

2020 DIRECTORS' REPORT

The board of directors of Samba Financial Group is pleased to present its annual report for the year ended 31 December 2020.

1. PRINCIPAL ACTIVITIES

Since its incorporation as a joint stock company, Samba Financial Group has made it its goal to achieve high levels of growth and prosperity through providing distinctive banking services that keep pace with economic growth in the Kingdom and meet customer aspirations. Today, the group is one of the Kingdom's largest financial institutions, with high international ratings. The group is committed to providing high quality, innovative, and industry-leading banking services so that our customers benefit from the highest levels of convenience and confidence. The group also provides world-class investment services through its investment arm, Samba Capital, a wholly owned subsidiary that is licensed by the Capital Market Authority (CMA) in Saudi Arabia.

Underpinned by sound economic principles and supported by experience, expertise, and research, the group has consistently expanded the range of products and services it offers customers. It provides a full range of conventional banking products, including loans, trade finance, cash management, personal finance, credit cards, and treasury products, to customer segments ranging from individuals, and companies, to institutions, and government agencies of all sizes. The group also excels in Islamic banking. It offers a full suite of Shariah-compliant banking products, which are approved by the Shariah Supervisory Board of the Islamic banking services of the group, the activities of which are managed independently. The group is also eager to promote its brand, communicate with its customers, and actively seek out their comments and feedback through electronic channels and social networking sites.

Samba is organized into the following four main business segments:

Consumer Banking - offers services to individual customers, including time deposits; current, call, and savings accounts; credit cards; consumer and home mortgage loans; and fast money transfer services (SpeedCash).

Corporate Banking - offers services to corporate and institutional customers, including corporate time deposits; current and call accounts; overdrafts; loans; and other credit facilities.

Treasury - principally manages money market, foreign exchange, commission rate trading, and derivatives for corporate and institutional customers and high-net-worth individuals. It is also responsible for funding the group's operations, maintaining liquidity, and managing the group's statement of financial position.

Investment Banking: Samba Capital & Investment Management Company (Samba Capital) - provides investment management services and all brokerage, mutual funds,

and asset services related to dealing, managing, arranging, advisory services, and custody businesses.

The group's primary business is conducted through its head office in Riyadh. The group has 73 branches, seven SpeedCash centers, and 21 centers for ladies' banking, bringing its total service outlets all over the Kingdom to 101. The group also has overseas branches in Dubai, Dubai International Financial Centre (DIFC), Abu Dhabi, and Qatar. Samba has a majority shareholding of 84.51% in Samba Bank Limited, a banking company incorporated in Pakistan that conducts commercial banking and related services through its 40 branches. Samba Bank Limited is listed on Pakistan's stock exchange.

In line with the Kingdom's Vision 2030, a main objective of which is to increase the vital contribution of micro, small, and medium-sized enterprises (SMEs) to the GDP, the group is interested in supporting this vital sector. SMEs are the main engines of the private sector economy and create many employment opportunities. The local corporate banking division caters to SME banking needs in Saudi Arabia and it has developed a special credit program to meet the specific market requirements of all business sectors. During the year, the local corporate banking services group grew its customer base by offering it a wide range of sub-services based on modern and advanced technical solutions. The group has formed a permanent committee to support the SME sector by discussing challenges and devising integrated solutions to overcome obstacles for growth.

The group has endeavored to consolidate permanent and joint cooperation with the "Kafalah Program" by developing and implementing ambitious and effective strategies to mitigate the effects of the Coronavirus (Covid-19) pandemic, enhance creditworthiness and support business continuity for the MSME sector through various programs and the incentive packages that were launched by the Central Bank of Saudi Arabia under the guidance and blessing of the wise leadership, may God support them. This cooperation with Kafalah has witnessed steady growth in the current fiscal year as the group's position improved according to the "Kafala" criteria from the 9th position to the 3rd position.

The group increased its reach in new sectors and locations and participated in the Ministry of Finance's sustainability support program. It also held meetings with the General Authority for Small and Medium Enterprises (Monsha'at), which resulted in Samba joining the authority's electronic finance portal, the awareness program, and the finance and franchise financing program. The group has recently held meetings with the Agricultural Development Fund and the Tourism Development Fund. It has also worked on agreements to provide financing programs, with the support of the Agricultural Development and Tourism Development Funds. In addition, the group has created programs to support micro, small, and medium enterprises, including a funding program for domestic pilgrims and the financing points of sale program.

The group's most significant achievement is that it won the "Best Partner in the Finance Gateway for the year 2020" award from Monsha'at, based on the amount of funding awarded and the number of funding requests received. This achievement would not have been achieved had it not been for the senior management and the group's board of directors' full attention and support to the success of this important sector and in support of the Kingdom's Vision and its contribution to the growth of the national economy of our dear country, especially in the micro, small and medium enterprises sector.

Training and development have long been a core part of the group's strategy, enabling it to invest in its people. During the year, 215 training courses were held, covering 120 topics, 32% of them from a distance, and 46% of them virtual. The courses included specialized training from Samba Academy, as well as the Financial Academy and other national and international universities and business schools.

Samba has promoted and supported the Kafalah Program, receiving the Working Capital Award for its efforts Kafalah. Here is a summary of the projects Samba has supported:

SR'000								
	Micro		Small		Medium		Total	
	2019	2020	2019	2020	2019	2020	2019	2020
Micro, small, and medium enterprises loans - on the balance sheet	276,216	332,492	1,171,500	3,319,786	5,342,271	4,805,401	6,789,987	8,342,271
Micro, small, and medium enterprises loans - off-balance sheet (nominal value)	22,363	15,032	308,827	793,941	3,193,704	2,590,392	3,524,895	3,399,365
Micro, small, and medium enterprises loans - on the balance sheet as a percentage (%) of total loans in the balance sheet	0.2%	-	0.83%	-	3.77%	-	4.80%	-
Micro, small, and medium enterprises loans - on the balance sheet as a percentage (%) of total loans	0.06%	-	0.76%	-	7.90%	-	8.72%	-
Number of loans (both on and off the balance sheet)	18	19	331	514	1,667	1,707	2,016	2,240
Number of loan customers (both on and off the balance sheet)	66	61	141	161	324	329	531	551
Number of secured loans in the Kafalah program (both on and off the balance sheet)	2	-	105	207	35	157	142	364
Value of secured loans in the Kafalah program (both on and off the balance sheet)	2,160	-	56,902	342,228	106,519	750,634	165,581	1,092,862

According to the SAMA definition, micro businesses are companies with revenues of up to SR 3 million, small-sized companies are those with revenues ranging from SR 3 to SR 40 million, and medium-sized companies are those with revenues ranging from SR 40 to SR 200 million

2. FINANCIAL PERFORMANCE, OPERATIONS REVIEW, AND FINANCIAL RESULTS

It has been an unprecedented year for global economies. The outbreak of the COVID-19 pandemic led to business lockdowns, a loss of economic activity, restrictions on mobility, and a growing number of deaths, all of which had an economic impact. Government support and furlough schemes have been helpful in the short term, but uncertainty remains. The premature easing of restrictions, especially in the Eurozone and the US, has slowed economic recovery. To date, the pandemic has not been fully contained and several countries are experiencing a new surge of infections and the production and distribution of a fully viable vaccine has been slow.

While the popular expectation is that economic activity should be on a much firmer footing in 2021, high unemployment in many countries and financial caution in many households and commercial entities is likely to have a dampening effect. Financial markets do not reflect this underlying weakness, however. Equity markets are surging ahead, boosted by a flood of liquidity that has reduced sovereign yields and raised the equity risk premium. A weaker US dollar has also eased pressure on emerging markets by reducing dollar funding costs and supporting demand for some commodities. Oil prices have been recently buoyed by the prospect of a vaccine, although it is too early to predict when it will begin to have an impact.

On the domestic front, the Saudi economy has dealt with the twin shocks of COVID-19 and low oil prices quite well. It is also heartening to note that the Saudi government has managed the health threat better than most other governments. Although the budget is in a deficit position, the financing options are plentiful. The economy has contracted, but not by as much as in many countries around the world. As we move into 2021, the economy appears to be gaining momentum as the lockdown is eased and government capital spending picks up.

Against this backdrop of tougher economic challenges and lower interest rates, the group has successfully delivered positive returns for shareholders, led by a new business strategy that focuses on business growth, cross-selling, expanding the group's footprint, and the digitization of products and services. The group has raised its performance levels to ensure greater levels of customer service and financial stability. It is continuing to strengthen the balance sheet and improve asset quality, bolstered by a higher level of provisions and low non-performing loans. The group has achieved excellent financial results during the year. Revenues for the year have reached SR 9.4 billion, showing a growth of 9.6% and net income after zakat and taxes has reached SR 4.2 billion, a 5.3%

growth compared to last year. As part of the new business growth strategy, the board had also agreed to invest in and develop human assets, enhance technological infrastructures, and proceed with digital transformation, resulting in a growth of 8% in the operating expenses.

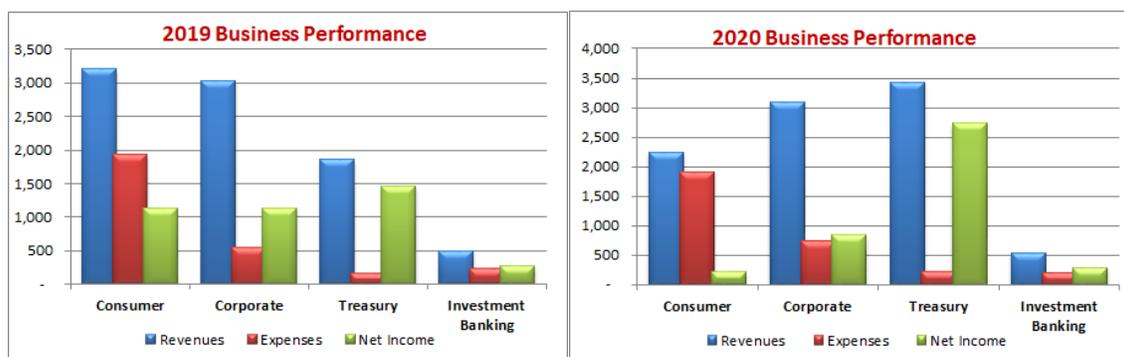
With increasing credit risk and higher volatility in the markets, our focus remains on consolidating and protecting the asset quality on the balance sheet. Both investment and loan portfolios have remained under close scrutiny, with a greater focus on the risk management process, resulting in higher credit provisioning this year. The group's portfolio of loans and investments closed at SR 156 billion and SR 101 billion, registering a growth of 10% and 19% respectively. Deposits amounted to SAR 208 billion, a 15% growth, resulting in one of the most liquid balance sheets in the Saudi banking sector and positioning the group to benefit from future growth opportunities. Total assets amounted to SR 297 billion by the end of 2020, growing 14% over last year, and total shareholder equity reached SAR 48 billion, a growth of 5.7% over last year. The growth in the balance sheet is complemented by a strong capital base, with total capital adequacy ratios of 19.2% (Tier I) and 19.6% by the end of 2020. Return on equity stood at 9.0%, the return on assets was 1.5%, and the revenue-to-expense ratio was 3.03. As a result, earnings per share increased to SR 2.10, compared to SR 1.99 last year.

Ratings and recognition: The group maintained its leadership position during 2020 with excellent credit ratings from the major international rating agencies. It continues to enjoy the distinction of being the most highly rated bank in Saudi Arabia. Our long-term ratings have been affirmed by Moody's (A1), Capital Intelligence (A+), Fitch (A-), and Standard and Poor's (BBB+). These ratings are a testament to the strength of the group's financial position, outstanding levels of liquidity, sustainable profitability, high quality assets, and strong capital adequacy. The agencies have also commended Samba's resilience and ability to cope with financial crises, thanks to our strong franchise and excellent financial position.

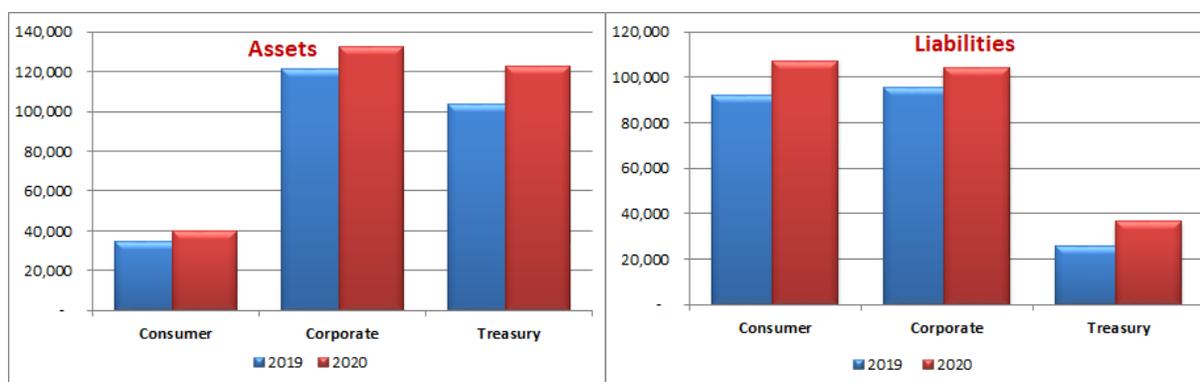
Financial results for Samba business sectors are summarized below:

(SR'MM)	Consumer		Corporate		Treasury		Investment		Total		
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	Change
Total revenues	3,208	2,238	3,037	3,089	1,854	3,551	501	546	8,600	9,425	9.6%
Total expenses	1,930	1,918	556	784	162	198	230	208	2,878	3,108	8.0%
Net income	1,125	218	1,137	842	1,460	2,855	268	290	3,991	4,204	5.3%
Total assets	34,549	40,111	121,232	132,594	103,641	123,119	106	1,121	259,528	296,945	14.4%
Total liabilities	92,322	107,449	95,815	104,459	25,776	36,827	166	160	214,079	248,895	16.3%

The contributions from revenues, expenses, and net income are as follows:



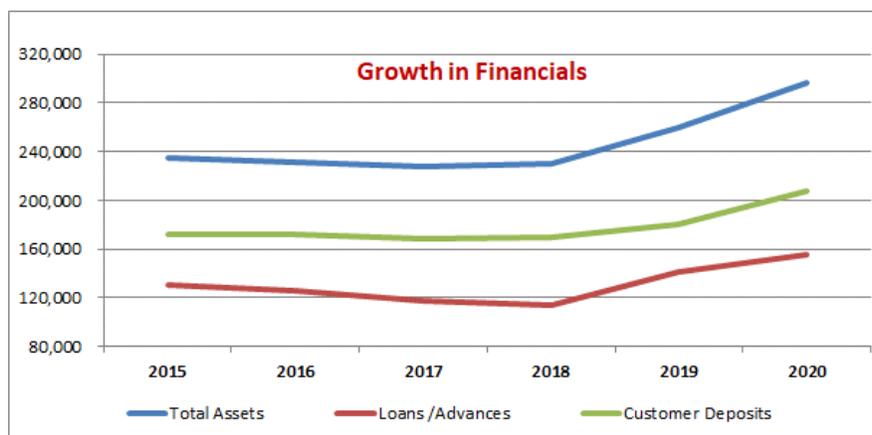
The growth of assets and liabilities with respect to consumer, corporate, and treasury business is as follows:



Previous years' summary financial results are as follows:

SR' MM	2016	2017	2018	2019	2020
Investments, net	51,393	63,912	66,350	85,013	101,225
Loans and advances, net	125,234	117,685	113,709	141,595	156,024
Total assets	231,489	227,611	229,938	259,528	296,945
Customer deposits	172,076	167,988	170,170	180,166	207,706
Total shareholders' equity	42,781	44,583	42,213	45,359	47,958
Total operating income	7,761	7,892	8,157	8,600	9,425
Total operating expenses	2,555	2,580	2,451	2,878	3,108
Net income before Zakat/tax	5,006	5,024	5,549	4,619	4,917

Growth of Financial Position



The group won several international, regional, and local awards during 2020, reinforcing its reputation as one of the most highly regarded financial institutions in the Middle East. Global Finance named Samba “Best Bank for Payments and Collections in the Middle East” for the fifth time, “Best Islamic Corporate Bank in the world”, “IPO/Equity Deal of the Year of Saudi Aramco”, “Best Islamic Financial Intuition in Saudi Arabia”, “Best Online Treasury Services in Saudi Arabia”, “Best Islamic investment Bank in the world”, “Best Investment Management Services in Saudi Arabia”, “Best Online Portal in Saudi Arabia”, “Best Integrated Corporate Banking Site in Saudi Arabia”, “Best Information Security and Fraud Management in Saudi Arabia”, and “Outstanding Crisis Leadership in Finance & Business” (for the exceptional efforts that have been made to support the community in the face of the pandemic). *The Banker* awarded Samba the “Islamic Bank of the Year in Saudi Arabia” and “Best Transaction Banking in the Middle East” awards. *The Asian Banker* awarded Samba “Best Social Media Campaign in the Middle East 2020” for the Samba Gold-UAE priority cross-border customer acquisition campaign, while Kafalah Program granted Samba the “Working Capital” award. In the *Euromoney* Awards for Private Banking and Wealth Management, Samba won first place in the Kingdom of Saudi Arabia in the category of high-net-worth clients from \$100,000 to \$1 million.

On the investment front, Samba's efforts were recognized globally. *Global Finance* named Samba Capital, Samba’s investment arm, “Best Investment Bank in Saudi Arabia for the year 2020”. *Asiamoney* awarded Samba Capital “Best Corporate & Investment Bank in Saudi Arabia” and *Euromoney* named it “Best Investment Bank in Saudi Arabia”.

3. GEOGRAPHICAL ANALYSIS OF TURNOVER

Samba’s 2020 total revenue of SR 9,425 million is largely the result of its activities in Saudi Arabia, which account for SR 8,858 million. The regional distribution of revenue is as follows: central region 78%, western region 9%, and eastern region 7%. Central region's revenues include revenues relating to investment and treasury activities that are not connected to a specific geographical region in Saudi Arabia.

The revenues from overseas operations are SR 567 million and are distributed as follows: GCC (excluding Saudi Arabia) SR 452 million, and South Asia SR 115 million.

4. FUTURE PLANS

The group recognizes that consolidating its leading position within the banking industry, both locally and regionally, and achieving its long-term strategic vision of transforming itself into a leading banking model, require sustainable commitment. Our dedication to achieving this goal has resulted in a full range of high quality and distinctive banking products and financial services for our customers.

The group's sound professional practices and effective development plans enable it to meet growing customer needs and capitalize on the best investment opportunities.

The group's strategy is also a strength, which is aimed at reinforcing stability and enhancing the strength of its capital base. It positions Samba well for the short and long-term challenges facing the financial market. The group's approach is reflected positively in its performance and has helped to protect it from the recent challenges and difficulties the global financial markets have recently experienced. The group's strategy is largely based on expanding all segments of its customer base, steadily pursuing added-value products that meet customer aspirations, promoting investment in alternative, future-focused banking channels, expanding its local and regional presence, contributing to local community development, and deepening its commitment to social responsibility.

To achieve these strategic goals, the group has gone a long way to nationalize its jobs and qualifications. The group has attracted and trained young Saudis, qualifying a generation in national banking competencies, and developing their skills through training programs that will enable the group to meet its need for future banking leaders.

To support both conventional and Islamic banking activities, the group has upgraded its branch network and alternative banking channels and acquired state-of-the-art automated teller machines (ATMs) and point-of-sale (POS) equipment to keep it current with the latest banking industry standards.

In line with its strategy of geographical expansion and broadening its customer base, the group obtained a licence from the Central Bank of the United Arab Emirates (CBUAE) to expand its business in Abu Dhabi. This move is a logical next step after its move to Dubai in 2008 where it provides a full range of banking services in the UAE. The first Saudi bank to establish a branch in the country, Samba's services in Dubai include consumer, corporate, and private banking, and investment advice. In addition, the group obtained a licence from the Dubai Financial Center for a new branch in Dubai that will conduct banking and investment business in the Dubai Financial Center. The group's branch in Qatar is still operating, despite the current circumstances. The group continued to expand its business abroad, with the number of Samba Bank Limited operating branches in Pakistan growing to 40. These branches are distributed across the major cities of the country.

Samba's expansion is part of Samba's medium- and longer-term growth strategy. After strengthening our position in the domestic market, we moved to expand Samba's

presence internationally. We will continue to monitor growth opportunities in promising markets so that we can continue to diversify geographically, enhance returns to our shareholders, foster profitability, and enhance Samba's reputation and position.

During the year, Samba Financial Group and the National Commercial Bank (NCB) reached a binding merger agreement to create what will become the largest Saudi bank and the third-largest bank in the GCC with assets of SR 837 billion. Work is underway to integrate the two banks' systems.

5. RISK MANAGEMENT

The group recognizes the importance of having a clear and comprehensive methodology and carefully designed programs for risk management. In line with best international practices, Samba is closely focused on the risks that could affect the group business. The board of directors has developed and approved a general framework for risk governance, which is subject to the supervision of the board's executive and risk committees. The framework includes risk policies, basis of capital evaluations, ways of identifying and measuring risks, and limits that are commensurate with the group's acceptable risk management processes. It also includes guidelines for controlling and monitoring compliance within the approved limits, control methods for risk management in general, internal control guidelines, information technology, and rules of information security. Senior management committees and independent regulatory functions within the group oversee the implementation of the tasks relating to risk management. Listed below are the main risks associated with the business of the group:

Credit risk

Credit risk is the risk that a customer, guarantor, or counterparty will fail to discharge its financial obligation to the group relating to any financial instrument and will cause the group to incur a financial loss.

Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate as the result of changes in market variables, such as special commission rates, foreign exchange rates, equity prices, and commodity rates.

Liquidity risk

Liquidity risk is the risk that the group will be unable to meet its net funding requirements. It can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to be less readily available.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and technology systems and/or devices.

Notes 30-33 of the accompanying audited consolidated financial statements and quantitative and qualitative disclosures under Pillar 3 of the Basel Committee recommendations, published on the group's website, include more details on the main risks the group faces, together with the measures to mitigate them.

Information security risk

Information security risk is the risk of loss resulting from unauthorized access or use, disclosing, tampering, viewing, searching, and copying and destroying sensitive information and data. Potential sources of information security risk include identity theft, unauthorized access, data leakage, malicious software, social engineering, denial of service attacks, and phishing.

6. CORPORATE SOCIAL RESPONSIBILITY

Samba Financial Group continued to deepen its community membership and fulfill its national responsibilities by launching more development initiatives. These initiatives highlight the group's role as a leading partner and its keenness to contribute to the development of the community and improve the lives of its members. The group has focused on areas that are most relevant to the needs of the community and have the potential to stimulate development and positive change in the Kingdom. The group allocated more than SR 100 million in 2020 as donations and contributions to social programs.

During the year, the group continued to adopt community programs and initiatives that support sustainable development. These efforts are within the framework of the group's principle of social solidarity, which is a key value underlying Samba's humanitarian and community service mission. This value underpins Samba's mission to serve the community and strengthen its role as the sponsor of many social, humanitarian, charitable, and development institutions in the Kingdom. Samba is currently focusing on activities that address the effects of the pandemic and supporting a wide variety of community and charitable programs and activities.

Here are our main social activities and services for 2020:

- **Housing support program:** Samba culminated its effective community contributions by launching an initiative to support housing in the Kingdom, which was designed according to an integrated strategy and has been received positively. Samba has committed to providing 500 furnished housing units over the next five years. These homes will go to needy families in various Kingdom regions help provide them with decent standard of accommodation and a more stable life. Samba is working in collaboration with the Ministry of Housing to provide these homes. The program has benefited approximately 3600 citizens since it began.
- **Supporting the efforts to confront the coronavirus pandemic:** In line with the national efforts to deal with the pandemic and its impact, Samba contributed SR 26

million to the community fund launched by the Ministry of Human Resources and Social Development. The aim of this fund is to mobilize community efforts to finance initiatives and projects to support those most affected by the pandemic. In addition to the important initiative that Samba was at the forefront of the entities that supported the preventive and health measures and efforts led by the Saudi Ministry of Health to confront and contain the Coronavirus pandemic and raise the efficiency of the health system through the Health Endowment Fund. Samba's contributions to these funds reached more than SR 26 million. Samba also contributed to the Takaful Charity Foundation, under the Ministry of Education, which aims to provide tablets for students in areas where students will not be able to attend schools for the next academic year, enabling them to continue their education through remote learning.

- **Samba's education support program:** The education, training, and job localization sectors are at the forefront of the social initiatives Samba has adopted with the aim of building a stronger job market. The group has provided job opportunities for young Saudis and established promising partnerships with several academic and university institutions in the Kingdom. It also participated actively in the career days these institutions hosted, both locally and internationally, which are organized annually to forge connections between national institutions and young Saudi graduates, and sponsored career days at education institutions. Samba also concluded an agreement with King Saud University to establish a chair in Samba's name.
- **Health care program:** Health care continued to be an important part of Samba's community-based initiatives, and the group strived to provide various forms of support to improve the quality of care patients receive. Awareness efforts were focused on achieving a healthy society, free of the epidemics that threaten the safety of community members. Samba's contributions supported the care programs of therapeutic and rehabilitation institutions, such as the Disabled Children's Association (DCA).

As one of its Community programs, Samba organized an entertainment day that included many entertainment activities and staff distributed gifts for sick children at the King Faisal Specialist Hospital and Research Center in Riyadh.

- **SME support program:** Keen to support the vital role that the small and medium-sized enterprises (SMEs) sector play in the economies of developed countries, Samba increased its contribution to the Kafalah SME financing program. Kafalah provides financing and advice to help stimulate SME performance and its contribution to the national economy. Samba recently introduced an integrated credit program that includes all the banking products that SMEs need.
- **Program for families:** Samba launched a program for families to raise awareness of good financial management, including the best ways to control expenses and manage the family budget, and saving and investing options. Samba also posts awareness

messages about the best ways to save on social media and other communication channels.

- **Supporting the Furiyat campaign:** Samba participated in the Furiyat initiative, which the Ministry of Interior launched through the Absher electronic services platform during the month of Ramadan to encourage the release of detainees and prisoners of financial cases. Samba's participation in this campaign aligns with the Bank's commitment toward its national and community duties and in support of its responsibilities toward the success of charitable initiatives, including the "Furiyat" initiative with the principles and noble values that it holds, as Samba contributed more than SAR 16 million to this campaign in 2020.
- **Cultural heritage:** Samba contributed to the Riyadh season, one of the 11 festivals Saudi Arabia launched in 2019, aimed at making the Kingdom a global tourist destination.
- **Center of Excellence for Autism:** Samba is collaborating with the Saudi Central Bank collaboration and the Ministry of Human Resources and Social Development, to establish and operate the Center of Excellence for Autism in Riyadh, valued at SR 286 million. This center will be collectively financed, established, and operated by Saudi banks over a period of five years and will improve the rehabilitation and treatment environment for those on the autism spectrum. It will also be a unique center for research that will transfer knowledge and practices internationally, attract expertise, and make great progress in the rehabilitation and community integration for individuals on the autism spectrum.
- **Supporting sports:** Samba sponsored two rounds of the Saudi Cup championship at the King Abdulaziz Equestrian Field. The Saudi Cup is the largest and most expensive horse racing event in the history of world horse races, with prize money exceeding USD 29 million. Mr. Ammar Alkhudairy, chairman of Samba Financial Group, handed over the cup to the winners. Samba also sponsored the 2020 Saudi International Golf Championship, which was hosted at the Royal Greens Golf and Country Club in King Abdullah Economic City.

• 7. BOARD OF DIRECTORS

The board of Samba Financial Group is composed of 10 directors, categorized according to the guidelines of Saudi Arabian Corporate Governance Regulations, articles 1 and 20, issued by the Capital Market Authority. The board is composed as follows:

Members of the board of directors	Serves as	Member classification
Mr. Ammar A. Alkhudairy	Chairman	Non-executive
Mr. Yazeed AlHumied	Deputy Chairman	Non-executive

Dr. Ibrahim Al-Mojel	Board Member	Non-executive
Mr. Ali Reda	Board Member	Non-executive
Mr. Eyad Al-Husain	Board Member	Non-executive
Dr. Khaled Al-Swailem	Board Member	Independent
Mr. Ali AlMansour	Board Member	Independent
Mr. Fahad Al-Mufarrej	Board Member	Independent
Mr. Abdullah Al-Rowais	Board Member	Independent
Dr. Walid Abanumay	Board Member	Independent

In accordance with the group's articles of association, the board of directors is selected by the shareholders of the group for a three-year term. The term of office of the current board of directors began on January 20, 2019. The board held nine meetings during the year. The following is the record of attendance:

Meeting	Date	Attendees
1st meeting	10/02/2020	Mr. Ammar Alkhudairy, Mr. Yazeed AlHumied, Dr. Ibrahim Al-Mojel, Mr. Ali Reda, Mr. Eyad Al-Husain, Dr. Khaled Al-Swailem, Mr. Ali AlMansour, Mr. Fahad Al-Mufarrej, Mr. Abdullah Al-Rowais and Dr. Walid Abanumay.
2nd meeting	22/04/2020	Mr. Ammar Alkhudairy, Mr. Yazeed AlHumied, Dr. Ibrahim Al-Mojel, Mr. Ali Reda, Mr. Eyad Al-Husain, Dr. Khaled Al-Swailem, Mr. Ali AlMansour, Mr. Fahad Al-Mufarrej, Mr. Abdullah Al-Rowais and Dr. Walid Abanumay.
3rd meeting	25/06/2020	Mr. Ammar Alkhudairy, Mr. Yazeed AlHumied, Dr. Ibrahim Al-Mojel, Mr. Ali Reda, Mr. Eyad Al-Husain, Dr. Khaled Al-Swailem, Mr. Fahad Al-Mufarrej, Mr. Abdullah Al-Rowais and Dr. Walid Abanumay.
4th meeting	27/07/2020	Mr. Ammar Alkhudairy, Mr. Yazeed AlHumied, Dr. Ibrahim Al-Mojel, Mr. Ali Reda, Mr. Eyad Al-Husain, Dr. Khaled Al-Swailem, Mr. Ali AlMansour, Mr. Fahad Al-Mufarrej, Mr. Abdullah Al-Rowais and Dr. Walid Abanumay.
5th meeting	04/08/2020	Mr. Ammar Alkhudairy, Mr. Yazeed AlHumied, Dr. Ibrahim Al-Mojel, Mr. Ali Reda, Mr. Eyad Al-Husain,

		Dr. Khaled Al-Swailem, Mr. Ali AlMansour, Mr. Fahad Al-Mufarrej, Mr. Abdullah Al-Rowais and Dr. Walid Abanumay.
6 th meeting	14/09/2020	Mr. Ammar Alkhudairy, Mr. Yazeed AlHumied, Dr. Ibrahim Al-Mojel, Mr. Ali Reda, Mr. Eyad Al-Husain, Dr. Khaled Al-Swailem, Mr. Ali AlMansour, Mr. Fahad Al-Mufarrej, Mr. Abdullah Al-Rowais and Dr. Walid Abanumay.
7 th meeting	06/10/2020	Mr. Ammar Alkhudairy, Mr. Yazeed AlHumied, Dr. Ibrahim Al-Mojel, Mr. Ali Reda, Mr. Eyad Al-Husain, Dr. Khaled Al-Swailem, Mr. Ali AlMansour, Mr. Fahad Al-Mufarrej, Mr. Abdullah Al-Rowais and Dr. Walid Abanumay.
8 th meeting	11/10/2020	Mr. Ammar Alkhudairy, Mr. Yazeed AlHumied, Dr. Ibrahim Al-Mojel, Mr. Ali Reda, Mr. Eyad Al-Husain, Dr. Khaled Al-Swailem, Mr. Ali AlMansour, Mr. Fahad Al-Mufarrej, Mr. Abdullah Al-Rowais and Dr. Walid Abanumay.
9 th meeting	24/12/2020	Mr. Ammar Alkhudairy, Mr. Yazeed AlHumied, Dr. Ibrahim Al-Mojel, Mr. Ali Reda, Mr. Eyad Al-Husain, Dr. Khaled Al-Swailem, Mr. Ali AlMansour, Mr. Fahad Al-Mufarrej, Mr. Abdullah Al-Rowais and Dr. Walid Abanumay.

The significant board of directors committees, their roles, current members, and meetings, are as follows:

Executive Committee:

The Executive Committee deals with matters referred to it by the board or its chairman within the powers determined for it by the board. This committee comprises five directors:

Members of the Executive Committee	Serves as	Member classification
Mr. Ammar A. Alkhudairy	Chairman	Non-executive
Mr. Ali Reda	Member	Non-executive
Dr. Ibrahim Al-Mojel	Member	Non-executive
Mr. Ali AlMansour	Member	Independent

Mr. Robert Acfield*	Member	Independent
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*member from outside the board.

The committee held seven meetings during the year. The following is the record of attendance:

Meeting	Date	Attendees
1 st meeting	10/02/2020	Mr. Ammar Alkhudairy (Chairman), Mr. Ali Reda, Dr. Ibrahim Al-Mojel, Mr. Ali AlMansour and Mr. Robert Acfield.
2 nd meeting	16/04/2020	Mr. Ammar Alkhudairy (Chairman), Mr. Ali Reda, Dr. Ibrahim Al-Mojel, Mr. Ali AlMansour and Mr. Robert Acfield.
3 rd meeting	17/05/2020	Mr. Ammar Alkhudairy (Chairman), Mr. Ali Reda, Dr. Ibrahim Al-Mojel, Mr. Ali AlMansour and Mr. Robert Acfield.
4 th meeting	21/06/2020	Mr. Ammar Alkhudairy (Chairman), Mr. Ali Reda, Dr. Ibrahim Al-Mojel, Mr. Ali AlMansour and Mr. Robert Acfield.
5 th meeting	20/08/2020	Mr. Ammar Alkhudairy (Chairman), Dr. Ibrahim Al-Mojel, Mr. Ali AlMansour and Mr. Robert Acfield.
6 th meeting	18/10/2020	Mr. Ammar Alkhudairy (Chairman), Mr. Ali Reda, Dr. Ibrahim Al-Mojel, Mr. Ali AlMansour and Mr. Robert Acfield.
7 th meeting	20/12/2020	Mr. Ammar Alkhudairy (Chairman), Mr. Ali Reda, Dr. Ibrahim Al-Mojel, Mr. Ali AlMansour and Mr. Robert Acfield.

Nominations and Compensations Committee:

This committee's responsibilities include identifying the skills required for membership of the board of directors and preparing a description of the capabilities and qualifications for such membership. The committee conducts annual assessments for the performance of the board and its members with the assistance of the consulting firm Deloitte. The committee is also responsible for establishing and reviewing Samba's directors and staff compensation policy. The committee comprises four directors, three independent and one non-executive, headed by an independent director:

Members of the Nomination and Remuneration Committee	Serves as	Member classification
Dr. Walid Abanumay	Chairman	Independent
Mr. Yazeed AlHumied	Member	Non-executive
Mr. Fahad Al-Mufarrej	Member	Independent
Dr. Khaled Al-Swailem*	Member	Independent

*Fourth member was added on 16/12/2019.

The committee held two meetings during the year. The following is the record of attendance:

Meeting	Date	Attendees
1 st meeting	26/07/2020	Dr. Walid Abanumay, Mr. Yazeed AlHumied, Mr. Fahad Al-Mufarrej and Dr. Khaled Al-Swailem
2 nd meeting	16/12/2020	Dr. Walid Abanumay, Mr. Yazeed AlHumied, Mr. Fahad Al-Mufarrej and Dr. Khaled Al-Swailem

In accordance with the group's articles of association and regulations, the group has a clear policy of compensation and remuneration that is approved by the general assembly and through which the compensation and remuneration of board members and the group's executive management have been determined. The compensation policy is in full compliance with SAMA's regulatory requirements and the international standards of the Financial Stability Forum. In accordance with established policy, the performance and achievements of key employees should be measured, taking into consideration their financial performance and level of risk management. Samba's variable compensation is linked to risk-adjusted net income after calculating the material current or potential risks to ensure adequacy of the bank's capital and to reduce future potential risks. Variable compensation of eligible primary employees is paid in cash and shares in three installments. The percentage of compensation to be paid in cash or in the form of stock is determined by the degree of responsibility, the role, and the work of each employee commensurate with his or her ability to carry out supervisory activities or activities involving risk. There are also arrangements for the recovery of bonuses paid in the event of future adverse performance. Samba does not allow for the guarantee of any rewards. In line with these measures, Samba has successfully achieved its objectives by calculating the future negative impact of decisions made during the current period.

This committee oversees the design of the compensation system and its overall supervision for both employees and board members. It ensures that the compensation paid to them is consistent with applicable laws and regulations. The committee also makes recommendations to the board of directors on the components of compensation after considering the financial controller's views and risk management. The committee periodically reviews the implementation of the compensation policy and the achievement of the objectives against the directives issued by the supervisory bodies to which periodic

reports are submitted. The remuneration for 2020 is in line with the group's remuneration policy. Directors' annual remuneration for 2020 totaled SR 4,810 thousand for non-executive members (including independent directors). Allowances for the non-executive members (including independent directors) stood at SR 760 thousand. Remuneration for non-board audit committee members was SR 120 thousand per member. Samba paid SR 12,363 thousand in salaries and related benefits to its top six executives, including the CEO and CFO. Samba also paid SR 6,868 thousand in allowances, SR 37,000 thousand in annual rewards, and SR 10,416 thousand in incentive plans. Expenses, including travel and lodging costs, incurred by non-executive directors (including independent directors) totaled SR 54,850 thousand.

Board of Directors Remunerations

Member	Fixed remunerations							Variable remunerations le ?					End of service	Total	Expense allowance
	A certain amount	Attending board sessions allowance	Attending board sessions allowance total	In-kind benefits	Technical, administrative, and consulting work Remuneration	Remuneration for the chairman of the board, managing director or secretary, if he is a member	Total	Share of profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (value entered)	Total		

First: Independent members

1. Ali AlMansour	405	40	55	-	-	-	-	-	-	-	-	500	-	-	-
2. Abdullah Al-Rowais	405	45	60	-	-	-	-	-	-	-	-	510	-	-	-
3. Khaled Al-Swailem	405	45	30	-	-	-	-	-	-	-	-	480	-	-	-
4. Walid Abanumay	405	45	10	-	-	-	-	-	-	-	-	460	-	-	-
5. Fahad Al-Mufarrej	405	45	10	-	-	-	-	-	-	-	-	460	-	-	-
Total	2025	220	165	-	2410	-	-	-							

Second: Non-executive members

1. Ammar Alkhudairy	405	45	35	-	-	-	-	-	-	-	-	-	485	-	-	-
2. Ibrahim Al Mojel	405	45	35	-	-	-	-	-	-	-	-	-	485	-	-	-
3. Ali Reda	405	45	30	-	-	-	-	-	-	-	-	-	480	-	-	-
4. Yazeed AlHumied	405	45	10	-	-	-	-	-	-	-	-	-	460	-	-	-
5. Eyad Al-Husain	405	45	40	-	-	-	-	-	-	-	-	-	490	-	-	-
Total	2025	225	150	-	-	-	-	-	-	-	-	-	2400	-	-	-

Audit Committee: The Audit Committee helps the board of directors meet its responsibility to monitor Samba's financial reporting and internal control systems, oversee the work of the external and internal auditors, review the interim and annual financial statements, review the accounting policy in force, and ensure compliance with regulations. The internal audit and risk group assesses and reports on the effectiveness of internal control structures across the whole of SFG, and this information is included in internal audit department reports, reflecting a risk-based approach. Risk assessment of business units determines the timeframe for audits during the development of the annual audit plan. While the Audit Committee adopts the audit plan, it also receives all audit reports and reviews quarterly the updates relating to the implementation of the audits, notes resulting from the audits, and corrective actions taken by the relevant business units. In view of the above and the work carried out by the internal audit in accordance with the approved plan by the audit committee during the fiscal year 2020, the audit committee did not find a fundamental weakness in the applicable internal control procedures, and recommended that the group's management continue to develop and improve the efficiency and effectiveness of the applicable internal controls. The group's policies and procedures should always be updated in line with the group's activity and its subsidiary companies, structure, and presence locally and abroad to achieve a balance between the size of the potential risks associated with implementing the group's strategy, achieving its goals and preserving its position, provided that these recommendations also apply to the group's subsidiaries that operate in accordance with the regulations, policies and procedures that govern the parent company's businesses.

The Audit Committee comprises five members:

Members of the Audit Committee	Serves as	Member classification
Mr. Abdullah Al-Rowais	Chairman	Independent
Mr. Eyad Al-Husain	Member	Non-executive
Mr. Abdulaziz AlAtiqi *	Member	Independent

Mr. Ibrahim Alsadah *	Member	Independent
Mr. Ali AlAyed *	Member	Independent

*members from outside the board.

There were eight meetings of the Audit Committee during the year:

Meeting	Date	Members present
1 st meeting	22/01/2020	Mr. Abdullah Al-Rowais, Chairman, Mr. Eyad Al-Husain, Mr. Abdulaziz AlAtiqi, Mr. Ibrahim Alsadah, Mr. Ali AlAyed
2 nd meeting	19/02/2020	Mr. Abdullah Al-Rowais, Chairman, Mr. Eyad Al-Husain, Mr. Abdulaziz AlAtiqi, Mr. Ibrahim Alsadah, Mr. Ali AlAyed
3 rd meeting	30/04/2020	Mr. Abdullah Al-Rowais, Chairman, Mr. Eyad Al-Husain, Mr. Abdulaziz AlAtiqi, Mr. Ibrahim Alsadah, Mr. Ali AlAyed
4 th meeting	14/05/2020	Mr. Abdullah Al-Rowais, Chairman, Mr. Eyad Al-Husain, Mr. Abdulaziz AlAtiqi, Mr. Ibrahim Alsadah, Mr. Ali AlAyed
5 th meeting	28/07/2020	Mr. Abdullah Al-Rowais, Chairman, Mr. Eyad Al-Husain, Mr. Abdulaziz AlAtiqi, Mr. Ibrahim Alsadah (video conference), Mr. Ali AlAyed
6 th meeting	22/09/2020 (video conference)	Mr. Abdullah Al-Rowais, Chairman, Mr. Eyad Al-Husain, Mr. Abdulaziz AlAtiqi, Mr. Ibrahim Alsadah Mr. Ali AlAyed
7 th meeting	20/10/2020 (video conference)	Mr. Abdullah Al-Rowais, Chairman, Mr. Eyad Al-Husain, Mr. Abdulaziz AlAtiqi, Mr. Ibrahim Alsadah, Mr. Ali AlAyed
8 th meeting	06/12/2020 (video conference)	Mr. Abdullah Al-Rowais, Chairman, Mr. Eyad Al-Husain, Mr. Abdulaziz AlAtiqi, Mr. Ibrahim Alsadah, Mr. Ali AlAyed

Risk Committee: The Risk Committee helps the board oversee the group-wide risk management framework by following up on various risk management operations, including those relating to credit and information security. It ensures that the established internal control framework is in line with the strategy and objectives of risk management.

the committees' secretary is the head of risk management. The committee comprises three directors:

Members of the Risk Committee	Serves as	Member classification
Mr. Ali AlMansour	Chairman	Independent
Mr. Abdullah Al-Rowais	Member	Independent
Mr. Khaled Al-Swailem	Member	Independent

The committee held four meetings during the year. The following is the record of attendance:

Meeting	Date	Present members
1 st meeting	05/03/2020	Mr. Ali AlMansour - Mr. Abdullah Al-Rowais - Mr. Khaled Al-Swailem
2 nd meeting	04/05/2020	Mr. Ali AlMansour - Mr. Abdullah Al-Rowais - Mr. Khaled Al-Swailem
3 rd meeting	13/09/2020	Mr. Ali AlMansour - Mr. Abdullah Al-Rowais - Mr. Khaled Al-Swailem
4 th meeting	13/12/2020	Mr. Ali AlMansour - Mr. Abdullah Al-Rowais - Mr. Khaled Al-Swailem

All companies in which the group's board members are members of their current and former boards of directors or their managers or have direct or indirect ownership or managerial powers and authorities, whether listed or not listed in the financial market, and whether inside or outside the Kingdom as at December 31, 2020 are as follows:

Director	Current Companies	Previous Companies
Ammar A. Alkhudairy	<ul style="list-style-type: none"> Almarai Company (listed company in the Kingdom) Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO) (listed company in the Kingdom) Amwal Alkhaleej Commercial Investment Company (LLC in the Kingdom) First Amwal Alkhaleej Company (LLC in the Kingdom) Second Amwal Alkhaleej Company (LLC in the Kingdom) Amwal Alkhaleej Company (in the Kingdom) Real Estate Development Fund (in the Kingdom) 	<ul style="list-style-type: none"> Goldman Sachs Saudi Arabia (LLC in the Kingdom) Morgan Stanley Saudi Arabia (LLC in the Kingdom) Savola Group (listed company in the Kingdom) Kingdom Holdings (listed company in the Kingdom) Herfy Food Services Co. (listed company in the Kingdom) Al Tayyar Travel Group (listed company in the Kingdom) Allianz Saudi Fransi Cooperative Insurance Company (listed company in the Kingdom) Banque Saudi Fransi (listed company in the Kingdom) Economic Cities Authority (in the Kingdom)
	<ul style="list-style-type: none"> Dubai Contracting Company (outside the Kingdom) Amwal Capital Partners (outside the Kingdom) SPIMACO Egypt, representing SPIMACO Saudi Arabia (outside the Kingdom) 	<ul style="list-style-type: none"> Arab Cotton (outside the Kingdom) MIS Company (outside the Kingdom) Beltone Capital (outside the Kingdom) DAMAS Co. (outside the Kingdom)
Yazeed AlHumied	<ul style="list-style-type: none"> Saudi Stock Exchange (Tadawul) (in the Kingdom) National Security Services Company (in the Kingdom) Flyadeal (closed JSC in the Kingdom) Civil Aviation Holding Company (LLC in the Kingdom) Saudi Arabian Airlines Public Corporation (public corporation in the Kingdom) Richard Attias & Associates (in the Kingdom) 	<ul style="list-style-type: none"> None
Ali H. Reda	<ul style="list-style-type: none"> Haj Hussein Alireza & Partners Co. (LLC in the Kingdom) National Computer Systems Company (LLC in the Kingdom) Al Wasila Rent A Car Company LLC (in the Kingdom) The Arabian Petroleum Supply Company (non-listed JSC in the Kingdom) AJIL Financial Services Company (closed JSC in the Kingdom) Haji Abdullah Alireza & Co. (LLC in the Kingdom) 	<ul style="list-style-type: none"> Chairman of the Car Agents Committee of the Jeddah Chamber of Commerce and Industry (in the Kingdom) Member of the Commercial Committee and the National Committee of the Jeddah Chamber of Commerce and Industry (in the Kingdom) Member of the National Committee for Cars at the Saudi Chamber of Commerce and Industry (in the Kingdom) Board member of Makkah region (in the Kingdom) Ford Middle East (in the Kingdom) Alalamiya Cooperative Insurance Company (listed JSC in the Kingdom)
	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Gulf One Bank (non-listed JSC outside the Kingdom)
Ibrahim Al-Mojel	<ul style="list-style-type: none"> AlRaedah Investment Company (listed company in the Kingdom) Awqaf Investment Company (LLC in the Kingdom) Arab Mining Company (JSC in the Kingdom) Taibah Valley (LLC in the Kingdom) ASAS for Developing & Operating Industrial Cities (in the Kingdom) Saudi Export Import Bank (in the Kingdom) 	<ul style="list-style-type: none"> Saudi Aramco Investment Department (in the Kingdom)

Eyad Al-Husain	<ul style="list-style-type: none"> National Petrochemical Company (listed JSC in the Kingdom) Saudi Polymers Company (LLC in the Kingdom) 	<ul style="list-style-type: none"> Alawal Bank (listed JSC in the Kingdom) National Medical Care Company (listed JSC in the Kingdom)
Abdullah Al-Rowais	<ul style="list-style-type: none"> Mobily (listed JSC in the Kingdom) Bawan Group (listed JSC in the Kingdom) ACWA Power (private company in the Kingdom) The Saudi Tourism Authority 	<ul style="list-style-type: none"> Manafea Holding Company (closed JSC in the Kingdom)
Fahad I. Al-Mufarrij	<ul style="list-style-type: none"> Saudi Printing and Packaging Company (listed JSC in the Kingdom) FALCOM Financial Services (closed JSC in the Kingdom) 	<ul style="list-style-type: none"> Saudi Post (in the Kingdom) Social Development Bank (in the Kingdom) ASMA Invest (outside the Kingdom)
Khaled Al-Swailem	<ul style="list-style-type: none"> Ashmore Investment Saudi Arabia (LLC in the Kingdom) Agricultural Development Fund (in the Kingdom) Arab Gulf Programme for Development (in the Kingdom) 	<ul style="list-style-type: none"> Saudi Central Bank (in the Kingdom)
	<ul style="list-style-type: none"> Fajr Capital (outside the Kingdom) GII Islamic REIT (outside the Kingdom) 	<ul style="list-style-type: none"> None
Ali AlMansour	<ul style="list-style-type: none"> Al Rajhi Takaful (public listed JSC in the Kingdom) 	<ul style="list-style-type: none"> None
Walid Abanumay	<ul style="list-style-type: none"> Abanumay Industrial Corporation (closed JSC in the Kingdom) Arabian Waterproofing Industries Company (closed JSC in the Kingdom) Rawafd AlJoud Company (closed JSC in the Kingdom) Ashmore Investment Saudi Arabia (LLC in the Kingdom) 	<ul style="list-style-type: none"> Inmaia Real Estate & Tourism Development Company (listed JSC in the Kingdom) Raya Saudi Company (closed JSC in the Kingdom) Saudi Arabian Fertilizer Company (SAFCO) (listed JSC in the Kingdom) Ibn Al-Baytar Company (LLC in the Kingdom) Saudi Industrial Investment Group (listed JSC in the Kingdom) Saudi Arabian Refineries Company (listed JSC in the Kingdom). Applied Computer Services Company Swicorp Joussour Company (closed JSC)
	<ul style="list-style-type: none"> Solidere International (public company outside the Kingdom) SODIC (listed JSC outside the Kingdom) B Investment (listed JSC outside the Kingdom) 	<ul style="list-style-type: none"> Beltone Financial Holding (outside the Kingdom) Swicorp Joussour Company (closed JSC outside the Kingdom) Madinet Nasr Housing & Development (outside the Kingdom) Raya Holding (outside the Kingdom) Ghabbour Auto Company (outside the Kingdom)

The following is a summary of the board directors and committee members and their qualifications and experience:

Mr. Ammar Abdulwahed Alkhudairy:

Ammar A. Alkhudairy is the chairman of Samba Financial Group, a role he has held since January 2019. Prior to Samba, he played key leadership roles in various Saudi financial institutions, including Riyadh Bank, United Saudi Bank, and Banque Saudi Fransi. Mr.

Alkhudairy was also a board member from 2015 to 2018, chairman of the Audit Committee from 2015 to 2018, and served as the interim managing director/CEO at Banque Saudi Fransi from October 2017 to March 2018.

Mr. Alkhudairy has over 30 years' experience in the financial sector, with a special focus on the areas of corporate banking, project finance, corporate finance, M&A, and asset management. He has also served as a member on various public and private boards, including chairman of Goldman Sachs Saudi Arabia, chairman of Morgan Stanley Saudi Arabia, SAVOLA, Kingdom Holdings, Herfy, Al Tayyar, chairman of Allianz Saudi Arabia, deputy chairman of SPIMACO, and a board member of Almarai. He founded and chairs Amwal AlKhaleej and Amwal Capital Partners, an alternative asset management business based in Riyadh and DIFC. He also served as a board member with government-related entities, including the Real Estate Development Fund and the Economic Cities Authority. Mr. Alkhudairy earned an MSc in engineering administration and a BSc in civil engineering from George Washington University.

Mr. Yazeed Abdulrahman AlHumied (Representative of the Public Investment Fund):

Mr. AlHumied is the head of Local Holdings Investments Division in the Public Investment Fund (PIF), where his responsibilities include managing two major investment pools: Saudi Equity Holdings pool and Saudi Sector Development pool, being the most condensed pools with assets under management. His responsibilities also include attracting international strategic partners to invest in Saudi and to localize cutting edge technologies, as well as carrying PIF role as a driver of the economy.

In 2015, Mr. Yazeed AlHumied joined PIF as an advisor to H.E. the Governor to contribute to PIF restructure and strategy crafting, post its reallocation to Council of Economic and Development Affairs. He was then, in 2016, been appointed as the Chief of Staff, in addition to his advisory post, delivering during that post outstanding ad of Local Holdings Investments Division | Public Investment Fund achievements, such as contributing to the construction of PIF updated strategy and business plan, managing PIF investment projects from inception to being established a companies, developing a comprehensive governance model for PIF portfolio companies along with establishing the foundations and mechanisms for representations in the Boards of Director for PIF portfolio companies, developing several international strategic partnerships, and enhancing PIF relations to become an enable to other local entities.

In addition to his tenure at PIF, Mr. Yazeed AlHumied's career journey surpasses the 16 years mark, during which he has developed an extensive experience in both financial and management fields, starting in at PriceWaterhouseCoopers and from 2004 to 2008, then joining the Capital Market Authority. afterwards until 2015. During which he headed the Mergers and Acquisitions and was exposed to international practices as he was seconded to work at the Malaysian Securities Commission and the regulatory body of mergers and acquisitions in the United Kingdom. He also served as advisor to H.E. the Chairman of

CMA, enabling him to develop a comprehensive understanding of the CMA and its practices.

Mr. Yazeed AlHumied contributions reach beyond his executive role, by being a member in permanent committees in PIF such as the Management Committee, the Portfolio Companies Nomination Committee and Management Investment Committee. His contributions exceeds PIF as an organization in both public and private sectors, as being the Chairman of the National Security Services Company, vice chairman of both the Samba Financial Group and the Saudi Stock Exchange (Tadawul), and a board member of several companies, including Saudi Arabian Airlines, Civil Aviation Holding, Richard Attias & Associates and Flyadeal. He holds a bachelor's degree in accounting from the King Saud University and executive management certifications from the London Business School and other international programs.

Mr. Ali Hussein Reda (representative of the Public Pension Agency):

Mr. Ali has been a board member of Samba Financial Group since 2003. He is the managing director of Al Haj Hussein Alireza & Partners Co. Ltd., chairman of the board of directors of the National Computer Systems Company and Al Wasila Rent A Car Company Limited, and a board member of the Arabian Petroleum Supply Company. Mr. Ali was previously chairman of the Car Agents Committee in Jeddah and the Chamber of Commerce and Industry for the 15th session, a member of the Commercial and National Committees of the Jeddah Chamber of Commerce and Industry, a member of the National Committee for Cars at the Saudi Chamber of Commerce and Industry, a board member of Makkah region, and chairman of the board of directors of Ford Middle East, the Alalamiya Cooperative Insurance Company, and Gulf One Bank in Bahrain. He holds an MBA degree from the University of Southern California.

Dr. Ibrahim Saad AlMojel (representative of the Public Investment Fund):

Dr. AlMojel has been the CEO of Saudi Industrial Development Fund since 2018, and a member of several government boards, committees, and programs, including the National Industry Development and Logistics Program, and the Export and Import Bank. He is also a member of several boards, including Samba Financial Group, Al Ra'idah Investment Company, Awqaf Investment Company, and the Arab Mining Company and many more. He is the co-chair of Long-Term Investors Club. He worked on developing the industrial fund, whereby its capital was raised to SAR 105 billion and increasing its financing base to support several new sectors including energy, mining and logistical services, and its basic industrial system was modified to keep pace with the needs of the Kingdom. Dr. Ibrahim previously worked for Saudi Aramco and Saudi Aramco Energy Ventures. Dr. AlMojel holds a bachelor's degree in electrical engineering from Vanderbilt University, and a master's degree in electrical engineering and a PhD in management science and engineering from Stanford University.

Mr. Eyad Abdulrahman Al-Husain (representative of the General Organization for Social Insurance):

Mr. Al-Husain is a board member of Samba Financial Group and a member of the Audit Committee. He is currently the assistant governor for financial and administrative affairs at the General Organization for Social Insurance, a role he has held since 2014. He has also worked as general manager for financial affairs at the General Organization for Social Insurance, from 2009 to 2013. Prior to that, he held the position of general manager of financial supervision at the General Organization for Social Insurance, and for two years and was a financial controller at the General Organization for Social Insurance. Mr. Al-Husain holds a Master of Commerce in applied finance from the University of Adelaide in Australia and a bachelor's degree in accounting from King Saud University. He is a board member of the National Petrochemical Company (Petrochem), (a listed joint stock company) and has served on its audit committee. He is also a board member of the Saudi Polymers Company. (limited liability company) since April 2019. He was a member of Alawwal Bank (a listed joint stock company) from 2008 to 2018 and chairman of National Medical Care Company from 2015 to 2019.

Mr. Abdullah Abdulrahman Al-Rowais:

Mr. Al-Rowais has been a board member of Samba Financial Group since 2016. He is the chairman of the Audit Committee and a member of the Risk Committee. He is the head of Mobily's internal audit function. Mr. Al-Rowais is also a board member of ACWA Power and Bawan Company. He previously worked at Saudi Central Bank and Saudi Aramco and served as a board member of Manafea Holding Company. He holds a bachelor's degree in accounting from King Saud University and an MBA in computer and information systems from the University of Detroit, USA. Mr. AlRowais has over 25 years of experience in the fields of governance, internal audit, and internal control practices.

Mr. Fahad Ibrahim Al-Mufarrej:

Mr. Al-Mufarrej has been a board member of Samba Financial Group since 2013 and serves on the Nomination and Remuneration Committees. He is the managing director of the Saudi Printing and Packaging Company. He is also a member of the board of directors for a number of companies and committees. Mr. Al-Mufarrej previously held several positions at the Saudi Central Bank. (SAMA), where he worked for more than 25 years, and last served as manager of the banking supervision department. He was a representative of SAMA at the meetings of the Basel Committee and Supervision and Control Committee of the GCC and the Banking Supervision Committee of Arab states. He was a member of the Banking Supervision Committee, Saudi Riyal Committee, the Supreme Mutual Committee of SAMA, and CMA. He was also a board member of the Saudi Post, Social Development Bank, and ASMA Invest. He holds a bachelor's degree in business administration from King Abdulaziz University and has received further training from Harvard University, the Irish Management Institute, and other institutions.

Dr. Khaled Al-Swailem:

Dr. Al-Swailem is a board member of Samba Financial Group and member of the Risk Management and Nomination and Remuneration Committees. He is the senior advisor

and former general manager of investment at the Saudi Central Bank. He has been a member of Harvard Kennedy School's Center for International Development. He was subsequently appointed in 2016 as and a visiting scholar at the Stanford University Global Projects Center. His studies and research in both universities were related to investment and the role of sovereign funds in achieving financial stability and sustainable development. He holds a bachelor's degree in industrial engineering from the University of Arizona, USA, a master's in economics from Boston University, a PhD in economics from the University of Colorado Boulder, USA, and a post-doctoral fellowship in economics and finance from Harvard University. Dr. Al-Swailem is the chairman of Ashmore Investment Saudi Arabia and an independent board member of Fajr Capital in the UAE, in which several sovereign funds participate. He is also a member of other investment committees, including the Agricultural Development Fund and the Arab Gulf Programme for Development.

Mr. Ali Hadi AlMansour:

Mr. AlMansour is a board member of Samba Financial Group, a member of the Executive Committee, and chairman of the Group's Risk Committee. He has worked at the Al Ra'idah Investment Company since 2017 and was at Jadwa Investment from 2015 to 2017. Prior to that, he worked in Saudi Aramco, from 2013 to 2015 and worked at the KAUST Investment Management Company in Washington DC, USA, from 2009 to 2012. He is now an independent member of Al Rajhi Takaful Company. Mr. AlMansour holds a bachelor's degree in finance from the University of North Carolina, USA, and an MBA from King Fahd University of Petroleum and Minerals. He is also an accredited member of the American Institute of Financial Analysts.

Dr. Walid A. Abanumay:

Dr. Abanumay is a board member of Samba Financial Group and chairman of the Nomination and Remuneration Committee. He holds a PhD in financial business administration from the University of Southern Illinois, a master's degree in information systems management from the University of Illinois, and a bachelor's degree in computer science from the University of Southern Illinois, USA. Dr. Abanumay is currently the managing director at Al Mareefa Saudia Company, chairman of Abanumay Industrial Corporation, chairman of the Arabian Waterproofing Industries Company, chairman of Rawafd AlJoud Company, and the board member of several limited liability companies. He has previously been on the boards of several local and regional companies and served as a manager in general treasury and corporate management at Samba Financial Group.

Members of the Audit Committee from outside the board:

Mr. Abdulaziz AlAtiqi:

Mr. AlAtiqi is a member of the audit committee at Samba Financial Group, the Filling & Packing Materials Manufacturing Company, Malath Cooperative Company, and Saudi Electricity Company. He has also worked in the Capital Market Authority from 2009 until

2015 and at the Saudi Basic Industries Corporation (SABIC) from 1991 until 2009. He holds a bachelor's degree in legal accounting from King Saud University.

Mr. Ibrahim Abdullah Alsadah:

Mr. Alsadah is a member of the audit committee at Samba Financial Group. He is a board member of the Dharma Electricity Company, a member of the audit committee of Al Murjan Electricity Company, and CEO of the accounting and reporting division of the Saudi Electricity Company. He holds a bachelor's degree in accounting from Imam Muhammad bin Saud University.

Mr. Ali Sulaiman AlAyed:

Mr. AlAyed is a member of the audit committee of Samba Financial Group. He is a board member at Alinma Tokio Marine Company and a member of the audit committee at Tabuk Cement Company. Previously, he was a general manager of control on insurance companies at SAMA, from 2013 until 2017, and CEO and member of investment committee of at Malath Cooperative Insurance & Reinsurance Company, and deputy CEO and CFO at the Saudi Electricity Company. Mr. AlAyed holds a bachelor's degree in accounting from King Saud University.

The following is a summary of the senior executives and their qualifications and experience:

Rania Mahmoud Nashar:

Ms. Nashar has been the CEO of Samba Financial Group since February 2017. During her 23 years with the group, she has held several positions, most recently as the general manager of the Internal Audit and Risk Group. In addition to her position as CEO, Ms. Nashar serves as deputy chairman of Samba Capital and is a board member of Samba Bank Limited in Pakistan, Samba Global Markets Limited, and the Institute of International Finance. She is also a member of the advisory committee for the Capital Market Authority. Ms. Nashar chairs the action council for Women in Business, one of the main initiatives to come out of the business group of the G20 Summit. She is also on the board of directors of the Saudi Space Commission, the Saudi Stock Exchange, and the National Center for Performance Measurement. She holds a bachelor's degree in computer science and information technology from King Saud University and she completed a leadership development program at the Darden School of Business at the University of Virginia. She is also a certified anti-money laundering specialist of the American Anti-Money Laundering Association.

Mohammed A. Al-Shaikh:

Mr. Al-Shaikh has been deputy CEO and chief of staff at Samba since February 2019. Prior to that, he was the general manager of the retail banking group since 2014. He is a board member of Samba Capital and Saudi Credit Bureau (SIMAH). Mr. Al-Shaikh has worked in many departments and units in his 27 years with Samba, including corporate banking, the branch network, operations, and internal audit. He holds a bachelor's degree in

administrative and financial sciences from King Saud University and completed a leadership development program at Citibank in New York.

Shujaat Nadeem:

Dr. Nadeem was appointed deputy CEO for businesses in February 2019. Prior to that, he was the general manager of treasury for 15 years. He is also the chairman of Samba Bank Limited in Pakistan and Samba Global Markets Limited. Mr. Nadeem held several positions at Citibank in the treasury and investment departments in America, Europe, the Middle East, and North Africa, where he worked for more than 10 years before moving to Samba. He holds a PhD from the Massachusetts Institute of Technology in the United States.

Beji T. Tak-tak:

Mr. Tak-tak has been the general manager of risk and credit since 2007. His most recent positions were as regional manager of credit, and risk manager for Islamic structured and banking products. He previously worked for 23 years at Citibank in the risk, corporate, investment, and financial departments. Mr. Tak-tak has also worked in several countries in Europe, Africa, and the Middle East. He holds a BA in political science from the Institute of Political Studies in Paris, France, and a bachelor's degree in business administration from the Senior School of Business Studies in Paris, France.

Saleh M. Al-Qathami:

Mr. Al-Qathami has been general manager of the private banking group since 2014. He joined private banking services at Saudi United Commercial Bank in 1994, which later merged with Samba Financial Group. Mr. Al-Qathami previously worked for the Saudi British Bank. He studied business administration at King Saud University.

Khalid Fagih:

Mr. Fagih has been general manager of corporate banking group since February 2019. Prior to that, he was the CBG regional manager in the western region. He has over 26 years of banking experience and holds a bachelor's degree in statistics and computer science from King Abdulaziz University.

Abdul Haleem Sheikh:

Mr. Sheikh joined the Samba Financial Group in 2001 as part of the Financial Control and Planning group. He has been the group's chief financial officer since 2008. Prior to joining Samba, Mr. Sheikh worked with PricewaterhouseCoopers and Deloitte for over 12 years. He is the chairman of the CFOs' committee, organized under the auspices of SAMA. Mr. Sheikh has over 31 years of experience in strategic financial planning, financial management, public accounting, financial audits, and investment management. As a member of several supervisory committees, he has worked with supervisory authorities to develop strategies for the Saudi financial sector. He is accredited by the Institute of Chartered Accountants and the Institute of Cost & Management Accountants of Pakistan and has a Bachelor of Commerce degree from Karachi University.

Suliman Alobaid:

Mr. Suliman was appointed chief operating officer in December 2019. Prior to that, he was the general manager of the Shared Services Group at the Saudi Investment Bank. He has held several positions in businesses related to technology and has more than 23 years of experience in the banking sector. Mr. Suliman holds a bachelor's degree in computer information systems from King Saud University.

Abdulaziz Alshoshan:

Mr. Alshoshan has more than 20 years of experience in the field of internal audit and information security. He has worked in various sectors, such as energy (Saudi Aramc and ACWA Power), telecommunications (Mobily and STC), and banking (Al Bilad and Al-Rajhi banks). He held a number of executive and leadership positions in internal audit and other areas, the most recent of which was head of the internal audit group at Al-Rajhi Bank, in addition to the membership of the audit committees. He holds an Executive Master's degree in business administration as well as a bachelor's degree in management information systems from the department of accounting and information systems at the industrial management college from King Fahd University of Petroleum and Minerals. He also obtained a number of approved professional certificates in the field of internal audit, information security and project management, including Internal Auditor (CIA) and Certified Information Systems Auditor (CISA).

Abdulaziz Ibrahim Al-Musained:

Mr. Al-Musained has been general manager of the legal department since 2018. He has 17 years of experience in the fields of legal, compliance, and banking and has served as corporate secretary. He holds a bachelor's degree in law from King Saud University.

Fahad Al-Ghannam:

Mr. Al-Ghannam was appointed head of compliance in July 2019. He has more than 22 years of experience in the fields of control, operations areas, internal audit and compliance. leading multiple functions. He holds a bachelor's degree in business from King Abdulaziz University.

Ali Al-Hawas:

Mr. Al-Hawas was appointed head of sales and trading in February 2019. He is responsible for the sales and distribution of treasury products across all customer categories, including corporate banking, consumer banking, private banking, and proprietary trading portfolios. Mr. Al-Hawas is a member of the bank's asset liability management committee and is operationally responsible for managing the Samba Global Markets Ltd business. He joined Samba in 2008 and has over 21 years of treasury business experience.

Maan Al-Kahmous:

Mr. Al-Kahmous was appointed head of the consumer banking group in February 2019. Previously, he was head of branch banking. Mr. Al-Kahmous has more than 19 years of

experience and holds a bachelor's degree in industrial engineering and management systems from the University of Central Florida.

Naif Al-Saif:

Mr. Al-Saif was appointed treasurer in February 2019. Prior to that, he was the head of fixed income. He has more than 17 years of experience and holds a bachelor's degree in finance and economy from King Fahad University for Petroleum and Minerals.

Sakhar Al-Rubyan:

Mr. Al-Rubyan was appointed general manager of the human resource group in February 2019. Prior to that, he was responsible for the management and administration of Samba's recruitment division and many other special projects in the human resources group. He has more than 19 years of experience in human resources and has been with Samba since 2005. He holds a bachelor's degree in business administration.

Faisal Al-Ammar:

Mr. Al-Ammar has served as corporate secretary since September 2019. Prior to that, he was the senior office manager of the executive managers. Mr. Al-Ammar has more than 23 years of work experience at Samba, including in compliance, governance, and as corporate secretary.

8. SHAREHOLDER RELATIONS

The board of directors has taken the necessary action to inform all its members of the shareholders' suggestions and observations regarding the group. The general secretariat of the board receives the shareholders' suggestions and observations and informs the board of them. The members attend the meetings of the general assembly to hear shareholders' comments and respond directly to their queries. The group also discloses its activities in financial reports that are published periodically on the Tadawul website. Disclosures are also posted on the group's website and social media, which contain additional information and news about the group.

In accordance with the group's articles of association, the general assembly meets at least once a year during the six months following the end of the fiscal year. The assembly held one meeting during 2020. The following is the record of attendance at the meeting:

Meeting	Members present
25/03/2020	Mr. Ammar Alkhudairy, Mr. Yazeed AlHumied, Dr. Khaled Al-Swailem, Mr. Ali AlMansour, Mr. Fahad Al-Mufarrej, Mr. Abdullah Al-Rowais, Dr. Walid Abanumay, Mr. Eyad Al-Husain and Mr. Ali Reda

The group has made 6 demands for shareholders' registers in 2020, as follows:

Date	Reason of demand
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02/01/2020	Periodic demand to identify changes in ownership of shares
29/03/2020	Dividends distribution of profits for the second half of 2019 based on identities
29/03/2020	Dividends distribution of profits for the second half of 2019 on portfolio level
09/07/2020	Periodic demand to identify changes in ownership of shares
09/08/2020	Periodic demand to identify changes in ownership of shares
14/10/2020	Periodic demand to identify changes in ownership of shares

9. CORPORATE GOVERNANCE

The group is in overall compliance with the Corporate Governance Regulations issued by the Capital Market Authority and the Saudi Central Bank and all mandatory regulations have been applied.

10. NOTIFICATION OF SIGNIFICANT SHAREHOLDING AND INTEREST IN SHARES OR DEBT INSTRUMENTS

The group has not received notification from any person (other than board members, senior executives, and their spouses and children) relating to changes in his/her ownership of the group shares, as required by article 68 of the rules of the offer of securities and continuing obligations issued by the CMA. The numbers of shares held by the major shareholders, together with shares held by the group's directors, senior executives, and their spouses and minor children as of December 31, 2020, are given below:

	Numbers of shares held at the beginning of the year	Numbers of shares held at the end of the year	Net change during the year	Percentage of holding at year end
Public Investment Fund	458,269,500	458,269,500	-	22.91%
Public Pension Agency	230,858,532	230,858,532	-	11.54%
GOSI	141,963,820	141,963,820	-	7.10%
Ammar Alkhudairy	1,000	1,000	-	0.00005%
Ali Reda	295,000	295,000	-	0.014%
Fahad Al-Mufarrej	32,633	32,633	-	0.0016%
Ibrahim Al-Mojel	848	848	-	0.000042%
Abdullah Al-Rowais	5,000	5,000	-	0.00025%
Khaled Al-Swailem	2,000	2,000	-	0.0001%
Ali AlMansour	0	0	-	0
Walid Abanumay	560,017	560,017	-	0.028%

Rania Nashar	23,981	47,791	23,810	%0.0024
Mohammed Al-Shaikh	8,801	25,094	16,293	%0.0012
Beji Tak-tak	48,813	51,363	2,550	0.0025%
Abdul Haleem Sheikh	75,879	87,009	11,130	0.0043%
Shajaat Nadeem	10,770	38,215	27,445	%0.0019
Saleh Al Qathami	19,030	26,105	7,075	%0.0013
Fahad Al-Ghannam	165	1,567	1,402	%0.000078
Abdulaziz A-Musained	528	2,777	2,249	%0.00014
Sakhar Al-Rubyan	440	455	15	0.000022%
Naif Al-Saif	3,271	10,224	6,953	%0.00051
Maan Al-Kahmous	3,089	10,329	7,240	%0.00051
Ali Al-Hawas	2,629	9,908	7,279	%0.00049
Faisal Al Ammar	1,179	2,982	1,803	%0.00014

11. DEPARTURE FROM ACCOUNTING STANDARDS MANDATED BY THE SAUDI ORGANIZATION FOR CERTIFIED PUBLIC ACCOUNTANTS

The board is pleased to confirm that Samba Financial Group is fully compliant with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as approved in the Kingdom of Saudi Arabia and other standards and statements issued by the Saudi Organization for Certified Public Accountants. The consolidated financial statements for Samba are prepared as per the IAS/IFRS and the accounting guidance provided by the Saudi Central Bank (SAMA). It also prepares its consolidated financial statements in accordance with both the Banking Control Law and the Companies Regulations in the Kingdom of Saudi Arabia. No departure from any of these accounting standards was noted during 2020.

SUBSIDIARIES

The principal subsidiaries included in the consolidated financial statements of the group are as follows:

Company Name	State of Incorporation	Ownership%	Gross Capital	Main Activities
Samba Capital and Investment Management Company (Samba Capital)	Saudi Arabia	100%	SR 500 million	Licensed by the Capital Market Authority (CMA) to undertake dealing, arranging, managing, advising, and custody businesses
Samba Bank Limited, Pakistan (SBL)	Pakistan	84.51%	PKR 10,082 million	Commercial banking
Samba Real Estate Company	Saudi Arabia	%100	SR 500,000	Managing real estate properties that are transferred

				to the group as a security.
Co-Invest Offshore Capital Limited (COCL)	Cayman Islands	%100	US \$50,000	Managing specific overseas investments
Samba Global Markets Limited	Cayman Islands	%100	US \$50,000	Derivatives trading transactions
Samba Funding Limited	Cayman Islands	%100	US \$50,000	Generating liquidity for the bank through the issuance of debt instruments

13. DIVIDENDS

Samba Financial Group's dividend policy conforms to the Banking Control Law and is calculated as follows:

1. The calculation of sums required for the payment of Zakat due on Saudi shareholders and tax due on non-Saudi shareholders as prescribed by the laws in force in Saudi Arabia. The company pays such amounts to the competent authority. Zakat paid by Saudi shareholders shall be deducted from their share of the net profit, and the tax paid by non-Saudi shareholders shall also be deducted from their share of the net profit.
2. A sum of at least 25% of the remainder of the net profit after the deduction of Zakat and tax, as indicated in point 1 above, shall be allocated to the statutory reserve until this reserve equals at least the paid-up share capital.
3. Out of the remainder of (1) and (2) above, an amount not less than 5% of the paid-up capital shall be allocated to Saudi and non-Saudi shareholders. This amount will be distributed in proportion to the paid-up part of the shares, as recommended by the board of directors and approved by the General Meeting. The General Meeting shall declare no larger dividend than is recommended by the board of directors.
4. The remaining amount out of (1) (2) and (3) above shall be used in accordance with the recommendations of the board of directors and approved by the General Meeting.
5. The respective percentage of the shareholdings of each of the Saudi and non-Saudi shareholders shall be observed when calculating the sums to be allocated as statutory reserves and other reserves out of the net profit, after deducting Zakat and tax.

14. BORROWINGS & DEBT INSTRUMENTS

The bank entered into a syndicated unsecured floating rate loan arrangement on July 17, 2019, amounting to USD 575 million with a tenor of three years for general corporate purposes. The term loan bears commission at market-based variable rates.

Using a special purpose vehicle, the bank has also completed the issuance of its USD 1 billion denominated notes under a USD 5 billion Euro medium-term note program. A second drawdown of USD 500 million was completed on January 29, 2020. The notes are unsecured and have been issued under this program for a period of up to seven years and may be subject to early redemption at the option of the bank, subject to the terms and conditions of the issue. The notes are listed on the Irish Stock Exchange plc.

In the ordinary course of its business, the group borrows and lends money in the interbank market and with SAMA. These transactions, which are usually short term and carry a special commission rate, are reflected in the group's consolidated financial statements. The group did not issue shares or debt instruments to any of its subsidiaries in 2020.

15. MATERIAL CONTRACTS

The group did not execute any material contracts during the year in which any of its directors, the chief executive officer, the chief financial officer, or any associate had any interest, apart from what is mentioned in note 35 of the 2020 audited consolidated financial statements.

16. WAIVER OF INTEREST BY A DIRECTOR, SENIOR EXECUTIVE, OR SHAREHOLDER OF THE GROUP

The group is not aware of any arrangement or agreement whereby a director, senior executive, or a shareholder of the group has waived any interest or rights to the dividends or remuneration.

TRANSACTIONS WITH RELATED PARTIES

During its normal course of business, the group deals with related parties. Transactions with related parties are subject to the ratios stipulated in the Banking Control Law and the instructions issued by the central banks. The year-end balances resulting from such transactions are shown in the consolidated financial statements as follows:

	2020 SR'000	2019 SR'000
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Members of the board of directors, other major shareholders, their affiliates, and others:		
Loans and advances	3,048,046	5,932,186
Customer deposits	29,885,759	27,821,961
Contingent liabilities	588,153	43,614
Samba Investment Funds		
Customer deposits	100,608	101,617

Other major shareholders are those who own more than 5% of the issued and paid-up share capital of the bank and what is listed on Tadawul.

Transactions with related parties include a set of business and contracts that are made for the bank's account and in which the members of the board of directors have a direct or indirect interest in it as follows:

Contract type	Name of related party	Owner	End of contract	Annual contract price (SAR)
Lease contract for an ATM location at the Saudi Arabian Airlines Corporation in Dhahran.	Deputy chairman Mr. Yazeed AlHumied is a member of the board of directors of the Saudi Arabian Airlines Corporation	Saudi Arabian Airlines Corporation	One-year contract that renews automatically	12,000
Lease contract for an ATM location (free) at the General Authority of Civil Aviation in AIUla	Deputy chairman Mr. Yazeed AlHumied is a member of the board of directors of the General Authority of Civil Aviation	The General Authority of Civil Aviation	28/02/2024	Free
Lease contract for an ATM location at King Abdulaziz Airport in Jeddah	Deputy chairman Mr. Yazeed AlHumied is a member of the board of directors of the General Authority of Civil Aviation	King Abdulaziz Airport in Jeddah, affiliated to the General Authority of Civil Aviation	One-year contract that renews annually	421,500
Lease contract for an ATM location at Dammam Airports Company	Deputy chairman Mr. Yazeed AlHumied is a member of the board of directors of the General Authority of Civil Aviation	Dammam Airports Company, a subsidiary of the General Authority of Civil Aviation	22/02/2021	141,750
Lease contract of a branch of the group at the Granada Center in Riyadh	Board member Eyad Al-Husain works with the General Organization for Social Insurance and represents the organization on the Samba board of directors.	General Organization for Social Insurance	31/08/2020	909,489
Lease contract for six	Board member Eyad Al-	General	31/08/2020	794,115

ATM sites and two warehouses at the Granada Center in Riyadh	Husain works with the General Organization for Social Insurance and represents the organization on the Samba board of directors.	Organization for Social Insurance		
Lease contract for two ATM sites at the National Hospital (National Medical Care Company) in Riyadh	Board member Eyad Al-Husain works with the General Organization for Social Insurance and represents the organization on the Samba board of directors.	General Organization for Social Insurance	28/01/2020	10,500
A contract that provides business communication services, internet, bulk SMS, and advanced information and communication technology solutions to the group	Board member Abdullah Al-Rowais works with Mobily (head of the Internal Audit Department).	Mobily	One-year contract that renews automatically	Based on the services provided by Mobily, which amounted to SAR16,606,915.55 in 2020

The following is an analysis of the income and expenses relating to transactions with related parties included in the consolidated financial statements:

	2020 SAR'000	2019 SAR'000
Special commission income	28,099	182,908
Special commission expenses	555,977	413,057
Fees and commission income, net	89,242	106,907
Directors' remuneration	5,701	4,987

The following is an analysis of the total remuneration paid to senior management officers during the year:

	2020 SAR'000	2019 SAR'000
Short-term employee benefits	122,929	80,055
Post-employment benefits, employee end-of-service benefits, and equity-based incentive	13,839	9,540

Senior management officers shall mean those persons, including the chief executive officer, who have the authority and responsibility to carry out the planning, direction, and supervision activities of the bank,

directly or indirectly. The group declares that there are no acts or contracts to which it is a party or in which there is an interest of a board member, senior executive, or any person related to any of them.

18. STATUTORY PAYMENTS

Zakat accrued in respect of Saudi shareholders this year stood at SR 611 million for 2020, and income tax accrued in respect of foreign shareholders stood at SR 12 million. The group expects to make these payments to government entities when they become due (details can be found in the group's consolidated financial statements for 2020). GOSI payments for 2020 totaled SR 153.1 million.

19. HUMAN RESOURCES

The group has attached great importance to recruiting promising Saudi youth. It has also consistently sought to support its various business sectors with Saudi competencies, leading to a steady growth in its job nationalization rates, which have reached 96.5% of the total workforce. With its long-term vision of people as the true capital of the group, Samba strives to provide an attractive working environment that stimulates human and professional capabilities. Comprehensive programs help to develop functional skills and raise the quality of staff performance, while a commitment to equal opportunity and career progression helps to promote staff loyalty. The group has continued to develop qualified banking leaders of both genders to prepare them to assume the highest executive positions, who can then advance the group to greater success and leadership in financial services.

Samba launched several initiatives and job nationalization programs in partnership with academic institutions in the Kingdom and was involved in career and graduate days for young Saudi graduates, both locally and further afield. The group continues to sponsor many events for new graduates, such as career and graduate days at the Institute of Public Administration in Riyadh, Jeddah, and Dammam, King Fahd University of Petroleum and Minerals, Al-Faisal University, and King Saud University. The group also consistently sponsors and participates in career days for the graduates of the Custodian of the Two Holy Mosques program for foreign scholarships in the United Kingdom, USA, and Canada. Samba regards career and graduate days as an effective channel of communication between business sectors and new graduates. The aim is to form an integral link between national institutions with groups of young Saudi graduates that will enrich the nationalization programs these institutions adopt.

Several initiatives were launched to support Samba's human resources strategy, including talent programs and career replacement management. The group is committed to the new risk-based compensation requirements of the Saudi Arabian Monetary Agency.

Community social responsibility is also an area in which we are making strides, as demonstrated by the cooperative (co-op) training programs we offered Saudi students at different educational institutions in the Kingdom. Some 87 students were trained during the year, 61 of whom were accepted to work in different departments at Samba, and 26 students are still under training and are expected to graduate in 2021. A total of 7,265 training days was provided.

The group is committed to paying benefits and compensation to its employees according to Saudi labor law, and the requirements of statutory payments due in foreign bank branches and subsidiaries. The total reserves for end-of-service indemnities as at 31 December 2020 amounted to SR 667.75 million. In addition, Samba continues to provide its staff with an equity-settled, share-based incentive plan that offers eligible employees the opportunity to own Samba shares at a pre-determined benchmark price for a fixed time, subject to certain conditions.

Training and development have long been a core part of the group's strategy, enabling it to invest in human capital as part of its vision of sustainable excellence and quality upgrades. A total of 7,854 employees were

trained during 2020, representing 18.183 training man-days, averaging 2.9 days for each training session and 2.3 days for each trained employee. Training was provided by Samba Academy and other national and international universities, business schools, and other institutions.

20. SHARE-BASED PAYMENTS

The group offers its eligible employees an equity-settled, share-based payment plan (the “Plan”) as approved by SAMA.

Under the terms of the Equity-Based Long-Term Bonus Plan, eligible employees of the bank are offered shares at a predetermined benchmark price for a fixed period. At the vesting dates determined under the terms of the plan, the bank delivers the underlying allotted shares to the employees, subject to the satisfactory completion of the vesting conditions.

The cost of these plans is measured by reference to the fair value at the date on which the shares was granted. The fair value of the plan is determined with reference to the market value of the shares at the inception of the plan using the discounted cash flow model.

The cost of the plans is recognized over the period in which the service condition is fulfilled, ending on the date on which the relevant employees become fully entitled to the shares (‘the vesting date’). The cumulative expense recognized for these plans at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the bank’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statements of consolidated income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

The bank, with SAMA approval, has entered into an agreement with an independent third party to acquire a beneficial interest in the underlying shares solely to manage the price risks associated with the above plans. Under the provisions of such an agreement, the bank at no point becomes the legal owner of the underlying shares.

The bank has the following equity-based long-term bonus plans outstanding at the end of the year. Significant features of these plans are as follows:

Number of outstanding plans	6
Grant date	Between Apr 2016 to Oct 2020
Maturity date	Between Mar 2021 to Jan 2024
Number of shares granted on the grant date	4,228,790
Benchmark price per share at grant date	Between SAR 20.9 to 37.7
Vesting period	5 and 3 years
Vesting conditions	Participating employees to remain in service
Method of settlement	Equity
Valuation model	Discounted cash flow
Fair value per share on grant date	Between SAR 17.5 to 32.3

The fair value of shares granted during the year was SR 66.3 million. The inputs used to calculate fair value of the shares granted during the year were the market price at the grant date, life of the plan, expected dividends, and the annual risk-free rate of return.

The shares are granted under a service condition with no market condition associated with them. The total amount of expense recognized in the consolidated financial statements in respect of the above equity-based payment plans for 2020 is SR 34.1 million.

21. BOOKS OF ACCOUNTS, SYSTEM OF INTERNAL CONTROL, AND FINANCIAL STATEMENTS

We confirm that:

- Proper books of account have been maintained.
- The system of internal control is sound in design and has been effectively implemented.
- There are no significant doubts concerning the group's ability to continue as a going concern.

22. PENALTIES

Samba Financial Group did not face any significant penalties or fines during the 2020 financial year. Most of the minor fines incurred were operational and they were addressed in a timely manner. The fines are as follows:

Violation category	2019					2020				
	No.	Amounts SR'000	Imposition agency	Causes of violation	Measures taken	No.	Amounts SR'000	Imposition agency	Causes of violation	Measures taken
Violating SAMA instructions relating due diligence	0	0	-	-	-	0	0	-	-	-
Violating SAMA Customer protection instructions	1	270	SAMA	Violation of SAMA customer protection instructions	Internal measures have been taken to ensure staff compliance with instructions	3	660	SAMA	Violation of SAMA customer protection instructions	Internal measures have been taken to ensure staff compliance with instructions
Violating SAMA instructions regarding the performance level of ATMs and POS machines	0	0	-	-	-	0	0	-	-	-
Violating SAMA supervisory instructions	15	1,361	SAMA	Violations regarding instructions to request data, instructions for the detection and seizure of balances and accounts, examination instructions, others.	Measures taken to avoid their recurrence included updating internal procedures, establishing regulatory procedures, awareness measures for staff, and other measures.	14	1,701,5	SAMA	Violations regarding instructions to request data, instructions for the detection and seizure of balances and accounts, instructions for the banking products and services, instructions for judicial and civil banking procedures and enforcement, instructions regarding account statement project.	Measures taken to avoid their recurrence included updating internal procedures, establishing regulatory procedures, awareness measures for staff, and other measures.
Violating SAMA instructions regarding due diligence in combating money laundering and terrorism financing	0	0	-	-	-	0	0	-	-	-

Violation category	2019					2020				
	No.	Amounts SR'000	Imposition agency	Causes of violation	Measures taken	No.	Amounts SR'000	Imposition agency	Causes of violation	Measures taken
-	1	15,000	General Authority of Zakat and Tax	Home finance taxes	A tax collection mechanism has been applied to all home financing products, and negotiations are underway to return the amount paid to the General Authority of Zakat and Tax.	5	176	General Authority of Zakat and Tax	VAT charges	Has been amended
Others	-	779	Ministry of Municipal and Rural Affairs	Fines on the group's branches and ATMs	-	-	817	Ministry of Municipal and Rural Affairs- Jazan municipality	Licensing two branches, delaying the renewal of municipality licenses, requirements of the Jazan municipality	The licences have been issued, all licences are scheduled to be renewed on time, and appropriate measures have been taken to implement the requirements of the Jazan municipality.

APPROPRIATION OF INCOME

The board of directors recommends that net income for the year be appropriated/distributed as follows:

	SR'MM
Shareholders' net income for the year	4,201
Dividends for the year	-
Transfer to statutory reserve	(1,051)
Transfer to general reserve	-
Transfer to retained earnings	(3,150)

AUDITORS

At the Annual Ordinary General Meeting of Samba's shareholders, held on 25 March 2020, Messrs. Ernst & Young and KPMG Al-Fozan were appointed as joint auditors for the fiscal year ending 31 December 2020G. There is no conflict between the recommendations of the audit committee and the decisions of the board of directors on the appointment of auditors, the determination of their fees, the evaluation of their performance, or the appointment of the internal auditor. The forthcoming Annual Ordinary General Meeting of shareholders will consider the reappointment of the existing auditors or appoint other auditors and determine their remuneration for the audit of the group for the year ending 31 December 2021.