

Riyad Bank

Board of Directors Report

2022



The Board of Directors of Riyad Bank is pleased to present its Annual Report to the Shareholders on the performance of the Bank and its subsidiaries for the fiscal year ending on December 31, 2022, including information about the Bank's activities, its most important achievements, strategies, financial results, the Board of Directors and its various committees, and other complementary information aimed at meeting the needs of the reader.

Table of Contents

About Riyad Bank	4
Strategy and KPIs.....	6
Operating Review	8
Retail Banking.....	9
Corporate Banking.....	13
Treasury and Investments.....	18
Subsidiaries	21
Digital Banking and Innovation	23
Customer Experience	27
Financial Results	30
ESG.....	44
Framework and Strategy	45
Environmental.....	48
Social	49
Governance	52
Board of Directors.....	53
Committees Emanating from the Board of Directors	56
Evaluating the Performance of the Board of Directors and its Committees	71
Compensation of Board Members	72
Remuneration of members of Committees emanating from the Board of Directors	74
Senior Management Qualifications and Experiences	77
Compliance	85
Risk Management.....	89
Effectiveness of Internal Controls.....	94

About Riyad Bank

Established in 1957, Riyad Bank is one of the largest financial institutions in the Kingdom of Saudi Arabia and the Middle East, with paid-up capital of SAR 30 Bn. Our talented and experienced team of more than 5,590 employees, boasting a Saudization rate of 96% that is among the highest of any large organization in the Kingdom, are the foundation of our success through the years and a source of great pride for the Bank.

To meet the diverse and evolving needs of our retail and corporate customers, including small and medium-sized enterprises, we provide a comprehensive range of industry-leading conventional and Sharia'-compliant products and services. Established as a leading financier and arranger of syndicated loans in the oil, petrochemicals and most of the Kingdom's notable infrastructure projects, we are proud to play a leading role in various areas of finance and investment around Saudi Arabia, supporting the goals of Vision 2030. Our subsidiary, Riyad Capital, is a leading player in the IPO advisory business and asset management, having won numerous prestigious investment awards in asset management, which enabled the company to achieve leadership in the financial sector.

Our innovative and differentiated banking and financial solutions are offered through a broad network of 338 licensed branches, and more than 189,270 POS, in addition to more than 2,250 ATMs that are all distributed in strategically selected locations across the Kingdom. Our electronic banking services (web-based and mobile applications) apply the latest electronic technologies to support the banking needs of our customers with the utmost speed, convenience and security.

Our growing footprint now includes our branch in London, our Agency in Houston (USA) and our Representative Office in Singapore, with a new Representative Office set to be launched in China soon, to build our brand internationally and serve our customers wherever they are around the world.

Year established

1957

Paid-up capital

SAR 30 Bn

Vision

To be the most innovative and trusted financial solutions partner.

Mission

To help people, organizations and society achieve their aspirations by being their trusted and caring financial solutions partner.

Values

- We Care
- We Win
- We are One Team

Our Operating Segments

Retail Banking

Deposits, loans and investment products for individuals and micro and small to medium-sized businesses.

Corporate Banking

Principally handling corporate customers' current accounts, deposits and providing loans, overdrafts and other credit facilities.

Treasury and Investments

Principally providing money market, trading and treasury services, derivative products as well as the management of the Group's investment portfolios.

Investment Banking and Brokerage

Investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities.

The following table lays out the contributions of each operating segment to the Bank's total net income for 2022.

Operating Segment	Net Income before Zakat (SAR Mn)	%
Retail Banking	785	10%
Corporate Banking	3,843	49%
Treasury and Investments	2,467	31.5%
Investment Banking and Brokerage*	734	9.4%
Total**	7,828	100%

* Represents Riyad Capital

** The influence of other subsidiaries on the Bank's results is not material

Strategy and KPIs

Riyad Bank is committed to creating shareholder and stakeholder value by accelerating growth and innovation. Our customer-centric, five-year corporate strategy launched in 2021 enables every individual across the Bank to work in unison to overcome challenges, capture opportunities and pursue our vision towards a better future together. Fully aligned with the goals of Saudi Vision 2030 and our commitments to corporate sustainability, our strategy allows the Bank to pursue our business ambitions while contributing to the greater good and the success of the Kingdom.

Our Strategic Drivers

Our strategy will accelerate the Bank's growth and innovation, unlocking value in new and existing segments through innovative products and services while driving continuous improvement in customer experience and service.



Our Strategic Pillars

By 2025, our new corporate strategy identified several targets to be achieved to make Riyad Bank the best bank in the Kingdom through four key pillars:

Strategic Pillar	Most Profitable	Most Efficient	Digitally Enabled	Bank of Choice
Description	We aim to be the most profitable bank in the Kingdom vs. our peers.	We aim to be the most efficient and effective bank in the Kingdom vs. our peers.	We aim to be the most developed, innovated and digitally enabled bank in the Kingdom.	We aim to be the Kingdom's bank of choice for customers and the best working environment for our employees.
Success measurement criteria	Return on Equity	Different Operational Efficiency and productivity Ratio	Different Digitally Enabled Ratio	Customers and Employees Satisfaction indexes, and OHI.
2022 Achievements	<ul style="list-style-type: none"> • RoE: 14.5% (third in the KSA) • ROA: 2.05% (second in the KSA) 	<ul style="list-style-type: none"> • Cost saving of SAR c.190 Mn in 2022 through cost saving initiatives • Cost to Income Ratio: 32.4% 	<ul style="list-style-type: none"> • More than 72% of new customers were attracted through digital channels • More than 82% of our customers has registered in the digital services 	<ul style="list-style-type: none"> • OHI: 76 • The human capital sector won three awards presented by CIPD: Best Coaching and Mentoring initiative, Second Place for Best Recruitment and Talent Management strategy, Second Place Most Impactful Diversity and Inclusion Initiative • 84% in customer satisfaction index from Saudi Central Bank

Operating Review



Retail Banking

2022 was a profitable, growth-oriented year with a lot of achievements, rooted in an aggressive campaign for digitalization and digital penetration. Innovation served as the foundation of all strategic initiatives, supporting the Division to attain a competitive edge, maximize customer value, and further grow sector activities.

Retail Banking continued to deliver on its strategy during 2022, making progress in line with its strategic objectives and creating value for the Bank. It continued its growth trajectory in assets, and liabilities, while customer deposits grew by 13.4% compared to 2021. Mortgage lending remained the Division's core product, posting 21% growth for the year.

The Division accounted for 29.4% of the Bank's gross operating income, and its contribution to overall net loans jumped to 37%, compared to 36% in 2021.

Customer experience efforts led to demonstrable results this year, with Net Promoter Scores (NPS) increasing across the board. Branches' NPS improved by 26% compared to 2021. ATMs scored 14% more than the year before. Riyadh Mobile and Riyadh Online NPS scores grew by 2%. The Call Center NPS climbed by 23% from 2021.

Importantly, this year, Riyadh Bank rolled out a new branch identity to strengthen and improve its presence and image in customer minds. The physical revamp began in select branches with an iconic look and feel, including the new Riyadh Bank logo and modern surroundings. Plans for continuing the rollout at other branches in 2023 have already been finalized.

Prestigious Achievements and Awards

The achievements of Retail Banking helped the Bank to win several awards in 2022. The Government's Sakani Real Estate Initiative awarded us Best Development Bank for Real Estate Finance and Best Marketing Promotion for Real Estate Finance. Private Banker International named us winner of the Outstanding Private Bank for Growth Strategy, as well as runner up for Outstanding RM Training and Development Program. The Arabian Business magazine and PWM/The Banker Private Banking awarded us the Outstanding Private Bank for Growth Strategy for 2022.

Private and Affluent Banking

Private Banking operates 3 dedicated centers servicing high net worth individuals in Riyadh, Jeddah and Al Khobar. The active Private Banking customer base rose by 13% in 2022, compared to the previous year. Total deposits grew by 8%. Total relationship value increased by 15%. Growth in Private Banking was due largely to offering diversified investment product suites to valued customers, served by highly qualified Relationship Managers.

In line with the new branch aesthetic, the new Private Banking identity that was introduced in 2021 was rolled out for the Jeddah and Khobar centers this year. Riyad Bank also launched its first private banking program for Relationship Managers, in partnership with Fitch Learning. The program aims to improve the managers' technical and behavioral skills.

The Affluent Banking segment also continues to grow, with 32 Diamond Banking Centers and 167 Golden Banking Centers dedicated to attracting affluent customers and growing NIBs. The active Affluent Banking customer base increased by 2% in 2022 compared to 2021.

Accelerating Digital Transformation

Digitalization and customer experience went hand in hand in 2022, as Retail Banking continued to innovate to expand and satisfy its client base. Digital penetration climbed by 440 bps in 2022 compared to 2021. The number of new customers acquisition over digital channels increased by 15%.

Retail Banking won over customers with a host of new digital products and services in 2022. This included the soft launch of Bouki, a banking service solution that acts as a digital wallet for tech-savvy customers. We also soft launched our Bancassurance business, which will offer diversified financial planning and protection products, including travel, automotive, personal accidental coverage, business and investment insurance.

The Division piloted a digital solution for home buyers this year. The solution includes digital onboarding of customers to secure mortgage financing. Riyad Bank is all set to launch commercial phase 1 of Edarah, a standalone mobile application for property management, as part of a digital disruptive home buying ecosystem.

We also added new options to TOKEN, the Kingdom's first standalone banking mobile app for children. Upgrades included target setting for young users and registration for mothers. Further, we signed a memorandum of understanding with Tatweer Education Holding Company, to enroll educational institutions to use the TOKEN platform.

Importantly, we further developed our digital propositions for MSME customers, with a prime focus on acquiring entrepreneurs and offering comprehensive business management tools, along with integrating with ecosystem players. Digital onboarding for small businesses was introduced in Q4 2022.

More digital developments are in the pipeline. These include sales journeys for credit cards, as well as digital propositions for mortgages and automotive financing for after-sales services. We also introduced push notifications for Retail Banking marketing related messages.

In-branch digitization continues, with the establishment of 100 self-service kiosks for customers to print debit and credit cards, request statements, and update their information. This year, we converted the in-branch personal loan customer journey to paperless. Additionally, we implemented digital authentication via fingerprints to execute several in-branch products and service related transactions. We deployed mobile CRM infrastructure-enabled customer services to perform selected transactions via mobile devices.

Aligning with Vision 2030

Retail Banking's strategy aims to support growth of the Kingdom, in line with Saudi Vision 2030. Our work to offer comprehensive digital propositions for start-ups and new businesses synchronizes with the mandate to increase MSME and private sector contribution to GDP.

As part of the Vision, we are committed to increasing the national household savings rate and promoting financial literacy. We are working to introduce new Islamic products and savings plans, to add to our current Edikhar and Wazen offerings. As well, the Bancassurance program will facilitate long-term savings by customers, aligned with Vision 2030.

Retail Banking is participating in the Vision 2030 priority to increase home ownership for Saudi citizens, as part of our drive to diversify our consumer product lines. We expanded our range of financing options to include self-construction, buyouts, off-plan revamps, land plus loans and mortgage refinance. New digital mortgage propositions and the Edarah standalone mobile app for property management will also support home ownership aspirations in the Kingdom. To the same end, this year we signed mortgage partnership agreements with major developers.

Looking Forward to 2023

The year ahead will be a competitive one, particularly on the front of digitalization, due to an array of new competitors and fintech's entering the ecosystem. We plan to stay ahead of the market by improving efficiencies and accelerating innovation, with a number of strategic initiatives underway.

In 2023, we will accelerate rolling out our new branch identity and will further scale up and optimize our branch network. We will identify white spaces to expand our network, relocate low-performing branches, and readjust branch types and architecture. We will also improve branch efficiencies by integrating teller and customer service job profiles, unifying the role of customer-facing universal banker. Further, we will operationalize agent banking with our selected strategic partners.

We move forward amplifying in-branch digitization by moving more customers to automated channels. We continue to automate key processes. We are also identifying high-volume customer requests to pursue innovative digital solutions. Plans for a new queuing system are underway to align with our new branch identity. We also continue our drive to go paperless and to expand digital authentication to further enable our sales and services.

2023 will be a year for disruption across Retail Banking. We will continue to introduce digital sales journeys for cards and enhance the digital process for personal loans. For MSMEs, we will focus on the acquisition of entrepreneurs, offering comprehensive business management

tools and integration with key ecosystem players. To serve our Affluent Banking customers, we will launch fully digital offerings that integrate family banking with wealth planning, investments and other products customized to their needs. Regarding mortgages, we aim to enhance our digital homebuilding ecosystem by generating more partnerships that will bring value to our customers. We also aim to disrupt automotive finance by developing a digital end-to-end system for purchasing cars through partners.

2023 will see a major re-platforming of our digital channels, specifically Riyad Mobile. The platform will be upgraded to employ highly flexible, cutting-edge technologies that will improve turnaround time on product and service launches.

Plans are underway to further leverage Bouki by adding more services, features and customized product offerings to the digital wallet. We will also enhance our Hassad Rewards loyalty platform, to further improve customer loyalty.

Corporate Banking

Riyad Bank's Corporate Banking maintained momentum during 2022 to deliver exceptional results, enabling synergies across businesses, and building future-ready capabilities as embodied in one of our values: "We are One Team". With focus on providing exceptional customer experience across all our services and channels, we accelerated our targeted transformation and innovation to deliver sustainable value for our customers and our business.

This year Corporate Banking Division continued to develop a strong franchise by supporting the Kingdom's economic diversification. We financed and facilitated expansion of various businesses from start-ups to large corporates and multinationals. The Division was once again a key player in the Saudi Vision 2030, participating in a wide range of development initiatives financing related to mega projects, privatization, infrastructure, education, healthcare, SMEs, private sector, tourism and entertainment.

We strengthened our efforts in 2022 to deliver maximum value to customers, with a particular focus on customer segmentation. The extensive application of data analytics and market intelligence enabled the Division to create strategies and unique value propositions across corporate segments, ranging from SMEs to large corporates. This facilitated better targeting, resourcing, channel and product alignment, capability building and marketing alliances.

Transformation Strategy 2025

Corporate Banking Division is actively engaged in the Bank's Transformation 2025 strategy to become the "Best in Class" bank in the Kingdom. With clear goals and targets, we are undertaking initiatives to support this aspiration.

The Division is leading its own transformation by focusing on value creation through innovation and improving efficiencies through digitization and the digitalization of processes. We are also enhancing client satisfaction scale and service speed by leveraging synergies and improving our business mix. Further, we are enhancing our relationship management and operating frameworks to better align them with market dynamics, facilitated by RM Workbench project. The Division also took steps for balance sheet growth and improvement in financial KPIs.

Central to our transformation strategy is our investment in human capital. We are promoting the Bank's credentials and intellectual capital through regular training. We implemented a talent development and retention plan during 2022, that includes assessing current and anticipated capabilities and gaps of all our people. The goal is to offer a range of targeted development opportunities that will equip Corporate Banking achieve its targets in the coming years. Our efforts to enhance communication and coordination within Corporate Banking teams are already paying off with improved customer outcomes and experiences.

A Year of Record Results

In 2022, Corporate Banking held its weight by contributing to Riyad Bank's performance as the fastest-growing bank in the Kingdom. The Division accounted for 49% of the Bank's total income, compared to 37% in 2021 and it earned 41% of the Bank's total operating income, compared to 37% in 2021.

Corporate Banking's net income increased by 56% in 2022, from SAR 2.47 Bn in 2021 to SAR 3.84 Bn. Similarly, net income before Zakat for 2022, mainly due to lower impairment charges and higher fees and net commission.

Total operating income totaled SAR 5.64 Bn in 2022, an increase of 31% from 2021. Net special commission income increased year-on-year to SAR 4.14 Bn, while fees and other income increased by 20% to SAR 1.48 Bn. Operating expenses totaled SAR 1.79 Bn for 2022, down 3.0% compared to SAR 1.84 Bn in 2021.

Impairment charges for Corporate Banking decreased to SAR 728 Mn, a reduction of 21% compared to 2021, while Corporate Banking assets increased by 11% in 2022 to SAR 16.2 Bn.

Financing Green Investments

This year, the Division continued its participation and expanded its commitment to funding green projects. This includes the National Renewable Energy Program; a multifaceted renewable energy initiative designed to balance the domestic power mix and reduce carbon initiatives. Overall, the Bank helped finance 28 green and renewable energy projects, with a contribution of SAR 7.4 Bn towards a total project cost of more than SAR 52 Bn.

Corporate Banking also accelerated the transition to a low-carbon, green economy through Riyadh Bank's recently issued USD 750 Mn ESG Bond. The investment tool funds various renewable and green projects in power, water and other sectors. The Division is also encouraging businesses in its SME segment to drive impactful corporate social responsibility practices by participating in social projects.

Aligning with Saudi Vision 2030

Corporate Banking is a major player in the Bank's strategy to achieve the aspirations of Saudi Vision 2030 and the associated National Transformation Program. Our support for the Kingdom's goals includes promoting the development of the private sector, building economic partnerships and contributing to the financing of infrastructure projects.

In 2022, we signed a formal partnership with the Tourism Development Fund to provide the Tourism Partners Program with SAR 2 Bn worth of financing. The deal covers 7 tourism destinations across the Kingdom and will contribute to 25 goals of the Vision 2030.

We also partnered with the National Industrial Development and Logistics Program to launch 2 important initiatives: "We Finance, You Manufacture" and "We Invest, You Manufacture." The programs, worth SAR 6 Bn, support the localization of manufacturing, with the goal of increasing local production and enhancing the ease of businesses.

We signed 5 other formal agreements to support Vision 2030 goals. These included with the Cultural Development Fund, the Economic Cities and Special Zones Authority, King Salman Park, the National Center for Privatization (NCP).

Corporate Banking is heavily involved in the Government's privatization strategy and is working with the National Center for Privatization (NCP) to help develop local businesses. We are also actively promoting the participation of foreign investors who will bring their know-how and technology to the Kingdom. Further, our focus on SMEs is in line with the

Government's targeted support program, as well as efforts to increase private sector contribution to the national GDP.

Importantly, we participated in a plethora of large-scale Vision 2030 initiatives via syndicated funding. This included mega projects, such as NEOM, Red Sea, Qiddiya and Amaala – all of which are expected to expand economic activity and create jobs across the Kingdom. We also helped finance a number of new projects and investments in the tourism and entertainment sectors, which the Government has targeted to enhance economic activity, increase domestic spending and grow the labor market.

Supporting SMEs

Corporate Banking Division's focus on SMEs is in line with the Government's targeted support program, as well as efforts to increase private sector contribution to the national GDP.

According to the Saudi Central Bank, Riyad Bank held 22% of the market for SME credit facilities in Saudi Arabia, as of 2022. We expect our market share to continue to grow, with the onboarding and winning of more than 1,000 new SME borrowing relationships this year.

In 2022, we dynamically pursued SMEs through a number of initiatives. We were the main sponsor of the Global Entrepreneurship Congress 2022, which took place in Riyadh. We collaborated with the Government's National Technology Development Program as a participant in the Kingdom's largest-ever technology event, LEAP22. We also sponsored the inauguration event for the Asharqia Chamber Entrepreneurship Incubators.

Additionally, Corporate Banking signed a collaboration agreement with Monsha'at to support SMEs through Riyad Bank's flagship centers. The Division also participated in 4 awareness sessions with partners to recognize United Nations Small and Medium Enterprises Day.

Expanding Digital Offerings

The Bank's expansion of its digital footprint demonstrated a strong payoff this year, with approximately 80% of financial transactions from our corporate customers being initiated digitally. This is largely due to enhanced capabilities under our Global Transaction Banking (GTB) franchise, which covers cash management and trade finance. As a market leader, GTB implemented a range of new technologies in trade finance and global transaction services, such as robotics (Robotic Process Automation), which improved overall operational efficiency and enabled faster delivery of services to our corporate customers.

As part of continuous digital enablement, lending operations have also been streamlined with a "hub and spoke" model, by integrating several back-end applications through APIs into one platform, enabling the operations team to perform tasks more efficiently. The launch of Banking as a Service (BaaS) expanded our market share, thanks to delivering services digitally with an efficient card settlement process.

The Bank is now part of Muqassa (one of "Tadawul Group" companies), which enables investors to activate their clearing services digitally. The year 2022 has witnessed various initiatives to enhance our customer digital experience. The Bank also upgraded its existing trade finance system to speed up the processing of transactions and increase customer

satisfaction. The system now offers advanced features and the automation of processes related to letters of credit, letters of guarantee, exports and collections.

The Bank also expanded its digital efforts to support the Kingdom's goal of streamlining financial and business services. This included integrating operations with the Wethaq and Etimad platforms to issue letters of guarantee. We also underwent an integration with the Small and Medium Enterprises General Authority's, Monsha'at, Funding Gate portal to better support our SME customers by providing access and expanded funding opportunity's.

Finally, as part of our contribution to the Saudi Vision 2030 goal to grow a cashless society and promote business and tourism, we announced ourselves as the first bank to accept Discover credit cards in the Kingdom.

Award-Winning Performance

Our Corporate Banking activities helped the Bank to win several awards and recognitions in 2022. These included:

- Saudi Trade Finance Summit named us 'Saudi Arabia's Best Trade Finance Bank of the Decade
- The Open Banking Forum selected us for our 'Outstanding Contribution to SMEs'
- Euromoney named us 'Best Bank for Digital Solutions in Saudi Arabia', as well as 'Best Bank for SMEs – Digital Solutions in Saudi Arabia'
- The Small and Medium Enterprises Financing Program, Kafalah, recognized us as the top performing bank, in terms of value of guarantees and number of enterprises benefitted for 5 consecutive years
- Monsha'at identified us as one of the top 5 lending banks through their Funding Gate for SMEs. They also recognized us as their Funding Gate Partner of the Month for January 2022

Looking Forward to 2023

The Bank is poised to maintain our growth in 2023 by continuing to develop organizational infrastructure and processes that are in harmony with the markets. We are working to align our Corporate Banking systems and business internally and externally. We will continue to enhance and expand our client base, as well as strengthening our partnerships with government entities and participating in initiatives launched under the umbrella of the Saudi Vision 2030.

The GTB business will focus on growing its franchise and optimizing capital utilization. Our strategy includes cash management products and trading finance by launching new Corporate Banking solutions, such as supply chain finance and factoring. We will also take advantage of cross-selling opportunities across the Bank to provide customers with service excellence and targeted product offerings.

In terms of outlook, we see the demand for financing growing due to the Saudi Vision 2030 diversification and privatization initiatives, as well as growth and refinancing needs of the Kingdom's corporate sector, including SMEs.

Additionally, the fight against climate change will present a massive opportunity for the Bank to mobilize financing to aid corporate clients' transitions to net-zero carbon emissions. Saudi regulators, like others around the world, are focused on the systemic impact of climate risk on financial markets and stability. Riyad Bank intends to be an important partner in this effort.

Treasury and Investments

Treasury and Investment Division is responsible for the management of liquidity and the Bank's proprietary investments. It also offers a wide range of products and hedging solutions to our corporate and retail customers. The Division accounts for 22% of the Bank's total operating income.

Treasury and Investment Division efficiently managed the Bank's liquidity - maintaining a solid liquidity position and comfortable liquidity and capital ratios to help the Bank's growth by successfully issuing AT1 Sukuks this year.

The Division mitigated the risk to the Bank's investments by actively implementing hedges and raising cash levels before the rise in interest rates. This strategy served to protect a significant portion of our portfolio value. Also, disposal of the investments was well timed, which resulted in healthy capital gains and preservation of capital.

2022 was also a year in which the implementation of the second phase of our 5-year Sales Strategy began bearing fruit and led to a remarkable successful 12 months. Furthermore, despite this year's interest rate volatility, the speed and agility in adjusting our investment strategies alongside efficient management of our liquidity, actively supported revenue growth across all business areas.

Additionally, we finalized a comprehensive IBOR transition project to ensure a smooth transition to the new reference rates putting the Bank in compliance with international regulations.

Record-Breaking Deals

In 2022, we successfully issued a USD 750 Mn. Additional Tier 1 (AT-1) Sukuk, making it the first ESG Tier 1 Sukuk globally. The Sukuk was issued at the lowest credit spread ever achieved by a GCC bank for a Tier 1 Sukuk.

Furthermore, we issued a SAR 3.75 Bn. AT-1 Sukuk at 5.25% – the lowest credit spread achieved by a local bank in the AT-1 space.

Prestigious Achievements and Awards

1. awarded Bonds, Loans & Sukuk Middle East Awards Winner for Financial Institutions Deals, presented by GFC Media Group
2. Bank Treasury & Funding Team of the Year, presented by GFC Media Group
3. Deal of the Year Award for Regulatory Capital, presented by Islamic Finance News

Delivering Value

In 2022, Treasury and Investments contributed SAR 2.94 Bn to the Bank's gross operating income. The Division's contribution to commission income was SAR 862 Mn. This was a 42.3% increase from SAR 606 Mn in 2021.

Our FX revenue increasing to SAR 665 Mn, up 68.7% from SAR 394 Mn in 2021.

While raising cash levels in anticipation of interest rate hikes affected this year's income, the decision helped to protect the value of the Bank's investment assets on a significant level. Over the year, we managed the balance sheet in an efficient manner, we also continued to diversify our funding base and ensured all regulatory liquidity ratios stayed within appropriate range according to the bank's prudent policies.

Supporting Vision 2030

Treasury and Investments was an active participant in the financing of numerous projects related to Saudi Vision 2030. The Division was dynamically involved in both the primary and secondary markets for Government bonds and Sukuks, in SAR's and US Dollars – supporting the National Debt Management Center as well as the overall national economy. We participated in the Saudi Real Estate Refinance Company bonds issuance, which supports the housing market. In addition, we contributed to the hedging of loans associated with the Vision 2030 energy projects.

Importantly, we issued ESG bonds, with a size of USD 750 Mn, in line with the Saudi Green Initiative and Vision 2030, toward its goal to achieve Net Zero by 2060. The framework of this issuance covers a diverse range of eligible sustainable activities which are linked to Riyad Bank's ambition to become a regional ESG leader as it looks to drive green and social development in the Kingdom in line with Vision 2030 and Riyad Bank's own flagship sustainable finance program, namely its Bukra initiative.

Strategically, the ESG issuance was a key shift towards a new form of sustainable funding. It was also an opportunity to diversify the Bank's geographic footprint, with the issuance promoting its credit abroad.

Upgrading Systems and Processes

Treasury and Investments achieved several milestones and KPIs in pursuit of the Bank's 2025 goals. The strategy calls for the creation of value through innovation, enablement through next generation operating models and efficiency through digitization.

We successfully initiated the upgrade of our front-to-back treasury system platform. The improvements will enable more efficient customer service, as well as better process integration and monitoring.

Our early adoption of digital communication with our corporate customers gave the Bank a clear edge, allowing us to further increase our FX volume and market share. We successfully finalized the implementation of phase one of our digital RBFX platform, enabling the Bank's corporate

clients to cover their FX Spot requirements with live FX prices and at very competitive rates. We are working now on extending its scope by rolling it out to other business segments.

Growing Relationships

On the back of high market volatility and rising interest rates, Treasury and Investments worked closely with our global partners to provide our clients with the most innovative tailor-made financial solutions. This included some first-of-their-kind Hedging Solutions on Soft Commodities along with further expanding our commodity leasing offering to include more underlying assets.

We also executed a number of new relationship master agreements with domestic and international banks to provide us with wider market access and better product pricing. Several of these agreements are currently in the advanced stages of execution.

The Division expanded geographically by working alongside Riyad Bank London branch to successfully cover the hedging needs of the clients of our London branch.

A Positive 2023 Outlook

After a challenging 2022 – on the back of global inflationary pressure, rate hikes, and geopolitical uncertainties – we expect 2023 to provide a normalized market environment. Treasury and Investment plans to gradually, and opportunistically, add investments while enhancing portfolio yield and managing risk efficiently.

We plan to continue with the implementation of phase 3 of our 5-year Sales Strategy, relying primarily on people and services, and thereby further increasing our fee-income by 2025. We will also broaden our client base by acquiring new customers through FX, hedging solutions and innovative services.

Also underway is a project to consolidate the treasury system to become more efficient in terms of treasury-related processes and controls, as well as offering enhanced product handling capabilities.

Subsidiaries

Division	Capital (SAR)	Total Shares	Ownership %	Main Activity
Riyad Capital	500,000,000	50,000,000	100%	Carrying out trading activities as principal and agent, undertaking coverage, establishing investment funds and portfolios and managing them, in addition to arranging and providing consulting, stock keeping services, portfolio management and trading.
Ithraa Riyadh Real Estate	10,000,000	1,000,000	100%	Keeping and managing assets provided by customers as collateral and a guarantee, and the sale and purchase of real estate for financing purposes for which the company was established.
Riyad Company for Insurance Agency	500,000	50,000	100%	Works as an agent for selling insurance products, including their own and those managed by other main insurance companies.
Curzon Street Properties Limited	9,350,760	2,000	100%	A company established for the purpose of owning properties.
Riyad Financial Markets Limited	187,500	50,000	100%	Performing financial derivative transactions and repurchase agreements with international parties on behalf of Riyad Bank.
Riyadh Esnad Company for Human Resources	500,000	500,000	100%	Providing operational human resources services exclusively for Riyad Bank and its subsidiaries.

Ithraa Riyadh Real Estate Company

Ithraa Riyadh Real Estate Company is a limited liability company, wholly owned by Riyad Bank, with a paid-up capital of SAR 10 Mn, comprised of 1 million shares with a nominal value of SAR 10 per share. Registered in Saudi Arabia and headquartered in Riyadh, the company provides services for holding and managing the discharged assets of the owner and others, including guarantees and sale and purchase of real estate.

Curzon Street Properties Limited

Curzon Street Properties Limited is a wholly owned subsidiary of Riyad Bank and incorporated in the Isle of Man for the specific purpose of owning real estate in the United Kingdom.

Riyad Financial Markets Limited

Riyadh Financial Markets Company is licensed in the Cayman Islands, and it specializes in implementing derivative transactions and repurchase agreements with international parties on behalf of Riyad Bank.

Riyad Company for Insurance Agency

Riyad Company for Insurance Agency, is a limited liability company, wholly owned by Riyad Bank, with a paid-up capital of SAR 500,000. Registered in Saudi Arabia and headquartered in Riyadh, the company markets and sells insurance products that are provided by the Al Alamiya Insurance Company to Riyad Bank, and its individual and corporate clients.

Riyadh Esnad Company for Human Resources

Riyadh Esnad Company for Human Resources is a limited liability company established in 2020, wholly owned by Riyad Bank with a paid-up capital of SAR 500,000, comprised of 500,000 shares with a nominal value of SAR 1 per share. Registered in Saudi Arabia and headquartered in Riyadh, the company provides operational human resource services exclusively for Riyad Bank and its subsidiaries, with the aim of reducing costs and risks to the Bank.

Riyad Capital

Riyad Capital maintained its strategic focus during 2022, making significant progress towards its vision of becoming the most innovative and trusted investment solution partner. Through its determination and focus on its 4 Strategic Pillars – Trust, Innovation, Efficiency and One Team – it delivered outstanding results, despite the elevated volatility and uncertainty across global financial markets.

Riyad Capital continued its string of successful IPOs during the year, as the partner of choice for ambitious organizations looking to tap the capital markets. It continued its successful track record of offering and listing for IPOs – Elm Company, Saudi Home Loans Company, The Power and Water Utility Company for Jubail and Yanbu (Marafiq), and Riyadh Cables Group Company in the main market of the Saudi Stock Exchange – in addition to other ECM transactions, such as acting as co-underwriter for Petro Rabigh.

This strong performance led Riyad Capital to rank among the top 3 Capital Market Institutions by number of IPO transactions in the Kingdom and being ranked third by Forbes Middle East in its list of Top 30 Asset Management Companies in 2022. Furthermore, "Riyad Opportunities Fund" ranked first among top performing Saudi equity funds with over SAR 100 Mn in AUM.

The Company also launched a range of high-profile funds during the year, including "Riyad Financing Fund II", a SAR 450 Mn fund that is the first direct financing fund in the market; "Riyad Capital Fixed Income Fund 1", which is Riyad Capital's first global fixed income fund; "Riyad Capital Venture Opportunity Fund 1", the first global venture capital offering by Riyad Capital in partnership with March Capital; and 2 real estate funds valued at SAR 6.2 Bn to develop Jawharat Al Riyadh and Jawharat Jeddah centers with Arabian Centers.

Other highlights of 2022 included issuing an additional 1-tier Sukuk valued at SAR 3.75 Bn for Riyad Bank, and starting an exit strategy from the Riyad Taqnia Fund with a partial sale of Foodics returning 3.5 times on total investments, and the listing of Sure Global in the Nomu market.

The Company is looking to strengthen its growth, diversify its solutions, and continue to accelerate progress in the year ahead.

Awards and Recognitions in 2022

- Riyad Balanced Income Fund – Refiniv
- Euromoney Market Leaders – Euromoney
- Most Innovative REIT Fund – Riyad REIT – Saudi Arabia – Global Business Outlook
- Top Performance Fund – Argaam
- Best Custodian – Tadawul

Digital Banking and Innovation

Digital transformation is our de facto means of doing business at Riyad Bank and is an ongoing mission covering all areas and divisions. We have expanded our understanding of digitization to make it more customer-centric, focusing on customer challenges, perceptions and expectations.

In 2022, we continued to progress our digital banking story and took important steps in our digital innovation journey, including entering the frontier of open banking and banking as a service (BaaS), putting us ahead of other banks in the Kingdom. Furthermore, our new Digital Innovation Center (Jeel) will fuel the fire to generate new innovative and market-leading products and services, promoting internal entrepreneurship and supporting the larger fintech ecosystem.

To accelerate towards our strategic objectives, we enhanced and deepened our performance as the region's most fintech-friendly bank. We focused intensely on designing product packages for fintech's, as well as creating, financing and supporting start-ups. Our work in this sphere provided fertile ground for securing partners interested in collaborating with the Bank, exchanging services with the Bank or seeking strategic investments.

Open Banking and Banking as a Service

This year, digital product innovation at Riyad Bank led the way in expanding open banking and BaaS in the region. We are laying the foundation of a culture that creates new value propositions based on the BaaS model. This model makes use of open application programming interfaces (APIs) that enable third-party developers to build applications and services around the Bank. It will help the Bank create new offerings and value out of existing assets and add more impact into the collaboration with partners. In line with this, we are building a unit dedicated to structuring our digital banking assets in a services catalog, to establish an operational model for all financial and non-financial APIs and digital services practices.

We are developing a partnership model that will support the commercial value proposition of the WaaS and its prospect customers and partners. This will further help the Bank elevate its engagement with all industries and with the mega projects of Saudi Arabia's Vision 2030. Establishing the necessary BaaS infrastructure to lead the ecosystem moving forward also showcased our value in the market.

Digital Innovation Center

This year, we have completed and soft launched the Digital Innovation Center (Jeel) in its first edition, to drive product execution, innovation and ecosystem integration across the Bank's divisions and departments, as well as the wider fintech ecosystem. The Center will cover and support all areas of digital transformation and innovation, incorporating a Digital Lab, Digital Factory, Digital Studio, and Digital Research.

The Center has developed a framework for rapid experimentation and scaling of innovative digital products and services, serving the Bank and its network. Through the Digital Lab, we will

rapidly prototype, launch, and scale new products and businesses. The Digital Factory will lead internal digital squads to product execution. As an entity, the Center will foster the evolution of new solutions and business models, incubating a new way of working and growing the digital maturity of the Bank.

The Center will also promote integration with key partners in the digital sphere. Specifically, the Center will launch the next frontier of digital platforms, such as open banking and BaaS, to integrate the Bank with the ecosystem.

Further, the Digital Innovation Center will help channel investments and support for fintech start-ups and partners, within the Kingdom and beyond. The aim is to attract and scale promising start-ups through incubation, acceleration and partnership.

Overall, the center will develop local capabilities in digital entrepreneurship, increasing the adoption of emerging technologies and supporting the use of technologies in promising projects.

Supporting and Developing Fintech's

At Riyad Bank, our fintech banking strategy is comprehensive and concerted, serving the ecosystem from multiple angles. This includes designing packaged solutions based on fintech customer needs that can be monetized and offer a value add. It also involves investing in the Bank's own ventures to generate new digital services and products. We also provide extensive support to start-ups to develop and scale solutions that can lead to partnerships and greater revenue for the Bank, at the same time promoting innovation across the region.

In 2022, we launched the Fintech Emerging Technology Strategic Partnership Incubation Framework, the first of its kind in the region. It is a 3-stage framework, involving the design, development and sales of various fintech packages. The objective is to grant emerging fintech providers full access to customizable packages that include services such as digital wallets, transfers, remittances, cards, accounts and marketplaces.

This year, we also ran the second and third cohorts of Riyad Bank Open Innovation Platform, known as WSL. The platform was developed to offer entrepreneurs and innovators an experimental environment to create programs and applications that simulate data banking connectivity tools. WSL supports them to build innovative business models and test them instantly and effortlessly, while offering high security and technical support.

The WSL initiative will lead to new value creation for the Bank. Emerging outcomes include the release of multiple digital products, the development of APIs in a customer-centric and market led prioritization, an increase in the number of users within our platforms and the signing of new partnerships.

The Bank also supported local innovators by holding a Demo Day in partnership with the Global Entrepreneurship Congress Riyadh 2022. At the event, we gave 8 top local and regional fintech start-ups the opportunity to pitch their businesses to a large audience of venture capitalists from our network.

Partnerships with Fintech's



Participating Financing Companies



Fostering Partnerships

This year, the Bank extended its reach into the fintech ecosystem by creating a number of fruitful partnerships. We established our first open banking partnership with one of the graduate start-ups from our WSL program, a start-up fintech that offers innovative financial products in the Kingdom. In addition, we partnered with top Open Banking players to provide an open banking sandbox, allowing companies to test their ideas and projects using mock data that replicates an open banking environment.

We continue to work on new commercial agreements with top fintech's to create new products and services using BaaS.

Digitizing Bank Processes

Internally, digital transformation continues to be a priority across all divisions of the Bank. Our digital strategy includes managing and delivering all data and reporting requirements across the organization. It involves reviewing, supporting, restructuring and governing digital projects running across different divisions. It also requires strategic alignment between BT, business units and a variety of Stakeholders within and outside the Bank.

This year, we successfully completed and launched a specialized Data Science platform to help Riyad Bank accelerate artificial intelligence and machine learning in a more consistent way. Big Data use cases were also implemented, as they are critical to underpin all the Bank's data activities. This includes finalizing the Personal Finance Management and Tanfeeth Big Data use cases, which support the Retail Banking and Corporate Banking business lines in providing financial-based services to their clients, as well as promoting financial literacy in the market.

This year also saw the launch of the new version of Molhem, an internal innovation program that supports employees to share ideas that will make a difference to the Bank. Participants were called upon to solve three different challenges, which generated a number of potential solutions the Bank is currently exploring.

Award-Winning Digital Leadership

This year, the Bank's digital efforts helped us to sweep up awards at the various ceremonies across the region. Euromoney named us the Best Bank for Digital Solutions in Saudi Arabia, as well as Best Bank for SMEs – Digital Solutions in Saudi Arabia. At the Middle East Banking AI and Analytics Summit, we were awarded Best Data Science and Business Intelligence Leader.

The Customer Experience Live Intelligent Automation Show Middle East 2022 recognized us as Best AI and Data Science Excellence, Best Intelligent Automation and Operational Excellence, as well as Intelligent Automation Leader of the Year in Banking, Financial Services and Insurance. Finally, Informatica named us the winner of Data Practice Excellence at their Middle East Customer Innovation Awards 2022.

Transforming for the Future

In 2023, our digital strategy will focus on increasing value and profitability and setting up Venture Builder Enterprise to design and launch standalone fintech and tech ventures as emerging and specialized companies while managing them in-line with the Bank's strategy. In addition, the Digital Banking division will focus on generating new streams for growing and expanding value for the bank and opening new business lines by leveraging Riyadh Bank's Digital Innovation Center.

Finally, we will continue to dynamically update our digital operating model. This will involve attracting top talent, addressing dynamic market needs and leveraging all capabilities to stay ahead.

Customer Experience

At Riyad Bank, our commitment to continuous improvement and growth as a customer-centric organization fuels our aspiration to become the best bank in the Kingdom. As a key success factor in all 4 pillars of our corporate strategy, customer experience continued to be an area of focus, innovation and investment during 2022.

This year, we expanded and sharpened this focus to provide and enhance fully-fledged, end-to-end customer journeys across all divisions. We aggressively pursued our digitization campaign, staying ahead of demand for real-time content and streamlined processes and services. We also elevated the Bank's branding to reflect our ethos that customers are at the heart of everything we do.

Surpassing Expectations

2022 was a year of stellar results for customer experience across the Bank. Our customer Net Promoter Score (NPS) increased 18% in Retail Banking and 19% in Corporate Banking compared to the previous year.

In addition to NPS, our KPIs included; Customer Effort Score, Turnaround Time, Error Rate, Engagement Rate, Customer Acquisition and Retention.

The Bank validated its customer experience efforts by taking home several awards at the Customer Experience Live Show Middle East 2022, including Best Customer Experience and Operational Excellence, Best Voice of the Customer Transformation and Best Customer Experience Leadership.

Strategic Initiatives

In 2022, the Bank undertook a wide range of strategic initiatives to up the ante of customer experience across all divisions. We designed and redesigned more than 60 processes related to our products and services, streamlining the customer journey from beginning to end, as well as our back-end services. A significant achievement was implementing checklists of customer requirements for all mortgage and loan products.

We also participated in the implementation of Wathq, an automated solution developed in partnership with the Government to generate customer title deed information, saving time on manual input by Bank staff. As well, we participated in the launch of the new template for top complaints analysis.

The Bank's participation in CX day was a highlight as well. The CX team has expanded the CX day to be CX week of activities as part of a roadshow in three key regions to showcase Riyad Bank's Customer Experience capabilities and achievements. It kicked off with a townhall event to celebrate Customer Experience success stories for innovation and achievements in this important field. It was also an opportunity to raise awareness among all our employees about customer-centric culture and the importance of Customer Experience to the Bank's sustainable success.

Employee Alignment

Internally, we succeeded in raising awareness across the Bank about what it means to be a customer-centric organization. This included emphasizing the importance of the customer's experience in achieving our 2025 goals of providing value through innovation, achieving efficiency through digitization, and enabling our teams and organization through next generation operating models.

We also aligned employee experience with customer experience, with the strategic understanding that satisfied employees lead to satisfied customers. Initiatives included launching an employee NPS survey and spearheading more than 30 new processes to improve employee experience.

Digitizing the Customer Journey

Our digitization campaign is driven by our customers, who expect access to real-time, relevant information in the format and on the device of their choice. It is their journey that dictates our strategy.

The Bank takes a digital approach to gathering and analyzing relevant customer experience data. We send post-transaction surveys via SMS. We listen to and analyze social media platforms and blogs to understand customer needs and behaviors. We translate this data into business action plans, digitizing end-to-end products and service journeys through mobile apps and online platforms.

This year, we achieved a significant number of milestones in the digital sphere to improve the customer experience. This included running 50 usability test sessions with the Bank's customers. We've also designed new templates for our public website. We also created more than 600 new ATM screens, enhanced our email notification template to make it more responsive, and created and implemented a National Day theme across all our digital channels.

A Trusted Brand

At Riyad Bank, we have built new and long-term relationships with our customers based on trust, loyalty, and our ability to innovate and exceed their expectations. During this year, we have completely redesigned the trademark to accurately reflect these relationships.

The Bank has launched a new identity that embodies its vision to be the "most innovative and trustworthy bank", which is in line with Saudi Vision 2030, as well as the Bank's strategy for 2025 - looking forward to a promising future of creativity, leadership, excellence and prosperity.

The technical and creative components of this identity confirm our commitment to our long-standing values that humans are at the core of our priorities, and maintain the key elements of the logo, which recalls the Bank's history as a leading Saudi banking and financial mark. The logo is completed with modern colors and curves – reflecting optimism, simplicity, interest and partnership.

Focus for 2023

The year ahead is one of action for the Bank, with comprehensive plans to launch and complete key projects to improve the experience of our customers and enhance their journeys. Overall, we are working to embed a “right things right, first time” culture across the bank, reducing our error rate and, in turn, minimising in-person customer visits to branches. Examples include enhancing customer and merchant journeys on claims and requests related to cards, and reducing service variability for Trade products.

Importantly, we will implement a new advanced Customer Experience Management platform that will enable us to conduct real-time surveys, prepare customised and live dashboards, generate automated text analytics, and employ multiple channels such as push notifications for sending surveys.

We will also subscribe to customer experience benchmarking platform that will measure the Bank’s performance against competitors. Areas compared will include overall bank performance, channel performance, product performance and customer journey processes. The platform will also identify “moments of truth,” where customers form key impressions about the Bank and its products, and measure how changes in customer experience strategy impact customer satisfaction.

Plans are also underway to enhance customer experience by improving the queuing system at the branches. We are also working on developing Hassad Plus to replace the Hassad program, providing our customers with access to exclusive and lifestyle experiences. In addition, we will contribute to the creation of the Riyad Bank Marketplace platform, which will provide a standalone store through which the Bank allows its customers and non-customers to purchase daily needs and products that fit their lifestyle.

Finally, we are looking forward to participating in the Molhem Innovation Programme, which we created to enable employees to provide innovative ideas for the growth and development of Riyad Bank.

Financial Results



Financial Results

Riyad Bank achieved SAR 7,019 Mn as net profits for the 12-month period ending on 31 December, 2022, an increase of 16.5% over the same period of the previous year, which amounted to SAR 6,025 Mn. Considering the current economic changes and challenges, Riyad Bank continued to focus on the main banking activities and maintain its financial position, net loans and advances increased by 11.5%, amounting to SAR 242,365 Mn, as compared to SAR 217,290Mn for the previous year. Customer deposits increased by 13.4% to SAR 240,007 Mn, as compared to SAR 211,678 Mn in 2021. Assets amounted to SAR 359,653 Mn, compared to SAR 325,736 Mn for the previous year, with an increase of 10.4%.

Total operating income amounted to SAR 13,599 Mn during the 12 months ending on 31 December, 2022, compared to SAR 11,568 Mn for the same period in 2021, with an increase of 17.6%.

Reflecting on the strength of Riyad Bank's assets and the diversity of its financing and investment products, Riyad Bank was able to achieve an increase of 21.2% in net special commission income, which amounted to SAR 10,052 Mn in 2022, compared to SAR 8,293 Mn for the same period in 2021. Earnings per share increased to SAR 2.32 as compared to SAR 2.01 for the previous year.

The increase in Riyad Bank's net profits in 2022 is due to a 17.6% increase in total operating income, and a 21.2% increase in net special commission income as compared to previous year.

Material differences in operating results compared to the previous year

Description (SAR Mn)	2022	2021	Change	Change %
Net income after zakat	7,019	6,025	994	16.5%
Total operating income	13,599	11,568	2,031	17.6%
Net special commission income	10,052	8,293	1,759	21.2%
Earnings per share	2.32	2.01	0.31	15.4%
Total assets	359,653	325,736	33,917	10.4%
Net investments	52,196	58,637	(6,441)	-11.0%
Net loans and advances	242,365	217,290	25,075	11.5%
Customer deposits	240,007	211,678	28,329	13.4%

*Certain comparative figures have been reclassified to conform to the current period's classifications.

A summary of Riyad Bank's financial results during the past five years

a) The following is an analysis of the most important items of the consolidated statement of financial position:*

Description (SAR Mn)	2022	2021	2020	2019	2018
Assets					
Cash and balances with banks and other financial institutions and Saudi Central Bank	53,980	43,232	55,579	33,924	27,352
loans and advances, net	242,365	217,290	191,347	173,982	151,025
investments, net	52,196	58,637	56,450	53,361	47,993
Property, equipment and other real estate	3,774	3,020	2,752	2,435	1,927
Other assets	7,338	3,556	3,961	2,086	1,603
Total assets	359,652	325,736	310,088	265,789	229,900
Liabilities					
Balances with banks	38,760	43,134	41,789	13,124	8,581
Customer deposits	240,007	211,678	203,039	194,518	169,822
Other liabilities	24,712	23,624	20,905	17,575	14,723
Total equity	56,173	47,300	44,355	40,571	36,774

*Certain comparative figures have been reclassified to conform to current period classifications.

b) The following is an analysis of the most important items of the consolidated income statement:*

Description (SAR Mn)	2022	2021	2020	2019	2018 **
Total operating income and Riyad Bank's net share in the associates' profits	13,519	11,535	11,224	10,870	9,018
Total operating expenses	5,690	4,817	5,740	4,638	4,302
Net income after zakat	7,019	6,025	4,715	5,602	3,092
Earnings per share (SAR)	2.32	2.01	1.57	1.87	1.03

*Certain comparative figures have been reclassified to conform to current period classifications.

** Includes the effect of settling zakat claims for previous financial periods.

Geographical analysis of the total revenues of Riyad Bank and its subsidiaries

The total revenues for the period ending on 31 December, 2022 amounted to SAR 11,575 Mn from operations inside the Kingdom, and SAR 2,024 Mn from operations outside the Kingdom.

Geographical analysis of the total revenues of Riyad Bank and its subsidiaries within the Kingdom:

Million riyals

Year	Within the Kingdom of Saudi Arabia			Total revenues within the Kingdom
	Western Region	Central Region*	Eastern Region	
2022	2,442	6,858	2,275	11,575

* The amount specified for the central region includes revenues from central investment related to the investment and treasury sector, amounting to SAR 3,655 Mn. These are not linked to a specific geographical sector within the Kingdom. It also includes revenues related to other regions that cannot be separated.

Geographical analysis of the total revenues of Riyad Bank and its subsidiaries from outside the Kingdom:

Million riyals

Year	Outside the kingdom					Total revenues from outside the Kingdom
	GCC countries and the Middle East region	Europe	North and Latin America	Southeast Asia	Other regions	
2022	1,007	372	472	23	150	2,024

Dividends

Riyad Bank complies with the relevant applicable regulations, and aligns with the below policies when distributing profits to shareholders:

- a) 25% of the net profits shall be deducted to form the statutory reserve. The deduction may be stopped when the total reserve reaches the amount of the paid-up capital.
- b) Based on the recommendations of the Board of Directors and the approval of the General Assembly, the determined profits shall be distributed to the shareholders from the net profits, each according to the number of his shares.

The Board of Directors recommended that the dividends be distributed as follows:

(SAR 000s)

Retained earnings from 2021	4,855,111
Net profit after zakat for the year 2022	7,019,322
Total	11,874,433
To be allocated and distributed as follows:	
Sale of equity instruments carried at fair value through other comprehensive income	895,500
Cash dividends distributed to shareholders for the first half of 2020	(1,500,000)
Proposed cash dividends to be distributed to shareholders for the second half of 2020	(1,950,000)
Costs of issuing first tranche Sukuk	(64,673)
Transferred to the statutory reserve	(1,754,830)
Retained earnings for the year 2022	7,500,430

Riyad Bank distributed profits to shareholders on 11 August, 2022 for the first half at 50 Halalas per share. As for the rest of the profits proposed to be distributed to shareholders for the second half of the year, at 65 Halalas per share, they will be distributed, if approved by the General Assembly, bringing the total distributions for the full year 2022 to SAR 3,450 Mn, at SAR 1.15 per share. This is equivalent to 11.5% of the nominal value of the share, after deducting Zakat.

Bank's credit rating

Rating agency	Long-term	Short-term	Future Outlook
Fitch	BBB+	F2	Positive
Standard & Poor's	BBB+	A-2	Positive
Moody's	A-2	P-1	Stable

Finance and debt securities issued

The Bank successfully closed its inaugural USD 750 million Additional Tier 1 (AT1) Sustainability Sukuk in February 2022, making it the first sustainable AT1 Sukuk globally. The profit rate of 4% per annum is equivalent to the lowest credit spread ever achieved by a GCC bank for an AT1 Sukuk. The orderbook was 4.3 times, which confirms the confidence that investors have placed in the Bank's strategic direction, its Board of Directors and the management team.

In addition, the Bank issued a Tier 1 Sukuk worth SAR 3.75 Bn with a yield of 5.25%, which is also the lowest spread for a Tier 1 sukuk achieved by a local bank.

Riyad Bank also confirms the following:

- There are no debt instruments issued by the subsidiaries.
- There are term loans due from subsidiaries with a local bank, amounting to SAR 259 Mn as at 31 December, 2022.
- The Bank did not issue or grant any convertible debt instruments, contractual securities, subscription rights notes or similar rights during 2022.
- The Bank did not issue or grant any conversion or subscription rights under convertible debt instruments, contractual securities, subscription right memorandums, or any similar rights during 2022.
- The Bank, nor any of its subsidiaries, has not made any refund, purchase or cancellation of any redeemable debt instruments.

Disclosure of treasury shares held by Riyad Bank and details of their uses

Riyad Bank does not hold any treasury shares.

Accounting standards followed

The Bank prepares the financial statements in compliance with the 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 Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and

by-laws of the Bank. These are audited by the external auditors of the Bank in accordance with the International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board and approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Certified Public Accountants and in line with the Banking Control Law and the provisions of the Companies Law in the Kingdom and the Bank's Articles of Association. There are no fundamental differences from the accounting standards issued by the Saudi Organization for Certified Public Accountants.

Statutory Payments

There are no final statutory payments due for Riyad Bank for the year 2022, except for what is mentioned in the descriptions below:

(SAR 000s)

Description	2022	
	Paid	Due
Zakat – Tax and Customs Authority (ZATCA) (regarding the fiscal year 2022)*		809,115
Taxes borne by Riyad Bank on behalf of some non-resident entities (according to the terms of the contract)	58,556	-
Taxes owed to Riyad Bank foreign branches in favor of official authorities outside the Kingdom	22,654	-
GOSI	112,713	-
Visa and passport costs	2,511	-
Any other regular payments**	9,031	-

* Zakat will be paid for the year 2022, no later than 30 April, 2023.

** Governmental fees.

Riyad Bank is committed to the agreement concluded with ZATCA on 20 December 2018 to settle Zakat claims for the previous fiscal years until the end of the fiscal year 2017, in return for a payment of SAR 2,969,722,864. An advance payment of this settlement was made during 2018, with a commitment to pay the rest in 5 equal installments over 5 years, commencing on 1 December 2019 and ending on 1 December, 2023. The first, second, third, and fourth installments were paid in 2019, 2020, 2021, and 2022, respectively.

Statutory violations and penalties

Riyad Bank applies, in the course of its daily business, all banking systems, regulations and rules issued by the supervisory authorities. Riyad Bank is also keen to limit the occurrence of any violations and to take the necessary corrective actions if they occur.

Penal decisions of the Saudi Central Bank:

Violation Subject	Fiscal Year 2022		Fiscal Year 2021	
	Number of penal decisions	Total amount fines (SAR)	Number of penal decisions	Total amount of fines (SAR)
Violation of the Central Bank's supervisory instructions	31	16,348,060	19	6,704,320
Violation of the Central Bank's instructions regarding due diligence in combating money laundering and terrorist financing	2	400,000	6	2,126,000
Violation of the instructions of the Central Bank for customer protection	3	4,124,040	8	4,209,250
Violation of the Central Bank's instructions for due diligence	0	0	0	0
Violation of the Central Bank's instructions regarding the level of performance of ATMs, points of sale and SADAD machines	6	115,000	5	407,367

The statutory violations and penalties imposed by the supervisory, regulatory or other judicial authorities in 2022:

Authority	Classification of the violation	Number of fines	Total amount fines (SAR)
Secretariats and other government agencies	Fines for ATN plates and site licenses, and other fines	15	34,900

Transactions with related parties

The following statement shows the balances resulting from related party transactions as on 31 December, 2022, which took place during the normal business cycle of Riyad Bank, according to the definition of related parties in Article 1 of the Corporate Governance Regulations:

(SAR 000s)

Description	Total
Loans and advances	7,125,700
Customer deposits	28,810,141
Derivatives (at fair value)	(2,805)
Commitments and Contingencies	10,412,915
Special commission income	312,295
Special commission expenses	751,188
Fee and commission income, net	429,764
Miscellaneous operating expenses	355,007

Transactions with related parties include a set of business contracts that are carried out for the account of Riyad Bank, in which the members of the Board of Directors have a direct or indirect interest, they are as follows:

Nature of the contract	Related party	Owner	Contract expiry	Annual value of the contract
Renting the headquarters of the Sixtieth Street Branch 286 for exhibitions No. (1,2,3,5) - Riyadh.	Member of the Board of Directors, Mr. Hani Abdullah Al-Juhani, works at Hassana Investment Company, which is the investment arm of the General Organization for Social Insurance.	The General Organization for Social Insurance	08/08/2026	600,000
Renting the General Administration Building (Granada Oasis) A1.	Member of the Board of Directors, Mr. Hani Abdullah Al-Juhani, works at Hassana Investment Company, which is the investment arm of the General Organization for Social Insurance.	The General Organization for Social Insurance	14/08/2024	31,068,444
Renting 20 parking spaces in Granada Business for relationship managers in the corporate banking sector	Member of the Board of Directors, Mr. Hani Abdullah Al-Juhani, works at Hassana Investment Company,	The General Organization for Social Insurance	08/14/2022, under renewal	199,226

	which is the investment arm of the General Organization for Social Insurance.			
Renting the Al-Muraba branch 218 King Abdulaziz Street, Riyadh	Member of the Board of Directors, Mr. Hani Abdullah Al-Juhani, works at Hassana Investment Company, which is the investment arm of the General Organization for Social Insurance.	The General Organization for Social Insurance	20/07/2023	400,000
	Mr. Moataz bin Qusai Al-Azzawi, member of the Board of Directors of the company	Etihad Etisalat Company - Mobily	17/02/2024	447,888
Contract to provide 300 SIM cards	Mr. Moataz bin Qusai Al-Azzawi, member of the Board of Directors of the company	Etihad Etisalat Company - Mobily	31/03/2023	489,600
SAMA Joint Network (SJN) Connectivity Renewal + Upgrade	Mr. Moataz bin Qusai Al-Azzawi, member of the Board of Directors of the company	Etihad Etisalat Company - Mobily	24/07/2024	97,200
Renting an ATM site at the Marriott Hotel - Riyadh	Chairman of the Board of Directors Eng. Abdullah Mohammed Al-Essa, Chairman of the Board of Directors of the company	Dur Hospitality Company	22/11/2025	30,000
Renting an ATM site for Umm Al-Qura Makarim Hotel - Makkah Al-Mukarramah	Mr. Muhammad Ibrahim Al-Essa, the father of the Chairman of the Board of Directors of the Bank, Mr. Abdullah Muhammad Al-Essa	Mohammed Ibrahim Al-Essa & Sons Co	20/02/2021	18,000

Disclosure of small, medium and micro enterprises data

1- Qualitative disclosure:

The approved definition of small, medium and micro enterprises:

Micro, SMEs were classified according to the definitions of the Saudi Central Bank .

Initiatives taken by Riyad Bank to support these facilities, in addition to the number of employees, training initiatives and workshops provided to customers and employees for the year 2022:

2022	Micro	Small and medium *
Sector they belong to	personal banking	Corporate banking
Their administration	Branch network	SMEs
Number of employees serving the segment	28	187
Number of employees who have been given training courses	20	157
Number of training days provided to employees	58	280
Number of clients who have been given training courses	23,604	3959
Number of workshops provided to clients	13,192	2047
Number of training days provided to clients	230	61
Number of centers or branches where the segment provides its services to clients	All branches of Riyad Bank in all regions of the Kingdom serve a micro segment. SMEs centers	29

*According to the new classification, the SMEs segment was merged to become one segment

Awards obtained by the Bank in the micro, SMEs sector during the year 2022:

- Excellence in SMEs Services award from the Open Banking Services Forum.
- Best SME Bank in Saudi Arabia award by Euromoney.
- The "Finance Guarantee Program for SMEs (Kafala)" announced that Riyad Bank ranked first in terms of the value of financing, guarantees and the number of beneficiary enterprises for the sixth year in a row.

Initiatives taken by Riyad Bank to support these enterprises:

1. Product offering and development:

- Pilot launch of a digital financing platform for financing small and micro enterprises, in addition to opening current accounts and providing banking solutions related to cash management (points of sale, salary product) and others.
- Electronic integration with the "Finance Gateway" is a step that will contribute to increasing the support provided to SME clients and diversifying the financing opportunities available to them.
- The credit card policy for entrepreneurs has been approved by the Retail Banking Risk Management Committee.
- Coordination has been made with the SMEs Bank and Tamal regarding finalizing procedures related to risk acceptance criteria and business acceptance criteria for their products for microenterprises.

2. Programs and agreements:

- The Bank signed a cooperation agreement with Monshaat to develop businesses in the SMEs sector.
- The Bank signed a cooperation agreement with Monshaat to educate SMEs on the best financial and financing practices
- The Bank signed a cooperation and strategic partnership agreement to launch joint financing with the SMEs Bank to provide financing products and solutions with competitive advantages

3. Opening of new centers:

- The inauguration of the Riyad Bank Center for SMEs in Riyadh, in the presence and patronage of the Minister of Commerce, Chairman of the Board of Directors of the SMEs General Authority, Dr. Majid bin Abdullah Al-Qasabi
- Launching the Riyad Bank Center for SMEs in Jeddah

4. Sponsorships and participation in exhibitions

- The official sponsor of the Global Entrepreneurship Conference 2022
- Participation with the National Information Technology Development Program LEAP22, which is the largest international technology event ever hosted by the Kingdom
- The main sponsor of the entrepreneurship incubator affiliated to Asharqia Chamber
- The main sponsor of the SMEs Forum of Asharqia Chamber
- The main sponsor of the Entrepreneurship Center of the Riyadh Chamber, and of the Entrepreneurship Committee of the Riyadh Chamber
- The official sponsor of the e-commerce forum and exhibition "Ishop" in Hafr Al-Batin
- The main sponsor of the study, "**Mapping Riyadh's Tech Sector**"
- The main SMEs center of Riyad Bank in the city of Riyadh hosts the Entrepreneurship Center of the Riyadh Chamber
- The Bank participated in many awareness sessions with the Bank's partners from the chambers of commerce

- The Bank participated in many awareness meetings on the International Day for SMEs, in cooperation with establishments in various regions around the Kingdom
- The Bank participated in many awareness sessions with a group of partners to celebrate the International Day for SMEs organized by the United Nations

2- Quantitative disclosure:

(SAR 000s)

2022	Micro	Small	Medium	Total
Financing for small and medium enterprises – on-balance sheet items	3,992,919	10,055,979	20,782,825	34,831,723
Financing for Small and Medium Enterprises - off-balance sheet items (Nominal Value)	1,087,945	3,470,136	8,887,803	13,445,884
On-balance sheet Financing to small and medium-sized enterprises as a percentage of total on-balance sheet Financing	3.14%	7.91%	16.35%	27.41%
Off-balance sheet Financing to small and medium-sized enterprises as a percentage of total off-balance sheet Financing	1.75%	5.57%	14.27%	21.58%
Number of Financing (on and off- balance sheet)	5,333	15,988	15,310	36,631
Number of loan clients (on and off- balance sheet)	3,627	4,577	1,735	9,939
Number of secured Financing from the “Kafala” program (on and off- balance sheet)	954	8,555	3,689	13,198
Total secured Financing from the “Kafala” program (on and off- balance sheet)	308,963	3,992,892	3,841,692	8,143,547

(SAR 000s)

2021	Micro	Small	Medium	Total
Off-balance sheet Financing to small and medium-sized enterprises as a percentage of total off-balance sheet Financing	2,523,041	8,372,987	18,532,064	29,428,092
Financing for Small and Medium Enterprises - off-balance sheet items (Nominal Value)	1,426,709	2,873,814	8,357,849	12,658,372
On-balance sheet Financing to small and medium-sized enterprises as a percentage of total on-balance sheet Financing	2.17%	7.21%	15.95%	25.33%
Off-balance sheet Financing to small and medium-sized enterprises as a percentage of total off-balance sheet Financing	2.62%	5.27%	15.34%	23.23%

Number of Financing (on and off- balance sheet)	3,281	12,805	13,869	29,955
Number of loan clients (on and off- balance sheet)	2,116	3,414	1,420	6,950
Number of secured Financing from the "Kafala" program (on and off- balance sheet)	819	6,941	3,420	11,180
Total secured Financing from the "Kafala" program (on and off- balance sheet)	207,460	2,800,847	4,040,889	7,049,196

ESG



Riyad Bank's commitment to its corporate sustainability and responsibility in Environmental, Social and Governance (ESG) factors has never been stronger. It remains critical to the future of our Bank and enables us to continue to play an active and essential role in creating positive changes that lead to a better future for our communities, our Stakeholders and the Kingdom.

The year 2022 was full of tremendous achievement, and we can take enormous pride in our efforts and more importantly our impact. Our diverse and dramatic contributions continue to be a top priority for both the Bank and its employees, who are outstanding ambassadors and genuine humanitarians in their own right.

Framework and Strategy

Riyad Bank has a comprehensive and long-term corporate social responsibility strategy called Bukra, which is fully aligned with the best practices of the most important local, regional and global frameworks, including Saudi Vision 2030 and the UN Sustainable Development Goals (SDGs).

Vision

To be a leading member of sustainable practices that would add value to employees, customers, Stakeholders, and the whole community of Saudi Arabia.

Mission

To deliver quality corporate social responsibility practices of impactful values and benefits in alignment with the Bank's strategy and operations, the United Nations Sustainable Development Goals (UNSDGs), and the Kingdom's 2030 Vision.

Objectives

- Align our practices with The Guidance on Social Responsibility (ISO 26000), Accountability Principles Standard (AA1000), The Global Report Initiative (GRI), and the UN Global Compact
- To be nationally and globally recognized for our professional and collaborative approach to enhance the environment, education, market and the community for our Bank's employees and our society
- Measure the impact of our programs internally and externally, then prepare reports, insights and statistics to be shared
- To have a role in the community service programs Kingdom-wise by achieving our goals through involving our employees to lead the Bank into success locally and globally
- To be diverse, inclusive, transparent and accountable in projects and practices

Our focus in 2022 was to enhance environmental protection and sustainability as a key priority, without compromising the quality or quantity of our previous commitments which have made such a massive impact on the community. To achieve this, we aligned all members and departments within the Bank to

contribute to and support our CSR programs and initiatives. Their input was invaluable, and they helped us to maintain our past successes as well as break new boundaries.

Ultimately, our vision was to continue with our Bukra strategy, in line with Vision 2030, and be a leading member of sustainable practices that add value to employees, customers, Stakeholders and the whole community across Saudi Arabia.

With Bukra, the Bank is targeting the following UNSDGs:



Sustainable Finance Framework

Riyad Bank contributes to the achievement of Vision 2030 through its role in financing and accelerating the energy transition and driving a new wave of investment in line with the Kingdom's goal to achieve Net Zero by 2060.

The Bank's Green and Renewable Banking offering is the cornerstone of its efforts in this regard. In addition, as part of its Bukra strategy, Riyad Bank is one of the most significant financers of small and medium-sized enterprises (SMEs) in Saudi Arabia, a segment that is expected to be one of the future pillars of the Kingdom's economy and therefore key to achieving Vision 2030.

Sustainability Approach

Riyad Bank's Corporate Social Responsibility Vision is to be the regional leader in sustainable practices that add value to employees, customers, Stakeholders, and the communities across Saudi Arabia.

Riyad Bank delivers impactful corporate social responsibility practices integrated into the Bank's Strategy and Operations. The vision is outlined and driven through the Bank's Bukra Strategy, which is also aligned to the Ten Principles of the UN Global Compact and the UN Convention on the Rights of Persons with Disabilities.

Sustainability Governance

The CSR Committee, headed by the Chairman, includes the CEO and Chief Experience Officer (CXO), representatives of the Bank's divisions. The CSR Department, under the Communications and

Customer Experience Division, oversees the strategy and its implementation, sets standards and targets, determines new initiatives, and reviews and assesses ongoing programs and projects.

Environmental

Our Environment

A Greener Bank for a Better World

Our big Environment story for Riyad Bank in 2022 was that it was in line with the Saudi vision of improving the urban appearance. We reduced carbon emissions, afforestation, tree planting, PC recycling, and paper and plastic recycling.

The Environment programme initiatives we ran in 2022 was firstly, launching our first ESG report. We signed an MOU with Environmental Green Horizons Society with the target to plant 4 million trees in 10 years. We enhanced and developed the first Arabic carbon footprint calculator in the MENA.

We successfully closed a landmark \$750 million Additional Tier 1 Sustainability Sukuk. The issuance placed Riyad Bank as a pioneer in Sustainable Finance and sent a clear sustainable signal to the market and built a stronger sustainability dialogue. Positioned Riyad Bank as CSR and ESG leader amongst other banks regionally and internationally, and a trusted finance green partner for global corporate clients.

The way we measure and report the success of our Environment activities and how we compare that against our KPIs is that we do [return on social investment] ROSI with third party consultancy company on our CSR activities. We also report directly to CSR committee chaired by the Chairman and with the CEO and selected members from different department as members, with regular meetings every two months.

Earth Hour/Day - To raise awareness about the importance of saving energy, we shut down all the lights in the head offices and main buildings as a solidarity for this global day.

Recycling paper, plastic and hardware (PCs) and posting our Environmental initiative videos (Bukra website). We continued recycling and conducting sustainable procurement programmes this year. The progress we made in 2022 was PCs donation statistics (PCs: +1.000 – Screens: +700 – Keyboards: 225 – Cables: 407) and Recycling (Total Paper and Plastic = +98 Tons + 200 HP ink and toner cartridges).

Social

Our Society

MISK collaboration - we received an honorary recognition from the Minister of HRSD for Riyad Bank's collaboration with MISK through the Innovation Diwan to support two social enterprises working on environmental and social projects.

Green and renewable projects - In collaboration with Restart LLC, we received Guinness World Records Certificate for breaking the records in establishing the longest line of solar-powered streetlights consisting of 468 lights in Riyadh. The length of the line of solar powered streetlights is 9,735 meters in total.

- Bukra ambassadors - Through Bukra's various social responsibility initiatives, our employees were able to volunteer in different cities and regions of the Kingdom. Total from January to end of December: Volunteers: 452 (Volunteering hours: 1,907 + 168 hours by their families) +357 Volunteers from our partners with 13,133 volunteering hours
- Food boxes - In Ramadan, in collaboration with Saudi Food Bank we distributed 200,000 meals in 5 main cities throughout the month of Ramadan
- We also collaborated with the Saudi Banks to distribute Iftar meals
- Food baskets - In collaboration with Rikaez Al-Taufal Corporation, we distributed 20,000 food baskets to 162 charity organisations around the Kingdom
- Hajj and Umrah initiative - The project aimed at reducing food waste and manage food surplus by collecting and sorting one million meals from surplus food and preparing them for families with low income. Achieved 700,000+ meals saved, worth SAR 7,877,160.03 million
- Eid Al-Adha initiative - On Eid Al-Adha, 100 employees volunteered in packaging and distributing 1,000 gifts to hospital patients, elderly in care centres and charity organisations' beneficiaries in Riyadh, Dammam and Jeddah
- World Saving Day - We activated the World Saving Day in collaboration with Tarbyh Namouthajiyah Schools and Classera by conducting saving workshops for 3 days. We promoted Token and Wazen. In total, we had 1,800 total in-school attendees and 27,814 total online attendees across 7 countries, including 9 cities across Saudi Arabia

Our People

Total Employees	5,593
Saudization Rate	95.73%
Female Employees	28.45%
PWD Employees	40 (+20 in 2022)

- Enhancing Employee Experience by capturing and measuring The Hire to Retire Journey
- Iqdam PWDs hiring campaign, launched a new program for Saudi PWDs who aspire to continue their careers at Riyad Bank as full-time employees. 22 employees were hired
- Kafo Recognition Program which celebrates the employees' personal occasions such as birthdays, work anniversary, years of service, as well as their achievements, efforts and contributions to achieving the Bank's objectives
- Wellbeing Program including the 5 pillars of wellbeing (i.e. physical, mental, emotional, social and financial wellbeing)
- Investment Programs for employees such as "Increase your Income"
- Enhancing Retail incentives scheme
- PIP (performance improvement programme) to support low performers to be better
- Different learning programmes
- Automating the Human Capital services
- Human Capital Roadshow to explain all Human Capital products and services
- Career Management Activities to support different categories of employees to find their career path
- Careem services to fix the parking issues
- Tuhoon app subscription to help employees to manage stress and sleep
- OHI different initiatives
- Divisional offsite meetings
- Hiring diverse employees including PWD
- Human Capital Contact Centre
- SVPs gathering (quarterly)
- Photography Day to update all employees' pics as per the new brand
- Human Capital Division launched Employee experience survey (eNPS)

Employee Incentive Programs

Incentive programs for employees and their related movement during 2022			
Investment Saving (Thousand SAR)			
Statement	Employee's Share	Bank's Share	Total
Balance at the beginning of the year	53,800	19,633	73,433
Deposits in 2022	19,198	6,040	25,238
Withdrawals in 2022	(11,685)	(3,476)	(15,161)
End-of-year balance	61,313	22,197	83,510

Governance



Members of the Board of Directors and Emanating Committees

The Bank's Board of Directors

The Bank is managed by a Board of Directors consisting of 10 members to be elected by the General Assembly every 3 years. The Board of Directors in its current term includes 5 Independent members and 5 Non-Executive members, according to the definitions contained in Article 1 of the Corporate Governance Regulations issued by the Capital Market Authority. The Board of Directors conducted 6 meetings during the year 2022, and the meeting attendance rate was (in person) 100%, taking into account those who attended by proxy.

Composition of the Board of Directors and Classification of its Members

The Period from 31/10/2019 to 30/10/2022					The Period from 31/10/2022 to 30/10/2025				
	Member's Name	Position Representation	Membership Rating	Representation		Member's name	Position Representation	Membership Rating	Representation
1	Abdullah Mohammed Al-Issa	Chairman of the Board of Directors	Non-Executive	-	1	Abdullah Mohammed Al-Issa	Chairman of the Board of Directors	Non-Executive	-
2	Mutaz Kusai AlAzzawi	Deputy Chairman of the Board of Directors	Independent	-	2	Mutaz Kusai AlAzzawi	Deputy Chairman of the Board of Directors	Independent	-
3	Ibrahim Hassan Sharbatly	Member of the Board of Directors	Independent	-	3	Ibrahim Hassan Sharbatly	Member of the Board of Directors	Independent	-
4	Jamal Abdul-Karim Al-Rammah	Member of the Board of Directors	Independent	-	4	Jamal Abdul-Karim Al-Rammah	Member of the Board of Directors	Independent	-
5	Talal Ibrahim Al-Qudaibi*	Member of the Board of Directors	Independent	-	5	Abdul Rahman Ismail Tarabzoni**	Member of the Board of Directors	Independent	-
6	Abdul-Rahman Amin Jawa*	Member of the Board of Directors	Non-Executive	Public Investment Fund	6	Abdul Rahman Mohammed Al Thehaiban**	Member of the Board of Directors	Independent	-
7	Mohammed Talal Al-Nahas*	Member of the Board of Directors	Non-Executive	GOSI	7	Omar Hamad Al-Madhi	Member of the Board of Directors	Non-Executive	Public Investment Fund
8	Mohammed Abdulaziz Al-Afaleq*	Member of the Board of Directors	Non-Executive	-	8	Mona Mohammed Al-Taweel	Member of the Board of Directors	Independent	-
9	Mohammed Omair Al-Otaibi	Member of the Board of Directors	Non-Executive	Public Investment Fund	9	Nader Ibrahim Al-Wehibi	Member of the Board of Directors	Non-Executive	-

10	Nader Ibrahim Al-Wehibi	Member of the Board of Directors	Non-Executive	Hasana Investment Company	10	Hani Abdullah Al-Johani	Member of the Board of Directors	Non-Executive	GOSI
					11	Yasser Abdullah Al-Salman	Member of the Board of Directors	Non-Executive	Public Investment Fund

* Membership expired on 30/10/2022

** Membership started on 19/12/2022, to succeed the resigned member

*** Membership ended on 27/11/2022 due to resignation

Board Meetings in 2022

Attendance Record of the Board Members, in Person and by Proxy, for the Board Meetings in 2022					
The Period from 01/01/2022 to 30/10/2022					
#	Member's Name	06/03/2022	12/04/2022	28/06/2022	08/09/2022
1	Abdullah Mohammed Al-Issa	✓	✓	✓	✓
2	Mutaz Kusai AlAzzawi	✓	✓	✓	✓
3	Ibrahim Hassan Sharbatly	✓	✓	✓	✓
4	Jamal Abdul-Karim Al-Rammah	✓	✓	✓	✓
5	Talal Ibrahim Al-Qudaibi*	✓	✓	✓	✓
6	Abdul-Rahman Amin Jawa*	✓	✓	✓	✓
7	Mohammed Talal Al-Nahas*	✓	✓	✓	✓
8	Mohammed Abdulaziz Al-Afaleq*	✓	✓	✓	✓
9	Mohammed Omair Al-Otaibi	✓	✓	✓	✓
10	Nader Ibrahim Al-Wehibi	✓	✓	✓	✓

The Period from 31/10/2022 to 31/12/2022			
	Member's Name	31/10 /2022	15/12 /2022
1	Abdullah Mohammed Al-Issa	✓	✓
2	Mutaz Kusai AlAzzawi	✓	✓
3	Ibrahim Hassan Sharbatly	✓	✓
4	Jamal Abdul-Karim Al-Rammah	✓	✓
5	Abdul Rahman Ismail Tarabzoni**		
6	Abdul Rahman Mohammed Al Thehaiban***	✓	
7	Omar Hamad Al-Madhi	✓	✓
8	Mona Mohammed Al-Taweel	✓	✓
9	Nader Ibrahim Al-Wehibi	✓	✓
10	Hani Abdullah Al-Johani	✓	✓
11	Yasser Abdullah Al-Salman	✓	✓

* Membership expired on 30/10/2022

** Membership started on 19/12/2022

*** Membership ended on 27/11/2022

Committees Emanating from the Board of Directors

The Board of Directors of Riyad Bank establishes and forms specialized committees emanating from it in accordance with the provisions of the regulations issued by the competent authorities to assist it in carrying out its duties and responsibilities where needed. The following is an explanation of the main duties of the Bank's Board Committees .

1- Executive Committee

Main Duties and Responsibilities

The Executive Committee exercises the credit, banking, financial and administrative powers in the Bank that are granted by the Board of Directors. The Executive Committee in the Bank consists of 5 members. The Executive Committee conducted 13 meetings during the year 2022 and the meeting attendance rate was 95%.

Executive Committee Meetings in 2022

Attendance Record of the Members of the Executive Committee for the Committee Meetings in 2022																
#	Member's Name	Position	The Period from 01/01/2022 to 30/10/2022											The Period from 31/10/2022 to 31/12/2022		
			03/01/2022	16/01/2022	24/02/2022	21/03/2022	14/04/2022	19/05/2022	16/06/2022	30/06/2022	07/08/2022	12/09/2022	16/01/2022	24/11/2022	01/12/2022	
1	Talal Ibrahim Al-Qudaibi**	President* *	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
2	Abdul-Rahman Amin Jawa*	Member	✓	x	✓	✓	✓	x	✓	✓	✓	✓	✓	✓		
3	Mutaz AlAzzawi Kusai	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Mohammed Abdulaziz Al-Afaleq*	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
5	Nader Ibrahim Al-Wehibi	Member/P resident** *	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Abdul Rahman Mohammed Al Thehaiban****	Member													✓	
7	Mona Mohammed Al-Taweel	Member													✓	✓
8	Yasser Abdullah Al-Salman	Member													x	✓

* Membership expired on 30/10/2022

** Chairmanship of the Executive Committee expired on 30/10/2022

*** Chairmanship of the Executive Committee started on 31/10/2022

**** Membership ended on 27/11/2022

2- Audit Committee

Main Duties and Responsibilities

The Audit Committee exercises supervisory oversight of the financial reporting processes, the processes related to compliance with the relevant laws and regulations. It monitors the effectiveness and efficiency of the internal control system, recommends the selection of auditors, studies and reviews the Interim and Annual Financial Statements, and recommends them to the Board of Directors.

The Audit Committee in the Bank consists of 5 members. The Audit Committee was formed by a decision from the General Assembly on 23 October, 2022. The Audit Committee conducted 10 meetings during the year 2022 and the meeting attendance rate was 98%.

Audit Committee Meetings in 2022

Attendance Record of the Audit Committee Members for the Committee Meetings in 2022												
#	Member's Name	Position	The Period from 01/01/2022 to 30/10/2022								The Period from 31/10/2022 to 31/12/2022	
			01/02/2022	02/03/2022	29/03/2022	25/04/2022	25/05/2022	03/08/2022	14/09/2022	20/10/2022	15/11/2022	27/12/2022
1	Jamal Abdul-Karim Al-Rammah	President**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mohammed Omair Al-Otaibi*	Member	✓	✓	✓	✓	✓	✓	✓	✓		
3	Tariq Abdullah Al-Qaraawy	External Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Abdul Raouf Suleiman Banaja*	External Member	✓	✓	✓	✓	✓	✓	✓	*		
5	Abdul Aziz Khalid Al-Falih*	External Member	✓	✓	✓	✓	✓	✓	✓	✓		
6	Mona Mohammed Al-Taweel	Member									✓	✓
7	Eid Faleh Al-Shamri	External Member									✓	✓
8	Waddah Ibrahim Al Sheikh Mubarak	External Member									✓	✓

* Membership expired on 30/10/2022

3 - Risk Management Committee

Main Duties and Responsibilities

The Risk Management Committee assists the Board of Directors in carrying out its responsibilities by fully supervising the Bank's risk strategy, reviewing acceptable risk levels, making recommendations to the Board of Directors, and monitoring the Executive Management's commitment to the risk limits approved by the Board of Directors and their implementation. In this regard, it may review all aspects and the types of risks that the Bank is exposed to, review the extent of the Executive Management's commitment to the controls for managing these risks, and verify the adequacy of the measures taken to hedge them. The Risk Management Committee in the Bank consists of 3 members. The Risk Management Committee conducted 6 meetings during the year 2022 and the meeting attendance rate was 100%.

Risk Management Committee Meetings in 2022

Attendance Record of the Risk Management Committee Members for the Committee Meetings in 2022								
#	Member's Name	Position	The Period from 01/01/2022 to 30/10/2022					The Period from 31/10/2022 to 31/12/2022
			27/02/2022	05/04/2022	15/06/2022	26/07/2022	06/10/2022	21/12/2022
1	Mohammed Abdulaziz Al-Afaleq*	President**	✓	✓	✓	✓	✓	
2	Jamal Abdul-Karim Al-Rammah	Member	✓	✓	✓	✓	✓	✓
3	Mohammed Omair Al-Otaibi*	Member	✓	✓	✓	✓	✓	
4	Hani Abdullah Al-Johani	President***						✓
5	Abdul Latif Ali Al-Rasheed	External Member						✓

* Membership expired on 30/10/2022

** Chairmanship of the Risk Management Committee expired on 30/10/2022

*** Chairmanship of the Risk Management Committee started on 31/10/2022

4 - Nomination and Compensation Committee

Main Duties and Responsibilities

The Nomination and Compensation Committee supports the Board of Directors with regard to the Board's governance, proposes a compensation policy for members of the Board of Directors, its Committees, and senior Management officials. It reviews and evaluates the adequacy and effectiveness of the compensation and incentives policy on a regular basis to ensure that the set goals are achieved, assesses the methods of compensation payment, and reviews the commitment rewards policy according to the rules of the Central Bank of Saudi Arabia.

The Nomination and Compensation Committee sets the nomination and selection policy for Board membership and ensures that all members meet the statutory requirements for Board membership in accordance with the relevant regulations. The Committee consists of 5 members. The Nomination and Compensation Committee conducted 6 meetings during the year 2022 and the meeting attendance rate was 100%.

Nomination and Compensation Committee Meetings in 2022

Attendance Record of the Nomination and Compensation Committee Members for the Committee Meetings in 2022								
#	Member's Name	Position	The Period from 01/01/2022 to 30/10/2022			The Period from 31/10/2022 to 31/12/2022		
			10/02/2022	14/08/2022	09/10/2022	04/12/2022	08/12/2022	28/12/2022
1	Mutaz Kusai AlAzzawi	President	✓	✓	✓	✓	✓	✓
2	Talal Ibrahim Al-Qudaibi *	Member	✓	✓	✓			
3	Nader Ibrahim Al-Wehibi	Member	✓	✓	✓	✓	✓	✓
4	Omar Hamad Al-Madhi	Member				✓	✓	✓
5	Ahmad Mohammed Al-Falih	External Member	✓	✓	✓	✓	✓	✓
6	Khalid Saleh Al-Turairi*	External Member	✓	✓	✓			
7	Ali Ahmed Al-Ghamdi	External Member				✓	✓	✓

* Membership expired on 30/10/2022

5- Strategic Planning Group

Main Duties and Responsibilities

The Strategic Planning Group supervises the preparation of the Bank's strategic directions and follows up and evaluates the steps taken to achieve its objectives. It provides the necessary support to the Board of Directors on strategic planning processes and matters of strategic importance, including business development and expansion. The Group is also responsible for monitoring the Bank's progress in achieving its long-term financial and strategic objectives. The Group consists of 5 members. The Strategic Planning Group conducted 2 meetings during the year 2022 and the meeting attendance rate was 90%.

Strategic Planning Group Meetings in 2022

Attendance Record of the Strategic Planning Group Members for the Group's Meetings in 2022				
#	Member's Name	Position	The period from 01/01/2022 to 30/10/2022	The period from 31/10/2022 to 31/12/2022
			03/07/2022	28/11/2022
1	Abdullah Mohammed Al-Issa	President	✓	✓
2	Ibrahim Hassan Sharbatly	Member	✓	✓
3	Talal Ibrahim Al-Qudaibi*	Member	✓	
4	Abdul-Rahman Amin Jawa*	Member	✓	
5	Mohammed Talal Al-Nahas *	Member	x	
6	Abdul Rahman Mohammed Al Thehaiban**	Member		
7	Omar Hamad Al-Madhi	Member		✓
8	Hani Abdullah Al-Johani	Member		✓

* Membership expired on 30/10/2022

** Membership ended on 27/11/2022

Qualifications and Experiences of the Board of Directors

Board Members' Memberships in other Listed Joint Stock Companies (inside the Kingdom), their Qualifications and Experience

Member's Name	Memberships in Listed Joint Stock Companies (Inside the Kingdom)	Current Positions	Previous Positions	Qualifications
1 Abdullah Mohammed Al-Issa	<ul style="list-style-type: none"> Chairman of the Board of Directors – Riyadh Bank 	<ul style="list-style-type: none"> Chairman of the Board of Directors – Assila Investment Company Chairman of the Board of Directors – Abdullah Mohammed Al-Issa Engineering Consulting Office Chairman of the Board of Directors – Amias Holding Company Chairman of the Board of Directors – Amias Real Estate Company Chairman of the Board of Directors – Shipping and Travel Services Company Ltd. 	<ul style="list-style-type: none"> Vice Chairman of the Board of Directors - Clariant Switzerland Board Member - Saudi Basic Industries Corporation (SABIC) Chairman of the Board of Directors - Dur Hospitality Company Vice Chairman of the Board of Directors – Etihad Telecom Company (Mobily) Board Member – Saudi Arabian Mining Company (Maaden) Chairman of the Board of Directors – Arabian Cement Company Chairman of the Board of Directors – The National Medical Care Company Chairman of the Board of Directors – Cement Products Industries Company CEO – Assila Investment Company Chairman of the Board of Directors – Saudi Company for Construction Contracting Board Member – Jadwa Investment Company Board Member – Saudi Company for Hotels and Tourist Areas Board Member – Gulf Tourist Areas Company Board Member – King Faisal Schools Board Member – National Chemical Carriers Company Board Member – Tabuk Hotels Company Board Member – Riyadh Hotels and Entertainment Company Ltd. Board Member – The National Shipping Company of Saudi Arabia 	<ul style="list-style-type: none"> Master of Science in Engineering Project Management – Southern Methodist University, USA Bachelor of Industrial Engineering – Southern Methodist University, USA
2 Mutaz Kusai AlAzzawi	<ul style="list-style-type: none"> Vice Chairman of the Board of Directors – Riyadh Bank Chairman of the Board of Directors – Herfy Food Services Company Board Member – Savola Group Board Member – Arabian Cement Company Board Member – Etihad Telecom Company (Mobily) 	<ul style="list-style-type: none"> Board Member – Savola Food Company Board Member – Afia International Company Board Member – United Sugar Company Chairman of the Board of Directors – Al-Qatrana Cement Company, Jordan Board Member – Ready Mix Concrete and Construction Services Company, Jordan Board Member – United Sugar Company, Egypt Board Member – Afia International Company, Egypt Board Member – Alexandria Sugar Company, Egypt 	<ul style="list-style-type: none"> Board Member – Merle Lynch, Kingdom of Saudi Arabia Board Member – Al-Azzawi Group 	<ul style="list-style-type: none"> Bachelor of Computer Engineering – King Saud University

			<ul style="list-style-type: none"> - Board Member – The Queen Company for Food Industries, Egypt - Board Member and Executive Director – Saudi Industrial Construction and Engineering Projects Company - Board Member and Executive Director – Saudi Technology and Trade Company Ltd. - Board Member and Executive Director – Al Wusataa Development Company 		
3	Ibrahim Hassan Sharbatly	- Board Member – Riyad Bank	<ul style="list-style-type: none"> - Chairman of the Board of Directors – First International Business Group - Vice Chairman of the Board of Directors – Al Nahla Group and Contracting Company - Vice Chairman of the Board of Directors – Saudi Arabian Marketing and Agencies Company Ltd. (SAMA-CO) - Vice Chairman of the Board of Directors – Fast Auto Technology Company Limited (FAST) - Chairman of the Board of Directors – Smile Communications, Africa - Board Member – Golden Coast, Egypt 	<ul style="list-style-type: none"> - Board Member – Commercial Union for Cooperative Insurance 	<ul style="list-style-type: none"> - Bachelor of Business Administration – College of Commerce and Business Administration, Bristol, Britain
4	Jamal Abdul-Karim Al-Rammah	- Board Member – Riyad Bank	-	<ul style="list-style-type: none"> - Chairman of the Board of Directors – Saudi Aramco Insurance Company (Stellar) - Board Member – Saudi Aramco Investment Management Company (SIAMCO) - Board Member – Fujian Refining & Petrochemical Company, S - Oil - Board Member – Gard Company - Board Member – Bandlewood Corporation NV - Board Member – Motor Oil Hellas Company - Board Member – Jeddah Oil Refining Company - Treasurer – Saudi Arabian Oil Company (Aramco) - Chair of the Compensation and Documentation Committee for a number of subsidiaries and joint companies - Saudi Arabian Oil Company (Aramco) - Member and Chairman of Committees in Aramco and in several companies affiliated with Saudi Aramco and joint companies inside and outside the Kingdom - Finance General Manager - Saudi Arabian Oil Company "Aramco" - General Manager, Documentation - Saudi Arabian Oil Company "Aramco" 	<ul style="list-style-type: none"> - Management Executive Program – Harvard University, USA - Bachelor of Management and Economics - A number of management and finance programs in many international and domestic universities and institutions
5	Talal Ibrahim Al-Qudaibi	-	<ul style="list-style-type: none"> - Member of the Shura Council 	<ul style="list-style-type: none"> - CEO – Riyad Bank and prior to that, held several functional positions in the Bank since joining it in 1983 - Chairman – Royal & Sun Alliance Insurance (Middle East), Bahrain 	<ul style="list-style-type: none"> - Master of Arts in Economics – University of Southern California, USA

				<ul style="list-style-type: none"> - Board Member – Riyad Capital Company - Board Member – National Industrialization Company - Board Member – Saudi Spanish Bank - Board Member – Gulf Bank, Riyadh - Board Member – Yopaf, Hong Kong - Board Member – Riyad Bank, Europe 	<ul style="list-style-type: none"> - Bachelor of Business Administration – Portland State University, USA
6	Abdul-Rahman Amin Jawa	<ul style="list-style-type: none"> - Chairman of the Board of Directors – Saudi Hardware and Tools Company (SACO) 	-	<ul style="list-style-type: none"> - Business Development Consultant – Riyad Bank - Chairman of the Board of Directors – Saudi Travel Check Company - Chairman of the Board of Directors – Banque Bemo Saudi Fransi - Vice Chairman of the Board of Directors – Saudi Fransi Capital - Board Member – Allianz Saudi Fransi Cooperative Insurance Company - Board Member – Cam Saudi Fransi Company - Board Member – Fransi Tadawul Company - Board Member – Sofinco Company - Board Member – Saudi Insurance Company (INSAUDI) - Board Member – Al-Amthal Owning Company - Board Member – Banque Saudi Fransi - Deputy Managing Director – Banque Saudi Fransi - Regional Director, Central Region – Banque Saudi Fransi - Director, Main Branch, Riyadh – Banque Saudi Fransi - General Manager – Hisham Trading Corporation - Assistant Manager – The Saudi Investment Bank - Assistant Manager – First National City Bank, Riyadh 	<ul style="list-style-type: none"> - Advanced Management Program, Business Administration – Harvard University, USA (Training Program) - Bachelor of International Business Administration – Ohio University, USA
7	Mohammed Talal Al-Nahas	<ul style="list-style-type: none"> - Chairman of the Board of Directors and Member of the Executive Committee – Saudi Company for Pharmaceutical Industries and Medical Appliances - Board Member and Member of the Nomination and Remuneration Committee – Saudi Basic Industries Corporation (SABIC) - Board Member and Member of the Executive Committee – Saudi Telecom Company 	<ul style="list-style-type: none"> - Governor and Board Member of the General Organization for Social Insurance - Chairman of the Board of Directors - The Cooperative Company for Real Estate Investment - Chairman of the Board of Directors - Asma Capital - Chairman of the Board - Dammam Pharma 	<ul style="list-style-type: none"> - Board Member and Member of the Compliance and Risk Committee - International Water and Energy Works Company (Aquapower) - Governor and Board Member - Public Pension Agency - Chairman of the Executive Committee - Public Pension Agency - Member of the Nominations and Remuneration Committee - Public Pension Agency - Member of the Audit Committee - Public Pension Agency - Chairman of the Board of Directors - Raza Company - Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee - The Leading Investment Company 	<ul style="list-style-type: none"> - Executive Management Program – University of Michigan, USA - Bachelor of Accounting – King Saud University

				<ul style="list-style-type: none"> - Board Member - National Center for Privatization - Board Member - Taiba Holding Company - Board Member and Member of the Executive Committee - Saudi Travelers Checks Company - General Manager, Branch Banking - Alinma Bank - Regional Director, Central Region Branches - Samba Financial Group - Head of Banking Transactions and Express Transfers branches - Samba Financial Group - Deputy General Manager, Human Resources - Samba Financial Group - Senior Product Manager - Samba Financial Group - Product Officer/Director - Samba Financial Group 	
8	Mohammed Abdulaziz Al-Afaleq	-	<ul style="list-style-type: none"> - Chairman of the Executive Committee – Al-Hussein and Al-Afaliq Group - Board Member – Ahdaf Holding Company - CEO – Al-Ahsa Cooling Company, a subsidiary of Ahdaf Holding Company - CEO – Catering Complex Company, a subsidiary of Ahdaf Holding Company - CEO – Company Lee Lee Sweet Furnished Residential Branch of Catering Complex Company, a subsidiary of Ahdaf Holding Company - Chairman of the Board of Directors – An-Najah Trading Company - Chairman of the Advisory Council – Al-Ahsa Health Cluster Company 	<ul style="list-style-type: none"> - Chairman of the Board of Directors – Al-Hussein and Al-Afaliq Group - Board Member – Al-Ahsa Food Industries Company - General Manager, Industrial Projects – Al-Hussein and Al-Afaliq Group of Companies - Administrative Director – Al-Ahsa Automatic Bakeries Company 	<ul style="list-style-type: none"> - Master of Business Administration – St. Edward University, Austin, USA - Bachelor of Science in Industrial Management – King Fahd University of Petroleum and Minerals
9	Mohammed Omair Al-Otaibi	<ul style="list-style-type: none"> - Board Member – Saudi Reinsurance Company - Deputy Chairman of the Board of Directors – Abdullah Saad Abu Moati Company for Libraries - Board Member - Saudi Chemical Company Holding 	<ul style="list-style-type: none"> - CEO – Zameen E-Marketing Company - Member of the Audit Committee – Al Mojil Trading and Contracting Company - Board Member - Omran Najd Industries 	<ul style="list-style-type: none"> - Board Member – Al Yamamah Steel Industries Company - Chairman of the Board of Directors – National Gas and Industrial Company - Board Member – Middle East Ship Management Company, Dubai - Board Member – NSCSA, Baltimore, USA - Board Member – Bahri Bulk Cargo Company - Board Member – United Arab Company for Flat Glass - Board Member – National Chemical Carriers Company - Board Member – Abdullah Saad Abu Moati Company for Libraries - Board Member – Petradec Company for Gas Trade and Transportation - Board Member – ISRE Insurance Company, Luxembourg - Board Member – West of England Insurance, Luxembourg 	<ul style="list-style-type: none"> - Master of Business Administration – Western Michigan University, USA - Advanced Management Program – Harvard University, USA - Executive Management Program – University of Michigan, USA - Strategic Banking Management Program, Ireland - Bachelor of Arts in English Language – Imam Muhammad Ibn Saud Islamic University

				<ul style="list-style-type: none"> Executive Vice President, Finance – The National Shipping Company of Saudi Arabia 	
10	Nader Ibrahim Al-Wehibi	<ul style="list-style-type: none"> Board Member – Riyad Bank Board Member – Saudi Basic Industries Corporation (SABIC) 	<ul style="list-style-type: none"> CEO – Gulf Catering Company Board Member – Madad Business Company 	<ul style="list-style-type: none"> Board Member – Clariant, Switzerland Board Member - Future Work company Assistant Governor, Insurance Affairs – General Organization for Social Insurance Board Member – Jarir Marketing Company Board Member – The National Medical Care Company General Director, Planning and Development – General Organization for Social Insurance Secretary General for Board of Directors - General Organization for Social Insurance Consultant, Pensions Administration – General Organization for Social Insurance 	<ul style="list-style-type: none"> Master of Arts in Social Protection Policies – Maastricht University, Netherlands Bachelor of Insurance – Indiana State University, USA
#	Member's Name	Memberships in Listed Joint Stock Companies (Inside the Kingdom)	Current Positions	Previous Positions	Qualifications
	Abdul Rahman Ismail Tarabzoni	<ul style="list-style-type: none"> Board Member – Jarir Marketing Company (Jarir Bookstore) 	<ul style="list-style-type: none"> CEO and Founder - STV (Technology Investment Platform) Chairman and Founder - Saudi Arabia's Venture Capital and Private Equity Association Member of the Board of Trustees - King Fahd National Library Consultant - The Small and Medium Enterprises General Authority (Monsha'at) 	<ul style="list-style-type: none"> Board Member - Saudi Digital Payments Company (stc pay) Board Member - Saudi Technology Development and Investment Company (Taqnia) Board Member - Kareem Board Member – IKEA Saudi Arabia Board Member – Intigral Board Member - Jawwy (from stc) Head of Global Business Development, Android - Google 	<ul style="list-style-type: none"> Master of Electrical Engineering and Computer Science - Massachusetts Institute of Technology - USA Bachelor of Computer Science and Engineering - Massachusetts Institute of Technology, USA
11	Abdul Rahman Mohammed Al Thehaiban	-	<ul style="list-style-type: none"> Regional Director - Google Cloud - Middle East, Turkey and Africa 	<ul style="list-style-type: none"> Regional Director - Oracle Corporation, Middle East, Africa, Central and Eastern Europe Saad Corporation for Computers Board Member - Saudi Industrial Export Company Board Member - FIPCO 	<ul style="list-style-type: none"> Master of International Trade - University of Edinburgh Higher Technical Diploma in Computer Studies - Nottinghamshire College
12	Omar Hamad Al-Madhi	<ul style="list-style-type: none"> Board Member – Riyad Bank Board Member – Aqua Power Company 	<ul style="list-style-type: none"> Head, Direct Investments in the Middle East and North Africa - Public Investment Fund Board Member - Saudi Arabian Industrial Investment Company (Dussur) Board Member – Saudi Fund of Funds Company (Jada) 	<ul style="list-style-type: none"> Board Member – National Agricultural Development Company Board Member – Saudi Fisheries Company Senior Executive Director and Board Member - Abdul Latif Jameel Investments Senior Executive Director – Volkswagen Group Saudi Arabia Assistant Undersecretary - SGIA Consultant - McKinsey & Company 	<ul style="list-style-type: none"> Master of Business Administration - Massachusetts Institute, USA Bachelor of Chemical Engineering - University of Pennsylvania, USA

13	Mona Mohammed Al-Taweel	<ul style="list-style-type: none"> – Board Member – Riyad Bank 	-	<ul style="list-style-type: none"> – Research Engineer - Saudi Aramco – Adviser, Finance Minister's Team of Advisers - Ministry of Finance – CEO – FAB Capital – CEO – Emirates NBD Capital KSA – Syndicated Loans Manager - HSBC Saudi Arabia – Member of the Investment and Securities Committee - Riyadh Chamber of Commerce 	<ul style="list-style-type: none"> – Master of Business Administration - George Washington University – Bachelor of Accounting- King Saud University
14	Hani Abdullah Al-Johani	<ul style="list-style-type: none"> – Board Member - Riyad Bank 	<ul style="list-style-type: none"> – Head of International Investments - Hassana Investment Company – Board Member - James Education KSI Holding – Board Member - Maarif for Education and Training – Audit Committee Member - Jawda Integrated Real Estate – Audit Committee Member - Umm Al Qura for Development and Construction – Audit Committee Member - Osool Integrated Real Estate Co. – Audit Committee Member - Raza Company 	<ul style="list-style-type: none"> – Board Member, Audit Committee Member, and Risk Committee Member - Dar Al Tamleek Company – Director of Alternative Investments Department - Hassana Investment Company – Investment Analyst in the Investment Research Department - General Organization for Social Insurance 	<ul style="list-style-type: none"> – Bachelor of Commerce in Economics and Finance - Saint Mary's University, Canada
15	Yasser Abdullah Al-Salman	<ul style="list-style-type: none"> – Board Member - Riyad Bank – Board Member - General National Maritime Transport Company 	<ul style="list-style-type: none"> – Head of the General Department of Finance - Public Investment Fund – Board Member– Saudi Military Industries Company (SAMI) – Board Member – National Maritime Transport Company – Board Member - King Abdullah Financial District Development Company – Board Member - National Water Company (NWC) – Board Member - Saudi Agricultural and Livestock Investment Company (SALIC) 	<ul style="list-style-type: none"> – Board Member - Saudi Railways Company (SAR) – Executive Director, Financial Department – Saudi Agricultural and Livestock Investment Company (SALIC) – General Manager, Investments - Etihad Etisalat (Mobily) – Executive Director, Financial Affairs - Kingdom Holding Company – Executive Director, Finance - Kingdom Holding Company 	<ul style="list-style-type: none"> – Master of Accounting and Information Systems - Middle Tennessee State University, USA – Bachelor of Accounting – King Saud University

Qualifications and Experience of External Committee Members

#	Member's Name	Current Positions	Previous Positions	Qualifications
1	Tariq Abdullah Al-Qaraawy	<ul style="list-style-type: none"> - Audit Committee Member - Riyad Bank - Audit Committee Member - Savola Group - Audit Committee Member - Savola Food Company - Board Member, Financial Investment Funds - Osool and Bakheet Investment Company - Board Member - Evening Cups for Beverages Co. - Board Member - Amana Cooperative Insurance Company 	<p style="text-align: center;">2- Audit Committee</p> <ul style="list-style-type: none"> - Vice President – Compliance and Quality Assurance Building Development Company - Board Member – Digital Innovations Company - Member of the Audit Committee – Tabuk Fish Company - Board Member, Chairman of the Executive Committee and Member of the Nomination and Remuneration Committee – Salama Insurance Company - Founder and CEO – Idfaa Office for Management Consulting - Regional Director, Corporate Banking Group – Bank Albilad - Director, Strategy and Planning – Bank Albilad - Senior Relationship Manager, Corporate Banking - SABB Bank - Director, Islamic Banking, Corporate Banking - SABB Bank - Relationship Officer, Corporate Banking – The Saudi Investment Bank 	<ul style="list-style-type: none"> - Master of Accounting – George Washington University, USA - Bachelor of Accounting - King Saud University - Certified Management Accountant (CMA) - Institute of Management Accountants of America IMA - Certified Financial Manager (CFM) - IMA
2	Abdul Raouf Suleiman Banaja	<ul style="list-style-type: none"> - Audit Committee Member – Herfy Food Services Company - Audit Committee Member – Kinan International Real Estate Development Company - Audit Committee Member – Special Economic Zones and Cities Authority - Audit Committee Member – Jeddah Projects Office 	<ul style="list-style-type: none"> - Audit Committee Member - Savola Group - Audit Committee Member - Panda Retail Company - Board Member – AIAhli Capital Funds - Board Member - SEDCO Capital Funds - Chairman of the Board of Directors – Building Proper Real Estate Fund Company - Chairman – SEDCO Capital Flexible Saudi Equity Fund - Chairman of the Board of Directors – SEDCO Capital REIT Fund - Chairman of the Board of Directors – SEDCO Capital Real Estate Income Fund 1 - Chairman of the Board of Directors – SEDCO Capital Real Estate Income Fund 2 - Board Member – United Matbouli Group - Audit Committee Member - Savola Food Company - Board Member, Equity Funds - National Commercial Bank - Independent Consultant - Director, Corporate Finance Department – Alawwal Financial Services - Senior Vice President and Member of the Executive Committee – Saudi Economic and Development Holding Company (SEDCO) - Regional Director – Saudi Economic and Development Company (SEDCO), Egypt - Assistant General Manager and Director of International Banking - National Commercial Bank - Regional Manager – Gulf International Bank, Middle East, Bahrain - Adviser to the Deputy Governor – Saudi Central Bank - Assistant General Manager, Corporate Banking – SABB Bank - Credit Sector Manager – SABB Bank - Economic Adviser – Ministry of Finance 	<ul style="list-style-type: none"> - PhD in Economics - University of California, USA - Master of Economics – University of California, USA - Bachelor of Mathematics and Physics – University of Riyadh

3			<ul style="list-style-type: none"> - Assistant Professor and Head of Quantitative Analysis Department – King Saud University 	
	Abdul Aziz Khalid Al-Falih	<ul style="list-style-type: none"> - Partner and Board Member - Badwa Capital, Dubai, UAE 	<ul style="list-style-type: none"> - Director - McKinsey & Company - Investment Partner - TPG Capital, San Francisco, USA - Investment Partner – Aramco, KSA 	<ul style="list-style-type: none"> - Master of Business Administration - Stanford University, USA - Bachelor of Chemical Engineering - Massachusetts Institute of Technology (MIT), USA
4		<ul style="list-style-type: none"> - Audit Committee Member– Riyad Bank - Board Member and Chairman of the Audit Committee - Al Hassan Ghazi Ibrahim Shaker Company - Board Member, Audit Committee Member, Governance Committee Member, and Nomination and Remuneration Committee Member - Aldrees Petroleum and Transport Services Company - Board Member and Chairman of the Audit Committee - Fawaz Abdulaziz Alhokair and Partners Company - Board Member, Audit Committee Member, and Social Responsibility Committee Member - Taiba Investment Company - Board Member - Gscco - Audit Committee Member - Almarai Company - Audit Committee Member - King Salman Park Foundation - Audit Committee Member - Al-Masar Al-Riyadh Foundation 	<ul style="list-style-type: none"> - Board Member and Chairman of the Audit Committee - Alitco Company - Board Member and Chairman of the Investment Committee - Amana Cooperative Insurance Company - Board Member - RDB-ELSEIF CO. - Board Member - INMAIA Investment and Real Estate Development - Board Member – Banque Saudi Fransi 	<ul style="list-style-type: none"> - Bachelor of Science in Industrial Management – King Fahd University of Petroleum and Minerals - American Board of Chartered Accountants Fellowship - AICPA Member since 1995
	Eid Faleh Al-Shamri			
5		<ul style="list-style-type: none"> - Audit Committee Member– Riyad Bank - Chairman of the Risk and Audit Committee - Majd Investment - Vice Dean of the College of Applied Studies - King Faisal University - Head of Finance Department - King Faisal University - Assistant Professor - King Faisal University - Member of the Executive Committee of the Investment Fund - King Faisal University 	<ul style="list-style-type: none"> - Lecturer - King Faisal University - Teaching Assistant - King Faisal University - Executive Supply Chain Representative - SABIC 	<ul style="list-style-type: none"> - PhD in Finance - Middlesex University, UK - Master of Finance - University of Portsmouth, UK - Bachelor of Marketing– King Faisal University
	Waddah Ibrahim Al Sheikh Mubarak			
#	Member's Name	Current Positions	Previous Positions	Qualifications
Nomination and Remuneration Committee				
1	Ahmed Mohammed Al-Falih	<ul style="list-style-type: none"> - Nomination and Remuneration Committee Member – Riyad Bank - Managing Director, Contracting, Operation and Maintenance and Chairman of the Executive 	<ul style="list-style-type: none"> - Board Member – Musa Abdul Aziz Al Mousa & Sons - Board Member – Advanced Seal Company - Board Member - Aluminum Products Co. – Bako - Board Member – Holding Facilities Company - Board Member – Easy Transport Company 	<ul style="list-style-type: none"> - Bachelor of Civil Engineering – King Fahd University of Petroleum and Minerals

		<ul style="list-style-type: none"> Committee - Saudi International Bin Laden Group Board Member - Bin Laden International Holding Group Board Member - Herfy Food Services Company Board Member - Al Jouf Cement Company Board Member - Technical United Board Member and Executive Director - The Leading Commercial Representation Company Board Member - Mohammed Saleh Al-Sultan Consulting Professionals 	<ul style="list-style-type: none"> Consultant - Facilities Marketing Company General Manager - Facilities Marketing Company President - Group of Companies Mashreq General Manager - Al-Mashreq Contracting Company General Manager - Olayan Food Services Company President - Tiné Company International Vice President - Riyadh International Corporation Vice President, Financial and Administrative Affairs - Saudi Company for Operation and Maintenance Engineering Projects - Ministry of Health Project Engineer - Ibn Al-Bitar Company (SABIC) 	
2	Khalid Saleh Al-Turairi	<ul style="list-style-type: none"> General Manager of Special Projects, Human Resources - Saudi Basic Industries Corporation (SABIC) 	<ul style="list-style-type: none"> Board Member - Hadeed Company (SABIC) Board Member - National Entrepreneurship Institute General Manager, Learning and Development, Human Resources - Saudi Basic Industries Corporation (SABIC) General Manager, Benefits and Compensation, Human Resources - Saudi Basic Industries Corporation (SABIC) General Manager, Middle East, Human Resources - Saudi Basic Industries Corporation (SABIC) General Manager, Personnel Services, Human Resources - Saudi Basic Industries Corporation (SABIC) General Manager, Information Technology - Saudi Basic Industries Corporation (SABIC) 	<ul style="list-style-type: none"> Bachelor of Computer Science and Engineering - King Fahd University of Petroleum and Minerals
3	Ali Ahmed Al-Ghamdi	<ul style="list-style-type: none"> Nomination and Remuneration Committee Member - Riyadh Bank General Manager, Executive Benefits and Compensation and Human Resources Business Partner - Saudi Basic Industries Corporation (SABIC) Board Member - Hadeed Company (SABIC) Board Member - Gulf Petrochemical Industries Company 	<ul style="list-style-type: none"> Executive Director, Global Mobility Company - Saudi Basic Industries Corporation (SABIC) Executive Director, Executive Benefits and Compensation - Saudi Basic Industries Corporation (SABIC) Recruitment Department Manager - Saudi Basic Industries Corporation (SABIC) Human Resource Specialist - Saudi Basic Industries Corporation (SABIC) 	<ul style="list-style-type: none"> Bachelor of Business Administration (Administrative Systems) - Arab Open University
#	Member's Name	Current Positions	Previous Positions	Qualifications
Risk Management Committee				
1	Abdul Latif Ali Al-Rasheed	<ul style="list-style-type: none"> Risk Management Committee Member - Riyadh Bank Director General, Cyber Security - Saudi Air Navigation Services 	<ul style="list-style-type: none"> Head, Cyber Security - Engie Corporation Head, Cyber Security Project - Saudi Arabian Oil Company (Aramco) 	<ul style="list-style-type: none"> Master of Information Security - Georgia Institute of Technology, USA Bachelor of Computer Engineering - University of New Haven

Evaluating the Performance of the Board of Directors and its Committees

The Board of Directors uses an external party to evaluate the performance of the Board and its Committees, through the participation of members in extensive and comprehensive questionnaires based on international best practices in governance, in order to identify strengths and weaknesses to enhance the effectiveness of the performance of the Board of Directors and its Committees.

Actions taken by the Board of Directors to inform its members - especially Non-Executives - of Shareholders' proposals and comments about the Company and its performance

The proposals received from the Shareholders during the General Assembly meetings, as well as any other proposals that are received by the Bank are presented to the Chairman of the Board of Directors. He is required to present them to the next Board Meeting and record them in the minutes of the Board, if any.

Any recommendations from the Audit Committee which conflicts with the decisions of the Board of Directors, or any situation where the Board refused to consider any recommendations regarding the appointment or dismissal of the Auditor of Riyadh Bank, the determination of his fees or evaluating his performance; if so the rationale for these recommendations, and the reasons for not taking them

There are no recommendations from the Audit Committee that conflicts with the decisions of the Board of Directors, and the Board of Directors has not rejected any recommendations regarding the appointment of an auditor of Riyadh Bank, his dismissal, the determination of his fees, or the evaluation of his performance.

Compensation of the members of the Board of Directors, its Committees, and senior Executives during the year 2022

The compensation paid to the members of the Board of Directors of Riyadh Bank and the committees emanating from it are determined in accordance with the frameworks set by the instructions issued by the supervisory authorities, and are generally governed by the main principles of governance for banks operating in the Kingdom of Saudi Arabia, compensation practices controls issued by the Saudi Central Bank, the Corporate Governance Regulations issued by the Capital Market Authority, Companies Law issued by the Ministry of Commerce, and the Bank's Articles of Association.

The Board of Directors - based on the recommendation of the Nomination and Compensation Committee - determines the compensation of the senior Executives, so that the compensation is consistent with the strategic objectives of the Bank, and that they are effective in motivating senior Executives to achieve those goals.

Compensation of Board Members

Member's Name	Fixed compensation							Variable remuneration ***	End of service benefits	Gross total	Expense allowance**** (SAR 000's)
	Certain amount*	Board meetings Attendance Allowance	Total attendance allowance in committees **	In-kind benefits	The remuneration of technical administrative and consulting	The remuneration of the Chairman managing director or secretary if he is a member	Total				
Mutaz Kusai AlAzzawi	375	30	95	-	-	-	500	-	-	500	-
Ibrahim Hassan Sharbatly	400	30	10	-	-	-	440	-	-	440	34.88
Jamal Abdul-Karim Al-Rammah	400	30	90	-	-	-	520	-	-	520	70.62
Talal Ibrahim Al-Qudaibi	333	20	80	-	-	-	433	-	-	433	-
Abdul Rahman Ismail Tarabzoni	14.4	-	-	-	-	-	14	-	-	14	-
Abdul Rahman Mohammed Al Thehaiban	31	5	5	-	-	-	41	-	-	41	-
Mona Mohammed Al-Taweel	66.6	10	25	-	-	-	101.6	-	-	101.6	-
<u>Independent Members</u>	1,619.6	125	305	-	-	-	2,049.6	-	-	2,049.6	105.5
Abdullah Mohammed Al-Issa	460	30	10	-	-	1,000	1,500	-	-	1,500	-
Abdul-Rahman Amin Jawa	333	20	50	-	-	-	403	-	-	403	-
Mohammed Abdulaziz Al-Afaleq	333	20	85	-	-	-	438	-	-	438	19.13
Mohammed Omair Al-Otaibi	333	20	70	-	-	-	423	-	-	423	-
Mohammed Talal Al-Nahas	333	20	-	-	-	-	353	-	-	353	-
Nader Ibrahim Al-Wehibi	370	30	100	-	-	-	500	-	-	500	-
Omar Hamad Al-Madhi	66.6	10	20	-	-	-	96.6	-	-	96.6	-
Yasser Abdullah Al-Salman	66.6	10	5	-	-	-	81.6	-	-	81.6	-
Hani Abdullah Al-Johani	66.6	10	10	-	-	-	86.6	-	-	86.6	-

Riyad Bank Board of Directors Report

<u>Non- Executive Members</u>	2,361.8	170	350	-	-	1000	3,881.8	-	-	3,881.8	19.13
Total	3,981.4	295	655	-	-	1,000	5,931.4	-	-	5,931.4	124.63

The compensation of the members of the Board of Directors amounts to SAR 400,000 for each member, while the compensation of the Chairman of the Board of Directors is SAR 500,000 in addition to a special reward of SAR 1,000,000, noting that the maximum total compensation for each member, including the Chairman of the Board of Directors, does not exceed the amount of SAR 500,000, including allowances, for attending the meetings of the Board of Directors and its Committees as specified in the Companies Law, except for the compensation of the members of the Audit Committee that does not fall within the scope of the maximum limit stipulated in the Companies Law in accordance with the regulatory controls and procedures issued in implementation of the Companies Law for Joint Stock Companies issued by the Capital Market Authority.

** Allowance for attending Committee meetings emanating from the Board of Directors includes allowance for members of the Board of Directors who are not members of such Committees but are invited to attend them by the Committee, and therefore the total amount each member is entitled to in return for attending the Committees' meetings may not be equal to the other statement of the allowance for attendance of Committee members.

- Variable bonuses include (percentage of profits, periodic bonuses, short-term incentive plans, long-term incentive plans, bonus shares)

- Expenses allowance includes transportation and accommodation expenses for members of the Board of Directors and its Committees.

Remuneration of members of Committees emanating from the Board of Directors

Member's Name	Fixed Rewards (except for the allowance for attending meetings)	Allowance for Attending Meetings	Total	Expense Allowance*	
Executive Committee Members					
1	Talal Ibrahim Al-Qudaibi**	-	55	55	-
2	Abdul-Rahman Amin Jawa**	-	45	45	-
3	Mutaz Kusai AlAzzawi	-	65	65	-
4	Mohammed Abdulaziz Al-Afaleq**	-	55	55	-
5	Nader Ibrahim Al-Wehibi	-	65	65	-
6	Abdul Rahman Mohammed Al Thehaiban***	-	5	5	-
7	Mona Mohammed Al-Taweel	-	10	10	-
8	Yasser Abdullah Al-Salman	-	5	5	-
	Total	-	305	305	-
Audit Committee Members					
1	Jamal Abdul-Karim Al-Rammah	-	50	50	-
2	Mohammed Omair Al-Otaibi**	-	40	40	-
3	Tariq Abdullah Al-Qaraawy (external)	120	50	170	-
4	Abdul Raouf Suleiman Banaja (external)**	100	35	135	-
5	Abdul Aziz Khalid Al-Falih(external)**	100	40	140	-
6	Mona Mohammed Al-Taweel	-	10	10	-
7	Eid Faleh Al-Shamri	20	10	30	-
8	Waddah Ibrahim Al Sheikh Mubarak(external)	20	10	30	8.1
	Total	360	245	605	8.1
Risk Management Committee Members					
1	Mohammed Abdulaziz Al-Afaleq**	-	25	25	-
2	Jamal Abdul-Karim Al-Rammah	-	30	30	-
3	Mohammed Omair Al-Otaibi**	-	25	25	-
4	Hani Abdullah Al-Johani	-	5	5	-
5	Abdul Latif Ali Al-Rasheed(external)	20	5	25	12
	Total	20	90	110	12
Nomination and Compensation Committee Members					
1	Mutaz Kusai AlAzzawi	-	30	30	-
2	Talal Ibrahim Al-Qudaibi**	-	15	15	-
3	Nader Ibrahim Al-Wehibi	-	30	30	-
4	Omar Hamad Al-Madhi	-	15	15	-
5	Ahmed Mohammed Al-Falih(external)	120	30	150	-
6	Khalid Saleh Al-Turairi (external) **	100	15	115	4.5
7	Ali Ahmed Al-Ghamdi(external)	20	15	35	-
	Total	240	150	390	4.5
Strategic Planning Group Members					
1	Abdullah Mohammed Al-Issa	-	10	10	-
2	Ibrahim Hassan Sharbatly	-	10	10	-
3	Talal Ibrahim Al-Qudaibi**	-	5	5	-

Riyad Bank Board of Directors Report

4	Abdul-Rahman Amin Jawa**	-	5	5	-
5	Mohammed Talal Al-Nahas**	-	-	-	-
6	Abdul Rahman Mohammed Al Thehaiban***	-	-	-	-
7	Omar Hamad Al-Madhi	-	5	5	-
8	Hani Abdullah Al-Johani	-	5	5	-
	Total	-	40	40	-
Members of the Committees emanating from the Board of Directors		620	830	1,450	24.6

* Expenses allowance includes transportation and accommodation expenses for members of the Board of Directors and its Committees

** Membership expired on 30/10/2022

*** Membership expired on 27/11/2022

Salary and Compensation Statement for Six Senior Executives (including the CEO and CFO):

Data	SAR 000's
Fixed Compensations	
Wages	12,801
Allowances	3,636
In-kind benefits	904
Total	17,341
Variable Compensations	
Periodic Compensations	20,405
Profits	-
Short-Term Motivation Plan	-
Long-Term Motivation Plan	6,930
stock dividends	-
Total	27,335
End-of-Service Gratuity	1,243
Total Executives compensation of BoD, if available	-
Combined Total	45,919

Riyad Bank Board of Directors Report

Senior Management Qualifications and Experiences

Name	Qualifications			Experiences		
	Qualifications	Educational Institution	Year	Job title	Entity	Year
Tareq A. Al Sadhan	Bachelor's level qualification in Accounting ACA	King Saud University, Kingdom of Saudi Arabia	1998	Chief Executive Officer	Riyad Bank	From 2019 to now
				Senior Executive Vice President and the Chief Financial Officer	Riyad Bank	2018-2019
				Advisor to the Chairman	Saudi Fund for Development (SFD)	2017-2018
				Acting Director General	General Authority of Zakat and Tax (GAZT)	2016-2017
	Master of Business Management	Ecole National des Ponts et Chaussées, France	2007	Deputy Governor for Supervision	the Saudi Central Bank (SAMA)	2015-2016
				He has held many positions, including CEO since 2010	KPMG, Saudi Arabia	1997-2015
Mohammed Abo Al-Naja	Bachelor of Law	King Saud University, Kingdom of Saudi Arabia	1994	Chief Corporate Banking Officer	Riyad Bank	From 2020 to now
				Executive Vice President, Head of Corporate Banking Service	Riyad Bank	2018-2020
				Executive Vice President, Corporate Banking Service	Riyad Bank	2014-2018
				Senior Vice President, Manager Multinationals	Riyad Bank	2013-2014
				Regional Director of Corporate Banking - Central Region	Riyad Bank	2010-2013
				Senior Manager, Corporate and Investment Banking	SAMBA Financial Group	2004-2005
				Senior Relationship Manager	Riyad Bank	1996-2004
				Chief Retail Banking Officer	Riyad Bank	From 2022 to now
Waleed Khalid Al-Dhubaib	Bachelor's Degree in Science in Finance	King Fahd University of Petroleum and Minerals	2002	Head of Branch Network and Sales	Riyad Bank	2021-2022
				Head of Branch Network and Sales	Banque Saudi Fransi	2021-2021
				Head of Private Banking	Al Rajhi Bank	2016-2018
				Head of treasury and investment	Riyad Bank	From 2020 to now
Nadir Sami Al-Koraya	Bachelor's Degree in Civil Engineering	University of California, USA	1987	Executive Vice President Treasury & Investment	Riyad Bank	2019-2020
				Head of Treasury Department	Riyad Bank	2014-2018
				Treasurer	Riyad Bank	2013-2014
	Master in Business Administration, University of California	University of California, USA	1989	Assistant General Manager, Treasury Group	Samba Bank	1993-2013
				Chief Risk Officer	Riyad Bank	From 2020 to now
Grant Eric Lowen						

Riyad Bank Board of Directors Report

				Group Chief Credit and Risk Officer	Bank ABC BAHRAIN	2017-2020
				Group Chief Risk Officer	QNB Qatar	2012-2017
	Bachelor's level qualification in Accounting ACA	Christchurch Technical College		Chief Risk Officer International Financial Services	Commonwealth Bank of Australia (CBA)	2010-2012
				Group Auditor	Commonwealth Bank of Australia (CBA)	2004-2006
Abdullah Ali Al-Oraini	Science in Electrical Bachelor of Engineering	King Fahd University of Petroleum and Minerals	2003	Chief Financial Officer	Riyad Bank	From 2019 to now
				Chief Financial Officer	Alawwal Bank	2016-2019
	Master of Management Sciences	University of Waterloo, Canada	2007	Head of Reporting, Asset and Liability Management and Investor Relations Department	Saudi British Bank (SABB)	2016-2012
				Head of Capital and Liquidity Management	National Commercial Bank (NCB)	2007-2011
				Senior Financial Analyst	National Commercial Bank (NCB)	2003-2006
Enji Ahmed Al-Ghazzawi	Bachelor's degree in English Language and Translation	King Saud University	1994	Chief Operating Officer (COO)	Riyad Bank	From 2022 to now
				EVP of Operations	Riyad Bank	From 2014 to 2022
				Faculty Member	King Saud University	1994-1998
				She assumed several positions at Riyad Bank from the Operation Support Department to the Customer Call Center to manage the operation of loans, before moving to the Accounts Department. She managed the Comprehensive Services for the Central Region before heading the Operations Sector.		
Mazen Mohamed Khalefah	Bachelor of Industrial Engineering	King Abdulaziz University, Kingdom of Saudi Arabia	2004	Chief Human Capital Officer	Riyad Bank	From 2018 to now
				HR General Director	the Saudi Central Bank (SAMA)	2016-2018
				Head of Learning and Talents	Saudi British Bank (SABB)	2013-2016
				Senior Manager, Talent and Resources	Saudi British Bank (SABB)	2011-2013
				Head of Talent Acquisition & Employee Development Department	Bank Albilad	2010-2011
				Head of Talent Acquisition & Employee Development Department	Bank Albilad	2010-2011

Riyad Bank Board of Directors Report

			Head of Training Relations Department	National Commercial Bank (NCB)	2008-2009
			Saudization Projects Manager	Riyad Bank	2004-2007
			Acting Chief Experience Officer (CXO)	Riyad Bank	From 2022 to now
			Head of Customer Champion Department	Riyad Bank	2019-2022
Haifa Othman Bin Ahmed	Bachelor's Degree in Accounting and Business Management	King Saud University	2005	She assumed various leading roles in the bank's branches from customer service to branch manager before moving to the Customer Care Department as Head of the Department. Then, she held position of Acting Chief Experience Officer	
Mazen Ghassan Pharaon	Bachelor's degree in Computer Engineering	King Saud University		Chief Digital Officer	Riyad Bank From 2020 to now
			Partner - Deloitte ME		
			Deloitte Digital Center Leader		
			Chief Technology Officer - Samba Financial Group		
			Project leader to launch Alinma Investment Co		
			SPAN2 and PoS program leader in SAMA		

Assignment of Interests by Shareholders, Directors, or Senior Executives

- There are no arrangements or agreements for any member of the Board of Directors or any of the senior executives to waive any salaries, bonuses or compensation

- There are no arrangements or agreements regarding any of the shareholders of Riyad Bank waiving any rights to them in the profits

Cash dividends of Q1 22 have been distributed to all shareholders on 11 August 2022. Cash dividends of H2 22 will be distributed to all Riyad Bank's shareholders who own the shares at the end of the day of holding the Bank's AGM and who are registered in Securities Depository Center at the end of second trading day following the date of the AGM to be held during Q2 23, which will be announced later after obtaining the necessary approval from the competent authorities.

Changes in Shareholders' Equity:

The following table shows the primary shareholders of the Bank, each of which owns 5% or more of the shares, and the changes in their equity as of the end of the trading day on 31 December 2022:

Shareholder's Name	No. of shares (Year Beginning)	No. of shares (Year End)	Net Change	Change%	Ownership%
Public Investment Fund	652,608,000	652,608,000	0	0.00%	21.75%
General Organization for Social Insurance	632,905,352	311,714,495	321,190,857	49.25%	10.39%
Al Nahla Trade & Contracting Co	262,149,903	262,149,903	0	0.00%	8.73%
Aseela Investment Co.	240,000,000	240,000,000	0	0.00%	8.00%

Riyad Bank relied on Riyad Bank's Saudi Stock Exchange (Tadawul) records by the end of Tadawul's session on 31/12/2022.

Ownership of Riyad Bank Shares by the Board Members, Senior Executives, or Their Wives and Minors, and Their Changes during 2022:

The below tables are description of any interest that belongs to members of the Board and Senior Executives or their wives and minors in shares or debt instruments of the Bank or any of its subsidiaries and any change that occurred thereof during the year:

a- The Board Members, Their Wives and Minors

Name	No. of shares (Year Beginning)	No. of Shares (Year End)	Net change	Ownership
Abdullah Mohammed Al-Issa	1,262,000	1,262,000	-	0.00%
Jamal Abdul-Karim AlRammah	1,142	1,142	-	0.00%
Ibrahim Hassan Sharbatly	694,508	694,508	-	0.00%
Hany Abdullah Al-Johany	-	-	-	0.00%
Yasser Abdullah Al-Salman	-	-	-	0.00%
Mona Mohammed Al-Tawil	N/N	32,000		0.00%
Omar Hamad Al-Madhi,	-	-	-	0.00%
Abdulrahman Ismail Tarabzouni	N/N	10	-	0.00%
Mutaz Kusai AlAzzawi	1,347,000	1,347,000	-	0.00%
Nader Ibrahim AlWehibi	-	-	-	0.00%

b. Senior Executives or their wives and minors

Name	No. Of shares (Year Beginning)	No. Of shares (Year End)	Net Change	Change %	Debt instruments
-	-	-	-	-	-

General Assemblies Held During 2022

Riyad Bank held two assemblies for the shareholders during the fiscal year 2022 and it was held on 11/09/1443H, corresponding to 12 April 2022; and the AGM held on 27 March 1444H, corresponding to 23/10/22. Below is the Board attendance record for these meetings:

Attendance	Attendance	Name
AGM held on 23 October 2023	EGM held on 12 April 2022	
✓	✓	Abdullah Mohammed Al-Issa
✓	✓	Jamal Abdul-Karim Al-Rammah
✓	✓	Ibrahim Hassan Sharbatly
✓	✓	Talal Ibrahim Al-Qudaib
✓	✓	Abdul-Rahman Amin Jawa
✓	✓	Mohammed Talal Al-Nahas
✓	✓	Mohammed Abdulaziz Al-Afaleq
✓	✓	Mohammed Omair Al-Otaibi
✓	✓	Mutaz Kusai AlAzzawi
✓	✓	Nader Ibrahim Al-Wehibi

Number of Riyad Bank's Requests for Shareholders' Records, Their Dates, and Reasons During 2022:

Reason	Date of Request
Corporate actions	20/01/2022
General Assembly	05/04/2022
Corporate actions	06/04/2022
Profits file	12/04/2022
General Assembly	14/04/2022
Corporate actions	06/07/2022
Profits file	01/08/2022
Corporate actions	09/10/2022
General Assembly	19/10/2022

Assurances of the Board of Directors

- That the account records have been prepared correctly;
- That the internal control system was prepared on sound grounds and was effectively implemented;
- There is no doubt about the ability of Riyad Bank to continue its activity;
- That there is no contract to which Riyad Bank was a party, and there is or was a substantial interest in it for the Chairman and any of the Members of the Board of Directors of Riyad Bank or for the CEO or the First Financial Officer or for any person directly related to any of them, except for what was mentioned in the Statement of Transactions with Related Parties.
- That there is no competition for the company or any of its branches of the activity it engages in and is engaged in by any member of the Board of Directors.

Interests in voting shares

No stakeholder in the category of shares eligible to vote belonging to persons (except for members of the board of directors of Riyad Bank and senior executives and their relatives) informed Riyad Bank of these rights under Article 68 of the Rules for the Offer of Securities and Continuing Obligations, and any change in these rights during the fiscal year 2022.

External Auditors

During its meeting held on 12 April 2022, the Ordinary General Assembly of Riyad Bank, approved the appointment of "Ernst & Young" and "PricewaterhouseCoopers" as the Bank's external auditors for the financial year ending 31 December 2022. The General Assembly will consider at its next meeting the reappointment or replacement of the current auditors and determining their fees for auditing the financial statements of Riyad Bank for the financial year ending 31 December 2023, after reviewing the recommendation of the Board of Directors in this regard based on the recommendation of its Audit Committee.

Auditors' reservations on the annual financial statements

The auditors' report shows that the financial statements are free of any material misstatement, and there are no reservations about them.

Recommendations of the Board of Directors to replace the auditors and their reasons

The Board of Directors did not recommend the replacement of the auditors before the end of the period for which they were appointed.

Corporate Governance list Corporate

In general, Riyad Bank is obliged to apply the provisions set out in the Corporate Governance Regulations issued by the Capital Market Authority, and the main principles of governance in the banks operating in the Kingdom of Saudi Arabia and the instructions issued by the Saudi Arabian Monetary Authority. Riyad Bank is keen to adhere to all the regulations of governance and keep abreast in this regard. Further, the Bank keeps updating the relevant policies and procedures upon the issuance of regulatory developments that so entail.

Compliance

Compliance Statement in Riyad Bank

Riyad Bank (RB) is a Saudi Arabian Joint Stock Company registered in the Kingdom of Saudi Arabia pursuant to Royal Decree No. (M/91) dated 23th November 1957, and licensed by Saudi Central Bank (SAMA). RB established according to the provisions of the Companies Law and its regulations, Banking Control Law, and Capital Market Law. RB is committed to protect its professional practice, clients and entities by adhering to the applicable laws, regulations and complying with the international standards as well in all aspects of the business it operates.

The compliance group's main objective is to activate and enhance the compliance policy and its culture in all the bank activities, functions and businesses, as well as protecting the bank interests, and reducing the risk of non-compliance with the requirements, regulations and instructions. In addition, enhancing and maintaining the confidence of RB integrity and reputation. RB provide the best standards of security and protection for all its clients and shareholders to prevent any violation of laws and regulations. The process of identifying the risk is taking place periodically and continuously in order to avoid non-compliance via issuing internal policies and procedures that must be followed by all RB's employees and stakeholders. RB has zero tolerance towards any violation or non-compliance with the policies. RB implemented a code of conduct that is mandatory for all employees and concerned stakeholders to be fully complied with.

Code of Ethics and Conduct Policy

Our ability to do what is right is an instrumental factor in our integrity and reputation. The Code of Conduct in Riyad Bank is designed to guide employees and senior management on acceptable conduct. The Code is prepared on the basis that we in Riyad Bank are all responsible for conducting business ethically and no one should ever forgo integrity or even seem that they have.

Anti-Money Laundering and Terrorist Financing Statement

RB is firmly committed to encourage highest possible standards in combating money laundering and terrorist financing activities. RB is also committed to identify money laundering and terrorist financing transactions with high level of transparency and compliance with the applicable laws, rules and guidelines issued either by Saudi Central Bank (SAMA), and the relevant international organizations.

Additionally, RB has implemented a program to combat money laundering and terrorist financing to prevent the use of the bank's branches either for retail and corporate, trade finance centers, RB products in general and its affiliates as channels of illegal activities in connection with money laundering and terrorist financing and other financial crimes activities.

This program is ensuring compliance with global requirements, including the Financial Action Task Force (FATF) recommendations, local laws as well as Saudi Central Bank (SAMA), and other regulatory requirements to prevent illegal transactions or activities.

RB has established robust AML & CTF policies and procedures grounded on local and global instructions to compact and prevent any criminal activities. The subject policies and proper controls covering several programs such as and not limited to Know Your Customer (KYC) program, monitoring customer transactions program, sanction program, training and awareness, monitoring suspicious activities & reporting procedures, and independent stress-testing program etc. Established RB AML & CTF programs reviewed and evaluated by internal and external auditors along with the periodical visits by Saudi Central Bank (SAMA).

Gifts, Benefits, and Entertainment Policy

The exchange of gifts and benefits between the bank and its stakeholders is normal in the course of business but may appear improper even if there was no unethical intent. We are committed to doing business based on our ethical standards and the value we provide to our customers and stakeholders, not on gifts or offers we give or receive, thus our policy provides clear guidance on what the bank allows for its employees to accept or give in terms of gift, benefits, favors, entertainment, etc.

We value our reputation and consider it to be an integral part of our business. We do not compromise our reputation by engaging in, or appearing to engage in, bribery or any form of corruption.

Insider Trading policy

As employees of a financial services company, we may have access to material, non-public information (MNPI) or Insider Information about our Bank, our clients and other companies. We strictly prohibit the misuse of MNPI or Insider Information used for any personal gain for employees.

We have exhorted efforts to see that controls are put in place in order to ensure that there is no misuse of information.

Conflict of Interest Policy

RB is firmly committed fiduciary obligation towards our clients and our shareholders to act in their best interest. This means we avoid and address through controls, disclosures or other appropriate steps actual, or potential conflicts of interest.

Data Privacy

In Riyad Bank we adopted rigorous security protocols, checks and policies to ensure all customer data are kept confidential and secure. We adopt strict protocols and standards to our employees and technology, to maintain data privacy and security.

Know Your Customer Programmed

RB implemented KYC procedures that established to ensure all customer information is well defined. RB required all its customers to present a valid and updated identity documents based

on the applicable requirements. RB applied the proper due diligence measures to update & verify the customer information according to the risk profile rating or in case of trigger event.

RB prevent account opening of anonymous, numbered, non-resident individual and entity in the country, and do not engage in any relationship with a shell bank.

Monitoring Customer Transactions Program

The monitoring of customer accounts activities is grounded on the identification of suspicious transactions generated by RB automated monitoring system based on the updated scenarios and trends of ML typologies, and internal procedures. This will allow the authorized officer to take the required action to ensure that the transaction is genuine. The suspicious transactions verification process comprise investigation, examination and analyzing the cases as well as identifying and taking appropriate measures regarding the AML transactions. Also, reporting the suspicious transactions to the competent authorities inside and outside the bank and applying the necessary follow-up.

RB takes into consideration rectifying the violated accounts to comply with the applicable laws and regulations, RB identify proper corrective action plans for the aforementioned accounts as well as provide and develop highly efficient programs and systems for monitoring.

Stress Testing on Anti-Money Laundering

RB has implemented risk assessment procedures of the Bank's business, products and services in order to identify and mitigate the risks may face the bank in respect of money laundering, terrorist financing. Establishing a comprehensive risk register of the AML and CTF risks that RB may expos to. In addition, RB identifying the gaps or weaknesses occurred internally and mitigate the impacts periodically.

Sanction Program

RB has implemented a proper system for the screening of transaction and customer against the names listed either by local authorities and global organizations such as UN, OFAC and EU as well as the names listed by Saudi Central Bank (SAMA). The system implemented to support RB to mitigate the risk of non-compliant in applying the instructions of sanctions lists as well as preventing the execution of illegal or non-compliant transactions or activities, and to abide with local and international requirements related to sanctioned names for either individual, entity, and related parties.

Training & Awareness

Training and awareness are one of the fundamental tools to develop a robust compliance culture and considered one of the main responsibilities of compliance. Based on RB training policy and the applicable regulations, RB provide periodic training to all employees including BoD and sub-committee, senior management and the new hires which is related to anti-money laundering and combating terrorist financing to inform them of the applicable regulations, instructions and developments relating to the field of combating money laundering and terrorist financing. In addition, providing a tailored training to the high risk and critical rolls at RB.

RB utilizes several channels that provide training and awareness such as the E-learning platform, classroom, and through SMS, RB intranet and social media.

FATCA and CRS statement

Riyad Bank (RB) has implemented Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) policies which intended to report of all RB customers, business, and employees to provide an outline of the legislative and regulatory obligations which RB must adhere in order to protect the reputation and financial position of RB and its stakeholders by ensuring the fullest extent possible of complying with the specific provisions of FATCA & CRS.

Please see FATCA GIIN No: (UG0F5P.00000.LE.682)

Anti-Bribery and Corruption and Financial Fraud Statement

Riyad Bank (RB) has implemented Anti-Bribery & Corruption, and Financial Fraud policies which intended to ensure that RB is applying a comprehensive mechanism to combat bribery, corruption and financial fraud. Moreover, set roles and responsibilities of different stakeholders in terms of combatting bribery, corruption, and financial fraud to ensure that it is subject to appropriate oversight and respective roles and responsibilities are communicated to the stakeholders among RB. In addition, the Board of Directors provide an overall oversight to the anti-bribery, corruption & financial fraud mechanisms and strategies implemented by RB and any other relevant policies.

RB established an appropriate control environment and channels for reporting of any potential bribery, corruption, and financial fraud activities through whistleblowing and applicable internal and external means, and periodic testing for the effectiveness.

Whistleblowing Statement and Tools (Violations Reporting)

Riyad Bank (RB) is firmly committed to encourage the highest possible professional and practice standards in all its businesses. To achieve this, it encourages an environment and culture in which RB parties can report all forms of non-compliant.

RB has implemented a whistleblowing policy which intended to ensure that all employees and stakeholders feel supported in speaking up in confidence and reporting matters which they suspect may involve improper, unethical or inappropriate conduct and alike within RB.

The policy is intended to enable those who become aware of wrongdoing in RB to report their concerns, so that they can be properly investigated. Reports can be made anonymously. However, if reporters put their names to allegations this policy established to protect reporters from any act of retaliatory, intimidating or threatening, and ensures that reports are examined with high level of professionalism.

The Whistleblowing form is available through **This link:**

<https://www.riyadbank.com/ar/about-us/compliance-statement/whistleblowing>

For more information about RB please refer to our official website at www.riyadbank.com.sa

For more information related to Saudi Central Bank, please visit their website at www.sama.gov.sa

Risk Management

The Bank has a sound risk culture, an enabling risk appetite and Enterprise Risk Management Framework (ERMF) to ensure a robust internal control environment and risk management in the Bank.

Risk Culture

Risk culture is one of the critical principles of the Bank's enterprise risk management to set the norms of behavior and actions around the risk management. It shapes the Bank's ability to identify, understand, assess and mitigate the current and future risks. It is ensured that that proper risk culture is embedded within the Bank.

Risk Governance

The Board of Directors has an ultimate responsibility for the Bank's strategy, governance, risk management, compliance and financial soundness. The Board of Directors has a designated risk management committee to have continuous oversight on risk management to ensure effective risk governance. The Saudi Central Bank (SAMA) and the Basel Committee have directed that the risk management function should be independent from other banking functions. To put in place an adequate operating structure to consider the risk and control, the Bank has implemented a three lines of defense approach with controls at different organizational units i.e. the operating units, other control areas and Internal Audit. The Bank's sound governance and risk management are reinforced by these three lines of defense approach, which is also an integral part of an ERMF.

Enterprise Risk Management Framework

Enterprise Risk Management (ERMF) enables the Bank to identify, measure, manage, and control its risks in addition to relating the same with capital requirements in order to ensure sustainable capital adequacy. A fully embedded ERMF covers the Bank's risk universe. It is worth mentioning that the Bank approaches the development of strategy, risk and balance sheet management and risk appetite in an integrated manner. The Bank's Capital Management Framework (CMF) is designed to meet key Stakeholders' expectations with proper focus on adequacy of the Bank's capital in relation to its risk profile.

Risk Appetite Framework

The Risk Appetite Framework (RAF) is an integral component of the Bank's ERMF and is embedded in the Bank's strategy and annual operating plan. The RAF establishes the overall approach through which the Bank ensures prudent risk-taking. It is established on the basis of best practices and outlines the process of developing a Risk Appetite Statement (RAS), governance, monitoring and reporting. The RAS is integrated with the Bank's strategic planning process and is approved by the Board on an annual basis.

In pursuit of its strategy, the Bank is exposed to various types of risks, including but not limited to credit risk, market risk, liquidity risk, operational risk, and cyber and information security risk. Strategic risk objectives, containing a full suite of quantitative metrics and qualitative statements that are defined in the Risk Appetite Framework.. The Bank also expresses risk appetite qualitatively in terms of policies, processes, procedures, and controls duly meant to manage risks that may or may not be quantifiable.

The Bank will continue to invest in risk management eco system for all key existing and emerging risks.

Stress Tests

The Bank applies "Stress Testing" to all types of risks, including all banking activities and how they can be impacted by financial and economic changes. Stress tests are simulations to test the resilience. The Bank's stress testing exercise assess the adequacy of the Bank's capital to withstand various scenarios. Risk Management monitors the stress methodologies along with underlying assumptions to ensure the efficacy of stress models. The Bank

Credit Risk

Credit risk is defined as the risk of financial loss resulting from the other party to a credit transaction not meeting (or not meeting completely) their financial obligations. Accordingly, the Bank developed various credit risk management framework and policies that encompass all financing programs to ensure the Bank minimizes the overall risk in its credit portfolio and reduces losses incurred by financing activities.

The Bank operates in accordance with a stringent framework of credit framework, policies, manuals and procedures, which are reviewed regularly, considering latest updates and regulations of SAMA, BIS and risk dynamics. Credit limits should commensurate with the level of risk. Excessive concentration of credit risk should be avoided in all dimensions in both retail and corporate exposure.

The Bank's credit rating system conforms to international standards. The Bank, while having its own credit rating system, also incorporates the ratings of external agencies in due diligence process. The credit risk assessment is executed through standardized measurement tools. This provides a comprehensive picture of the Bank asset quality. In addition, it measures the probability of default which is a prerequisite for calculating expected credit losses in accordance with new accounting standards.

The Bank's processes are constantly evolving in line with requirements of both local and international regulators. The Bank is complied with all Basel requirements in measuring the capital adequacy ratio required to cover credit risk according to the standard method (Standardized Approach).. Bank uses internal credit risk models for credit assessment. These models are validated and reviewed annual by a third party. The validation includes tests that are carried out to ensure the reliability of the results of the credit rating models and their quantitative and qualitative aspects.

BASEL III Pillar 3 Disclosures

The Basel III Committee, third pillar recommendations, requires publishing of a number of quantitative and qualitative disclosures. These are published and posted on the Bank's website www.riyadbank.com in accordance with SAMA instructions. Such disclosures are not subject to examination or review by the Bank's external auditors.

Market Risk and Liquidity

Market risk is the risk of losses resulting from fluctuations in market prices, of relevant instruments such as special commission rates, stock prices, foreign exchange rates, and any changes in the fair value of financial instruments and securities held by the Bank.

The Bank continuously measures and monitors risks pertaining to assets and liabilities resulting from fluctuations in fair values or future cash flows of financial instruments due to changes in market prices. This is achieved using risk structure, limits, and metrics approved by the Board of Directors and monitored by the Market and Liquidity Risk Management Department.

Riyad Bank Board of Directors Report

There is also a trade-off between liquidity and profitability, and an appropriate balance must be struck in all operations, while maintaining a strong liquidity position to increase customer confidence and improve the cost of funding. Additionally, periodic reports on market and liquidity risks are submitted to the Asset and Liability Management Committee and the Investments Committee. Such reports are then submitted to the Board's Risk Committee.

The Bank adopts the value at risk (VaR) standard, which is a tool to measure and quantify the level of financial risk in a Bank or a portfolio. Thereby the Bank can monitor the changes and volatility of market prices and the relationship linking these changes to one another as a basic standard for measuring market risks. Moreover, several other advanced standards are used to improve analytical capabilities in managing market risks, including liquidity, stress tests and analysis of market risk sensitivity.

The Bank continues to enhance its operations and systems to manage market and liquidity risks effectively and to implement the latest regulatory standards as per the requirements of SAMA and BIS.

Financial Crime Risks

In recent years financial crimes have emerged as a serious threat and challenge to financial institutions and their employees. Riyadh Bank realizes the gravity of such crimes and their consequences. Therefore, efforts were made to take preventive measures of a strategic nature to combat and prevent financial crimes, which helped eliminate such crimes to a great extent.

The Bank was keen and took steps on incorporating the best international practices to execute its strategy to combat and monitor suspicious transactions related to anti-money laundering and combating terrorist financing, including controls designed to combat embezzlement, financial fraud and monitor bank accounts. The Bank will continue to further strengthen the controls to prevent financial crimes.

The nature of the risks is dynamic and subject to changes with the changes in the financial environment, types of crimes, and banking industry technology. Therefore, our strategy is subject to periodic reviews and frequent updates. In addition, a risk assessment review is also carried out periodically that encompasses the functions, departments, policies, and procedures for addressing risks of internal and external fraud and determines the level and nature of those risks. Since they may pose special risks, all new financial products and services are subject to a risk assessment by control functions before they are launched.

Riyad Bank sought to raise employee awareness by launching an awareness program throughout the year to boost commitment to combating financial crimes. The customer and concerned parties play an important role in helping the Bank to detect fraud. Accordingly, awareness and ad campaigns are launched to inform customers to the forms of fraud they may face and how to report them.

Operational Risk

Operational risks is the risk of loss resulting from inadequate or failed internal processes, people and system, or from external events. These risks arise in all activities undertaken by various business and support functions. They may also arise due to risks from third party service providers. Operational risk is inherent in all of the Bank's products, activities, processes and systems. The effective management of operational risk is a fundamental element of a bank's risk management strategy.

The Bank has developed operational risk management and measurement policies, standards and guidelines. That includes, performing an independent view of the identified risks by business units and designing effective test of key controls and risk tolerance. Moreover, monitoring and report of the operation risk profile, operational risk training and raising risk awareness. Also, there is an integrated risk-based approach that is compatible with the Bank's activities that includes:

Riyad Bank Board of Directors Report

- Identifying operational risks, including emerging risks, by means of improving various tools to effectively manage operational risks
- Measuring operational risks using a standardized methodology for risk assessment in cooperation with the second line of defense departments
- Evaluating operational risks and their impact on the Bank's strategic and executive operational objectives
- Continuously monitoring the impact of operational risks to ensure that priorities are set in taking the corrective actions necessary to address risks
- Submitting periodic reports to the Executive Management, the Operational Resilience Committee, the Risk Management and Compliance Committee on important operational risk cases to obtain guidance on corrective action and approvals as needed
- Identifying and sharing leading practices with the Management and competent officers in the Risk Management
- Enhancing awareness and knowledge of different risks in the Bank.

Technology Risk

Technology risk is the emerging risk among overall operational risks. This risk is related to the adoption and certification of business technology in the Bank Business technology is considered one of the main operational elements that support the vision and mission of the Bank. Therefore, the Bank pays great attention to the risk associated with business technology, and works to limit it, to know its impact on the business, and to put in place the relevant measures and controls to take appropriate decisions to limit the impact if it occurs, by developing a policy to ensure that the technology risk is managed and handled appropriately. The Bank adopts several practices to effectively analyze and monitor risks through a variety of methods, which include:

- Define and monitor technology risk measures according to the risk tolerance framework
- Developing the technology risk register at the Bank's level to be in line with the Bank's risk register in coordination with the relevant sectors/departments
- Review points of high technology risks with documenting controls and work mechanisms, identifying potential gaps and recommending proposals for improvement and development
- Submit an annual risk assessment, control testing and annual verification plan
- Assess high-risk systems and applications in coordination with the concerned departments
- Submit periodic reports on the performance of business technology risk activities within the framework of risk tolerance to the relevant committees
- Supervise the review of all relevant technology policies to ensure the application of best practices and compliance with the requirements of SAMA

Cyber Security and Information Security Risks

The term "Cyber and information security risks" refers to risks arising from the possibility of breaching the necessary regulatory, technical and procedural measures put in place to protect the Bank's information from unauthorized access, disclosure, reproduction, as well as from use, modification, transfer, loss, theft, or misuse thereof in a deliberate and subversive, or accidental manner.

The Bank manages cyber and information security risks through a comprehensive practical framework via which governance is applied across all its information systems, practical procedures are organized, and implementation of the regulatory requirements and necessary rules is facilitated, ensuring the protection of the Bank's informational assets to reduce various cyber and information security risks. Moreover, cyber and information security legislations issued by the relevant authorities are enforced. There is direct and complete supervision of all relevant activities from the viewpoint of cyber and information security. A process of

Riyad Bank Board of Directors Report

security testing and assessments is established, and continuous monitoring of system events in correlation with cyber threat intelligence information is performed for the purpose of identifying security risks and taking necessary measures to immediately reduce/mitigate those risks

The Bank is effectively complying with the applicable regulatory directives, international standards and best practices besides constantly enhancing the awareness program to raise awareness amongst all employees, contractors, vendors and customers.

Effectiveness of Internal Controls

Riyad Bank has established an Integrated Internal Control Governance & Reporting Policy to ensure an effective internal control environment in line with the 'Guidelines on Internal Control' issued by SAMA. This policy is approved by the Board of Directors and promulgated by the Executive Management to ensure strategic goals are achieved by protecting the Bank's assets and guarantee all operations are carried out pursuant to applicable guidelines. Such controls also include the corporate governance that defines the roles and responsibilities of members of the Board and its committees.

The Executive Management and its committees, ensure that risks related to regulatory requirements, strategy, financial performance, information technology, assets and liabilities management, liquidity, credit, operations, legal affairs, information security are appropriately managed.

All stakeholders in the Bank are responsible for the efficiency and effectiveness of their respective internal control environments. This assurance is provided through periodic self-assessment reviews of processes and controls to proactively identify areas of improvement and ensure timely remediation. Additionally, independent control functions, internal and external auditors conduct reviews to ensure adequacy of the internal control environment.

The Compliance Department ensures compliance with regulatory requirements & guidelines and the Internal Audit Department assesses the adequacy and efficiency of the internal control environment by ensuring all applicable policies and procedures are implemented and practiced appropriately.

Senior Executive Management and the Audit Committee are regularly updated on the status of internal control environment and the corrective actions identified to improve its adequacy and effectiveness. They ensure timely implementation of the measures taken to mitigate the identified risks.

Final Note

The Board of Directors of Riyad Bank would like to express our sincere gratitude and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, and to His Royal Highness Prince Muhammad bin Salman bin Abdulaziz, Crown Prince and Prime Minister, for their invaluable support to the banking sector. We would also like to extend our thanks to the Ministry of Finance, SAMA, the Capital Market Authority, and the Ministry of Commerce for their continuous assistance and encouragement, which have helped us achieve constant progress.

Furthermore, we would like to commend the outgoing members of the Board, whose terms ended on October 30, 2022, for their dedicated service to Riyad Bank. We express our gratitude for their unwavering support, enthusiasm, achievements, and commitment to results, which have contributed to the Bank's growth and success. We wish them continued success in their future endeavors.

The Board also extends our warmest welcome to the new elected members of the board and wishes them the best of luck and success in achieving the bank's strategic goals. We are confident that their expertise, efficiency, and experience will enable them to contribute to translating the Bank's aspirations and vision into tangible results and prestigious achievements, making Riyad Bank "the most innovative and trusted financial solutions partner", and the best choice for our customers. We are confident that they will help us further enrich our business and expand our leadership position in the Saudi banking sector to continue our journey of success and growth.

Board of Directors