BSF

Banking Responsibly.
Shaping Impact.
Focusing Forward.

2024 ESG Report

BSF ESG Report 2024

Contents

About the Report

Transparently disclosing Banque Saudi Fransi`s (BSF, also referred to as "the Bank") environmental, social, and governance (ESG) performance through regular communication with our stakeholders is the foundation of our commitment to responsible business.

In this 2024 ESG report, we are pleased to share our sustainability performance and progress over the last years, with particular emphasis on the key ESG issues most material to our business, and to our stakeholders.

Report Scope and Boundary

This report covers BSF`s ESG performance from 1st January 2024 to 31st December 2024. The report scope encompasses all of the Bank`s operations and activities as well as two subsidiaries including JB and BSF Capital.

Report Frameworks and Guidelines

The contents of this report have been prepared with reference to the GRI Sustainability Reporting Standard and with consideration for other sustainability-related reporting standards including the Saudi Exchange (Tadawul) guidelines for ESG disclosure and sector-specific Sustainability Accounting Standards Board standard (SASB, now part of the International Financial Reporting Standards Foundation or IFRS). Consideration is also given to the expectations of ESG rating agencies, the Saudi National Standards of Sustainability, the Saudi Vision 2030 (Vision 2030), and the United Nations Sustainable Development Goals (UN SDGs).

Materiality

This report has been developed with full consideration for the priorities, needs, and expectations of the Bank and our stakeholders. These considerations have been determined through a materiality assessment conducted by BSF to better understand our impacts on human, natural, social, and relationship capital and our value creation as they pertain to our stakeholders` views, interests, and concerns. The content of this report is organized around the Bank`s sustainability framework and material topics.

Feedback and Suggestions

For any inquiries, feedback, or suggestions regarding the contents of this report, please reach us via our website, www.bsf.sa, or via email at ESG@bsf.sa

Forward-Looking Statements

This report may include forward-looking statements that go beyond historical facts and pertain to future projections. These statements may include forecasts, predictions, objectives, events, trends, or plans based upon current assumptions and expectations. Such statements are not audited by external auditors and should not be solely relied upon by investors. It is important to acknowledge that unexpected events and uncertainties can arise which may not be accounted for in these statements. While BSF has made every effort to ensure the accuracy and completeness of the information in this report, forward-looking statements are valid only as of their date. Actual results may differ from the expressed or implied statements, and the Bank does not publicly update or modify them after the publication date of this report.

Overview of BSF

About Us

One of the Kingdom of Saudi Arabia`s leading full-service banks, BSF provides Islamic and conventional banking products for personal, wholesale, and investment banking along with asset management and brokerage services, and treasury applications.

Headquartered in Riyadh, BSF has been serving the Kingdom for more than 48 years following our launch on Muharram 1, 1398H (11 December 1977). The Bank is a Saudi Joint Stock Company established by Royal Decree No. M/23 dated Jumada Al Thani 17, 1397H (corresponding to June 4, 1977). BSF is regulated by the Saudi Central Bank (SAMA) and listed on the Saudi Exchange (Tadawul).

BSF headquarters are located at King Saud Road, AlMuraba` District, P.O. Box 56006, Riyadh 11554, Kingdom of Saudi Arabia, with numerous branches throughout the Kingdom.

BSF at a Glance

81
Branches (excluding self-service branches)

185.1 BN ⃁
Customer Deposits

2,664
Full-Time Employees

60.3 BN ⃁
Investments*

9.7 BN ⃁
Total Operating Income

292.8 BN ⃁
Total Assets*

204.2 BN ⃁
Loans & Advances

246.2 BN ⃁
Total Liabilities

5.1 BN ⃁
Net Income before Zakat

Long-Term Ratings:

- A- S&P
- A1 Moody's
- A- Fitch

*During the year ended December 31, 2024, management identified equity investments in which the Bank held interest, in prior years. These were not recorded in the prior year's consolidated financial statements. Upon identifying these equity investments, management decided to classify this as fair value through profit or loss and sold these investments during Q4 2024. Consequently, the Bank's investments and retained earning balances were understated as of December 31, 2023, and as of January 01, 2023. The Bank's management has rectified this by restating the affected consolidated financial statement line items.

BSF`s Values & Mission

Our Mission

BSF`s mission is to become the most modern, innovative, and experience-focused bank in the region.

Our Values

We are BSF

Always putting the needs of our people, customers, shareholders, and society ahead of our own personal agenda. We are a community that we defend and protect, always.

Us before me

We put ideas before ego and leverage the expertise of others.

Winning is fun

We seek to be number one in the hearts and minds of our people, customers, and shareholders. We have limitless ambition and the drive to win.

Think big, act quick

We think long-term in our decisions, but we make them quickly and have a bias towards action.

True to ourselves always

We are honest with one another, even at the risk of temporary disharmony. It is never personal.

Keep it simple

We strive to make everything we do as simple as possible. We set our people up for success and then get out of their way. We only need to be asked once. We own it.

Awards and Accolades

Governance Index Excellence Award for listed companies on the Saudi Stock Exchange from the Corporate Governance Center at Alfaisal University for the fifth consecutive year

BSF named one of Forbes 2024 30 Most Valuable Banks on its list of the Middle East's 30 most valuable banks for 2024.

BSF team won first place in KSA GenAI Hackathon 2024

Won four awards by Capital Markets & ESG Finance 2024:

- Project Finance Deal of the Year Award: NEOM Residential Communities (Wave1)
- Local Currency Loan Deal of the Year Award: Saudi Arabian Mining Company ("Ma'aden")
- Transport Finance Deal of the Year Award: AviLease
- Natural Resources Deal of the Year Award: Neom Green Hydrogen Company

Won best Trade Finance Bank in Kingdom of Saudi Arabia at the Asian Banker TAB – Middle East and Africa-Transaction Finance Awards 2024

BSF received the best Predictive Analytics and AI Use Case award at the Middle East Analytics & AI Summit in Riyadh

Won best Syndicated Loan Deal for Financial Institutions award & best Local Currency Bond Deal of 2024 by Global Banking & Markets: Saudi Arabia

Received two Project Finance International (PFI) Global awards in 2024 in recognition of participation in the following deals:

- Al Shuaibah 1 Holding PV Project
- PIF PV Projects (Ar Rass 2, Saad 2 & Al Khafah)

Received the Best Core Banking Technology Implementation Award at the MEA Finance Banking Technology Summit & Awards 2024

Received 3 IJGlobal awards in 2024 in recognition of its participation in the following deals:

- Energy Transition Deal of the Year: NEOM Green Hydrogen Company
- Sustainability Linked Deal of the Year: Alshuaibah Holding PV Project
- Middle East Mega Solar Awards: Ar Rass 2, Saad 2, Al khafah PV Projects

Received the 2022-2023 USD Payments STP Award from Wells Fargo

Received the EUR Payments Straight Through Processing (STP) Excellent Quality Award 2023 from Commerz Bank presented at SIBOS 2024 Conference.

Received the USD Payments Straight Through Processing (STP) Excellence Award 2023 from Citi Bank presented at SIBOS 2024 Conference.

BSF ESG Report 2024

Event Highlights

- BSF Financed exceptional projects in the Fashion Sector in collaboration with the Cultural Fund
- BSF finances two projects in the Handicrafts Sector under the Cultural Finance Program
- BSF honored as a Strategic Partner of Sakan Foundation
- BSF is a platinum sponsor for the 3rd real estate future forum
- BSF is a platinum sponsor for Social Development Bank Forum on Entrepreneurship & Modern Business Practices.
- BSF signed a memorandum of understanding with Public Investment Fund (PIF) & the National Infrastructure Fund (NIF) to foster development of the local Construction sector
- BSF signed a Memorandum of Understanding with the Environment Fund during the Saudi Green Initiative Forum held alongside the Riyadh COP16 Conference.
- BSF sponsors The Annual Charity Run in its 25th year
- BSF joined the Saudi ROSHN League as an exclusive Banking Partner for three seasons
- BSF signs a sponsorship agreement with AlUla Sports Club Company designating BSF as the exclusive banking partner & sponsor of AlUla Sport Club Company.
- BSF celebrated the graduation of the second cohort from " Al Qudwah Alhasanah program", equipping participants to serve on Sharia Boards of banks and financial institutions.

Executive Summary

As one of the first banks to weave ESG into its daily operations, BSF maintains its commitment to transparency through annual ESG reports since 2020, now in its fifth edition.

In addition to providing a transparent view of how the Bank's commitments align with key local and global ambitions for environmental responsibility, social impact, and governance excellence, our annual ESG reports offer stakeholders deep insight into how we are addressing and managing the sustainability issues of greatest material concern. The Bank's ESG report is prepared in alignment with international ESG standards and national ESG goals, following industry best practices.

ESG Governance & Management Approach

BSF's commitment to adopting world-class corporate sustainability practices underscores our approach to ESG governance. Designed to mitigate all relevant ESG risks, advance opportunities and create value for our stakeholders and communities, our multi-tiered governance approach encompasses a Board-level ESG Committee directly supported by an ESG Management Committee. The management committee supports the board committee in establishing ESG priorities, Key Performance Indicators (KPIs) and targets, as well as with policy development and the oversight of ESG-related activities including sustainable finance, environmental stewardship, and effective corporate governance. Initiatives associated with these activities are further implemented and managed via our ESG division and individual ESG Champions across the business.

The operational management of our ESG performance and activities is guided by BSF's ESG Policy Framework which outlines our commitment, position, and approach to environmental, social, and governance performance as well as our overall approach and adaptation to sustainability issues and ESG-related changes, developments, and challenges.

ESG Priorities

Building on the foundational sustainability governance model established in 2022, our sustainability priorities in 2024 focused on supporting the ambitions of the Kingdom of Saudi Arabia's Vision 2030. In 2024, we introduced a range of transformative strategies designed to propel our advancement towards several key Vision 2030 objectives, including economic diversification, financial inclusion, and technological advancement with particular emphasis on operational excellence, customer-centric growth, and financial resilience.

Strategic wins for 2024 included upgrading our Core Banking System to enhance scalability and service delivery, launching an omni-channel mobile application for seamless digital banking experiences, and improving the operational efficiency of real-time transactions. The Bank also expanded our JB Finance offering with the implementation of a Multifaceted Point of View program designed to anticipate and meet evolving customer needs, changing preferences, and industry trends. We also improved our deposits performance through customer acquisition and effectively managed funding costs by balancing deposits mix shifts strategic capital allocations, thereby ensuring sustainable financial growth despite challenges. We completed the development and pilot of a comprehensive ESG due diligence tool to assess portfolio clients on ESG and climate risks. BSF continued our role as a pivotal supporter of the project finance initiatives vital for the Kingdom's economic diversification and industrial growth, particularly in renewable energy and infrastructure.

In 2024, we focused on transparent disclosure and public commitment of our ESG initiatives. Building on the KPIs we set in 2023, we established measurable targets to drive meaningful progress. We also published our Sustainable Finance Framework, rolled out a CSR framework to support community development in our operating regions, and introduced a Diversity, Equity & Inclusion (DEI) Strategy to ensure fair and equitable opportunities for all employees.

Through diversification of our lending portfolios to small and medium-sized enterprises (SMEs), BSF is empowering entrepreneurs and has contributed to the diversification of the Kingdom's economic base. In 2024 we also participated in the ESG banking advisory committee (EBAC) that governs the central bank work on various ESG issues related to banks such as taxonomy development, climate risk, products and solutions and disclosure standards.

2024 Highlights by Business Unit

Wholesale Banking

Developed Trade Finance Products whilst optimizing Liquidity Cash Management capabilities to boost efficiency; broadened market reach for Financial Institutions, grew Government portfolio and strengthened controls to maintain asset quality.

BSF Capital

Strengthened wealth management advisory, launched multi-asset model portfolios, and progressed in real estate fund investments.

Personal Banking

Launched a new digital banking app, finalized branch network strategy and roadmap, and strengthened cross-sell framework with JB.

JB

Expanded digital financial services by implementing an innovative hybrid-digital journey for auto and personal finance, optimizing mobile app services, and modernizing core banking systems.

Private Banking

Achieved full execution of key initiatives, introducing tailored family products, strategic investment offerings with BSF Capital, and a specialized advisory program for Relationship Managers (RMs).

Looking ahead, BSF is working to develop an ESG roadmap based on ESG targets established in 2024. We are also continuing to develop fully integrated strategic analysis tools and models that help us maximize shareholder value, with a particular focus on assessing the impact of climate risk on our business operations across the short, medium, and long-term. To accomplish this, we are actively enhancing our climate scenario analysis capabilities and our capacity to address financial impact from these scenarios, enabling us to better anticipate and manage the integration of climate risk into our ESG strategy and operations. Building on the work initiated in 2023, we continued to expand our screening and calculation of Scope 3 emissions, deepening our understanding of financed emissions and exposure levels. While the unpredictable nature of climate events presents challenges to scenario development and outcome realization, we remain dedicated to improving these processes to effectively address emerging climate risks and opportunities.

BSF achieved the highest rating from S&P Global ESG Rating & Sustainalytics among Saudi banks for two consecutive years, in 2023 and 2024.

BSF's ESG Ratings

Year	MSCI	Sustainalytics*	S&P	ESG Invest
2022	BB	30.8	25	60
2023	BBB	27.8	30	60
2024	BBB	21.2	39	Not yet published

Scale

MSCI	Laggard: CCC B	Average: BB BBB A		Leader: AA AAA	
Sustainalytics	Negligible Risk: 0-10	Low Risk: 10-20	Medium Risk: 20-30	High Risk: 30-40	Severe Risk: 40+
S&P Global	0 – 100, where 100 represents the maximum score.				
ESG Invest	0 – 100, where 100 represents the maximum score.				

*lower ratings indicate a lower risk

BSF ESG Report 2024

Message from the Leadership

Foreword from the Chairman

I am pleased to welcome you to the 2024 BSF ESG report, which shares our performance over the past year.

BSF remains determined to stay at the forefront of sustainable investment in Saudi Arabia as it rapidly takes center stage for its capacity to deliver clear environmental and social advantages while generating value for shareholders.

Throughout 2024, we focused on leveraging our role as one of Saudi Arabia's leading financial institutions to accelerate sustainable development for our region. In accordance with our shared commitment to Saudi Vision 2030 ambitions, we activated this effort through the facilitation of investments and initiatives aimed at protecting our environment, conserving natural resources, and mobilizing society through initiatives that make a positive difference in quality of life for everyone.

We further ramped up our sustainable finance commitment with the launch of our new Sustainable Finance Framework, opening the runway for accelerated investment in renewable energy, clean infrastructure, and high-impact social enterprises. And we made significant investment in numerous green infrastructure projects that stand to deliver clear environmental and social advantages for Saudi Arabia while generating value for our shareholders.

Looking ahead, BSF remains deeply committed to mobilizing Saudi Arabia's economic transition and to setting the standard for sustainable finance for our region and beyond. As part of this process, we are working to ensure even greater access to impact-driven green finance and to mobilize Saudi society through the delivery of agile financial solutions for individuals, and for the growing number of micro, small, and medium-sized enterprises (MSMEs) strengthening our economy and society.

Thank you for joining us on this journey as we move forward, and for your continued trust in our bank.

Mazin Al Romaih
Chairman of the Board

BSF ESG Report 2024

Message from the Chairman of the ESG Board Committee

It is my pleasure to introduce the 2024 BSF ESG report. This fifth annual report shares the progress BSF is making towards key ESG objectives and Saudi Arabia's Vision 2030.

In today's rapidly evolving finance industry, strong ESG principles are critical to strategy development, decision-making, and value generation. These principles are powering sustainable development and economic transformation for the Kingdom of Saudi Arabia.

Through BSF's ongoing involvement with multiple Vision 2030 initiatives, we remain well-positioned to enable nation-building and corporate development by leveraging partnerships with international finance institutions and local contractors to expand our sustainable financing footprint.

Within this context, BSF's ESG performance gained considerable momentum throughout 2024. We published our Sustainable Finance Framework (SFF), which provides guidelines for project evaluation, fund management, and impact reports. The SFF also sets the foundation for issuing green, social, and sustainability instruments in the near future, defining eligible project categories such as renewable energy, green buildings, energy efficiency, SME financing, and access to essential services.

We introduced a comprehensive ESG due diligence tool to assess portfolio clients on ESG and climate risk. We introduced a CSR framework and a Diversity, Equity & Inclusion Strategy to meaningfully support our communities and reinforce our commitment to employees. The Bank continued its role as a pivotal supporter of project finance initiatives vital for Saudi Arabia's economic diversification and growth, particularly around renewable energy and infrastructure. By expanding the scope of our lending portfolios to small and medium-sized enterprises (SMEs), we continued to empower entrepreneurs and contribute to the diversification of the Kingdom's economic base.

We also established clear, forward-looking ESG targets to accelerate our progress and drive continuous improvement in line with both national and international targets. These targets, and our associated performance, will be assessed and monitored.

More than ever, we remained focused on leveraging our role as one of Saudi Arabia's leading financial institutions to drive responsible business and better banking practices throughout the Kingdom. Looking ahead, this will include an even deeper integration of sustainability-related risks and relevant ESG KPIs into the short, mid- and long-term objectives.

While our ESG journey is far from complete, we are positive about the path ahead. We hope you will continue to join us as we continue our efforts to set even higher standards for sustainable banking across our region, and beyond.

Abdullatif Al Othman
Chairman ESG Board Committee

Message from the CEO

Welcome to the fifth annual BSF ESG report, which highlights our sustainability performance for 2024.

The report highlights our future-focused approach to sustainability along with the Bank's commitment to facilitate sustainable financing by accelerating investment in renewable energy, clean infrastructure, and the groundswell of small to medium enterprises that are bolstering Saudi Arabia's economic development.

We made significant strides towards these commitments in 2024, deepening the integration of ESG principles throughout our already robust governance and oversight frameworks, and further embedding them in our approach to financing and risk management. Flagship advancements throughout the year included the publication of our Sustainable Finance Framework (SFF).

We established a set of ESG performance targets against our ESG KPIs to support the sustainability ambitions of Saudi Vision 2030. Developed to enable the continuous improvement of our responsible banking practices, the targets are based on materiality assessment, baseline performance reviews, stakeholder input, and alignment with regulatory expectations and strategic priorities. Detailed roadmaps are in place to help us achieve each target.

BSF continued to see stronger ESG ratings during the past year. We were proud to retain our position as the highest ESG rating score among Saudi banks on both S&P Global rating & Sustainalytics – a ranking that further cements our role in leading the financial sector's transition to sustainable, responsible banking practices and business models.

From a financial inclusion and social impact standpoint, BSF took steps to extend the reach of our support for Micro, Small, and Medium enterprises (MSMEs) throughout the year. This included enabling access to financing and a suite of mobile digital banking solutions designed to meet the agile needs of small businesses.

Knowing our employees are the driving force behind these successful efforts, we also continued to invest in career development programs, training, and the resources our people need to build successful careers and enjoy a healthy work-life balance at BSF.

Taken together, the year's accomplishments reflect BSF's abiding commitment to playing a leading role in global sustainability efforts, and to leveraging our resources to accelerate the sustainable advancement of Saudi Arabia.

We are proud of our focus on ESG excellence in sustainable banking, and we remain firmly focused on actively leveraging our role and our resources to create a sustainable future for everyone.

Thank you for your continued support.

Bader Al Salloom
Chief Executive Officer

Our Approach to ESG

Our Approach to ESG

BSF is committed to enacting world-class corporate sustainability practices while advancing ESG-related opportunities and leveraging our expertise to create value for our stakeholders and communities in alignment with broader local and global sustainability ambitions.

This strategic approach underscores the Bank's commitment to nation-building and corporate development, particularly through the diversification of its lending portfolios to small and medium-sized enterprises (SMEs), thereby empowering entrepreneurs and contributing to the Kingdom's economic base. As a result, BSF plays a crucial role in supporting large-scale infrastructure and project finance initiatives essential to the Kingdom's Vision 2030 ambitions, particularly with regard to economic diversification and industrial growth.

ESG Governance Structure

Our multi-tiered governance structure is designed to drive effective management and oversight of BSF's ESG policy, sustainability strategy and agenda, while mitigating ESG-related risk.

ESG Board Committee (ESG BC):
Enables the Board of Directors to define and fulfill the Bank's ESG commitments, including ESG-related KPIs and targets, and activities associated with sustainable finance, environmental stewardship, and effective corporate governance.

ESG Management Committee (ESG MC):
Facilitates the ESG Board Committee's capacity to fulfill its ESG oversight responsibilities by recommending and monitoring ESG goals, reviewing ESG-related policies, overseeing ESG risk and opportunity management, and driving periodic ESG disclosures.

ESG Division:
Serves as a focal point for all ESG issues by monitoring the Bank's ESG KPI performance, advising on integrating ESG into products, services, and business strategies, and overseeing implementation of ESG-related strategies, policies, programs, initiatives, and disclosures, including meetings for the ESG BC & ESG MC and engagement with stakeholders.

ESG Champions:
Support the achievement of departmental ESG performance targets, address relevant ESG matters, and facilitate collection and verification of ESG information for the Bank's ESG reports.

Looking ahead, the Bank is actively exploring approaches to further enhance its ESG governance model.

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ESG Policy Framework

Management of our ESG performance and associated activities is guided by BSF's ESG Policy Framework, which outlines our commitment, position, and approach to environmental, social, and governance performance as well as our approach to emerging sustainability issues, ESG-related changes, developments, and challenges. The Bank plans to regularly update the ESG Policy Framework to reflect advancements in our ESG management processes.

Progress on 2024 ESG Focus Areas

2024 ESG Priority	→ 2024 Progress Update
Publish BSF's sustainable finance framework **and start exploring the feasibility of launching sustainable financial products.**	→ We published our Sustainable Finance Framework (SFF). Aligned with ICMA and LMA principles, the SFF sets the foundation for issuing green, social, and sustainability instruments and defines eligible project categories such as renewable energy, green buildings, energy efficiency, SME financing, and access to essential services. The framework sets forth guidelines for project evaluation, fund management, and impact reporting, enabling us to begin evaluating the feasibility of launching sustainable financial products. We also obtained a Second Party Opinion (SPO) ensuring the SFF aligns with market expectations and principles.
Establish targets for the ESG-related key performance indicators (also referred to as 'ESG KPIs') to drive impactful, measurable advancements in our ESG performance.	→ We established clear, forward-looking ESG targets to accelerate progress and drive continuous improvement in alignment with national and international standards. These targets will be assessed and updated as necessary.
Refining and enhancing the capability for Scope 3 emissions calculation.	→ We initiated the calculation of Scope 3 emissions with a focus on categories 6 (business travel) and 7 (employee commuting) using an internally developed tool aligned with the GHG Protocol. The tool incorporates global best practices and assumptions including travel distances, vehicle types and emission factors, plus accounts for variables such as remote work and leave days. While these categories represent a small percentage of our emissions, the initiative itself reflects our commitment to transparent, responsible reporting. Data availability remains challenging in this context; however, efforts are underway to further expand our Scope 3 coverage in future assessments.

2024 ESG Priority → 2024 Progress Update

2024 ESG Priority	2024 Progress Update
Continue enhancing the Bank's capabilities to identify and consider climate risks (physical and transition), as well as integrate these risks into the Bank's Enterprise Risk Management system.	→ We assessed climate-related risks and opportunities, including physical and transition risks, and developed an internal scenario analysis tool to support this process. While the bank is currently exploring the integration of these risks into the Enterprise Risk Management (ERM), we are also awaiting the release of regulatory guidelines to align our internal progress accordingly and ensure consistency with supervisory expectations.
Support the development and roll-out of Bank-wide ESG training programs.	→ We have developed and launched a bank-wide ESG training program aimed at enhancing employees' awareness and understanding of environmental, social, and governance (ESG) principles. The program is designed to equip staff across all departments with the knowledge and tools necessary to integrate ESG consideration into their day-to-day roles, decision-making processes, and customer interactions. → We have also launched a tailored program targeted to the ESG Champions to further deepen their knowledge in regards to ESG principles & BSF's ESG journey.

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Stakeholder Engagement

BSF places a high priority on building strong, trusting relationships with all our internal and external stakeholders and we are proud to serve as a reliable partner for our customers, employees, shareholders, investors, government, regulatory bodies, and suppliers.

Clear, transparent communication is the bedrock of these relationships. We purposefully invest in two-way communication and engagement with our stakeholders through a range of channels based upon our stakeholders' needs, expectations, and preferences. These include active participation in both in-person and online events and activities, engaging in community events, providing training and educational opportunities, and regularly pipeline communications including reports, conference calls, news bulletins, and online media engagement.

For a detailed overview of our stakeholder engagement activities, please refer to Appendix A.

BSF ESG Report 2024

What Matters Most →

BSF`s Materiality Assessment

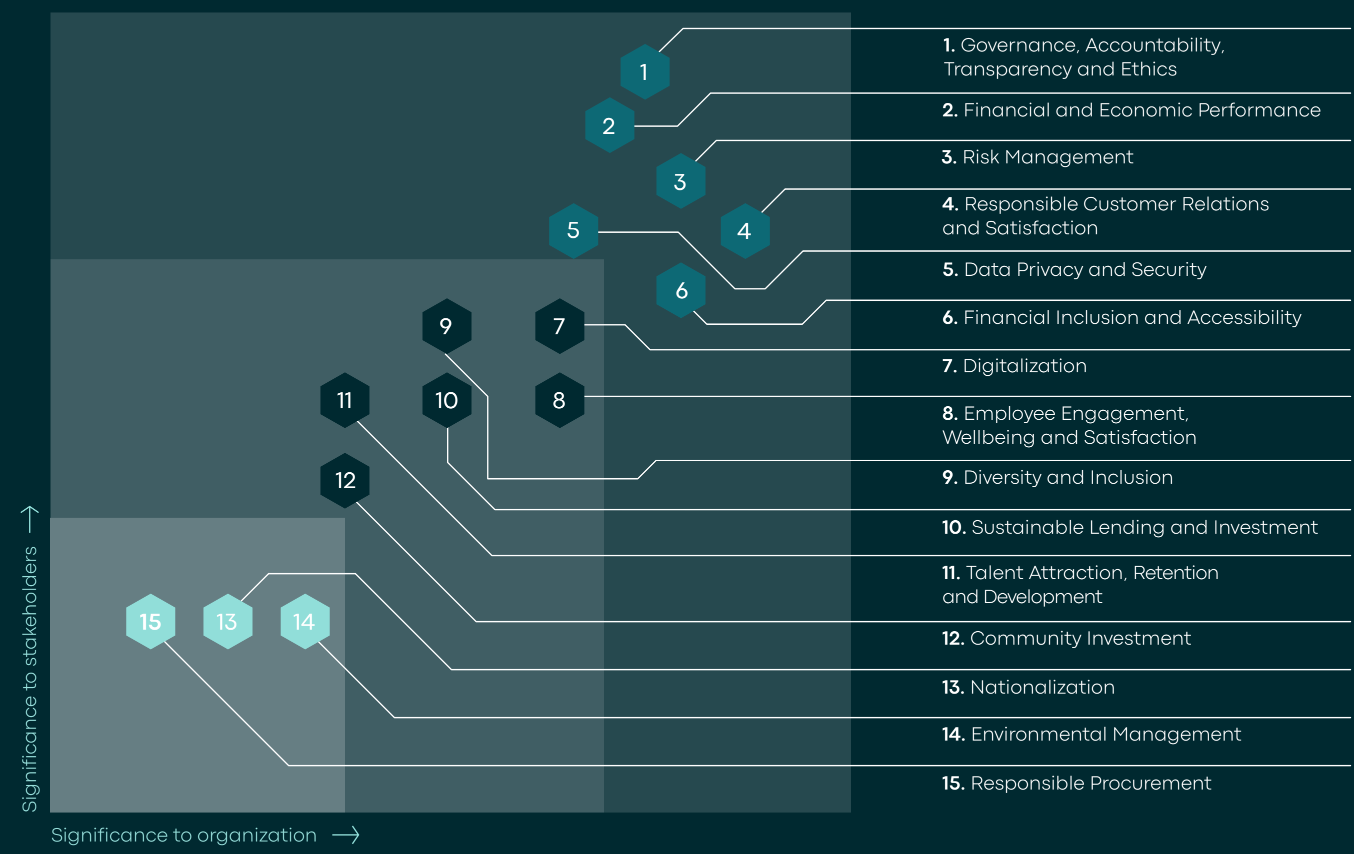
BSF is actively exploring opportunities to enhance our materiality practices via the adoption of a double materiality assessment process. In the interim, our material ESG issues are prioritized in a materiality matrix based upon the comprehensive materiality assessment we conducted to identify the key ESG topics most material to our business and our stakeholders.

Based upon the GRI materiality assessment methodology, the process was guided by internal and external stakeholder engagement and informed by peer benchmarking and the expectations of ESG rating agencies. These process and results were validated and signed off by our Board of Directors. The assessment resulted in the identification of 15 material topics categorized according to the five ESG pillars that continue to reflect our strategic priorities, operational risks, and opportunities.

We also established a set of 21 primary ESG KPIs that enable us to transform these 15 materiality topics into actionable initiatives. In 2024 we attached measurable targets to these KPIs to drive accountability and accelerate continuous improvement. The Bank remains confident that these material topics continue to reflect our stakeholders' interests and priorities, and that remain aligned with our long-term ESG strategy.

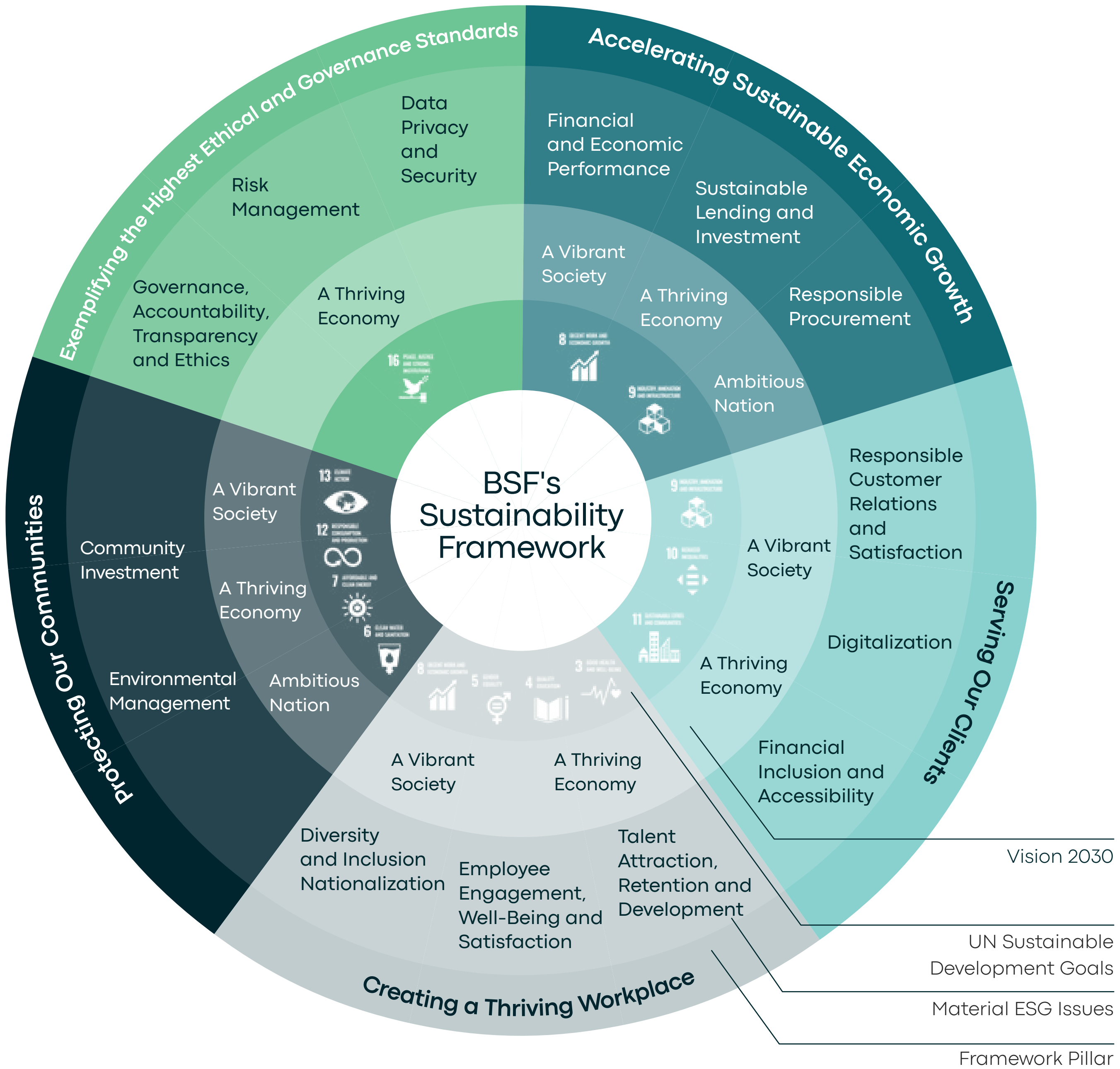
Our materiality assessment is reviewed at least once every three years in line with the requirement of our ESG policy framework. To further strengthen our capacity to anticipate, manage, and address these material topics in line with this policy framework, in 2024 and over the coming years, we will begin exploring the integration of ESG material risks into the existing risk management framework, in line with regulatory direction and supervisory expectations. Development of mitigation strategies, monitoring, and reporting are expected to follow suit and will be conducted in accordance with relevant regulatory guidance.

Materiality matrix →



Framework for Sustainable Growth

Our Sustainability Framework defines ESG for BSF by organizing our priorities around five key pillars of activity. Each pillar serves as an operational umbrella for strategically addressing the fifteen key material topics identified through our materiality assessment via thematically focused strategies, initiatives, and disclosure practices.



Driving Sustainable Performance

Our forward-looking approach to ESG is guided by a clear set of KPIs introduced in 2023 to drive the continuous improvement of our responsible banking practices and ESG performance.

In 2024, we launched a set of ESG targets focused on amplifying our performance and accelerating progress towards these KPIs. Each ESG target has been defined based on materiality assessment, baseline performance reviews, stakeholder input, and alignment with regulatory expectations and strategic priorities. Furthermore, each target has also undergone review and approval by the ESG management and board committees to ensure their alignment with the Bank's short, mid- and long-term strategy.

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BSF's ESG KPIs and Targets

To ensure our sustainability strategy and initiatives remain aligned with stakeholder expectations, regulatory requirements, and global sustainability trends, our ESG targets are subject to review and update, where necessary, in alignment with business needs and priorities.

PILLAR	ESG KPIs	Frequency/ Timeline	Targets	2024 Performance	Status
Exemplifying the Highest Ethical and Governance Standards	Training provided to board members	Annual	Yes	1 training completed on Compliance, Financial Crime and Counter Fraud	✓
	Percentage of independent board members	Annual	1/3 i.e. 33.33% (as per regulatory requirements)	60%	✓
	Total attendance rates for the Board and each Board committee	Annual	>90%	▪ Board of Directors - 98% ▪ Executive Committee - 93.3% ▪ Audit Committee - 100% ▪ Nomination and Remuneration Committee - 90% ▪ Board Risk Committee - 100% ▪ Environmental, Social, and Governance Board Committee - 100% ▪ Board Strategy Committee - 95%	✓
	Number of material data security breaches	Annual	0	0	✓
	Percentage of employees acknowledging BSF's Code of Conduct/ Ethics	Annual	90% (for new joiners)	100%	✓
	Percentage of independent members in the Board remuneration committee	Annual	50% (including external committee members)	60%	✓
	Establish climate risk strategy to review & address climate -related risks across BSF's portfolio and operations	2028*	Yes		→
	Incorporate sustainability/ ESG risks into BSF's risk register	2028*	Yes		→
Accelerating Sustainable Economic Growth	Amount of Sustainable Finance mobilized	2030	To be set	The Sustainable Finance target will be developed as part of the new BSF 2030 strategy in 2025	
	BSF has developed and approved a sustainable financing framework (SFF) in preparation for issuance of sustainable/green bond/ sukuk and obtaining Second Party Opinion for BSF's sustainability framework	End of 2024	Publish SFF	SFF is approved & publicly published. SPO has been obtained & published.	✓

*Subject to change/update based on regulatory directions.

PILLAR	ESG KPIs	Frequency/ Timeline	Targets	2024 Performance	Status
	Develop Responsible procurement program	2026	Yes	Responsible Procurement Framework has been developed, accompanied by a set of initiatives planned as part of the responsible procurement program launching.	→
Creating a Thriving Workplace	Percentage of employees receiving training each year on all levels	Annual	90%	98%	✓
	Employee satisfaction rate	2027	Above 70%	75%	✓
	Percentage of female employees	2027	25%	24.38%	→
	Percentage of youth employees	2027	25%	22.43%	→
	Percentage of full-time Saudi Arabian employees	Annual	Above 90%	92%	✓
	BSF maintains diversity programs which support and promote women in the workplace	Annual	Yes	Internal KPIs developed to ensure development and the retention of female managers. Initiatives include leadership development programs, succession planning and long-term incentive plans. A DEI strategy & position statement has been developed and approved.	✓
Serving Our Clients	Customer satisfaction; calculated based on % of complaint resolutions accepted by customers	Annual	≥ 85%	88%	✓
	BSF has publicly disclosed a standalone Policy or Position Statement highlighting a formal commitment to responsible marketing	2025	Yes	ESG criteria will be incorporated into the internal marketing policy to ensure alignment with the bank's sustainability values and responsible marketing practices.	→
Protecting Our Communities	Direct GHG emissions (Scope 1)	by 2026	Decrease by 3%	33% decrease vs. 2023	→
	Indirect GHG emissions (Scope 2)	by 2028	Decrease by 3%	In 2024, the emissions increased due to increase in electricity consumption	→

Legend

✓ Achieved → On track Delayed

Exemplifying the Highest Ethical and Governance Standards

BSF`s approach to good corporate governance is rooted in strong values, deep ethical standards, and Sharia principles. Recognizing our role as a trusted partner to all our stakeholders, we strive to exemplify world-class standards of governance and ethics in everything we do.

Material Topics →

- Governance, Accountability, Transparency and Ethics
- Risk Management
- Data Privacy and Security

Saudi Vision 2030 Alignment →

A Thriving Economy

UN SDG Alignment →

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Key highlights →

90%+
attendance for all board & Board committee meetings.

60%
independent board members.

60%
independent members in the Nomination & Remuneration Committee.

2,321
employees participated in cybersecurity training in 2024.

2,499
employees participated in Data Privacy training in 2024

Zero
recorded instances of material data security breach for the fifth consecutive year in 2024.

ISO 27001
certification maintained by BSF for information security management systems

Governance and Integrity

BSF is led by the Bank's Board of Directors and subject to external regulation from the Saudi Central Bank (SAMA) and the Capital Market Authority (CMA). Honesty and integrity are the driving force behind our commitment to good governance and responsible business practices.

We aim to ensure justice, transparency, and competitive value creation by protecting the rights and interests of our shareholders through a stringent approach to risk management and data and privacy safeguarding, and zero tolerance for bribery, corruption, money laundering, and all forms of financial crime.

Our Leadership

BSF is subject to supervision from our Board of Directors as well as external regulation by the Saudi Central Bank (SAMA) and Capital Market Authority (CMA). The Bank is governed by our Board of Directors in accordance with our Board of Directors Charter. Board composition remained unchanged in 2024, and detailed information regarding BSF's Board leadership is available in BSF's 2024 Board of Directors Report, including remuneration and actions taken.

Policies are also in place to govern CEO succession and termination, ensuring a structured process for leadership transitions when required. These provisions help maintain accountability and continuity in alignment with BSF's governance framework.

The BSF's ten-member Board of Directors comprises 4 non-executive members and 6 independent members in accordance with SAMA and CMA criteria. Appointed at the Board's first meeting, the Board Chairman and Vice-Chairman must be non-executive members. The Board may also appoint a Chief Executive Officer (CEO) or managing director from among its members.

BSF maintains stock ownership and purchase guidelines for its executives, including the Chief Executive Officer, in alignment with applicable regulatory frameworks. These guidelines are designed to promote long-term alignment between executive interests and shareholder value, while ensuring full compliance with relevant legal and regulatory standards.

All stock-related transactions are conducted with a high degree of transparency and fairness, adhering to strict protocols regarding disclosure, corporate governance, and insider trading regulations. These measures reinforce BSF's commitment to ethical conduct, regulatory compliance, and responsible executive behavior in all aspects of shareholding and trading activities.

BSF Board Overview →

10
board members elected by the Shareholder's General Assembly based on cumulative voting

1/3
board members must be independent

Guidelines used to categorize board members as 'independent':

- Capital Market Authority Governance Regulations
- SAMA Key Principles of Governance for Financial Institutions

3-year
board term

6.87 years
Average Board tenure (as of 31/12/2024)

98%
2024 board attendance rate (5 meetings)

Mandates for independent & non-executive board members are available in the Board of Directors Charter which details the roles and responsibilities of board members

Board election results & General Assembly meeting minutes and minutes from extraordinary assembly meetings are available on the General Assembly page of BSF website.

Board member biographies are available in the 2024 Board of Directors Report

Board Nomination & Election

BSF upholds best practices for the nomination and election of a board term through the General Assemblies. This enables individuals to express their interest in being nominated and to submit their applications. The election of board members is conducted via BSF's General Assembly, ensuring BSF shareholders can assess each candidates' qualifications and expertise, and have their say in the election and selection process via cumulative voting. This open and transparent process supports the participation of female candidates and board members, and the cultivation of a diversified board. More information is available on BSF's Board Nomination, Membership, Assessment and Succession Policy.

Board Composition	Unit	2021	2022	2023	2024
Total number of board members	Number	10	10*	10	10
Total number of independent members	Number	5	5	5	6**
Total number of non-independent members	Number	4	5	5	4
Total number of executive members	Number	1	0	0	0
Total number of non-executive members	Number	4	5	5	4**
Total board seats occupied by men	Number	10	10	10	10
Total board seats occupied by women	Number	0	0	0	0
Percentage of Board seats occupied by women	Number	0	0	0	0
Total number of independent and non-executive Board members with significant banking and/or financial services experience	Number	6	6	6	6***

*One board member resigned as of October 2022

**One Board member's classification was updated from Non-Executive to Independent as of September 2024

*** All 10 of our board members have significant experience with banking and/or financial services.

Chief Executive Officer

BSF's Chief Executive Officer (CEO) reports to the Board of Directors, which authorizes the CEO with the necessary authorities to lead the Bank in accordance with the Board of Directors Charter and BSF's Delegation of Authority (DoA) manual. The Board also defines compensation-linked KPIs that reflect a balanced focus on financial performance, operational efficiency, regulatory compliance, and sustainability objectives. In addition, the Board ensures that appropriate governance policies are in place to manage CEO succession and facilitate a structured and transparent leadership transition process, if and when required.

In accordance with the Capital Market Authority Corporate Governance Regulations and Key Principles of Governance in Financial Institutions, BSF prohibits the same person from holding both the Chairman of the Board and any other executive position including that of CEO.

CEO performance objectives and appraisals are recommended by the Board Nomination and Remuneration Committee. The CEO's performance-based compensation comes from two variable compensation plans:

- Annual Performance Bonus Plan linked to the annual net income of the Bank and its subsidiaries, as well as non-financial objectives including core professional and behavioral leadership competency objectives and adherence to legal, professional, internal conduct and ethical standards
- Long-Term Retention Plan, a restricted stock plan that vests BSF stocks after three years.

BSF ESG Report 2024

KPIs Linked to CEO Compensation

Financial

- % completion/execution of BSF's strategy
- Group Operating income vs. budget
- Group net profit vs. budget
- Group Return on equity (ROE) vs. target

People

- Improve 2024 eNPS score vs. 2023 eNPS
- % of critical roles with succession plans
- Maintain the regretted leavers with the thresholds.

Customer Experience

- External Net Promoter Score (NPS)

Governance

- Keep operational loss below operational risk tolerance appetite
- Maintain the key metrics within the risk appetite.
- No overdue high/medium risk corrective action plans

Board Committees

Comprised of members of the Bank's Board of Directors, six board-level committees facilitate the Board's leadership aims and objectives. BSF has adopted charters for each committee which set forth guidelines for composition, roles, and responsibilities.

BSF Board Committees

Executive Committee (EC)

Audit Committee (AC)

Board Risk Committee (BRC)

Nomination and Remuneration Committee (NRC)

Environmental, Social, and Governance Board Committee (ESGC)

Board Strategy Committee (BSC)

Composition in 2024

Purpose Roles & Responsibilities	Number of Board Members	Number of Non-Board Members	Chair Categorization & Gender	Number of Independent Board Members	Number of Non-Executive Board Members	Overall Attendance
Executive Committee (EC)						
EC Charter	5	-	Non-Executive (male)	1*	4	93.3% (6 meetings)
Audit Committee (AC)						
AC Charter	2	3	Independent (male)	2	0	100% (8 meetings)
Nomination & Remuneration Committee (NRC)						
NRC Charter	4	1	Independent (male)	2	2	90% (6 meetings)
Board Risk Committee (BRC)						
BRC Charter	3	2	Independent (male)	3*	0	100% (4 meetings)
Environmental, Social and Governance Board Committee (ESGBC)						
ESGBC Charter	3	-	Independent (male)	2	1	100% (1 meeting)
Board Strategy Committee (BSC)						
BSC Charter	5	-	Non-executive (male)	3	2	95% (4 meetings)

*One Board member's classification was updated from Non-Executive to Independent as of September 2024

BSF ESG Report 2024

Board Performance Evaluation

Board and committee performance is evaluated on an annual basis, with an external board performance evaluation at least once every three years. Individual board member performance is assessed individually on the basis of performance indicators relevant to the Bank's strategic objectives, risk management, internal control systems, and other factors. In 2024, a comprehensive Board and committee performance evaluation was conducted internally based on best international practices and via key performance indicators linked to the extent to which the Bank's strategic objectives had been achieved, the quality of risk management, the efficacy of internal control systems, corporate governance, board and committee structure, and member experience and skills. The results of this evaluation were shared with the Nomination & Remuneration Committee "NRC", which provided related recommendations to the Board of Directors with the aim of continuously improving the effectiveness of the Board and committees.

> **Individual board member performance is assessed individually on the basis of performance indicators relevant to the Bank's strategic objectives, risk management, internal control systems, and other factors**

Management Committees

BSF has several management committees in place to support the aims and activities of the Board of Directors and board committees on an operational basis. In 2024 we updated and streamlined the overall structure of our management committees to further optimize and enhance their efficiency.

Compliance Committee
Oversees compliance policies and programs, non-compliance risk management, and the activities of the compliance function with the aim of promoting a strong compliance culture. The committee reviews actions taken to mitigate risk and ensure a robust, consistent compliance system is in place.

Management Credit Committee
Reviews and decides on credit granting, conducts annual reviews of credit facilities, interim credit requests, and other credit-related requests such as allocation from Envelope/Standby Limits, exceptional transactions, oversteps, and other transactional approvals.

Counter-Fraud Governance Committee
Provides oversight and direction to ensure the Bank's combined counter-fraud capabilities are functioning appropriately and efficiently.

Retail Credit Committee
Oversees performance of Retail Asset Products, takes decisions (where authorized), and makes recommendations on retail asset product policies, risk acceptance criteria, processes, and collections.

Information Security Governance Committee
Maintains a positive security posture within BSF via enforcement of security policies, ensuring secure business operations through strategic risk-based direction for the protection of BSF information assets, promoting security awareness, and ensuring alignment of information security with the Bank's mission and objectives.

Personal Administration Committee
Recommends appropriate disciplinary action, remuneration adjustment, or consequences to annual performance appraisal ratings for all types of misconduct, including but not limited to workplace behavior, fraud, financial crime, breach of duty, criminal activities, operational losses, and disclosure of confidential information in line with BSF DoA, policies, bylaws, and all applicable laws and regulations.

Risk Management Committee
Ensures sound risk management practices and culture within regulatory guidelines including matters concerning operational risk management, business continuity management, and risks associated with outsourcing activities, new products and services, and cyber/information security. Further ensures 1st and 2nd line functions and businesses manage their respective risks, and that all critical related issues are addressed to manage exposure and enhance risk mitigation.

Strategic Transformation Committee
Serves as the highest strategic decision-making body at the senior management level reporting to the Board Strategy Committee. Stands as a medium of exchange between top management and the board to align management's strategic position before implementation or submission to the Board when required, and reports material recommendations to the Board Strategy Committee as per BSF's DoA.

Micro, Small, & Medium Enterprises (MSME) Committee
Maintains clear strategic focus on Micro, Small & Medium Enterprises (MSME) within BSF in alignment with BSF's strategic objectives, SAMA regulations, and Vision 2030 mandates.

Incentive Oversight Committee
Provides internal management-level governance and oversight on the design, administration, and operation of BSF's incentive plan architecture to ensure efficient deployment.

Asset Liability Committee
Identifies, manages and controls BSF Group Balance Sheet risks and Capital Management in executing business strategy. Balance Sheet risks are managed by setting limits, monitoring exposures and implementing controls across Capital, Credit, Market Risk, FX Risk, Liquidity & Funding, Fund Transfer pricing and Interest Rate Risk in the Banking Book (IRRBB).

ESG Management Committee
Assists the ESG Board Committee in fulfilling oversight responsibilities related to ESG commitments, strategies, objectives, progress, performance and activities with the aim of achieving the highest ESG standards and practices.

IT Steering Committee
Reviews and monitors overall progress, prioritizes IT Projects, and directs projects from a cross-functional perspective.

BSF ESG Report 2024

Key BSF Governing Policies

Board Nomination, Membership, Assessment and Succession Policy	**Shareholders Rights Policy**	**Code of Conduct for Board and Board Committee Members**
Standards for Determining Competing Business	**Transparency and Disclosure Policy**	**Related Party Transactions Policy**
Conflict of Interest Policy	**Remuneration and Compensation Policy for Board, Board Committees**	**Corporate Governance (CG) Manual**
ESG Policy Framework	**Corporate Social Responsibility Policy**	**Stakeholders Policy**

Please click hyperlinks for more information

Protecting Shareholder Interests

Under our Shareholder Rights Policy & the Bylaws, BSF has numerous governing principles and policies in place to directly and indirectly protect shareholder value and interests.

- Shareholders holding at least 10% of shares of the Bank's capital may request an Ordinary General Assembly to convene and/or add one or more items to the General Assembly agenda.
- Ordinary general assembly meeting shall be deemed valid only if attended by shareholders who represent at least a quarter of the Company's voting shares. Resolutions are subsequently issued by the absolute majority of shares present and represented at that meeting.
- Extraordinary general assembly meeting shall be valid only if attended by shareholders who represent at least half of the Company's voting shares. Decisions of an extraordinary general assembly meeting shall be passed by the vote of (two-thirds) of the voting shares represented in the meeting. Decisions relating to the increase or decrease of capital, or extension of the Company's term, or dissolution of the Company prior to the expiry of the term specified in its Bylaws, or merger of the Company with another Company, or division of the Company into two companies or more shall be deemed valid only if made by the vote of (three quarters) of the voting shares represented in the meeting.
- Shareholders may grant a proxy to a third party (other than a director or employee of BSF) to attend and vote at a General Assembly in accordance with the proxy form stated in the Capital Market Authority's Regulatory Rules and Procedures.

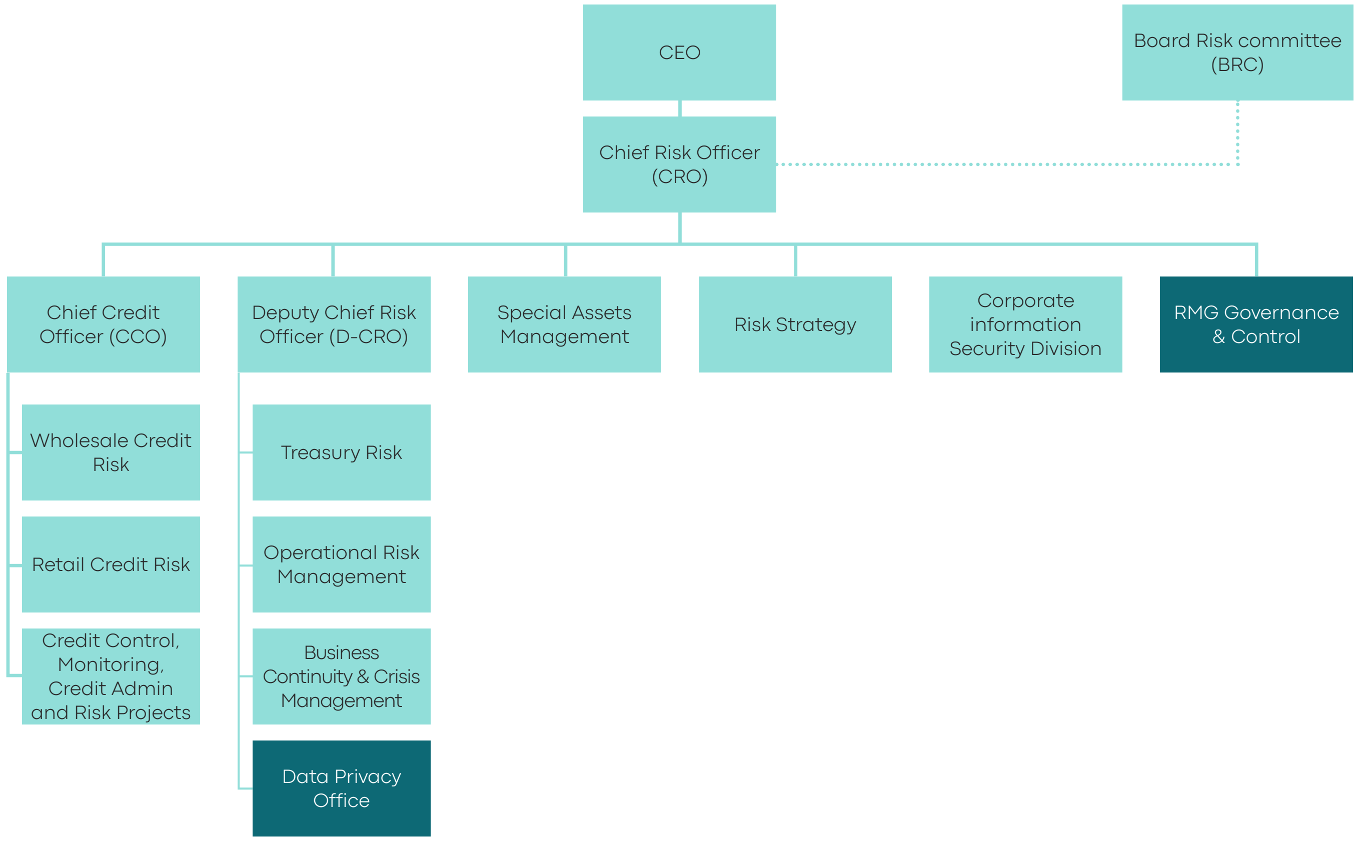
Shareholder interests are further protected by additional policies implemented by BSF including Related Party Transactions, Conflict of Interest, and Standards of Determining Competing Business.

Reviewing Related Party Transactions (RPTs)
In accordance with relevant regulatory requirements, all relevant stakeholders including board members, Shariah committee members, senior management, major shareholders, subsidiaries must complete an annual disclosure for their related parties.

- BSF's related party database is updated with annual disclosures collected from stakeholders
- A Delegation of Authority is maintained to govern approval of all RPTs
- RPTs are approved in accordance with CMA and SAMA regulatory requirements
- RPTs are reported in BSF's annual board reports and financial statements

Managing Risk and Ensuring Compliance

BSF`s rigorous multi-functional risk management approach covers diverse risk types for internal, strategic, and regulatory requirements. Through the application of rigorous principles and practices designed to help us identify, monitor, and mitigate material risks throughout the Bank.



Structurally independent from all other business lines at the Bank, our Risk Management Group is led by our Chief Risk Officer (CRO), who reports directly to our CEO. The Group is responsible for implementing a robust Risk Management Framework, which adheres to the risk governance principles of the Basel Committee on Banking Supervision (BCBS) and encompasses a range of key risk indicators and SAMA regulations.

The BSF board also has a dedicated Board Risk Committee in place. Reporting to the Board of Directors, the five-member committee comprises three board members and two independent non-board members whose extensive Risk Management experience includes previous and current senior executive risk management roles as well as board and committee membership in regional and international banks.

The Group operates several departments dedicated to addressing specific aspects of risk across the company, cascading the identification, monitoring, and mitigation of a range of material risks and associated metrics throughout our operations, and the BSF Board and BRC receive quarterly updates on the entirety of BSF`s risk profile and exposure.

Key risk management policies and procedures

Formal
Board and senior management commitments to risk management and ethical conduct (documented in Board and BRC Charters)

Risk
committees at the Board and management level

Comprehensive risk policies, procedures, and matrices for the risk-based delegation of authority

Clearly
defined roles, responsibilities, and accountabilities throughout the Bank

Periodic
risk reporting and escalation frameworks

Regular
internal audits to continuously assess our risk management practices

Risk
training and awareness campaigns

Knowledge
and best practice-sharing

BSF`s Risk Framework

Based on BCBS risk governance principles, our Risk Management Framework houses our risk management systems, including Risk Governance, Risk Appetite, three lines of defense (including roles and responsibilities), Management and Board Committee structure, and key risk types and functions.

The Risk Appetite statement covers key risk dimensions relating to Solvency, Credit, Funding and Liquidity, Asset quality, Operational, Anti- fraud & People Risk metrics with cascades to specific Corporate and Retail metrics. It is annually updated and quarterly reported to the Board Risk Committee and the Board. In addition, a library of KRIs is maintained for all areas of the Bank including Compliance and IT security. There is a comprehensive risk taxonomy covering 26 Risk categories, which is reported to the Board and BRC quarterly through an elaborate framework of Standard Reports.

Managing ESG Risk

Growing investors and customers focus on ESG and market shifts combined with the rising climate-related impact on financial markets means that BSF is increasingly subject to Climate and ESG-related risk. As a result, the Bank must align with an evolving local and international regulatory landscape, which may include additional reporting requirements as well as adjustments to operations, risk frameworks and systems to better account for ESG and climate factors. These influences also present critical opportunities for BSF to activate and drive the transition to a low-carbon economy through the deployment of new sustainable finance products such as green bonds and green loans designed to meet rising demand from clients, government, and investors.

BSF is currently developing a new five-year strategy (BSF 2030) that will further integrate sustainability-related risks and relevant KPIs into our short, mid- and long-term objectives.

The sustainability-related risks associated with these developments are primarily concentrated around the Bank's lending and investment portfolio, operational processes with regard to energy consumption and branch locations, and supply chain management. To proactively manage these risks and ensure compliance while navigating this journey, BSF has established an ESG governance structure that includes an ESG Board Committee to provide oversight of all ESG-related matters, including sustainability-related risks and opportunities.

In 2024, we also introduced an ESG Due Diligence assessment tool to review clients' transactions against ESG-related risk. As a next step, we are currently exploring the feasibility of a climate risk assessment to further identify relevant risks. The Bank also continues to improve its credit and investment decision-making processes within the context of ESG-related risks across the value chain and is enhancing its capabilities for calculating financed emissions.

BSF ESG Report 2024

ESG Due Diligence toolkit

In line with our broader commitment to responsible financing, the Bank has implemented an ESG Due Diligence toolkit designed to explore and understand the integration of ESG principles directly into our credit decision-making processes. In 2024, we began piloting this tool on selected transactions to systematically identify and evaluate environmental and social risks and opportunities, as well as green and/or social projects within our existing portfolio that may be eligible for financing under BSF Sustainable Finance Framework. This voluntary internal testing phase helped evaluate the tool's practicality and relevance, and has guided refinements that support its gradual integration with our credit and risk review processes.

01. Governance structure

The bank has established a cross-functional governance framework to ensure effective oversight, accountability, and implementation of ESG risk management practices across its transactions. This governance structure brings together key stakeholders including Corporate banking, Project finance, Treasury, and the ESG function to integrate ESG consideration into decision-making processes. This collaborative structure ensures that ESG risks and opportunities are appropriately identified, assessed, and addressed in accordance with international framework and internal risk appetite.

02. ESG Risk Assessment, Mitigation and Monitoring

A risk classification matrix, embedded within the Bank's ESG Due Diligence Toolkit, enables consistent project risk rating by combining qualitative judgment with quantitative thresholds. For transactions exceeding a defined exposure limit, the Bank applies enhanced ESG due diligence informed by the IFC Performance Standards, utilizing a standardized set of 17 ESG questions that address sector-relevant environmental, social, and governance issues.

Each assessed transaction generates an ESG performance score (out of 100), providing a clear and consistent view of ESG maturity and risk exposure.

This process reinforces the Bank's ability to manage ESG risks proactively and ensure that risk classifications remain current and relevant throughout the life of the transaction.

03. Capacity building

As part of the ESG risk management framework, the Bank places strong emphasis on training and capacity building to embed ESG considerations across all relevant functions. Awareness sessions and targeted trainings are conducted for business lines, risk managers (RMs), and credit teams to strengthen their understanding of ESG risks and opportunities, and the application of ESG due diligence processes. These sessions include practical guidance on using the Bank's ESG Due Diligence Toolkit, enabling teams to consistently assess green and/or social projects within our existing portfolio that may be eligible for financing under the new BSF Sustainable Financing Framework. This ongoing focus on internal capacity development ensures that ESG principles are integrated effectively into day-to-day decision making and risk management practices.

Emerging Risks

BSF closely monitors regulatory, security, ESG and other developments across our region to ensure we remain well-positioned to anticipate and address emerging risks and opportunities.

Climate-Related Risk
Physical risk caused by growing weather extremes and rising sea levels along with adaptational and transitional risks associated with an evolving regulatory landscape, policy changes, technological advancements and market shifts, continue to increase the financial sector's exposure to climate-related risks. While we do not currently directly conduct climate-related risks and opportunity analyses, we are actively exploring the feasibility of doing so.

Given the broad impacts of climate change, BSF views the current consulting assignment as an opportunity to develop a cohesive strategy for advancing climate-related opportunities and managing climate risk. This will be finalized for the incorporation of Basel Climate Principles through the development of SAMA-supported interbank EBAC initiatives for scenario and requisite model development, as well as longer horizon planning. Specific metrics will be an outcome of the final strategy.

In the meantime, climate-related risks and opportunities also manifest themselves in different ways across our portfolio. These include significant opportunities within our lending portfolio driven by the transition to a low-carbon economy as we work with clients in the areas of renewable energy and environmental sustainability, two key pillars of the Saudi Vision 2030. At the same time, extreme weather events may disrupt operations or have negative financial impacts on clients, thus increasing credit risk. Furthermore, our involvement in certain industries associated with climate change may pose reputational risk.

As part of the national effort to build climate risk capacity, EBAC conducted six workshops on ESG-related topics with the assistance of subject matter experts, engaging ESG, Risk, and Business teams across multiple banks. Additionally, in-depth 2–3 day sessions were held to further support long-term capacity building.

Regulatory and Legal Risk
The landscape of ESG-related regulation and associated legal framework is continuously evolving to keep pace with climate change and the accelerating transition to a low-carbon economy. With sustainable practices and responsible investing taking on increasing emphasis for governments and regulatory bodies, the Bank is continuing to monitor and adapt to changing local and global ESG regulations and reporting requirements knowing that failure to comply could result in reputational damage, fines, or legal repercussions. To mitigate this risk, we are continuously assessing and strengthening our robust approach to governance, risk management, and transparent reporting practices.

Cyber Security
Cyber security remains an ongoing risk for the Bank. Rapidly emerging technologies, particularly those associated with Artificial Intelligence (AI), cloud computing, and machine learning, as well as disruptive banking practices, open banking, and fintech all pose business and information security risks. BSF's Information Security Division actively monitors these risks and is continuing to implement a range of security projects designed to protect the Bank and our shareholders by strengthening our cyberthreat management, cyber resilience, cyber digital and crime management systems, policies, and practices.

Strengthening Risk Performance

We employ a range of continuous improvement strategies into our operations to foster a risk-aware culture and strengthen our risk performance. In addition to regular internal assessments and independent reviews to assess the effectiveness of risk culture initiatives through risk assessments, internal audits, and independent reviews (3 Lines of Defense Framework), we also apply the following risk management practices for informed decision-making and long-term sustainability:

- Board and Senior management commitments to risk management and ethical conduct
- A clear multi-dimensional risk appetite which cascades to Business Lines and functions
- Robust governance structure at Board and management levels with clearly defined roles, responsibilities, and accountabilities for stakeholders
- Comprehensive risk policies, procedures and appropriate risk-based delegation of authority
- Training and awareness programs on risk management and regulatory requirements
- Transparent and effective communication channels focused on risks and risk management practices and the reporting potential risks and incidents
- Strong risk reporting and escalation frameworks for reporting and escalating risks to ensure timely management of potential issues
- Knowledge-sharing and best practices for risk management through transversal collaborative efforts

Stress-Testing for Continuous Improvement

In accordance with SAMA guidelines, we also conduct semi-annual and annual stress tests to monitor and calculate the impact on capital and liquidity across a three-year horizon. The tests use calibrated scenarios ranging from mild to severe and incorporating changes in the Bank's income, provisions, other comprehensive income, and risk-weight assets/capital. Climate-based scenarios can be included in future testing, and test results are submitted to SAMA. The Bank's short-term liquidity and financial strength remained strong in 2024.

Managing Operational Risk

BSF's Operational Risk Management (ORM) division serves as a critical second line of defense, collaborating closely with business units, support functions, and control entities to embed strong risk culture and ensure consistent application of operational risk practices in alignment with the Operational Risk Framework. The ORM team aligns with the Bank's Risk Appetite, Risk Capacity, and strategic objectives by conducting regular risk and control assessments throughout the year, supported by Risk Champions appointed within each functional area.

ORM responsibilities:

- Developing and maintaining Operational Risk Profiles
- Conducting Risk-Control Self-Assessments (RCSA)
- Monitoring Key Risk Indicators (KRIs)
- Managing operational and technology-related incidents.
- Regulatory and internal risk reporting
- Loss Data collection and analysis.
- Reviewing risks associated with new products and services.
- Reviewing and updating policies and procedures

2024 ORM Achievements

- Strengthened collaboration with business, support, and control functions to oversee key transformation projects, ensuring early identification and mitigation of associated risks.
- Increased automation across ORM tools to streamline processes and enhance risk monitoring and reporting capabilities.
- Improved governance through greater participation in management-level Committees.
- Active involvement as the second line of defense in CBS Core Banking upgrade project, providing risk oversight and strategic input throughout the initiative.

2024 Risk Management Priorities & Achievements

Risk Strategy

Risk Strategy is tasked with model development (credit and ECL), capital planning (and Stress Testing), credit provision determination (with credit divisions), IFRS 9 execution, regulatory capital computation, and risk policies along with Board reporting for RMG, and SAMA reporting for affine areas.

Looking ahead, the top KPIs for Risk Strategy include the timely, accurate and sophisticated execution of ICAAP and Stress Testing with appropriate governance, as well as the timely and accurate incorporation of Basel III Rules in Regulatory and Financial Reporting: completing a fit for purpose risk component and conducting a comprehensive and accurate determination of provisions under IFRS 9. The team is also focused on timely and accurate Board and BRC reporting to requisite standards, championing the incorporation of climate-related risks with Credit Risk and Business Line support and coordinating with the ESG Division.

- Completed comprehensive validation of Wholesale & Retail (including JB) models, rating and macroeconomic, to keep the IFRS 9 suite of models fit for purpose
- Conducted a comprehensive transversal Recovery Plan for rare plausible Capital and Liquidity scenarios, demonstrating the Bank's robust ability to recover to normal business functions, with timely submission to Central Bank
- Participated in the consultative process of Resolution plan
- Conducted annual, half-yearly, and SAMA structured Stress Tests with a strong Governance process.
- Successfully refreshed the Annual ICAAP and subsequent supervisory review
- Enhanced the Early Warning Signal framework for pro-active monitoring of the portfolio.
- Played a significant role in inter-bank (EBAC) committee tasked by SAMA to develop Principles and Handbook for Environmental Risk guidelines in the Kingdom
- Actively participated in RMG and provided Subject Matter Expertise on ESG Due Diligence and Client Onboarding tools, as well as Climate Scenario development and Stress Testing/ Capital Planning to ESG Division (from Risk & Business perspectives)

Market Risk

Market Risk enriches and strengthens oversight over the Treasury activities in alignment with BSF's operational and structural transformation while also implementing new prudential regulations issued by the Central Bank.

Looking ahead, the team will conduct a deep review of data coverage, quality and sourcing as it is essential to ensure accuracy and consistency of the information. In addition, market data consumption and analysis remain a crucial matter for the department and one of our top priorities along with process automation, integration and digitalization, which are essential for strengthening oversight and controls, reducing the operational errors, and improving reporting execution time. IT system performance also remains key for ensuring high-quality controls for Market Risk management.

- Improved scope of monitoring from a quantitative perspective with enhanced data-quality and more sophisticated metrics and analysis (e.g. Hedge effectiveness, Investment Portfolio Analytics, and risk opinion on new products)
- Introduced a second line of Defense on Interest Rate Risk in the Banking Book
- Actively engaged in reviewing the Contingency Funding Plan during the annual ILAAP exercise

Wholesale Credit Risk

Wholesale Credit Risk controls credit risk by monitoring credit exposures, diversifying lending activities with appropriate collateralization, limiting transactions with specific counterparties, and continually assessing the creditworthiness of its counterparties. The team is also focused on supporting responsible business growth by improving operational efficiency and reducing the cost of credit.

Looking ahead, BSF recognizes the government's intent to have 58.5GW of renewable energy mix by 2030. As a result, our focus is to position the Bank at the forefront of financing solar and wind farms. We plan to build upon our renewable financing portfolio as well as seek opportunities for financing commercial / industrial project geared towards delivering environmentally friendly products, such as green hydrogen, carbon capture & storage, etc.

- Enhanced operational efficiency through a sector-based approach to Target Market Risk Acceptance Criteria (including ESG assessment) while helping channel business lines to meet growth targets
- Set a common framework for assessing the top names at the bank level, while ensuring Subject Matter Expert focus to drive efficient Capital optimized growth
- Reduced cost of credit by embedding early warning signals, avoiding credit concentrations, focused analytics and pro-active monitoring
- Implemented credit limits for six renewable energy projects including financing four solar power and two water projects
  - A 91MWac solar project (300km NW of Riyadh) is being developed by ACWA Power consortium.
  - A premier Renewable energy SR 3.1 billion project will generate 1,125MW greenfield solar farm under government's PIF Round 3 renewable energy program.
  - Financed the SR 4.06 billion 1,425MW greenfield solar farm located in Al Kahfah city.
  - A SR 5.5 billion project to finance the 2,000MW greenfield solar farm located near Ar-Rass city.
  - KSA's first independent water transmission pipeline (IWTP) that will run from Rayis (south of Yanbu) to Rabigh. The 150km pipeline will supply 500,000 m3/day of water to SWPC.
  - A water reservoir project in Juranah (near Makkah) will have a 2 million m^3 capacity.

BSF also provided financing commitments for three independent solar projects with 3 sponsors of great national importance.

Retail Risk

Retail Risk is responsible for identifying, assessing, and managing credit risks associated with retail banking products such as personal loans, credit cards, and mortgages.

It ensures business growth within bank defined risk appetite by maintaining and applying sound credit policies. It operates in alignment with bank strategy, internal policies and regulatory requirement contributing to responsible lending, financial stability and sustainability in retail portfolio.

Key KPIs for Retail Risk are captured through net flow rates to defaults for retail product segments under the Risk Appetite. These must be maintained under key thresholds through appropriate credit decisioning (Risk Acceptance criteria) and improved risk modelling processes to meet the business growth objectives defined under our Medium-Term Strategy. We anticipate that implementing these through digital initiatives will allow scalability.

- Enhanced Credit Policy for appropriate business growth, mass affluent targeting, ensuring a consistently higher credit quality through market cycles and enabling competitive market offerings including new products.
- Improved credit process through automated decisions with reduced human intervention, improving overall turnaround time for retail credit applications.
- Provided digital support, including digital verification, GOSI B2B integration, support for digital acquisition, and smarter policy rules to enable instant decision-making.

Special Assets Management (SAM)

SAM is a specialized team tasked with the legal process, rescheduling, restructuring, and recovery of Wholesale Banking assets.

Looking ahead, key KPIs for SAM include developing employees' capabilities to achieve division targets and objectives, maximizing reductions of NPL/ write off exposure, supporting BSF's stressed and distressed clients through difficult times in the best possible manner, and providing businesses with the necessary advice and support to negotiate comprehensive restructuring plans to achieve favorable outcomes for the Bank.

- Achieved a record year with recoveries of SAR 542.3MM resulting from funded debt collections of SAR 218.8 MM and cancelled LGs of SAR 323.4 MM. These recoveries resulted in a provisional release of SAR 155.5MM (i.e. positive P&L impact)
- Restructured 3 accounts with total debt SAR 998 million
- Took 96 legal cases to recover SAR 1.9 billion

Credit Control & Monitoring and Credit Administration (CCM & CAD)

The Credit Administration and Monitoring Department (CAD) and the Credit Control & Monitoring (CCM) unit play a critical role within BSF's Risk Management Group by ensuring the soundness of credit operations, robust documentation, and effective post-approval controls. Operating under the Enterprise Risk Management (ERM) Framework and in line with international best practices, both units are independent from loan origination and approval, and serve as control functions to maintain credit discipline and mitigate risk.

CAD is responsible for underwriting documentation, oversight of sanctioned credit limits, and ensuring completeness and safekeeping of credit files and collateral documentation. This includes end-to-end control of documentation such as loan agreements, guarantees, and transfer of title for collateral, ensuring all credit terms are met prior to disbursement. CAD also performs physical checks on security documents and ensures dual control for safe custody.

CCM, on the other hand, monitors collateral coverage, covenants, and document renewals, while also reviewing credit concentrations (industry, counterparty, country, ratings), and escalating any breaches to management. It produces key dashboards and regulatory reports, including those required by SAMA, and ensures timely analysis aligned with BSF's risk appetite.

In 2024, key achievements included:

- Leading CBS Release 2 (R2) & Release 3 (R3) initiatives for key stakeholders
- Launching the BCBS 239 compliance initiative
- Revamping security documentation and workflows
- Conducting physical inventory checks on collateral
- Stabilizing the Early Warning Application
- Conducting credit portfolio and economic sector reviews.
- Developing performance-driven credit dashboards

Looking ahead, CAD and CCM will focus on stabilizing early warning monitoring, enhancing the regulatory risk framework, improving data accuracy and documentation standards, and leveraging automation to ensure timely and accurate credit monitoring across the portfolio.

Business Continuity

Business Continuity Management (BCM) aims to implement a robust arrangement for BSF operations resilience with effective response procedures, and provides the baseline for resilience practices including Incident, crisis and communication plan management, in cooperation of BCM stakeholders and designated team.

Looking ahead, future performance markers for BCM focus on strengthening the BCM structure to meet the expanding requirements demands for Operational Resiliency, including revamping the BCM Strategy and Business Impact Analysis to encompass operational resilience, and defining interdependencies toward an integrated function's structure.

- Updated BCM Governance in alignment with SAMA BCM Framework
- Created BCM milestones deliverable KPIs and measurement
- Conducted Risk Assessment, Business Impact Analysis, Business Continuity Plans
- Assessed 3rd Parties, Vendors and Supply Chain engagement.
- Managed and maintained Recovery Sites Kingdom-Wide
- Issued annual tests roadmap
- Prepared and conducted annual Full Fail-Over DR Test(s)
- Developed and conducted annual awareness, training and rehearsals Campaign kingdom-wide and maintain BCD Portal
- Ensured compliance with regulatory requirements
- Performed External Auditing and maintained ISO-22301 certification
- Conducted assessment for BCM towards SAMA Maturity Model

Internal Audit

BSF's independent Internal Audit Group (IAG) is responsible for providing objective assurance and consulting to the Bank with the aim of strengthening the efficiency of our Governance, Risk Management, and Internal Controls. Led by the Bank's Chief Audit Executive in accordance with the International Professional Practices Framework (IPPF), IAG's risk and audit priorities center around Data Privacy and Security, Health and Safety, Corruption Prevention, Anti-Money Laundering (AML) / Counter Terrorism Financing (CTF), Compliance, and Risk Control as well as associated ESG Initiatives. These priorities are incorporated into the IAG's 4-year Strategic Plan and its Annual Plan that define the Group's focal points for the year:

- Risk Management Processes, including Credit Risk, Market Risk, Operational Risk, Credit and Control Monitoring & Administrations, Corporate Information Security and Cybersecurity, and Business Continuity;
- Compliance Processes;
- Procurement;
- Shariah;
- Treasury & Investment Group;
- Anti-money Laundering and Combating the Financing of Terrorism;
- Anti-bribery, Anti-fraud, and Prevention of Corruption;
- Safety and Security;
- Corporate Banking;
- Personal Banking;
- Finance & Strategy Group;
- Human Resources Group.

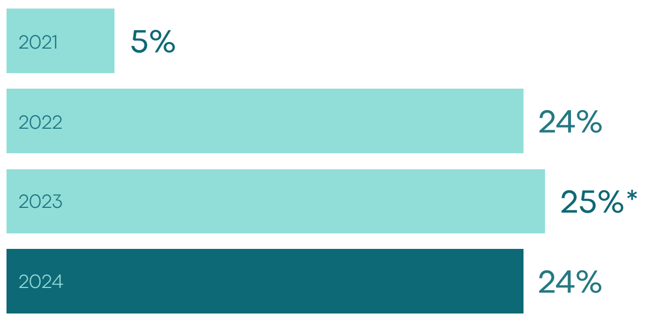
In 2024 the IAG successfully completed 100% of its Internal Audit Plan including cyclical, regulatory, and other reviews as well as several unplanned investigations and technical reports. Key audits for 2024 included:

- **Financial Crimes;** including anti-bribery and corruption, with a focus on compliance with regulatory requirements, policies and procedures.

Audit on the ESG Division; including divisional oversight of ESG-related activities and reporting responsibilities to the ESG Board and Management Committees. (The frequency of ESG Division audit is determined based on the result of annual risk assessment).

- **Compliance Monitoring and Reporting;** including compliance with the Policies and Procedures. Internal audit is also involved in pre-implementation and post implementation of key systems and applications. (The frequency of the review is determined based on the results of Annual Risk Assessment).
- **Data Privacy and Cybersecurity Audits** are an integral part of the Internal Audit Group's Annual Audit Plan. Cybersecurity Audits are conducted in accordance with SAMA and National Cyber Security Framework and Standards, and all audits include multiple reviews to determine the efficacy of risk management, operational controls, and cybersecurity controls governing the main activities and key processes of data privacy and security. The reviews also assess compliance with key internal frameworks, policies, procedures, as well as regulatory laws and mandates including:
  - Personal Data Privacy & Protection Law (PDPL) Review issued by SDAIA and mandated by SAMA starting from 2025;
  - Data Management and Privacy Data Protection (DMPDP) issued by the National Data Management Office (NDMO)- SDAIA;
  - Data Cybersecurity Controls (DCC) managed by the National Cybersecurity Authority (NCA).

Non-audit fees received by the audit firm as a percentage of total fees



* The change from the previously reported value is due to updates in the 2024 financial statements, where the 2023 figures were revised.

BSF in Action

Migrating from TeamMate AM to TeamMate+

Until 2024, the Internal Audit Group relied on the TeamMate AM Audit System and Microsoft Excel to conduct risk assessments, test documentation and other key processes. This approach created fragmented records, limited collaboration, and required manual workarounds.

As part of the IAG's strategic goals, in 2024 the Group migrated to TeamMate+. The upgraded platform centralizes all internal audit work within a system configured to mirror our methodology. The result is a dynamic approach to risk assessment that eliminates manual work, provides dashboards that offer clear visibility on audit progress, and ensures better consistency and compliance.

> **Having our entire audit workflow within TeamMate+ — from risk assessment to report issuance — has significantly reduced our reliance on manual work, improved consistency, and brought our methodology to life in a dynamic, configurable system.**
>
> **Hani N. Gadourah**
> Director of Internal Audit Quality Assurance

BSF ESG Report 2024

Compliance

Our emphasis on safeguarding the interests of our business and our stakeholders is heavily underscored by comprehensive compliance policies designed to drive maximum compliance throughout the Bank. BSF's Compliance Group leads these efforts and oversees our compliance with all applicable laws, regulations, and standards including the activation and enhancement of compliance policies, monitoring compliance risk, resolving known compliance concerns, and implementing compliance-related policies and programs, including:

- Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Policy
- Global Sanction Policy
- Anti-Bribery and Corruption (ABC) Policy
- Anti-Fraud Policy
- Whistleblowing Policy
- Code of Conduct

The Group is also responsible for updating BSF's compliance risk register each year as part of an annual review of SAMA directives such as the SAMA Counter Fraud Framework.

BSF also has a variety of programs in place to further facilitate adherence to the Bank's compliance policies, including Know Your Customer (KYC), monitoring customer transactions, sanctions, fraud monitoring, and an Anti-Money Laundering and Counter-Terrorism Financing (AML & CTF) program.

The Bank's overall compliance performance is evaluated annually according to three KPIs:

- Total number of compliance breaches identified by regulators
- Percentage of open compliance issues
- Percentage of outstanding internal audit observations

Zero

fines received for BSF for non-compliance from environmental laws and/or regulations in 2024.

Preventing Financial Crimes

To help prevent financial crimes, BSF's Compliance Group encompasses an Anti-Financial Crimes Division which oversees the Bank's Anti-Money Laundering and Counter-Terrorist Financing policies. Tasked with ensuring our full compliance with all relevant laws and regulations, the Division is also responsible for training employees on financial crimes, AML and CTF practices including the risks of tax evasion and associated criminal penalties.

Compliance Training

All BSF employees receive training in compliance, anti-fraud, anti-money laundering each year as well as training on BSF's ethical standards and the avoidance of ethical risks.

Legal

BSF's Legal Advisory & Litigation divisions support compliance and protect the legal interests of the Bank and its group companies, and provide legal support and assistance to all business lines and groups within the Bank through:

- Monitoring new and updated laws and regulations
- Reviewing, developing, and updating the Bank's agreements, forms, and standard documentation
- Establishing legal policies, procedures and protocols
- Ensuring all identified legal risks are appropriately mitigated via recommended and constructive solutions
- Regulating relationships between stakeholders
- Supporting the Board and Executive Management through the promulgation of appropriate legal practices.
- Representing the Bank in legal proceedings and managing disputes before all judicial bodies to protect its rights and interests.
- Coordinating with external counsel and relevant stakeholders to ensure effective handling of complex litigation cases.

Anti-Fraud Practices

BSF's Compliance Group maintains a multi-faceted set of policies and procedures to prevent fraud and financial crime across the Bank. These stringent practices are enshrined in our comprehensive Anti-Fraud Policy, which encompasses associated policies for Financial Crimes, Anti-Money Laundering, Anti-bribery and Corruption, and Whistleblowing. The policies explicitly define fraudulent activities, including but not limited to bribery, corruption, and facilitation payments as well as the relevant roles, responsibilities, and procedures for handling instances of fraud.

All anti-fraud policies and procedures are overseen by BSF's Anti-Fraud Department, which is responsible for deploying a full range of compliance and anti-fraud practices across the Bank including awareness communications, pre-launch fraud risk assessments for new products and services, regular reviews of anti-fraud controls, and the implementation of regulatory requirements associated with SAMA's counter fraud framework. A dedicated Fraud Monitoring System and structured whistleblowing mechanism are also in place to strengthen vigilance across the Bank.

These initiatives are reinforced by continuous awareness programs targeting all employees, including Senior Management and members of the Board of Directors. Regular training sessions and policy updates are communicated through official channels, including email and internal communications, to ensure consistent knowledge dissemination.

Should an instance of fraud occur, an independent investigation and root cause analysis is conducted by Compliance along with a thorough technical investigation by the relevant department(s) with consideration for segregation of duties and conflicts of interest. Corrective actions are developed and enacted based on the investigations to address the underlying issue. These actions can include developing or enhancing policies, procedures and processes, as well as system automations to reduce manual and human errors.

The Compliance Group is required to report details of all whistleblowing & anti-bribery and corruption cases and numbers to the Compliance Committee, Board Audit Committee and the Board of Directors on a quarterly basis.

BSF ESG Report 2024

Anti-Bribery and Corruption Policy

BSF's Anti-Bribery and Corruption Policy adheres to SAMA and the United Nations Convention Against Corruption. The Policy explicitly defines and prohibits bribery, corruption, facilitation payments and other unethical practices in alignment with internationally recognized standards. The policy also outlines processes for assessing risks related to corruption throughout the Bank's operations. These include periodic Anti-Bribery and Corruption Risk Assessments across the Bank's products and processes, ensuring any identified risks will be addressed and mitigating controls are in place.

Anti-Money Laundering Program

BSF has a well-defined Anti-Money Laundering and Counter-Terrorism Financing program in place to further help prevent financial crimes associated with money laundering and terrorist financing. Enacted by the Bank's Anti-Financial Crimes Department, the program is designed to ensure BSF, and its affiliates do not engage in and are not used by others in connection with money laundering or terrorism financing by driving full compliance with all applicable AML and CTF laws and regulations, including adherence to Anti-Money Laundering and Counter Terrorism Financing instructions specified by SAMA.

BSF has conducted training regarding Financial Crimes, including AML and CTF through BSF Academy.

Whistleblowing Policy

Our Whistleblowing Policy safeguards the right of any employee or stakeholder, including customers, to freely report any concern regarding unethical behavior or inappropriate conduct within the Bank, or any actual or potential breaches in our Code of Conduct. The policy assures legal protection for reporters against any form of retaliation and is available to all employees via the BSF website.

Our whistleblowing channels are intentionally designed to be easily accessible to all BSF personnel, enhancing a culture of transparency, accountability, and encouraging the prompt reporting of any suspected misconduct or irregularities. Reports can be made anonymously via local language systems in Arabic and English through our online whistleblowing form or via our whistleblowing hotline (011) 289-1133. Both reporting channels are accessible twenty-four hours a day, seven days a week to enable confidential reporting.

All whistleblowing reports are submitted to Senior Management and the Board Audit Committee by the Compliance Group on a quarterly basis. During 2024, 145 whistleblowing incidents were officially reported and 100% of these incidents were resolved. This increased number of reports is attributed to the increased awareness of Whistleblowing (WB) channels through internal awareness campaigns.

Incidents of Non-Compliance (SAMA)	Unit	2021	2022	2023	2024
Total incidents of non-compliance with laws and regulations	Number	13	14	15	17
Total amount of associated financial penalties	SAR	6,076,800	6,973,315	3,392,700	4,293,500*

* The rise in penalties reflects heightened attention from SAMA on key areas such as cybersecurity, fraud prevention, and data privacy. This comes alongside ongoing efforts to strengthen compliance and address potential risks more proactively.

Cybersecurity

The rapidly evolving global landscape of financial technology makes cybersecurity, and corporate information security an ongoing business priority for BSF.

Information Security Management

The Bank's Information Security Governance Management Committee oversees our strategic, systematic approach to cybersecurity and information security with support from our Chief Information Security Officer and our Corporate Information Security Division (CISD). Additionally, to ensure the highest standards of security and compliance, the Bank's information security practices are subjected to rigorous external audits annually.

BSF's Corporate Information Security Division plays a critical role in protecting sensitive data and maintaining the integrity of our information systems. The department oversees our Information Security program, monitors controls, and assesses cyber risks to ensure compliance with national and international Cybersecurity regulations and its security policies and standards. Through its maturity journey, the CISD has implemented numerous projects designed to expand cybersecurity through initiatives focused on cyber threat management, risk management, incident management, and cyber digital crime.

In 2024, in response to the evolving cyber threat landscape, we significantly increased our focus on the challenges posed by emerging technologies, specifically the use of cloud computing, machine learning, AI, disruptive banking practices and the entry of open banking and fintech. We also took further steps to reduce the risk of downstream liability associated with third-party and supply chain management, and to grow our CISD team with more Saudi talent.

CISD performance is regularly evaluated through the following KPIs:

- Number of cyber incidents not detected
- Number of assets not patched
- Number of open audit findings outstanding
- Number of deviations from regulatory compliance

Corporate Cybersecurity Policy

Our highly principled approach to cybersecurity is enshrined in a comprehensive, Board-approved Corporate Cybersecurity Policy. Aligned with global best practices as well as national and international regulatory standards, the Policy defines our approach to cybersecurity leadership and governance, operations and technology, risk management and compliance, acceptable usage, and third-party cybersecurity.

There is a defined process to report security incidents to the Security Operations Centre and the way to report is communicated periodically through awareness messages

Managing Cybersecurity Risk

The CISD uses enhanced security operations and continuous event monitoring to rapidly identify and respond to anomalies or suspicious events regarding unauthorized access, disclosure, or the modification of data via a holistic set of cybersecurity risk management practices.

01 Sandboxing technology across digital channels used by BSF clients to prevent exposure to threats and malicious actions.

02 SOC enhancements designed to expand visibility into user behaviors with BSF's information technology assets and enable appropriate preventive actions.

03 Special third-party training for information security practitioners on penetration testing, incident response, digital forensics, security operations, risk assessment and other topics.

04 Periodic cyber analysis to improve monitoring, detect suspected fraud activity and enact precautionary measures, and increase customer protection from potential cyber fraud.

We also take a stringent approach to vendor management, applying Cybersecurity due diligence before vendor registration, and conducting cyber risk assessments on all third parties with whom data is shared. These third parties are also bound to certain cyber contractual clauses and NDAs, and further subject to periodic reviews and assessments to ensure compliance with the Bank's security policies and regulatory requirements.

Cybersecurity Practices

Awareness & Training

- Quarterly updates are shared by the Corporate Information Security Division with Information Security Governance Committee (ISGC), the Risk Management Committee (RMC), and the Board Risk Committee (BRC) and on BSF's overall Cybersecurity posture
- An annual training plan is in place for employees, and CISD employees receive regular training and professional certifications including a two-year cyber fresh graduate development program.
- An awareness program is in place to educate employees on cybersecurity, including their roles and responsibilities, and critical security topics such as password protection, phishing, spam, and how to report security incidents. Awareness messages are being tested using quarterly and annual metrics to ensure effective delivery.

2,321

employees participated in cybersecurity training in 2024

Assurance & Assessments

Our Cybersecurity Assurance function handles internal and external vulnerability assessments for all technology components in BSF and coordinates the vulnerability management results with respective parties in IT for patching.

- Assets certification including vulnerability scanning/ compliance/ configuration scanning and source code review for banking applications and infrastructure
- Regular firewall security reviews
- Regular cybersecurity risk assessments of Crown jewels and critical applications

Compliance Assessments

- Annual internal audits and SAMA inspections for all cybersecurity practices and policies to test established cybersecurity controls and identify opportunities for improvement
- Annual internal security self-assessments to ensure compliance with local security regulations and standards issued by SAMA and the National Cybersecurity Authority (NCA), SWIFT, PCI-DSS and ISO 27001

Third-Party Service Providers

- Due diligence on all potential third-party vendors with whom data will be shared to ensure compliance with relevant internal policies and regulatory requirements
- Specific information security clauses and Non-Disclosure Agreements incorporated into vendor contracts
- Periodic cyber risk assessments to ensure vendors` continued compliance with relevant internal policies and regulatory requirements (this requires substantiating the completion of a predefined checklist with evidence)

Industry Participation

- BSF participates in the SAMA Banking Committee on Information Security (BCIS), which meets on a nearly-quarterly basis. Comprised of Chief Information Security Officers, the Committee is a forum for exchanging cybersecurity and risk information along with overall expertise.

Third-Party Certifications

- BSF maintains ISO 27001 certification for information security management systems, for the following scope: Information Security Management System (ISMS) encompasses all information and processes utilized by Banque Saudi Fransi (BSF's) Corporate Information Security Division (CISD) that provides Cybersecurity Governance and Compliance Services, Risk Management Service, Access & Key Management, Cybersecurity Operation Centre Services, Threat Management, Incident Management and Investigation. That includes security monitoring and incident management services supporting BSF's Trade, Finances, Products, and related services to meet Bank's business objectives as well as Payment Card Industry Data Security (PCI-DSS) certifications

Continuous Improvement & Monitoring

- The BSF Security Operations Centre (SOC) continuously monitors, assesses, and addresses security-related data activities 24/7.
- Quarterly updates are made to the ISGC, RMC, and BRC and on overall cybersecurity activities, including cyber fraud

Data Privacy

The Data Privacy Office was established in 2023 to support the Bank in providing its clients with control over their personal data and ensure compliance with all relevant laws and regulations. BSF clients' right to privacy is outlined in the Bank's Privacy Notice, which sets forth our commitment to respecting clients' privacy and maintaining strict confidentiality for all client information. All information collected from our clients is obtained through lawful and transparent means and all client data is retained in accordance with the Saudi Data and Artificial Intelligence Authority (SDAIA), the National Data Management Office (NDMO), and Personal Data Protection Law (PDPL).

We believe strong data privacy practices enable our ESG commitments and view secure and ethical data handling as integral to BSF's mission as a socially responsible, forward-thinking financial institution.

Environmental Impact

- Data minimization and secure disposal strategies support responsible resource use by reducing the energy footprint associated with data storage and processing

Social Value

- Enabling customers to easily understand and manage the personal data shared with us is part of our commitment to transparency
- Treating data privacy as a matter of respect for individuals protects our customers from potential discrimination or exploitation based on their personal information.

Governance Excellence

- Strong corporate governance practices encompass a rigorously designed data privacy framework that meets all regulatory standards from the Saudi Central Bank (SAMA) and the Saudi Data and Artificial Intelligence Authority (SDAIA) Personal Data Protection Law.
- BSF has implemented proactive data privacy measures to protect against data breaches and mitigate related reputational and financial risks. In regards to the bank's reactive data privacy measures, a key component is the **Data Breach Handling and Response Process**, which provides a systematic approach to identifying, assessing, and mitigating incidents involving unauthorized access, disclosure, or loss of personal data. This process is triggered upon detection or suspicion of a breach, such as unauthorized access to customer data or accidental disclosure of sensitive information. BSF responds promptly by investigating, containing, and mitigating the breach, notifying affected individuals and the competent authority as required, and ensuring full compliance with the PDPL. Looking ahead, we are working to ensure third-party engagements align with PDPL requirements and to provide comprehensive awareness and training for BSF employees in personal data requirements and principles. The Bank's Data Privacy office is also working to implement Privacy by Design principles by embedding privacy in systems, processes, products and services to reduce regulatory risk and build customer trust.

Data Privacy KPIs

- Percentage of data subject requests fulfilled within the regulatory period, by each quarter
- Percentage of personal data processing that is based on consent where the consent is valid or lawful
- Percentage of marketing opt-out requests received and fulfilled within the regulatory period
- Number of data privacy breaches required to be reported to the regulator and not reported within the defined period
- Percentage of third-party contracts with a signed addendum or MSA
- Percentage of data privacy assessment conducted for third parties that process personal data
- Percentage of completed reviews of the RoPA entries
- Percentage of IT applications scanned for personal information

Data Privacy	2021	2022	2023	2024
Number of material data security breaches	0	0	0	0
Number of material data security breaches involving customer's personally identifiable information	0	0	0	0
Percentage of material data security breaches involving customers' personally identifiable information	0	0	0	0

Safeguarding Customer Information

BSF maintains the utmost confidentiality of all personal data, disclosing it only on a lawful basis and in accordance with the Bank's Privacy Notice available to all customers on our website and during the account opening journey. When personal data is shared with third parties acting on behalf of BSF, whether as required by law or under contractual agreements such transfers are carried out responsibly and lawfully. In cases where personal data is transferred outside the Kingdom or shared with external entities, BSF ensures full compliance with the Personal Data Protection Law (PDPL) and applies strict due diligence to safeguard data privacy.

The Data Privacy Office supports BSF in ensuring clients have control over their personal data and in understanding their right to privacy as outlined in the Bank's Privacy Notice. Designed to help guarantee Personal Data Privacy Law principles, the Notice explains how the collection of personal data can take place, what personal data is required, and how personal data may be used as well as our commitment to respecting clients` privacy and maintaining strict confidentiality for all client information.

BSF retains personal data only for as long as necessary to fulfill the specific purposes outlined in the Privacy Notice or as required by applicable laws and regulations. This retention period may be extended based on continued use of BSF services or in accordance with regulatory obligations. Once the applicable retention period lapses, or upon a data subject's request, where technically feasible and legally permissible personal data is securely destroyed using certified deletion mechanisms or anonymized when deletion is not possible.

Zero

recorded instances of material data security breach for the fifth consecutive year in 2024

While there is no complete privacy external assessment currently in place, BSF actively reviews third-party engagements that include sharing of personal data to certify that privacy is embedded and ensure personal data protection and data subject rights.

To further safeguard customer data and privacy, BSF has a clearly defined, approved, and implemented Privacy Framework and Privacy Policy aligned with the personal data protection laws and privacy regulations of the Kingdom of Saudi Arabia. The privacy framework and policy outlines provisions for managing and monitoring data and establishes customers` rights, including:

- Right to be informed
- Right to request access to personal data
- Right to request a copy of personal data
- Right to request correction /rectification of personal data
- Right to request the destruction of personal data
- Right to request withdrawal of consent of personal data
- Right to submit any complaint
- Right to claim compensation

In line with the requirements of Saudi Central Bank, our cybersecurity function has clear governance procedures in place for the notification of data breaches should they occur.

Data Collection

All client information is collected via lawful and transparent means, and all client data is retained in accordance with the SDAIA, National Data Management Office (NDMO), and the Personal Data Protection Law (PDPL). Any sharing of personal data with third parties is conducted in accordance with BSF's cybersecurity policies in alignment with PDPL requirements.

Awareness & Training

To continuously raise awareness on Data Privacy and Protection, BSF rolled out tailored Data Privacy training in 2024 as mandatory annual training for all BSF staff. The training was designed to explain the Personal Data Protection Law (PDPL) and the regulatory landscape along with the employees' role and responsibilities in Data Privacy and Protection. The mandatory training is covering, but not limited to, the following topics:

- Foundational Data Privacy concepts
- Legal and Regulatory Obligations per applicable laws
- Handling Personal data in daily activities
- Data Subject Rights
- Data Sharing and Transfers
- Data Breach Management
- Practical scenarios and case studies

The training is followed by a set of questions with minimum passing score to confirm & assess the participant`s understanding.

Moreover, and as part of BSF`s efforts to ensure continues awareness of Data Privacy and Protection, awareness Data Privacy messages are being communicated periodically through email to all staff and internal channels.

Accelerating Sustainable Economic Growth

BSF is dedicated to accelerating sustainable economic growth for the Kingdom of Saudi Arabia through sustainable financing initiatives that enable the advancement of our clients and support the ambitions of Vision 2030.

Material Topics →

- Financial and Economic Performance
- Sustainable Lending and Investment
- Responsible Procurement

Saudi Vision 2030 Alignment →

- A Vibrant Society
- A Thriving Economy
- Ambitious Nation

UN SDG Alignment →

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Key highlights →

Executed project and structured financing aimed at accelerating a range of renewable energy and solar initiatives that align with Saudi Vision 2030 objectives for cleaner, more diversified sources of energy.

Publishing
BSF's Sustainable Finance Framework.

58m+
donated loyalty points donated to charity by BSF customers, equivalent to SAR 582,390.

27.9%
Increase in total number of local suppliers, rising from 419 in 2023 to 536 in 2024.

Financial and Economic Performance

BSF`s 2024 financial performance remained strong, with revenue growth of SAR 334 million throughout the year to approximately SAR 9.7 billion and a capital increase from SAR 12.1 billion to SAR 25 billion.

Throughout the year, the Bank continued to drive improvements in our data quality and external audit processes, advance automation of manual reporting, ensure full compliance with local and international tax regulations, and optimize tax costs.

BSF in Action

ROE Break-down Model

In 2024, we applied the DuPont Return on Equity (ROE) analysis to enhance our understanding of financial performance and its underlying drivers. This framework enabled us to break down ROE into revenue and cost components and identify operational efficiency and resource management opportunities. As part of this effort, we conducted a peer analysis using Bloomberg data, using independent variables: Net Interest Margin (NIM), Other Income/ Assets, Leverage, Staff Expenses, Non-staff Expenses, and Loan Loss Ratio. The analysis is updated quarterly, enabling comparisons across different time periods and supporting strategic decision-making. By linking financial metrics to operational efficiency and resource management, the framework supports the integration of sustainable practices into business strategies, fostering a balance between profitability and environmental stewardship.

Financing Sustainable Projects

We provided structured and project financing for a range of renewable energy and infrastructure projects in 2024.

- PIF 4 (Buraiq Renewable Energy Company, Moya Renewable Energy Company, & Nabah Renewable Energy Company) (Which has won Renewable Deal of the Year - Solar, MENA from Global Banking & Markets Saudi Arabia AWARDS & IJ Global Awards and a Sustainability-Linked Loan, MENA awards form IJ Global Awards)
- Juranah Independent Strategic Water Reservoir Project
- Innovative Water Transportation Development Company

Partnering for Sustainable Development

In addition to directly financing sustainable projects in line with our ESG and Vision 2030 commitments, BSF also works to enable sustainable development through partnership and collaboration with government entities and other institutions.

In 2024, BSF supported a range of government-led initiatives aimed at driving social impact and advancing national sustainable development goals aligned with Vision 2030.

The Ministry of Hajj and Umrah
BSF has participated in Hajj and Umrah Services Forum under the patronage of the Custodian of the Two holy mosques and the sponsorship of the Ministry of Hajj and Umrah. This forum is aiming to scale up the services of Hajj and Umrah through connecting beneficiaries and services providers working in the sector to support the strategic objectives of Pilgrims Experience Program, one of KSA`s Vision 2030 programs.

Social Development Bank (SDB)
BSF has participated in sponsoring the International Development finance conference which is a global platform hosted by SDB and aims to enhance the social finance contributions to achieve sustainable development goals. Sponsoring this forum is also supporting the kingdom`s plan to be one of the leading countries in supporting the international sustainable development goals.

Ministry of Municipalities and Housing (MOMH)
BSF has participated in sponsoring the Future of Real Estate Forum 2024 initiated by MOMH. The forum is one of the major global forums to connect international experts in the real estate and housing sector.

BSF has participated in the City Scape Event under the sponsorship of MOMH. This event is one of the main global events to promote real estate projects in the regions and support the strategic objectives of the housing program which is one of KSA`s Vision 2030 programs.

King Salman Humanitarian Aid and Relief Center
As part of BSF strategic relation with KSRelief, BSF has participated in KSRelief initiatives through sponsorship of Parents Insurance Program 2024, International Forum for Conjoined Twins 2024 and Walaa program 2024.

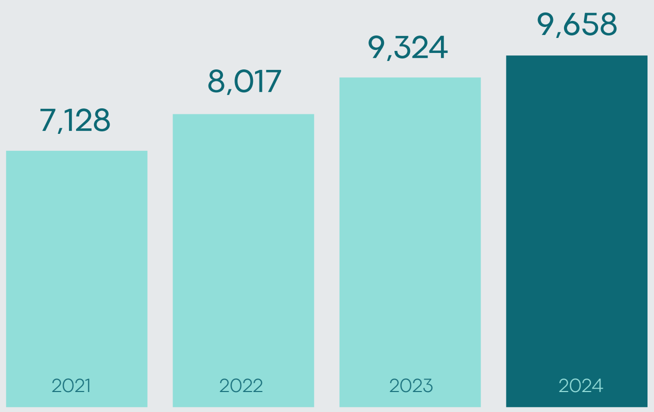
Royal Commission of Al-Ula
BSF has participated in sponsoring Al-Ula Football Club as one of the initiatives to support Royal Commission of Al-Ula "RCU" strategic objective to position the city as one of the leading destinations in the tourism and sports sector which comes in line with the strategic objectives of KSA`s Vision 2030.

The Equestrian Club in AlAhssa
BSF has participated in sponsoring the Equestrian club of AlAhssa which comes in line with the strategic objective to position the city as one of the leading destinations in the tourism and sports sector.

Um Al-Qura University "UQ"
As a part of the strategic relation between BSF and Um Al -Qura University. The Bank participated in UQ activities by sponsoring activities such as the graduation and Entrepreneurial Projects Ceremony for the year of 2023/2024 and launching of the Professional Supervision Training Program.

BSF also participated in SIBOS 2024 in Beijing, China with a booth for the first time, showcasing our dedication to international financial dialogue

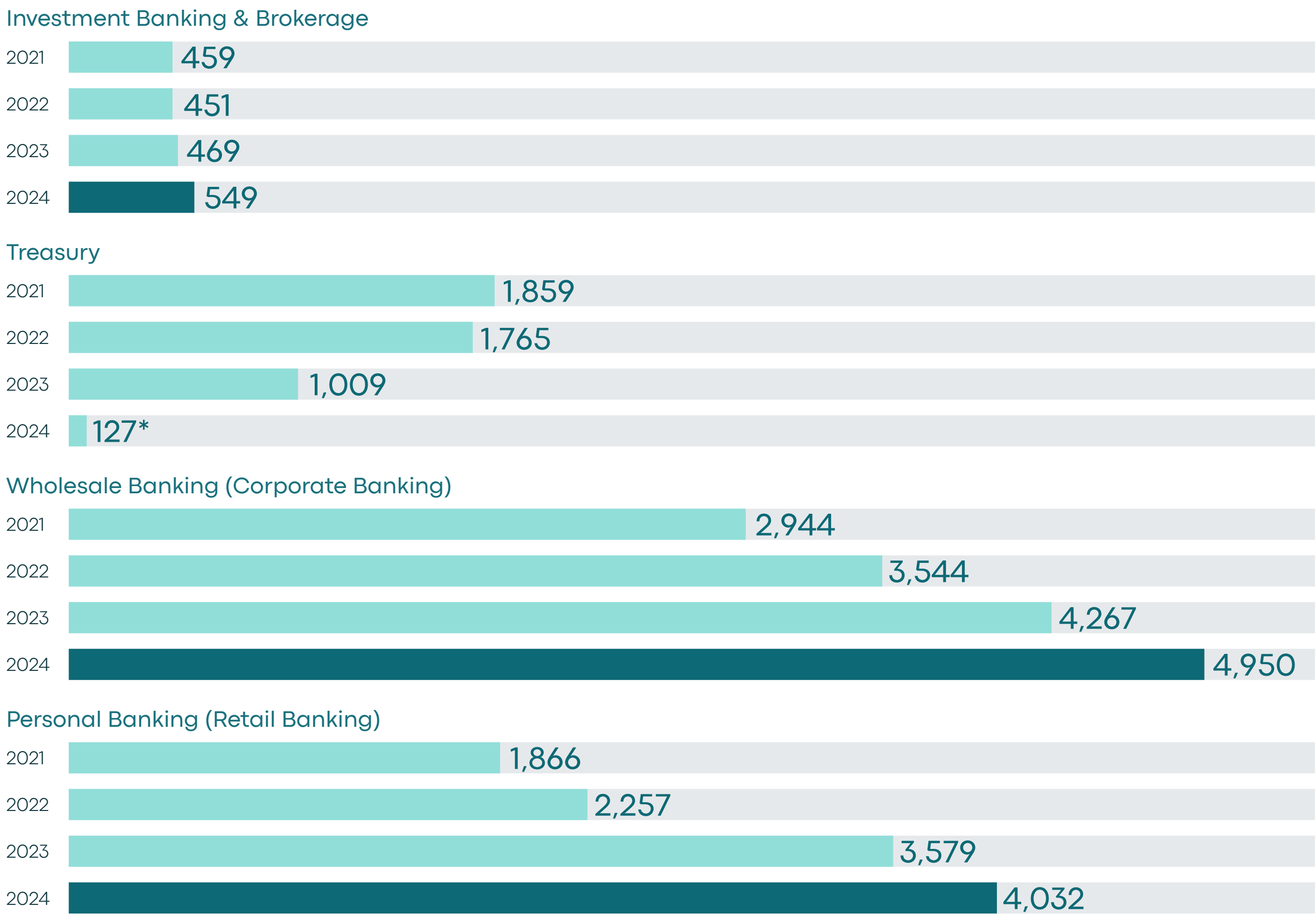
Revenue in Saudi Arabia (SAR Million)



35%

increase in revenue since 2021

Revenue by Business Segment (SAR million)



* The decrease in revenues for the Treasury segment is primarily due to a change in the Funds Transfer Pricing (FTP) policy.

Wholesale Banking

BSF`s Wholesale Banking Group (WBG) is focused on advancing client growth and mobilizing economic development through a sustainable approach to financing. To support this effort and further enable progress towards Saudi Vision 2030 ambitions, ESG principles are integrated into our corporate banking risk acceptance framework.

The Bank`s total number of Wholesale Banking customers increased significantly, driven by growth in BSF`s overall customer base. This expansion is reflected in the overall growth of our balance sheet.

Looking ahead, we aim to amplify our contributions to the Saudi Vision 2030 by selectively increasing Wholesale Banking business volume through sectors with sustainable growth and expanding our coverage of financial institutions. To accomplish this, we are continuing to innovate new products and services to further enable MSMEs, diversify our customer base, and extend our credit program for business clients in diverse industries.

We are also embedding ESG deeper into our risk analysis and heightening our preference for green and social instruments, companies with sustainability agendas, and sectors and projects that promote positive environmental and/or social impact.

The Bank remains focused on continuing our support for major government initiatives designed to up-lift society, such as the Pilgrim Experience and Quality of Life programs.

In 2024 WBG strategically focused on positioning itself to support government and Vision 2030 ambitions through the direct and indirect financing of megaprojects, including the provision of financing and advisory services for developers, contractors, and ancillary industries related to the projects; supporting sustainability related exposures such as renewable energy and carbon-neutral projects, financing public-private partnerships across sectors, partnering for subsidy and grant management Government Schemes, and expanding opportunities in sectors like healthcare, education, and tourism. We also continued efforts to improve digitization with the launch of new products and services designed to facilitate a cashless society and structured a suite of trade finance products to support the needs of businesses, particularly SMEs. To better understand the day-to-day needs of our clients as part of our commitment to continuous improvement, we conducted more than 7,000 client visits in 2024. As a result of our enhanced services and customer engagement, we also achieved a substantial improvement in our Net Promoter score.

During the year, FI facilitated the borrowing of USD 1Bn through bilateral and syndicated facilities, ensuring access to different regional and international markets and leveraging top FI relationships.

In reflection of our high standards and commitments to operational excellence, Wholesale Banking received the following awards from global FI partners in 2024:

- 2023 Elite Quality Recognition Award from J.P. Morgan for USD MT202 Clearing
- 2023 Elite Quality Recognition Award from J.P. Morgan for USD MT103 Clearing
- 2023 USD Payments STP Excellence Award from Citibank
- 2023 EUR Payments STP Excellent Quality Award from Commerzbank
- 2022-2023 USD Payments STP Award from Wells Fargo Bank

WBG's strong growth in 2024 reflects the success of our efforts. The Group recorded a 16% operating income, an 11.6% growth in Net Loans, and a 15.6% increase in corporate deposits.

The Wholesale Banking Group shall continue to focus on initiatives and opportunities strategically aligned with BSF's overall ESG vision and ambition, including continuing to shift our preference towards companies with sustainability agendas, further embedding clients' compliance to environmental safety into the risk analysis process, and developing credit programs for select sectors that promote financial inclusion.

Mitigating Risk

All Wholesale Banking clients are subject to comprehensive due diligence assessments to determine their risk profile and credit worthiness with minimum standards mandated by BSF's credit policy. These reviews include the client's financial condition, industry analysis, credit history evaluation, regulatory compliance (including environmental safety), site visits, interviews, and third-party reference reports.

In 2024 BSF introduced an ESG Due Diligence tool to further inform financing decisions based upon clients' ESG risk and performance.

For Project & Structured Finance, any project financing across all sectors will require comprehensive due diligence process to be done through third party consultants (including legal, technical and marketing, if applicable). The finance documents usually include requirements for a confirmation of compliance with applicable environmental law and environmental standards.

For high-risk clients such as Financial Institution and Government and they require further Know Your Customer (KYC) and Due Diligence (DD) treatments.

The risks associated with our product offerings are communicated through dedicated relationship managers and officers who work with product experts across BSF's business lines to ensure potential and existing customers understand the risk associated with the use of our products. The team also facilitates client training on the Bank's products and services, along with awareness sessions and road shows for new products and/or the modification of existing products.

Improving Global Transaction Solutions

Our Global Transaction Solutions (GTS) business line includes BSF's Trade Finance & Supply Chain and Liquidity Cash Management units. In line with our focus on driving quality, innovation, and value across the products and services we provide for our customers GTS is currently working to re-engineer our trade processes for greater efficiency, support major government initiatives directed towards upliftment of society with relevant solutions/ services, and digitize customer-facing activities ranging from onboarding a new customer to after sales service delivery.

GTS significantly advanced these efforts in 2024 through initiatives in three key areas. These included upgrades to the BSF Global Portal for more efficient LCM transaction processing; incorporating AI / ML solutions into document verification and moving towards the complete end-to-end digitalization of GTS services. As part of the digitalization process, we rolled out marketing campaigns to encourage the uptake of digital channels. We also stopped issuing and reissuing PINs for Payroll Prepaid Cards through PIN mailers – given the sizeable portfolio of cards under service, this is a significant step towards going paperless.

Throughout the year, the Supply Chain Finance team also continued to work closely with the ESG team to finance ESG projects through tailored solutions and specialized pricing structures which are being incorporated into the selection criteria of the new SCF platform. GTS also restructured the FI – Trade Structuring department to ensure continuity in function, conducted a wholesale efficiency review of product procedures across LCM and TSC departments, enhanced MIS capabilities to enable regular monitoring of Sales performance and Customer Profitability, and created a Customer Service and Quality Assurance to further improve the customer experience.

Project and Structured Finance

In 2024, BSF executed project and structured financing aimed at accelerating a range of renewable energy and solar initiatives that align with Saudi Vision 2030 objectives for cleaner, more diversified sources of energy.

PIF 4 (Haden, Muwayh & Al Khushaybi PV IPP):
Acwa Power, Badeel (PIF subsidiary), and Saudi Aramco Power Company (Saudi Aramco subsidiary) will deliver a total capacity of 5.5 GW. The scheme is split into three projects – 2GW Haden (in Makkah), 2GW Muwayh (in Makkah), and 1.5 GW Al Khushaybi (in Qassim). These projects mark a significant milestone in Saudi Arabia's renewable energy journey and align with the National Renewable Energy Program (NREP) and PIF's commitment to develop 70% of Saudi Arabia's renewable energy target capacity by 2030.

Juranah Independent Strategic Water Reservoir Project:
This first-of-its-kind project in Saudi Arabia (in Makkah region of Saudi Arabia) is being developed with private sector participation through a consortium consisting of Saudi based Vision International Investment Company, Abu Dhabi National Energy Company and Gulf Investment Corporation and is being procured by Saudi Water Partnership Company. The strategic tanks will have a total storage capacity of 2,000,000 m^3, with additional operational tanks of 500,000 m^3 to support the potable water distribution system. The project's primary objective is to meet emergency municipal water demand across the Kingdom and address peak demand in Makkah region.

Innovative Water Transportation Development Company:
The project represents a pioneering initiative in the region, involving the development of a 150-kilometer independent water transmission pipeline through a public-private partnership. The infrastructure is designed to convey up to 500,000 cubic meters per day of potable water between Rayis, in the Madinah region, and Rabigh, in the Makkah region. The system will be equipped with bidirectional transmission capabilities, allowing water to be supplied in either direction as operational needs require.

Enabling the Growth of Micro, Small and Medium Enterprises

The burgeoning number of micro, small, and medium (MSME) enterprises in Saudi Arabia is driving a groundswell of economic growth. In line with Vision 2030 ambitions, BSF is focused on supporting and enabling the development of this sector. In addition to innovating products and services tailored to both lending and non-lending clients, we are also targeting the supply chain of large corporates, enhancing cross-selling activities with Treasury, Trade Finance, and Liquidity Cash Management, and growing SME financing by leveraging government programs and initiatives in alignment with Vision 2030.

In 2024, we activated a joint financing agreement with SME bank aimed at helping MSMEs bridge the financing gap by existing the BSF infrastructure, processes, systems and customer base. We also activated the REDF – Tatweer Guarantee Program, and further developed our business with the Kafalah program, which supports financing in the MSME sector by educating all corporate employees about the program through a series of workshops, as well as updating the new Kafalah portal. BSF also supported the BIBAN24 forum, which is focused on fostering the entrepreneurial sector and providing innovative financial solutions for Small and Medium Enterprises (SMEs), as a contributing partner. On the sidelines of BIBAN24 forum, BSF signed a new collaboration agreement with Monsha'at, encompassing three programs: the Franchise program, ECommerce, and Tumoh.

To expand our MSME portfolio, in 2024 we developed MSME programs for large corporate groups' suppliers aimed at providing MSMEs with funding in the supply chain and transportation industries. For this purpose, BSF Signed Collaboration agreement with AlTurki Group and TAMER Group during BIBAN 2024 Forum which aims to create valuable opportunities for its subsidiaries that are seeking financing solutions. And in a further step towards broadening the scope of our MSME portfolio, BSF also signed collaboration agreements with SIDF to support MSMEs working in Industrial services, Energy, mining, Manufacturing and Logistics by providing Facility Guarantees covering a percentage of the Borrower exposure with the Bank, and with the Cultural Development Fund (CDF) to support corporates working in the cultural sector by providing a guarantee cover up to 90% of the provided facility by the Bank.

Driving financial awareness and providing financial education for MSMEs remains central to our mission, and in 2024 we signed an MOU with Madinah Chamber to support these goals through the provision of regular workshops through BSF on financing products and solutions for MSMEs. Throughout the year, we also organized a series of awareness workshops in partnership with Monsha'at across various cities, including Riyadh, Khobar, Jeddah, and Madinah.

These workshops targeted diverse sectors and events such as Tourism Week, Retail Week, and Franchise Week. These included a client workshop in partnership with Silver Lining Co. and the Tomouh Team (Monsha'at) to educate the clients to set financial goals and create an action plan to achieve it. The Bank also played a role in the Financial Management Camp in collaboration with Monsha'at in Riyadh, and our MSME team also participated in the Electronic Applications Exhibition 2024, working alongside SME Bank, and engaged in the campaign titled "You Finance in Two Days," in collaboration with the Eastern Chamber and SME Bank whilst other initiatives were conducted during BIBAN24.

MSME Products and Services

We make all products and services offered by Corporate Banking for lending and non-lending clients available to MSMEs, including short- and long-term loans for working capital and CAPEX financing along with trade finance products such as letters of credit and letters of guarantee, and liability products. Other offerings include:

- Point-of-sale (POS) Tawarroq financing product
- SMEs guarantee program "Kafalah" to support financing of MSME sector
- Franchise financing in collaboration with Monsha'at
- Co-financing products in collaboration with SME Bank
- Financing solutions in collaboration with SIDF to support MSMEs working in Industrial services, Energy, mining, Manufacturing and Logistics
- Financing solutions offered in collaboration with EXIM to support non-oil Saudi Products and Services exports activities

Looking ahead, BSF is committed to continuing to support and develop the Micro, Small and Medium enterprises sector (MSMEs) to improve their contribution to GDP in line with the target of Kingdom of Saudi Arabia Vision 2030. In addition to enhancing our position with Monsha'at, Kafalah and SME Bank, we aim to grow SME financing by Leveraging government programs & initiatives related to the Vision 2030, expand our portfolio through program lending and value chain financing, and develop partnerships with third-party / FinTechs to help us encourage the uptake of digital solutions among MSMEs and deliver the latest technology to enhance the credit approval process and provide a better customer experience.

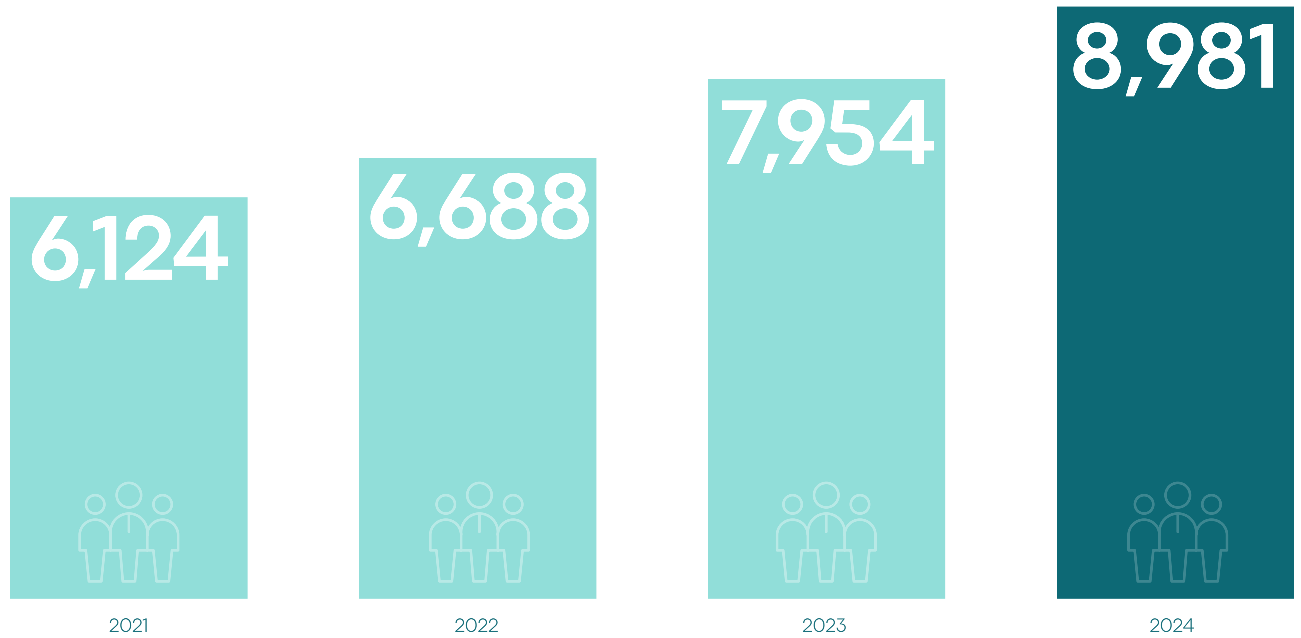
Key Performance Indicators (KPIs)	Units	2022	2023	2024
Number of MSME customers *	Number	2,163	2,448	2,479
Value of financing portfolio for SMEs	SAR Million	11,480	11,921	11,875
Number of outstanding loans qualified to programs designed to promote small business and community development	Number	155	203	210
Value of outstanding loans qualified to programs designed to promote small business and community development	SAR Million	420	578	508
Total value** of wholesale banking Total Assets	SAR Million	122,841	136,409	153,956
Micro	SAR Million	140	26	17
Small	SAR Million	2,568	2,194	1,619 ***
Medium	SAR Million	8,772	9,702	10,248
Commercial	SAR Million	111,361	124,487	142,072

*MSMEs managed by Wholesale Banking Group.

** Spot balance.

*** The decrease is due to reclassification between the Small and Medium categories. Based on SME criteria, certain entities were reclassified from Small to Medium.

Total Number of Wholesale Banking Customers



Personal Banking

Enabling customers to achieve their personal financial objectives by ensuring they have access to products and services designed for the fast-moving demands of today's lifestyles is another way we are facilitating sustainable development within Saudi Arabia.

BSF's Personal Banking Group offers a range of agile retail solutions to facilitate our clients' personal financial management at every stage of life. Thanks to new product launches, consistent delivery of quality service, and strong partnerships, we continued to record an increase in the number of personal banking customers in 2024 and a commensurate increase in the total value of our personal banking systems. As with prior years, this growth was also driven by ongoing demand for personal loans, access to mortgage products, and faster turnarounds for credit decisions.

BSF's Personal Banking Group offers a range of agile retail solutions to facilitate our clients' personal financial management at every stage of life

Spurred on by this demand, we continued to enhance our personal banking services throughout 2024 through a range of initiatives designed to further improve and refine customer service, customer experience, and the shift towards digital banking, including the roll-out of a new mobile app. Our primary performance KPIs for the year included improving branch audit ratings, increasing the percentage of account opened online at each branch using links provided by branch staff, eliminating cases of "No Accounts Opened with Insufficient Documentation," reducing teller transaction cycle times, reducing wait times for customers in branch lobbies, updating each branch P&P, and solving customer complaints with the approved Turnaround Times (TAT).

BSF Personal Banking Products & Services

Home Ownership through BSF mortgage products subsidized by the Kingdom's Real Estate Development Fund, which strives to increase the percentage of Saudi families owning houses to 70% by 2030.

Remittance services that enable customers to instantly transfer money to family members via Western Union, facilitating a range of positive socio-economic impacts in developing countries, including settling expenses, increasing disposable income, building assets, increasing access to healthcare and insurance, increasing access to education, and improving quality of life.

Electronic Payments via a range of BSF debit, credit, and prepaid cards that enable a cashless society, supporting the Saudi Vision 2030 objective of increasing the share of non-cash transactions to 70% by 2025.

Payroll Cards that allow under-served individuals to receive their salaries and conduct purchases using a secure payment method rather than cash.

Enabling BSF customers to contribute to meaningful social causes by redeeming loyalty points for charitable purposes via partnerships established by the Bank.

BSF in Action

Assessing Propensity for Customer Product Uptake

By targeting the right people with the right offers and communications, we can better deliver the products and services catered to our customers need – and increase our conversion rate by improving the propensity of a customer to take a product. In 2024 we developed a propensity model to help drive this effort, particularly with low-engagement customers. The model monitors transactions to see whether a low-engagement customer may have financial holdings or existing loans elsewhere, enabling us to offer them targeted services and solutions tailored to meet their needs.

BSF in Action

Strategic Collaboration to Promote Sustainable Housing

In line with Saudi Vision 2030 and our commitment to advancing sustainable housing solutions, BSF signed a Memorandum of Understanding (MoU) with the National Housing Company (NHC) to support the Sustainable Building Program (Mustadam). The agreement aims to provide a range of services that contribute to the sustainability of residential units, supporting the Kingdom's broader environmental and development goals. The MoU was signed during the Cityscape Global Exhibition 2024, reflecting our shared ambition to promote responsible development and environmentally conscious housing.

Islamic Banking

BSF's deeply rooted Shariah values are at the heart of our commitment to environmental responsibility, social impact, and responsible governance practices (ESG). In accordance with Shariah principles and under the guidance of BSF's Shariah Committee, all late payment charges associated with our Islamic banking transactions are collected into a Charity Account. The Committee supervises the Charity Account, disbursing the funds to directly support charitable programs in a Shariah-compliant manner.

Shariah Committee is supervising the charity account to ensure spending the funds of this account according to the correct Shariah compliant manners.

In alignment with BSF's mission to become the most modern, innovative, and experience-focused bank in the region, the Shariah Affairs Division achieved several key milestones in 2024 by strengthening Shariah compliance practices and enhancing collaboration with stakeholders and product owners.

Number of loyalty points donated to charity

2021	87,481,000
2022	66,915,000
2023	81,665,000
2024	58,239,000

Total value of loyalty points donated to charity (SAR)

2021	874,810
2022	669,150
2023	816,650
2024	582,390

In 2024 we observed a decrease in charitable donations made via personal banking customers as donors shifted their focus to the Ehsan Platform in addition the expansion of JANA redemptions options.

Total number of Personal Banking customers

2021	1,141,774
2022	1,165,338
2023	1,297,278
2024	1,345,492

Total value of Personal banking loan portfolio (SAR)

2021	33,005,000
2022	37,047,000
2023	42,324,626
2024	50,971,106

A major challenge faced by Shariah Affairs Division was ensuring consistent awareness of the differences between Islamic and conventional banking products across all departments—an essential regulatory requirement for Islamic windows operating within conventional banks.

To address this, Shariah Affairs Division implemented a structured internal awareness messages and training:

1. Awareness messages have been implemented by Shariah Affairs Division and shared through internal communications to identify the following:
    a. Definition of the product
    b. How it works
    c. Essential differences between Islamic product(s) and similar in conventional
    d. Risk of not complying with Shariah while executing the transaction(s)
2. Verbal explanation provided to the stakeholder(s) to explain the correct process
3. Islamic banking training video has been developed/implemented in coordination with L&D team during 2024 that will be conducted to all BSF staff along with stakeholders during 2025.

In line with Saudi Arabia's Vision 2030 Islamic Banking Strategy, Shariah Affairs Division has outlined key priorities to support the national goal of positioning the Kingdom as a global benchmark for Islamic finance. These include:

- Strengthening Shariah compliance processes before and after product launch, including documentation, accounting treatment, and periodic assessments of executed transactions
- Expanding Islamic banking training through online platforms, in-person sessions, and targeted awareness communications
- Collaborating with stakeholders to design and implement new Islamic asset and liability products
- Increasing the share of Islamic banking transactions across the Bank through strong internal coordination and process integration.

These ongoing efforts position Shariah Affairs Division to continue leading BSF's Shariah governance practices and support the long-term development of Islamic finance in Saudi Arabia.

Shariah Compliance

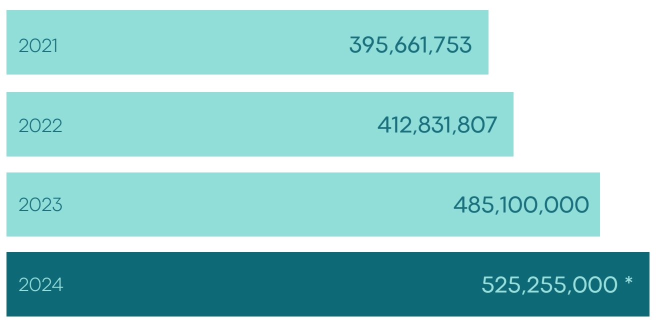
The Shariah Committee has set forth clear Shariah Product Guidance to ensure the launch of any new product or service complies fully with SAMA regulations and also with Shariah principles. New products and services are also formally reviewed and approved by the Shariah Committee prior to launch.

The Committee also oversees internal Shariah audits and monitors compliance across all relevant activities. In cases of non-compliance, it approves corrective action plans and ensures timely implementation. It is responsible for the proper review and purification of income not aligned with Shariah, including funds from late payment charges. These are allocated to a supervised charity account.

In addition, the Committee reviews and approves all Shariah-compliant credit product policies, responds to inquiries from the Islamic Banking Division, and supports the development and continuous improvement of Islamic banking operations. To maintain high governance standards, Committee members participate in relevant training and stay updated on developments in Islamic finance.

BSF also uses the proportional method followed by the financial sector for calculating ZATCA follows ZATCA laws and regulations, as well as all ZATCA laws and regulations, including tax by-laws and guidelines.

Zakat Payment (SAR)



* The increase in Zakat liability for FY2024 is due to a rise in net profit, zakatable assets (such as short-term investments and deposits), and sources of funds (including equity and long-term liabilities).

Islamic Banking Governance

Sharia Committee Oversight:
Four committee meetings were held in 2024, resulting in 42 resolutions to support Shariah-compliant product development.

BSF maintains a strong supervisory framework to ensure full compliance with Shariah principles across its Islamic banking operations. This includes several oversight mechanisms designed to uphold integrity and regulatory alignment:

- **Internal Audit** to assess compliance with internal controls and policies.
- **Shariah Audit** to verify that all activities conform to Shariah rulings.
- **Shariah Compliance Function** for continuous monitoring and guidance.
- **Non-Shariah Compliance Risk Controls** to prevent and mitigate potential breaches.

In addition to ongoing supervision, BSF follows a standardized process prior to launching any new Islamic product or service. This process includes a comprehensive review of the product's structure, its alignment with Shariah Product Guidance, and associated security documents. The proposed materials are then submitted to the Shariah Committee for formal approval. Any feedback or observations from the Committee are communicated to the relevant product owners, who are responsible for implementing the necessary revisions before final approval is granted.

To ensure ongoing Shariah compliance across all business segments, BSF's Shariah Affairs Division prepares periodic Shariah Compliance Reports in accordance with regulatory requirements. In the event of a non-compliant transaction, a structured process is followed to ensure accountability and corrective action. The transaction is first documented in the compliance report and shared with the relevant business line for feedback. The report is then submitted to the BSF Shariah Committee, which provides formal guidance and outlines necessary corrective measures. This feedback is communicated back to the business unit for prompt implementation. Additionally, Shariah Affairs Division prepares a detailed summary of the identified risks and recommended mitigations, which are submitted to the Operational Risk team for further follow-up. This process reinforces BSF's commitment to maintaining the integrity of Islamic banking practices and strengthening its Shariah governance framework.

BSF ensures that all Islamic finance activities are fully compliant with Shariah principles, under the supervision of the Shariah Committee. Profits from Islamic transactions are derived from Shariah-compliant structures such as Murabaha and Tawarruq, which involve the buying and selling of approved commodities. Profit rates are fixed and agreed upon with the customer from the outset, ensuring full transparency.

In line with Islamic banking standards, BSF does not use conventional lending terminology. Instead, customers are financed through Islamic contracts such as Murabaha and Tawarruq, where financing is provided based on a cost-plus-profit model.

Investment products are also structured to comply with Shariah principles. BSF offers the following type of Shariah-compliant investment structures:

- **Murabaha Investment:** A reverse Murabaha structure where the Bank purchases commodities on behalf of the customer and sells them at an agreed markup. The profit is fixed from day one and paid with the principal at maturity.

The Murabaha Investment undergo rigorous screening and are executed using approved Agreement/contracts, ensuring end-to-end Shariah compliance in line with regulatory and religious standards.

BSF offers specialized training to employees on Islamic finance principles through professional certification programs. One such offering is the **Certified Islamic Banker in Trade Finance**, which equips participants with in-depth knowledge of Shariah-compliant banking practices, particularly in the area of trade finance. These programs are part of BSF's broader commitment to professional development and ensuring that employees are well-versed in ethical and compliant financial services aligned with Islamic banking standards.

> **These programs are part of BSF's broader commitment to professional development and ensuring that employees are well-versed in ethical and compliant financial services aligned with Islamic banking standards.**

Sustainable Finance

BSF is committed to enhancing our investment and lending practices via a sustainable finance framework that incorporates ESG considerations into our investing and lending decisions, and via the expansion of our ESG-related product and service offerings.

As a matter of good business, we also prioritize adherence to local regulations related to environmental protection, human rights, and other ESG-related issues.

ESG in Lending and Investment

BSF's investment universe is limited to issuers with an investment grade credit rating, as defined by internationally recognized rating agencies (e.g., S&P, Moody's, or Fitch), ensuring we maintain a prudent risk profile across our portfolio, and the majority of our fixed income investments fall within the AA- to A- rating range.

As part of our contribution to the vitality of Saudi Arabia, we aim for sustainable financial growth in the bank's assets and to apply ESG criteria screening in both our funding and investments activities, including the integration of ESG screening into our latest investment policy review.

Our Treasury and Investment teams have started to include ESG sector analysis as part of our investment opportunity analysis, along with incorporating ESG rating considerations into the Bank's investment due diligence processes where applicable.

Embedding ESG in BSF's Issuances

BSF is continuing to integrate ESG considerations into our own issuances, including in BSF's debt capital market programs such as the senior unsecured MTN program and the senior unsecured International Sukuk program. We also take into account third-party frameworks such as ESG ratings agency methodologies.

BSF in Action

Powering KSA's Renewable Energy Program

BSF recognizes that solar energy is the key driver to Saudi Arabia's renewable energy ambitions, and in April 2024 we implemented limits totaling SR 750 MM towards the project financing of a Power Consortium. The limits support an SR 5.52bn renewable energy infrastructure project comprising a 2,000 MW greenfield solar farm near Ar-Rass city. The project was procured under the Saudi government's PIF Round 3 renewable energy program.

BSF in Action

Enabling KSA's National Water Strategy

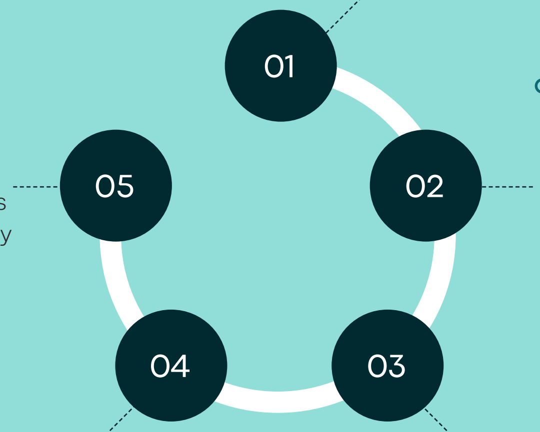
Developing and improving the efficiency of desalinated water transmission systems via pipelines, pumping stations, and storage facilities is a key part of the Saudi Vision 2030. To facilitate private sector involvement in this process, in 2024 BSF implemented limits totaling SR 857 MM to support the financing needs of the Independent Water Transmission Pipeline (IWTP) water project. Currently in the construction phase, the project is expected to be completed in 2026 and will be followed by a 35-year contract. Upon completion, this critical infrastructure project is expected to improve water management and distribution efficiency, reduce water loss, and further enhance local resilience to climate change impacts.

Responsible Procurement

Our approach to sourcing and procurement is rooted in transparency, ethical business practices and sustainability. These principles are encapsulated in BSF's Procurement Policy and outlined in our procurement manual, which sets forth strategic, tactical, and operational processes for managing supplier relationships and engagement.

Our supplier selection process is based upon the technical evaluation of prospective vendors in association with the scope of services required and their recent work with BSF. In addition to complying with all SAMA regulations, all vendors must formally agree to comply with BSF's Supplier Code of Conduct. This is mandatory for any company registering with the Bank, and all suppliers receive a copy of the Code as part of the registration process. Suppliers must also disclose any affiliation with related parties to avoid potential conflicts of interest.

BSF's Procurement Process



01. Vendor Assessment: Suppliers are evaluated based on financial, operational, compliance, and other factors that ensure the vendor's reliability and sustainability.

02. Local Supplier Development: Aligned with Saudi Vision 2030, Procurement prioritizes qualified local suppliers and SMEs to support local content, economic diversification, and supply chain resilience.

03. Lifecycle Costing Approach: Procurement decisions incorporate total cost of ownership and long-term impact, promoting sustainable sourcing that balances quality, efficiency, and environmental impact.

04. Transparency through Digitalization: Digital procurement tools and capabilities have been implemented to ensure traceability, reduce waste, and support fair and transparent sourcing decisions.

05. Internal Capacity & Awareness: The Procurement team continuously builds knowledge and awareness of sustainability principles, ensuring these considerations are integrated into day-to-day procurement activities and supplier engagement.

Growing Our Local Supplier Base

BSF's Procurement policy focuses on providing fair and transparent competition in a way that allows as many vendors as possible to participate and win several deals. In 2024 this approach helped to drive further growth in the number of vendors used by BSF. While the policy does not currently specify practices for promoting local suppliers, BSF also makes every effort to give preference to local suppliers as the first option when they meet all technical and financial requirements.

27.9%

increase in the total number of local suppliers used by BSF in 2024, rising from 419 in 2023 to 536.

In 2024 the increase in total procurement spending on local suppliers was driven by technology and rebranding through BSF's Rebranding Transformation Program, as well as ongoing spending associated with implementing a new Core Banking system.

Improving Procurement Performance

Throughout 2024 we focused on refining internal practices, building capabilities, and cultivating strategic supplier relationships to drive sustainable value to the Bank. Our primary KPIs for the year centered on enhancing the customer experience by improving procurement service quality and increased internal stakeholder satisfaction. While we continued to balance regulatory compliance and mandate changes on topics like data privacy, third-party management, and outsourcing with the need to meet client expectations, we made notable progress across most areas of performance.

In 2024 we successfully increased internal customer satisfaction from 21 points to 34 points during the year by strengthening the procurement team's role as a trusted partner to internal customers and vendors.

Leadership, Strategic & Operational Alignment:
We refined and implemented leadership, strategic, tactical, operational, and enabling processes to drive clarity, accountability and performance across the Procurement division.

Support for Digital Transformation:
We actively supported BSF's digital transformation efforts with the implementation of smarter procurement tools and analytics to improve process efficiency, decision-making speed, and overall service levels.

Vendor Management & Assessment:
To bolster resilience and build more sustainable supplier relationships, we strengthened our vendor management framework via the addition of more structured financial, social, and environmental assessments – resulting in improved cost control and risk mitigation.

Team Development & Knowledge Investment:
We made significant investments in upskilling the Procurement team through training programs and initiatives focused on raising knowledge and experience levels across all roles – resulting in a more agile, capable workforce better equipped to adapt and respond to evolving procurement demands.

We also began providing a list of courses and professional accreditations to our employees to enhance employee knowledge and awareness on the importance of vendor/supplier relationships, such as Certified International Supply Chain Professional (CISCP) and Introduction to Procurement & Category Management.

Procurement practices	Unit	2021	2022	2023	2024
Total procurement spending on local suppliers	SAR	720,214,504	977,107,018	968,308,712	1,228,560,476*
Total procurement spending	SAR	765,829,715	1,149,503,135	1,216,261,952	1,413,651,767**
Percentage of spending on local suppliers (%)	Percentage	94.04	85.0	80.0***	86.91
Total number of suppliers engaged	Number	560	246	518	691
Total number of local suppliers engaged	Number	430	196	419	536
Percentage of suppliers that have formally certified their compliance with BSF's Supplier Code of Conduct	Percentage	100	100	100	100
Number of suppliers blacklisted	Number	8	6	8	6

*This significant increase was driven from the bank Rebranding Transformation Program
**The bank spending overall increased due to the ongoing strategical transformation mainly in technology & rebranding
***The local supplier spending percentage was revised and restated for accuracy.

BSF ESG Report 2024

Serving Our Clients

Empowering every generation to achieve financial prosperity is BSF's driving purpose. We use our role as one of Saudi Arabia's leading financial institutions to deliver the products, services, resources, and programs clients need to achieve their objectives at every stage of the personal and business financial journey.

Material Topics →

- Responsible Customer Relations and Satisfaction
- Digitalization
- Financial Inclusion and Accessibility

Saudi Vision 2030 Alignment →

- A Vibrant Society
- A Thriving Economy

UN SDG Alignment →

Key highlights →

ISO 10002
certification renewed for Quality Management Guidelines for Complaints Handling in Organizations; and ISO 10004 – Quality Management Customer Satisfaction Guidelines for Monitoring and Measuring

Achieved
our KPI targets for Customer Satisfaction, Quality of Response, SLA Performance, and Conduct

Engaging with Customers

Strong, lasting customer relationships are built on trust, transparency, and engagement, and we place a premium on supporting and engaging clients through every step of their journey with us.

BSF's Customer Care Group (CCG) leads this journey, ensuring the Bank effectively anticipates, meets – and exceeds – customer needs and expectations by upholding world-class standards of service, communication, and consumer protection. The CCG is an independent group reporting directly to the Bank's CEO. It encompasses a quality assurance division focused on reviewing customer complaints handling, and an awareness and credit advisory division responsible for awareness campaigns and credit consultations.

The Group is guided by our Customer Care Policy and manual, which formalize our customer care commitment with clear guidance for managing customer relationships, including the fair and honest treatment of customers and the oversight, process, and timely handling of complaints. The Group's responsibilities, duties, and activities are reviewed by other internal and independent parties on a regular basis, including SAMA/Saudi Central Bank, Internal Audit Management, Compliance Management, and Risk Management.

To further foster customer care and ensure adherence to Consumer Protection Principles within the Bank, the Customer Care Group also serves as an independent reviewer as part of BSF's pre-implementation process for SOPs, and new products and services.

In 2024, the CCG successfully renewed BSF's ISO 10002 certification for Quality Management Guidelines for Complaints Handling in Organizations; and ISO 10004 – Quality Management Customer Satisfaction Guidelines for Monitoring and Measuring. These cover the full complaints handling process, from receipt, logging, classification, investigation, response, resolution, to closure. It applies to:

- All customer-facing channels (branches, call center, digital platforms).
- The Complaint Management System.
- Documentation, response timelines, escalation process, and reporting.
- ISO 10004:2018 focuses on the mechanisms for measuring and analyzing customer satisfaction.

Both standards are mandated by SAMA and require the successful completion of an external audit and surveillance process.

Key Customer Care Policies

- Customer Care Policy
- Customer Satisfaction Policy
- Consumer Protection and Complaints Policy

BSF ESG Report 2024

Monitoring the Quality of Customer Care

The CCG regularly reports to the Bank's senior management and to SAMA using the following KPIs:

- Total number of complaints received
- Top five root causes of complaints
- Status of complaints
- Status of corrective actions plans

To enable the oversight of client complaints, the Customer Care Group provides quarterly Board reports on our customer care KPI results, service-level agreement (SLA) performance for business lines, support, and control functions, common complaints received during the reporting period, and consumer protection challenges and mechanisms for addressing them.

Building a Better Customer Experience

Emerging technology and the pace of modern business and life means the customer experience is constantly evolving. BSF's Customer Experience Division is solely dedicated to making sure the quality and scope of our customer service and support keeps pace with changing needs and expectations. Guided by our Customer Satisfaction Policy and frameworks, the division monitors the quality of customer experience operations by tracking pain points, inconsistencies, and progress towards experience improvement targets and our Net Promoter Scores – a key indicator of customer loyalty. These insights help to inform customers of experience improvement initiatives throughout the year.

In 2024 we accelerated improvements to BSF's customer experience by embarking on a major upgrade to all Customer Care digital channels. Aimed at improving customer satisfaction and loyalty with faster, more personal service, the upgrade will bring all customer interaction touchpoints into a unified, seamless experience through the deployment of a Microsoft Dynamics Sales Customer Relationship Management (CRM) platform (VeriTouch). Key outcomes of the upgrade include better insight into customers' experience via 360-degree views of customers' history and interactions, enhanced our SLA and regulatory compliance through automated workflows and escalations, robust reporting and analytics to help us identify pain points and recurring issues plus recognize emerging trends, and the opportunity to provide customers with targeted, personalized offers.

In 2024 we achieved and we continued to exceed our KPI targets for Customer Satisfaction, Quality of Response, SLA Performance, and Conduct.

To help BSF deliver high-quality customer experience, all customer-facing employees can take part in a range of training courses through the BSF Academy including selling skills, customer service, customer engagement, relationship management, customer satisfaction, and handling complaints.

Keeping Customers Engaged

Transparent communication and two-way engagement are the heart of our customer relationships. Working from the principle that an informed customer is an empowered customer, we take a multi-layered approach to keeping customers educated, updated, and engaged with BSF – and with their own financial management. In addition to ensuring customers understand how to share feedback, ask questions, seek information, or share a complaint or compliment, we strive to deliver clear, consistent communication about all changes and updates that may affect customers at the Bank or across our industry.

The Customer Care Group also deploys a year-round program of customer financial education and awareness across our primary out-facing engagement channels including BSF's website, ATM screens, social media, and social applications focused on topics such as consumer protection principles, financial products, services, and associated risks, saving, fraud, and financial planning.

In accordance with BSF's Consumer Protection Policy we are committed to providing transparency in the market regarding the annual percentage rate/equivalent annual rate for various products offered by finance companies to customers. This enables individuals and micro and small enterprises to compare rates between the financing and savings products offered to them by financing companies.

How We Handle Client Concerns

BSF's Customer Care Policy outlines our commitment to swiftly responding to client concerns. All complaints are handled via the CCG's Quality Assurance function using the Bank's Complaints Management System, which establishes reporting controls and mechanisms consistently, methodically responding to complaints and offers a holistic view of our complaint management performance with data-driven insights on notifications, turnaround times, resolution validation, follow-ups, escalation, and reporting.

Quality Assurance also conducts root cause analysis investigations on significant complaints and regularly reviews the way client complaints are addressed. Similar reviews are routinely conducted by SAMA, as well as the Bank's Compliance, Internal Audit, and Risk Management divisions.

Our average response rate for Wholesale Banking client complaints decreased drastically as a result of improvements implemented in 2023, such as the addition of more Wholesale Banking controls.

nearly **98%**

of complaints received in 2024 were resolved during the same period.

Customer Satisfaction

Customer satisfaction is the ultimate driver of our long-term success, and continuously meeting or exceeding customer expectations is part of BSF's foundational business commitment. Our customer-centric approach embeds the voice of the customer into our operational model with the aim of fostering loyalty and building lasting partnerships.

To accomplish this, we proactively engage customers via surveys, site visits, and direct communications that ensure they are heard and understood. As part of this process, we actively monitor and respond to customer complaints and feedback to ensure timely resolution and to address any root cause concerns. Regular employee education and training on customer service and relationship management underscores this approach, and all customer-facing employees must complete BSF's ACEs Program: Leading Change towards Customer-Centric Culture. We also measure and track customer satisfaction through a range of metrics including social media sentiment analysis, call monitoring, and data reviews that feed into our operational and strategic decision-making processes.

BSF's Net Promoter Score (NPS) is the single biggest measure of customer satisfaction and the primary indicator by which we evaluate and drive improvements to our performance.

Client Complaint Management	Unit	2021	2022	2023	2024
Total number of complaints received	Number	27,650	30,229	34,458	66,490*
Personal Banking	Number	27,516	30,065	34,345	66,344
Wholesale Banking	Number	134	164	113	146
Total number of complaints resolved	Number	26,666	29,306	33,652	65,035
Personal Banking	Number	26,531	29,147	33,540	64,889
Wholesale Banking	Number	133	159	112	146
Average response rate for client complaints – Personal	Number of Working days	2.29	2.41	2.07	2.95
Average response rate for client complaints – wholesale	Number of Working days	3.17	5.98	4	2.94

* Increase is due to the release of BSF core banking system and the new regulation related to traffic violation.

Our overarching goal is to drive year-on-year improvement across all indicators. Our customers satisfaction KPIs include:

- Achieving and maintaining high CSAT and NPS benchmarks each year
- Reducing customer effort (CES) by streamlining processes and improving service interfaces
- Ensuring timely resolution of customer complaints with a goal of resolving the majority of them within a defined service-level agreement (SLA)

NPS – BSF

NPS – BSF (2023)	NPS – BSF (2024)
73.3	69.4

BSF Customer Satisfaction (Net Promoter Score)	Unit	2021	2022	2023	2024
Personal - branch	Percentage	77.3	80.8	84.9	83.6
Personal– priority customers	Percentage	36.5	34.2	45.1	35.7
Personal– direct sales	Percentage	69.6	79.8	84.3	83.5
Corporate/ Institutional	Percentage	64.3	53.8	61.1	79

Target	≥85%	≥97%	≥95%	≤5%
KPI	Customer Satisfaction[1]	Quality of response[2]	SLA Performance[3]	Conduct[4]
Q1	88.06%	99.96%	98.76%	0.11%
Q2	86.40%	99.97%	96.07%	0.07%
Q3	90.37%	99.99%	95.35%	0.01%
Q4	87.15%	99.97%	97.33%	0.05%

1 – Based on percent of complaint resolutions accepted by customers
2 – Based on percent of escalations due to number of bouncing times (reopening of same complaint by CCG)
3 – Based on percent of service-level agreement (SLA) adherence during complaints life cycle
4 – Based on percent of resolutions rejected by CCG and the complaint closed in the customer's favor

Communicating with Transparency

BSF strives to empower customers to make informed decisions by providing them with transparent, fair, and accurate advertising and communication about our products and services. To accomplish this, we help customers understand the implications of their financial choices using clear, accessible language in all marketing materials and disclosures regarding the features, benefits, terms, and conditions of our products and services.

The Bank also has internal policies and procedures in place to ensure our full compliance with SAMA and other regulations. These include guidelines for advertising content, review processes, and mechanisms for addressing customers. All campaign criteria, including campaign period, product pricing, terms, and conditions are reviewed by the Bank's legal and compliance divisions for transparency and compliance. Campaign rollouts are well-communicated in advance across our branches, contact center, and sales teams with training provided to employees as necessary.

In 2024 we introduced a new **Customer Value Management** unit to monitor customer engagement within the Bank, including closely monitoring all campaigns and retail releases to manage response and engagement rates. Insight from these daily reports directly informs us how we manage communications and marketing activities and approaches, driving continuous improvement in our capacity to support customers with clear, easily understandable communications.

BSF in Action

Rebranding with a Purpose

In May 2024, BSF revealed its new brand, that emphasizes the evolution of our identity and commitment to empowering every generation to achieve financial prosperity through our products, services, resources and offering unified system that extends across physical and digital realms.

With its new tagline Make Your Mark, and curated assets and services and its continuous empowerment to cultural values; BSF became the definition of the ultimate banking experience where all your needs are met meticulously and perfectly.

Advancing Financial Inclusion and Literacy

Advancing long-term financial empowerment across a wide spectrum of customers is central to BSF's CSR strategy and the social and economic development ambitions of Saudi's Vision 2030.

We are working to ensure everyone can be part of the formal banking system by reducing the financial gap through financial literacy, youth empowerment, local partnerships, and digital innovation aimed at engaging underserved communities with limited or no access to essential financial services, including individuals in remote areas, with low income, and/or with limited financial literacy.

Improving Financial Education and Awareness

Financial education is a key component of BSF's efforts to promote financial inclusion. In 2024 BSF partnered with Udacity, an international learning platform, to launch a large-scale online scholarship program focused on supporting youth, low-income individuals, and under-served communities across Saudi Arabia with financial literacy and personal finance.

The Udacity program provides free access to a dedicated e-learning platform with an inclusive admission process that ensures fair representation from diverse social groups. More than 10,200 participants have benefited from this initiative, which equips them with the knowledge they need to make informed financial decisions about budgeting, financial planning, and money management.

In 2024 we also led a series of awareness campaigns, and in-person workshops focused on essential financial topics such as financial fraud awareness, acceptance of global card networks, saving, and general financial literacy. Aimed at a diverse group of audiences, the programs were designed to enhance the public's financial knowledge, promote responsible money management, and help individuals protect themselves from financial risk. In addition, we have taken an active interest in sponsoring financial forums to support constructive dialogue and promote financial awareness in the community.

During Financial Inclusion Week , BSF ran a targeted campaign designed to engage the general public on the importance of financial inclusion.

Driving Inclusion through Digital Transformation

In 2024 the Bank implemented a comprehensive digital transformation strategy aimed at amplifying financial inclusion and modernizing banking operations. Key initiatives included:

- Making banking services more accessible and user-friendly for all customers with the launch of a next-generation digital banking app featuring biometric authentication and AI-driven insights.
- Expanding our reach to under-served populations by migrating customers to an omnichannel platform that ensures seamless access to financial services across various channels.
- Facilitating better service delivery and operational efficiency through an upgrade to our core banking system and the associated launch of new digital platforms, creating an advanced digital banking ecosystem
- Promoting financial inclusion among diverse customer segments through strategic fintech partnerships and open banking
- Enhancing customer experience and broadening financial inclusivity through the innovation of agile financial products and services designed to serve an even wider customer base
- Further supporting SMEs with access to necessary financial services through the development of an integrated corporate portal that aims to expand trade finance and supply chain solutions

BSF ESG Report 2024

Broadening Pathways to Homeownership

Making homeownership a reality for individuals and families in Saudi Arabia is integral to the low-income housing and broader community development goals of Vision 2030. BSF is helping to broaden pathways to homeownership by providing competitive loans and interest rates in collaboration with key government entities. Through our partnership with the Real Estate Development Fund (REDF) and the Ministry of Municipal and Rural Affairs and Housing, BSF offers several subsidized home financing programs targeting Saudi families with limited income, including:

- Government-backed support for down payments, enabling first-time homebuyers to access home ownership
- Special financing packages with extended tenures and reduced monthly installments to improve affordability

Making Banking Physically Accessible

BSF's approach to financial inclusion encompasses physical access to our branches, products, and services. We strive to ensure appropriate access to all customers in a variety of ways, including:

- Physical access to our facilities via dedicated car parking, ramps, and emergency and evacuation exists commensurate with those needs
- Equipping all ATMs to serve people with special needs
- Audio options for product descriptions and terms and conditions on the BSF website
- Options for opening accounts and completing financial operations online
- Branches located in remote areas so that customers can visit BSF in person to manage their finances
- Offering services for women including dedicated waiting areas and employing women in a growing number of branches to assist with verification processes

BSF in Action

Purple Saturday

From the 30 July to 29 August 2024, BSF hosted a "Purple Saturday" initiative to provide exclusive offers to people with special needs. The Purple Saturday initiative included access to no- or low-cost checking and savings accounts, loans, microinsurance, and other low-cost financial services, including a free signature credit card PL/HL with waived administration fees.

Enabling Low-Income Individuals

In today's mobile, digital world, day-to-day financial transactions are becoming increasingly cash-less. For people who are deemed credit unworthy or who cannot obtain financing due to DBR, bad credit history, or no income, this can make everyday transactions challenging. BSF enables these customers to make normal point of sale and e-commerce purchases and transfers with a range of products and services while rewarding them with Jana points on their transactions.

- Debit Cards
- Pre-paid Cards
- BSF Send (Western Union)
- Household Payroll Cards
- Blue Collar Payroll Cards (LCM related product)
- IPS / SARIE

Engaging the Next Generation

BSF periodically hires interns from local universities and high schools, including female universities, providing students with the opportunity to develop their financial skills by gaining experience across various Bank departments. This initiative aims to foster greater financial inclusion by ensuring all individuals, including those in underserved communities, have the opportunity to build practical financial knowledge.

Banking Network & Transactions	2021	2022	2023	2024
Banking Network (#)				
Number of Branches	85	82	82	81
Number of ATMs	466	460	457	393
Number of KIOSKs	72	80	80	80
Service Centers (Fransi/BSF Connections)	1	2	3	3
Total Points of Sale (includes partnerships with other organizations)	76,159	74,504	27,395	25,693
Non-Financial Transactions				
Branch	632,241	763,457	849,745	466,218
ATM	5,341,025	5,426,496	6,270,430	6,037,887
Kiosk	153,582	147,248	144,113	204,698
Call center	1,269,876	1,552,345	1,605,743	1,996,213
Digital	182,210	173,651	318,374	307,779
Financial Transactions				
Branch	1,659,391	1,627,006	1,557,619	1,674,400
ATM	15,179,065	13,499,130	15,604,605	17,108,046
KIOSK	2,356	11,654	16,728	15,732
Call Centre	200,166	182,735	178,242	149,547
Digital	18,921,871	22,515,726	23,463,648	24,909,331
Financial Inclusion				
Number of ATMs in low populated areas*	4	5	5	5
Number of unique customers with a pre-paid card account	NA	15,247	17,602	17,543

* SAMA defines these low populated, and economy disadvantaged areas (Zone 4) as rural areas which include villages and small towns with a population of less than 100,000

Advancing Financial Inclusion Across the Business Sector

BSF is partnering with government institutions to jointly develop new agreements and programs that facilitate and strengthen banking relationships by offering financial solutions to Saudi Development Funds beneficiaries. These efforts aim to enhance financial inclusion across specific business sectors while supporting Saudi Development Fund targets aligned with Vision 2030.

Active collaboration programs and agreements developed with the Government sectors:

Collaboration Agreement	Scope / Targeted Sectors
Agricultural Development Fund (ADF) Guarantee Program	Imports of Agricultural Supplies & Products
Saudi Export-Import Bank (EXIM) Guarantee Program	Non-Oil Saudi Products & Services
Saudi Industrial Development Fund (SIDF) Guarantee Program	Mining Energy Manufacturing Industrial services & Logistics
Tourism Development Fund (TDF) Master Collaboration	Tourism
Real Estate Development Fund (REDF) – Tatweer Program	Off Plan & Ready Units Residential Project
Cultural Development Fund (CDF) Guarantee Program	16 Cultural sub-sectors
SME Bank Co-Finance Program	To develop a financing program for Construction sectors

Driving Digital Transformation

As Saudi Arabia's digital transformation gathers momentum, the demands of increasingly mobile lifestyles and ways of doing business make the delivery of innovative, agile digital financial products, services and support mission-critical to BSF's long-term sustainability.

To outpace these demands, we have adopted a digital-first strategy that prioritizes the development and deployment of digital financial solutions for retail and wholesale banking clients.

In 2024 we achieved two significant milestones on the Bank's digital transformation pathway:

Open Banking Integration with digital channels, enabling secure and real-time connectivity with third-party financial services providers, allowing customers to view and manage accounts from multiple banks in one place.

A new OMNI digital channel designed to enhance customer accessibility and engagements via a seamless and unified digital banking experience across mobile and web, empowering customers with greater convenience, faster access to services and an intuitive user interface, ultimately supporting more efficient financial management in their daily lives.

We also completed a series of significant digitization initiatives aimed at improving efficiency, broadening accessibility, increasing engagement, and transforming the overall customer experience.

- Integration with multiple service providers including Yaqeen, Masder, and SPL enabled customers to digitally supply the documentation required for lending products and during onboarding
- Adopting digital signatures for promissory via Nafith to increase paperless processes in our lending products
- Enabling customers to manage their account preferences and securely view account balances, transaction details, and personal information in real time through a streamlined digital interface
- Allowing customers to apply for and manage cards and view card details, transactions, and statements digitally including across currencies
- Enabling customers to manage beneficiaries and perform all types of transfers, including local, international, internal, and SADAD services, plus set and control payment limits

Looking ahead, BSF is continuing to accelerate our transition away from manual workflows towards digital platforms, implementing automated, data-driven systems aimed at improving accuracy, optimizing performance, enhancing efficiency, reducing resource consumption, and supporting our long-term sustainability goals.

We are also exploring opportunities with fintech and BaaS partners to drive innovation, strengthen digital security, and develop smart, inclusive solutions tailored to evolving customer needs and emerging markets.

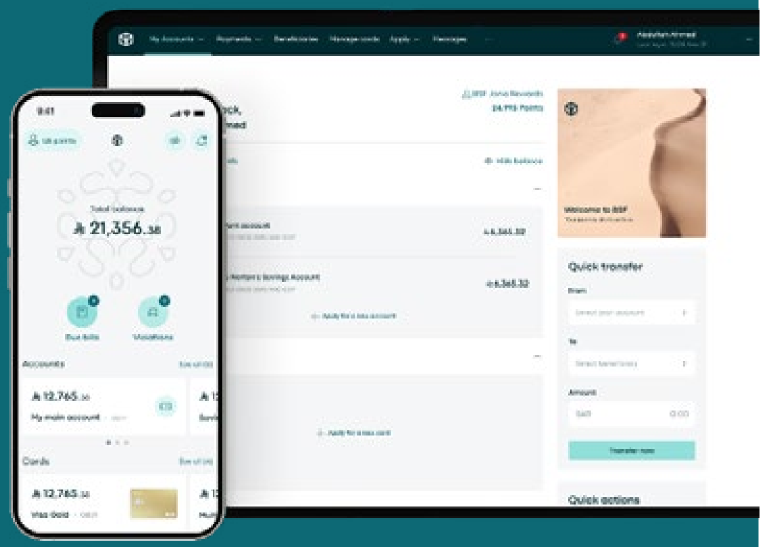
BSF in Action

A New Digital Channel

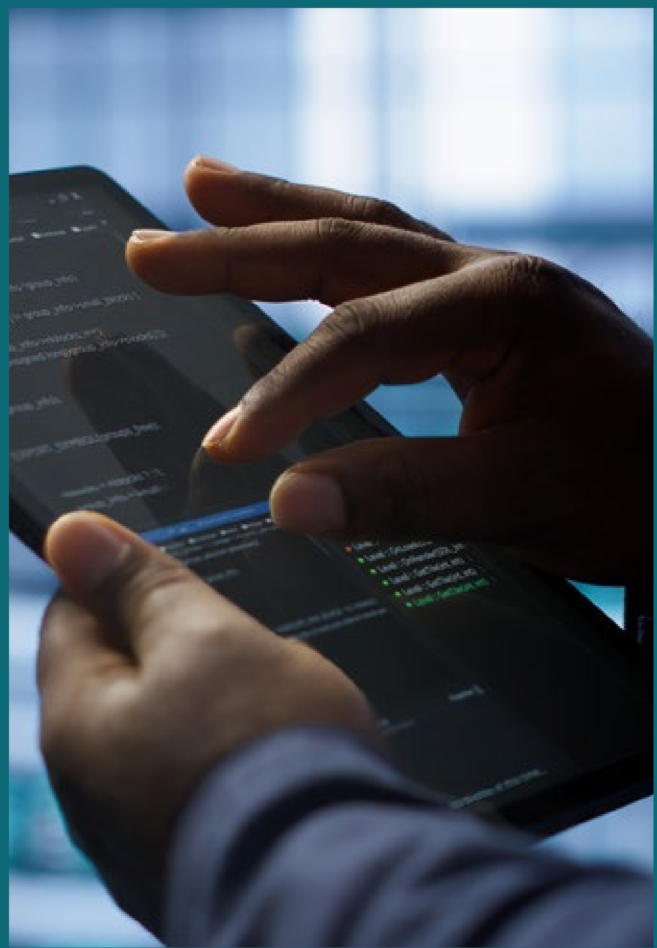
In 2024, BSF undertook a major digital transformation initiative focused on enhancing customer experience by addressing limitations in the Bank's legacy mobile and web platforms, which lacked flexibility and modern features.

To overcome these challenges, we launched a new Omni channel platform which replaced outdated systems with an updated user interface and full integration with backend systems. The upgrade significantly improved customer satisfaction and drove an increased digital adoption of BSF products and services. Future phases of the initiative will focus on continuous enhancements to further enrich the user's experience.

We introduced the new Omni channel at one of the year's most-attended tech events, Leap 2024 in Riyadh. The event was an opportunity to showcase the channel, which provides accessible, seamless banking experiences for BSF customers.



"BSF's digital transformation journey has a long and ambitious road ahead. The foundation of this transformation is building the right foundation, and we believe our new digital channel revamp initiative sets the right foundation for a future of innovation and growth. This is only the beginning: We aim to introduce a multitude of new innovation on the basis of this foundation, aspiring to impact our customers' lives with positive contributions using our core expertise to serve customer needs."



Digitally Enabling Corporate & MSME Customers

BSF continues to provide a range of digital products in 2024 designed to facilitate digital banking for corporate and MSME customers.

- BSF Global – an online banking portal that enables the processing of payments and collections along with reporting and digital banking management services
- Point of Sale (POS) tools to enable on-site payment processing at client locations along with allied services available via online banking channels
- B2B MACUG – direct connectivity between the Bank and customers to avail the banking services offered in BSF Global
- E-Pay service that enables customers to accept card payments via their websites and apps
- Digital payroll processing via online banking channels, including reporting tools to meet regulatory and government requirements
- Virtual Accounts to facilitate the collection of payments, typically from subscribers, consumers, and buyers in a streamlined manner with easy reconciliation against invoices and payment receipts

Digitalization	Unit	2021	2022	2023	2024
Percentage of new and unique customers onboarded digitally	Percentage	61.24%	61.33%	60.87%	67.24%
Number of products offered digitally	Number	1	1	1	1
Number of digitally active unique customers using BSF Online (web-based banking application)*	Number	214,665	195,548	178,043	202,233
Number of digitally active unique customers using BSF Mobile (mobile banking application)*	Number	559,643	547,251	489,356	520,241
Number of online transactions completed (BSF Online)	Number	4,412,294	4,126,780	3,407,506	2,509,340
Number of online transactions completed (BSF Mobile)	Number	14,509,577	18,388,946	20,056,142	22,399,991

* Historical figures have been updated for further accuracy.

Creating a Thriving Workplace

BSF is proud to employ some of Saudi Arabia's most talented people. We strive to enable every person to grow and thrive at every stage of the professional journey by creating a safe, inclusive, and welcoming workplace.

BSF ESG Report 2024

Material Topics →

- Talent Attraction, Retention and Development
- Employee Engagement, Wellbeing and Satisfaction
- Diversity and Inclusion
- Nationalization

Saudi Vision 2030 Alignment →

- A Vibrant Society
- A Thriving Economy

UN SDG Alignment →

Key highlights →

98% of employees received training on all levels

ZERO instances of discrimination reported

75% Employee satisfaction rate

24.4% of female employees

97% of employees received an annual performance review

22.4% of youth employees

92% of full-time Saudi Arabian employees

SAR 8,689.43 invested in training per employee in 2024

14.24 average training hours delivered per employee

BSF ESG Report 2024

Our People

BSF is proud to be a leading employer of choice within Saudi Arabia, and we are continually looking for ways to improve the quality of our employee experience, ensuring we offer competitive opportunities, benefits, compensation and resources.

24.4%

The total number of female full-time employees at BSF has grown consistently year-on-year, increasing from 18% in 2021 to 24.4% in 2024

Workforce Profile

BSF's workforce has remained relatively stable for the past five years.

Out of

2,664

full-time employees

5.7%

are in senior management

92%

Saudi nationals

24.4%

are females.

22.4%

are aged between 18 to 30

Total number of full-time employees

2021	2,632
2022*	2,754
2023	2,780
2024	2,664

Full-time employees in senior management

	2021	2022*	2023	2024
Total	116	129	148	152
Male	99	111	132	133
Female	17	18	16	19

Full-time employees in middle management

	2021	2022*	2023	2024
Total	310	323	348	342
Male	281	284	302	291
Female	29	39	46	51

Full-time employees (other levels)

	2021	2022*	2023	2024
Total	2,206	2,302	2,284	2,170
Male	1,694	1,739	1,705	1,591
Female	512	563	579	579

Full-time workforce by gender profile

	2021	2022*	2023	2024
Male	2,074	2,134	2,139	2,015
Female	558	620	641	649

Full-time workforce by age profile

	2021	2022*	2023	2024
Age 18-30	650	713	686	597
Age 31-50	1,856	1,898	1,932	1,930
Age 51+	126	143	162	137

* Figures have been restated for accuracy.

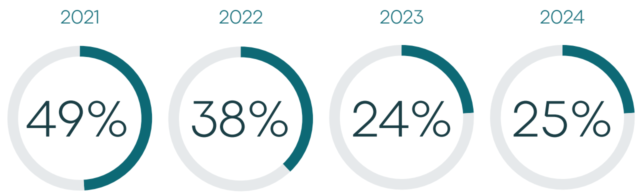
Hires & Turnover

In accordance with our focus on upward mobilizing employees' career development, BSF fills vacancies from the Bank's existing workforce whenever possible During the reporting period, 25.08% of total hires were filled through internal mobility, highlighting the Bank's commitment to developing and retaining internal talent.

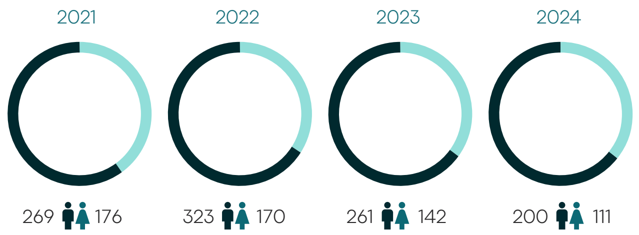
94%

of BSF's new hires were Saudi nationals in 2024

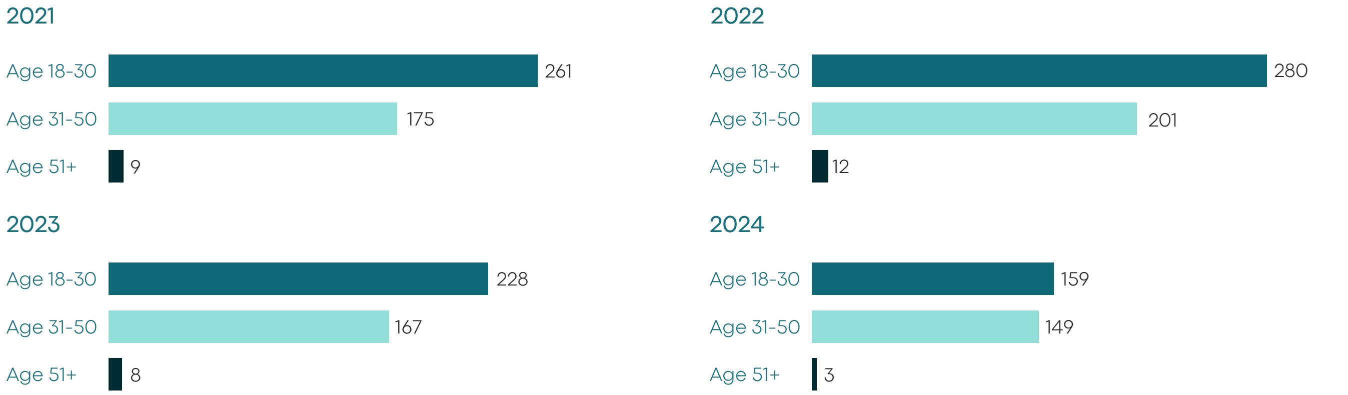
Percentage of Positions Filled by Internal Candidates



New Employees Hire by Gender



New Employees Hire by Age



Total number of employees who left the company including voluntary & involuntary

Turnover (voluntary & involuntary)	Unit	2021	2022	2023	2024
Full-time Employees Turnover rate	Percentage	14.24	13.94	13.59	16.60
Female	Percentage	22.4	29.42	31.74	24.44
Male	Percentage	77.6	70.57	68.25	75.56
Senior Management	Percentage	4.8	4.16	3.7	5.80
Middle Management	Percentage	18.93	14.84	12.16	14.25
Non-management Employees	Percentage	76.26	80.98	84.12	79.95

11.5%

Full-time Employees Voluntary Turnover rate for the year 2024

BSF employs Microsoft Excel as its primary tool for people analytics. This software enables the Bank to perform predictive analyses of workforce data, providing valuable insights into employee turnover trends, performance metrics, and workforce planning. By leveraging these data-driven insights, BSF enhances its human resource management practices and supports informed decision-making to improve organizational effectiveness.

Nationalization

BSF is proud to provide opportunities for Saudi nationals at every career stage as part of our commitment to the bolstering the Kingdom's economic prosperity through Vision 2030.

We are also proud to employ foreign nationals from 26 countries for the remaining 8% of our full-time employees. These diverse professionals further strengthen our business by offering valuable expertise and alternative perspectives to help us meet outstanding business needs.

92%

of BSF's total workforce are Saudi nationals

Nationalization	Unit	2021	2022	2023	2024
Nationalization					
Nationals among total full-time workforce	Number	2,419	2,514	2,541	2,451
Female National full-time employees	Number	551	611	632	638
Male National full-time employees	Number	1,868	1,903	1,909	1,813
Nationalization in Management					
Percent of Nationalization in senior management	Percentage	74.13%	75.19%	75.67%	82.23%
Percent of Nationalization among total workforce	Percentage	91.90%	91.20%	91.40%	92%

Supporting Employees at Work and at Home

Led by the Bank's Human Resources (HR) department, BSF's Total Reward framework guides our holistic approach to supporting our employees at work, and at home.

Work-Life Balance

- Competitive compensation
- Birthday leave
- Marriage allowance
- Testahil Wellbeing program for emotional wellbeing

Professional Development

- Induction and New Joiners Experience program
- Bankers Club retention initiative for all employees who have completed the BSF HiPo (High Potential) Graduate Program
- Individual development plans for succession and leadership development
- Leadership assessment and performance coaching
- Internal mobility and cross-functional rotational programs
- Off-site team building events
- BSF Disrupts the leadership and competency framework which includes soft skills training and informs the criteria used for performance assessments
- Divisional plans for improving eNPS score and employee satisfaction

Engaging High Potential Employees

The Banker's Club engages high potential employees who have completed BSF's Graduate Program in a career development program that provides them with opportunities to directly contribute to innovation, problem-solving and leadership within the Bank.

In 2024 we introduced a new mentoring program within the Club called the Banker Guide designed to enable junior members with career guidance and professional development advice from senior members. 16 employees participated in the Banker Guide program in 2024.

Retention of BSF employees

BSF prioritizes employee retention by fostering a supportive work environment, offering competitive benefits, and promoting career development.

Specific programs, including training, is provided annually to develop the Saudi employees to the highest level consistent with desired skills, competencies and business requirements of the Bank.

Heads and managers shall be committed to the mentoring and coaching of Saudi employees in their groups/divisions aimed at maximizing the employee's potential.

Saudi employees' retention shall involve:

- Appropriate deployment of talent;
- Career growth and development;
- Career development plans for graduates;
- Rich and challenging work assignments;
- Access to management and leadership positions through succession planning; and
- Technical and soft skills training.

Employee Compensation and Benefits

BSF is committed to pay equality throughout our workforce. We offer competitive salaries and variable compensation through performance-based annual bonuses and sales incentives related to roles and seniority. The Bank's front-line sales employees with group leadership and/or individual accountability are also eligible for sales incentives.

In addition to competitive salaries, the Bank provides a comprehensive range of benefits to all full-time employees designed to support financial security, health, and work-life balance, including:

Optional Savings Plan: Available to all employees who have completed their probationary period. BSF matches monthly employee contributions up to 10% of basic salary and invests the savings on the employees' behalf.

Medical Insurance: Coverage for employees and their eligible dependents residing within the Kingdom of Saudi Arabia.

Life and Disability Insurance: Provided for all employees.

Childcare Allowance: Offered to eligible female employees.

Child Education Assistance: Available for eligible employees.

Sick Child Leave: Granted to all employees for caring for sick children aged 12 years or younger, with entitlement of up to 5 calendar days per year.

Parental Leave: Provided to all employees in accordance with internal policies and applicable regulations.

Family-Related Leave: All employees may request up to 30 calendar days of escort leave to accompany a dependent or relative for medical treatment.

Corporate Cars: Provided to senior management to facilitate business travel.

Mobile Phones: Issued to employees required to make business calls as part of their responsibilities.

Personal and Housing Loans: Available to all employees under specific eligibility criteria.

Study Leave: Granted to employees pursuing professional certifications.

Wages and Benefits	Unit	2021	2022	2023	2024
Median male to women compensation ratio	Number	9.34	13.87	12.75	13.85
Percentage of total remuneration that is variable and linked to the amounts of products and services sold, for the relevant employees.	Percentage	24.98%	24.11%	27.80%	24.44%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	Percentage	9%	10%	10%	15%

Median pay-related gaps between men and women by employment level	Unit	2021	2022	2023	2024
Executive	Percentage	0.34	6	-8	-3
Management	Percentage	16	16	10	-4
Non-Management	Percentage	-12	-12	-6	-9

BSF Thrive

BSF Thrive (Thrive, or Long-term Retention Plan (LTRP)) is a long-term incentive (LTI) restricted shares program available to managerial and executive employees to enhance employee retention and market competitiveness. Developed under the guidance of the Nomination & Remuneration Committee with approval from the Board of Directors in alignment with the interests of our key employees, our shareholders, and the Bank.

4%

of BSF's employees, as of year-end 2024 are participating in the Thrive LTRP program

- Nominations and awards are held annually.
- Selected participants are awarded BSF shares vested after three years subject to vesting conditions
- Awards are based upon a grant value defined for each participant. This value is converted to BSF shares based on the average Bank share price over the preceding three months.

Parental Leave

BSF provides 12 calendar weeks of maternity leave with full pay entitlement during this time. Maternity leave can be further extended for one calendar month for medical reasons related to the mother or the new-born. The Bank also provides three business days of fully paid paternity leave which must be taken within the first 30 days of the baby's birth. Maternity and paternity leave do not affect annual leave allowance. In 2024, the total number of paid leave days granted was 1,463 for female employees and 232 for male employees, reflecting the longer duration of maternity leave compared to paternity leave. The primary caregiver is considered to be the mother. This leave policy highlights BSF's commitment to supporting employees' family responsibilities while promoting work-life balance.

100%

employees who availed parental leave returned to work

Parental Leave	Unit	2021	2022	2023	2024
Number of employees that took parental leave	Number	75	74	66	93
Number of employees that took maternity leave	Number	14	16	20	25
Number of employees who returned to work after parental leave ended (return to work)	Number	75	74	66	93
Number of employees who returned to work after maternity leave ended (return to work)	Number	14	16	20	25
Number of employees returned from parental leave who were still employed twelve months after returning to work (retention)	Number	75	74	66	93
Total number of employees that returned to work after maternity leave ended that were still employed 12 months after their return to work (retention)	Number	14	16	20	25
Return to work rate	Percentage	100%	100%	100%	100%
Retention rate	Percentage	100%	100%	100%	100%

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Board, Executive, and Senior Management Remuneration

In December 2024 the BSF General Assembly approved an updated Remuneration and Compensation Policy for Board, Board Committees, and Senior Executives in alignment with the Bank's objectives, Companies Law issued by Royal Decree, SAMA regulations, and the regulations of the Capital Market Authority (CMA). The Policy specifies that the Board of Directors and Board Committee members shall receive remuneration in accordance with their performance and the number of meetings they attend.

Senior and executive employees may also be subject to bonus deferral, as detailed in BSF's Bonus Deferral Policy.

All Variable Remuneration, deferred or otherwise, will be subject to Remuneration Adjustment, which includes mechanisms to adjust the remuneration, through In-year Adjustment, or Malus, or Claw back arrangements, which can reduce the variable remuneration before or after it is awarded or paid. This allows BSF to adjust remuneration to account for risks that have subsequently occurred, including Misconduct, or in the event of negative contributions of the bank and/or the relevant line of business in any year during the vesting period, any unvested amounts may be clawed back, subject to the realized performance of the bank and the business line, among other factors (financial misstatements, fraud, or misconduct. "Misconduct" refers to conduct that falls short of expected standards, including legal, professional, ethical, and other internal expectations).

While we are aware there are no specific ESG KPIs on senior executives, some of the KPIs may be considered ESG-related, similar to those applied in the assessment of the CEO's performance. These include indicators linked to risk management, compliance, operational resilience, employee engagement, and customer satisfaction—areas that align with broader environmental, social, and governance priorities. Although not classified explicitly as ESG targets, these performance areas contribute meaningfully to the Bank's overall sustainability objectives.

Further details are available in the Policy document: Remuneration and Compensation Policy for Board and Board Committees.

Board Remuneration	Unit	2021	2022	2023	2024
Board of Directors & Committees					
Sitting fees	SAR	609,000	831,000	573,000	930,000*
Remuneration	SAR	9,139,000	9,624,000	9,268,479	18,930,000*
Shariah Committee					
Remuneration, Fees and Expenses	SAR	960,000	960,000	1,460,000	1,400,000

* Remuneration was increased in accordance with the "Remuneration and Compensation Policy for Board and Board Committees," approved by the General Assembly in December 2024, following the removal of the previous SAR 500K cap and recent regulatory changes.

Code of Conduct

The Code of Conduct and Professional Ethics at BSF (or CoC) is designed to ensure that BSF associates perform within a framework of ethical values and principles, in a manner that promotes professional discipline, integrity, transparency, objectivity, efficiency, loyalty and efficacy in their conduct while performing their professional duties and assignments, in accordance with the Code of Conduct and Work Ethics in Financial Institutions issued by the Saudi Central Bank. In establishing the CoC, due consideration was made to ensure alignment with the vision and mission of BSF, protect BSF's reputation and ensure BSF associates' compliance with prudent behavior, achieve the concept of good governance, enhance performance and professional conduct of BSF associates, reward the diligent, hold the negligent accountable, improve the image of BSF and maintain a culture of ethical excellence.

The CoC applies to all BSF associates: (Board members, Board committees, executives, direct hire / insourced / outsourced employees and consultants). All BSF associates shall be provided with a copy of the CoC which they are required to read, understand and acknowledge before joining or engaging in any business or transactions with BSF. All BSF associates are also required to read, understand and acknowledge the CoC on an annual basis or whenever the CoC is updated, and each BSF associate is responsible for his / her compliance with the CoC, to report suspected violations and to cooperate in BSF's investigation of potential violations.

Violations to the CoC are serious offences which may result in disciplinary action. Disciplinary actions related to CoC violations shall only occur after consulting with the relevant stakeholders as per BSF's internal processes. Such disciplinary actions are also required take into consideration the circumstances surrounding the violation, including whether the violation occurred voluntarily or through negligence, and should also take into consideration the sincerity and good will BSF associates show in reporting such violations and in cooperating with the concerned stakeholders during the investigative process.

BSF shall ensure that the CoC are easily accessible and shall provide BSF associates with the necessary channels to understand the CoC and answer any question. Lastly, BSF is required to keep a record of all CoC acknowledgments for all BSF associates.

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Fostering Diversity & Inclusion

BSF's Diversity, Equity, and Inclusion (DEI) strategy is designed to ensure the Bank's workplace reflects the diversity of the customers, communities, and stakeholders we serve.

In addition to helping us increase the Bank's ratio of female to male employees and enhance recruitment of people with disabilities, the strategy aims to help us maintain an inclusive, accessible and inviting work environment that reflects BSF's respect and value for the contributions of every employee.

As part of the strategy, BSF targets a minimum of 20% female participation rates for all existing leadership development programs and 50% female participation in all graduate programs.

At BSF, we aim to be an inclusive and safe workplace for both genders. This is demonstrated through our DEI Position Statement which demonstrates our commitment towards fostering a corporate-wide culture that promotes diversity, equity and inclusion and prohibits any form of discrimination and harassment encompassing our full-time employees.

Our DEI Strategic Dimensions:

Ensure an Inclusive & Safe Workplace

- Educate & Develop
- Digital and Physical Accessibility
- Inclusive culture and sense of belonging
- Zero tolerance to discrimination & harassment

Foster a diverse workforce and talent pool

- Develop
- Attract Talent
- Foster Gender Diversity

Sustainable impact on BSF and society

- Develop
- Partnership
- Embowering our communities

Our DEI Focus Areas:

01	Gender
02	Disability
03	Generational

For more information, you can refer to the Bank's DEI Position Statement.

While all roles at BSF maintain a consistent set of tasks, responsibilities, and job characteristics, the Bank takes proactive steps to support inclusivity and accessibility. A preliminary assessment is conducted to evaluate the accessibility of IT systems, tools, and workplace facilities to ensure that individuals with disabilities, special needs, or from minority groups are equipped with the necessary resources to perform their duties effectively. These efforts reflect BSF's commitment to fostering an inclusive and supportive work environment.

BSF hired six people with disabilities (PWD) in 2024 and remains committed to actively seeking opportunities to increase their representation within the workforce. While embracing diversity in nationalities, the Bank ensures full compliance with local Saudization regulations and targets.

In 2024, BSF continued to advance a range of initiatives designed to support the recruitment, retention, and advancement of female employees. These programs emphasize inclusivity and equity across the organization, ensuring equal opportunities regardless of gender. Key initiatives include flexible work arrangements that promote work-life balance, targeted career development opportunities, and leadership programs aimed at preparing female employees for management roles. Collectively, these efforts reinforce BSF's broader commitment to creating a supportive and empowering workplace where all employees have the opportunity to thrive and progress professionally.

In alignment with these efforts, BSF is also committed to addressing the specific needs of female employees by establishing dedicated facilities for breastfeeding. These spaces are planned for activation, underscoring the Bank's ongoing dedication to fostering a supportive, inclusive, and empowering workplace environment where all employees can thrive and progress professionally.

Training and Development

BSF's training and professional development program is designed to facilitate our employees' upward career mobility from their very first day with the Bank.

Our structured approach to education, training, and development opportunities is informed by training policies that guide learning program design, delivery, and evaluation. Regular learning needs assessments such as surveys, interviews, and performance evaluations help us address skills and knowledge gaps and ensure our training approach fully supports employee development and organizational needs.

14.24

average training hours completed by BSF employees in 2024

Throughout the year, all BSF full time employees have access to a range of educational programs and training initiatives including on-the-job training, mentorship, workshops, seminars, conferences, e-learning modules, external training, plus a suite of online resources such as libraries, industry publications, and professional certifications.

Mentorship programs form an integral part of BSF's training and development framework. These initiatives empower employees at various levels to become effective coaches and mentors, supporting the growth and development of their teams. The training provides participants with essential skills to drive performance and foster a culture of continuous improvement, thereby promoting leadership development and facilitating knowledge sharing across the organization.

In addition to employee training, BSF places significant emphasis on the ongoing education and development of its Board of Directors. Throughout the year, we deliver information, updates, and training throughout the year to develop the Board's awareness, skills, and knowledge on topics that materially impact the Bank such as anti-money laundering, counter terrorism financing, generative artificial intelligence. In 2024 the Board also participated in a special workshop by BSF's Compliance Group focused on Compliance, Financial Crime and Counter-Fraud.

Training & Development	Unit	2023	2024
Spending on Employee Training			
Average monetary amount spent per Full Time Equivalent (FTE) on training and development	SAR/ employee	11,100	8,689.43
Average hours of training per employee			
Average training per employee	Hours	16.3	14.24
Male employees	Hours	16.39	13.79
Female employees	Hours	16.16	15.32
Senior management employees	Hours	37	23.34
Middle management employees	Hours	17.6	14.64
Non-management employees	Hours	15.1	13.92

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Participation in specific training areas	Unit	2022	2023	2024
Anti-corruption	Number	2,448	2,731	2,546
Anti-Fraud Awareness	Number	2,263	2,731	2,546
Financial Crime	Number	2,263	2,704	2,539
AML/CTF	Number	2,261	2,704	2,539
Compliance Induction	Number	2,492	2,695	2,539
Health, safety & well-being	Number	117	2,708	375
Cyber security	Number	29	43	2,321
Data privacy	Number	-	-	2,499*
Customer relationship management	Number	44	273	269
Consumer financial protection	Number	1,354	2,045	1,291
Islamic principles, products/services	Number	2,509	274	15

* Data Privacy training became a standalone training in 2024 following the data privacy law implementation in 2024.

BSF delivers formal ESG training to employees in alignment with the Bank's sustainability strategy and evolving regulatory expectations. In 2024, ESG awareness sessions were tailored to specific roles and delivered through online modules developed by the ESG team. These sessions targeted designated ESG Champions selected from key departments to support the integration of ESG considerations across the organization. In addition, ESG content was embedded into core development programs such as the Private Banking curriculum and the Banker Associate Program. External certifications, including the Fitch Learning ESG Fundamentals Certificate, were also made available to employees upon request, further strengthening ESG knowledge across the Bank. BSF conducts mandatory AML and CTF training for all employees, including senior management, in compliance with regulatory requirements. In 2024, training sessions focused on key compliance topics and were tailored to different roles to enhance awareness and strengthen the Bank's risk management framework.

Target Audience	Course Name	Description
Board Training	Compliance Literacy Program	A high-level training conducted by an External party on an annual basis that covers (Compliance, Financial Crime, Whistleblowing, Anti-Fraud, Anti-Money Laundering, Sanctions) to all Board members
Executive Level Training	Compliance Literacy Program	A high-level training conducted online that covers (Compliance, Financial Crime, Whistleblowing, Anti-Fraud, Anti-Money Laundering, Sanctions)
Managerial Level Training	Compliance Literacy Program	A workshop training covering case studies on Compliance, AML, Fraud, and Sanctions provided for Managers, Heads of Departments, and Branch Managers.
ALL BSF Staff	Compliance Literacy Program	Four mandatory refresher training programs, covering Compliance, AML/CTF & Sanctions, Anti-Fraud, and Whistleblowing & Anti-Bribery, for all staff except Executive level and the CEO, each including a post-training assessment.
BSF Front line Staff	Compliance Literacy Program	Customer-facing staff training in relevant compliance regulations. Additionally, a Risk-Based Approach (RBA) training plan will be implemented to cover all employees over a three-year period.
Specialized Training	Compliance Literacy Program	▪ Treasury ▪ Operations ▪ Finance
Compliance Staff Training	Compliance Literacy Program	An in-house professional training sessions provided for the Compliance, AML, and Suspicious Security Unit (SSU) teams to enhance their expertise.

In 2024, 70% of BSF's customer-facing targeted full-time employees completed training in consumer financial protection, reflecting the Bank's ongoing commitment to responsible banking practices and safeguarding customer rights.

BSF offers targeted training on consumer financial protection through an online course titled **Customer Care 2024**. Developed by the Customer Care team and deployed by BSF Academy, the training covers key principles of fair treatment and consumer rights. It is assigned to relevant customer-facing employees to ensure alignment with regulatory standards and support BSF's broader financial inclusion efforts.

BSF's comprehensive Learning and Development position statement encapsulates our holistic approach to empowering employees through education and professional development delivered via the BSF Academy in alignment with annual regulatory-based training requirements. The statement sets forth guidance for:

- Eligible training days for each employee
- Scope of course offerings
- Mandatory acknowledgment, such as Code of Conduct
- Training needs of BSF subsidiaries
- Requirements for external leadership development program
- Collaboration opportunities with local training providers

Training needs assessments are routinely conducted using surveys, performance reviews, and gap analyses to ensure programs are responsive to both organizational priorities and individual development goals. Based on these assessments, BSF delivers a variety of learning formats including on-the-job training, mentorship programs, instructor-led workshops, seminars, conferences, e-learning modules, and external training opportunities. Employees are also given access to digital learning tools such as online libraries, industry publications, and certification resources.

In support of career growth and internal mobility, BSF offers structured development programs that include job rotations, succession planning, and leadership training. These initiatives are designed to ensure a strong internal talent pipeline and support the professional advancement of employees at all levels.

BSF recognizes that exceptional customer service is fundamental to its long-term success and sustainability. To this end, the Bank has implemented a range of structured training programs aimed at enhancing customer satisfaction and equipping employees with the knowledge and skills required to deliver superior service experiences.

External Training

BSF employees have access to a range of training opportunities including more than 70 professional certifications offered in partnership with recognized local and international organizations.

- Retail Banking professional foundation certificate
- Credit Advisor
- Certified Compliance Officer
- Certified Anti-Money Laundering
- Chartered Financial Analyst
- Certified Fraud Examiner
- Financial Risk Manager
- Certified Internal Auditor
- Chartered Institute of Personnel and Development: Level 3
- Chartered Institute of Personnel and Development: Level 5
- The Open Group Architecture Framework
- Certified Information Security System Professional
- Various nano degrees

Succession Planning

Succession plans are maintained for all members of the Bank's executive management team through an annual Talent Review process in which employees are assessed against success profiles aligned with their roles, responsibilities, experience, and leadership. The process begins with the identification of the key roles. These plans are drawn up from the Bank's existing talent pool as well as targeted talent acquisition if necessary. Talent assessments evaluate potential successors' performance, potential and readiness using tools such as leadership assessments and manager reviews. Individual development plans are developed and implemented for each identified successor, ensuring their readiness to advance with quarterly check-ins to monitor progress and adjust plans as needed.

Career Development

BSF is committed to empowering our employees with the knowledge and expertise they need to build successful careers. Our career development programs include a variety of job rotations, leadership development opportunities, succession planning, coaching, and mentoring designed to help individuals grow into effective coaches and mentors who can help support the continuous growth and development of others.

Program Name	Objective	Percentage of full-time Workforce Participating
Banker Associate	The **Banker Associate Program 2024** includes several customer satisfaction-focused modules designed to build a deep understanding of customer behavior, preferences, and expectations. Key components of this program include: ▪ **Customer Profiling, Segmentation Analysis, and Modelling:** This training equips participants with tools to analyze and categorize customers based on distinct characteristics, enabling the delivery of targeted, relevant, and effective engagement strategies. The objective is to maximize customer value by aligning products and services with the specific needs of each segment. ▪ **Mini-Project: Personalized Touchpoints Along the Customer Journey:** Associates participate in practical mini-projects that focus on mapping the end-to-end customer journey. This includes identifying areas for improved interaction and tailoring communication and services to elevate customer experience and increase satisfaction. ▪ **The Digital Customer Experience – New Expectations and Behaviors:** This module addresses evolving digital behaviors and rising customer expectations in a technology-driven environment. It focuses on: - Creating a unified customer experience across digital platforms, - Enhancing brand awareness, - Applying User-Centered Design (UCD) principles, - Promoting self-service options to improve efficiency and customer convenience. These training efforts directly support BSF's sustainability strategy by ensuring that customer service excellence is aligned with responsible banking principles. By investing in its people, BSF enhances the overall customer experience, reinforces long-term relationships, and maintains a strong, trust-based reputation in the marketplace.	1% by end of 2024
Banker Technologist	This program offers on-the-job training for new banker technologists, including a three-month specialization and mentorship phase during which employees focus on their future job roles by specializing in web development, backend development, application development, integration development, system engineering, database engineering, or network engineering.	1% by end of 2024
Banker Leadership / Executive program	This London Business School programme has been designed for Banque Saudi Fransi's high-potential and current leaders, equipping them to lead with authenticity and self-awareness, drive innovation amidst disruption, think strategically, and unlock the potential of the BSF organization.	1% by end of 2024
Banker Manager Program	The program is designed to build our future leaders and accelerate the effectiveness of our current leaders within a reasonable timeframe, delivering on specific objectives to address leadership gaps and aspirations at BSF, in partnership with INSEAD. Two cohorts were completed in 2024.	2% by end of 2024
Emerging Banker Program	The program is designed to accelerate the development of our current high-potential employees within a reasonable timeframe, delivering on specific objectives to address leadership gaps and aspirations at BSF, in partnership with Ashridge Hult Executive Education. The program was launched in December 2024.	1% by end of 2024
English Language proficiency development program	The English Language Proficiency Development Program is designed to establish a standardized benchmark for all employees regarding their English language proficiency levels. The program categorizes proficiency into three levels: Basic, Intermediate, and Advanced, based on pre-defined requirements. This initiative is aimed at improving the overall English language skills of employees. By establishing clear proficiency benchmarks and aligning training efforts, the program enhances individual capabilities and contributes to a more effective and communicative workplace environment.	12% by end of 2024

Program Name	Objective	Percentage of full-time Workforce Participating
ACE's Program	In our commitment to sustainability and social responsibility, we have successfully laid the groundwork for a bank-wide upskilling initiative in customer centricity and service excellence. Our efforts are focused on the following key areas: ▪ **Customer-Centric Culture:** We are embedding a customer-centric mindset across all levels of BSF, ensuring that every employee prioritizes the needs and experiences of our customers. ▪ **Employee Empowerment:** By equipping our workforce with the necessary skills and knowledge, we enable them to consistently deliver exceptional service experiences that exceed customer expectations. ▪ **Long-Term Relationships:** We are committed to fostering stronger, long-term relationships with our valued customers, enhancing both loyalty and trust. ▪ **Market Differentiation:** We view customer service as a strategic differentiator in a competitive landscape and have positioned it at the core of our strategic initiatives. ▪ **Brand Reputation:** Our efforts support the development of a strong brand reputation, building trust within the community and enhancing our corporate image. ▪ **Workforce Engagement:** By cultivating an engaged, satisfied, and motivated workforce, we are improving overall team morale, which in turn elevates our service delivery. These initiatives not only support our business objectives but also align with our commitment to responsible banking practices, ensuring a positive contribution to both society and the environment.	73% by end of 2024, from the targeted list

Through initiatives such as revising the total rewards strategy, targeted leadership development programs, and strategic partnerships for digital learning, BSF is empowering employees to succeed in a rapidly evolving banking environment. These efforts reinforce the Bank's commitment to becoming an employer of choice by enhancing employee engagement, strengthening diversity, equity, and inclusion, and cultivating robust internal talent pipelines.

BSF remains steadfast in upholding fairness, equity, and transparency across all compensation practices. The Bank conducts regular reviews to ensure that employees are rewarded equitably based on their roles, performance, and contributions, irrespective of gender.

Performance Reviews

All BSF employees engage in regular performance evaluations conducted on a bi-annual cycle (January to June; July to December) through the BSF Performance Management System. Feedback from the evaluations helps to inform goal setting, professional development, and career progression pathways. First-cycle evaluations are used to clarify performance targets, and second-cycle evaluations gauge progress towards these objectives.

97%

of all BSF employees received a performance evaluation in 2024.

BSF integrates compliance with the Code of Conduct, HR policies, and other regulations into its performance management process. While evaluations focus on goal achievement, any breaches of conduct are addressed according to Work Regulations and may affect performance ratings. This ensures ethical behavior and policy adherence are key aspects of employee accountability.

Performance Review	Unit	2021	2022	2023	2024
Percentage of employees who received a performance and career development review	Percentage	97	96	96	97
Senior management employees	Percentage	95	95	95	95
Middle management employees	Percentage	97	96	96	93
Non-management employees	Percentage	97	95	96	97
Male employees	Percentage	98	97	97	96
Female employees	Percentage	95	93	95	96

Supporting Student Development

BSF's COOP and SAIFI programs enable students to learn more about the financial industry and BSF, as well as receive job training.

COOP Program:
This three-to-six-month job training program for senior college students designed enables them to fulfil pending academic requirements while gaining valuable real-world experience. Highly talented participants may also have the option of a full-time position at BSF upon graduation.

SAIFI Summer Program:
This month-long in-job training program has two intakes, helping students receive training and better understand how BSF operates.

Leadership Development and Training

BSF maintains a robust and strategic approach to leadership development, aimed at equipping current and future leaders with the skills and capabilities needed to navigate the evolving banking landscape. In 2024, BSF launched and expanded several high-impact leadership programs in collaboration with top international institutions, each tailored to specific levels of leadership within the Bank.

Banker Executive Program
Developed in partnership with London Business School, this program addresses current leadership challenges while preparing executives for future roles. It delivers a comprehensive leadership experience for 33 of BSF's senior leaders, focusing on strategic thinking, innovation, and transformation leadership.

Leadership Coaching Program
In collaboration with Saudi Executive Coaching, BSF launched a personalized one-on-one coaching initiative targeting top talent. The program spans 12 sessions per participant, focusing on enhancing self-awareness, leadership presence, and organizational impact.

Leadership Assessments
To support data-driven development and succession planning, BSF conducts SHL leadership assessments across three levels: emerging leaders, managers, and executives. These assessments, carried out throughout the year, provide deep insights into individual leadership potential and help shape targeted development plans.

Collectively, these initiatives reflect BSF's long-term commitment to building a resilient leadership pipeline and fostering a high-performance, future-ready culture.

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Health, Wellbeing, and Safety at Work

BSF sees the health, wellbeing and safety of all Bank employees as a matter of fundamental importance to our business.

We have a Safety and Security Policy in place to guide the safety and protection of everyone associated with the Bank in accordance with SAMA and the Capital Market Authority (CMA) regulations, codes, and guidelines. Managed by BSF's Safety and Security Department, the policy focuses on protecting people, property, and assets by preventing incidents and responding to emergencies, controlling access, patrolling, surveillance, and regular safety and security risk assessments.

As part of this commitment, BSF delivers targeted occupational health and safety training aligned with SAMA requirements. This includes evacuation plan drills and certifies first aid training for designated employees, ensuring they are prepared to respond effectively in emergency situations. In addition, selected staff receive formal certifications in health and safety to promote broader awareness of workplace risks and reinforce a culture of safety across the organization.

2024 Health and Safety Initiatives

- Health and Safety awareness campaigns
- Emergency and Evacuation Plan training
- First Aid & Firefighting training
- Safety & Security Risk Assessment

BSF supports employee mental health and well-being through stress management programs offered in collaboration with the Bank's health insurance provider. These programs include workshops on stress reduction, mindfulness training, and access to confidential counseling services, all designed to promote psychological resilience and workplace wellness.

In addition, BSF implements a flexible working policy that allows employees to choose work arrangements that best suit their needs, including flexibility in location. These initiatives contribute to enhanced work-life balance, improved employee satisfaction, and overall productivity.

Human Rights

BSF's dedication to promoting and protecting human rights is integral to our identity and our core values as one of Saudi Arabia's leading financial institutions. With this in mind, we are committed to upholding the fundamental principles of human rights as a cornerstone of our values and operations, and this commitment guides our interactions with employees, clients, and communities in alignment with Saudi Arabia's Human Rights laws and regulations.

As party to key international Human Rights treaties, this includes Saudi Arabia's commitments to protecting the rights of children, prohibiting torture and enforced disappearance, combating racial and gender-based discrimination, and supporting persons with disabilities. In line with these commitments, we comply with labor laws by not employing individuals under the age of 18, and we strictly prohibit the use of forced labor in any form.

The Bank fosters a culture of accountability and respect through clearly defined misconduct policies and confidential reporting mechanisms, such as the Speak Up platform. These frameworks ensure that employees can safely raise concerns without fear of retaliation, reinforcing BSF's commitment to international labor standards and a just, inclusive work environment.

To minimize the risk of human rights violations, BSF enforces the Code of Conduct emphasizing ethical behavior and human rights protection, supported by ongoing training and awareness initiatives. The Bank's Human Resources Policies and Procedures further protect employees against exploitation, harassment, and discrimination.

BSF's Human Resources Policy & Procedures and the Bank's regulations further outline employees' rights and obligations, including protection for employees against any kind of exploitation, threats, harassments, or discrimination.

In support of a transparent, inclusive, and high-performing workplace, BSF-through its Human Resources Group (HRG)- implements a comprehensive Human Resources Policy Framework. This framework guides the structure, internal procedures, and regulatory compliance of HR practices across the organization.

All HR policies are aligned with the Saudi Labor Law, the regulations of the Saudi Central Bank (SAMA), and other relevant authorities in the Kingdom of Saudi Arabia. They are also informed by leading local, regional, and international human resources standards to ensure consistency with global best practices.

The HR Policy is applicable to all BSF employees within Saudi Arabia and is regularly reviewed to remain responsive to evolving business and regulatory needs. Employees are expected to be familiar with the policy and understand their roles and responsibilities accordingly.

The framework addresses key areas such as organization design and job description management, recruitment and talent mobility, learning and succession planning, performance management and total rewards, employee services, and employee relations. It is designed to ensure all employees are supported in their professional development, well-informed about matters affecting their employment, and empowered to contribute meaningfully to the Bank's strategic objectives.

BSF ensures that any significant changes to employment terms, including contracts and benefits, are formally communicated through the Qiwa Portal. The HRG updates the relevant documentation on this platform, requiring employees to review and approve these changes. This process guarantees transparency, compliance, and employee consent in accordance with Saudi labor regulations.

Human Resources Strategy:

BSF's HR strategy has been established to support the execution of BSF's business strategy, and is centered around four pillars: Agility, Culture, Talent, and Performance, while four drivers influence its execution: Efficiency, Workplace, Resilience and Profitability.

Employee Satisfaction & Engagement

In 2024, BSF implemented a wide range of internal communication campaigns and initiatives aimed at strengthening employee engagement, enhancing productivity, promoting environmental awareness, and supporting employee health and wellness. These initiatives were delivered through email announcements and all official internal portals to ensure broad and consistent reach across the organization. Key campaigns included Health Lounge Day, Cancer Awareness Week, Mental Health Day, the "Upright Journey" Ergonomics Program, Live Right Ultimate Challenge, Breast Cancer Awareness and session, and the Seasonal Influenza Vaccination Campaign. These programs were designed to foster a positive work environment, improve well-being, and raise awareness of critical health topics among employees.

To further enhance engagement, BSF conducted its annual engagement survey in Q4 2024 to assess overall employee satisfaction and engagement levels. The survey invited employees to respond to a range of questions across various dimensions of the employee experience, enabling the Bank to identify and address gaps in employee engagement with the involvement of the senior management of the Bank. The engagement survey is comprehensive and covers the various aspects relating to employee engagement, including engagement, management, leadership, diversity and inclusion, learning and development, innovation and empowerment, teamwork and collaboration, and compensation and benefits.

Based on survey results, BSF developed several targeted action plans to address key feedback areas and improve the overall work environment. On a bank-wide level, and as an outcome of the past survey, the following action plans have been developed:

- **Emotional Intelligence Workshops** to strengthen interpersonal awareness and cultivate a culture of recognition.
- **Non-Monetary Recognition Tools** for managers to effectively acknowledge employee efforts and contributions.
- **Celebration of Achievements** at the team level to reinforce morale and foster collaboration.
- **Managerial Training Programs** focused on enhancing communication, conflict resolution, and feedback delivery.
- **Customized Career Development Plans** to support employee growth and align career paths with individual aspirations.
- Provide **360 feedback** on a regular basis.

Furthermore, deep dive sessions have been conducted within each function in the Bank to identify primary engagement factors and develop team-level catered action plan.

Together, these initiatives demonstrate BSF's commitment to building an inclusive, supportive, and high-performing workplace culture, while actively responding to employee input to drive continuous improvement.

Employee Satisfaction score (average score / engagement index)

2023	2024
84%	75%

Employee Net Promoter Score (eNPS)

2023	2024
38%	38%

Upholding Workplace Integrity and Safety

BSF is committed to maintaining a respectful, inclusive, and safe work environment for all employees. The Bank's Human Resource Policy sets clear expectations and strictly prohibits misconduct, including harassment, abuse, and any form of discrimination based on personal characteristics such as gender, age, religion, nationality, or disability. These standards apply to all interactions involving employees, customers, suppliers, and visitors.

To support these principles, BSF launched the Red Line Program in 2021, providing employees with a confidential channel to report misconduct through the Speak Up platform. All reports are thoroughly investigated, and appropriate action is taken in line with the severity of the incident. The resolution process involves relevant stakeholders to ensure fairness and accountability.

BSF also provides formal grievance mechanisms for employees to raise concerns, either directly to the Human Resources Group or via the Speak Up and whistleblowing portals. These channels guarantee confidentiality and protection against retaliation, fostering a secure environment for reporting issues. Upon receiving grievances, a comprehensive review and investigation process is conducted, involving all relevant parties to ensure a fair and transparent resolution.

Through these measures, BSF continues to promote a culture of integrity and professionalism across the organization.

Zero

discrimination incidents were reported at BSF in 2024.

Instances of discrimination

2021	2022	2023	2024
0	0	0	0

Grievances	Unit	2021	2022	2023	2024
Number of Administrative grievances filed in the reporting period	Number	0	1	2	2
Number of Administrative grievances addressed or resolved	Number	0	1	2	2
Number of performance grievances filed in the reporting period	Number	35	44	32	15
Number of performance grievances addressed or resolved	Number	33	44	32	15

Protecting Our Communities

BSF`s leading role within Saudi Arabia`s financial sector means that we are uniquely positioned to help protect the wellbeing and prosperity of our communities and our planet. Through responsible business practices, investment, and philanthropic support for programs and initiatives that drive positive impact, we are working to preserve our environment and support our communities now – and far into the future.

BSF ESG Report 2024

Material Topics →

- Environmental Management
- Community Investment

Saudi Vision 2030 Alignment →

- A Vibrant Society
- A Thriving Economy
- Ambitious Nation

UN SDG Alignment →

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Key highlights →

Development of BSF's
CSR framework

371%
increase in annual investment in climate-related infrastructure, resilience, and product development

22,400+
beneficiaries reached through community activities in 2024

Environmental Stewardship

BSF's approach to environmental stewardship is an integral part of the Bank's ESG Policy Framework and Corporate Social Responsibility (CSR) Policy, which enshrines our commitment to promoting the responsible use of resources through tangible initiatives to reduce our energy, water, and material impacts in compliance with local and national environmental regulations.

Improving Resource Management

BSF's Property Management and Security Division (PMSD) oversees multiple policies designed to manage and guide resource consumption at our facilities, including energy, water, waste, maintenance, safety, and security. The PMSD also ensures BSF complies with all relevant requirements of the Saudi Standards, Methodology, and Quality Organization (SASO), which has established a range of environmental standards for the Kingdom.

To navigate these challenges, in 2024 the Bank collaborated with Elseif Operation and Maintenance Co.'s Facility Management Service Provider to further integrate ESG principles including resource reutilization, resource efficiency, risk mitigation, regulatory compliance, and innovation into the Bank's approach facility management and operations. We also collaborated with Carrier Saudi Service Co.'s HVAC Enhancement Projects Contractor on strategies for reducing energy consumption, reducing our carbon footprint, and creating a healthier, more productive environment for building occupants.

Looking ahead, we aim to implement the Building Management System (BMS) across other buildings, plus enhance the functionalities of our Building Management System (BMS) to optimize energy management and operational efficiency, better monitor and control Mechanical, Electrical, and Plumbing (MEP) systems, and reduce waste. From an energy standpoint, we are also working to replace inefficient AC units that consume excessive energy with modern, efficient alternatives. We are also conducting a comprehensive study of potential solar energy solutions in suitable areas with a focus on those that promise an acceptable return on investment (ROI).

Energy Management and Infrastructure Upgrades

Led by BSF's Property Management and Security Division (PMSD), our Energy Management Program focuses on driving energy performance enhancements across our facilities and operations. In 2024 PMSD continued to drive a range of initiatives to drive higher rates of energy efficiency, reduce overall energy consumption, improve indoor air quality, and reduce our carbon footprint.

371%

increase in BSF annual investment in climate-related infrastructure, resilience, and product development, rising from SAR 56,700in 2023 to SAR 267,000in 2024.

- Upgrading HVAC equipment with high-efficiency products
- Changing Air-Handing Unit Condenser coils to improve energy efficiency
- Enhancing fresh air economizers
- Installing power factor correction panels
- Regulating the operational capacity of our cooling systems during and after work hours
- Installing an Adiabatic pre-cooling solution for the chiller plant in BSF's Regional Building Jeddah to reduce air temperature using evaporative cooling
- Adding Electric Vehicle (EV) charging stations in the Head Office Building
- Replacing heat-resistant window film with a lower efficiency rating (35%) to comply with SAMA transparency requirements for external glass façades

Total amount invested, annually, in climate-related infrastructure, resilience, and product development

2023	56,683
2024	267,000

Energy Consumption

BSF is currently reviewing its energy consumption and management policies to boost efficiency, reduce consumption, and foster innovation.

Energy Consumption	Unit	2021	2022	2023	2024
Direct Energy Consumption					
Petrol consumption from operations and vehicles	Liters	56,554	36,697	39,354	63,802[1]
Diesel consumption from operations and vehicles	Liters	4,313	5,500	5,700	3,181[2]
Indirect energy consumption					
Electricity consumption (office, storage, facilities, etc.)	kWh	46,997,450	42,514,173	41,291,715	45,005,427[3]

1 Increase due to business operation requirements
2 Reduce in number of electrical utility outages
3 Replacement of heat-resistant film increased operational hours regulatory.

GHG Emissions

Measuring and understanding our GHG emissions is a crucial step towards accurately managing our carbon impact and advancing BSF's contributions to Saudi Arabia's Net Zero target. Because our GHG emissions are linked to energy consumption, the energy efficiency upgrades we made during 2024 also had a direct impact on our GHG Scope 1 (direct) and Scope 2 (indirect) emissions.

In conjunction with relevant BSF business lines, we also rolled out an in-house tool for calculating Scope 3 emissions in 2024 with a focus on Business Travel (Category 6) and Employee Commuting (Category 7). While it is important to note that Category 6 and 7 emissions may not significantly contribute to the Bank's carbon footprint (approximately >3%, similar to Scope 1 & 2 emissions), measuring these emissions demonstrates our dedication to comprehensive carbon measurement and management practices.

Aligned with the GHG Protocol guidelines and best practices, the internally developed calculator integrates relevant design and detailed assumptions including factors like average distances travelled, vehicle types, associated carbon emissions factors, and energy consumption. The tool also accounts for variables such as remote work, sick days, annual leaves, and holidays.

Looking ahead, BSF continues to explore mitigation strategies and technologies for further reducing GHG emissions, including establishing clear reduction targets.

GHG Emissions	Unit	2021	2022	2023	2024
Direct GHG emissions (Scope 1)	tonnes of CO_2eq	9,985	5,966	5,742	3,804
Indirect GHG emissions (Scope 2)	tonnes of CO_2eq	26,695	24,148	23,454	25,563*
Total GHG emissions (Scope 1&2)	tonnes of CO_2eq	36,680	30,114	29,196	29,391
GHG emissions intensity (Scope 1 and 2 GHG emissions/ total workforce)	tonnes of CO_2eq / total number of employees	13.9	11	10.5	10.6
GHG emissions intensity (scope 1 and Scope 2 GHG emissions / total revenue)	tonnes of CO_2eq / SAR Million	5.15	3.76	3.13	3.18

* Increase of Energy Consumption is contributed by Regulatory Mandates and Expansions.

Refrigerants top up	Unit	2021	2022	2023	2024
R-410A	Kg	735	344	452	386
HFC-134a	Kg	181	95	258	0
R-22	Kg	3,264	1,803	1,429	980
R-141B	Kg	816	353	177	272
R-11	Kg	326	314	316	183

Reducing Material Consumption

Along with physical assets such as furniture and equipment, paper-based processes are the single-biggest driver of material consumption for BSF. We have a range of procedures in place to accelerate reductions in the use of paper and cash, such as debit cards, credit cards, pre-paid cards, and BSF Send (Western Union).

Some of the initiatives the Bank has undertaken to further reduce material consumption include:

- A central paper shredding policy with dedicated, consolidated infrastructure to increase recycling and ensure the secure, responsible disposal of sensitive documents.
- Mandatory procedures for categorizing and divesting tangible assets such as furniture, AC units and equipment using specialist recycling and processing service providers.
- Transitioning to digital systems and digitalizing procedures to reduce paper-based processes

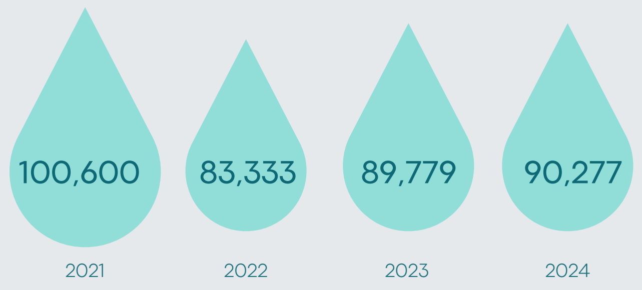
15.7

tons of paper recycled in 2024

Water Consumption

While BSF's water usage is driven by consumption at our buildings and facilities. Our water consumption complies with the recommendation of Utility Service Provider National Water Company.

Total water consumption (m^3)



Community Investment

BSF`s community investments, philanthropic contributions, and volunteerism share one unified aim: to help communities across Saudi Arabia grow and thrive through educational, environmental, cultural, and health-related programs.

BSF has adopted a clear Community Investment and CSR framework to guide its community development initiatives based on four key focus areas, supported by a clear vision and policy framework.

This framework is aligned with BSF`s ESG policy under the pillar "Protecting Our Community" and supports Saudi Arabia`s Vision 2030 programs as well as the UN Sustainable Development Goals (SDGs).

BSF`s CSR Framework

Vision

To be a catalyst for positive change, enriching communities and fostering sustainable development through impactful CSR initiatives.

BSF`s ESG policy framework

The CSR framework is in alignment with BSF`s ESG policy framework on **"community investment"** under pillar **"Protecting our community"**.

BSF`s CSR Focus areas

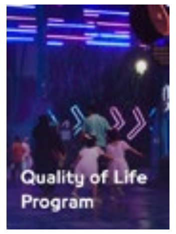
Education	Heritage and Culture	Environmental Stewardship	Health and Wellbeing
Prepare, educate and empower communities with financial knowledge and access to financial services	Preserve and promote local cultural heritage, arts and traditions	Protect and sustain the environment through conservation and sustainable practices	Promote physical health and mental well-being through active lifestyles and health resources

Alignment

2030 vision programs

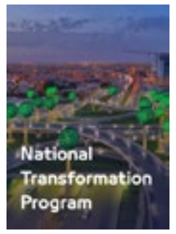
SDGs: 4 Quality Education

2030 vision programs



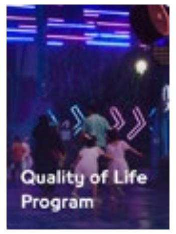
SDGs: 11 Sustainable Cities and Communities

2030 vision programs



SDGs: 6 Clean Water and Sanitation, 7 Affordable and Clean Energy, 13 Climate Action, 15 Life on Land

2030 vision programs



SDGs: 3 Good Health and Well-being

Associations Support Fund

BSF has a cooperative framework agreement in place with the Saudi Associations Support Fund (ASF), a government organization established in 2023 to support associations in the Kingdom`s non-profit sector. The fund encompasses the provision of programs, financial resources, tools, and facilities designed to enable associations to achieve their vision and fulfil their mission. Through this agreement, donations from BSF are allocated to participating associations.

Educational Internships

Throughout 2024 the strategy team hosted interns from local universities, including female universities, to help them build practical experience in the banking and finance sector, enhance their understanding of strategic planning and implementation within a financial institution, and foster a diverse and inclusive environment by encouraging participation from under-represented groups, particularly female students.

Community Investment and Contributions

BSF significantly increased its community investment in 2024 by 10.9m

CSR initiatives

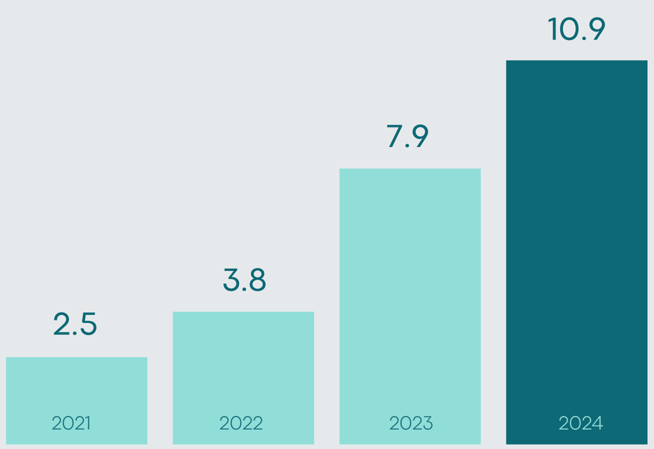
Healthcare
- Running race charity

Culture
- Diriyah Biennale Foundation

Education
- Partnership with Udacity to provide free scholarships
- Sponsorship of educational labs for Madac non-profitable academy

Public services
- The Saudi National Platform for Charitable Work "Ehsan"
- Sponsoring Eid Aladhaa celebration for childhood cancer with SANAD
- Sponsoring Dhoyoof Alrahman program with Ministry of Defense

Amount of community investment (SAR Millions)



22,400+

beneficiaries reached through community activities in 2024

BSF Subsidiaries

Two BSF subsidiaries, BSF Capital, and J-B (Formerly Saudi Fransi for Finance Leasing) have been included in the Bank's ESG 2024 Report boundaries.

BSF Capital

Saudi Fransi Capital (BSF Capital) is the investment arm of Banque Saudi Fransi. One of Saudi Arabia's leading, full-service financial services providers, BSF Capital is committed to delivering innovative financial solutions that support investors and facilitate the economic transformation ambitions of Saudi Vision 2030.

BSF offers comprehensive investment solutions and advisory services to local and global financial institutions, corporations, government entities, and individual investors including investment banking, asset management, debt and equity research, institutional sales and trading, and local and international securities brokerage. Trademarked with a paid-up capital of SAR 500 million as a closed joint stock company, BSF Capital is licensed by the Capital Market Authority to conduct the full range of investment activities including dealing, arranging, managing, advising, and custody of securities business. The company is headquartered in Riyadh with locations across Saudi Arabia.

BSF Capital is committed to building on its historic growth and its leadership position in the market by winning new landmark mandates and building its share of overall mandates, expanding its product offerings and distribution reach, growing assets under management, increasing its share of local and global securities brokerage, and maintaining a client focus and continued to focus on and grow the strength of its global advisory platform.

More information about BSF Capital is available via the company's annual Board reports.

BSF Capital's Responsible Business Commitments

BSF Capital recognizes ESG as a business imperative and it is in the process of developing an ESG Strategy aligned with that of BSF Group. The strategy will encapsulate the company's longstanding commitment to responsible business currently outlined in the policies and procedures that govern the company's operations and performance, including BSF Capital's Code of Conduct, HR policy, and other policies that support ethical conduct and compliance.

BSF Capital Governance

As outlined in the company by-laws, BSF Capital's Board of Directors is the company's highest governance body. The Board holds responsibility for approving and overseeing implementation of the company's strategy supported via a defined authority matrix and internal reports. The Board meets at least 4 times during the financial year during which time BSF Capital management provides detailed progress reports and obtains the Board guidance and approval on initiatives as necessary.

SFC Board of Directors*	Unit	2021	2022	2023	2024
Total number of board members	Number	6	6	6	6
Total number of independent members	Number	2	2	2	2
Total number of non-independent members	Number	4	4	4	4
Total number of executive members	Number	1	1	1	1
Total number of non-executive members	Number	5	5	5	5
Total board seats occupied by women	Number	1	1	1	1
Total board seats occupied by men	Number	5	5	5	5

*Some historical figures have been amended to reflect accuracy.

Board Committee

Five committees support the Board with oversight, and decision-making and for making recommendations on economic, environmental, governance, and human impacts.

1. Executive Committee
2. Audit Committee
3. Risk Committee
4. Compliance Committee
5. Nomination & Remuneration Committee

These committees do not restrict the ability of the Board to make an independent assessment of recommendations regarding Board knowledge of the company and its underlying structures and operations.

BSF Capital and Its People

Developing Talent

BSF Capital's Human Resources (HR) department takes a structured approach to training and development, ensuring the company's learning and development initiatives align with the company's strategic objectives. The department collaborates with line managers, employees, and relevant stakeholders to identify annual training needs, and evaluate training requests. Training is deployed via an internal e-learning platform fully integrated with BSF Capital's ERP system, enabling a personalized approach to learning for each employee. The efficacy of these training activities is measured through pre- and post-training assessments, employee satisfaction surveys, and feedback from direct managers.

BSF Capital's Work force	Unit	2021	2022	2023	2024
Full-time employees	Number	232	219	217	228
Female full-time employees	Number	43	49	53	63
Male full-time employees	Number	189	170	164	165

Highlights of 2024

BSF Capital

In 2024 BSF Capital contributed to significant growth across Saudi Arabia's investment landscape through the launch of key initiatives designed to accelerate progress towards Vision 2030 objectives including projects that promoted sustainable economic development, including real estate and entertainment projects that enhance social wellbeing.

Flagship projects for 2024 included a SAR 3 billion fund for King Salman Park, and the first Saudi Data Centers Fund. BSF Capital is particularly proud of its collaboration with the King Salman Park foundation and the company's role as the mandated investment manager for the mixed-use development of the first private parcel within King Salman Park, Riyadh. A powerful example of ESG-aligned investment, the project has an approximate value of SAR 3 billion.

BSF Capital also advised on six IPOs, achieved a 29% increase in managed assets, and launched the REQ Real Estate Fund, announced during Riyadh Season 5, to develop a unique business resort in Boulevard City. The company also launched several funds focused on developing real estate lands and mixed-use commercial projects. Among the most prominent of these funds is the REQ, announced by His Excellency Turki Al-Sheikh. The company also unveiled a new identity to align with its innovative vision.

Financially, BSF Capital reported SAR 502 million in revenues and SAR 253 million in net profits, reflecting strong growth driven by strategic planning and diverse investment solutions.

Awards & Achievements

As a reflection of its focus on excellence in investment banking, asset management, and fostering a positive work environment, BSF Capital achieved several prestigious awards in 2024.

- Most Innovative Wealth Management Company from **International Finance Magazine**
- Best Performing Investment Fund (Arab Equity Funds Category) from Sanadeq Media Group
- Best Performing Investment Fund (Murabaha and Liquidity Category for Assets Over SAR 1 billion) from Sanadeq Media Group
- Best Investment House in the Middle East from **EMEA Finance Magazine**
- Best Local Equity Offering Entity from GFC Media Group
- Excellence in Rewards and Recognition Strategy from **The Economic Times**
- Excellence in Hiring Saudi Workforce (Job Localization) from **The Economic Times**

What's Next for BSF Capital

Looking ahead, BSF Capital will continue focusing on strengthening its leadership position through the innovation of new investment solutions tailored to investors' needs. The company aims to maintain its current client base while attracting new clients, growing managed assets, increasing market share in securities brokerage, and maintaining leadership in financial advisory.

J-B (Formerly Saudi Fransi for Finance Leasing)

J-B (Formerly Saudi Fransi for Finance Leasing) delivers financial solutions and straightforward products that simplify credit and loan complexities with concise, accessible information that empowers customers to make informed decisions in relation to their financial objectives.

JB is focused on keeping pace with Saudi Arabia's burgeoning economy, particularly in areas of consumer finance, vehicle finance, corporate finance and small and medium enterprises. The company is strategically focused on strengthening its delivery of innovative, agile digital financing products that meet the needs of Saudi Arabia's increasingly digitally mobile society.

J-B's Commitment to Responsible Business

J-B is committed to contributing to Saudi Arabia's social development by fostering a culture of social responsibility within the business sector. The company has a Board-approved Social Responsibility Policy in order to drive this effort forward. The policy sets forth J-B's commitment to upholding socially responsible business principles and practices, and to supporting the ambitions of the Saudi Vision 2030 through projects that increase financial awareness, meet the credit needs of the local economy through loans and facilities for productive businesses, and the innovation of products that encourage economic development.

J-B promotes a culture of social responsibility by approving long-term programs that align with the company's social responsibility objectives. The Board reviews and approves these initiatives on a periodic basis, focusing on economic, social and environmental impact, with particular attention to community-driven projects.

Highlights of 2024

J-B (Formerly Saudi Fransi for Finance Leasing)

- Investing in training and development programs to elevate employees' skillsets
- A digital ecosystem and APIs focused on seamless and accessible financing solutions across all consumer and SME segments that contribute positively to the economy and GDP in general
- Partnership with eco-friendly EV partners that help towards lower emission environment
- Improved business performance enabling JB to enhance rewards for better affordability and quality of life
- Delivering seamless, eco-friendly / paperless digital lending solutions leveraging API integration with e-government services to conveniently serve clients
- Expanding JB's fleet finance business to help SMEs grow their businesses and operations

Code of Conduct and Professional Ethics

J-B's Board-approved Code of Conduct and Professional Ethics establishes a framework of principles, policies, and laws governing the operation of J-B which must be adhered to by its employees. The ethical values and principles set forth in the Code promote effective risk management and the achievement of financial soundness and stability.

All employees must comply with the Code, which outlines J-B's expectations for staff conduct while performing their professional duties and assignments. Key elements of the Code include governance and policies that address integrity, transparency, objectivity, efficiency, and loyalty, along with the consequences of failing to adhere to these principles and policies:

- Professional conduct & public morals.
- Stakeholder interactions
- Combatting financial and administrative corruption crimes, including anti-money laundering, counter terrorism financing, suspicious transactions, and anti-bribery & corruption
- Gifts & hospitality
- Compliance with laws, regulations & policies
- Conflicts of interest
- Suitability of investment products offered to customers
- Confidentiality & disclosure mechanisms, including the classification of JB's information/classification of confidentiality
- Usage & leakage of inside information
- Reporting on actual or potential violations
- Personal behavior
- Acceptable use policies of computer, email, internet services

Corporate Governance at JB

J-B's Board performance is evaluated individually and collectively on an annual basis. Individual board member performance is evaluated by other members, and the Board members evaluate the performance of the Board Chairman. The Board's overall performance is collectively assessed via a Board questionnaire designed to elicit members' views on topics that are the Board's responsibility.

JB's Board of Directors is supported by four Board-level committees which hold responsibility for recommending strategies and initiatives and evaluating the economic, environmental, and social impacts of JB's activities.

- Nomination and Remuneration Committee
- Risk Committee
- Audit Committee
- Executive Committee

No executive has been appointed with dedicated responsibility for ESG matters within JB, and the company does not maintain a separate ESG department. However, ESG principles are integrated across the company policies and implemented by senior management. Sustainability matters are also considered within management practices across relevant functions.

Looking ahead, JB's Governance team plans to review and update key governance policies, including the Board Charter and Committees' charters, as part of ongoing governance improvements. The team also plans to update JB Bylaws, improve the governance structure of management-level committee, and enhance the review of the JB Delegation of Authority.

JB's Board of Directors	Unit	2020*	2021*	2022	2023	2024
Total number of board members	Number	6	6	6	6	6
Total number of independent members	Number	0	0	2	2	2
Total number of non-independent members	Number	6	6	4	4	4
Total number of executive members	Number	0	0	1	1	0
Total number of non-executive members	Number	6	6	3	3	4
Total board seats occupied by women	Number	1	1	1	1	1
Total board seats occupied by men	Number	5	5	5	5	5

* 2020 and 2021 data have been restated to reflect accuracy and alignment with data methodology and data validation processes.

Talent and Workforce at JB

JB's Workforce	Unit	2020	2021	2022	2023	2024
Full-time employees	Number	60	116	127	153	166
Female employees	Number	10	29	38	43	47
Male employees	Number	50	87	89	110	119

Talent Development

Investment in people is the cornerstone of JB's responsible business practice. Crafted learning and development programs are one of the ways JB invests in its human capital every year. The company's Human Resources (HR) department takes a structured 10/20/70 learning approach which focuses its talent development activities on 10% knowledge-building, 20% coaching, and 70% on-the-job behavior.

Training activities delivered via the BSF Academy are one of the ways JB invests in its human capital each year. The company's training and development programs are outlined in JB's Human Resources (HR) Policy and managed by the HR department. The department is also responsible for ensuring the company's training needs are met through the evaluation of competency gaps via performance appraisal assessments that consider job roles vs. incumbents.

ESG in Action

Delegation of Authority Improvement

The previous DoA lacked comprehensiveness. The authorities were limited, and daily operational decisions required escalation to higher authorities, including the Board and its committees, which caused delays in approvals and disrupted routine workflow.

Approach: Weaknesses in the DoA were identified, particularly its limited scope and lack of inclusion of all functions and committees. The Governance team conducted a workshop for all other functions to support a full review and to introduce updated authority levels, policies and functions and clear operational guidelines. The revised DoA was formally approved.

Outcomes: Facilitated day-to-day work approvals, clarified accountability and ownership, reduced unnecessary escalations and improved workflow efficiency.

Next steps: Further improvement areas based on review and internal feedback. Through practice, we identified additional areas of enhancement, which will be addressed in the next round of review planned for 2025.

Quote from Person Responsible / Beneficiary: Positive feedback was received from management, who highlighted that the updated DoA supported daily work as usual.

Appendices

Appendix A →

BSF Stakeholders

Stakeholder	Needs & Expectations	Methods of Engagement
Customers	▪ Open and simplified communication. ▪ Friendly and responsive customer service. ▪ Innovative and sustainable products and services. ▪ Secure banking (data and information security) ▪ Convenient access points.	▪ Social media channels ▪ Complaints Handling Unit: BSFCare. ▪ Customer Service Offices. ▪ Customer Feedback forms. ▪ BSFMobile application. ▪ Online banking solution: BSF Online. ▪ Telephone banking service: BSFPhone. ▪ Branches, including self service branches (BSFConnection). ▪ Net Promoter Score (NPS)
Employees	▪ Career advancement. ▪ Recognition and rewards. ▪ Attractive benefits. ▪ Timely payment of wages. ▪ Safe working environment. ▪ Fair and equal opportunities. ▪ Open communication channels.	▪ Employee engagement surveys (ENPS). ▪ BSF Ideal Wall: an employee engagement idea generating tool. ▪ Bank sponsored, cross regional and employee driven events. ▪ Human Resources (HR) Call Centre. ▪ Training and development programs.
Shareholders & Investors	▪ Strong balance sheet and stable cash flows. ▪ Consistent dividend payments. ▪ Solid market positioning. ▪ Dynamic risk management. ▪ Strong brand image. ▪ Transparency and disclosure. ▪ Incorporate ESG criteria into business operations and activities.	▪ Annual Reports. ▪ Roadshows. ▪ Shareholder and investor presentations on a quarterly basis. ▪ Investor relations and shareholder affairs contacts. ▪ Board Risk Committee ▪ General Assembly meetings
Government & Regulators	▪ Alignment to national strategies and visions, including the Saudi Vision 2030. ▪ Compliance with legal and regulatory requirements. ▪ Managing financial crime compliance. ▪ Protecting the interests of shareholders and customers.	▪ Internal audit. ▪ External audit. ▪ Compliance Group. ▪ Board Risk Committee. ▪ Annual Reports. ▪ Compliance with obligations. ▪ Board of Directors. ▪ Audit Committee. ▪ Corporate Governance Division & Corporate Secretary.
Local Community	▪ Employment opportunities. ▪ Advancing social development including initiatives and programs to promote health, education, security, sports and culture. ▪ Enriching local human resources. ▪ Charitable initiatives. ▪ Partnerships on common social and environmental issues. ▪ Limited use of finite resources.	▪ Employee volunteering. ▪ CSR activities. ▪ Partnerships and cooperation. ▪ Donations and sponsorships. ▪ Financial awareness and inclusion. ▪ Products and services.
Suppliers	▪ Timely payments. ▪ Fair and transparent bidding process. ▪ New opportunities for engagement and interaction. ▪ Open communication channels.	▪ Local procurement. ▪ Bidding and tendering. ▪ Fair competitive selection. ▪ Partnerships. ▪ Public reports. ▪ First engagements.

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Appendix B →

GRI Content Index

Statement of use	BSF has reported the information cited in this GRI Content Index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION AND/ OR DIRECT ANSWER
GRI 2: General Disclosures 2021	2-1 Organizational details	6
	2-2 Entities included in the organization's sustainability reporting	4
	2-3 Reporting period, frequency and contact point	4
	2-4 Restatements of information	7, 81, 99, 101, 135,
	2-5 External assurance	None
	2-6 Activities, value chain and other business relationships	6, 64-65, 70-72, 75, 79
	2-7 Employees	98-102
	2-8 Workers who are not employees	Not Disclosed
	2-9 Governance structure and composition	33-38
	2-10 Nomination and selection of the highest governance body	34
	2-11 Chair of the highest governance body	36
	2-12 Role of the highest governance body in overseeing the management of impacts	36, 40
	2-13 Delegation of responsibility for managing impacts	34, 36, 40
	2-14 Role of the highest governance body in sustainability reporting	20, 36, 40
	2-15 Conflicts of interest	39
	2-16 Communication of critical concerns	40, 51
	2-17 Collective knowledge of the highest governance body	33
	2-18 Evaluation of the performance of the highest governance body	37
	2-19 Remuneration policies	39, 107,
	2-20 Process to determine remuneration	38-39, 107
	2-21 Annual total compensation ratio	105
	2-22 Statement on sustainable development strategy	27-28
	2-23 Policy commitments	39, 51
	2-24 Embedding policy commitments	38, 53, 112
	2-25 Processes to remediate negative impacts	53, 118

GRI STANDARD	DISCLOSURE	LOCATION AND/ OR DIRECT ANSWER
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	52-53, 118-119
	2-27 Compliance with laws and regulations	57
	2-28 Membership associations	https://bsf.sa/
	2-29 Approach to stakeholder engagement	138
	2-30 Collective bargaining agreements	Not Applicable in Saudi Arabia
GRI 3: Material Topics 2021	3-1 Process to determine material topics	25
	3-2 List of material topics	25, 26
	3-3 Management of material topics	32, 40, 54, 64, 78, 79, 84, 89, 93, 98, 109, 111, 117, 124, 128
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	66
	201-2 Financial implications and other risks and opportunities due to climate change	44
	201-3 Defined benefit plan obligations and other retirement plans	104
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	102
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	64-65, 68-70, 93
	203-2 Significant indirect economic impacts	64-65, 68-70, 93, 128-129
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	81
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	111-112
GRI 207: Tax 2019	207-1 Approach to tax	76
	207-2 Tax governance, control, and risk management	41, 76
GRI 302: Energy 2016	302-1 Energy consumption within the organization	125
	302-4 Reduction of energy consumption	124-125
GRI 303: Water and Effluents 2018	303-5 Water consumption	127
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	126
	305-2 Energy indirect (Scope 2) GHG emissions	126
	305-4 GHG emissions intensity	126
	305-5 Reduction of GHG emissions	126
GRI 306: Waste 2020	306-4 Waste diverted from disposal	127
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	100
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	104
	401-3 Parental leave	106

GRI STANDARD	DISCLOSURE	LOCATION AND/ OR DIRECT ANSWER
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	117
	403-3 Occupational health services	117
	403-4 Worker participation, consultation, and communication on occupational health and safety	118
	403-5 Worker training on occupational health and safety	112, 117
	403-6 Promotion of worker health	117
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	111
	404-2 Programs for upgrading employee skills and transition assistance programs	112
	404-3 Percentage of employees receiving regular performance and career development reviews	115
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	34, 100
	405-2 Ratio of basic salary and remuneration of women to men	105
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	121
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	128-129
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	85
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	58

Appendix C →

United Nations Sustainable Development Goals Alignment

BSF Sustainability Framework Pillar	Sustainability-related Material Issues	UN SDGs
Exemplifying the Highest Ethical and Governance Standards	• Governance, Accountability, Transparency and Ethics. • Risk Management. • Data Privacy and Security.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Accelerating Sustainable Economic Growth	• Financial and Economic Performance. • Sustainable Lending and Investment. • Responsible Procurement.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Serving Our Clients	• Responsible Customer Relations and Satisfaction. • Digitalization. • Financial Inclusion and Accessibility.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES
Creating a Thriving Workplace	• Talent Attraction, Retention and Development. • Employee Engagement, Wellbeing and Satisfaction. • Diversity and Inclusion. • Nationalization.	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Protecting Our Communities	• Environmental Management. • Community Investment.	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

BSF