

**Extraordinary General Assembly
meeting which include the increase
of the Bank 's capital 2024**





البنك العربي الوطني
arab national bank

الجمعية العامة غير العادية المتضمنة زيادة رأسمال البنك

٢٠٢٤

يسر مجلس ادارة البنك العربي الوطني دعوة السادة المساهمين الكرام الى حضور اجتماع الجمعية العامة غير العادية المتضمنة زيادة رأس مال البنك (الاجتماع الأول) الذي سيعقد بإذن الله في تمام الساعة الثامنة والنصف من مساء يوم الاثنين ١٢ ذو القعدة ١٤٤٥هـ الموافق ٢٠ مايو ٢٠٢٤م وذلك عن طريق وسائل التقنية الحديثة.

Extraordinary General Assembly meeting which include the increase of the Bank 's capital

2024

The Board of Directors of The Arab National Bank is pleased to invite its honorable shareholders to attend the Extraordinary General Assembly Meeting which include the increase of the Bank 's capital (the first meeting), which is scheduled to be held, at 8:30 pm on Monday 12/11/1445 H corresponding to 20/05/2024 G, by Means of Modern Technology.

General Assembly Agenda

بنود الجمعية العامة

<p>1- Voting on the Board of Directors recommendation to increase the Bank's capital through granting bonus shares as follows:</p> <ul style="list-style-type: none"> - The bank's capital before the increase is (15,000,000,000) Saudi riyals, divided into 1,500,000,000 shares. - The bank capital after the increase is (20,000,000,000) Saudi riyals, divided into 2,000,000,000 shares. - Total amount of increase is (5,000) million Saudi riyals. - Percentage of capital increase: 33.33% - Reasons for the increase The recommendation is aimed to enhance the bank's financial solvency. - Method of capital increase: The increase will be through capitalizing of (5,000) million Saudi riyals from retained earnings, approximately (1) bonus share for every (3) shares owned. - Eligibility date: In the event that the Bank's shareholders in the extraordinary general assembly meeting agree to increase the capital, the eligibility will be for the shareholders who own the shares at the end of trading on the day of the general assembly and are registered in the company's shareholders register with the Securities Depository Center Company ("Edaa") at the end of the second trading day following the entitlement date. In the event of fractional shares; The fractions will be collected in one portfolio for all shareholders and sold at the market price, then their value will be distributed to the shareholders entitled to the grant, each according to their share, within a period not exceeding 30 days from the date of determining the new shares due to each shareholder. - The amendment of Article (7) of the Bank's Bylaws related to the Capital. - The amendment of Article (8) of the Bank's Bylaws related to subscription in the Company's shares. 	<p>١ - التصويت على توصية مجلس الإدارة بزيادة رأسمال البنك عن طريق منح أسهم مجانية للمساهمين وفقاً لما يلي:</p> <ul style="list-style-type: none"> - رأسمال البنك قبل الزيادة هو (١٥,٠٠٠,٠٠٠,٠٠٠) ريال سعودي مقسم إلى (١,٥٠٠,٠٠٠,٠٠٠) سهم - رأسمال البنك بعد الزيادة هو (٢٠,٠٠٠,٠٠٠,٠٠٠) ريال سعودي مقسم إلى (٢,٠٠٠,٠٠٠,٠٠٠) سهم - المبلغ الإجمالي للزيادة هو (٥,٠٠٠,٠٠٠,٠٠٠) ريال سعودي - نسبة زيادة رأس المال: ٣٣,٣٣٪ - سبب زيادة رأس المال: تهدف هذه التوصية إلى تعزيز ملاءة البنك المالي. - طريقة زيادة رأس المال: ستتم الزيادة من خلال رسملة مبلغ ٥,٠٠٠,٠٠٠,٠٠٠ ريال سعودي من حساب الأرباح المبقاة ، وذلك بمنح سهم واحد لكل ثلاثة أسهم مملوكة. تاريخ الأهمية: في حال الموافقة على البند، سيكون تاريخ الأهمية للمساهمين المالكين للأسهم بنهاية تداول يوم الجمعية العامة غير العادية للبنك والمقيدين في سجل مساهمي البنك لدى شركة مركز إيداع الأوراق المالية (مركز الإيداع) في نهاية ثاني يوم تداول يلي تاريخ انعقاد الجمعية العامة غير العادية، وفي حال وجود كسور أسهم فإنه سيتم تجميع الكسور في محفظة واحدة لجميع حملة الأسهم وتباع بسعر السوق ثم توزع قيمتها على حملة الأسهم المستحقين للمنحة كل بحسب حصته خلال مدة لا تتجاوز ٣٠ يوماً من تاريخ تحديد الأسهم الجديدة المستحقة لكل مساهم. - تعديل المادة (٧) من النظام الأساس للبنك والمتعلقة برأس المال. - تعديل المادة (٨) من النظام الأساس للبنك والمتعلقة بالإكتتاب في أسهم الشركة.
<p>2- Voting on the Employee Share Program and delegate the Board of Directors to determine the terms of this program, including the allocation price for each share offered to employees, if paid.</p>	<p>٢- التصويت على برنامج الأسهم المخصصة للموظفين وعلى تفويض مجلس الإدارة بتحديد شروط هذا البرنامج بما فيها سعر التخصيص لكل سهم معروض على الموظفين إذا كان بمقابل.</p>
<p>3- Voting on the bank's purchase of a number of its shares, up to a maximum of (5,000,000) of its shares, with the aim of allocating them to the bank's employees within the Employee Share Program. The purchase will be financed through the bank's own resources, and to delegate the Board of Directors to complete the purchase process within a maximum period of twelve months from the date of the Extraordinary General Assembly. The bank will retain the purchased shares for a period not exceeding (10) years from the date of the extraordinary general assembly's approval as a maximum until they are allocated to eligible employees. After the expiration of this period, the bank will follow the procedures and controls stipulated in the relevant laws and regulations.</p>	<p>٣- التصويت على شراء البنك عدد من أسهمه ويحد أقصى (٥,٠٠٠,٠٠٠) سهم من أسهمه لغرض تخصيصها لموظفي البنك ضمن برنامج أسهم الموظفين ، وسيتم تمويل الشراء عن طريق الموارد الذاتية للبنك ، وعلى تفويض مجلس الإدارة بإتمام عملية الشراء خلال فترة أقصاها اثني عشر شهراً من تاريخ قرار الجمعية العامة غير العادية وسيحتفظ البنك بالأسهم المشتراة لمدة لا تزيد عن (١٠) سنوات من تاريخ موافقة الجمعية العامة غير العادية كحد أقصى لحين تخصيصها للموظفين المستحقين ، وبعد انقضاء هذه المدة سيتبع البنك الإجراءات والضوابط المنصوص عليه في الأنظمة واللوائح ذات العلاقة.</p>



البنك العربي الوطني

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البند رقم (١)

زيادة رأسمال البنك عن طريق منح أسهم
مجانية للمساهمين

Item No (1)

**Increase the Bank's capital through
granting bonus shares**

No.	Article	Before	After	Remarks																
1.	Article (7): Capital:	The Company's capital is set at 15,000,000,000 SAR (fifteen billion Saudi Riyals), divided into (1,500,000,000) shares (one billion and five hundred million shares) of equal nominal value, each with a nominal value of ten (10) SAR, all of which are ordinary shares.	1. The Company's issued capital is set at twenty billion (20,000,000,000 SAR) Saudi Riyals, paid in full divided into two billion (2,000,000,000) shares of equal nominal value, each with a nominal value of ten (10 SAR) Saudi Riyal, all of which are ordinary shares.	The article has been amended to comply with amended to increase capital.																
2.	Article (8) Subscription to the Company's shares:	<p>The founders subscribed in (840,000) eight hundred and forty thousand shares in the Company's capital and paid all the value of their shares in cash as follows:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>No. of Shares</th> <th>Percentage</th> <th>Paid value in Saudi Riyals</th> </tr> </thead> <tbody> <tr> <td>1- Saudi founders</td> <td>240,000</td> <td>16%</td> <td>24,000,000</td> </tr> <tr> <td>2- Arab Bank</td> <td>600,000</td> <td>40%</td> <td>60,000,000</td> </tr> <tr> <td>Total</td> <td>840,000</td> <td>56%</td> <td>84,000,000</td> </tr> </tbody> </table> <p>The proceeds of this subscription amounting to 84,000,000 SAR (eighty-four million SAR) was deposited with the Arab Bank Limited in Riyadh, in an account opened in the name of</p>	Name	No. of Shares	Percentage	Paid value in Saudi Riyals	1- Saudi founders	240,000	16%	24,000,000	2- Arab Bank	600,000	40%	60,000,000	Total	840,000	56%	84,000,000	The founders and shareholders have subscribed to all the shares of the issued capital, amounting to twenty billion (20,000,000,000 SAR) Saudi Riyals, paid in full.	The article has been amended to comply with amended to increase capital.
Name	No. of Shares	Percentage	Paid value in Saudi Riyals																	
1- Saudi founders	240,000	16%	24,000,000																	
2- Arab Bank	600,000	40%	60,000,000																	
Total	840,000	56%	84,000,000																	



No.	Article	Before	After	Remarks
		<p>the Arab National Bank (under establishment), as indicated by the certificate issued by the said bank. In the event that the number of subscribed shares exceeds the number of shares offered for public subscription, shares shall be allocated to subscribers in proportion to the number of shares they have subscribed to, and the Board of Directors shall have a special preference for small subscribers.</p> <p>In the event that any of the shares offered for public subscription to Saudi citizens are not covered, within a period of thirty days or a subsequent period determined by the Company, the Company shall allocate the unsubscribed shares to the Saudi founders in proportion to the number of shares they have subscribed for upon incorporation, in return for paying the full value in cash, as well as expenses.</p> <p>The shareholders acknowledge that the value of all shares has been fulfilled and the capital has been paid in full.</p>		



البنك العربي الوطني

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البند رقم (٢)

برنامج حوافز أسهم الموظفين

Item No (2)

Employee Shares Incentive Program



Employee Shares Incentive Program (ESIP)



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1. Purpose

The ANB Employee Shares Incentive Plan (ESIP) is designed to bolster employee commitment and loyalty over the long term, serving as a key component of the Employee Value Proposition (EVP). This program aims to enhance the ANB's ability to attract and retain top talent by offering a competitive compensation package that aligns with Saudi Central Bank (SAMA) remuneration guidelines. These guidelines include a mandatory three-year deferral period for at least 40-60% of an employee's total variable compensation. Under the ESIP, a specified portion of an employee's variable pay is converted into restricted stock units (RSU), reinforcing their investment in the ANB's success.

2. Budget

The Bank, upon General Assembly approval, will buy-back the required quantity of Treasury Shares subject to Shares Buy-back Purchase Procedure.

The policy complies to Capital Market Authority (CMA) requirements and regulations of Companies Law for Listed Joint Stock Companies as follows but not limited to:

- 1) Treasury Shares must not at any time exceed (10%) of the total shares in the class of shares subject of the buy-back.
- 2) The Bank, based on a report issued by the Bank's auditor, must satisfy the following solvency requirements:
 - Prior to buying shares, the Bank must have sufficient working capital for the 12 months immediately following the date of completion of the share buy-back transaction.
 - The value of the Bank's assets must not be less than the value of its liabilities (including contingent liabilities), prior to and immediately upon payment of the purchase price, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.
 - The amount of Treasury Shares held must not exceed the amount of the retained profits of the Bank.
- 3) The Bank must not buy-back its Shares during the following periods:
 - During the 15 days preceding the end of the financial quarter and until the date of the Bank's announcement of its reviewed interim financial statements.
 - And during the 30 days preceding the end of the financial year and until the date of the Bank's announcement of its reviewed interim financial statements or its audited annual financial statements.

3. Scope

3.1 Senior Management

- *Description:*
 - 1.1 Managing Director
 - 1.2 SAMA No Objection roles "on personal grade or job grade evaluations at 52 & above reporting the Managing Director."
 - 1.3 Including those who are managing functions, roles, and responsibilities entrusted to a position who take, propose, and implement strategic decision and managing business lines.
- *Criteria:* Will be granted at least 60% from their total variable remuneration in the form of RSU, and the remaining of the variable remuneration will be paid in cash.

ANB Employee Shares Incentive Program



- These proportions should increase significantly along with the level of seniority and/or responsibility. For the most senior managers and the most highly paid employees, the percentage of variable remuneration that is deferred should be substantially higher of at least above 60 percent.

3.2 Material Risk Takers (MRTs)

- *Description:* Employees whose actions have a material impact on the risk exposure of the bank, and any bonus amount above 500K
- *Criteria:* Will be granted at least 40% from their total variable remuneration in the form of RSU, and the remaining of the variable remuneration will be paid in cash.

The list of employees falling under the deferred categories, Senior Management & MRTs, will be annually identified, assessed, reviewed, and proposed by Head of Rewards and Performance and approved by Head of Human Resources Group, Head of Risk Management, along with the ultimate approval of the Managing Director.

3.3 Talent Pool

In addition to the predefined bonuses outlined in the bonus matrix, a curated list of individuals from the Talent Pool will be compiled by the Head of Talent Management. This list will be based on the most recent assessment outcomes in alignment with the Talent Framework. For the purpose of retention, individuals on this list will be awarded RSUs annually, with the specific amount of RSUs being determined and agreed upon with the Managing Director

4. Program Features

4.1 Sub-programs

The program will be conducted as yearly sub-programs, each lasting three years. The first sub-program for every participant will commence in the year in which he becomes eligible to participate in the "Eligible Employees" program.

Each "Eligible Employees" may have as many sub-programs running concurrently at any given moment.

4.2 Individual Share Grants

At the beginning of the fiscal year, the share award to a participant under a Sub-program will be granted restricted stock unit (RSU) but not yet vested and will be retained in the participant's name until the "Vesting Date".

4.3 Vesting Date(s)

Each sub-program's allocated yearly share grants (Individual Share Grant) will be distributed to the "Eligible Employees" in line with the following schedule:

- 33% of Share Grants will be due during the beginning of the second fiscal year after the share Grant Date of the aforementioned Sub-program.
- 33% of Share Grants will be due during the beginning of the third fiscal year after the share Grant Date of the aforementioned Sub-program.
- 34% of Share Grants will be due during the beginning of the fourth fiscal year after the share Grant Date of the aforementioned Sub-program.

4.4 Share Distribution Post-Vesting

- Procedure for Share Distribution: Upon vesting, shares will be transferred directly to the employee's designated brokerage account. Detailed instructions and assistance will be provided to ensure a smooth transfer process.
- Once shares have vested, participants may deal with them, and participants will not be eligible for dividends.

4.5 Share Price

The Share Grant's valuation will be calculated using the average share price from the final quarter of the fiscal year.

5. Terms and Conditions

The program is governed by the ANB Employee Shares Incentive Plan (ESIP) & Retention Policy and adheres to relevant regulations established by the Saudi Central Bank (SAMA) and the Capital Market Authority (CMA).



البنك العربي الوطني

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البند رقم (٣)

شراء البنك عدد من أسهمه

Item No (3)

Bank purchase of a number of its shares



KPMG Professional Services

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Agreed-Upon Procedures on Schedule of Financial Information relating to Bank's compliance with Article 17 from Part 6 Chapter 1 of the Implementing Regulation of the Companies Law for Listed Joint Stock Companies issued by the Capital Market Authority

To the Board of Directors of Arab National Bank ("the Bank")

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

In accordance with our KPMG Engagement Letter dated 18 April 2024, our report is solely for the purpose of performing the agreed procedures that would assist you in relation to the submission of the Schedule of financial information prepared by the Bank, pertaining to the Bank's compliance with the solvency requirements in connection with Article 17 from Part 6 of Chapter 1 of the 'Implementing Regulation of the Companies Law for Listed Joint Stock Companies' ("Schedule" as attached to this Report) issued by the Capital Market Authority, to the shareholders of the Bank, as part of the extra ordinary general assembly package along with other information contained therein, for a share buy-back transaction which the Bank intends to execute during the fiscal year ending 31 December 2024, and may not be suitable for another purpose. This report is intended solely for the Bank and should not be used by, or distributed to, any other parties.

Responsibilities of the Engaging Party

The Bank has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement and is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements as endorsed in the Kingdom of Saudi Arabia. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with Bank, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Agreed-Upon Procedures

To the Board of Directors of Arab National Bank (“the Bank”)

Professional Ethics and Quality Control

We have complied with the ethical requirements of International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Bank in the terms of engagement dated 18 April 2024:

	Procedures	Findings
1.	Agreed the total assets, total liabilities and total contingent liabilities mentioned in the attached Schedule as at 31 December 2023 with the total assets, total liabilities and total contingent liabilities disclosed in the consolidated financial statements of the Bank and its subsidiaries (collectively referred to as “the Group”) as at 31 December 2023.	We noted that the total assets, total liabilities and total contingent liabilities mentioned in the attached Schedule as at 31 December 2023 are in agreement with the Group’s consolidated financial statements for the year ended 31 December 2023.
2	Checked the mathematical accuracy of the computation of net assets mentioned in the attached Schedule which represents the balance arrived at after deducting total liabilities and total contingent liabilities from total assets as at 31 December 2023.	We noted that computation of the net assets as reported in the attached Schedule (representing the balance after deducting total liabilities and total contingent liabilities from total assets) is mathematically accurate.
3	Agreed the amounts of each components of the working capital as at 31 December 2023 as mentioned in the attached Schedule with the balances of the relevant financial statements captions as reflected in the consolidated financial statements of the Group as at 31 December 2023.	We noted that the amounts of the components of working capital as at 31 December 2023 mentioned in the attached Schedule are in agreement with the balances of relevant financial statements captions as reflected in the Group’s consolidated financial statements for the year ended 31 December 2023.
4	Checked mathematical accuracy of the balance of retained earnings as at 31 December 2023 mentioned in the attached Schedule, after deducting the balance of treasury shares expected to be acquired based on management expectations.	We noted that the computation of the balance of retained earnings as at 31 December 2023 mentioned in the attached Schedule, after deducting the cost of treasury shares is mathematically accurate.
5	Checked the market price per share of the Bank prevailing on 26 March 2024 from Tadawul and agree the same with the market price used by management to estimate the purchase cost of the share buy-back.	We have compared the closing market price of the Bank’s shares from Tadawul prevailing on 26 th March 2024 with the market price used by the management and no differences were noted.

KPMG Professional Services



Saleh Mohammed S. Mostafa
License No. 524



Riyadh: 21 April 2024
Corresponding to: 12 Shawwal 1445H

SCHEDULE FOR PROPOSED BUY-BACK OF SHARES

“THE SCHEDULE”

Schedule of the financial information pertaining to the Arab National Bank (the “Bank”) in compliance with the solvency requirement specified in Article 17 from Part 6 of Chapter 1 as per the Implementing Regulation of the Companies Law for Listed Joint Stock Companies by Capital Market Authority. All amounts are in SAR ‘000 unless otherwise stated.

Sub-Schedule (a): Working capital sufficiency

The working capital is computed based on the maturity profile of total assets, total liabilities maturing within 1 to 5 years extracted from Note 34.2 and contingent liabilities extracted from note 31.2 to the annual audited financial statements of the Bank and its subsidiaries (collectively referred to as “the Group”) for the year ended 31 December 2023. The working capital is calculated by deducting total liabilities and contingent liabilities from total assets of the Bank as at 31 December 2023.

Working Capital	Estimated Purchase Cost of Treasury Shares for 2023 ¹	Working Capital After Purchase of Treasury Shares
A	B	C = A - B
38,105,571	144,500	37,961,071

Sub-Schedule (b): Summary of assets and liabilities including contingent liabilities

Based on the latest audited annual financial statements of the Group as at 31 December 2023, the following table shows that the Bank has assets more than the value of total liabilities prior to and immediately after payment of the purchase price:

Assets	Liabilities	Contingent Liabilities	Net Assets	Estimated Purchase Cost of Treasury Shares ¹	Surplus Assets
A	B	C	D = A-B-C	E	F = D-E
220,683,310	185,585,411	22,780,639	12,317,260	144,500	12,172,760

¹ Buy-back of 5 million shares at an market price of SAR 28.9per share.

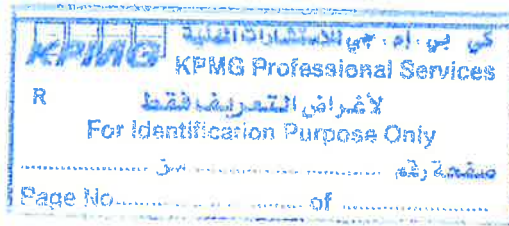
Sub-Schedule (c): Treasury shares

Based on the latest audited annual financial statements of the Group as at 31 December 2023, the following table shows that the treasury shares balance would not exceed the retained earning balance of the bank after purchasing treasury shares:

Retained Earnings	Amount of Treasury Shares Currently Held	Estimated Purchase Cost of Treasury Shares ¹	Excess of Retained Earnings
A	B	C	D = A-(B+C)
8,984,821	-	144,500	8,840,321

This schedule should be read in conjunction with the factual finding report issued vide an engagement letter between KPMG and the Bank

Saad Al Dughish
Chief Financial Officer



1 Buy-back of 5 million shares at an market price of SAR 28.9per share.