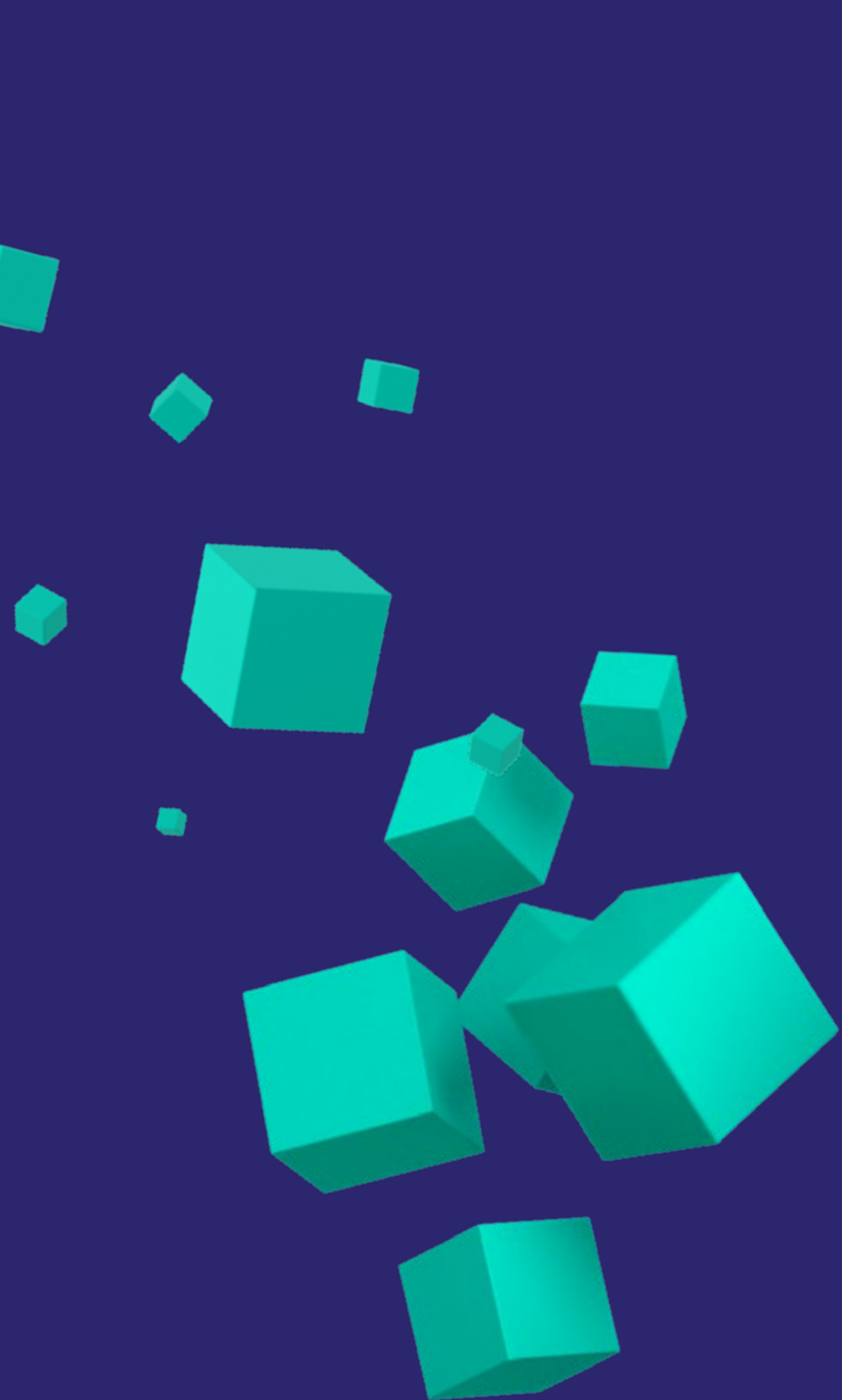




ACCELERATING GROWTH AND INNOVATION

Annual Report 2021

بنك الرياض
riyad bank



We are accelerating towards a better future. As our market, sector and customers' needs continue to evolve, Riyadh Bank will remain at the forefront of this transformation, supporting, engaging and creating value for all our stakeholders.

RIYAD BANK

ANNUAL REPORT 2021



Chairman's Statement

Riyad Bank will be recognized as the leading bank in the Kingdom by 2025.
P22

This Annual Report describes the performance and achievements of Riyadh Bank in 2021, including the Bank's main business segments and supporting functions, such as technology, human resources and corporate governance, as well as its commitment and activities related to corporate sustainability and ESG.

The new
Riyad Bank
HQ

Report Boundary

The Report covers the activities of Riyadh Bank unless otherwise stated. The boundary for financial reporting includes Riyadh Bank and its subsidiaries.

Reporting Period

The report covers the period from 1 January to 31 December, 2021 and is consistent with our usual annual reporting cycle for financial reporting. There are no restatements of information provided in previous reports and no significant changes from previous reporting periods in the scope and aspect boundaries.

The most recent previous report covered the 12-month period ended 31 December, 2020.

The Report has been issued in both English and Arabic, and in the event of any discrepancy, the Arabic version shall prevail.

Digital Annual Report

The interactive digital version of our Annual Report is identical to the PDF version but also includes features for ease of finding, recording, extracting and sharing information. You can find it at

<https://riyadbank2021.annualreport.plus/en/>

Compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (SOCPA) and in compliance with the provisions of Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and by-laws of the Bank.

Queries

For any queries regarding the report please contact:
Investor Relations Department
Al Shuhada District
Eastern Ring Road
Granada Oasis – A1 Tower
P.O. Box 22622,
Riyadh 11416
Saudi Arabia.
investor.relations@riyadbank.com

02



STRATEGIC REVIEW

- 22 Chairman's Statement
- 26 Business Model
- 28 Strategy and KPIs
- 30 CEO's Message
- 34 Market Overview
- 36 COVID-19 Impact and Response
- 38 Financial Results
- 48 Operating Review
 - 48 - Retail Banking
 - 52 - Corporate Banking
 - 56 - Treasury and Investments
 - 58 - Subsidiaries
- 60 Digital Transformation
- 64 Customer Experience

03



ESG REVIEW

- 74 Our society
- 79 Environmental
- 80 Governance

01



OVERVIEW

- 10 Our Journey
- 12 Year in Review 2021
- 14 Geographic Footprint
- 16 Theme Chapter
- 18 Investment Case

The report covers the period from 1 January to 31 December, 2021 and is consistent with our usual annual reporting cycle for financial reporting.

About Riyadh Bank

Riyad Bank is one of the largest financial institutions in the Kingdom of Saudi Arabia and the Middle East. It was established in 1957, and its current paid-up capital is SAR 30 Bn. Our professional and dedicated Staff base is one of the main reasons for our success throughout the years. With more than 5,600 employees, we take pride in being a Saudi organization with one of the highest Saudization rates of 95%.

Year established

1957

Paid-up capital

SAR 30 Bn



Vision

To be the most innovative and trusted financial solutions partner.

Mission

To help people, organizations and society achieve their aspirations by being their trusted and caring financial solutions partner.

Values

- We Care
- We Win
- We are One Team

We provide a comprehensive range of products and services fully conventional and compliant with the Islamic Sharia' to meet the needs of both retail and corporate customers, including small and medium-size enterprises. We play a leading role in various areas of finance and investment around Saudi Arabia, distinguishing us as a leading financier and arranger of syndicated loans in the oil, petrochemicals and most of the Kingdom's notable infrastructure projects.

We offer innovative and remarkable financing solutions through a network of 340 licensed branches, and more than 138,511 POS, in addition to more than 2,242 ATMs well distributed in strategic and carefully selected locations around the Kingdom. Since global expansion is essential for some of our customers outside the Kingdom, a branch in London, an Agency in Houston (USA) and a Representative Office in Singapore, and soon in China help in supporting the international banking needs of such customers.

Our electronic banking services (web-based and mobile applications) use the latest electronic technologies to address the banking needs of our customers with utmost ease, convenience and security.

Riyad Capital is a leading player in the IPO advisory business and asset management, having won numerous investment awards in Saudi Arabia in categories ranging from "best mutual fund performance" to "best fund manager".

Retail banking



Deposits, credit and investment products for individuals and small to medium sized businesses.

Corporate banking



Principally handling corporate customers' current accounts, deposits and providing loans, overdrafts and other credit facilities.

Treasury and investments



Principally providing money market, trading and treasury services, derivative products as well as the management of the Group's investment portfolios.

Investment banking and brokerage



Investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities

The impact of operating segment of the Bank with regard to contribution to 2021 results

Sector	Net income before zakat (SAR Millions)	%
Retail banking	1,233	18.4%
Corporate banking	2,444	36.4%
Treasury and investments	2,347	34.9%
Investment banking and brokerage*	694	10.3%
Total**	6,718	100.0%

* Represents Riyad Capital.

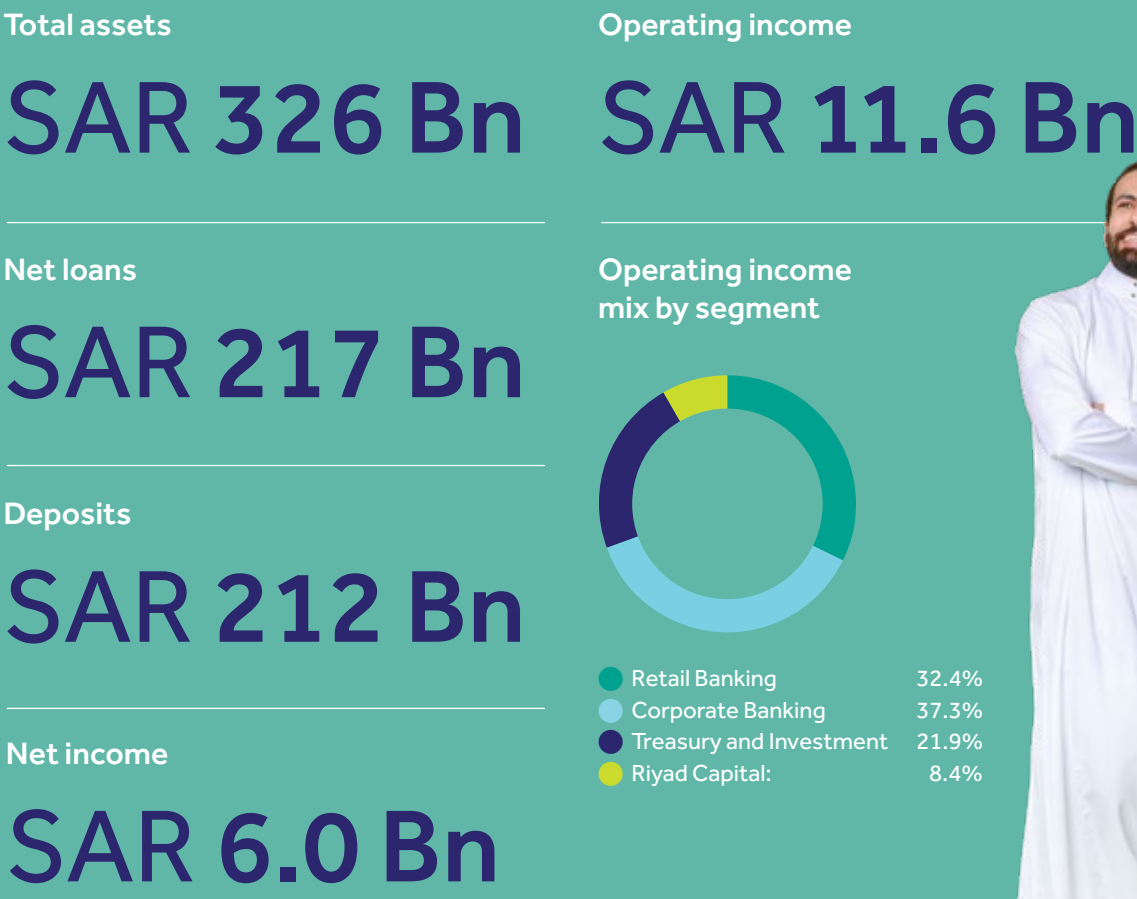
** The influence of other subsidiaries on the Bank's results is not material.

At a Glance

Operational Highlights



Financial Highlights



Riyad Bank within

Top Ten
Largest Banks in
Gulf Cooperation
Council Region

Riyad Bank named

Best Bank
for SMEs in
the Middle East

Riyad Bank is on
the list of the

40 Most
Powerful
Arab companies
in the world

Launched the
next stage of our

Transformation
Program

Ratings

BBB+
S&P

BBB+
Fitch

Shareholder mix



PIF	21.8%
GOSI	21.1%
AlNahla Group	8.7%
Assilla Investments	8.0%
Foreign	9.9%
Other	30.5%

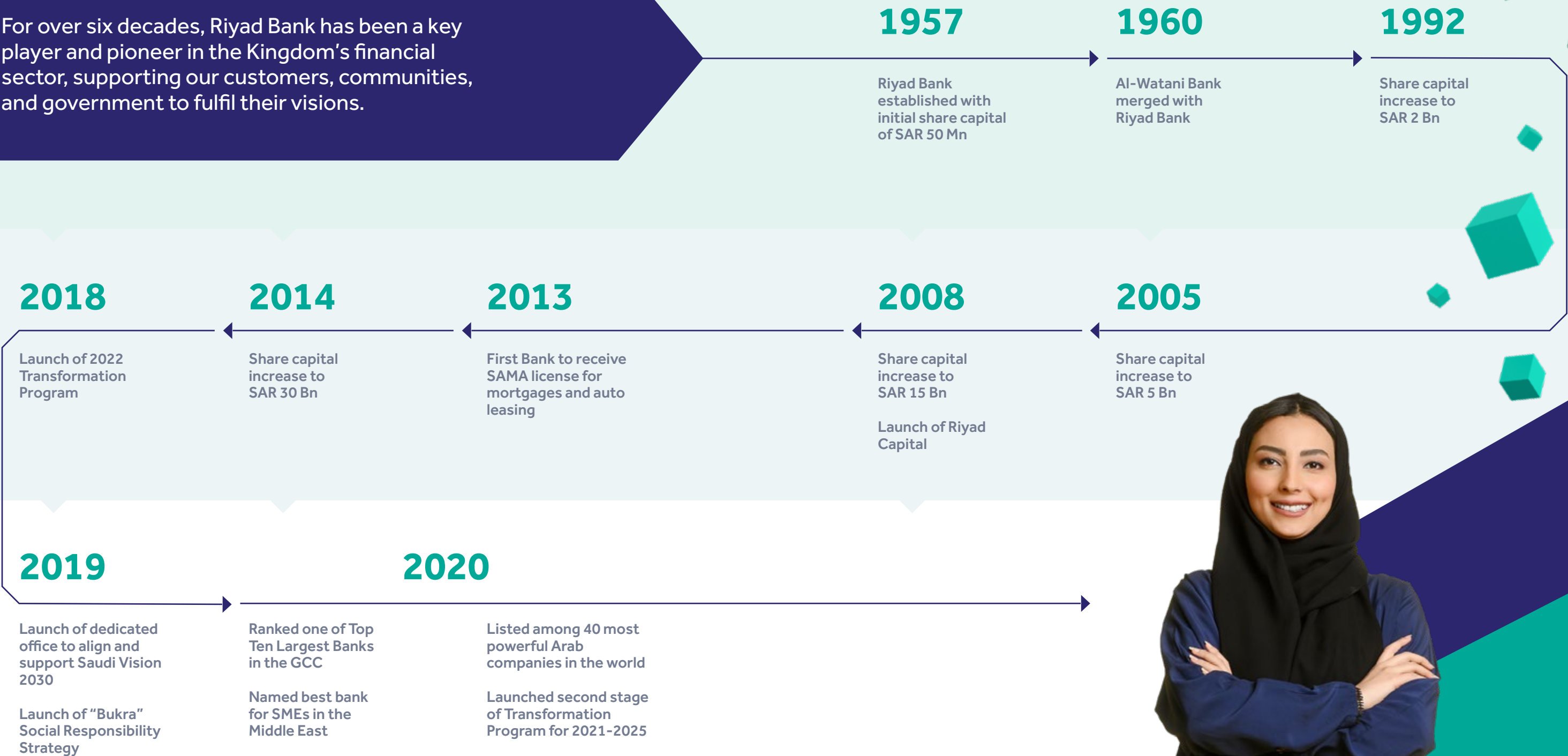
01 Overview



We are on a journey to become the Bank of choice for customers, employees, and shareholders across the Kingdom and beyond.

Our Journey

For over six decades, Riyadh Bank has been a key player and pioneer in the Kingdom's financial sector, supporting our customers, communities, and government to fulfil their visions.



Year in Review 2021

Transformation 2025

January

- New phase of our Transformation 2025 Strategy activated to create value through innovation, enablement through next gen operating model and efficiency through digitization

Sukuk Program

February

- SAR 10 Bn Sukuk Program established, with first tranche of SAR 3 Bn issued in February and oversubscribed 1.9x

Support and motivate

March

- MoC and Agency Agreement signed with National Companies Promotion Program (NCPP) to support and motivate large and promising Saudi companies
- Collaboration Agreement signed with National Industrial Development and Logistics Program (NIDLP) to enable businesses in the industrial and logistics sector

Token for kids



April

- Token, the Kingdom's first mobile banking and financial literacy platform for kids, launched to teach children healthy banking and money practices

- Agreement to purchase a tower at King Abdullah Financial District to become the permanent headquarters of Riyadh Bank

Participation in the Red Sea ♦♦♦♦

Programs with (TDF)



- SAR 2.95 Bn participation in the Red Sea Development's syndicated facility
- 3 programs (Agency, 100% and 90%) signed with Tourism Development Fund (TDF)

SAR 2 Bn tourism projects



May

- Tourism Partners Program launched with Tourism Development Fund (TDF) with financing of up to SAR 2 Bn to support tourism projects

WSL platform and program for Open Innovation

June

- Sales Unit that's fully dedicated to better serve the bank's ultra High Net-worth individuals
- The bank pioneered Open Innovation in the region by being the first to launch WSL, a platform and a program to support innovation and lead on open banking.
- Collaboration Agreement signed with SPARK to develop future initiatives for the present

In a year of strategic execution and accelerating growth, Riyadh Bank realised a number of important milestones and achievements, on our journey to be the Bank of Choice in the Kingdom.



Corporate real estate sector

July

- MoU signed with Developers Services Center (ETMAM) to enable businesses in the real estate sector

August

- MoU signed with Cultural Development Fund (CDF) to enable businesses in the cultural sector

Digitally active banking



September

- More than 70% of new to bank clients acquired digitally

MoU with Roshn ♦♦♦♦

Sports center



October

- MoU with Roshn, a Saudi community developer powered by PIF, to finance Roshn units
- SAR 1.5 Mn agreement with Association of Al-Wafa Oasis signed to fund a sports center for the elderly
- Economic Research Department established under Finance with strengthened capabilities to deliver value for the Bank and its stakeholders

New Initiatives

November

- MoU signed with Desert Technologies to support green and renewable banking projects
- MoU signed with Umm Al Qura Development and Construction to develop MASAR Business Center
- 2 Initiatives worth SAR 6 Bn launched with NIDLP to support and localize products manufacturing

25% YOY growth

December

- Riyadh Bank's Brand Value surpassed US Dollar 1.236 Bn for the first time on 25% YOY growth, while Brand Rating also improved from AA- to AA

Geographic Footprint

340



Saudi Arabia
Branches

Across our broad footprint of over 340 licensed branches and over 2,242 ATMs throughout the Kingdom of Saudi Arabia, as well as our branches and offices in strategic locations in America, Europe and Asia, Riyadh Bank is perfectly positioned to serve the diverse needs of all our customers.

INTERNATIONAL
OFFICES

London, UK
Branch



Houston, USA
Agency



Singapore
Representative
Office



Soon in China

2,242

ATM Machines

138,511

Points of sale





Accelerating Growth and Innovation

Riyad Bank has a vision to become the 'Best Bank in Saudi Arabia' through its strategic transformation agenda that will accelerate growth and innovation in the years ahead.

1



We are committed to leveraging the full force of our strengths, resources and capabilities to achieve this ambition through the execution of our customer-centric growth strategy, creating value through continuous innovation, driving efficiency through digitization, and building enablement through our next gen operating model.



2



This year we continued to invest in digitization across our operations and in our people, processes, and products to remain at the leading-edge of our sector and create sustainable value for our stakeholders.



3



The acquisition of our new headquarters building positions the Bank for the future and demonstrates our commitment to creating a best-in-class environment for our employees, as we continue to delight our customers by continuously modernizing and improving our award-winning portfolio of engaging channels, services, and solutions.



We are on a journey to become the Bank of choice for customers, employees, and shareholders across the Kingdom and beyond.

Investment Case

1

A well-connected bank in the Kingdom of Saudi Arabia with international presence



Riyad Bank is the third largest Bank in the Kingdom of Saudi Arabia in terms of assets with a solid domestic franchise and brand, with more than 60 years of history and the first joint stock banking company to be established in Saudi Arabia. The Bank has an extensive branch network operating through 340 licensed branches in Saudi Arabia, its London branch, an agency in Houston, a representative office in Singapore and soon in China. The Bank has strong and excellent government and corporate relationships offering customers a wide range of banking services.

2

Well positioned for growth in line with Saudi Vision 2030



The Bank has a clear growth strategy, aligned with the Saudi Vision 2030 aspirations. In 2021, the Bank completed their strategic initiatives design and detailing and plans to execute them in 2022. We have also established a Business Initiatives and Enablers Development Center (BIED), which happens to be the first center in the Kingdom specifically designed to develop initiatives to support business enablers for the government and private entities working jointly to achieve the goals of the Kingdom's Vision 2030. The Bank's diversified model offers us great opportunities to grow, the Bank will execute its ambitious plans by continuing to invest in our core business strengths, delivering world class technology and digital capabilities to our customers.

3

Strong and well-capitalized balance sheet and solid income generation capacity



Proven earnings generation capabilities supported by a strong capital position, high levels of liquidity and stable deposit base provide a robust foundation for meeting demands of customers and delivering a sustainable return to shareholders.

4

A responsible Bank with strong governance and an experienced leadership team



The Bank has a very robust corporate governance framework and risk management process, that strives to do the right thing for all our stakeholders. The Bank has an experienced leadership team comprising of local and international expertise with a clear mandate from the Board to deliver sustainable results in a responsible manner.

5

A Bank with ESG at the heart of its operations



The Banks' commitment to Environmental, Social and Governance (ESG) factors, started well before global trends. "Bukra", a comprehensive and long-term corporate social responsibility strategy, is aligned with the best practices of the most important local, regional and global frameworks, including Vision 2030, and the UN Sustainable Development Goals.

Key Achievements:

- 2018: Launch of 2022 Transformation Program
- 2019: Launch of dedicated office to align and support Saudi Vision 2030
- Launch of "Bukra" Social Responsibility Strategy
- 2020: Ranked one of Top Ten Largest Banks in the GCC
- Named best bank for SMEs in the Middle East
- One of Top Ten Largest Banks in the GCC
- Named best bank for SMEs in the Middle East
- Listed among 40 most powerful Arab companies in the world
- Launched second stage of Transformation Program for 2021-2025

Key Pillars of the Bank 2025 Strategy:

- Most profitable
- Most efficient
- Digitally enabled
- Bank of choice

Key Ratio's:

- CET1: 15.8%
- Total CAR: 19%
- Leverage: 11.8%
- LCR: 168%
- NSFR: 116%
- ROAE before zakat: 14.7%
- ROAA before zakat: 2.1%
- RoRWA: 2.0%

Key Principles:

- Clear roles and responsibilities for the Board of Directors and Management
- Performance culture at the center
- Experienced and seasoned Management team

Key Drivers and Accomplishments:

- Green and Renewable Banking: SAR 7.4 Billion Riyad Bank's financing contribution
- The bank received the 'Mowaamah Golden Certificate' for creating a work environment suitable for people with disabilities
- Full alignment of our 2025 Strategy with the objectives of Saudi Vision 2030

02 Strategic Review

Amidst a rapidly evolving banking landscape, both within the Kingdom and around the world, Riyadh Bank has proven to be strategically agile and responsive.

Chairman's Statement

It gives me immense pleasure to present Riyadh Bank's 2021 Annual Report, including the Bank's financial performance, its strategy, and successes over the year, its ambitions, and goals for the future.

The Bank's achievements have given us the opportunity to expand its horizons and accelerate its growth on new levels. As a key contributor to the Kingdom's digital banking revolution, we continuously seek to reinforce our position as the trusted, secure, and innovative choice for all our customers.

Saudi Arabia's economy has been incredibly resilient in the face of COVID-19 and even grew at its fastest pace in nearly a decade during parts of 2021. Foreign investment and diversification have played a prominent role at a national level and set a positive tone for many businesses across almost all sectors, not least finance.

While many banks around the world saw their market value drop substantially during the pandemic, the decline among Saudi banks was much smaller and their recovery much swifter, many are now close to, if not above, pre-pandemic levels.

As one of the cornerstones of the Saudi economy, banking has proved itself to be among the main drivers of economic and commercial activities, and we are proud of our contributions at this level.

Saudi Arabia's banking sector was guided to a large extent by the pillars of the Kingdom's Vision 2030 and the desire to provide a more personal service to individual customers; a consolidated strong and multiple relationship with the corporate sector, in addition to providing enhanced and diversified support to small and medium-sized businesses. From the enormous rise in individual mortgages to the mass adoption of digitisation, Riyadh Bank had the resources and expertise to lead many of those initiatives.

The objectives of achieving the Kingdom's Vision 2030 have played a vital role in many of the strategies that were implemented throughout the year. Our focus on digital platforms, SMEs, green energy, and project financing with government entities are all geared towards the Vision, including our investment in sustainability, support of youth and commitment to homeownership.

In fact, our commitment to supporting and aligning with Vision 2030 and its goals has led us to launch a dedicated office to foster partnerships, initiatives, and projects to support the national agenda across a wide range of initiatives, in line with our Strategy 2025.

During the year, five MoUs and ten execution agreements were signed, and four high-impact initiatives were launched in some key strategic sectors that contribute to 96 distinct Vision 2030 KPIs.

The Bank also engaged in providing financial consultations and designing creative initiatives and financial programmes, offers customised comprehensive financial solutions for the entities and designing financial business models between the entities and their individual and corporate clients, to align and support the goals of Saudi Vision 2030.

Our inspiration to enhance and develop existing and new businesses was also key to launching the Business Initiatives and Enablers Development Center, the first of its kind in the Kingdom.

Our wholehearted commitment to SMEs has continued throughout 2021, a year in which the Bank received the Outstanding Performance Award and the award for the Best Small and Medium Enterprises Bank by international magazine Euromoney.

We also expanded our operations for smaller businesses by adding 29 dedicated centres across the Kingdom, while fully digitising the lending process for SMEs.

As ever, social responsibility has been a core strategy at the Bank. We believe our contribution extends far beyond delivering customer excellence, we are also at the heart of the community's wellbeing and quality of life.

Launch of

29

Small Business Centers

With a Vision to be a leading member of sustainable practices that would add value to employees, customers, stakeholders, and the community of Saudi Arabia, Riyadh Bank aligns its practices with The Guidance on Social Responsibility (ISO 26000), Accountability Principles Standard (AA1000), The Global Report Initiative (GRI), the UN Global Compact. We work to continuously measure, report, and improve our programmes, in line with our overall ESG strategy and focus.

In 2021, the Bank made substantial progress in our objectives, initiatives, and programmes in this field. Our commitment was highly valued by the community and recognised through a number of awards, recognitions and certifications related to this activity.

In recognition of Riyadh Bank's tangible efforts in promoting the environment value, the Bank received the award for the 'Best sustainable educational program', presented by the Gulf Sustainability Awards. It is a source of great pride that pushes us to continue our commitment to the highest levels of social responsibility in the Kingdom, and to adopt new programmes in this field.

In 2021, the Bank made substantial progress in our Sustainability objectives, initiatives and programmes.



Riyad Bank received the 'Outstanding Winner Award for Customer Excellence' from the Mohammed bin Rashid Al Maktoum Business Award.

Riyad Bank's acquisition of its iconic new office tower at King Abdullah Financial District, the new general management headquarters, has not just been a strategic and practical move, it is also symbolic of our ongoing success. Our employees have been exceptional in 2021 and in turn we have endeavoured to increase their skills, provide greater incentives, possibilities and further reward their efforts and outstanding performance.

As a reflection of the Bank's continuous interest in the competencies of its young Saudi national employees, Riyadh Bank Academy was officially inaugurated this year to empower young and promising talent. We also continued to drive diversity and were recognised for our dedication to gender equality in job benefits and opportunities by winning the 'Best Work Environment Award for Women in Saudi Arabia' and achieving the 'Mowaamah Golden Certificate' for our commitment to creating work in an environment suitable for people with disabilities.

We constantly strive to maintain our philosophy as the best work environment and achieve our goal as Bank of Choice for Employees by 2025.

Our digital transformation in 2021 was one of the Bank's largest undertakings. The sheer scale and sophistication of the technology we have put in place has enabled us to expand our services in a highly efficient and capable manner.

The effective inter-departmental coordination and meaningful cooperation in the various Bank sectors has led to optimised solutions for challenges and created the potential for many mutual opportunities, perfectly aligning with our own 2025 Strategy and contributing to the achievement of Saudi Vision 2030.

Our overriding goal for 2021 was to support our existing customers, attract new customers and develop the Bank's activities and business, in accordance with Phase 2 of our 2025 Strategy, where value through innovation, enablement through the next-gen operating model and efficiency through digitisation are key pillars.

Our strategic focus for 2022 is to increase the digital routes we have laid down while adding more partners and projects to the Bank's portfolio. Ultimately, we will intensify the Bank's operations, consolidate our position as one of the Kingdom's most innovative financial institutions and upgrade the standards of the business environment and its surroundings in accordance with our 2025 Strategy. We have laid the foundations to not just meet but exceed our expectations.

Over the year, in a new regional achievement for the Saudi banking sector, Riyadh Bank received the Outstanding Winner Award for Customer Excellence, which was presented for the first time under the umbrella of the Mohammed bin Rashid Al Maktoum Business Award. The Bank also received the Mohammed bin Rashid Award for Customer Excellence.

These prestigious awards confirm the outstanding level and high strategic efficiency enjoyed by Riyadh Bank in the field of customer experience development, raising service delivery standards and meeting banking needs to contribute to the development of banking industry standards in accordance with the objectives of the Kingdom's Vision 2030.

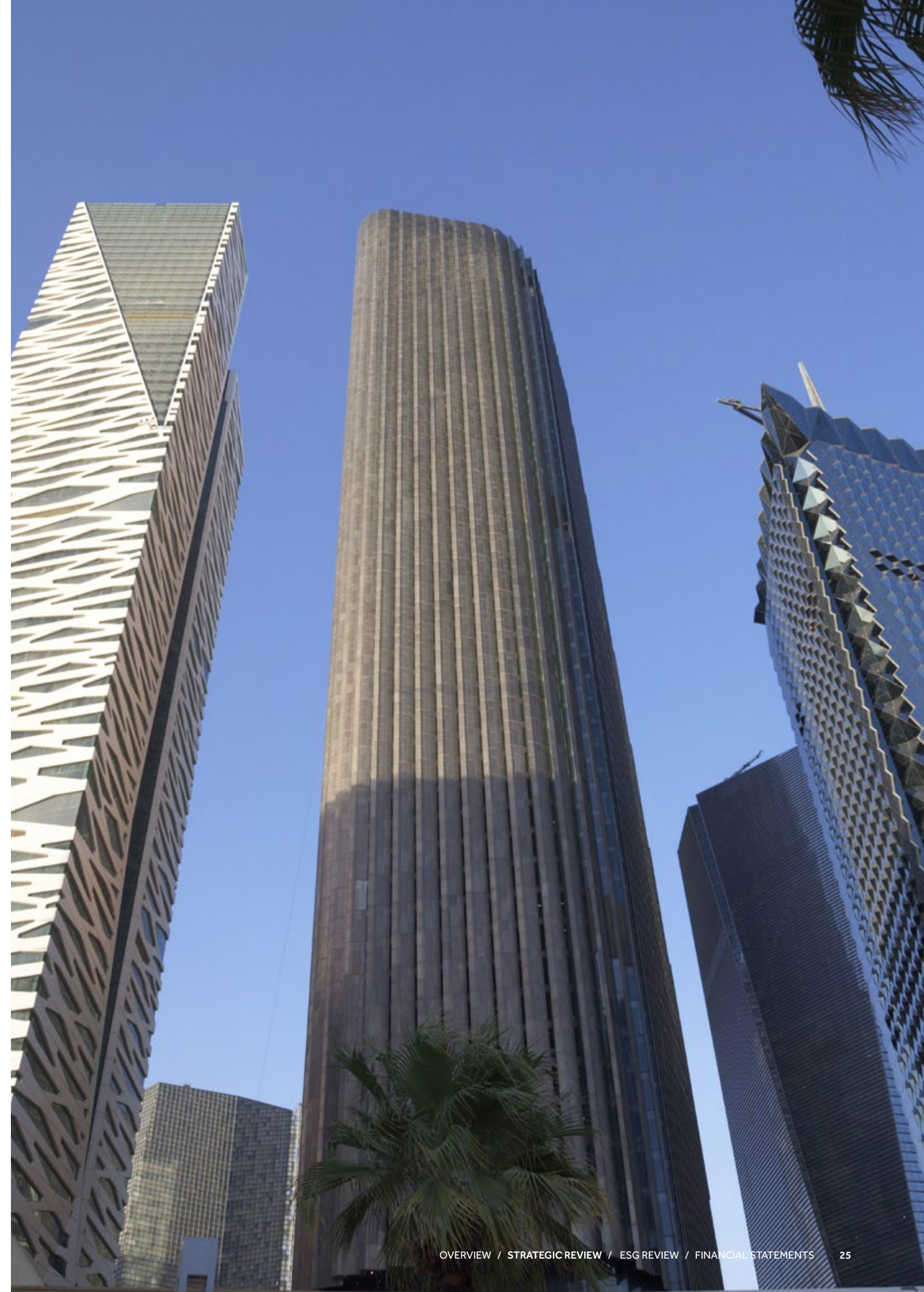
The Sheikh Mohammed bin Rashid Al Maktoum Business Award is distinguished by its moral value and esteemed reputation due to its tight criteria in selecting the best performing entities in various business sectors.

We, at Riyadh Bank, have the honour to extend our deepest thanks and gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud and his Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz – may Allah protect them and grant them success.

Further, Special thanks to all government and regulatory bodies, especially the Saudi Central Bank, Ministry of Finance and Capital Market Authority for their efforts in supporting and developing the Saudi banking sector.

We also extend our thanks and appreciation to the Members of the Board of Directors for their support; to our shareholders for their trust and loyalty; and to all Riyadh Bank employees for their dedication and outstanding performance during this eventful year of achievements.

Abdullah Mohammed Al-Issa
Chairman of the Board



Business Model

Riyad Bank is on a strategic journey to become the Bank of Choice in the Kingdom of Saudi Arabia, leveraging our market position and strengths to create significant and sustainable value for our stakeholders, clients and partners.

Our Strengths

Financial Strength

- SAR 326 Bn in Assets
- SAR 217 Bn in Loans
- SAR 212 Bn in Deposits

Rating Strength

- Fitch- BBB+
- S&P – BBB+

Operational Strength

- 340 Licensed Branches
- 2,242 ATMs
- 138,511 PoS

Human Capital Strength

- 5,600+ Employees
- 27% Women
- 95% Saudi Nationals

Innovation Strength

- Launched WSL innovation platform
- 14 Fintech participants
- USD 8.25 Mn total equity

Vision 2030 partners

- Launch of dedicated office to align and support Saudi Vision 2030
- Submitted 22 proposals and initiatives related to the Vision

How We Create Value

Riyad Bank is the third largest bank in Saudi Arabia, with a global presence to serve our customers and create value for our stakeholders.

Our Vision

To be the most innovative and trusted financial solutions partner.

Our Mission

To help people, organizations and society achieve their aspirations by being their trusted and caring financial solutions partner.

Our Values

- We Care
- We Win
- We are One Team

Our Business

- Retail Banking
- Corporate Banking
- Treasury and Investments
- Investment and brokerage services

Our Stakeholders

Our Shareholders

- 2.01 EPS
- 10% QFI

Our Employees

- 76 points OHI with 98% participation rate
- 42% female recruits in 2021

Our Brand*

- SAR 4.6+ Bn Brand Value
- 78% Customer Satisfaction Rate on Riyad Bank products and services
- AA Brand Rating

Our Communities

- Committed to ESG with our “Bukra corporate and social responsibility program: targets 12 of 17 USDGs
- Mowaamah: Gold certificate best standard and practices in creating work environments for people with disabilities

*Brand Finance

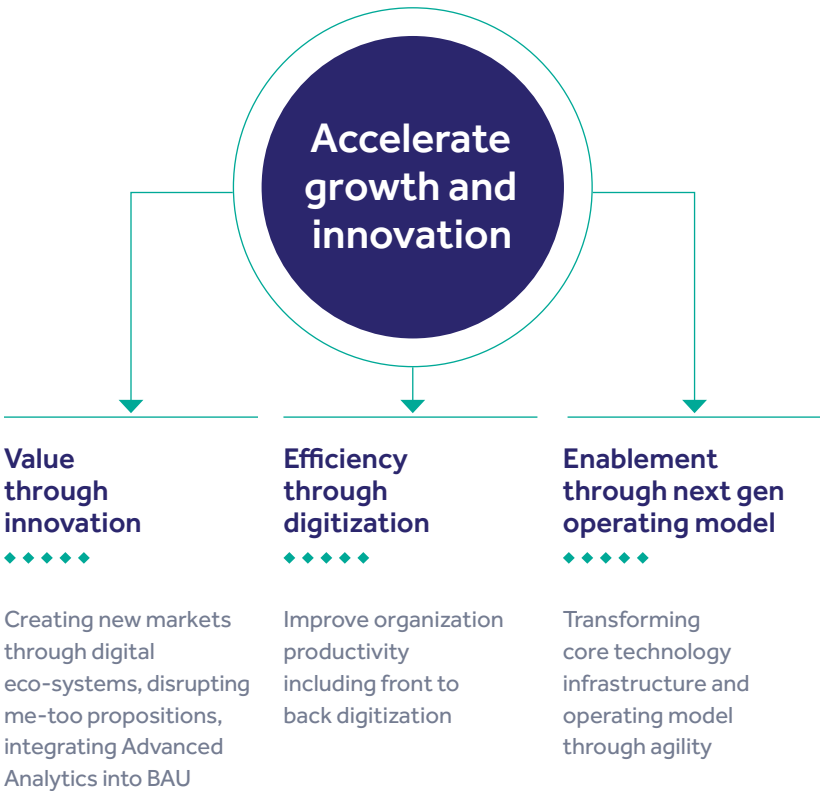
Strategy and KPIs

Amidst a rapidly evolving banking landscape, both within the Kingdom and around the world, Riyadh Bank has proven to be strategically agile and responsive. The ongoing technological disruption and increasingly competitive landscape, amplified and accelerated by the impact of COVID-19 on our people, operations and customers, has catalyzed a strategic shift for the Bank.

Building on the success of the Bank’s strategy to transform the core engine, as well as our firm commitment to support and align with Saudi Vision 2030, we refreshed our 5-year strategy for 2021-2025. This customer-centric strategy will guide the Bank’s growth and innovation over the coming years, with the ultimate ambition to become the best bank in the Kingdom.

OUR STRATEGIC DRIVERS

Our strategy will accelerate the Bank’s growth and innovation, unlocking value in new and existing segments through innovative products and services while driving continuous improvement in customer experience and service.



OUR STRATEGIC PILLARS

By 2025, our new corporate strategy aims to make Riyadh Bank the best bank in the Kingdom across 4 key dimensions:

STRATEGIC PILLAR	Most Profitable	Most Efficient	Digitally Enabled	Bank of Choice
PILLAR DESCRIPTION	We aim to be the most profitable bank in the Kingdom amongst top peers.	We aim to be the most efficiently and effectively run bank in the Kingdom amongst top peers.	We aim to be the most modern, innovative and digitally enabled bank in the Kingdom.	We aim to be the Kingdom’s bank of choice for both customers and employees.
HOW WE MEASURE SUCCESS	Various profitability ratios	Cost to Income Ratio	Various Digital ratios	NPS and Organizational Health Index
2021 ACHIEVEMENTS	<ul style="list-style-type: none"> 14.7% RoAE (3rd in KSA) 2.1% RoAA (2nd in KSA) 13.6% Net loans and advances increased 	<ul style="list-style-type: none"> Approximately SAR 200 Mn in cost savings in 2021, through cost saving initiatives 34.4% cost to income ratio 	<ul style="list-style-type: none"> More than 70% of new to bank clients acquired digitally Over 82% of our customers have enrolled for digital services 	<ul style="list-style-type: none"> 75% NPS score 27% female employment Best Working Environment for Women (Best Place to Work Organization) Best Employer Brand Award for 2nd year in a row from Global Business Outlook Best Bank for SMEs (Asia Money Excellence Award) 75% in customer satisfaction index from Saudi Central Bank

To support and align with Saudi Vision 2030, we launched our 5-year strategy for 2021-2025.

CEO's Message

A year of innovation

It has been a truly remarkable year for Riyadh Bank as we developed our technology, introduced new operations and capitalized on our advantages, in line with the ambitions of our 2025 Strategy. We continued to enhance our performance-driven culture and our ability to collaborate for success, while expanding our services with unprecedented speed and agility and maintaining our customer-centric philosophy. The results have been remarkable – including the highest net income in the Bank's history.

Our strategic aim for 2021 was primarily to focus on delivering better and broader services for our existing customers, attracting new customers and expanding our reach with an emphasis on technology, SMEs, sustainability and collaboration with government entities.

Through a comprehensive digital restructure, each of our business divisions was able to work both independently and collectively. Our innovation in 2021 was exceptional and gave the Bank an enormous advantage in achieving our strategic targets.

Robust financial performance

Riyadh Bank delivered a landmark financial performance in 2021, posting our highest net income in history at SAR 6.0 Bn, reflecting increases in net investments by 3.9%, total assets by 5.0% and net loans and advances by 13.6%.

We delivered the second highest return on assets in the Kingdom's banking industry this year, moving up from third last year, while also rising one spot in return on equity after Zakat, to reach third place in the Kingdom.

SAR Sukuk program was established with a value of SAR 10 billion. And in 2021, the first issuance of that program, SAR 3 billion, was oversubscribed 1.9x, demonstrating the strength of our financial position and brand quality with investors.

Exceptional achievements across our Bank

We made great progress across our operations this year, with continuous investment in people, products, processes and platforms to delight customers at every stage of their banking journey, which is critical in delivering on the aspirations of our 2025 Strategy.

Retail Banking

A significant addition to our high priority services was to offer our customers a greater variety of mortgage options, including a range of off-plan variants, self-construction and refinancing.

In line with our family finances strategies, we launched the Kingdom's first mobile banking platform for children which enables them to enhance their financial literacy and build a habit of saving.

Continuing the drive to make technology the hub of our retail division, cash withdrawal transactions at ATMs declined in relation to pre-pandemic banking. By the same token, POS contribution in monthly transactions increased significantly reaching approximately 80%. Similarly, the ease and efficiency of banking led us to deploy 80 self-service kiosks.

Our digital restructure in terms of Retail Banking was a huge triumph in client recruitment – 70% of new customers were acquired through digital channels.

We launched an Instant Payment System with our 'Within RB Transfer'. The latest version of Riyadh Pay allows customers to load their Riyadh Bank MasterCard Credit Cards and Preload Cards onto Android smartphones.

In our 2021 retail Net Promoting Score, ratings of the call centre score rose by 457% compared to 2020 and 94% of calls were answered within seven seconds, demonstrating the satisfaction of our customers in our products and service.

Corporate Banking

Corporate Banking had another busy and successful year driving positive change and supporting our customers. Corporate Finance submitted 22 proposals and initiatives related to Vision 2030 to various entities during the year.

Reinforcing our strategic focus on green investments, we successfully closed several major syndicated facilities for solar projects and energy players and supported the green-funded giga-projects.

With regards to institutional fund lending, we signed five major loans and successfully completed a financial advisory mandate for another major energy player. We supported many of the largest tourism initiatives, including the Red Sea Project, and recently launched the Tourism Partners Program with the Tourism Development Fund (TDF).

SMEs

Riyadh Bank expanded its operations for smaller businesses by adding 29 dedicated SME centres across the Kingdom, while building an end-to-end digital platform to fully digitize the lending process for small and medium-sized enterprises.

Riyadh Bank enhanced the Bank's workforce capacity and capabilities to better serve SMEs by: increasing the number of employees dedicated to serving SMEs, expanding the number of dedicated SME centres across the Kingdom, increasing the man-days of training provided to SME staff, investing in training SME customers to improve their business capabilities, and initiating workshops held for SMEs and entrepreneurs.

Treasury and Investments

Consistent with the business growth in our private banking and retail customers, T&I dedicated specific units to work with ultra-high-net-worth customers and better understand and serve their needs with customised products and solutions.

In recognition of Riyadh Bank successful USD 1.5 Billion Sukuk issuance, T&I has been awarded with the "Financial Institutions Deal of the year" award by GFC Media, out of more than 300 submissions.

Riyadh Capital

2021 was a remarkable year for Riyadh Capital, with 42% growth of net profit reaching SAR 512 Mn. Assets under management grew remarkably from SAR 67 Bn to SAR 91 Bn (a growth of 36%).

Along with that, Riyadh Capital acted as a Financial Advisor, Lead Manager and Book Runner to the landmark Acwa Power IPO transaction where bids from interested investors reached a historic order size of above 1 trillion SAR.

Diversification of offerings continued in all asset classes as it launched the first of its kind "indirect financing fund" along with other alternatives products.

Riyadh Capital partnered with BNP Paribas Securities Services to provide global custody, fund services and consolidated data management services in the Kingdom of Saudi Arabia under a unique, and first of its kind in the region, joint servicing model.

Net profit of Riyadh Bank

SAR 6 Bn

Highest Net Income in Riyadh Bank's history

Driving Bank-wide transformation

It was an extraordinary year for technology at Riyadh Bank. We overhauled our digital services and internal network to produce some of the most efficient operations in the Kingdom's banking community.

In building the framework in a collaborative model for engaging all stakeholders, we created a digital strategy powered by innovation for the first time at the Bank.

Digital services and our innovative infrastructure are now crucial to the Bank's expansion at a rapid pace. The transformation has enabled customers to bank with ease and extended the potential of new services to them.

To fully connect Riyadh Bank with the Kingdom's fintech and start-up community, we launched WSL in June, which is the only open innovation platform and service for the financial industry in Saudi Arabia. It will power close collaboration and innovation to allow the Bank to empower innovators to envision and build the financial (or finance dependent) products and services of the future in a seamless way.

We also established our Partnership Centre to serve as a one-stop-shop to manage the Bank's diverse and growing relationships with disruptive Fintechs, and launched our internal innovation programme (Mulhim), a full-fledged digital innovation boot camp with wide participation of the bank community.

In one of the many steps to further its capabilities, the Global Transaction Banking business signed an MOU with Channels by STC for providing collection, payment services, and signed and executed Dividend Distribution Agreements with two major telecommunication companies.

Delivering customer experience improvements

There is no doubt that the customers in any of the Bank's business units will benefit enormously from the digital technology we have put in place, from the speed of their services to the range of products to explore. The outstanding changes in our internal communication channels will ensure that we are 100% connected and able to offer the best results, advice and rewards to our customers in the optimum time.

Our success and commitments to supporting and serving our customers were recognised this year when we received two prestigious awards from The Sheikh Mohammed bin Rashid Al Maktoum Business Award, including the inaugural 'Outstanding Winner Award for Customer Excellence'.

Committed to the ESG journey

Riyad Bank remains committed to creating value for all our stakeholders through a commitment to ESG. This year we continued to progress our journey and build momentum through a range of initiatives across environment, society and governance.

Our donations accounts, opened by various Charities and Associations to supply essential items to the needy, saw almost 320,000 transactions.

We extended our support agreement for the Autism Research Center at King Faisal Specialist Hospital and Research. The total value of the support provided by Riyad Bank to the centre amounted to more than SAR 42 Mn.

We signed a memorandum of understanding with Bab Al Khair Medical Services to establish the first non-profit hospital in the Kingdom.

Riyad Bank also launched a Green Banking initiative to examine and monitor its participation towards ESG compliance, and implemented a pilot launch of our paperless project, making us the first Bank to offer an end-to-end paperless journey for Retail account opening and updates.

Supporting and developing our people

As ever, the teams at Riyad Bank are at the very heart of our operations and thanks to their consistent support, we have managed to break new boundaries and accelerate our growth beyond our own ambitions.

In order to ensure we can maintain that momentum and harvest the very best talent, we inaugurated the Riyad Bank Academy to empower young and promising individuals to share the latest developments in banking and finance, and enhance their capabilities and performance. The Academy will continue to educate and connect more than 6,000 ambitious professionals from different Riyad Bank divisions and branches in various regions.

As a fair and caring employer, we conducted industry salary surveys followed by an annual pay review that benchmarked employees' compensation against the market and best practices. Meanwhile, our performance-based system encourages a highly effective achievement and reward system.

In another effort to build a base of next generation employees, the Human Resources Development trained 75 recruits through its on-the-job training to Saudi youth through its Tamheer Programme.

Having had a hugely successful launch of the Fursan program, we launched two further versions. The first intended for treasury and investment, corporate banking and retail credit, and Fursan 3 which targets retail banking, risk management and finance.

Acknowledgements

In conclusion, we at Riyad Bank have the honour to extend our deep gratitude to the wise leadership, represented by the Custodian of the Two Holy Mosques and his trusted Crown Prince – may God protect them and take care of them.

I would also like to extend my sincere thanks and appreciation to the Saudi Central Bank (SAMA), the Capital Markets Authority of Saudi Arabia (CMA), and the Chairman and all Members of our outstanding Board of Directors for their vision, support and guidance.

Furthermore, I would like to thank our shareholders and customers for their trust, and every member of the Riyad Bank family for their dedication and contributions during this successful year.

We are all looking forward to another year full of success and achievements to make further progress towards becoming the preferred bank in the Kingdom by 2025, through our combined effort, service and commitment.

Tareq A. Al Sadhan
Chief Executive Officer

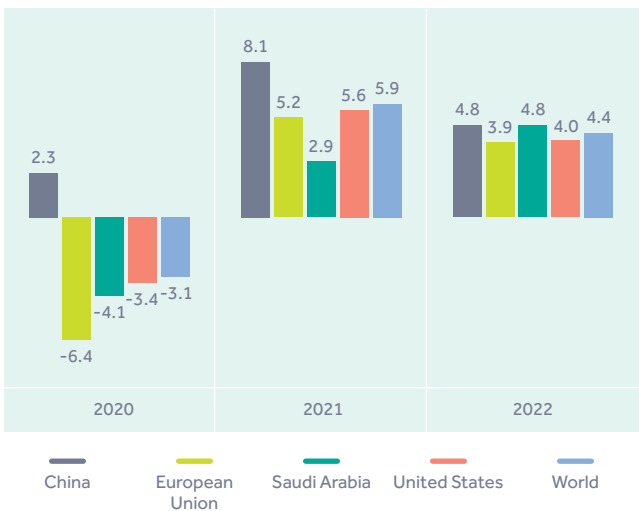
We are all looking forward to another year full of success and achievements to make further progress towards becoming the preferred bank in the Kingdom through our combined effort, service, and commitment.



Market Overview

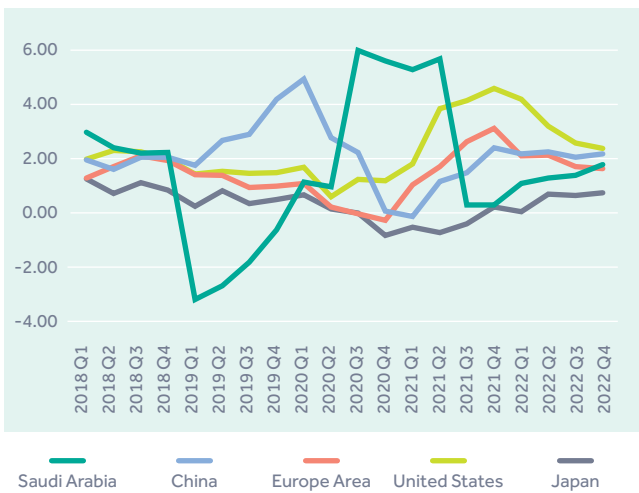
As the Saudi and global economy continue to recover from the unprecedented shocks of the COVID-19 pandemic, we have witnessed strong growth in some markets and sectors, driven by reopening of borders and strengthened oil prices, while others have shown they will take longer to rebound, as COVID-19 continues to impact economies and new challenges such as inflation and disruptions to global supply chains emerged in the wake of the pandemic.

Global Real GDP Growth (Year-over-year)



Source: IMF World Economic Outlook

Global Inflation (Actual Data: 2018-2021 Q3)



Source: IMF World Economic Outlook

Global Economy

The global economy rebounded in 2021 from the crisis caused by the pandemic last year, the strongest post-recession pace in 80 years. However, this recovery will be uneven and the speed and distribution of the recovery hinges on a range of factors with significant downside risks, including supply chains, COVID-19 and its variants, and the speed of withdrawal of accommodative fiscal policies in key global markets.

Overall, accelerating demand has surpassed the supply – a mismatch that has triggered inflation to levels we have not seen in decades. Higher inflation may complicate the policy choices of governments, especially since many countries are relying on expansionary policies to ensure a sustainable recovery.

Advanced economies, which are expected to regain pre-pandemic growth in 2022, are recovering faster than emerging economies, with the exception of China. Growth in the United States is forecast to remain strong at 6% for 2021 and 5.2% next year (IMF), in part due to the robust government spending. Despite the highest rate of inflation in the US in the last three decades, the Federal Reserve has signalled that it will likely keep policy rates near zero through 2022. However, it already began to taper its debt purchases in November 2021, reducing Treasury and agency bond purchases with the aim of ending them completely by the middle of next year. This should ease some of the inflationary pressure, which has been a primary driver of supply chain disruption.

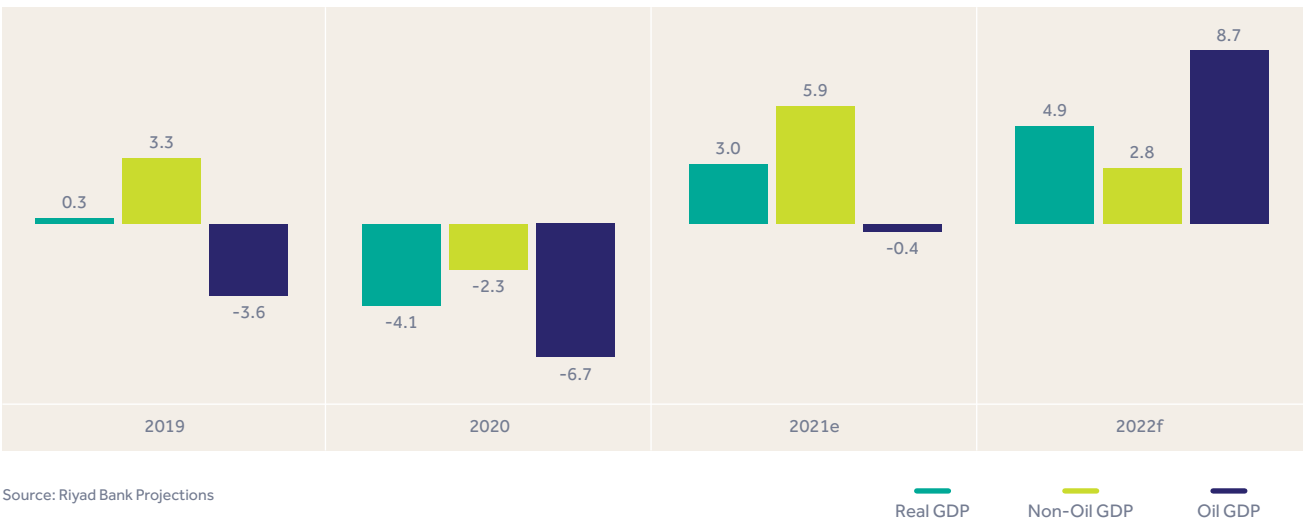
The Euro area is set to experience a strong recovery in 2021, with projected growth of 5.0% (IMF) driven by high vaccination rates, a relaxation of pandemic restrictions, and the disbursement of grants and loans contributing to this recovery. The shortages in the supply side and spikes in the demand side have increased inflation, but it remains at manageable levels, triggering the European Central Bank (ECB) to rule out Eurozone interest rate rises before the end of 2022. Similar to the Federal Reserve action, the ECB is expected to reduce its monthly bond purchases.

Globally, emerging economies delivered projected growth of 6.0% for 2021 (IMF), with a slower rollout of vaccines suppressing even greater growth. The resulting shrinking policy space caused many emerging economies to reduce fiscal support. On the other hand, China achieved estimated growth of 8% in 2021 (IMF), continuing its strong rebound as its manufacturing activity firmed, with industrial production surpassing pre-pandemic levels, through softness remains in travel and tourism due to continuing border restrictions.

Unemployment rate

11.3%

Saudi Arabia Real GDP Growth (Year-over-year)



Source: Riyadh Bank Projections

Economies of the Gulf Cooperation Council countries

Following a year of economic weakening due to the dual shocks of COVID-19 and low oil prices, Gulf Cooperation Council (GCC) economies are expected to return to a collective growth of 2.2% in 2021 (IMF). The growth is sustained by the global economic recovery post-pandemic and the rebound of global oil demand, as GCC economies successfully contained the effects of the pandemic on their economies through rapid COVID-19 vaccine rollout and implementation of effective fiscal policies.

Saudi economy

Following a severe slowdown in 2020, the Saudi economy has witnessed a solid recovery from COVID-19 related impacts in 2021, while implementing structural reforms that contributed to the strengthening economy and overall economic resilience of the nation.

Real GDP is expected to grow by 3% in 2021, signalling a robust recovery across economic activities. Non-Oil economic growth is expected to rebound by 5.9% in 2021 and 2.8% in 2022, following a decline by 2.3% in 2020. The recovery in the non-oil economy is led by strong private sector demand and higher PIF investments, in addition to various government programmes targeted at strengthening the non-oil economy.

Similarly, the oil portion of the Saudi economy witnessed a strong recovery this year, on the back of a rebound in oil markets worldwide. Brent crude oil averaged USD 71 per barrel in 2021, after it fell sharply to around USD 27 per barrel

in 2020, due to COVID-19 outbreak and its impact on the decline in global demand for crude oil. Consequently, OPEC+ decided to increase oil production by 400,000 barrels per day to meet the increasing demand and keep pace with the accelerating recovery, which led to this translated to a reduction of negative growth from 6.7% in 2020 to an estimated 0.4% drop in the Kingdom's oil GDP in 2021, which is forecast to return to positive growth of 8.7% in 2022 due to higher oil prices and production.

During 2020, SAMA injected more than SAR 100 Bn into the Saudi economy through its COVID-19 support programmes, aimed at supporting the banking sector in its lending activities during the economic slowdown. As a consequence, money supply growth remained elevated throughout 2020 and most of 2021. For 2022, we expect liquidity to remain sufficient to foster the domestic recovery, but with money supply growth rates gradually below current levels.

The Saudi banking sector continued its strong performance in 2021. Credit growth was exceptionally strong, driven by surging residential mortgage loans and increasing corporate loan demand post-pandemic. Sustained government support to the Saudi private sector will support continued strong growth of credit. On the back of the expected accelerating growth of the Kingdom's non-oil economy, we also forecast commercial loans to further rebound in 2021 and 2022.

The Saudi labour market emerged swiftly from the pandemic-induced imbalances. Targeted policies to help maintain and restore job opportunities for Saudis have been successful, particularly in key economic sectors. The unemployment rate dropped to 11.3% in the first half of 2021 compared to 15.4% during the same period last year. Moreover, the rate of participation of women in the Saudi labour force reached a high record in mid-2021 surpassing 34% and looks set to increase in the coming year.

Riyad Bank maintained our vigilance, agility and resilience in response to the continued disruptions and volatility, maintaining our proactive stance in supporting the economy and our diverse stakeholder community from the impacts of the COVID-19 pandemic.

677 tables
Distributed to students to facilitate their study from home efforts



Our Employees

- Achieved 100% full vaccination of our employees
- Implemented 'Safe Return to Office' plan with flexible working hours, while maintaining all health and safety protocols and requirements
- Conducted in-office vaccination campaign that vaccinated over 400 employees
- Maintained flexible working hours and hotlines and app for employees
- Developed employee booklet with general awareness, preventive measures, policies, etc.
- 20+ awareness messages (email broadcasts, text messages and calls)

Our Customers

- Within the framework of the initiatives and programs for financing lending, deferring payments and supporting financing guarantees that the Central Bank of Saudi Arabia started in 2020, Riyad Bank continued to contribute to the postponement of loan payments included in the program
- Postponed loan instalments for all public and health workers for 3 months starting from April in recognition of their service during the crisis
- Marketing campaigns to encourage customers to use the digital channels
- Delivering ATM cards to customers' homes
- Health and safety messages at 2,600+ sanitized ATM machines and IVR system

Our Community

- Donated SAR 17 Mn to the Health Fund that the Ministry of Health launched to support the Kingdom's efforts and limit the spread of COVID-19 under the "We are responsible and I am the First one" campaign
- Donated SAR 10.73 Mn to the Society Fund initiative by the Ministry of Human Resources and Social Development for 17,000 meals and 6,000 food baskets to those in need
- Collaborated with the Ministry of Communications and Information Technology to distribute 677 tables to students to facilitate their study from home efforts
- Distributed 7,000 safety boxes containing masks, gloves, and sanitisers to all employees
- Partnered with Saudi Food bank and various charities to distribute 10,000 food boxes to families in need at Ramadan

Our Shareholders

- Conducted virtual calls with investors and analysts
- Shifted to virtual AGM

Financial Results

Riyad Bank achieved SAR 6,025 Mn as net profits for the 12-month period ending on 31 December, 2021, with an increase of 27.8% over the same period of the previous year, which amounted to SAR 4,715 Mn. Considering the current economic changes and challenges, Riyadh Bank continued to focus on the main banking activities and maintained its financial position, as net loans and advances increased by 13.6%, reaching SAR 217,290 Mn, compared to SAR 191,347 Mn for the previous year.

On the other hand, investments amounted to SAR 58,637 Mn, compared to SAR 56,450 Mn, with an increase of 3.9% for the previous year. Customer deposits amounted to SAR 211,678 Mn, compared to SAR 203,039 Mn for the previous year, with an increase of 4.3%, while assets amounted to SAR 325,736 Mn, compared to SAR 310,088 Mn for the previous year, with an increase of 5.0%.

Total operating income amounted to SAR 11,568 Mn during the 12 months ending on 31 December, 2021, compared to SAR 11,205 Mn for the same period of the previous year, with an increase of 3.2%.

Reflecting on the strength of Riyadh Bank's assets and the diversity of its financing and investment products, Riyadh Bank was able to achieve an increase in net special commission income, which amounted to SAR 8,293 Mn during the 12 months ending on 31 December, 2021, compared to SAR 8,214 Mn for the same period of the previous year, with an increase of 1.0%. Earnings per share during the same period amounted to SAR 2.01, compared to SAR 1.57 for the previous year.

The increase in Riyadh Bank's net profit for the 12 months ending on 31 December, 2021 is due to an increase in total operating income by 3.2%, and a decrease in total operating expenses by 16.1%. Zakat expenses also decreased compared to the previous year by 10.0%.

The increase in total operating income is mainly due to the increase in net fee and commission income, net special commission income, net gains from investments held for non-trading purposes and dividends. As for the decrease in total operating expenses, it is due to a decrease in the net provision for impairment for credit losses and other financial assets and a decrease in the net provision for impairment in the value of investments, partially offset by the increase in employee salaries and the like, other general and administrative expenses, and rent and premises related expenses.

Material differences in the operating results compared to the results of the previous year



Description (SAR Mn)	2020	2021	Change	Change %
Net income after Zakat	4,715	6,025	1,310	27.8%
Total operating income	11,205	11,568	363	3.2%
Net special commission income	8,214	8,293	80	1.0%
Earnings per share	1.57	2.01	0.44	27.8%
Total assets	310,088	325,736	15,648	5.0%
Net investments	56,450	58,637	2,187	3.9%
Net loans and advances	191,347	217,290	25,944	13.6%
Customer deposits	203,039	211,678	8,639	4.3%

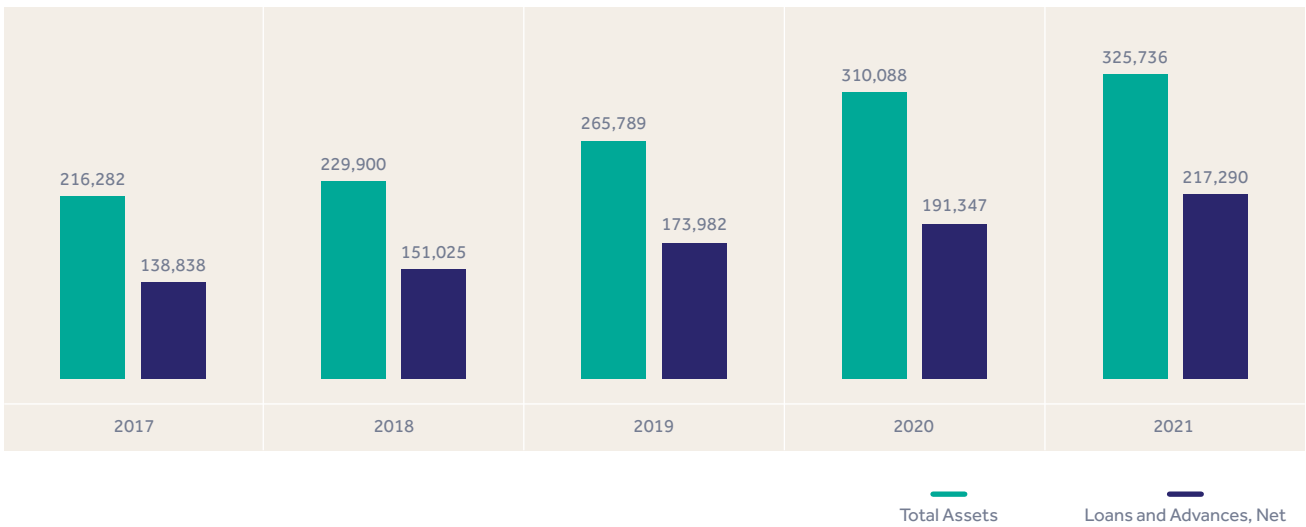
A summary of Riyadh Bank's financial results over the past 5 years



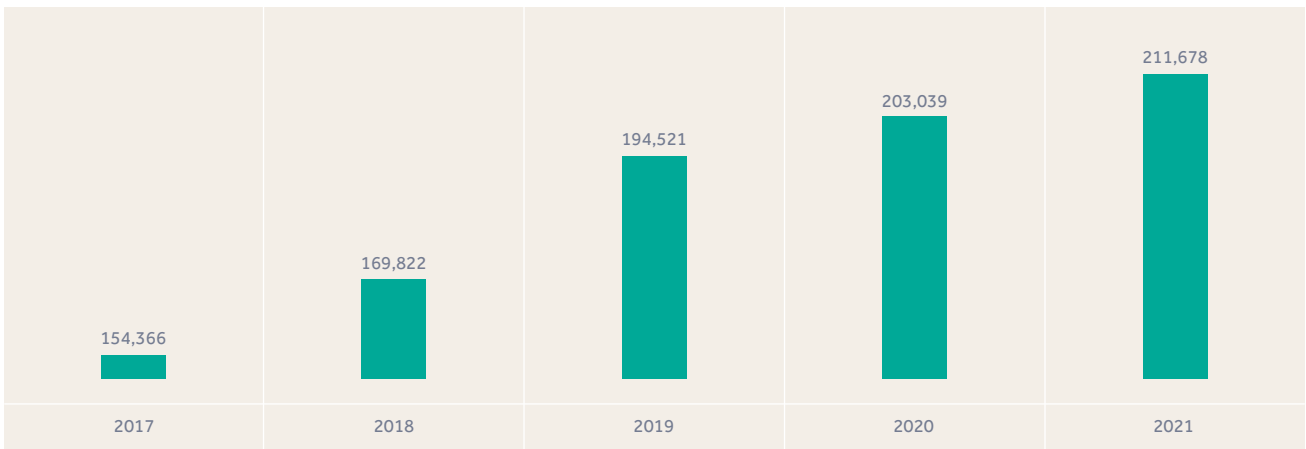
A) The following is an analysis of the most important items of the consolidated statement of financial position:*

Description (SAR Mn)	2017	2018	2019	2020	2021
Assets					
Cash and balances with SAMA, net and Due from banks and other financial institutions, net	27,876	27,352	33,924	55,579	43,232
Loans and Advances, Net	138,838	151,025	173,982	191,347	217,290
Investments, Net	46,370	47,993	53,361	56,450	58,637
Other real estate, property, equipment and right of use of assets, net	1,987	1,927	2,435	2,752	3,020
Other assets	1,211	1,603	2,086	3,961	3,556
Total assets	216,282	229,900	265,789	310,088	325,736
Liabilities					
Due to banks and other financial institutions	7,056	8,581	13,124	41,789	43,134
Customer Deposits	154,366	169,822	194,521	203,039	211,678
Debt securities in issue	8,017	4,004	4,003	5,684	8,717
Other Liabilities	8,221	10,719	13,572	15,221	14,907
Shareholders' equity	38,623	36,774	40,571	44,355	47,300

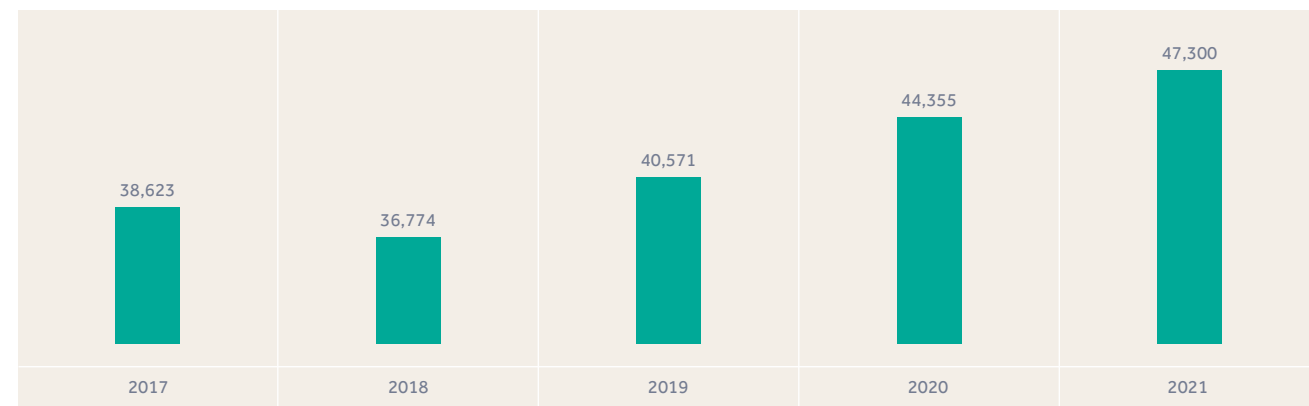
*Certain comparative figures have been reclassified to conform to current period classifications.



Customer Deposits



Shareholders' Equity



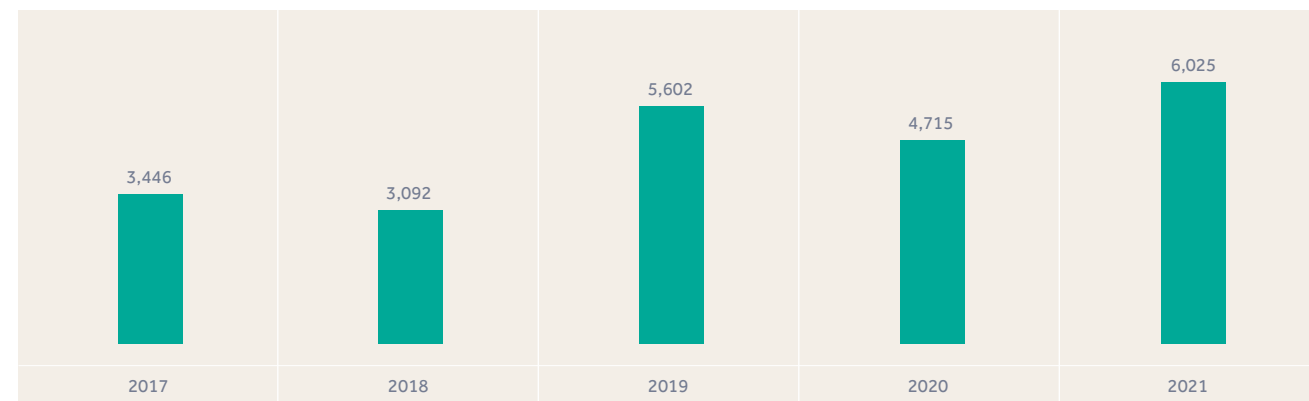
B) The following is an analysis of the most important items of the consolidated income statement*:

Description (SAR Mn)	2017	2018	2019	2020	2021
Total operating income and net share of Riyad Bank in the profits of associates	8,148	9,018	10,870	11,224	11,535
Total operating expenses	4,202	4,302	4,638	5,740	4,817
Net income after Zakat	3,446	3,092	5,602	4,715	6,025
Earnings per share (SAR)	1.15	1.03	1.87	1.57	2.01

* Certain comparative figures have been reclassified to conform to current period classifications.

**Includes the effect of settling zakat claims for previous financial periods.

Net income after Zakat



Geographical analysis of the total revenues of Riyad Bank and its subsidiaries

The total revenues for the period ending on 31 December, 2021 from operations inside the Kingdom amounted to SAR 9,671 Mn, and from outside the Kingdom amounted to SAR 1,896 Mn.

Geographical analysis of the total revenues of Riyad Bank and its subsidiaries from within the Kingdom:

Within the Kingdom of Saudi Arabia				
Year	Western region	Central region*	Eastern region	Total revenue from within the Kingdom (SAR Mn.)
2021	1,803	5,993	1,876	9,671

* The amount specified for the central region includes revenues from central investments related to the investment and treasury sector, amounting to SAR 1,261 Mn and are not linked to a specific geographical sector within the Kingdom. It also includes revenues related to other regions that cannot be separated.

Geographical analysis of the total revenues of Riyad Bank and its subsidiaries from outside the Kingdom:

Year	Outside the Kingdom of Saudi Arabia					Total revenues from outside the Kingdom
	GCC countries and the Middle East region	Europe	North and Latin America	South East Asia	Other areas	
2021	799	314	537	145	102	1,896

Dividends



Riyad Bank abides by the relevant applicable regulations, and follows the following policies when distributing profits to Shareholders:

- 25% of the net profits shall be deducted to form the statutory reserve.
The deduction may be stopped whenever the total reserve reaches the amount of the paid-up capital.
- Based on the recommendations of the Board of Directors and the approval of the General Assembly, the determined profits shall be distributed to the Shareholders from the net profits, each according to the number of his shares.

The Board of Directors recommended that the dividends be distributed as follows:

	(SAR'000s)
Retained earnings from 2020	4,928,570
Proposed cash dividends to be distributed to shareholders for the second half of 2020	(1,500,000)
Net profit after Zakat for 2021	6,025,379
Sale of equity instruments carried at fair value through other comprehensive income	27,507
Total	9,481,456
To be allocated and distributed as follows:	
Cash dividends distributed to Shareholders for the first half of 2021	(1,500,000)
Proposed cash dividends to be distributed to Shareholders for the second half of 2021	(1,620,000)
Transferred to regular reserve	(1,506,345)
Retained earnings for 2021	4,855,111

Riyad Bank had distributed profits to Shareholders on 5 July, 2021 for the first half at 50 Halalas per share. As for the rest of the profits proposed to be distributed to Shareholders for the second half of 2021, at 54 Halalas per share, it will be distributed if approved by the General Assembly, bringing the total distributions for the whole year 2021 to SAR 3,120 Mn, at SAR 1.04 per share; equivalent to 10.4% of the nominal value of the share, after deducting Zakat.

Bank's credit rating



Rating Agency	Long-Term	Short-Term	Future Outlook
Fitch	BBB+	F2	Stable
Standard & Poor's	BBB+	A-2	Stable

Finance and debt securities issued



In February 2021, the Bank successfully established a SAR 10 Bn Sukuk program, out of which the issued portion was SAR 3 Bn. The Tier-2 Saudi Riyal Sukuk received an overwhelming support; the total order book was 1.9x oversubscribed by a diverse pool of investors consisting of banks, government agencies, fund managers and others, which illustrated the accuracy of the timing as well as investors' confidence in the Bank.

The Bank successfully closed its inaugural \$750 million Additional Tier 1 (AT1) Sustainability Sukuk in February 2022, making it the first sustainable AT1 Sukuk globally. The profit rate of 4% per annum is equivalent to the lowest credit spread ever achieved by a GCC bank for an AT1 Sukuk. The orderbook was 4.3 times oversubscribed, which affirms the confidence placed by investors in the Bank's strategic direction, Board and management team.

Riyad Bank also confirms the following:

- There are no debt instruments issued by the subsidiaries.
- There are term loans due from subsidiaries with a local bank, amounting to SAR 412 million, as at 31 December, 2021.
- The Bank did not issue or grant any convertible debt instruments or any contractual securities or subscription rights notes or similar rights during 2021.
- The Bank has not issued or granted any conversion or subscription rights under convertible debt instruments, contractual securities, or subscription right memorandums, or any similar rights during 2021.
- The Bank or any of its subsidiaries has not made any refund, purchase or cancellation of any redeemable debt instruments.

Disclosure of treasury shares held by Riyad Bank and the details of their uses



Riyad Bank does not hold any treasury shares.

Accounting Standards followed



The Group prepares the financial statements in compliance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), the Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and by-laws of the Bank. These are audited by the external auditors of the bank in accordance with the International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board and approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Certified Public Accountants and in line with the Banking Control Law and the provisions of the Companies Law in the Kingdom and the Bank's Articles of Association. There are no fundamental differences from the accounting standards issued by the Saudi Organization for Certified Public Accountants.

Statutory payments



There are no final statutory payments due on Riyad Bank for 2021, except for what is mentioned in the statement below:

Description	SAR'000s	
	Paid	Due
Zakat – Tax and Customs Authority ("ZATCA") (regarding the fiscal year 2021)*		692,681
Taxes borne by Riyad Bank on behalf of some non-resident entities (according to the terms of the contract)	14,593	-
Taxes owed on Riyad Bank foreign branches in favor of official authorities outside the Kingdom	9,364	-
GOSI	104,788	-
Visa and passport costs	2,898	-
Any other regular payments**	18,139	-

*Zakat will be paid for 2021, no later than 30 April, 2022.

**Governmental fees.

Riyad Bank is committed to the agreement concluded with the ZATCA on 20 December, 2018 to settle Zakat claims for the previous fiscal years and until the end of the fiscal year 2017, in return for a payment of SAR 2,969,722,864. An advance payment of this settlement was made during 2018, with a commitment to pay the rest in 5 equal installments over 5 years, starting on 1 December, 2019 and ending on 1 December, 2023. The first, second and third installments were paid in 2019, 2020 and 2021, respectively.

Statutory violations and penalties



Riyad Bank applies, in the course of its daily business, all banking systems, regulations and rules issued by the supervisory authorities, and Riyad Bank is keen to limit the occurrence of any violations and take the necessary corrective actions if they occur.

Penal decisions of the Saudi Central Bank (SAMA):

Subject of Violation	Fiscal Year 2020		Fiscal Year 2021	
	Number of penal decisions	Total amount of fines (SAR)	Number of penal decisions	Total amount of fines (SAR)
Violation of the supervisory instructions of the Central Bank	22	4,604,000	19	6,704,320
Violation of the Central Bank's instructions regarding due diligence in combating money laundering and terrorist financing	2	300,000	6	2,126,000
Violation of the Central Bank's instructions for customer protection	6	1,732,500	8	4,209,250
Violation of the Central Bank's instructions for due diligence	0	0	0	0

The statutory penalties and penalties imposed by the supervisory, regulatory or other judicial authorities:

Authority	Classification of the violation	Number of fines	Total amount of fines (SAR)
Secretariats and other government agencies	Fines for ATM plates and site licenses, and other fines	214	745,400

Transactions with related parties



The following statement shows the balances resulting from related party transactions as on 31 December, 2021, which took place during the normal business cycle of Riyad Bank, according to the definition of related parties in Article 1 of the Corporate Governance Regulations:

Description	SAR'000s
	Total
Loans and advances	2,887,319
Customer deposits	41,044,962
Derivatives (at fair value)	4,792
Contingent commitments and commitments (irrevocable)	10,252,322
Special commission income	53,955
Special commission expense	112,325
Fee and commission income, net	381,254
Miscellaneous operating expenses	167,552

Transactions with related parties include a set of business contracts that are carried out for the account of Riyadh Bank, in which the members of the Board of Directors have a direct or indirect interest, they are as follows:

Nature of the contract	Related Party	Owner	End date of the contract	Annual contract value (SAR)
Rent of the headquarters of the 60th Street branch 286 for exhibitions No. (1, 2, 3, 5) - Riyadh	Member of the Board of Directors; His Excellency Mr. Mohammed Talal Al-Nahas, Governor and member of the Board of Directors of the GOSI	GOSI	08/09/2026	600,000
Legal liability insurance policy for members of the Board of Directors, members of the External Audit Committee, and Executive Officials of Riyadh Bank and Riyadh Capital Company	The GOSI owns 36.77%	Tawuniya Insurance Company	31/12/2021	431,276
Medical insurance policy for the employees of Riyadh Bank, Riyadh Capital Company, Riyadh Insurance Agency and Riyadh Isnaad	The GOSI owns 36.77%	Tawuniya Insurance Company	31/01/2022	69,495,790
Rent of the General Administration Building (Granada Oasis)	GOSI	Granada Investment Center (owned by the GOSI)	14/08/2022	28,244,040
Rent of 20 parking spots in Granada Business for relationship managers in the corporate banking sector	Member of the Board of Directors, His Excellency Mr. Mohammed Talal Al-Nahas, Governor and member of the Board of Directors of the GOSI	Granada Investment Center (owned by the GOSI)	14/08/2022	199,226
Data supply agreement between the GOSI and Riyadh Bank for a useful service to inquire about the number of employees of the establishments.	Member of the Board of Directors, His Excellency Mr. Mohammed Talal Al-Nahas, Governor and member of the Board of Directors of the GOSI	GOSI	12/02/2022	250,000
Renting Al-Murabba branch; 218 King Abdulaziz Street in Riyadh	Member of the Board of Directors, His Excellency Mr. Mohammed Talal Al-Nahas, Governor and member of the Board of Directors of the GOSI	GOSI	20/10/2022	400,000
Rent an ATM 2436 STC - Riyadh	Member of the Board of Directors His Excellency Mr. Mohammed Talal Al-Nahas Governor and member of the Board of Directors of the GOSI	Saudi Telecom Company	31/05/2020	30,000
Platform Service Management Contract (SMS)	Member of the Board of Directors His Excellency Mr. Mohammed Talal Al-Nahas Governor and member of the Board of Directors of the GOSI	Saudi Telecom Company	31/08/2022	42,000,000
Branches and Buildings Network Connection Services for Data Services -IPVPN	Member of the Board of Directors His Excellency Mr. Mohammed Talal Al-Nahas Governor and member of the Board of Directors of the GOSI	Saudi Telecom Company	31/12/2020	23,710,892
Renting an ATM at Umm Al Qura Makarim Hotel - Makkah Al Mukarramah	Mr. Mohammed Ibrahim Al-Issa, father of the Bank's Chairman of the Board, Eng. Abdullah Mohammed Al-Issa	Mohammed Ibrahim Al-Issa & Sons Company	20/02/2021	18,000
Protection programs to provide (DWDM) technology	Vice Chairman of the Board of Directors, Eng. Moataz Qusay Al-Azzawi, Member of the Board of Directors of the company	Etihad Etisalat Company - Mobily	31/05/2021	1,098,000
SJN Second Service Provider Connection Service Contract	Vice Chairman of the Board of Directors, Eng. Moataz Qusay Al-Azzawi, Member of the Board of Directors of the company	Etihad Etisalat Company - Mobily	24/07/2022	26,676
Contract for the provision of Connectivity Services for the General Administration Building - Granada	Vice Chairman of the Board of Directors, Eng. Moataz Qusay Al-Azzawi, Member of the Board of Directors of the company	Etihad Etisalat Company - Mobily	17/02/2022	480,000
A contract to provide 300 fast SIM cards (SIM)	Vice Chairman of the Board of Directors, Eng. Moataz Qusay Al-Azzawi, Member of the Board of Directors of the company	Etihad Etisalat Company - Mobily	31/03/2023	489,600
Renting an ATM site at the Marriott Hotel - Riyadh	The Chairman of the Board of Directors, Eng. Abdullah Mohammed Al-Issa, Chairman of the Board of Directors of the company	Dur Hospitality Company	22/11/2025	30,000

Nature of the contract	Related Party	Owner	End date of the contract	Annual contract value (SAR)
Renting an ATM site 1455 Al Dana Mall (1) - Yanbu	Board Member Dr. Abdul Raouf Banaja - Member of the Audit Committee	Kinan International Real Estate Development Company	30/06/2023	70,000
Renting an ATM site 1452 Al Dana Mall (2) - Yanbu	Board Member Dr. Abdul Raouf Banaja - Member of the Audit Committee	Kinan International Real Estate Development Company	30/06/2023	70,000
Renting an ATM site 1876 Al Dana Mall (3) - Yanbu	Board Member Dr. Abdul Raouf Banaja - Member of the Audit Committee	Kinan International Real Estate Development Company	30/06/2023	70,000
Data supply agreement between Masdar Data Solutions and Riyadh Bank	A company owned by the GOSI	Masdar Data Solutions Company	10/02/2022	252,000
Renting an ATM site 6108 - Al-Othaim Markets in Riyadh Al-Khobar A - King Abdullah Road	The GOSI owns 9.13%.	Abdullah Al Othaim Markets Company	18/01/2026	23,000
Renting an ATM site No. 2113, National Guard Gate, Al-Othaim Markets	The GOSI owns 9.13%.	Abdullah Al Othaim Markets Company	28/02/2021	40,000
Renting an ATM site 2873 - Al Saada District - Al Othaim Markets Company - Riyadh	The GOSI owns 9.13%.	Abdullah Al Othaim Markets Company	20/07/2023	43,000
Renting an ATM site 2871 - Al Hazm District - Al Othaim Markets - Riyadh	The GOSI owns 9.13%.	Abdullah Al Othaim Markets Company	20/07/2023	30,000
ATM 2870 - King Faisal District - Riyadh - Al-Othaim Markets Company	The GOSI owns 9.13%.	Abdullah Al Othaim Markets Company	20/07/2023	33,000
Renting an ATM site 1859 - Aziziyah - Jeddah - Al-Othaim Markets Company	The GOSI owns 9.13%.	Abdullah Al Othaim Markets Company	20/07/2023	33,000
Renting an ATM site 2872 - Al Badiah - Riyadh - Al Othaim Markets Company	The GOSI owns 9.13%.	Abdullah Al Othaim Markets Company	20/07/2023	40,000
Renting an ATM site 1860 - Yanbu - Al-Othaim Markets Company	The GOSI owns 9.13%.	Abdullah Al Othaim Markets Company	20/07/2023	33,000

Disclosure of the micro, small and medium enterprises data



1- Qualitative disclosure

The approved definition of small, medium and micro enterprises:

Micro, small and medium enterprises were classified according to the definitions of the Saudi Central Bank.

Initiatives taken by Riyadh Bank to support these facilities, in addition to the number of employees, training initiatives and workshops provided to customers and employees for 2021:

2021	Micro	Small	Medium
Sector they belong to	Personal banking	Corporate Banking	Corporate Banking
Their administration	Branch network	Small and medium-sized companies	Small and medium-sized companies
Number of employees serving the segment	23	94	66
Number of employees who have been given training courses	9	89	66
Number of training days provided to employees	-	212	167
Number of clients who have been given trainings	16,367	1,915	566
Number of workshops offered to clients	11,488	955	471
Number of training days provided to clients	1,211	243	62
Number of centers or branches where the segment provides its services to customers	All branches of Riyadh Bank in all regions of the Kingdom serve a micro-segment. Small and medium enterprise centers	27 centers dedicated to serving small businesses around the Kingdom, in addition to all Riyadh Bank branches and electronic channels.	27 centers dedicated to serving medium enterprises around the Kingdom, in addition to all branches of Riyadh Bank and electronic channels.

Awards obtained by the Bank in the sector of micro, small and medium enterprises during the year 2021:

- For the fourth year in a row, the Minister of Commerce honored Riyadh Bank by giving it the “Outstanding Performance Award” for achieving the first place in financing small and medium enterprises in cooperation with the Small and Medium Enterprises Financing Guarantee Program - Kafalah Program, in terms of the number of enterprises benefiting from financing as well as in terms of the value of facilities Credit (finance) provided to the small and medium enterprises sector.
- Best Bank Award for small and medium-sized enterprises financing in the Middle East - Euromoney.
- Best Bank Award for small and medium-sized enterprises financing in the Middle East - Asiamoney.
- Best Bank Award for financing small and medium-sized enterprises in the Kingdom of Saudi Arabia - Asiamoney.
- One of the top 5 lenders in the financing portals in 2021.
- One of the 3 best financing banks for small, medium and micro- sized enterprises operating in the promising sectors (entertainment, tourism, sports, and e-commerce) during the third quarter of 2021.

Initiatives taken by Riyadh Bank to support these facilities

1- Product offering and development:

Micro-enterprises:

- Launching Kafala product and guaranteed financing for those affected by the COVID-19 pandemic from the Central Bank of Saudi Arabia in cooperation with the Kafala program with a coverage rate of 95%.
- Development of the financing product against the receipts of points of sale.

Small and medium- sized enterprises:

During the year, all financing products related to the small and medium- sized enterprises sector were developed, and a plan to launch new products in 2022 is underway.

2- Programs and agreements:

Micro- enterprises:

- An agreement with Salla E-commerce to support and help customers of micro, small and medium- sized enterprises to enable them to use technical solutions in sales operations, ending with a complete transformation to e-commerce to sell and deliver their products via the Internet.

Small and medium enterprises:

- Agreement on the “Tatweer” program to enable real estate sector companies and institutions to obtain real estate support and financing.
- Agreement on the “Tourism Partners” program with the aim of financing qualitative tourism facilities and activities around the Kingdom.
- Memorandum of Understanding with the Cultural Development Fund to develop initiatives to support the development of business potentials in the cultural sector.
- A major partner and financier in green environment and renewable energy initiatives and projects in the Kingdom.
- A cooperation agreement with the National Industrial Development and Logistics Program “Ndaleb” to work on developing investment financing capabilities for the program's strategic axes.
- Technology Growth Financing Initiative, in partnership with the National Information Technology Development Program and the Small and Medium Enterprises Financing Guarantee Program - Kafalah, which allows enterprises in this sector to obtain financing for business development.
- Joining the “Jadeer” service provided by the General Authority for Small and Medium Enterprises - facilities to link enterprises with purchasing opportunities in the public and private sectors.
- Extending the period of the “Payment Deferment” and “Secured Financing” programs to support the small and medium enterprises sector.
- A joint cooperation agreement with 14 chambers of commerce around the Kingdom with the aim of supporting small and medium enterprises in these areas in terms of awareness and knowledge development in financing options for small and medium enterprises, as well as providing financing to small and medium enterprises **nominated by the Chambers**.

3- Sponsorships and participation in exhibitions

Micro, small and medium- sized enterprises:

- Sponsorship of the Endeavor Saudi Council and a project to study the map of technical companies' relations and its impact on the entrepreneurship system.
- Sponsorship of the Entrepreneurship Program (Unifonic X).
- Sponsorship of the incubator of the Asharqia Chamber of Entrepreneurship.
- Participation in the Day of Small and Micro Enterprises held in the Medina Chamber.
- Participation in the interactive market for the commercial franchise center - Monshaat.

4- Participation in seminars and conferences:

Micro, small and medium- sized enterprises:

- A number of awareness seminars in cooperation with the General Authority for Small and Medium Enterprises and in cooperation with the Chamber of Commerce and Industry, “The Stage” and the “Asharqia Chamber Business Youth Council”.
- Aseer Forum for Entrepreneurship and Artificial Intelligence 2021.

2- Quantitative disclosure

2021	SAR'000s			
	Micro	Small	Medium	Total
Financing for small and medium enterprises – on-balance sheet items	2,523,041	8,372,987	18,532,064	29,428,092
Financing for Small and Medium Enterprises - off-balance sheet items (Nominal Value)	1,426,709	2,873,814	8,357,849	12,658,372
On-balance sheet Financing to small and medium-sized enterprises as a percentage of total on-balance sheet Financing	1.1%	3.8%	8.4%	13.3%
Off-balance sheet Financing to small and medium-sized enterprises as a percentage of total off-balance sheet Financing	1.4%	2.7%	8.0%	12.0%
Number of Financing (on and off balance sheet)	3,281	12,805	13,869	29,955
Number of loan clients (on and off- balance sheet)	2,116	3,414	1,420	6,950
Number of secured Financing from the “Kafala” program (on and off- balance sheet)	819	6,941	3,420	11,180
Total secured Financing from the “Kafala” program (on and off- balance sheet)	207,460	2,800,847	4,040,889	7,049,196

2020	SAR'000s			
	Micro	Small	Medium	Total
Financing for small and medium enterprises – on-balance sheet items	1,633,439	6,509,912	17,443,342	25,586,693
Financing for Small and Medium Enterprises - off-balance sheet items (Nominal Value)	912,900	3,355,352	8,480,346	12,748,597
On-balance sheet Financing to small and medium-sized enterprises as a percentage of total on-balance sheet Financing	0.8%	3.3%	8.9%	13.1%
Off-balance sheet Financing to small and medium-sized enterprises as a percentage of total off-balance sheet Financing	1.1%	3.9%	9.8%	14.7%
Number of Financing (on and off balance sheet)	4,109	13,518	15,390	33,017
Number of loan clients (on and off- balance sheet)	2,884	3,082	1,151	7,117
Number of secured Financing from the “Kafala” program (on and off- balance sheet)	151	6,895	3,151	10,197
Total secured Financing from the “Kafala” program (on and off- balance sheet)	33,806	2,418,472	3,412,385	5,864,663

Operating Review

Accelerating business performance

Retail Banking

Retail Banking has been central to the Bank's success in 2021, anticipating and reacting to the revolutionary new directions and demands that COVID-19 made essential. The pandemic acted as a catalyst to drive our already ambitious commitment to digitization even further and even faster. The result has been an enormous stride forward in the quality and sophistication of the products and services we offer, which has benefitted our customers at every step of the retail value chain.

Throughout 2021, Retail Banking proved itself to be one of the most dynamic and agile business divisions, adapting and innovating in an environment restricted by movement and traditional banking practices. Our distinctive products and service, backed by flexible technological infrastructure and the advances we made in delivering the highest level of services, exceeded the standards our customers have come to expect. Our results for the year on all levels – from financial performance to customer satisfaction and digitization – have helped Retail Banking to create value for the Bank, our customers and all our stakeholders.

Financial growth on solid foundations



Despite a challenging operating environment, we were not only able to mitigate the effects of COVID-19 but also delivered double digit growth in net income, assets and liabilities. Despite significant growth in lending, credit quality hasn't been compromised and our success was loud and clear. For the retail business at Riyadh Bank, the pandemic accelerated our digital journey and the highly impressive financial results have set us on a trajectory for further positive growth as a consequence.

We also remained committed to increasing our sales productivity across all channels, both traditional and alternative, to ensure growth in liability and asset market share.

2021 Financial Highlights

Net Income

SAR 1.2 Bn

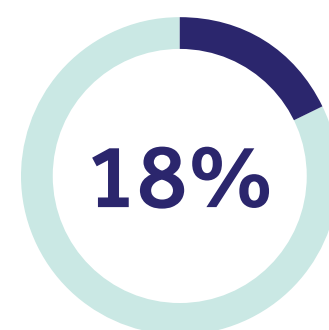
Total Deposits

SAR 91 Bn

Increase Consumer Lending

19%

Contribution to the Bank's total net income in 2021



The pandemic accelerated our digital journey and the highly impressive financial results have set us on a trajectory for further positive growth as a consequence.

Better banking through technology



We accelerated our digital transformation to better meet the requirements and expectations of our diverse customer segments this year. Our investment in digitization was driven by customer insights, which provided a strong knowledge foundation to update our products and services to better meet their requirements.

We broadened our portfolio to make digital banking more accessible and inclusive, offering our customers more choice and touchpoints to access our services and products. The results were remarkable. We saw a strong uptake of digital services from our customer base, now using online banking, and attracted new Retail Banking customers.

2021 Retail Banking Digital Milestones

Increase customer base

+6%

New customer acquisition

+8%

Digital penetration

+900 bps

Sales productivity

+16%

Riyad Bank Private Banking

Best Private Bank in MENA Award

- EMEA Finance
- Second consecutive year



New customers acquired through digital channels



2021 Successes and achievements



Besides a strong push towards digitization, Riyadh Bank's retail business focussed on a holistic approach to its services and the customers who use them. We remained committed to increase our sales productivity across all channels, both traditional and alternative to ensure growth in liability and asset market share.

The introduction of a vast range of new products has been instrumental in our success across the board. For example, we introduced new mortgage products and new family products, including the Kingdom's first mobile banking platform for children, which enables them to enhance their financial literacy and build a habit of saving. In addition, to make life even more convenient for our customers, we opened a new iconic private banking center in Riyadh and deployed 80 self-service kiosks.

Driving home ownership

Our attention to home ownership was high on the agenda this year, as we redefined our mortgage proposition and launched new products. A clear mortgage strategy was implemented, and new off-plan variants, self-construction and refinancing products were introduced to disrupt the market, which led to a significant increase in market share, from 12% at the beginning of 2021 to 23% by the end of the year.

Our ongoing mortgage media exposure resulted in numerous real estate developers approaching Riyadh Bank to sign exclusive deals and agreements to further support our clients' and the Bank's profitability.

With regards to turnaround time, mortgage loans improved by 55% on Riyadh Bank products and there was a 21% improvement for Real Estate Development Fund products. With improved practices and procedures, the mortgage error rate fell by more than 23% and for personal loans, the turnaround time was reduced by 29%.

2021 New mortgage solutions

- ML self-construction product
- Mortgage buyout (REDF and non-REDF)
- Mortgage off-plan product revamp with Tawarruq variant
- Mortgage Land and Loan
- Mortgage loan refinance (REDF and non-REDF)

+14%

Growth of "Client Recommendation Ratio" NPS Score for Riyadh Online channel

+457%

Growth of Call Center NPS Score

+26%

Growth of "Client Recommendation Ratio" NPS Score for Riyadh Mobile channel

Exceptional customer care and experience

Dedicated to providing a superior customer experience across both physical and digital channels, Retail Banking has made great strides during this year.

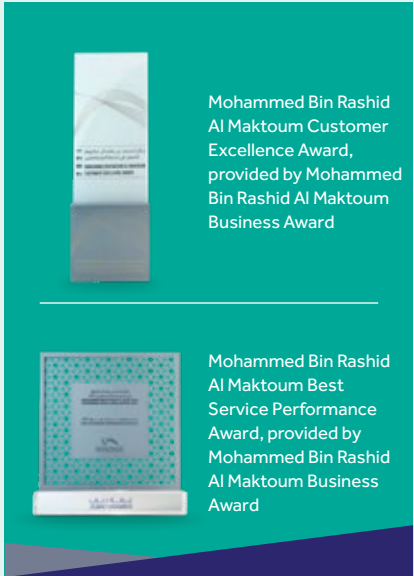
In our 2021 Net Promoter Score ratings – a gauge of customer satisfaction and their likelihood to recommend the Bank to others – Retail Banking performed superbly, with significant improvements across all channels.

Service at the branches was rated Excellent, as were Riyadh Online and Riyadh Mobile, increasing their scores year-on-year by 14% and 26% respectively. The call centers NPS score rose by 457% compared to 2020, with 94% of calls answered within a remarkable 7 seconds.

For those connecting on social media to seek help and keep up with the latest updates on digital banking, the results were equally impressive. The Twitter response time for customer queries and issues dropped 99% since May 2020 to reach only 13 minutes on average.

To achieve such a rapid transformation in terms of time, quantity and quality of service demonstrates the exemplary focus and commitment of all our customer-facing Staff and the great progress we have made in digitizing and automating customer care.

Overall, Riyadh Bank achieved outstanding NPS scores across all channels, and our years of hard work and focus in this regard were rewarded by 2 high-profile awards received from The Mohammed Bin Rashed Award in 2021:



Contributing to the goals of Saudi Vision 2030



Retail Banking strategic pillars and initiatives have been crafted carefully and align with several key pillars of Vision 2030, including the low-cash and cashless society which is expected to remain as a permanent culture. We have been instrumental in promoting the drive towards a digitized community and will continue to forge ahead with that goal in line with the government's targets.

In terms of the Vision 2030 objective of increasing household savings rates, a greater sense of financial awareness has led to customer demand for the most suitable services catered to their own specific needs. In response, we offered Edikhar and Wazen Islamic saving products and are working towards introducing several others, including new saving plans and advance profit accounts.

We have also been working to launch the Bancassurance business line to promote financial literacy and facilitate long-term savings. This would offer diversified financial planning and protection products including travel, motor, personal accidental coverage and insurance linked to investment plans and products catering to businesses. In line with this and to encourage the next generation of spenders and savers to learn about the value of finances, Retail Banking launched the Kingdom's first standalone children's mobile application, 'Token Junior Banking'.

Retail Banking is one of the key financial institutions partnering the Real Estate Development Fund since its inception and has been playing a pivotal role in increasing home ownership among Saudi nationals as part of the 2030 Vision. During 2021, we signed agreements with several developers through the WAFI platform to be the first bank in the Kingdom to offer non-REDF off-plan products and an MoU with developer Roshan to finance financing units for customers under Roshan projects.

Looking forward



The retail business landscape is expected to remain highly competitive, specifically on the digitization front with the entrance of new players and fintechs. However, considering our history of innovation and ability to anticipate demands, it remains highly promising for Riyadh Bank.

Retail Banking has refreshed its strategy based on the prevailing market dynamics, with flexible technological infrastructure being the key enabler of accomplishing retail strategy. We will continue to accelerate our digital transformation to become more efficient, responsive and productive, while continuing to enhance our products, services and customer experience.

We aim to provide a brilliant banking experience that grows our market share and attracts new customers, in order to continue to maximize value creation for our customers and the profitability of our Bank. Our fundamental focus for 2022 is to be accessible to our customers, as inventive as our outlook and as progressive as our ambition.

CUSTOMER VALUE AND PROFIT MAXIMIZATION



Grow Liabilities Market Share



Grow Assets Market Share



Brilliant Banking Experience



First Choice Family and Entrepreneurs Bank

DIGITIZE AND INNOVATE

Corporate Banking

Corporate Banking continued to build on last year's strong results, demonstrating extraordinary resilience in overcoming the disruptions and challenges brought on by the COVID-19 pandemic. Our investments in new technology have played a pivotal role in achieving net income growth and delivering enhanced services and a superior experience for our valued customers during 2021.

This year, Corporate Banking continued its drive towards innovation and digital banking, which are now fundamental to our growth and provision of expanded products. It is our ability to adapt to the crisis and adopt the most innovative practices which has helped us to not only navigate the pandemic but also explore and exploit new avenues of investment and funding. The expansion of our portfolio and pioneering financing into new territories has made 2021 an exceptional year for Riyadh Bank's Corporate Banking and its customers.

Delivering on our strategy



Our overriding strategy for 2021 was to support our existing customers, attract new clients and expand our portfolio with a focus on digital platforms, SMEs, green energy and project financing with government entities. This perfectly aligns with Phase 2 of Transformation 2025, where value through innovation, enablement through the next gen operating model and efficiency through digitization are key pillars.

In addition to this, we strengthened our position in new markets, implemented an organizational transformation and created a portfolio segmentation to streamline functions, improve efficiency and focus on optimizing existing relationships.

Investment in our own people was also central to the 2021 strategy, focusing on the Bank's values through regular training, engagement activities and emphasis on employee wellbeing, expanding its culture program; People, Culture, Values. Communication within our teams and with our customers has been enhanced and is improved daily.

Robust financial performance



In terms of loan volumes, cross-sell, fees and net revenue, Riyadh Bank, currently the third largest bank in Saudi Arabia, was fully successful in achieving its 2021 targets. Having accomplished those goals, the Bank has produced outstanding financial results, as well as laying the foundations for even more solid performances over the coming years.

2021 Financial Highlights

Total Assets

SAR 144 Bn

Net Income Growth

71%

Net Loans Growth

SAR 12 Bn

Total Deposits Growth

SAR 3.2 Bn

2021 Highlights and achievements



Our performance throughout the year has been both structured and solid, helping to boost the recovering national economy. Corporate Finance, which manages project finance and syndicated facilities, experienced a quantum lift in business from 2020 and our dedicated government segment submitted 22 proposals and initiatives related to Vision 2030 to various entities during the year.

In addition, the Bank successfully closed several substantial syndicated facilities, won 'Best SME Bank' from KAFALAH for the fourth consecutive year, and was recognized as 'Best SMEs Bank in Middle East' for the second consecutive year by Euromoney and 'Best SME Bank in Middle East' for the second consecutive year by Asiamoney.

Reinforcing our strategic focus on green investments, we successfully closed several major syndicated facilities for solar projects and energy players and supported the green-funded Giga-projects with syndicated facilities as well as new manufacturing entities.

Furthermore, the Bank signed 12 agreements, launched 9 programs and initiatives related to Vision 2030, and closed 3 large advisory mandates for Lubreef, Yasref, and Chemanol.

With regards to institutional fund lending, we signed 5 major loans and successfully completed a financial advisory mandate for another major energy player.

During 2021, we continued to support Saudi Vision 2030 through a range of strategic initiatives, while delivering value for our clients through a variety of successful transactions.

Contribution to the Bank's total net income in 2021

36%

Supporting our SMEs

While SMEs are fundamental to a healthy economy, the effect of COVID-19 has been devastating for many of them. Financial and advisory support is a lifeline to survival and Riyadh Bank has concentrated its efforts on providing practical finance options and expert guidance.

Corporate Banking supported the Technology Development Financing program in their latest initiative to finance technology start-ups and SMEs. Moreover, Riyadh Bank signed a Collaboration Agreement with the Culture Development Fund to create programs for business enablers in all segments including micro, small and medium-sized enterprises.

In combining 2 of our most important strategic goals during 2021, Riyadh Bank expanded its operations for smaller businesses by adding 29 dedicated SME centers across the Kingdom, while building an end-to-end digital platform to fully digitize the lending process for small and medium-sized enterprises.

Accelerating digitization

Investment in technology, innovation and digitization continues to be a core element of our operations, identifying areas which can be streamlined, made more cost effective and time efficient. As we build on and improve our existing digital products and services, our Global Transaction Banking business signed an MOU with Channels by STC for providing collection, payment services and SoftPoS, and signed and executed Dividend Distribution Agreements with 2 major telecommunication companies.

We integrated with Etmam Platform in a partnership with the Developers Services Center, one of the Kingdom's most important national real estate initiatives, to specifically serve real estate developers through digital and technical content.

Riyadh Bank also launched a Green Banking initiative to examine and monitor its participation towards ESG compliance. Initially, the Bank launched its involvement in Renewable and Water Treatment sectors with total projects in the SAR Bn.

Helping to achieve the goals of Vision 2030

As ever, we continue to work with government entities and departments through investment, partnerships and strategic projects. Our dedicated government segment submitted 22 proposals and initiatives related to Vision 2030 to various departments during the year.

In 2021, we established a Business Initiatives and Enablers Development Center (BIED), the first of its kind in the Kingdom, which provides financial consultations and helps design creative initiatives and financial programs. In the wholesale arena our BIED Center, 23 proposals and initiatives related to Vision 2030 were submitted to 20 government entities, 12 Execution and Collaboration Agreements were signed and 7 programs launched and went live.

We worked closely with the Ministry of Finance (MoF) in its initiative to support the sustainability and completion of projects, providing project-financing support in sectors ranging from healthcare and education to retail and large real estate development.

We were the lead bank in several PPP privatization initiatives in the power, water and wastewater arena and the lead bank in supporting Aramco on all its PPP initiatives such as Tanajib and Jazan IGCC.

We also support many of the largest tourism initiatives, including the Red Sea Project and recently with the Tourism Development Fund (TDF) launched the Tourism Partners Program, allocating funding capital to enable the development of the Kingdom's key destinations.

The program is a first of its kind where the public and private sector work collaboratively against individual performance indicators on each side, ensuring the highest standards of governance to achieve the objectives of the program.

With regards to our operations overseas in London, Houston, Singapore and soon in china we continue to support clients on key Saudi projects relating to the Saudi Vision 2030.

Looking forward

Riyadh Bank has executed its strategic transformation exceptionally well, making it one of the fastest growing banks in the KSA for the past 3 years. There will be a range of challenges and developments in 2022, many of them may be ongoing but there will also be some new obstacles. The recently adopted CBD organization structure will develop new talent models to facilitate flexible, self-organizing teams that come together for a common purpose.

Discussions are currently underway to increase investment in climate related initiatives. Saudi regulators around the world are focused on the systemic impact of climate risk on financial markets and stability.

The Corporate Finance Department expects a healthy pipeline for 2022 primarily based on mega projects and PPP privatization financings, including large refinancing for KSA Corporates. Our BIED Center is working on new banking initiative models related to Saudi Vision 2030, such as Green and Renewable Banking.

Riyadh Bank enhanced the Bank's workforce capacity and capabilities to better serve SMEs by:



Treasury and Investments

It was an exceptionally strong year for Treasury and Investments, which exceeded its financial targets for 2021. It was a year in which our successful tactical adjustment of our investment portfolio turned the pandemic-induced crisis into an opportunity. The speed, agility and effectiveness of implementing our strategies in the immediate aftermath of COVID-19 was exemplary and stood us in good stead for a remarkably successful 12 months, regardless of the financial environment.

Treasury and Investments' commitment to innovation and digitization provided an ideal platform for us to offer a far more competitive service than our competitors in 2021. The pandemic acted as an accelerator for our technology policies as the demand for alternative services and practices increased, enabling us to adjust and confront the challenges of COVID-19. In a time of hardship for many businesses, we not only supported their survival and growth but we also recorded new milestones of our own.

Tailor-made strategies



Our key priorities for 2021 were to escalate our technology resources in order to provide enhanced services, diversify our products and reinforce our customer-centric philosophy through innovation and communication. By liaising with our international partners, we developed digital solutions which were a perfect fit. We were also amongst the first in the market to launch innovative re-profiling strategies – highly praised by local and international Independent Financial Advisors – to create tailor-made options, including our dedicated Private Banking Sales Unit.

Consistent with the business growth in our private banking and retail clients, we also focussed on catering to individual needs such as ultra-high-net-worth clients.

In terms of internal strategies for 2021, we built on our existing relationships with the Staff and upskilled those who were in the front line of the new digital launches we made across the year, also offering the branches' Relationship Managers further incentives in a bid to improve cross-selling of foreign exchange and structured deposits.

Performing in the face of adversity



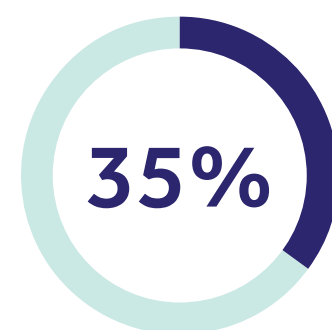
Despite a year where many banks and financial institutions were still struggling to return to their pre-pandemic levels, 2021 was an unqualified success for Treasury and Investments, having achieved record operating income. We prudently managed the investment portfolio to enhance a total return from it, and successfully established a SAR 10 Bn Sukuk program, out of which the issued portion was SAR 3 Bn. Also, our early adoption of digital communication with our corporate customers gave the Bank a clear edge, allowing us to increase our FX volume and market share.

2021 Financial Highlights

Net operating income

SAR 2.4 Bn

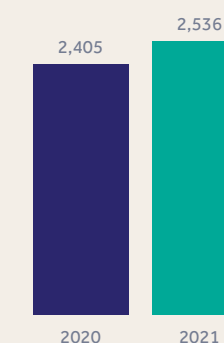
Contribution to the Bank's total net income in 2021



Gross operating income 2021

SAR 2,536 Mn

5%↑



2021 Achievements and awards



The strength of our performance in 2021 was led by the performance of our investment book, which resulted in remarkable fund-based income, duly supported by Money Market activities. The Bank's Investment income recorded a substantial growth during the year, mainly as a result of judicious and timely adjustments done to the investment portfolio. T&I's strategy to opportunistically invest in high quality assets at healthy yields has paid off in 2021. Moreover, there was an improvement in fee income stemming from OTC derivative product lines.

That focus on technology was pivotal in many of our success stories of the year. We introduced a state-of-the-art e-trading platform which enabled the Bank's corporate clients to cover their FX Spot requirements with live FX prices and at more competitive rates, making the whole process more efficient and improving the overall customer experience.

We also worked with some of our global partners using the latest cutting edge techniques to cater for their commodity needs and add value to their business. This included some first-of-their-kind Hedging Solutions on Precious Metals along with expanding our commodity leasing offering to include more underlying assets and classes.

In addition, Tier-2 Saudi Riyal Sukuk received an overwhelming support; the total order book was 1.9x oversubscribed by a diverse pool of investors consisting of banks, government agencies, fund managers and others, which illustrated the accuracy of the timing as well as investors' confidence in the Bank. In recognition of the Bank's strategy under the EMTN program, GFC Media Group awarded us the 'Bonds, Loans and Sukuk Middle East Award for Financial Institutions Deal of the Year', out of more than 300 submissions.

Robust foundations for the future



While uncertainty surrounding the pandemic has subsided to some extent, there will be volatility for an extended period. However, T&I is on a solid footing to perform well in 2022 and beyond, with expected growth across all business segments.

We made tremendous progress in 2021 through a passionate effort to drive technology and a determination to serve our customers with the level of service they have come to expect. To refine our own operations even further next year, the T&I system consolidation project will create more efficient processes and controls to enhance product handling capabilities.

With the implementation of the Treasury FX Sales Five Year Plan, relying primarily on people and services, we will increase our income by 2025. By the same token, we will also broaden our client base by acquiring new clients through the FX and hedging solutions.

We launched a comprehensive IBOR transition project to ensure a smooth transition to the new reference rates. As part of a project initiative, we will endeavour to raise awareness amongst our corporate clients about the discontinuation of LIBOR and ensure that the transition process of IBOR is completed with as much understanding as possible to carry out its implementation.

Ultimately, we are confident that Treasury and Investments will continue to perform to an excellent standard in the years to come. Having risen to the challenges of COVID-19 with such insight and integrity, the Bank's investment portfolio has a healthy yield, and is well diversified with quality names, it provides us a robust platform to reap healthy returns going forward. In addition, our digital advances, technological vision and innovative outlook make us a true leader in our field.

Subsidiaries

Division	Capital (SAR)	Total Shares	Ownership %	Main Activity	Base Country	Activity Country
Riyad Capital	500,000,000	50,000,000	100%	Carry out trading activities as principal and agent, undertake coverage, establish and manage investment funds and portfolios, in addition to arranging and providing consulting, stock keeping services, portfolio management and trading.	Saudi Arabia	Saudi Arabia
Ithra Al Riyad Real Estate	10,000,000	1,000,000	100%	Keep and manage assets provided by customers as collateral, and a guarantee, and the sale and purchase of real estate for financing purposes.	Saudi Arabia	Saudi Arabia
Riyad Company for Insurance Agency	500,000	50,000	100%	An insurance agent for selling insurance products, including their own and those managed by other main insurance companies.	Saudi Arabia	Saudi Arabia
Curzon Street Properties Limited	10,248	2,000	100%	Property ownership.	Isle of Man	UK
Riyad Financial Markets Limited	187,500	50,000	100%	Perform financial derivative transactions and repurchase agreements with international parties on behalf of Riyad Bank.	Cayman Islands	UK
Esnad Al-Riyad Company for Human Resources	500,000	1 cash share	100%	Provide operational human resources services exclusively for Riyad Bank and its subsidiaries.	Saudi Arabia	Saudi Arabia

الرياض المالية riyad capital

Riyad Capital ♦♦♦♦♦

Riyad Capital delivered another year of strong performance across various areas of the business in 2021. The Corporate Investment Banking division continued its positive momentum following the listing of Dr. Sulaiman Al-Habib Medical Group in 2020, through the appointment as Lead Manager and the successful IPO this year of ACWA Power, with total bids surpassing SAR 1 Tn.

In its Real Estate division, Riyad Capital exited Riyad International Real Estate I through the sale of Sequoia Plaza, a 3-building office complex in Arlington, Virginia, USA. Generating an IRR of 22.5%, the sale marks Riyad Capital's

first exit from its international real estate platform.

Riyad Capital also launched an exclusive partnership with BNP Paribas Securities Services to provide global custody, fund services and consolidated data management services in the Kingdom of Saudi Arabia under a unique joint servicing model. The offering has and will continue to enhance Riyad Capital's and Riyad Bank's product suite and drive their capabilities as the leading local providers of securities services in the Kingdom, supporting the Financial Sector Development Program of the Kingdom's Vision 2030.



إثراء الرياض العقارية ithra al riyad real estate

Ithraa Riyadh Real Estate Company ♦♦♦♦♦

Ithraa Riyadh is a limited liability company, wholly owned by Riyad Bank, with a paid-up capital of SAR 10 Mn, comprised of 1 Mn shares with a nominal value of SAR 10 per share. Registered in Saudi Arabia and headquartered in Riyadh, the company provides services for holding and managing the discharged assets of the owner and others, including guarantees and sale and purchase of real estate.

Curzon Street Properties Limited ♦♦♦♦♦

Curzon Street Properties Limited is a wholly owned subsidiary of Riyad Bank and incorporated in the Isle of Man for the specific purpose of owning real estate in the United Kingdom.

Riyad Financial Markets Limited ♦♦♦♦♦

Riyadh Financial Markets Company is licensed in the Cayman Islands, and it specializes in implementing derivative transactions and repurchase agreements with international parties on behalf of Riyad Bank.

الرياض لوكالة التأمين riyad insurance agency

Riyad Company for Insurance Agency ♦♦♦♦♦

Riyadh Insurance Agency, is a limited liability company, wholly owned by Riyad Bank, with a paid-up capital of SAR 500,000. Registered in Saudi Arabia and headquartered in Riyadh, the company markets and sells insurance products that are provided by the Al Alamiya Insurance Company to Riyad Bank, and its individual and corporate clients.

إسناد الرياض riyad esnad

Riyadh Esnad Company for Human Resources ♦♦♦♦♦

Riyadh Esnad Company for Human Resources is a limited liability company established in 2020, wholly owned by Riyadh Bank with a paid-up capital of SAR 500,000, comprised of one share. Registered in Saudi Arabia and headquartered in Riyadh, the company provides operational human resource services exclusively for Riyad Bank and its subsidiaries, with the aim of reducing costs and risks to the Bank.

Digital Transformation

The most universal themes for Riyadh Bank's successes in 2021 were innovation and digitization. While COVID-19 accelerated development and required redirection in many cases, the expansion of our investment in technology and digital models was already well and truly established. The rapid advances covered every aspect of the Bank's operations and helped to realize the great potential of our employees and customers. Last year will be seen as one of the defining moments in the way we further grow our network and leverage greater value to our clients.

During 2021, the Bank instigated major structural changes across various divisions with the result that digital became the primary means of conducting business. The vast majority of customer transactions and services are now end-to-end online, a remarkable transformation which has effectively changed the face of traditional banking stretching back hundreds of years.

This was all possible due to the continuous efforts within the Bank to integrate important services, providing best-in-class convenience to our current as well as new-to-bank clients and allow them to take control of their finances digitally.

Focused on achieving our digital priorities



Our principal targets for 2021 were to expand our services, introduce new methods of delivering our technology, forge new partnerships and ensure that our customers were deriving the most useful, comprehensive and effective digital products. To achieve this, we needed to both harness the necessary expertise and support the employees who would be involved in the resulting operations.

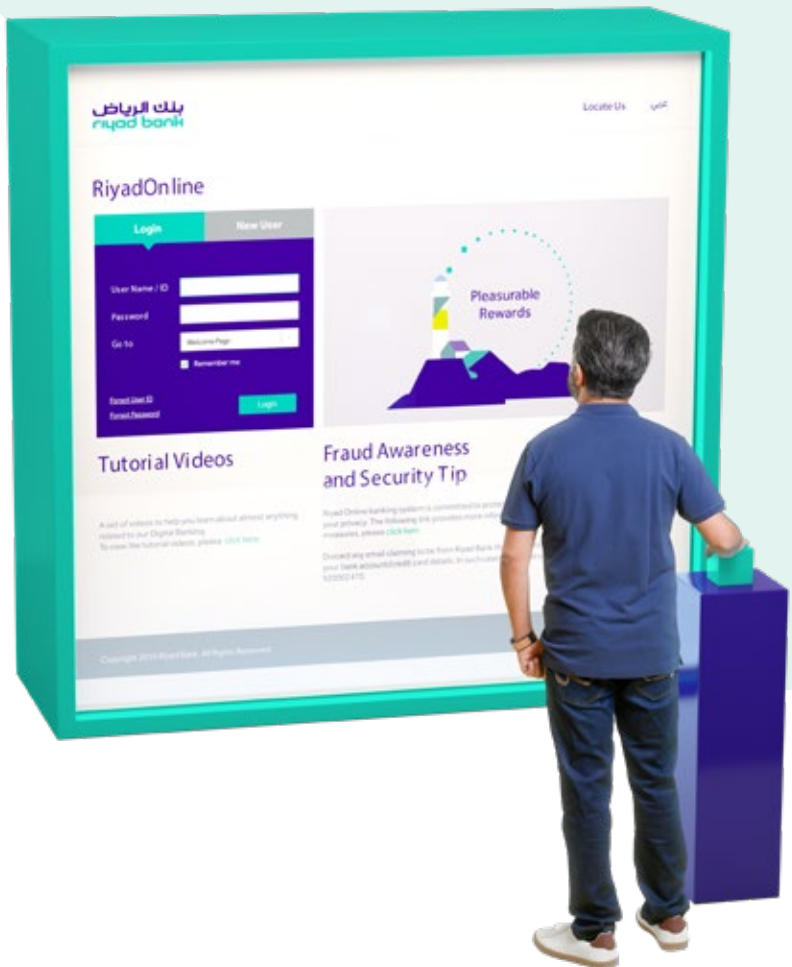
This was an enormous task in terms of planning and action. The technology needed to span all elements of the business departments such as retail

and corporate, as well as 'oil the engine' that drove the innovation covered a vast range. From design and delivery to IT support and cyber security, the change of management in the Bank's digital strategy was all encompassing.

The appointments of our Chief Digital Officer Mr. Mazen Pharaon and Chief Transformation Officer Ms. Hanadi Al Alsheikh, have been instrumental in overseeing the digital portfolio and

managing project delivery. Their contributions to our achievements have helped pave the way to gain even greater innovation for our efficiency and agility.

Restructuring our digital strategies helped to create a far more comprehensive inter-departmental dialogue. Collaborating with other business units was vital to enhance preparations and align stakeholder



commitments, which in turn opened the door to greater innovation and essential internal partnerships in line with digital strategy 2025.

Having established our strategies, the Bank needed to ensure their continued success through a series of digital innovation or transformational initiatives. The shift towards innovative digital models is not a one-time occurrence or even a series of milestones, it is continuous and with time will always find ways of improvement and enhancements, whether that is on a system, personnel, or process level.

Innovative solutions for our stakeholders



Riyadh Bank is known as one of the most innovative banks in the Kingdom and we emphasized that throughout 2021. We provided solutions within the Bank that not only benefitted the clients but also our employees and overall

development. We helped to improve revenue, expand services and – perhaps most importantly for future years – rethink and restructure our own technology strategy and operations.

In building the framework in a collaborative model for engaging all stakeholders, we created an internal innovation strategy within all relevant departments for the first time at the Bank. This was achieved by focusing on the business lines' areas of interest and finding suitable cases that could allow us to increase the engagement of a domain and increase cash flow to the Bank.

Conversely, in our external market innovation, we communicated with the ecosystem around us, including fintechs as well as other financial and non-financial organizations. We provided certain services to them while also seeking to work together to release new products or services to the market through a revenue sharing model.

Personal Banking in 2021

Clients acquired through digital channels

73%

Transactions executed digitally

89%

Investing in innovation

On a more specific level, we introduced the WSL as the first of its kind in the region. It is a platform and a program designed especially for entrepreneurs and innovators to help create innovative financial solutions and services. It will continue to play a pioneering role in accelerating innovation in the banking sector, developing program objectives in accordance with Saudi Vision 2030. Fintechs integrating with WSL are uniquely powered to develop programs and applications leveraging an environment that simulates data and banking technology in order to build innovative commercial models in a forward-thinking approach to banking development in the Kingdom.

In the same line of transformation, Digital Banking completed its project to 'Revamp and Scale up Riyadh Bank Advance Analytics and Artificial Intelligence Platform and Framework'. This will support our aspiration to become a leader in using state-of-the-art Artificial Intelligence algorithms to help identify new opportunities and generate value.

To further enhance our study of algorithms and statistics, we completed the implementation of 'Big Data' as a mission critical platform to underpin all our data activities. This will continue to improve the Bank's ability to accelerate Artificial Intelligence and Machine Learning in a more consistent way. By establishing new comprehensive workstreams to reimagine, develop and promote the Bank's services to the giga-projects (i.e. NEOM, Red Sea and others), we engaged with the largest strategic projects of Saudi Arabia's Vision 2030.

This provided the opportunity to showcase our value in the market, position our services as a distinguished and valuable accelerator and offer a unique partnerships model to such giga-projects by leveraging the right models, infrastructure, and BaaS (Backend as a Service) to lead the ecosystem moving forward.

Supporting fintechs

By building the fintech partnerships framework and establishing a dedicated and experienced unit in the Bank to manage the framework in a collaborative model to nurture and progress these partnerships, we strengthened our position as the most fintech-friendly bank while establishing an area of control to maximize leverage and value to all constituents of the fintech ecosystem.

COVID-19 had an effect on our customers' finances and our advances have helped them to weather the storm to a large degree, enabling them to bank and transact online through faster and easier services.

Having done so, the Bank has taken the leading position in the Kingdom in terms of fintech disruption in a number of ways. The Bank has built and continues to evolve a unique service catalogue of products and services that fintechs need and use to create their value propositions while leveraging our well established banking assets as a foundation of their services.

We have also offered qualified fintechs the opportunity to offer their innovative products through our channels to our customer base, creating three-way value (the customer, the fintech and the Bank). Furthermore, we continued to run and manage its financing to spot great investment opportunities in promising fintechs that leverage such funds to accelerate their roadmaps while yielding growth in value through innovative services rendered to the market.

Technology for the future

Digital objectives and initiatives for 2022 will be based on our constantly evolving strategies, as we increase the cash flow, providing greater venture capital and digital innovation centers to help create new business lines and new streams of income.

With all of the above items, as well as more specific business as usual items in our pipeline, we will continue to optimize our operating model for digital and, while doing so, continue to attract key talent to fuel innovation and help fulfil our digital ambitions, to ultimately make a positive impact for the Bank, our partners, and most importantly our customers.

Our achievements in 2021 have proved we have both the resources and expertise to continue our excellent progress. By its very nature, technology is propelling the rate of change and accelerating innovation. At Riyadh Bank, we have made some radical changes to our strategy, model and services across our business, customer services, and internal operations, contributing to their financial journeys being more time efficient, cost effective, and seamless.

COVID-19 had an effect on our customers' finances and our advances have helped them to weather the storm to a large degree, enabling them to bank and transact online through faster and easier services.

Our vision for 2022 is to continue leveraging digital innovations and operating models to help our business and markets to not only survive such challenges in the future but also thrive in growing the customer base and creating more value. These are ambitious targets but with the foundation layout and early results of last year we know they are not only possible, but most probable.



With the Bank's services to the giga-projects (i.e. NEOM, Red Sea and others), we engaged with the largest strategic projects of Saudi Arabia's Vision 2030.

Customer Experience

Our customers have always been at the heart of everything we do at Riyadh Bank through a relationship built on trust, loyalty and our ability to innovate and surpass our clients' expectations. This year strongly supported that philosophy, as we drove even more progressive and proactive features to all aspects of our services, resulting in greater customer satisfaction and a better brand experience. Throughout 2021, we provided essential new banking products and met COVID-19 challenges with tremendous advances in new technology and outstanding support to our customers.

Last year was an extraordinary experience for the Bank, our customers and our employees. As well as the enhanced financial services we introduced, we also adopted a duty of care both internally and externally. While the restrictions of the pandemic may have eased in many aspects of our lives in 2021, the repercussions are still very evident. Through our policy and product innovations across the year we provided both banking and emotional support and we can take pride in ourselves on lending tremendous assistance to the community throughout these challenging times.

In line with market needs and our digital transformation, we adopted a proactive approach to encourage as many customers as possible to make the shift towards online banking, whether retail, SME or corporates. While this enabled faster, easier banking for many of our customers, we made sure to maintain a high standard of individual attention and care, leveraging the full scope of our digital channels to go beyond simple transactions to deliver more personalised service and solutions.

Goals set and targets reached

Our overall customer experience is measured using multiple evaluation metrics adhering to global standards of customer experience, such as NPS and CES, where we continuously measure advocacy, loyalty, ease of customer interaction, resolution during a request, engagement rate, acquisitions and retention rates. We also benchmark our scores with global standards within the banking industry and have always met or exceeded our performance against KPIs. This year we exceeded KPIs by 120%.

Drive for digitization

Our focal point for 2021 was to be totally customer-centric, with an emphasis on developing our employees to deliver the optimum services, whether that was through new technology, internal change-management or product offerings. We launched a series of customer experience enhancement programs, ensuring that our Staff was completely aligned with our strategies and expectations. The highly positive results identified key areas where services could be improved and allowed us to develop the solutions needed to provide an enhanced customer experience moving forward.



Increased all product leads

Increased affluent leads

Increased New to Bank customers

Increased brand value

Maintained brand position

Achieved ROI on bank sponsorships

Listening to our customers

Through our commitment to constantly listen to our customers, we identified key areas for improvement across retail and corporate banking products and services, including corporate customers' account opening. Additionally, we reviewed the user experience and usability of 75 products to ensure that our services are both relevant and accessible. We serve our customers best by being proactive in our policies and supportive to their needs.

Our 3 test sessions with more than 30 customers helped us to ensure that not only were our services efficient but that they also created the desired emotional impressions and behaviour. The outcomes of this have played an important part in how we develop our products to create both an effective service and an enjoyable experience.

Based on these and other customer care efforts, we were able to deliver an overall improvement of 25% in our Net Promoter Score (NPS) compared to last year.

Investing in our people

Our employees continue to be pivotal to the Bank's success and it is essential that in order to provide the best possible services to our customers, our Staff must have the most productive channels to their own progress. To this end we launched an Employee Experience Program and completed a map of employee journeys in 2021, made up of recruitment, on-boarding, rewards, performance, promotion, mentoring and coaching.

This has been extremely valuable in identifying any points which have room for improvement and implementing the solutions. It has also enabled us to chart staff development, motivate progress and produce more specific corporate routes for individual members of the team. This included a Relationship Managers' Performance Evaluation Model used for both RM's of Diamond Banking and Private Banking.

25%

NPS increase in 2021

Building equity in our brand

In terms of measuring the Bank's progress and leadership within the market, we developed and launched an enhanced Brand Health Tracker Program to gauge our own performance compared to those of our competitors. The results were enormously encouraging as we increased our brand value by 18% and maintained our position as the eighth most valuable brand in the Kingdom.

Our host of awards during 2021 has been a great testament to the success of our brand as well as the unrivalled services we continue to provide.

Expectations for 2022

We performed above and beyond the call of duty in 2021 and considering the destructive consequences of the pandemic, Riyadh Bank has proved itself to be a stalwart of the community and a friend and ally to those individuals within the community. Our all encompassing drive for innovation and new technology has been a lifeline for many private customers and SMEs and, as we continue with our digitization, we expect to see the uptake increase even further.

As we come into 2022, we will be looking to develop even easier practices for our customers with as few procedures as possible. By launching our end-to-end process for mortgage loans, personal loans and auto leasing products we will reduce time, effort and correspondence.

In terms of corporate customers, we intend to revamp the Bank's corporate online platform and business mobile solutions to improve the experience and offer a more efficient, comprehensive and user friendly service.

We will also be launching the HASSAD loyalty business program for corporate customers to reward them for their continued allegiance and to incentivize new clients to enjoy the Bank's unrivalled products and services.

Every member of every team in every department within the Bank has a role to play in delivering customer excellence. It is down to the individuals who collectively work together that make Riyadh Bank an outstanding business in the eyes of our customers and within the industry. Thank you for your unwavering support.



Our brand value increased by

25%



1

Mohammed bin Rashid Award for Customer Excellence, presented by Mohammed bin Rashid Al Maktoum Business Award



2

Outstanding Winner Award for Customer Excellence, presented by Mohammed bin Rashid Al Maktoum Business Award



3

Ranked first among financing agencies during the year 2020, presented by Kafala Program



7

Middle East's Best Bank for SMEs 2021, presented by Euromoney



8

Best Work Environment for Women in Saudi Arabia, presented by Best Places to Work Organization



9

The Best Listing of Sukuk and Bonds, presented by GFC Group



4

Middle East's Best Bank for SMEs 2021, presented by Asiamoney



5

Saudi Arabia's Best Bank for SMEs 2021, presented by Asiamoney



6

Best Sustainability Education or Awareness Program, presented by Gulf Sustainability Awards



10

Best Corporate Banking in Saudi Arabia 2021, presented by International Business Magazine.



11

Digital Leaders 2021, presented by Red Hat SEMEA.



12

KSA Most Innovative Trade Finance Bank 2021, presented by Trade Finance



03 ESG Review

We will look back on 2021 as a year where our sustainability and corporate social responsibility were at their most ambitious and most effective, laying the foundation for an even greater impact in the years ahead.

Environmental, Social and Governance (ESG)

Riyad Bank’s commitment to its corporate sustainability and responsibility in Environmental, Social and Governance (ESG) factors is critical to the future of our Bank. For many years, we have played an active and essential role in contributing to our community to create positive changes that lead to a better future for our communities, our stakeholders and the Kingdom. That contribution continues to be a top priority for both the Bank and its employees, who are outstanding ambassadors and genuine humanitarians in their own right. Once again, it has been a year where we can take enormous pride in our efforts and more importantly our impact.

Our ESG focus for 2021 was to expand our influence and adopt new priorities, including a much more holistic approach to driving sustainability by supporting and safeguarding our people, society and environment. We built every initiative around 4 key pillars – community, knowledge, economy, and environment – knowing that our position in the community gives us not only the ability, but also the responsibility, to make positive contributions to deliver tangible results.

The outcome was remarkable in that we not only made important progress in our initiatives, but we also received several awards, and certifications for our successful initiatives and commitments.

Although our focus shifted more towards the environment, our commitment to health, education, people with disabilities and our employees was as dedicated as ever. We will look back on 2021 as a year where our sustainability and corporate social responsibility were at their most ambitious and most effective, laying the foundation for an even greater impact in the years ahead.

A Sustainable Strategy

Bukra is our comprehensive and long-term corporate social responsibility strategy. It is aligned with the best practices of the most important local, regional and global frameworks, including Vision 2030, and the UN Sustainable Development Goals (SDGs).

Vision

To be a leading member of sustainable practices that would add value to employees, customers, stakeholders, and the whole community of Saudi Arabia.

Mission

To deliver quality corporate social responsibility practices of impactful values and benefits in alignment with the Bank’s strategy and operations, the United Nations Sustainable Development Goals (UNSDGs), and the Kingdom’s 2030 Vision.

Objectives

- Align our practices with The Guidance on Social Responsibility (ISO 26000), Accountability Principles Standard (AA1000), The Global Report Initiative (GRI), and the UN Global Compact.
- To be nationally and globally recognized for our professional and collaborative approach to enhance the environment, education, market and the community for our Bank’s employees and our society.
- Measure the impact of our programs internally and externally, then prepare reports, insights and statistics to be shared.
- To have a role in the community service programs Kingdom-wise by achieving our goals through involving our employees to lead the Bank into success locally and globally.
- To be diverse, inclusive, transparent and accountable in projects and practices.

Our focus in 2021 was to include environmental protection and sustainability as a key priority without impacting the quality or quantity of our previous commitments which have made such a massive impact on the community. To achieve this, we aligned all members and departments within the Bank to contribute to and support our CSR programs and initiatives. Their input was invaluable and they helped us to maintain our past successes as well as break new boundaries. Ultimately, our vision was to continue with our Bukra strategy, in line with Vision 2030, and be a leading member of sustainable practices that add value to employees, customers, stakeholders and the whole community across Saudi Arabia.

With Bukra, the Bank is targeting the following UNSDGs:



Sustainable Finance Framework



Riyad Bank contributes to the achievement of Vision 2030 through its role in financing and accelerating the energy transition and driving a new wave of investment in line with the Kingdom's goal to achieve Net Zero by 2060.

The Bank's Green and Renewable Banking offering is the cornerstone of its efforts in this regard. In addition, as part of its Bukra strategy, Riyad Bank is one of the most significant financiers of small and medium-sized enterprises (SMEs) in Saudi Arabia, a segment that is expected to be one of the future pillars of the Kingdom's economy and therefore key to achieving Vision 2030.

Sustainability Approach



Riyad Bank's Corporate Social Responsibility Vision is to be the regional leader in sustainable practices that add value to employees, customers, stakeholders, and the whole community of Saudi Arabia. This is in full alignment with the United Nations Sustainable Development Goals (SDGs) and the Kingdom of Saudi Arabia's Vision 2030.

In particular, Riyad Bank is committed to supporting the Kingdom's energy transition agenda and the environmental targets of Vision 2030, such as increasing the share of renewable energy in the energy mix to 50%, planting 10 million trees and reducing annual emissions by 278 Mn tons of CO2 equivalent by 2030.

Riyad Bank delivers impactful corporate social responsibility practices integrated into the Bank's Strategy and Operations. The vision is outlined and driven through the Bank's Bukra Strategy, which is also aligned to the Ten Principles of the UN Global Compact and the UN Convention on the Rights of Persons with Disabilities.

Sustainability Governance



The CSR Committee, headed by the Chairman, includes the CEO and Chief Experience Officer (CXO), representatives of the Bank's divisions. The CSR Department, under the Communication and Customer Experience Division, oversees the strategy and its implementation, sets standards and targets, determines new initiatives, and reviews and assesses ongoing programmes and projects.



Our society

Playing an Active Role in our Community

Riyad Bank continued to play an active role in our community this year. Our donation accounts, which are opened by various Charities and Associations to supply essential items to the needy, saw more than 410,954 transactions. This extraordinary figure has benefited all members of our society – from the young and the old to all those in need of support – each donation made a substantial difference to their lives.

In a drive to increase blood and organ donations, our 2 blood donation campaigns in 5 cities and 6 locations saw 549 donors enlisted, who donated 247,050 ml of blood to save an estimated 1,647 lives. Our organ donation campaign also recruited 85 people to join those who could benefit from their selfless generosity.

We extended our support agreement for the Autism Research Center at King Faisal Specialist Hospital and Research Center to enable the center to offer its world-class standard of care and develop its services and rehabilitation

programs for the treatment of autism spectrum disorder. The total value of the support provided by Riyad Bank to the center amounted to more than SAR 42 Mn.

We also supported the Anti-Cancer Charitable Society in Al-Ahsa (Tafaul) with high quality, efficiency medical devices that will benefit the Society's beneficiaries and help them to achieve its worthy mission.

Finally, looking to the future, we signed a memorandum of understanding with Bab Al Khair Medical Services to establish the first non-profit hospital in the Kingdom, and a partnership to establish a sports club for the elderly in Onaizah Province. More information will be announced about this important initiative as plans progress.

In our Knowledge pillar, we entered a strategic partnership agreement with Madak Education to provide quality education to more than 1,000 students annually. The focus will be to establish an academic laboratory that includes a science lab, a robotics lab and a

specialized studio, which will be equipped with the latest and most advanced technical equipment.

To help students, graduates and young people manage and understand the value of their finances, we also collaborated with the National Center of CSR to deliver workshops and seminars regarding saving and financial literacy. The initiative was opened nationally and internationally with more than 123,000 people taking part.

As ever, the younger members of our society were a key focus of attention. Our back-to-school campaign as part of the International Day of Charity distributed 2,000 school bags to charity organizations and presented 1,000 gifts to orphans as part of the Eid Al-Adha campaign. Also, during the Holy Month of Ramadan, we distributed 10,000 food baskets to 62 charitable organizations around the Kingdom, in collaboration with a non-profit enterprise.

Number of full-time staff at Riyad Bank

5,600+

Our people

Safeguarding and Engaging our Greatest Asset

With a total of over 5,600 full-time staff at Riyad Bank, our CSR initiatives have always been totally inclusive of our employees. They continue to be the heart and soul of the organization and their journey with us is of paramount importance. We constantly strive to maintain our philosophy as the best employer we can be and achieve our goal as Bank of Choice for Employees by 2025. Our Staff understand how much we value their contributions and in 2021 we reinforced that even further with acquiring, developing, engaging and rewarding our immense pool of talent.

As the Bank has become a leader in innovation for our products, services and processes, we needed to recruit and expand the necessary skills to manage that. In 2020, Riyad Bank launched the Fursan Al Riyad Program designed to acquire top caliber Saudi graduates for the Bank's future talent and leaders' pipeline. The recruitment and selection process utilized innovative approaches including digital assessment solutions, to ensure that only the most talented candidates were admitted into the program.

As Fursan evolved, those recruits are now fulfilling various roles in banking, technology, IT service management, cyber security, IT governance and emerging technology. Earlier this year, we launched 2 other versions of the program; Fursan 2, intended for treasury and investment, corporate banking, and

retail credit; and Fursan 3 targeting retail banking, risk management and finance.

The COVID-19 pandemic continued to play a major part in our lives throughout this year, but Riyad Bank managed through a series of phases to ensure maximum protection. We implemented onsite vaccination areas during a strictly monitored return to work and maintained the full spectrum of safety and security measures across all our work environments to comply with regulations and do everything possible to safeguard our people during this challenging period. The Bank relies on our Staff in every aspect of our progress and as a fair and honorable employer our first duty of care must be towards them.

Riyad Bank Academy

Riyad Bank Academy was officially inaugurated this year to empower young and promising talent, share the latest developments in banking and finance, and enhance their capabilities and performance. The Academy is a true learning hub and regional institute in financial and banking studies in Riyadh, emphasizing the city's role as an international financial training center.

Over the coming years, Riyad Bank Academy will continue to educate and connect ambitious professionals from different Riyad Bank divisions and branches in various regions. The academy gives them access to a strong worldwide network and unbeatable faculty with world-class alliances and accreditations.

We believe that better educated professionals can improve the value proposition and employees' competitive advantage of the industries they work for. As one of the leading academies in the Saudi finance sector, this is a unique opportunity for future professionals.

Recruitment

Riyad Bank has been supporting the Human Resources Development Fund to promote on-the-job training to Saudi youth through its Tamheer Program for Saudi graduates. This year, we have trained 75 Tamheer recruits and since our participation in the program, we have placed a total of 56 trainees in permanent jobs.

The Bank has also given priority to its internal talent through its Maserati Program (internal Mobility Program) to fill vacancies. So far, we have internally hired 153 candidates.

Retention

Riyad Bank focuses on a total reward concept that includes compensation, benefits, employee recognition, employee development and employee care.

In early 2021, we conducted industry salary surveys followed by an annual pay review that benchmarked employees' compensation against the market and best practices.

We also continued a performance based system to encourage a culture between employee's level of contribution and the rewards they receive, considering 3 elements: bank performance, administration performance, and employee performance.

Cash and cashless programs were offered in 2021 as a tool to motivate and encourage outstanding performance and achieve the highest levels of productivity.



Ramadan meals distributed to those in need during the holy month

100,000



Incentive programs for employees and their related movement during 2021			
Statement	Investment Savings (Thousand SAR)		
	Employee's Share	Bank's Share	Total
Balance at the beginning of the year	50,229	18,331	68,560
Deposits in 2021	18,151	5,848	23,999
Withdrawals in 2021	(14,580)	(4,546)	(19,1260)
End- of- year Balance	53,800	19,633	73,433

Saudization

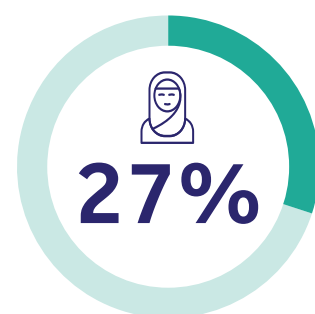


We have strongly participated in the Nationalization Strategic Plan.

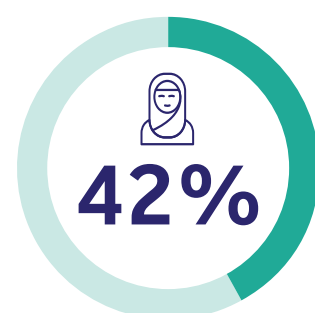
Saudization Rate



Feminization Rate



Female recruits in 2021



Diversity and inclusivity



As the Bank continues its best practices to empower women, the human capital team in cooperation with the Best Place to Work Organization conducted a survey to measure the level of female employees' satisfaction. The study resulted in Riyadh Bank being certified as the 'Best Place to Work for Women in Saudi Arabia 2021'.

Despite potential challenges in employment for people with disabilities, Riyadh Bank is committed to being an equal opportunities employer and ensures that our environment is wholly compliant with the necessary practical

and emotional standards. This applies throughout the entire journey from recruitment and progress to support and promotion.

We were also very proud to receive the Mowaamah Golden Certificate for our commitment to applying the best standards and practices in creating a work environment suitable for our people with disabilities.

It is a sustained objective of the Bank to ensure the health and wellness of our people. During World Health Day this year, Riyadh Bank employees took up the challenge to collectively reach 50 Mn steps in a single day, equivalent to the distance of walking around the world.



Organizational health index case study



Prioritizing organizational health and wellness

In line with Riyadh Bank's focus and commitment to providing the best possible work environment for all our employees to develop and thrive in rewarding roles and careers, we have made organizational health a priority at every level of Riyadh Bank, from the moment a new employee is on-boarded through their journey and time with the Bank, until after they leave the Bank.

In line with this commitment, an Organization Health Index of Riyadh Bank was conducted, to listen to our employees and better understand their needs and desires. Over 5,000 employees took part in the Index survey, which generated more than 2,000 employee comments and a great deal of additional data and insights that were then analyzed to improve organizational health in a wide variety of ways through a range of projects and initiatives.

98%

Riyadh Bank's employee response rate, which was in the top 3 of the global benchmark response rate according to McKinsey & Company

Listening to our employees for continuous improvement

Riyadh Bank's Human Capital team spent a great deal of time and effort to thoroughly analyze the results of the survey and develop a Bank-wide response, which included a strategic action plan with a wide range of initiatives and activities to address the identified opportunities for impact and improvement.

Many of the employee comments centered around career advancement, employee recognition and employee wellbeing, which provided clear direction to develop high impact, results oriented plans and activities that were presented and agreed to by the Executive Management, and then rolled out during 2021 across the Bank to benefit all our employees at every level, demonstrating that the voices of our employees are heard, appreciated, and acted upon.

Taking action to deliver positive change

Using our Pulse tool to measure the advancement of organizational health

OHI Pillars

Direction, Work Environment, Accountability, Capability, External Orientation, Leadership, Innovation and Learning, and Motivation

— overall and at the divisional level — and ensure fast and effective action, we launched a number of initiatives based on the insights gained from the Index, including:

- "Kafo Recognition program", which saw a total of 50,000 "Thank You" cards distributed twice this year by employees to recognize their colleagues, demonstrating their pride and commitment to each other, and extending to thousands of employees' LinkedIn accounts.
- "Value Ambassador of the Month Program", also part of Kafo, which recognized more than 180 employees who made a big impact during that month on the business and the work environment.
- "Mustaqbali Exhibition", an event to educate and spread awareness on career management and internal mobility, which took place twice in 2021 with more than 4,000 attendees in both events and over 150 internal vacancies announced to demonstrate the process and opportunities for growth across the organization.



Our environment

Achieving excellence in organizational health

Organizational Health is known to reflect directly on an organization's financial performance and productivity. The more the employees are engaged and satisfied with their jobs and organizational health, the more they are focused on their roles and responsibilities.

Riyad Bank's commitment and initiatives delivered clear improvements in organizational culture and the lives and wellness of our employees, including:

- Senior leadership becoming closer to employees and more open to their feedback.
- Increased willingness to change and accept the changing environment, which is crucial during this unpredictable period
- Improved employee engagement, with over 74% of employees saying they will not leave the Bank if they have the chance

As a result of the effective implementation of these initiatives, Riyad Bank achieved an increase in its Organizational Health Index in Talent Development (+2), Career Opportunities (+6) and Rewards and Recognition (+4), which were all in the top quartile, resulting in an overall score in the top quartile for the second year in a row.

At every level of the organization, we are proud of these results and will continue to build on this positive momentum to increase organizational health in the years ahead.

Top 10% Globally

Riyad Bank's position in the global benchmark for the Employee Engagement Index

MSME Lending



As a leading Bank in the Kingdom, Riyad Bank is committed to playing an influential role in all sectors of the economy. Therefore, supporting micro, small and medium enterprises (MSMEs) businesses, through a range of product offerings to service their unique needs, is a key priority for the Bank.

Riyad Bank's MSME programmes are delivered in support of the Kalafah Program, a government-led strategy that is backed by Kafalah and the SMEs Bank and channels lending to smaller enterprises. Through the provision of financing guarantees by the government, the Kalafah Program¹ helps to fund small and medium enterprises (SMEs) that might not be able to source financing through normal banking channels.

Of all the lending directed to smaller firms since the inauguration of the Kafalah program, Riyad Bank has financed more than a quarter, and in 2021 financed 41% of the total number of firms on the programme.

In response to the pandemic, the programme was expanded by a government initiative in March 2020 in order to channel another US\$ 13.33 Bn in financial aid to smaller firms. In recognition of Riyad Bank's contribution to the Kalafah Program, Riyad Bank was ranked number one in financing MSMEs in cooperation with the Kafalah Program in 2021 for the second year in a row. In 2021, Riyad Bank was also awarded Best Bank for SMEs in the Middle East 2021 by both Euromoney and AsiaMoney.

Some of the product offerings and development by Riyad Bank to support MSMEs as shown in the table below:



Initiated the implementation of the Saudi Central Bank Initiative (Payments Deferment Program) with all its supportive programs for the sector, including the Guaranteed Financing Program for People Affected by the Coronavirus Pandemic, as well as postponement of payment for MSMEs not included in the Saudi Central Bank Initiative.



Launch of salary financing programs for MSMEs



Launch of credit card product financing for incidental expenses for MSMEs with credit of up to SAR 250,000

1. <https://www.kafalah.gov.sa/en/About/Pages/default.aspx>

A Greener Bank for a Better World

Having recovered from the disruption of the pandemic, we redoubled our efforts to achieve our aims. In terms of environmental sustainability, our recycling and energy-saving projects proved to be a significant factor in illustrating society's approach to waste and how we can all play a part in improving our outlook. We were delighted to be recognized by the Gulf Sustainability Awards in the Awareness and Education category.

In line with our reputation as a leader in our own field and an activist in our own beliefs, at the Bank's Granada office, we recycled 57% of our paper and saved 20% of electricity cost in our head offices and warehouses.

Overall, we continued promoting the idea of the "Recycling Ecosystem" across our operations this year. We were able to recycle a total of

5,045 Kg
of paper and plastic.



Gulf Sustainability Awards in the Awareness and Education category

In terms of our commitment to minimizing our environmental footprint, this year we saved:

35,315

Gallons of water

85.7

Trees

11.6

Cubic Meters of Landfill

20.18

Tons of CO₂

20,180 kW

of Electricity Savings in Riyad Bank main buildings and warehouses



2020 to 2021

30%
Consumption

20%
Cost



In recognition of our efforts this year, we won 'Best Sustainability Education or Awareness Program' at the Gulf Sustainability Awards 2021.

Looking forward



Building Responsibly for the Future

Riyad Bank has once again made tremendous headway in supporting the wider community of stakeholders as well as our employees through targeted campaigns, incentives, initiatives and strategies.

Since 2019, we have increased our CSR performance by 47%, by engaging with accountability, evaluating Riyad Bank's CSR performance and benchmarking progress since the last assessment.

A testament to our genuine desire to be good citizens and our gratitude to the Riyad Bank teams who make our operations the best they can be.

Throughout 2022, we will be building on our successes and looking to make even more of a difference to those who need it most. Our greater emphasis on the environment will play a larger part of our strategy and enable even more members of Saudi society to contribute to the social responsibility to which we all have a duty.



Governance

BOARD OF DIRECTORS

Abdullah Mohammed Al-Issa



Memberships in other listed joint stock companies (inside the Kingdom)

- Board Member – Saudi Basic Industries Corporation (SABIC)

Current Positions

- Chairman of the Board of Directors – Assila Investment Company
- Chairman of the Board of Directors – Abdullah Mohammed Al-Issa Engineering Consulting Office
- Chairman of the Board of Directors – Amias Holding Company
- Chairman of the Board of Directors – Amias Real Estate Company
- Chairman of the Board of Directors – Shipping and Travel Services Company Ltd.

Previous Positions

- Chairman of the Board of Directors – Dur Hospitality Company
- Vice Chairman of the Board of Directors – Etihad Telecom Company (Mobily)
- Board Member – Saudi Arabian Mining Company (Maaden)
- Chairman of the Board of Directors – Arabian Cement Company
- Chairman of the Board of Directors – The National Medical Care Company
- Chairman of the Board of Directors – Cement Products Industries Company
- CEO – Assila Investment Company
- President – Saudi Company for Construction Contracting
- Board Member – Jadwa Investment Company
- Board Member – Saudi Company for Hotels and Tourist Areas
- Board Member – Gulf Tourist Areas Company
- Board Member – King Faisal Schools
- Board Member – National Chemical Carriers Company
- Board Member – Tabuk Hotels Company
- Board Member – Riyadh Hotels and Entertainment Company Ltd.
- Board Member – The National Shipping Company of Saudi Arabia

Qualifications

- MSc in Engineering Project Management – Southern Methodist University, USA
- Bachelor of Industrial Engineering – Southern Methodist University, USA

Mutaz Kusai AlAzzawi



Memberships in other listed joint stock companies (inside the Kingdom)

- Chairman of the Board of Directors – Herfy Food Services Company
- Board Member – Savola Group
- Board Member – Arabian Cement Company
- Board Member – Etihad Telecom Company (Mobily)

Current Positions

- Board Member – Savola Food Company
- Board Member – Afia International Company
- Board Member – United Sugar Company
- Chairman of the Board of Directors – Al-Qatrana Cement Company, Jordan
- Board Member – Ready Mix Concrete and Construction Services Company, Jordan
- Board Member – United Sugar Company, Egypt
- Board Member – Afia International Company, Egypt
- Board Member – Alexandria Sugar Company, Egypt
- Board Member – The Queen Company for Food Industries, Egypt
- Board Member and Executive Director – Saudi Industrial Construction and Engineering Projects Company
- Board Member and Executive Director – Saudi Technology and Trade Company Ltd.
- Board Member and Executive Director – Al Wusataa Development Company

Previous Positions

- Board Member – Merle Lynch, Kingdom of Saudi Arabia
- Board Member – Al-Azzawi Group

Qualifications

- Bachelor of Computer Engineering – King Saud University

Ibrahim Hassan Sharbatly



Memberships in other listed joint stock companies (inside the Kingdom)

-

Current Positions

- Chairman of the Board of Directors – First International Business Group
- Vice Chairman of the Board of Directors – Al Nahla Group and Contracting Company
- Vice Chairman of the Board of Directors – Saudi Arabian Marketing and Agencies Company Ltd. (SAMA-CO)
- Vice Chairman of the Board of Directors – Fast Auto Technology Company Limited (FAST)
- Board Member – Smile Communications, Africa
- Board Member – Golden Coast, Egypt

Previous Positions

- Board Member – Commercial Union for Cooperative Insurance

Qualifications

- Bachelor of Business Administration – College of Commerce and Business Administration, Bristol, Britain

Jamal Abdul-Karim Al-Rammah



Memberships in other listed joint stock companies (inside the Kingdom)

-

Current Positions

-

Previous Positions

- Chairman of the Board of Directors – Saudi Aramco Insurance Company (Stellar)
- Board Member – Saudi Aramco Investment Management Company (SIAMCO)
- Board Member – Fujian Refining & Petrochemical Company, S - Oil
- Board Member – Gard Company
- Board Member – Bandlewood Corporation NV
- Board Member – Motor Oil Hellas Company
- Board Member – Jeddah Oil Refining Company
- Treasurer – Saudi Arabian Oil Company (Aramco)
- Chair - compensation and documentation committees for a number of subsidiaries and joint companies for the Saudi Arabian Oil Company (Aramco)
- Member and Chairman - committees in Aramco and in several companies affiliated with Saudi Aramco and joint companies inside and outside the Kingdom

Qualifications

- Management Executive Program – Harvard University, USA
- Bachelor of Management and Economics
- A number of management and finance programs in many international and domestic universities and institutions

Talal Ibrahim Al-Qudaibi



Memberships in other listed joint stock companies (inside the Kingdom)

-

Current positions

- Member of the Shura Council

Previous positions

- CEO – Riyadh Bank and prior to that, held several functional positions in the Bank since joining it in 1983
- Chairman – Royal & Sun Alliance Insurance (Middle East) – Bahrain
- Board Member – Riyadh Capital Company
- Board Member – National Industrialization Company
- Board Member – Saudi Spanish Bank
- Board Member – Gulf Bank, Riyadh
- Board Member – Yopaf, Hong Kong
- Board Member – Riyadh Bank, Europe

Qualifications

- MA in Economics – University of Southern California, USA
- Bachelor of Business Administration – Portland State University, USA

Abdul-Rahman Amin Jawa



Memberships in other listed joint stock companies (inside the Kingdom)

- Chairman of the Board of Directors – Saudi Hardware and Tools Company (SACO)

Current positions

-

Previous positions

- Business Development Consultant – Riyadh Bank
- Chairman of the Board of Directors – Saudi Travel Check Company
- Chairman of the Board of Directors – Banque Bemo Saudi Fransi
- Vice Chairman – Saudi Fransi Capital
- Board Member – Allianz Saudi Fransi Cooperative Insurance Company
- Board Member – Cam Saudi Fransi Company
- Board Member – Fransi Tadawul Company
- Board Member – Sofinco Company
- Board Member – Saudi Insurance Company (INSAUDI)
- Board Member – Al-Amthal Owning Company
- Board Member – Banque Saudi Fransi
- Deputy Managing Director – Banque Saudi Fransi
- Regional Director for the Central Region – Banque Saudi Fransi
- Deputy Director, Main Branch, Riyadh – Banque Saudi Fransi
- General Manager – Hisham Trading Corporation
- Assistant Manager – The Saudi Investment Bank
- Assistant Manager – First National City Bank, Riyadh

Qualifications

- Advanced Management Program, Business Administration – Harvard University, USA (Training Program)
- Bachelor of International Business Administration – Ohio University, USA

Mohammed Talal Al-Nahas



Memberships in other listed joint stock companies (inside the Kingdom)

- Chairman of the Board of Directors and Member of the Executive Committee – Saudi Company for Pharmaceutical Industries and Medical Appliances
- Board Member – Saudi Basic Industries Corporation (SABIC)
- Member of the Board of Directors and member of the Nominations and Remunerations Committee – Saudi Telecom Company

Current positions

- Governor and Board Member of the General Organization for Social Insurance
- Chairman of the Board of Directors - The Cooperative Company for Real Estate Investment
- Chairman of the Board of Directors - Asma Capital
- Chairman of the Board of Directors - Raza Company
- Chairman of the Board - Dammam Pharma
- Member of the Board of Directors and Member of the Compliance and Risk Committee - International Water and Energy Works Company (Aquapower)

Previous positions

- Governor and Board Member of the Public Pension Agency
- Member of the Executive Committee - Public Pension Agency
- Member of the Nominations and Remunerations Committee - Public Pension Agency
- Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee - The Leading Investment Company
- Member of the Board of Directors - National Center for Privatization
- Member of the Board of Directors - Taiba Holding Company
- Member of the Board of Directors and a member of the Executive Committee - Saudi Travelers Checks Company
- General Manager of Branch Banking - Alinma Bank
- Regional Director of Central Region Branches - Samba Financial Group
- Head of Banking Transactions and Express Transfers Branches - Samba Financial Group
- Deputy General Manager of Human Resources - Samba Financial Group
- Senior Product Manager - Samba Financial Group
- Product Officer/Director - Samba Financial Group

Qualifications

- Executive Management Program – University of Michigan, USA
- English Language Diploma – San Diego State University, USA
- Bachelor of Accounting – King Saud University

Mohammed Abdulaziz Al-Afaleq



Memberships in other listed joint stock companies (inside the Kingdom)

-

Current positions

- Chairman of the Executive Committee – Al-Hussein and Al-Afaliq Group
- Director – Ahdaf Holding Company
- CEO – Al-Ahsa Cooling Company, a subsidiary of Ahdaf Holding Company
- CEO – Catering Complex Company, a subsidiary of Ahdaf Holding Company
- CEO – Company Lee Lee Sweet Furnished Residential Branch of Catering Complex Company, a subsidiary of Ahdaf Holding Company
- Chairman of the Board of Directors – An-Najah Trading Company
- Board Member – Al-Ahsa Health Cluster Company

Previous positions

- Chairman of the Board of Directors – Al-Hussein and Al-Afaliq Group
- Board Member – Al-Ahsa Food Industries Company
- General Manager of Industrial Projects – Al-Hussein and Al-Afaliq Group of Companies
- Administrative Director – Al-Ahsa Automatic Bakeries Company

Qualifications

- Master of Business Administration – St. Edward University, Austin, USA
- Bachelor of Science in Industrial Management – King Fahd University of Petroleum and Minerals

Mohammed Omais Al-Otaibi



Memberships in other listed joint stock companies (inside the Kingdom)

- Board Member – Saudi Reinsurance Company
- Deputy Chairman of the Board of Directors – Abdullah Saad Abu Moati Company for Libraries

Current positions

- Chairman of the Board of Directors – Zameen E-Marketing Company
- Member of the Audit Committee – Al Mojil Trading and Contracting Company

Previous positions

- Board Member – Al Yamamah Steel Industries Company
- Chairman of the Board of Directors – National Gas and Industrial Company
- Board Member – Middle East Ship Management Company, Dubai
- Board Member – NSCSA, Baltimore, USA
- Board Member – Bahri Bulk Cargo Company
- Board Member – United Arab Company for Flat Glass
- Board Member – National Chemical Carriers Company
- Board Member – Abdullah Saad Abu Moati Company for Libraries
- Board Member – Petradec Company for Gas Trade and Transportation
- Board Member – ISRE Insurance Company, Luxembourg
- Board Member – West of England Insurance, Luxembourg
- Executive Vice President of Finance – The National Shipping Company of Saudi Arabia

Qualifications

- Master of Business Administration – Western Michigan University, USA
- Advanced Management Program – Harvard University, USA
- Executive Management Program – University of Michigan, USA
- Strategic Banking Management Program – Ireland
- BA in English Language – Imam Muhammad Ibn Saud Islamic University

Nader Ibrahim Al-Wehibi



Memberships in other listed joint stock companies (inside the Kingdom)

- Board Member – Saudi Basic Industries Corporation (SABIC)

Current positions

- Assistant Governor for Insurance Affairs – General Organization for Social Insurance
- Board Member – Madad Business Company

Previous positions

- Board Member – Jarir Marketing Company
- Board Member – The National Medical Care Company
- General Director of Planning and Development – General Organization for Social Insurance
- Secretary General – Board of Directors of the General Organization for Social Insurance
- Consultant, Pensions Administration – General Organization for Social Insurance

Qualifications

- MA in Social Protection Policies – Maastricht University, Netherlands
- Bachelor of Insurance – Indiana State University, USA



EXECUTIVE MANAGEMENT

Tareq Abdulrahman Al-Sadhan



Chief Executive Officer

Previous positions

- Senior Executive Vice President and the Chief Financial Officer - Riyadh Bank
- CEO/Managing Partner and the Chairman of the Advisory Committee - KPMG, Saudi Arabia
- Advisor to the Chairman - Saudi Fund for Development (SFD)
- Acting Director General - General Authority for Zakat and Tax (GAZT)
- Deputy Governor for Supervision - the Saudi Central Bank (SAMA)

Qualifications

- Master of Business Management - Ecole National des Ponts et Chaussees, France
- Bachelor of Administration Science, majoring in accounting - King Saud University

Abdullah Ali Al-Oraini



Chief Financial Officer

Previous positions

- Chief Financial Officer - AlAwwal Bank (formally Saudi Hollandi Bank)
- Head of Reporting, Asset and Liability Management and Investor Relations Department - Saudi British Bank (SABB)
- Head of Capital and Liquidity Management - National Commercial Bank (NCB)

Qualifications

- Master of Management Sciences - University of Waterloo, Canada
- Science in Electrical Bachelor of Engineering - King Fahd University of Petroleum and Minerals

Mohammed Abdullah Al-Yahya



Chief Operating Officer

Previous positions

- Chief Operating Officer - Bank AlBilad
- Member of the Board of Directors - Saudi British Bank

Educational Qualifications

- Bachelor of Computer Science - Eastern Michigan University
- Executive education programs, such as the Advanced Management Program from INSEAD
- Management Development Program - University of Michigan

Mohammed Abo Al-Naja



Chief Corporate Banking Officer

Previous positions

- Executive Vice President, Head of Corporate Banking Service and Senior Vice President, Manager Multinationals - Riyadh Bank
- Senior Manager, Corporate and Investment Banking - SAMBA Financial Group
- Worked at the Ministry of Foreign Affairs (MOFA) and the Saudi Telecom Company (STC)

Qualifications

- Bachelor of Law - King Saud University
- Management and Leadership Development Program - Oxford University

Riyadh Otaibi Al-Zahrani



Chief Retail Banking Officer

Previous positions

- Head of retail banking - Riyadh Bank
- Executive Vice President of Operations and Business Technology - Riyadh Bank
- Executive Vice President of Operations - Riyadh Bank
- Director of Retail Banking Services - Riyadh Bank
- Director of the Electronic Banking Department - Riyadh Bank

Qualifications

- Executive training programs at global institutes, such as INSEAD and BAI
- Bachelor of Accounting - King Saud University

Nadir Sami Al-Koraya



Chief Treasury and Investment Officer

Previous positions

- Head of Money Market and Fixed Income - SAMBA Financial Group
- Head of treasury and investment - Riyadh Bank
- Head of Treasury Department - Riyadh Bank
- Treasurer - Riyadh Bank
- Assistant General Manager, Treasury Group - Samba Bank

Qualifications

- MBA - University of California
- Various leadership programs at reputable institutions, including Harvard Business School

Mazen Mohamed Khalefah



Chief Human Capital Officer

Previous positions

- General Manager, HR Department - Saudi Arabian Monetary Authority (SAMA)
- HR leadership positions at various banks, including Head of Learning and Talent at Saudi British Bank (SABB)
- Head of Talent Acquisition and People Development - Bank AlBilad
- Head of Training Relationship Management - National Commercial Bank (NCB)

Qualifications

- Bachelor of Industrial Engineering - King Abdulaziz University
- Executive and leadership programs from institutions, such as the Institute for Management Development (IMD), INSEAD, and Michigan Ross School of Business

Khalid Waleed Al-Khudair



Chief Experience Officer

Previous positions

- Chief Operating Officer, Markets - KPMG Saudi Arabia, Kuwait, and Jordan
- Executive management committee - Deutsche Gulf Finance
- First Saudi Fellow at Ashoka, the largest network of leading social entrepreneurs in the world, a Young Global Leader at the World Economic Forum, and an Endeavor Entrepreneur
- Founder of Glowork

Qualifications

- Many awards and recognitions, such as King Salman Award for Entrepreneurship, EY Entrepreneur of the year, Challiot Human Rights Prize by the European Union and was ranked the Third Most Influential Arab ranking by Arabian Business
- 2 Executive Education Programs in Leadership and Public Policy - Yale University and Harvard Kennedy School respectively
- Bachelor of Commerce, with triple majors: Marketing, HR and Psychology - Saint Mary's University, Canada

Mazen Ghassan Pharaon



Chief Digital Officer

Previous positions

- Partner - Deloitte ME
- Deloitte Digital Center Leader, in charge of building and integrating the ME digital capabilities and integrating globally
- Chief Technology Officer - Samba Financial Group
- First few founding team members to build and launch Alinma Bank Project leader to launch Alinma Investment Co.
- SPAN2 and PoS program leader in SAMA
- First Saudi EWSD Engineer in SIEMNS, trained and worked on Siemens Telecom Exchanges for local traffic and international gateways

Qualifications

- Bachelor of Computer Engineering - King Saud University
- The Disruptive Innovation Program of Harvard Business School

Grant Eric Lowen



Chief Risk Officer

Previous positions

- Group Chief Credit and Risk Officer - Bank ABC BAHRAIN
- Group Chief Risk Officer - QNB Qatar
- Chief Risk Officer International Financial Services - CBA
- Group Auditor - Commonwealth Bank of Australia (CBA)
- Group Auditor and General Manager Operational Risk - St George Bank
- Chief Manager Strategy and Design IT and Operations - Westpac Banking
- Manager Financial Management Consulting - KPMG

Qualifications

- Bachelor's level qualification in Accounting ACA - Christchurch Technical College as member of New Zealand Society of Accountants
- Chartered Accountant (ACA) Australia and New Zealand
- Member of Australian Institute of Company Directors (GAICD)



Members of the Board of Directors and emanating committees



The Bank's Board of Directors

The Bank is managed by a board of directors consisting of 10 members to be elected by the General Assembly every 3 years. The Board of Directors in its current term includes 4 independent members and 6 non-executive members, according to the definitions contained in Article 1 of the Corporate Governance Regulations issued by the Capital Market Authority. The Board of Directors conducted 7 meetings during the year 2021, and the attendance rate of the meetings, was (in person) 100%, taking into account those who attended by proxy.

Composition of the Board of Directors and classification of its members

Member's Name	Position Representation	Membership Rating	Representation
1. Abdullah Mohammed Al-Issa	Chairman of the Board of Directors	Non-Executive	-
2. Mutaz Kusai AlAzzawi	Deputy Chairman of the Board	Independent	-
3. Ibrahim Hassan Sharbatly	Member of the Board of Directors	Independent	-
4. Jamal Abdul-Karim Al-Rammah	Member of the Board of Directors	Independent	-
5. Talal Ibrahim Al-Qudaibi	Member of the Board of Directors	Independent	-
6. Abdul-Rahman Amin Jawa	Member of the Board of Directors	Non-Executive	Public Investment Fund
7. Mohammed Talal Al-Nahas	Member of the Board of Directors	Non-Executive	Public Pension Agency
8. Mohammed Abdulaziz Al-Afaleq	Member of the Board of Directors	Non-Executive	-
9. Mohammed Omair Al-Otaibi	Member of the Board of Directors	Non-Executive	Public Investment Fund
10. Nader Ibrahim Al-Wehibi	Member of the Board of Directors	Non-Executive	Hassana Investment Company

Board meetings in 2021

Attendance record of the Board Members, in person and by proxy, for the Board meetings in 2021							
Member's Name	16.02.2021	23.03.2021	04.05.2021	16.06.2021	08.09.2021	01.11.2021	14.12.2021
1. Abdullah Mohammed Al-Issa	✓	✓	✓	✓	✓	✓	✓
2. Mutaz Kusai AlAzzawi	✓	✓	✓	✓	✓	✓	✓
3. Ibrahim Hassan Sharbatly	✓	✓	✓	✓	✓	✓	✓
4. Jamal Abdul-Karim Al-Rammah	✓	✓	✓	✓	✓	✓	✓
5. Talal Ibrahim Al-Qudaibi	✓	✓	✓	✓	✓	✓	✓
6. Abdul-Rahman Amin Jawa	✓	✓	✓	✓	✓	✓	✓
7. Mohammed Talal Al-Nahas	✓	✓	✓	✓	✓	✓	✓
8. Mohammed Abdulaziz Al-Afaleq	✓	✓	✓	✓	✓	✓	✓
9. Mohammed Omair Al-Otaibi	✓	✓	✓	✓	✓	✓	✓
10. Nader Ibrahim Al-Wehibi	✓	✓	✓	✓	✓	✓	✓

Committees emanating from the Board of Directors



The Board of Directors of Riyadh Bank delegates some of its duties to the main committees formed from the members of the Board, with the exception of the Audit Committee, which includes in its composition 3 members from outside the Board, in addition to 2 members of the Board, and the Nominations and Compensations Committee, includes in its composition 2 members from outside the Board, in addition to 3 members from the Board.

The following is an explanation of the main duties of the Bank's Board Committees.

1 - The Executive Committee

Main tasks and responsibilities

The Executive Committee exercises the credit, banking, financial and administrative powers in the Bank that are granted by the Board of Directors. The Executive Committee in the Bank consists of 5 members. The number of meetings of the Committee during the year 2021 was 14, and the attendance rate for the meetings was (in person) 100%, taking into account those who attended by proxy.

Executive Committee meetings in 2021

Attendance record of the members of the Executive Committee, in person or by proxy, for the committee meetings in 2021										
Member's Name	Position	17.01.2021	25.02.2021	11.03.2021	17.03.2021	15.04.2021	02.05.2021	06.06.2021	04.07.2021	05.08.2021
1. Talal Ibrahim Al-Qudaibi	President	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Abdul-Rahman Amin Jawa	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Mutaz Kusai AlAzzawi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. Mohammed Abdulaziz Al-Afaleq	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
5. Nader Ibrahim Al-Wehibi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓

Attendance record of the members of the Executive Committee, in person or by proxy, for the committee meetings in 2021						
Member's Name	Position	02.09.2021	10.10.2021	25.11.2021	02.12.2021	23.12.2021
1. Talal Ibrahim Al-Qudaibi	President	✓	✓	✓	✓	✓
2. Abdul-Rahman Amin Jawa	Member	✓	✓	✓	✓	✓
3. Mutaz Kusai AlAzzawi	Member	✓	✓	✓	✓	✓
4. Mohammed Abdulaziz Al-Afaleq	Member	✓	✓	✓	✓	✓
5. Nader Ibrahim Al-Wehibi	Member	✓	✓	✓	✓	✓

2 - Audit Committee

Main duties and responsibilities

The Audit Committee exercises supervisory oversight of the financial reporting processes, the processes related to compliance and compliance with the relevant laws and regulations. It monitors the effectiveness and efficiency of the internal control system, recommends the selection of auditors, studies and reviews the interim and annual financial statements, and recommends them to the Board of Directors.

The Audit Committee in the Bank consists of 5 members, of whom 3 are from outside the Board of Directors and they are Mr. Tareq Abdullah Al-Qaraawy, Dr. Abdul Raoof Sullaiman Banaja, and Mr. Abdul Aziz Abdullah Al-Duailej, whose membership expired on 13 March, 2021. Mr. Abdul Aziz Khalid Al-Falih, joined the committee on 27 April, 2021 by virtue of the Board of Directors' decision No. 2/c/688, dated 27 April, 2021, which will be presented to the next meeting of the General Assembly for approval. The Audit Committee was formed by a decision from the General Assembly on 30 September, 2019. The number of Audit Committee meetings during the year 2021 was 12, and the attendance rate was 100%.

Audit Committee meetings in 2021

Attendance record of the Audit Committee members for the meetings of the Committee in 2021										
Member's Name	Position	12.01.2021	15.02.2021	29.03.2021	27.04.2021	26.05.2021	28.06.2021	28.07.2021	25.08.2021	28.09.2021
1. Jamal Abdul-Karim Al-Rammah	President	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Mohammed Omair Al-Otaib	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Tareq Abdullah Al-Qaraawy	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. Abdul Raouf Sullaiman Banaja	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
5. Abdul Aziz Abdullah Al-Duailej	Member	✓	✓							
6. Abdul Aziz Khalid Al-Falih	Member					✓	✓	✓	✓	✓

Attendance record of the Audit Committee members for the meetings of the Committee in 2021				
Member's Name	Position	26.10.2021	17.11.2021	28.12.2021
1. Jamal Abdul-Karim Al-Rammah	President	✓	✓	✓
2. Mohammed Omair Al-Otaibi	Member	✓	✓	✓
3. Tareq Abdullah Al-Qaraawy	Member	✓	✓	✓
4. Abdul Raouf Sullaiman Banaja	Member	✓	✓	✓
5. Abdul Aziz Abdullah Al-Duailej	Member			
6. Abdul Aziz Khalid Al-Falih	Member	✓	✓	✓

3 - Risk Management Committee

Main duties and responsibilities

The Risk Management Committee assists the Board of Directors in carrying out its responsibilities by fully supervising the Bank's risk strategy, reviewing acceptable risk levels, making recommendations to the Board of Directors, and monitoring the executive management's commitment to the risk limits approved by the Board of Directors and their implementation. In this regard, it may review all aspects and types of the risks that the Bank is exposed to, review the extent of the executive management's commitment to the controls for managing these risks, and verify the adequacy of the measures taken to hedge them. The Risk Management Committee in the Bank consists of 3 members. The number of meetings of the Risk Management Committee during the year 2021 was 6, and the attendance rate for the meetings was (in person) 100%, taking into account those who attended by proxy.

Meetings of the Risk Management Committee in 2021

Attendance record of the members of the Risk Management Committee, in person or by proxy, for the committee meetings in 2021							
Member's Name	Position	24.02.2021	06.04.2021	15.06.2021	11.08.2021	06.10.2021	15.12.2021
1. Mohammed Abdulaziz Al-Afaleq	President	✓	✓	✓	✓	✓	✓
2. Jamal Abdul-Karim Al-Rammah	Member	✓	✓	✓	✓	✓	✓
3. Mohammed Omair Al-Otaibi	Member	✓	✓	✓	✓	✓	✓

4 - Nomination and Remuneration Committee

Main duties and responsibilities

The Nomination and Remuneration Committee supports the Board of Directors with regard to the Board's governance, proposes a remuneration policy for members of the Board of Directors, its committees, and senior management officials. It reviews and evaluates the adequacy and effectiveness of the remuneration, compensation and incentives policy on a regular basis to ensure that the set goals are achieved, assess the methods and methods of remuneration payment, and review the commitment rewards policy according to the rules of the Central Bank of Saudi Arabia.

The Nomination and Remuneration Committee sets the nomination and selection policy for Board membership and ensures that all members meet the statutory requirements for Board membership in accordance with the relevant regulations. The Committee consists of 5 members, including 2 members from outside the Board of Directors, namely Eng. Ahmad Mohammed Al-Falih and Eng. Khalid Saleh Al-Turairi. The number of meetings of the Nomination and Remuneration Committee during the year 2021 was 3, and the attendance rate for the meetings was (in person) 100%, taking into account those who attended by proxy.

Meetings of the Nomination and Remuneration Committee in 2021

Attendance record of the Nomination and Remuneration Committee members, in person or by proxy, for the committee meetings in 2021				
Member's Name	Position	07.02.2021	03.10.2021	17.10.2021
1. Mutaz Kusai AlAzzawi	President	✓	✓	✓
2. Talal Ibrahim Al-Qudaibi	Member	✓	✓	✓
3. Nader Ibrahim Al-Wehibi	Member	✓	✓	✓
4. Ahmad Mohammed Al-Falih	Member	✓	✓	✓
5. Khalid Saleh Al-Turairi	Member	✓	✓	✓

5 - Strategic Planning Group

Main duties and responsibilities

The Strategic Planning Group supervises the preparation of the Bank's strategic directions and follows up and evaluates the steps taken to achieve its objectives. It provides the necessary support to the Board of Directors on strategic planning processes and matters of strategic importance, including business development and expansion. The group is also responsible for monitoring the Bank's progress in achieving its long-term financial and strategic objectives. The group consists of 5 members. The number of meetings of the Strategic Planning Group during the year 2021 was 2, and the attendance rate for the meetings was (in person) 100%, taking into account those who attended by proxy.

Meetings of the Strategic Planning Group in 2021

Attendance record of the Strategic Planning Group members, in person or by proxy, for the group's meetings in 2021			
Member's Name	Position	13.06.2021	01.12.2021
1. Abdullah Mohammed Al-Issa	President	✓	✓
2. Ibrahim Hassan Sharbatly	Member	✓	✓
3. Talal Ibrahim Al-Qudaibi	Member	✓	✓
4. Abdul-Rahman Amin Jawa	Member	✓	✓
5. Mohammed Talal Al-Nahas	Member	✓	✓

Qualifications and experiences of external committee members



Member's Name	Current Positions	Previous Positions	Qualifications
Audit Committee			
1. Tareq Abdullah Al-Qaraawy	<ul style="list-style-type: none"> Member of the Audit Committee – Savola Group Member of the Audit Committee – Savola Food Company Board Member – Osoul and Bakheet Investment Company Board Member - Evening Cups for Beverages Co. 	<ul style="list-style-type: none"> Vice President – Compliance and Quality Assurance Building Development Company Board Member – Digital Innovations Company Member of the Audit Committee – Tabuk Fish Company Board Member, Chairman of the Executive Committee, and member of the Nomination and Remuneration Committee – Salama Insurance Company Founder and CEO – Iffaa Office for Management Consulting Regional Director – Corporate Banking Group – Bank Albilad Director of Strategy and Planning – Bank Albilad Private consulting Senior Relationship Manager, Corporate Banking – SABB Bank Director, Islamic Banking, Corporate Banking - SABB Bank Relationship Officer, Corporate Banking – The Saudi Investment Bank 	<ul style="list-style-type: none"> Master of Accounting – George Washington University, USA Bachelor of Accounting – King Saud University Certified Management Accountant (CMA) - Institute of Management Accountants of America IMA Certified Financial Manager (CFM) - IMA
2. Abdul Raouf Sullaiman Banaja	<ul style="list-style-type: none"> Member of the Audit Committee – Savola Group Member of the Audit Committee – Herfy Food Services Company Member of the Audit Committee – Kinan International Real Estate Development Company Member of the Audit Committee – Special Economic Zones and Cities Authority 	<ul style="list-style-type: none"> Member of the Audit Committee - Panda Retail Company Board Member – AlAhli Capital Funds Board Member - SEDCO Capital Funds Chairman of the Board of Directors – Building Proper Real Estate Fund Company Chairman – SEDCO Capital Flexible Saudi Equity Fund Chairman of the Board of Directors – SEDCO Capital REIT Fund Chairman of the Board of Directors – SEDCO Capital Real Estate Income Fund 1 Chairman of the Board of Directors – SEDCO Capital Real Estate Income Fund 2 Board Member – United Matbouli Group Member of the Audit Committee – Savola Food Company Board Member – National Commercial Bank Independent consultant Director of Corporate Finance Department – Alawwal Financial Services Senior Vice President and Member of the Executive Committee – Saudi Economic and Development Holding Company (SEDCO) Regional Director – Saudi Economic and Development Company (SEDCO), Egypt Assistant General Manager – Director of International Banking - National Commercial Bank Regional Manager – Gulf International Bank, Middle East, Bahrain Adviser to the Deputy Governor – Saudi Arabian Monetary Agency Assistant General Manager, Corporate Banking – SABB Bank Credit Sector Manager – SABB Bank Economic Adviser – Ministry of Finance Assistant Professor – Head of Quantitative Analysis Department – King Saud University 	<ul style="list-style-type: none"> PhD in Economics – University of California Master of Economics – University of California, USA Bachelor of Mathematics and Physics – University of Riyadh
3. Abdul Aziz Khalid Al-Falih	<ul style="list-style-type: none"> Partner and Board Member - Badwa Capital, Dubai, UAE 	<ul style="list-style-type: none"> Director - McKinsey & Company Investment Partner - TPG Capital, San Francisco, USA Investment Partner – Aramco, KSA 	<ul style="list-style-type: none"> Master of Business Administration - Stanford University, USA Bachelor of Chemical Engineering - Massachusetts Institute of Technology (MIT), USA

Member's Name	Current Positions	Previous Positions	Qualifications
Audit Committee			
4. Abdul Aziz Abdullah Al-Duailej	<ul style="list-style-type: none"> Head - General Authority for Civil Aviation (GACA) 	<ul style="list-style-type: none"> Chairman of the Board of Directors – Bin Laden International Holding Group Board Member – Taiba Holding Company CEO – Advanced Electronics Company Board Member - Enforcement and Liquidation Center Chairman of the Industrial Committee – Riyadh Chamber Chairman of the Board of Directors - Trans Future Industrial Investment Company Chairman of the Board of Directors – Saudi Company for Advanced Industries Vice Chairman of the Board of Directors – Al Salam Aircraft Company Board Member – Rafal Real Estate Development Company Board Member – Thabat Real Estate Development Company Board Member – Aayan Capital Financial Company Board Member – The First Real Estate Development Company Board Member – Saudi Fish Company Board Member – Deutsche Gulf Finance Board Member – Emaar Middle East Company Board Member – Saudi Printing and Packaging Company Board Member – Saudi Research and Publishing Company Board Member – Saudi Pipes Company Managing Director and CEO – Saudi Printing and Packaging Company Managing Director and CEO – The First Real Estate Development Company CEO – Middle East Specialized Cables Company CEO – Edwan Chemical Industries Company 	<ul style="list-style-type: none"> Bachelor of Industrial Management - King Fahd University of Petroleum and Minerals
Nomination and Remuneration Committee			
1. Ahmed Mohammed Al-Falih	<ul style="list-style-type: none"> Board Member – Herfy Food Services Co. Chairman of the Nomination and Remuneration Committee – Herfy Food Services Co. Member of the Executive Committee - Herfy Food Services Co. Member of the Board of Directors – United Company for Technical Work Member of the Board of Directors and Director General – The Leading Commercial Representation Company Member of the Board of Directors – Mohammed Saleh Al-Sultan Consulting Professionals Technical consulting, contractual arbitration 	<ul style="list-style-type: none"> Board Member – Musa Abdul Aziz Al Mousa & Sons Board Member - Advanced Seal Company Board Member – Aluminum Products Co. – Bako Board Member – Holding Facilities Company Board Member – Easy Transport Company Consultant – Facilities Marketing Company General Manager – Facilities Marketing Company President – Group of Companies Mashreq General Manager – Al-Mashreq Contracting Company General Manager – Olayan Food Services Company President – Tiné Company International Vice President – Riyadh International Corporation McDonald's Vice President for Financial and Administrative Affairs – Saudi Company for Operation and Maintenance Engineering Projects – Ministry of Health Project Engineer – Ibn Al-Bitar Company (SABIC) 	<ul style="list-style-type: none"> Bachelor of Civil Engineering – King Fahd University of Petroleum and Minerals
2. Khalid Saleh Al-Turairi	<ul style="list-style-type: none"> General Manager of Special Projects, Human Resources - Saudi Basic Industries Corporation (SABIC) 	<ul style="list-style-type: none"> Board Member – Hadeed Company (SABIC) Board Member – National Entrepreneurship Institute General Manager, Learning and Development, Human Resources – Saudi Basic Industries Corporation (SABIC) General Manager, Benefits and Compensation, Human Resources – Saudi Basic Industries Corporation (SABIC) General Manager, Middle East, Human Resources – Saudi Basic Industries Corporation (SABIC) General Manager, Personnel Services, Human Resources –Saudi Basic Industries Corporation (SABIC) General Manager, Information Technology – Saudi Basic Industries Corporation (SABIC) 	<ul style="list-style-type: none"> Bachelor of Computer Science and Engineering – King Fahd University of Petroleum and Minerals

Evaluating the performance of the Board of Directors and its committees

The Board of Directors uses an external party to evaluate the performance of the Board and its committees, through the participation of members in extensive and comprehensive questionnaires based on international best practices in governance, in order to identify strengths and weaknesses to enhance the effectiveness of the performance of the Board of Directors and its committees.

Actions taken by the Board of Directors to inform its members - especially Non-Executives - of Shareholders' proposals and comments about the Company and its performance

The proposals received from the Shareholders during the General Assembly meetings, as well as any other proposals that are received by the Bank are presented to the Chairman of the Board of Directors. He is required to present them to the next Board Meeting and record them in the minutes of the Board, if any.

Any recommendations from the Audit Committee which conflicts with the decisions of the Board of Directors, or any situation where the Board refused to take into account any recommendations regarding the appointment or dismissal of the Auditor of Riyadh Bank, the determination of his fees or evaluating his performance; if so the rationale for these recommendations, and the reasons for not taking them

There are no recommendations from the Audit Committee that conflicts with the decisions of the Board of Directors, and the Board of Directors has not rejected any recommendations regarding the appointment of an auditor of Riyadh Bank, his dismissal, the determination of his fees, or the evaluation of his performance.

Remuneration of the members of the Board of Directors, its committees, and senior executives during the year 2021

The remuneration paid to the members of the Board of Directors of Riyadh Bank and the committees emanating from it are determined in accordance with the frameworks set by the instructions issued by the supervisory authorities, and are generally governed by the main principles of governance for banks operating in the Kingdom of Saudi Arabia, compensation practices controls issued by the Saudi Central Bank, and the Corporate Governance Regulations issued by the Capital Market Authority, Companies Law issued by the Ministry of Commerce, and the Bank's Articles of Association.

The Board of Directors - based on the recommendation of the Nomination and Remuneration Committee - determines the remuneration of the senior executives, so that the remuneration is consistent with the strategic objectives of the Bank, and that they are effective in motivating senior executives to achieve those goals.

Remuneration of Board Members

		Specific amount*	Allowance for attending Board meetings	Total allowance for attending committee meetings**	In-kind benefits	Remuneration for technical, administrative and consulting work	Remuneration of the Chairman, Managing Director or Secretary if he is a member	Total	Variable remuneration ***	End of service gratuity	Total amount	Expense allowance **** SAR 1,000
Name												
Independent Members	Mutaz Kusai AlAzzawi	380	35	85	-	-	-	120	-	-	500	-
	Ibrahim Hassan Sharbatly	400	35	10	-	-	-	45	-	-	445	12.15
	Jamal Abdul-Karim Al-Rammah	400	35	100	-	-	-	135	-	-	535	24.40
	Talal Ibrahim Al-Qudaibi	370	35	95	-	-	-	130	-	-	500	-
	Independent Members	1,550	140	290	-	-	-	430	-	-	1,980	36.55
Non-Executive members	Abdullah Mohammed Al-Issa	455	35	10	-	-	1,000	1,045	-	-	1,500	-
	Abdul-Rahman Amin Jawa	385	35	80	-	-	-	115	-	-	500	-
	Mohammed Abdulaziz Al-Afaleq	355	35	110	-	-	-	145	-	-	500	10.24
	Mohammed Omair Al-Otaibi	400	35	100	-	-	-	135	-	-	535	-
	Mohammed Talal Al-Nahas	400	35	10	-	-	-	45	-	-	445	-
	Nader Ibrahim Al-Wehibi	380	35	85	-	-	-	120	-	-	500	-
	Non-Executive members	2,375	210	395	-	-	-	1,605	-	-	3,980	10.24
	Total	3,925	350	685	-	-	1,000	2,035	-	-	5,960	46.79

* The remuneration of the members of the Board of Directors amounts to SAR 400,000 for each member, while the remuneration of the Chairman of the Board of Directors is SAR 500,000 in addition to a special reward of SAR 1,000,000, noting that the maximum total remuneration for each member, including the Chairman of the Board of Directors, does not exceed the amount of SAR 500,000, including allowances, for attending the meetings of the Board of Directors and its committees as specified in the Companies Law, except for the remuneration of the members of the Audit Committee that does not fall within the scope of the maximum limit stipulated in the Companies Law in accordance with the regulatory controls and procedures issued in implementation of the Companies Law for Joint Stock Companies issued by the Capital Market Authority.

** Allowance for attending committee meetings emanating from the Board of Directors includes allowance for members of the Board of Directors who are not members of such committees but are invited to attend them by the committee, and therefore the total amount each member is entitled to in return for attending the committees' meetings may not be equal to the other statement of the allowance for attendance of committee members.

*** Variable bonuses include (percentage of profits, periodic bonuses, short-term incentive plans, long-term incentive plans, bonus shares).

**** Expenses allowance includes transportation and accommodation expenses for members of the Board of Directors and its committees.

Remuneration of members of the committees emanating from the Board of Directors

Name	Fixed rewards (except for the allowance for attending sessions)	Allowance to attend sessions	Total	Expense allowance*
Members of the Executive Committee				
1. Talal Ibrahim Al-Qudaibi	-	70	70	-
2. Abdul-Rahman Amin Jawa	-	70	70	-
3. Mutaz Kusai AlAzzawi	-	70	70	-
4. Mohammed Abdulaziz Al-Afaleq	-	70	70	-
5. Nader Ibrahim Al-Wehibi	-	70	70	-
Total	-	350	350	-
Members of the Audit Committee				
1. Jamal Abdul-Karim Al-Rammah	-	60	60	-
2. Mohammed Omair Al-Otaibi	-	60	60	-
3. Tareq Abdullah Al-Qaraawy (external)	120	60	180	-
4. Abdul Raouf Sullaiman Banaja (external)	120	60	180	-
5. Abdul Aziz Khalid Al-Falih (external)	80	40	120	-
6. Abdul Aziz Abdullah Al-Duailej (external)**	24.3	10	34.3	-
Total	344.3	290	634.3	-
Members of the Risk Management Committee				
1. Mohammed Abdulaziz Al-Afaleq	-	30	30	-
2. Jamal Abdul-Karim Al-Rammah	-	30	30	-
3. Mohammed Omair Al-Otaibi	-	30	30	-
Total	-	90	90	-
Members of the Nomination and Remuneration Committee				
1. Mutaz Kusai AlAzzawi	-	15	15	-
2. Talal Ibrahim Al-Qudaibi	-	15	15	-
3. Nader Ibrahim Al-Wehibi	-	15	15	-
4. Ahmad Mohammed Al-Falih (external)	120	15	135	-
5. Khalid Saleh Al-Turairi (external)	120	15	135	4.33
Total	240	75	315	4.33
Members of the Strategic Planning Group				
1. Abdullah Mohammed Al-Issa	-	10	10	-
2. Ibrahim Hassan Sharbatly	-	10	10	-
3. Talal Ibrahim Al-Qudaibi	-	10	10	-
4. Abdul-Rahman Amin Jawa	-	10	10	-
5. Mohammed Talal Al-Nahas	-	10	10	-
Total	-	50	50	-
Members of the committees emanating from the Board of Directors	584.3	855	1,439.3	4.33

* Expenses allowance includes transportation and accommodation expenses for members of the Board of Directors and its committees.

** His membership was terminated on 13 March, 2021.

Salary and compensation data for 6 senior executives (including the CEO and Chief Financial Officer):

Description	SAR'000s
Fixed rewards	
Salaries	12,874
Allowances	1,667
Benefits	214
Total	14,755
Variable rewards	
Periodic rewards	20,478
Profits	-
Short-term incentive plans	-
Long-term incentive plans	1,004
Shares awarded	-
Total	21,482
End of service gratuity	1,353
Total executive bonus for the Board, if any	-
Total	37,590

Assignment of interests by Shareholders, Directors, or Senior Executives

- There are no arrangements or agreements for any member of the Board of Directors or any of the senior executives to waive any salaries, bonuses or compensation.
- There are no arrangements or agreements regarding any of the Shareholders of Riyadh Bank waiving any rights to them in the profits.

The cash dividends that were distributed for the first half were disbursed to all Shareholders on 23 July, 2021. The cash dividends for the second half of 2021 will be distributed to Riyadh Bank Shareholders who own shares directly, at the end of the day that the Bank's Annual General Assembly takes place, and those registered in Riyadh Bank's records with the Securities Depository Center Co., (Edaa) will receive their cash dividend at the end of the second trading day following the date of the Annual General Assembly to be held during the second quarter of 2022, which will be announced later after obtaining the necessary approvals from the competent authorities.

Changes in major ownership interests



The following table shows the main owners of the Bank who each own 5% or more of the shares, and the changes in their ownership percentages as at the end of trading on 31 December, 2021.

Name of the Shareholder	Number of shares at the beginning of the year	Number of shares at the end of the year	Net change	% Change	% Ownership
Public Investment Fund	652,608,000	652,608,000	-	0.00%	21.8%
GOSI	501,757,200	632,905,352	131,148,152	26.16%	21.1%
Al Nahla Trading and Contracting Company	262,149,903	262,149,903	-	0.00%	8.7%
Assila Investment Company	240,000,000	240,000,000	-	0.00%	8.0%

Riyad Bank extracted the above data from the records of Riyadh Bank at the Saudi Stock Exchange (Tadawul) at the end of the trading 31 December, 2021.

Ownership of members of the Board of Directors, Senior Executives, their spouses and minor children of Riyadh Bank shares and the ownership changes during the year 2021.

The following 2 tables show a description of any interest of board members or senior executives and their spouses and minor children in the shares or debt instruments of the Bank or any of its subsidiaries and any change that occurred therein during the year:

A. Members of the Board of Directors, their spouses and minor children.

Name of the party holding the interest	Number of shares at the beginning of the year	Number of shares at the end of the year	Net change	% Change	Debt instruments
Abdullah Mohammed Al-Issa	1,262,000	1,262,000	-	0.00%	-
Jamal Abdul-Karim Al-Rammah	1,142	1,142	-	0.00%	-
Ibrahim Hassan Sharbatly	694,508	694,508	-	0.00%	-
Talal Ibrahim Al-Qudaibi	66,864	66,864	-	0.00%	-
Abdul-Rahman Amin Jawa	1,928	244	(1,684)	-87.34%	-
Mohammed Talal Al-Nahas	-	-	-	0.00%	-
Mohammed Abdulaziz Al-Afaleq	100,000	100,000	-	0.00%	-
Mohammed Omair Al-Otaibi	1,000	0	(1,000)	-100.00%	-
Mutaz Kusai AlAzzawi	1,347,000	1,347,000	-	0.00%	-
Nader Ibrahim Al-Wehibi	-	-	-	0.00%	-

B. Senior executives, their spouses and minor children

Name of the party holding the interest	Number of shares at the beginning of the year	Number of shares at the end of the year	Net change	% Change	Debt instruments
-	-	-	-	-	-

General Assemblies held during the year 2021



Riyad Bank held 1 Assembly for its Shareholders during the fiscal year 2021, namely, the Ordinary General Assembly held on 10/08/1442 AH corresponding to 23 March, 2021. Following is a record of the attendance of the members of the Board of Directors for these meetings:

Name	Attendance
	The Ordinary General Assembly held on 23 March, 2021
Abdullah Mohammed Al-Issa	✓
Jamal Abdul-Karim Al-Rammah	✓
Ibrahim Hassan Sharbatly	✓
Talal Ibrahim Al-Qudaibi	✓
Abdul-Rahman Amin Jawa	✓
Mohammed Talal Al-Nahas	✓
Mohammed Abdulaziz Al-Afaleq	✓
Mohammed Omair Al-Otaibi	✓
Mutaz Kusai AlAzzawi	✓
Nader Ibrahim Al-Wehibi	✓

Statement on the number of Riyadh Bank’s requests for records of shareholders and dates and causes during 2021



Request Date	Reason
23 March, 2021	The General Assembly
28 March, 2021	Profit file
05 April, 2021	Corporate actions
27 June, 2021	Profit file
25 July, 2021	Corporate actions
06 October, 2021	Corporate actions
26 December, 2021	Corporate actions

Assurances of the Board of Directors



- The accounting records have been prepared correctly;
- The internal control system was prepared on sound grounds and was effectively implemented;
- There is no doubt about the ability of Riyadh Bank to continue its activity;
- There is no contract to which Riyadh Bank was a party, where there is or was a substantial interest in it for the Chairman and/or any of the Members of the Board of Directors of Riyadh Bank or for the CEO or the First Financial Officer or for any person directly related to any of them, except for what was mentioned in the Statement of Transactions with Related Parties.

Interests in voting shares



No Stakeholder in the category of shares eligible to vote belonging to persons (except for members of the Board of Directors of Riyadh Bank and Senior Executives and their relatives), informed Riyadh Bank of these rights under Article 68 of the Rules for the Offer of Securities and Continuing Obligations, or was there any change in these rights during the fiscal year 2021.

Auditors



The Ordinary General Assembly approved the Shareholders of Riyadh Bank at its meeting held on 23 March, 2021, to appoint “Ernst & Young” and “PricewaterhouseCoopers” as the Bank’s Auditors for the financial year ending 31 December, 2021. The General Assembly will consider at its next meeting the reappointment or replacement of the current auditors and determine their fees for auditing the accounts of Riyadh Bank for the fiscal year ending 31 December, 2022, after reviewing the recommendation of the Board of Directors in this regard based on the recommendation of the emerging Audit Committee.

Auditors’ reservations on the Annual Financial Statements



The Auditors’ report shows that the financial statements are free of any material misstatement, and there are no reservations about them.

Recommendations of the Board of Directors to replace the Auditors and their reasons



The Board of Directors did not recommend the replacement of the Auditors before the end of the period for which they were appointed.

Corporate Governance Regulations



In general, Riyadh Bank is obliged to apply the provisions set out in the Corporate Governance Regulations issued by the Capital Market Authority, and the main principles of governance in the Bank’s operating in the Kingdom of Saudi Arabia and the instructions issued by the Saudi Central Bank. Riyadh Bank is keen to adhere to all the regulations of governance and keep abreast in this regard. Further, the Bank keeps updating the relevant policies and procedures upon the issuance of regulatory developments that so entail.

Compliance

Riyad Bank continuously seeks to establish a healthy compliance culture to maintain its professional values and highest ethical standards at all levels. These standards include meeting both local and international regulatory requirements, implementing best industry practices, and fully complying with the code of conduct in both its letter and spirit.

The Compliance Department is always striving to implement a sound compliance culture and environment through an effective compliance program, which encompasses leadership and an ethical culture, risk assessments, policies, procedures and controls, training and education, monitoring, programs evaluation and remedial actions.

In parallel with the Bank’s journey towards its vision, objectives and values, the Compliance Department also strives to achieve the highest standards of quality, apply best practices in all that pertains to identifying non-compliance risks. This includes assisting Senior Management to manage non-compliance risks that the Bank faces in different divisions, providing professional advisory services to business divisions, and spreading awareness concerning Compliance matters and combatting financial crimes as stipulated by SAMA’s regulations. The Compliance Department establishes an annual plan, which is approved by the Board’s Audit Committee.

Based on the Bank’s efforts to promote a compliance culture, and out of the principle “We care We comply”, the bank continues its awareness campaigns among all stakeholders on the various topics of compliance including business and work ethics, whistleblowing and combatting financial crimes.

The Compliance Department endeavors at all times to ensure that the Bank continues to meet and exceed regulatory expectations and requirements. To achieve that level of professionalism, Compliance has a team consisting of qualified individuals with the required skill set and knowledge.

The Compliance department assures compliance with all the requirements of relevant laws and regulations by conducting risk assessments and taking steps to rectify the identified gaps. The Bank adheres to international and local regulatory commitments related to combat money laundering, terrorism financing and proliferation of weapons of mass destruction.

Financial crimes pose a major threat and challenge to financial institutions and their staff, and Riyadh Bank is fully aware of the graveness of these crimes and their consequences. Accordingly, efforts were focused on the adoption of preventive measures of a strategic nature to support all areas in the Bank and prevent financial crimes, which contributed to a further reduction of such crimes. Riyadh Bank is keen on incorporating best international practices, by implementing a strategy to control and monitor suspicious activities, including controls to combat money laundering, terrorist financing and financial fraud. The Bank uses all possible resources including advanced technology by having state-of-the-art systems to monitor financial activities in the Bank to identify any irregularities. Our strategy is reviewed periodically and is updated in response to new emerging risks and banking industry standards. In addition, all financial products, services and channels are subject to analysis and assessments against regulatory requirements.

Riyad Bank’s Compliance team continues to aim to stay ahead of the curve and have succeeded in doing so by adopting fit for purpose strategies in supporting all the activities conducted in the Bank. Being independent and having full support of the Board and the Management; handling matters discretely; maintaining the confidentiality; applying rule and principle based policies; taking extra miles in providing support; meeting and exceeding regulatory expectations; and implementing applying the rules and regulations in both its letter and spirit are some of the hallmarks of our strength and we will continue to do so as these attributes facilitate to assist help us to serve all our Stakeholders successfully.

Risk Management

Riyad Bank has a high-level risk culture, an enabling risk appetite and Enterprise Risk Management Framework (ERMF) to ensure a robust internal control environment and risk management in the Bank.

Risk Culture



Risk culture is one of the critical principles of the Bank’s enterprise risk management to set the norms of behavior and actions around the risk management. It shapes the Bank’s ability to identify, understand, assess and mitigate the current and future risks. It is ensured that that proper risk culture is embedded within the Bank.

Risk Governance



The Board of Directors has an ultimate responsibility for the Bank’s strategy, governance, risk management, compliance and financial soundness. The Board of Directors has a designated risk management committee to have continuous oversight on risk management to ensure effective risk governance. The Saudi Central Bank (SAMA) and the Basel Committee have directed that the risk management function should be independent from other banking functions. To put in place an adequate operating structure to consider the risk and control, the Bank has implemented a three lines of defense approach with controls at different organizational units i.e. the operating units, other control areas and Internal Audit. The Bank’s sound governance and risk management are reinforced by this three lines of defense approach, which is also an integral part of an ERMF.

Enterprise Risk Management Framework



Enterprise Risk Management (ERMF) enables the Bank to identify, measure, manage, and control its risks in addition to relating the same with capital requirements in order to ensure sustainable capital adequacy. A fully embedded ERMF covers the Bank’s risk universe. It is worth mentioning that the Bank approaches the development of strategy, risk and balance sheet management and risk appetite in an integrated manner. The Bank’s Capital Management Framework (CMF) is designed to meet key Stakeholders’ expectations with proper focus on adequacy of the Bank’s capital in relation to its risk profile.

Risk Appetite Framework



The Risk Appetite Framework (RAF) is an integral component of the Bank’s ERMF and is embedded in the Bank’s strategy and annual operating plan. The RAF establishes the overall approach through which the Bank ensures prudent risk-taking. It is established on the basis of best practices and outlines the process of developing a Risk Appetite Statement (RAS), governance, monitoring and reporting. The RAS is integrated with the Bank’s strategic planning process and is approved by the Board on an annual basis.

In pursuit of its business objectives, the Bank is exposed to various types of risks, including but not limited to credit risk, market risk, liquidity risk, operational risk, and cyber and information security risk. Strategic risk objectives containing a full suite of risk appetite metrics and qualitative statements are defined in the RAS for different risk types and monitored regularly by relevant oversight risk committees and the Board. The Bank also expresses risk appetite qualitatively in terms of policies, processes, procedures, and controls duly meant to manage risks that may or may not be quantifiable.

Specific policies have been developed for all types of risks which, taken together, make a holistic system of risk management. The risk profile, risk appetite, and risk exposures are reported regularly to the Board of Directors and Senior Management through various committees and reviewed periodically.

The Bank will keep on investing to bring further maturity to the current risk management processes for all key existing and emerging risks, including but not limited to cyber risk, anti-money laundering, reputational, and conduct risks.

Stress Tests



Riyad Bank applies “Stress Testing” to all types of risks, including all banking activities of the Bank and how they can be impacted by financial and economic changes, the application of governance policies, frameworks and rules. Stress tests are computer simulations to test the resilience of systems. The Bank’s stress tests will test the adequacy of the Bank’s capital to withstand various hypothetical scenarios. All these tests are run under the supervision of the Board of Directors. In this context, officials in the Risk Management Department monitor stress methodologies along with underlying assumptions to maintain the efficacy of the stress models deployed. Stress tests are set up using a large number of assumptions and scenarios that help Riyad Bank make the assessment and reach a deep understanding of the potential risks to its various assets and portfolios. This enables risks to be hedged by allocating and setting appropriate levels of capital that exceed the levels of sufficiency required by the control and oversight bodies.

Credit Risk



Credit risk is defined as the risk of financial loss resulting from the other party to a credit transaction not meeting (or not meeting completely) their financial obligations. Accordingly, the Bank developed various credit risk management policies that encompass all financing programs to ensure the Bank minimizes the overall risk in its credit portfolio and reduces losses incurred by financing activities.

Riyad Bank operates in accordance with a stringent framework of credit policies, manuals and procedures, which are reviewed regularly, considering latest updates and regulations of SAMA. Credit limits should be set commensurate with the level of risk. Excessive concentration of lending in geographical regions or business sectors should be avoided, in both retail and corporate lending. Existing liabilities too need to be evaluated for potential risks of non-payment and tools have been developed for this.

Riyad Bank’s credit rating system conforms to international benchmarks. The Bank, while having its own credit rating system, also incorporates the ratings of external agencies. The process is executed through standardized measurement tools. This provides a comprehensive picture of the Bank asset quality and its distribution on the internal rating table: this in turn enables accurate calculation of the capital adequacy ratio using sophisticated techniques. In addition, it measures the potential for default which is a prerequisite for calculating credit losses in accordance with new accounting standards.

The Bank’s processes are constantly evolving in line with requirements of both local and international regulators. It is a process of continuous improvement. The Bank initially complied with all Basel requirements in measuring the capital adequacy ratio required to cover credit risk according to the standard method (Standardized Approach), which is one of SAMA’s requirements. It then moved to the Internal Credit Risk Assessment Standard (Internal Rating Based/IRB) after successfully upgrading its credit rating models to be in conformance with the requirements of Basel. These models were not simply adopted and used, instead a process of verification was done through a special system to ascertain their validity and completeness. Subsequently several independent periodic tests were carried out to ensure the reliability of the results of the credit rating models and their quantitative and qualitative aspects.

For the results of the capital adequacy ratio to be accurate the results of the risks weighting of the assets need to be accurate. In a parallel process the Bank put in place the basic infrastructure necessary to develop and use models for credit decision making by relying on an accurate measurement of the risks and their likely impact. Simultaneously a review of approved risk policies to demonstrate their compliance with credit rating systems was carried out, while applying the Internal Credit Risk Assessment Standard.

The process of assessing credit risk is also based on accounting standards, which is another area where we need to stay updated. As of the beginning of 2018, Riyad Bank used IFRS 9 as an alternative to IAS 39. Calculating the possibilities of default includes taking both a long-term and a short-term perspective and the credit rating system was further refined to take this into account.

The COVID-19 pandemic with its impact on the macroeconomic scenario, both local and global, created an unprecedented situation in credit risk assessment. The Bank developed a statistical model to help with the calculation of the forward-looking component. The model used varied assumptions and scenarios of forecasted macroeconomic conditions (locally and internationally) and then adjusted the expected credit losses number accordingly. Relative rebound in macroeconomic conditions in 2021 has been cautiously considered during several rounds of model validation, but without resulting in the significant reverse of provisions until prolonged stability in macroeconomic conditions is observed.

The process of calculating default credit risk rates was also updated with respect to business rules and controls. The Bank also reviewed the fundamentals of evaluating assets, activity flows and the appropriate governance structure, with appropriate mechanisms, financial and technological, to calculate and approve expected credit losses in accordance with IFRS 9 and the directives of SAMA. These mechanisms have undergone several previous and subsequent quantitative and qualitative tests to verify the new standard to ensure the reliability and accuracy of factors used in calculating the risk of default and credit losses.

The systems and processes referred to above are relevant not only for the corporate sector; they are also relevant for individual financing, including mortgage financing. The Bank also established internal credit evaluation standards pursuant to the frameworks approved by the Board of Directors and in line with the requirements of SAMA, enabling the implementation of the initiatives of the Ministry of Municipal, Rural Affairs and Housing, and the Real Estate Development Fund. In addition, quantitative models for measuring default and collection rates were used to calculate and approve the expected credit losses in accordance with IFRS 9.

Market Risk and Liquidity



Market risk is the risk of losses resulting from fluctuations in market prices, of relevant instruments such as special commission rates, stock prices, foreign exchange rates, and any changes in the fair value of financial instruments and securities held by the Bank.

Riyad Bank continuously measures and monitors risks pertaining to assets and liabilities resulting from fluctuations in fair values or future cash flows of financial instruments due to changes in market prices. This is achieved using risk structure, limits, and metrics approved by the Board of Directors and monitored by the Market and Liquidity Risk Management Department.

There is also a trade-off between liquidity and profitability, and an appropriate balance must be struck in all operations, while maintaining a strong liquidity position to increase customer confidence and improve the cost of funding. Additionally, periodic reports on market and liquidity risks are submitted to the Asset and Liability Management Committee and the Investments Committee. Such reports are then submitted to the Board’s Risk Management Committee.

The Bank adopts the value at risk (VaR) standard, which is a tool to measure and quantify the level of financial risk in a firm or a portfolio. Thereby the Bank can monitor the changes and volatility of market prices and the relationship linking these changes to one another as a basic standard for measuring market risks. Moreover, several other advanced standards are used to improve analytical capabilities in managing market risks, including stress tests and analysis of market risk sensitivity.

The Bank continues to enhance its operations and systems to manage market and liquidity risks effectively and to implement the latest regulatory standards as per the requirements of SAMA.

Financial Crime Risks



In recent years financial crimes have emerged as a serious threat and challenge to financial institutions and their employees. Riyadh Bank realizes the gravity of such crimes and their consequences. Therefore, efforts were made to take preventive measures of a strategic nature to combat and prevent financial crimes, which helped eliminate such crimes to a great extent.

Based on these principles, during 2021, the Bank was keen on incorporating the best international practices to execute its strategy to combat and monitor suspicious transactions related to anti-money laundering and capture the flag, including controls designed to combat embezzlement, financial fraud and monitor bank accounts.

The nature of the risks is dynamic and subject to changes in the financial environment, types of crimes, and banking industry technology. Therefore, our strategy is subject to periodic reviews and quick updates. In addition, a risk assessment review is also carried out periodically that encompasses the functions, departments, policies, and procedures for addressing risks of internal and external fraud and determines the level and nature of those risks. Since they may pose special risks, all new financial products and services are subject to a risk assessment process before they are launched.

Riyad Bank sought to raise employee awareness by launching an awareness program throughout the year to boost commitment to combating financial crimes. The customer and concerned parties play an important role in helping the Bank to detect fraud. Accordingly, awareness and ad campaigns are launched to inform customers to the forms of fraud they may face and how to report them.

Maintaining controls on risks of this nature requires constant vigilance. The Bank continues to perform its supervisory role by receiving all incoming reports from employees and customers. These reports are analyzed, examined and evaluated. For noted violations, causes of incidents are identified and appropriate plans to prevent recurrence of such incidents in the future are introduced.

Operational Risk



Operational risks are losses resulting from errors or inefficiencies in the implementation of internal operations, failure to follow policies and procedures, or system malfunctions or losses incurred due to extraordinary external events. These risks arise in all activities undertaken by various business divisions and support functions. They may also arise due to risks from third party service providers. Their identification and analysis are important factors that help monitor and successfully address them. In addition, these risks change when the Bank's systems, policies and procedures change.

Riyad Bank has developed well-knit policies and standards, as well as complementary analytical equations for risk analysis. These risks are effectively monitored through a variety of different methods. The human factor plays a key role here; training the Bank employees on means of detecting risks and setting up appropriate programs to prevent their occurrence is vital in combating operational risk. Also, there is an integrated risk-based approach that is compatible with the Bank's activities and includes:

- Identifying operational risks, including emerging risks, by means of improving various tools to manage operational risks.
- Measuring operational risks using a standardized methodology for risk assessment in cooperation with the second line of defense departments.
- Evaluating operational risks and their impact on the Bank's strategic and executive operational objectives.
- Continuously monitoring the impact of operational risks to ensure that priorities are set in taking the corrective actions necessary to address risks.
- Submitting periodic reports to the Executive Management and the Operational Risk Management and Compliance Department on important operational risk cases to obtain guidance on corrective action and approvals as needed.
- Formulating and implementing an annual integrated plan to manage operational risks taking into account the Internal Control Governance Policy and the annual plans of the Bank's supervisory authorities.
- Identifying and sharing leading practices with the Management and competent officers in the Risk Management Department.
- Enhancing awareness and knowledge of risks in the Bank.

Riyad Bank continuously strives to identify operational risks by evaluating the ongoing processes and practices, and ensuring this task is performed more effectively across the Internal Control and Market Risk Division by taking preventive and appropriate measures to manage and control these risks in accordance with the best international practices in order to reduce, avoid and hedge potential losses.

Technology Risk



Technology risk is one of the key components of the overall risk that is related to the adoption and certification of business technology in the Bank, its users, operations, participation, and its importance on the activities and performance of the Bank. Business technology is considered one of the main operational elements that support the vision and mission of the Bank. Therefore, the Bank pays great attention to this risk, and works to limit it, to know its impact on the business, and to put in place the relevant measures and controls to take appropriate decisions to limit the impact if it occurs, by developing a policy to ensure that the technology risk is managed and handled appropriately. The Bank adopts several practices to effectively analyze and monitor risks through a variety of methods, which include:

- Define and monitor technology risk measures according to the risk tolerance framework.
- Developing the technology risk register at the Bank's level to be in line with the Bank's risk register in coordination with the relevant sectors/departments.
- Review points of high technology risks with documenting controls and work mechanisms, identifying potential gaps and recommending proposals for improvement and development.
- Submit an annual risk assessment, control testing and annual verification plan.
- Assess high-risk systems and applications in coordination with the concerned departments.
- Submit periodic reports on the performance of business technology risk activities within the framework of risk tolerance to the relevant committees.
- Supervise the review of all relevant technology policies to ensure the application of best practices and compliance with the requirements of SAMA.

Cyber Security and Information Security Risks



The term "Cyber and information security risks" refers to risks arising from the possibility of breaching the necessary regulatory, technical and procedural measures put in place to protect the Bank's information from unauthorized access, disclosure, reproduction, as well as from use, modification, transfer, loss, theft, or misuse thereof in a deliberate and subversive, or accidental manner.

Riyad Bank manages cyber and information security risks through a comprehensive practical framework via which information security systems governance is applied, practical procedures are organized, and implementation of the regulatory requirements and necessary rules is facilitated, ensuring the protection of the Bank's informational assets to reduce various cyber and information security risks. Moreover, cyber and information security legislations issued by the relevant authorities are enforced. In addition, there is direct and complete supervision of all activities from the viewpoint of information security and continuous assessment and monitoring of systems, for the purpose of identifying security risks and taking necessary measures to immediately reduce those risks.

Riyad Bank is effectively complying with the applicable regulatory directives, international standards and best practices besides constantly enhancing the awareness program to raise awareness amongst all employees, contractors, vendors and customers.

BASEL III Pillar 3 Disclosures



The Basel III Committee, third pillar recommendations, requires publishing of a number of quantitative and qualitative disclosures. These are published and posted on the Bank's website www.riyadbank.com in accordance with SAMA instructions. Such disclosures are not subject to examination or review by the Bank's external auditors.

Effectiveness of internal controls

Riyad Bank has established an Integrated Internal Control Governance and Reporting Policy to ensure an effective internal control environment in line with the 'Guidelines on Internal Control' issued by SAMA. This policy is approved by the Board of Directors and promulgated by the Executive Management to ensure strategic goals are achieved by protecting the Bank's assets and guarantee all operations are carried out pursuant to applicable guidelines. Such controls also include the corporate governance that defines the roles and responsibilities of members of the Board and its committees.

The Executive Management and its committees, ensure that risks related to regulatory requirements, strategy, financial performance, information technology, assets and liabilities management, liquidity, credit, operations, legal affairs, information security, etc. are appropriately managed.

All Stakeholders in the Bank are responsible for the efficiency and effectiveness of their respective internal control environments. This assurance is provided through periodic self-assessment reviews of processes and controls to proactively identify areas of improvement and ensure timely remediation. Additionally, independent control functions, internal and external auditors conduct reviews to ensure adequacy of the internal control environment.

The Compliance Department ensures compliance with regulatory requirements and guidelines and the Internal Audit Department assesses the adequacy and efficiency of the internal control environment by ensuring all applicable policies and procedures are implemented and practiced appropriately.

Senior Executive Management and the Audit Committee are regularly updated on the status of the internal control environment and the corrective actions identified to improve its adequacy and effectiveness. They ensure timely implementation of the measures taken to mitigate the identified risks.

Business Technology Governance

Business Technology Governance as a concept has contributed to reducing the risks to information security. Riyadh Bank has given utmost importance to providing a secure technical work environment by building a highly penetrable arbitrator.

The Business Technology Governance Department dedicated its efforts to the Bank's strategy of digital transformation by re-designing applications, platforms and e-gates, developing performance indicators to match the strategic transformation of business technology, and supporting the transformation of the digital governance model at Riyadh Bank. The most important contributions of the Business Technology Governance Department are:

- Successful execution of DR Live Testing (11-19 November), which is one of the requirements mandated by Saudi Arabian Monetary Authority (SAMA) where all local banks have to perform a LIVE switch over to the Disaster Recovery Site covering all defined and agreed mission-critical and critical systems during the normal Business Days:
 - 42 Applications
 - 19 Security Components
 - Cybersecurity scenario
- Successfully relocating critical business processes to simulate inability to physically access the Bank's workplaces for 22 Critical Functions (Heart of Riyadh Premise) on 16 November, as a combined test for the Disaster Recovery and the Business Continuity scenario as per SAMA mandated, - Approaches used:
 - Working Remotely
 - Physical Relocation to BC site (Al-Maseef)
- We have executed 61 departmental tests which includes all the critical departments in the Bank. Departmental recovery testing involves running scenarios where departments need to relocate from their main sites to the secondary site to resume their work in order to ensure the continuity of business in case of any disruption related to any of the primary sites of the Bank.
- Testing Governance and UAT obtained the Bank TMMI Level4 certificate in the Test maturity Model integration on the 2 August, 2021.
- Automating the process of creating/reviewing all types of Technology Operational Documents (policies, Standards and Process) for BT through CLM, also over 70 BT procedures have been created and implemented to govern and control the technology operations.
- Processed 1200+ CRs since the start of the year with emphasis on the implementation of entry and exit criteria; a dedicated security testing stage and the implementation of code reviews as part of the SDLC

