, and has extensive and diverse experience in the banking sector, spanning more than 25 years in risk management and corporate banking. Before joining anb, he held leadership positions at Banque Saudi Fransi and Alawwal Bank. He is a member of key management committees at anb (Risk Committee, Operation Risk Committee and Assets and Liabilities Committee, etc.), and participates in many other committees.
Mr. Louai Al Zaher	• Head of Wholesale Banking Group	• Bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals	He currently holds the position of Head of the Wholesale Banking Group. He has proven his abilities in building and maintaining effective business strategies. He has more than 22 years' experience in banking services. He is a committed effective team member who possesses excellent communication and interpersonal skills with proven results in achieving goals. He participated and attended several courses related to the banking field.
Dr. Zeyad Abanmay	• Head of Treasury Group	• Ph.D. in Engineering Management from the University of Missouri in Rolla, USA • Master's degree in Management Information Systems from Sangamon University in Springfield, USA • Bachelor's degree in Computer Science from the University of Illinois at Carbondale, USA	He is currently the Head of Treasury Group at anb and has more than 27 years of experience in the investment field. He served as Head of Foreign Investments, member of the Advisory Group at the Saudi Central Bank, Senior Manager of Alternative Investments at Samba Financial Group, and Director of Alternative Investments at anb.
Mr. Aiedh Al Zahrani	• Chief Operating Officer (COO)	• Bachelor's degree in Information Systems from King Saud University • Many specialized certificates including: Six Sigma Black and Green Belt, and TOGAF Architecture	He holds the position of Chief Operating Officer (COO) at anb. Before joining the Bank, he held several positions at Riyad Bank including Chief Information Officer and Deputy Vice President of Banking Solutions' Support Department. He has more than 22 years of experience in strategic solutions through technological integration. He is a member of a number of committees at anb including the Information Technology Committee, Executive Management Committee, Enterprise Risk Committee, etc.
Mr. Saad Al Dughish	• Chief Financial Officer	• Bachelor's degree in Accounting from King Saud University • Certified Budget Management Professional (CMI stage 1)	He currently holds the position of Chief Financial Officer at anb. He has more than 20 years of experience during which he held several leadership positions in the field of financial management at Al Rajhi Bank and anb. He also serves as a member of several different management Committees at anb.

* Brief description of the qualifications and experience of the Chief Executive Officer is included with the qualifications and experience of the Board Members.

Report of the Board of Directors of the arab national bank

For the fiscal year ended 31 December 2023

An Ordinary General Assembly Meeting was held on 28 March 2023 and the following are the names of the Board Members who attended this meeting:

1.	Mr. Salah Rashed Al-Rashed	Chairman of the Board
2.	Mr. Abdulmohsen Ibrahim Al-Touq	Deputy Chairman of the Board
3.	Mr. Obaid Abdullah Al-Rasheed	Managing Director (CEO)
4.	Mr. Hesham Abdullatif Al-Jabr	Board Member
5.	Mr. Mohammed Abdulfattah Alghanamah	Board Member (by means of modern technology)
6.	Dr. Mohammed Faraj Alkanani Al-Zahrani	Board Member
7.	Mr. Thamer Mesfer Al-Wadai	Board Member
8.	Mr. Nemeh Elias Sabbagh	Board Member
9.	Mr. Ziyad Anwar Akrouk	Board Member (by means of modern technology)
Mr. Ahmed Mohammed Al-Omran gave an apology for not attending this meeting.		

The Board held four regular meetings during 2023 and they were attended as follows:

Date	Attendance record	No. of Attendees
28 March	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Ahmed Mohammed Al-Omran, Mohammed Faraj Alkanani Al-Zahrani, Thamer Mesfer Al-Wadai, Nemeh Elias Sabbagh, Mohammed Abdulfattah Alghanamah and Ziyad Anwar Akrouk.	10
20 June	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Thamer Mesfer Al-Wadai, Randa Muhammad Al-Sadiq, Mohammed Abdulfattah Alghanamah and Naim Rassem Al-Hussaini.	10
19 September	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al Touq, Hesham Abdullatif Al-Jabr, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Thamer Mesfer Al-Wadai, Randa Muhammad Al-Sadiq, Mohammed Abdulfattah Alghanamah and Naim Rassem Al-Hussaini.	10
19 December	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Thamer Mesfer Al-Wadai, Randa Muhammad Al-Sadiq, Mohammed Abdulfattah Alghanamah and Naim Rassem Al-Hussaini.	10

Directors who were Board Members or Managers at other companies inside or outside the Kingdom as of 31 December 2023 were as follows:

Director	Board Member or Manager at other companies (inside / outside the Kingdom)
Mr. Salah Rashed Al-Rashed	1. Riyadh Cement Company 2. Tech Investment Company 3. Saudi Company for Electrical Works Services 4. Care & Science Medical Co. 5. Al-Rashid Trading & Contracting Co. 6. Al-Rashid Abetong Company 7. Gulf Complex Co. 8. Al-Rashid & Al-Omran Co. 9. Arabian Industries Company 10. Rashed Abdulrahman Alrashed & Sons Company 11. Gulf Applications Company 12. Supply Solutions for Information Technology Co. 13. Development Company for Investment, Real Estate and Tourism 14. Financial Union House Company 15. Malathak for Real Estate Investment and Instalment Company 16. Salah Rashid Al-Rashid and Sons Co. 17. Al Awael Investment Holding Company 18. Rashid Development Company Ltd (Rashidco) 19. Rashid Al Rashid and Partners Company for Business and Development 20. Sanad Company for Health Care 21. Rashid Al Rashid and Partners Company for Trade Investment 22. Balance House Holding Co. 23. Rashid Al Rashid and Partners Company for Development and Real Estate Investment 24. Al Rashid Company for Global Unified Investment 25. Real Estate and Ammar Ltd. 26. Abhar Construction Real Estate Co. 27. Diyari Company for Real Estate Development 28. Central Warehouses Company 29. Al Murabaa Towers Company 30. Al Yamamah Medical Company 31. Al Yamamah Company for Real Estate Investment
Mr. Abdulmohsen Ibrahim Al-Touq	1. Al-Touq Company Ltd. 2. Dar Al-Tamleek Company 3. Saudi Networkers Services Company Ltd. 4. Steel Products Co. Ltd. 5. Bayader Countryside Communication Systems 6. Ethos Ltd. Co. 7. Dan Company 8. Al Aqair Development Co. 9. Tourism Development Fund.

Mr. Hesham Abdullatif Al-Jabr	1. Walaa Insurance Co. 2. Al Jabr Holding Company 3. Gulf Carton Factory Co. 4. Canned Beverages Factory Co. 5. Haier and Al-Jabr Saudi Electronics Trading Co. 6. Nama Almostaqbal Real Estate Co. 7. Khuta Alkhair Co. 8. Einas Trading Co.
Dr. Mohammed Faraj Alkanani Al-Zahrani	1. Leejam Sports Co. 2. Saudi Real Estate Refinancing Co. 3. Dahran Techno Valley Holding Co. 4. Dahran Valley for Business Services Co. 5. Business Oasis Co. 6. Development Alliance Co.
Mr. Thamer Mesfer Al-Wadai	1. Human Resources Development Fund 2. Alteef Medical Co. 3. Yanbu United Co.
Mr. Obaid Abdullah Al-Rasheed	1. Saudi Home Loans (SHL) 2. Saudi Chemical Co. 3. Doctor Sulaiman Al Habib Holding Company for Medical Services 4. anb capital
Mr. Mohammed Abdulfattah Alghanamah	1. Arab Bank PLC (Jordan) 2. Arab Bank PLC (Syria) 3. International Islamic Arab Bank (Jordan) 4. AB Invest (Jordan) 5. Arab National Leasing Company (Jordan) 6. T- Bank (Turkey) 7. Oman Arab Bank (Sultanate of Oman)
Mr. Naim Rassem Al-Hussaini	1. Arab Bank (Tunisia) 2. Jordanian Hotels and Tourism Company (Jordan Hotel) 3. International Islamic Arab Bank
Mr. Osama Khalid Alatiki	1. Hassana Investment Company
Mrs. Randa Muhammad Al-Sadiq	1. Oman Arab Bank 2. The Jordanian Company for Payment and Clearing Systems 3. Jordan Capital and Investment Fund Company 4. Jordan Capital and Investment Fund Management Company 5. Endeavor Jordan 6. Al Hussein Fund for Creativity and Excellence 7. Association of Banks in Jordan

Audit Committee

Member	Board Member or Manager at other companies (inside / outside the Kingdom)
Mr. Thamer Mesfer Al-Wadai	1. Human Resources Development Fund 2. Alteef Medical Co. 3. Yanbu United Co.
Mr. Khaled Mohammed Al-Bawardi	1. Mohammed and Abdulrahman Alsaad Albawadi Co. 2. Attken International Company LLC 3. Khaled M. Albawardi Holding Group 4. International Transports & Warehousing Co. Ltd. 5. Saudi Development & Export Services Co. Ltd. 6. Eastern Gate Logistics Services Co. Ltd. 7. Albawardi Holding Group 8. Almasader Alinshaeah Altijariya Company (LLC) 9. Ishraq Development Co. 10. Binaa for Steel Industries Co.
Mr. Abdullah Sayel Alanizi	1. Saudi Telecommunications Company 2. Tattima Financial Company

Risk Committee Member (from outside the Board)

Member	Board Member or Manager at other companies (inside / outside the Kingdom)
Mr. Sultan Suleiman Al-Tukheim	1. Communications, Space and Technology Commission 2. American Express Saudi Arabia

Principal Board Committees

The Board formed a number of committees, of which the main committees with their own specific terms of reference, functions and current members, are as follows:

Executive Committee

The Executive Committee consists of the Chairman of the Board (Chairman) and four other Board Members, among them the Managing Director. The Executive Committee meets to manage the Bank's business with authority delegated to it by the Board. This committee is responsible for implementing the Bank policy, monitoring business performance and approving large capital expenditure.

During 2023, the Executive Committee is comprised of the following Board Members:

1. Mr. Salah Rashed Al-Rashed (Committee Chairman)
2. Mr. Obaid Abdullah Al-Rasheed
3. Mr. Abdulmohsen Ibrahim Al-Touq
4. Mr. Hesham Abdullatif Al-Jabr
5. Mr. Mohammed Abdulfattah Alghanamah

The Executive Committee held 14 meetings during 2023, and they were attended as follows:

#	Date	Attendance record	No. of attendees
1.	17 January	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
2.	21 February	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
3.	14 March	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
4.	28 March	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
5.	11 April	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
6.	16 May	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
7.	6 June	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
8.	20 June	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
9.	24 July	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
10.	14 September	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
11.	17 October	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
12.	14 November	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Mohammed Abdulfattah Alghanamah	4
13.	5 December	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
14.	19 December	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of the following three Non-Executive Board Members:

1. Dr. Mohammed Faraj Alkanani Al-Zahrani (Committee Chairman - Independent Member)
2. Mr. Salah Rashed Al-Rashed (Non-Executive Member)
3. Mr. Thamer Mesfer Al-Wadai (Independent Member)

The committee has the authority to review and recommend to the Board, for its approval, amendments to the Bank's remuneration policy and practices. The committee also reviews the level and composition of remuneration of key executives and recommends a risk adjusted bonus pool to the Board / Executive Committee for approval. Furthermore, the committee determines the skills and capabilities required to reinforce the Board's performance, and the Board authorizes the committee to review the Board's structure and to evaluate its performance whenever needed. The committee also ensures availability of adequate time to enable the member to perform his duties and responsibilities in addition to the individual contribution based on an approved mechanism to identify strengths and weaknesses, propose remedial actions and submit the appropriate recommendations to the Board to achieve the Bank's objectives. The committee's functions also include nominating members to the Board as well as Senior Executives by studying their qualifications and submitting related recommendations to the Board.

The Nomination and Remuneration Committee held 3 meetings during 2023, and they were attended as follows:

#	Date	Attendance record	No. of attendees
1.	14 March	Mohammed Faraj Alkanani Al-Zahrani, Salah Rashed Al-Rashed, Thamer Mesfer Al-Wadai	3
2.	20 June	Mohammed Faraj Alkanani Al-Zahrani, Salah Rashed Al-Rashed, Thamer Mesfer Al-Wadai	3
3.	19 December	Mohammed Faraj Alkanani Al-Zahrani, Salah Rashed Al-Rashed, Thamer Mesfer Al-Wadai	3

Audit Committee

At its meeting held on 28 March 2023, the Ordinary General Assembly formed an Audit Committee, based on a recommendation from the Board, comprising of the following members:

1. Mr. Thamer Mesfer Al-Wadai (Committee Chairman - Independent Board Member)
2. Mr. Khaled Mohammed Al-Bawardi (Independent Member from outside the Board)
3. Mr. Abdullah Sayel Alanizi (Independent Member from outside the Board)

The committee meets regularly with the Managing Director, Chief Financial Officer, Head of Internal Audit, Head of the Compliance and Anti-Money Laundering Group, Head of the Risk Management Group, external auditors and other members of the management team as may be required for discussions and deliberations. The committee also discusses the Annual Report with the Board of Directors at the end of the year. The Audit Committee assists the Board of Directors in reviewing the effectiveness of the Bank's internal control processes, ensuring accuracy and correctness of the Bank's financial statements, and closing accounts and adherence to the regulatory requirements and accounting standards. The Audit Committee also approves the annual review plans of the Internal Audit Division and assesses the results of their work and ensures the existence of control processes for proper implementation of the Bank's procedures. Furthermore, the committee studies the reports of the Compliance and Anti-Money Laundering Group and the Risk Management Group and discusses them with the concerned officials and makes relevant recommendations.

The Audit Committee provides a direct channel between the external auditors and the Board of Directors, and it ensures that the external audit is conducted in a thorough and effective manner and that the reports by the external auditors are properly actioned. The committee also recommends the appointment of external auditors and reviews their audit plans and the results of the work performed. The Bank complies with the Rules and Guidelines for Banks in Saudi Arabia for Organizing Audit Committees.

The Audit Committee held 10 meetings during 2023, and they were attended as follows:

#	Date	Attendance record	No. of attendees
1.	9 February	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdulaziz Abdulmohsen Bin Hassan**	3
2.	27 March	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi,	2
3.	25 April	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
4.	6 June	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
5.	20 July	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
6.	24 July	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
7.	17 September	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
8.	19 October	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
9.	13 November	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
10.	17 December	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3

** Abdulaziz Abdulmohsen Bin Hassan submitted his resignation from the committee on 28 February 2023.

Strategy Committee*

The Board formed a Strategy Committee comprised of the following Board Members:

1. Mrs. Randa Muhammad Al-Sadiq (Committee Chairman)
2. Mr. Abdulmohsen Ibrahim Al-Touq
3. Mr. Obaid Abdullah Al-Rasheed
4. Mr. Hesham Abdullatif Al-Jabr
5. Dr. Mohammed Faraj Alkanani Al-Zahrani

* The committee was formed at the beginning of the Board of Directors' session on 1 April 2023.

The Strategy Committee is responsible for strategic matters in general and in particular the monitoring of the implementation of the Strategy Plan.

The Strategy Committee oversees the strategic planning process on behalf of the Board of Directors and ensures the development, coordination, dissemination and integration of the Bank's strategic plan and its compatibility with current conditions, taking into consideration future expectations. The committee also sets forth the process of strategy implementation and monitoring.

The Strategy Committee, in coordination with the Managing Director, ensures that accountabilities, decision-making parameters and information channels exist for effective implementation of the Bank's strategy.

The Strategy Committee held one meeting during 2023, and it was attended as follows:

Date	Attendance record	No. of attendees
21 February	Ziyad Anwar Akrouk**, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq , Hesham Abdullatif Al-Jabr, Mohammed Faraj Alkanani Al-Zahrani	5

** Membership of Mr. Ziyad Anwar Akrouk ended at the end of the Board's session on 31 March 2023.

Risk Committee

The Board formed a Risk Committee consisting of the following Board Members:

1. Mr. Mohammed Abdulfattah Alghanamah (Committee Chairman)
2. Dr. Mohammed Faraj Alkanani Al-Zahrani
3. Mr. Naim Rassem Al-Hussaini
4. Mr. Osama Khalid Alatiki
5. Mr. Sultan Suleiman Al-Tukheim

* Membership of Mr. Ahmed Mohammed Al-Omran and Mr. Ziyad Anwar Akrouk ended at the end of the Board's session on 31 March 2023.
** Mr. Naim Rassem Al-Hussaini and Mr. Osama Khalid Alatiki joined the Risk Committee at the beginning of Board's session on 1 April 2023.
*** Mr. Abdulmohsen Ibrahim Al-Touq submitted his resignation from the Risk Committee on 30 June 2023.
**** Mr. Sultan Suleiman Al-Tukheim joined the Risk Committee on 1 July 2023.

Roles and responsibilities of the committee include developing a comprehensive risk strategy in line with the Bank's nature and size of activities highlighting the Bank's risk appetite. The committee ensures the implementation and updating of the strategy based on internal and external developments for Board approval, ensuring that the Bank has an effective risk management framework for the identification, measurement, monitoring and control of the various risks to which the Bank is exposed, e.g. credit, market liquidity and operational risks.

The Risk Committee held 4 meetings during 2023, and they were attended as follows:

#	Date	Attendance record	No. of attendees
1.	27 March	Mohammed Abdulfattah Alghanamah, Abdulmohsen Ibrahim Al-Touq, Ziyad Anwar Akrouk, Ahmed Mohammed Al-Omran, Mohammed Faraj Alkanani Al-Zahrani	5
2.	19 June	Mohammed Abdulfattah Alghanamah, Abdulmohsen Ibrahim Al-Touq, Naim Rassem Al-Hussaini, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani	5
3.	19 September	Mohammed Abdulfattah Alghanamah, Naim Rassem Al-Hussaini, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Sultan Suleiman Al-Tukheim	5
4.	18 December	Mohammed Abdulfattah Alghanamah, Naim Rassem Al-Hussaini, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Sultan Suleiman Al-Tukheim	5

Interests of Board Members, Senior Executives, their wives and children

1. Major Shareholders:

	At beginning of year 1 January 2023		Change during the year		At end of year 31 December 2023	
Name	Number of shares	Ownership %	Number of shares	Change %	Number of shares	Ownership %
Arab Bank PLC	600,000,000	40.00	-	-	600,000,000	40.00
Rashed Abdul Rahman Al-Rashed and Sons Co.	149,528,145	9.97	-	-	149,528,145	9.97
Al-Jabr Investment Co.	84,813,142	5.65	-	-	84,813,142	5.65

2. Board Members, Senior Executives, their wives and children:

	At beginning of year 1 January 2023		Change during the year		At end of year 31 December 2023	
Name	Number of shares	Ownership %	Number of shares	Change %	Number of shares	Ownership %
Mr. Salah Rashed Al-Rashed	6,000	0.0004	-	-	6,000	0.0004
Mr. Abdulmohsen Ibrahim Al-Touq	300	0.00002	-	-	300	0.00002
Mr. Hesham Abdullatif Al-Jabr	18,021	0.0012	-	-	18,021	0.0012
Mr. Obaid Abdullah Al-Rasheed	114,750	0.0076	54,700	47.67	169,450	0.011

Note: Board Member shares include those held by their wives and children.

Bank's requests for the Shareholders' Register and the dates of such requests:

Date of request	Reason for request	No. of requests
1 January 2023	File for report and control	1
1 February 2023	File for report and control	1
21 February 2023	File for report and control	1
28 February 2023	File for report and control	1
27 March 2023	File for dividend distribution	1
27 March 2023	File for General Assembly	1
30 April 2023	File for report and control	1
31 May 2023	File for report and control	1
2 July 2023	File for report and control	1
31 July 2023	File for dividend distribution	2
2 August 2023	File for report and control	1
3 September 2023	File for report and control	1
2 October 2023	File for report and control	1
1 November 2023	File for report and control	1
3 December 2023	File for report and control	1
31 December 2023	File for report and control	1
Total		**17**

Remunerations of Board Members, related Committees and Senior Executives

The Bank adopted a remunerations policy (recommended by the Nomination and Remuneration Committee), approved by the Board, which includes effective governance principles, sound remuneration practices, remuneration standards, determining the scope of implementation, factors for determining the allocation and distribution at group level and at the individual level and weighting the allocation to risks. The Bank is committed to applying this policy upon payment of remunerations with consideration to a number of practical facts that meet the Bank's interests, such as the Bank's achieved financial results and extent of sustainable growth, the Bank's non-financial performance of the different business units, extent of achieving the Bank's strategic objectives, application of a system for calculation of risk adjusted income, and evaluating the performance of management executives on the Bank's long-term performance. The Bank strives to achieve the risk adjusted income on one hand, and to maintain competent staff (vulnerable for attraction) on the other hand, with consideration to last years' remunerations and to the fact that employees' contracts do not include any future guaranteed remunerations.

a) Board Members' remunerations

The Board approves the level of the remunerations of the Chairman and Board Members, in accordance with a mechanism that takes into account the Saudi Central Bank's instructions (which states maximum and minimum remunerations for the Board), considering the performance of each member during the year. As per the policy stated above, the total annual remunerations paid to the Board Members are detailed as follows:

	Fixed remunerations - 2023							Variable remunerations -2023							
SAR '000s	Fixed amount	Board meetings' attendance fees	Committee meetings' attendance fees	In-kind benefits	Technical, managerial and consultancy remunerations	Remunerations for the Chairman, Managing Director, or Secretary if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	Aggregate total #	Expenses' allowances
First: Independent Members															
Abdulmohsen Ibrahim Al-Touq	400	20	85	-	-	-	505	-	-	-	-	-	-	500	-
Mohammed Faraj Alkanani Al-Zahrani	400	20	40	-	-	-	460	-	-	-	-	-	-	460	8
Thamer Mesfer Al-Wadai*	700	20	65	-	-	-	785	-	-	-	-	-	-	785	-
Osama Khalid Alatiki	300	15	15	-	-	-	330	-	-	-	-	-	-	330	-
Second: Non-Executive Members															
Salah Rashed Al-Rashed	500	20	85	-	-	-	605	-	-	-	-	-	-	605	-
Hesham Abdullatif Al-Jabr	400	20	70	-	-	-	490	-	-	-	-	-	-	490	-
Ahmed Mohammed Al-Omran	100	5	5	-	-	-	110	-	-	-	-	-	-	110	-
Mohammed Abdulfattah Alghanamah	400	20	90	-	-	-	510	-	-	-	-	-	-	500	83
Nemeh Elias Sabbagh	100	5	-	-	-	-	105	-	-	-	-	-	-	105	18
Ziyad Anwar Akrouk	100	5	10	-	-	-	115	-	-	-	-	-	-	115	60
Randa Muhammad Al-Sadiq	300	15	-	-	-	-	315	-	-	-	-	-	-	315	16
Naim Rassem Al-Hussaini	300	15	15	-	-	-	330	-	-	-	-	-	-	330	20
Third: Executive Member															
Obaid Abdullah Al-Rasheed	400	20	75	-	-	-	495	-	-	-	-	-	-	495	-
Total	**4,400**	**200**	**555**	**-**	**-**	**-**	**5,155**	**-**	**-**	**-**	**-**	**-**	**-**	**5,140**	**205**

* Including Audit Committee membership remuneration and meetings' attendance allowance in total amount of SAR 350,000.
# The total amount paid to the Board Members has been reduced to the amount specified in accordance with the regulations.

b) Committee Members remunerations

Executive Committee members	Attendance allowance for the year 2023 (SAR'000s)
Salah Rashed Al-Rashed (Chairman)	70
Obaid Abdullah Al-Rasheed	70
Abdulmohsen Ibrahim Al-Touq	70
Hesham Abdullatif Al-Jabr	65
Mohammed Abdulfattah Alghanamah	70
Total	**345**

Audit Committee members	Fixed remunerations other than attendance allowance (SAR'000s)	Attendance allowance (SAR'000s)	Total (SAR'000s)
Thamer Mesfer Al-Wadai (Chairman)	300	50	350
Khaled Mohammed Al-Bawardi (Independent Member from outside the Board)	300	50	350
Abdullah Sayel Alanizi (Independent Member from outside the Board)	225	40	265
Abdul Aziz Abdulmohsen Ben Hassan (Independent Member from outside the Board)**	50	5	55
Total	**875**	**145**	**1,020**

**Mr. Abdul Aziz Abdulmohsen Ben Hassan submitted his resignation from the Audit Committee on 28 February 2023.

Risk Committee members	Attendance allowance for the year 2023 (SAR'000s)
Mohammed Abdulfattah Alghanamah (Chairman)	20
Abdulmohsen Ibrahim Al-Touq	10
Ahmed Mohammed Al-Omran	5
Mohammed Faraj Alkanani Al-Zahrani	20
Osama Khalid Alatiki	15
Naim Rassem Al-Hussaini	15
Sultan Suleiman Al-Tukheim (Independent Member from outside the Board) ***	85
Ziyad Anwar Akrouk	5
Total	**175**

*** Including membership remuneration in the amount of SAR 75,000.

Strategy Committee members	Attendance allowance for the year 2023 (SAR'000s)
Ziyad Anwar Akrouk (Chairman) ****	5
Abdulmohsen Ibrahim Al-Touq	5
Obaid Abdullah Al-Rasheed	5
Hesham Abdullatif Al-Jabr	5
Mohammed Faraj AlkananiAl-Zahrani	5
Total	**25**

**** Mr. Ziyad Anwar Akrouk's membership ended at the end of the Board session on 31 March 2023, and a new committee was formed with the commencement of the Board's session on 1 April 2023 in which Mrs. Randa Muhammad Al-Sadiq was appointed as the Chairman of the Strategy Committee.

Nomination and Remuneration Committee members	Attendance allowance for the year 2023 (SAR'000s)
Mohammed Faraj Alkanani Al-Zahrani (Chairman)	15
Salah Rashed Al-Rashed	15
Thamer Mesfer Al-Wadai	15
Total	**45**

c) Senior Executives' remunerations

Based on the recommendations of the Nomination and Remuneration Committee, the Board sets the Senior Executives' remunerations to be in line with the Bank's strategic objectives and to urge Senior Executives to achieve such objectives.

The table below shows the remunerations and benefits paid to six Senior Executives including the Chief Executive Officer and the Chief Financial Officer:

SAR '000s											
Fixed remunerations due for 2023				Variable remunerations paid in 2023							
Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentives	Long-term incentives	Granted shares	Total	End of service benefits	Total
16,551	7,251	-	23,802	21,500	-	-	3,775	-	25,275	2,069	51,146

Internal Control Framework

Senior management is responsible for establishing and maintaining an adequate and effective internal control system for risk management within the Bank's approved risk acceptance framework. The internal control system includes the policies, procedures and processes, which are designed under supervision of the Board to achieve the strategic objectives of the Bank and safeguard its assets and ensure all operations are carried out pursuant to applicable legislative and internal guidelines.

Management has adopted an internal controls integrated framework as recommended by the Saudi Central Bank through its guidelines on Internal Controls. Such controls also include the corporate governance that defines the roles and responsibilities of the Board and its sub-committees.

The Internal Audit Division is the third line of defense, providing an independent appraisal to the Board's Audit Committee and the management as to the effectiveness of internal controls. This includes conducting independent periodical reviews for the activities of the Compliance and Anti-Money Laundering Group, to ensure regulatory compliance and conformity with the Bank's approved policies and procedures. All significant and material findings from the Internal Audit reviews are reported to the Audit Committee of the Board through quarterly activity reports. 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 and its stakeholders.

Concerted and integrated efforts are made by all functions of the Bank to improve the control environment at a grass root level through continuous reviewing and streamlining of procedures to prevent and rectify any control deficiencies. Each function, under the supervision of the Senior Executive management, is entrusted with the responsibility to oversee the rectification of control deficiencies identified by control bodies.

The Compliance and Anti-Money Laundering Group works closely with the Risk Management Group and other control bodies, in order to establish an effective control framework through its duties and responsibilities under the programs of Compliance and Anti-Money Laundering, that sets out its planned activities such as the implementation and review of specific policies and procedures, compliance risk assessments, and establishing a strong compliance culture among employees, and submits relevant reports to the Audit Committee who in turn assesses those programs and sets out relevant recommendations.

The Bank's internal control system has been designed to provide reasonable assurances to the Board, on the management of risks to achieve the Bank's strategic objectives. Internal control systems, no matter how effectively designed, have inherent limitations, and may not prevent or detect all control deficiencies. Moreover, the projection of current evaluations on the effectiveness on future periods is subject to a limitation that controls may become inadequate due to changes in conditions or compliance with policies and procedures.

Based on the results of the ongoing evaluation of internal controls carried out by the management during the year, the management considers that the Bank's existing internal control system is adequately designed, operating effectively and monitored consistently. Nevertheless, the management continuously endeavors to enhance and further strengthen the internal control system of the Bank.

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

Results of the Review on the Internal Control Procedures' Effectiveness

Minutes of the Audit Committee meetings and results of its work in 2023 submitted to the Chairman of the Board included the main observations and recommendations to rectify them. Throughout 2023, the Committee diligently monitored the performance of the Internal Audit Division and other relevant departments, staying informed about various internal control procedures within the Bank. This included reviewing reports from Internal Audit, Risk Management Group, Compliance and Anti-Money Laundering Group, external audit reports, as well as other reports required by the Committee from time to time in relation to the activity of some departments to look into some of the work aspects and related results. The Committee, in its (10) meetings during the year, engaged in discussions with the Bank's Chief Executive Officer, officials from relevant departments, external auditors and the Chief Internal Auditor. These discussions centered on the contents of the reports and the overall performance of their respective sectors. In light of these interactions, the Committee concluded that the Bank's internal control environment effectively reflects its internal control procedures. Additionally, it acknowledged the Bank's ongoing commitment to continuous improvements, aligning with evolving business needs and anticipating future development. Furthermore, the committee concluded that other than what was indicated in the committee's minutes and reports, the committee is not aware of any significant comments that require disclosure. The corrective procedures for violations (if any) are being resolved on the spot under follow up and close supervision by the Internal Audit Division.

The accounting policies applied in the Bank, as well as implementation of all requirements and instructions of the Saudi Central Bank and other regulatory bodies, are discussed with the heads of the concerned departments in the Bank and the external auditors, on a periodical basis, as well as any changes to the policies or the International Financial Reporting Standards (IFRS), to ensure proper implementation; and their impact on the Bank's current and future performance results and take precautionary measures through appropriate procedures.

Communication with Shareholders

Communication with shareholders is given a high priority. Extensive information about the Bank's activities is provided in the Annual Report and the Interim Condensed Financial Statements, which are posted on the Bank's web-site (www.anb.com.sa.). Investor information is also accessible on the Bank's web-site. There is a regular dialogue with institutional investors through different communication channels. Inquiries from individuals on matters relating to their shareholding and the Bank's business are welcomed and are handled in an informative and timely manner. All shareholders are encouraged to attend the Annual General Meeting to discuss the progress of the Bank.

Credit Ratings

During 2023, the Bank's credit ratings granted by prominent international credit rating agencies were as follows:

Standard & Poor's	A-
Moody's	A2
Fitch	A-

Assignment of Interests by anb Directors / Senior Executives / Shareholders

The Bank is not aware of any arrangements or agreements whereby Directors, Senior Executives or shareholders have assigned interests or rights to dividends or any salary or remuneration.

Human Resources

The total number of staff at the end of 2023 was 4,206 compared to 4,029 at the end of 2022. The Saudization ratio for the Bank and its subsidiaries at the end of 2023 was 91%.

Statutory Payments

Statutory payments during the year 2023 were as follows:

	SAR in millions
Zakat attributable to Saudi shareholders	301.9
Income tax payable by non-Saudi shareholders	369.2
GOSI	127.5
Withholding tax	57.7

anb CSR Initiatives in 2023

Driven by the Kingdom's ambitious Vision 2030, anb is blazing the trail to become a driver of sustainable development. Embracing its role as a strategic partner, anb fuels progress by weaving impactful initiatives into the very fabric of society.

This unwavering commitment is anchored in a robust social responsibility strategy, built upon the core of "institutionalized" community engagement. By adopting the highest standards of governance and sustainability, anb ensures that every initiative aligns seamlessly with Vision 2030 and the UN Sustainable Development Goals, paving the way for transformative change.

To amplify this, anb shapes its community programs and initiatives around a set of core values: sustainability, empowerment, innovation, partnership and meaningful impact.

Guided by these principles, anb has built five distinct pathways for its community contributions, each mirroring a key pillar of national development: knowledge, health and social wellbeing, economy, environment and volunteerism and charity work.

2023 Social Responsibility Programs

No.	Initiative
1.	Partnered with the Ministry of Housing and the Mawaa Association to construct 100 housing units for underprivileged families in various regions of the Kingdom.
2.	Funded 93 procedures in collaboration with King Salman Hospital and the Saudi Society for Rheumatology in recognition of the 93rd Saudi National Day.
3.	Joined the "Wave" initiative as a supportive partner to help it accomplish its goals of maintaining a healthy environmental balance and accelerating ocean recovery.
4.	Trained 100 productive families across the Kingdom to transform their private businesses into evolving pioneering projects.
5.	Sponsored a volunteer initiative to assist pilgrims by providing several services, including medical, first aid, translation, guidance and logistical support through 650 trained Saudi male and female volunteers.
6.	Assisted in settling debts of 100 detainees under the Furijat initiative during Ramadan to strengthen the values of social solidarity.
7.	Sponsoring youth and sports events and activities: • Sponsored the "Baladi" league, run by the Ministry of Rural and Municipal Affairs. • Sponsored the basketball tournament at the American School in Dhahran.
8.	Collaborated with the Ministry of Human Resources and Social Development to distribute winter clothing to needy families.
9.	Supporting charitable work in the Kingdom through the national platform for charitable work "Ihsan".
10.	Supported the Saudi Society for Activating Organ Donation (Eithar) in the Eastern Region by donating three dialysis machines.
11.	Sponsored a Pediatrics Conference in the Eastern Region to improve preventive and curative services.

Regulatory Penalties and Restrictions

The penalties charged to the Bank during the year 2023 as a result of operational activities, are detailed as follows:

Saudi Central Bank's Penalties:

	SAR '000s			
	Prior year 2022		Current year 2023	
Subject of violation	Number of penalties	Total amount of penalties	Number of penalties	Total amount of penalties
Violation of Saudi Central Bank's instructions	7	335.00	9	10,773.7
Violation of Saudi Central Bank's instructions related to customer protection	1	297.15	-	-
Violation of Saudi Central Bank's instructions related to exerting due diligence	-	-	-	-
Violation of Saudi Central Bank's instructions related to level of ATM / POS performance	-	-	1	15.00
Violation of Saudi Central Bank's instructions related to exerting due diligence on Anti-Money Laundering (AML) and CTF	2	428.23	-	-

Other Regulatory Penalties:

	SAR '000s				
	Prior year 2022		Current year 2023		
Subject of violation	Number of penalties	Total amount of penalties	Number of penalties	Total amount of penalties	Subject of violation
Penalties from municipalities and the Ministry of Municipal and Rural Affairs	69	288.80	21	348.20	Violation of license requirements
Civil defense penalties	2	14.00	1	4.00	Non-adherence to safety regulations
SADAD penalties	-	-	1	1.77	-
CMA penalties	1	100.00	-	-	-
General Organization for Social Insurance penalties (GOSI)	1	1.00	-	-	-

Protective Actions to Remedy Violations

The Bank is keen to adhere to Regulatory and Supervisory Authorities' instructions and regulations. The Bank control bodies assigned to set forth the protective measures to mitigate violations and avoid its repetition in coordination with the concerned bodies. The Bank promptly evaluates the violations and studies the reasons thereof and sets up the necessary corrective plans and follows up with the concerned departments. The main methods to remedy violations and avoid repetition in the future include the following:

1. Upgrade the existing systems to introduce new technological tools.
2. Amend the related policies and procedures.
3. Introduce new controls to support the Bank's related businesses.
4. Employee awareness on the related regulatory requirements.
5. Include the violations within the control programs of the control departments in the Bank, to ensure implementation of the protective measures.

Conflicts of Interests

The following is a statement of the related parties' transactions as shown in the 2023 consolidated financial statements which includes any contract in which any member of the Board or any of their affiliates has or had any material interest, in addition to the facilities granted to some Board Members. All these facilities are governed by the Saudi Central Bank's instructions which stipulates that all facilities offered to non-banking parties should be fully guaranteed.

It is worth noting that the related party transactions are performed on an arm's length basis where no preference conditions or prices are granted for such transactions. Furthermore, the Bank did not have, nor did it enter into any contract in which the Managing Director and/or the Chief Financial Officer has or had any material interest.

Related Party Transactions

a) The balances as at 31 December 2023 included in the consolidated financial statements:

	SAR '000s
Non-Saudi major shareholders and their affiliates:	
Due from banks and other financial institutions	43,491
Due to banks and other financial institutions	442,133
Commitments and contingencies	1,594,459
Directors, key management personnel, other major shareholders and their affiliates:	
Loans and advances	6,237,362
Customers' deposits	3,414,391
Commitments and contingencies	2,463,398
Bank's mutual funds and others:	
Investments	602,546
Loans and advances	1,805,822
Customers' deposits	5,274
Associates:	
Investments in associates	949,403
Loans and advances	3,365,114
Customers' deposits	158,681

Other major shareholders represent shareholdings (excluding the non-Saudi shareholder) of more than 5% of the Bank's issued share capital.

b) Income and expense transactions with related parties included in the consolidated financial statements for the year ended 31 December 2023 are as follows:

	SAR '000s
Special commission income	1,009,498
Special commission expenses	(128,871)
Fees and commission income	109,451
Share in earnings of associates, net	19,508
Directors' remuneration	(8,404)
Insurance contracts*	(68,153)

*Walaa for Cooperative Insurance (related party: Mr. Hesham Abdullatif Al-Jabr – Board Member).

Miscellaneous expenses for the year 2023 are detailed as follows:

Other contractual expenses			SAR '000s
Nature of item	**Related party**	**Duration**	**Expense amount**
Rent expenses of branches			
Central Warehouses	Central Warehouses Co. Ltd. (related party: Mr. Salah Rashed Al-Rashed - Chairman of the Board)	10 years ending on 29 February 2032 (for annual rent of SAR 1.5 million)	1,499
Dhabab branch	Mrs. Maha Hmoud Obaid Al-Rasheed (related party: wife of Mr. Obaid Al-Rasheed – Managing Director and Chief Executive Officer)	10 years ending on 30 April 2031 (for annual rent of SAR 700,000)	700
Total rent expenses of branches during the year			**2,199**
Other contractual expenses			
Support services agreement for cash centers – supply, installation and maintenance of security cameras for all the Bank's branches and centers	Abana Projects Company (related party: Mr. Salah Rashed Al-Rashed – Chairman of the Board)	As needed	8,977
Providing labor services	Al Khaleej Training and Education Co. (related party: Mr. Salah Rashed Al-Rashed - Chairman of the Board)	As needed	14,148
Providing the Bank with information on consumers' wages and state of work	Saudi Credit Bureau - SIMAH (related party: Mr. Kamal Khodr – one of the managers)	As needed	13,738
Subscription to the SANID system of the General Organization of Social Insurance	Saudi Financial Support Services Company - SANID (related party: Mr. Khalid Al- Rashed – one of the managers)	As needed	21,021
Maintenance, cleaning and support services	Algossy International Co. (related party: Mrs. Al-Anood Abdulaziz Alazl - one of the managers)	3 years ending on 30 April 2026, to be renewed automatically as needed	3,502
Documenting approvals to issue bonds to order electronically	Takamul Company for Business Services (related party: Mr. Thamer Mesfer Al-Wadai – Board Member and Chairman of the Audit Committee)	As needed	2,936
Storage services company	Tujory Company (related party: Mr. Hisham Mohammed Mahmoud Alattar – Board Member of Arab Bank Plc)	10 years renewed automatically as needed	6,591
Providing information technology solutions	Awal Net STC Solutions (related party: Mr. Abdullah Sayel Alanizi – Member of the Audit Committee)	As needed	27,618
Providing communications and internet services	Saudi Telecommunications Company (related party: Mr. Abdullah Sayel Alanizi – Member of the Audit Committee)	As needed	26,874
Total expenses paid on other contracts during the year			**125,405**
Total miscellaneous expenses during the year			**127,604**

c) The total amount of remunerations paid to key management personnel during the year ended 31 December 2023 is as follows:

	SAR '000s
Short-term employee benefits (salaries and allowances)	51,676
Post-employment benefits (end of service indemnity and social security)	5,387

Key management personnel are those persons, including the Executive directors, having direct or indirect authority and responsibility for planning, directing and controlling the activities of the Bank.

anb Code of Conduct

The Bank is committed to conduct its business in accordance with the highest ethical standards, relevant legislation and regulations. The Bank fully cooperates with regulators and supervisory bodies in this respect.

The Board sets the Ethics and Banking Practice Rules and encourages management and staff to act ethically and in accordance with the applicable laws, rules, regulations and policies of the Bank, and in line with best practices.

The Board ensures, through senior management, that it has established through word and action the desired value-based culture and reinforces appropriate behavior through effective awareness programs.

The Bank sets out a Code of Ethical Behavior in order to formulate the values that guide behavior and conduct of business across the organization.

Accounting Standards

The Bank prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The Bank also prepares its consolidated financial statements to comply with the provisions of the Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and the Bank's by-laws. There are no significant differences to the accounting standards issued by SOCPA.

External Auditors

At its meeting held on 28 March 2023 the Ordinary General Assembly appointed Messrs. Deloitte and Touche and KPMG Al Fozan & Partners as the external auditors for the Bank for the year 2023.

Statement of Directors' Responsibilities in Relation to the Consolidated Financial Statements

The Board, to the best of its knowledge, confirms that:

- anb has properly maintained its accounting records.
- The internal control system was properly prepared and effectively implemented.
- There is no doubt that anb has the resources to continue in business.
- The Bank neither have nor have they entered into any contract in which any member of the Board, the Managing Director, the Chief Financial Officer or any of their associates has or had any material interest except as disclosed in this report and in note No. 36 to the consolidated financial statements disclosing related parties.

Board of Directors
26 February 2024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