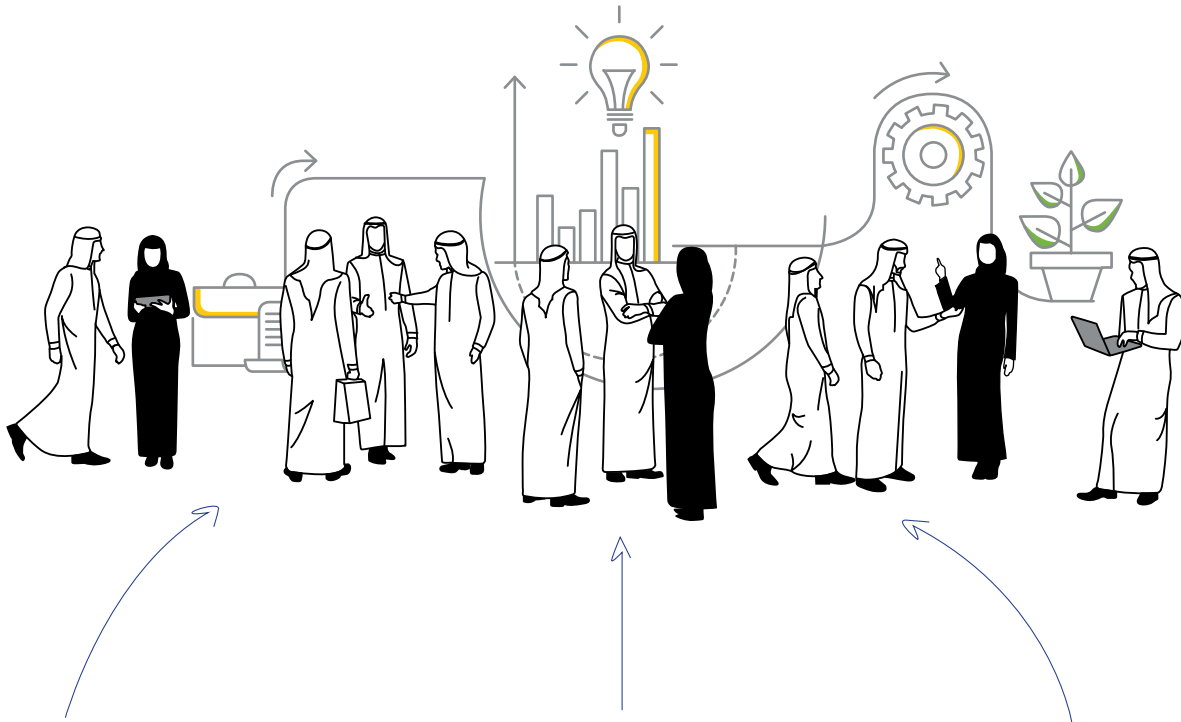


# Corporate Governance

Corporate governance of the Bank encompasses two components that define how the Bank is directed and controlled: the tangible component is comprised the rules, policies, roles and responsibilities, practices, and processes that are laid out in a formal documented structure. The intangible component is defined by the ethics, values, culture, integrity, and reputation of the Bank. Corporate governance is established to ensure

the fair treatment and balancing of interests of the various stakeholders in a bank, such as shareholders, employees, customers, suppliers, financiers, the government, regulatory entities, and the community.

Sound corporate governance practices can benefit the Bank in several ways:



① **Improved performance and profitability**

Strong governance practices often lead to improved performance since it enables more effective decision-making by the Board and the Executive Management that can drive increases in revenue and reductions in costs.

② **Mitigation in risk of failure**

Effective and diligent governance can prevent corporate scandals, fraud, or any civil and criminal liability for the Bank, while enhancing its reputation as a self-policing, responsible bank worthy of continued investment.

③ **Protection of minority shareholders**

Good governance practices ensure that the rights of minority shareholders are protected regarding the right to seek information, voice an opinion, and vote in General Assembly Meetings.

## Governance structure

SAIB's governance structure is established upon three pillars: establishing strategic direction; executing strategy and managing risks; and stewardship through conformance with policy and established procedures, rules, and practices.

Good governance is ensured by the governance structure, which is underpinned by policies, procedures, and practices. The values, ethics, and integrity of the Bank help to ensure the implementation of the governance rules and procedures.

The Bank's governance framework is defined in the [Corporate Governance Manual](#), along with the Board and Executive Management structures, key policies, guidelines and control functions, and the duties of Board members and the restrictions placed on them. The Manual is available to the general public via the Bank's website.

## Policies relating to corporate governance

The Bank complies with the principles of corporate governance for banks operating in Saudi Arabia as issued by the Saudi Arabian Monetary Authority (SAMA) in March 2014, all provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA) of Saudi Arabia dated 16/5/1438H corresponding to February 13, 2017 and all subsequent amendments, and the Basel Corporate Governance Principles for Banks.

The purpose of the Corporate Governance Manual of the Bank is to institutionalise clear, robust, and effective corporate governance as the foundations for the Bank's future market leadership, continued profitability, and long-term stability. The General Manager of Compliance, overseen by the Board Corporate Governance Committee, is responsible for reviewing the contents of the Manual on an ongoing basis and ensuring it is up to date.

A full review of the Manual is conducted every two years by the General Manager of Compliance under the supervision of the Board Corporate Governance Committee. The General Manager of Compliance is accountable for ensuring that the Manual is in complete conformity with the SAMA and the CMA guidelines for corporate governance and complies with the principles for enhancing corporate governance as published in the latest guidelines by the Basel Committee on Banking Supervision.

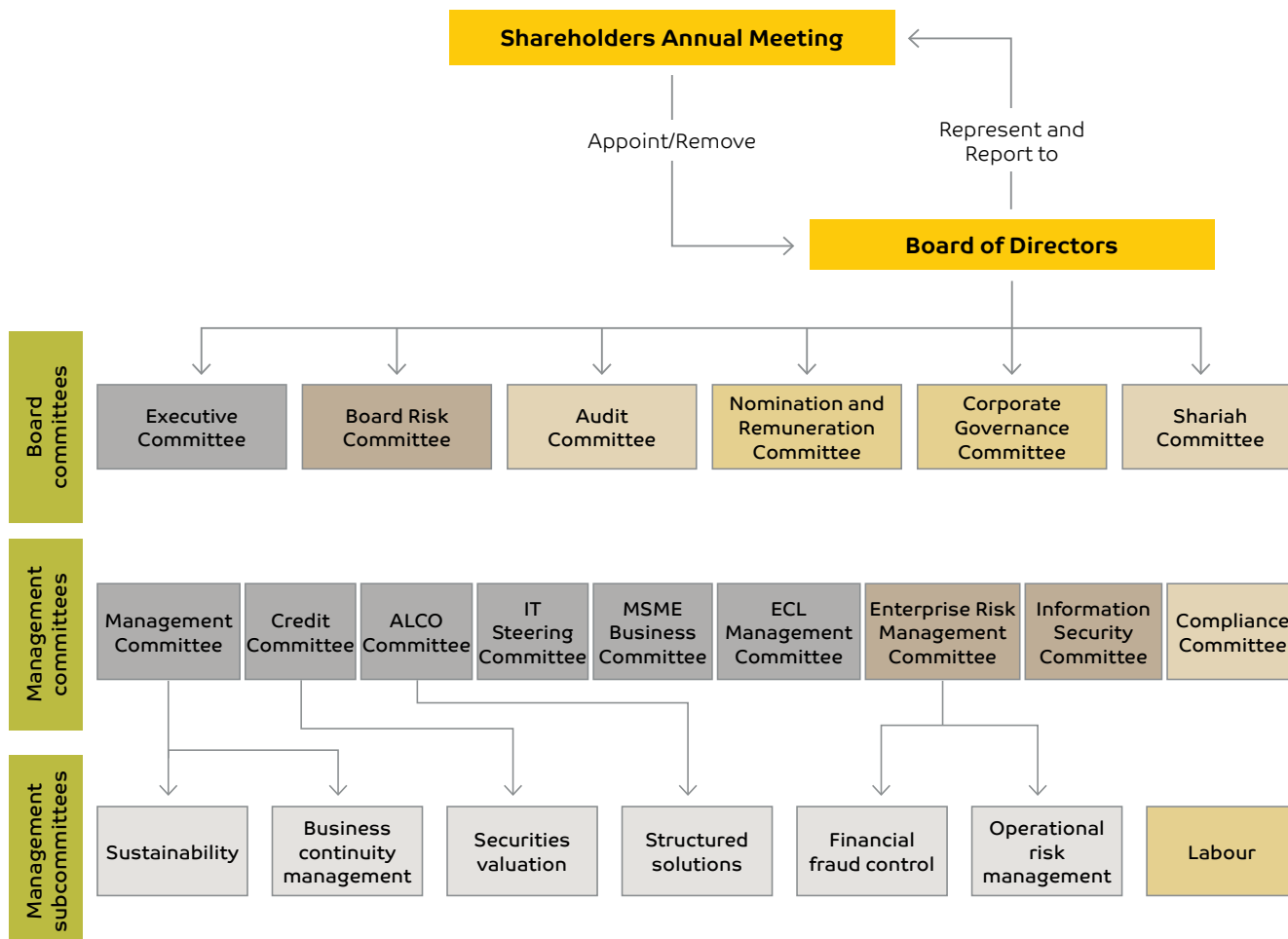
New Board members receive the appropriate induction and training upon appointment. All Board members receive a copy of the Bank's Corporate Governance Manual, its appendices, and major policies including the [code of conduct](#), conflict of interest policy, disclosure and transparency principles, and governance charter issued by CMA and SAMA's key principles of banks' governance.

The Saudi Investment Bank's corporate governance framework is based on six Board Committees, nine Management Committees, and seven Management Subcommittees. This governance structure is underpinned by a series of governance enablers which constitute the core to ensuring the required clarity and discipline of good corporate governance: corporate values, organization structure design, policies and procedures, the Bank's authorities' matrix and effective internal and external communication.

The Delegation of Authorities (DOA) matrix is regularly updated to accurately reflect internal approval controls.

The Board ensures the timely release of information as highlighted in the requirements of the SAMA and the CMA.

## The Saudi Investment Bank committees' structure and reporting lines



### Board of Directors

The Board of Directors shall have the ultimate responsibility for the success, soundness and solvency of the Bank, and is accountable for protecting depositors' and shareholders' funds. The members of the Board are responsible for the overall promotion and safeguarding of SAIB's interests and upholding the highest standards of corporate governance across the Bank, its departments, and subsidiaries. The Board is responsible for setting the cultural and ethical tone of the Bank and developing its strategy, approving and overseeing implementation of the overall risk strategy, monitoring and overseeing Bank Managers' performance, and organizational responsibilities such as the appointment and removal of the CEO and the Deputy CEO. They are accountable to the Organization's shareholders.

### Board composition

The Board of Directors comprises an appropriate number of Directors who have the relevant and diverse range of skills, expertise, experience, and background and who are able to effectively understand the issues arising in the Bank's business. The Chairman of the Board should be a non-executive member.

The Board Members are appointed by the General Assembly for a term of three years and ideally should serve for no more than 12 consecutive years as per SAMA's key principles of banks' governance. At least two of the Board members are independent and no more than two members can be executives of the Bank, in line with SAMA and CMA principles. Through a simple vote, the Board chooses a Non-Executive Director for the positions of Chairman of the Board and

Vice-Chairman. Board members must inform the Chairman of the Board and Corporate Governance Committee about their participation in other boards outside of the Bank and the executive positions they hold in other corporations; no board member can serve on the board of another Saudi bank licensed and incorporated in the Kingdom of Saudi Arabia to avoid conflict of interest, or on the boards of more than four other listed companies which must be disclosed to the Chairman of the Board and the Corporate Governance Committee.

The members of the Board must collectively possess the appropriate skills, expertise, and experience to ensure the proper oversight and management of the Bank. The Corporate Governance Manual defines the following guidelines for the collective skill set of the Board:

All Board members must maintain a high standard of honesty, integrity, competence, capability, financial soundness, and autonomy. They must always be diligent in conducting their directorship role and maintain loyalty to SAIB by prioritising the Bank's interests and reputation. Each Board member has a responsibility to uphold the confidentiality of all information obtained over the course of their duties or seek the written permission of the Chairman of the Board to divulge confidential information during or after their tenure. Board members are prohibited from using any information for personal gain or for the benefit of any parties internal or external to the Bank.

	Banking	Commercial	Regulatory	Audit/Governance
Minimum number of members with appropriate skills and experience	3-4	3-4	1-2	1-2
Required experience	<ul style="list-style-type: none"> <li>Over 15 years of domestic or international banking experience</li> <li>Previous experience as a bank Board member or bank CEO or bank senior level executive (direct CEO report)</li> </ul>	Extensive commercial experience and network within the Saudi market	10-15 years of banking regulatory experience or previous experience as Central Bank regulatory senior or senior banking executive with deep regulatory focus	<ul style="list-style-type: none"> <li>Over 15 years of audit, compliance, or governance-related experience</li> <li>Previously a Partner at a Big 4 accounting firms, or an executive with senior audit, compliance, or governance role</li> </ul>
Additional requirements	<ul style="list-style-type: none"> <li>At least one member with strong risk management expertise in banking</li> <li>At least one member with strong IT expertise in banking</li> </ul>	Collective experience should cover key Saudi economic sectors such as oil and gas, construction, real estate, wholesale trade, and retail trade		
Other relevant skills	Possess relevant skills related to (but not limited to): <ul style="list-style-type: none"> <li>Capital markets</li> <li>Financial stability issues</li> <li>Strategic planning</li> <li>Compensation</li> <li>Corporate governance</li> </ul>			

The following table provides details about the members of the Board:

Name	Status	Class	Date of appointment	Board meetings attended	Other Board memberships
Mr. Abdallah Saleh Jum'ah	Chairman	Non-executive	February 14, 2010	5	Saudi Airlines Corporation Hasana Investment Company Zamil Industrial
Mr. Abdulaziz Al-Khamis	Vice-Chairman	Non-executive	February 14, 2007	5	Tawuniya Insurance Company The United Insurance Company, Bahrain
Mr. Abdul Rahman Al-Rawaf	Board member	Non-executive	February 14, 2010	5	Jabal Omar Development Company
Dr. Fouad Al-Saleh	Board member	Independent	February 14, 2013	5	The Saudi Electric Industries Company Limited (SEICO) Saudi Manufacturing Company
Mr. Saleh Al-Athel	Board member	Independent	February 14, 2014	5	Saudi Specialized Laboratories Company – Motabaqah
Mr. Mohammad Al-Ali	Board member	Independent	July 1, 2014	5	Saudi Energy Efficiency Services Company
Mr. Mohammed Algrenees	Board member	Non-executive	February 14, 2019	5	Taiba Investment Company
Mr. Mohammed Bamaga	Board member	Independent	February 14, 2019	5	Dammam Airports Company The Saudi Federation for Cybersecurity, Programming and Drones
Mr. Yasser Aljarallah	Board member	Independent	February 14, 2019	5	Inma medical services LLC Tharwa Escan Investments LCC, UAE

## Board process

The Board shall hold the minimum number of meetings in accordance with the laws and regulations of Saudi Arabia and the meetings should be scheduled at the beginning of the year. Additional or extraordinary meetings can be arranged upon the request of the Chairman or two or more Board members. The agenda and information packs for Board meetings must be sent to members at least seven days in advance, with the exception of extraordinary meetings, in which case the materials should be sent as soon as possible. Board meetings can take place either face-to-face, by teleconference, or by video conference. The conditions for a Board meeting quorum are met when all the following conditions are satisfied:

- The Chairman or the Vice-Chairman of the Board are present at the meeting.

- At least five Board members attend in person or through representation by a Board member by means of a written notice. A Board member may not represent more than one member.

Board decisions are conducted through a simple majority of the votes of attending and represented Board members, with the deciding vote lying on the side of the Chairman of the Board (or in his absence, the Vice-Chairman) in the event of a tie.

In 2019, five Board of Directors' meetings were held, and the details of Directors' attendance are provided in the following table:

Board member	Board of Directors meetings attended				
	February 14, 2019	March 26, 2019	July 1, 2019	September 26, 2019	December 12, 2019
Mr. Abdallah Saleh Jum'ah	✓	✓	✓	✓	✓
Mr. Abdulaziz Al-Khamis	✓	✓	✓	✓	✓
Mr. Abdul Rahman Al-Rawaf	✓	✓	✓	✓	✓
Dr. Fouad Al-Saleh	✓	✓	✓	✓	✓
Mr. Saleh Al-Athel	✓	✓	✓	✓	✓
Mr. Mohammad Al-Ali	✓	✓	✓	✓	✓
Mr. Mohammed Algrenees	✓	✓	✓	✓	✓
Mr. Mohammed Bamaga	✓	✓	✓	✓	✓
Mr. Yasser Aljarallah	✓	✓	✓	✓	✓

## Board Secretary

The Board Secretary, who is appointed by the Board, must support the Chairman in ensuring the smooth functioning of the Board, including assisting in the logistics of the Board and Board Committee meetings, ensuring the meeting agenda and information pack is sent to members at least seven working days in advance, maintain detailed meeting minutes and decision records of the Board, including discussions, votes, objections, and abstentions from voting. The Secretary must distribute the final meeting minutes of Board meetings to all concerned parties no later than 10 working days from the meeting date. The Secretary is the authorised channel of communication and coordination with related departments to notify the Executive Management of all Board decisions and should follow up on those decisions and ensure their implementation by the Executive Management. The Secretary is responsible for ensuring the regulatory compliance of Board affairs.

## Board Committees

In compliance with Saudi regulators and Basel guidelines, the Board has established six Board Committees to assist it, as detailed in the following table:

### Executive Committee

Mr. Abdulaziz Al-Khamis  
 Mr. Abdul Rahman Al-Rawaf  
 Dr. Fouad Al-Saleh  
 Dr. Abdulaziz Al-Nowaiser\*  
 Mr. Mishari I. Al-Mishari\*  
 Mr. Saleh Al-Athel  
 Mr. Mohammed Algrenees

#### Responsibilities

- Oversee SAIB's business strategy and its execution
- Reviewing, monitoring, and approving key financial and non-financial business
- Investment and operational decisions for the Bank within the authority defined by the Board

\* Former Board Member

### Risk Committee

Mr. Mohammed Algrenees  
 Mr. Mohammd Al-Ali  
 Mr. Yasser Aljarallah  
 Mr. Mohammed Bamaga

#### Responsibilities

- Advise the Board regarding current and future plans and strategies for the Bank's risk management
- Provide oversight on execution of plans and strategies
- Assist the Board in all activities and resolutions related to risk management

## Audit Committee

Mr. Mohammad Al-Ali  
 Dr. Fouad Al-Saleh\*  
 Mr. Abdullah Al-Anizi  
 Mr. Monahy Al-Moreiky  
 Mr. Salih Al-Kholaiifi\*\*  
 Mr. Mohammed Bamaga  
 Mr. Fayez Bilal

#### Responsibilities

- Assist the Board of Directors in fulfilling their oversight responsibilities for the financial reporting process, the system of internal control including IT system control, the internal and external audit process
- Assist the Board of Directors through the Management Compliance Committee to monitor compliance with laws, regulations, and the code of conduct

\* Former Board Member

\*\* Former Member

## Nomination and Remuneration Committee

Dr. Abdulaziz Al-Nowaiser\*  
 Mr. Abdul Rahman Al-Rawaf  
 Mr. Mishari I. Al-Mishari\*  
 Mr. Saleh Al-Athel  
 Dr. Abdulraouf M. Mannaa\*  
 Dr. Fouad Al-Saleh  
 Mr. Abdulaziz Al-Khamis

#### Responsibilities

- Provide recommendations to the Board for new Board members and members of Senior Management
- Co-lead assessment of Board effectiveness together with Corporate Governance Committee
- Oversee Bank's personnel or human resource policies
- Oversee compensation system's design and operation
- Ensure compensation is appropriate and consistent with Bank's culture, long-term business and risk strategy, performance and control environment, and legal and regulatory requirements

\* Former Board Member

### Corporate Governance Committee

Mr. Yasser Aljarallah  
 Mr. Mohammad Al-Ali  
 Mr. Saleh Al-Athel

#### Responsibilities

- Enhance and maintain best-in-class corporate governance practices by ensuring their implementations across all activities undertaken by the Bank
- Ensuring compliance of the Bank with Saudi and relevant international corporate governance regulations

### Shariah Committee

Dr. Mohamed A. Elgari (Chairman)  
 Dr. Abdulaziz Bin Ahmed Almezeini  
 Dr. Ibrahim bin Abdullah Al-Lahim

#### Responsibilities

- Providing Shariah opinions on submitted applications and related contracts and forms
- Ensuring compliance of the Bank with Shariah principles
- Handling Shariah-related enquiries from the Bank and customers

The details of Board Committee meetings and attendance are provided in the following tables:

The Executive Committee held 12 meetings in 2019.

Committee members	Executive committee meetings attended											
	January 15, 2019	March 5, 2019	April 8, 2019	May 5, 2019	May 27, 2019	June 30, 2019	July 28, 2019	September 1, 2019	September 25, 2019	October 30, 2019	November 26, 2019	December 22, 2019
Mr. Abdulaziz Al-Khamis	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abdul Rahman Al-Rawaf	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Fouad Al-Saleh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Abdulaziz Al-Nowaiser	✓											
Mr. Mishari I. Al-Mishari	✓											
Mr. Saleh Al-Athel		✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Mr. Mohammed Algrenees		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The Audit Committee held five meetings in 2019.

Committee members	Audit committee meetings attended				
	January 29, 2019	March 25, 2019	June 30, 2019	September 25, 2019	December 11, 2019
Mr. Mohammad Al-Ali	✓	✓	✓	✓	✓
Dr. Fouad Al-Saleh	✓				
Mr. Abdullah Al-Anizi	✓	✓	✓	✓	✓
Mr. Monahy Al-Moreiky	✓	✓	✓	✓	✓
Mr. Salih Al-Kholaifi	✓				
Mr. Mohammed Bamaga		✓	✓	✓	✓
Mr. Fayez Bilal		✓	✓	✓	✓

The Nominations and Remuneration Committee held five meetings in 2019.

Committee members	Nominations and remuneration committee meetings attended				
	February 3, 2019	April 8, 2019	May 5, 2019	September 25, 2019	December 9, 2019
Dr. Abdulaziz Al-Nowaiser	✓				
Mr. Abdulrahman Al-Rawaf	✓	✓	✓	✓	✓
Mr. Mishari I. Al-Mishari	✓				
Mr. Saleh Al-Athel	✓	✓	✓	✓	✓
Dr. Abdulaouf M. Mannaa	✓				
Dr. Fouad Al-Saleh		✓	✓	✓	✓
Mr. Abdulaziz Al-Kamis		✓	✓	✓	✓

The Corporate Governance Committee held three meetings in 2019.

Committee members	Corporate governance committee meetings attended		
	March 25, 2019	September 25, 2019	December 11, 2019
Mr. Yasser Aljarallah		✓	✓
Mr. Mohammad Al-Ali		✓	✓
Mr. Saleh Al-Athel		✓	✓

The Risk Committee held four meetings in 2019.

Committee members	Risk committee meetings attended			
	March 11, 2019	June 24, 2019	September 15, 2019	November 25, 2019
Mr. Mohammed Al-Greenees		✓		✓
Mr. Mohammd Al-Ali	✓	✓	✓	
Mr. Yasser Aljarallah	✓	✓	✓	✓
Mr. Mohammed Bamaga	✓	✓	✓	✓

The Shariah Committee held five meetings in 2019.

Committee members	Shariah committee meetings attended				
	February 5, 2019	March 14, 2019	September 4, 2019	October 17, 2019	November 25, 2019
Dr. Mohamed A. Elgari	✓	✓	✓	✓	✓
Dr. Abdulaziz Bin Ahmed Almezeini	✓	✓	✓	✓	✓
Dr. Ibrahim bin Abdullah Al-Lahim	✓	✓	✓	✓	✓

Two Extraordinary General Meetings were held in 2019.

Board members	Extraordinary General Meetings attended	
	March 28, 2019	April 18, 2019
Mr. Abdulaziz Al-Khamis	✓	✓
Mr. Abdul Rahman Al-Rawaf	✓	✓
Dr. Fouad Al-Saleh	✓	✓
Mr. Mohammed Al-Greenees	✓	✓
Mr. Saleh Al-Athel	✓	✗
Mr. Yasser Aljarallah	✓	✓
Mr. Mohammed Bamaga	✗	✓

## Management

The Board and the Management complement the responsibilities of each other but remain separate to ensure that sound governance practices are adhered to. The Board is responsible for setting the strategic direction of the Bank and monitoring the performance of the Bank across all functions. The Management is responsible for developing policies, procedures, and frameworks that enable the execution of the strategy set by the Board and reporting on the Bank's performance across all functions to the Board, as well as highlighting key risks and making recommendations to address issues.

The Board has the organizational responsibility of appointing and removing the Chief Executive Officer (CEO) and the Deputy Chief Executive Officer (Deputy CEO). There is a clear division of responsibilities between the roles of the Chairman of the Board and the CEO – this ensures effective separation of the roles of the Board and the Management.

- The Board of Directors is responsible for the oversight of SAIB and its activities.
- The CEO and the Senior Management team who report to the CEO, are responsible for the day-to-day management of the Bank and its activities.

The Chairman of the Board is responsible for leading the Board, overseeing the Bank's strategy and management, overseeing the implementation of corporate governance standards, and overseeing that effective external relations are in place with stakeholders such as shareholders, creditors, etc.

The Chairman, together with the CEO, is co-responsible for the Bank to its local regulator, SAMA, CMA, and to the Government.

The CEO controls and supervises business affairs and the management of the Bank as per the general authority delegated to them by the Board and the Executive Committee. They are responsible to the Board for the implementation of the regulations, policies, and decisions of the Board and the Executive Committee. They must also work together with the Nomination and Remuneration Committee for succession planning.

Board members have no individual power over the Bank's staff, including the CEO. Their power is purely collective and direct communication between Board members and management outside of the Board or committee meetings must be facilitated through the Corporate Secretary.

## Management committees

SAIB has established nine management committees for the purpose of recommending, deciding, approving and/or monitoring key topics in their respective areas:

Committee	Responsibilities
Management Committee	<ul style="list-style-type: none"> <li>• Monitor and manage the Bank's financial and operational performance.</li> <li>• Monitor customer experience.</li> <li>• Oversee execution of the Bank's strategy.</li> <li>• Review minutes and recommendations of other management committees.</li> <li>• Take necessary measures within its authority or escalate recommendations as per Delegation of Authorities matrix.</li> <li>• Submit meeting minutes to Board Executive Committee.</li> </ul>
Credit Committee	<ul style="list-style-type: none"> <li>• Approving, reviewing, and monitoring credit risk taking activities and overall credit risk management function.</li> <li>• Submit meeting minutes to Board Executive Committee.</li> </ul>
Asset Liability Committee (ALCO)	<ul style="list-style-type: none"> <li>• Monitor and manage balance sheet (asset liability) risk.</li> <li>• Make strategic decisions regarding mix and maturities of assets and liabilities and level of medium/long-term interest rate risk the Bank shall accept.</li> <li>• Review financial risk and capital management of the Bank.</li> <li>• Submit meeting minutes to Board Executive Committee.</li> </ul>
IT Steering Committee	<ul style="list-style-type: none"> <li>• Establish and enforce IT and Project management standards, policies, and procedures throughout the Bank.</li> <li>• Assist CEO in decision-making around projects and initiatives.</li> <li>• Closely review progress of all strategic initiatives.</li> <li>• Approve new initiatives based on feasibility proposals.</li> <li>• Submit meeting minutes to Board Executive Committee.</li> </ul>
MSME Business Committee	<ul style="list-style-type: none"> <li>• Provide guidance to effectively operate and manage SAIB's Micro, Small, and Medium-sized Enterprises (MSME) business.</li> </ul>
ECL – Management Committee	<ul style="list-style-type: none"> <li>• Ensuring compliance with SAMA, IASB, and Guidance on Credit Risk and Accounting for Expected Credit Losses (GCRAECL) requirements related to implementation of and compliance with IFRS.</li> <li>• Provide guidance on effective operation of Expected Credit Loss (ECL).</li> </ul>
Enterprise Risk Management Committee	<ul style="list-style-type: none"> <li>• Support effective implementation of sound practices for the management and supervision of Enterprise Risk in coordination with various risk functions at SAIB.</li> <li>• Ensure the development and implementation of risk governance to assist Risk Committee, Board of Directors, and management in making well-informed and timely decisions on strategic planning, risk management, and capital planning.</li> <li>• Submit meeting minutes to Board Risk Committee.</li> </ul>
Information Security Committee	<ul style="list-style-type: none"> <li>• Discuss and disseminate information security issues and initiatives across the Organization.</li> <li>• Ensure Organization's information security objectives are appropriately prioritised and sufficiently resourced.</li> <li>• Submit meeting minutes to Board Risk Committee.</li> </ul>
Compliance Committee	<ul style="list-style-type: none"> <li>• Perform functions and responsibilities related to supporting adherence.</li> <li>• Ensuring efficient implementation of the compliance policy and function at the Bank in accordance with the principles and controls outlined by SAMA.</li> <li>• Submit meeting minutes to Board Audit Committee.</li> </ul>

## Management subcommittees

SAIB has established seven management subcommittees to make recommendations on specific topics to a particular Management or Board Committee:

Subcommittee	Responsibility
Sustainability Subcommittee	<ul style="list-style-type: none"> <li>• Reports to Management Committee.</li> <li>• Establish SAIB as a recognized leader in sustainability within Saudi Arabia and the global banking industry.</li> <li>• Use the SAIB <a href="#">sustainability framework</a>, policy, and the agreed associated strategic sustainability priorities and targets to guide implementation of sustainability across the Organization.</li> <li>• Champion and embed sustainability into SAIB's corporate strategy, policies, procedures, management systems, activities, and culture.</li> <li>• Identify and implement high leverage sustainability initiatives to improve performance.</li> <li>• Measure and report performance internally and externally and maintain a dialogue with stakeholders.</li> <li>• Periodically review and adapt agreed strategic sustainability priorities and targets in the context of evolving sustainability trends, risks, and opportunities.</li> <li>• Report progress on initiatives to Executive Management and Board on a quarterly and annual basis.</li> </ul>
Business Continuity Subcommittee	<ul style="list-style-type: none"> <li>• Reports to Management Committee.</li> <li>• Perform functions and responsibilities related to management of contingency situations/disasters in accordance with the Business Continuity Management Policy Framework.</li> <li>• Oversees activities during an emergency situation and handles all regulatory and media communication.</li> </ul>
Securities Valuation Subcommittee	<ul style="list-style-type: none"> <li>• Reports to Management Credit Committee.</li> <li>• Assist Management Credit Committee in fulfilling its oversight responsibilities regarding risk management.</li> <li>• Recommend to Management Credit Committee the margin percentage and Loan-to-Value (LTV) ratio for stocks listed on the Saudi Stock Exchange ("Tadawul").</li> </ul>
Structured Solutions Approval Subcommittee	<ul style="list-style-type: none"> <li>• Reports to Management Asset Liability Committee (ALCO).</li> <li>• Support the introduction, review, and recommendation of structured solutions products to the Bank's portfolio.</li> </ul>
Financial Fraud Control Subcommittee	<ul style="list-style-type: none"> <li>• Reports to Management Enterprise Risk Management Committee.</li> <li>• Ensure and oversee the development and adaptation of policies and preventive measures by the Bank to mitigate the impact and occurrence of fraud risks.</li> <li>• Preserve the reputation and integrity of the Bank.</li> </ul>
Operational Risk Management Subcommittee	<ul style="list-style-type: none"> <li>• Reports to Management Enterprise Risk Management Committee.</li> <li>• Oversee effective implementation of sound practices for the management and supervision of operational risk.</li> </ul>
Labour Subcommittee	<ul style="list-style-type: none"> <li>• Ensure the working environment of the Bank adheres to local regulatory requirements.</li> <li>• Submit meeting minutes to Board Nomination and Remuneration Committee.</li> </ul>

Communication between Board members and members of the staff is facilitated either through the Board committee or subcommittee meetings or through the Corporate Secretary. In the case of a meeting with the Corporate Secretary, they must seek the consent of the CEO for the meeting and the CEO may opt to participate in the discussion.

### Evaluation of the Board and committees

The effectiveness of the Board is monitored through an annual performance evaluation, which is conducted by the Board Nomination and Remuneration Committee. The Nomination and Remuneration Committee reports its findings to the Chairman of the Board and recommends a course of action to address areas identified for improvement. The Board will also ensure that each Board committee conducts a regular self-evaluation of its performance and the performance of its members.

### Financial disclosure and transparency

SAIB follows the International Financial Reporting Standards (IFRS) as modified by SAMA for the accounting of Zakat and Income Tax [relating to the application of International Accounting Standard (IAS) 12 – “Income Taxes” and IFRIC 21 – “Levies” insofar as these relate to accounting for Saudi Arabian Zakat and Income Tax] and complies with the provisions of the Banking Control Law, the regulations for companies in the Kingdom of Saudi Arabia and the Bank’s Articles of Association.

The Financial Statements for the year ended December 31, 2019 have been approved by the Directors to ensure that they present a true and fair view of the state of affairs of the Bank for the year under review.

### IT governance

Information technology is an integral part of the management and operations of the Bank and contributes to its competitive edge. The Bank’s IT development and operations are conducted in accordance with international standards and best practices. The Bank’s IT strategy is aligned with its business strategy.

The Information Security Management System (ISMS) is the system that safeguards the Bank’s IT hardware and digital assets, and by extension, the interests of customers, investors, employees, and other stakeholders. The ISMS is built upon the framework defined by the Bank’s IT Information Security Policy. The framework specifies for restricted access to digital assets and nominates an owner and rules for access, with access being issued on a “least privileged” and “need to know” basis. Physical locations that store critical sensitive facilities are protected with the appropriate security barriers and limitations to access. In the event of an information security threat, protocols are in place to be followed to ensure a fast and effective response to neutralise the threat.

### Ethics and standards

The Bank’s Code of Conduct, enforced by the Bank’s corporate governance, stipulates the highest ethical and professional standards to be maintained across all commercial operations and practices. The Code, which applies to all Directors, employees, affiliates, and any representative of the Bank, inculcates a culture of professionalism wherein the highest standards of ethics, integrity, and respect for confidentiality are upheld.

The Bank has a Whistle-blowing Policy that facilitates the direct reporting to the CEO or General Manager of Human Resources of breaches of the Code of Conduct, ethics, laws, regulations, or procedures by employees without the fear of reprisal. A portal on the Bank’s website is also available to external parties who may wish to report any suspected irregularities.