





البنك العربي الوطني  
arab national bank

## الجمعية العامة غير العادية

٢٠٢٥

يسر البنك العربي الوطني دعوة السادة المساهمين الكرام الى حضور اجتماع الجمعية العامة غير العادية  
(الاجتماع الأول) الذي سيعقد بإذن الله في تمام الساعة السادسة والنصف من مساء يوم  
الثلاثاء ١٠ شوال ١٤٤٦هـ الموافق ٨ أبريل ٢٠٢٥م وذلك عن طريق وسائل التقنية الحديثة.

## Extraordinary General Assembly Meeting

2025

The Arab National Bank is pleased to invite its honorable shareholders to attend the Extraordinary General Assembly Meeting (the first meeting), which is scheduled to be held, at 6:30 pm on Tuesday 10 Shawwal 1446 H corresponding to 08 April 2025 G, by Means of Modern Technology.





## Extraordinary General Assembly Agenda

## بنود الجمعية العامة غير العادية

1- Reviewing and discussing the Board of Directors' report for the Financial year ending on 31-12-2024.( attached)	١- الاطلاع على تقرير مجلس الإدارة ومناقشته للسنة المالية المنتهية في ٣١-١٢-٢٠٢٤م (مرفق).
2- Reviewing and discussing the financial statements for the fiscal year ending on 31-12-2024.	٢- الاطلاع على القوائم المالية ومناقشتها عن السنة المالية المنتهية في ٣١-١٢-٢٠٢٤م.
3-Voting on the Auditor's report for the Financial year ending on 31-12-2024.( attached)	٣- التصويت على تقرير مراجع الحسابات ومناقشته عن السنة المالية المنتهية في ٣١-١٢-٢٠٢٤م (مرفق).
4- Voting on the appointment of the external auditors among the candidates based on the Audit Committee's recommendation. The appointed auditors shall examine, review and audit the (first, second, third,) quarters and the annual financial statements of the fiscal year 2025 G, In addition to the first quarter of 2026 G, along with determining their fees and they are. (1) Ernst & Young (EY) Co. (2) (Deloitte) Co. (3) Allied Accountants Professional Services (RSM) Co. (4) Al Bassam Chartered Accountants (PKF) Co. (5) Alluhaid & Alyahya Chartered Accountants (LYCA) Co.	٤- التصويت على تعيين مراجعي الحسابات للبنك من بين المرشحين بناء على توصية لجنة المراجعة وذلك لفحص ومراجعة وتدقيق القوائم المالية للربع الأول والثاني والثالث والسنوات من العام المالي ٢٠٢٥ م والربع الأول من العام المالي ٢٠٢٦ م وتحديد أتعابهم وهم كل من: (١) شركة إرنست ويونغ (EY) (٢) شركة ديلويت (Deloitte) (٣) شركة المحاسبين المتحدون للاستشارات المهنية (RSM) (٤) شركة البسام محاسبون قانونيون ومستشارون (PKF) (٥) شركة اللعيد واليحي محاسبون قانونيون (LYCA)
5- Voting on discharge of Board of Directors members for fiscal year 2024.	٥- التصويت على إبراء ذمة أعضاء مجلس الإدارة عن السنة المالية ٢٠٢٤م.
6-Voting on authorizing the Board of Directors to distribute interim (semiannual or quarterly) dividends for the fiscal year 2025.	٦- التصويت على تفويض مجلس الإدارة بتوزيع أرباح مرحلية نصف أو ربع سنوي عن العام المالي ٢٠٢٥م.
7-Voting on disbursing an amount of (10,007,000) SAR as a remuneration to the Board members against fiscal year ended 31-12-2024.	٧- التصويت على صرف مبلغ (١٠,٠٠٧,٠٠٠) ريال مكافآت لأعضاء مجلس الإدارة عن السنة المالية المنتهية في ٣١-١٢-٢٠٢٤م.
8- Voting on delegating to the Board of Directors the authorization powers of the General Assembly stipulated in paragraph (1) of Article twenty seven from the Companies Law, for a period of one year starting from the date of the General Assembly approval or until the end of the delegated Board of Directors 'cycle, whichever is earlier, in accordance with the conditions set forth in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.	٨- التصويت على تفويض مجلس الإدارة بصلاحيات الجمعية العامة العادية بالترخيص الوارد في الفقرة (١) من المادة السابعة والعشرون من نظام الشركات، وذلك لمدة عام من تاريخ موافقة الجمعية العامة أو حتى نهاية دورة مجلس الإدارة المفوض أيهما أسبق، وفقاً للشروط الواردة في اللائحة التنفيذية لنظام الشركات الخاصة بشركات المساهمة المدرجة.
9- Voting on Rules and Standards of Competing with Arab National Bank Business.( attached)	٩- التصويت على ضوابط ومعايير المنافسة لأعمال البنك العربي الوطني (مرفق).
10- Voting on delegating to the Board of Directors the authorization powers of the General Assembly stipulated in paragraph (2) of Article twenty seven from the Companies Law, for a period of one year starting from the date of the General Assembly approval or until the end of the delegated Board of Directors 'cycle, whichever is earlier, in accordance with the conditions set forth in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies subject to the approval of Rules and Standards of Competing with Arab National Bank Business item number (9).	١٠- التصويت على تفويض مجلس الإدارة بصلاحيات الجمعية العامة العادية بالترخيص الوارد في الفقرة (٢) من المادة السابعة والعشرون من نظام الشركات، وذلك لمدة عام من تاريخ موافقة الجمعية العامة أو حتى نهاية دورة مجلس الإدارة المفوض أيهما أسبق، وفقاً للشروط الواردة في اللائحة التنفيذية لنظام الشركات الخاصة بشركات المساهمة المدرجة، وذلك في حال الموافقة على ضوابط ومعايير المنافسة لأعمال البنك العربي الوطني البند رقم (٩).
11- Voting on the participation of Board Member Obaid Abdullah Al Rasheed in a work that competes with the Bank business. (attached)	١١- التصويت على إشترك عضو مجلس الإدارة الأستاذ/ عبيد عبدالله الرشيد، في عمل منافس لأعمال البنك (مرفق).
12- Voting on amendment 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. (attached)	١٢- التصويت على تعديل برنامج الأسهم المخصصة للموظفين وعلى تفويض مجلس الإدارة بتحديد شروط هذا البرنامج بما فيها سعر التخصيص لكل سهم معروض على الموظفين إذا كان بمقابل (مرفق).

13- Voting on the bank's purchase of a number of its shares, up to a maximum of (10,000,000) 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 eighteen 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. (attached).	١٣- التصويت على شراء البنك عدد من أسهمه ويحد أقصى (١٠,٠٠٠,٠٠٠) 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 فتره أقصاها ثمانية 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. (مرفق)
14- Voting on amendment of Remuneration Policy for Board of Directors, Sub-board Committee Members and Executives Management. (attached).	١٤- التصويت على تعديل سياسة مكافآت أعضاء مجلس الإدارة واللجان المنبثقة عن المجلس والإدارة التنفيذية (مرفق).
15- Voting on amendment of Audit Committee Terms Of Reference. (attached).	١٥- التصويت على تعديل لائحة عمل لجنة المراجعة (مرفق).
16- Voting on amendment of Board Membership Nomination Criteria Policy and Procedures. (attached).	١٦- التصويت على تعديل سياسة ومعايير وإجراءات الترشيح لعضوية مجلس الإدارة (مرفق).
17- Voting on the amendment of Article (17) of the Bank's Bylaws Concerning the Formation of the Board of Directors. (attached).	١٧- التصويت على تعديل المادة (١٧) من النظام الأساس للبنك والمتعلقة بتشكيل مجلس الإدارة (مرفق).
18- Voting on the amendment of Article (20) of the Bank's Bylaws Concerning the Vacant Positions in the Board. (attached).	١٨- التصويت على تعديل المادة (٢٠) من النظام الأساس للبنك والمتعلقة بالمركز الشاغر في المجلس (مرفق).
19- Voting on the amendment of Article (23) of the Bank's Bylaws Concerning the Chairman, Vice- Chairman and Managing Director (attached).	١٩- التصويت على تعديل المادة (٢٣) من النظام الأساس للبنك والمتعلقة برئيس مجلس الإدارة ونائبه والعضو المنتدب (مرفق).
20- Voting on the amendment of Article (37) of the Bank's Bylaws Concerning the Decisions of the Assemblies. (attached).	٢٠- التصويت على تعديل المادة (٣٧) من النظام الأساس للبنك والمتعلقة بقرارات الجمعيات (مرفق).
21- Voting on the amendment of Article (50) of the Bank's Bylaws Concerning the Final Provisions. (attached).	٢١- التصويت على تعديل المادة (٥٠) من النظام الأساس للبنك والمتعلقة بالأحكام الختامية (مرفق).
22- Voting on contracts and business dealings between the bank and ABANA Company, in which Board Chairman, Mr. Salah Rashid Alrashid, has an indirect interest, Money Transport, ATM Replenishment, and CCTV project of the bank. The total transactions with the bank during the year 2024 amounted is SR 1,906,228 without conditions or preferential benefits. (attached).	٢٢- التصويت على الأعمال والعقود التي تمت بين البنك و شركة أبانا والتي لرئيس مجلس الإدارة الأستاذ/ صلاح راشد الراشد، مصلحة غير مباشرة فيها، وهي عبارة عن مصاريف اتفاقية إسناد خدمات مراكز النقد وتوريد وتركيب وصيانة كاميرات مراقبة لجميع فروع ومراكز البنك. وقد بلغ إجمالي التعاملات مع البنك خلال عام ٢٠٢٤ مبلغ ١,٩٠٦,٢٢٨ ريال سعودي، بدون شروط أو مزايا تفضيلية. (مرفق).
23- Voting on contracts and business dealings between the bank and Alkhaleej Training and Education Company, in which Board Chairman, Mr. Salah Rashid Alrashid, has an indirect interest, relating to manpower supply agreement (labor services) executed in the ordinary course of business of the Bank. The total transactions with the bank during the year 2024 amounted is SR 1,267,477, and without conditions or preferential benefits. (attached).	٢٣- التصويت على الأعمال والعقود التي تمت بين البنك وشركة الخليج للتدريب والتعليم والتي لرئيس مجلس الإدارة الأستاذ/ صلاح راشد الراشد، مصلحة غير مباشرة فيها، وهي عبارة عن اتفاقية تقديم خدمات عمالية. وقد بلغ إجمالي التعاملات مع البنك مبلغ ١,٢٦٧,٤٧٧ ريال سعودي خلال العام ٢٠٢٤ وبدون شروط أو مزايا تفضيلية. (مرفق).
24- Voting on contracts and business dealings between the bank and Walaa Cooperative Insurance Company in which Board Member, Mr. Hesham Abdullaif Aljabr, has an indirect interest being a board member of Walaa Cooperative Insurance Company, relating to renewal of insurance policies for the benefit of ANB national bank. The total transactions with the bank during the year 2024 amounted is SR 1,540,920 without conditions or preferential benefits. (attached).	٢٤- التصويت على الأعمال والعقود التي تمت بين البنك وشركة ولاء للتأمين التعاوني والتي لعضو مجلس الإدارة الأستاذ/ هشام عبد اللطيف الجبر، مصلحة غير مباشرة فيها، بصفته عضو مجلس إدارة شركة ولاء للتأمين التعاوني، وهي عبارة عن تجديد لوثائق تأمين لصالح البنك العربي الوطني. وقد بلغ إجمالي التعاملات مع البنك خلال عام ٢٠٢٤ مبلغ ١,٥٤٠,٩٢٠ ريال سعودي، بدون شروط أو مزايا تفضيلية. (مرفق).



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البند رقم (١)  
الاطلاع على تقرير مجلس الإدارة ومناقشته  
تقرير لجنة المراجعة

Item No (1)  
Reviewing and discussing the  
Board of Directors'  
Audit committee report



البنك العربي الوطني  
Arab National Bank

**Audit Committee Report**

**تقرير لجنة المراجعة**

Audit Committee assessment of the adequacy of the Bank's

The Audit Committee (AUCOM) during 2024 reviewed various reports on the adequacy of internal controls and systems including the financial statements and risk reports. AUCOM reviews the minutes of the various management committees, for example, Risk Management Committee, Compliance Committee. The AUCOM discussions and decisions are documented in the meetings' minutes and matters requiring attention are escalated to the Board.

During this year, the AUCOM members met with the Chief Internal Auditor, Chief Operations Officer, Chief Risk Officer, Chief Compliance Officer, Chief Financial Officer and External Auditors and have obtained updates on matters that require AUCOM's attention. AUCOM also received internal audit reports, regulatory reports and external auditors' management letters issued during the year and reviewed the management action plans for the issues raised.

AUCOM also, through the Reports and Documents raised to them from the management, reviewed the effectiveness of the system of internal control and procedures for compliance with the Arab National Bank internal policies, relevant regulatory and legal requirements in the Kingdom of Saudi Arabia and whether management has fulfilled its duty in having an effective internal control system, seeking independent assurance from internal audit to assess the adequacy and effectiveness of such internal controls.

تقييم لجنة المراجعة حول كفاية نظام الرقابة الداخلية للبنك

خلال عام ٢٠٢٤ م قامت لجنة المراجعة بمراجعة تقارير مختلفة حول كفاية ضوابط الرقابة الداخلية والأنظمة بما في ذلك القوائم المالية وتقارير المخاطر. وتضطلع لجنة المراجعة بمراجعة محاضر لجان الإدارة المختلفة مثل لجنة إدارة المخاطر ولجنة الالتزام. ويتم توثيق مناقشات لجنة المراجعة وقراراتها في محاضر الاجتماعات وتصعيد المسائل التي تتطلب الاهتمام إلى مجلس الإدارة.

وخلال هذا العام عقد أعضاء لجنة المراجعة اجتماعات مع رئيس المراجعة الداخلية والرئيس التنفيذي للعمليات والرئيس التنفيذي للمخاطر والرئيس التنفيذي للامتثال والرئيس التنفيذي للشؤون المالية والتخطيط ومراجعي الحسابات الخارجيين، حيث اطلعت على آخر المستجدات بشأن المسائل التي تتطلب اهتمام لجنة المراجعة. أيضا تلقت لجنة المراجعة تقارير المراجعة الداخلية، وتقارير السلطات الرقابية، وخطابات الإدارة من مراجعي الحسابات الخارجيين الصادرة خلال العام، وراجعت خطط عمل الإدارة للمسائل التي تم رفعها.

قامت لجنة المراجعة أيضاً من خلال التقارير والمستندات المرفوعة لها من الإدارة التنفيذية بمراجعة فعالية نظام الرقابة الداخلية وإجراءات الالتزام بالسياسات الداخلية للبنك العربي الوطني والمتطلبات التنظيمية والقانونية ذات الصلة في المملكة العربية السعودية وما إذا كانت الإدارة قد استوفت واجبها بإيجاد نظام رقابة داخلية فعال والسعي للحصول على تأكيد مستقل عن المراجعة الداخلية لتقييم مدى كفاية وفعالية هذه الضوابط الداخلية.



AUCOM assures the Board and shareholders that to the best of its knowledge that Arab National Bank Internal Control system is adequate and operating effectively; and no significant deficiency in the internal control system; and it is recommendation pertaining to the appointment, dismissal, assessment or determining the remuneration of the external auditors or appointing Chief Internal Auditor were adopted by the Board.

تؤكد لجنة المراجعة لمجلس الإدارة والمساهمين كفاية وفعالية تطبيق نظام الرقابة الداخلية في البنك العربي الوطني، حيث لم يتبين وجود خلل جوهري في نظام الرقابة الداخلية، كما تؤكد أن توصيات اللجنة المتعلقة بالتعيين والفصل والتقييم أو تحديد مكافآت مراجعي الحسابات الخارجيين أو تعيين الرئيس التنفيذي للمراجعة الداخلية قد تم اعتمادها من المجلس.

التاريخ: ١٤٤٦/٠٨/٠٣ هـ الموافق ٢٠٢٥/٠٢/٠٢ م.

#### تواقيع رئيس وأعضاء لجنة المراجعة

ثامر مسفر الوادعي  
(رئيس لجنة المراجعة)

خالد محمد البواردي  
(عضو لجنة المراجعة)

فهد محمد السالم  
(أمين سر لجنة المراجعة)

عبد الله صايل العنزي  
(عضو لجنة المراجعة)



البنك العربي الوطني

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البند رقم (٣)  
تقرير مراجع الحسابات

Item No (3)  
Auditors report



**KPMG Professional Services Company**

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Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No. 1010425494

Headquarters in Riyadh



**Deloitte and Touche & Co.**  
**Chartered Accountants**

(Professional Simplified Joint Stock Company)  
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**Independent Auditors' Report****To the Shareholders of Arab National Bank (A Saudi Joint Stock Company)****Report on the audit of the consolidated financial statements****Opinion**

We have audited the consolidated financial statements of Arab National Bank (“the Bank”) and its subsidiaries (collectively referred to as “the Group”), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, which includes material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (“IFRSs”) 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”) (collectively referred to as “IFRSs that are endorsed in the Kingdom of Saudi Arabia”).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia (“the Code”), that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditors' Report

### To the Shareholders of Arab National Bank (A Saudi Joint Stock Company) (continued)

### Report on the audit of the consolidated financial statements (continued)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<b><i>Expected Credit Loss on loans and advances</i></b>	
<p>As at 31 December 2024, the gross loans and advances of the Group amounted to SAR 172.56 billion (2023: SAR 155.56 billion) against which an Expected Credit Loss ("ECL") allowance of SAR 3.07 billion (2023: SAR 3.33 billion) was recorded.</p> <p>The determination of ECL involves significant estimation and management judgement, and this has a material impact on the consolidated financial statements of the Group. The key areas of judgement and uncertainty include:</p> <ol style="list-style-type: none"> <li>1. Categorisation of loans into Stages 1, 2 and 3 based on the identification of: <ol style="list-style-type: none"> <li>(a) exposures with a significant increase in credit risk ("SICR") since their origination; and</li> <li>(b) credit impaired / defaulted exposures.</li> </ol> <p>In accordance with the requirements of IFRSs that are endorsed in the Kingdom of Saudi Arabia, the Group measures ECL based on the credit losses expected to arise over the next twelve months ('12 month ECL'), unless there has been a significant increase in credit risk since origination or default, in which case the allowance is based on the ECL expected to arise over the life of the loans and advances ('Lifetime ECL'). The Group has applied additional judgements to identify and estimate the likelihood of borrowers that may have experienced SICR.</p> </li> <li>2. Assumptions used in the ECL model for determining the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") include, but are not limited to, assessment of the financial condition of the borrower, expected future cash flows, developing and incorporating forward looking assumptions, macroeconomic factors and the associated scenarios and expected probability weightages.</li> </ol>	<ul style="list-style-type: none"> <li>■ We updated our understanding of management's process of assessing the ECL allowance against loans and advances, including the Group's internal rating model, accounting policy, and model methodology, including any key changes made during the year.</li> <li>■ We assessed the Group's accounting policy for ECL allowance and the ECL methodology against the requirements of IFRSs as endorsed in the Kingdom of Saudi Arabia.</li> <li>■ We assessed the design and implementation, and tested the operating effectiveness, of the key controls (including relevant General IT controls and specific IT application controls) over: <ul style="list-style-type: none"> <li>• the ECL model (including governance over monitoring of the models and any model updates performed during the year, including approval of the ECL Committee of key inputs, assumptions and management overlays, if any);</li> <li>• the classification of loans and advances into stages 1, 2 and 3, and timely identification of SICR and the determination of default / credit impaired exposures;</li> <li>• the IT systems and applications supporting the ECL model; and</li> <li>• the integrity of data inputs into the ECL model.</li> </ul> </li> <li>■ For a sample of customers, we assessed: <ul style="list-style-type: none"> <li>• the internal ratings determined by management based on the Group's internal rating mechanism, and considered these assigned ratings in light of the external market conditions and available industry information. We also assessed whether these were consistent with the ratings used as inputs in the ECL model; and</li> <li>• management's computations for ECL via analyzing the reasonableness, completeness, accuracy and appropriateness of the inputs, including assumptions used therein, such as but not limited to probability of default and loss given default percentages.</li> </ul> </li> <li>■ For selected customers, we evaluated management's assessment of recoverable cash flows, including the impact of collateral, and other sources of repayment, if any.</li> </ul>

## Independent auditors' report

### To the shareholders of Arab National Bank (A Saudi Joint Stock Company) (continued)

### Report on the audit of the consolidated financial statements (continued)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<i>Expected Credit Losses on loans and advances (continued)</i>	
<p>3. The need to apply overlays to the ECL model's output using credit judgement to reflect all relevant risk factors that might not have been captured by the ECL model.</p> <p>We considered this as a key audit matter, as the application of these judgments and estimates have given rise to greater estimation uncertainty and the associated audit risk around ECL calculation as of 31 December 2024.</p> <p><i>Refer to note 3.6 to the consolidated financial statements, which describes the accounting policy related to the allowance for expected credit losses; note 2.6.1 which contains the disclosure of critical accounting judgements, estimates and assumptions relating to ECL on financial assets and the impairment assessment methodology used by the Group; note 7 which contains the disclosure of impairment losses on loans and advances; and note 32.4 for details of credit quality analysis and key assumptions and factors considered in determination of ECL.</i></p>	<ul style="list-style-type: none"> <li>■ We assessed the Group's criteria for the determination of SICR and identification of "default" or "credit impaired" exposures. For a sample of exposures, we assessed the appropriateness of the staging classification of the Group's loans and advances portfolio based on the Group's staging classification policy, knowledge of corresponding customers and analysis of related financial information.</li> <li>■ We assessed the governance process implemented and the qualitative factors considered (in light of the prevailing facts and circumstances of the corresponding loans and advances) by the Group when applying any management overlays or making any adjustment to the output from the ECL model, due to data or model limitations or otherwise.</li> <li>■ We assessed the underlying assumptions used by the Group in the ECL model, including forward looking assumptions, keeping in view the uncertainty and volatility of economic scenarios.</li> <li>■ We tested the completeness and accuracy of data supporting the ECL calculations.</li> <li>■ We involved our specialists to assist us in assessing model calculations, evaluating interrelated inputs (including EAD, PDs and LGDs) and assessing the reasonableness of assumptions used in the ECL model, particularly around the macroeconomic variables, forecasted macroeconomic scenarios and probability weights and assumptions used in any manual adjustments made to the output from the ECL model.</li> <li>■ We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs that are endorsed in the Kingdom of Saudi Arabia.</li> </ul>

## **Independent auditors' report**

### **To the shareholders of Arab National Bank (A Saudi Joint Stock Company) (continued)**

#### **Report on the audit of the consolidated financial statements (continued)**

##### **Other information included in the Group's 2024 Annual Report**

The Board of Directors of the Bank ("the Directors") are responsible for the other information. The other information consists of the information included in the Group's 2024 annual report, other than the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information, and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

##### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia, the applicable requirements of the Regulations for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's Bylaws, and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

##### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



## **Independent auditors' report**

### **To the shareholders of Arab National Bank (A Saudi Joint Stock Company) (continued)**

#### **Report on the audit of the consolidated financial statements (continued)**

##### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Independent auditors' report

**To the shareholders of Arab National Bank (A Saudi Joint Stock Company) (continued)**

**Report on the audit of the consolidated financial statements (continued)**

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Bank was not in compliance, in all material respects, with the applicable requirements of the Regulations for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's Bylaws in so far as they affect the preparation and presentation of the consolidated financial statements for the year ended 31 December 2024.

**KPMG Professional Services Company**



**Saleh Mohammed S. Mostafa**  
Certified Public Accountant  
License No. 524



**Deloitte and Touche & Co.**  
**Chartered Accountants**



**Mazen A. Al-Omari**  
Certified Public Accountant  
License No. 480



14 Sha'ban 1446H  
(13 February 2025)



البنك العربي الوطني  
Arab National Bank

**Audit Committee Report**

**تقرير لجنة المراجعة**

Audit Committee assessment of the adequacy of the Bank's

The Audit Committee (AUCOM) during 2024 reviewed various reports on the adequacy of internal controls and systems including the financial statements and risk reports. AUCOM reviews the minutes of the various management committees, for example, Risk Management Committee, Compliance Committee. The AUCOM discussions and decisions are documented in the meetings' minutes and matters requiring attention are escalated to the Board.

During this year, the AUCOM members met with the Chief Internal Auditor, Chief Operations Officer, Chief Risk Officer, Chief Compliance Officer, Chief Financial Officer and External Auditors and have obtained updates on matters that require AUCOM's attention. AUCOM also received internal audit reports, regulatory reports and external auditors' management letters issued during the year and reviewed the management action plans for the issues raised.

AUCOM also, through the Reports and Documents raised to them from the management, reviewed the effectiveness of the system of internal control and procedures for compliance with the Arab National Bank internal policies, relevant regulatory and legal requirements in the Kingdom of Saudi Arabia and whether management has fulfilled its duty in having an effective internal control system, seeking independent assurance from internal audit to assess the adequacy and effectiveness of such internal controls.

تقييم لجنة المراجعة حول كفاية نظام الرقابة الداخلية للبنك

خلال عام ٢٠٢٤ م قامت لجنة المراجعة بمراجعة تقارير مختلفة حول كفاية ضوابط الرقابة الداخلية والأنظمة بما في ذلك القوائم المالية وتقارير المخاطر. وتضطلع لجنة المراجعة بمراجعة محاضر لجان الإدارة المختلفة مثل لجنة إدارة المخاطر ولجنة الالتزام. ويتم توثيق مناقشات لجنة المراجعة وقراراتها في محاضر الاجتماعات وتصعيد المسائل التي تتطلب الاهتمام إلى مجلس الإدارة.

وخلال هذا العام عقد أعضاء لجنة المراجعة اجتماعات مع رئيس المراجعة الداخلية والرئيس التنفيذي للعمليات والرئيس التنفيذي للمخاطر والرئيس التنفيذي للامتثال والرئيس التنفيذي للشؤون المالية والتخطيط ومراجعي الحسابات الخارجيين، حيث اطلعت على آخر المستجدات بشأن المسائل التي تتطلب اهتمام لجنة المراجعة. أيضا تلقت لجنة المراجعة تقارير المراجعة الداخلية، وتقارير السلطات الرقابية، وخطابات الإدارة من مراجعي الحسابات الخارجيين الصادرة خلال العام، وراجعت خطط عمل الإدارة للمسائل التي تم رفعها.

قامت لجنة المراجعة أيضاً من خلال التقارير والمستندات المرفوعة لها من الإدارة التنفيذية بمراجعة فعالية نظام الرقابة الداخلية وإجراءات الالتزام بالسياسات الداخلية للبنك العربي الوطني والمتطلبات التنظيمية والقانونية ذات الصلة في المملكة العربية السعودية وما إذا كانت الإدارة قد استوفت واجبها بإيجاد نظام رقابة داخلية فعال والسعي للحصول على تأكيد مستقل عن المراجعة الداخلية لتقييم مدى كفاية وفعالية هذه الضوابط الداخلية.



AUCOM assures the Board and shareholders that to the best of its knowledge that Arab National Bank Internal Control system is adequate and operating effectively; and no significant deficiency in the internal control system; and it is recommendation pertaining to the appointment, dismissal, assessment or determining the remuneration of the external auditors or appointing Chief Internal Auditor were adopted by the Board.

تؤكد لجنة المراجعة لمجلس الإدارة والمساهمين كفاية وفعالية تطبيق نظام الرقابة الداخلية في البنك العربي الوطني، حيث لم يتبين وجود خلل جوهري في نظام الرقابة الداخلية، كما تؤكد أن توصيات اللجنة المتعلقة بالتعيين والفصل والتقييم أو تحديد مكافآت مراجعي الحسابات الخارجيين أو تعيين الرئيس التنفيذي للمراجعة الداخلية قد تم اعتمادها من المجلس.

التاريخ: ١٤٤٦/٠٨/٠٣ هـ الموافق ٢٠٢٥/٠٢/٠٢ م.

#### تواقيع رئيس وأعضاء لجنة المراجعة

ثامر مسفر الوادعي  
(رئيس لجنة المراجعة)

خالد محمد البواردي  
(عضو لجنة المراجعة)

فهد محمد السالم  
(أمين سر لجنة المراجعة)

عبد الله صايل العنزي  
(عضو لجنة المراجعة)





البنك العربي الوطني

arab national bank

البند رقم (٩)

ضوابط ومعايير المنافسة لأعمال

البنك العربي الوطني

Item No (9)

**Rules and Standards of Competing with  
Arab National Bank Business**

# ضوابط ومعايير المنافسة لأعمال البنك العربي الوطني

## Rules And Standards of Competing with Arab National Bank Business

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## 1. Definitions

The following terms and expressions shall have the meaning they bear as follows unless the contrary intention appears:

**Bank or ANB:** Arab National Bank.

**The Company:** Arab National Bank (a Saudi Joint Stock Company).

**Subsidiaries:** Every company of which Arab National Bank is the sole owner or in which the Bank owns a controlling interest.

**Company activity:** The company's objectives stipulated in Article (3) of the bank's bylaws.

**Controlling Interest:** The ability to influence actions or decisions of another person directly, indirectly, individually or collectively with a relative or an affiliate through: (a) owning 30% or more of the voting rights in a company, (b) having the right to appoint 30% or more of the administrative team members.

**Member(s):** Member of the Board of Directors or Sub-board Committees Members.

**Board or Board of Directors:** The Board of Directors of the Bank.

**General Assembly:** The general assembly held with the attendance of the shareholders of the Bank pursuant to the provisions of the Companies Law and the Bank's bylaws.

## ١. التعريفات

تدل الكلمات أو العبارات الآتية على المعاني الموضحة أمامها ما لم يقتضي السياق خلاف ذلك:

**البنك:** البنك العربي الوطني.

**الشركة:** البنك العربي الوطني "شركة مساهمة سعودية".

**الشركات التابعة:** كل شركة مملوكة للبنك العربي الوطني بالكامل أو تملك فيها حصة سيطرة.

**نشاط الشركة:** أغراض الشركة المنصوص عليها في المادة (٣) من النظام الأساس للبنك.

**حصة السيطرة:** القدرة على التأثير في أفعال أو قرارات شخص آخر، بشكل مباشر أو غير مباشر، منفرداً أو مجتمعاً مع قريب أو تابع، من خلال (أ) امتلاك نسبة ٣٠٪ أو أكثر من حقوق التصويت في الشركة، (ب) حق تعيين ٣٠٪ أو أكثر من أعضاء الجهاز الإداري.

**العضو/الأعضاء:** عضو مجلس الإدارة أو عضو اللجان المنبثقة عنه.

**المجلس أو مجلس الإدارة:** مجلس إدارة البنك.

**الجمعية العامة:** الجمعية العامة التي تنعقد بحضور المساهمين في الشركة بموجب أحكام نظام الشركات والنظام الأساس للشركة.





**Competing Business:** The following shall be deemed participation in a business that may compete with the Company or any of its activities:

- 1) The Board members' establishing a company or a sole proprietorship or the ownership of a controlling percentage of the stocks or interests in a company or any other entity that engages in business activities which are similar to the activities of the company or its group.
- 2) Accepting board membership of a company or an entity that competes with the Company or its group, or managing the affairs of a competing sole proprietorship or any competing company of any form, excluding affiliates of the Company.
- 3) The Board member's acting as an overt or covert commercial agent for another company or entity competing with the Company or its group.

## 2. Introduction

These Rules and Standards of Competing with ANB Business were introduced in keeping with Article (27) of the Companies' Law set in force by Royal Decree No. (M/132) dated 01/12/1443 H, and Article (44), (45) of the Corporate Governance Regulations amended by resolution of the Board of the Capital Market Authority on 25/06/1444 H.

## 3. Purpose

These Rules and Standards aim to govern and regulate participation of a board member or a sub-board committee member in a business that competes with the business of the Company or any of its activities.

**أعمال المنافسة:** يدخل في مفهوم الاشتراك في أي عمل من شأن منافسة الشركة أو منافستها في أحد فروع النشاط الذي تزاوله ما يلي:

- ١) تأسيس عضو مجلس الإدارة لشركة أو مؤسسة فردية أو تملك نسبة مؤثرة لأسهم أو حصص في شركة أو منشأة أخرى، تزاول نشاطاً من نوع نشاط الشركة أو مجموعتها.
- ٢) قبول عضوية مجلس إدارة شركة أو منشأة منافسة للشركة أو مجموعتها، أو تولي إدارة مؤسسة فردية منافسة أو شركة منافسة أيّاً كان شكلها، فيما عدا تابعي الشركة.
- ٣) حصول العضو على وكالة تجارية أو ما في حكمها، ظاهرة كانت أو مستترة، لشركة أو منشأة أخرى منافسة للشركة أو مجموعتها.

## ٢. تمهيد

تم إعداد ضوابط ومعايير منافسة البنك تطبيقاً للمادة (٢٧) من نظام الشركات الصادر بموجب المرسوم الملكي رقم (م/١٣٢) بتاريخ ١٢/١/١٤٤٣هـ، والمادة (٤٤) و (٤٥) من لائحة حوكمة الشركات المعدلة بقرار من مجلس هيئة السوق المالية بتاريخ ٢٥/٦/١٤٤٤هـ.

## ٣. الغرض

تهدف هذه الضوابط والمعايير لضبط وتنظيم اشتراك أي من أعضاء مجلس الإدارة أو أعضاء اللجان المنبثقة عنه في عمل من أعمال المنافسة لأنشطة الشركة أو منافستها في أحد فروع النشاط الذي تزاوله.

#### 4. Scope of Application

These Rules and Standards apply to competing business in which a member of the board or sub-board committee(s) participates.

#### 5. Rules and Standards of Competing with the Company

Without prejudice to Article (27) of the Companies' Law and other relevant provisions in these Regulations, competition must not be prohibited by law, regulation, or any binding legal or regulatory rule, if a member of the board, or a member of one of its committees, desires to engage in a business that may compete with the Company or any activities, the following shall be considered:

- The board must be notified of the competing businesses they desires to engage in and such notification shall be recorded in the minutes of the Board meeting.
- The conflicted member shall abstain from voting on the related decision at the Board and sub-board committees meeting and General Assemblies.
- The Board shall inform the General Assembly, once convened, of the competing businesses that the member is engaged in, after the Board assesses the member competition with the company's business or any of its activities in accordance with these Rules and Standards provided such competing business is assessed on annual basis.
- obtaining an authorization of the General Assembly of the Company, or of the Board through a delegation of the General Assembly, for the

#### ٤. نطاق التطبيق

تطبق هذه الضوابط والمعايير على الأعمال المنافسة التي يشارك فيها أي من أعضاء مجلس الإدارة أو أعضاء اللجان المنبثقة عنه.

#### ٥. ضوابط ومعايير منافسة الشركة

مع مراعاة ما ورد في المادة (٢٧) من نظام الشركات والأحكام ذات العلاقة في هذه اللائحة، ويجب ألا تكون المنافسة مما حظره نظام أو لائحة أو أي قاعدة نظامية أو تنظيمية ملزمة، وفي حال رغب عضو مجلس الإدارة أو عضو إحدى لجانه في الاشتراك في عمل من شأن منافسة الشركة، أو منافستها في أحد فروع النشاط الذي تزاوله، فيجب مراعاة ما يلي:

- إبلاغ مجلس الإدارة بالأعمال المنافسة التي يرغب في ممارستها، وإثبات هذا الإبلاغ في محضر اجتماع مجلس الإدارة.
- عدم اشتراك العضو صاحب المصلحة في التصويت على القرار الذي يصدر في هذا الشأن في مجلس الإدارة واللجان المنبثقة عن المجلس وجمعيات المساهمين.
- قيام مجلس الإدارة بإبلاغ الجمعية العامة عند انعقادها بالأعمال المنافسة التي يزاولها العضو، وذلك بعد تحقق مجلس الإدارة من منافسة العضو لأعمال الشركة أو منافستها في أحد فروع النشاط الذي تزاول وفق هذه الضوابط والمعايير على أن يتم التحقق من هذه الأعمال بشكل سنوي.

Board member to engage in the competing business.

(د) الحصول على ترخيص من الجمعية العامة للبنك أو من مجلس الإدارة بموجب تفويض من الجمعية العامة يسمح لعضو المجلس بممارسة الأعمال المنافسة.

## 6. Refusal to Grant Authorization

## ٦. رفض منح الترخيص

a) If the Board rejects granting the authorization pursuant to Article (64) of Implementing Regulation of the Companies Law for Listed Joint Stock Companies (If the Board of Directors is delegated the authorization authority mentioned in Paragraph (2) of Article (27) of the Companies Law), the member of the Board shall resign within a period specified by the Board; otherwise, their membership in the Board shall be deemed terminated, unless they decides to withdraw from such contract, transaction or competing businesses or amend their situation in accordance with the Companies Law and its implementing regulations prior to the end of the period set by the Board.

أ) إذا رفض مجلس الإدارة منح الترخيص بموجب المادة (٦٤) من اللائحة التنفيذية لنظام الشركات الخاصة بشركات المساهمة المدرجة (في حال تم تفويض مجلس الإدارة بصلاحيه الترخيص الواردة في الفقرة (٢) من المادة (٢٧) من نظام الشركات)، فعلى عضو مجلس الإدارة تقديم استقالته خلال مهلة يحددها مجلس الإدارة، وإلا عُدت عضويته في المجلس منتهية، ما لم يقرر العدول عن العقد أو التعامل أو الأعمال المنافسة، أو توفيق أوضاعه طبقاً لنظام الشركات ولوائحه التنفيذية قبل انقضاء المهلة المحددة من قبل مجلس الإدارة.

b) If the General Assembly rejects granting the authorization pursuant to Article (27) of the Companies Law and Article (65) of the Implementing Regulation of the Companies Law for Listed Joint Stock Companies, the member of the Board shall resign within a period specified by the General Assembly; otherwise, their membership in the Board shall be deemed terminated, unless they decides to withdraw from such contract, transaction or competing businesses or amend their situation in accordance with the Companies Law and its implementing regulations prior to the end of the period set by the General Assembly.

ب) إذا رفضت الجمعية العامة منح الترخيص بموجب المادة (٢٧) من نظام الشركات والمادة (٦٥) من اللائحة التنفيذية لنظام الشركات الخاصة بشركات المساهمة المدرجة، فعلى عضو مجلس الإدارة تقديم استقالته خلال مهلة تحددها الجمعية العامة، وإلا عُدت عضويته في المجلس منتهية، وذلك ما لم يقرر العدول عن العقد أو التعامل أو الأعمال المنافسة، أو توفيق أوضاعه طبقاً لنظام الشركات ولوائحه التنفيذية قبل انقضاء المهلة المحددة من قبل الجمعية العامة.

## 7. Duties and Prohibitions of Board Members in regard to Competing Business

a) A member of the board shall:

1. Perform their duties with honesty and integrity, and not prioritize their own interest over the interests of the Company and its shareholders, and not use their position to achieve personal interests.
2. Avoid situations of conflicts of interest and notify the Board and sub-board committees immediately of situations of conflict which may affect their neutrality when looking into matters presented before the Board. Such member shall not participate in deliberations nor vote on resolutions related to such matters.
3. protect the confidentiality of the information related to the Company and its activities, and not disclose such information to any person.

b) A member of the board shall not misuse or benefit, directly or indirectly, from any of the Company's assets, information or investment opportunities presented to the Company or to him/her in their capacity as a member of the board. This includes investment opportunities which are within the activities of the Company, or which the Company wishes to take advantage of. Such prohibition shall extend to a Board member who resigns to, directly or indirectly, exploit investment opportunities the Company wishes to take advantage of, which came to their knowledge during their membership in the Board.

## ٧. واجبات ومحظورات أعضاء مجلس الإدارة في أعمال المنافسة

(أ) يجب على عضو مجلس الإدارة:

١. ممارسة مهامه بأمانة ونزاهة، وأن لا يقدم مصلحته الشخصية على مصالح الشركة ومساهميها، وأن لا يستغل منصبه لتحقيق أي مصالح خاصة.
٢. تجنب حالات تعارض المصالح، وإبلاغ المجلس واللجان المنبثقة عن المجلس فوراً بحالات التعارض التي قد تؤثر في حياده عند النظر في الموضوعات المعروضة وعدم مشاركته في المداولات والتصويت في القرارات ذات العلاقة.
٣. الحفاظ على سرية المعلومات ذات الصلة بالشركة وأنشطتها وعدم إفشائها إلى أي شخص.

(ب) يُحظر على عضو مجلس الإدارة الاستغلال أو الاستفادة - بشكل مباشر أو غير مباشر - من أي من أصول الشركة أو معلوماتها أو الفرص الاستثمارية المعروضة عليه بصفته عضواً في مجلس الإدارة، أو المعروضة على الشركة، ويشمل ذلك الفرص الاستثمارية التي تدخل ضمن أنشطة الشركة، أو التي ترغب الشركة في الاستفادة منها، ويسري الحظر على عضو المجلس الذي يستقيل لأجل استغلال الفرص الاستثمارية - بطريق مباشر أو غير مباشر - التي ترغب الشركة في الاستفادة منها والتي عَلم بها أثناء عضويته بمجلس الإدارة.



## 8. General Provisions

1. These Competition Rules and Standards shall be implemented with effect from the date the Ordinary General Assembly approves them.
2. These Rules and Standards shall be published on the Bank's website for the reference of shareholders, investors and stakeholders.
3. These Rules and Standards shall be reviewed by Nomination and Remuneration Committee every three (3) years or when deemed necessary. The Rules and Standards may be amended pursuant to a resolution of the General Assembly acting on a recommendation from the Board of Directors.
4. The Board of Directors has the power to enforce necessary actions to ensure adherence to these Rules, and to take all dispositions and measures to reserve the Company's right to claim for compensation for damages caused by any breach or violation of these Rules.
5. Any matters not specifically addressed in these Rules and Standards shall be governed by the applicable rules and regulations. In the event of any conflict between the content of this Rules and the provisions of applicable rules and regulations, those Laws and Regulations shall prevail.

## ٨. أحكام عامة

١. تطبق ضوابط ومعايير المنافسة، اعتباراً من تاريخ موافقة الجمعية العامة للمساهمين.
٢. تنشر هذه الضوابط والمعايير على الموقع الإلكتروني للبنك لتمكين المساهمين والمستثمرين وأصحاب المصالح من الاطلاع عليها.
٣. تتم مراجعة هذه الضوابط والمعايير من قبل لجنة الترشيحات والمكافآت كل ثلاث سنوات أو متى ما دعت الحاجة، ويتم تعديلها بموجب قرار من الجمعية العامة للشركة بناءً على توصية من مجلس الإدارة.
٤. يختص مجلس الإدارة باتخاذ الإجراءات اللازمة لضمان الالتزام بهذه الضوابط والمعايير واتخاذ كافة الإجراءات اللازمة لحفظ حقوق الشركة في التعويض عن أي أضرار تنجم عن مخالفتها.
٥. كل مالم يرد بشأنه نص خاص في هذه الضوابط والمعايير يطبق بشأنه الأنظمة واللوائح ذات الصلة، وعند وجود أي تعارض بين ما ورد في هذه الضوابط وبين أحكام الأنظمة واللوائح، فإن المرجعية تكون لتلك الأنظمة واللوائح.



البنك العربي الوطني

arab national bank

البند رقم ( ١١ )

إشتراك عضو مجلس الإدارة في

عمل منافس لأعمال البنك

Item No (11)

**participation of Board Member in a  
work that competes with the Bank  
business**

اشتراك عضو مجلس الإدارة الأستاذ/ عبيد عبد الله الرشيد في أعمال من شأنها منافسة الشركة أو منافستها في أحد فروع النشاط الذي تزاوله

هل تنافس أعمال الشركة	طبيعة أعمال الشركة ذات العلاقة	صفة العضوية في الشركة ذات العلاقة		الشركة ذات العلاقة
		مالك (ملكية مباشرة)	عضو مجلس إدارة / مدير	
نعم، توجد منافسة	التمويل	لا	نعم	شركة سهل للتمويل

**The involvement of Board Member Mr. Obaid Abdullah Alrasheed in activities that may compete with the company or with one of its sub-activities**

Related company	Membership status of the relevant company		The nature of the company's relevant business	Does the company's business compete
	Member of the Board of Directors / manager	owner (Direct ownership)		
SHL Finance Company	Yes	No	Financing	Yes, There is competition



البنك العربي الوطني

arab national bank

البند رقم (١٢)  
برنامج الأسهم المخصصة للموظفين

Item No (12)  
Employee Share Program

Summary of the changes to (ANB Employee Shares Incentive Program):

Article	Before	After	Remarks
1.Purpose	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.	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, <b>risk management framework and regulatory compliance standards.</b>	<b>Added</b> to reflect the alignment

Article	Before	After	Remarks
3. Scope	<p><u>3.1 Senior Management Description:</u>  1.2 SAMA No Objection roles “on personal grade or job grade evaluations at 52 &amp; 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.  <u>Criteria:</u> 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.  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.</p>	<p><u>3.1 Senior Management Description:</u>  1.2 Senior Executives as defined in the Remuneration Policy.  <u>Criteria:</u> 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.  These proportions should increase significantly along with the level of seniority and/or responsibility.  Also, the most highly paid employees, the percentage of variable remuneration that is deferred should be substantially higher of at least 60% in the form of RSU.  1.3 Remaining employees in Senior Management/Executive Management (as defined in the Remuneration Policy) 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.</p>	<p>Removed as is it defined in the Banks Remuneration Policy.</p> <p>Amended to align with the Bank’s Remuneration Policy and SAMA Banks Remuneration Rules</p>



Article	Before	After	Remarks
3. Scope	<p><u>3.2 Material Risk Takers (MRTs) Description:</u>  Employees whose actions have a material impact on the risk exposure of the bank, and any bonus amount above 500K</p>	<p><u>3.2 Material Risk Takers (MRTs) Description:</u>  As defined in the Remuneration Policy</p> <p><u>3.3 High bonus amount</u>  Criteria: All employees receiving bonus amount threshold determined in coordination with the Nomination and Remuneration Committee and approved by Board Executive Committee, 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.</p>	<p>Amended to align with the Bank's Remuneration Policy</p> <p>Removed from MRTs description &amp; Added as an additional scope</p>

# 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, risk management framework and regulatory compliance standards. These guidelines include a mandatory three-year deferral period for at least 40-60% of an eligible employee's total variable compensation. Under the ESIP, a specified portion of the eligible 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 program 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 Senior Executives as defined in the Remuneration Policy.
- *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.
- These proportions should increase significantly along with the level of seniority and/or responsibility.
- Also, the most highly paid employees, the percentage of variable remuneration that is deferred should be substantially higher of at least 60% in the form of RSU.
- 1.3 Remaining employees in Senior Management/Executive Management (as defined in the Remuneration Policy) 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.

#### 3.2 Material Risk Takers (MRTs) as defined in the Remuneration Policy

- *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.

#### 3.3 High bonus amount

Criteria: All employees receiving bonus amount threshold determined in coordination with the Nomination and Remuneration Committee and approved by Board Executive Committee, 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.

MRTs list 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.

#### 3.4 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, however vesting is subject to obtaining the necessary regulatory permission.

#### 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  
arab national bank

البند رقم (١٣)  
شراء البنك عدد من أسهمه

Item No (13)  
bank's purchase of a number of its  
shares



## KPMG Professional Services Company

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

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

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

# Independent Limited Assurance Report relating to the Proposed Buy-Back of Shares

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

Upon the request of the management of the Bank, we have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter") has not been prepared, in all material respects, in accordance with the applicable criteria ("Applicable Criteria") below.

### Subject Matter

The Subject Matter for our limited assurance engagement is related to the Bank's proposed buy-back of shares as resolved by the Bank's Board of Directors, as set out in the attached schedule ("the Schedule") prepared by the management of the Bank. The Schedule sets out the relevant financial information pertaining to the Bank's compliance with the solvency requirements as set out in the Regulatory Rules (as defined below) to support the Bank's proposed buy-back of 10 million shares, which the Bank intends to execute during the fiscal year 2025.

### Applicable Criteria

We have used the requirements specified in Article 17 from Part 6 of Chapter 1 of the 'Implementing Regulations of the Companies Law for Listed Joint Stock Companies' ("the Regulatory Rules"), as issued by the Capital Market Authority ("CMA") relating to share buy-backs, as the Applicable Criteria.

### Management's responsibility

The management of the Bank are responsible for preparing and presenting the Subject Matter information (as set out in the Schedule) that is free from material misstatement in accordance with the Applicable Criteria, and for the information contained therein.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Subject Matter such that the information is free from material misstatement, whether due to fraud or error. It also includes selecting the Applicable Criteria and ensuring that the Bank complies with the Regulatory Rules as referred to above; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Subject Matter information.

The management of the Bank is also responsible for preventing and detecting fraud and for identifying and ensuring that the Bank complies with laws and regulations applicable to its activities. The management of the Bank is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.



# Independent Limited Assurance Report

## relating to the Proposed Buy-Back of Shares (continued)

### Our responsibility

Our responsibility is to examine the Subject Matter information prepared by the Bank and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (“ISAE”) 3000, ‘Assurance Engagements Other Than Audits or Reviews of Historical Financial Information’ as endorsed in the Kingdom of Saudi Arabia, and the terms and conditions for this engagement as agreed with the Bank’s management. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Subject Matter information has been properly prepared, in all material respects, in accordance with the Applicable Criteria as the basis for our limited assurance conclusion.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Subject Matter and other engagement circumstances, we have considered the process used to prepare the Subject Matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Bank’s processes or internal control over the preparation and presentation of the Subject Matter information.

Our engagement also included: assessing the appropriateness of the Subject Matter; considering the suitability of the criteria used by the Bank in preparing the Subject Matter information in the circumstances of the engagement; evaluating the appropriateness of the procedures used in the preparation of the Subject Matter information; and evaluating the reasonableness of estimates made by the Bank.

### Independence and quality controls

We are independent of the Bank in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our assurance engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Management 1, 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.

### Summary of procedures

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject Matter, nor of the underlying records or other sources from which the Subject Matter was extracted. Accordingly, we do not express such an opinion.



# Independent Limited Assurance Report

## relating to the Proposed Buy-Back of Shares (continued)

### Summary of procedures (continued)

Our procedures included:

- Agreeing the total assets, total liabilities and total contingent liabilities mentioned in the Schedule as at 31 December 2024 with the total assets, total liabilities and total contingent liabilities disclosed in the audited consolidated financial statements of the Bank and its subsidiaries (collectively referred to as “the Group”) as at 31 December 2024;
- Checking the mathematical accuracy of the computation of net assets mentioned in the Schedule, which represents the balance arrived at after deducting total liabilities and total contingent liabilities from total assets as at 31 December 2024;
- Agreeing the amounts of each component of the working capital as at 31 December 2024 as mentioned in the Schedule with the balances of the relevant financial statements captions as reflected in the audited consolidated financial statements of the Group as at 31 December 2024;
- Checking the mathematical accuracy of the balance of retained earnings as at 31 December 2024 mentioned in the Schedule, after deducting the balance of treasury shares expected to be acquired based on management’s calculations; and
- Checking the average market price per share of the Bank prevailing from 1 December 2024 until 27 February 2025 from Tadawul, and agreeing the same with the average market price used by management to estimate the purchase cost of the share buy-back.

### Limited assurance conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been prepared, in all material respects, in accordance with the Applicable Criteria.

### Other matters

For the avoidance of doubt, we note the following important points relevant to the understanding of our scope of work, procedures and conclusion relating to the proposed share buy-back:

- The Schedule was prepared based on the historic audited consolidated financial information of the Group (including the Maturity Analysis of Financial Assets and Liabilities) as at 31 December 2024, and did not include consideration of forecast financial information and/or transactions for future periods subsequent to that date. Hence, our scope of work and procedures did not include any consideration of forecast financial information.
- The Schedule has been prepared on a pro-forma basis to illustrate the effect of the proposed share buy-back based on the estimates and assumptions set out therein. Actual results will be impacted by future events and transactions, and may be different.



# Independent Limited Assurance Report relating to the Proposed Buy-Back of Shares (continued)

## Restriction of use of our report

Our report was prepared upon the request of management of the Bank to be submitted to the CMA in fulfilling the requirements of the Regulatory Rules relating to share buy-backs. Our report should not be regarded as suitable to be used or relied on by any other party wishing to acquire rights against us for any purpose or in any context. Any other party who obtains access to our report, or a copy thereof, and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any other party for our work, for this independent limited assurance report, or for the conclusions we have reached.

## KPMG Professional Services

**Saleh Mohammed S. Mostafa**

License No. 524

Riyadh: 13 March 2025

Corresponding to: 13 Ramadan 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 2024. The working capital is calculated by deducting total liabilities and contingent liabilities from total assets of the Bank as at 31 December 2024.

Working Capital	Estimated Purchase Cost of Treasury Shares for 2023 <sup>1</sup>	Working Capital After Purchase of Treasury Shares
A	B	C = A - B
28,684,147	209,275	28,474,872

#### **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 2024, 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 <sup>1</sup>	Surplus Assets
A	B	C	D = A - B - C	E	F = D - E
248,307,314	210,158,266	28,236,375	9,912,673	209,275	9,703,398

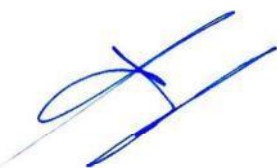
<sup>1</sup> Buy-back of 10 million shares at an market price of SAR 20.93 per share.

### Sub-Schedule (c): Treasury shares

Based on the latest audited annual financial statements of the Group as at 31 December 2024, 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 <sup>1</sup>	Excess of Retained Earnings
A	B	C	D = A-(B+C)
6,216,685	98,329	209,275	5,909,081

This schedule should be read in conjunction with the Independent limited assurance report issued vide an engagement letter between KPMG and the Bank.



Saad Al Dughish

Chief Financial Officer



<sup>1</sup> Buy-back of 10 million shares at an market price of SAR 20.93 per share.