

البنك
السعودي
الفرنسي
Banque
Saudi
Fransi



BOARD OF DIRECTORS' REPORT 2021

Introduction

Ladies and Gentlemen: Shareholders of Banque Saudi Fransi

Greetings,

Banque Saudi Fransi (BSF) Board members are pleased to present their annual board report for the fiscal year 2021.

Banque Saudi Fransi is a Saudi Joint Stock Company established by Royal Decree No. M/23 dated Jumada Al Thani 17, 1397H (corresponding to June 4, 1977), after taking over the operations of the Banque de l'Indochine et de Suez in the Kingdom of Saudi Arabia. The Bank formally commenced its activities on Muharram 1, 1398H (corresponding to December 11, 1977). It operates under Commercial Registration Number. 1010073368 dated Safar 4, 1410H (corresponding to September 5, 1989), through its 85 branches in the Kingdom of Saudi Arabia, with 2,644 employees. The objective of the Bank is to provide a full range of banking services, including Islamic products and services, which are approved and supervised by an independent Shariah Board. The Bank's Head Office is located at King Saud Road (AlMa'ather previously), AlMuraba' District, P.O. Box 56006, Riyadh 11554, Kingdom of Saudi Arabia.

Net income after Zakat and income tax for the 2021 financial year amounted to SAR 3,450 million compared to SAR 1,546 million in 2020. Net income increased by 123.2% mainly due to lower impairment for financial assets (SAR 1,767 million) which was partially offset by higher expenses (SAR 83 million).

Total operating income increased by 2.0% driven by net special commission income, net fee and commission income, trading income and gain on non-trading investments, this was partially offset by a reduction in exchange income other operating income.

Meanwhile, total operating expenses excluding impairment charges increased by 3.5%. This increase was primarily due to increase in other operating and general and administration expenses and depreciation and amortization which was offset by reduction in Staff related expenses and rent & premises related expenses.

Net special commission income increased to SAR 5,373 million, an increase of 2.5% (SAR 133 million) compared to SR 5,240 million in previous year. Total assets amounted to SAR 215,802 million at the end of 2021, an increase of 11.2% compared to SAR 194,074 million in 2020. The investment portfolio grew by 16.4% to SAR 43,858 million at the end of December 2021 compared to SR 37,679 million at the end of previous year. Net loans and advances also increased by 13.2% to SAR 147,813 million at the end of 2021 compared to SAR 130,565 million for the previous year. Customer deposits increased by 11.7% to SAR 141,950 million at the end of December 2021 compared to SAR 127,112 million for the previous year.

Banque Saudi Fransi will continue to achieve its strategic objectives to enhance its position in the banking sector, improve its profitability and deliver a seamless customer and employee experience.

In this report, information is given on the bank's activities, major indicators during 2021 and details on the governance framework of the Board of Directors, its committees and internal controls.

(1) Bank's strategy and future plans:

A. Future Plans:

Banque Saudi Fransi has developed a client-centered strategy aiming at ensuring a well-balanced contribution to the net profit of the Bank from its different business lines underpinned by a focus to put the customer at the heart of everything we do. In 2021, and mainly driven by the drastic developments in the macroeconomic environment, the Bank underwent a comprehensive strategy re-assessment exercise. This led to the realignment of the strategic goals and extension of the planning horizon from 2023 to 2025.

Nevertheless, BSF is maintaining its unwavering focus on delivering the 2023 5-year Strategy following its approval in early 2019 and re-assessment in 2021. The 2021 re-assessment incorporated the following inputs to shape the future direction of the Bank, under the direction of the Bank's Leadership Team:

1. BSF's current position in the KSA market.
2. Assumptions of market and segmental growth based upon historical growth trends in the KSA market.
3. The impact of Vision 2030 and an analysis of the opportunities this presents the Bank.
4. An analysis of Global banking trends and potential opportunities i.e. digital, new business models, FinTech developments.
5. Local banking trends i.e. consolidation, digital attackers, new international entrants.
6. Addressing SAMA priorities in retail segments i.e. mortgages, savings and SME.
7. COVID-19 macroeconomic impact and monetary policy in the short to medium term.

Additionally, as part of the continuous improvement efforts, the Bank implemented several organizational changes to enhance operational synergies and better equip business lines and support functions to provide the best services. This includes:

1. Transferring Private Banking Division reporting from Institutional Banking Group to Retail Banking Group, with the Head of Private Banking now reporting to the Head of Retail Banking.
2. Renaming the Retail Banking Group to be Personal Banking Group.
3. Renaming of the Institutional Banking Group to Wholesale Banking Group.
4. Creation of Business Management Division under Wholesale banking.
5. Redistributing Front Office Support function between Corporate Banking and Business Management Divisions.
6. Moving Financial Institutions from Global Transaction Solutions to Corporate Banking Division.
7. Creation of "Advisory Division" reporting directly to Chief Audit Executive.
8. Creation of "Demand Management Division" under Chief Operating Officer.
9. Centralization of "Customer Experience" unit under "Strategy & Digital Group".

(1) Bank's strategy and future plans: (continued)

B. Strategy:

The 'Leap' program initially defined Banque Saudi Fransi's ambition in 2018 as: 1) To achieve and sustain an overall 10% market share in the Kingdom across total assets and liabilities; 2) To become the #1 bank in the Kingdom in terms of Net Promoter Score (NPS).

Moreover, based on the feedback from the Board of Directors as part of the 2021 Strategy re-assessment, BSF's ambitions have been re-aligned to be as follows:

- Focus of Profitability and Return on Capital above Cost of Capital.
- Remain among the top players in our target segments.
- Focus on Leading Customer Experience and Customer Advocacy being the #1 bank in the Kingdom in terms of Net Promoter Score (NPS).

Strategic pillars:

These overall ambitions are supported by the following strategic pillar, led by our business line groups:

- **Wholesale Banking:** To protect BSF's asset and liability market share whilst growing its fee income lines to improve our Return on Equity and drive the next generation of wholesale banking in the Kingdom.
- **Treasury:** To strengthen BSF's position and grow our ROI through opportunistic trades and innovative products and solutions.
- **Private Banking:** Capitalize on BSF's superior value proposition and market-leading position to further grow our market share with double digit customer growth, boost returns, be the best in client loyalty and become a multi-generational partner for our clients.
- **Retail Banking:** Double down on the Affluent segments and deliver exceptional banking solutions and services through leading digital channels and enhanced savings, mortgage, cards, and lending products.
- **Digital Ventures:** Future-proof our business and support the digital transformation of the Bank by establishing new ventures and developing leading in-house digital capabilities.

In Wholesale Banking, the Bank actively steer the portfolio to higher-value offerings to achieve returns by capitalize on emerging high-value sectors and prioritizing book quality to improve the bottom line, become the trusted partner of KSA's most sophisticated clients, and providing tailored offering to the different MSME sub-segments. In addition, we will increase focus on maximizing fee income by capturing a larger wallet share from our clients and supercharging our digital capabilities to deliver best-in-market service and enable healthy business growth. This will be underpinned by a large commitment to implementing our enhanced Integrated Corporate Portal (ICP).

Wholesale Banking refreshed Strategy include:

- Rebalancing the portfolio to focus on low risk, higher revenue sectors with strong growth and low to flat NPLs.
- Leveraging our industry-leading Advisory capabilities.
- Empowering relationship managers with digital capabilities to create enterprise value and interact more efficiently with customers.
- Enhancing product/solution offerings so we can be more agile in meeting and exceeding our customers' expectations and generate more fee income.
- Investing in an efficient and agile infrastructure, platforms, innovation and data capabilities, to support growth and adapt to industry and regulatory changes.

(1) Bank's strategy and future plans: (continued)

During 2021, Wholesale Banking Group received the following awards / noteworthy deals:

- The best Trade Bank in KSA as per The Asian Banker Survey
- Euro Operational Excellence by JP Morgan bank USA
- Operational Excellence Award by Wells Fargo
- Of the transactions closed, Ma'aden Waad Al Shamal Phosphate Company won the award of Structured Finance Deal Of The Year in the 2021 awards by Bonds, Loans & Sukuk East. Two other noteworthy transactions that achieved successful closure in 2021, are a) SAR 27.27 billion financing for the Jazan Integrated Gas and Power Company (JIGPC) where the Bank was a joint advisor as well as a mandated lead arranger and b) SAR 14.12 billion financing for The Red Sea Company (TRSDC), the first SAR denominated green financing where the Bank acted as a mandated lead arranger.

In Treasury, the Bank will aim to maintain its strength and continue to grow in line with the franchise businesses. In addition, to enhancing its expertise and market making capabilities This will be achieved by growing client sales and foreign exchange volumes in collaboration with the business line groups, as well as growing the investment book in-line with the corporate book and diversifying funding sources and investments. We have been very successful with our historical cash flow hedging activities and will continue to approach it strategically as we see the macroeconomic environment evolving. Finally, we have implemented the updated Foreign Exchange trading platform to improve our operations in that crucial area of business.

In Retail Banking, as part of the newly restructured Personal Banking Group, the Bank will leverage the newly implemented organizational structure to increase synergies between Retail and Private banking. This includes initiatives to improve client segmentation across both businesses and better utilizing our branch network to provide personalized services to all client tiers. In addition, the Bank aims to be 'your banking partner'. This will leverage our very strong position in affluent segments as well as driving scale by expanding into Upper mass segments that are close to our brand and DNA. To achieve this, we will invest into our brand, personalization, digital capabilities, people skills, and finalize our technology transformation.

In Private Banking, the Bank will aim to maintain its market leading position and continue to grow and protect the multigenerational family wealth of our clients as well as become their main banking partner. To drive growth, we will focus on high net-worth and their families with special attention on the upcoming generations. We will expand our reach towards high potential clients to groom our future clientele and take advantage of higher margins. This will be enabled by increasing our strategic collaboration with Saudi Fransi Capital to offer unique opportunities for our clients as well as investing in our people and digital offerings to differentiate ourselves and continue to provide our bespoke services.

Finally, in our Digital Ventures, the Bank is working towards future-proofing our business with a vision to become the 'Go-to bank for Digital' across all our stakeholders, like clients, employees, fintechs, and regulators. We have already embarked on our digital journey and made progress on our key initiatives of developing a new digital banking proposition, establishing strategic fintech partnerships, and developing our digital talent and in-house development capabilities. These will allow us to transform our business model in a highly disrupted sector and enable us to remain competitive with evolving trends and market norms.

These initiatives will be enabled and aligned with the growth opportunities and emerging trends planned as part of KSA's Vision 2030, an enhanced internal cross-selling framework, and reimagined digital propositions.

The outcomes of this strategy will lead the Bank to become more resilient in the face of future challenges and cement its ambition of becoming the most modern, innovative and experience-focused bank in the region.

The Bank has defined its strategic drivers around consistently delivering shareholder value, resilience in earnings and dividends, efficiency in operation, outstanding customer experience, and ensuring the bank remains a great place to work. The success of this strategy will be championed by exceptional leaders across every business unit and department, enabled by our talented people, and supported by a strong and committed Board of Directors.

(2) A description of the main scope of business of the Bank and its affiliates and a statement showing each activity and how it affects the Bank businesses and results:

The main activities of the Bank are as follows:

A. Personal Banking – offers individual customers through physical channels and digital platforms with their daily banking needs such as fund transfers, cash withdrawals, deposits and bill payments as well as products like demand deposit account, savings account, fixed deposit, personal finance, mortgage, debit & credit card and car lease.

B. Wholesale Banking – one of the largest providers of corporate banking services in the Kingdom, with a commanding market share ranked in the top 5 on all key volume and profitability matrix. Wholesale coverage consist of large local and international corporates, government and public sector entities, financial and non-banking financial entities, Medium, Small and Micro (MSME) entities.

C. Treasury – is responsible for managing the overall balance sheet and liquidity of the bank. Including trading, investments and capital market activities. Moreover, Treasury has a dedicated market advisory team, which caters for clients' hedging and market needs through bespoke financial products offering.

D. Investment Banking, Asset Management and Brokerage – It includes managing assets, portfolios and investment funds, brokerage and custody of securities, and providing investment banking services including arranging and advice.

The impact of these major activities on the Bank's size and contribution to the results is as follows:

Activity type	Net income before Zakat and income tax (in thousands of Saudi Riyals)	Percentage
Personal Banking	529,163	13.8%
Wholesale Banking	1,461,870	38.1%
Treasury	1,588,464	41.4%
Investment Banking, Asset Management and Brokerage	257,880	6.7%
Total	3,837,377	100%

The main activities of subsidiaries and their impact on the Bank's business volume and its contribution to the results are as follows:

Subsidiary	Activity	Net income before Zakat and income tax (in thousands of Saudi Riyals)	Percentage
Saudi Fransi Capital	Acts as principal and agent, and undertake, manage, arrange, advise and file in securities trading	257,880	6.72%
Saudi Fransi for Finance Leasing	Leasing and financing of vehicle assets (Cars, motorcycles, trucks) and heavy equipment and machinery, in addition to the purchase and registration of these assets	116,529	3.04%
Saudi Fransi Insurance Agency Co.	Insurance brokerage services	545	0.01%

As for Sakan Real Estate Financing Company, it is engaged in acquisition of real estate properties and land, providing finance for real estate properties and land through Ijarah and Murabaha, and carry out other investments. Its contribution to the results is very small (less than 0.005%).



(3) Credit ratings of the Banque Saudi Fransi granted by international rating agencies:

Ratings	Standard & Poor's Ratings Services	Moody's Investors Service	Fitch Ratings
Long-term ratings	BBB+	A1	BBB+
Short-term ratings	A-2	P-1	F2
Outlook / Review	Stable	Stable	Stable
Last published credit opinion	16/06/2021	09/11/2021	26/07/2021

(4) The Bank's assets, liabilities and financial results in the last five financial years:

(in thousands of Saudi Riyals)	2021	2020	2019	2018	2017
Total assets	215,802,026	194,073,584	178,148,577	190,250,277	192,928,881
Investments and investments in associates, net	43,867,936	37,688,336	31,463,474	28,381,675	25,400,944
Loans and advances, net	147,812,759	130,564,835	125,725,096	120,631,634	121,940,394
Total liabilities	176,116,356	155,437,639	145,201,859	159,388,327	161,267,500
Customer Deposits	141,950,208	127,111,644	132,837,502	148,368,004	150,954,187
Total equity	39,685,670	38,635,945	32,946,718	30,861,950	31,661,381
Total operating income	7,187,845	7,044,594	6,872,550	6,798,644	6,576,207
Total operating expenses	3,350,468	5,034,358	3,253,408	3,494,119	3,051,891
Share in earnings of associates, net	0	0	0	2,529	7,568
Net income before Zakat and income tax	3,837,377	2,010,236	3,619,142	3,307,054	3,531,884
Net special commission income	5,373,446	5,240,388	5,205,677	5,016,872	4,699,670
Fees from banking services, net	1,213,128	1,081,816	1,139,506	1,095,503	1,119,318
Impairment charge for credit losses and other financial assets, net	903,524	2,670,268	966,244	1,202,794	664,613
Salaries and employees related expenses	1,397,452	1,418,703	1,329,250	1,379,980	1,384,543
Number of employees	2,997	2,881	2,998	3,027	3,072

Financial indicators for the last five years:

Net income before Zakat and income tax (SAR Million)

2021	3,837
2020	2,010
2019	3,619
2018	3,307
2017	3,532

Loans and advances, net (SAR Million)

2021	147,813
2020	130,565
2019	125,725
2018	120,632
2017	121,940

Customer Deposits (SAR Million)

2021	141,950
2020	127,112
2019	132,838
2018	148,368
2017	150,954

Total assets (SAR Million)

2021	215,802
2020	194,074
2019	178,149
2018	190,250
2017	192,929

Total liabilities (SAR Million)

2021	176,116
2020	155,438
2019	145,202
2018	159,388
2017	161,268

Total equity (SAR Million)

2021	39,686
2020	38,636
2019	32,947
2018	30,862
2017	31,661

(5) Geographical analysis of the Bank's and its affiliates' revenues:

The following table shows the income for each region (Eastern, Western, Central, Head Office, and subsidiaries) for 2021:

Banque Saudi Fransi and its subsidiaries, excluding Saudi Fransi Capital					
(in thousands of Saudi Riyals)	Western	Eastern	Central	Head Office	Total
Total income	1,254,893	1,098,230	2,065,338	2,310,031	6,728,492
Total Expenses (before provisions)	(192,911)	(164,556)	(239,516)	(1,648,579)	(2,245,562)
Provisions	(434,174)	(268,475)	(237,787)	37,003	(903,433)
Net income	627,808	665,199	1,588,035	698,455	3,579,497
Saudi Fransi Capital					
(in thousands of Saudi Riyals)	Western	Eastern	Central	Head Office	Total
Total income	24,336	21,141	52,289	361,587	459,353
Total Expenses (before provisions)	(1,915)	(3,662)	(2,701)	(193,104)	(201,382)
Provisions	0	0	0	(91)	(91)
Net income	22,421	17,479	49,589	168,391	257,880
Banque Saudi Fransi Group					
(in thousands of Saudi Riyals)	Western	Eastern	Central	Head Office	Total
Total income	1,279,229	1,119,371	2,117,627	2,671,618	7,187,845
Total Expenses (before provisions)	(194,826)	(168,218)	(242,217)	(1,841,683)	(2,446,944)
Provisions	(434,174)	(268,475)	(237,787)	36,912	(903,524)
Net income before Zakat and income tax	650,229	682,678	1,637,624	866,846	3,837,377



(6) Material differences in the operational results compared to the preceding year's results, along with any expectations announced by the Bank:

(6/A) Consolidated income statement for the years ended on 31 December, 2021 and 2020:

(in thousands of Saudi Riyals)	2021	2020
Special commission income	5,868,512	6,284,791
Special commission expense	495,066	1,044,403
Net special commission income	5,373,446	5,240,388
Fee and commission income	1,728,595	1,523,127
Fee and commission expense	515,467	441,311
Net fee and commission income	1,213,128	1,081,816
Exchange income, net	336,131	378,891
Trading income, net	171,841	167,885
Dividend income	1,501	1,180
Gains on FVOCI / non-trading investments, net	27,804	10,423
Other operating income	63,994	164,011
Total operating income	7,187,845	7,044,594
Salaries and employee related expenses	1,397,452	1,418,703
Rent and premises related expenses	66,061	69,626
Depreciation and amortization	224,972	210,254
Other operating and general and administrative expenses	758,459	665,507
Total operating expenses before impairment charge	2,446,944	2,364,090
Impairment charge for expected credit losses, net	1,021,349	2,816,322
Impairment reversal for investments, financial assets and others, net	(117,825)	(146,054)
Total operating expenses, net	3,350,468	5,034,358
Net income for the year before zakat and income tax	3,837,377	2,010,236
Zakat and income tax for the year	387,500	464,025
Net income for the year after zakat and income tax	3,449,877	1,546,211
Basic and diluted earnings per share (SAR)	2.70	1.24

(6) Material differences in the operational results compared to the preceding year's results, along with any expectations announced by the Bank: (continued)

(6/B) Summary of financial results as follows:

(in millions of Saudi Riyals)	31-12-21	31-12-20	change	%
Net income after Zakat and income Tax	3,450	1,546	1,904	123.16%
Net income before Zakat and income Tax	3,837	2,010	1,827	90.90%
Total Operating income	7,188	7,045	143	2.03%
Net special commission income	5,373	5,240	133	2.54%
Assets	215,802	194,074	21,728	11.20%
Investments	43,858	37,679	6,179	16.40%
Loan and advances portfolio	147,813	130,565	17,248	13.21%
Customer Deposits	141,950	127,112	14,838	11.67%
Total equity	39,686	38,636	1,050	2.72%
Earnings per share	2.70	1.24	1.46	117.74%

(7) The name of each affiliate, its capital, the Bank's ownership percentage, the main scope of business, the country of operation, and the country of incorporation:

Company Name	Capital	Equity percentage	Activity	Main State of its Operations	State of Incorporation
Saudi Fransi Capital	500 million Saudi Riyals	100	Acting as a principal and an agent, undertaking management, arranging, advising and custody in securities trading	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Fransi for Finance Leasing	500 million Saudi Riyals	100	Leasing and financing of vehicle assets (Cars, motorcycles, trucks) and heavy equipment and machinery, in addition to the purchase and registration of these assets	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sakan Real Estate Company	500 thousand Saudi Riyals	100	Financing real estate and land through Ijarah & Murabaha, buying land and real estate, and investing on behalf of the Bank	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Fransi Insurance Agency Co.	500 thousand Saudi Riyals	100	Insurance brokerage services	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

Banque Saudi Fransi has a share in the Saudi Credit Bureau (SIMAH) of 10.9% of its capital of SAR 20 million. It also owns shares in the Saudi Financial Support Services Company (SANID) (formerly Saudi Traveler Cheques Company) of 5% of its capital of SAR 25 million. The Bank also invested SAR 1.8 million in the Saudi Financial Lease Registration Company. Moreover, Banque Saudi Fransi owns shares in Sofinco Saudi Fransi of 100% of its capital, however it has no material impact on the Group financial statements.

All of the companies listed above are existing and established in Saudi Arabia.

(7) The name of each affiliate, its capital, the Bank's ownership percentage, the main scope of business, the country of operation, and the country of incorporation: (continued)

The Bank invested in Halalah company (incorporated in UAE), SAR 9 Million and hold 10.88% shares in its capital.

In addition, the Banque Saudi Fransi Markets Co. Ltd., a limited liability company owned 100% by the Bank with authorised capital of USD 50,000, has been established in the Cayman Islands. This company is engaged in derivative trading and repo activities. The Bank also owns BSF Sukuk Limited company, which is

incorporated in the Cayman Islands, having a 100% share in equity (authorised capital of USD 50,000), which has no material impact on the Group financial statements.

The Bank has investments in other companies. It owns 27% of the capital of Banque BEMO Saudi Fransi, a joint stock company established in 2004 in Syria. It has issued share capital of SYP 8.0 billion (as of 31.12.2020). The Bank also owns 10.33% of Banque BEMO Lebanon, a company incorporated in 2003 in Lebanon, Beirut. It has issued share capital of LBP 77.8 billion (as of 31.12.2020). All legal and contractual procedures are being followed to complete the sale of Banque Saudi Fransi's share in Banque BEMO Saudi Fransi, Syria, and Banque BEMO Lebanon based on the announcement on 26/11/2011 through Tadawul; that the Board of Directors of the Banque Saudi Fransi has decided to sell its shares in Banque BEMO Saudi Fransi, Syria (27%) and its shares in Banque BEMO Lebanon (10.33%). Banque Saudi Fransi is not represented on the boards of the Banque BEMO Saudi Fransi, Syria or Banque BEMO Lebanon as of 26/11/2011, and its main partners in Banque BEMO Lebanon were informed of this decision.

The Bank also owns 8,400,000 shares in Allianz Saudi Fransi Cooperative Insurance Company (60 million shares), i.e. 14% of the company's share capital of SR 600 million.

(8) Details of shares and debt instruments issued for each affiliate Company:

A.No shares or debt instruments were issued to subsidiaries during 2021.

B.Loans provided by the Bank to its subsidiaries:

The following table shows the loans made on 31/12/2021 by Banque Saudi Fransi to its subsidiaries:

Name of subsidiary	(in thousands of Saudi Riyals)
Saudi Fransi Capital*	1,784,471
Saudi Fransi for Finance Leasing**	2,075,834

Saudi Fransi Capital has an overdraft facility and Saudi Fransi for Finance Leasing has a term loan facility from Banque Saudi Fransi. There is no other loan available to the subsidiaries, except for the above loans provided by Banque Saudi Fransi.

* Details of Saudi Fransi Capital loans:

(in thousands of Saudi Riyals)	2021	2020
Opening balance	1,252,710	1,391,466
Loan granted during the period	8,604,606	411,426
Repayment of loans during the period	8,072,845	550,182
Closing balance of loans	1,784,471	1,252,710

(8) Details of shares and debt instruments issued for each affiliate Company:
(continued)

**** Details of loans to Saudi Fransi for Finance Leasing:**

(in thousands of Saudi Riyals)	2021	2020
Opening balance	1,525,000	1,620,000
Loan granted during the period	930,000	460,062
Repayment of loans during the period	379,166	555,062
Closing balance of loans	2,075,834	1,525,000

(9) Main shareholders of the Bank, and a description of any interest in a class of voting shares held by persons (other than the Bank's Directors, Senior Executives and their relatives) who have notified the Bank of their holdings, together with any change to such interests during the last fiscal year:

The table below shows the equity of the main shareholders in the Bank's shares during the fiscal year 2021:

Main shareholders in the capital of the Bank as at 31/12/2021							
S.	Shareholder	Number of Shares at the beginning of the year	Equity percentage at the beginning of the year	Number of Shares at the end of the year	Equity percentage at the end of the year	Net change	Change percentage
1	Kingdom Holding Company	195,267,861	16.199%	195,267,861	16.199%	0	0%
2	General Organization for Social Insurance	108,244,467	8.980%	151,896,241	12.601%	43,651,774	40.33%
3	Rashed Abdul Rahman Al Rashed & Sons Co.	118,488,534	9.830%	118,488,534	9.830%	0	0%
4	RAM Holding	108,482,145	8.999%	108,482,145	8.999%	0	0%

No person (other than the Bank's Directors, Senior Executives and their relatives) has notified the bank about any interest in a class of voting shares.

(10) A description of any interest, contractual securities or rights issue of the Board members, Senior Executives and their relatives on shares or debt instruments of the Bank or its affiliates, and any change on these interests or rights during the last fiscal year:

Description of any interest, contractual securities and subscription rights of the Board members and their relatives in the Bank's shares or debt instruments							
Name of those who have interest or contractual securities or subscription rights		Beginning of the year		End of the year		Net change	Change percentage
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
1	Mazin Al Romaih	6,000	-	6,000	-	0	0 %
2	Talal Al Maiman	150,000	-	50,000	-	(100,000)	(66.67) %
3	Abdulrahman Al Rashed	312,685	-	312,685	-	0	0 %
4	Relatives of Abdulrahman Al Rashed	5,071,652	-	4,789,480	-	(282,172)	(5.56) %
5	Khaled Al Mutabagani	59,624	-	59,624	-	0	0 %
6	Relatives of Khaled Al Mutabagani	16,749,411	-	14,626,411	-	(2,123,000)	(12.68) %
7	Bader Al Issa	1,000	-	1,000	-	0	0 %
8	Relatives of Bader Al Issa	178	-	0	-	(178)	(100) %
9	Abdullatif Al Othman	1	-	1	-	0	0 %
10	Ghazi Al Rawi	1,000	-	1,000	-	0	0 %
11	Khalid Al Omran	40	-	40	-	0	0 %
12	Relatives of Khalid Al Omran	19,601,352	-	19,541,352	-	(60,000)	(0.31) %
13	Rayan Fayeze	10	-	223,250	-	223,240	2,232,400 %

Description of any interest, contractual securities and subscription rights of Senior Executives and their relatives in the Bank's shares or debt instruments							
Name of those who have interest		Beginning of the year		End of the year		Net change	Change percentage
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
1	Mazen Al Tamimi*	90,000	-	90,000	-	0	0 %
2	Relatives of Mazen Al Tamimi*	1,259,050	-	1,259,050	-	0	0 %
3	Adel Malawi	46,663	-	0	-	(46,663)	(100) %
4	Abdulaziz A. Al Molhem	120,967	-	120,967	-	0	0 %
5	Relatives of Abdulaziz A. Al Molhem	15	-	0	-	(15)	(100) %

* Resigned on 30/06/2021

(11) Information on any loans (payable upon request or not), a statement of the total indebtedness of the Bank and its affiliates, any amounts paid by the Bank in repayments of loans during the year, the amount of the principal debts, the creditor name, the loan term and remaining amount:

A. There are no loans on the Bank (loans to subsidiaries are set out in item 8 of this report).

B. Debt instruments and sukuks.

During 2020, the Bank through a Shariah compliant arrangement issued Tier 1 Sukuk (the "Sukuk"), amounting to SAR 5 billion. The issuance was approved by the regulatory authorities and the Board of Directors of the Bank.

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sakk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk Agreement.

The applicable profit rate is 4.5% per annum from date of issue up to 2025 and is subjected to reset every 5 years. The applicable profit on the Sukuks is payable quarterly in arrears on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

During the year 2021, there was no issuance of Debt instruments and sukuks.

Repayment of debt instruments:

During the year 2021, the Bank had no debt settlement.

A. There are no convertible debt instruments, contractual securities and subscription rights or similar rights issued or granted by the Bank and its subsidiaries during the fiscal year.

B. There are no converting or subscription rights under convertible debt instruments, contractual securities, notes of subscription rights or similar rights issued or granted by the Bank during the fiscal year.

C. There is no redemption, purchase or cancellation by the Bank of any redeemable debt instruments.

(12) Description of the dividend distribution policy:

Cash distribution of dividends by the Bank depends on several factors including assumptions and recommendations of the Board of Directors based on the financial position of the Bank, results of the Bank's operations, current capital adequacy and prospective financial position of the Bank and liquidity requirements in the short and medium term considering the Bank's expansion plans and projects.

The distribution of the annual net profit, after deducting all expenses and other costs, taking the necessary precautions for doubtful debts, investment losses and contingent liabilities as deemed appropriate by the Board in compliance with the provisions of the Banking Control Law, are as follows:

- 1 The amounts required to pay Zakat assessed on the Saudi shareholders and the tax assessed on foreign shareholders are calculated in accordance with the applicable laws and regulations of the Kingdom of Saudi Arabia. The Bank shall pay these amounts to the competent authorities. The Zakat paid on behalf of Saudi shareholders will be deducted from their share in the net profit, and the tax paid on behalf of non-Saudi shareholders will likewise be deducted from their share of the net profit.
- 2 A minimum of 25% of the net profits remaining after the deduction of Zakat and tax as stated above in paragraph (1), shall be transferred to the statutory reserve until the mentioned reserve is equal, at least, to the paid-up capital.

(12) Description of the dividend distribution policy: (continued)

- 3 From the remaining profits, after the deduction of the statutory reserve, Zakat and tax, a minimum of 5% of the paid-up capital shall be allocated to Saudi and non-Saudi shareholders to be distributed prorata to the value of paid-up shares of Saudi and non-Saudi shareholders, as recommended by the Board and decided by the General Assembly. If the remaining profits accruing to any Saudi or non-Saudi shareholder is found to be insufficient to pay such dividends to the respective shareholders, such shareholders shall not have the right to demand such distribution from the following year/s' profits. Moreover, the General Assembly shall not be entitled to distribute any dividends that exceed the limit duly recommended by the Board.
- 4 The remaining profits after the allocation of the amounts mentioned in the aforementioned paragraphs (1), (2) & (3) shall be used as recommended by the Board and determined by the General Assembly.
- 5 The subscription ratio of each Saudi and non-Saudi shareholder must be maintained upon calculation of the allocations needed for the statutory reserve and other reserves from net profits (after Zakat and tax). The two shareholding groups shall contribute to those reserves as per their percentage of the capital, and their contributions will be deducted from their shares of the net profits.
- 6 Cash dividends shall be distributed to shareholders at the place and time determined by the Board of Directors in accordance with applicable regulations.
- 7 The Board may decide not to distribute cash dividends and use such dividends in the settlement of debts, obligations or commitments of shareholders to the Bank.
- 8 The Bank may distribute interim dividends for its shareholders semiannually or quarterly, after satisfying the necessary requirements stipulated in the Articles of Association.

Shareholders must be informed of this policy during the General Assembly meeting.

Basic and diluted earnings per share:

Basic and diluted earnings per share for the year ended 31 December 2021 are calculated on a weighted average basis by dividing the net income adjusted for Tier 1 sukuk cost for the year by 1,200 million shares after excluding treasury shares of 5.4 million shares (as of 31 December 2020 5.7 million shares).

Total dividends:

The Board of Directors has proposed a final net dividend of SAR 1,020 million (2020: SAR 480 million), i.e. SAR 0.85 (2020: SAR 0.40) net per share for the year, which is subject to the approval of the shareholders at the Annual General Assembly Meeting and the regulatory agencies. The Board of Directors has declared an interim net dividend of SAR 780 million (2020: SAR Nil million), i.e. SAR 0.65 (2020: SAR Nil) net per share.

	Dividends distributed during the year 2021		Proposed dividend for the end of 2021	Total for 2021
	Final for 2020	Interim 2021		
Amount (in thousands of Saudi Riyals)	479,979	779,966	1,019,956	1,799,922
Pay-out Ratio (before Zakat and tax)	23.88%	44.28%	49.14%	46.91%

(13) Description of any transactions between the Bank and a related party:

The Bank during its normal course of business deals with related parties. The management and the Board of Directors consider that transactions with related parties have been made on the same terms with other parties. Transactions with related parties are subject to the ratios stipulated in the Banking Control Law and the instructions issued by the Saudi Central Bank. The balances resulting from these transactions as of 31 December 2021 and 2020, which are included in the consolidated financial statements, are as follows:

(in thousands of Saudi Riyals)	2021	2020
Associates		
Investments	9,695	9,695
Due to banks and other financial institutions	8,171	8,283
Directors, auditors, Senior Management and major shareholders' and their affiliates		
Loans and advances	12,586,399	11,233,546
Investments	1,004,953	801,864
Due from banks and other financial institutions	-	-
Other assets	-	10
Customers' deposits	4,812,875	2,004,973
Due to banks and other financial institutions	2,050,000	1,500,000
Other liabilities	7,172	13,774
Derivatives at fair value, net	(66,289)	105,030
Commitments and contingencies	2,096,059	2,661,188

The following table shows the income and expenses of transactions with related parties that are included in the consolidated financial statements:

(in thousands of Saudi Riyals)	2021	2020
Special commission income		
– Directors, auditors, Senior Management and major shareholders' and their affiliates	274,800	342,962
Total special commission income	274,800	342,962
Special commission expense		
– Directors, auditors, Senior Management and major shareholders' and their affiliates	22,417	89,372
– Associates	35	145
Total special commission expense	22,452	89,517
Fees, commission income and others, net	25,548	22,242
Directors' fees	9,186	9,250
Other general and administrative expenses	33,517	109,999



(14) Contracts and transactions made with the Bank, in which there is or there was an interest of a Board member of the Bank or a Senior Executive, or any person related to any of them:

	The nature of business or contract	The amount of business or contract	Start date of the contract	End date of the contract	Contract status	Name of the Board member, Senior Executive or any person related to them
1	IT Professional services (Various resources) (Saudi Networkers services)	18,167,701.95	Variable according to the type of service provided to the bank		Valid	Adel Mallawi (Senior Executive of the Bank)
2	Manpower and professional services (Al Khaleej Training and Education (SMARTLINK))	Total amount paid for 2021 7,818,854.65	1/1/2018	31/12/2021	Active	Abdulrahman Alrashed's brother Abdulaziz Rashed Al Rashed (Board of Directors member)
3	Telecom Service Provisioning (Saudi telecom company (STC))	Total amount paid for 2021 5,356,096.65	25/08/2019	24/08/2022	Active	Abdulaziz AIMulhem's brother Jameel Abdullah AIMulhem (Senior Executive of the Bank)
4	Bulk SMS services (Saudi telecom company (STC))	10,879,000.00	1/6/2020	31/05/2023	Active	Abdulaziz AIMulhem's brother Jameel Abdullah AIMulhem (Senior Executive of the Bank)
5	CCTV lease line services (Saudi telecom company (STC))	11,382,356.00	1/6/2021	31/05/2026	Active	Abdulaziz AIMulhem's brother Jameel Abdullah AIMulhem (Senior Executive of the Bank)
6	Network and Security Privacy (Cyber) Insurance (Walaa Cooperative Insurance Company)	1,004,841.25	1/1/2021	31/12/2021	Active	Abdulaziz Almolhem's Brother Jameel Abdullah Almolhem (Senior Executive of the Bank)
7	IT Professional services (Appspro Technology Company)	726,149.95	1/1/2021	31/12/2021	Active	Bader AISaloom's brother Abdulaziz AISaloom (Senior Executive of the Bank)
8	Maintenance of Cash Counting Machines (ABANA Enterprise Group)	1,598,369.00	1/4/2015	30/04/2022	Valid	Abdulrahman Alrashed's brother Abdulaziz Rashed Al Rashed (Board of Directors member)
9	ATM Site (Jeddah National Hospital)	35,000.00 annually	1/6/2014	31/05/2024	Valid	Khaled Mutabagani (Board of Directors Member)
10	ATM Site (Jeddah National Hospital)	40,000.00 annually	1/6/2016	31/05/2021	Expired	Khaled Mutabagani (Board of Directors Member)
11	ATM Site (Panda Retail Company)	43,000.00 annually	1/12/2020	30/11/2021	Valid (under Renewal)	Bader Alissa (Board of Directors member)
12	Various vehicles for BSF (Saudi Fransi Leasing)	Total amount paid for 2021 133,127.45	1/1/2021	31/12/2021	Valid	Mohammed AISheikh, May Alhoshan, Mutasim Mufti, Thamer Yousef (Senior Executive of the Bank)
13	Agreement to provide data and commercial information services (SIMAH SAUDI CREDIT BUREAU)	Total amount paid for 2021 4,555,167.00	30/07/2019	based on the agreement between SIMAH and BSF	Valid	Mohammed Al Alshikeh (Senior Executive of the Bank)
14	Agreement to provide IT services (SIMAH SAUDI CREDIT BUREAU)	1,899,674.00	20/04/2021	19/04/2024	Valid	Mohammed Al Alshikeh (Senior Executive of the Bank)
15	Registration and disclosure all agreements (SIMAH SAUDI CREDIT BUREAU)	375,000.00	1/1/2020	31/12/2021	Valid	Mohammed Al Alshikeh (Senior Executive of the Bank)



	The nature of business or contract	The amount of business or contract	Start date of the contract	End date of the contract	Contract status	Name of the Board member, Senior Executive or any person related to them
16	Equity Main Market Annual Listing fees Main Market Annual Listing Fees (Tadawul)	1,000,000.00	1/1/2021	31/12/2021	Valid	May AlHoshan's Brother Omar Alhoshan (Senior Executive of the Bank)
17	Financial Support Services (SANID Saudi Financial Service Company)	Total amount paid for 2021 2,985,690.34	22/02/2021	21/02/2022	Active	Majda Malik Taher *

* Employee whose appointment requires obtaining the no objection of the Saudi Central Bank.

(15) A statement of the value of any paid and outstanding statutory payment on account of any Zakat, taxes, fees or any other charges that have not been paid until the end of the annual financial period with a brief description and the reasons therefor:

Statement (in thousands of Saudi Riyals)	2021	
	Paid	Due amount
Zakat* and Income Tax**	402,655	387,500
General Organization for Social Insurance	95,884	—
Costs of visas and passports	385	—
Fees of labor office	1,753	—

* Zakat:

Zakat attributable to Saudi shareholders for the year of 2021 amounted to SAR 388 million (2020: SAR 381 million).

** Income Tax:

Income tax payable on the current years' share of income is approximately SAR Nil million (2020: SAR 40 million). The deferred tax charge for the year was Nil million (2020: 43 million). Credit Agricole Corporate & Investment Bank (CACIB) sold its remaining shares in the Bank during 2020. After the sale of these shares, the Bank is not subjected to Income Tax and 100 percent of its shareholding is considered Zakatable.

(16) Disclosures related to small, medium and micro enterprises:

A. Qualitative Disclosures:

Banque Saudi Fransi established an MSME sector in 2014 due to the growing importance of this sector in the economy and to facilitate providing the best financing solutions and banking services to these entities. The sector comprises of 47 employees distributed between the three main regional offices with each region managed by a coverage manager overseeing business development in his/her region and reporting progress to Head of MSME sector.

Kafalah

The bank has been actively developing the business with Kafalah program to support financing MSME sector. During the year, the loan portfolio guaranteed by kafalah grow by 13% and number of customers benefiting from this program grow by 26%.

It is worth mentioning that the bank enjoys two portfolio arrangements with kafalah (for active entities & startups) to issue kafalah guarantees based on internal approvals.

(16) Disclosures related to small, medium and micro enterprises: (continued)

Monshaat

General Authority for Small and Medium Enterprises (Monsha'at) was established in 2016 to support & develop MSME sector. The bank signed several collaboration agreements to enable MSMEs to benefit from their services:

1. Funding Gate: a referral portal for MSMEs to facilitate access to all banks & financial institutions. Banque Saudi Fransi has actively utilized this portal to expand its reach to MSMEs and complement the efforts made by the sales force on the ground.
2. Franchise Financing: Banque Saudi Fransi allocated an envelope to support finance and support entities operating under franchise agreements.
3. Financial Awareness: Banque Saudi Fransi has actively participated in many workshops arranged by Monshaat, local Chambers of Commerce as well as other government bodies to advance financial awareness of MSME sector. Moreover, the bank has actively used social media platform to develop financial awareness amongst MSMEs.

Staff awareness & Training

The bank conducted several awareness workshops and training sessions to develop staff skills and capabilities to enhance customer journey.

SAMA support programs

The Saudi Central Bank announced several programs to support the MSME sector to counter the effects of the Coronavirus (COVID-19), including Deferred payments, Fees support, Loan guarantee program, Support for point of sale fees and e-commerce, and the Saudi Fransi Bank has actively participated to support the sector, the instalment for micro, small and medium enterprises have been Deferred, and several entities have been funded under the loan guarantee program in cooperation with the Kafala program.

In July 2021, and based on SAMA direction, the bank conducted a thorough assessment of the entities benefiting from the SAMA Deferral Payment Program ("SAMA DPP") and found that a large number of these entities have returned to normal activities or have the means to support their operations without government support. Accordingly, these entities were removed from eligibility of further SAMA DPP support.

Projects & initiatives

Banque Saudi Fransi continued to encourage MSME customers to use digital solutions. We have partnered with Hala (Fin-tech) to expand our reach in marketing point-of-sale (POS) terminals beyond our primary target markets. Moreover, we are developing a point-of-sale (POS) financing product in collaboration with Kafalah as well as an online account opening solution to enhance the customer journey of MSMEs.

All initiatives are part of Banque Saudi Fransi's endeavor to support and develop the Micro, Small and Medium enterprises sector (MSMEs) to improve their contribution to GDP in line with the target of Kingdom of Saudi Arabia vision 2030.

(16) Disclosures related to small, medium and micro enterprises: (continued)

B. Quantitative Disclosures:

(in Saudi Riyals)	On December 31, 2021				On December 31, 2020			
	Micro	Small	Medium	Total	Micro	Small	Medium	Total
Loans to MSMEs – on balance sheet (SAR millions)	80	3,423	11,823	15,326	499	2,317	10,694	13,510
Loans to MSMEs – off balance sheet (SAR millions)	164	1,029	4,169	5,362	135	1,132	3,974	5,241
On balance sheet loans to MSMEs as a percentage of total on balance sheet loans	0.1%	2.24%	7.75%	10.05%	0.4%	1.7%	7.9%	10.0%
Off balance sheet loans to MSMEs as a percentage of total off balance sheet loans	0.29%	1.79%	7.25%	9.33%	0.2%	2.0%	7.1%	9.3%
Number of loans (on and off-balance sheet) *	428	821	1,367	2,616	1,145	887	1,514	3,546
Number of customers*	376	562	644	1,582	863	575	645	2,083
Number of loans guaranteed by the Kafalah Program (on and off balance sheet)	4	87	44	135	1	62	44	107
Amount of loans guaranteed by the Kafalah Program (on and off-balance sheet)	6	163	204	373	4	101	226	331

The number of secured funds is the number of guarantees issued. The total of secured funds is the total amount of the facilities in millions of Saudi Riyals.

*Reduction in number of loans and number of customers in 2021 (compared to previous year) is related to a cleanup of Technical overdraft related to POS accounts.

(17) Disclosure of details of treasury shares held by the Bank and details of the uses of these shares:

The Bank acquired treasury shares as authorised by the Board under its Long-Term Incentive (LTI) plan, which will grant the appreciation award of the Banks share performance to eligible employees as per LTI plan. The eligible employees will benefit from the appreciation in value of the Bank shares over the vesting period. The LTI plan has been commenced on grant date. The Bank has offered eligible employees the option of equity ownership opportunities.

The total number of treasury shares outstanding as of 31 December 2021 was 5.4 million.

(17) Disclosure of details of treasury shares held by the Bank and details of the uses of these shares: (continued)

The significant features of these plans are as follows:

Nature of plan	Long Term Incentive Plan	Long Term Incentive Plan	Long Term Incentive Plan
Number of outstanding plans	1	1	1
Grant date	March 31, 2019	March 31, 2020	March 31, 2021
Maturity date	April 01, 2022	April 01, 2023	April 01, 2024
Grant price (SAR)	35.95	33.265	33.35
Vesting period	3 years	3 years	3 years
Vesting conditions	Employees remain in service and meets required service criteria	Employees remain in service, meets performance and service criteria	Employees remain in service, meets performance and service criteria
Method of settlement	Equity	Equity	Equity
Valuation model	Black-Scholes	Monte-Carlo	Monte-Carlo
Fair value per share on grant date (SAR)	42.37	23.297	29.318

The share performance will be granted under a service condition along with market condition associated with them. The total amount of expense recognised in the consolidated financial statements in respect of the above plans for the year is SAR 23.6 million (2020: SAR 25.6 million).

	2021
Number of shares allocated for LTI calculation at the beginning of the year	3,580,788
Vested / forfeited during the year	(1,222,920)
Allocated during the year, net	1,804,174
Number of shares allocated for LTI calculation at the year end	4,162,042

(18) Statement of the value of any investments made or any reserves set up for the benefit of the employees of the Bank:

The Bank is keen to encourage its employees and provides incentive programmes and remuneration that enhances their confidence and loyalty to the Bank. The following is a statement of the Employee Takaful Al Ghad Program and the movement it received during 2021:

(in thousands of Saudi Riyals)	Employee Share	Bank Share	Total
Balance as at the beginning of 2021	53,177	43,291	96,468
Amount added during 2021	12,426	10,138	22,564
Amount refunded during 2021	(17,551)	(2,922)	(20,473)
Balance at the end of 2021	48,052	50,507	98,559

(19) Any punishment, penalty, precautionary procedure or preventive measure imposed on the Bank by the Authority or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future:

A. Penal Decisions of the Saudi Central Bank:

Subject of the violation	2020		2021		Ways to treat and avoid them in the future
	Number of Penal Decisions	Total amount of financial penalties (in Saudi Riyals)	Number of Penal Decisions	Total amount of financial penalties (in Saudi Riyals)	
Violation of SAMA's supervisory instructions	10	6,480,000	10	3,579,000	The level of oversight has been raised and the necessary procedures have been put in place to ensure compliance with the instructions issued by the regulatory authorities to avoid the recurrence of these violations in the future.
Violation of SAMA's instructions for protecting customers	2	1,095,000	3	2,497,800	
Violation of SAMA's instructions regarding the performance level of the ATMs and point of sale devices	None	None	None	None	
Violation of SAMA's instructions regarding due diligence in combating money laundering and financing of terrorism	None	None	1	None	
Total	12	7,575,000	14	6,076,800	

B. Other Penal Decisions:

Penalty / Sanction / Precautions / Restriction	Reasons for the violation	Violating Body	Ways to treat and avoid them in the future
- SAR 54,000 - (Multiple fines)	- Lack of municipal licenses - There is no specific path for exit and entry to an automated teller machine - Setbacks and space for an ATM	Ministry of Municipal, Rural Affairs & Housing.	We raised the level of regulation and follow-up of licenses and the procedures of the concerned authorities, and procedures have been improved to ensure complying with the instructions issued by the regulatory authorities in order to avoid violations and ensure that they are not repeated, as well as the understanding with the concerned internal authorities such as the branch management to reach solutions to these observations.
- SAR 12,000	The absence of a fire pump and safety plans for the Al-Batin branch	General Directorate of Civil Defense	

(20) Any inconsistency with the standards approved by the Saudi Organization for Certified Public Accountants:

These consolidated financial statements of the Group as at and for the years ended December 31, 2021 and December 31, 2020, respectively, were prepared in compliance with the International Financial Reporting Standards ("IFRS") respectively, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and the Banking Control Law and the Regulations for Companies in the Kingdom of Saudi Arabia.

(21) Auditors' reservations to the financial statements:

The auditors' report did not include any reservations to the annual financial statements.



(22) Composition of the Board of Directors and the classification of its members:

	Member's name	Position	Membership classification
1	Mazin Al Romaih	Chairman of the Board	Non-executive
2	Talal Al Maiman	Vice Chairman of the Board	Non-executive
3	Abdulrahman Al Rashed	Member	Independent
4	Khaled Al Mutabagani	Member	Non-executive
5	Bader Al Issa	Member	Independent
6	Abdullatif Al Othman	Member	Independent
7	Ghazi Al Rawi	Member	Independent
8	Khalid Al Omran	Member	Non-executive
9	Rayan Fayez	Member	Executive
10	Timothy Collins	Member	Independent

(23) Names, qualifications and experience of the Board, Board committees' members and Executive Management:

(A) Board of Directors Members:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Mazin Al Romaih	<ul style="list-style-type: none">- CEO of Future Generation Investment Company	<ul style="list-style-type: none">- Member of the Board of Capital Market Authority, 2009-2014- Chief Executive Officer at Samba Capital & Investment Group Company 2007-2009- General Manager of Corporate Finance Department at Capital Market Authority, 2004-2007- Director of Mergers and Acquisitions Department - SAMBA Financial Group, 2003-2004- Senior Manager - Gulf International Bank, 2002-2003- Senior Associate - Merrill Lynch International Group, 1998-2002- Senior Auditor and Consultant - Ernst & Young Law Firm, 1993-1998	<ul style="list-style-type: none">- Bachelor of Accounting and Financial Management, University of Buckingham, 1992
2	Talal Al Maiman	<ul style="list-style-type: none">- CEO of Kingdom Holding Company	<ul style="list-style-type: none">- Chairman of the Board and CEO of Kingdom Real Estate Development, 2010-2017- CEO of Kingdom Holding Company, 1996-2016- Director of Computer Department at Saudi Central Bank, 1986-1996	<ul style="list-style-type: none">- Master of Business Administration, University of Liverpool, UK, 2009- Bachelor of Sciences in Electrical Engineering, University of Evansville Indiana, US, 1979- Executive Management Program, Harvard University, 1986

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
	Talal Al Maiman (continued)		- Director of Operations and Maintenance at Ministry of Interior, 1979-1986	- Diploma in Computer Science, Computer Sciences Corporation (CSC), Herndon, Virginia, 1981
3	Abdulrahman Al Rashed	- Executive partner at Rashed Abdul Rahman Al Rashed & Sons Company - Chairman of the Board of Directors of Damman Hotels Company - Chairman of the Board of Directors of UNICOIL Universal Metal Coating Company	- Member of Al Shura Council	- Bachelor of Business Administration, Department of Finance, University of Seattle, 1985
4	Khaled Al Mutabagani	- Pediatric Surgery Consultant at New Jeddah Clinic Hospital - CEO of New Jeddah Clinic Hospital - CEO of Madina National Hospital	- Pediatric Surgery Consultant at King Faisal Specialist Hospital, Jeddah, 2000-2001 - Assistant Professor, Physiology at the Medical College in King Abdulaziz University, Jeddah, 2000-2002	- Ph.D. in Physiology, The Ohio State University, 1999 - M.S in Physiology, The Ohio State University, 1993 - M.B. & Ch.B, King Abdulaziz University, 1988
5	Bader Al Issa	- CEO of Assila Investment Company.	- CFO of Assila Investment Company, 2010 – 2019. - CEO – AMIAS Holding, 2008-2019 - Investment Portfolios Manager at HSBC Saudi Arabia Limited, 2006-2008 - Financial and Marketing Analyst at SABIC America, Houston, Texas, 2002-2004 - Financial Analyst at JP Morgan, London, 2001-2002	- MBA, Rice University, 2006 - Bachelor of Economy, The University of Virginia, Virginia, 2001
6	Abdullatif Al Othman	- Owner and CEO of Al-Othman Engineering Consultants	- Governor and Chairman of the Board of Directors, General Authority for Investment, 2012-2016 - More than 35 years in the field of planning and managing oil and gas projects, financial management, investment, business and international relations development.	- MBA, Sloan Fellows program, Massachusetts Institute of Technology, 1998 - Bachelor of Civil Engineering, King Fahad University of Petroleum and Minerals, 1979
7	Ghazi Al Rawi	- Founder and Chairman, Valuegate Company for Investment & Real Estate Development	- Founder and Managing Partner, Eastgate Capital Group, 2006-2015 - Advisor, National Commercial Bank, 2005-2006. - Assistant Professor, College of Engineering, King Abdulaziz University, 2004-2006	- Ph.D. in Electrical Engineering (EE), Communications, Stanford University, 2002 - M.S. in Management Science and Engineering (MS&E), Finance and Investment, Stanford University, 2001 - M.S. in Electrical Engineering (EE),

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
	Ghazi Al Rawi (continued)		<ul style="list-style-type: none"> - Advisor, Capital Market Authority, 2004 - Associate, McKinsey & Company, 2003-2004 	<ul style="list-style-type: none"> - Communications, Stanford University, 1998 - B.S. in Electrical Engineering (EE), Communications, King Abdulaziz University, 1994
8	Khalid Al Omran	<ul style="list-style-type: none"> - General Manager of Daily Food Company 	<ul style="list-style-type: none"> - 13 years of experience in Retail - 2 years in Management Consulting 	<ul style="list-style-type: none"> - Master's in Business Administration, IESE Business School, Spain, 2012 - Bachelor of Finance, King Fahad University of Petroleum and Minerals, 2006
9	Timothy Collins	<ul style="list-style-type: none"> - CEO and Managing Partner, Ripplewood Advisors, LLC - Senior Fellow and Director, Henry Becton Fellowship Program, Yale School of Management - Member, New York State Common Retirement Fund Investment Advisory Committee - Member, Yale Divinity School Advisory Board - Member, Yale School of Management Advisory Board 	<ul style="list-style-type: none"> - CEO and Senior Managing Director, Ripplewood Holdings, LLC, 1995-2014 - Director, RHJ International, 2004-2014 - Director, Gogo, Inc., 2013 - Director, Citigroup, Inc., 2009-2012 - Director, Weather Investments S.p.A, 2008-2011 - Director, 3W Power Holdings, Ltd., 2009-2011 - Director, Commercial International Bank of Egypt, 2006-2009 - Director, RSC Holdings, Inc., 2006-2009 	<ul style="list-style-type: none"> - Honorary Doctorate of Humane Letters, DePauw University, 2004 - MBA in Public & Private Management, Yale University, 1982 - BA in Philosophy, DePauw University, 1978
10	Rayan Fayeze	<ul style="list-style-type: none"> - Managing Director and CEO of Banque Saudi Fransi 	<ul style="list-style-type: none"> - CEO of Savola Group, 2016-2018 - Managing Director and Senior Country Officer at JPMorgan Chase N.A, Riyadh Branch, 2013-2016 - CEO of JP Morgan Saudi Arabia Limited, 2012-2013 - CEO of Goldman Sachs, Saudi Arabia, 2009-2012 - Executive Director at Goldman Sachs International, London, 2007-2009 	<ul style="list-style-type: none"> - Bachelor of Science in Mechanical Engineering, Massachusetts Institute of Technology (MIT), 2001

(B) Board Committees' Members:

(B/1) Executive Committee:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Mazin Al Romaih	<ul style="list-style-type: none"> - CEO of Future Generation Investment Company 	<ul style="list-style-type: none"> - Member of the Board of Capital Market Authority, 2009-2014 - Chief Executive Officer at Samba Capital & Investment Management Group 2007-2009 - General Manager of Corporate Finance Department at Capital Market Authority, 2004-2007 - Director of Mergers and Acquisitions Department - SAMBA Financial Group, 2003-2004 - Senior Manager - Gulf International Bank, 2002-2003 - Senior Associate - Merrill Lynch International Group, 1998-2002 - Senior Auditor and Consultant - Ernst & Young Law Firm, 1993-1998 	<ul style="list-style-type: none"> - Bachelor of Accounting and Financial Management, University of Buckingham, 1992
2	Abdulrahman Al Rashed	<ul style="list-style-type: none"> - Executive partner at Rashed Abdul Rahman Al Rashed & Sons Company - Chairman of the Board of Directors of Damman Hotels Company - Chairman of the Board of Directors of UNICOIL Universal Metal Coating Company 	<ul style="list-style-type: none"> - Member of Al Shura Council 	<ul style="list-style-type: none"> - Bachelor of Business Administration, Department of Finance, University of Seattle, 1985
3	Talal Al Maiman	<ul style="list-style-type: none"> - CEO of Kingdom Holding Company 	<ul style="list-style-type: none"> - Chairman of the Board and CEO of Kingdom Real Estate Development, 2010-2017 - CEO of Kingdom Holding Company, 1996-2016 - Director of Computer Department at Saudi Central Bank, 1986-1996 - Director of Operations and Maintenance at Ministry of Interior, 1979-1986 	<ul style="list-style-type: none"> - Master of Business Administration, University of Liverpool, UK, 2009 - Bachelor of Sciences in Electrical Engineering, University of Evansville Indiana, US, 1979 - Executive Management Program, Harvard University, 1986 - Diploma in Computer Science, Computer Sciences Corporation (CSC), Herndon, Virginia, 1981

Name	Experiences		Qualifications
	Current Positions	Previous Positions	
4 Rayan Fayeze	<ul style="list-style-type: none"> - Managing Director and CEO of Banque Saudi Fransi 	<ul style="list-style-type: none"> - CEO of Savola Group, 2016-2018 - Managing Director and Senior Country Officer at JPMorgan Chase N.A, Riyadh Branch, 2013-2016 - CEO of JP Morgan Saudi Arabia Limited, 2012-2013 - CEO of Goldman Sachs, Saudi Arabia, 2009-2012 - Executive Director at Goldman Sachs International, London, 2007-2009 	<ul style="list-style-type: none"> - Bachelor of Science in Mechanical Engineering, Massachusetts Institute of Technology (MIT), 2001
5 Timothy Collins*	<ul style="list-style-type: none"> - CEO and Managing Partner, Ripplewood Advisors, LLC - Senior Fellow and Director, Henry Becton Fellowship Program, Yale School of Management - Member, New York State Common Retirement Fund Investment Advisory Committee - Member, Yale Divinity School Advisory Board - Member, Yale School of Management Advisory Board 	<ul style="list-style-type: none"> - CEO and Senior Managing Director, Ripplewood Holdings, LLC, 1995-2014 - Director, RHJ International, 2004-2014 - Director, Gogo, Inc., 2013 - Director, Citigroup, Inc., 2009-2012 - Director, Weather Investments S.p.A, 2008-2011 - Director, 3W Power Holdings, Ltd., 2009-2011 - Director, Commercial International Bank of Egypt, 2006-2009 - Director, RSC Holdings, Inc., 2006-2009 	<ul style="list-style-type: none"> - Honorary Doctorate of Humane Letters, DePauw University, 2004 - MBA in Public & Private Management, Yale University, 1982 - BA in Philosophy, DePauw University, 1978

* Resigned from the Committee as of 05/07/2021

(B/2) Audit Committee:

Name	Experiences		Qualifications
	Current Positions	Previous Positions	
1 Bader Al Issa	<ul style="list-style-type: none"> - CEO of Assila Investment Company. 	<ul style="list-style-type: none"> - CFO of Assila Investment Company, 2010 - 2019 - CEO – AMIAS Holding, 2008-2019 - Investment Portfolios Manager at HSBC Saudi Arabia Limited, 2006-2008 - Financial and Marketing Analyst at SABIC America, Houston, Texas, 2002-2004 - Financial Analyst at JP Morgan, London, 2001-2002 	<ul style="list-style-type: none"> - MBA, Rice University, 2006 - Bachelor of Economy, The University of Virginia, Virginia, 2001

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
2	Mohammad Ali Ikhwan (From outside the Board)	- Retired	- Advisor to the Minister of Labor, 2010-2015 - Vice President of Savola Group for M & A, 2004-2009	- Ph.D. in Engineering, Economic Systems, Stanford University, 1985 - Master of Operations Research, Stanford University, 1976 - Bachelor of Systems Engineering, Petroleum and Minerals University, KSA, 1974.
3	Mohammed Al Subaie (From outside the Board)	- Retired	- General Auditor of Saudi Aramco, 2015-2018 - Various leadership positions at Saudi Aramco, 1993-2013 - Various positions at Eastern Province Water Directorate, 1988-1993	- Master's in Accounting, King Fahad University of Petroleum and Minerals, 1991 - Bachelor of Business Administration, Columbia College, 1981
4	Mamdouh Al Majed (from outside the Board)	- Managing Partner - Mamdoh Al-Majed and Faisal Al-Enzi Company Certified Public Accountants and Auditors	- Finance Manager at Kingdom Holding Company, 2004-2010 - Financial Controller at Kingdom Holding Company, 1997-2003	- Saudi Fellowship in Accounting and Auditing - Saudi Organization for Accountants and Auditors 1999 - Bachelor of Arts in Accounting, King Saud University, 1995
5	Ghazi Al Rawi	- Founder and Chairman, Valuegate Company for Investment & Real Estate Development	- Founder and Managing Partner, Eastgate Capital Group, 2006-2015 - Advisor, National Commercial Bank, 2005-2006. - Assistant Professor, College of Engineering, King Abdulaziz University, 2004-2006 - Advisor, Capital Market Authority, 2004 - Associate, McKinsey & Company, 2003-2004	- Ph.D. in Electrical Engineering (EE), Communications, Stanford University, 2002 - M.S. in Management Science and Engineering (MS&E), Finance and Investment, Stanford University, 2001 - M.S. in Electrical Engineering (EE), Communications, Stanford University, 1998 - B.S. in Electrical Engineering (EE), Communications, King Abdulaziz University, 1994

(B/3) Nominations and Remunerations Committee:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Abdulrahman Al Rashed	<ul style="list-style-type: none"> - Executive partner at Rashed Abdul Rahman Al Rashed & Sons Company - Chairman of the Board of Directors of Dammam Hotels Company - Chairman of the Board of Directors of UNICOIL Universal Metal Coating Company 	<ul style="list-style-type: none"> - Member of Al Shura Council 	<ul style="list-style-type: none"> - Bachelor of Business Administration, Department of Finance, University of Seattle, 1985
2	Talal Al Maiman	<ul style="list-style-type: none"> - CEO of Kingdom Holding Company 	<ul style="list-style-type: none"> - Chairman of the Board and CEO of Kingdom Real Estate Development, 2010-2017 - CEO of Kingdom Holding Company, 1996-2016 - Director of Computer Department at Saudi Central Bank, 1986-1996 - Director of Operations and Maintenance at Ministry of Interior, 1979-1986 	<ul style="list-style-type: none"> - Master of Business Administration, University of Liverpool, UK, 2009 - Bachelor of Sciences in Electrical Engineering, University of Evansville Indiana, US, 1979 - Executive Management Program, Harvard University, 1986 - Diploma in Computer Science, Computer Sciences Corporation (CSC), Herndon, Virginia, 1981
3	Khaled Al Mutabagani	<ul style="list-style-type: none"> - Pediatric Surgery Consultant at New Jeddah Clinic Hospital - CEO of New Jeddah Clinic Hospital - CEO of Madina National Hospital 	<ul style="list-style-type: none"> - Pediatric Surgery Consultant at King Faisal Specialist Hospital, Jeddah, 2000-2001 - Assistant Professor, Physiology at the Medical College in King Abdulaziz University, Jeddah, 2000-2002 	<ul style="list-style-type: none"> - Ph.D. in Physiology, The Ohio State University, 1999 - M.S in Physiology, The Ohio State University, 1993 - M.B. & Ch.B, King Abdulaziz University, 1988
4	Ghazi Al Rawi	<ul style="list-style-type: none"> - Founder and Chairman, Valuegate Company for Investment & Real Estate Development 	<ul style="list-style-type: none"> - Founder and Managing Partner, Eastgate Capital Group, 2006-2015 - Advisor, National Commercial Bank, 2005-2006. - Assistant Professor, College of Engineering, King Abdulaziz University, 2004-2006 - Advisor, Capital Market Authority, 2004 - Associate, McKinsey & Company, 2003-2004 	<ul style="list-style-type: none"> - Ph.D. in Electrical Engineering (EE), Communications, Stanford University, 2002 - M.S. in Management Science and Engineering (MS&E), Finance and Investment, Stanford University, 2001 - M.S. in Electrical Engineering (EE), Communications, Stanford University, 1998 - B.S. in Electrical Engineering (EE),

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
	Ghazi Al Rawi (continued)			Communications, King Abdulaziz University, 1994
5	Mansoor Al Mansoor (From outside the Board)	- Vice President for Finance and Operation at the King Abdullah Petroleum Studies and Research Center, 2016	- Deputy Director General at HRDF, 2014-2016 - Vice President, HR & Admin of Arabian Pipes Company, 2006-2014	- Ph.D. in Applied Linguistics, Ball State University, 2004 - Master of Science in Human Resources, University of Central Missouri, USA, 1997

(B/4) Board Risk Committee:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Abdullatif Al Othman	- Owner and CEO of Al-Othman Engineering Consultants	- Governor and Chairman of the Board of Directors, General Authority for Investment, 2012-2016 - More than 35 years in the field of planning and managing oil and gas projects, financial management, investment, business and international relations development.	- MBA., Sloan Fellows program, Massachusetts Institute of Technology, 1998 - Bachelor of Civil Engineering, King Fahad University of Petroleum and Minerals, 1979
2	Bader Al Issa	- CEO of Assila Investment Company.	- CFO of Assila Investment Company, 2010 – 2019. - CEO – AMIAS Holding, 2008-2019 - Investment Portfolios Manager at HSBC Saudi Arabia Limited, 2006-2008 - Financial and Marketing Analyst at SABIC America, Houston, Texas, 2002-2004 - Financial Analyst at JP Morgan, London, 2001-2002	- MBA, Rice University, 2006 - Bachelor of Economy, The University of Virginia, Virginia, 2001
3	Khalid Al Omran	- General Manager of Daily Food Company	- 13 years of experience in Retail - 2 years in Management Consulting	- Master's in Business Administration, IESE Business School, Spain, 2012 - Bachelor of Finance, King Fahad University of Petroleum and Minerals, 2006
4	Vanessa Eastham Fisk (From outside the Board)	- Independent Member, Board Strategy Committee, The National Bank of Ras Al Khaimah - Independent Non-Executive Director, ABC International Bank plc, Europe	- Non-Executive Director, Chair Audit & Risk Committee, Anglo Gulf Trade Bank, UAE, 2018-2020 - Independent Member, Board Risk Committee, Commercial Bank	- Masters Degree in Leadership Studies, Exeter University, UK, 2000 - Accountancy, Huddersfield Polytechnic, UK, 1990

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
	Vanessa Eastham Fisk (From outside the Board) (continued)	<ul style="list-style-type: none"> - Independent Member, Board Risk Committee, Al Marai Company - Advisory Board Member, Ila Bank, Bahrain 	<ul style="list-style-type: none"> - International PSC, Abu Dhabi, 2016-2019 - Independent Member, Board Credit Committee, Commercial Bank International PSC, Abu Dhabi, 2017-2018 - Wholesale Banking Managing Director & Chief Operating Officer, Standard Chartered PLC, Middle East, North Africa, Pakistan, 2010-2015 - Managing Director, Ingram Group, Middle East, 2008-2009 - Chief Operating Officer and Chief Risk Officer, Barclays Bank PLC, UAE & Middle East, 2006-2008 	

(B/5) Corporate Social Responsibility Committee:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Talal Al Maiman	<ul style="list-style-type: none"> - CEO of Kingdom Holding Company 	<ul style="list-style-type: none"> - Chairman of the Board and CEO of Kingdom Real Estate Development, 2010-2017 - CEO of Kingdom Holding Company, 1996-2016 - Director of Computer Department at Saudi Central Bank, 1986-1996 - Director of Operations and Maintenance at Ministry of Interior, 1979-1986 	<ul style="list-style-type: none"> - Master of Business Administration, University of Liverpool, UK, 2009 - Bachelor of Sciences in Electrical Engineering, University of Evansville Indiana, US, 1979 - Executive Management Program, Harvard University, 1986 - Diploma in Computer Science, Computer Sciences Corporation (CSC), Herndon, Virginia, 1981
2	Bader Al Issa	<ul style="list-style-type: none"> - CEO of Assila Investment Company. 	<ul style="list-style-type: none"> - CFO of Assila Investment Company, 2010 – 2019 - CEO – AMIAS Holding, 2008-2019 - Investment Portfolios Manager at HSBC Saudi Arabia Limited, 2006-2008 - Financial and Marketing Analyst at SABIC America, Houston, Texas, 2002-2004 - Financial Analyst at JP Morgan, London, 2001-2002 	<ul style="list-style-type: none"> - MBA, Rice University, 2006 - Bachelor of Economy, The University of Virginia, Virginia, 2001

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
3	Rayan Fayeze	- Managing Director and CEO of Banque Saudi Fransi	- CEO of Savola Group, 2016-2018 - Managing Director and Senior Country Officer at JPMorgan Chase N.A, Riyadh Branch, 2013-2016 - CEO of JP Morgan Saudi Arabia Limited, 2012-2013 - CEO of Goldman Sachs, Saudi Arabia, 2009-2012 - Executive Director at Goldman Sachs International, London, 2007-2009	- Bachelor of Science in Mechanical Engineering, Massachusetts Institute of Technology (MIT), 2001

(B/6) Board Strategy Committee:

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
1	Talal Al Maiman	- CEO of Kingdom Holding Company	- Chairman of the Board and CEO of Kingdom Real Estate Development, 2010-2017 - CEO of Kingdom Holding Company, 1996-2016 - Director of Computer Department at Saudi Central Bank, 1986-1996 - Director of Operations and Maintenance at Ministry of Interior, 1979-1986	- Master of Business Administration, University of Liverpool, UK, 2009 - Bachelor of Sciences in Electrical Engineering, University of Evansville Indiana, US, 1979 - Executive Management Program, Harvard University, 1986 - Diploma in Computer Science, Computer Sciences Corporation (CSC), Herndon, Virginia, 1981
2	Bader Al Issa	- CEO of Assila Investment Company.	- CFO of Assila Investment Company, 2010 - 2019 - CEO – AMIAS Holding, 2008-2019 - Investment Portfolios Manager at HSBC Saudi Arabia Limited, 2006-2008 - Financial and Marketing Analyst at SABIC America, Houston, Texas, 2002-2004 - Financial Analyst at JP Morgan, London, 2001-2002	- MBA, Rice University, 2006 - Bachelor of Economy, The University of Virginia, Virginia, 2001
3	Rayan Fayeze	- Managing Director and CEO of Banque Saudi Fransi	- CEO of Savola Group, 2016-2018 - Managing Director and Senior Country Officer at JPMorgan Chase N.A, Riyadh Branch, 2013-2016	- Bachelor of Science in Mechanical Engineering, Massachusetts Institute of Technology (MIT), 2001

Name		Experiences		Qualifications
		Current Positions	Previous Positions	
	Rayan Fayeze (continued)		<ul style="list-style-type: none"> - CEO of JP Morgan Saudi Arabia Limited, 2012-2013 - CEO of Goldman Sachs, Saudi Arabia, 2009-2012 - Executive Director at Goldman Sachs International, London, 2007-2009 	
4	Khalid Al Omran	<ul style="list-style-type: none"> - General Manager of Daily Food Company 	<ul style="list-style-type: none"> - 13 years of experience in Retail - 2 years in Management Consulting 	<ul style="list-style-type: none"> - Master's in Business Administration, IESE Business School, Spain, 2012 - Bachelor of Finance, King Fahad University of Petroleum and Minerals, 2006
5	Timothy Collins	<ul style="list-style-type: none"> - CEO and Managing Partner, Ripplewood Advisors, LLC - Senior Fellow and Director, Henry Becton Fellowship Program, Yale School of Management - Member, New York State Common Retirement Fund Investment Advisory Committee - Member, Yale Divinity School Advisory Board - Member, Yale School of Management Advisory Board 	<ul style="list-style-type: none"> - CEO and Senior Managing Director, Ripplewood Holdings, LLC, 1995-2014 - Director, RHJ International, 2004-2014 - Director, Gogo, Inc., 2013 - Director, Citigroup, Inc., 2009-2012 - Director, Weather Investments S.p.A, 2008-2011 - Director, 3W Power Holdings, Ltd., 2009-2011 - Director, Commercial International Bank of Egypt, 2006-2009 - Director, RSC Holdings, Inc., 2006-2009 	<ul style="list-style-type: none"> - Honorary Doctorate of Humane Letters, DePauw University, 2004 - MBA in Public & Private Management, Yale University, 1982 - BA in Philosophy, DePauw University, 1978

(C) Executive Management:

Name		Current Position	Previous Position	Qualifications	Experiences
1	Rayan Fayeze	Managing Director and Chief Executive Officer	Chief Executive Officer of Savola Group	Bachelor of Science in Mechanical Engineering, Massachusetts Institute of Technology (MIT), 2001	20 years of experience in several executive positions
2	Bader Alsallloom	Head of Wholesale Banking	Wholesale Deputy Director General – The Saudi Investment Bank	Bachelors of Science, Finance 2004	10 years' experience in Banking sector
3	Adel Mallawi	Chief Investment Officer	Chief Financial Officer at Banque Saudi Fransi	Bachelor of Chemistry, 1993	26 years of experience in treasury, global markets and finance
4	Mohammad Al Alsheikh	Head of Personal Banking Group	Head of Branch Network for Retail Banking at Al Rajhi Bank	Bachelor of Industrial Engineering, King Saud University, 2005	15 years' experience in Islamic and Retail Banking

Name		Current Position	Previous Position	Qualifications	Experiences
5	Abdulaziz Al-Molhem	Regional Director for the Eastern Region	Credit Officer of Retail Banking, Regional Director at AlAwwal Bank	Bachelor of Business Administration, Indiana State University, 1983	36 years of experience in banking sector
6	Thamer Yousef	Chief Operating Officer	Head of Information Systems Department at SABB	Bachelor of Computer Engineering, King Saud University, 1994	25 years of experience in IT & Operations
7	May Alhoshan	Chief Human Capital Officer	Director of Human Resources at AlAwwal Bank	Master of Engineering-George Washington University, 2004	16 years of experience in Human Resources
8	Michael Cunningham	Chief Strategy & Digital Group Officer	Co-Founder & CEO at Clearly Executive Vice President and Head of Group Strategy & Innovation at Abu Dhabi Commercial Bank	Diploma of Business Administration, University of Durham	10 years of banking experience in banking sector
9	Abdulmohsen Al Rayes	Chief Audit Executive	Director of Internal Audit at Arab National Bank	Bachelor of Arabic Grammar, 1981	35 years of experience in the banking sector
10	Yasser Alanssari	Chief Compliance Officer	Director of Compliance Group and anti-money laundering- Gulf International Bank.	Bachelors of Science 2018.	10 years' experience in Compliance
11	Abdullah Al Sheikh	Head of Legal & Governance, Corporate Secretary	Head of Legal Affairs and Secretary of the Board of Directors at Samba Financial Group	LL.M, Harvard Law School, 2008	18 years of legal experience in several positions in the financial sector
12	Mutasim Mufti	Chief Risk Officer	Risk Deputy Director – Bank Saudi Fransi	Bachelors of Accounting & Finance 1991. MBA 1993.	15 years' experience in Banking sector
13	Mazen Azoony	Acting Chief Financial Officer	Head of Financial Reporting & Accounting – Standard Chartered Bank	Bachelors of Accounting – 1996. Masters of Accounting 2009.	10 years' experience in Banking sector
14	Turki AlMehaid	Head of Consumer Protection and Customer Complaints	Senior Business Analyst Private Banking Sector – Bank Saudi Fransi.	Bachelors of Business Administration 2017. Masters in Business Administration 2021.	15 years' experience in Banking sector
15	Mazen Al Tamimi*	Head of Institutional Banking Group	Senior Executive Director at Banque Saudi Fransi	Bachelor of Computer Science, 1989	31 years of banking experience in various positions at the Bank
16	Sami Almehaid**	Chief Compliance Officer	Chief Preventive Risk Officer – SABB	Diploma of Banking Operation, Institute of Public Administration, 2000	20 years of experience in Banking sector

* Resigned on 30/06/2021

** Resigned on 25/05/2021

(24) Names of the companies inside and outside the Kingdom in which a Board member is a member of their current or previous Board member or manager:

Member's name		Current			Previous		
		Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
1	Mazin AlRomaih	Future Generation Investment Company	Inside the Kingdom	Limited Liability Company	Saudi Fransi Capital	Inside the Kingdom	Closed Joint Stock Company
		Dr. Sulaiman Al Habib Medical Group	Inside the Kingdom	Joint Stock Company	Samba Capital & Investment Management Group	Inside the Kingdom	Joint Stock Company
		Sada Company for Investment	Inside the Kingdom	Limited Liability Company	HSBC Saudi Arabia Limited	Inside the Kingdom	Closed Joint Stock Company
		-	-	-	Al Yammamh Steel Company	Inside the Kingdom	Closed Joint Stock Company
		-	-	-	Food Concepts Ltd.	Inside the Kingdom	Limited Liability Company
		-	-	-	Alissa Holding Group	Inside the Kingdom	Closed Joint Stock Company
2	Talal Al Maiman	Kingdom Holding company	Inside the Kingdom	Listed Joint Stock Company	Savola Group	Inside the Kingdom	Listed Joint Stock Company
		Tasnee Company	Inside the Kingdom	Closed Joint Stock Company	SRMJ	Inside the Kingdom	Closed Joint Stock Company
		NAS Holding Company	Inside the Kingdom	Closed Joint Stock Company	Der' alreayah Health Company	Inside the Kingdom	Closed Joint Stock Company
		Trade Centre Company	Inside the Kingdom	Limited Liability Company	-	-	-
		Real Estate Investment Company	Inside the Kingdom	Limited Liability Company	-	-	-
		Kingdom School Company limited	Inside the Kingdom	Limited Liability Company	-	-	-
		Kingdom Investment and Development Company	Inside the Kingdom	Closed Joint Stock Company	-	-	-
		Jeddah Economic Limited Company	Inside the Kingdom	Limited Liability Company	-	-	-

Member's name		Current			Previous		
		Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
Talal Al Maiman (continued)		Kingdom Real Estate Development	Inside the Kingdom	Closed Joint Stock Company	-	-	-
		Saudi Fransi Capital	Inside the Kingdom	Closed Joint Stock Company	-	-	-
		Five Capital advisors company (DIFC)	Outside the Kingdom	Private Company	-	-	-
3	Abdulrahman Al Rashed	Rashed Abdul Rahman Al Rashed & Sons Company	Inside the Kingdom	General Partnership	Al Yamama Investment Company	Inside the Kingdom	Closed Joint Stock Company
		Dhahran Techno Valley Company	Inside the Kingdom	Closed Joint Stock Company	-	-	-
		Al Awael Holding	Inside the Kingdom	Limited Liability Company	-	-	-
		UNICOIL, Universal Metal Coating Company	Inside the Kingdom	Closed Joint Stock Company	-	-	-
		Dammam Hotels Company	Inside the Kingdom	Closed Joint Stock Company	-	-	-
		Rashed Al Rashed & Sons Donaldson Company Ltd	Inside the Kingdom	Limited Liability Company	-	-	-
		Beit Al Tawazun Company	Inside the Kingdom	Limited Liability Company	-	-	-
		Company of Crystal Ice Factory	Inside the Kingdom	Limited Liability Company	-	-	-
		Rashed Development Company - RASHEDCO	Inside the Kingdom	Limited Liability Company	-	-	-
		Rashed Alrashed & Partners Commercial Investment Company	Inside the Kingdom	Limited Liability Company	-	-	-
		Rashed Alrashed & Partners Business Development Company	Inside the Kingdom	Limited Liability Company	-	-	-

Member's name		Current			Previous		
		Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
Abdulrahman Al Rashed (continued)		Rashed Alrashed & Partners Development & Real Estate Investment company	Inside the Kingdom	Limited Liability Company	-	-	-
		Ibhar Albenaa Real Estate Company	Inside the Kingdom	Limited Liability Company	-	-	-
		Property & Real Estate Company	Inside the Kingdom	Limited Liability Company	-	-	-
		Global United Investment Company	Inside the Kingdom	Limited Liability Company	-	-	-
		Al Awael Modern Contracting Company	Inside the Kingdom	Limited Liability Company	-	-	-
		Denys Arabia Company	Inside the Kingdom	Limited Liability Company	-	-	-
		Sanad Healthcare Company	Inside the Kingdom	Limited Liability Company			
4	Khaled Al Mutabagani	New Jeddah Clinic Hospital	Inside the Kingdom	A Limited Liability Company	-	-	-
		Madina National Hospital	Inside the Kingdom	A Limited Liability Company	-	-	-
		New Horizon Company	Inside the Kingdom	A Limited Liability Company	-	-	-
		Nai Arabia Food Company	Inside the Kingdom	A Limited Liability Company	-	-	-
		Marine Plankton Company	Inside the Kingdom	A Limited Liability Company	-	-	-
5	Bader Al Issa	Assila for Investment	Inside the Kingdom	Closed Joint Stock Company	AMIAS Holding	Inside the Kingdom	Limited Liability Company
		Savola Group	Inside the Kingdom	Listed Joint Stock Company	Saudi Fransi Capital	Inside the Kingdom	Closed Joint Stock Company

Member's name		Current			Previous		
		Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
Bader Al Issa (continued)		United Sugar Company	Inside the Kingdom	Closed Joint Stock Company	Kinan International for Real Estate Development Company	Inside the Kingdom	Closed Joint Stock Company
		Afia International Company	Inside the Kingdom	Closed Joint Stock Company	Knowledge Economic City	Inside the Kingdom	Listed Joint Stock Company
		Savola Foods	Inside the Kingdom	Closed Joint Stock Company	Savola for Packaging	Inside the Kingdom	Closed Joint Stock Company
		Dur Hospitality Company	Inside the Kingdom	Listed Joint Stock Company	Al Aqiq for Real Estate Development	Inside the Kingdom	Closed Joint Stock Company
		Panda Retail Company	Inside the Kingdom	Closed Joint Stock Company	Sukoon International Company	Inside the Kingdom	Closed Joint Stock Company
		Almarai	Inside the Kingdom	Listed Joint Stock Company	-	-	-
		Al-Othman Engineering Consultants	Inside the Kingdom	Closed Joint Stock Company	Aramco Trading Company	Inside the Kingdom	Joint Stock Company
		Olayan Group	Inside the Kingdom	Closed Joint Stock Company	Wa'ed, established by Aramco to support small and medium enterprises	Inside the Kingdom	Joint Stock Company
6	Abdullatif Al Othman	Investcorp	Outside the Kingdom	Joint Stock Company	Sadara Chemical Company, partnership between Saudi Aramco and The Dow Chemical Company	Inside the Kingdom	Joint Stock Company
		GCC Board Directors Institute	Outside the Kingdom	Nonprofit	Dussur, The Saudi Industrial Investments Company	Inside the Kingdom	Joint Stock Company
		Wahed	Outside the Kingdom	Joint Stock Company	-	-	-
		Remaiyah	Inside the Kingdom	Closed Joint Stock Company	-	-	-

Member's name		Current			Previous		
		Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
7	Ghazi Al Rawi	MATARAT Holding Company	Inside the Kingdom	Joint Stock Company	Saudi Fransi Capital	Inside the Kingdom	Closed Joint Stock Company
		Riyadh Airports Company	Inside the Kingdom	Limited Liability Company	National Medical Care Company	Inside the Kingdom	Joint Stock Company
		Valuegate Company for Investment & Real Estate Development	Inside the Kingdom	Limited Liability Company	Sanabil Investment	Inside the Kingdom	Closed Joint Stock Company
		Green Oasis Hotel Company	Inside the Kingdom	Limited Liability Company	Eastgate Capital Group	Outside the Kingdom	Limited Liability Company
		Ithmar Taiba Dates Company	Inside the Kingdom	Limited Liability Company	L'azurde	Inside the Kingdom	Joint Stock Company
		Adaptive Spectrum & Signal Alignment, Inc	Outside the Kingdom	Closed Joint Stock Company	Tadrees Holding	Inside the Kingdom	Closed Joint Stock Company
		Valuegate Investments International	Outside the Kingdom	Limited Liability Company	SIGMA Pharmaceutical Industries	Outside the Kingdom	Closed Joint Stock Company
		Valuegate Astro SPV1	Outside the Kingdom	Limited Liability Company	Multiple Investments Company for Medical Services (Future Lab)	Inside the Kingdom	Limited Liability Company
		-	-	-	Creative Spirit Food Management Company	Inside the Kingdom	Limited Liability Company
		-	-	-	Al-Safa Company for Medicine and Medical Supplies	Inside the Kingdom	Limited Liability Company
		-	-	-	Maedat Aljood	Inside the Kingdom	Limited Liability Company
		-	-	-	Smart Health Solutions for Information Technology	Inside the Kingdom	Limited Liability Company
8	Khalid Al Omran	Daily Food Company	Inside the Kingdom	A Limited Liability Company	-	-	-
		Goldman Sachs Saudi Arabia	Inside the Kingdom	Closed Joint Stock Company	-	-	-

Member's name		Current			Previous		
		Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
9	Timothy Collins	Ripplewood Advisors	Outside the Kingdom	Limited Company	Working America Education Fund Board of Directors	Outside the Kingdom	Foundation
		RA Mena Holdings	Outside the Kingdom	Limited Company	Palm Hills Developments	Outside the Kingdom	Joint Stock Company
		SODIC	Outside the Kingdom	Limited Company	RHJ International	Outside the Kingdom	Closed Joint Stock Company
		EFG Hermes	Outside the Kingdom	Limited Company	Gogo, Inc.	Outside the Kingdom	Closed Joint Stock Company
		McKinsey Advisory Council	Outside the Kingdom	Limited Company	Citigroup, Inc.	Outside the Kingdom	Joint Stock Company
		AS Citadele Banka	Outside the Kingdom	Closed Joint Stock Company	Weather Investments SpA	Outside the Kingdom	Closed Joint Stock Company
		NEOM	Inside the Kingdom	Closed Joint Stock Company	3W Power Holdings Ltd	Outside the Kingdom	Closed Joint Stock Company
		Henry Becton Fellowship Program, Yale School of Management	Outside the Kingdom	Fund	Commercial International Bank of Egypt	Outside the Kingdom	Joint Stock Company
		New York State Common Retirement Fund	Outside the Kingdom	Foundation	RSC Holdings Inc.	Outside the Kingdom	Closed Joint Stock Company
		Yale Divinity School Advisory Board	Outside the Kingdom	Foundation	-	-	-
		Yale School of Management Advisory Board	Outside the Kingdom	Foundation	-	-	-
10	Rayan Fayez	Saudi Fransi Capital	Inside the Kingdom	Closed Joint Stock Company	Hassana Investment Company	Inside the Kingdom	Closed Joint Stock Company
		Al Ula Company for Development	Inside the Kingdom	Closed Joint Stock Company	Saudi Stock Exchange (Tadawul)	Inside the Kingdom	Closed Joint Stock Company
		-	-	-	Saudi Agricultural & Livestock Investment Company (SALIC)	Inside the Kingdom	Closed Joint Stock Company
		-	-	-	Herfy for Food Services	Inside the Kingdom	Listed Joint Stock Company

Member's name	Current			Previous		
	Name of company in which the Board member is a member of its current Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity	Name of company in which the Board member is a member of its previous Board of Directors or from its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity
Rayan Fayez (continued)	-	-	-	Almarai	Inside the Kingdom	Listed Joint Stock Company
	-	-	-	Knowledge Economic City	Inside the Kingdom	Listed Joint Stock Company
	-	-	-	Panda Retail Company	Inside the kingdom	Closed Joint Stock Company
	-	-	-	Savola for Foods	Inside the Kingdom	Closed Joint Stock Company
	-	-	-	Kinan International Real Estate Development Company	Inside the Kingdom	A Closed Joint Stock Company
	-	-	-	JP Morgan Chase NA, Riyadh Branch	Inside the Kingdom	Closed Joint Stock Company
	-	-	-	-	-	-

(25) The number of Board meetings held during the last financial year, their dates and the attendance record of each meeting, listing the names of the attendees:

Member name		Date of meetings						Total	Attendance percentage
		First Meeting 17/02/2021	Second Meeting 15/05/2021	Third Meeting 29/06/2021	Fourth Meeting 08/07/2021	Fifth Meeting 20/09/2021	Sixth Meeting 08/12/2021		
1	Mazin Al Romaih	✓	✓	✓	✓	✓	✓	6	100%
2	Talal Al Maiman	✓	✓	✓	×	×	✓	4	%66.66
3	Abdulrahman Al Rashed	✓	✓	✓	✓	✓	×	5	%83.33
4	Khaled Al Mutabagani	✓	✓	✓	✓	✓	✓	6	%100
5	Bader Al Issa	✓	✓	✓	✓	✓	✓	6	%100
6	Abdullatif Al Othman	✓	✓	✓	✓	✓	✓	6	%100



Member name		Date of meetings						Total	Attendance percentage
		First Meeting 17/02/2021	Second Meeting 15/05/2021	Third Meeting 29/06/2021	Fourth Meeting 08/07/2021	Fifth Meeting 20/09/2021	Sixth Meeting 08/12/2021		
7	Ghazi Al Rawi	✓	✓	✓	✓	✓	✓	6	%100
8	Khalid Al Omran	✓	✓	✓	✓	✓	✓	6	%100
9	Rayan Fayez	✓	✓	✓	✓	✓	✓	6	%100
10	Timothy Collins	✓	✓	✓	✓	✓	✓	6	%100

(26) A brief description of the competencies and duties of the committees, indicating their names, names of their chairmen, names of their members, the number of their respective meetings, dates of those meetings and the members' attendance details of each meeting:

The Board of Directors of Banque Saudi Fransi has formed the following six committees for a three-year period from 01/01/2019 to 31/12/2021: The Executive Committee, the Audit Committee, the Nominations and Remunerations Committee, the Board Risk Committee, the Corporate Social Responsibility Committee and the Board Strategy Committee. These committees have powers under their own regulations. The details of these committees are as follows:

(26/A) Executive Committee:

The Committee consists of five members, presided by the Board of Directors Chairman, the members enjoy academic and administrative qualification that enable them to perform duties assigned to them. The committee held six meetings during 2021. The following are the members of the Committee and its meetings during the year:

Name		Type of membership	Date of meetings						Total	Attendance percentage
			First meeting 10/2/2021	Second meeting 28/4/2021	Third meeting 08/6/2021	Forth meeting 15/9/2021	Fifth meeting 25/10/2021	Sixth meeting 01/12/2021		
1	Mazin Al Romaih	Chairman Non-Executive	✓	✓	✓	✓	✓	✓	6	100%
2	Abdulrahman Al Rashed	Independent Member	✓	✓	✓	✓	✓	✓	6	100%
3	Talal Al Maiman	Non-Executive Member	✓	✓	✓	✓	✓	✓	6	100%
4	Rayan Fayez	Executive Member	✓	✓	✓	✓	✓	✓	6	100%
5	Timothy Collins*	Independent Member	✓	✓	✓	-	-	-	3	100%

* Resigned from the Committee as of 05/07/2021

(26/A) Executive Committee: (continued)

The Committee's main responsibilities include but are not limited to the following:

- Approve related party transactions as per the 'Delegation of Authority Manual'
- Approve loans and credit facilities to Banque Saudi Fransi's clients, as per the Bank's 'Delegation of Authority Manual', in line with SAMA rules and regulations for granting loans and credit facilities;
- Review periodic management report activities and reports on the execution and completion of the Bank's major projects; and
- Review annual budgets and plans, and material differences in the budget (if any) before submitting them to the Board for review.

(26/B) Audit Committee:

The Committee consists of five members, is presided by an independent member of the Board and most of the members are from outside the Board. The members of the Audit Committee have academic qualifications and professional experience in auditing and risk management, including knowledge of accounting and auditing standards, ability to understand financial reports, in addition to understanding the laws and regulations issued by the competent authorities. The Audit Committee held seven meetings during 2021. The following are the members of the Committee and its meetings during 2021:

Name	Type of membership	Date of meetings							Total	Attendance percentage
		First meeting 4/2/2021	Second meeting 5/4/2021	Third meeting 29/4/2021	Forth meeting 27/7/2021	Fifth meeting 29/8/2021	Sixth meeting 24/10/2021	Seventh meeting 23/11/2021		
1 Bader Al Issa	Chairman Independent	✓	✓	✓	✓	✓	✓	✓	7	%100
2 Mohammad Ikhwan	Member (from outside the Board)	✓	✓	✓	✓	✓	✓	✓	7	%100
3 Mohammed Al Subaie	Member (from outside the Board)	✓	✓	✓	✓	✓	✓	✓	7	%100
4 Mamdouh Al Majed	Member (from outside the Board)	✓	x	✓	✓	✓	✓	✓	6	%85.71
5 Ghazi Al Rawi	Independent Member	✓	✓	✓	✓	✓	✓	✓	7	%100

The Audit Committee's members assist the Bank's Board of Directors in fulfilling its oversight responsibility relating to the following:

- Shareholders, potential shareholders, the investment community and others relating to the financial reporting process;
- The system of Internal Controls;
- The audit process;
- The Bank's financial statements;
- Related parties transactions and conflict of interests' cases; and
- The Bank's process for monitoring compliance with applicable laws and regulations and the Code of Conduct.

(26/C) Nominations and Remunerations Committee:

The Committee is composed of five members of the Board of Directors and other specialists. The Committee members enjoy academic and administrative qualifications and variety of experience, which include memberships in Nomination and Remuneration committees, in addition to other experiences that qualify the committee members to carry out their duties and responsibilities, the committee held six meetings during 2021. The following are the members of the Committee and its meetings during the year:

Name	Type of membership	Date of meetings						Total	Attendance percentage
		First meeting 13/1/2021	Second meeting 11/2/2021	Third meeting 27/4/2021	Forth meeting 15/9/2021	Fifth meeting 15/11/2021	Sixth meeting 14/12/2021		
1 Abdulrahman Al Rashed	Chairman Independent	✓	✓	✓	✓	✓	✓	6	100%
2 Khaled Al Mutabagani	Non-Executive Member	✓	✓	✓	✓	✓	✓	6	100%
3 Mansoor Al Mansoor	Member (from outside the Board)	✓	✓	✓	✓	✓	✓	6	100%
4 Talal Al Maiman	Non-Executive Member	✓	✓	✓	✓	✓	x	5	83.33%
5 Ghazi Al Rawi	Independent Member	✓	✓	✓	✓	✓	✓	6	100%

Functions of the Committee include but are not limited to the following:

- Preparing a clear policy for the remunerations of the Board members, the Board committees' members and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that are linked to performance, and disclosing and ensuring the implementation of such policy;
- Evaluating practices by which compensation is paid for potential future revenues whose timing and likelihood remain uncertain;
- Making recommendations to the Board on the level and composition of remuneration of key executives of the Bank whose appointment is subject to obtaining 'No Objection by SAMA;
- Determining the bonus pool based on risk-adjusted profit of the Bank for payment of performance bonus;
- Reviewing compliance of the Remunerations and Compensation policy with the relevant rules and the principles and standards of the Financial Stability Board (FSB); and
- Determine points of strength and weakness in the Board of Directors and the Board committees through performance assessments and recommend remedies that are compatible with Banque Saudi Fransi's interests.

(26/D) Board Risk Committee:

The Board Risk Committee comprises four members at present, including members of the Board of Directors and other specialists. The committee members hold experience in risk management, academic and practical qualifications that enable them to perform the committee responsibilities and take appropriate decisions, and experience in the financial and administrative affairs, the committee held four meetings during 2021. The Committee's members and meetings during the year are as follows:

Name	Type of membership	Date of meetings				Total	Attendance percentage
		First meeting 10/2/2021	Second meeting 29/4/2021	Third meeting 16/9/2021	Forth meeting 30/11/2021		
1 Abdullahi Al Othman	Chairman Independent	✓	✓	✓	✓	4	%100
2 Bader Al Issa	Independent Member	✓	✓	✓	✓	4	%100
3 Khalid Al Omran	Non-Executive Member	✓	✓	✓	✓	4	%100
4 Vanessa Eastham Fisk	Member (from outside the Board)	✓	✓	✓	✓	4	%100

The Board Risk Committee has responsibility for Executive management managing risks by providing governance oversight and strategic direction aligned with duly approved risk management framework, policies, procedures and regulatory obligations.

Major functional responsibilities of the Board Risk Committee include but are not limited to:

- Development of strategies and comprehensive policies for risk management consistent with the nature and volume of the Bank's activities; Efficient operation of these policies and regular review based on dynamic environment;
- Assessment and periodic review of Risk Appetite (acceptable level of risk faced by the Bank) and monitoring with its cascade to Business Lines;
- Establish and review bank-wide risk measurement methodologies for quantifying risks; review management assessment of risks covering credit, market, operational (including technology), cyber /information security, business continuity, fraud, reputational, strategic, and AML risk;
- Review the adequacy of the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) and Stress Testing; ensure the successful continuity of the Bank's franchise and ascertain whether management controls are in place for exceptional situations (Event Risks);
- Provide feedback on risk impact of potential Strategic decisions by Executive Management and BoD reporting;
- Review the adequacy of the Bank's risk management systems to determine and monitor the risks and mitigants through a Risk Register;
- Review the adequacy of the Bank's risk intelligence levels to enhance the Bank's competitive advantage;
- Review the organizational structure for risk management and providing recommendations to BoD;
- Review any issues raised by the Audit Committee on the Bank's risk management;
- Set up a comprehensive Credit Risk Management process including formulation of the Credit Policy and recommend to the Executive Committee on matters relating to delegation of credit approving powers, prudential limits on large credit exposures, standards for loan collateral, portfolio management, loan review mechanism, risk concentrations, risk monitoring and evaluation, pricing of loans and provisioning.

(26/E) Corporate Social Responsibility Committee:

The Board of Directors of Banque Saudi Fransi is keen to support the largest possible segment of society in all fields. The Committee consists of three members. The Committee held two meeting in 2021. The Committee's members and the meeting attendance record during 2021 are as follows:

Name	Type of membership	Date of meetings		Total	Attendance percentage
		First meeting 18/02/2021	Second meeting 05/10/2021		
1 Talal Al Maiman	Chairman Non-Executive	✓	✓	2	%100
2 Bader Al Issa	Independent Member	✓	✓	2	%100
3 Rayan Fayez	Executive Member	✓	✓	2	%100

The tasks of the Corporate Social Responsibility Committee include but are not limited to the following:

- Review, evaluate and oversee Banque Saudi Fransi's bank-wide charitable giving strategy and funding guidelines;
- Review requests for funding from eligible community and charitable organizations;
- Establish and review social contribution policies and programs;
- Oversee and ensure proper implementation of social contribution compliance systems;
- Review of annual budgets with respect to social contribution programs;
- Set short & long term plans to achieve environmental, social & governance goals, governed with key targets, and ensure that such plans are incorporated in BSF's business strategy;
- Maintain an up-to-date prioritized list of material sustainability issues, assess the Bank's response to each of them on an annual basis and support the identification and implementation of high leverage sustainability initiatives that will improve performance; and
- Develop and maintain environmental, social & governance trackers that feed into the Global Sustainability Index, and report BSF's progress in the Annual Report.

(26/F) Board Strategy Committee:

The Board Strategy Committee consists of five members of the Board of Directors, and the committee members holds academic and administrative qualifications that enable them to perform the duties assigned to them. The Committee held seven meetings during 2021. The Committee's members and meetings during the year are as follow:

Name	Type of membership	Date of meetings							Total	Attendance percentage
		First Meeting 20/1/2021	Second Meeting 31/3/2021	Third Meeting 3/5/2021	Forth Meeting 27/6/2021	Fifth Meeting 3/8/2021	Sixth Meeting 16/9/2021	Seventh Meeting 10/11/2021		
1 Talal Al Maiman	Chairman Non-Executive	✓	✓	✓	×	✓	✓	✓	6	85.71%
2 Bader Al Issa	Independent Member	✓	✓	✓	✓	✓	✓	✓	7	100%
3 Khalid Al Omran	Non-Executive Member	✓	✓	✓	✓	✓	✓	✓	7	100%
4 Rayan Fayez	Executive Member	✓	✓	✓	✓	✓	✓	✓	7	100%



Name	Type of membership	Date of meetings							Total	Attendance percentage
		First Meeting 20/1/2021	Second Meeting 31/3/2021	Third Meeting 3/5/2021	Fourth Meeting 27/6/2021	Fifth Meeting 3/8/2021	Sixth Meeting 16/9/2021	Seventh Meeting 10/11/2021		
5 Timothy Collins	Independent Member	✓	✓	✓	✓	✓	✓	✓	7	100%

Major duties and responsibilities of the Board Strategy Committee include but are not limited to the following:

- Review and evaluate all recommendations from the Strategy Steering Committee against the strategic direction of the Board;
- Critique said recommendations to ensure they fit with the strategic direction of the Board;
- Review and make recommendations to the Board on Strategy related matters; and
- Monitor and suggest remedial action during the implementation of our 5 Year Strategy.

(27) A list of the dates of the General Assembly meetings held during the last fiscal year and the names of the Board members who attended them:

Two General Assembly Meetings were held during 2021. The following is the attendance report of the meetings:

Name		Attendance Record	
		Extraordinary General Assembly Meeting 05/05/2021	Ordinary General Assembly Meeting 08/12/2021
1	Mazin Al Romaih (Chairman of the Executive Committee)	✓	✓
2	Talal Al Maiman (Chairman of the Corporate Social Responsibility Committee and Board Strategy Committee)	✓	✓
3	Abdulrahman Al Rashed (Chairman of the Nomination and Remuneration Committee)	✓	✓
4	Khaled Al Mutabagani	✓	✓
5	Bader Al Issa (Chairman of the Audit Committee)	✓	✓
6	Abdullatif Al Othman (Chairman of the Board Risk Committee)	✓	✓
7	Ghazi Al Rawi	✓	✓
8	Khalid Al Omran	✓	✓
9	Rayan Fayez	✓	✓
10	Timothy Collins	✓	✓
Attendance percentage		100%	100%

(28) Disclosure of the remuneration of the Board members, Committee Members and Executive Management as stated in the regulations:

Members of the Board of Directors shall receive a certain amount of money as a remuneration for each member in accordance with his performance and the number of meetings he attends, as per the recommendations of the Nominations and Remuneration Committee, according to Companies Law and the laws and controls issued by the Capital Market Authority and the Saudi Central Bank – emphasising on the absence of any differences between the approved remunerations and what has been approved by the Board of Directors based on the recommendations of the Nominations and Remuneration Committee. In regard to Executive Management remunerations, they are determined based on performance criteria and approved by the Nominations and Remuneration Committee. Remunerations and compensations of the Board of Directors, committees' members and Executive Management are as follows:

(28/A) The Board's members remunerations:

Board members remuneration (in thousands of Saudi Riyals)																	
		Fixed Remunerations							Variable Remunerations						Leaving indemnity	Sum total	Expenses allowances
		Certain amount	Allowance for attending Board's sessions	Total for attending committees' sessions	Benefits in kinds	A statement of what members of the Board have received as workers, administrative or as a return for technical, administrative or consulting work	The remuneration of the Chairman of the Board, the Managing Director or the Secretary if he is a member	Total	Percentage of profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plan	Granted shares (the value must be inserted)	Total			
First: Independent members:																	
1	Abdulrahman Al Rashed	420	15	36	-	-	-	471	-	-	-	-	-	-	-	471	-
2	Bader Al Issa	420	18	60	-	-	-	498	-	-	-	-	-	-	-	498	-
3	Abdullatif Al Othman	420	18	12	-	-	-	450	-	-	-	-	-	-	-	450	-
4	Ghazi Al Rawi	420	18	39	-	-	-	477	-	-	-	-	-	-	-	477	-
5	Timothy Collins	420	18	30	-	-	-	468	-	-	-	-	-	-	-	468	-
Total		2,100	87	177	-	-	-	2,364	-	-	-	-	-	-	-	2,364	-
Second: Non-executive members:																	
1	Mazin Al Romaih	-	18	18	-	-	3,750	3,786	-	-	-	-	-	-	-	3,786	-
2	Talal Al Maiman	420	12	57	-	-	-	489	-	-	-	-	-	-	-	489	-
3	Khaled Al Mutabagani	420	18	18	-	-	-	456	-	-	-	-	-	-	-	456	-
4	Khalid Al Omran	420	18	33	-	-	-	471	-	-	-	-	-	-	-	471	-
Total		1,260	66	126	-	-	3,750	5,202	-	-	-	-	-	-	-	5,202	-
Third: Executive members:																	
1	Rayan Fayeze	420	18	45	-	-	-	483	-	-	-	-	-	-	-	483	-
Total		420	18	45	-	-	-	483	-	-	-	-	-	-	-	483	-



(28/B) Committees' members remunerations:

Committees' members remunerations (in thousands of Saudi Riyals)					
		Fixed remunerations (except attending sessions allowance)	Allowance for attending sessions	Total	Notes
Audit Committee members					
1	Bader Al Issa	-	21	21	
2	Mohammad Ikhwan	200	21	221	
3	Mohammed Al Subaie	200	21	221	
4	Mamdouh Al Majed	200	18	218	
5	Ghazi Al Rawi	-	21	21	
Total		600	102	702	
Nomination and Remuneration Committee members					
1	Abdulrahman Al Rashed	-	12	12	
2	Mansoor Al Mansoor	200	12	212	
3	Talal Al Maiman	-	12	12	
4	Ghazi Al Rawi	-	12	12	
5	Khaled Al Mutabagani	-	12	12	
Total		200	60	260	
Board Risk Committee members					
1	Abdullatif Al Othman	-	12	12	
2	Bader Alissa	-	12	12	
3	Khalid Al Omran	-	12	12	
4	Vanessa Fisk	200	12	212	
Total		200	48	248	
Executive Committee members					
1	Mazin Al Romaih	-	18	18	
2	Abdulrahman Al Rashed	-	18	18	
3	Talal Al Maiman	-	18	18	
4	Rayan Fayez	-	18	18	
5	Timothy Collins*	-	9	9	
Total		-	81	81	
Social Responsibility Committee members					
1	Talal Al Maiman	-	6	6	
2	Bader Al Issa	-	6	6	
3	Rayan Fayez	-	6	6	
Total		-	18	18	



Committees' members remunerations (in thousands of Saudi Riyals)					
		Fixed remunerations (except attending sessions allowance)	Allowance for attending sessions	Total	Notes
Board Strategy Committee members					
1	Talal Al Maiman	-	18	18	
2	Bader Al Issa	-	21	21	
3	Rayan Fayez	-	21	21	
4	Khalid Al Omran	-	21	21	
5	Timothy Collins	-	21	21	
Total		-	102	102	

* Resigned from the Committee as of 05/07/2021

(28/C) Senior Executives remunerations:

Remunerations of five Senior Executives, including CEO and CFO (in thousands of Saudi Riyals)												
Fixed Remunerations				Variable Remunerations						End-of- service award	Total Executives' remuneration for the Board, if any	Aggregate
Salaries	Allowances	In-kind benefits	Total	Periodic Remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
9,279	5,106	456	14,841	-	-	12,340	-	8,504	20,844	-	483	36,168

Remunerations of Senior Executives whose appointment requires obtaining no objection of the Saudi Central Bank (in thousands of Saudi Riyals)												
Fixed Remunerations				Variable Remunerations						Indemnity	Total Executives' remuneration for the Board, if any	Aggregate
Salaries	Allowances	In-kind benefits	Total	Periodic Remunerations	Earnings	Short-term incentive plans	Long-term incentive plans	Shares awarded (value entered)	Total			
23,205	11,853	1,230	36,288	-	-	25,134	-	8,504	33,638	8,056	483	78,465

(29) Waiver of remuneration or dividends by Board members, Senior Executives or shareholders:

There are no arrangements or agreements whereby members of the Board of Directors or Senior Executives have waived any remuneration or compensation.

There are no arrangements or agreements whereby a shareholder of the Bank has waived any rights in profits.

(30) The means used by the Board of Directors to assess its performance, the performance of its committees and members and the external body, which conducted the assessment and its relationship with the Bank, if any:

On an annual basis the performance of the Board of Directors and its committees is evaluated, and the performance of each member is evaluated individually, this is done through appropriate performance indicators related to the extent to which the Bank's strategic objectives are achieved, the quality of risk management, the adequacy of internal control systems and others, in addition to assigning a specialized external party to conduct the evaluation at least once every three years.

For the year of 2021, the Board of Directors appointed GCC Board Members Institute (GCC BDI) to evaluate the performance of the Board and its committees. This was done by reviewing the governance structure and the charters of the Board and its committees, and conducting personal interviews with members of the Board of Directors and its committees and members of the executive management, as well as by attending some meetings of the Board and its committees.

The results of the evaluation and related recommendations were presented to the Board of Directors.

(31) Training workshops offered to the members of the Board of Directors:

A training workshop was presented to the members of the Board of Directors on Anti-Money Laundering and Counter Terrorist Financing by one of the consultancy companies. The Bank's Anti-Fraud Division also presented the members of the Board of Directors with an awareness presentation on Financial Fraud crimes.

(32) The audit committees recommendation with conflict with Board resolution or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor, as well as justifications for those recommendations and reasons for disregarding them:

There are no recommendations from the Audit Committee that contradict with the decisions of the Board of Directors and the Board of Directors have not rejected any recommendations from the Audit Committee regarding the appointment, dismissal, remuneration, performance evaluation of Bank's External Auditors.

(33) Board of Directors' recommendations to change auditors:

There was no change in the Joint Auditors for FY 2021. The Board approved Ernst & Young (EY) & KPMG as the Joint External Auditors of the Bank to conduct the quarterly and annual audit of financial statements for FY 2021 which was the same during FY 2020 as well.

(34) Actions taken by the Board of Directors to inform its members, especially non-executives, of shareholders' proposals and observations on the Bank and its performance:

The Board is keen to enable shareholders to exercise their rights and submit their comments and inquiries during the General Assembly meetings. These comments and inquiries shall be recorded in the minutes of the meeting. The Bank also allocates means of communication for shareholders (telephone, fax, postal address, e-mail) through which comments and inquiries of shareholders, if any, are received and then submitted to Board members at the first subsequent meeting of the Board of Directors, and this is included in the minutes of the meeting.

(35) Declarations of the Board of Directors:

The Board of Directors of the Banque Saudi Fransi declares the following:

- A. Proper books of account have been maintained;
- B. The system of internal control is sound in design and has been effectively implemented; and
- C. There are no significant doubts concerning the Bank's ability to continue its activity.

Transactions with the related parties and the information concerning any contracts or acts in which the Bank is a party, or in which there is a material interest to the Chairman and members of the Board of Directors of the Bank, the Chief Executive Officer, the Chief Financial Officer or any person directly related to any of them, have been disclosed in Disclosure No. (36) on transactions with related parties in the consolidated financial statements, and Articles (13) and (14) of this report.

(36) Risk Management:

Effective risk management is fundamental to the success and resilience of the Bank and key to the Bank's overall long-term strategy. BSF has a strong, disciplined risk culture where managing risk is a responsibility shared between the three lines of defense: Business Lines, Risk Management Group and Group Audit.

Risk Management Framework

The primary goal of risk management is to ensure that the outcomes of risk-taking activities are consistent with the Bank's strategies and risk appetite, and that there is an appropriate balance between risk and reward in order to maximize shareholder value. The Risk Management Framework articulates the foundation for achieving these goals.

The framework is evolutionary to meet the challenges of external /global environment, demanding regulatory standards and best practices, risks brought about by customer competitiveness and financial innovations and resilience in the face of significant event risks like the COVID pandemic.



Risk Management Principles

BSF's Risk Management Principles can be summarized as:

Balancing Risk and Reward: Business and risk decisions are consistent with strategies and Risk Appetite

Material Risk Identification: Understanding, identification, quantification for all material risks (Financial, Non-Financial and event risks), supported by a strong analytical toolset for Risk Management.

Pro-active: Emerging risks and potential vulnerabilities are proactively identified and managed

Shared Accountability: Strong Risk Governance with 3 Lines of Defense and a top driven and accountable shared Risk Culture where every employee is responsible for managing risks and controls.

Resilience: Being prepared operationally and financially to respond to adverse events.

Brand Franchise protection: Processes in line with Bank's Risk Appetite and policy principles with a customer centric business and Risk decision-making.

Controls: A robust control environment to protect the stakeholders.

(36) Risk Management: (continued)

Risk Governance

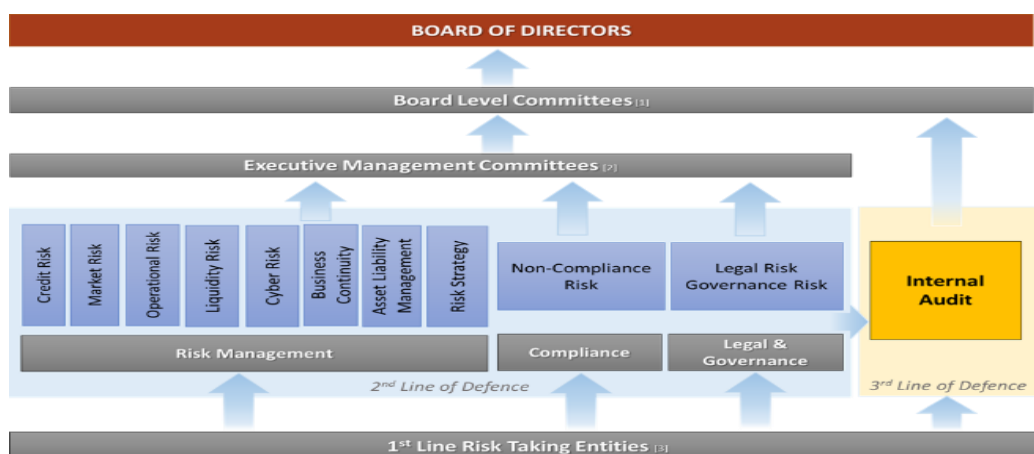
Effective risk management begins with effective risk governance. The Bank has a well-established risk governance structure, with an active and engaged Board of Directors supported by an experienced executive management team. Its Risk Management framework is predicated on the 3 Lines of Defence model:

The First Line of Defence (Business lines) incur and owns the risks, ensure that risks generated are identified, assessed, managed with the Risk Appetite and Product policies, in compliance with relevant limits.

The Second Line of Defence (Risk Management, Compliance and Legal) to establish Risk Appetite, limits, measurement models, frameworks, policies, and assurance practice in accordance with the Risk Management principles, best practices and Regulatory requirements.

The Third Line of Defence (Audit) provides enterprise-wide independent, objective assurance over the design and operation of the Bank's internal control, risk management and governance processes.

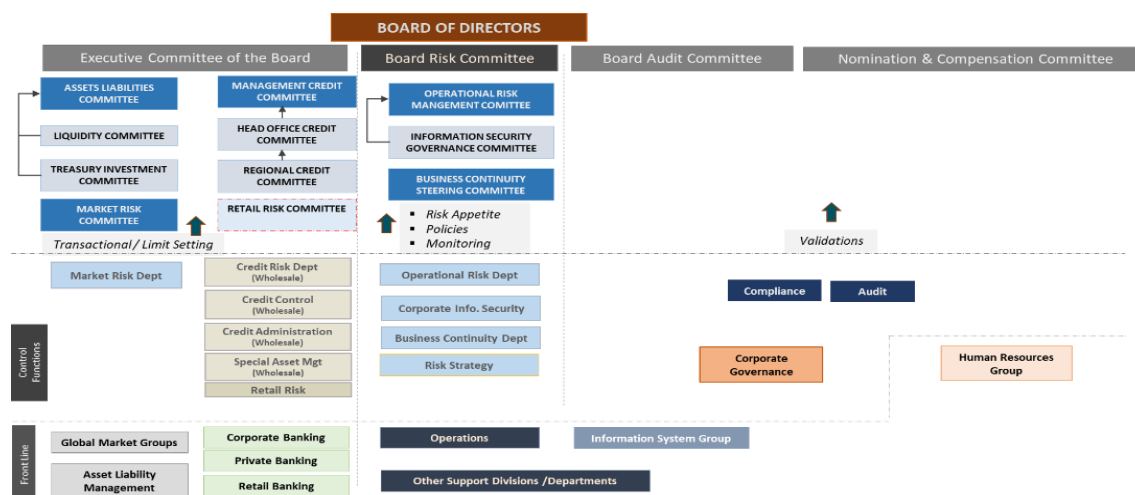
A strong Risk Culture aligns all employees to be risk owners, accountable for owning and managing reputational and operational risks.



Risk Governance Structure

In this context, the Board and its Committees have ultimate responsibility for the Bank's business, strategy and financial soundness, as well as its management and compliance obligations.

The Risk Committee of the Board of Directors is responsible for advising the Board on the Bank's overall current and emerging risks; appropriateness of appetite & thresholds including adherence to the same; overseeing senior management's implementation of the Risk Management Framework; reporting on the state of risk culture; and overseeing the adequate functioning of the risk management function.



(37) Information on any risks facing the Bank (operational, financing, or market related) and the policy of managing and monitoring these risks:

A. Risk Appetite Framework:

The Risk Appetite Statement is reviewed and renewed by the Board of Directors annually, or on significant changes to business strategy. It encapsulates the quantum and type of risks that the Bank is willing to accept within its risk capacity to achieve its Strategic Risk Objectives and Business Plan. Its objective is to provide the Bank's management and business lines with guidance regarding the risk profile that the Bank targets and is prepared to accept. The Risk Appetite articulates the Bank's tolerance for risk across a wide range of parameters, which include solvency and capital adequacy, liquidity and funding, credit quality and provisioning, credit concentration, market risk, operational risk, people risk and the investment portfolio. The limits have been established taking into account adequate buffers vis-à-vis regulatory thresholds, where applicable.

The Bank revised its Risk Appetite Framework for 2022. In 2020, the Bank had considerably enhanced its coverage of Risk Appetite and incorporated business line cascades for Corporate and Retail with improvements in risk based segmental and country limits. In 2021, the focus was on meaningful representation, for ease of monitoring and decision making. There were a few changes in metric thresholds, namely:

- Improvement in Solvency (Capital Adequacy Ratio) metrics;
- Increase in Foreign Currency Investment threshold to support liquidity & investment portfolio diversification;
- Increase in Credit RWA thresholds to accommodate Budgeted growth.

The Risk Management Group monitors adherence to the approved Risk Appetite Statement. Deviations, if any, from the acceptable tolerance bands are escalated for further action by Senior Management, with corrective actions initiated. At quarterly intervals, the Executive Committee of the Board and the Board Risk Committee review the actual position of the risk indicators vis-à-vis the laid down parameters.

B. Credit Risk Management:

The Bank's credit portfolio is managed in accordance with the recently enhanced Credit Policy and Risk Appetite, which together provide the qualitative and quantitative guidelines, with particular emphasis on avoiding undue concentrations or aggregations of risk.

The Bank's Credit Policy (Wholesale and Retail) underwent a comprehensive upgrade incorporating industry good practices, latest regulatory guidelines (e.g. Large Exposures, Related Party and Management of Problem Loans) and business stakeholder expectations. The Risk Rating Standards were developed to enhance guidance on aspects related to Risk Rating, a critical element of the lifecycle management of credit processes.

The credit granting and approval process is performed through credit committees with different levels of credit approval delegation, and the Credit Risk Department being entrusted with the responsibility of providing independent risk opinions on the credit requests emanating from the business lines.

The decision making in the credit committees of the Bank is aided by internal credit rating models developed and maintained for different segments of the banking book and subject to re-validation at periodical intervals. It may be specifically mentioned that the Corporate and SME models were newly re-developed to higher standards for better decision-making and risk measurement.

The Bank has adopted and integrated SAMA's Rules on Management of Problem Loans beginning Oct 2020.

Focus areas: There are a number of notable initiatives currently in progress which will provide significant improvements in Credit processes and competitiveness in near future. As a forward guidance, the following can be mentioned:

(37) Information on any risks facing the Bank (operational, financing, or market related) and the policy of managing and monitoring these risks: (continued)

- Corporate Credit Transformation (CCT) are set of initiatives are seen as vital for an efficient wholesale credit process and long-term management of cost of credit.
- An Early Warning Signals (EWS) framework is being enhanced in operationalization, in part for Regulatory requirements, but mainly to implement a workflow & analytical tool to support Credit decision making.
- A revised RAROC framework to measure Risk Adjusted lifetime profitability on an Ex-Ante (projected) and Ex-Post (historical) basis. This will provide Business Line discipline on on-boarding of new loan /investment assets as well as drive cross sell effort on an informed basis.
- Risk Management verticals are running multiple modules of Basel IV implementation projects to implement the new Rules to be in effect in 2023.

C. Market Risk Management:

Concerning Market Risk monitoring, the Bank has clearly defined policies and procedures related to market risk activities, as well as a comprehensive set of market risk limits (together with loss alerts) which are reviewed at least annually, and independently monitored on a daily basis by a dedicated Market Risk department.

In order to monitor the market risk in the trading book, the Bank applies on a daily basis a VAR methodology based on historical rates evolutions observed in the market, and also performs daily stress testing in order to estimate the potential economic loss based on a defined set of significant changes in market conditions (i.e. extreme adverse market movements).

D. Operational Risk Management:

The Operational Risk Management in BSF is positioned to function as a second line of defense under the guidance of an established Operational Risk Framework and a set of standardized Operational Risk Procedures. Operational Risk Management's philosophy is focused on enhancing the risk culture across the Bank in alignment with the Bank's Risk Appetite, Risk Capacity and strategic plans. Operational Risk Management engages closely with business lines, support units and other control functions to ensure a comprehensive and continuous alignment with the Operational Risk Framework through the continuous risk and control assessments that are carried out throughout the year.

Operational Risk Management's scope is primarily composed of Operational Risk Profiles, Key Risk Indicators, Operational and Technology Incidents Management, Root Cause Analysis, Insurance Risk Management and Loss Data Management.

All major processes within Operational Risk Management are operated by the designated Operational Risk Management units which work in close interaction with the other Operational Risk Management units to confirm an overall alignment with the Framework and Bank's objectives.

Operational Risk Management's Incidents Management (IM) and Technology Risk Management (TRM) operate with the prime objective of managing the operational and technology incidents reported by the appointed risk coordinators (champions) via ORM's reporting channels. Managing the reported incidents entails conducting in-depth investigations in coordination with the concerned BLs to identify the root causes and, cooperatively, agree on the corrective actions. Throughout the carried-out investigations, IM and TRM also aim at identifying the control weaknesses and areas that require procedural improvements. Furthermore, IM & TRM carry out their independent root cause analysis in response to the imposed regulatory penalties and other major events.

(37) Information on any risks facing the Bank (operational, financing, or market related) and the policy of managing and monitoring these risks: (continued)

Operational Risk Management is an integral part of New Products & Services Process and participates as a member of the risk assessment team. Operational Risk Management assesses technology risk, as well as insurance risk from an operational risk perspective and provides advice on proposed process/system changes as well. Operational Risk is a member of the Policies and Procedure Review Committee. As one of the regular members of the Committee, Operational Risk Management reviews all policies & procedures bank-wide. Operational Risk Management is also involved in subsidiaries oversight in relation to operational risk activities.

Consistent with the global emerging trends in Risk Management, Operational Risk Management is presently in the preliminary phase of applying an Enterprise Incident Management (EIM) approach, which has a broader scope that takes into consideration financial risks, operational risks, and strategic risks via prompting an enhanced risk culture across the Bank where all members share the responsibility of identifying risks and actively participating in the risk management process.

E. International Financial Reporting Standards (IFRS):

Since January 2018, the Bank adopted International Financial Reporting Standard 9 (IFRS 9), a forward-looking expected credit loss (ECL) approach for Credit Provisioning. The Bank is required to record an allowance for expected losses for all loans and other debt type financial assets not held at fair value through profit or loss. The allowance is based on the ECL associated with the probability of default in the next 12 months and if there has been a significant increase in credit risk since origination, based on the probability of default over the life of the asset.

In addition, SAMA has initiated in 2021 a draft guidance with a finer Staging criteria with fixed regulatory provisioning criteria for the risk buckets. This has no impact on the current IFRS 9 provisioning and its P&L impact. However, the difference between regulatory and accounting (i.e. IFRS 9) provisions needs to be ring-fenced from equity and not used for dividend distribution.

- In the past two years, the Bank had substantially automated input processes on the IFRS9 technology platform and has made significant improvements in analytics, policies and processes; thus ensuring precision in IFRS 9 ECL estimates. These include improvements in Analytics (Macroeconomic Models, Wholesale Risk Rating models, validation & monitoring) Policies and Processes to ensure close alignment to SAMA IFRS9 guidelines including allied regulations in the Credit space.
- In the current year, the Bank has successfully worked on Regulator appointed scrutiny of its Wholesale and Retail Models.
- BSF is in the process of finalizing internal model for its Wholesale Loss Given Default, which will provide a finer Risk based Provisioning. It is also in the process of re-estimating its Retail Macroeconomic Model to have a better risk estimation.
- The Bank has conducted a successful Quantitative Impact Assessment on the SAMA Consultative Guidance mentioned above.

F. Corporate Information Security Division:

In its continuous pursuit for excellence, BSF Board of Directors recognize cyber Security as strategic enabler to accomplish corporate mission and achieve business goals, and hence, treat cyber Security as high priority. BSF and its Board of Directors are firmly committed to maintain high standards of Cyber Security

over its assets and information. The Vision of Cyber security is "Protect BSF data and reputation by providing a secure and resilient digital banking environment and security posture which is in compliance with local and international cybersecurity standards and regulations"

(37) Information on any risks facing the Bank (operational, financing, or market related) and the policy of managing and monitoring these risks: (continued)

The components of Cyber Security include the following:

- **Cybersecurity Leadership:** Cybersecurity in BSF is an independent entity under Risk Management Group and managed by Senior Level Executive - Chief Information Security Officer (CISO) who is responsible for establishing and maintaining the enterprise vision, strategy, and program on cybersecurity. The BSF Cybersecurity Governance Committee consisting of Group Heads from all relevant Groups support the overall cybersecurity governance in BSF.
- **BSF Cybersecurity Strategy:** BSF Board of Directors have approved the four years Cyber Security Strategy which is in aligned with the Bank's strategic objectives, business requirements, future state aspirations, emerging technologies and also encompasses the requirements of regulations.
- **Policy, procedure, baseline and standards:** BSF Corporate Information Security continuously strives to maintain the highest standards in cyber security and hence have revised the Cyber security policies, procedures, baselines and standards to ensure alignment with industry best practices and national and international security standards and regulation.
- **Cyber Security Governance Function:** BSF Corporate Information Security Division is staffed with qualified resources to fulfill the cyber security responsibilities. BSF has adopted strategy to attract and retain the best talents in Cyber Security and has implemented training programs that are designed to rapidly accelerate the development of core skills and to provide paths for specialized development of advanced cyber security expertise.
- **Security Awareness program for staff and customers:** BSF Corporate Information Security Division adopts multi-channel approach for awareness dispersion. The program encompasses and explains proper rules of behavior for the safe and secure use of information and systems for staff and customers.
- **Risk Management Framework:** BSF Corporate Information Security Division adopts a risk-based approach to manage Cyber Security risk to detect, analyze, evaluate, communicate and mitigate cyber security risk.
- **Continuous Compliance program:** BSF Corporate information Security Division maintains a continuous compliance status against Payment Card Industry Data Security Standard (PCI DSS) certification - the rigorous data security standards that BSF applies in protecting customers' information, reducing credit card fraud and thereby enhancing customer confidence. Corporate Information Security has also robust methodologies to ensure compliance with mandates of SAMA Cyber security Framework and also mandates from National Cybersecurity Authority.
- **24/7 Cyber Security Monitoring:** BSF Corporate Information Security is maintaining a Security Operations Center (SOC) where security-related data from enterprise information systems is monitored, assessed and actioned. The security operations center (SOC) is responsible for monitoring and analyzing the security posture of banks critical assets on a 24/7 basis.
- **Digital forensic and incident response:** BSF Corporate Information Security has a matured security incident management process for managing security incident and conducting drills for Incident Management. Procedure to challenge existing controls with real life attacks in order to measure their resilience and effectiveness are performed.
- **Threat Hunting:** BSF Corporate Information Security has established a Threat hunting function, which uses a mixture of forensics capabilities and threat intelligence to track down possible attacks attempts.
- **The Information Security Committee:** BSF Corporate Information Security is a member in Banking Committee on Information Security (BCIS), this committee is managed by SAMA for exchanging information, risk, alert and expertise in information security across banks and with SAMA.

(38) Results of the annual review of the effectiveness of the internal control procedures of the Bank and the opinion of the Audit Committee with respect to the adequacy of Bank's internal control system:

A. Internal Control Framework (ICF):

In view of the importance of the internal controls environment to the Bank, the Board of Directors has taken responsibility for ensuring that the essential policies in the Bank are designed to provide effective internal controls to manage risks within the defined risk appetite. Accordingly, it has adopted an integrated framework for internal controls to provide a reasonable assurance on the effectiveness and efficiency of controls within the Bank.

In addition, the Bank has established an Internal Control Policy, which is intended to strengthen the governance of Internal Control processes and its operations in accordance with the systems and controls framework set-out in the Bank's Corporate Governance Manual approved by the Board and guidelines on Internal Control issued by Saudi Central Bank (SAMA). This policy sets out the key internal control objectives and principles for BSF as well as duties of the Board, the Board's Audit Committee, the Board Risk Committee, Executive Management and related management committees, Risk Management, Compliance, Internal Audit and other functions of BSF. The policy also sets the role played by the External Auditors within the parameters of BSF control framework.

The Executive Management at Banque Saudi Fransi is responsible for validating the application and reviewing the effectiveness of the internal control environment, in line with the directives of the Saudi Central Bank (SAMA) and as specified in the internal control framework approved by the Board of Directors. The Internal Control Framework (ICF) is based on the model of 'Three Lines of Defense' in the Management and Control of risks. It defines the roles and responsibilities of the Board of Directors and the Board committees to support in the process of monitoring and mitigating risks associated with strategy, financial performance, technology, asset and liability management, credit, operations, legal affairs, organizational affairs and information security.

All Bank divisions continue to exert their best efforts to improve the effectiveness and efficiency of the internal controls environment through regular reviews, integrated procedures aligned to the policies and corrective actions in order to avoid and correct any control deficiencies.

Executive Managers – Heads of Departments (the first line of defense), are assigned the responsibility of supervising the implementation process of the corrective action plans related to the identified gaps as reported by control functions (the second line of defense) such as Compliance and Risk Management. Internal Audit (the third line of defense) provides a reasonable assurance, based on the highest level of independence and objectivity, on the effectiveness of governance, risk management and internal controls. Moreover, the Board of Directors are provided with periodic reports that clarifies the level of effectiveness of the internal control environment.

B. Internal Audit Group (IAG):

The responsibilities of the 'Internal Audit Group' are established and defined by the Board Audit Committee, whose role is based on adding value to improve the Bank's operations and providing independent and objective assurance to Executive Management and the Board of Directors through the Board Audit Committee. In addition, IAG provides advisory services to the Bank functions and has adopted a Quality Assurance & Improvement Program (QAIP) that covers all activities within the Internal Audit Group.

To ensure Internal Audit's independence, the Chief Audit Executive is assigned to manage the Internal Audit Group, reports functionally to the Board Audit Committee, and administratively to the Managing Director and CEO. The Internal Audit Group has full and unrestricted access to all the Bank's systems, records, physical assets and to all employees. Internal Audit is subject to strict responsibility for the protection and confidentiality of records and information.

(38) Results of the annual review of the effectiveness of the internal control procedures of the Bank and the opinion of the Audit Committee with respect to the adequacy of Bank's internal control system: (continued)

The Internal Audit Group performs its work in accordance with a risk-based audit methodology, following the rules and regulations issued by the regulatory bodies in the Kingdom of Saudi Arabia and The International Professional Practices Framework (IPPF) issued by The Institute of Internal Auditors (IIA). Internal Audit Group establishes a three years' strategic internal audit plan based on risk assessment and Bank's strategy, covering all audit entities at least once every three year, nevertheless high/medium risk audit entities are covered more frequently during the three-year audit cycle. Hence, Internal Audit conducts field visits to perform audits/reviews to examine and evaluate the effectiveness and efficiency of risk management, internal controls, governance and other activities in the Bank, in addition to assessing the quality of performance while exercising their responsibilities towards achieving the Bank's strategic goals and objectives. The Internal Audit Group submits the final reports to the relevant functions and Senior Management, where the audit observations are discussed, and corrective actions and respective target dates of implementation are agreed.

Internal Audit provides a quarterly activity report to the Audit Committee, highlighting key issues, which are discussed during the committee meetings, and the committee after each meeting direct the senior executives to take the necessary measures to enhance the oversight role, in addition, ensuring timely closure of reported issues as per the agreed timelines.

C. Compliance Group (CPG):

Undoubtedly, the concepts and principles of compliance and combating financial crimes receive great attention from international and regional organizations and legislative and supervisory bodies in many countries, as well as in the Kingdom of Saudi Arabia. This comes as a realization by everyone of the importance of what the principles of compliance achieve for financial and non-financial institutions to enhance compliance with supervisory and regulatory standards in all their activities and responsibilities, which contributes to protecting the reputation of the organization and its relationship with regulatory authorities and the continuity of the relationship with its customers.

In Banque Saudi Fransi, the Compliance Group plays a vital and essential role in achieving the bank's vision, mission, goals and values by exerting the utmost due diligence in applying the aspects of compliance in all the work tasks and activities assigned to it which is related to the Bank, the employees and customers, as gives this aspect great attention to the fact that Compliance is an integral part of the culture of Banque Saudi Fransi - by urging adherence to ethical and

professional behavior, as well as contributing to raising awareness on compliance among bank employees to ensure adherence to regulatory requirements in all banking activities, taking into account the values and principles of Banque Saudi Fransi and the Kingdom's vision 2030.

The group had a great role and an effective contribution in achieving the strategic goals of Banque Saudi Fransi towards its initiatives to develop financial technology for the current relevant banking operations. The group is also keen to enhance the frameworks of the compliance environment in Banque Saudi Fransi in letter and spirit with the supervisory requirements in our daily work, as well as in showing aspects of care to strengthen the good and distinguished relationship with the regulatory and supervisory authorities.

In addition, Compliance Group is concerned with control frameworks and reducing risks related to financial crimes and financial fraud, with the aim of raising the level of compliance and the soundness of financial transactions, and in implementation of the requirements, principles and initiatives of the Saudi Central Bank and the regulatory bodies in the Kingdom.

(38) Results of the annual review of the effectiveness of the internal control procedures of the Bank and the opinion of the Audit Committee with respect to the adequacy of Bank's internal control system: (continued)

D. Risk Management Group (RMG):

The key function of the Risk Management Group is to manage financial and non-financial risk and to effectively oversee internal control at the Bank level, thus contributing to the Bank's strategic directions, which includes identifying, reducing, controlling and reporting all types of risks.

In this regard, the Risk Management Group works closely with all the Bank's internal stakeholders to ensure an appropriate control system that operates effectively and continuously. The Bank uses sound internal controls to manage range of operational and financial risk from both external forces and its own activities. Based on the nature of the continuous development of banking services, the Risk Management Group continuously seeks to close gaps, address risks and strengthen the internal control systems.

E. Results of reviewing the effectiveness of internal controls:

The Audit Committee's mandate includes oversight responsibilities relating to system of internal controls of the Bank, which includes examining interim and annual financial statements and recommending it for board approval, in addition, the committee perform other auditing roles which fall within the committee scope as per its approved charter.

The Audit Committee reviews the reports related to the Bank's internal control, mainly reports issued by the Internal Audit and Compliance Group. Moreover, meetings are conducted with the Bank's Group heads, through Internal Audit, to discuss matters regarding their Groups' performance, outstanding audit observations and the current progress in applying respective corrective actions. In addition, the results of any newly published and/or amended regulations issued by Saudi Central Bank (SAMA) and other regulatory bodies, key amendments to the accounting policies and International Financial Reporting Standards (IFRS) are also discussed during the Audit Committee meetings, either with the Bank's officials and/or with the external auditors, to ensure their implementation. Additionally, the Audit Committee updates the Board of Directors on a quarterly basis, on the effectiveness and efficiency of the Bank's internal controls and controls adopted to remedy any outstanding issues.

Based on the aforementioned, the current control environment and the annual reviews on the efficiency and effectiveness of control tools, the Audit Committee believes that the controls and procedures that constitute the current Internal Control Framework are '**sufficient**'. The Internal Control Framework is continuously monitored and updated in order to manage any changes or developments that may affect the control environment.

(39) Principles applied by the Bank in the area of corporate governance:

The Bank-in general-complies with all regulations and instructions issued by regulatory authorities on governance, such as the key principles of governance in financial institutions operating in the Kingdom of Saudi Arabia issued by the Saudi Central Bank, the Corporate Governance Regulations issued by the Capital Markets Authority, and the Companies Law issued by the Ministry of Commerce. The Bank shall update the Articles of Association of the Bank, the regulations of the Board and its committees, and the Governance Manual, as well as its policies and procedures in accordance with these regulations and any updates or instructions issued in respect of governance.

Moreover, BSF has been awarded with the Corporate Governance Index Excellence Award designed for listed companies on the Saudi Stock Exchange from the Corporate Governance Center at Alfaisal University. In addition, the Bank received the Best Corporate Governance Award in Financial Services in the Middle East 2021 from Ethical Boardroom as a result of the Bank's commitment to apply best practices of good governance.

(40) Ethical principles and professional foundations of the Banque Saudi Fransi:

The Principles of Conduct and Business Ethics document of Banque Saudi Fransi has been updated to comply with SAMA's Instructions issued No. 67/72203 related to the principles of conduct and business ethics in financial institutions that aim to enhance job discipline, integrity, transparency, objectivity, efficiency, loyalty and effectiveness in the behavior of financial institutions employees.

This document includes the principles that govern the work process, which employees representing the bank, whether directly or indirectly, must adhere to, including but not limited to the following:

First: Code of Conduct and Professional Ethics:

- Commitment to the official working hours, integrity, good manners in personal dealings.
- Combatting financial and administrative corruption crimes and the employees' duties to accomplish that.
- Dealing with conflict of interest such as giving and receiving gifts, working for others and personal investment.
- Maintaining Confidentiality and Mechanisms for Disclosure of Information.
- Reporting Actual or Potential Violations.
- Safe and Contraband-Free Workplace
- Fair dealings.
- Protection of Bank Assets.
- Validity of Financial Records and Reports.
- Compliance with Laws, Regulations, Directives and Internal Policies within Banque Saudi Fransi.
- Commitment to perform the daily tasks and missions.
- Not to deal with any unaccredited third party for marketing or bring in clients or handing over documents related to transfers or opening customer accounts.
- Not managing clients' accounts on their behalf without obtaining the prior written approval of the Business Sector Department and the Human Resources Group in the bank.
- The employee is not allowed to open a commercial account with the bank.
- The employee's not carrying out his own banking operations.
- The employee undertakes to abide by the instructions and laws of cyber security and to work with the internal cyber security policies.

Second: Acceptable Use Policies of Computer, E-mail and Internet Services:

Includes an extract of the cyber security acceptable use policy where all Banque Saudi Fransi users are responsible for complying with the cyber security policies, standards and procedures, including the acceptable use policy, unacceptable uses, and control and monitoring standards. It is the responsibility of the directors of the concerned departments or the director of the Information Security Department, in consultation with the Human Resources Group and the Regulatory Control Service, to assess non-compliance with these policies. Violations of these policies will be thoroughly examined and action will be taken based on the degree and seriousness of the violation.

Third: Consequences of failure to adhere to the principles of conduct and work ethics:

It is the responsibility of the Bank to verify the implementation of its Code of Conduct and Professional Ethics and to monitor and control any violations thereof. If the Bank employees do not adhere to these principles, the necessary measures will be taken and penalties shall be imposed in accordance with the internal work regulations and penalties of Banque Saudi Fransi.

(41) Details of the Bank's social contributions:

BSF is a viable player in the Saudi society, where our commitment to operating with integrity and providing innovative ideas are central elements to our culture and are reflected across our businesses. We are a key enabler in creating good jobs, supporting local communities and, ultimately, securing the future of individuals and families across the Kingdom.

BSF thrives to expand the role of corporate social responsibility to maintain a sustainability mindset. This is showcased via the bank's strategy of pledging to achieve UNPD's Sustainable Development Goals (SDGs), issuing the Sustainability Excellence report that manifests BSF ESG framework, and aligning objectives and achievements to Saudi Vision 2030. This stance is reinforced by the bank's commitment to advance the development of environmental, social, and governance projects, and to contribute in supporting social and charitable activities and programs.

During 2021, the bank engaged with a wide range of activities to support the local community in facing the hardship of the global pandemic. This is while continuing to aid those in need, and supporting charities that aim at elevating the lives of challenged individuals and families.

BSF participation in 2021:

Program name
Blood Donation Campaign for HO in collaboration with King Faisal hospital
Breast Cancer Awareness and HO Event in Collaboration with Zahra association & MOH
King Salman Relief center donation
Ehsan platform donation
Autism center donation

Government related initiatives:

Agriculture Development Fund "ADF":

- Banque Saudi Fransi renewed the collaboration agreement with the Agricultural Development Fund (ADF) to finance the fund's beneficiaries for the purpose of supporting food security in the Kingdom.

Tourism Development Fund "TDF":

- As one of the first banks, Banque Saudi Fransi signed a collaboration agreement to provide financing agency services to the Tourism Development Fund (TDF). The latter is an extension of the collaboration agreement with the TDF to support the tourism industry in the Kingdom of Saudi Arabia by financing the beneficiaries of the Fund, which was signed in 2020.

Cultural Development Fund "CDF":

- Banque Saudi Fransi signed a collaboration agreement with the Cultural Development Fund to finance the fund's beneficiaries as the first Saudi bank to sign this agreement.

General Entertainment Authority "GEA":

- Banque Saudi Fransi signed a collaboration agreement with the General Entertainment Authority (GEA) to work on establishing financing programs to enable the entertainment sector in the Kingdom of Saudi Arabia.

Ministry of Defense:

- Banque Saudi Fransi signed a collaboration agreement with the Ministry of Defense to provide financing services to the Ministry's employees. The agreement contributed in the participation of a number of exclusive exhibitions in various regions of the Kingdom in order to provide real estate and personal financing services to the Ministry's employees.

King Salman Humanitarian Aid and Relief Center (KSRelief):

- Banque Saudi Fransi sponsored the "Recognize and Contribute" campaign, which was carried out by the Center as an exclusive sponsor of the campaign.

(42) Communication with shareholders:

In accordance with the instructions issued by the regulatory and supervisory authorities, the Bank is keen to ensure that shareholders fully exercise their rights and urges them to actively participate and submit their inquiries during the General Assembly meetings. A telephone number and e-mail are also posted on the Bank's home page to receive inquiries from shareholders. The Bank also publishes any significant developments of the Bank through the Tadawul website, in accordance with the instructions issued in this regard. The Bank's representatives continuously participate in meetings and conferences with investors and shareholders.

(43) Number of company's requests of shareholders records, including dates and reasons:

	Application Date	Application Reasons
1	04/01/2021	Other
2	11/01/2021	Other
3	18/01/2021	Other
4	25/01/2021	Other
5	01/02/2021	Other
6	08/02/2021	Other
7	15/02/2021	Other
8	22/02/2021	Other
9	01/03/2021	Other
10	08/03/2021	Other
11	15/03/2021	Other
12	22/03/2021	Other
13	29/03/2021	Other
14	31/03/2021	Corporate procedures
15	05/04/2021	Other
16	12/04/2021	Other
17	19/04/2021	Other
18	26/04/2021	Other
19	03/05/2021	Other
20	05/05/2021	General Assembly
21	09/05/2021	Dividends file
22	24/05/2021	Other
23	31/05/2021	Other
24	07/06/2021	Other
25	14/06/2021	Other
26	21/06/2021	Other
27	28/06/2021	Other
28	05/07/2021	Other
29	12/07/2021	Other
30	13/07/2021	Dividends file
31	19/07/2021	Other
32	26/07/2021	Other
33	02/08/2021	Other
34	09/08/2021	Other
35	16/08/2021	Other
36	23/08/2021	Other
37	30/08/2021	Other
38	06/09/2021	Other
39	13/09/2021	Other
40	20/09/2021	Other
41	27/09/2021	Other
42	30/09/2021	Corporate procedures
43	04/10/2021	Other
44	11/10/2021	Other
45	18/10/2021	Other



	Application Date	Application Reasons
46	25/10/2021	Other
47	01/11/2021	Other
48	08/11/2021	Other
49	15/11/2021	Other
50	22/11/2021	Other
51	29/11/2021	Other
52	02/12/2021	Other
53	06/12/2021	Other
54	08/12/2021	General Assembly
55	13/12/2021	Other
56	20/12/2021	Other
57	27/12/2021	Other
58	31/12/2021	Other

In conclusion, the Board of Directors of the Banque Saudi Fransi expresses its sincere thanks and appreciation to the Custodian of the Two Holy Mosques, His Highness the Crown Prince and to our rational government. We extend our thanking to the Ministry of Finance, the Ministry of Commerce, the Saudi Central Bank and the Capital Market Authority for their continuous help and support towards raising the level of banking services. We also thank our valued shareholders and customers of the Bank for their trust, which is respected and appreciated. The Board of Directors also thanks all employees of the Bank for their sincere efforts.

البنك
السعودي
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Banque
Saudi
Fransi



King Saud Road
Po Box 56006
Riyadh 11554
Kingdom of Saudi Arabia

WWW.ALFRANSI.COM.SA