



Enriching lives through financial wellbeing

SUSTAINABILITY
REPORT
2023



HIS ROYAL HIGHNESS
PRINCE MOHAMMED BIN SALMAN
BIN ABDULAZIZ AL-SAUD
Crown Prince and Prime Minister

KING SALMAN BIN ABDULAZIZ AL-SAUD
Custodian of the Two Holy Mosques

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ABOUT THIS REPORT

This Report is Bank AlJazira’s second Sustainability Report, and covers the financial year from 1 January 2023 to 31 December 2023 (FY23).

Bank AlJazira’s inaugural Sustainability Report launched in 2023 for the preceding financial year outlined the Bank’s increasing institutional interventions to serve the needs of people and planet while creating sustainable value through our core business, and was well-received and commended by our shareholders and other stakeholders alike.

Steered by this encouragement, we are proud to present Bank AlJazira’s Sustainability Report for FY23, a voluntary disclosure of the Bank’s progress against key performance indicators and initiatives implemented in line with our strategy for sustainability, thereby supporting the success of our customers, the long-term value creation of our stakeholders, and the sustainable growth of Bank AlJazira. There are no restatements of information from the previous report, and no major changes from the previous reporting period in the scope and aspect boundaries. The Report has been approved by the Board of Directors of Bank AlJazira, and is prepared with reference to the Global Reporting Initiative (GRI) Standards.

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Reporting
Boundary

The boundary for sustainability reporting in this document extends to cover Bank AlJazira, and its subsidiaries / associates listed below, as per the GRI requirement to report information for the same group of entities as covered in our financial reporting:

Subsidiaries	Location	Ownership	Activity	Invested Capital
AlJazira Capital Company Closed Joint-Stock Company	KSA	100%	Capital Markets	SAR 500 Mn.
Aman Development and Real Estate Investment Company Limited Liability Company	KSA	100%	Real Estate (SPV)	SAR 1 Mn.
AlJazira Securities Limited Limited Liability Company	Cayman Islands	100%	Derivative and capital market transactions (SPV)	Authorized Capital: USD 50,000 Paid up Capital: USD100
Aman Insurance Agency Company Limited Liability Company (Under Liquidation – Note (a) below)	KSA	100%	Agent for bancassurance activities	SAR 0.5 Mn.
BAJ Sukuk Tier 1 Limited Limited Liability Company	Cayman Islands	100%	Trustee for Tier 1 Sukuk	Authorized Capital: USD 50,000 Paid up Capital: USD 250

Note (a): During financial year 2021, Aman Insurance Agency Company (the Company) applied for its license renewal from Saudi Central Bank (“SAMA”), however, it was not renewed, 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, restricted the ability of the Company to carry out business activities and therefore, management of the Company decided to initiate the winding up procedures which are in process as at 31 December 2023.

Associate	Location	Ownership	Activity	Invested Capital
AlJazira Takaful Taawuni Company Listed Joint-Stock Company	KSA	26.03%	Insurance	SAR 550 Mn.

Queries and
Feedback

We invite all stakeholders to provide feedback or direct any queries to us with regard to this Sustainability Report. Please share your comments or questions with our team at Sustainability@BankAljazira.com

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As we continue to make steady progress in our ambitious sustainability journey, it gives me great pleasure to present to you, our valued stakeholders, Bank AlJazira’s Sustainability Report for the year 2023.

In this, our second Sustainability Report, we are proud to showcase the Bank’s strengthened commitment towards achieving the strategic objectives across our four sustainability pillars, aligned with national, regional as well as global sustainability targets and objectives. This unfailing commitment, while ensuring the progress towards our internal objectives, have also cemented Bank AlJazira’s responsibility as a key enabler of the Kingdom’s Vision 2030, thereby contributing towards achieving the ambitious economic, social and environmental goals of the Kingdom.

Regulatory attention around environmental, social and governance (ESG) topics have continued to increase alongside the global transition towards a more sustainable economy, with banks around the world being called to play their part by adopting sustainable lending and investment practices along the financial capital value chain. While many regulatory and supervisory authorities continue to provide guidance on the subject, banks themselves are taking initiative and making tremendous progress towards understanding, identifying and managing ESG considerations and risks at ground level.

Sustainable and ethical business practices are ingrained into our core business as a leading Shariah-compliant financial institution. By adopting sustainability reporting during the previous financial year, Bank AlJazira took an important step forward in communicating our approach to sustainability with our stakeholders, as well as our long-standing commitment towards social and environmental responsibility. This publication continues to support calls by investors, shareholders, regulators, financial industry peers and other stakeholders, on the need for transparency and consistency with global standards in sustainability reporting.

Driven by our purpose of enriching lives through financial well-being, Bank AlJazira progressed along its sustainability journey in 2023, implementing and continuing with projects and initiatives that have seen us better serve our clients, enrich our workplace, and give back to our communities beyond evolving regulations. With the Board’s constant guidance, Bank AlJazira continued to align our corporate strategy with ESG themes and criteria.

Notable progress has been made in meeting the objectives across the four sustainability pillars; we continued to adopt and invest in new technologies to further enable financial inclusion, improving the accessibility of our products and financial solutions among varying demographics. We better managed and optimized the use of resources as we continued to reduce our own environmental impact, while supporting the Kingdom in national-scale environmental conservation projects. In 2023, over 90% of our procurement spend of nearly SAR 1 Bn. was directed towards a thriving network of local suppliers. We continued to drive

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impactful workplace change through our Culture Blueprint, while launching a highly automated Human Capital System (HCS) during the year, collectively enriching our employee experience. The Bank’s commitment to ethical banking practices saw us integrating a number of newly developed policies and guidelines to further enhance the privacy of customer data during the year in review. We also formalized a contract with global services and consulting company Accenture to manage our Security Operations Centre (SOC) to achieve greater information security resilience.

Beyond banking, we also continued its community service initiatives through the “Khair AlJazira Le Ahl AlJazira” program, implementing 122 community projects across the Kingdom, reaching more than 20,000 beneficiaries throughout the year, and being awarded the Best Social Responsibility Program among Islamic Banks in 2023 by the Global Islamic Finance Awards (GIFA) with Cambridge IFC. We were also ranked among the top 5 most socially responsible brands in the Kingdom of Saudi Arabia, according to a list published by Forbes Middle East.

As we continue on our sustainability journey, Bank AlJazira will remain committed to creating sustainable value for all our stakeholders by following prudent ESG practices. We look forward to initiating dialogue and working towards integrating ESG Risk into our Risk Appetite Framework as well as our lending and investment portfolios. We continue to explore new opportunities and identify new targets in our sustainability journey, and serve the needs of our clients and country, by creating a strong, sustainable, and profitable bank for our shareholders.

Peace and blessings upon you,

Engr. Tarek Othman Al-Kasabi
Chairman of the Board of Directors
Bank AlJazira

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In this, our second Sustainability Report, we continue to deliver on our promise for transparency and accountability of our actions, and commitment to our objectives across the four Sustainability Pillars.

With the Annual Review by the International Monetary Fund highlighting notable growth in non-oil sectors in Saudi Arabia since 2021, economic diversification continues to be driven and encouraged by improvements in both regulatory and business environments in the Kingdom. Against this backdrop, Bank AlJazira continued to progress towards our sustainability goals alongside achieving business excellence, contributing to the sustainable economic development of the Kingdom, while fulfilling the aspirations of our shareholders.

We have worked together as a team towards this shared vision, identifying and strategically aligning our competencies to achieve a strong financial performance, while creating a positive and sustainable impact through greater focus across environmental, social and governance (ESG) criteria.

Our first sustainability pillar focuses on sustaining value creation through our core banking business, while pillars two and three focus on socially and environmentally responsible banking. The fourth sustainability pillar focuses on Bank AlJazira’s impact beyond banking, highlighting the work that we do through the “Khair AlJazira Le Ahl AlJazira” program and other initiatives beyond our core business. As one of the leading Shariah compliant financial institutions in the Kingdom, Bank AlJazira continued to enhance the role of governance through annual reviews of all internal policies, initiating internal dialogue on integrating ESG risks and considerations across the Bank’s regulatory framework as well as our financing and investment portfolios. Through this steady progress during the reporting period, we ensured that Bank AlJazira remained focused on addressing the materiality matters that are most important to our key stakeholders as well as to our business.

We look forward to continuing this journey with you.

Regards,

Mr. Naif A. Al Abdulkareem
CEO & Managing Director
Bank AlJazira

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OUR PURPOSE

Enriching lives through
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OUR VALUES

We innovate for the
Future... We succeed
through Partnership

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Bank AlJazira is one of the leading Shariah-compliant, fast-growing financial institutions in the Kingdom of Saudi Arabia, established with the objective of providing individuals, businesses and institutions a full range of Islamic banking products and services. These include Personal, Commercial, Corporate, Treasury and Private Banking solutions, complemented by Islamic Insurance Services as well as Brokerage and Investment Solutions via well-established subsidiaries. All products are approved and supervised by an independent Shariah Committee, and delivered by a highly qualified and trained team of professionals. Growing in reputation as a Bank that is highly customer-driven and service oriented, Bank AlJazira has evolved tremendously in recent years, particularly in the areas of digital banking, credit cards, real estate finance, and remittance services.

Bank AlJazira 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. 21 June 1975), and commenced its business on Shawwal 16, 1396H (9 October 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 (27 July 1976), and is headquartered in Jeddah.

The issued and fully paid up share capital of the Bank amounts to SAR 8.2 Bn. divided into 820 million shares of SAR 10 each.

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



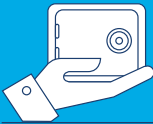
Personal
Banking

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

Money market, foreign exchange, trading and treasury services.



Brokerage
and Asset
Management

The Group provides shares brokerage and asset management services to customers (includes the activities of the Bank’s subsidiary AlJazira Capital Company).



Others

Investments in associate, inter segment income and expense eliminations and gains on sale of other real estate.

PERFORMANCE HIGHLIGHTS FOR THE YEAR

<div>Customer Deposits</div> <div>SAR 94,054 Mn.</div> <div>9% ▲</div> <div>2022: SAR 86,023 Mn.</div>	<div>Total Liabilities</div> <div>SAR 113,135 Mn.</div> <div>11% ▲</div> <div>2022: SAR 102,240 Mn.</div>	<div>Total Assets</div> <div>SAR 129,551 Mn.</div> <div>12% ▲</div> <div>2022: SAR 115,849 Mn.</div>
<div>Net Financing</div> <div>SAR 80,781 Mn.</div> <div>14.4% ▲</div> <div>2022: SAR 70,599 Mn.</div>	<div>Saudization</div> <div>95.96</div> <div>Successfully sustained</div> <div>2022: 95.77</div>	<div>Staff Strength</div> <div>2,537</div> <div>-7% ▼</div> <div>2022: 2,732</div>
<div>Net Income After Zakat and Income Tax</div> <div>SAR 1,020 Mn.</div> <div>-8% ▼</div> <div>2022: SAR 1,109 Mn.</div>	<div>Net Income Before Zakat and Income Tax</div> <div>SAR 1,181 Mn.</div> <div>-9% ▼</div> <div>2022: SAR 1,297 Mn.</div>	<div>Female Employees</div> <div>304</div> <div>-2% ▼</div> <div>2022: 310</div>

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Awards and Recognitions

Best Customer Service Practices for the Next Generation for 2023 awarded by Genesys to Bank AlJazira's Retail Banking Group

Best Social Responsibility Program among Islamic Banks in 2023 awarded by the Global Islamic Finance Awards (GIFA) with Cambridge IFC

Ranked among the top 5 most socially responsible brands in the Kingdom of Saudi Arabia by Forbes Middle East

Best Automation Project award in the Middle East awarded by the Customer Experience Life organization

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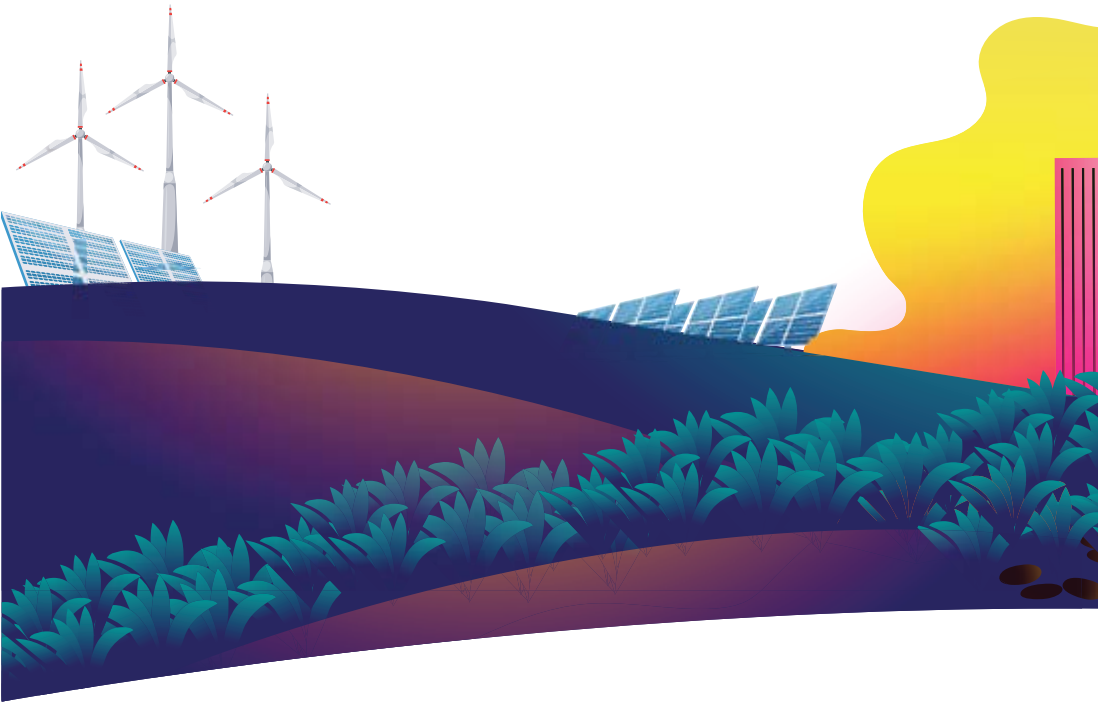
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Bank AlJazira’s sustainability journey is very closely aligned with the Kingdom’s ambitious Vision 2030 goals, with the Bank exploring new, unprecedented opportunities that have emerged through the Vision 2030 targets and objectives. Vision 2030 is a transformative and ambitious blueprint to unlock the potential of the Kingdom and its people, and create a more diversified and innovative economy. The progress of Vision 2030 to date reflects a deep commitment by one and all, to foster a vibrant society, a thriving economy and an ambitious nation.



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As the Kingdom prepares its people for tomorrow’s connected world, Bank AlJazira has continued to align and contribute towards achieving the Vision 2030 objectives in our role as one of Saudi Arabia’s Shariah-compliant financial institutions, which makes us a key enabler of Vision 2030.

Bank AlJazira is first and foremost aligned with the objectives of the Financial Sector Development Program (FSDP) – 1 of 13 ‘Vision Realization Programs’ (VRPs) – which are roadmaps with approved delivery plans to meet specific objectives and Key Performance Indicators (KPIs) towards the overarching targets of Vision 2030.

Through the FSDP, the Kingdom envisions the steady growth of its Banking and Financial Services Sector, which is currently undergoing rapid transformational change. Bank AlJazira contributes towards the overarching objectives of the program, which is to grow and diversify the economy, enable social responsibility, and transition into a cashless society powered by digital technologies and infrastructure that is accessible to all. As an active participant of the FSDP, the Bank assists in laying a strong foundation to ensure the sustainability of the Banking and Financial Services sector of the Kingdom in the long term.

Of the three Vision 2030 Pillars, Bank AlJazira supports the objectives of 02 pillars

Pillar 02

A Thriving Economy

The nature of our business aligns us predominantly with Pillar 02, contributing to the Kingdom’s vision of creating an environment that supports economic growth and diversification, and creating jobs that enable Saudi nationals to become active participants of our economy. Bank AlJazira aligns with this vision for “A Thriving Economy” through our **Sustainability Pillar 01: Sustaining Value creation of/by our core business – banking.** The Bank – through Sustainability Pillar 01 – contributes directly to the realization of a number of strategic Vision 2030 targets:



To increase SME contribution to GDP from 20% to 35%



To increase the private sector’s contribution from 40% to 65% of GDP



To raise the share of non-oil exports in non-oil GDP from 16% to 50%



70% Homeownership by 2030



To lower the rate of unemployment from 11.6% to 7%

Bank AlJazira’s **Sustainability Pillar 02: Socially Responsible Banking** is also largely aligned with the vision to create “A Thriving Economy”, thereby directly contributing to the realization of a few more Vision 2030 targets:

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Pillar 03

An Ambitious Nation

Bank AlJazira also aligns with Pillar 03 of Vision 2030: “An Ambitious Nation”, by encouraging Saudi citizens and businesses in pursuing opportunities to advance our Kingdom, and empowering everyone to play a more active role in shaping the future of our nation. The Bank – through **Sustainability Pillar 01** – contributes directly to the realization of yet another strategic Vision 2030 target:



To increase household savings from 6% to 10% of total household income through innovative, easily accessible banking products

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While creating greater impact through the core banking business, Bank AlJazira also supports Vision 2030 objectives through **Sustainability Pillar 04: Impact Beyond Banking**. The Bank’s very own “Khair AlJazira le Ahl AlJazira” program – ensures that the projects implemented contribute towards the overarching goals and needs of our communities in line with Vision 2030 objectives, with high levels of social impact. Areas of focus include youth empowerment, healthcare initiatives, environmental initiatives, and empowering the non-profit sector through financial assistance and funding, thereby contributing to the following Vision 2030 target:



Increase the non-profit sector’s contribution to GDP from <1% to 5%

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We nurture values of giving, compassion, cooperation and empathy among our employees, encouraging them to volunteer their time and effort through our social initiatives, and to collaborate with charity associations to nurture strong relationships with our communities.



To rally one million volunteers per year (compared to 11,000 now)

Furthermore, central to Vision 2030 is the Saudi Green Initiative (SGI), an ambitious national initiative that is focused on combating climate change, improving quality of life, and protecting the environment for future generations. Bank AlJazira’s **Sustainability Pillar 03: Environmentally Responsible Banking**, is fully aligned with the Kingdom’s ambition to reach net zero emissions by 2060, by directly contributing to the realization of SGI objectives:



Plant 10 billion trees over the coming decades, equal to rehabilitating 40 million hectares of land



Reduce carbon emissions by 278 mtpa by 2030

Supporting Saudi Vision 2030 remains a key focus for Bank AlJazira, as we continue to focus on sustainable growth across our core banking business, and contribute to the Kingdom’s continued economic diversification and development, and the wellbeing and wholesome progress of our people and our communities.

Sources: https://www.vision2030.gov.sa/media/rc0b5oy1/saudi_vision203.pdf

OUR APPROACH TO SUSTAINABILITY

Operating Environment

The growth of the global economy remained slow during 2023 to 3.0% according to the World Economic Outlook published by the International Monetary Fund (IMF), impacted by tighter monetary policy, largely to keep inflation expectations anchored. Growing regional divergences and geopolitical tensions also contributed to uncertainties that could impact global trade, economic activity, and even green energy transition. Global inflation is not expected to return to target until 2025. Climate investing however, remained on its growth trajectory with the backing of significant legislative and regulatory action by governments during the reporting period. Emerging technologies, mainly generative artificial intelligence (GenAI) continued to accelerate technological progress across Banking and other sectors.

Regionally, GCC economies showed resilience and remained largely unaffected by the ongoing conflict. Robust growth in non-oil sectors across the region softened the impact of oil production cuts, as GCC governments continued driving their diversification agendas during the year in review. Notably, gender equality continued to advance through national reforms and Vision 2030 objectives across the GCC countries, with growing female participation in the workforce in 2023.

Locally, economic indicators point towards favorable economic conditions for the Kingdom, even though its economy contracted by 0.9% in 2023, on the back of lowered oil production volumes as well as subdued oil prices. However, controlled inflation rates, increase in consumer spending, low unemployment levels, and robust growth and expansion across non-oil sector activities, driven by improvements in both regulatory and business environments have been greatly encouraging for the private sector and entrepreneurs at large. Saudi Arabia’s growth in FY24 is anticipated to be led by strong non-oil activities driven by the private sector.

The Saudi banking sector experienced steady corporate loan growth during the year in review, and remained well capitalized overall, with asset quality remaining largely healthy. Mortgages, one of the main drivers of credit growth in the Kingdom, experienced a slowdown during the year. However, the giga and mega infrastructure development projects under the Kingdom’s Vision 2030 promises to keep demand for corporate credit intact. The Financial Sector Development Programme (FSDP) continues to drive the Kingdom’s banking sector forward towards achieving these ambitious Vision 2030 goals, modernizing Saudi Arabia’s banking landscape. More importantly, there is a strong emphasis on supporting small and medium-scale enterprises (SMEs) through enhanced access to financing and banking services.

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The Central Bank of Saudi Arabia (SAMA) ensured resilient frameworks and regulations were in place for technological and digital advancements of the sector – especially with regard to open banking and fintechs – thereby increasing competition, and encouraging innovation and disruption of conventional banking models, and creating opportunities for growth and transformation for banks. There is also an increasing focus on sustainability within the banking sector, with banks being encouraged to integrate Environmental, Social, and Governance (ESG) considerations into their lending practices and investment decisions.

Emerging technologies such as Artificial Intelligence (AI) and Machine Learning (ML) are increasingly being used for risk assessment, as well as for enhancing customer service benchmarks through personalization of banking services. Interest in the adoption of blockchain technology for secure and efficient transaction processing in banking is also steadily increasing.

In terms of driving the sustainable banking agenda across the Kingdom, the next few years leading to the completion of Saudi Vision 2030 targets are projected to bring significant growth as well as transformation to the Saudi banking industry. Retail banking will see growth through personal loans as well as mortgages in line with the Government's efforts to increase Saudi homeownership as part of Vision 2030, while corporate banking will continue on its growth trajectory as the Kingdom continues its successful diversification to non-oil sectors and contributing to the Kingdom's GDP. The Micro, Small and Medium Enterprises (MSME) will continue to reshape the economy, and grow with robust public support and private initiative, and be a growing demographic for banks. Deposit volume growth is expected to accelerate, while wealth advisory trends show an increased demand for alternatives such as real estate trust funds.

More significantly, consumers are developing higher expectations for personalization of financial products, services, and advice based on lifestyle experiences. All these trends are driven by a shift in collective behavior, where more sustainably conscious stakeholders give greater importance to the global Environment, Social and Governance (ESG) agenda, with expectations on financial institutions to demonstrate adoption, disclosure and transparency of sustainability strategies growing significantly. High sustainability standards are increasingly becoming critical to a bank's reputation and license to operate.

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Stakeholder
Engagement

Open, transparent and constructive dialogue with stakeholders remains a crucial element of Bank AlJazira’s sustainability journey. We engage with a set of key stakeholders who are directly impacted by or are interested in Bank AlJazira and its operations, and encourage stakeholders to convey their opinions on the Bank’s approach to sustainability. Our stakeholder engagement process prioritizes feedback of our constituents, including shareholders, in order to shape our decisions and our approach to disclosures. We value the long-term relationships we have formed with our stakeholders over the years, and continue to strengthen our mutually beneficial partnerships by understanding and addressing key stakeholder topics of concern, following the launch of our inaugural sustainability report during the preceding financial year.

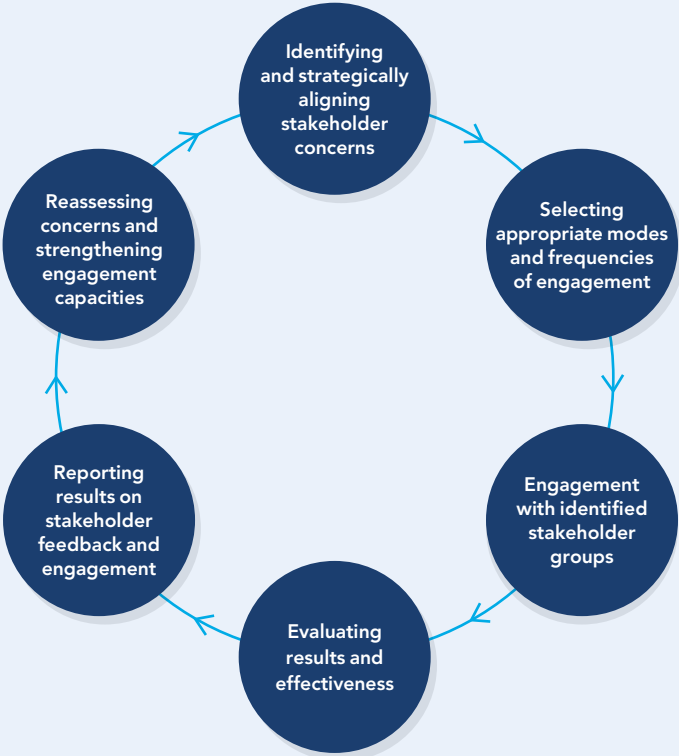


Diagram- 01 : Bank AlJazira Stakeholder Engagement Process

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Stakeholder Group	Engagement Mechanism and Frequency	Key Topics for 2023
Shareholders/ Investors	<ol style="list-style-type: none">1. Annual General Assembly – Annual2. Extraordinary General Meetings – As required3. Annual Report – Annual4. Sustainability Report – Annual5. Shareholder Services Division – Continuous6. Interim Financial Statements – Quarterly7. Investor Presentations and Earning Calls – Quarterly8. One-on-One Discussions and Meetings – As required9. Road Shows – Annually10. Press Conferences and Releases – As required11. Announcements made via the Saudi Exchange – As required	<ul style="list-style-type: none">• Financial Performance• Shareholder Returns• Governance• Risk Management• Sustainability Disclosure• Business Continuity
Customers	<ol style="list-style-type: none">1. Online Banking – Continuous2. Branches/Service Centers/ATMs – Continuous3. Customer Visits – As required4. Social Media – Continuous5. Conventional Media (Advertisements) – As required	<ul style="list-style-type: none">• Service Speed• Access to Financial Services• Improving Financial Literacy• Improvement of Digital Channels• Service Quality• Awareness on Sustainability Matters (Social and Environmental)
Employees	<ol style="list-style-type: none">1. Induction Program – Once2. Internal Communication – Continuous3. Training Programs – As required4. Special Staff Events – Annual5. Performance Appraisals – Annual6. One-on-One Discussions – As required7. Employee Surveys – As required	<ul style="list-style-type: none">• Career Progression• Knowledge and Capacity Development (Focused Areas such as Shariah, Digital Banking)• Diversity, Equity and Inclusion• Remuneration and Benefits• Awareness on Sustainability Matters (Social and Environmental)
Communities	<ol style="list-style-type: none">1. Special Awareness Events – As required2. Public Events – As required3. Website – Continuous4. Press Releases – As required5. Social Media – Continuous6. Community Service Initiatives through the “Khair AlJazira Le Ahl AlJazira” Program – Continuous	<ul style="list-style-type: none">• Community Empowerment• Awareness on Sustainability Matters (Social and Environmental)• Financial Inclusion
Regulators/ Policymakers	<ol style="list-style-type: none">1. Consultations – As required2. Extraordinary General Meetings – As required3. General Assembly Meetings – Annual4. Annual Report – Annual5. Sustainability Report – Annual6. Announcements made via the Saudi Exchange – As required	<ul style="list-style-type: none">• Compliance with Directives and Regulations• Financial Performance• Saudization• Sustainability Disclosure• Alignment with Vision 2030

Table 01: Bank AlJazira Stakeholders

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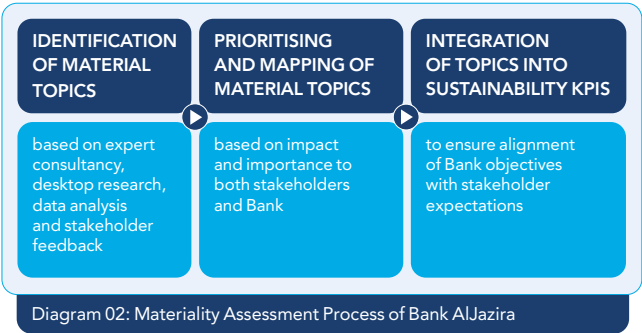
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Assessing
Materiality

In order to advance and grow progressively and sustainably as a financial institution, Bank AlJazira (BAJ) understands the need to identify and address matters that are most important to our key stakeholders as well as our business. Our materiality assessment and resulting stakeholder outreach is a dynamic and ongoing process that is guided by the Global Reporting Initiative (GRI) Standards; we identify material topics through a Bank-wide assessment across all operations, which gives us insight to stakeholder concerns, market demands, business risks and opportunities that greatly influence our ability to create value. We combined expert consultations with desktop research on external trends, data analysis, and regular feedback loops with key stakeholders following the launch of our inaugural sustainability report in 2023, to prioritize matters of relevance to them. We then applied an internal lens to align these material topics with our sustainability Key Performance Indicators (KPIs).



During the development of our inaugural sustainability report, we identified and finalized eight (08) material topics that are most important to our stakeholders as well as our business. In 2023, we continued to assess the progress of our KPIs against these material topics, as well as their position on the materiality matrix based on priority and potential impact.

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Materiality Topic	Relevant Stakeholder/s	KPI
<div>1 DIRECT ENVIRONMENTAL FOOTPRINT Minimizing the environmental impact of our own activities is a prerequisite of responsible operations, prioritized by the Bank and discussed as a material topic by a growing segment of environmentally-conscious customers as well as regulators. This materiality topic drives our efforts to minimize our own resource use.</div>	<div><ul style="list-style-type: none">CustomersEmployeesCommunitiesRegulators/ PolicymakersShareholders/ Investors</div>	<div>KPI 1 Improve of environmental footprint Group/s: Technology and Operations Group/Sustainability and Social Responsibility Group/ Human Capital and Corporate Support Group</div> <div>KPI 4 Develop two new climate pledges Group/s: Sustainability and Social Responsibility Group</div>
<div>2 RESPONSIBLE FINANCING We focus on introducing products and services that take into account the most pressing financial needs of our stakeholders. This also ensures effective screening of projects and proposals, covering environmental, social and governance (ESG) criteria at relevant stages of our financing process.</div>	<div><ul style="list-style-type: none">CustomersRegulators/ PolicymakersShareholders/ Investors</div>	<div>KPI 2 Incorporation of ESG criteria into lending and investment evaluation Accountable Group/s: Retail Banking Group/ Corporate and Institutional Banking Group/Treasury Group/Enterprise Risk Management Group</div>
<div>3 COMPLIANCE AND TRANSPARENCY Operating in accordance with national and international regulations and legislation, policies, standards and codes of conduct underpins our license to operate. This also enables us to be transparent in our efforts and approach towards sustainability in our communications with all stakeholders, as well as our reporting and disclosures.</div>	<div><ul style="list-style-type: none">Regulators/ PolicymakersShareholders/Investors</div>	<div>Umbrella KPI Introduce Sustainability Maturity Index Group/s: Sustainability and Social Responsibility Group</div> <div>KPI 2 Incorporation of ESG criteria into lending and investment evaluation Accountable Group/s: Retail Banking Group/ Corporate and Institutional Banking Group/Treasury Group/Enterprise Risk Management Group</div>
<div>4 PRIVACY PROTECTION Protecting customer and other key stakeholder data is a fundamental right and requirement, particularly with the growth of digital banking, requiring robust security procedures and systems.</div>	<div><ul style="list-style-type: none">CustomersRegulators/ Policymakers</div>	<div>KPI 2 Incorporation of ESG criteria into lending and investment evaluation Accountable Group/s: Retail Banking Group/ Corporate and Institutional Banking Group/Treasury Group/Enterprise Risk Management Group/ Customer Experience and Protection Division</div>

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Materiality Topic	Relevant Stakeholder/s	KPI
<div>5</div> <div>FINANCIAL INCLUSION</div> <div>We continue our role as a key partner and a major contributor in the realization of the ambitious financial goals and targets of the Kingdom's Vision 2030, and ensure that financial products and services remain accessible and affordable to all people, and ensure that these people are educated on how to make the best use of these products and services, by improving financial literacy.</div>	<div><ul style="list-style-type: none">CustomersCommunitiesRegulators / Policymakers</div>	<div><div>KPI 2</div><div>Incorporation of ESG criteria into lending and investment evaluation</div><div>Accountable Group/s: Retail Banking Group/ Corporate and Institutional Banking Group/Treasury Group/Enterprise Risk Management Group</div><div><div>KPI 5</div><div>Improving financial literacy among customers</div><div>Accountable Group/s: Customer Experience and Protection Division</div></div></div>
<div>6</div> <div>DIGITAL TRANSFORMATION</div> <div>Digitalization remains a key expectation for customers, and BAJ continues to focus and invest in digitalized products and services for our clients that deliver significant process and resource efficiencies across our business verticals, whilst also providing greater accessibility to financial products and services to customers.</div>	<div><ul style="list-style-type: none">Customers</div>	<div><div>KPI 3</div><div>Enhance digital channels</div><div>Accountable Group/s: Technology and Operations Group</div></div>
<div>7</div> <div>RESPONSIBLE COMMUNICATION</div> <div>We believe it is our responsibility as a leading financial institution and key enabler of the Kingdom's Vision 2030, to raise awareness among our key stakeholders – mainly our employees – on our approach towards planning and implementing Sustainability initiatives, and our progress towards delivering on our promises. We also consider it our duty to exert more effort towards improving Islamic Banking and Shariah knowledge among our employees, so that they can strengthen our reputation and trustworthiness as a Shariah-compliant Bank by serving our customers better.</div>	<div><ul style="list-style-type: none">EmployeesRegulators/ Policymakers</div>	<div><div>KPI 6</div><div>Improve sustainability awareness</div><div>Accountable Group/s: Sustainability and Social Responsibility Group</div><div><div>KPI 7</div><div>Improve Islamic Banking and Shariah knowledge amongst employees</div><div>Accountable Group/s: Shariah Group</div></div></div>
<div>8</div> <div>DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY</div> <div>We embrace diversity and inclusion to better understand and reflect the evolving communities that we serve across the Kingdom of Saudi Arabia. Inclusivity and equal opportunity results in a more competitive and productive work environment that promotes a sense of belonging.</div>	<div><ul style="list-style-type: none">Employees</div>	<div><div>KPI 8</div><div>Improve diversity, equity and inclusion</div><div>Accountable Group/s: Human Capital and Corporate Support Group</div></div>

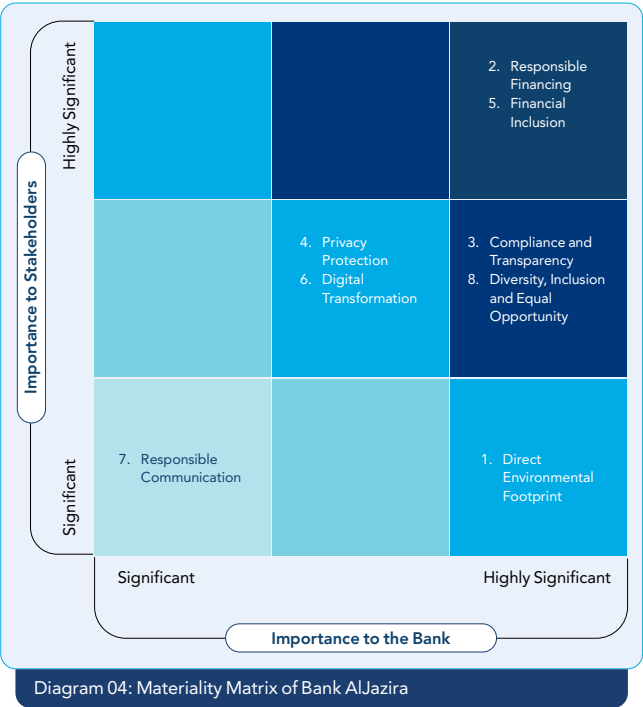
Table 02: Materiality Topics of Bank AlJazira

Management
Approach

Materiality topics are mapped onto the Bank’s Sustainability KPIs, as shown in the above materiality topics table (Table 02), and are assigned to the relevant Heads of Business, Group or functional Units responsible for the implementation and follow-up of the mapped KPI.

Materiality Matrix

Each materiality topic has been mapped onto our Materiality Matrix, rated from significant to highly significant in importance:



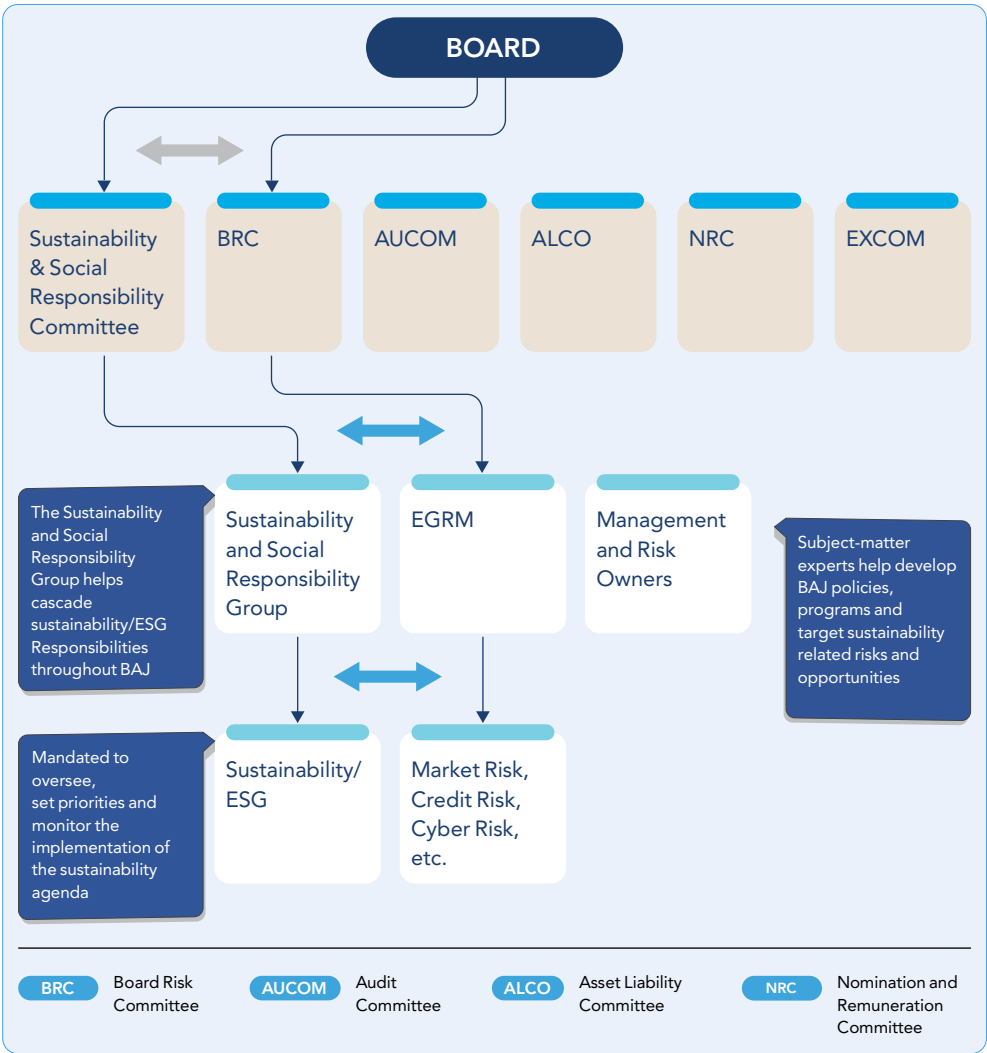
Our Sustainability
Journey

In this, the second Sustainability Report of Bank AlJazira, we continue to highlight our commitment to embed sustainability at the core of the Bank’s operations, as a responsible financial institution that continues to organically contribute towards the sustainable development of our communities, and the strengthening of our economy. We provide an overview of our sustainability approach, structured to address the materiality topics we consider to be most relevant for our stakeholders. Following approval from the Board of Directors in 2022 to publish an annual Sustainability Report, we established a sustainability framework, guided by the objective to create long-term value by conducting our business in a balanced and responsible way to benefit our people and planet.

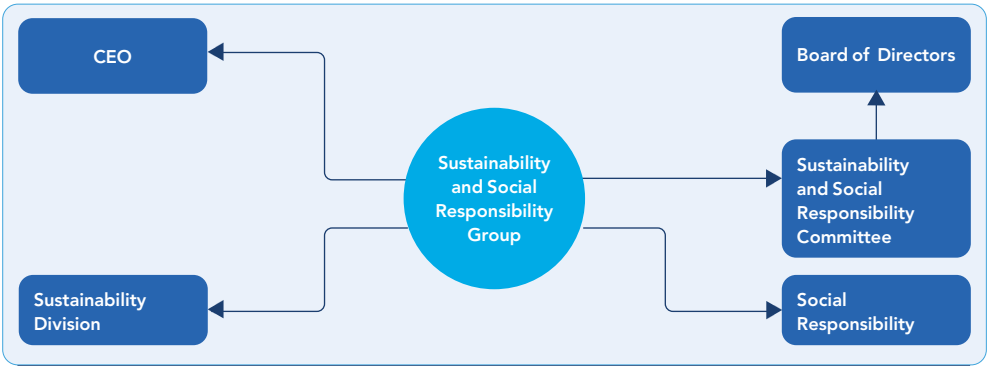
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Governance Structure

The Sustainability and Social Responsibility Group has a direct line of reporting to the Sustainability and Social Responsibility Committee, as well as a dotted line to the CEO for continuous guidance and direction. The Group consists of a dedicated Sustainability Division, with a member at this stage driving our sustainability efforts across all business verticals.



The Sustainability and Social Responsibility Group has a direct line of reporting to the Sustainability and Social Responsibility Committee, as well as a dotted line to the CEO for continuous guidance and direction. The Group consists of a dedicated Sustainability Division, with a member at this stage driving our sustainability efforts across all business verticals.



Mapping of
Sustainability
Framework

Guided and approved by our Board of Directors, BAJ conducted a Strategy Refresh in 2023 closer to the mid-point of our 2022-2026 Strategic Plan, with a clear transformation agenda for each business segment for the next five years from 2023 to 2028. Underpinned by 42 strategic initiatives with defined execution timelines that span across short, medium and long terms, the refreshed Strategy's objectives continue to be tracked and reported at quarterly Board meetings, where current and emerging market trends are also analyzed to ensure better, flexible alignment to changing customer demographics, regulatory imperatives, and technological advances in our operating environment.

Our strategy is based on being a purpose-led Bank driven to achieve three key sustainable outcomes:

- 1. **Improving our Economic Health** – by bringing our financial ratios such as Cost to Income (C/I), Cost of Funds (CoF), Return on Assets (RoA) and Return on Equity (RoE), in line with our peers.
- 2. **Improving our Organizational Health** – by strengthening our culture, values, and reputation for being the preferred employer of top talent.
- 3. **Improving our Customer Experience** – by delivering on our brand promise, by optimizing our customer journeys, and providing unparalleled digital experiences to collectively enhance our Net Promoter Score (NPS).

The strategy refresh exercise also resulted in a few changes to the focus areas of the purpose and objectives of Bank AlJazira during the reporting period:

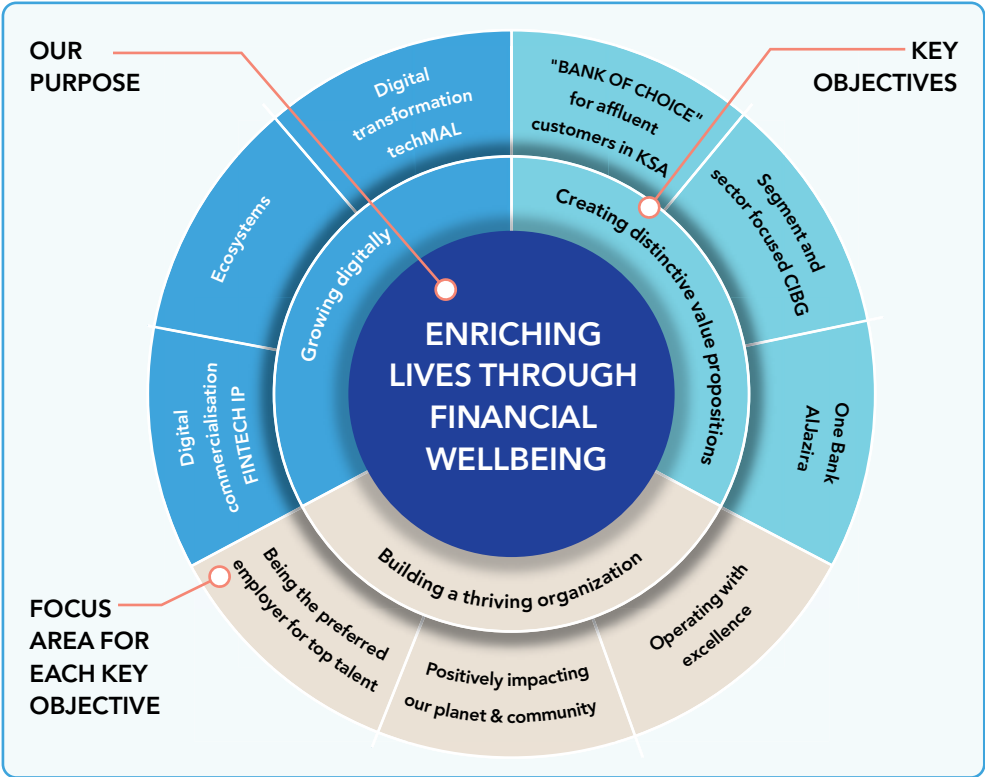


Diagram 07: Purpose and Objectives of Bank AlJazira

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Steered by our goal to embed sustainability across our banking operations, we identified four key sustainability pillars within our established sustainability framework, which would enable BAJ to drive economic growth, and create both greater business value and wider sustainable impact. We then mapped the focus areas of the Bank's key strategic objectives onto the sustainability pillars, creating a more cohesive, collaborative and comprehensive effort towards maturing in our sustainability journey. These key sustainability pillars support BAJ in remaining aligned to the core parts of our business strategy, to deliver on our commitment to strengthen the Saudi economy, and to contribute towards realizing the ambitious targets of Vision 2030.

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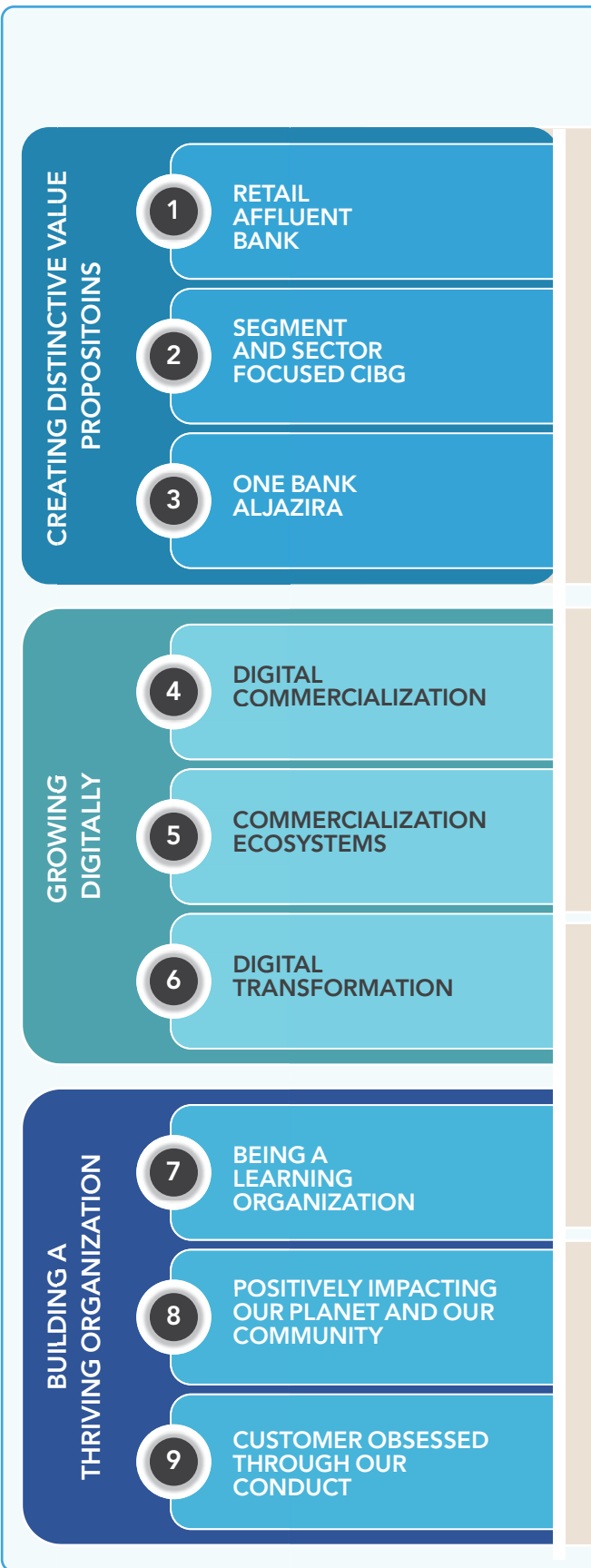


Diagram 08: Sustainability Framework

SUSTAINABILITY PILLARS	PURPOSE MAPPING	STRATEGIC OBJECTIVES	UN SDG MAPPING
Sustainability Pillar 01: Sustaining Value creation of/by our core business – banking	<div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div>	<ul style="list-style-type: none">• Providing access to finance through a growing portfolio of banking products and services, to increase economic participation and financial inclusion• Leveraging digital innovation, digitized banking systems and infrastructure to promote digital financial inclusion and self-service banking• Evolving as a learning organization by revamping work culture, providing training and development, accelerating digitaliza-tion, and enhancing employee experience	<div>8</div>  <div>9</div> 
Sustainability Pillar 02: Socially Responsible Banking	<div>7</div> <div>8</div> <div>9</div>	<ul style="list-style-type: none">• Innovation and development of Shariah compliant products and increasing Shariah knowledge among employees and customers• Preventing financial crime with zero-tolerance for bribery, corruption and fraud, and ensuring privacy protection for customers• Promoting and exemplifying diversity and equal opportunity in employment• Sourcing from local vendors to create sustainable livelihoods	<div>9</div>  <div>10</div> 
Sustainability Pillar 03: Environmentally Responsible Banking	<div>4</div> <div>5</div> <div>8</div>	<ul style="list-style-type: none">• Monitoring and minimizing the Bank's carbon footprint through responsible and optimized consumption of our resources, and the management of waste• Directing of capital flows and investments towards highly impactful green projects• Incorporation of environmental criteria in credit evaluation• Improve institutional knowledge on climate change mitigation, adaptation and impact reduction	<div>12</div>  <div>13</div> 
Sustainability Pillar 04: Impact Beyond Banking	<div>8</div>	<ul style="list-style-type: none">• Supporting social entrepreneurship through advocacy, financial assistance and financial literacy to promote creativity, innovation and economic growth• Stewardship of external environmental and community initiatives• Partnerships with international and local organizations to achieve social and environmental objectives	<div>8</div>  <div>10</div>  <div>11</div> 

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PILLAR 01: VALUE CREATION OF/ BY OUR CORE BUSINESS

Bank AlJazira is dedicated to fostering sustainable growth for our stakeholders through our key business areas. We strive to provide cutting-edge, tailored, and high-value banking solutions that promote broader economic engagement and financial accessibility for all.



Access to Finance
through Banking
Products and Services

Retail Banking
Group

From personal account management and financing to private banking and wealth management, BAJ's Retail Banking Group has rapidly and successfully evolved from a conventional mass-market player to a digitally-powered retail banking franchise. The unparalleled value proposition is backed by a nationwide distribution network of 75 branches, 641 ATMs, over 23,000 Point-of-Sale devices, and a digital banking experience with over 140 services made available through digital channels, providing individuals with access to fully Shariah-compliant financial products and services.

Under the 2022-2026 Strategic Plan, the Retail Banking Group held the responsibility of executing 14 of the total 42 strategic initiatives, which were revisited and modified accordingly during a Strategy Refresh conducted during the year in review. These 14 revised strategic initiatives continued to drive the Group's mandate to become the bank of choice for affluent customers and high net worth individuals (HNWI), by focusing on the following key strategic objectives:

- Becoming the Bank-of-choice for affluent customers with a comprehensive value proposition
- Growing our core assets and deposits
- Build core digital capabilities to support best-in-class customer journey



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During the year in review, a majority of the Retail Banking Group’s strategic initiatives were completed within their execution timelines, with the Group successfully meeting all its strategic objectives for 2023.

One of the major regulatory requirements for the year in review was the implementation of Biometric Authentication for remote onboarding of new customers. Given that almost 83% of the new retail accounts opened at BAJ are opened via digital channels, BAJ became one of the first banks to implement the service for online account opening in 2023, without any disruption to the overall retail banking business. Digital debit and credit cards were introduced by the Retail Banking Group, while also introducing several enhancements to the e-statements during the year.



A number of customer-centric product and service improvements were carried out by the Retail Banking Group during the year in review, including several end-to-end digital journeys for existing retail solutions. Significant digital refresh projects and system upgrades were initiated in 2023, which will be discussed under **Leveraging Digital Innovation for Financial Inclusion and Self-service Banking** on page 40.

At the close of 2023, the Retail Banking Group’s liabilities portfolio reached SAR 44,402 Mn., with the gross loan book reaching SAR 30,300 Mn. A wide range of mortgage finance products contributed to a 5% growth of the Group’s real estate portfolio year-on-year. The Group’s overall performance for the year enabled BAJ to maintain its 3% retail banking market share in the Kingdom.

Quite notably, in order to promote the diversification of the Saudi Economy as one of the Kingdom’s leading financial institutions, BAJ initiated plans to cross-sell online business account services for sole proprietorship (one-person-owned business), supporting retail clients who are entrepreneurs, to legitimize their business to customers as well as other financial institutions.

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The Retail Banking Group’s customer-centric efforts were recognized and lauded during the year in review, with the Group being awarded “Best Customer Service Practices for the Next Generation” for 2023 by Genesys – a global leader in customer experience and contact center solutions.



FUTURE
OUTLOOK

During the coming financial year, the Retail Banking Group will focus on several initiatives to further enrich the customer experience and retail customer journey. The primary focus among these initiatives will be the continuation and successful completion of key digital transformations that were initiated during 2023. Other upgrades and enhancements scheduled for 2024 include projects related to payments, lending, accounts, contact center, and ATMs.

Private Banking and
Wealth Management
Group

With a strong base of high net worth individuals (HNWI) and a diversifying economy that is conducive to entrepreneurs, the private banking sector in the Kingdom of Saudi Arabia continued to grow in 2023, with customers looking for more efficient wealth management solutions tailored to meet their individual needs. The year presented more opportunities for BAJ’s Private Banking and Wealth Management Group to strengthen their reputation as a sought-after Private Banking partner in the market. With a higher than average market share of HNWI and family offices dedicated to the management of wealth, our Private Banking offering stands out in an intensely competitive local market through its collaboration with our brokerage and asset management subsidiary AlJazira Capital – to provide our Wealth clients base with many exclusive alternative investment solutions, preserving wealth and creating sustainable value for generations to come.



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2023
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The Private Banking and Wealth Management Group recorded remarkable growth during the year in review, successfully growing the Group’s assets portfolio by 39% year-on-year to hit the milestone of surpassing SAR 6 Bn. to reach SAR 6,284 Bn. in total assets at the close of 2023. With the significant growth in the business, we ensured our benchmarked standards in client servicing for existing clients was well maintained whilst approaching potential new clients by reassessing priorities and hiring the required niche talent. Servicing benchmarks were further strengthened by implementing regular reporting cycles and establishing KPIs for Relationship Managers to monitor and enhance their performance.

The Group also established a Lombard Lending Policy in collaboration with AlJazira Capital and the Risk Group, to introduce Lombard lending facilities to clients with private banking accounts during the year in review. A number of regulatory updates were also carried out by the Private Banking and Wealth Management Group in line with circulars issued by SAMA during 2023.

FUTURE
OUTLOOK

With stronger growth projections for the Saudi economy in 2024, the Private Banking and Wealth Management Group aims to continue its own growth momentum well into the next year. Having successfully secured regulatory approval from necessary authorities for Lombard lending facilities, the Group is set to launch the product for private banking clients in 2024, with loans secured against freely transferable and marketable assets that can be readily bought or sold in the market. Through a focused PR strategy tailored to our HNWI clients, we also aim to cultivate a sense of exclusivity and personalized attention, reinforcing our commitment to providing exceptional service in private banking and wealth management, and deliver results through wealth and value.

AlJazira Capital

A fully-owned subsidiary of Bank AlJazira, AlJazira Capital offers a comprehensive range of investment services to its institutional and retail clients, including; brokerage, asset management, wealth management, investment banking, and custody services. Following the comprehensive Strategy Refresh exercise conducted in 2023, AlJazira Capital underscored a number of key objectives in order to realize its vision to become the leading wealth management house in the Kingdom of Saudi Arabia:

- Grow in securities and maintain share of traded value
- Continue to scale business and grow market share in wealth and assets management
- Continue to grow sustainably in investment banking

2023
HIGHLIGHTS

The year in review saw AlJazira Capital maintain its market position in brokerage while creating a sustainable source of revenue from other business lines. This was achieved by further developing the Company’s Asset and Wealth Management business, and by redirecting its capital flows into investments with attractive yields.

One of the most significant highlights of 2023 was the launch of AlJazira Capital new generation digital investment platform ‘AlJazira Tadawul’ – a one-stop-shop that provides convenience and easy access to a range of brokerage, investment and asset management services online. AlJazira Tadawul allows AlJazira Capital clients to trade stocks locally and globally, participate in public and private funds as well as IPOs, and access research and reports for informed decision making in their investments.

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A plethora of other features including digital account opening and digital share financing (Tamam) can be accessed through the platform.

AlJazira Capital introduced a total of four alternative investment funds across various sectors for clients, and completed two real estate funds during 2023. The brokerage participated in two key IPO transactions during the year in review – each in the Main and Nomu (parallel) Markets, and quite notably participated in a total of seven sukuk transactions during the year. AlJazira Capital also assisted in the successful completion of two key merger and acquisition transactions during the reporting period.

On the backdrop of this strong performance, AlJazira Capital's financial results of 2023 reflected its strategy's early success; the subsidiary revenue grew by a remarkable 36% YoY, with its net income before Zakat and income tax for 2023 amounting to SAR 171.2 Mn., a solid 11% increase from the SAR 154.3 Mn. net income recorded in 2022.

The Company's strong performance saw the brokerage win a number of consecutive awards and recognitions during the year in review, evidencing the subsidiary's growing reputé as a leading brokerage in the Kingdom:

- AlJazira Capital International Equity Fund – The best 3-year, 5-year and 10-year performance – by Refinitiv
- Most Innovative Islamic Brokerage House in 2023 for Saudi Arabia, and Most Innovative Equity Research Team of the Kingdom for 2023 – by International Finance Magazine
- Most Innovative Islamic Investment Banking Service (Non-Banking) – by the Global Economics
- GIFA Excellence Award for Asset management (Islamic Asset Management) for 2023 – the Global Islamic Finance Awards (GIFA)

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Given the effective implementation and early success of the new strategy, AlJazira Capital will continue its journey to become the leading wealth management house in the Kingdom, while remaining the broker of choice by offering superior trading experience.

Corporate and
Institutional Banking
Group (CIBG)

With a growing portfolio of clients ranging from Large-scale institutional accounts to micro, small and medium enterprises (MSMEs), Bank AlJazira’s Corporate and Institutional Banking Group (CIBG) plays a crucial role in addressing the Bank’s Material Topic of Financial Inclusion, and creating sustainable value for the Kingdom as one of the BAJ’s core banking verticals.

CIBG provides a wide range of Shariah-compliant products and services; these include comprehensive financing solutions covering trade finance, direct financing solutions, Capital expenditure financing and syndication financing among others, enabling clients to meet evolving business needs. CIBG is also a key partner and major contributor towards the realization of the ambitious targets of the Kingdom’s Vision 2030, ushering in the diversification of Saudi Arabia’s economy as well as a promising future for the Financial Services industry.

In addition to the BAJ branch network, CIBG Banking Centers have been established strategically in the Central, Western and Eastern regions – geographic locations with recorded growth in business activity. Each corporate regional division is dedicated to service CIBG clients, acting as a one-stop shop where all their banking needs and requirements can be met.

As BAJ rolled out its 5-year strategy in 2021, a total 18 of its 42 overarching strategic initiatives following the strategy refresh exercise conducted in 2023, came under the CIBG, driving the Bank’s plan to expand its core corporate banking business and gain market share. From a business that was heavily focused on large corporations, CIBG has recorded remarkable growth over the past few years, and will look to continue this momentum by focusing on the following key-strategic objectives highlighted through the Strategy Refresh:

- Continue momentum in large corporates and smart growth in mid-corporates
- Smart Growth in SME’s Focus on unfunded assets in all segments
- Scale enablers to cultivate best-in class service and growth.

Such sustainable growth is the result of CIBG’s strategically adopted, sector-driven client segmentation approach to optimize the anticipated opportunities in the Kingdom and maximize the share of wallet, enabling CIBG to be fully geared to cater to a wide array of corporate and institutional needs.



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Client Segment	Description	2023 Update
Corporate Banking Group	Extensively focused on building a well-diversified portfolio, acquiring new prospects and businesses, capturing new financing opportunities, and cross-selling BAJ products and services.	Achieved 18% growth in the total asset portfolio in 2022. Focused on the Mid-corporate segment in line with the Bank's overall strategy.
Specialized Finance Division	Tasked with providing structured financing solutions and participating in syndicated arrangements, working with other leading banks in mega syndicated deals arranged on behalf of corporate and sovereign clients.	Continued to strengthen and improve operations.
Commercial Banking Services	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 diversifying the economy and increasing their contribution to GDP.	Continued to support MSMEs and further contribute towards meeting Vision 2030 targets.
Financial Institution Unit	Manages BAJ's relationships with domestic and international banks as well as other financial institutions and supra-national entities for trade and cash management needs, and performs a key role internally, serving other Business Units in the Bank.	Continued to strengthen relationships with domestic and international financial institutions.
Public Sector Unit	Manages the portfolio of government and quasi-government entities that operate in various sectors, and plays an essential role in the realization of the Kingdom's Vision 2030 objectives.	The Public Sector Unit was separated as an independent business unit to meet the growing demand for public sector funding, with a strategy for them in the process of being finalized at the close of the reporting period.
Global Transaction Services	Provides commercial and financial institutions around the Kingdom with innovative and superior banking solutions that are cost-effective and efficient. Their services consist of online corporate banking channels such as "E-Corp" and "M-Corp", "E-trade", payroll services "Rawatebkom", cash pick-up, and delivery services.	A Trade Product Development unit as well as a Sales unit were introduced to meet the demand for Global Transaction Services

Table 03: Client Segmentation

The CIBG's overarching goal is to meet Business client needs by building successful, sustainable, long-term partnerships that empower clients and encourage them to achieve their desired business growth over the years. The AMAAL package, especially designed to provide integrated banking and financial solutions for businesses, supports businesses belonging to the Kingdom's growing Small and Medium-sized Enterprise (SME) sector by providing a multitude of services. These include Bank Account Services, SME Loan Guarantee Kafalah Program, Commercial Services, Cash Management and Business Credit Cards, among other facilities. Through the AMAAL package, CIBG aims to contribute towards achieving the Saudi Vision 2030 goal of increasing SME contribution to the Kingdom's GDP from 20% to 35% by 2030.

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At the close of the reporting period, a majority of the strategic initiatives under CIBG were successfully completed in line with their execution timelines. Ongoing long-term initiatives were realigned with the strategic refresh and budgetary changes that occurred during 2023. Day-to-day operations were further streamlined while a number of system upgrades, automations and digital enhancements were carried out in 2023 to create seamless and efficient workflows. Notable improvements included fully automating the SME Financing workflow, enhancing the online Corporate Channel, replacing the Loan Origination System, and developing a dedicated B2B Channel targeting Large Corporate clients.

All such focused efforts contributed towards segment and sector business growth during the year in review, with CIBG recording a 26% YoY increase in its assets portfolio to reach a value of SAR 42.4 Bn. successfully maintaining Group’s market share in terms of assets at 3% at the close of the year. The Corporate Loan Book saw a 25% YoY increase to reach SAR 44.2 Bn., while deposits SAR 47.7 Bn. with an outstanding growth of 37%. A significant 85% YoY growth was recorded in fee income, to reach SAR 121 Mn. at the close of the year. CIBG’s real estate portfolio value also jumped 17% YoY to reach SAR 9.5 Mn.

Additionally, the Group also entered into new partnerships during the year in review, most significantly with the National Center for Privatization (NCP), and the Small and Medium Enterprise Bank (SME Bank), with both partnerships aiming to support privatization targets and SME growth objectives respectively, in line with realizing ambitious Saudi Vision 2030 goals. Additionally, CIBG introduced a number of new products to enhance the SME client experience with the Bank, including Point-of-Sale (POS) financing, IPO Subscription Financing, Post-Shipment Financing, as well as Dental Clinic Financing – a highly tailored product that was introduced to meet an identified emerging market need.

At industry level, CIBG proudly represented the Bank at the SAMA-led ESG Saudi Bank Advisory Committee (EBAC) meetings, actively participating in monthly engagements with financial sector peers during the reporting period. CIBG played an important role in participating in the Drive Green Finance Solutions Work Stream (WS4), included under the Working Group entrusted with “Accelerating Digital Solutions”.

With a focus on social and environmental disclosures and risks, SAMA is expected to unveil a number of deliverables for the Banking sector during the next financial year based on EBAC recommendations.

Following the Strategy Refresh in 2023, CIBG will continue to complete the implementation of its strategic initiatives in 2024, and focus on educating the Group’s front-liners on the significance and necessity to identify and promote green financing opportunities to Corporate customers. The Group will also be looking to initiate a round of internal discussions on necessary policy change in order to integrate ESG criteria and targets for sustainable financing, while encouraging and educating customers through awareness sessions on the necessity of complying to the Kingdom’s ESG goals.

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Treasury Group

The Treasury Group of BAJ offers a wide range of Shariah-compliant solutions to clients, from plain vanilla foreign exchange and deposits to bespoke structured products across multiple asset classes. While managing the Bank’s liquidity, funding, and risks associated with balance sheet gaps, profit rates, and foreign exchange, Treasury Group is also responsible for overseeing the Bank’s investment portfolio, which represents around 26.6% of the BAJ’s total assets. The investment portfolio comprises diverse asset classes, including fixed income, equities, and alternative investments, aiming to generate risk-adjusted returns with the concentration on high liquid and quality investments.

2023
HIGHLIGHTS

In 2023, the Treasury Group strategically navigated a challenging economic landscape marked by interest rate hikes, focusing on enhancing our investment portfolio’s yield and diversification for sustainable growth. We implemented multiple strategies during the year in review, including; optimizing the balance sheet through dynamic asset and liability management, maintaining liquidity ratios with a substantial pool of high-quality assets, expanding counterparty networks for better liquidity and pricing, and enhancing foreign exchange market share through automation and competitive pricing.

Efforts to support the government’s Sukuk issuances and meet the Corporate and Institutional Group’s funding needs further underscored our commitment to the bank’s broader strategic goals, and to our responsibility as a Primary Dealer of Saudi government sukuk. Furthermore, we ensured continuous compliance with all regulatory requirements throughout the reporting period, implementing the revised Basel III Guidelines during the year in review.

Despite external pressures of reduced demand deposits and heightened liquidity needs, the Treasury Group successfully achieved its objectives by deploying funds proactively and diversifying our funding profile. This resilience and strategic foresight enabled us to support the bank’s growth and maintain stability, demonstrating the effectiveness of our risk management and strategic planning.

With a 9.6% year-on-year growth in our portfolio to reach SAR 41.1 Bn. in total treasury assets, the Treasury Group successfully contributed 46.3% of the Bank’s total income during the reporting period.

FUTURE
OUTLOOK

Looking ahead to 2024, the Treasury Group’s plans entail further exploration of opportunities in the evolving financial landscape, continued alignment with regulatory requirements, and focus on sustainable growth, together with the possible integration of ESG considerations across all asset classes of the Treasury portfolio. We remain optimistic about the opportunities ahead of us and are committed to navigating challenges with resilience and agility.

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AlJazira Takaful
Taawuni Company

First established as an independent division specializing in Shariah-compliant insurance under Bank AlJazira in 2002, the Department of Takaful Taawuni strategically transitioned into a Listed Company specializing in Protection & Savings Insurance in 2013, becoming AlJazira Takaful Taawuni. The Company expanded its portfolio to other lines of Business including General, Medical, and Motor Insurance through a Merger with Solidarity Takaful Company in 2021, with a majority share ownership of 26.03% coming under BAJ.

Today, AlJazira Takaful Taawuni Company aims to be a leader in the field of Shariah-compliant insurance across the Kingdom of Saudi Arabia and the Middle East region by providing innovative, high-quality insurance solutions for Medical, Motor, Property and Casualty, as well as Protection and Savings plans for both Groups and Individuals.

2023
HIGHLIGHTS

For the year in review, AlJazira Takaful Taawuni Company recorded significant growth in their medical plans across the micro, small and medium enterprise (MSME) sector clients, with both micro and small business gross written premiums (GWP) for medical covers growing by 75%, and medium scale enterprises recording a growth of over 50% in their medical GWP. This penetration of the MSME sector made AlJazira Takaful Taawuni Company the ideal sales channel to cross-sell various Bank AlJazira products and services, as part of BAJ’s mandate to provide financial assistance in the growth of MSMEs across the Kingdom, and their contribution in diversifying the Saudi economy.

Leveraging Digital
Innovation for
Financial Inclusion
and Self-Service
Banking

Driven by the purpose of ‘Enriching Lives through Financial Wellbeing’, one of Bank AlJazira’s three key objectives is ‘Growing Digitally’, with Digital Transformation, Digital Commercialization, and Digital Ecosystems being three focus areas driving its digital agenda forward. This also gives digitalization a crucial role in the Bank’s sustainability agenda.

With multi-million-dollar investments in technology, BAJ has expedited its digitization agenda, enabling digital financial inclusion while improving the agilest and accessibility of our banking products and services to gain a competitive advantage.

During the year in review, Bank AlJazira’s digital transformation came under the purview of the Technology & Operations Group (TOG), with the Group leveraging the Bank’s internal resources, collaborating with various contractors, and aligning the overall digital transformation with the Bank’s financial capabilities in order to reduce dependence on external consultants and control expenditures.

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During the previous financial year, BAJ set its digital flywheel in motion to accelerate digital transformation across the Bank:

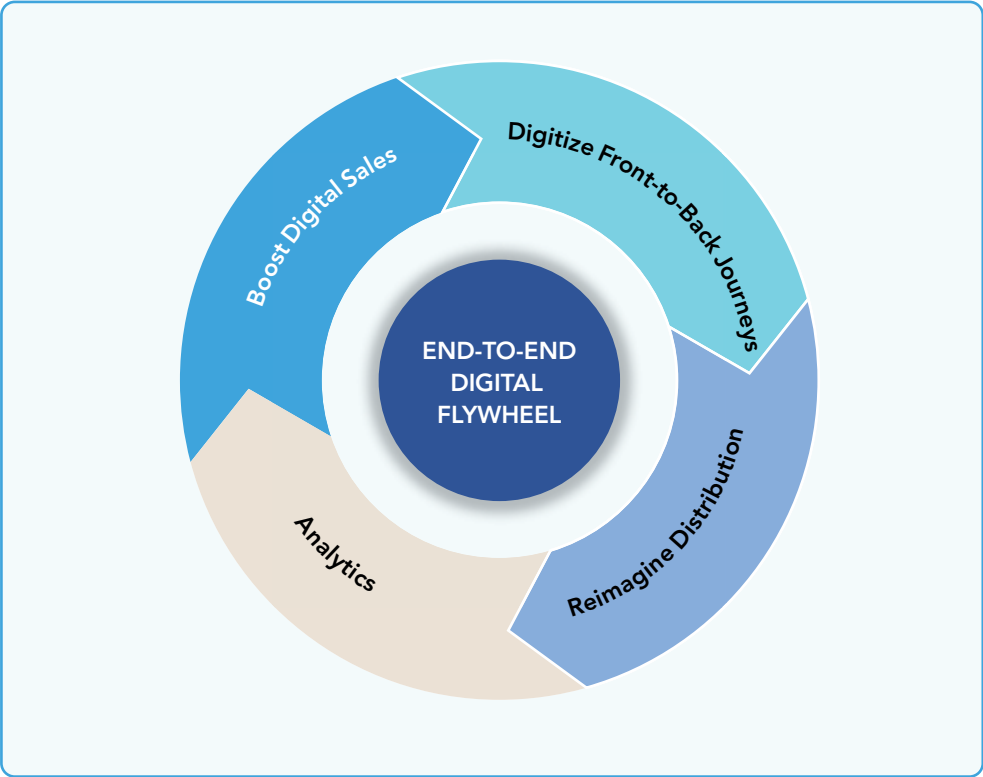


Diagram 09: The End-to-End Digital Flywheel

- A. Boost Digital Sales** – through advanced and personalized omnichannel marketing, addressing gaps by raising awareness and improving engagement
- B. Digitize Front-to-Back Journeys** – through process reengineering and automation, and identifying digital use cases to better align solutions with customer journeys
- C. Reimagine Distribution** – by investing in technology and marketing, streamlining operations and maximizing resource utilization
- D. Analytics** – by investing in Advanced Analytics and Artificial Intelligence capabilities

2023
HIGHLIGHTS

With an ambitious objective of becoming a mobile first, digitally enabled bank that blends the physical and digital worlds, BAJ carried out a number of major digital transformations and technology refresh projects throughout 2023. The Bank’s digital transformation program was executed across seven pillars aimed at enabling BAJ’s digital capabilities, becoming more customer centric, developing digital platforms, consolidating technology resources, and equally importantly – uplifting team skills and capabilities. These seven pillars are described below:

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Data Program

1

To transition the Bank into a data-driven entity, capitalizing on data analytics for strategic decision-making and compliance with regulatory standards. Data-driven decision-making on products and services will ensure optimized utilization of financial, technical as well as human resources.

Core Banking Modernization

2

To enhance our core banking system including the development of a new loan origination system (LOS) aimed at supporting digital customer interfaces, facilitating the launch of new financial products, and reducing time-to-market. This system is specifically designed to eliminate cumbersome manual processes, and reduce dependencies on physical branch locations. This will not only streamline operations but also significantly reduce our environmental footprint and resource consumption.

Payments

3

To replace all legacy back-end payment applications into a single payment hub, reducing the complexity of our landscape as well as our hardware resources, enhancing operational efficiencies, expanding our product offerings, improving market responsiveness, and realizing cost efficiencies. This transformation is expected to reduce the footprint of 12 systems and applications by integrating all processes into one single hub.

CRM Program

4

To implement a Customer Relationship Management (CRM) solution to better understand customer needs as we adopt a data-driven approach (through the data program). The Bank wishes to promote a strong customer-centric culture, providing the right products and services that meet evolving customer needs, while at the same time ensuring responsible customer utilization of Bank products and services.

techMAL Garage

5

To internalize the development of digital channel platform by employing Agile and DevOps methodologies. One of the most significant updates during this financial year, this decision to evolve the original BAJ digital garage into the techMAL Garage – a fintech lab, demonstrates our commitment to foster innovation from concept to IPO, supported by the Bank’s technical, operational and GRC resources. The name techMAL is a fusion of the words ‘tech’ (short for ‘technology’) and ‘MAL’, which translates to ‘money’ in Arabic, reflecting the Bank’s focus on creating financial technology solutions. Furthermore, techMAL can also be interpreted as an Arabic word that means ‘completion’, signifying our holistic approach to integrating advanced technology with financial services to achieve comprehensive and sustainable development. (More details on page 43 under Digital Ecosystems)

Integration Modernization

6

To overhaul our integration layer to better support both internal and external APIs, adopt open banking standards, and facilitate banking-as-a-service. This pillar is pivotal in empowering the techMAL garage to offer core banking services to the fintech and SME sectors, thereby enabling these entities to access essential banking functions without the burden of navigating complex systems.

Infrastructure Modernization

7

To transition from traditional three-tier data center infrastructure to a hybrid cloud-based infrastructure. This strategic shift lays the groundwork for application modernization, aligning with modern cloud capabilities, and preparing the Bank for cloud migration over the next three-to-four years, utilizing the hyperscaler offerings that are currently being developed and launched in KSA.

1. https://www.bankaljazira.com/Portals/0/OpenContent/Files/604/BAJ_FY_2023_Earnings_Presentation.pdf

Digital platform updates	<p>We have started the development of the following digital platforms expecting to have the initial versions during 2024:</p> <ul style="list-style-type: none">• Data Lake (Repository)• Customer Relation Management (CRM) and product acquisition• Payment Hub• Digital Channel Platform <p>During the year in review, the team focused on building the data architecture, selecting the right technology and implementation partners and kicking off the projects for the data technology revamp. We have selected Cloudera for data lake technology, Informatica for our data management tool and Magnoos as an implementation partner.</p> <p>With a delivery deadline for Q4 2024, the Bank will be able to utilize the platform for advanced analytics and AI use cases which were identified back in 2022.</p>	
Process improvements that resulted in higher productivity and efficiencies	<p>In May 2023, the TOG implemented a new organizational structure and operating model across its operations. This change has led to the optimization of technology resources and improved alignment with business objectives. Additionally, it has established robust governance for the integration of new technologies and review of existing contracts, while outlining a clear plan for the decommissioning of obsolete technologies and agreements. This has resulted in a cost saving of around SAR 29 Mn. during the year in review.</p>	<div>ABOUT THIS REPORT004</div> <div>MESSAGE FROM THE CHAIRMAN006</div>
Building Digital Ecosystems	<p>Strategic alliances will be instrumental in navigating the Kingdom's diversifying economic landscape while also remaining competitive within a rapidly evolving banking sector. Collaborations and strategic alliances between Bank AlJazira and emerging profitable FinTech firms are set to become more prevalent and impactful. These partnerships will likely extend beyond product development, encompassing areas such as regulatory navigation, cybersecurity, and the development of sustainable banking practices. Cross-industry collaborations are also expected to rise, with Bank AlJazira joining forces with businesses from various sectors to create more integrated and comprehensive service offerings. This trend towards collaboration signifies a shift in our Bank's approach to innovation, focusing on combined expertise and shared goals to deliver enhanced customer value and adapt to a rapidly changing, digitally-driven global economy.</p>	<div>MESSAGE FROM THE CEO009</div> <div>BANK ALJAZIRA AT A GLANCE011</div> <div>PERFORMANCE HIGHLIGHTS FOR THE YEAR013</div> <div>ALIGNMENT WITH SAUDI VISION 2030014</div> <div>OUR APPROACH TO SUSTAINABILITY018</div>
2023 HIGHLIGHTS	<p>During the year in review, we have:</p> <ul style="list-style-type: none">• Connected with 5 fintechs as part of the open banking regulation with SAMA.• Evaluated new partnership with Tarabut Gateway – the largest regulated Open Banking Platform in the MENA region – for banking as a service. However, incompatibilities were identified and the proposed partnership was disapproved at Board level during the financial year in review.	<div>PILLAR 01: VALUE CREATION OF/BY OUR CORE BUSINESS030</div> <div>PILLAR 02: SOCIALLY RESPONSIBLE BANKING056</div> <div>PILLAR 03: ENVIRONMENTALLY RESPONSIBLE BANKING064</div> <div>PILLAR 04: IMPACT BEYOND BANKING070</div> <div>CORPORATE GOVERNANCE078</div> <div>APPENDICES093</div>

The techMAL Garage
Evolution

One of the major highlights of the reporting year, and now a key pillar of the Bank’s digital transformation agenda, is the evolution of BAJ’s techMAL garage from its inception as an in-house innovation center to its current standing as a fintech lab that focuses on creating digital assets for BAJ. This includes providing application development support, GRC experience, core banking platform through APIs, and ecosystem integration among other services. With investment backing from the Bank’s subsidiary AlJazira Capital, this initiative aligns with the broader vision of enhancing the small business ecosystem of Saudi Arabia, contributing towards achieving the Kingdom’s ambitious Vision 2030 targets for the SME sector.

A timeline of the evolution of the Digital Garage is shown below:

December 2022

The Digital Garage – established in collaboration with IBM – was launched as an in-house innovation hub, and handed over to the Technology Operations Group (TOG).

May 2023

The Digital Garage was rebranded to techMAL garage and added as a pillar in our digital transformation agenda (page 42).

August 2023

Formalized agreement with an offshore development provider in Poland

September 2023

BAJ’s core team and the offshore team Poland commenced the development of the new digital channel platform and applications

October 2023

The concept of a Fintech Lab is approved by the Transformation and Innovation Steering Committee

Self-service
Banking

In our commitment to meeting customer expectations with value-added services and unparalleled digital experiences, we continued to re-imagine our banking experience by updating and enhancing our digital services, channels and capabilities during the year in review. Over the past few years, BAJ has introduced several channels and tools to promote self-service banking to our customers, from online banking, and mobile banking to interactive voice response (IVR) and chatbots, successfully increasing the number of online vs. in-bank transactions year-on-year.

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During the year in review, the Retail Banking Group recorded a 7% year-on-year growth in digitally executed transactions. Major improvements carried out on the online account opening process saw the number nearly triple during the year in review, with the average accounts opened online increasing from 120 to 350 accounts per day.

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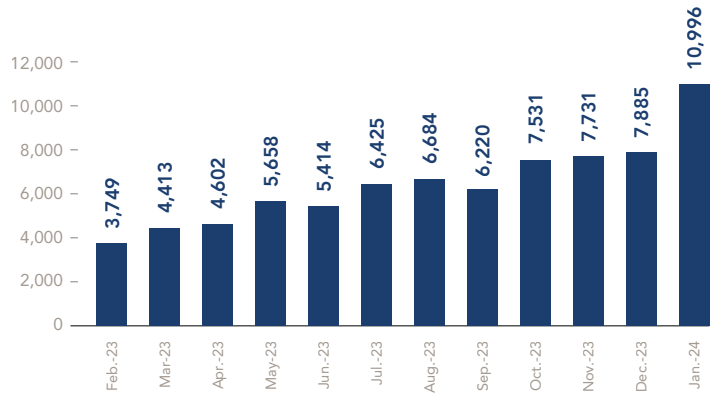
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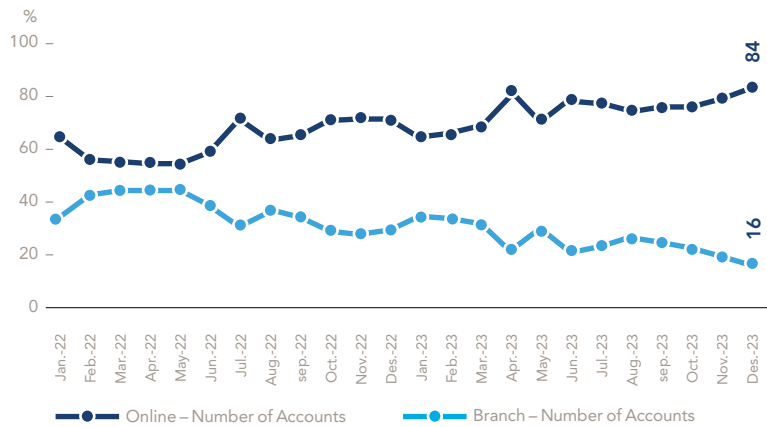
Accounts opened online on month by month basis since February 2023 to January 2024

Accounts Jan vs.
Last Months



Percentage of accounts opened vs in branch.

Account Opening Ratio
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There were a few more significant customer journeys that were digitized end-to-end during the year in review:

- Online Personal financing has been introduced to BAJ customers with all its after-sales services including top-up, refinance and Buyout. Bank AlJazira become the first bank in KSA to digitize the buyout finance option, a feature which can be executed through the AlJazira App
- Additional personal finance loan requests can be executed digitally through the AlJazira App
- New Remittance application with features implemented for the convenience of Fawri customers

Over 40 new features and enhancements were added to the AlJazira App during the year in review, and 60+ new features and enhancements were added to the AlJazira online platforms in 2023, to further enrich and elevate our customer experience:

- Elevated security measures to minimize fraudulent transactions
- Enhanced the process of adding a new Fawri beneficiary
- Introduced search within the app in order to allow customers to search for services, settings and other functions
- Ability to share account information with other FinTech apps easily via Open Banking Menu
- Added the push notification service to communicate with users

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- Added account verification function when adding a new local beneficiary
- Added travel notice function to enhance service performance and security
- Added the auto biometrics login function for an enhanced experience
- Allowed customers to share their Credit Card information with FinTech apps via Open Banking Menu
- Added the electronic VAT certificate request through the app
- Added Account Finder service
- Ability to extract personal finance details or save it
- Ability to view card information digitally
- Improvement on Account Opening Journey by providing a new design and better user interface to guarantee better success rate
- Added online Business Credit Card applications and Point of Sales requests.

FUTURE
OUTLOOK

The Corporate and Institutional Banking Group saw a 11% year-on-year increase in digitally executed transactions.

The Bank will continue the execution of our digital transformation program across its seven pillars, with the aim of successfully completing a number of deliverables in the immediate to short-term future, with the majority of the resulting benefits expected to be realized in 2025:

- Data Lake for advanced analytics and AI use cases
- Upgrade of core banking system
- CRM and LOS platform
- Payment hub platform
- New digital platform and revamped mobile and online applications
- Modern integration platform
- Private cloud

The techMAL Garage will continue to implement its strategy as a fintech lab by focusing on creating digital assets for BAJ. This will be achieved through partnerships with successful fintech companies and also by adopting and innovating upon established fintech solutions. Beyond the above deliverables, BAJ will also continue to consolidate and streamline its applications and processes to become more cloud ready for its scheduled cloud migration over the next few years.

Building a Learning
Organization

With an overarching strategic priority to become the preferred employer for the Kingdom’s top talent, Bank AlJazira continued to attract and retain professionals who share the Bank’s core values and purpose to enrich lives through financial wellbeing.

Bank AlJazira offers an unrivalled employee value proposition centered around continuous learning, development and transformation of our team, equipping and empowering them to grow and prosper professionally as well as personally, thereby taking on their responsibility of becoming key contributors and stakeholders of the future of the Kingdom.

Back in 2022, the Bank’s Human Capital and Corporate Support Group launched a three-year strategy with a focused theme for each year, positioning BAJ to be both in capacity as well as reputation – a preferred employer in the Kingdom of Saudi Arabia.

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In 2023, the Human Capital and Corporate Support Group continued to implement the Strategy for the year under the theme ‘Fit to Compete’, and continued to meet all set targets and strategic objectives for the year in review. Among the strategic objectives set for 2023, the Group prioritized developing leadership and key talent, becoming a high-performance organization, improving the Human Capital (HC) division’s operational efficiencies and effectiveness, as well as business restructuring. HC worked on revamping policy and procedures to keep up with latest regulations and also have successfully enhanced the Bylaws of which it was approved by the Ministry of Human Resources and Social Development.

With the three-year strategy cycle set to end by the end of the next financial year, the Group also initiated the planning and development stage of a new strategy refresh for the 2025 financial year, in alignment with the Bank’s new approved strategy for 2024.

Each year, the Human Capital and Corporate Support Group sets its strategic objectives across a number of focus areas:

- 1. Revamping Culture
- 2. Strengthening Governance
- 3. Enhancing Digitalization
- 4. Operational Excellence
- 5. Focusing on Development and Performance Management
- 6. Enhancing Employee Experience

Revamping Culture

In 2022, BAJ released the Bank’s Culture Blueprint – a document that clearly articulates who we are as a Bank, with a systematic guide to implement a nurturing company culture that fosters committed, enthusiastic employees, working together as one team for the success of the Bank in alignment with its strategy. Not only has this alignment become one of the Bank’s key differentiators, it has also helped us communicate, collaborate, innovate, and pursue continuous improvement, producing superior results.

The Bank established a dedicated Culture and Happiness Team in 2022 to build upon the Culture Blueprint in 2023, transitioning our day-to-day activities to further strengthen employee engagement, and enhance employee experience, promoting our conducive culture to attract the Kingdom’s top talent. By creating a workplace culture where employees feel valued, encouraged and part of a shared mission has also translated to an increase in engagement and a decrease in turnover rates.

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The Culture Journey of Bank AlJazira continued successfully during 2023, creating excitement among employees with the social media hashtag #TogetherWeCan, allowing them to be part of this significant culture shift across Bank AlJazira. Additional Culture Blueprint Launch Events continued in Jeddah, Riyadh and Dammam to ensure all BAJ employees were given a chance to attend, ensuring they understood the crucial role they play in the successful rollout of the Culture Journey. Our collective efforts during the year enabled us to pass a number of milestones throughout the year in review:

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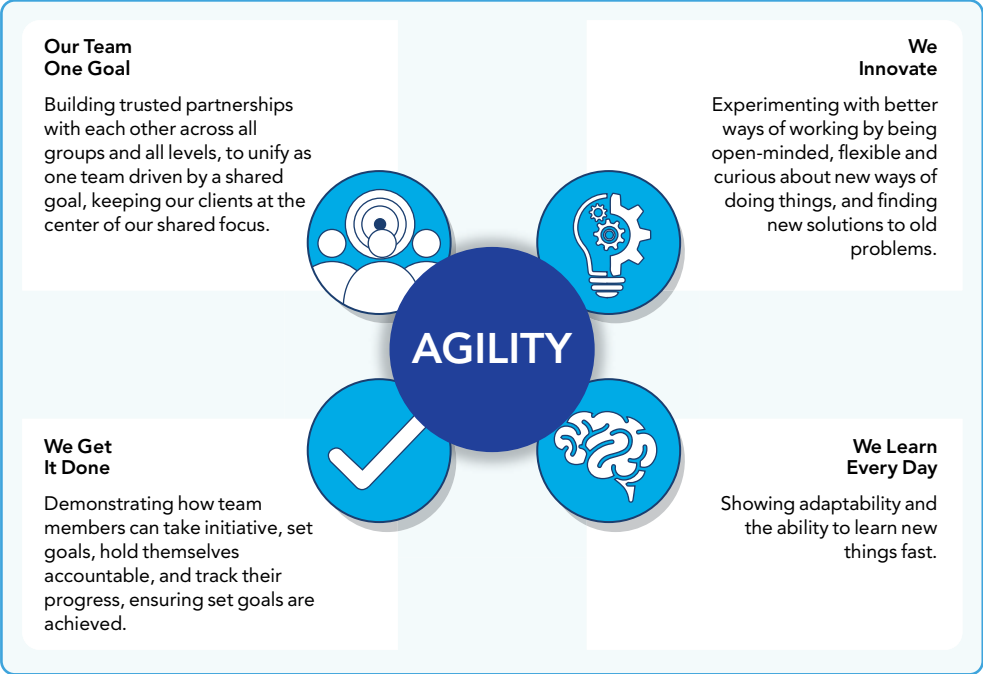
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• The Culture Digital Platform

We saw the launch of the Culture Digital Platform, designed as an easily accessible digital space for all team members to access and share information on Bank AlJazira's Culture Journey. The Platform provides Managers access to content from the Management Workshops, and provides all employees access to the Culture Pulse Tracker survey. The Platform also hosts short, interactive digital modules that help employees to better understand the Culture Blueprint. The completion of the first digital module was made mandatory for all team members with the deadline for completion set for 31 December 2023.

• The Culture Pulse Tracker Survey

A survey to gauge the collective opinion of the Bank AlJazira team on the Culture Journey – the Culture Pulse Tracker – was introduced as a highly significant and efficient method for the Bank to determine to what extent we demonstrate the desired behaviors through our Culture Journey's four Culture Cornerstones:



The Culture Pulse Tracker survey was specifically designed to assess employee perceptions of the Bank’s cultural values, and to understand how well the Bank’s culture is perceived, embraced and practiced by employees. Exploring a number of crucial topics related to BAJ’s ethics, integrity, inclusivity, trust, collaboration, innovation as well as the alignment of employee behavior with the desired culture, the survey helps the Bank gauge the extent to which the Bank’s values are embedded within the organization.

All employees were continuously reminded of and encouraged through internal communiques to fill the Culture Pulse Tracker survey (refer page 48 for more details) and make their opinions heard, so that the Bank – with the team’s feedback – keep track of progress, can identify areas of improvement, and become more aware of desired behaviors.

• **Management Workshops**

Four Management Workshops were held this year, to equip our Managers with the skills required to implement the Bank AlJazira Culture Blueprint among their teams, and live the Culture Blueprint in an exemplary manner. Over 200 managers from different groups attended the workshops, and were given the opportunity to interact and engage for the first time, building trusted partnerships across teams, and acquiring skills to understand others better. The participating managers were then equipped with more tips and tools to utilize their learnings and inspire their teams, to enable the Bank to work together towards a shared goal as one, united team.

• **Onboarding Culture Champions**

As part of our cultural transformation journey, and to encourage the ingraining of our values, we introduced Culture Champions from among the ranks, individuals who were nominated by their respective groups and assigned by the Human Capital Group to assist in the growth of a positive workplace culture. They rose to the challenge as ambassadors of change, taking on the crucial role of spreading awareness on the cultural transformation journey and cultural values, highlighting colleagues’ success stories in applying these values, encouraging the use of the Culture Digital Platform and participation in cultural transformation events. The Culture Champions are also tasked with answering questions about the cultural transformation journey, identifying areas for improvement, and ensuring any changes or errors are fixed.

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An email communication channel was established for questions and queries about the platform to be redirected. The Blueprint look and feel was modified in 2023 to align with BAJ's newly launched brand identity.

At the close of 2023, we achieved a significant 80% completion of our culture transformation agenda with the successful implementation of multiple projects, concluding the year with key results being monitored closely by the Group Heads and Culture Champions:

- A total of **55 Culture Transformation Kick-off Sessions** held successfully
- The Sessions recorded a successful **attendance ratio of 90%**, of over **2,700 employees**
- A total of **220 Managers** developing Culture Blueprint Skills through Management Workshops
- One-on-one interviews with all Senior Vice Presidents initiated through the initiative: **Listening to the Voice**
- An initiative aimed to establish a connection between the Group Head and all employees is being implemented through **Level-Up Meetings**.

The Culture and Happiness Team went on to introduce a number of initiatives to nurture a workplace environment that is open, engaging and encouraging for our employees to increase employee satisfaction and loyalty. These initiatives include:

- **CEO Power Hour:** An initiative aims to enhance communication between the CEO and Bank employees which revolves around discussing open topics and suggestions with a focus on building high transparency with the employees.
- **Annual Get-together:** The Team kicked off the planning phase of a large-scale event that will be held annually with the attendance of all BAJ employees.

Strengthening
Governance

All Bank AlJazira employees abide by our Code of Conduct – a collated framework of values, policies, standards and principles that strengthens our core governance structure, and aids our team to conduct themselves and make decisions in an ethical and responsible manner within a work environment that is strongly governed, and secured against financial crime, bribery, fraud and corruption. The Code of Conduct is our fundamental tool of corporate governance in terms of Human Capital; it identifies our responsibilities towards each other; encourages open, clear and concise communication; and obliges management to comply within the framework when exercising their authority.

BAJ employees are introduced to the Code of Conduct at the point of their induction, following which each employee is expected to comply with its policies and best practices, thereby be accountable both individually and collectively for the Bank's reputation. As practiced by the Human Capital and Corporate Support Group, the Code of Conduct also promotes non-discrimination and equal opportunities for all employees at BAJ, with the violation of such policies is considered to be against Bank regulations.

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The Bank AlJazira Code of Conduct was reviewed, improved upon to meet evolving employee concerns, and approved by the Bank's Human Capital and Corporate Support Group during the final quarter of 2023. The Bank continued to abide by Saudi Labor Laws and integrate all newly introduced SAMA regulations, implementing the latest compensation guidelines among other regulations introduced and activated in 2023 by the authority.

Enhancing
Digitalization

The Human Capital and Corporate Support Group initiated the first cloud-based system development at BAJ during the previous financial year, transitioning from on premise Human Resource Management System (HRMS) to a highly automated on the cloud Human Capital System (HCS). The new system aims to further enrich our employee experience, encourage and enable self-service, while also allowing for greater scalability of the system to support our projected growth and future expansion. The HCS will support faster, more informative decision-making for management and leadership, and be accessible to users anytime, anywhere.

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The new HCS was launched in late 2023 on schedule by the Bank, following multi-channel communication and awareness campaigns to guide and educate the BAJ team. Quite notably, a total 17 dedicated training sessions were conducted for the Bank's Executive Team on how to use the new system and to best utilize its features and functionalities. Remote access to the HCS system was enabled by launching the HCS App on both iOS and Android platforms, enabling anytime anywhere access to employees.

Following the launch of the new system, a three-day satisfaction survey on the HCS was carried out, with the participation of 45% of BAJ employees across varying tiers and levels of authority. From this sample group, a resounding 78% of participants indicated their satisfaction with the new system, reflecting the success of its first impression as well as their approval of transitioning to a cloud-based environment. The Human Capital and Corporate Support Group will continue to improve the HCS while also exploring other emerging technologies to create better employee experiences, and enhance the employee value proposition.

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Operational
Excellence

As a Learning Organization, we believe in continuous transformation of our people as well as our processes, constantly optimizing our HR practices to institute operational excellence across the Human Capital and Corporate Support Group. We focus on securing HR professionals who are highly proficient in order to ensure the technological advances made across the HR function are strategically planned, and thereby efficiently and effectively implemented.

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The Bank continued to roll-out its strategy aimed at improving operational efficiencies with the launch of the Human Capital System (HCS) in 2023, with streamlined and automated processes improving HR data management, communication, and productivity. The Human Capital and Corporate Support Group will also explore the benefits of integrating AI-powered HR solutions to support the Management Team with data-backed decision making. In order to proceed with this objective, the Group plans to enhance the Governance of the Bank's HC data repository, and conduct a Data Supremacy Assessment in the following financial year.

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Focusing on
Development
and Performance
Management

Talent development has been one of the key areas of focus to drive attraction and retention of top talent at BAJ, in a job market that has displayed a particularly pronounced skill gap in specialized areas that require training and experience, such as data science and cybersecurity. The Bank's training, development, and performance management initiatives are mapped on to existing as well as potential skill gaps, thereby developing a talent pool with a long-term focus, which has also strengthened BAJ's reputation as a Learning Organization. Partnerships as well as collaborations with the Saudi Governmental Authority – the Human Resources Development Fund (HRDF) as well as other educational institutions also have the potential to equip the workforce with niche skill sets that can address in-demand skill gaps.

Training and
Development

Annually, Bank AlJazira generates a development calendar that aligns with the HC’s target-driven strategy, in order to meet the Bank’s talent and business development requirements. BAJ’s training includes soft skills, technical skills, job-related courses as well as mandatory training for every employee. More specific technical development courses are offered if and when such special requirements arise.

The Human Capital Development and Career Management (HC D&CM) Division continued to focus on leadership development as part of our succession planning, in order to ensure we are able to fill in SAMA approved leadership positions and other critical roles internally. A dedicated Leadership Development Program as well as coaching support for Executive roles from global professionals are facilitated to further augment the leadership benchmark across BAJ. Succession Planning has also contributed towards directly enhancing employee morale through promising career growth, and increasing retention rates at BAJ. The Future Leader Program introduced by the Bank continued to attract and retain young Saudi talent, helping them to grow, lead and succeed by discovering their full potential.



2023
HIGHLIGHTS

	2023	2022	2021	2020	2019
Training Hours	17,321	10,255	6,368	5,150	8,662
Number of Courses	159 courses/ 420 sessions	105 courses/ 300 sessions	70 courses/ 246 sessions		
Average Training Hours per Employee	40.6	22.8	14.2	11.5	19.2
Average Training Hours per Female Employee	77.2	40.8	27.2		
Number of Hours on Digital Training	11,706	4,422	252	6	294

Table 04: Training and Development at Bank AlJazira

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In 2023, the D&CM Division increased the number of courses to 159, with 90.8% of our team clocking 17,321 training hours in total during the year in review. These statistics reflect a remarkable 68.9% increase in training hours year-on-year, and 89.2% increase in training hours per employee compared to 2022.

A number of training courses were updated in 2023 based on an analysis of training needs conducted across the Bank, including specialized department-based courses as well as trainings that meet the requirements of the Saudi Central Bank (SAMA).

Apart from the Leadership Development Program and the Future Leaders Program, the D&CM implemented a number of initiatives to develop leadership skills through the below listed newly introduced courses:

- Leading Through Crisis/Advanced Leadership
- Elevate Development Leadership Program – Abu Dhabi
- Leading with Agility and Innovation Virtual Capstone Session – Your Journey as an Agile Leader & Coach

Moreover, Leadership Development tracks were introduced to standardize, develop and sustain the Manager grade across the Bank, and nurture their leadership skills. A significant highlight of 2023 was the introduction of the course titled ‘Sustainability Reports Specialist According to Professional Standards’ to our employees, in order to equip them to better understand and contribute to our disclosures, and support the Bank’s overall ESG efforts.

Yet another key highlight in 2023 was the introduction of Talent Development Centres at Bank AlJazira, to identify the development needs at an individual level with clear alignment to Bank AlJazira’s behavioral, cultural and forward-looking competencies.

Additionally, in 2023, for the first time D&CM introduced Generative Artificial Intelligent (GenAI) as a timely topic of discussion, and offered a series of webinars to explore the concept, utilization, successes and challenges.

Performance Management

At Bank AlJazira, we continue to nurture a performance-driven culture among our employees by creating a mindset that sees challenges as opportunities, and also sees change as an inevitable. We have introduced SMART KPIs (Specific, Measurable, Attainable, Realistic, Timely Key Performance Indicators) that helps us measure, analyze and optimize banking operations, enabling the team to learn, evolve and thrive in a rapidly changing financial landscape.

All employees across BAJ receive performance evaluations, and were also introduced to their individual Performance Improvement Plan (PIP). The PIP includes information on acceptable performance levels, SMART KPIs, relevant guidance, followed by details on progress meetings. PIPs also track employee behavior and their alignment with the Bank’s Culture Blueprint, so that their improvement is holistic and supports personal as well as professional growth.

In terms of incentivizing, employees who meet and exceed set KPIs in their job roles were introduced to the Badge Your Expertise (BYE) Program in 2022, a performance-based training incentive that continued during the year in review with the Bank investing in the specialized professional development of its most promising, high-performing employees.

Long-Service awards are also handed out on an annual basis, to recognize, reward and show our appreciation towards our employees and their commitment and loyalty to the Bank.

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In 2023, we fully automated our 360-degree performance assessment process thereby making it highly efficient not only in gathering information but also in gaining insight. The automated system achieved a 100% submission rate for performance evaluations by all employees.

Following the launch of the inaugural BYE program last year, 203 employees applied for a spot in 2023 cycle, evidencing the success and glowing reception of the program. A total of 49 employees were chosen from the applicants, with 10 employees having successfully completed their courses. A number of courses employees chose to specialize in during 2023 were Governance focused, with the BYE program becoming an active enabler of the Bank's long-term ESG agenda. These included the GRC Governance, Risk and Compliance certification, the ICA Certificate in Compliance, the Change Management Certification and the Certified Information Security Manager (CISM) Certification.

A total number of 313 employees were honored with long-service awards during the reporting period.



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Enhancing Employee Experience

The rapid evolution of the Saudi financial sector in recent times continues to reflect in a highly competitive job market, where BAJ continues to differentiate the Bank as a preferred employer for top talent by providing an unparalleled employee experience across each point of employee engagement, from attraction and recruitment to onboarding, development and retention.

BAJ proactively sets – and meets – benchmark standards in talent management as well as in salaries and benefits provided to employees. Our standard benefits include Medical Coverage, Life Insurance, Preferred Lending Rate of 0%, and a range of allowances covering employee needs from Housing and Transport to Vacations as well as a Ramadan allowance, all complementing an Annual Bonus.

In 2022, flexible working hours were also offered where eligible staff were provided with the option of two work shifts, as part of the Bank's continuous efforts to enhance work-life balance, resulting in improved employee satisfaction. The Bank has a parental leave policy in place, with female staff members entitled to paid maternity leave for up to 10 continuous calendar weeks, with the possibility of extension under certain circumstances. Nursing female employees are also entitled to an hour of nursing per day for up to 24 months from delivery.

2023
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During the reporting period, compensation and benefits provided to employees at BAJ remained highly competitive with current industry standards as a result of periodic research conducted by the Bank in line with supervisory directives issued by SAMA. This research includes salary benchmark surveys and other means of market pay intelligence, allowing the Bank to keep abreast of local and regional market conditions relating to employee remuneration and benefits. The distribution of compensation for BAJ employees 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 industry in the Kingdom. With staff end-of-service benefits due for payment at the end of each staff service period in accordance with Saudi Labor Law and the Bank's internal policies, the total accrued amount of end-of-service benefits outstanding at the end of December 2023 totaled to SAR 293.1 Mn.

For the past few years, our Bank has implemented a series of employee surveys to measure employee engagement and organizational culture. These surveys are distributed sequentially and are scheduled to continue for a period of three years, offering valuable insights that can contribute greatly to the evolution of Organizational Culture and Employee Engagement.

The initial survey was the Culture Pulse Tracker, which was specifically designed and distributed in 2023 to measure the alignment of employee behavior against the desired Bank culture, achieved an aggregate participation rate of 46%, thereby enhancing employee understanding of the Culture Blueprint of Bank AlJazira.

An Employee Engagement Survey was also conducted in 2023 with the objective of measuring the overall level of employee engagement across the Bank. A subsequent survey was conducted in 2024 an overall participation rate of 90%, which assisted the Bank in improving various HR aspects including remuneration, work processes, and the work environment among other factors.

The HC Division launched a new Employee Handbook, to better acquaint and educate new hires as well as current employees on policies, procedures, expectations and workplace culture. Several events were hosted BAJ throughout the year to facilitate open dialogue both at peer level and with top management and leadership, to ensure employee voices are heard and their opinions valued and considered. Webinars were also organized to provide support to employees with regard to finding a healthy work-life balance.

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Recognition for Labor
Law Compliance

In accordance with the Labor Laws of the Kingdom of Saudi Arabia, Bank AlJazira formed a Labor Committee within the organization by the end of October 2023, to play a role in addressing any workplace issues, and in negotiating with management on behalf of workers. This demonstrated commitment to ensure our employees are well represented and protected earned BAJ the recognition and acknowledgement of the Chairman of the Saudi National Committee (SNC) for Workers Committees, who lauded the efforts of the Bank's leadership and management for their diligence in establishing the Committee. All employees were made aware of the establishment of the Labor Committee and the launch of Labor Committee activities in a timely manner through internal communications.

PILLAR 02: SOCIALLY RESPONSIBLE BANKING

As a socially responsible bank, we prioritize acting ethically and responsibly towards our customers, employees, and all stakeholders. This commitment includes upholding fair, transparent Islamic banking principles, ensuring our practices, disclosures, and standards prioritize the best interests of all parties involved in our business operations.



Raising Awareness
on Islamic Banking

As a Shariah-compliant financial institution, and a key enabler of economic growth and prosperity in the Kingdom of Saudi Arabia, BAJ strongly adheres to Islamic Shariah principles and provisions across our business activities and transactions. Shariah principles by nature remain focused on bringing about welfare and preventing harm, particularly in the preservation of religion, life, intellect, property, and posterity of our communities, and share a common alignment with the UN Sustainable Development Goals.

To dutifully sustain our commitment to Shariah principles, and meet the expectations of our customers and shareholders, BAJ has assigned the responsibility of Shariah Quality Control to the Shariah Group, which conducts intensive reviews and audits to ensure all BAJ transactions are compliant with Islamic Shariah law.

The Shariah Group believes innovation and development derived from Islamic Shariah Rules is essential to promote, advance, and grow the Islamic banking industry in order to meet evolving market requirements, and continuously cooperates with other business groups within the bank to innovate and develop tools and services to drive this mandate forward.

2023
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During the year in review, the Shariah Group enhanced the application of the Shariah Governance Framework as issued by the Saudi Central Bank (SAMA) across BAJ operations, to ensure full implementation of the Framework across all Bank Groups. The Charter of the Shariah Committee and the Shariah Group's Policy and Procedures were amended with the structural separation of the Shariah Audit function from Shariah Compliance. Further improvements on the structure have been proposed alongside the updated Policies and Procedures, which are awaiting approval at the time of the development of this report. In addition, the Shariah Committee was reconfigured starting from 2023 to comply with Article 7, which prohibits Committee Members to belong to other banking committees.

The Shariah Group is a member of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the Council of Islamic Financial Services (IFSB), supporting such institutions to further develop and achieve standardization of the Islamic financial industry. It is also a member of the Sustainability Working Group (SWG) of the General Council for Islamic Banks and Financial Institutions (CIBAFI), which aims to guide and support Islamic banks in integrating sustainability within their business strategies and operational activities. The Shariah Group participated in many conferences and workshops organized by these entities during the year, remaining abreast with the latest developments in the Islamic banking industry.

The Research Department of the Shariah Group continued to research and revise reports on Islamic finance activity in the Saudi market, with the following reports being updated in 2023:

- Sukuk market in the Saudi market
- Islamic banking in the Saudi market
- Insurance Industry in the Saudi market

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Greatly encouraged by the reception of our previous publications and academic research papers covering specific aspects of Islamic finance, the Shariah Group released a number of print publications during the year in review:

- Shariah control over alternatives of financial derivatives
- The philosophy of beauty in the principles of Islamic economics
- Ruling on the bank providing its services to clients who execute some non shariah transactions
- A dictionary of financial and economic terms in the language of Legitimists

These books and research papers are distributed to specialists, students, interested parties as well as educational and financial institutions free of charge. Additionally, as part of its cooperation with scientific bodies, the Shariah Group entered into a partnership with the Association for Social Economics in Saudi Arabia, to translate a book titled “The Essentials of Social Finance” from English to Arabic in 2023, further contributing to enhancing knowledge across the financial sector.

Shariah Group
Approval Process

During 2023, the Shariah Committee held four meetings, where 27 topics related to Banking products, investments, financing agreements, and queries were discussed.

1

Documented request inclusive of initial structure and idea for new Product/Service sent in by relevant business group to Shariah Group

2

Shariah Group conducts stringent studies on the request and forwards it to the Executive Committee, which is a subcommittee of the Shariah Committee.

3

Shariah Group will communicate their decision to the relevant business group; a no objection reply, or comments if there is a need to rectify and revert back to Shariah for initial approval.

4

Relevant business group sends the completed documentation of the product/service back to the Shariah Group for final approval.

5

Upon receiving the full documentation, Shariah Group will perform a final revision, and forward it to the Shariah Committee for final approval.

If customers have any queries regarding any of our Shariah resolutions relevant to any product/service, they are encouraged to speak to our front-end employees, who will immediately communicate the query to the Shariah Group through the Shariah Group email.

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Diversity and
Inclusion

BAJ embraces diversity and inclusion so that we are able to attract people who are best qualified and suited for the job roles regardless of gender, age, ethnicity or any other personal characteristics that are not related to their professional performance. By strengthening diversity in our workforce, we are able to access a greater range of talent, and harness this collective power to create impactful outcomes for our businesses, customers, and communities.

At BAJ, we promote gender diversity, and ensure that both men and women have access to opportunities and career choices. Female participation in our workforce increased to 14.6% during the reporting period. We have created women-only lounges at our head office, and organize activities specifically for women on Women’s Day.

While maintaining a strong Saudization rate of 95.96% in line with the Kingdom’s nationalization scheme, we also hire foreign professionals who can add greater skill and value to the BAJ team in roles where local talent is limited. We help them integrate and assimilate to the local culture and social norms, while also ensuring they are provided with a well-balanced and encouraging work environment.

Nationalities	2023
British	1
Chinese	1
Ethiopian	1
Other	1
South African	1
Syrian	1
Sri Lankan	2
Egyptian	3
Sudanese	3
Bahraini	4
Filipino	5
Jordanian	13
Yemeni	13
Indian	17
Pakistani	18
Saudi	1,996

Table 05: Nationalities of Employees at Bank AlJazira

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The Bank AlJazira Human Capital Profile:

Age	CEO-1 (SVPs)		Division Heads (N-2 & G19, G18)		Managerial Level (G17, G16)		Supervisory (G15, G14, G13, G12)		Support (G11, G10, G9)		Management Trainees		Outsourced	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
18 – 25 years							16	28	11		8	6	45	7
26 – 35 years			24	6	97	34	349	80	306	22	3	2	179	20
36 – 45 years	6		134	19	238	31	273	37	57	16			142	8
46 – 55 years	7		87	3	89	15	44	3	5				49	
56 and above	1		11		4	1	5	1					7	

Table 06: Recruitment by Age, Gender and Job Category

Region	Male		Female	
	2023	2022	2023	2022
Central Region	797	840	157	160
Eastern Region	196	217	26	26
Western Region	783	877	121	124

Table 07: Recruitment by Gender and Region

	2023	2022	2021	2020	2019
Training Hours	17,321	10,255	6,368	5,150	8,662
Number of Courses	159 Courses/ 420 Sessions	–	70 Courses/ 246 Sessions	–	–
Average Training Hours per Employee	40.6	22.8	14.2	11.5	19.2
Average Training Hours per Female Employee	77.2	40.8	27.2	–	–
Number of Hours on Digital Training	11,706	4,422	252	6	294

Table 08: Training and Development at Bank AlJazira

Category	Years						Total
	<2	3-10	11-20	21-30	31-35	>36	
Senior Management	24	29	31	3			87
Middle Management	180	258	248	33	2		721
Clerical	264	770	230	4	3	1	1,272
Total	468	1,057	509	40	5	1	2,080

Table 09: Total Employees by Employment Category and Years of Service

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	2023	2022	2021	2020	2019
Number of employees entitled to maternity leave	120	121	110	104	94
Number of employees who availed maternity leave	15	12	17	15	18
Number of employees who returned to work after maternity leave	15	12	17	15	18
Returned to work (%)	100	100	100	100	100

Table 10: Maternity Leave Entitlement and Availing

	2023	2022	2021	2020	2019
Male Employees	2,198	2,371	2,522	2,554	2,636
Female Employees	339	361	267	234	196
Total Employees	2,537	2,732	2,789	2,788	2,832
Permanent Staff – Male	1,776	1,934	2,005	2,035	2,034
Permanent Staff – Female	304	310	244	216	189
Contract Staff – Male	422	437	517	519	602
Contract Staff – Female	35	51	23	18	7

Table 11: Five-Year Employee figures

	Male	Female
Vice President and above	82	5
Managerial	617	104
Others	1,077	195
Grand Total	1,776	304

Table 12: Total Permanent Employees by Employment Type and Gender

Bank AlJazira Human Capital Profile:

Region	Male				Female			
	18-30 Years	31-40 Years	41-50 Years	Over 50 Years	18-30 Years	31-40 Years	41-50 Years	Over 50 Years
Central Region	173	412	183	29	66	60	26	5
Eastern Region	27	95	64	10	8	9	8	1
Western Region	116	361	261	45	32	57	30	2
Total	316	868	508	84	106	126	64	8

Table 13: Geographic Dispersion of Employees

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Region	18-30 Years	31-40 Years	41-50 Years	Over 50 Years
Central Region	239	472	209	34
Eastern Region	35	104	72	11
Western Region	148	418	291	47
Total	422	994	572	92

Table 14: Total Permanent Employees by Region and Age

Sourcing Locally to
Create Sustainable
Livelihoods

Bank AlJazira is committed to sourcing from local suppliers, supporting the sustainable development of local businesses, and the local communities in which the Bank operates. We follow a stringent supplier screening process and enter into non-disclosure agreements (NDAs) to ensure our dealings with suppliers are carried out in a manner that is well-aligned with the Bank's core values, purpose, and sustainability pillars. The Bank's Vendors Management Unit falling under the purview of the Procurement and Contracts Management Division, is guided by a comprehensive Vendor/ Supplier Management Framework to govern the process of procurement, and maximizing the benefits of vendor engagement to improve performance and drive efficiencies across the Bank.

The Vendor Management Unit is responsible for vendor engagement, and facilitating vendor briefings with BAJ staff to discuss new products and services. It is also responsible for identifying inherent risks associated with the engaging of vendors / suppliers, and applying appropriate controls to mitigate them, in order to avoid financial loss, reputational damage, improper disclosure of information and regulatory action. The Vendor Management Unit utilizes risk assessment, due diligence, documentation, relationship termination guidelines, and oversight to ensure effective Vendor Risk Management at BAJ. The oversight function includes monitoring the vendor's quality of services, risk management practices, financial conditions and applicable disclosure, with non-performing vendors identified and reported to BAJ Management. The Unit ensures all vendor engagements conform with Bank policies and standards, and all cybersecurity requirements are met via Service Level Agreements (SLAs). Vendor evaluation is carried out by each requesting department based on the criticality and frequency of service, as well as the degree of substitution.

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With a heavily localized supply chain, the year in review saw BAJ direct over 93% of our total procurement spend, which amounted to nearly SAR 1 Bn., towards a growing network of 416 local suppliers who are empowered and enabled to contribute towards the diversification of the Saudi economy.

	2023	2022	2021	2020	2019
Number of Local Suppliers	416	404	406	358	301
Total Procurement Spend (SAR Mn.)	996	825	778	559	506
Total Spent on Local Suppliers (SAR Mn.)	928	760	735	514	433
% of Total Spend on Local Suppliers (%)	93.32	92	94	92	86

Table 15: Sourcing and Supplier Statistics

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PILLAR 03: ENVIRONMENTALLY RESPONSIBLE BANKING

In our commitment as a responsible corporate citizen to reduce our carbon footprint and thereby our environmental impact, BAJ has demonstrated continued dedication towards implementing sustainable practices across our day-to-day operations. This includes reducing our energy and water consumption as well as waste generation across the BAJ banking network, and meeting our compliance obligations. Equally important are the efforts we take to communicate our environmental initiatives internally to our employees, and on public forums to other key stakeholders, which we consider an important step towards expediting our own sustainability ambitions while contributing to the Kingdom’s Vision 2030.



Resource
Optimization

1 Paper

Banking by nature has been a paper-intensive operation, and BAJ has continued to reduce or eliminate paper usage across our operations wherever possible, largely by digitizing and automating banking processes and creating paperless workflows. Since 2012, BAJ has ensured the proper collection, shredding and recycling of paper waste across all Bank premises, collaborating with a third-party vendor for waste management following a strict selection process. Internal paper use has continued to decrease over the years with the implementation of best practices including double-sided printing as well as centralized printing at each branch for monitoring and better management of printing queues.

2023
HIGHLIGHTS

In line with BAJ's Sustainability KPI to improve our direct environmental footprint, the Bank continued to identify new means to reduce paper usage and wastage across the Bank. During the year in review, the Bank's digital transformation strategy was rolled out across seven key pillars (page 42), each focus area contributing towards digitizing, automating and streamlining more banking functions, systems and processes, that directly contributed towards digitizing paper trails and eliminating the use of physical paper.

As part of the Bank's digital transformation strategy, a few key upgrades that were initiated during 2023 are set to reduce paper usage across the Bank in the immediate-to-near future:

- Core Banking System: upgrades will reduce manual processes and electronic workflows will replace paper-based workflows.
- Customer Relationship Management (CRM) System): Implementation of a new system will replace manual record-keeping of customers

The Bank ensured that all collected paper waste during the year was shredded internally according to our established policy mandate, and handed over to the third-party vendor to be recycled. BAJ recycled around 1.5 – 2 tons of paper during the year in review.

2 Energy

Reducing energy consumption continues to be a key priority at BAJ, with the Bank introducing multiple initiatives to increase energy efficiencies throughout the years including creating awareness among employees on energy conservation best practices, introducing energy efficient equipment, devices and lighting, implementing smart energy controls and conducting regular energy audits.

The Bank introduced energy saving LED lighting in 2018, recording a 20% reduction in energy costs since. This was followed by the introduction of smart lighting at our Head Office and car park in 2020, further increasing energy savings. Air conditioning is strictly controlled to save energy and reduce costs across all BAJ facilities, while illuminated BAJ logos at our Head Office and branches are controlled with switch timers. Power generators that are highly suitable for urban environments have been installed at all major BAJ branches, ensuring they meet our standards for reduced fuel consumption as well as reduced noise and emissions. We are committed to transforming our branches into energy-neutral spaces by integrating more net-zero technologies and design features.

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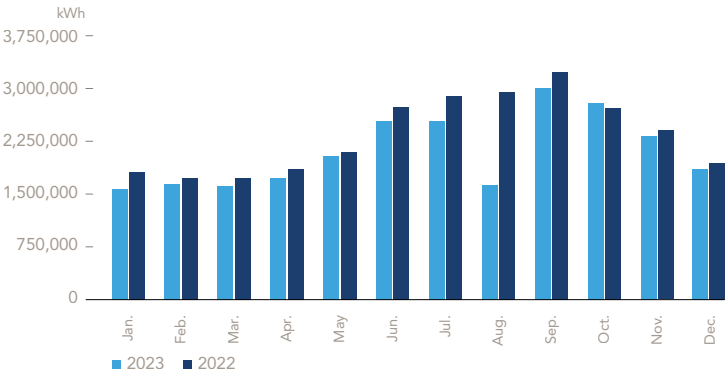
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During the reporting period, as part of the technology transformation strategy, the Bank rolled out several infrastructure upgrades that saw BAJ transition to a private/ on-premise cloud which reduced its physical assets and devices, thereby also reducing the Bank’s overall consumption of energy.

For the year in review, BAJ recorded a 10.1% reduction in energy usage across the branch network from the previous year, successfully surpassing our energy saving commitment to reduce energy consumption by a minimum of 5% annually.

Month	2023 kWh	2022 kWh
January	1,570,882	1,809,340
February	1,664,049	1,722,897
March	1,623,332	1,740,452
April	1,727,024	1,871,789
May	2,039,842	2,085,493
June	2,526,103	2,757,071
July	2,526,068	2,896,101
August	1,639,568	2,952,135
September	3,017,102	3,239,406
October	2,794,693	2,716,370
November	2,331,925	2,420,666
December	1,851,512	1,938,336

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3 Water

At Bank AlJazira, we have ensured the meticulous management of our water supply and usage by adopting water saving methodologies across our offices since 2009. Other continuous efforts include encouraging our employees to practice better water conservation, and replacing regular water faucets with water saving devices such as automatic flow regulators to control water consumption.

In terms of consumption and discharge, BAJ follows a hybrid model, sourcing and discharging water through the National Water Company at more urban BAJ locations, while using water tanks and sewage tanks at other outlets based on available local water resources, and applicable public policy.

2023
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For the year in review, BAJ continued to execute best practices in water management and usage, reducing overall water consumption by 22.17% and thereby successfully surpassing our annual water saving commitment to reduce water consumption by a minimum 5% annually.

Month	2023 liters	2022 liters
January	25,134	27,630
February	24,520	33,530
March	23,316	29,463
April	23,648	52,810
May	20,211	6,838
June	23,366	28,811
July	22,621	28,396
August	4,341	26,450
September	33,203	30,144
October	22,022	26,366
November	27,659	29,576
December	17,670	23,961

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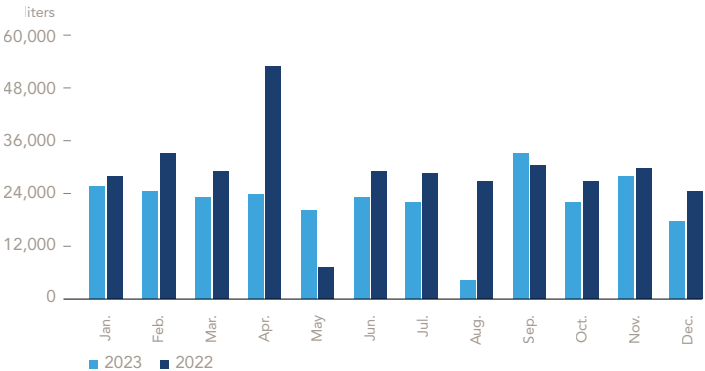
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Water
Consumption



Waste
Management

BAJ ensures the proper management of solid waste by procuring the services of third-party janitorial service providers for each BAJ location, with the waste disposed to relevant municipality waste bins dedicated for collection. We also continued to improve employee awareness on the urgency of waste minimization and recycling during the reporting period.

2023
HIGHLIGHTS

A key upgrade carried out during the year in review was the initiation of a solid-waste recycling process alongside the existing waste management operations at BAJ. Having conducted in-depth research to identify top recyclers based on experience, track record in the environmental services industry, and benchmarked regulatory and legislative compliance, the contract terms were in the process of being finalized between the Bank and a leading Recycling Solutions Provider in the Kingdom at the close of the reporting period. As the first stage of this initiative, recycling bins were placed throughout the Riyadh Head Office in order to collect recyclable waste. An internal awareness campaign to encourage recycling among employees is scheduled to follow the formalization of the agreement with the recycler.

The Safe Disposal
of e-Waste

The safe disposal of IT hardware is a key focus on BAJ while it ensures all IT assets across the Bank network are monitored, upgraded, deployed, maintained and disposed of, as and when required. Best practices are encouraged across the Bank to increase the lifespan of all IT hardware, enhance their performance, and reduce asset maintenance costs, while also eliminating the misuse, misplacement or theft of the Bank's IT assets. IT hardware assets across the BAJ network include computer systems, peripheral devices, terminals, communication equipment and other related hardware products.

2023
HIGHLIGHTS

During the year in review, the Bank developed and implemented a new mechanism to reuse IT assets within the Bank, extending their useful life cycle through preventive maintenance, servicing and the proper purchasing and replacement of spare parts. This commitment to responsible IT asset management has reduced the need for new hardware purchases, while promoting optimization of existing resources.

A key highlight for the year in review is the introduction of mandatory buy-back policies for IT assets from international vendors (i.e. HP, IBM), with the Bank thus able to leverage the established recycling policies and practices of these vendors to ensure the safe and responsible disposal of unusable IT hardware assets. IT assets that are considered reusable are also donated to charitable programs at times where such a requirement can be fulfilled by the Bank.

Such initiatives implemented during 2023 showcase the Bank's commitment to circular economy practices, and the reduction of e-Waste generated by BAJ.

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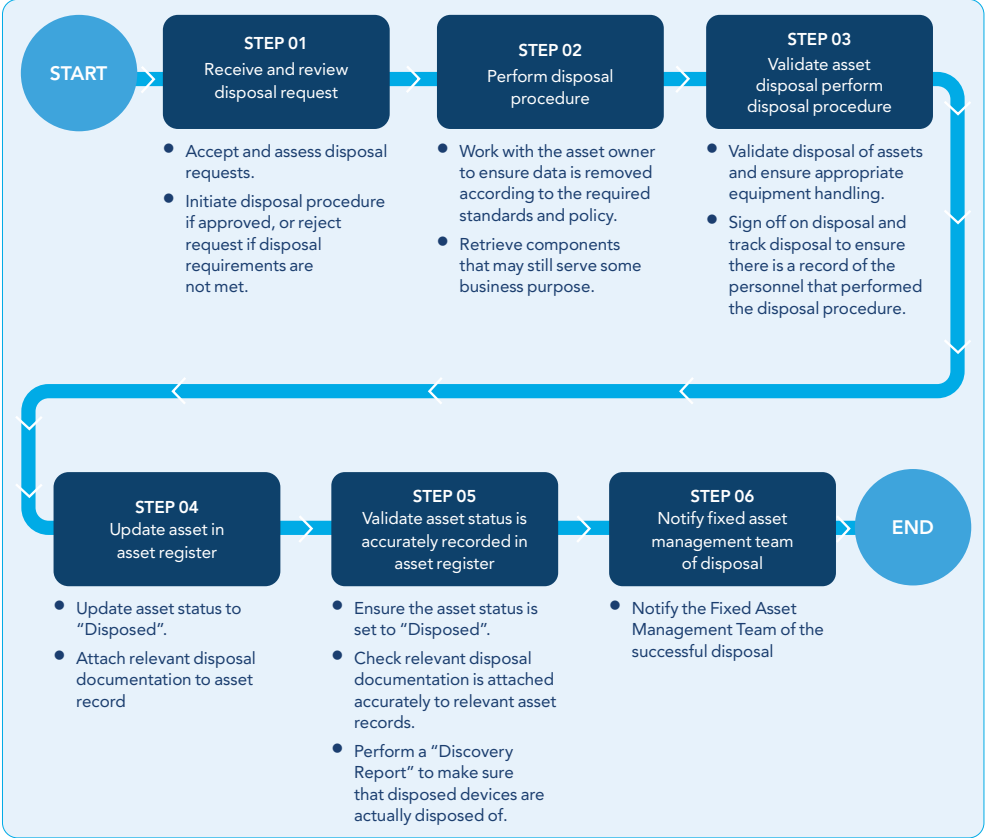
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Reduced Use of Plastic

As an early-adopter of virtual credit cards in the Kingdom, BAJ continued to promote cashless to card-less transactions with the introduction of digital debit and credit cards for retail clients. The issuance of virtual cards has also reduced the Bank's use of plastic, thereby contributing towards improving our environmental footprint.

2023 HIGHLIGHTS

Almost 83% of retail accounts were opened online in 2023, with 44% of those accounts opting for digital cards at the time of the account opening. Existing customers still using physical cards have been given the option of converting or renewing to digital cards, with the cards made instantly available upon approval through our mobile app.

Green Project Financing

During the year in review, BAJ continued to drive capital flows and investments towards green projects across the Kingdom, with credit approval for SAR 20 Mn. to finance an advanced biomedical company, with SAR 7 Mn. utilized as at the end of the reporting period. A growing pipeline of green projects are lined up for credit approval in 2024, including a clean energy solutions provider. With SAMA expected to request for a number of ESG-related disclosures and deliverables on the back of the recommendations of the ESG Saudi Bank Advisory Committee (EBAC) in the immediate future, BAJ expects to initiate relevant policy reviews and amendments during the next financial year, in order to enable the integration of ESG factors into loan evaluation criteria at BAJ.

PILLAR 04: IMPACT BEYOND BANKING

Beyond our duty as a financial institution, Bank AlJazira plans, implements and supports programs and activities that drive community development and environmental preservation by our Sustainability and Social Responsibility Group, guided by our Social Responsibility Policy. The Bank – renowned for its impactful initiatives carried out under the “Khair AlJazira le Ahl AlJazira” program – ensures that the projects implemented contribute towards the overarching goals and needs of our communities in alignment with the Kingdom’s Vision 2030.



Sustainability
Initiatives

Bank AlJazira considers three key factors when planning, approving and implementing sustainability initiatives:

1 Transparency

Ensuring adherence to transparency standards in terms of clarity of reference for legal and financial granting agencies and organizations, in addition to business transparency in terms of implementation and achievement.

2 Diversity

Ensuring gender diversity of the beneficiaries (males, females), and the geographical spread across all 13 regions of the Kingdom.

3 Development

Focusing on the developmental nature of a specific field in a manner to promote continuity and sustainability.

At the beginning of each financial year, the Sustainability and Social Responsibility Committee of BAJ decides the budget for social and environmental initiatives based on the most pressing needs of the communities in which we operate. Programs are monitored beyond completion, with progress reporting at each stage.



Updates on our social and environmental initiatives are communicated among stakeholders through multiple communication channels including social media, emails as well as the Annual Report. Employees are encouraged to voluntarily participate in our CSR programs, and collaborate with charity associations to nurture strong relationships with our communities, and a sense of responsibility for their enrichment and wellbeing.

A significant number of Sustainability and Social Responsibility Programs were carried out during the year in review, with the Bank increasing its CSR expenditure by 28% year-on-year. Notably, a growing number of projects were dedicated to the empowerment of women as part of the Bank’s mandate to contribute towards creating a more diverse and inclusive workforce within the Kingdom.

Our focused community development efforts saw BAJ being presented with the Best Social Responsibility Program among Islamic banks 2023, awarded by the Global Islamic Finance Awards (GIFA) with Cambridge IFC, and also earned BAJ a top 5 ranking among the most socially responsible brands in the Kingdom in a list published by Forbes Middle East.

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2023
HIGHLIGHTS

The Bank conducted a total 122 projects with a remarkable project completion rate of 99.7%.

No.	Sustainability and Social Responsibility Programs in 2023	Beneficiaries
1	Youth Empowerment and Rehabilitation	4,418
2	Empowering the Non-profit Sector	4,630
3	Supporting the Center of Excellence for Autism	-
4	Empowerment of Persons with Disabilities	5,105
5	AlJazira Innovation and Social Entrepreneurship Initiative	346
6	Environmental and Sustainability Initiatives	4,092
7	Kair Aljazira la Ahal Aljazira (brotherhood) BAJ staff CSR	38
8	Non-profit Loans Portfolio	1,466
Total beneficiaries		20,095

Youth Empowerment and Rehabilitation

No.	City	Program
1	Rafha	Training and qualifying families of prisoners to enter the labor market
2	Jeddah	Training and qualifying young men and women on the “Montaj” project
3	Al-Khobar	Training of orphan association employees on administrative and leadership skills
4	Riyadh	Training and qualifying girls on professional photography and editing
5	Tabarjal	Training in computer use, data entry, and word processing
6	Al-Amayer	A project to train and qualify graduates for the labor market
7	Medina	Internet training project (Reis Project)
8	Al-Ahsa	Developing female entrepreneurs in marketing and customer service skills
9	Hail	Qadir project to train and empower orphans
10	Bisha	A project to train and qualify beneficiaries for the labor market
11	Asir	Jadeer project for career empowerment for young men and women
12	Asir	Training and qualifying young men and women on the career fields
13	Taif	Training project: data entry and word processing
14	Abha	“Freelance” project to qualify young men and women
15	Jizan	Jadarat project for training and qualification for the labor market
16	Riyadh	“Tamkeen” project to qualify girls for the labor market
17	Al-Jawf Province	“Skills flexibility for training young men and women” project
18	Riyadh	Family awareness project
19	Arar	“Youth Development Laboratory” project
20	Northern Ardiya	“Maharat” project to qualify young men and women for the labor market in social development
21	Jisan-Abu Arish	The “Little Trader” project to spread financial awareness, encourage children, and develop them for entrepreneurship
22	Taif	Legal advisor training project
23	Hafar Al-Batin	Leadership skills training and development project
24	Wadi Al-Dawasir	A project to train and empower youth on labor market skills
25	Jeddah	“Tumouh” project to rehabilitate the prisoners
26	Riyadh	A project to train and qualify young men and women university graduates for the labor market
27	Several regions	Health awareness camp project
28	Riyadh – Al-Qassim	First aid and cardiopulmonary resuscitation training project
29	Several regions	A project to train young men and women on social responsibility
30	Jazan	“Maharat” project for training and qualification for the labor market
31	Riyadh	Training project on the social responsibility standard - a guide for social companies

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No.	City	Program
32	Riyadh	A project to establish commercial projects to enable young men and women to enter the labor market
33	Aflaj	A project to train specialized mentors to empower young men and women in the labor market
34	Jazan	Life management project to qualify young people for the labor market
35	Jubail	A project to create the future generation to empower young people in the labor market
36	Riyadh	"Fan" project to empower young men and women in the labor market
37	Tabuk	"Arum Club" project to enhance the psychological and behavioral capabilities of young people
38	Mecca	A project to train young men and women on smartphone maintenance and prepare them for the labor market
39	Jeddah	Cultural and creative industries project to empower young men and women for the labor market
40	Alhanakiya	"Awasir Al-Khair" project to qualify young people with office skills and computer basics
41	Rafha	Volunteer training and qualification project



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Empowerment of the Non-Profit Sector

S/N	City	Program
1	Ahad Al Masarihah	"An educational hall furniture for the training and educational purposes" Project
2	Hail	Equipping the training hall for empowerment purposes
3	Abha	Capacity Development Program for Volunteer Teams (Volunteer Leaders)
4	All regions	Issuing a study entitled "The Endowment Company and the Non-Profit Company."
5	Riyadh	Accelerating the rehabilitation of associations to develop their financial resources
6	Al-Qassim, Najran, Asir, Riyadh, Sharurah	Trusted organization standard for 5 associations
7	Al-Jawf/Sharurah	The LMI to empower and qualify workers in the non-profit sector
8	Medina	CEO Qualification for workers in the non-profit sector
9	Sharurah	"Equipping the training halls at the association's headquarters" Project
10	Riyadh	Developing the association's technical environment
11	Al-Aflaj	The "Association headquarters furniture and equipment" Project
12	Dammam	Cost of training trainers on financial awareness
13	Sakaka	Training workers in the non-profit sector on the simplified project management system methodology
14	Buraidah	Training workers in the non-profit sector on the simplified project management system methodology
15	Najran	Awqaf employees training project in Najran
16	Taif	Equipping the training halls at the association's headquarters
17	Several Regions	"Analysis of the reality of health associations and their role in achieving Vision 2030" Draft Study
18	Hawta Bani Tamim	A project to train prisoners on computer skills
19	Jeddah	A project to equip Bank AlJazira's training halls
20	Arar	"Equipping and furnishing the training hall at the association's headquarters" Project
21	Al-Namas	"Equipping and furnishing the computer hall at the association's headquarters" Project
22	Riyadh/Jeddah	"Empowering Non-Profit Entities to Financial Sustainability" Project
23	Jeddah	"Equipping and furnishing the training hall at the association's headquarters" Project
24	Aljoug	"Preparation of a vehicle designated for the association's purposes" Project
25	Medina	"Equipping the "Jarb" training hall" Project
26	Buraidah	A project to equip a multi-purpose hall
27	Riyadh	A project to qualify a "governance specialist" in non-profit organizations
28	Al-Ula/Al-Tajil	Experimental hall furnishing project
29	Al-Baha	Aswaa project to qualify project managers in the non-profit sector

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Empowerment of Persons with Disabilities

S/N	City	Program
1	Asir	“Dirham” project to enable blind people to increase their businesses
2	Hail	A project to equip the Autism, Care and Rehabilitation Center
3	Riyadh	Give Me a Voice Project for children with autism disorder
4	Abha	“Fanar” project to rehabilitate girls with motor disabilities on freelance
5	Najran	A project to raise production efficiency and develop the skills of people with disabilities
6	Riyadh	Sawasiya project for physical competitions for disabled people
7	Riyadh	A project to rehabilitate and modify the behavior of people with disabilities
8	Buraidah	Training and rehabilitation project for people with visual impairment
9	Sharurah	A project to equip rehabilitation halls for people with disabilities
10	Riyadh	“My Career” Forum for People with Disabilities - Sa’i Initiative
11	Jazan	A project to develop the capacity of families and volunteers on elderly care
12	Riyadh	A project for therapeutic and rehabilitative services for children with speech and language disorders
13	Tabouk	Training project: “Data entry and word processing for the deaf and dumb group.”
14	Buraidah	Speech and communication sessions project along with the granting of medical hearing aids
15	Northern Borders Province	A project to train female health educators in hospitals
16	Unayzah	A project for physical therapy and eye examination sessions using AI
17	Najran	A project to equip a kitchen for blind women
18	Eastern Province	A project for physical therapy sessions for MS people
19	Sarat Ubaida	“EXAB” project to qualify the deaf and hard of hearing to enter the labor market
20	Khobar	“Shuaa” project to qualify blind girls to enter the labor market
21	Ahad Rufaida	A Project on how to deal with people with attention deficit hyperactivity disorder
22	Riyadh	Exhibition activities project for male/female talents with disabilities
23	Al-Baha	Communication and speech disorders project for autistic children
24	Al-Namas, Hail	A project to qualify families with autism for early intervention
25	Alrass	A Project to equip the physical therapy center “Touch of Balsam”
26	Riyadh	A project to develop the abilities of children with low intelligence
27	Riyadh	A project to equip the “Qalbi” clinic with medical devices
28	Najran	A project to equip AlJazira Bank training hall
29	Riyadh	A project to qualify a physical therapist on lymphedema
30	Riyadh	Grass Club for People with Disabilities (Autism Spectrum, Down Syndrome, Intellectual, Hearing, and Multiple Disabilities)
31	Riyadh	A project to rehabilitate and care for homeless patients
32	Riyadh	“Qemam” project to empower disabled leaders

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AlJazira Initiative for Innovation and Social Entrepreneurship

S/N	City	Program
1	Riyadh	Mubdion Program, II Edition on hybrid applications
2	Unayzah	Equipping the headquarters with the necessary tools on innovation
3	Riyadh	Headquarters Equipping + Establishment of a training program on technical innovation
4	Buraidah	"Discoverer" project for gifted, creative, and innovative people
5	Hasa	"Innovate with us" project
6	Riyadh	Mubtakron Program, VII Edition on cybersecurity
7	Hasa	Mubtakron Program, VIII Edition on python
8	Aflaj	"Equipping the Innovation Center" project at the Committee's headquarters

Environment Initiatives and Qualitative Community Participations

S/N	City	Program
1	Jizan	Training project at the first volunteer forum for marine environment protection
2	Riyadh	Participation in the National Charitable Work Campaign in its third edition
3	Taif / Al-Baha	Environmental conservation initiative, a pledge and a promise
4	Mecca	"Solutions Laboratory for Environmental and Sustainability Challenges" Project II
5	Riyadh	Roadmap for Sustainability Forum
6	Unayzah	"Equipping the Association with Appropriate Empowerment Tools" Project
7	Jeddah	"Waste Recycling and Environmental Preservation" Project
8	Riyadh	An awareness project on environmental conservation
9	Riyadh	"Waste Recycling and Environmental Preservation" Project
10	Thuwal	Annual Sustainability Conference II: "Thriving Together" Training Partner
11	Riyadh	Community partnership in the 3rd conference on palm by-products and their applications
12	Riyadh	"Raising community awareness on the importance of local plants" Training Program
13	Riyadh	Environmental Awareness Program for New Generations

Supporting the
Autism Centre for
Excellence (ACE)

Bank AlJazira was privileged to be part of a landmark joint corporate social responsibility initiative launched in 2019 between the Ministry of Human Resources and Social Development (MHRSD), the Central Bank of Saudi Arabia (SAMA), and Saudi Banks to establish the Autism Centre for Excellence (ACE), by contributing to the total estimated cost of SAR 286 Mn. over the span of five years.

The Center, carrying out research studies in the field, provides modeling rehabilitation services for people with Autism Spectrum Disorder (ASD), while supporting their families by raising community awareness on the subject. Other contributions to society through ACE include providing a model for housing solutions for those with ASD, and training professionals to better understand and respond to autistic individuals.

During 2023, BAJ continued to support the five-year project as it successfully met its project milestones.

Environmentally-
Friendly Projects

Bank Al Jazira continued to participate in a number of environmentally friendly projects during the year 2023, within the framework of the national program that aims to support national parks and gardens through environmental and sustainability initiatives and qualitative community participations implemented by the bank. The bank also intends to support the "Green Saudi Arabia" initiative's long-term goal of planting trees throughout the Kingdom of Saudi Arabia.

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Board of Directors



Engr. Tarek Othman AlKasabi
Chairman



Eng. Abdulmajeed Ibrahim AlSultan
Deputy Chairman of the Board



Mr. Ibrahim Abdulaziz AlShaia
Member



Mr. Abdulwahab Abdulkarim Albetari
Member



Mr. Saad Ibrahim Almushawah
Member

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Mr. Naif A. Al Abdulkareem
Member



Mr. Adil Saad Dahlawi
Member



Mr. Mohammed Saad Bindawood
Member



Mr. AbdulLatif K. Al Melhem
Member

Executive
Management

**Mr. Naif A.
Al Abdulkareem**
CEO and MD



**Mr. Sami J.
Al-Mehaid**
Senior Vice President and
Head of Corporate and
Institutional Banking Group



**Mr. Abdulaziz
Al Zammam**
Senior Vice President
and Chief Internal
Audit Executive



**Mr. Hamad I.
Al-Essa**
Senior Vice President
and Chief Compliance
& AFC Officer



**Mr. Hani
S. Noori**
Senior Vice President
and Chief Financial
Officer



**Mr. Nahim
Y. Bassa**
Senior Vice President
and Head of Strategy &
Digital Transformation Group



**Mr. Osama K.
Al Ibrahim**
Senior Vice President
and Chief Risk Officer



**Mr. Badr A.
Al-Rashodi**
Vice President and
Head of Customer
Experience & Protection
Division



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**Mr. Mohammed
A. Al Mousa**
Senior Vice President and
Head of Retail Banking Group



**Mr. Ibrahim A.
Al-Omar**
Senior Vice President
and Chief Operations Officer



**Mr. Faisal M.
Al-Mansour**
Senior Vice President
and Head of Human
Capital and Corporate
Support Group



**Dr. Fahad A.
Al Elayan**
Senior Vice President
and Head of Sharia,
Sustainability &
Social Responsibility Group



**Mr. Hani
A. Araki**
Senior Vice President
and Head of Treasury
Group



**Mr. Sultan S.
Al-Qahtani**
Senior Vice President,
Board Secretary and
Head of Corporate
Governance Group



**Mr. Yazid
Al-mobty**
Senior Vice President,
Chief Credit Officer –
Credit Management Group

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- 2. Micro Small and Medium Enterprises Committee
- 3. Asset and Liabilities Committee
- 4. Transformation & Innovation Steering Committee
- 5. IT Steering Committee
- 6. Business Continuity Committee
- 7. Management Risk Committee
- 8. Market Risk Policy Committee
- 9. Product Policy Review Committee
- 10. Anti-Fraud High Level Committee
- 11. Information Security Management Committee
- 12. Fraud Control Committee
- 13. Real Estate Committee
- 14. Remedial Committee

The governance structure is also based on a series of governance empowerment factors that ensure achievement of required clarity and good discipline of governance, namely: Institutional values, design of organizational structure, procedures and policies, the delegation of authority matrix, as well as effective communication at internal and external levels.

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Board Subcommittees		
Board Executive Committee	As per the bank's articles of association and its terms of reference, the executive committee of Bank AlJazira consists of five board members chosen by the Board of Directors (BOD) and chaired by the Chairman of the Board. The Board Executive Committee is responsible, in accordance with its delegated powers, to monitor the implementation of the strategy and policies set by the BOD, 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, in addition to monitoring the efficiency of internal control standards and policies implementation.	
Audit Committee	The Audit Committee plays a key role in helping the BOD 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 of the Kingdom. The Audit Committee reviews the quarterly financial statements and assists the Board 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.	<div>ABOUT THIS REPORT004</div> <div>MESSAGE FROM THE CHAIRMAN006</div> <div>MESSAGE FROM THE CEO009</div> <div>BANK ALJAZIRA AT A GLANCE011</div>
Nomination and Remuneration Committee	The Nomination and Remuneration Committee is responsible for recommending nominations to the BOD as per the approved policies and standards, performing annual reviews on the skills required for the membership of the Board, performing reviews of the BOD structure, and recommending 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 Directors and Senior Executives.	<div>PERFORMANCE HIGHLIGHTS FOR THE YEAR013</div> <div>ALIGNMENT WITH SAUDI VISION 2030014</div> <div>OUR APPROACH TO SUSTAINABILITY018</div> <div>PILLAR 01: VALUE CREATION OF/BY OUR CORE BUSINESS030</div>
Board Risk Committee	Assisting the Board in fulfilling the responsibilities of overseeing the risks in the Bank's businesses and controls, the Board Risk Committee responsibilities also consist of reviewing the Bank's ability to manage and undertake risks based on appropriate analysis, and the 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 Board Risk Committee also 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; credit, market, liquidity, reputational, operational, fraud and strategic risks. The Committee evaluates exposures, tolerance levels and approval of appropriate transactions or commercial restrictions and also reviews the scope of risk management and the targeted activities related to the functions of the Bank's risk management.	<div>PILLAR 02: SOCIALLY RESPONSIBLE BANKING056</div> <div>PILLAR 03: ENVIRONMENTALLY RESPONSIBLE BANKING064</div> <div>PILLAR 04: IMPACT BEYOND BANKING070</div> <div>CORPORATE GOVERNANCE078</div> <div>APPENDICES093</div>

Sustainability and Social
Responsibility Committee

This Committee plays an important role in assisting the BOD 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 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 such programs and establishes specific partnerships with associations and charities in the Kingdom, which contribute to highlighting the role of the private sector in enhancing the process of social responsibility. The Sustainability and Social Responsibility 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 BOD about the activities and functions of the Sustainability and Social Responsibility program.

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Enterprise Information
Security (EIS)

Bank AlJazira places great importance in our customers’ right to privacy, and the protection of their personal data, with Privacy Protection maintaining its position as one of our Materiality Topics for the year in review. We continuously seek to implement preventive action and strengthen our data security measures to mitigate existing threats as well as evolving risks in this, the new era of digital banking.

BAJ has multiple layers of data protection in place including firewalls, encryptions, anti-virus protection, web-application firewalls, DDOS protection, endpoint protection, network protection, intrusion prevention systems, and other monitoring tools that are used for cybersecurity monitoring. Additionally, a data classification framework enables the Bank to categorize the level of confidentiality of all data.

The Bank’s information security is managed by a dedicated team housed under the Enterprise Information Security (EIS) Division, which ensures the Bank adheres to all Information security policies prepared under the Saudi Central Bank (SAMA) and the Saudi Data and Artificial Intelligence Authority (SDAIA) guidelines. The EIS Division comprises of the following three functions:

1 Information Security
Governance and Risk
Management

Bank AlJazira’s Information Security Governance and Risk Management function continuously maintains and monitors compliance with SAMA and National Cybersecurity Authority (NCA) regulatory control frameworks along with developing, communicating and monitoring Enterprise Information Security (EIS) policies and standards. It performs regular information security risk assessments and internal security reviews on information assets. This function also provides assurance on adequacy of security controls over high risk information assets and maintains a continuous Awareness and Education Program across the Bank.

2023 HIGHLIGHTS	Annual reviews on all EIS policies and standards were carried out in 2023, while a number of new policies and guidelines were also developed in order to further enhance the governance and privacy of data. These policies include:
	<ul style="list-style-type: none">• Data Classification Guidelines• Data Architecture Policy• Data Classification Policy• Data Governance Guidelines• Data Governance Policy• Data Privacy and Protection Guidelines• Data Privacy and Protection policy• Data Quality Policy• Data Sharing Policy• Data Storage and Retention Policy• Document and Content Management Policy• Metadata Management Policy• Open Data Policy• Reference and Master Data Policy

2 Cyber Resilience	The Bank's Cyber Resilience function is entrusted with information security monitoring through the Security Operations Center (SOC), whereby real-time monitoring and analysis on security threats to the Bank's IT infrastructure is carried out, along with necessary action to counter them. It also conducts on-going security vulnerability assessments to identify and prioritize vulnerabilities across information assets, managing vulnerability remediation processes, security incident investigations and forensics, to detect, respond to and recover from cybersecurity Incidents.
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2023 HIGHLIGHTS	In 2023, BAJ formalized a contract with leading global professional services company Accenture, to manage our SOC, in order to achieve greater Cyber resilience. Furthermore, the Bank's security monitoring was further enhanced through a number of integrations across the BAJ IT infrastructure during the year in review. In addition, the function implemented a new Cyber Fraud solution to monitor abnormal activities, while continuously improving its threat intelligence capabilities by collecting data feeds from multiple sources, including information on zero-day threats and other attacks from all vendors and regulators. Identifying critical vulnerabilities and remediating them remained a continuous activity of the Function during the year in review.
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3 Information Security Architecture and Control	Managing user identity and access management across the Bank and its subsidiaries, the Information Security Architecture and Control function ensures the necessary controls are implemented and in place to control critical black box encryption devices in the Bank's payment gateways. The function is also responsible for security management of interbank payment and settlement systems, ensuring all SAMA requirements are met. It is involved in designing and implementing security controls in new systems and sites, coordinating, developing, and evaluating security programs, and recommending information assurance/security solutions. Information Security Architecture and Control function supports managing and controlling all credentials, encryption keys and certificates on all related information assets (such as SWIFT, SARIE, MC, VISA).
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By successfully implementing multiple security controls across the Bank's operations during 2023, the Information Security Architecture and Control function further enhanced the security posture of BAJ. These controls included the implementation of Privilege Access management (PAM) to monitor and limit access to BAJ servers, as well as File Integrity Management (FIM) to monitor the integrity of files sent or received by the Bank. A comprehensive source code and architecture review was also conducted during the year in review.

Such dedicated effort enabled BAJ to maintain its benchmark standards in information security with zero breaches, leaks, thefts or loss of data during the year, and maintain a track record of zero complaints concerning breaches of customer privacy from regulatory bodies, in line with our commitment to prioritizing the privacy of customer information as a materiality topic in our sustainability journey.

Ethical Business
Practices

When choosing a bank to build a long-term partnership with, customers are now more conscious in selecting a financial institution that not only provides you with competitive products, accessibility and unparalleled customer service, but one that is also anchored to strong values driven by their social, governance, and environmental responsibility.

As one of the Kingdom's leading Shariah compliant financial institutions, Bank AlJazira continues to maintain the highest standards of professional and ethical behavior towards its internal and external stakeholders. We encourage transparency with an established set of principles, policies and ideals that govern how and to whom our finances flow.

BAJ has a zero-tolerance policy for any acts of fraud, bribery, collusion and corruption, and has in place, and complies with applicable anti-fraud, anti-money laundering, and counter-terrorism financing policies. We protect our banking system as well as the integrity of the extended financial system, and are committed to conducting our business at the highest ethical standards. If such incidents are discovered, the Anti-Fraud Division has a program in place to launch an official investigation, take necessary measures, identify the root cause, recommend corrective action, recover losses (if any), and report the incident to the Central Bank of Saudi Arabia (SAMA).

Based on our belief in sustaining this culture of ethical behavior to succeed as a trusted Bank, we have a comprehensive set of policies that enable us to uphold our ideals, acting as tools for promoting integrity and building trust among our key stakeholders. This includes:

The Code of
Conduct

The Bank's Employee Code of Conduct nurtures a work environment that is protected 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, making the best decisions in their endeavor to achieve long-term, sustainable growth. It is the responsibility of the Bank's employees to comply with these policies, and to cultivate and demonstrate the Bank's values through their dealings with both internal and external stakeholders.

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Whistleblower Policy	At the point of induction, employees are educated and made aware of the Whistleblowing policy of the Bank, and are continuously reminded of it to encourage good governance practices across the Bank. There are multiple whistleblowing channels including a dedicated 24*7 hotline, confidential email address, or the BAJ portal, all published on the Bank's intranet.	
Anti-Fraud Division Program	<p>The Bank continuously assesses and updates its Anti-Fraud controls against SAMA counter-fraud guidelines and international best practices. Employees are encouraged to contact or walk in to the Anti-Fraud Division office and report any incidents or violations in person or through its hotline channels, with guaranteed confidentiality. During the year under review, the Bank carried out a number of strategic initiatives to enhance its counter-fraud activities, and better align with the Bank's overarching business and strategic objectives:</p> <ul style="list-style-type: none">• Creating a common approach for addressing fraud risks within the Bank• Achieving an appropriate maturity level of fraud controls within the Bank• Incorporating the Fraud Combat concept into the Bank's overall strategy• Ensuring proper resources are delegated to the Anti-Fraud Division• Implementing comprehensive Fraud Prevention and Detection solutions across the Bank• Reviewing the Counter Fraud Risk Management Governance structure and associated strategy across the Bank• Developing and updating the Counter Fraud Policy, Strategy, Standards and Procedures of the Bank	<p>ABOUT THIS REPORT 004</p> <p>MESSAGE FROM THE CHAIRMAN 006</p> <p>MESSAGE FROM THE CEO 009</p> <p>BANK ALJAZIRA AT A GLANCE 011</p> <p>PERFORMANCE HIGHLIGHTS FOR THE YEAR 013</p> <p>ALIGNMENT WITH SAUDI VISION 2030 014</p> <p>OUR APPROACH TO SUSTAINABILITY 018</p> <p>PILLAR 01: VALUE CREATION OF/BY OUR CORE BUSINESS 030</p> <p>PILLAR 02: SOCIALLY RESPONSIBLE BANKING 056</p> <p>PILLAR 03: ENVIRONMENTALLY RESPONSIBLE BANKING 064</p> <p>PILLAR 04: IMPACT BEYOND BANKING 070</p> <p>CORPORATE GOVERNANCE 078</p> <p>APPENDICES 093</p>
Fraud Risk Management	<p>The Bank has in place a Fraud Risk Management process to understand, identify and manage fraud risks that the Bank is, and can be exposed to. The process follows four cyclical steps that enable the Bank to continuously evaluate and fast adapt to its evolving operating environment, and is an effective tool in combating fraud:</p> <ol style="list-style-type: none">1. Fraud Risk Assessment – Identification and assessment of fraud risks2. Fraud Risk Appetite – Defining, monitoring and managing the Bank's fraud appetite3. Key Risk Indicators – Monitoring the evolution of risks and effectiveness of controls4. Intelligence Monitoring – Continuous analysis and monitoring of fraud landscape and corresponding evaluation of controls <p>The Bank has defined an appropriate governance structure and put together a dedicated team to ensure that the Anti-Fraud Framework remains operational at all times:</p>	

Internal
Controls

The Internal
Audit Group

The Bank’s Internal Audit Group performs independent audit and evaluating the control processes across the Bank, covering all businesses and functions. The group uses standardized internal audit methodologies in providing reasonable 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 the efficiency and importance of the control environment. The Chief Audit Executive manages the Internal Audit 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.

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

As a leading financial institution in KSA, BAJ gives high importance to our internal control environment. Effective internal control procedures are in place across the Bank by applying the principle of three lines of defense, an approach adopted based on industry best practices and international standards. BAJ has evaluated and optimized the efficiency of our internal controls by contracting international audit consultants, and continuously monitored and tested for their effectiveness by the control functions of the Bank, and further 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 the Bank’s internal control environment through direct supervision of the Bank’s control groups such as the Compliance and Risk Groups, and their respective functions. 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.

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During 2023, the Audit Committee reviewed various reports to assess and measure the adequacy of internal controls and systems at BAJ, 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 the Internal Audit Group, Risk Group (including Legal and Information Security and Remedial divisions), Compliance Group, Shariah Group, Finance Group 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. The management’s action plans for the issues filed were also reviewed.

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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 of the Kingdom Saudi Arabia. It also fell under the Audit Committee's purview to review if the management fulfilled its duties in establishing an effective internal control system and seek independent confirmation by the Internal Audit Group for assessment of the adequacy and effectiveness of such internal controls.

For the financial year ended 31 December 2023, the Audit Committee confirmed to the Board of Directors and shareholders that, to their best knowledge and in all material respects, the Bank's internal control system is adequate and effectively implemented.

Risk Management

In the dynamically evolving landscape of the global economy, BAJ's commitment to robust risk management practices remains unwavering. As a key participant in the financial services sector, we prioritize the identification, measurement, aggregation, and effective management of risks. Our continued strategic focus on regulatory capital allocation bolsters our balance sheet and optimizes the risk-return ratio to the benefit of our stakeholders.

BAJ is dedicated to a culture of proactive risk management. By identifying, quantifying, and managing risks with foresight, we not only enhance our risk-adjusted returns, but also ensure financial stability and confidence among our customers and stakeholders. Our approach is rooted in a clear, well-defined Risk Management Framework, developed in alignment with both regulatory expectations and business complexities. This comprehensive framework encompasses a suite of policies addressing all aspects of risk, ensuring compliance and strategic alignment with our business objectives.

At the heart of our risk management strategy is the Board-approved Risk Management Policy, aligned with the Saudi Central Bank (SAMA) guidelines. This document outlines our risk exposure, governance structures, and management policies, encapsulated within our Risk Appetite Framework (RAF), Credit Policy, and Treasury Policy. Embracing a precautionary business ethos, we prioritize prevention and systematic risk management, ensuring resilience and strategic agility.

The Bank's Risk Group plays a critical role in controlling and minimizing risks across different business units, including credit, market, liquidity, operational, and information security risks. By working closely with business units and the Internal Audit Group, we effectively identify, monitor, manage, and minimize risks within tolerated levels. Our governance framework, aligned with international standards, ensures the independence of our Risk Group, promoting a culture of managing risks across the Bank's operations. Our concerted efforts in enhancing operational risk management during 2023 led to a remarkable 81% reduction in operational losses on an annual basis, underscoring our commitment to operational excellence and risk mitigation.

We place great emphasis on delivering training sessions to enhance employee awareness of risk identification and management. Mandatory Business Continuity Awareness and courses to enhance the understanding of operational risk are part of our comprehensive training program, alongside Information Security tutorials that have contributed towards mitigating cyber risks and threats effectively.

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In line with best practices, BAJ has adopted the “Three lines of defense” approach within our overall risk framework. This method ensures a cohesive risk management process, from risk identification to management and governance. Our Board of Directors exercises oversight and guides strategic and risk appetite settings, approving capital and operating plans to achieve strategic objectives.

FUTURE
OUTLOOK

Looking forward, BAJ is committed to embedding climate risk considerations into our Risk Management Framework comprehensively. This includes integrating climate risk into the terms of reference for various management committees and risk policies. We are also finalizing our approach for measuring financed emissions and determining scenarios to support our ESG strategy towards achieving Net Zero emissions, reinforcing our dedication to environmental stewardship and sustainable banking practices.

At BAJ, we remain committed to advancing our risk management practices, leveraging innovation, and adhering to the highest standards of regulatory compliance. As we navigate the challenges and opportunities of 2024 and beyond, our strategic focus on risk management, cybersecurity, information security governance, and environmental sustainability will continue to underpin our operational excellence and sustainable growth.

Business Continuity
Management (BCM)

Bank AlJazira’s dedicated BCM Department has systematic procedures in place to continue vital business processes following any unforeseen incidents that may cause failure of critical assets and disruption of business. To further bolster the Bank’s resilience, a BCM Committee was also established to monitor the Bank’s BCM as well as Disaster Recovery (DR) performance.

The BCM Department at BAJ ensures compliance with all required SAMA regulations and guidelines, as well as internal and external BCM audit standards, and maintains benchmarked standards in BCM best practices. As part of the compliance with SAMA requirements, a Crisis Management Plan (CMP) has been defined, approved and implemented which provides effective supervision and management to guide the Chief Executive Officer (CEO) and the Executive Management Team when responding to a major disruption or threat to the Bank’s activities, while ensuring the best interests of both internal and external stakeholders. CMP includes criteria for declaring a crisis, frequency of crisis management testing, the Crisis Management Team Members (CMT) and their roles and responsibilities.

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The BCM program scope consists of six main phases:



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In 2023, a strategic management decision was made to place the Business Continuity Management (BCM) function under the purview of the Technology and Operations Group, seamlessly integrating it with the IT Governance function. This move emphasizes the Bank’s commitment to operational resilience and uninterrupted business continuity, by aligning the Bank’s future-ready IT infrastructure strategy with BCM objectives.

The year in review also saw the BCM team enhancing the Bank’s culture of continuity by integrating its regulatory requirements within the policies and procedures across various departments. This effort was complemented by raising awareness internally through workshops and a variety of practical drills. The BCM team successfully facilitated the business impact analysis (BIA) activities, conducted comprehensive business continuity risk assessments (BCRA), implemented treatment and mitigation controls, and developed 49 business continuity plans (BCP), to enhance sustainable banking operations.

With greater significance placed on strong contingency plans in the event of unexpected and unprecedented interruptions to operations, the BCM team successfully conducted the comprehensive annual exercise to test different disruptive events and scenarios with relevant stakeholders. These tests helped verify the effectiveness of the Bank’s BCM and DR team procedures, and measure the level of achievement of specific recovery time objectives (RTOs) related to business processes. They also helped evaluate the adequacy of recovery capabilities, and identify weaknesses and gaps that provided the Bank with opportunities for improvement.

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The tests also enabled BAJ to evaluate the adequacy of the training and awareness provided by the BCM team to relevant stakeholders, and bridge the necessary training gaps in order to ensure all stakeholders including the Bank’s subsidiaries and branches, understand and are equipped to take on their roles, responsibilities and authorities if faced with a crisis.

Accounting Standards

Bank AlJazira’s consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (“IFRS”) that are 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.

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GRI Content Index

Statement of use Bank: AlJazira has reported the information cited in this GRI content index for the period starting 01 January 2023 to 31 December 2023, with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

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	2-2 Entities included in the organization's sustainability reporting	Page 5: About this Report
	2-3 Reporting period, frequency and contact point	Pages 4 – 5: About this Report
	2-4 Restatements of information	Page 4: About this Report
	2-5 External assurance	This Sustainability Report is not externally assured
	2-6 Activities, value chain and other business relationships	Page 12: Bank AlJazira at a Glance
	2-7 Employees	Pages 46 – 55: Building a Learning Organisation Pages 59 – 62: Diversity and Inclusion
	2-9 Governance structure and composition	Pages 78 – 84: Corporate Governance
	2-10 Nomination and selection of the highest governance body	Page 83: Nomination and Remuneration Committee
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	2-12 Role of the highest governance body in overseeing the management of impacts	Page 26: Sustainability Governance Structure
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	2-17 Collective knowledge of the highest governance body	The Annual Board of Directors Report 2023 published separately by Bank AlJazira in compliance with regulatory requirements contains greater detail of the Bank's highest governing body, including its collective knowledge as requested under this topic. BOD Report 2023 location: https://www.bankaljazira.com/Portals/0/OpenContent/Files/604/BAJ_BOD_Report_ENGLISH_2023-1.pdf
	2-18 Evaluation of the performance of the highest governance body	The Annual Board of Directors Report 2023 published separately by Bank AlJazira in compliance with regulatory requirements contains greater detail of the Bank's highest governing body, including the evaluation of the Board's performance as requested under this topic. BOD Report 2023 location: https://www.bankaljazira.com/Portals/0/OpenContent/Files/604/BAJ_BOD_Report_ENGLISH_2023-1.pdf
	2-19 Remuneration policies	Page 83: Nomination and Remuneration Committee
	2-20 Process to determine remuneration	Page 83: Nomination and Remuneration Committee
	2-22 Statement on sustainable development strategy	Pages 6 – 8: Message from the Chairman
	2-23 Policy commitments	Page 86: Ethical Business Practices
	2-24 Embedding policy commitments	Page 76: Ethical Business Practices
	2-25 Processes to remediate negative impacts	Page 87: Whistleblower Policy
	2-26 Mechanisms for seeking advice and raising concerns	Page 50: Strengthening Governance (Code of Conduct)
	2-27 Compliance with laws and regulations	The Annual Board of Directors Report 2023 published separately by Bank AlJazira in compliance with regulatory requirements contains more details of any penalties or fines incurred by the Bank due to non-compliance with laws and regulations. BOD Report 2023 location: https://www.bankaljazira.com/Portals/0/OpenContent/Files/604/BAJ_BOD_Report_ENGLISH_2023-1.pdf
	2-29 Approach to stakeholder engagement	Pages 20 – 21: Stakeholder Engagement
	2-30 Collective bargaining agreements	Page 55: Recognition of Labor Law Compliance
GRI 3 Material Topics 2021	3-1 Process to determine material topics	Page 22: Assessing Materiality
	3-2 List of material topics	Pages 23 – 24: Materiality Topics Table
	3-3 Management of material topics	Pages 22 – 25: Assessing Materiality Pages 27 – 29: Mapping of Sustainability Framework Pages 14 – 17: Alignment with Saudi Vision 2030

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GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 13: Performance Highlights for the Year
	201-3 Defined benefit plan obligations and other retirement plans	Page 55: Enhancing Employee Experience > 2023 Highlights
GRI 203 Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Pages 70 – 77: Pillar 04: Impact Beyond Banking
	203-2 Significant indirect economic impacts	Pages 70 – 77: Pillar 04: Impact Beyond Banking
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Pages 62 – 63: Sourcing Locally to Create Sustainable Livelihoods
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	The Annual Board of Directors Report 2023 published separately by Bank AlJazira in compliance with regulatory requirements contains more details Operational Risks and their management. BOD Report 2023 location: https://www.bankaljazira.com/Portals/0/OpenContent/Files/604/BAJ_BOD_Report_ENGLISH_2023-1.pdf
	205-2 Communication and training about anti-corruption policies and procedures	Page 87: Anti-Fraud Division Program
GRI 302 Energy 2016	302-1 Energy consumption within the organization	Pages 65 – 66: Energy
	302-4 Reduction of energy consumption	Pages 65 – 66: Energy
	302-5 Reductions in energy requirements of products and services	Pages 65 – 66: Energy
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 67: Water
	303-3 Water withdrawal	Page 67: Water
	303-4 Water discharge	Page 67: Water
	303-5 Water consumption	Page 67: Water
GRI 304 Biodiversity 2016	304-3 Habitats protected or restored	Page 77: Environmentally-Friendly Projects
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 68 – 69: Waste Management
	306-2 Management of significant waste-related impacts	Pages 68 – 69: Waste Management
	306-3 Waste generated	Page 65: Paper Pages 68 – 69: Waste Management
	306-4 Waste diverted from disposal	Pages 68 – 69: Waste Management
	306-5 Waste directed to disposal	Pages 68 – 69: Waste Management

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GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Page 60: Tabulated data on Employee Recruitment
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 54 – 55: Enhancing Employee Experience
	401-3 Parental leave	Page 61: Tabulated data on Maternity Leave
GRI 403 Occupational Health and Safety 2018	403-6 Promotion of worker health	Pages 54 – 55: Enhancing Employee Experience
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	Pages 52 – 53: Training and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 52 – 53: Training and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Pages 53 – 54: Performance Management
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 60 – 61: Human Capital Profile
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 70 – 77: Pillar 04: Impact Beyond Banking
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 84 – 86: Privacy Protection

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