



Board of Directors Report

2021

The Board of Directors is pleased to submit to the shareholders the annual report of Bank AlJazira for the financial year ended on 31 December 2021.

Introduction

Bank AlJazira here-in-after referred to as "the Bank" or "BAJ" is a joint Stock Company incorporated in the Kingdom of Saudi Arabia and established pursuant to Royal Decree No. 46/M dated Jumada Al-Thani 12, 1395H (i.e. June 21, 1975). The Bank commenced its business on Shawwal 16, 1396H (October 9, 1976) with the takeover of the National Bank of Pakistan's (NBP) branches in the Kingdom of Saudi Arabia.

The Bank operates under commercial registration No. 4030010523 dated Rajab 29, 1396H (July 27, 1976) issued in Jeddah. The issued and fully paid up share capital of the Bank amounts to SAR 8.2 billion divided into 820 million shares of SAR 10 each.

The objective of the Bank is to provide a full range of Shari'ah compliant banking products and services to Retail and Corporate customers including: current accounts, saving accounts, Murabaha, Istisna'a, Ijarah, Tawarruq, Musharaka, Wa'ad foreign exchange, credit cards and Sukuk which are approved and supervised by an independent Shari'ah Committee.

The Bank conducts its business through the Bank's departments and branches all over the Kingdom and has no branches operating abroad.

The Bank is recognized as one of the leading Shari'ah compliant fast-growing financial institution in Saudi Arabia, which provides individuals, businesses and institutions with innovative Shari'ah compliant financial services through professional and dedicated staff.

Five-year financial highlights

The table below depicts the five-year historical financial performance of the Bank:

Financial highlights

(SAR millions, except as otherwise indicated)	2017	2018	2019	2020	2021
Financing, net	39,790	40,897	49,660	53,961	62,434
Total assets	68,287	73,003	86,544	92,089	102,827
Customer deposits	50,278	51,804	62,697	68,004	78,365
Total Liabilities	59,459	61,759	74,955	80,724	88,932
Shareholders' equity	8,829	11,244	11,590	11,364	12,020
Net income before Zakat and income tax	858	1,000	1,122	31	1,153
Net income after Zakat and income tax	830	378	991	34	1,006
Total Operating income	2,580	2,665	2,977	3,287	3,547
Net income growth (%)	13.82	(54.42)	161.98	(96.59)	2880.61
Total Operating income growth (%)	2.43	3.30	11.72	10.41	7.91
Return on average shareholders' equity (%)	9.80	3.77	8.68	0.29	8.27
Return on average assets (%)	1.23	0.54	1.24	0.04	1.03
Earnings per share (SR)	1.46	0.50	1.21	0.04	1.18

Notes:

- 1) Earnings per share and other ratios for the current and prior years have been calculated based on net income for the year after Zakat and income tax (adjusted for Tier 1 Sukuk related costs). Starting from the quarter ended June 2019 the Bank changed its accounting policy for reporting zakat and income taxes and has reported zakat and income tax through the statement of income for the year-ended 2019 and restated the year-ended 2018. Previously zakat and income tax were reported in the statement of changes in equity.
- 2) The Earnings per Share have been retrospectively adjusted for prior periods to reflect the effect of the changes in weighted average number of shares due to bonus element included in the right shares issued in 2018.

Financing, net: Totaled SAR 62.4 billion at 2021 year-end, registering an increase of 15.7% compared to SAR 54.0 billion in 2020. The Bank continued to further diversify the financing portfolio over various economic sectors and broadened the client base, thus lowering the risk of concentration.

Due from banks and other financial institutions: Total outstanding amount as at the end of 2021 was SAR 0.7 billion versus SAR 0.4 billion in 2020. This is a short-term activity and represents the day to day liquidity / cash flow management.

Investment Book: The investment portfolio comprises of Sukuks, investment in equities and mutual funds. Total portfolio at 2021 year-end was SAR 31.4 billion versus SAR 29.9 billion in 2020, an increase of 5.1%. This increase is mainly due to additional investment in government Sukuks.

Total Assets: Total assets amounted to SAR 102.8 billion at the end of 2021, as compared to SAR 92.1 billion in 2020, representing an increase of 11.7% over the previous year.

Customer Deposits: Customer deposits increased by 15.2% to SAR 78.4 billion as at the end of 2021, compared to SAR 68.0 billion in 2020. The increase is mainly due to increase in customers' time investments by 29.8 % from SAR 28.5 billion to SAR 37.1 billion. In addition there is an increase of SAR 1.1 billion in demand deposits and SAR 0.7 billion in saving deposits.

Total Liabilities: Amounted to SAR 88.9 billion as at the end of 2021, compared to SAR 80.7 billion in 2020, representing an increase of 10.2% over the previous year.

Geographical analysis of income:

The bank realizes its operational income from its activities in the Kingdom of Saudi Arabia and has no branches operating abroad. The table below depicts region-wise analysis of the total operating income of the bank. The operating profit of Bank AlJazira includes the operational income of AlJazira Capital (100 % subsidiary of the bank) which amounted to SAR 311 million as of the end of for 2021.

	SAR '000			2021
Regions	Central	Eastern	Western	Total
Total Groups Operating Income	1,206,690	326,012	2,014,463	3,547,165

Main Business Segments

The Bank's activities consist mainly of the following business lines:

Personal banking	Deposit, credit and investment products for individuals.
Corporate banking	Financing, deposits and other credit products for corporate, small to medium sized business and institutional customers.
Treasury	Treasury includes money market, foreign exchange, trading and treasury services.
Brokerage and asset management	Provides shares brokerage services to customers (this segment includes the activities of the Bank's subsidiary AlJazira Capital Company).
Others	Others include investment in associate, inter segment income and expense eliminations and gain on sale of other real estate.

The table below depicts total operating income, total operating expenses, and net profit before Zakat and income tax for each operating segment:

	(SAR '000)					
2021	Personal Banking	Corporate Banking	Treasury	Brokerage and Asset Management	Others	Total
Total operating income	1,912,639	680,043	861,750	311,223	(218,490)	3,547,165
Total operating expenses	(1,141,760)	(984,484)	(140,859)	(177,629)	3,364	(2,441,368)
Share in net income of associates	-	-	-	1,144	6,866	8,010
Net income/(loss) before Zakat and income tax	770,879	(304,441)	720,891	134,738	(168,870)	1,153,197

Subsidiaries and Associates

The following table summarizes the names of subsidiaries/associate, their share capital, the Bank's holding percentage, their main business, their principal country of operation and country of incorporation as at 31st December 2021:

Subsidiaries / Associate	Country of incorporation	Country of operation	Nature of business	Share Capital	Ownership
Subsidiaries:					
AlJazira Capital Company (Closed Joint-Stock Company)	Saudi Arabia	Saudi Arabia	Brokerage and asset management	SAR 500 million	100%
Aman Development and Real Estate Investment Company (Limited-Liability Co.)	Saudi Arabia	Saudi Arabia	Holding and management of real estate collaterals on behalf of the Bank	SAR 1 million	100%
Aman Insurance Agency Company (Limited Liability Co.) [under liquidation – note (a) below]	Saudi Arabia	Saudi Arabia	Acting as an agent for bancassurance activities on behalf of the Bank	SAR 500 Thousand	100%
AlJazira Securities Limited (Limited Liability Co.)	Cayman Islands	Saudi Arabia	Carry out Shari'ah compliant derivative and capital market transactions	Authorized capital: USD 50,000 Paid up capital: USD 100	100%
BAJ Sukuk Tier 1 Limited (Limited Liability Co.) Limited Liability Co.)	Cayman Islands	Saudi Arabia	Trustee for issuance of Tier 1 Sukuk certificates	Authorized capital: USD 50,000 Paid up capital: USD 250	100%
Associate:					
AlJazira Takaful Ta'awuni Company (Listed Joint-Stock Company)	Saudi Arabia	Saudi Arabia	Shari'ah compliant protection and saving products	SAR 550 million	26.03%

The issued share capital of AlJazira Capital Company amounts to SAR 500 million divided into 50 million shares of SAR 10 each. The issued share capital of Aman Development and Real Estate Investment Company amounts to SAR 1 million divided into 100 shares of SAR 10,000 each. The issued share capital of Aman Insurance Agency Company amounts to SAR 500,000 divided into 50,000 shares of SAR 10 each. The authorized capital of AlJazira Securities Limited amounts to USD 50,000 and its paid-up capital is USD 100 divided into 100 shares of USD 1 each. The authorized capital of BAJ Sukuk Tier 1 Limited amounts to USD 50,000 and its paid-up capital is USD 250 divided into 250 shares of USD 1 each. The issued share capital of AlJazira Takaful Ta'awuni amounts to SAR 550 million divided into 55 million shares of SAR 10 each.

The Bank confirms that there were no debt securities in issue for any of these subsidiaries.

Note (a) Subsequent to the year ended 31 December 2020, the Aman Insurance Agency Company (the Company) applied for its license renewal from Saudi Central Bank ("SAMA"), however, it was refused, as SAMA had issued Rules governing bancassurance activities during May 2020 which require the banks to carry out Bancassurance business directly. This as a result has restricted the ability of the Company to carry out business activities and therefore, management of the Company has decided to initiate the winding up procedures which are in process as at 31 December 2021.

Bank's Profitability and growth of financial assets and liabilities

The Bank has recorded a net income before zakat and income tax of SAR 1,153.2 million for the year ended December 31, 2021. This represents an increase of SAR 1,122.0 million compared to SAR 31.2 million for the financial year 2020. The net profit after zakat and income tax for the year ended December 31, 2021 was SAR 1,006.1 million. This represents an increase of SAR 972.3 million compared to SAR 33.8 million for the financial year 2020. Net income has increased by SAR 972.3 million mainly due to a decrease in net impairment charge for financing and other financial assets by SR 951.2 million and increase in operating income. Net impairment charge for financing and other financial assets for the year ended December 31, 2021 was SAR 624.6 million compared to SAR 1,575.7 million in the previous year, representing a decrease of 60.4%.

Total operating income of the Bank has increased by 7.9% during the current year. This increase in operating income is mainly due to increase in net financing and investment income by SAR 234.7 million, or 9.8% from SAR 2,390.3 million to SAR 2,625.0 million, net gains on derecognition of financial assets measured at amortised cost by SAR 93.4 million from SAR 2.1 million to SAR 95.5 million, net fees from banking services by

SAR 31.0 million, or 5.1% from SAR 607.5 million to SAR 638.5 million and net gains on derecognition of financial assets measured at FVOCI by SAR 9.6 million, or 203.3% from SAR 4.7 million to SAR 14.3 million. This increase was partially offset by decrease in net exchange income by SAR 67.6 million, or 28.2% from SAR 240.2 million to SAR 172.6 million, net gain on FVIS financial instruments by SAR 21.4 million, from a gain of SAR 9.8 million to a loss of SAR 11.6 million and other operating income by SAR 20.3 million, or 62.6% from SAR 32.4 million to SAR 12.1 million.

On the other hand, total operating expenses without impairment charge increased by SAR 73.4 million or 4.3% from SAR 1,696.4 million to SAR 1,769.9 million mainly due to increase in other general and administrative expenses which have increased by SAR 72.7 million, or 16.9% from SAR 429.9 million to SAR 502.6 million.

Earnings per share were SAR 1.18 for the year ended 31 December 2021 against SAR 0.04 for the financial year 2020.

Total assets were SAR 102.8 billion as of 31 December 2021, compared to SAR 92.1 billion at 31 December 2020, an increase of 11.7% or SAR 10.7 billion. Net financing to customers amounted to SAR 62.4 billion at 31 December 2021, an increase of SAR 8.5 billion, or 15.7%, from SAR 54 billion at 31 December 2020. The Bank's investment portfolio totaled SAR 31.4 billion at 31 December 2021, an increase of SAR 1.5 billion or 5.1 % compared to SAR 29.9 billion at 31 December 2020. Total liabilities were SAR 88.9 billion at 31 December 2021, compared with SAR 80.7 billion at 31 December 2020, an increase of 10.2 % or SAR 8.2 billion. Customer deposits totaled SAR 78.4 billion at 31 December 2021, an increase of SAR 10.4 billion, or 15.2%, compared to SAR 68.0 billion at 31 December 2020. Subordinated Sukuk (without transaction costs) totaled SAR 2.0 billion at 31 December 2021 compared to SAR 2.0 billion at 31 December 2020.

Borrowings and Sukuk in issue

In the course of normal business practices, the Bank exchanges borrowings and funds with other banks and SAMA, in accordance with the profit rates prevailing in the market and are appropriately disclosed in the consolidated financial statements of the Bank.

SAR 1,875 million (denominated in US Dollars) Perpetual Tier 1 Sukuk

During financial year 2021, the Bank through a Shariah compliant arrangement issued cross border Tier 1 Sukuk, amounting to SAR 1.875 billion (denominated in US Dollars). This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank.

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sakk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk agreement.

The applicable profit rate is 3.95% per annum from date of issue up to 2026 and is subjected to reset every 5 years. The applicable profit on the Sukuks is payable semi-annual in arrears on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

This Sukuk has been treated as "Equity" instrument in line with the requirements of IAS 32 and shown as part of total equity in the consolidated financial statements of the Bank.

SAR 2,000 million 10-year subordinated sukuk (Tier 2 Sukuk)

On December 08, 2021, the Bank issued 2,000 Subordinated Sukuk Certificates (Sukuk) of SR 1 million each, with a profit distribution rate based on 6 month Saudi Inter-Bank Offered Rate (SIBOR), reset semi-annually in advance, plus a margin of 155 basis point per annum and payable semi-annually in arrears on December 08 and June 08 each year until December 08, 2031, on which date the Sukuk will expire. The Bank has a call option which can be exercised on or after December 08, 2026 on meeting certain conditions and as per the terms mentioned in the related offering circular. The Sukuk may also be called upon occurrence of certain other conditions as per the terms specified in the offering circular. These Sukuk are registered with Saudi Stock Exchange (Tadawul).

As at As at 31 December 2021

	SAR'000
SAR 2,000 million 10-year subordinated sukuk	2,000,000
Total	2,000,000

Note: In the financial statements the amount has been shown net of transaction costs in line with IFRS requirements

Further during the financial year 2021, as per the terms mentioned in the related offering circular and on meeting certain conditions, the Bank on 9 May 2021 exercised its call option for settlement of Subordinated Sukuk Certificates. The Subordinated Sukuk Certificates were issued on 2 June 2016, having 2,000 Sukuk Certificates (Sukuk) of SR 1 million each, with a profit distribution rate based on 6 month Saudi Inter-Bank Offered Rate (SIBOR), reset semi-annually in advance, plus a margin of 190 basis point per annum and payable semi-annually in arrears on 2 June and 2 December each year.

Borrowing from Banks and other financial institutions

Total outstanding at the end of 2021 were SAR 6.4 billion versus SAR 8.5 billion in 2020, lower by 24.9%. This is a short-term activity and represents day to day liquidity / cash flow management.

Disclosure of details of the treasury Shares held by the Bank and details of uses of these Shares

The Bank does not hold treasury shares.

Staff Benefits and Schemes

To be in line with the supervisory directives issued by SAMA and the principles of the Financial Stability Board (FSB), the bank is conducting a periodic researches to ensure consistency of compensation structure of the employees which is being submitted to be revised by the Nomination and Remuneration Committee.

Compensation and benefits levels and amounts are determined by conducting periodic research that includes salary benchmark surveys and through other means of market pay intelligence, in order to enable Bank to keep abreast of the local and regional market conditions relating to bank staff employed in the Kingdom, which are contrasted to cyclical performance levels, and mitigated for any associated risks.

The distribution of compensation is composed of a pay mix of fixed and variable pay, allowances, periodic reward schemes and non-cash benefits in line with the standards and norms for the financial services industry in the Kingdom of Saudi Arabia.

According to the Labor Law of the Kingdom of Saudi Arabia and the Bank's internal policies, staff end of service benefits are due for payment at the end of a staff service period.

The total accrued amount of End of Service Benefits outstanding at the end of December 2021 totaled SR SR 289.3 million.

Key Risks faced by the Bank

Bank AlJazira (BAJ) has adopted a robust, transparent and prudent approach towards Risk Management and thus continues to invest into building an infrastructure that is able to proactively identify, assess, measure and control the risks the Bank is faced with on an Enterprise Wide basis. As a core risk management practice, the management keeps a close track of the top and emerging risks that are expected to emanate and challenge not only the International economies and financial markets but also their ripple effects on the Saudi Economy and thus the Financial Industry.

Some of the most prominent national and global issues, opportunities and considerations are as follows:

- According to the IMF's World Economic Outlook Update, strong recoveries in consumer spending and business investment would lead to a global economy growth by 5.9% in 2021 and 4.9% in 2022.
- As reported by OPEC, oil demand registered a robust increase in the first half of 2021. This is expected to lead to a global economy's recovery that is estimated to result in yearly and quarterly increases in oil consumption.
- The strong recovery in oil GDP along with the robust expansion in the non-oil sector would lead to a growth in 2021 economy. The Public Investment Fund (PIF) is expected to continue to provide additional stimulus to the KSA economy.
- The growing contribution of the non-oil sector to overall GDP is an outcome of economic diversification reforms, and the reopening of the economy will assist non-oil GDP growth. According to recent reports, certain activity in Saudi Arabia has already exceeded pre-COVID levels.
- Saudi Arabia's balance of payment position is expected to improve and strengthen over the medium term. This will be fueled by a rebound in oil exports and an increasing share of non-oil exports, as well as higher tourist receipts and both direct and portfolio investments.
- Despite the slowdown in economic activity during 2021, quarterly data highlighting declines in Saudi unemployment and higher female labor participation rates reflect some of the measures that the government has undertaken in supporting the non-oil economy and addressing imbalances in the labor market. Employment growth will be supported by the recovery in 2022, which will be led by both the oil and non-oil industries, as well as government efforts.
- The Financial Sector Development Program (FSDP), one of the 12 Vision Realization Programs, has seen significant development in critical areas. SME lending, capital markets, and digital banking and financial services have all seen remarkable progress.

1. Maintenance of Capital Adequacy:

Management ensured that the Bank continues to maintain adequate levels of quality capital, allowing it to support and maintain the envisaged growth in Risk Weighted Assets (RWA) and also meet the regulatory capital adequacy expectations. In this regard, the Bank has implemented a well thought out capital enhancement strategy, which takes into consideration the underlying advantages, limitations, cost of capital generation and implementation timelines.

In its endeavor to fortify the Bank's capital position, the management continues to remain vigilant and has strategized optimal scenarios which would ensure not only the quantity of capital but also the quality of the capital whilst meeting the regulatory expectations.

2. Liquidity Management:

One of the key risks emanating from the recent global events and their impact on the regional and local financial markets has been the generation of liquidity / funds at a cost that does not outweigh the inflow of economic benefits derived from the financed assets. BAJ's management is cognizant of its liquidity requirements after taking into consideration the current and planned business requirements. Therefore, the Bank has put in place a robust liquidity management framework which ensures a proactive identification of current and assessed liquidity requirements and gauges the same against the cost of such liquidity. The Bank's ALCO team remains focused on ensuring that funding / liquidity remains at reasonable costs while providing the Bank an opportunity to finance the growth of high yielding assets. The Bank has also implemented a comprehensive ILAAP (Internal Liquidity Adequacy Assessment Process) regime in accordance with regulatory mandate. ILAAP primarily focuses on the Bank's Liquidity Risk Assessment, Governance structure, associated strategies and contingency arrangements to deal with liquidity events.

3. Asset Quality:

The Bank has given due focus to ensure that the quality of assets, across its lines of business remains of a satisfactory quality, thus rationalizing any unwarranted classifications, provisioning and / or write-offs. The Bank has generally remained selective across all business segments and has approached its target customer segments with a well-defined approach based on:

- A clearly spelled out Credit Policy.
- Well defined Target Market, and Risk Acceptance Criteria
- identified industry segments in terms of risks, rewards, regulatory requirements and their performance trends.
- Risk Appetite Framework to ensure risk associated with a particular Business line is duly reflected in the underlying Risk Appetite Matrices to be monitored, reviewed and reported in accordance with Board approved limits.
- Maintenance of a Target Obligor Risk Rating across its business segments and portfolios to ensure that the same supports the planned asset quality growth, probability of default and cost of credit estimates. The Bank has implemented IFRS-9 through a structured approach to adopt IFRS-9 Expected Credit Losses (ECL) framework in line with the regulatory mandate. The Bank has vigilantly monitored the Liquidity Risks in light of emerging situation because of COVID-19 Pandemic and taken the necessary actions to mitigate potential liquidity shortfall for the Bank.

Market Risk Management

The Bank's willingness to accept risk is influenced by various factors including market volatility, business direction, macroeconomic and subjective factors. This is managed and contained through relevant market risk limits and policies governed under the approved risk management framework and regulatory compliance. The Bank continuously monitors its market risk by quantifying its capital requirement, profit rate risk, currency risk and by ensuring that its Treasury Business operates within its respective limits. Market Risk is subject to the following drivers:

- Maximum Cumulative Outflow of the Balance Sheet.
- Economic Value of Equity (EVE) and Stressed EVE (Δ EVE)
- Liquid Assets Ratio (SAMA Liquidity Ratio).
- Net Stable Funding Ratio (NSFR)
- Liquidity Coverage Ratio (LCR)
- Loan-to-Deposit Ratio (LDR)
- Concentration of Funding Sources
- Market Risk Factors

Market Risks

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

Management of Market Risks

Delegated by the Board, the Market Risk Policy Committee (MRPC) is responsible for the policies, limits and controls used in managing market risks. The Bank has an approved Market Risk Policy and Treasury Limits Package that clearly defines policies, procedures, and limits of market risk exposures.

The primary objective is to manage volatility in earnings and highlight the market risk and liquidity risk profile to Senior Management, Management Risk Committee, Asset and Liability Committee (ALCO), Board Risk Committee (BRC), the Board of Directors and SAMA.

Foreign Exchange Risks

Foreign Exchange risk is the risk that financial assets that are denominated in foreign currency lose value, or financial liabilities that are denominated in foreign currency gain value. The MRPC has set limits on Net Open Positions by currency. There are limits for USD, Other G10 Currencies, GCC Currencies, and currencies in other regions. The Bank has negligible exposure in foreign exchange because its assets and liabilities are mainly denominated in Saudi Riyals (SAR) and to a limited extent in United States Dollars (USD) or in USD-pegged currencies.

Equity Price Risk

Equity price risk refers to the risk of a decrease in fair values of the Bank's investments in equities. The Bank's portfolio of securities is regularly marked to market and positive/ negative changes are taken into the Bank's equity or income statement.

Capital Treatment for Market Risk

Bank AlJazira computes the minimum capital requirements against market risk using the Standardized Approach. The capital serves as a financial buffer to withstand any adverse market risk movements. Profit rate risk and liquidity risks are covered under BASEL Pillar 2 risk assessments which are the primary risk factors experienced in the Bank's activities.

Stress Testing

The Bank performs Stress Testing semi-annually to further evaluate potential losses. By evaluating the size of the unexpected losses, the Bank is able to understand the risk profiles and potential exposures to unlikely but plausible events in abnormal market conditions using multiple scenarios, and undertake the appropriate measures. Given the current economic environment, a broad spectrum of scenarios including liquidity and impact on sources of funding are considered in line with applicable regulatory guidelines. These scenarios are updated and may be redefined on an ongoing basis. The Stress Test results are reported to Senior Management, Board Risk Committee, Management Risk Committee, the Board and SAMA to facilitate and manage risk resilience with more transparency.

Liquidity Risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up. To mitigate this risk, management actively pursues the diversification of funding sources, assets are priced taking liquidity into consideration while the Bank maintains an adequate balance of cash and cash equivalents. The recent global financial crisis has resulted in a significant change in the regulation and supervision of liquidity risk in financial institutions. Arising from the Basel III liquidity risk management requirements, two ratios are used to manage liquidity risks: Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Liquidity Risk Management Approach

In terms of day-to-day liquidity management, Treasury Business Group ensures sufficient funding is available to meet the Bank's payment and settlement obligations on a timely basis. The process of managing liquidity risk also includes:

- Maintaining a sufficient amount of unencumbered high quality liquidity buffer as a protection against any unforeseen interruption to cash flow;
- Managing short term and long term cash flows via maturity mismatch report and various indicators;
- Monitoring depositor concentration at Bank level to avoid undue reliance on large fund providers;
- Diversifying funding sources to ensure proper funding mix which is also considered as part of Contingency Funding Plan (CFP) and tested on a regular basis;
- Ensuring that regulatory ratios such as SAMA Liquidity Ratio, LCR and NSFR are maintained above the required levels.
- Conducting regular liquidity stress testing under various scenarios as part of prudent liquidity planning to examine the effectiveness and robustness of the liquidity plans.
- Instituting ILAAP (Internal Liquidity Adequacy Assessment Process) regime in accordance with regulatory mandate to focus on the Bank's Liquidity Risk Assessment.

All liquidity policies and procedures are governed by the Market Risk Policy Manual which is subject to review and approval every year by the Market Risk Policy Committee. In accordance with Banking Control Law and the regulations issued by SAMA, the Bank maintains a statutory deposit with SAMA equal to 7% of total demand deposits and 4% of customers' time deposits. In addition to the statutory deposit, the Bank also maintains liquid reserves of no less than 20% of its deposit liabilities in the form of cash and liquid assets which can be converted into cash within a period not exceeding 30 days. The bank is currently holding an investment portfolio, with a large portion of it comprising of SAMA Floating Rate Notes and Government Sukuk. This portfolio is considered high quality and liquid with availability of funding (up to 85-100% depending on instrument) through SAMA's repo window.

Operational Risks

Introduction

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Operational risk has an enterprise wide presence and can arise from any activity within the Bank.

Management of Operational Risks

The Operational Risk Framework is designed to establish an effective association between the risk management and the risk owners represented by various Business & Support groups within the Bank. Business & Support groups are responsible to manage the activities and risks within their respective groups, however processes have been established to involve the Operational Risk Management Division (ORMD) to facilitate risk identification, measurement, assessment and control.

In preparation for and before commencing the risk identification and assessment activity across the Bank, a comprehensive Risk Profiling program is being carried out involving management, risk champions and respective risk owners.

Assessment of risks and categorizing them into levels of significance is conducted in consultation with business/ support groups to draw their attention to risks that require management consideration.

The tools used to manage and monitor operational risks are as follows:

Risk & Control Self-Assessment (RCSA)

Risk & Control Self-Assessment (RCSA) is a tool used to monitor the performance of controls within a process. A risk register with controls is maintained and updated regularly on an ongoing basis. The RCSA review cycle involves discussions with the business/ support groups and periodic submissions to the Management Risk Management Committee (MRC) to seek directions on risk acceptance and treatments including decision for taking actions to review and to improve the control environment.

The Bank's comprehensive RCSA program involves facilitation of workshops by ORMD to identify risks and control within each business and support function level. The controls are periodically assessed to ensure the processes are functioning as per the design.

The Bank has also established a Policy and Product Review Committee to oversee the development of new or existing policies and products. Responsibility of the committee is to challenge the policy or product owners on various aspects of risks to ensure they are adequately addressed before operationalization.

Key Risk Indicators (KRIs)

Key Risk Indicators (KRIs) are a metric to measure how risky a process is through early warning signals developed to indicate increasing risk exposures within the enterprise. KRI provides a trend of risk exposure by comparing it against the thresholds defined and accepted by the Bank.

KRIs for business and support groups are defined through workshops and periodically monitored by ORMD. Trends highlighting risk exposures over the defined thresholds are analyzed and discussed with respective business or support groups to develop appropriate corrective action plans.

Loss Data Management (LDM)

Loss Data Management is a centralized process to methodically record loss incidents occurring in the Bank to enable analysis of control failures and ensure such incidents do not recur.

The Bank has established an internal loss data collection process through which incidents are reported to ORMD for the purpose of recording and further management reporting. A comprehensive Loss Database from 2013 till date is maintained by ORMD.

Business Continuity Management (BCM)

The bank has developed and maintained a full-fledged Business Continuity Management (BCM) program that focuses on the continuity and recovery capabilities of key processes and assets. The program is structured based on international standards, best practices and SAMA requirements and its scope extends to include:

- Crisis Management and Response
- Safety and Security
- People Continuity
- Business Recovery
- IT Disaster Recovery

The bank's BCM program is ongoing and is regularly reviewed by internal and external stakeholders. These features enhance the Bank's readiness and the capabilities to respond and manage adverse events. The results are minimized negative impacts, enhanced performance and reputation, and compliance with regulatory requirements.

Anti-Fraud Management Program

The Bank has implemented a comprehensive Anti-Fraud Risk Management framework in line with SAMA guidelines and international best practices. The Anti-Fraud Risk Management framework has addressed the following aspects:

- Reviewed the Anti-Fraud Governance structure and associated strategy across the Bank, and ensured that Anti-Fraud Strategy is aligned with the bank's strategy.
- Developed, reviewed and updated Anti-Fraud policy and procedures.
- Conducted bank-wise Fraud Risk Assessments along with risk assessments for bank's policies, products and services from fraud risk perspective.
- Developed a fraud awareness program for customer and employees.
- Implemented a comprehensive Fraud Prevention and Detection solution across the bank.

Outsourcing

Complying with SAMA regulations on outsourcing, the Bank has a dedicated department handling outsourcing and supplier activities. ORMD is involved in reviewing agreements related material outsourcing of banking activities. This involves a diligent review of operational risks and business continuity requirements that are associated with the outsourced activity.

Measurement of Operational Risk (OR) Capital Charge

Operational Risk capital charge is calculated using the Basic Indicator Approach (BIA) as per SAMA and BASEL III regime. The BIA for operational risk capital charge calculation applies an alpha (15%) to the average of positive gross income that was achieved over the previous three years by the Bank. The Bank will be migrating from BIA to the approach recommended by BCBS (Basel Committee on Banking Supervision) through its "Basel III – Finalizing post-crisis reforms" document issued in December 2017 and subsequent SAMA guidelines. The Bank is in the process of finalizing a project plan to adopt the new approach as per the timelines suggested by the regulator. The Bank will continue to collect loss data and map it against the business lines to establish a comprehensive Internal Loss data history before migrating to the new methodology subject to receiving SAMA's final guidelines on the same.

Capital Adequacy under BASEL II and BASEL III

The Saudi Central Bank (SAMA) has been at the forefront of ensuring that the Saudi Banking Sector adopts and implements the best practices that Bank for International Settlements (BIS) proposes and has accordingly issued various guidelines to that effect. As per SAMA guidelines, BASEL III became effective January 1, 2013 and has brought significant amendments to the computation of regulatory capital and Pillar I risk weighted assets. Furthermore, the Pillar II and Pillar III requirements have also undergone an enhancement under this revised framework.

During 2017, Basel Committee on Banking Supervision (BCBS) issued comprehensive reforms to the existing Basel III framework.

These new reforms seek to restore credibility in the calculation of Risk Weighted Assets (RWAs) and improve the comparability of bank's capital ratios. BCBS reforms seek revision to the standardized approaches for calculating Credit Risk, Market Risk, Credit Valuation Adjustment (CVA) and Operational Risk to bring about greater risk sensitivity and comparability. Constraints on using internal models aim to reduce unwarranted variability in banks' calculations of RWAs.

RWAs are an estimate of risk that determines the minimum level of regulatory capital a bank must maintain to deal with unexpected losses. A prudent and credible calculation of RWAs is an integral element of the risk based capital framework. With the foregoing in mind, the Bank therefore, monitors the adequacy of its capital using standards and their underlying ratios as set and enforced by SAMA. The Bank's Internal Capital Adequacy Assessment Process (ICAAP) is designed to capture capital requirements for Pillar-II risks, on an as-is and forward looking basis while taking into consideration the Bank's current exposures and future growth plans. The ICAAP also assesses the resilience of the Bank's business and capital models under various levels of plausible and severe stress scenarios. Based on the Pillar II framework and on a fully consolidated basis, it reflects a risk centric and realistic approach to the assessment of BAJ current and planned capital requirements.

The capital adequacy disclosures have been prepared in accordance with the Basel disclosure guidelines, as issued by SAMA from time to time and as applicable to the Bank.

As an additional requirement since 2018, the Saudi Central Bank (SAMA) requires that Banks develop the Internal Liquidity Assessment Plan (ILAAP) document. The purpose of the ILAAP is to inform the Board of the Bank as well as the regulator of an assessment of the Bank's liquidity risks and the impact on regulatory requirements and capital, where relevant.

ILAAP is a tool that enables the Bank to systematically assess its liquidity requirements given its strategies, business plans, risks and policies. The Bank duly follows ILAAP guidelines and complies with regulatory guidelines in this regard.

Accounting Standards

The Bank maintains proper books of accounts and records in an accurate manner. The consolidated financial statements have been prepared in accordance with 'International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA); and in compliance with the provisions of Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Bank.

The accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2021 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020. Based on the adoption of new standards, interpretations and amendments and in consideration of current economic environment, certain accounting policies as disclosed in the consolidated financial statements are applicable effective January 1, 2021 replacing, amending or adding to the corresponding accounting policies set out in 2020 annual consolidated financial statements.

Appointment of External Auditors

The External Auditors are responsible for the annual audit and quarterly review of the bank's financial statements. The Bank's Annual General Meeting held on 29 April 2021 (corresponding to 18/09/1442) approved the recommendation of the Board of Directors and the Audit Committee to re appoint Price Water House Coopers and appoint Ernest & Young (EY) as the external Auditors of the Bank for the financial year ended 31 December 2021.

Statutory Payments

The statutory payments paid by the bank in the year 2021 consisted mainly from zakat, taxes and amounts payable to GOSI as staff contributions. The following table includes details of such payments.

The Bank has made the following payments during 2021 in respect of the mentioned captions:

Type of Statutory Payments	SAR in million
Zakat (related to 2020)	6.21
Income Tax (related to 2020)	0.05
Value Added Tax , Withholding Tax & Real Estate Transaction Tax	116.90
Zakat, VAT, WHT for previous periods *	91.71
GOSI (including Bank and the employees)	80.77
Visa, Iqama and related services, etc.	5.52

The bank announced on 20 December 2018 that it has agreed with Zakat, Tax and Customs Authority on the settlement of zakat liabilities due for the previous periods up to the end of the fiscal year 2017 against payment of SAR 551 million. An advance payment of this settlement (20%) has been paid in 2018, and the balance will be paid on five equal instalments within five years commencing on 1 December 2019G and ending on 1 December 2023G (3rd instalment of SAR 88.2 million was paid in 2021).

*This amount includes SAR 88.2 million as 3rd instalment of the agreement made with Zakat, Tax and Customs Authority for settlement of Zakat assessments payable for the previous years up to the end of the fiscal year 2017.

Penalties, fines and Regulatory Restrictions

The bank acknowledges its full commitment to enforce all banking instructions and systems and the regulatory rules and regulations issued by the supervisory authorities in the conduct of its daily business. The following tables reflect details of the penalties imposed against the bank:

Saudi Central Bank penalties

Subject of violation	2020 Fiscal year		2021 Fiscal year	
	Number of Penalties	Total amount of Penalties SAR	Number of Penalties	Total amount of Penalties SAR
Violation of SAMA supervisory instructions	13	3,416,000	15	3,320,500
Violation of SAMA instructions for protecting customers	2	2,393,000	2	332,000
Violation of SAMA instructions related due diligence	Nil	-	Nil	-
Violation of SAMA instructions regarding the level of performance of ATMs and point of sale machines	Nil	-	Nil	-
Violation of SAMA instructions for due diligence in Anti money laundering and the financing of terrorism	1	400,000	3	1,780,000

The fines imposed on the bank during the year 2021, and issued by Saudi Central Bank are subject to correction, and preventive measures have been taken to avoid their occurrence in the future.

Other Penalties, fines and Regulatory Restrictions

Some Municipalities and other government related entities have imposed fines on the Bank with a total of SAR 183.29 thousand during 2021 most of them are related to the municipalities regulations in regard to the Bank ATMs and branches as specified below, The Bank has taken care to enhance the handling of various aspects of regulations:

Name of Authority	000 SAR
GOSI	21.09
Royal Commission for Jubail and Yanbu	2.00
Al-Ahsaa Municipality	1.00
Al-Madinah Al-Munawarah Municipality	2.10
Jeddah Municipality	22.20
Riyadh Municipality	88.80
Jizan Municipality	46.10
Total	183.29

Related Party Transactions

In the ordinary course of its activities, the Group transacts business with related parties. In the opinion of the management and the Board of Directors, the related party transactions are conducted on approved terms on an arm's length basis. The related party transactions are governed by the limits set by the Banking Control Law and regulations issued by Saudi Central Bank (SAMA).

The balances as at December 31, 2021 resulting from such transactions included in the consolidated financial statements are as follows:

	2021 SR' 000	2020 SR' 000
Subsidiary companies		
Investments	501,480	501,480
Customer deposits	13,937	14,271
Due from banks and other financial institutions	1,331,550	698,548
Due to banks and other financial institutions	290,658	289,148
Receivables	175,999	155,320
Payables	16,341	41,055
Commitments and contingencies	530,247	530,247
Notional values of outstanding shari'ah compliant contracts	4,271,339	2,707,585
Associate and affiliate entities with significant influence		
Investments	211,143	164,136
Customer deposits	87,223	303,056
Accrued expenses payables	-	5,400
Accrued fee receivable	-	5,400
Contingencies and commitments	7,280	-
Directors, key management personnel, other major shareholders and their affiliates		
Financing	441,221	31,788
Customers' deposits	5,341,214	3,488,360
Contingencies and commitments	6,948	2,920

Other major shareholders represent shareholdings of more than 5% of the Bank's issued share capital.

Mutual Funds under subsidiary's management	2021 SR' 000	2020 SR' 000
Investments	255,823	251,244
Customers' deposits	519,901	47,049
Receivables	214	-

Income, expenses and other transactions with related parties included in the consolidated financial statements:

	2021 SR' 000	2020 SR' 000
Income from investments and financing	77,559	57,631
Return on deposits and financial liabilities	180,620	201,357
Fees income	2,537	6,813
Fee expense	9,053	4,846
Net share of expenses to associate	-	5,400
Insurance premium	50,329	49,860
Surplus distribution received from associate	-	957
Claims received	32,277	25,290
Directors' remuneration	8,134	8,014
Income under shared service agreements	3,391	3,391
Reimbursement of expense to a subsidiary	37	78
Reimbursement of building related expense	6,971	7,591
Rent expense for branches	768	704
Sale of sukuk to an associate	-	22,353
Dividend paid	7	-
Participation in DMO sukuk auction for an associate	99,251	-
Face value of bonus shares received	20,649	-
Value of reserves and liabilities transferred to ATT for old Insurance portfolio	-	53,552

Total amount of remunerations paid to directors and key management personnel during the year:

	2021 SR' 000	2020 SR'000
Short-term employee benefits	105,480	115,088
Termination benefits	39,314	38,942

Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The contracts and transactions between the Bank and AlJazira Takaful Ta'awuni Company (AJT) in the year 2021 amounted to SAR 202.6 million. Whereas, a member of the Board of Directors of the Bank, Engr. Abdulmajeed bin Ibrahim Al-Sultan, has an indirect interest in these because he is also a member of the Board of AJT. Also, Mr. Khalid Al-Othman, being the head of Retail Banking Group at Bank AlJazira and the Deputy Chairman of the Board of Directors of AlJazira Takaful Ta'awuni Company:

(SAR '000)

Nature of Contract	Period of the Contract	Transaction amount in 2021
Personal Dinar Insurance Policy	One Year	21,520
Mortgage Insurance Policy	One Year	25,939
Group Life Insurance Policy	One Year	2,263
Staff Credit Cover Policy	One Year	607
Return on time deposits investments	Dealings	41
Claims received	Dealings	32,276
Dividend paid	Dealings	7
Participation in Sukuk auction for AJT	Dealings	99,251
Face value of bonus shares received	Dealings	20,649
Total		202,553

The contracts and dealings between the Bank and AlJazira Capital (AJC) in the year 2021 amounted to SAR 30.5 million. Whereas, a member of the Board of Directors of the Bank, Mr. Naif Al-Abdulkareem, has an indirect interest in these because he is also a member of the Board of AJC:

(SAR '000)

Nature of Contract	Period of the Contract	Transaction amount in 2021
Service Level Agreement	Effective, unless terminated	3,391
Return on time deposits investments	Dealings	54
Financing income earned on money market placements	Dealings	10,126
Joint lead manager, book runner and arranging fee	Ended upon completion of transaction	3,125
Fees and commission income	Dealings	929
Custody fee expense	Effective, unless terminated	5,928
Rent expense	Dealings	6,971
Total		30,524

List of rental contracts where the below listed members of board directors may have direct or indirect interest:

(SAR '000)

Contractor	Name of the related party	Relationship	Nature of Contract	Term of Contract	Amount in 2021
Mr. Ahmed bin Othman Al-Kasabi	Eng. Tarek bin Othman Al-Kasabi	Brother of Mr. Ahmed bin Othman Al-Kasabi	Rental for Al-Hassan Bin Ali Road branch	10 years	316
Dallah Health Care Holding Company	Eng. Tarek bin Othman Al-Kasabi	Chairman of the Board of Directors of Dallah Health Care Holding Company	Rental for ATM in Riyadh	5 years	35
Consolidated Brothers Co.	Eng. Abdul Majeed bin Ibrahim Al-Sultan	Owns part of Consolidated Brothers Co. for development	Rental for Al-Rehab Branch	12 years	417
Total					768

Note: The above amounts also include value added tax wherever applicable.

Board of Directors assurance

The Board of Directors assures shareholders and other stakeholders that to the best of their knowledge, and in all material aspects:

- Proper books of account have been maintained,
- The system of internal control is sound in design and has been effectively implemented,
- There are no significant doubts concerning the bank ability to continue as a going concern,
- There are no business or contracts in which the bank is a party, or in which any board member, the CEO, Managing Director, Senior Financial Officer, or senior executives of the bank, or any party directly related to them, hold large interests, except as otherwise disclosed in the (Related Parties Transactions) herein and in the Note 36 – (Transactions with related parties) of the audited financial statements for 2021.
- The Board of Directors did not recommend replacement of the bank's auditors prior to their term of appointment, and there was no contradiction between the recommendations of the Audit Committee and the Board resolutions.

2021 Dividends

Based on the authorization of the extra-ordinary general meeting held on 15 Jumada I, 1442H, corresponding to 30 Dec 2020G, (As per Ummul Qura) to the Board of directors to distribute provisional dividends on half-yearly/quarterly basis for 2021, the Board of Directors resolved on Tuesday, 24 Dhul Hijja 1442H (03 August 2021) to distribute cash dividends for the first half of 2021, of SAR 287 million (net of Zakat) to shareholders, at the rate of SAR 0.35 per share, which represents 3.5% of the share nominal value. These dividends were distributed to shareholders effective Monday 15th Muharram 1443H (As per Ummul Qura), corresponding to 23 August 2021G.

Further, subsequent to the year end, the Board of Directors in their meeting held on 7 February 2022 approved a dividend payment of SR 287 million equal to SR 0.35 per share for the second half of the financial year 2021, net of Zakat. The Eligibility date for this dividend was end of trading day Sunday 13 February 2022 for the shareholders registered in the Depository Center (Edaa) at the end of the second trading day following the dividends eligibility date. This was distributed on 21 February 2022 based on eligible shares for distribution which equal to 820 million shares.

Dividend Distribution Policy

In line with the bank's updated Articles of Association as approved at the General Assembly Meeting held on Wednesday, 15 Jumada I, 1442H (30 Dec 2020G) and BAJ Governance document, the bank's dividends policy complies with the Banking Control Law and the rules and regulations issued by the regulatory authorities. The Bank pays approved dividends to shareholders, after deduction of overheads and other expenses, formation of reserves as necessary to meet doubtful debts, investment losses and contingent liabilities as deemed necessary by the board of directors and required under the banking control law provisions, as follows:

- Sums required for payment of the Zakat due on Saudi shareholders and the tax due on non-Saudi shareholders shall be calculated according to the laws and regulations in force in Kingdom of Saudi Arabia. Such sums shall be paid by the bank to the competent authorities. Zakat paid on behalf of Saudi shareholders shall be deducted from their share in the net profits, and tax paid on behalf of non-Saudi shareholders will be deducted from their share in the net profits.
- 25% of the remainder of annual net profits, after deduction of zakat, will be transferred to statutory reserve until this reserve is equal to the paid-up capital of the bank, at least.
- Out of the remainder of the profit after deduction of the statutory reserve and Zakat and tax, a sum of not less than 2.5% of the paid-up capital shall be allocated for distribution to Saudi and non-Saudi shareholders in proportion to the paid-up part of the shares of the Saudi and non-Saudi shareholders as recommended by the Board of Directors and endorsed by General Meeting. In case the remainder of the profits payable to the shareholders concerned is not sufficient for paying such dividend, shareholders may not be entitled to claim the payment thereof in the following year or years. The General Meeting may not resolve to pay a percentage of the dividends which exceeds the percentage that is recommended by the Board of Directors.
- The remainder after the sums set forth in paragraph (a), (b), (c) herein have been allocated shall be utilized in the manner recommended by the Board of Directors and approved by the General Meeting.
- The respective percentage of shareholding of each of the Saudi and non-Saudi shareholders shall be maintained (observed) when calculating the sum to be allocated as statutory reserve and other reserves out of the net profit (after Zakat and Tax). Each of the two categories of shareholders shall participate in the transfer to such reserves on a pro-rata basis of their shareholding in the capital provided their contributions will be deducted from their shares in the net profits.
- Without prejudice to (a), (b), (c), (d) and (e) hereof, the bank may, after having obtained the Saudi Central Bank's (SAMA) no-objection, and in line with the relevant regulatory rules, may pay provisional dividends to shareholders, half-yearly or quarterly, if any

Credit Ratings

The strength of the credit rating is a sign of the bank's relative financial strength and enhances the Bank's ability to access optimal sources of financing, particularly as credit ratings take into account the financial strengths, liquidity position and reputation of AlJazira Jazeera Bank taking into consideration the local sovereign rating. The table below reflects the bank's latest credit assessment:

Rating	Moody's	Fitch Rating	Islamic Int'l Rating Agency
	Nov-2021	Aug-2021	Nov-2021
Credit Rating - Long Term	Baseline Credit Assessment BCA BAA3	Issure Default Rating IDR BBB+	
Outlook	Stable	Stable	Stable
Deposits Rating	BAA1/P-2*	Issuer Default Rating IDR F2 Short Term	
International Scale			A-/A2
National scale			A+(sa) / A1 (sa)
Counterparty Risk Assessment CR	A3(cr)/P-2(cr)		
Overall Fiduciary Rating Score			71-75
Support Rating Floor		BBB+	
Viability Rating		BB+	
National Long Term Rating		AA-(sau)	

Local regulatory and supervisory requirements and international standards:

Bank AlJazira is committed to adhere to legal, ethical, and professional laws and regulations as a fundamental pillar of its orientation, policies, plans, systems, strategic decisions and main objectives. Bank AlJazira is committed to all relevant laws, regulations and controls issued by the regulatory and supervisory authorities, including the relevant approved international standards.

Bank AlJazira Compliance & Anti-Financial Crimes (AFC) Group is keen on developing its instruments and refining its capabilities in order to achieve the desired objectives and implement the adopted strategy which contributes to improve the efficiency of anti-money laundering (AML), anti-fraud activities, combating terrorism financing (CFT), and KYC policy. The Compliance and AFC Group intensively participates in the training and awareness of the Bank staff in Compliance and Anti-Financial Crimes. In addition, the group also reviews all policies, procedures, products and services, and relevant systems to ensure their effectiveness and adherence to regulatory requirements to monitor non-compliance risk, anti-financial crimes activities including bribery and corruption activities.

Board of Directors General Secretariat and Governance Group:

The General Secretariat of the Board of Directors assumes the organizing of the business of the Board of Directors and its committees. It undertakes the preparations for and holding of the board meetings, maintains related records and files, receives incoming correspondence, and documents the decisions relevant to the work of the Board and committees and following up on their implementation. It also assumes all the tasks and responsibilities entrusted thereto by the chairman and members of the Board. The Board of Directors Secretariat is also responsible for the work and reports concerning the bank's various business courses and reports to the Board of Directors and committees for decisions.

Furthermore, the Group is responsible for leading and managing the bank's governance matters in line with the Governance Principles issued by the Saudi Central Bank (SAMA), Corporate Governance Rules issued by CMA and other supervisory directives. The Group has formed and aligned the bank's governance framework and complementing policies relating to conflict of interests, disclosure and related parties transactions, terms of reference of the board and subcommittees, and management committees to ensure these are aligned with the rules and regulations in force. This is in addition to the Groups' contribution to the development, assessment frameworks, suitability and training of the Board and committees' members.

Principles of Corporate Governance

Bank AlJazira is aware of the positive implications of adopting the principles of corporate governance that require the bank to observe highest professional and ethical standards in its business by implementing disclosure and transparency rules, thereby contributing to the strengthening and improvement of the efficiency of the bank's business and relations with its stakeholders. The Bank believes that the adoption of these principles will enhance investor confidence in the Bank and positively reflect on the integrity of the banking industry in the Kingdom of Saudi Arabia.

In the Bank's endeavors to enhance channels of communication with its shareholders, the Bank continued its initiatives to urge shareholders

holding share certificates, who did not receive their dividends for the past period, to contact the bank in order to update their information and arrange their share rights. A search engine has been provided on the bank's electronic website for this purpose.

The Bank's Articles of Association and Governance Document guarantee shareholders' right to dividends and to attend, discuss and vote at the general meeting assemblies, and dispose of their shares. Based on the bank's disclosure policy, information and data relating to general meetings, balance sheets, financial statements and directors annual report are provided to shareholders on a continuous basis, published in newspapers and posted on the Bank's electronic website. In the bank's endeavors to further enhance the awareness of its shareholders, the papers relating to general meetings are printed and distributed to shareholders before the holding these general meetings.

In its keenness to comply with the recent supervisory requirements, the Bank has, in 2021, made the necessary amendments to the relevant Board and Subcommittees' terms of reference as follows:

a. Terms of reference of the board of directors and subcommittees, and governance policies

1. At its meeting held on 15 December 2021, the board of directors approved the alignment of the terms of reference of the board of directors and subcommittees and bank's governance policies, after having been reviewed, with the key governance principles issued by the Saudi Central Bank (SAMA) in June 2021.
2. The Board of Directors, at its meeting held on December 15, 2021, ratified the updated and amended conflict of interests policy, the policy governing the relationship with stakeholders, the disclosure and procedures policy, the governance guide, the terms of reference of the board of directors and its subcommittees and the policies and procedural standards for membership of the board and subcommittees, after the same have been aligned with the key principles of governance for financial institutions supervised by the Saudi Central Bank.
3. The Bank's shareholders ordinary general assembly, at its meeting held on 15 November 2021, approved the updated and amended terms of reference of the Audit Committee, the Remuneration and Nomination Committee, and the procedural policies and standards for membership of the Board of Directors and its subcommittees, after the same have been aligned with the key principles of governance for the financial institutions supervised by the Saudi Central Bank

b. Evaluation of the effectiveness of the board, board members and board committees:

As per the supervisory directives contained in the Governance Principles document, the Corporate Governance Rules and Bank AlJazira Governance document, the board of directors evaluates, on an annual basis, the effectiveness of its members and the volume of their participation in its business, both individually and as a group, as well as the effectiveness of the board sub-committees. In the third quarter of 2021, under the directives of the Remuneration and Nomination Committee, the Human Resources Group liaised with the specialized advisor Hedrick & Struggles who prepared, conducted and supervised an assessment process of the members of the board and committees, and the results and recommendations of this process were conveyed to the Remuneration and Nomination Committee who presented same to the Board of Directors. The bank seeks to rotate the evaluation process of board and committees to an external consultant to be conducted once every three years.

c. Training courses to board and sub-committee members:

In its keenness to enhance the skills of the members of the board and board committees in all aspects of banking industry, direct training and remote learning programs were designed for the whole board term (Jan 2019 – Dec 2021). These programs cover all members of the board and sub-committees. In 2021 board and committees were provided with a link containing a recorded lecture by the external consultant which lecture was reviewed by the members and subsequently confirmed. The recorded lecture covered the following points:

▪ Aspects relating to money laundering and combating of terrorism financing.	▪ Aspects of business continuity
▪ Compliance aspects	▪ Aspects of financial fraud prevention
▪ Cyber Security and Information Security	▪ Violation reporting policy
▪ A glimpse on best applications relating to corporate governance.	▪ Sharia Governance framework

d. Shareholders rights

Under the related supervisory directives, and as a general rule, the bank is keen to enable shareholders to exercise their legal rights relating to the shares, including the submission of comments and suggestions regarding the bank and performance. To this effect, the phone number 012 609-8394 and e-mail address (ssu@baj.com.sa) were assigned to receive inquiries from all shareholders, and the board was informed of all such inquiries and feedback. In addition, and as per the Bank's practices, the board addressed all questions and inquiries of shareholders raised at the bank's general meetings held in the year 2021 and through the shareholders unit. The board reviews such comments and reacts appropriately to them.

Shareholders Registry submissions

In 2021, submissions to shareholders registry were made as per following details:

No. of submissions made to shareholders register	Submission date	Reasons
(1)	16/03/2021	Others
(2)	07/04/2021	Others
(3)	06/06/2021	Others
(4)	01/08/2021	Others
(5)	04/08/2021	Dividends File
(6)	18/10/2021	Others
(7)	08/11/2021	Others

In general, Bank AlJazira complies in letter and spirit with all mandatory provisions and directives contained in the CMA Corporate Governance Rules, except for what stated below, which compliance is reflected by incorporating such mandatory requirements in the bank's articles of association, governance document and terms of reference of the board of directors and its sub-committees. Such requirements were also incorporated in the policies and governance frameworks of Bank AlJazira, and in the internal policies and business directories regulating the business of the bank's various departments. These requirements provide for guarantee of shareholders right to the shares and to participate in the general meetings and be provided with all information that enable them to exercise such rights; disclosure of financial and non-financial information; full compliance with transparency requirements within the legal limits; determination of the duties of the board and liabilities of its members and the formation of its various sub-committees in line with its terms of reference which are consistent with the regulatory directives.

Article	Requirements	Reasons for bank non-compliance
95	Formation of Governance Committee (Guidance Article)	As per its terms of reference, the Board supervises all aspects of governance of the bank.
93 Subparagraph (b) From paragraph (4)	Disclosure of senior Executives bonuses	Date is included in the aggregate.

Composition of the board of directors and membership categories

As per the provisions of the Bank's articles of association, the board of directors of Bank AlJazira consists of 9 members. On 19 Dec 2018, the bank's general meeting convened to select and elect the board directors for a new term from 01 January 2019 to 31 Dec 2021 based on the accumulative voting method. In accordance with the supervisory directives and after having obtained the consent of the regulatory authorities, a Chairman, Deputy Chairman and a managing director were elected from among the board members.

The Board of directors has also selected and appointed the chairmen and members of the board sub-committees for the board term 01 Jan 2019 – 31 Dec 2021, as follows:

1. Executive Committee
2. Risk Committee
3. Remuneration and Nomination Committee
4. Social Responsibility Committee (Khair AlJazira le ahl AlJazira program)
5. Audit Committee (which members appointment was ratified by the general meeting held on 19 Dec 2018).

On 08.06.1442 (21.01.2021), Mr. Naif Bin Abdulkarim Al Abdulkarim (Executive member) joined the membership of the board in the capacity of chairman in place of Mr. Nabil Bin Dawwod Alhoshan who resigned from the bank on 07.10.2020. Accordingly the board, as of 31 Dec 2021, consists of the following members:

SN	Director's name	Membership Classification (Executive – Non-Executive – Independent)
1	Eng. Tarek bin Othman Al-Kasabi	Non-Executive
2	Eng. Abdul Majeed bin Ibrahim Al-Sultan	Non-Executive
3	Mr. Abdullah Bin Saleh Al Rasheed	Independent
4	Mr. Ibrahim Bin Abdulaziz Al Shaia	Independent
5	Mr. Adil Bin Saud Dahlawi	Independent
6	Mr. Khalifa Bin Abdullatif Almolhem	Independent
7	Mr. Ibrahim bin Abdullah AlHdaithi	Non-Executive
8	Mr. Turki bin Abdullah AlFawzan	Non-Executive
9	Mr. Naif Bin Abdulkarim Alabdulkarim	Executive

1) Names of board directors, board committee members and executive management and their present and past positions, qualifications and experience:

a. Board directors:

S	Name	Present Positions	Past Positions	Qualifications	Experience
1	Eng. Tarek bin Othman Al-Kasabi	<ol style="list-style-type: none"> 1998 - Member, BAJ Board of Directors 2016 - Chairman, BAJ 1995 – Chairman, Dallah Healthcare Company 2010 - ChairΩan, Ataa Educational Company 2008 – Chairman, Rozam Investment Company 2017 – Chairman Borad of Managers, Dallah Farma Company 2020 – Chairman of the Board, Dar’a Al-Riayah Holding Co. 2006 – Member of the Board, Kingdom University Company (Bahrain) 2013 - Chairman RZM Gayrimenkul Anonim Sirketi (Turkey) 2013 – Chairman, NEBA Gerimenkul Yatirimlari VE Ticaret A.S (Turkey) 	<ol style="list-style-type: none"> 23.07.2018 – 21.02.2021 – Board member, Al-balad Al-Ameen Property Development Company 06.12.2018 – 21.02.2021 Board member, Dahiat Sumou Co. 02.07.2019 – 01.08.2021 GOSI (Government Agency). 	Bachelor of Civil Engineering, King Saud University - 1976.	Member of the Board of BAJ since 1998, member of Executive Committee, Previous Chairman of Risk Committee. Chairman and member of the Boards of Directors of many investment companies in and out of the Kingdom of Saudi Arabia.
2	Eng. Abdul Majeed bin Ibrahim Al-Sultan	<ol style="list-style-type: none"> 1993 - Member of the Board of Consolidated Brothers for Development Co. 2004 - Member of the Board, Bank AlJazira 2009 - Chairman of the Board, Olat Development Company. 2013 – Chairman of the Board, AlJazira Takaful Ta’awuni Co. 2013 - Chairman of the Board, Al-Durra Development Company 	<ol style="list-style-type: none"> 1991 – 2007: Member of the Board, Marafeq Construction Company 1991 – 2007: Member of the Board, Saudi Packing Materials Manufacturing Company 1998-2018: Member of the Board, Qassim Cement Company 	1989 – Bachelor of Engineering – King Saud University, Riyadh	Member of the Board of BAJ since 2004, Chairman of Jazira Takaful Tawuni Committee. Chairman and member of the Boards of Directors of many investment companies in and out of the Kingdom of Saudi Arabia.
3	Mr. Naif Bin Abdulkarim Alabdulkarim	<ol style="list-style-type: none"> 2020: BAJ CEO 2021: BAJ Managing Director 2021: Member of Executive Committee, BAJ 2020: Member of Remuneration and Nomination Committee, Jazira Capital 2020: Member of Remuneration and Nomination Committee, Simah (Credit Bureau) 2020: Member of Executive Committee, Simah (Credit Bureau) 	<ol style="list-style-type: none"> 2001-2004: Manager Credit Relations, Riyadh Bank 2004-2011: Area Manager, Retail Banking, NCB 2021: Head Private Banking, SABB 2012-2013: General Manager Branch Network and Wealth Management, SABB 2014-2020: DMG for Retail and Wealth Management, SABB 	Bachelor of Finance- King Saud University- 1995 Master of Business Administration – University of Illinois, USA	Past and present experience in commercial banks.

S	Name	Present Positions	Past Positions	Qualifications	Experience
4	Mr. Abdullah Bin Saleh Al Rasheed	<ol style="list-style-type: none"> 1. 2015 - CEO and Constituent Partner, Aday Financial and Management Consulting Company 2. 2018 – Member of the Board, Basma Real-Estate Marketing Company 3. 2018 – CEO and Chairman of Board of Governors, Insurance International Company 	<ol style="list-style-type: none"> 1. 1983-1984, Estimate Budgets Officer, ANB 2. 1984-1988: Financial Affairs Officer, Office of the Educational Attache of KSA in Canada 3. 1988-1992: Financial Affairs Officer, Ministry of Higher Education 4. 1992-2001- Assistant General Manager, Saudi Traveler Cheques Company 5. 2001-2005: Deputy Chief Financial Affairs and member of the Board, Al-Othaim Trading Company 6. 2006-2008: Deputy Chief of Finance and member of the Board of Abdullah Al-Othaim Markets Company 7. 2008-2014: Deputy Chief Officer, Khalid Al Baltan Group Co., Riyadh 8. 2017 - Member of the Board, Mahara Human resource Company 9. 2016-2021 member of the board, Bank AlJazira 	1983 – Bachelor of Management, King Saud University, Riyadh.	Past experience in a number of financial, consulting, management and retail companies.
5	Mr. Ibrahim Bin Abdulaziz Al-Shaia	<ol style="list-style-type: none"> 1. 2014 - CFO, GOSI 2. 2016 - Member of the Board, Bank AlJazira. 3. 2019 – Member of the Board, Masdar Company 	<ol style="list-style-type: none"> 1. 2002 – 2004: Financial Auditor, Al-Rashid Accountants, Auditors and Legal Consultants. 2. 2008-2009: Advisor for development of financial and electronic administrative work, International Accounting and Auditing Authority for GCC Countries. 3. 2011-2014: Director of the Board, Elite Cement Company 4. 2011-2015: Director, Budget Department, GOSI 	2004: Bachelor of Accounting, King Saud University 2008: Master of Professional Advanced Accounting, University of Queensland For Technology, Australia	Past and present varied experience in a number of financial and investment companies in accounting and auditing fields.
6	Mr. Adil Bin Saud Dahlawi	<ol style="list-style-type: none"> 1. 2019- Member of the Board, Bank AlJazira 2. 2019 – Member of the Board, Dallah Health Services Company 3. 2019- Chairman of the Board, Flower Palace Company, Morocco 4. 2021- Managing Director, Dallah Albarakah Investment Holding Companyncil Consulting Company 	<ol style="list-style-type: none"> 1. 1994-2002: Manager Credit – Corporate Credit Dept., Saudi Faransi Bank 2. 2002-2006: Assistant Manager, Corporate Credit, SAMBA 3. 2006-2011: Assistant CEO for Investment, Dallah Holding Company 4. 2011-2017: Managing Director and CEO, Etqan Capital Company 5. 2018-2020 Assistant CEO Investment (Dallah Albarakah Holding Co.) 	1993 – Bachelor of Medical Science, King saud University	<ul style="list-style-type: none"> - Commercial banks - Corporate Credit - Investment Management - Banking Investment - Financial Consultation

S	Name	Present Positions	Past Positions	Qualifications	Experience
7	Mr. Ibrahim bin Abdullah Al-Hdaithi	1. 2019- CEO, Middle East Financial Investment Company (MEFC Capital)	1. 1983-1989: Finance Manager, Military Affairs, Secretariat General of GCC 2. 1985-1995: Financial Controller, Military Affairs, Secretariat General of GCC 3. 1995-1996 Assistant Director, Investment Department, Secretariat General of GCC 4. 1996-2009: Director, Investment Department, Secretariat general of GCC 5. June 2009 – 2018: Managing Director, Middle East Financial Investment Company (MEFC Capital). 6. 2019-2021: Member of the Board, BAJ	1983- Bachelor of Business Administration, King Saud University	Past and present varied experience in financial and investment affairs.
8	Mr. Turki bin Abdullah Al-Fawzan	1. Director, real-Estate Investment Department, Middle East Financial Investment Company (MEFC Capital)	1. 2004-2005: OIC, Mutual Funds Operations, SAMBA 2. 2006-2007: Assistant Manager, Mutual Funds Department, Bank Al-Bilad 3. 2007-2009: Director, Mutual Funds, Saudi Faransi Credit Agricole Company 4. 2009-2011: Manager Mutual Funds, Al-Inmaa Investment Company 5. 2011-2012: Deputy Head of Mutual Funds, Rana Investment Company	2003 – Bachelor of Accounting, King Fahd University for Petroleum and Minerals	Various experiences in real-estate investment and investment funds in the banking sector and specialized investment companies.
9	Mr. Khalifa Abdullatif Almolhem	1. 1995: Board member, White Cement Co. 2. 2004: Chairman of the board, Advanced Petrochemical Co. 3. Board member, IGI Company, Jordan 4. Chairman of the board, Alhazira Support Services Co. 5. 2017: Board member, National Maritime Co. 6. 2019: Member of the Board, Walaa Cooperative Insurance Co. 7. Board member, BAJ	1. 1985-2002: Board member, SABB 2. 1987-1994: Board member, Saudi Spanish Bank 3. 2007-2012: Board member, Namaa Petrochemical Co. 4. 2012-2017: Board member, Alitifaq Steel Co. 5. 2014-2017: Board member, GOSI 6. 2007-2019: Board member, IGI Co., Jordan	Bachelor of Business Administration, Colorado University, USA - 1978	35-years experience in the financial and investment sector.

b. Board subcommittee members:

S	Name	Present memberships	Past memberships	Qualifications	Experience
1	Eng. Tarek bin Othman Al-Kasabi	<ol style="list-style-type: none"> Chairman of the Executive Committee, BAJ Head of Investment and Finance Committee and member of Remuneration and Nomination Committee – Dallah Health Services Company. Member of Remuneration and Nomination Committee, Ataa educational Co. Head, Executive Committee, Der'a Al-Riyaah Holding Company 	<ol style="list-style-type: none"> 1998-2015: Member of BAJ Executive Committee 2013-2015: Chairman of BAJ Risk Committee, BAJ 	Bachelor of Civil Engineering, King Saud University - 1976	Member of BAJ Board of directors since 1998, member of executive committee, previous head of risk committee, and membership of a number of boards of investment companies in and out of the Kingdom
2	Eng. Abdul Majeed bin Ibrahim Al-Sultan	<ol style="list-style-type: none"> 2016: Member of BAJ Executive Committee 2019: Chairman of Khair AlJazira Le-Ahl AlJazira Committee. 2020 – Member of Remuneration and Nomination Committee, BAJ 	<ol style="list-style-type: none"> 2004-2009: Chairman of BAJ Audit Committee 	1989 – Bachelor of Engineering – King Fahd University For Petroleum and Minerals	Member of BAJ Board of directors since 2004 and chairman of Jazira Takaful. Member a number of boards of other investment companies in and out of the Kingdom.
3	Mr. Naif Bin Abdulkarim Alabdulkarim	<ol style="list-style-type: none"> 2021: Member of Executive Committee, BAJ 2020: Member of Remuneration and Nomination Committee, Jazira Capital 2020: Member of Remuneration and Nomination Committee, Simah (Credit Bureau) 2020: Member of Executive Committee, Simah (Credit Bureau) 		<p>Bachelor of Finance- King Saud University- 1995</p> <p>Master of Business Administration – University of Illinois, USA - 2001</p>	Past and present experience in commercial banks
4	Mr. Abdullah Bin Saleh Al Rasheed	<ol style="list-style-type: none"> 2017: Member of Audit Committee, Saudi Gas Cylinder Factory 2018- Member of Audit Committee Majid Investment & Real Estate Development Company 	<ol style="list-style-type: none"> 2019-2020: Chairman of BAJ Risk Management Committee 2019-2020: Chairman, BAJ Remuneration and Nomination Committee 	1983 – Bachelor of Management, King Saud University, Riyadh.	Past experience in a number of financial, consulting, management and retails companies

S	Name	Present memberships	Past memberships	Qualifications	Experience
5	Mr. Ibrahim Bin Abdulaziz Al Shaia	<ol style="list-style-type: none"> 2020: Chairman of of BAJ Risk Committee 2020: Member of Executive Committee, BAJ Chairman of Remuneration and Nomination Committee, BAJ Member of Audit Committee, Hasana Company Member of Audit Committee, Masdar Company 	<ol style="list-style-type: none"> 2010-2013: Member of Audit Committee, Saudi Fransi Insurance Company. 2013-2015: Chairman, Audit Committee – Elite Cement Company 2013-2020: Member of Remuneration and Nomination Committee, BAJ 	<p>2004: Bachelor of Accounting, King Saud University</p> <p>2008: Master of Professional Advanced Accounting, University of Queensland For Technology, Australia</p>	Past and present varied experience in financial and investment companies in accounting and auditing business.
6	Mr. Adil Bin Saud Dahlawi	<ol style="list-style-type: none"> 2019-2021- Executive Committee Member in Bank AlJazira. 2019-2021– Chairman of Audit Committee in Bank AlJazira 	<ol style="list-style-type: none"> CEO – Etqan Capital 2019-2021: Member of BAJ Executive Committee 2019-2021: Chairman of BAJ Audit Committee 	1993 – Bachelor of Medical Science, King saud University	<ul style="list-style-type: none"> - Commercial banks - Corporate Credit - Banking Investment Management and Financial Consulting
7	Mr. Ibrahim bin Abdullah Al-Hedaithi	<ol style="list-style-type: none"> 2018: Chairman of Executive Committee, Al-Basar Medical Services Company. 2018: Chairman of Audit Committee, Al-Basar Medical Services Company. 2021: Chairman of Executive Committee, Meras Medicaal Services Company 	<ol style="list-style-type: none"> Jan 2019-30 Jun 2019: Chairman of Baj Governace Committee Jan 2016-Nov 2020: Member of BAJ Executive Committee Nov 2020-Dec 2021: Member of BAJ Remuneration and Nomination Committee 	1983- Bachelor of Business Administration, Accounting, King Saud University	<ul style="list-style-type: none"> - Past and present experience in the financial and investment sectors.
8	Mr. Turki bin Abdullah Al-Fawzan	<ol style="list-style-type: none"> 2019-2021 - Member of the Risk Committee, Bank AlJazira. 	<ol style="list-style-type: none"> 2019- 2021: Member, Risk Committee, BAJ 	2003 – Bachelor of Accounting, King Fahd University of Petroleum and Minerals	Varied experience in real-estate investment sectors and investment funds at banking sector and specialized investent companies.
9	Mr. Khalifa Abdullatif Almolhem	<ol style="list-style-type: none"> 1995: Board member, White Cement Co. 2004: Chairman of the board, Advanced Petrochemical Co. 2013: Executive Committee member, Alhazira Support Services Co. 2019: Member of Investment Committee, Walaa Cooperative Insurance Co. 	<ol style="list-style-type: none"> 2007-2018: Executive Committee member, BAJ 2009-2011: Risk Committee member, BAJ 2013-2015: Risk Committee member, BAJ 2016-2018: Chairman of Remuneration and Nomination Committee, BAJ Nov 2020-Dec2021: Risk Committee member, Remueration and Nomination Committee, BAJ Nov 2020-Dec 2020: Executive Committee member, BAJ 	Bachelor of Business Administration, Colorado University, USA - 1978	35-years experience in the financial and investment sector.

S	Name	Present memberships	Past memberships	Qualifications	Experience
10	Mr. Fawaz Bin Mohammed Al-Fawaz	<ol style="list-style-type: none"> 01 Apr 2015 : Chief Financial Officer, National Industrialization Company May 2015: Board member and chairman of Audit Committee, Tasnee'a and Sahara Company (Olfenis). May 2015: Board member and chairman of Audit Committee, Industrialization and Energy Services Company Jan 2019: Board member and chairman of Audit Committee, Saudi Chemicals Company Sep 2020: Chairman of the board, Saudi Acrylic Acid Company. Jan 2021: Chairman of the board, Saudi Support Services company 2019-2021 Audit committee member – Bank AlJazira 	<ol style="list-style-type: none"> 1983-1999: Assistant Deputy Head of Finance, SABIC 2000-2004: Director General of Services, Accounting Department, SABIC 2004-2009: Director General of Finance, SABIC 2007-2015: Deputy Chairman of the Board and Chairman of Audit Committee, Yanbu National Petrochemical Company May 2018-Aug 2021: Member of the Board and chairman of Audit Committee, Rou'a Al-Madinah Holding Company. Jan 2016- Jun 2021: Member of the Board Saudia Air Cargo company. Apr 2013-Apr 2019: Member of the Board and chairman of Audit Committee, Malaz Insurance Company Nov 2014-Mar 2015: Member of the board and member of Audit Committee, Alba Aluminum Company, Bahrain Mar 2011 – Dec 2021: Member of BAJ Audit Committee 	1983: Bachelor of Accounting, King Saud University	Varied previous experience in accounting and audit at investment companies.
11	Mr. Taha Bin Mohammed Azhari	<ol style="list-style-type: none"> 2015: Senior Financial Officer, Saudi Civil Aviation Holding Company 2017: Member of the Board, Batec Logistics and Investment Company. 2017: Member of the Board, Zahrat Alwaha company 2020: CEO Advisor, Matarat Holding Company 2019-2021 Audit committee member – Bank AlJazira 	<ol style="list-style-type: none"> 1993-1995: Financial Auditor, Arthur Anderson, Riyadh 1995-1998: Internal Auditor, SAMBA Group 1998-2001: Compliance and Quality Assurance Officer, SAMBA Group 1999-2001: Internal Auditor, SAMBA Group 2001-2004: Head of Internal Audit and Risk Group, Al-Othaim Trading Group. 2004-2008: General Manager Finance Department, Saudi Super Stores Company (Carrefour) 2008-20015: Economic Advisor to the CEO, National Water Company. 2013-2016: member of Audit Committee, AlJazira Capital 2019-2020: Head of Internal Audit, Matarat Holding Company Jul 2012-Sec 2021: Member of Audit Committee, BAJ 	1993: Bachelor of Accounting, King Saud University	Past and present varied experience in accounting and audit business at financial and investment companies in and out of the Kingdom.

S	Name	Present memberships	Past memberships	Qualifications	Experience
12	Mr. Abdulwahab Bin Abdulkarim Albtairi	<ol style="list-style-type: none"> 2020: Risk Committee member, BAJ 2020: Board member, Sunbulah Group 2014: Chairman of the Board, Osol and Bakheet Investment Company 2013: Board member, Alhimmah Partnership Limited Liability Co 2004: Board member, Manafez Company for Ambulance vehicles and Disabled 2019: Board member, Riyadh Cables Group Co. 	<ol style="list-style-type: none"> 2018-2020: Vice Chairman, Consulting Committee, CMA 2004-2014: Executive Committee member, Family Office Company, Bahrain 	2010 – Masters of Business Administration, London Business School.	Various past experience in accounting and auditing in financial and investment companies in and out of the Kingdom
13	Mr. Abdulaziz Bin Ibrahim Al-Hadlaq	<ol style="list-style-type: none"> 2013: Member of Khair AlJazira Le-Ahl AlJazira Committee, BAJ 	<ol style="list-style-type: none"> 1996-1998: Assistant General Manager, International Organizations Affairs, Ministry of Labour and Social Affairs. 1998-2005: General Manager, International Organizations Affairs, Ministry of Labour and Social Affairs 1996-2005: Member of the Board, International Work Organization 2005-2006: General Supervisor of Public Affairs and Social Media Department, Ministry of Social Affairs 2005-2007: Director of International Cooperation, Ministry of Social Affairs For Social Development 2007-2011: Deputy Assistant Minister, Ministry of Social Affairs For Social Development 2001-2013: Deputy Minister, Ministry of Social Affairs For Social Development 2013-2017: Member of Shura Council 	<p>1982: Bachelor of Social Services, King Saud University</p> <p>1984: Diploma of Community Development, Research and Training Center.</p> <p>1991: Diploma of International Development, Missouri Columbia University, USA</p> <p>1992: Masters of Community Development, Missouri Columbia University, USA</p>	Past experience in the departments of Ministry of Social Affairs and membership of many international organizations involved in community services.
14	Dr. Fahd bin Ali Al-Olayan	<ol style="list-style-type: none"> Member of the Social Responsibility Committee (Khair AlJazira La Ahal AlJazira) - Bank AlJazira. Member of the General Council Sustainability Working Group - CIBAFI Sustainability Working Group (SWG) Member of Board of Directors of the Awareness and Social habilitation Society Member of Board of Directors of Al Shabab Club and Supervisor of Social Responsibility 	<ol style="list-style-type: none"> Faculty member, Education and Social Science College - Al Imam Mohammed Bin Saud Islamic University Vice Dean of the University Center for Community Service and Continuing Education - Al Imam Mohammed bin Saud Islamic University, Saudi Arabia Part time consultant - Ministry of Education Director of the National Cultural Project - King Abdul Aziz Public Library. 	<p>Bachelor Degree 1990 - Sharia College – Al Imam University</p> <p>Master Degree 1995 - Applied Linguistics - Al Imam University</p> <p>PhD 2001 - Ohio University, United States of America</p>	He has multiple experiences in the academic and educational fields, research and studies, memberships related to development, cultural and scientific participations.

C. Executive Management

Name: Mr. Naif A. Al Abdulkareem

Position: Chief Executive Officer and Managing Director

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
King Saud University	Financial Management	Bachelor Degree	1995
University of Illinois	Business Administration	Master Degree	2001

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	Riyadh Bank	Credit Relationship Manager	2001 –2004
Banks and Financial Services	Listed Joint-Stock Company	NCB	Regional Manager – Retail Banking	2004 –2011
Banks and Financial Services	Listed Joint-Stock Company	SABB	Head of Private Banking	2012
Banks and Financial Services	Listed Joint-Stock Company	SABB	GM Branches & Wealth Management	2012 –2013
Banks and Financial Services	Listed Joint-Stock Company	SABB	GM Retail & Wealth Management	2014 –2019
Banks and Financial Services	Listed Joint-Stock Company	SABB	DMD-Retail & Wealth Management	2019
Banks and Financial Services	Listed Joint-Stock Company	SANID	Board Member/Excom Member	2014 –2017
Banks and Financial Services	Listed Joint-Stock Company	SABB Insurance Agency	Chairman of the Board	2012 –2018
Banks and Financial Services	Listed Joint-Stock Company	SABB Takaful	Board Member/Excom Member	2016 –2018
Banks and Financial Services	Listed Joint-Stock Company	HSBC-SA	Board Member	2017 –2019
Banks and Financial Services	Listed Joint-Stock Company	SIMAH	Board Member	2017

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Chief Executive Officer and Managing Director	2020

Name: Mr. Khalid Al-Othman

Position: Head of Retail Banking Group

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
London Business School - UK	Business Administration	Master Degree	2012

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	Banque Saudi Fransi	Head of Retail Banking in Central Region	2003 - 2006
Banks and Financial Services	Listed Joint-Stock Company	NCB	Head of Retail Banking in Central Region	2006 – 2008
Banks and Financial Services	Listed Joint-Stock Company	Al Bilad Bank	Head of Retail Banking Branches	2008 - 2010
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Retail Banking Branches	2010 – 2011

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Retail Banking Group	2011

Name: Mr. Ahmed Al Hassan

Position: Chief Operating Officer

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
King Saud University - Kingdom of Saudi Arabia	Computer Sciences	Bachelor Degree	2002

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Governmental	Governmental Body	SAMA	Systems Analyst	2002- 2005
Governmental	Governmental Body	SADAD	IT Manager	2005-2009
Banks and Financial Services	Listed Joint-Stock Company	SABB	Director of Banking Channels Development	2009-2011
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Change Delivery	Feb 2011-Jun 2011
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of IT Department	Jun 2011-2017

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Chief Operations Officer	2017

Name: Mr. Hamad Al-Ajaji

Position: Head of Private Banking and Wealth Management Group

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
University of Tennessee, Knoxville - USA	Business Administration	Bachelor Degree	1984

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	SABB	Chief Executive Officer - Credit Cards Divisions	1994 – 2002
Banks and Financial Services	Listed Joint-Stock Company	SABB	Chief Executive Officer - Consumer Credit Services	
Banks and Financial Services	Listed Joint-Stock Company	SABB	Chief Executive Officer - Credit Card Products Division	
Banks and Financial Services	Listed Joint-Stock Company	SABB	Chief Executive Officer - Premiere Division	2002 – 2004
Banks and Financial Services	Listed Joint-Stock Company	SABB	Head of Private Banking Group	2004 – 2011

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Private Banking and Wealth Management Group	2012

Name: Mr. Faisal M. Al-Mansour

Position: Head of Human Capital Group

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
King Fahad university of Petroleum and Minerals	MIS	Bachelor	2007

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	SABB	HR Assistant Relationship Manager	April 2009 – October 2009
Banks and Financial Institution	Listed Joint Stock Company	SABB	HR Relationship Manager	2009 - 2012
Banks and Financial Institution	Listed Joint Stock Company	SABB	HR Senior Manager Relationship	2013 - 2015
Banks and Financial Institution	Listed Joint Stock Company	SABB	Head of Resourcing	2016 - 2017
Banks and Financial Institution	Listed Joint Stock Company	SABB	Head of Resourcing and HR Service Delivery	2017 - 2018
Banks and Financial Institution	Listed Joint Stock Company	SABB	Head of Learning and Talent	2018 - 2020
Government	Governmental Body	Tourism Development Fund	Chief Human Capital Officer	2020
Health	Governmental Body	Ministry of Health	Member of Board Nomination and Remuneration Committee	2020
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	SVP, Head of Human Capital Group	2021

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Human Capital Group	2021

Name: Mr. Sami J. Al-Mehaid

Position: Head of Corporate and Institutional Banking Group

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
King Faisal University	Business Management	Bachelor	2021
ICC- Manchester University	International Compliance	International Diploma in Compliance	2011
Institute of Public Administration	Banking Business	Diploma in Banking Business	2000

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	SAMBA	Corporate Banking Customer Service Professional	2000 - 2003
Banks and Financial Institution	Listed Joint Stock Company	Saudi Hollandi Bank	Customer Experience Management	2003 - 2004
Banks and Financial Institution	Listed Joint Stock Company	Saudi Hollandi Bank	Senior RM Corporate Banking	2004 - 2008
Banks and Financial Institution	Listed Joint Stock Company	SABB	Senior Relationship Corporate Manger /Team Leader	2008 - 2009
Banks and Financial Institution	Listed Joint Stock Company	Saudi Hollandi Bank	Compliance Specialist (Senior Manager)	2009 - 2011
Banks and Financial Institution	Listed Joint Stock Company	Al-Rajhi Bank	Head of AML / CTF	2011 - 2013
Banks and Financial Institution	Listed Joint Stock Company	SABB	Chief Compliance Officer	2013 - 2019
Insurance Services	Listed Joint Stock Company	SABB Takaful	- Board Member and Vice Chairman - Chairman of the Board Risk Committee	2019-2020
Securities Services	Saudi Closed Joint Stock Company	HSBC Saudi Arabia	- Audit Committee Member	2018-2020
Banks and Financial Institution	Listed Joint Stock Company	SABB	CRO Designate	2019 -2020
Banks and Financial Institution	Listed Joint Stock Company	Saudi Fransi Bank	Chief Compliance Officer	2020 - 2021

Current Positions				
Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head Of Corporate and Institutional Banking Group	2021

Name: Mr. Osama Al-Ibrahim

Position: Chief Risk Officer

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
King Fahd University of Petroleum and Minerals	Industrial Management	Bachelor Degree	1994

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	SAMBA	Customer Relations Manager and Head of Customer Relations	1996-2006
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Corporate Banking Division - Central Region	2006-2008
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Corporate Banking Division - KSA	2008-2014

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Chief Risk Officer	2017

Name: Dr. Fahad Al Elayan

Position: Head of Sharia and Social Responsibility Group

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
Sharia College – Al Imam University	Education	Bachelor Degree	1990
Applied Linguistics - Al Imam University	Education	Master Degree	1995
Ohio University, United States of America	Education	PhD	2001

Previous Positions				
Sector	Legal Entity	Company/Organization	Position	Duration of Service
Charity	Charity Foundation	King Abdul Aziz Public Library	Director of the National Cultural Project	2003
Education	Governmental Organization	Ministry of Education	Part time consultant	2003-2007
Education	Governmental Organization	Al Imam Mohammed bin Saud Islamic University, Saudi Arabia	Vice Dean of the University Center for Community Service and Continuing Education	2005-2008
Education	Governmental Organization	Al Imam Mohammed Bin Saud Islamic University	Faculty member, Education and Social Science College	2001 -2018

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Social Responsibility	2008
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Head of Sharia and Social Responsibility Group	2015
Charity	Charity Foundation	Awareness and Social habilitation Society	Member of Board of Directors	2017
Sport and Youth	Governmental Organization	Al Shabab Club	Member of Board of Directors and Supervisor of Social Responsibility	2018
Non-Profit Organization	Specialized Organization	CIBAFI Sustainability Working Group (SWG)	Member of the General Council Sustainability Working Group	2020

Name: Mr. Abdulaziz Al Zammam

Position: Chief Audit Executive

Educational and Professional Qualifications				
University		Field of Specialty	Qualifications	Year
University of London – Royal Holloway - UK		Information Security	Masters of Science	2007
King Saud University		Computer Science	Bachelor Degree	2001
Previous Positions				
Sector	Legal Entity	Company/Organization	Position	Duration of Service
Government	Government	SAMA	Banking Inspector	2002 - 2010
Semi Government	Governmental Body	Ministry of Communication and IT	Audit and Compliance	2010 - 2013
Banking and Financial Services	Listed Joint Stock Company	Riyad Bank	VP – Audit Division Head	2013 - 2019
Current Positions				
Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banking and Financial Services	Listed Joint Stock Company	Bank AlJazira	Chief Audit Executive	March 2019

Name: Mr. Hamad Al Essa

Position: Chief Compliance & Financial Crime Officer

Educational and Professional Qualifications				
University		Field of Specialty	Qualifications	Year
King Saud University		Computer Science	Bachelor Degree	2002
Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	Bank AlBilad	Chief Compliance & Anti-Money laundering officer	2016 - 2020
Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Bank AlJazira	Chief Compliance & Anti Financial Crime Officer	2020

Name: Mr. Hani S. Noori

Position: Chief Financial Officer

Educational and Professional Qualifications				
University		Field of Specialty	Qualifications	Year
Baker College, USA		Business Administration - Accounting	Bachelor Degree	2002
Central Michigan University, USA		Science - Information Systems	Master Degree	2003
Association of Certified Public Accountants, Colorado State, USA		General Accounting	Member (CPA)	2012
The Saudi Organization for Chartered and Professional Accountants, Saudi Arabia		General Accounting	Member (SOCPA)	2021
Previous Positions				
Sector	Legal Entity	Company/Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	NCB	Financial Controller	2003 - 2009
Banks and Financial Institution	Listed Joint Stock Company	NCB	VP, Senior Financial Controller	2009 - 2014
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	VP, Head of Financial Controllers	2014 - 2016
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	VP, Chief Accounting Officer	2016 - 2021
Current Positions				
Sector	Legal Entity	Company/Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Chief Financial Officer	2021

Name: Mr. Hani A. Araki

Position: Head of Treasury Group

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
King Abdulaziz University	Business Administration	Bachelors	1995

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	Samba	Senior Supervisor Operation and Technology Group	1995 - 2000
Banks and Financial Institution	Listed Joint Stock Company	Samba	Credit Member Corporate Banking Group	2000 - 2001
Banks and Financial Institution	Listed Joint Stock Company	Samba	Product Development Islamic Banking Group	2001 - 2002
Banks and Financial Institution	Listed Joint Stock Company	Samba	Unit Head for Money Market	2002 - 2011
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Money Market & ALM	2011 - 2021

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Treasury Group	2021

Name: Mr. Sultan S. Al-Qahtani

Position: Board Secretary & Head of Corporate Governance Group

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
Imam University	Science of Sociology	Bachelor	1998
Florida Institute of Technology – USA	Science of Management	Master	2003

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Agricultural	Limited Liability Company	Takamul National Agriculture Company	Relationship Manager- HR	1990 - 1993
Banks and Financial Institution	Listed Joint Stock Company	United Saudi Bank	Customer Service Representative	1993 - 1994
Banks and Financial Institution	Listed Joint Stock Company	NCB	Recruitment Manager	2003 - 2006
Banks and Financial Institution	Listed Joint Stock Company	NCB	Senior Relationship Private Banking	2006 - 2008
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	HR Relationship Manager	2008 - 2009
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	VP. Chairman Office Manager	2009 - 2015
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	VP, Head of Corporate Governance	2016 - 2019
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	VP, Deputy Board Secretary & Governance Group	2019 - 2021

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Board Secretary & Head Of Corporate Governance Group	2021

Name: Mr. Nahim Y. Bassa

Position: Head of Strategy & Digital Transformation Group

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
University of Witwatersrand	Digital Business	Masters	2021
University of Kwazulu-Natal	Business Management	Post-Graduate (Diploma)	2004
University of Kwazulu-Natal	Economics	Post-Graduate (Honors)	2003
University of Natal	Commerce	Bachelor	2001

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Financial Consultations	Shareholding Company	Accenture	Management Consultant	2004-2012
Financial Consultations	Shareholding Company	Barclays Africa	Strategy Lead	2013-2015
Financial Consultations	Shareholding Company	Absa Group	Director: Strategic Initiatives & Digital Transformation	2016-2019
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Digital Banking Division	2020

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Strategy & Digital Transformation Group	2021

Name: Mr. Badr A. Al-Rashodi

Position: Head of Customer Experience and Protection Division

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
EF International Language Schools- California	Language	Diploma	2001
Churchill House school - UK	Language	Diploma	1996-1997

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Non-profit sector	Specialized Organization	Sultan bin Abdulaziz Humanitarian City	Interpreter	2002
Banks and Financial Institution	Listed Joint Stock Company	SABB	Customer Care Representative	2003-2005
Postal and logistic services	Governmental Organization	Saudi Post	Supervisor	2007-2009
Postal and logistic services	Governmental Organization	Saudi Post	Manager of Customer Service	2009-2010
Postal and logistic services	Governmental Organization	Saudi Post	Special products deputy Manager	2010
Postal and logistic services	Governmental Organization	Saudi Post	Special products center operation Manager	2010
Postal and logistic services	Governmental Organization	Saudi Post	VIP Customers office Manager	2011

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Bank AlJazira	Head of Customer Experience and Protection Division	2021

Name: Mr. Sami Al Rajhi

Position: Head of Fawri Banking Services Group

Educational and Professional Qualifications			
University	Field of Specialty	Qualifications	Year
Nebras Commercial Secondary Institute, Riyadh, Saudi Arabia	Banking	Commercial Diploma	2002
The Arab Financial Academy for Banking & Financial Sciences - The Hashemite Kingdom of Jordan	Banking	Banking Diploma	2003

Previous Positions				
Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	Al Rajhi Bank	Operations Management Supervisor	1990-1993
Banks and Financial Services	Listed Joint-Stock Company	Al Rajhi Bank	transfer center Supervisor	1993-1996
Banks and Financial Services	Listed Joint-Stock Company	Al Rajhi Bank	transfer centers Supervisor	1996-2006
Banks and Financial Services	Listed Joint-Stock Company	Al Rajhi Bank	Director of Brokerage Department	2006-2007
Banks and Financial Services	Listed Joint-Stock Company	NCB	Director of Transfer Department	2007
Banks and Financial Services	Listed Joint-Stock Company	Al Bilad Bank	Director General of Injaz Sector	2008-2013

Current Positions				
Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint – Stock Company	Bank AlJazira	Head of FAWRI Banking Services Group	2013

2) Brief description of the responsibilities and functions of board committees:

1- Board Executive Committee

As per the bank's articles of association and its terms of reference, the executive committee of Bank AlJazira consists of 5 board members chosen by the board of directors and chaired for the board term by the chairman of the board of directors. The board of directors determines the authorities and powers of this committee. It is the responsibility of the executive committee, in accordance with the delegated powers, to monitor the implementation of the strategy and policies set by the board of directors, risk management and control of the bank's performance, recommend the balance sheet and action plan submitted for the fiscal year, and ensure proper implementation of the policies of the board of directors, in addition to monitoring the efficiency of internal control standards and policies implementation. The committee holds 6 meetings at least per year. The board of directors has re-formed the executive committee in the fourth quarter of 2020 to consist of Eng. Tareq Al-Kasabi (Chairman) and Eng. Abdulmajeed Alsultan, Mr. Adel Dahlawi, Mr. Ibrahim Al-Shai, Mr. Khalifah Almolhem (members). Mr. Naif Al-Abdulkarim has become the fifth member of the executive committee effective 08.06.1442H (21.01.2021) in place of Mr. Khalifa Almolhem.

The committee held 9 meetings during 2021 which were attended by members of the committee as described in the table below:

S	Name	Function	1 st . meeting 27.01.2021	2 nd . meeting 24.02.2021	3 rd . meeting 24.03.2021	4 th . meeting 28.04.2021	5 th . meeting 26.05.2021	6 th . meeting 23.06.2021	7 th . meeting 08.09.2021	8 th . meeting 20.10.2021	9 th . meeting 21.12.2021
1	Eng. Tarek bin Othman Al-Kasabi	Chairman	√	√	√	√	√	√	√	√	√
2	Eng. Abdul Majeed bin Ibrahim Al-Sultan	Member	√	√	√	√	√	√	√	√	√
3	Mr. Adil Bin Saud Dahlawi	Member	√	√	√	√	X	√	√	√	√
4	Mr. Naif Bin Abdulkarim Abdullah Al-Abdulkarim	Member	√	√	√	√	√	√	√	√	√
5	Mr. Ibrahim Bin Abdulaziz Al-Shai	Member	√	√	√	√	√	√	√	√	√

2) Audit Committee:

As per its terms of reference, the audit committee of Bank AlJazira consists of 3-5 members. This committee plays a key role in helping the Board of Directors to meet its supervisory duties regarding the integrity of the bank's financial statements and the independency and qualifications of auditors, effectiveness of disclosure controls and procedures, effectiveness of the internal audit and external auditors, adequacy of the Bank's

internal accounting systems and financial controls, supervision of the bank's compliance department and evaluation of its alignment with the ethical policies and regulatory and supervisory requirements.

The ordinary general assembly, in its 63rd meeting held on 15 November 2021 endorsed to adjust the terms of reference and duties of the audit committee to comply with regulatory requirements. The committee reviews the quarterly financial statements and assists the board of directors in carrying out the evaluation and annual review of the efficiency of internal controls, identifying potential risks and development of strategic plans to mitigate them.

The results of the annual audit of effectiveness of the bank's internal control procedures have reflected reasonable assurance in terms of covering the important control aspects that materially affect the bank's achievement of its objectives. In this regard, BAJ adopts all policies and procedures required by the various statutory bodies and best international practices

The audit committee membership consists of the chairman to be chosen from among the non-executive members of the board of directors and two independent members at least from outside the bank. The committee holds 4 meetings at least per year, and the meetings of audit committee are attended by the Chief Internal Audit and the Chief Financial Officer on a regular basis. The meetings are also attended by the CEO and senior executives as required. The audit committee was re-formed for this term to consist of Mr. Adel Dahlawi (Chairman) and Mr. Fawz Al-Fawaz and Mr. Taha Azhari (members) which composition was endorsed by General Assembly in its meeting held on 19 Dec 2018. The committee held 5 meetings during 2021 which were attended by the chairman and members, as shown in the table below:

S	Name	Function	1st. meeting 09.02.2021	2nd. meeting 20.04.2021	3rd. meeting 29.07.2021	4th. meeting 24.10.2021	5th. meeting 05.12.2021
1	Mr. Adel bin Saud Al-Dahlawi	Chairman of Audit Committee	√	√	√	√	√
2	Mr. Fawaz Mohammed Al Fawaz	Member of Audit Committee	√	√	√	√	√
3	Mr. Taha Bin Mohammed Azhari	Member of Audit Committee	√	√	√	√	√

3) Nomination and Remuneration Committee

The board of directors, based on its powers and authorities, forms the Remuneration and Nomination Committee which consists of 3-5 members appointed by the board after having obtained Saudi Central Bank's (SAMA) no-objection. The functions and duties of the committee focus on recommending nominations to the Board of Directors as per the approved policies and standards, performing annual reviews on the skills required for the membership of the board of directors, performing reviews of the board of directors' structure and recommending those changes that could be carried out. The committee is also responsible for ensuring the independence of independent members and lack of any conflict of interests in case any director was a member in any other company's board, ensuring recommended appointment is commensurate with the proper skills and required qualifications, and development and review of remuneration for the directors and senior executives.

The ordinary general meeting, in its 63rd meeting held on 15 November 2021 ratified to adjust the terms of reference and duties of the Remuneration and Nomination Committee to comply with regulatory requirements. The committee holds two meetings at least per year.

The members of the Remuneration and Nomination Committee were appointed for the present board term at the board's meeting No. 211 held on 07 Jumada I, 1440H (corresponding to January 13, 2019). The committee was re-formed to consist of Mr. Ibrahim Bin Abdulaziz Al-Shaia (Chairman) and Eng. Abdulmajeed Bin Ibrahim Alsultan, Mr. Khalifa Bin Abdullatif Al-Molhem and Mr. Ibrahim Bin Abdullah Alheddaithi (members). The Committee held 4 meetings during 2021 which were attended by the chairman and members of the committee as reflected in the table below:

S	Name	Function	No. of meetings			
			1 st . meeting 28/02/2021	2 nd meeting 01/09/2021	3 rd meeting 10/11/2021	4 th meeting 23/12/2021
1	Mr. Ibrahim Bin Abdulaziz Al Shaia	Chairman of the Nomination and Remuneration Committee	√	√	√	√
2	Eng. Abdulmajeed Bin Ibrahim Alsultan	Member of the Nomination and Remuneration Committee	√	√	√	√
3	Mr. Khalifa Bin Abdullatif Al-Molhem	Member of the Nomination and Remuneration Committee	√	√	√	X
4	Mr. Ibrahim Bin Abdullah Alheddaithi	Member of the Nomination and Remuneration Committee	√	√	√	X
5	Mr. Tareq Bin Abdulrahman Al-Shbaily *	Member of the Nomination and Remuneration Committee – Non Board member	X	X	X	X

* Membership of Mr. Tareq Bin Abdulrahman Al-Shbaily of the Remuneration and Nomination committee ended on Jan 2021 by resignation.

4) Board Risk Committee

As per its terms of reference, the Risk Committee of Bank AlJazira consists of 3-5 board members and holds 4 meetings at least per year. This committee assists the board of directors in fulfilling the responsibilities of overseeing the risks in the bank's businesses and controls. Its duties and responsibilities are focused on the supervision and control, review of the bank's ability to manage and undertake risks based on appropriate analysis, and formulation of appropriate risk management policies. It also approves the credit rating system in the bank and risk policies for assets and liabilities management as developed by the Assets and Liabilities Committee. The committee measures the exposures to financial risks and other significant exposures as well as the steps taken by the management to monitor, control and report cases of risks, including, but not limited to, review of credits, market, liquidity, reputational, operational, fraud and strategic risks in addition to evaluating exposures, tolerance levels and approval of appropriate transactions or commercial restrictions. The committee also reviews the scope of risk management and the targeted activities related to the functions of the Bank's risk management.

The members of the board risk committee for the current term have been appointed at the board of directors' meeting No. 211 held on 07 Jumada I, 1440H (corresponding to January 13, 2019). The committee was re-formed in the fourth quarter of 2020 to consist of Mr. Ibrahim Al-Shaia (chairman) and Mr. Khalifa Almolhem, Mr. Turki Alfawzan and Mr. Abdulwahab Al-Btairy (members). The Committee held 4 meetings during 2021 which were attended by the chairman and members as stated in the table below:

S	Name	Function	No. of meetings			
			1 st meeting 21/02/2021	2 nd meeting 24/05/2021	3 rd meeting 22/09/2021	4 th meeting 14/12/2021
1	Mr. Ibrahim Bin Abdulaziz Al Shaia	Chairman of the Board Risk Committee	√	√	√	√
2	Mr. Turki bin Abdullah AlFawzan	Member of the Board Risk Committee	√	√	√	√
3	Mr. Khalifa Bin Abdullatif Al-Molhem	Member of the Board Risk Committee	√	√	x	X
4	Mr. Abdulwahab Al-Btairy	Member of the Board Risk Committee. Non-Board member	√	√	√	√

5) Committee of the 'Khair AlJazira le Ahl AlJazira' program

As per its terms of reference, the Social Responsibility Committee of Bank AlJazira consists of 3-5 board members and holds 4 meetings at least per year. This committee plays an important role in assisting the board of directors in the fulfillment of its social responsibilities related to the 'Khair AlJazira le Ahl AlJazira' program. It is responsible for the formulation of policies and procedures related to the activities and social responsibility programs, approval of the annual budget for 'Khair AlJazira le Ahl AlJazira' program, approval of the annual plan for the program, creating solutions for the obstacles that might hinder the social responsibility programs and review of the objectives of the program by highlighting the bank's role in the community service. It also contributes and participates actively in many social responsibility programs in the Kingdom, builds cooperation and communication between the bank and the authorities related to those programs and establishes specific partnerships with associations and charities in the kingdom which contribute to highlighting the role of private sector in enhancing the process of social responsibility. The Committee also strives to create an appropriate environment to help the youth and rehabilitate them for the market, and it provides distinctive programs for rehabilitating disabled people. The committee of the 'Khair AlJazira le Ahl AlJazira' program reports annually to the Board of Directors about the activities and functions of 'Khair AlJazira le Ahl AlJazira' program.

The members of the social responsibility committee for the current term have been appointed at the board of directors' meeting No. 211 held on 07 Jumada I, 1440H (corresponding to January 13, 2019). The Committee members are: Engineer Abdulmajeed Alsultan (Chairman) and Mr. Abdulaziz Al-Hadlaq and Dr. Fahd Alolayan (members). The committee held 4 meetings during 2021 which were attended by the chairman and members as stated in the table below:

S	Name	Function	No. of meetings			
			1 st meeting 24/01/2021	2 nd meeting 27/04/2021	3 rd meeting 20/09/2021	4 th meeting 12/12/2021
1	Eng. Abdulmajeed bin Ibraheem Al-Sultan	Chairman of Social Responsibility Committee	√	√	√	√
2	Mr. Abdulaziz Bin Ibrahim bin Saad Al-Hadlaq	Member of Social Responsibility Committee. Non-Board member	√	√	√	√
3	Dr. Fahd bin Ali Al-Olayan	Member of Social Responsibility Committee. Non-Board member	√	√	√	√

3) Details of the entities in/out of the Kingdom, in which members of BAJ Board of Directors hold/held board membership or management positions, excluding BAJ membership:

Director's name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/unlisted joint-stock/limited liability, etc"	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/unlisted joint-stock/limited liability, etc"
Eng. Tarek bin Othman Al-Kasabi	1. 1998: BAJ Board member 2. 2016: Chairman of the Board, BAJ 3. 1995: Chairman of the Board, Dallah Medical Services Company 4. 2010: Chairman of the Board, Ataa Educational Company 5. 2008: Chairman of the board, Rozam Investment Company 6. 2017 : Chairman of the Board, Dallah Farma Co. 7. Al-Balad Al-Amin Company for Urban Development 8. 2020: Chairman of the Board, Dar'a AlRe'aya Holding Co. 9. 2006: Board member, Kingdom's University Company (Kingdom of bahrain) 10. 2013: Board member, RZM Gayrimenkul Anonim Sirketi (Turkey) 11. 2013: Chairman of the Board, NEBA Gerimenkul Yatirimlari VE Ticaret A.S (Turkey)	In Kingdom In Kingdom In Kingdom In Kingdom In Kingdom In Kingdom In Kingdom In Kingdom In Kingdom Out of Kingdom Out of Kingdom	Listed Joint-Stock Listed Joint-Stock Closed Joint-Stock Limited Liability Co Closed Joint-Stock Limited Liability Co. Closed Joint-Stock Limited Liability Co. Closed Joint-Stock Closed Joint-Stock Closed Joint-Stock	1. Aseer Trading, Tourism and Industry Company 2. Serb Real-Estate Investment Company 3. Al Balad Al Amin Urban Development Co. 4. Dahiat Smou Co. 5. GOSI	In Kingdom In Kingdom In Kingdom In Kingdom	Listed Joint-Stock Closed Joint-Stock Limited Liability Co. Limited Liability Co. Government Agency
Eng. Abdulmajeed bin Ibrahim Al-Sultan	1. 1993: Consolidated Brothers for Development Co. 2. 2009: Olat Development Co. 3. 2013: AlJazira Takaful Ta'awuni 4. 2013: Al-Durrah Development Company 5. 2013: Royal and Sun Insurance Company (Egypt)	In Kingdom In Kingdom In Kingdom Out of Kingdom (Egypt)	Closed Joint-Stock Limited Liability Listed Joint-Stock Closed Joint-Stock Closed Joint-Stock	1. Packing and Wrapping Manufacturing Company 2. Packing and Wrapping Manufacturing Company – FEBCO 3. Qassim Cement Company	In Kingdom In Kingdom In Kingdom	Listed Joint-Stock Listed Joint-Stock Listed Joint-Stock
Mr. Naif Bin Abdulkarim Al-Abdulkarim	1. AlJazira Securities Company 2. Simah Company (Credit Bureau)	In Kingdom In Kingdom	Closed Joint-stock Limited Liability	1. Board member, HSBC-SA 2. Board member, SABB Takaful	In Kingdom In Kingdom	Closed Joint-stock closed Joint-stock
Mr. Abdullah Bin Saleh Al Rasheed	1. Adae Financial and Management Consulting Co 2. Insurance World Company 3. Saudi Gas Cylinder Manufacturing Company 4. Majid Investment and Real Estate Development Company	In Kingdom In Kingdom In Kingdom In Kingdom	Limited Liability Limited Liability Closed Joint-Stock Closed Joint-Stock	1. ANB 2. Educational Attache of KSA in Canada 3. Ministry of Higher Education 4. Saudi Traveler Cheques Company 5. Al-Othaim Commercial Company 6. Al-Othaim Holding Company 7. Khalid Al Baltan Group, Riyadh 8. Mahara Human Resources Company	In Kingdom Out of Kingdom In Kingdom In Kingdom In Kingdom In Kingdom In Kingdom	Listed Joint-Stock Government Dept. Government Dept. Closed Joint-Stock Listed Joint-Stock Listed Joint-Stock Closed Joint-Stock Limited Liability Listed Joint-Stock

Director's name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/unlisted joint-stock/limited liability, etc"	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/unlisted joint-stock/limited liability, etc"
Mr. Ibrahim Bin Abdulaziz Al Shaia	1. GOSI	In Kingdom	Government Body	1. Al-Rashid Accountants, Auditors and Legal Consultants.	In Kingdom	Limited Liability
				2. Accounting and Auditing Organization for GCC Countries.	In Kingdom	Government Body
				3. Saudi Fransi Insurance Company	In Kingdom	Closed Joint-Stock
Mr. Adil Bin Saud Dahlawi	1. Dallah Medical Services Company	In Kingdom	Listed Joint-stock	1. Saudi Faransi Bank	In Kingdom	Listed Joint-stock
	2. Qasr Alworoud International Company	In Kingdom	Listed Joint-stock	2. SAMBA Financial Group	In Kingdom	Listed Joint-stock
	3. Fast Food Copany, Spain	Out of Kingdom	Limited Liability Joint-Stock	3. Dallah Albarakah Holding Company	In Kingdom	Limited Liability Joint-Stock
	4. Albuhaiera Company, Tunisia	Out of Kingdom	Private Joint-stock	4. Etqan Capital Company	In Kingdom	Limited Liability Joint-Stock
				5. Mawthouq Company	In Kingdom	Limited Liability Joint-Stock
Mr. Ibrahim bin Abdullah Al-Hedaithi	1. ESNA Holding	In Kingdom	Holding	1. MEFFIC Capital 2018-2007	In Kingdom	Closed Joint-Stock
	2. BAJ	In Kingdom	Listed Joint-Stock	2. Freshlink Ltd.	Out of Kingdom	Limited Liability
	3. Body Masters	In Kingdom	Limited Liability	3. Bee'at Alwattan	In Kingdom	Limited Liability
	4. Albasar Medical Services Limited	In Kingdom	Limited Liability			
	5. Meras Arabia Holding Company	In Kingdom	Joint-Stock Limited Liability			
	6. Sultan Delight Burger	In Kingdom				
	7. National Feed Co. Ltd. (feedCo)	In Kingdom	Limited Liability			
Mr. Turki Bin Abdullah Alfawzan	1. Middle East Financial Investment Company (MEFIC)	In Kingdom	Closed Joint-stock	1. SAMBA Financial Group	In Kingdom	
				2. Rana Investment Company	In Kingdom	
				3. Alinma Investment Company	In Kingdom	
				4. Credit Agricole Saudi Faransi		
Mr. Khalifah Bin Abdulatif Almolhem	1. Board member, White Cement Co.	In Kingdom	Listed Joint-stock	1- 1985-2002: Board member, SABB	In Kingdom	Listed Joint-stock
	2. Chairman of the board, Advanced Petrochemical Co.	In Kingdom	Listed Joint-stock	2- 1987-1994: Board member, Saudi Spanish Bank	In Kingdom	Joint-stock
	3. Chairman of the Board, AlJazira Support Services Co.	In Kingdom	Listed Joint-stock	3- 2007-2012: Board member, Namaa Petrochemical Company	In Kingdom	Listed Joint-stock
	4. Board member, National Maritime Company	In Kingdom	Listed Joint-stock			Closed Joint-stock
	5. Board Member, Walaa Cooperative Insurance Co.	In Kingdom	Closed Joint-stock	4- 2012-2017 : Board member, Alitifaq Steel Company	In Kingdom	Government agency
	6. Board member, BAJ	In Kingdom	Listed Joint-stock	5- 2014-2017: Board member, GOSI	In Kingdom	Closed Joint-stock
				6- 2007-2019: Board member, IGI Company, Jordan		

4) Statement of Shareholders General meetings held during the fiscal year 2021 and the names of attending directors:

Two shareholders general meetings were held in the year 2021:

1) First Ordinary General Meeting held on 29 April 2021.

The following agenda was discussed:

1. To vote on the directors report for the fiscal year ending 31 December 2020.
2. To vote on the financial statements for the fiscal year ending 31 December 2020.
3. To vote on the auditors' report for the fiscal year ending 31 December 2020.
4. To relieve the directors from their liability for the year ending 31 December 2020.
5. To vote on the appointment of the bank auditors of the bank from the list of nominees based on the recommendation of the audit committee, to review and audit the financial statements of the second and third quarters in 2021, the annual financial statements for the year 2021, the first quarter 2022 and to fix their fees.
6. To vote on the board's decision to appoint Mr. Naif Abdul Karim Al-AbdulKarim (executive member) on the board of directors in the vacant position from January 21, 2021 until the end of the current board term on December 31, 2021, in place of the former member (Nabil Bin Daoud Al-Hoshan), (Executive Member).
7. To vote on the transactions and contracts which will be concluded between the bank and AlJazira Takaful Ta'awuni Company (Related Party) as the board director, Eng. Abdulmajeed bin Ibrahim Al-Sultan holds indirect interest therein, and also because he is a member of the board of AlJazira Takaful Ta'awuni Company. The contracts cover the collective insurance agreement for the personal finance portfolio, collective insurance agreement for the real-estate finance portfolio, collective insurance services agreement for bank staff and agreement for protection of staff loan portfolio. The sum of this related transaction in the year 2020 amounted to SAR 168.3 Million. No preferential conditions apply to this transaction.
8. To vote on the transactions and contracts which will be concluded between the bank and AlJazira Capital (Related Party) as the board director, Mr. Naif Abdul Karim Al-AbdulKarim holds indirect interest therein (being a member of the board of AlJazira Capital). This transaction covers common services, Tamam product partnership agreement, agreement for special commission expenses on term deposits and branch rental expenses agreement. The sum of this related transaction in the year 2020 amounted to SAR 17.6 Million. No preferential conditions apply to this transaction.

The Bank published on 20 Ramadan, 1442H (02 May 2021), on Tadawul and BAJ websites the resolutions taken at this General Meeting.

2) Second Ordinary General Meeting held on 10 Rabia II, 1443H (15 Nov 2021)

The following agenda was discussed:

1. Voting to elect members of the board for the next term which will start on January 01, 2022 for a period of three years until December 31, 2024 (CVs of the candidates are attached).
2. Voting on the formation of the Audit Committee and defining its responsibilities, working controls and the remuneration of its members for the next term, which will start on January 01, 2022 for a period of three years until December 31, 2024. The candidates are (CVs attached):
 - Dr. AbuBaker BaGabir
 - Mr. Saad Ibrahim Almushawah
 - Mr. Fawzi Ibrahim Alhobayb
3. Voting on the amendments of Audit Committee Charter. (attached)
4. Voting on the amendments of Nomination & Compensation Committee Charter. (attached)
5. Voting on the amendments of Board of Directors and Committees Membership Criteria Policy. (attached)
6. Voting to authorize the Board of Directors to distribute interim dividends to the shareholders on semi-annual or quarterly basis, against the fiscal year 2022.
7. Voting to delegate the Board of Directors with the authority of the General Assembly with the license mentioned in Section (1) of Article (71) of the Companies Law, for a one year period effective upon the AGM approval date or up to ending of the authorized Board term, whichever is earlier, in accordance with the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.

The Bank published on 11 Rabi II, 1443H (16 Nov 2021), on Tadawul and BAJ websites the resolutions taken at this General Meeting.

The table below shows board directors attendance of the two meetings:

S	Name	1 st . EOGM (29.04.2021)	2 nd . EOGM (15.11.2021)
1	Eng. Tarek bin Othman Al-Kasabi	√	√
2	Eng. Abdul Majeed bin Ibrahim Al-Sultan	√	√
3	Mr. Abdullah Bin Saleh Al Rasheed	√	√
4	Mr. Ibrahim Bin Abdulaziz Al Shaia	√	√
5	Mr. Adil Bin Saud Dahlawi	√	√
6	Mr. Ibrahim bin Abdullah AlHdaithy	√	-
7	Mr. Turki bin Abdullah AlFawzan	√	√
8	Mr. Khalifah Bin Abdullatif Almulhem	-	-
9	Mr. Naif Bin Abdulkarim Al-Abdulkarim	√	√

5) Management Committees

The governance framework of Bank AlJazira is based on the structure of the board of directors, 5 board sub-committees and 11 management committees. The governance structure is also based on a series of governance empowerment factors which ensure achievement of required clarity and good discipline of governance, namely: institutional values, design of organizational structure, procedures and policies, bank's matrix of authorities as well as effective communication at internal and external levels.

Bank AlJazira formed the following management committees to undertake specific tasks and responsibilities. Membership of these committees is restricted to the bank's employees and officials who are directly involved in the business of these committees*:

- Credit Committee
- Asset and Liabilities Committee
- IT Steering Committee
- Risk Management Committee
- Market Risk Policies Committee
- Product Review Committee
- Business Continuity Committee
- SMEs Committee
- Information Security Committee
- Anti-fraud Committee
- Transformation Steering Committee

* The Management Committee was abolished on 21 October 2021 and the Compliance Committee was abolished on 28 September 2021, and the Transformation Steering Committee was added on 3 November 2021.

6) Notification relating to shareholding of major shareholders:

The Bank did not receive any notifications from shareholders and related parties regarding change of their shareholding in the bank as per the provisions of article 68 of the requirements for securities issuance and continuous liabilities issued by the Capital Market Authority. The following tables include description of the interests of major shareholders, board directors and senior executives and their spouses and minor children in the bank's shares or debt instruments:

- Description of any interest, securities or subscription right held by major shareholders:

S	Name of interested person	Beginning of the year 2021		End of the year 2021		Net change	% Change
		No. of shares	Debt instruments	No. of shares	Debt instruments		
1	Consolidated Brothers Development Company	54,070,295		54,070,295		0	0%
2	Ibrahim Abdulrahman Mohammed Alqunaibet	20,554,013		41,002,903		20,448,890	99.49%

- Description of any interest, securities and subscription rights held by the directors of the Board and their spouses and minor children

S	Name of interested person	Beginning of the year 2021 Register as of 01.01.2021		End of the year 2021 Register as of 31.12.2021		Net change	% Change
		No. of shares	Debt instruments	No. of shares	Debt instruments		
1	Eng. Tarek bin Othman Al-Kasabi	0		1000		1000	100%
2	Eng. Abdulmajeed bin Ibrahim Al-Sultan	2731		2731		0	0.0%
3	Mr. Adil Bin Saud Dahlawi	0		10		10	100%
4	Mr. Turki bin Abdullah AlFawzan	50		50		0	0.0%
5	Mr. Abdullah Bin Saleh Al Rasheed	2050		2050		0	0.0%
6	GOSI, represented by Mr. Ibrahim Bin Abdulaziz Al Shaia	7390992		7390992		0	0.0%
7	Mr. Ibrahim bin Abdullah Al-Hedaithi	10172		10172		0	0.0%
8	Mr. Khalifa Bin Abdullatif Almolhem	314304		300000		-14304	-4.55%
9	Mr. Naif Bin Abdulkarim Al-Abdulkarim	1000		1000		0	0.0%

- Description of any interest, securities and subscription rights held by senior executives, their spouses and minor children:

S	Name of interested person	Beginning of the year 2021		End of the year 2021		Net change	% Change
		No. of shares	Debt instruments	No. of shares	Debt instruments		
1	Mr. Naif Bin Abdulkarim Al-Abdulkarim CEO	1000		1000		0	0%
2	Mr. Hani Nouri Chief Financial Officer	0		0		0	0%
3	Mr. Sultan Bin Saud Algahtani Company Secretary and Head of Governance Group	0		0		0	0%

7) Number and dates of Board meetings held in the last fiscal year, and attendance record detailing names of attending directors:

As per the bank's articles of association, the board shall hold 4 meetings per year at least. In the year 2021, the Board held 4 meetings. The table below reflects the meetings held and members attendance record:

Name	1 st . meeting 24.02.2021	2 nd . meeting 26.05.2021	3 rd . meeting 21.09.2021	4 th . meeting 15.12.2021
Eng. Tarek bin Othman Al-Kasabi	√	√	√	√
Eng. Abdulmajeed bin Ibrahim Al-Sultan	√	√	√	√
Mr. Abdullah Bin Saleh Al Rasheed	√	√	√	√
Mr. Ibrahim Bin Abdulaziz Al Shaia	√	√	√	√
Mr. Adil Bin Saud Dahlawi	X	X	√	√
Mr. Ibrahim bin Abdullah Al-Hedaithi	√	√	√	√
Mr. Turki bin Abdullah AlFawzan	√	√	√	√
Mr. Khalifa Bin Abdullatif Almolhem	√	√	√	√
Mr. Naif Bin Abdulkarim Al-Abdulkarim	√	√	√	√

8) Details of any arrangements or agreement under which any director of the board or senior executive of the bank has waived any remuneration or right:

The Bank is not aware of any arrangements or agreements for the waiver by any of the directors of the board or senior executives of any of their rights to any remuneration.

9) Details of any arrangements or agreement under which any shareholder of the bank has waived any right to dividends:

The Bank is not aware of any arrangements or agreements for the waiver by any of the bank shareholders of any of their rights to any dividends.

10) Actions taken by the Board to notify its members – particularly non-executives – of shareholders suggestions and comments regarding the bank and its performance:

In line with the relevant supervisory directives, and as a general rule, the bank is keen to facilitate shareholders exercise of their statutory rights relating to shares, including submission of suggestions and feedback regarding the bank and its performance. In line with the bank's practices, the board answered shareholders inquiries raised at the two General Assembly meetings held in 2021, or through the shareholders' unit of the bank. The board reviews such feedback and comments and takes the appropriate actions in this regard.

Payments to directors and key executives

Compensation Policy

The BAJ Rewards and Compensation Policy sets the framework of rewards and compensations payable to board and non-board members in line with the supervisory authorities guidelines and shall generally be subject to the provisions of the Companies Act, Key Principles of Governance for Banks operating in the Kingdom of Saudi Arabia and the compensation and Remuneration rules issued by the Saudi Central Bank (SAMA), and Corporate Governance rules and organizational procedures issued in enforcement Companies Act relating to listed joint-stock companies issued by CMA, in line with the Bank's Articles of Association and the circular of the Saudi Central Bank (SAMA), which provides that the remuneration, compensation and benefits payable to the Chairman and members of the Board of Directors shall not exceed the sum of SAR 500,000 per Director per annum, excluding the chairman and members of Audit Committee. In the year 2021, none of the members of the board or subcommittees have performed any work of technical or advisory nature, and therefore they did not get any consideration or special benefits in respect thereof. The following table reflects details of remunerations and compensations paid to the board and committee members and senior executives during the year.

Board Remuneration

SAR

	Fixed remunerations						Variable remunerations						End-of-service award	Aggregate Amount	Expenses Allowance
	Specific Amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total		

First: Independent Directors

Mr. Abdullah Bin Saleh Al Rasheed	450,000	20,000	-	-	-	-	470,000	-	-	-	-	-	-	470,000	-
Mr. Ibrahim Bin Abdulaziz Al-Shaya	450,000	-	50,000	-	-	-	500,000	-	-	-	-	-	-	500,000	-
Mr. Adil Bin Saud Dahlawi *	550,000	-	60,000	-	-	-	610,000	-	-	-	-	-	-	610,000	5,655
Mr. Khalifa Bin Abdullatif Almolhem	450,000	10,000	30,000	-	-	-	490,000	-	-	-	-	-	-	490,000	76
Total	1,900,000	30,000	140,000	-	-	-	2,070,000	-	-	-	-	-	-	2,070,000	5,731

Second: Non-Executive Directors

Eng. Tarek bin Othman Al-Kasabi	450,000	5,000	45,000	-	-	-	500,000	-	-	-	-	-	-	500,000	-
Eng. Abdul Majeed bin Ibrahim Al-Sultan	450,000	-	50,000	-	-	-	500,000	-	-	-	-	-	-	500,000	-
Mr. Ibrahim bin Abdullah Al-Hedaithi	450,000	30,000	15,000	-	-	-	495,000	-	-	-	-	-	-	495,000	-
Mr. Turki bin Abdullah Al-Fawzan	450,000	30,000	20,000	-	-	-	500,000	-	-	-	-	-	-	500,000	-
Total	1,800,000	65,000	130,000	-	-	-	1,995,000	-	-	-	-	-	-	1,995,000	-

Third: Executive Directors

Mr. Naif bin Abdulkareem Al-Abdulkareem	450,000	5,000	45,000	-	-	-	500,000	-	-	-	-	-	-	500,000	-
Total	450,000	5,000	45,000	-	-	-	500,000	-	-	-	-	-	-	500,000	-

* This amount also contains the amount received for his membership in the Audit Committee

Committees Members Remuneration

SAR

	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
--	---	---	-------

Executive Committee members

Eng. Tarek bin Othman Al-Kasabi		45,000	45,000
Eng. Abdul Majeed bin Ibrahim Al-Sultan		10,000	10,000
Mr. Naif bin Abdulkareem Al- Abdulkareem		45,000	45,000
Mr. Adil Bin Saud Dahlawi		35,000	35,000
Mr. Ibrahim Bin Abdulaziz Al-Shaya		10,000	10,000
Total		145,000	145,000

Audit Committee members

Mr. Adel Bin Saud Abdulhameed Dahlawi	100,000	25,000	125,000
Mr. Fawaz Bin Mohammed Al-Fawaz	100,000	25,000	125,000
Mr. Taha Bin Mohammed Azhari	100,000	25,000	125,000
Total	300,000	75,000	375,000

Remuneration and Nomination Committee members

Eng. Abdul Majeed bin Ibrahim Al-Sultan		20,000	20,000
Mr. Ibrahim Bin Abdulaziz Al-Shaya		20,000	20,000
Mr. Ibrahim bin Abdullah Al-Hedaithi		15,000	15,000
Mr. Khalifa Bin Abdullatif Almolhem		15,000	15,000
Total		70,000	70,000

Risk Committee members

Mr. Ibrahim Bin Abdulaziz Al-Shaya		20,000	20,000
Mr. Khalifa Bin Abdullatif Almolhem		15,000	15,000
Mr. Turki bin Abdullah Al-Fawzan		20,000	20,000
Mr. Abdulwahab Bin Abdulkareem Albtairy	100,000	20,000	120,000
Total	100,000	75,000	175,000

Social Responsibility Committee members (Khair AlJazira Le Ahl AlJazira)

Eng. Abdul Majeed bin Ibrahim Al-Sultan		20,000	20,000
Mr. Abdulaziz Bin Ibrahim bin Saad Al-Hadlaq	100,000	20,000	120,000
Dr. Fahd bin Ali Alolayan	100,000	20,000	120,000
Total	200,000	60,000	260,000

* The Audit Committee, Risk Management Committee and Social Responsibility Committee includes members who are not Directors of the Board.

Remuneration of five senior executives, including the CEO and chief financial officer:

SAR

Senior Executives	Fixed remunerations				Variable remunerations						End-of-service award	Total remunerations for Board executives, if any	Aggregate Amount
	Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			

Internal Audit Group

The Bank's Internal Audit Group performs internal independent audit and control review function for the Bank, covering all businesses and functions. The group uses standardized internal audit methodologies in providing assurance and independent opinion in relation to assessment of governance, risks and internal control systems including the submission of recommendations and follow up to optimize the internal control systems' efficacy and enhance awareness of their efficiency and importance.

The Chief Audit Executive manages the group and the Audit Committee has an oversight responsibility for ensuring that the group's objectives are achieved.

Internal Audit Group pursues a risk-based approach in the planning and execution of audit engagements on risk-based prioritization. The scope of the internal audit activity encompasses all aspects of internal systems, governance and risk management frameworks.

Internal Audit Group provides an independent and objective reasonable assurance of risk and control activities for senior management and furnishes them with recommendation and information concerning activities reviewed.

The Internal Audit Group maintains a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the internal audit activities in addition to an external assessment conducted by an independent qualified body on a periodic basis for conformance with the Institute of Internal Auditors standards.

Annual Review of the Effectiveness of Internal Control Procedures

Being a financial institution, the Bank gives high importance to the internal control environment. At the Bank, effective internal control procedures are in place across the organization by applying the principle of three lines of defense. This is adopted based on their suitability to the work.

patterns of the bank taking into consideration industry best practices and international standards applicable in the banking and financial industry and by contracting with international organizations to provide advisory services to evaluate and optimize the efficiency of control systems, and their effectiveness is continuously monitored and tested by the control functions in the Bank, and additionally tested by the independent external auditors and regulatory inspection team.

The Board of Directors and its committees as well as the executive management play a vital role in the enhancement of internal control environment through direct supervision of the functions of the bank's control groups such as Compliance and Risk groups. The internal control process relies basically on the efficacy of the control systems in the bank. The effective internal control increases confidence in the financial reports and audit processes.

The results of the annual audit of the effectiveness of the internal control procedures of the Bank have reflected good and acceptable levels of controls.

Audit Committee review of the adequacy of the bank's internal control systems.

During 2021, the Audit Committee reviewed various reports to assess and measure the adequacy of internal controls and systems, including the financial statements and risk reports.

The committee's discussions and resolutions are documented in the minutes of the meetings and issues that require attention are brought to the Board of Directors.

During the year, members of the Audit Committee held meetings with the heads of internal audit groups, risks, compliance, finance and external auditors, where the Committee was briefed on the latest developments on issues requiring the committee's attention. The Committee also received internal audit reports, regulatory and supervisory reports, as well as the letters of external auditors made to the management during the year and reviewed the management's action plans for the issues filed.

The audit committee also reviewed the effectiveness of the internal control system, procedures for compliance with the Bank's internal policies and relevant regulatory and legal requirements in Saudi Arabia, and whether the management has fulfilled its duties in establishing an effective internal control system and seek independent confirmation by the internal audit for assessment of the adequacy and effectiveness of such internal controls.

The Audit Committee confirms to the Board of Directors and shareholders that, to their best knowledge and in all material respects, the bank's internal control system is operating with an acceptable level of effectiveness and enhancements are needed to improve some aspects from the previous year. Taking into consideration that any internal control system, regardless of the soundness of its design and effectiveness of its implementation, cannot provide absolute assurance. The committee also confirms that the recommendations relating to appointment, dismissal, assessment or fixing of the fees of the auditors were approved by the Board.

Retail Banking Group

The Retail Banking Group continues to redefine banking services and reinforces BAJ position within the Saudi banking industry by offering innovative products and smart banking solutions with a nationwide distribution network 81 branches, 4 Ladies sections, 635 ATMs, and 18,043 Point of Sale devices. Our products and services are designed to meet the end-to-end needs of all customers from online account opening to time deposits, debit and credit cards to personal finance in addition to a wide range of mortgage finance products. Furthermore, our Electronic Banking services are among the best in the Saudi Market with AlJazira Phone being awarded for the best in customer service in the world. AlJazira SMART and AlJazira Online re-launch has made a great impact on usage and transaction based returns Bank AlJazira was also awarded with Islamic Retail Banking Excellence award in Islamic digital banking 2021 and most innovative Retail Islamic Bank in Saudi Arabia 2021 from Cambridge International Financial advisory. Overall, Retail customer deposits has increased to reach SAR 35,220 million at the end of 2021. Meanwhile, the Group's Loans book has increased by 5% at the end of 2021 to reach SAR 28,806 million from SAR 27,364 million in Dec 2020. Following the promising growth in the Real Estate finance market, the Bank's real estate finance portfolio grew by 10% as of Dec of 2021 compared to Dec 2020, with an estimated market share of over 3.6% by year end.

Following Bank AlJazira strategic direction to optimize its Branch network & better utilize valuable resources, 15 ladies branches were merged by end 2021.

Private Banking and Wealth Management Group

The Private Banking Group serves the high net worth Individuals segment by providing a comprehensive array of private Sharia- compliant banking services and products.

The group devotes all of its experience and capabilities to deliver & achieve the financial goals and objectives of its customers in a professional and timely manner.

Customer deposits reached SAR 15,947 Million as of the end of 2021. The Group Collaborates closely with AlJazira Capital to provide advisory services and investment opportunities for HNW individuals. This continuous collaboration has led to a significant increase in the size of our customer investment portfolios, where the total value of the Group's customer Portfolios reached SAR 3,453 Million as of the end of 2021.

The Group meets the credit needs of its customers through its credit unit with an objective to meet the credit requirements of all its customers in a way that meets their finance needs and purpose of investments. Total credit facilities portfolio increased by 49% to reach to SAR 3,453 Million as of the end of 2021.

The Group serves its customers through 3 centers located in Riyadh, Jeddah and AlKhobar. These centers offer all services and banking transactions needed by HNW individuals through highly qualified Saudi cadres.

Recently participate in establish a new Wealth Management Dept. in AlJazira Capital.

The aim of establishing AJC Wealth Management is to support Private Banking in developing sharia compliant wealth management proposition platform, this step comes in line with the agreed action points recommended in the latest strategy paper that was approved by BAJ board of directors.

FAWRI

Despite of all challenges that has been faced during covid-19 pandemic and limitations of being relatively new in the remittance business, Fawri continued dealing market conditions and reaffirm its position amongst top remittance service providers in the Kingdom of Saudi Arabia.

In the year 2021, Fawri has propelled a significant transformation in remittances through digital platforms with 42% of total transfers comparing 16% in 2020 by persistently improvising customer experience of sending money through BAJ digital platforms at a very competitive pricing. The introduction of **"Online customer registration"**, **"Online customer complaint and claims system"** and **"Fawri Kiosk machine"** has been a valuable addition to service excellence thereby; strengthening trust of our customers.

Complying with Saudization policy, Fawri has successfully maintain 100% Saudization at its remittance centers. In addition, 3 new centers were added and completing merging process of 3 centers in order to increase operational efficiency & last FAWRI launch Mobile branch services across main cities to service mega communities in mega company and hospitals that taking the tally to **"63 remittance centers"** across the Kingdom. More remarkably, Fawri has made a giant leap by launching and equipping remittance centers with **"Instant Fawri Card printing"** and **"POS machines"** and **"cash acceptance ATM"**.

Fawri continues to expand its Global outreach through MoneyGram and RIA wherein money can be collected from over 600,000 payout locations, in addition to having a separate and direct presence in 11 countries through **"24 direct correspondent banking partners"**.

Going forward, Fawri will continue to offer innovative products and services to all customer segments with the prime focus on digital channels and converting to, providing a hassle-free customer experience.

Enterprise Risk Management Group (ERMG)

During the year 2021 Bank AlJazira continued its drive to focus on strengthening the Risk Management culture and ensuring the same is institutionalized at an enterprise wide basis. With this objective set forth, the management remained committed to ensure that the bank adopts best in class risk management practices supported by necessary infrastructure, in terms of people, processes and systems so that the practices adopted become embedded in the cultural fabric of the bank.

The priority has been to strengthen the Enterprise Risk Management function with core emphasis on the following:

1. Building a robust architecture and risk strategy to facilitate not only the current business strategy but also to adapt to the changing business landscape and environment.
2. Investment in and development of risk analytics capabilities and technology to lay a strong foundation for the Risk Data Warehouse. In this regards the bank continues to invest in relevant technology infrastructure in line with Basel Committee on Banking Supervision (BCBS) 239 guidelines. The ultimate vision of the bank is aimed at developing a state of the art Risk Data Warehouse serving as the single source of truth for all risk data and analytics needs.
3. Delineation of the approvals and review processes, ensuring that Risk Approvers and Reviewers remain independent with an objective of strict adoption to Credit Committee Culture and minimum four eyes principle.
4. Enterprise Information Security Function in line with the banks mission and strategy and also SAMA's Cyber Security Framework, continued its effort to strengthen, protect information and information systems to ensure that the confidentiality, integrity and availability of all information is commensurate with mission needs, information value, and associated threats.
5. Alignment and strategizing Capital Adequacy process in sync with bank's strategic direction. The Internal Capital Adequacy Assessment Process (ICAAP) goals are being continually rationalized in accordance with the existing strategic focus and the business plan on an annual basis. Capital adequacy assessment has been carried out in accordance with the nature, size and complexity of the Bank's Business Model along with detailed documentation.
6. The Bank has also developed its Internal Liquidity Adequacy Assessment Process (ILAAP) Framework in accordance with regulatory mandate. ILAAP primarily focuses on the Bank's Liquidity Risk Assessment, Governance structure, associated strategies and contingency arrangements to deal with both, foreseeable and unforeseen liquidity events.
7. Implementation of the Basel IV Program is perceived as a critical opportunity to:
 - a. Continuously update Pillar-1 reporting to ensure that these reports are accurate, timely and remain in line with the regulatory guidelines.
 - b. Review, validate and improve the Pillar – 2 Risk Assessment Models, on a continuing basis, aligning them to the industry's best practices and SAMA guidelines and expectations.
 - c. Upgrade and align the bank's risk management policies and procedures to ensure that the same are in line with the global best practices and local regulatory requirements.
 - d. Develop, institutionalize and monitor detailed Risk Appetite Framework, which acts not only as a connection between the Board's strategy and Business execution of the same, but also serves as a feedback loop to ensure alignment of the strategy with the prevailing business and regulatory environment.

8. Refining and Strengthening the Stress Testing framework, prepared in light of best practices, SAMA and Basel guidelines enabling the bank to conduct Regulatory stress testing across various risk parameters and scenarios. Results of the stress testing are taken as a valuable feedback for business and capital planning purposes on a forward looking basis.
9. Ensuring that the bank remains compliant with Financial Institution under IFRS-9.
10. Implementation of an Operational Risk Policy/ Framework that is compliant with the recommendations of the Basel Committee and SAMA. This framework aims to promote and encourage a culture of risk awareness and loss prevention across the Bank. It lays down the principles of how operational risks are identified, assessed, mitigated, monitored & reported within the Bank.
11. Ensuring through validation and calibration that Bank's credit risk rating models and score cards maintain their forecasting power to assess the risk associated with default of a prospective and / or existing customer. The bank has been at the forefront in successfully validating and implementing its recalibrated risk rating models.

STRATEGY AND DIGITAL TRANSFORMATION GROUP:

The Strategy and Digital Transformation (S&DT) Group is a new capability within Bank AlJazira. Launched in May 2021, the Group's mandate is to turbo-charge our transformation efforts and deliver on the promise of enriching lives through financial well-being.

The Group brings together a combination of Strategy, Digital Transformation, Marketing and PR expertise to enhance our execution efforts, improve our digital capabilities and embed a culture of innovation. This will be done through the leveraging and adopting new digital technologies such as Social Media, Artificial Intelligence, Cloud and Quantum Computing and the Internet-of-Everything.

The opportunity created by these technologies to meet rapidly shifting customer demographics, create new business models and meet regulatory changes is appealing and requires the Bank to accelerate its digitalization efforts. The S&DT group seeks to do this by creating a robust and resilient operational backbone to improve our operations, engaging customers through advance analytics and AI, transforming our products and services through co-creating value propositions with our customers and importantly, empowering our BAJ colleagues through collaboration tools and workforce enablement.

The S&DT Group will play an integral role in the above and will be a key enabler on supporting the 2030 Vision and the FSDP. By entrenching partnerships with government, winning the digitalization challenge through aggressive and targeted partnership with fintech's and refining our value propositions and distribution models, the Group intends to meet both the Bank's and Nations ambitions.

Corporate and Institutional Banking Group (CIBG)

Bank AlJazira continued diversifying its Sharia compliant range of products & services to reach out to a wider client base, while building strategic partnerships by offering unique banking experiences.

Vision 2030 ushered in a significant change to the economy in Saudi Arabia, promising significant opportunities to the Financial Services Industry, which is geared to be a key stakeholder in this process. The pandemic impact also accelerated the drive towards transformation, accentuated by the emergence of Fintech's and the universal adoption of digital banking services.

Consequently, CIBG undertook an in-depth assessment of the potential gaps within its overall offerings Vis'-a'-Vis' their competitors for adequate alignment and then to exceed customer expectations. Key solutions considered included enhancing the product range and overall offering, diversifying and increasing the portfolio by focusing on segments and products that would contribute to maximizing CIBG's share of wallet "SOW", increase its profitability yield, all with the ultimate objective of sustaining a satisfactory Risk vs. Return-on-Assets (ROA) position.

Corporate Banking Group (CBG)

In 2021, CBG performed exceedingly well, achieving a 16% growth in assets over the preceding year. The extensive efforts to acquire new prospects and businesses and to capture new financing opportunities, cross selling BAJ products & services have been the key drivers behind CBG's performance.

CBG portfolio is well diversified as they apply a cautious and selective approach also by taking into consideration the overall macro-economic environment and developments, to ensure that the asset quality is adequately maintained at all times and that the risks of impairment are minimized,

As part of the overall strategy, CBG is now divided into large corporate and Mid-corporate segments in order to allow a focused approach to maximize their growth potential. CBG, by diversifying their portfolio efficiently, is geared to continue their growth momentum buoyed by signs that the market is gradually recovering from the impacts of the Covid19 pandemic.

Specialized Finance Division (SFD)

CIBG launched the Special Finance Division as a separate unit from CBG Group, tasked with providing structured financing solutions and participation in syndicated arrangements. This unit will proactively serve a sophisticated client base, and work with other leading banks in mega syndicated deals arranged on behalf of corporate and sovereign clients as well as maximize opportunities with the crystallization of Vision 2030 Vision Realization Programs. They will also engage in offering their expertise in project finance solutions and providing agency functions to large corporate customers.

SFD exceeded its budgeted assets by 27% during 2021.

Commercial Banking Services (CBS)

The growth and prosperity of MSMEs remains one of Bank AlJazira's major goals, as they are considered an important engine of economic growth and the backbone of the Kingdom's economy.

CBS provides a wide range of banking products and services to Micro, Small & Medium Enterprises (MSMEs) aligning its strategy with the Kingdom's 2030 Vision initiatives of increasing their contribution to GDP from current levels of 20% to 35%.

In 2021, CBS assets portfolio was relatively flat as a result of various challenges caused by the Covid-19 pandemic and its aftermath. With the support of SAMA programs dedicated to supporting MSME's from the expected financial and economic impact, CBS performed satisfactorily with minimal impacts to the portfolio and strong profits.

In 2022, CBS is focused on growing its assets portfolio and profitability yields by initiating new and innovative products and continuing its efforts in cross selling existing products & services to existing and new clients.

Financial Institution Unit (FIU)

Financial Institutions Unit manages BAJ's domestic and international banks relationships as well as other financial institutions and supra-national entities by covering trade and cash management needs. FIU, with its ambitious aim of making BAJ as the partner bank of choice in the Kingdom, will continue working closely with other stakeholders to enhance the capabilities of the bank to meet customer requirements and facilitating the remittances and commercial transactions enabling BAJ to cater its core clients' needs around the globe.

Public Sector Unit (PSU)

Public Sector Unit manages the portfolio of government and quasi-government entities that operate in various sectors. PSU plays an essential role by providing superior and professional customer service in marketing and maintaining available Sharia Compliant products and services including but not limited to financing and investment services, cash management, and e-banking technologies, in addition to treasury based products.

Global Transaction Services (GTS)

Global Transaction Services is supported by state of the art technological platforms providing innovative and superior banking solutions related to cash management and transaction services that are cost-effective and efficient to the commercial and financial institutions around the kingdom. Their services consist of online corporate banking channels such as "E-Corp" and "M-Corp", E-trade, payroll services "Rawatebcom", cash pick up, and delivery services.

GTS works with their clients to enhance its services and delivery, leveraging on the current technological advancements in the banking industry as well as supporting all available products for CIBG segments in coordination with several departments among the bank such as point of Sale –POS-, payment gateway, and corporate credit cards.

GTS growth is aligned with the changes and development of digitalization and process modernization and automation across all sectors in the Kingdom.

Micro, Small and Medium size Enterprises (MSMEs)

- Current approved definition of MSMEs

MSME clients are categorized in line with the regulatory guidance and internal policy of the Bank, and are segmented as follows:

Entity Type	Annual Revenues (Sales)SR MM	Number of Employees (Full Time)*
Micro Small	0 to 3	01 to 05
Small	3 to 40	06 to 49
Medium	40 to 200	50 to 249

*Bank AlJazira considers Annual revenue as the main criteria, however, if this criteria is not available, then the number of full time employees becomes the main criteria for segmenting MSME clients.

Initiatives for MSMEs taken by the Bank

- BAJ established 3 dedicated centers for MSMEs located in the 3 main Regions (Central, Eastern & Western)
- Established Kafalah coordination team to streamline all matters between the bank and Kafalah program.
- Put in place a specific Risk Acceptance Criteria/ Customer Selection Criteria which includes a scoring mechanism aimed to improve overall turnaround time.
- Put in place a dedicated Call Centre (MSME Phone Banking) to serve existing and new prospect clients. Toll free number "800 244 9090"
- Put in place an Acquisition and Business Intelligence unit mainly to acquire new to bank clients and to act as a centralized unit for all corporate referrals, bank wide.
- Put in place a segmentation module within the bank core system to differentiate between MSME clients segments, relationship, needs etc.
- Actively monitoring MSME activities/ performance on a monthly basis through a committee headed by the CEO.
- Continuous development of dedicated training programs for MSME RMs focusing on relationship, credit & risk management.
- Launched a Credit Card product for MSME clients.
- Launched a POS financing product mainly targeting MSME clients
- In the final stages of launching a new proposition called "AMAAL" which is a package of integrated banking and financial solutions specifically catered for MSME clients

MSMEs unit and staff:

MSMEs are managed by our Commercial Banking Services division within the Corporate & Institutional Banking Group (CIBG). Currently, CBS has more than 50 dedicated staff members serving our valued MSME clients.

Number of training and workshop for staff and customers :

Number of training for Staff	46
Number of training for Customer	-

Loans, Commitments and Contingencies granted to micro, small and medium enterprises:

000 SAR

2021

	Micro	Small	Medium	Total
Loans to MSMEs on BS	544,025	1,511,202	1,976,684	4,031,911
Loans to MSMEs off BS	125,557	312,317	888,628	1,326,502
On BS MSMEs Loans as a % on Total BS Loans	0.9%	2.4%	3.2%	6.5%
Off BS MSMEs Loans as a % on Total BS Loans	0.2%	0.5%	1.4%	2.1%
Number of Loans on and Off	422	623	339	1384
Number of Customers for Loans	309	456	216	981
Number of Loans guaranteed by Kafalah program (on & Off)	50	63	17	130
Amount of Loans guaranteed by Kafalah program (on & Off)	46,670	55,150	50,652	152,471

2020

	Micro	Small	Medium	Total
Loans to MSMEs on BS	224,832	1,285,563	2,571,079	4,081,474
Loans to MSMEs off BS	100,857	301,861	1,027,403	1,430,121
On BS MSMEs Loans as a % on Total BS Loans	0.4%	2.4%	4.8%	7.6%
Off BS MSMEs Loans as a % on Total BS Loans	0.2%	0.6%	1.9%	2.7%
Number of Loans on and Off	179	387	591	1157
Number of Customers for Loans	371	272	166	809
Number of Loans guaranteed by Kafalah program (on & Off)	55	63	18	136
Amount of Loans guaranteed by Kafalah program (on & Off)	39,213	49,921	42,763	131,897

Treasury Group:

Treasury offers a diverse range of Sharia'h-compliant products and services, from simple foreign exchange to complex bespoke derivative structures across asset classes.

Despite challenging market conditions, the Treasury exhibited financial resilience by generating Net Income of 720.9 million principally due to lower costs.

Treasury's strategy is centered on its support for BAJ's role in the development of the Saudi debt capital market, in accordance with Vision 2030. This is accomplished through BAJ's function as a Primary Dealer, as it aims to create stable and sustainable demand and liquidity for government Sukuk while also broadening the investor base.

Treasury maintains a well-diversified portfolio, which grew by SAR 1.7 billion during the year, mainly consisting of zero-risk-weighted Sukuk, thus further strengthening the bank's investment book and credit profile.

Despite the uncertainty in the markets triggered by the COVID-19 pandemic, we achieved our landmark issuance of USD 500 million Tier 1 Sukuk to strengthen the bank's capital base and support its strategic asset expansion plan. It was the first of its kind, being BAJ's first International and Tier 1 issuance. It was followed by an issuance of domestic SAR-denominated 2 billion Tier 2 Sukuk with a 10-year maturity.

On the customer business, our sales teams continued to expand the business by reaching out to new customers and assisting them in meeting their cash flow needs whether it was foreign exchange or hedging profit rate or exchange rate exposure during volatile market conditions. In addition the sales team provides yield enhancement products to improve returns while maintaining a low risk profile.

The bank has made substantial progress in implementing its enterprise-wide benchmark transition plan, which includes the SAIBOR enhanced methodology. Client outreach is also taking place via social media and direct communications.

Human Capital Group

In 2021, local market achieved a positive effect on the activities and operations, which was driven by following the precautionary actions guided by official authorities' instructions which enabled BAJ to ensure a safe gradual return of staff to the offices.

The main priority of the Human Capital Group is our people safety by initiating an on premise vaccination camping with the support of Ministry of Health to expedite the process of staff being compliant with regulations and safety measures.

Human Capital Group conducted successfully a bank wide organizational structural assessment and have implemented changes in alignment with the ambitious strategy and with market best practices that will help the bank achieving its full potential and targets.

The Human Capital Group launched a transformation project aiming to elevate the organization culture to achieve best environment and to enhance and provide the required skills to support BAJ strategy and continues to focus on streamlining technology to serve our ongoing development by introducing enhanced self-services to employees enabling more efficient mechanics of daily processes.

The Human Capital Group continued its robust Saudization programs in 2021, through the recruitment of selected Saudi candidates and continue offering selected job and career opportunities, which keeps the bank's continued commitment towards numerous new jobs and internship training prospects for high school and college students, which serves as one of the top attractors of desired fresh Saudi talents which accordingly lead to maintain high success rate of effective Saudization of more than 94%. Also, in 2021 The Human Capital Group reflected an optimum current bank needs, market demands, and Saudi Central Bank requirements like the professional certifications and the regulatory subjects. Total of more than 250 training events took place afforded 5660 training opportunities with total training man-days of 7675.

Staff ethical and professional principles:

Bank AlJazira has a proven track record in taking the right actions towards its employees, customers, shareholders, regulators and regulatory and supervisory bodies. The values of Bank AlJazira represent the basis on which the bank relies in working to achieve the bank's overall objectives.

The bank has adopted a number of ethical and professional principles as set out in the staff "Code of Conduct" which encourage the creation of an appropriate work environment and help achieve the aspired growth, under the existing protection systems against financial crime, bribery and corruption. The policies and standards embraced by the Bank AlJazira provide an appropriate framework for employees to conduct their business. These policies and standards help staff to take the best decisions in their endeavor to achieve long-term and sustainable growth. It is the responsibility of all Bank's employees to comply with these policies and to demonstrate the bank's values through their internal and external dealings and relations with colleagues, customers, regulators and the community as a whole at all times.

Sharia Group:

Shariah Quality:

Keeping in mind customers and shareholders satisfaction and expectations, the Shariah Group focuses on the Shariah quality control of Bank AlJazira services and products by conducting intensive review and audit of the bank's transactions to ensure all activities of the Bank and its subsidiaries are compliant with the Islamic Shariah rules. The Group submits quarterly reports to the bank's Shariah Board, and its review of the Bank's transactions and criteria for selection of samples is based on the international audit criteria for sample selection.

Governance:

During the year, the Shariah Group enhanced the application of Sharia governance framework as issued by the Central Bank across all parts of the bank to ensure the full implementation of Sharia Governance Framework in cooperation with all bank groups.

Services and Products:

The Shariah Group believes that innovation and development derived from the Islamic Shariah Rules is an essential requirement to promote the Islamic banking industry so as to be able to grow, compete and meet the accelerating and renewable market requirements. To this effect, the Group permanently cooperates with other business groups within the bank to innovate and develop their tools and services and helps in the automation of a lot of their processes to facilitate customer's transactions and enable them to achieve utmost investment of their time and avoid human errors as far as possible.

Research:

The Group is aware that maintaining the Bank's leading position in the Islamic banking industry, requires collection of information and preparation of reports and surveys about Islamic banking market and products, extent of customers' satisfaction and aspects of competition, points of strength and weaknesses and customers' expectations.

The Research Department of Sharia Group continued to collect and analyze data and information, prepare various reports, particularly on Islamic finance in the Kingdom of Saudi Arabia. In this context, 5 reports on Islamic finance activity in the Saudi market have been updated and prepared on the Islamic finance activities in the Saudi market, namely:

1. Islamic banking in the Saudi market,
2. Insurance Industry in the Saudi market,
3. Sukuk market in the Kingdom of Saudi Arabia,
4. Property finance and impacts in the banking sector,
5. Credit cards in the Kingdom of Saudi Arabia,

Documentation of Bank AlJazira experience in transforming to Islamic Finance:

The Sharia Group implemented a project to document Bank AlJazira experience in transforming to the Islamic Finance in collaboration with a specialized office which consists of a team of experts in the relevant field. The office reviewed the transformation period and interviewed a number of personalities who lived this period and contributed to the transformation, such as the Sharia Board, board members and employees. The process resulted in a book "Bank AlJazira experience in transforming to Islamic Finance" which was published and distributed to financial institutions and parties interested in Islamic finance industry. The book will be translated and published in English and French languages.

Publication of Books and Academic Research Papers:

The Sharia Group has adopted a plan to spread knowledge through publishing and distribution of books and academic research papers which cater for the financial aspects, particularly the Islamic finance issues. Such published books and academic research papers are distributed to students and educational and financial institutions free of charge. Four issues were released this year:

- Capital support Sukuk
- Loss rules and contemporary applications
- Property related claims and their effects
- Recent issues of property finance.

In addition, the Shariah Group signed a scientific memorandum of understanding with the Saudi Fikh Society under which the Bank and the Society will cooperate in the field of specialized scientific research and publishing in the Islamic finance filed. Under this memorandum, the Bank shall sponsor some of the activities and gatherings of the association and in an effort to strengthen the communication with Fikh institutions with an aim to develop Islamic finance products and tools as derived from the Fikh of transactions.

Support to Islamic financial Industry:

The Bank, through its Sharia Group, continues its support to infra-structure organizations of Islamic Financial Industry, including the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Council General of Islamic Banks and Financial Institutions (CIBAFI), Council of Islamic Financial Services (IFSB), based on the bank's belief in the importance of supporting such institutions to enable them to develop Islamic Financial Industry and achieve standardization. In spite of the exceptional circumstances dictated by COVID-19 pandemic this year, the Shariah Group participated in many of the conferences and workshops that were organized by such entities remotely via the electronic channels to cope with the latest developments in the Islamic finance industry,

The efforts of the Bank's Shariah Group have reflected positively on how the community and customers look at the bank and have also enhanced the level of confidence in the bank as an Islamic bank and contributed to the Bank's winning of many awards in the Islamic financial services domain.

Our excellence and leadership in the Islamic banking industry is due to the Bank's compliance, in all its businesses aspects, with the principles and rules of Islamic Shariah as well as with the decisions and advice of their honor the scholars, members of the bank's Shariah Board.

Support Group:**Automation & Robotics Division**

During 2021, Automation and Robotics has discovered and assessed 600+ processes within 6 Groups and 20 Divisions, launched 12 Bots and automated 35 processes, performed about 60K transactions successfully, saved 20K employee hours. Which result to cost reduction, human error reduction, efficiency and productivity, and most of all, improved employee morale since they now can focus more on non-routine, high-value activities. The Automation and Robotics team will continue to expand and accelerate on the RPA implementation while also exploring other opportunities for adopting Artificial Intelligence, Machine Learning and other Cognitive automation solutions at BAJ. Their mission is integral to the Bank's overall digital transformation goals and help the bank achieve its objective to become the most modern and innovative Islamic bank.

Banking Operations

Following the bank's new organizational structure and the merger into the Banking Operations Group of several departments, such as Card Operations, Cash Center Operations, Fawri Operations, ATM Feeding Operations and Cash Transit Operations, the Banking Operations Group has been restructured to align with the bank's strategic plans for provision of the necessary tools and technologies and use of appropriate and highly professional manpower to perform the Bank's operations with high quality and accuracy. Accordingly, the strategy of Operations Group has been reformed to focus on respect and appreciation and shall be based on four key elements:

- The right employee with the right environment (recruitment, training, development and qualification, motivation, and appreciation)
- Appropriate processes (review and development of internal work procedures)
- Appropriate technology
- Management and coordination of relations with the Bank's internal departments and outside partners.

Based on the new strategy, the Operations Group has been restructured to consist of the following departments:

Operational Excellence and Development Department:

The task of this department is to re-examine the operations progress at all stages and to introduce the appropriate technology and update implementation based on the latest developments. The department directly coordinates with its partners in the technology, projects, and automation departments.

Shared Operations Department:

The tasks of this department focus on the implementation, control, and follow up on the domestic and global payment processes, clearing checks and collection processes as well as on the management of the relations of Credit Information companies. Bank AlJazira achieved top rank in the past six months in the quality and accuracy of credit reports issued to Simah.

Consumer Finance Operation Department:

This department shall implement retail finance, property finance and credit cards operations with high accuracy and speed. It works in coordination with the sales department, branch network, product management and risks to achieve the bank's objectives and minimize human errors.

Corporate Operations Department:

This department shall implement all treasury and corporate processes with high accuracy and professionalism, including the processes and operations relating to the purchase and sale of currencies, investment in Islamic sukuk, trading in international capital markets, hedging using financial derivatives, issuance of guarantees and bank credits in addition to carrying out financing operations for companies.

Operations Support Department:

This Department coordinates with other departments within the Operations Group and other departments to facilitate the implementation of operations and exceptions and addresses complaints to achieve highest extent of excellence in customer service.

Cash Centers, ATM Replenishment, and Cash in Transit Department:

The necessary approvals have recently been obtained to entrust the tasks of Cash Center and ATM feeding to SANID Company, one of the strongest companies in this field to minimize the operational risks and expenses; Bank AlJazira for the first time to use the consolidated cash centers.

Control Department:

This department shall be responsible for updating the work policies and processes in line with the instructions issued by the Central Bank as well as for follow-up to ensure the accuracy of implementation and compliance. It shall also monitor the management of banking accounts for individuals, companies and Fawri.

Information Technology Group

Information Technology Division is continuing to build and maintain technology platform corresponding with the best technology standards to support existing and new development of solutions that support the bank's products and services. The provided technical solutions are built in accordance with the Banks' strategic goals and directions, and meant to meet business objectives, support expansions, regulatory mandates, business continuity as well as the delivery of banks' internal improvement initiatives.

Examples of major achievements in 2021 successfully concluded the Full DR Live test for all systems and operating for ten business days from DRC, Platform Technology Systems Upgrade, Upgrade FireEye System, Switching ATMs Connectivity from Satellite to GSM 4G, and Datacenter Movement to New Head Office Building.

Not to mention its contribution in the implementation of key projects in partnership with the Project Management Office, such as Data Warehouse (Phase1), Instant Payment System (IPS), New SMART Application, and DINAR Online Services.

Logistics & Shared Services

Is a specialized Division in providing all services and logistical support to AlJazira Group in terms of professional advice, consultation on the designs and construction of the Banks network expansion program, (Branches, FAWRI centers, ATMs, premises, and others), enhancement of existing workplaces to be more compatible with business needs, provide clean environment and utility services to employees and customers in all branches and head office buildings, including the security and safety to staff, clients and properties at all times. To secure the continuity of business by making sure that all government permits and licenses are valid, and to provide mailing services, storage, photocopying and archiving of daily banking transactions.

During the year, the construction and inauguration of the new Head Office Building in Jeddah has been completed, in line with the bank's strategic objectives, in which it is keen to provide the best suitable and modern work environment for the bank's employees, as the building was equipped with the latest standards and advanced systems.

In addition, the New Administrative Building in Riyadh was also inaugurated. This facility is implemented as a unified building that consolidate all the main business units scattered all over Riyadh area taking into consideration applying the same standards applied in the Head Office building in Jeddah.

Also, the construction work of the multi-story car parking building adjacent to the Head Office has started. This will provide more number of parking spaces for employees and customers, which will be operational by the end of March 2022.

Moreover, three RBG branches have been delivered. The relocation of Tahliyah Branch has just started and due for completion by August 2022. Moreover, merging of Ladies and men branches for 14 branches around the Kingdom has also been completed

Project Management Office

PMO provides support and organization to all BAJ annual projects in alignment with the concerned businesses. PMO delivered all Saudi Central Bank's (SAMA) required projects such as the; Identity Management, Retail Electronic Documents Issuance and Verification. In addition to critical business projects such as Online Dinar and Credit Card application, new Jazeera SMART and Treasury system Upgrade.

Property Management

Property Management successfully achieved their goals under the umbrella of Support group through its dedicated units in Contracts/ Assets Management, Continuity Management BCM, and AMAN Co. Contracts and Assets Managements successfully managed 46 real estate properties with a value of 790 million riyals and reviewing, signing and keeping 84 contracts worth 35.16 million riyals, In addition to adding 876 assets, transferring 940, disposing of 3,542, and as a result extracted a savings of SR 572,587, during the transfer of Jeddah Head Office without jeopardizing the Bank's contractual commitment.

On the other hand, they have achieved an increase in total savings amounting to 29 million riyals. (Savings in insurance costs of 23%, Purchasing Services by 18%, and by reducing the recurring Supply Chain items costs by 59 %.)

Business Continuity Management (BCM) created a full-fledged program that focuses on the continuity and recovery capabilities of key processes and assets. The program is structured based on international standards, best practices and SAMA requirements and its scope extends to include; Crisis Management and response, Safety and Security, People continuity, Business recovery and IT Disaster Recovery. The bank's BCM program is designed to work continuously ongoing and is regularly reviewed by internal and external stakeholders. These features enhance the Bank's readiness and the capabilities to respond and manage adverse events. The expected results is to minimized negative impacts, enhanced performance and reputation, and compliance with regulatory requirements. Conducting several experiment aimed at ensuring business continuity without interruption. Additionally, Business Continuity tests were conducted successfully for 21 critical division in Riyadh and 32 in Jeddah, including In – house awareness training workshops for most of critical business units.

AMAN Co. successfully accomplished 26 Ejarah Transactions, 1,937 Murabaha Transactions, 337 Real Estate Returns transactions , 106 Third Party Sales transactions , 33 Bayt Al Hassan transactions, 139 Redemption Release transactions, 449 title deed update transactions, 20 POA's, 1,352 title deed general Correction transactions, 321 Authorization letters, 357 Corporate transactions, In addition to a number of 260 title deeds transferred to the Saudi Real Estate Refinance Company (SRC) under a contract for the sale of a real estate portfolio between the bank and the Saudi company (SRC). A part from that, AMAN - Real Estate Evaluation has accomplished a total number of 8087 Valuation requests for RBG, 110 completed for CIBG, 25 Human Capital Group, 46 from Private Banking and Wealth Management , and 34 requests for Real Estate Affairs, taking in consideration a full integration/ automation with LMS in the bank.

Support Business Management

In the course of the Support Group's efforts to achieve the bank's strategic goals, the group has created the Support Business Management division to increase its flexibility and productivity; and to speed up the digital transformation process. Moreover, its goals include increasing the adherence level to the Saudi Central Bank regulations, work on performance reports, enrich staff awareness, and aspire to achieve excellence across the group; and, thus, reduce the level of operational risk.

SOCIAL RESPONSIBILITY GROUP:

Bank AlJazira emphasized the continuation of its role as a key partner in the enhancement of sustainable development and a major contributor to the achievement of the objectives of Kingdom's Vision 2030 as evidenced by the social programs and partnerships it has entered into with non-profit institutions, charities, and public sector institutions. Furthermore, Bank AlJazira continued, through its Khair AlJazira le Ahl AlJazira program, to implement a number of quality projects in the field of community service which aim to meet the community's needs and aspirations around the Kingdom regions. To this effect, a total of 99 community projects were implemented in 37 cities, regions, and centers.

In this context, Bank AlJazira program advocating innovation "Mubtakeroon" was implemented as one of major projects which helped to enable innovation, creativity, and entrepreneurship skills. The project was implemented as a business platform for innovated projects in the hybrid applications field with a wide contribution by a considerable number of female and male entrepreneurs. The first three winners were rewarded with cash prizes to support their continued innovation trip.

The bank's contribution to the Autism excellence Center continues for the third consecutive year, which establishment and operation is sponsored by the Saudi banks for the first five years. Quality programs were provided to the handicapped persons (Mobility disablement, Blind, Deaf, Down Syndrome, Hypertension, Autism) and their families covering training, rehabilitation, and awareness. Furthermore, the bank has launched the second version of Bank AlJazira Award for Excellence in private education.

In its continued efforts to enhance focus on professional and knowledge for to male and female youths, a number of rehabilitation and training programs were implemented to prepare them to the labor market and to enable them to own life basic skills.

The bank has focused, in the year 2021, on the enablement and rehabilitation programs for the most-needy segments of our community by providing support and finance to micro projects (interest-free loans) for productive families to enable them to establish their micro projects which success has consequently increased their income and improved their living and educational standards, enabling thereby the economic and social establishment of the individuals of such families.

In its continuous endeavors to develop non-profit sector, the Bank has sponsored "Kafo" Award in the non-profit sector in the northern borders region, which award aims to promote the quality and innovation culture. The bank has also implemented a set of leading development programs for the social work leaders and established the infra-structure for charitable and community societies by providing them with the basic equipment, in addition to promoting financial, legal, health, educational and environmental awareness programs and others in the various cities and regions of the Kingdom.

The Bank also participated in the national campaign of philanthropy across the national charitable platform "Ehsan.

The number of youths who benefited from the various activities and functions of ('Khair AlJazira le Ahl AlJazira') program in 2021 amounted to 24,111 persons in the different cities and regions of the Kingdom of Saudi Arabia.

AlJazira Capital:

AlJazira Capital (AJC) offers brokerage, asset management, wealth management and investment banking and custody services to its corporate and retail clients.

Capital markets witnessed another strong year of trading volumes during 2021 supporting AJC securities business. AJC increased its market share in Saudi market from 8% in 2020 to 8.4% in 2021. AJC's international trading platforms continued solid performance during 2021 and made sizeable contribution to the Company's top line growth. AJC capitalized on the strong market conditions and achieved a significant increase in Margin finance loan portfolio.

Maintaining a leading position in the local brokerage business remains a core priority for AJC. Executed trades by AJC's local brokerage business during 2021 amounted to SAR 381 billion (2020: SAR 336 billion), resulting in an increase in brokerage fees from SR 163 million in 2020 to SR 183 million in 2021.

Asset management business made substantial developments during the year. Significant number of new equity discretionary portfolio mandates (DPM) are signed with clients during the year, increasing total DPM AUMs by 2 times. In term of Real Estate Funds, AJC successfully closed AlJazira Residential Projects Fund 1 during Q1 2021 and plans to exit AlJazira Residential Projects Fund 2 during the first half of 2022. In addition, AJC successfully launched AlJazira Alajlan Riviera Residential Fund 1 providing an attractive investment opportunity to its client in real estate sector.

AJC has continued developing its multi-asset and wealth advisory capabilities. A dedicated CIO office was established and new investment opportunities were identified to enrich product offering to clients while preparing product pipeline for the years ahead

Investment Banking played a vital role in achieving 2021 operating revenues and contributed SR 24 million to AJC's topline. Investment banking services participated in the successful underwriting of ACWA Power IPO and acted as M&A advisor for Ayyan Investment and Arabian Shield Cooperative Insurance Co. Investment Banking also arranged sukuk issued by Ministry of Finance, Aramco, Bank AlJazira and Saudi Real Estate Refinance Company.

AJC was proud to receive from Refinitiv the 'Best International Equities Fund Award' for its International Equities Fund's performance over three, five and ten years. Refinitiv also recognized AlJazira Japanese Equities Fund with its Best Fund award over both five and ten years. In addition, AlJazira Capital was named as one of the top 30 biggest asset managers in Middle East by Forbes Middle East.

Looking forward, AJC's ambition is to be an established asset and wealth manager and remain broker of choice by offering superior trading experience through a tailored brokerage platform. Management is confident that by leveraging the new digital technologies and enhancing the products offering AJC will achieve its growth plans.

Future Plans:

As The COVID-19 pandemic has affected all segments of society including the economy and it's effects still linger. This new paradigm, with its rapidly changing customer expectations and demands has resulted in Bank AlJazira focusing on its core purpose of enriching customers lives through financial wellbeing.

To deliver on this purpose we have set ourselves a number of key priorities. The first being the creation of distinctive value propositions. This repositions the bank in the retail affluent and above segments, having a targeted and focused segmentation strategy on the mid-market in CIBG and bringing together the power of "One Bank" AlJazira with AlJazira Capital.

This priority is based on a set of trends in the retail, corporate, and AlJazira Capital businesses. In Retail, we expect revenues to be mainly driven by Demand Deposits, Personal Finance and Mortgages, with priority focus on affluent and HNWI customer segments. This includes Retail asset growth, winning on affluent customer deposits, customer centricity and Ddigital transformation.

On the corporate side, revenue growth is expected to be driven by increased lending. A key focus will be on developing superior value proposition, prioritizing transaction needs, and accelerating our sales and distribution with digital tools and engagement models. There will be selective growth in large corporates by maintaining portfolio exposure while diversifying risk. In middle market, we have focused our efforts with a growing market share enabled by dedicated resources to this segment and a sector coverage model. In SME, developing a competitive digital solution offering for SMEs and improving the Credit application process whilst improving E2E customer journeys for key products will be critical to success

On our "One BAJ" implementation, the partnership with AJC will be critical as a product provider to our Wealth Management business driving cross-sell and collaborative opportunities

The second key priority will aim to have the bank build a thriving organization; by being customer obsessed in its conduct, positively impacting the planet and community through our ESG and CSR agenda as well as being people centric learning organization.

Lastly, the bank aims to grow digitally by increasing its digital transformation investments and upgrading BAJ offerings to improve the customer experience and satisfaction. This is supported through target partnership with Fintechs to differentiate our value propositions and distribution models and commercializing our efforts through customer acquisition and retention.

Awards and Certifications

BAJ was granted a number of awards and recognitions locally and Internationally which reflects the banks integrity, professionalism and efforts in providing its valuable clients an exceptional products and services, and these are as follows;

- Bank AlJazira one of the best performing Financial Companies in CGI Corporate Governance by Alfaisal University Award
- AlJazira Phone Award
- Most Innovative Islamic Retail Bank in Saudi Arabia 2021 - 7th Islamic Retail Banking Awards 2021
- IRBA Excellence Award for Islamic Digital Banking 2021 - 7th Islamic Retail Banking Awards 2021
- The Excellence in Digital Transformation Award 2021 granted to BAJ by the Digital Banking Saudi 2030 Summit Awards
- Best Contact Center Awards – Gold Medals and 1st Rank for Best Contact Center and Best Customer Service in Europe Middle East and Africa
- In recognition of its efforts in developing and educating its staff – Awarded to BAJ by IOF (Institute of Finance formerly known as Institute of Banking)
- Change Leaders Award for the Private Sector – Awarded to BAJ during the 10th Business Management Forum
- Contact Center World Awards – Gold Medal and 1st rank in three Categories, Best Contact Center, Best in Customer Service and Best Branch Support Categories in Europe Middle East and Africa 2019.
- Most Innovative Islamic Bank – Saudi Arabia 2019, awarded to BAJ by International Finance Magazine
- Best Credit Card Offerings – Saudi Arabia 2019, Awarded to BAJ by Global Business Outlook Magazine
- Most Innovative E-Banking Platform – Saudi Arabia 2019, Awarded to BAJ by Global Business Outlook Magazine
- Award for being one of the Best Performing Companies in the Corporate Governance Index – Awarded to BAJ by Alfaisal University Corporate Governance Center
- Contact Center World Awards – Gold Medal and 1st Rank for Best Contact Center and Best in Customer Service in the World 2019 – Awarded to BAJ by Contact Center World
- Excellence Award in Syndicated Financing – Awarded to BAJ by International Islamic Trade Finance Corporation (ITFC)
- Princess Sitah bin Abdulaziz for Excellence in Social Work National Achievement Award – Awarded to BAJ by His Highness Prince Fahd bin Abdullah bin Saud Al Kabeer and the Ministry of Labor and Social Development
- Contact Center Awards – Gold Medal and First Rank in Best Customer Service Category, Silver Medal for the Best Contact Center Category in Europe Middle East and Africa and Silver Medal for the Best Contact Center Manager in Europe Middle East and Africa – Contact Center World
- Critics Choice Best Islamic Digital Banking Award – Awarded to BAJ by Cambridge International Financial Advisory
- Critics Choice Best Islamic Retail Banking Innovation Award – Awarded to BAJ by Cambridge International Financial Advisory
- Best Customer Service Award Gold Medal and First Rank – Awarded to BAJ by Contact Center World
- Best Social Responsibility Program K.S.A. 2017 – CPI Financial
- Critics Choice Best Islamic Retail Bank in Saudi Arabia 2017 – Cambridge Analytica
- Contact Center Award – Silver Medal Best Customer Service 2017 in the Middle East, Europe and Africa
- Best Customer Service, Abshir Baezzak Program - Awarded to BAJ by Banker Middle East Product Awards
- Most Innovative Personal Banking Provider, Saudi Arabia – Awarded to BAJ by Al Global Media
- Top Three Banks with the Highest ATM Performance and Cash Management – Awarded to BAJ by Saudi Central Bank (SAMA)

Gratitude:

The Board of Directors of Bank AlJazira takes this opportunity to express their thanks and gratitude to our wise government under the leadership of the Custodian of the two Holy Mosques, King Salman bin Abdul Aziz Al Saud, HRH Prince Mohammad bin Salman Abdulaziz Al Saud, the Crown Prince and Deputy Prime Minister and Minister of Defense, and all Ministers.

We are also grateful for the continued support and guidance of the Ministry of Finance, the Ministry of Commerce and Industry, Saudi Central Bank and Capital Market Authority.

The Board also want to take this opportunity to express its sincere thanks and appreciation to the Bank's Shareholders and customers for their confidence and continued support and to the Bank's management and all staff members for their performance and achievements.