

The background of the page is a photograph of a desert landscape at sunset. The sky is filled with soft, golden clouds, and the sun is low on the horizon, casting a warm glow. In the foreground, several large, dark rock formations stand on a sandy dune. A large, bright green rectangular overlay is positioned in the upper right quadrant, containing the title text. The left edge of this overlay is decorated with a vertical strip of colorful geometric patterns, including diagonal stripes, repeating circular motifs, and solid colors in shades of orange, green, and black.

BOARD OF DIRECTORS' REPORT



THE BOARD OF DIRECTORS OF THE NATIONAL COMMERCIAL BANK IS PLEASED TO PRESENT ITS ANNUAL REPORT FOR 2020. THE REPORT COVERS THE YEAR'S PERFORMANCE, ACHIEVEMENTS, AND CONSOLIDATED FINANCIAL STATEMENTS, AS WELL AS THE BUSINESS ACTIVITIES OF THE BANK, ITS SUBSIDIARIES, AND AFFILIATED COMPANIES.

1. MAIN ACTIVITIES

The Bank's activities cover five operating segments that constitute its strategic businesses. These provide diverse banking products and services, as well as Shariah-compliant products, not related to special commissions, approved and supervised by an independent Shariah Board. The activities are independently managed through an effective organizational structure and internal reporting.

Retail Banking: Provides banking services to individuals and private banking customers, including financing and current accounts, as well as products in compliance with Islamic Shariah. These products are supervised by NCB's independent Shariah Board at the Bank.

Corporate Banking: Provides banking services to corporates and micro, small and medium-sized businesses, and Shariah-compliant financing products, including cash management and trading services, as well as conventional credit products.

Treasury: Provides all treasury and correspondent banking products and services, including money market and foreign exchange, to the Group's customers. Treasury also conducts investment and trading activities (locally and internationally).

Capital Market: Provides wealth management, asset management, investment banking, and share brokerage services (local, regional, and international).

International Banking: Comprises banking services provided outside Saudi Arabia, including Türkiye Finans Katılım Bankası.

2. KEY EVENTS AND ACHIEVEMENTS

Pandemic crisis proves NCB's ability to perform in adversity

2020 presented a uniquely challenging set of uncertainties and operating environment conditions resulting from the global Covid-19 pandemic. The Government of Saudi Arabia responded swiftly to meet the unfolding situation head-on, introducing a comprehensive set of policy responses and support measures to offset the adverse impacts.

For the Banking sector, these support measures included the provision of profit-free deposits, liquidity support facilities, and fee reimbursements from the Saudi Central Bank (SAMA). NCB responded proactively to the emerging situation, leveraging its strong leadership, efficient operations, and deep talent pool to maintain the momentum in realizing its ambitious agenda. Equally valuable were the Group's good governance, well-diversified business model, strong liquidity and capital position, leading domestic franchise and international presence, and advanced digital platform.

During the year, NCB faced an increase in cost of credit, particularly in Corporate business, as well as yield compression on lower rates, losses on installment deferrals, and pressure on fee income. Signs of stabilization and early shoots of recovery became evident during the second half of the year. Against this challenging backdrop, with safeguarding the wellbeing of customers, staff, and the wider community a critical priority, the performance for the year more than demonstrated the Group's resilience. Net income attributable to equity holders of the Bank for 2020 was stable, growing 0.3% to reach SAR 11.4 billion, building on impressive 18% balance sheet growth. Importantly, the Bank also maintained its strong credit ratings, with the credit outlook improving. Resilience was further underpinned by the strength and diversity of the NCB franchise, and – above all – being driven by relentless strategic execution, particularly an intensified focus on residential finance and digitization.

Samba merger

During the year, NCB entered into a binding merger agreement with Samba Financial Group. Subject to shareholder and regulatory approval, the effective date of the merger is planned for 1 April 2021, delivering expanded scale, reach, and digital capabilities to provide enhanced products and an unparalleled customer experience. The combined entities' increased scale, the sharing of best practices, and annual efficiency gains are expected to generate substantial synergies and growth potential to maximize value for all stakeholders. The merger aims to create a new Saudi 'banking champion' and a regional financial powerhouse in line with Vision 2030. This merger is a major milestone for the Kingdom's entire banking sector.

Retail

NCB's Retail Banking recorded a strong financial performance in 2020, with net income rising 6.8% to SAR 5.8 billion. The Retail Banking Group saw positive momentum across its product offering and throughout its physical network and online channels. Rapid progress in digitizing customer services, as well as shifting the network more towards digital and 'lean branch' formats, contributed significantly to operational efficiency.

Another powerful driver of growth and profitability was the 99% increase of SAR 36.5 billion in the mortgage portfolio, very nearly doubling to SAR 73.5 billion. This was achieved through close cooperation with the Ministry of Housing and Real Estate Development Fund and in alignment with the national priority to increase home ownership. NCB's market share of outstanding mortgage finance reached 25% in 2020, up from 20.9% at the end of 2019. In the second half of 2020, mortgage origination reached record levels to become the largest portfolio within Retail. The Bank also continued to play a vital role in supporting small businesses through its Business Banking program, again in line with Vision 2030 objectives.

In response to the pandemic disruption, NCB implemented installment deferments for the healthcare sector and unemployed individuals, as well as fee waivers, while maintaining a fully operational branch network. During the period, online activity grew significantly, with overall digital sales penetration across the product offering reaching 65%, compared to 51% in 2019.

Corporate

As the leading Corporate Banking business in Saudi Arabia, NCB Corporate continued to partner closely with its customers to meet their banking service needs. Corporate Banking Group made strong progress in its strategic agenda to enhance its Transaction Banking proposition. The challenging operating environment resulted in higher credit costs and margin pressure from lower interest rates. Despite these headwinds, Corporate generated net income of approximately SAR 1.7 billion.

Much of the credit quality impact was mitigated by an increased focus on managing credit risk, along with extensive reviews to proactively manage the portfolio for sustained value.

Corporate Banking maintained its market-leadership in micro, small, and medium enterprise (MSME) banking and Kafalah-based lending, with NCB ranked first in the new Kafalah 95 program introduced by SAMA. The Bank further assisted MSME customers by participating in support packages extended by Saudi authorities, including installment deferrals.

Enhancing the Corporate customer experience was another key area of focus and emphasis. Resulting from productivity initiatives and expanding digitization, Corporate Transaction Banking services' digital penetration rose 22% in 2020, with AIAhlieCorp clients growing by 65%.

Treasury

NCB's Treasury Group recorded a robust financial performance, returning 20% growth in net income to approximately SAR 4.2 billion. The investment portfolio grew by 8% as Treasury continued to bolster its position as a primary dealer in Saudi Government Sukuk issuances, and successfully leveraged market opportunities to grow investment returns.

Treasury maintained the quality of the investment book, with SAR 123 billion being Saudi Government Debt Securities and investment-grade securities, amounting to 85% of the total investment portfolio. On top of funding the growth in financing and investments, the Group's liquidity position remained healthy and comfortable, with the liquidity coverage ratio at 172% at year-end.

NCB Capital

NCB Capital, Saudi Arabia's largest investment bank and asset manager, grew its net income by 78% in 2020, resulting from higher revenues and improved operating efficiency. NCB Capital was joint lead manager for the Saudi Government's \$5 billion global sovereign bond issuance, and joint book-runner for the \$8 billion Saudi Aramco international bond issuance. Other major assignments included being lead manager, underwriter, and joint coordinator and bookrunner for the SAR 2.2 billion Bin Dawood stock exchange listing. NCB Capital has successfully launched NCB Capital Aviation Fund II, Tier One Sukuk Fund III and Credit Fund I, while expanding the AIAhli REIT Fund 1 and maintaining its ranking in the Kingdom's top two evolving brokerage sector. The market share of brokerage value traded grew to 13.9%, up from 10.4% a year earlier.

Türkiye Finans Katılım Bankası

NCB's international subsidiary, Türkiye Finans Katılım Bankası (TFKB), increased net income by 62% to SAR 475 million, while carefully growing the financing book and containing risk cost and improving provision coverage. This performance was achieved despite the Turkish operating environment being marked by ongoing foreign currency volatility and inflationary pressures, compounded by Covid-19 disruption.

Highlights of the year were 10% growth in operating income from core banking activity and reduced funding cost, further boosted by improved operating efficiency. The Turkish operation also made strong progress with its strategic priorities of growing current and savings accounts – up 54% to SAR 14.5 billion – and delivering growth in the higher-yield personal finance business. TFKB remained well-capitalized and enjoyed strong liquidity, continuing with digital enhancements and growing the number of active digital customers by 33% and digital transactions by 46%.

Focus on funding

On the funding side, NCB continued its strategic focus on growing current account balances. The Bank made good progress in streamlining customer coverage models and upgrading the value proposition in the Affluent segment. Together with enhancements to the cash management proposition, and the ongoing focus on opening digital accounts, this generated current account growth of 27%.

Significant advances were made in expanding wholesale funding options across their maturity and seniority spectrums to further optimize the funding mix and cost. The Bank raised \$1.05 billion of long-term, diversified funding through a syndicated global three-year Murabaha, the largest of its kind for a Saudi Bank, and issued a SAR 4.2 billion Additional Tier 1 Sukuk while redeeming a SAR 1 billion Additional Tier 1 Sukuk.

Digital advances

2020 saw an accelerated digital uptake. Aided by NCB's advanced data analytics and agile operating models, significant enhancements were delivered in the digital sales and services offerings in both Retail and Corporate. Expanded functionalities drove Retail digital sales penetration, increasing from 51% to 65% year-on-year. Retail digital account opening rose to 88% from 71%; and the volume of digital transactions reached 77% of the total base, an annual increase of 15%. Branch financial transactions declined further and accounted for only 1.5% of total transactions compared to 2.2% a year earlier. Corporate Transaction Banking services' digital penetration reached 64%, up from 42% in 2019. AIAHieCorp reached almost 85,000 clients in 2020, annual growth of 65%.

Significant gains in operational efficiency included robotic process automation, with usage of bots rising by 245 to total 300, with 200 processes automated, resulting in impressive savings of as much as 1,157 working hours per day.

Under the Bank's 'lean branch' strategy, additional technology and self-service options were introduced to complement the physical distribution network. The number of self-service kiosks increased by 91 to 406.

Human Capital

NCB Group personnel headcount reached 13,334 during the year, with the domestic headcount reaching 9,603 (including NCB and NCB Esnad and NCBC) through specialized hiring. NCB Employee productivity remained high at SAR 2.5 million net operating income per full-time staff member, with the front-to-back office ratio improving by 50 basis points to 72.9%. These efforts helped to mitigate cost pressures arising from Covid-19 expenditures and the July increase in VAT rates, containing the Bank's cost-to-income ratio at 30.3%, marginally less than the 2019 figure.

Investing in human capital remained a key area of focus, seeking to harness the hard work, leadership, creativity, and cooperative spirit of NCB's deep talent pool of professionals. The Bank continued to invest in the recruitment, development, and retention of young Saudi talents and further strengthened its programs specifically designed to train the leaders of tomorrow. Saudization reached 98.6%, and 22.7% of new hires were female, increasing female participation in the workforce to 14.2%. In 2020, females made up 7.6% of NCB executive staff, occupying key positions of responsibility that extend to top management level.

In line with the aspiration to be the Employer of Choice, NCB continued to invest in the positive engagement and wellbeing of staff.

NCB Corporate Responsibility

NCB continued to support and empower local communities through its Ahalina Corporate Responsibility program. During the year, Ahalina empowered 2,389 female micro-business owners through the Bank's micro-finance program, which operates in five cities and extended total funding of SAR 9.8 million. The Handicraft Apprenticeship Production program trained 405 women, and 130 more were given marketing opportunities to promote their products and services.

The Ahalina Social Investment program was launched to enhance non-profit organizations' capabilities to implement 17 development projects that will provide economic empowerment for 768 beneficiaries across the Kingdom. Support was also provided to entrepreneurs through NCB's Fintech and Social entrepreneurship accelerators – launching 30 projects – and a Co-Working Space program that benefited 150 entrepreneurs. Ahalina volunteer programs involved 460 NCB staff and their family members, whose participation included the provision of pro bono professional services totaling 2,268 volunteering hours with an economic value of SAR 156,255.

Corporate Responsibility and the Pandemic

Through the Ahalina program, the Bank launched various programs in response to Covid-19 and participated in Government initiatives to support local communities, contributing SAR 33 million to the Saudi Arabian Health Endowment Fund and SAR 20.5 million to the Community Fund. During lockdowns, Ahalina distributed 9,000 food baskets across nine regions. NCB also deferred three months of installments in its micro-finance program during lockdowns, delivered 18,000 hot meals during Ramadan through its Eftarak Alaina program, sponsored the Entrepreneurship Beyond Covid-19 project, and distributed 1,000 clothing packages and health kits through its Eid Keswa and Ahalina Happiness initiatives.

STRATEGY 2021

NCB's strategic agenda for 2021 will capture the opportunities arising from expected growing demand for consumer financing and improving post COVID-19 macroeconomic fundamentals in Saudi Arabia. NCB is also pursuing a merger with Samba Financial group to build a new Saudi Banking Champion & Regional Financial Powerhouse in line with Saudi Vision 2030. Strategic imperatives prioritized for the coming year are:



NCB-SAMBA Merger

The creation of Saudi National Bank from the merger of NCB and Samba will create significant value for all stakeholders. The merged bank will benefit from increased scale, sharing of best practices and considerable synergies to drive the future of the Saudi banking sector. It will enable growth and development of innovative digital offerings and market leading solutions for savings, wealth management, mortgages and retail and corporate financing, while nurturing future industry leaders.

Fast-paced integration will start from Legal Day 1 with roll-out of the target organizational structure; brand and physical network integration and harmonization of product offerings.

Asset Deployment

Retail: Grow financing with a focus on mortgage business and driving digitization.

Corporate: Manage for value, building a best-in-class transaction banking platform, and growing in V2030 opportunities from Mega Financing to MSMEs.

Treasury: Sustain recurring revenues while maintaining overall portfolio quality and liquidity.

Subsidiaries: Increase value contribution of subsidiaries by focusing on growing key lines of business, while enhancing efficiency and productivity.

Funding

Current accounts: Grow current accounts by expanding the customer coverage model and upgrading the customer experience, while enhancing Cash Management and the Affluent proposition.

Wholesale funding: Enhance funding options by implementing comprehensive wholesale funding programs across maturity ranges and seniority spectrum that optimize mix and cost.

Strategic Enablers

Digital Transformation: Accelerate the digital transformation by continuing the Mobile First drive, deepening digitization of product journeys, and leveraging predictive analytics to drive digital sales.

Productivity: Increase operational efficiency and lean distribution, increasing automation of back-office processes through Robotics, Process Automation and Artificial Intelligence to further improve productivity and performance.

Human Capital: Attract, retain and develop top talent while fostering Saudization and female participation in the workforce.

One Bank Collaboration Initiative

Maintain customers at the center of focus through transforming the client coverage models using powerful analytics and a synergistic operating model, in order to drive cross-sell opportunities and boost non-financing revenues across the platform while enhancing the customer experience.

3. FINANCIAL RESULTS

NCB continued to increase annual profits, successfully implementing a range of initiatives to meet its strategic aspirations, satisfy shareholders' expectations, and fulfill the needs of customers and employees. At the same time, NCB has maintained its leadership of the Saudi banking sector and its ability to manage risks effectively. NCB achieved net profits of SAR 11.44 billion for shareholders in 2020, after Zakat and income tax, compared to SAR 11.40 billion in 2019 – an increase of SAR 39 million and a growth rate of 0.35%. Earnings per share after Zakat and income tax were unchanged at SAR 3.68.

Net special commission income increased by 1.9% to SAR 16.69 billion, up from SAR 16.38 billion. Total operating income rose by 4.3% to SAR 21.46 billion from SAR 20.57 billion, while total operating expenses increased by 9.4% from SAR 7,719 million to SAR 8,448 million.

The Bank's assets increased by 18.3% to SAR 599 billion from SAR 507 billion, while the financing and advances portfolio grew by 23% from SAR 282 billion to SAR 347 billion. Investments increased by 8% from SAR 134 billion to SAR 145 billion, and customers' deposits by 17.8% from SAR 353 billion to SAR 416 billion.

NCB's financial results over the past five years:

	2020 SAR Million	2019 SAR Million	2018 SAR Million	2017 SAR Million	2016 SAR Million
Total assets	599,446	506,819	452,177	444,792	442,657
Net financing and advances	346,708	281,843	265,062	249,234	253,592
Net investments	144,853	134,077	118,090	114,578	111,509
Total liabilities	519,231	437,476	386,508	380,516	382,731
Customers' deposits	416,419	353,389	318,701	308,942	315,618
Total equity attributable to equity holders of the Bank	69,210	61,443	57,737	56,041	53,038
Total operating income	21,458	20,575	18,927	18,345	18,647
Total operating expenses	8,448	7,719	8,082	8,392	9,175
Net income attributable to equity holders of the Bank	11,440	11,401	9,594	8,377	8,062

Financial results of the Bank's operational segments in 2019 and 2020:

	Retail Banking		Corporate Banking		Treasury		Capital Market		International		Total	
	2020 SAR Million	2019 SAR Million	2020 SAR Million	2019 SAR Million	2020 SAR Million	2019 SAR Million	2020 SAR Million	2019 SAR Million	2020 SAR Million	2019 SAR Million	2020 SAR Million	2019 SAR Million
Total income	10,030	9,708	4,084	4,711	4,609	3,908	1,133	787	1,602	1,461	21,458	20,575
Total expenses	4,228	4,379	2,381	1,422	363	388	317	328	1,159	1,202	8,448	7,719
Net income	5,765	5,398	1,679	3,272	4,198	3,497	816	459	475	293	12,933	12,919
Total assets	204,642	154,249	139,448	132,100	211,401	185,601	3,166	2,091	40,789	32,777	599,446	506,819
Total liabilities	248,453	221,024	142,682	109,249	90,552	77,990	415	365	37,129	28,848	519,231	437,476

Net income distributed between the Bank and its main subsidiaries:

	Net income attributable to equity holders SAR Million	% of total income SAR Million
National Commercial Bank (NCB)	10,438	91.24
NCB Capital and its subsidiaries	758	6.63
Türkiye Finans Katılım Bankası and its subsidiaries	244	2.13
Total	11,440	100

4. GEOGRAPHIC ANALYSIS OF REVENUES

Bank revenues are generated from its activities inside and outside Saudi Arabia and classified geographically:

	Kingdom of Saudi Arabia SAR Million	Turkey SAR Million	Kingdom of Bahrain SAR Million	Others SAR Million	Total SAR Million
2020	19,191	1,597	669	1	21,458

5. CREDIT RATING

International credit rating agencies underscored the fact that NCB maintained a stable rating over 2020, reflecting the Bank's aspirations to increase profitability and liquidity. Credit agencies' detailed evaluations for the year were:

Rating agency	2020		
	Short term	Long term	Expectations
Moody's	P-1	A1	-
Standard & Poor's	A-2	BBB+	+
Fitch	F1	A-	-
Capital Intelligence	A1	A+	Stable

6. DIVIDEND DISTRIBUTION

In accordance with Article 47 of the Bank's Articles of Association, and based on the proposal of the Board of Directors, and after the approval of the General Assembly, and the Banking Control Law, the Bank's net profits shall be distributed after deduction of all general expenses and the amounts set aside for impairment charges for expected credit losses, Zakat, tax and any other burdens in the following manner:

- (1) 25% of net profits shall be set aside to build up a statutory reserve. The Ordinary General Assembly may stop or reduce the rate of this deduction for reserve if the statutory reserve has reached an amount equal to the full capital.
- (2) The Ordinary General Assembly may, upon the Board's proposal, set aside a certain percentage of the net profits to build up a consensual reserve, which may not be used without approval by an Extraordinary General Assembly. If such reserve is not assigned for specific purpose, the Ordinary General Assembly may, upon the Board's proposal, decide to dispose of it to bring benefits to the Company or the shareholders.
- (3) Assignment of purification amounts.
- (4) From the remainder, an initial percentage not less than 5% of the capital shall be distributed to shareholders. If such remainder of net profits is insufficient to pay the referred percentage, the shareholders have no right to request distribution from the following year's profits.
- (5) A percentage of the remainder, after having satisfied the above-mentioned deductions, including Paragraph (5), shall be set aside as a bonus for the Board of Directors in accordance with the instructions issued in this regard by the Saudi Central Bank.
- (6) The remainder thereafter shall be used according to the recommendation of the Board of Directors, either to build additional reserve, to be distributed as extra share of profits, or for any other purpose the General Assembly may decide. However, the General Assembly may not resolve to distribute any share of the profits which exceeds the recommendation by the Board of Directors.
- (7) By a resolution from the Board of Directors and subject to the non-objection of the Saudi Central Bank, interim profits may be distributed quarterly or half-yearly to be deducted from the annual profits in accordance with the regulations issued by the CMA.

7. INCOME DISTRIBUTION

	SAR Million
Net income for 2020 before Zakat and income tax	12,933
Zakat	1,373
Transfer to statutory reserve	2,720
Interim paid dividend	0
Final proposed dividend	3,600
Non-controlling Interests	120
Transfer to retained earnings	5,120

8. DISCLOSURE OF STATEMENTS OF MICRO, SMALL, AND MEDIUM ENTERPRISES

(1) Qualitative Disclosure:

(a) Approved definition of micro, small, and medium enterprises and initiatives adopted by the Bank to support them:

Micro, small, and medium enterprises are the enterprises that achieve annual sales of less than SAR 200 million, and these enterprises are divided into three categories:

- Micro enterprises with annual sales with less than SAR 3 million
- Small enterprises of annual sales with more than SAR 3 million and less than SAR 40 million
- Medium enterprises of annual sales with more than SAR 40 million and less than SAR 200 million

(b) NCB strategic initiatives for support micro, small, and medium enterprises

NCB supports the micro, small, and medium enterprises (MSME) sector through a number of initiatives and financing programs. The Bank has acquired a large share of the financing facilities provided to this segment, amounting to about SAR 29 billion within several programs, including the Government's Kafalah program. NCB has been ranked as the largest Saudi bank in terms of the value of Kafalah guarantees provided to MSME customers. The volume of funds granted by the Saudi banks, combined, through Kafalah guarantees, exceeded SAR 48 billion by the end of 2020. NCB's share exceeded SAR 13.7 billion, with 3,100 enterprises benefiting from NCB financing since the start of the program. NCB was also one of the leading banks that responded to SAMA's Guaranteed Finance Program to mitigate the financial and economic impact of Covid-19 and enable MSMEs to play their role in supporting economic stability in this critical period.

In view of the extreme importance of this segment, NCB developed an internal MSME Portfolio Monitoring Committee that convenes monthly and is headed by the CEO to support the MSME sector. Furthermore, the Bank reorganized the MSME team to increase efficiency. Two specialized departments were established to focus on servicing this segment effectively:

- Business Group: Serves micro and small enterprises with an annual turnover less than SAR 40 million
- Commercial Business Group: Serves medium enterprises with an annual turnover between SAR 40 million and SAR 200 million

Given the promising future of this sector, the Bank has adopted strategies to measure the quality and efficiency of services provided, including specialized financing program run by specialized teams of high expertise in the field.

Partnerships and agreements:

As part of NCB's contribution to achieving the Saudi Vision 2030 goal of increasing funding MSMEs to 20% of total Saudi bank financing by 2030, the Bank continues to build strategic partnerships with several Government and semi-Government entities. The most significant partnerships and initiatives undertaken with our partners in 2020 are:

General Authority for Micro, Small and Medium Enterprises (Monsha'at)

- Agreement of financing programs, whereby NCB participates in studying and designing financing programs for MSMEs
- Agreement to join Monsha'at financing platform with an aim to enable entrepreneurs and MSME owners to benefit from NCB's finance services and streamline the procedures through a digital channel. This will give entrepreneurs access to the financing entities' details and their financing services. They will also be able to contact them and apply for financing.
- An agreement to educate, train and develop MSMEs, whereby NCB will design specialized training programs for the MSME sector.
- Franchise agreement, under which NCB will design innovative financing programs with competitive profit margins to enterprises engaged in franchise business. More than 70 enterprises have benefited from the program.

Saudi Basic Industries Corporation (SABIC)

- NCB signed a cooperation agreement with SABIC through its Nusaned initiative to further the national role in industry Saudization. NCB also participated in SABIC Conference 2020.

Kafalah Program

- NCB signed the guarantee portfolio product agreement, intended to reduce the days needed for approval to two days after fulfilling certain procedures and criteria.

Digital services

- NCB launched a digital campaign to support MSMEs with a view to increasing awareness of the various support services and products offered by the Bank. Through the digital platform, MSMEs are offered a wide range of digital services such as account opening, cash management products, and credit facility applications.

Virtual training courses and workshops

In cooperation with Monsha'at and Chambers of Commerce, NCB provided many virtual training courses and workshops with an aim to enhance MSME owners' expertise and help them make proper financial decisions to overcome the consequences of the Covid-19 pandemic. Among courses offered by NCB were:

- Cash-flow management, in collaboration with Monsha'at
- Support when applying for financing facilities, in partnership with Monsha'at
- Initiatives and mechanisms of MSME financing, in partnership with Riyadh Chamber
- Financing solutions and options for entrepreneurs and MSME owners, in cooperation with the Jeddah Chamber
- Mechanisms to support and finance franchisees, in partnership with Monsha'at
- Initiatives and mechanisms of MSME financing, in partnership with the Medina Chamber

NCB maintained posting educational messages on its social media channels for MSMEs, to raise their awareness of the finance procedures to support business activities, to mitigate the impacts of the pandemic, and to explain programs provided by the Saudi Central Bank and how to access them. NCB assigned a team and a toll-free number to answer any questions regarding support programs.

To support MSMEs effectively, NCB now has 164 employees serving this segment after receiving special training by the end of 2020.

Quantitative disclosures for 2020

Particulars	Micro SAR '000	Small SAR '000	Medium SAR '000	Total SAR '000
Financing of small, medium, and micro enterprises – on-balance items	215,962	5,193,577	17,100,577	22,510,116
Financing of small, medium, and micro enterprises – off-balance items	339,915	2,186,234	3,986,325	6,512,474
On-balance financing of micro, small and medium enterprises as a percentage of total on-balance financing	0.07%	1.60%	5.28%	6.95%
Off-balance financing of small, medium, and micro enterprises as a percentage of total off-balance financing	0.91%	5.83%	10.63%	17.37%
Number of financings (on-balance and off-balance)	2,112	6,879	7,117	16,108
Number of financed customers (on-balance and off-balance)	1,751	3,056	1,268	6,075
Number of financings guaranteed by Kafalah Program (on-balance and off-balance) – in aggregate	95	684	212	991
Total financings guaranteed by Kafalah Program (on-balance and off-balance)	69,134	1,276,419	1,567,853	2,913,407

Quantitative disclosures for 2019

Statement	Micro SAR '000	Small SAR '000	Medium SAR '000	Total SAR '000
Financing of small, medium, and micro enterprises – on-balance items	419,908	5,180,742	16,618,153	22,218,803
Financing of small, medium, and micro enterprises – off-balance items	404,076	2,463,403	5,316,565	8,184,044
On-balance financing of small, medium, and micro enterprises as a percentage of total on-balance financing	0.16%	1.97%	6.33%	8.47%
Off-balance financing of small, medium, and micro enterprises as a percentage of total off-balance financing	1.02%	6.20%	13.37%	20.59%
Number of financings (on-balance and off-balance)	2,366	6,465	6,694	15,525
Number of financed customers (on-balance and off-balance)	1,955	3,221	1,369	6,545
Number of financings guaranteed by Kafalah Program (on-balance and off-balance) – in aggregate	38	375	78	491
Total financings guaranteed by Kafalah Program (on-balance and off-balance)	32,226	692,589	526,564	1,251,379

9. COMPENSATION TO BOARD MEMBERS, BOARD COMMITTEES, AND SENIOR EXECUTIVES

(a) Compensation to Board Members

The Board has prepared NCB's Policy of Annual Compensation of Board Members and Board Committees. The policy was approved by the Shareholders' General Assembly on 31 December 2017, and aimed to set the approved criteria for the compensation of Board Members and Board Committees, as well as entitlement conditions.

Compensation paid to Board members and Board Committees is set in line with the instructions issued by the supervisory bodies, and is governed by key governance principles of the banks operating in Saudi Arabia and the Compensation Regulations issued by the Saudi Central Bank, Corporate Governance Regulations issued by the Capital Market Authority (CMA), Companies' Law issued by the Ministry of Commerce, and NCB's Articles of Association.

To guarantee effective governance, this policy requires that compensation should be based on the recommendation of the NCB Nomination, Compensation, and Governance Committee. The policy also considered that compensation should be sufficient to attract Board Members and Board Committee Members who have the capability and expertise appropriate to the Bank's activities. Compensation paid to the Board members were as follows without any substantial deviation from applicable laws and regulations:

	SAR														
	Fixed Compensation							Variable Compensation							
	Fixed amount	Board meeting attendance allowance	Total allowance for attendance of committee meetings	In-kind Benefits	Compensation of technical, administrative and consultative works	Compensation of Board Chairman, Managing Director or Secretary if they are members	Total	Profit share	Periodic bonus	Short term motivational plans	Long term motivational plans	Bonus shares	Total	End of service benefit	Total aggregate

I. Independent members

Zaid Abdulrahman A Algwaiz	500,000	40,000	70,000	-	-	-	610,000	-	-	-	-	-	-	-	500,000	-
Ziad Mohammed S Altunisi	500,000	40,000	70,000	-	-	-	610,000	-	-	-	-	-	-	-	500,000	-
Mohammed Ali M Alhokal*	800,000*	40,000	50,000	-	-	-	890,000	-	-	-	-	-	-	-	850,000	-
Total	1,800,000	120,000	190,000	-	-	-	2,110,000	-	-	-	-	-	-	-	1,850,000	-

II. Non-executive directors

Saeed Mohammed A AlGhamdi	500,000	35,000	50,000	-	-	-	585,000	-	-	-	-	-	-	-	500,000	-
Rashid Ibrahim M Sharif	500,000	35,000	50,000	-	-	-	585,000	-	-	-	-	-	-	-	500,000	-
Marshall Bailey	500,000	35,000	20,000	-	-	-	555,000	-	-	-	-	-	-	-	500,000	15,328
David Jeffrey Meek	500,000	35,000	40,000	-	-	-	575,000	-	-	-	-	-	-	-	500,000	15,233
Anees Ahmed M Moumina	500,000	40,000	20,000	-	-	-	560,000	-	-	-	-	-	-	-	500,000	3,000
Saoud Solaiman A Aljuhni	500,000	40,000	20,000	-	-	-	560,000	-	-	-	-	-	-	-	500,000	-
Total	3,000,000	220,000	200,000	-	-	-	3,420,000	-	-	-	-	-	-	-	3,000,000	33,561

* Mr Mohammed Ali M Alhokal is now the Chairman of the Audit Committee

** Total aggregate amount of the Board members has been reduced to match the amount specified by Law.

(b) Compensation to Board Committees Members

	SAR		
	Fixed compensation other than meeting attendance allowance	Meeting attendance allowance	Total
Executive Committee Members			
Saeed Mohammed A AlGhamdi	-	50,000	50,000
Rashid Ibrahim M Sharif	-	50,000	50,000
Zaid Abdulrahman A Algwaiz	-	50,000	50,000
Ziad Mohammed S Altunisi	-	50,000	50,000
Faisal bin Omar Al-Saqqaf*	-	50,000	50,000
Total	-	250,000	250,000

* Faisal bin Omar Al-Saqqaf in his capacity as CEO and an executive member of the Executive Committee

	SAR		
	Fixed compensation other than meeting attendance allowance	Meeting attendance allowance	Total
Risk Committee Members			
Marshall Bailey	-	20,000	20,000
David Jeffrey Meek	-	20,000	20,000
Anees Ahmed M Moumina	-	20,000	20,000
Saoud Solaiman A Aljuhni	-	20,000	20,000
Faisal bin Omar Al-Saqqaf*	-	20,000	20,000
Total	-	100,000	100,000

* Faisal bin Omar Al-Saqqaf in his capacity as a CEO and an executive member of the Risk Committee

	SAR		
	Fixed compensation other than meeting attendance allowance	Meeting attendance allowance	Total
Nomination, Compensation, and Governance Committee Members			
Zaid Abdulrahman A Algwaiz	-	20,000	20,000
Ziad Mohammed S Altunisi	-	20,000	20,000
David Jeffrey Meek	-	20,000	20,000
Total	-	60,000	60,000

(c) Compensation to the Chairman of the Audit Committee and Audit Committee Members other than Board Members

The Shareholders' Extraordinary General Assembly on 10 April 2019 approved the amended Charter for the Audit Committee, members' selection rules, its duties, bylaws, and compensation of its members, in accordance with the applicable laws and regulations issued by the competent regulatory authorities in Saudi Arabia and NCB's Articles of Association. In setting annual compensations, the NCB Nomination, Compensation, and Governance Committee considered the approved criteria without any significant deviation from laws and regulations. The table below sets out the compensation and compensation levels paid to non-Board Audit Committee Members:

	SAR		
	Fixed compensation other than meeting attendance allowance	Meeting attendance allowance	Total
Mohammed Ali M Alhokal*	300,000	50,000	350,000
Dr Khaled M Altaweel - member other than the Board members	200,000	50,000	250,000
Dr Abdul Rahman M. Albarrak - member other than the Board members	200,000	50,000	250,000
Abdul Rahman M Aloudan - member other than the Board members	200,000	50,000	250,000
Hani Suleiman Alshadokhi - member other than the Board members	200,000	50,000	250,000
Total	1,100,000	250,000	1,350,000

* Mr Mohammed Ali M Alhokal as an independent Board member and Chairman of the Audit Committee

(d) Senior Executives' Compensation

The Board of Directors, based on the proposal of the NCB Nomination, Compensation, and Governance Committee, determines compensation of senior executives in line with the Bank's strategic aspirations and to provide appropriate motivation for the higher management officers.

The compensation and compensation paid to six senior executive members in 2020, including the CEO and CFO:

Value (SAR '000)													
Fixed compensation payable in 2020				Variable compensation – Actual payment in 2020							End of Service benefit	Total Senior Executive	Total Aggregate
Salaries	Allowances	In-kind benefits	Total	Periodic Bonuses	Profits	Short term motivational plans	Long term motivational plans	Bonus shares	Total				
5,108	2,711	92	7,911	-	591	20,269	-	24,671	45,531	1,360	-	54,802	

10. ARRANGEMENTS OF WAIVER OF COMPENSATION BY BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The Bank does not have any information to disclose regarding the arrangements or agreements regarding the waiver of compensation or bonus by any of the Board of Directors or the senior executives.

11. FINANCING AND DEBT SECURITIES ISSUED

In the course of ordinary business practices, NCB has been engaged in borrowing and financing activities with other banks and the Saudi Central Bank at market rates. Those transactions are recorded in the consolidated financial statements of the Bank.

During 2020, NCB issued Shariah-compliant Tier 1 Sukuk of SAR 4.2 billion and Bank exercised the purchase option Tier 1 Sukuk of SAR 1 billion. The arrangements have been approved by the regulators and NCB Board of directors.

NCB announced the issuance of additional cross-border issuances of Tier 1 Sukuk denominated in US dollars and at a value of SAR 4.69 billion.

In 2020, the Bank, its subsidiaries, and affiliated companies issued and retrieved detailed debt securities as follows:

Issuer	Value SAR '000	Term	Paid amount during the year SAR'000	Remaining amount SAR'000
Türkiye Finans Katılım Bankası (Public issue)	4,758,601	Maximum of 7 months	3,816,939	1,772,690

12. WAIVER OF INTERESTS

The Bank does not have any information to disclose regarding any arrangements or agreements related to the waiver of any rights to profits by any of the Bank's shareholders.

13. REGULATORY PAYABLES DUE

Zakat payable in 2020 amounted to SAR 1,373 million and contributions to the General Organization for Social Insurance (GOSI) amounted to SAR 136 million.

14. RELATED PARTY TRANSACTIONS

Several recommendations were presented by the Board of Directors to the General Assembly to approve the authorization of transactions and contracts to which the members of the Board of Directors will have a direct or indirect interest. The rules and procedures of the Bank's Internal Conflict of Interest Policy are in compliance with the instructions issued by the regulatory authorities, noting that that all these contracts are made through competition without preferential conditions or benefits.

The following table details the works and contracts that have been approved by the General Assemblies that have been held and whose results have been announced on the Saudi Stock Exchange (Tadawul). These include both works and contracts that had been conducted between NCB and related parties, and the works and contracts for which the Bank seeks to obtain the General Assembly's approvals during the financial year ending 31/12/2020:

Transactions and contracts in which the Board of Directors have a direct or indirect interest for the year 2020

1. Rent Contracts					
	Service provider	Related party	Service provided	Term of the contract	Contract value in 2020
1	Kinan International for Real Estate Development Company	Mr Anees Ahmed M Moumina	Rental Contract of Automated Teller Machine (ATM) No. 4975 at Al Jamaa Plaza, Al Jamaa district	Five years, and shall be renewed automatically for similar term	65,000
2	Kinan International for Real Estate Development Company	Mr Anees Ahmed M Moumina	Rental Contract of Automated Teller Machine (ATM) No. 4974, Roshan Mall, Al Morjan district	Five years, and shall be renewed automatically for similar term	65,000
3	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4033, Panda Alyassmin, Alnarjis District	Five years, and shall be renewed automatically for similar term	70,000
4	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4044, Panda Al-Bawadi District, Sari Street	Five years, and shall be renewed automatically for similar term	70,000
5	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. No. 4045, Panda Almarawa District	Five years, and shall be renewed automatically for similar term	70,000
6	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4065, Panda Petromin Jeddah Port	Five years, and shall be renewed automatically for similar term	70,000
7	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4069, Panda Bathaa Quraish	Five years, and shall be renewed automatically for similar term	70,000
8	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4070, Panda Alnuwria District	Five years, and shall be renewed automatically for similar term	70,000
9	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4075, Panda Alshati Al Dhahabi District	Five years, and shall be renewed automatically for similar term	70,000
10	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4076, Panda Al-Nada Al-Faisaliyya District	Five years, and shall be renewed automatically for similar term	70,000
11	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4261, Panda Qaryat Onaizah	Five years, and shall be renewed automatically for similar term	70,000
12	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4421, Panda Military City Mall	Five years, and shall be renewed automatically for similar term	70,000
13	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4422, Panda Al-Durrah District	Five years, and shall be renewed automatically for similar term	70,000
14	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4466, Panda Al-Bawadi District	Five years, and shall be renewed automatically for similar term	90,000
15	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4470, Alkahrabaa District	Five years, and shall be renewed automatically for similar term	90,000

Board of Directors' Report Continued

1. Rent Contracts					
	Service provider	Related party	Service provided	Term of the contract	Contract value in 2020
16	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4475, Panda Al-Faisaliyya District	Five years, and shall be renewed automatically for similar term	90,000
17	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4477, Panda Petromin District	Five years, and shall be renewed automatically for similar term	90,000
18	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4479, Panda Al-Aziziyah District	Five years, and shall be renewed automatically for similar term	90,000
19	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4480, Panda Al-Shati District	Five years, and shall be renewed automatically for similar term	90,000
20	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4486, Panda Bathaa Quraish	Five years, and shall be renewed automatically for similar term	90,000
21	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4494 Panda Aljumum District	Five years, and shall be renewed automatically for similar term	90,000
22	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4530, Panda Prince Fawaz District	Five years, and shall be renewed automatically for similar term	90,000
23	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 4531, Panda Al-Takhassosy	Five years, and shall be renewed automatically for similar term	90,000
24	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 1393, HyperPanda, Aliat Al Madina, Quba Street	Five years, and shall be renewed automatically for similar term	72,000
25	Panda Retail Company	Mr Anees Ahmed M Moumina	A rental contract of automated teller machine (ATM) location, No. 1394, HyperPanda, Dana Mall, Royal Commission	Five years, and shall be renewed automatically for similar term	72,000
26	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	A rental contract of automated teller machine (ATM) location, No. 621, STC Tabuk	Five years, and shall be renewed automatically for similar term	30,000
27	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	A rental contract of automated teller machine (ATM) location, No. 622, STC Al Siddiq District	Three years, and shall be renewed automatically for similar term	40,000
28	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	A rental contract of automated teller machine (ATM) location, No. 858, STC Mecca – Al Omra District	Five years, and shall be renewed automatically for similar term	30,000
29	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	A rental contract of automated teller machine (ATM) location, No. 899, STC Al Safa District	Three years, and shall be renewed automatically for similar term	25,000
30	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	A rental contract of automated teller machine (ATM) location, No. 1005, STC Al Mansour District	Three years, and shall be renewed automatically for similar term	35,000
31	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	A rental contract of automated teller machine (ATM) location, No. 1392, STC Al Awali District	Three years, and shall be renewed automatically for similar term	40,000
32	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	A rental contract of automated teller machine (ATM) location, No. 2030, STC Al-Nazlah Al-Yamaniyah, Al Falah Road	Three years, and shall be renewed automatically for similar term	25,000
33	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	A rental contract of automated teller machine (ATM) location, No. 2706, King Abdul-Aziz Block, Building No. 1, King Saud street, Al Rabwa District	Three years, and shall be renewed automatically for similar term	55,000
34	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	A rental contract of automated teller machine (ATM) location, No. 2755, King Abdul-Aziz Block, Building No. 12, King Saud street, Al Rabwa District	Three years, and shall be renewed automatically for similar term	35,000
35	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	A rental contract of automated teller machine (ATM) location, No. 841+208, outside STC building, Al-Nazlah District	Five years, and shall be renewed automatically for similar term	50,000

2. Service Contracts					
	Service provider	Related party	Service provided	Term of the contract	Contract value in 2020
1	Saudi Credit Bureau (SIMAH)	Mr Saeed Mohammed A AlGhamdi*	Services Contract of Credit inquiry Reports Services for the year 2020	1 year	30,018,450
2	Saudi Credit Bureau (SIMAH)	Mr Saeed Mohammed A AlGhamdi*	Services Contract of 360 report service for the Risk Management Department for the year 2019/2020	2 years	2,625,000
3	Saudi Credit Bureau (SIMAH)	Mr Saeed Mohammed A AlGhamdi*	Contract for verification service when the clients' credit limit is exceeded	1 year	131,429
4	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif**	Services Contract of Managed Messages Portal Service	4 years	37,500,000
5	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	Renewal of Bulk SMS Contract	1 year	88,026,750
6	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	Renewal of Connection Circuits	3 years	24,000,000
7	Saudi Telecom Company (STC)	Mr Rashid Ibrahim M Sharif	Renewal of PoS Connectivity Contract	1 year	24,840,000
8	STC Solutions	Mr Rashid Ibrahim M Sharif	Renewal of licenses and supporting "REDHAT"	3 years	8,264,153
9	STC Solutions	Mr Rashid Ibrahim M Sharif	Contract for the implementation of supply and installation works in the new data center in King Abdullah Economic City (equipment, software, networks and security)	3 years	111,555,840
10	STC Solutions	Mr Rashid Ibrahim M Sharif	Renewal of Arbor Cloud for DDoS Service	3 years	2,116,446
11	STC Solutions	Mr Rashid Ibrahim M Sharif	Renewal of Microsoft Enterprise License Agreement	3 years	20,184,025
12	STC Solutions	Mr Rashid Ibrahim M Sharif	Purchase Agreement of Dell EMC Hardware for New Data Center	2 months	10,752,500
13	Saudi Accenture	Mr Ziad Mohammed S Altunisi	Purchase Agreement of purchasing applications for the New Data Center	1 year	8,020,425
14	Saudi Accenture	Mr Ziad Mohammed S Altunisi	Contract of Digital Vision Program	10 months	19,167,752
15	Saudi Accenture	Mr Ziad Mohammed S Altunisi	Signing of Consultancy Services Agreement to support the merger project with Samba for IT Integration	3.5 months	5,635,000
16	Saudi Accenture	Mr Ziad Mohammed S Altunisi	Consulting Services Agreement for AIAhli Esnad Co.	2.25 months	1,725,000
17	Saudi Accenture	Mr Ziad Mohammed S Altunisi	Contract of Agreement of AIAhli Mobile App Performance Optimization	4 months	1,495,575
18	Saudi Accenture	Mr Ziad Mohammed S Altunisi	Contract of Agreement on Onsite Managed Support Services for NCBC Charles River (CRD) System	5 years	464,672
19	Saudi Accenture	Mr Ziad Mohammed S Altunisi	Contract of Agreement on NCB Data Strategy related	3 months	996,820
20	Etihad Etisalat Company (Mobily)	Mr Zaid Abdulrahman A AlGwaiz***	Contract of Processing the pending invoice payment of Mobily Bulk SMS to Etihad Etisalat Co. (Mobily), for the period from 13 Sep 2019 till Dec 2019	3.5 months	7,168,535

Board of Directors' Report Continued

2. Service Contracts					
	Service provider	Related party	Service provided	Term of the contract	Contract value in 2020
21	Etihad Etisalat Company (Mobily)	Mr Zaid Abdulrahman A Algwaiz***	Renewal the Bulk SMS Contract	3 years	9,460,000
22	Bupa Arabia for Cooperative Insurance Co. (Bupa)	Mr Zaid Abdulrahman A Algwaiz	Contract to provide medical insurance for NCB employees for the year 2020	1 year	177,178,766
23	The Saudi Company for the Registration of Financing Lease Contracts (Sejel)	Fyisal Saeed Baghil***	An agreement with Sejel Company to register the non-performing lease finance contracts	3 years	27,558,456.5
24	International Islamic Financial Market	Talal Farouq Khoja****	Dealing with the International Islamic Financial Market by participation in the membership of the Islamic Banks	1 year	98,478

* Mr Saeed Mohammed A. AlGhamdi was the Chairman of the Saudi Credit Bureau (SIMAH) until 07/04/2020.

** The contract had been made before Mr Rashid Ibrahim M Sharif joined the NCB Board.

*** The Board Member's brother is the Chairman of the Etihad Etisalat Co (Mobily) as a representative of the General Organization for Social Insurance

**** Mr Fyisal Saeed Baghil assumes a senior executive position at AlAhli Esnad (NCB Affiliated Company), and a Board Member at Sejel Company.

***** Mr Talal Farouq Khoja assumes a senior executive position at NCB and the International Islamic Financial Market.

3. Insurance Contracts					
	Service provider	Related party	Service provided	Term of the contract	Contract value in 2020
1	AlAhli Takful	Khalid AlGhalib AlSharif# Omar M Hashim#	Life Insurance Policies Contract for Residential Finance Product for the year 2020	Yearly contracts	79,666,982
2	AlAhli Takful	Khalid AlGhalib AlSharif# Omar M Hashim#	Life Insurance Policies Contract for NCB Group for 2020	Yearly contracts	5,141,677
3	AlAhli Takful	Khalid AlGhalib AlSharif# Omar M Hashim#	Life Insurance Policies Contract for Credit Cards Product for 2020	Yearly contracts	1,870,048
4	AlAhli Takful	Khalid AlGhalib AlSharif# Omar M Hashim#	Life Insurance Policy Contract for Residential Finance Product by payment of additional insurance installments for the year 2019 for the due residential finance arising from death/permanent full default of the borrowers	Additional installments	4,820,842

Mr Khalid AlGhalib AlSharif assumed a senior executive position at NCB and was the Chairman of AlAhli Takful (non-executive board member – representative of NCB until 1st March 2020), then Mr Omar M Hashim has been appointed as an executive at NCB and the Chairman of the Company as of 8th June 2020.

During 2020, the Bank sold its 10% share in the Saudi Arabian Military Industries' Advanced Electronics Company (related party) owned by of the largest NCB shareholders (Public Investment Fund (PIF)). The below PIF representatives in the NCB Board have indirect interest with a total amount less than 1% of the Bank's revenues as per the last financial statements:

1. Mr Saeed Mohammed A AlGhamdi
2. Mr Rashid Ibrahim M Sharif
3. Mr Marshall Charles Bailey
4. Mr David Jeffrey Meek

In the ordinary course of activities, the Bank transacts business with related parties. In the opinion of the Management and the Board, the related party transactions are performed at arm's length. The related party transactions are governed by the limits set by the Banking Control Law and the regulations issued by the Saudi Central Bank. Related party balances include the balances resulting from transactions with Governmental shareholders. All other Government transactions are also entered or conducted at market rates.

Balances as of 31 December 2020 recorded in the financial statements

	2020 SAR '000	2019 SAR '000
Bank's Board of Directors and Senior Executives		
Financing and advances	1,011,859	963,372
Customers' deposits	136,134	237,188
Commitment and contingencies	7,741	12,527
Investments (managed assets)	153,342	55,880
Other liabilities – end of service benefits	42,274	36,115
Shareholding of 5% or more in companies and corporations		
Financing and advances	13,611,530	6,634,387
Customers' deposits	9,374,747	7,339,076
Commitment and contingencies	2,571,151	1,433,776
Investments	4,345,473	1,083,142
Major shareholders*		
Customers' deposits	36,401,171	26,357,463
Bank's investment funds:		
Investments	1,320,085	718,580

* Major shareholders represent shareholdings of more than 5% of the Bank's issued share capital. Related parties are close members of those persons' families and their affiliate entities where they have control, joint control, or significant influence over these entities.

Income and expenses pertaining to transactions with related parties included in the financial statements

	2020 SAR '000	2019 SAR '000
Special commission income	1,004,451	378,808
Special commission expenses	269,057	244,832
Fees and commission income and expenses, net	469,592	368,449

Details of the Treasury shares retained by the Bank and details of their uses

Number of treasury shares retained by the Bank	Amount	Details of their uses
9.6 million shares	SAR 371 million	Employees' Shares Program Reserve

15. EMPLOYEE BENEFITS

In 2020, NCB continued its efforts in pursuance, recruitment, and retention of the best Saudi talents. Through employment programs designed for attracting top talents, NCB achieved a steady increase in Saudization, reaching 98.64% by the end of the year. In striving to achieve one of its key strategic aspirations – to be the Employer of Choice – NCB offers a Shariah-compliant savings scheme to employees. The saving scheme gives employees an opportunity to build personal savings and as an attractive benefit that helps to retain qualified talents.

In terms of scheme policy, a fixed 5% is deducted from the employee's basic salary to be invested by NCB's Treasury Group in consideration for a bonus contribution by NCB linked to the number of years of subscription. The bonus ranges from 10% to 200% of the saved balance, depending on the number of years of continuous subscription. The cumulative balance in the staff savings scheme amounted to SAR 132 million by the end of 2020. The Bank pays compensation and benefits to employees according to Saudi labor laws and regulations, and the statutory requirements applicable to foreign branches and subsidiaries. The Bank's total reserve for end-of-service awards amounted to SAR 1.188 billion as at 31 December 2020.

16. SAMA STATUTORY PENALTIES

Subject of the violation	2020		2019	
	Number of penalties	Total amount of penalties in SAR	Number of penalties	Total amount of penalties in SAR
Violation of the supervisory body's instructions	22	13,071,000	25	80,795,500
Violation of the instructions on customers' protection	6	1,290,000	7	55,000
Violation of the supervisory body's instructions on due diligence	-	-	5	31,193,500
Violation of the supervisory body's instructions on the level of the ATMs and POS machines	-	-	-	-
Violation of the supervisory body's instructions on due diligence in combating money laundering and terrorism financing	-	-	2	220,000
Total	28	14,361,000	39	112,264,000

17. EFFECTIVENESS OF INTERNAL CONTROL PROCEDURES**Internal controls**

Executive management is responsible for establishing and maintaining an adequate and effective internal control system, which necessitates abiding by policies, procedures, and processes that the executive management, under Board supervision, has put in place to ensure the realization of its strategic aspirations and protect its assets.

NCB management has adopted an integrated internal controls framework in accordance with the Saudi Central Bank guidelines. The internal controls system begins with corporate governance that defines the roles and responsibilities of the Board of Directors and its sub-committees: Executive Committee, Audit Committee, Risk Committee, and Nomination, Compensation, and Governance Committee. The management committees support the Board of Directors in monitoring and addressing key risks associated with strategy, financial performance, technology, asset and liability management, credit, operations, legal and regulatory, and information security. Rigorous and integrated efforts are made by all the Bank's businesses to improve the efficiency and effectiveness of the control environment at process levels, through continuous reviews and consistent and integrated procedures to prevent and rectify control deficiencies.

Each business in the Bank, under the supervision of senior executive management, is entrusted with the responsibility to oversee rectification of control deficiencies identified by its own risk and control self-assessment process and by internal and external auditors.

The scope of the Internal Audit Division (IAD) includes the assessment of the adequacy and effectiveness of the internal control system, as well as the compliance and implementation of all applicable policies and procedures. The Compliance Division ensures adherence to the regulatory requirements through compliance control programs. All significant and material findings from IAD reviews and corrective actions are reported to senior executive management and the Audit Committee. The Audit Committee actively monitors the adequacy and effectiveness of the internal control system to ensure that identified risks are mitigated. The Board of Directors has full access to all reports of its committees, which include the annual internal audit report, in addition to all risk management reports and other relevant reports. These are reviewed regularly to provide an ongoing assessment of the effectiveness of the internal control system facilitating identification of any potential deficiency in its practical application and treating any deficiency that may arise as a result of changed circumstances.

Annual review of the effectiveness of internal control procedures

For 2020, audits of the effectiveness of the internal controls conducted during the year confirmed that systems and procedures for the identification, evaluation, and management of the risks that may be faced by the Bank were in place and have been applied throughout the year, and that there were generally no material or significant deficiencies in the control environment. After assessing the effectiveness of the internal control procedures and ongoing evaluation of internal controls carried out during the year, management considers that the existing internal control system is operating effectively, and monitored consistently. Management continuously strives to enhance and further strengthen the internal control system.

Based on these findings, the Board of Directors has endorsed the Executive Management's assessment of the internal control system, as prescribed by the Saudi Central Bank.

Opinion of the Audit Committee

Based on the periodic reports presented by the Internal Audit Division, the Compliance Division, the Bank's auditors, and the Compliance Committee to the Audit Committee during the fiscal year ending 31 December 2020, and in view of the previous results of annual audit of the internal control measures, the Audit Committee confirms that the internal control measures did not show any significant gaps in the control environment of the Bank's businesses that may affect the soundness and effectiveness of the efficiency of the financial and operational systems, controls, and procedures, and that the assessment of the control measures adopted by the executive management will continue throughout the year.

18. AUDITORS

At the Bank's annual meeting on 31 March 2020, the Shareholders' Extraordinary Assembly approved the appointment of KPMG Al Fowzan and Ernst & Young to act as the Bank's external auditors for the year ending 31 December 2020, including reviewing the quarterly financial statements during the same year. The next meeting of the Assembly will consider reappointing or replacing the current auditors, as well as the fees determined for auditing the Bank's accounts for the financial year ending 31 December 2021.

19. RISK GROUP

In the normal course of business, NCB is exposed to various risks resulting from its banking activities. The Risk Group supports the Bank's different businesses by controlling and minimizing risks, if any, to achieve a performance/risk balance. The Risk Group ensures that all business-related risks fall within the tolerance levels of the Bank as a whole. The main objective of the Risk Group is to maintain the general level of risk in line with the Bank's strategy. To achieve this, the Risk Group employs a number of tools and professional talents to identify, classify, measure, and limit risks.

NCB's Risk Governance Policy identifies risks and determines tolerance levels and methods of their management. The Risk Group optimizes and promotes the risk governance framework with comprehensive policies determining the roles and responsibilities of all relevant parties, while promoting a culture of tackling and managing risks in all the Bank's businesses.

Pursuant to the guidelines of the Saudi Central Bank and the Basel Committee, the governance framework for NCB risk management ensures the independence of the Risk Group mandates, as well as implementing three main defense lines across all businesses. The business units collaborate with the Risk Group and Internal Audit Division to effectively manage, monitor, and identify the tolerated risks and ways to minimize them.

The Risk Group's organizational structure handles the levels of management, functions, and mandates to manage different types of risks, including credit, market, liquidity, operational, and information security. To manage risks, the Risk Group has developed specific policies for all the risk types in a holistic manner at the Bank level.

Credit Risks

Credit risks are the risk of financial losses resulting from a borrower's or counterparty's failure to meet their contractual financial obligations. Credit risks represent the highest percentage of total risks to which the Bank is exposed. These risks arise from credit operations of investments and financing and advances. Consequently, to manage credit risks, the Bank has developed policies to ensure all its financing and investment programs are covered. This enables the Bank to protect the quality of its credit and investment portfolios, and minimizes losses generated by financing activities.

Credit Risks Assessment

To assess and manage credit risks to different portfolios of the Bank, the Risk Group has developed a set of instruments to suit different types of customers and beneficiaries, so that it can measure the feasibility of each transaction. Credit risk assessment function assesses risks related to losses that might arise from failure to repay outstanding obligations. Accordingly, corporate clients are analyzed using internally developed credit analysis assessment forms, whereas personal profiling and credit behavior are used to analyze retail customers.

For its investment portfolio, the Bank depends on assessments undertaken by the main external credit rating agencies as well as its own assessment of related risks. At a portfolio level, transaction assessments are combined so a comprehensive assessment for the credit or investment portfolio can be established and checked against the targeted quality level.

Credit Risk Controls, Credit Limits, and Guarantees

The scope of credit risk function's responsibility includes monitoring and identifying credit risks based on the creditworthiness of each transaction, before offering or renewing a credit limit for to a client. Credit risk management policies were therefore designed to set credit limits that match the risk level of the exposure, and to monitor risks, as well as define how limits should be implemented. Accordingly, actual credit limits and corresponding risks are monitored daily.

Credit risk policies also require diversity in financing activities to avoid concentration of risks in an individual or a group of clients with specific geographic location, or a specific type of commercial activity. To mitigate risks, the Bank usually obtains collateral for credit facilities. There are several types of collateral, such as securities, cash deposits, financial guarantees provided by other banks, shares, real estate, and other fixed assets.

Market Risks

Market risks are the risks of incurring losses due to changes and fluctuations in market prices, special commission rates, creditworthiness levels, share prices, exchange rates, and any other changes in the fair value of financial instruments and securities held by the Bank.

To manage such risks, the Risk Group classifies market risks into trading and non-trading portfolios. Treasury Group manages the trading portfolio, which includes positions resulting from market-making and other trading positions. It also includes managing assets and liabilities recorded at a fair value. Market risk management employs the estimation of value at risk (VaR) tool for all transactions included in the trading portfolios. VaR is estimated for a specific period based on adverse market fluctuations. Calculating VaR depends on market price volatility inputs and the link between different portfolio components using related historical market data.

The Risk Governance Policy requires the Assets and Liabilities Management Committee to manage the risks associated with volatile special commission rates arising from changes in future cash-flows and fair value. The Assets and Liabilities Management Committee is responsible for managing the gap between assets and liabilities and special commission rates, and dealing with hedge strategies to maintain risks within the tolerance levels. The risk governance policy also aims to improve the financial position structure to ensure that banking operations are processed within the scope of the Bank's risk tolerance. The Risk Group has developed an investment policy to control the Treasury Group's operations in money and capital markets, foreign exchange, interest rates, and commodity products. Investment policies and procedures are intended to ensure that all activities of the Bank's Treasury Group adhere to regulations and that supervisory controls are in place to manage the associated risks.

Liquidity Risks

Liquidity risks are the risks associated with the failure to meet all payment obligations at their maturity dates, or having to make payment at excessive costs.

Accordingly, the main function of the Bank's liquidity risk management efforts is to maintain a balance between liquidity and profitability for operations, while maintaining a strong liquidity position to increase customer confidence and improve the cost of financing. To increase liquidity levels, NCB's higher management mandated the Risk Group to monitor all facilities, obligations, and sources of financing along with their cost rates at the targeted tenors. The Bank uses risk tolerance measurement programs to ensure that it can meet its obligations during adverse market conditions, including long periods of asset liquidation at disadvantageous price levels.

Operational Risks

NCB defines operational risks as the risks arising from inadequacy or failure of internal procedures, individuals, or systems or as a result of external circumstances. These risks are inherent in all the Bank's commercial and non-commercial operations and are associated with all activities of institutions operating in banking and finance. Since each business unit is responsible for its operational risks, the main operational risk management function within the Risk Group is mandated to develop, implement, and comply with a comprehensive and integrated framework to reduce risk in all businesses across the Bank.

The operational risk management strategy includes:

- Adopting a proactive approach to reduce operational risks through self-assessment of risks and controls
- Defining and analyzing operational risks events, and losses arising from them
- Implementing programs to raise awareness of operational risks, and promoting a culture of mitigating risks
- Preparing comprehensive periodic reports on operational risk controls and their effectiveness
- Developing operational risk management practices to maintain a stable work environment and contribute to achieving the Bank's strategic aspirations

Information Security Risks

Information security risks refer to risks arising from the failure of regulatory, technical, and procedural measures to protect the Bank's information assets from unauthorized access or use, disclosure, copying, modification and conversion, loss, and theft or abuse, whether deliberately or unintentionally.

Information Security department of Risk Group provides a comprehensive practical framework through which operational procedures are organized, regulatory requirements and rules are implemented, and procedures are facilitated to ensure information assets are protected – together with reducing the various information security risks.

Responsibilities of Risk Group's Information Security department include information security governance, direct follow-up of applying legislation related to information security, and direct and full control over all activities regarding information security. This entails continuous evaluation of risks and follow-up of systems to identify security risks and take immediate action to reduce them.

The Group also designs and implements awareness programs for this type of risk for everyone dealing with the Bank's information assets, whether staff, contractors, or customers. Management is also concerned with monitoring and controlling the powers of access to the various systems, continuously evaluating the various information assets and applying security controls in line with the importance of those assets.

Notes to the Basel III Framework

The third pillar of the Basel III Framework requires publication of a number of quantitative and qualitative disclosures. Such disclosures are published on the Bank's website: www.AIAhli.com in accordance with the Saudi Central Bank regulations.

(a) Basel III Framework:

The Basel Committee has enhanced capital measurement standards and capital standards by issuing the Basel III Framework in response to the 2007 global financial crisis. This framework focuses on enhancing the quality of required capital along with raising the minimum capital requirements, enhancing risk coverage, and reducing the impact of cyclical economic fluctuations on capital requirements. It also imposes new requirements for leverage, liquidity, and capital ratios to enhance capital build-up.

The Basel III Framework, as adopted by the Saudi Central Bank, sets out the standards and principles by which Saudi banks are to meet the requirements with a high-quality capital base. The first tier of capital is total shareholders' equity, which has the highest ability to 'bear loss'. To this end, the framework requires compliance with specific standards:

- Improving quality of the first tier of capital and increasing its minimum requirements
- Allocating any regulatory deductions to shareholders' equity
- Gradually canceling listing of mixed capital instruments of limited ability to bear the loss of the second tranche level of capital
- Increasing transparency in regulatory capital components through detailed disclosures and comparing them to shareholders' equity

(b) Disclosure periods for Basel III set out by the Saudi Central Bank:

- Capital structure – quarterly
- Financial leverage – quarterly
- Financial liquidity – quarterly
- Quantitative disclosure – quarterly and semi-annual
- Qualitative disclosures – annual

20. CONFIRMATIONS BY THE BOARD OF DIRECTORS

The Bank's Board of Directors confirms to Shareholders and other related parties, according to its best knowledge in all material respects, that:

- The accounting records were prepared properly as per industry standards and rules.
- The Internal Control System was developed and effectively implemented on a proper basis.
- There is no doubt that the Bank is able to proceed with its operations
- There is no contract in which the Bank was a party and NCB's Board Chairman, Board Members, CEO, Finance Group Head or any person who has a direct relationship with them has or had a fundamental interest, except for those disclosed under Related Party Transactions.

21. MEASURES TAKEN BY THE BOARD TO INFORM ITS MEMBERS – ESPECIALLY NON-EXECUTIVES – OF SHAREHOLDER PROPOSALS AND THEIR OBSERVATIONS REGARDING THE COMPANY AND ITS PERFORMANCE

NCB recognizes the shareholder proposals received during the General Assembly meeting. It informs the Board Chairman of any other proposals concerning NCB to be presented in the nearest Board meeting. There is also an e-mail address to receive ad hoc shareholder comments and suggestions, linked directly to the Board Secretary so that the Board can review submissions.

22. AUDITOR QUALIFICATIONS ON THE FINANCIAL STATEMENTS:

The audit report did not include qualifications to the annual financial statements.

23. BOARD RECOMMENDATIONS ON CHANGING THE AUDITORS:

The Board of Directors did not recommend a change of auditors before the end of their term of appointment. There was no conflict between the Committee recommendations and the Board decisions.

24. NCB'S STAFF CODE OF CONDUCT

NCB is fully committed to developing policies and procedures that ensure employees' adherence to the Bank's official Code of Conduct that applies to dealing with customers, colleagues, and suppliers – and as representatives of the Bank as a whole. All NCB employees must strictly adhere to the implementation of the Code of Conduct as well as the Work Ethics in Financial Institutions code, as approved by the Saudi Central Bank.

Compliance with the laws, regulations, instructions, and policies is one of the most important factors for the Bank's success, as well as maintenance of its reputation and credibility. Therefore, Bank staff shall be committed to consistent compliance with these requirements, without any violation or negligence. They may not conduct, on behalf of the Bank, any dealings that may violate the Bank's laws, regulations, instructions or policies.

25. APPROVED INTERNATIONAL ACCOUNTING STANDARDS

The consolidated financial statements for the year ended 31 December 2020 were prepared in accordance with International Financial Reporting Standards approved by the Kingdom of Saudi Arabia and other standards and publications issued by SOCPA and in conformity with the Banking Control Law, the Companies' Law of Saudi Arabia, and the Bank's Articles of Association.

SUBSIDIARY COMPANIES

Subsidiary company	Capital (SAR)	Number of issued shares	Ownership (%)	Main activity	Country of incorporation	Country of main activity
NCB Capital Company (NCBC)	1,000,000,000	100,000,000	100%	A Saudi shareholding company engaged in the Bank's investment services and asset management activities	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
NCB Capital Dubai Inc. (formerly Eastgate Capital Holdings Inc.)	9,375,000	2,500,000	100%	A limited liability company with the objective of attracting and structuring investment in private equity and real estate development opportunities in emerging markets	Cayman Islands	Emerging markets with special focus on the Middle East and North Africa
NCB Capital Real Estate Investment	10,000	1000	100%	A Special Private Vehicle Company registered in the Kingdom of Saudi Arabia with the main objective of owning and registering real estate assets on behalf of real estate funds that are managed by NCB Capital Real Estate Investment	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Türkiye Finans Katılım Bankası	1,310,920,000	2,600,000,000	67.03%	A participation bank registered in Turkey that collects funds through current accounts and profit-sharing accounts, and lends funds to consumer and corporate customers, through finance leases and profit/loss sharing partnerships. As at the end of the year, Türkiye Finans Katılım Bankası owns all shares issued for TF VARLIK KIRALAMA A.Ş and TFKB Varlık Kiralama A.Ş, two special-purpose entities established for the purpose of issuing shares for the Turkish Bank	Turkey	Turkey
Real Estate Development Company	500,000	500	100%	A limited liability company registered in the Kingdom of Saudi Arabia, engaged in keeping and managing title deeds and collateralized real estate properties on behalf of the Bank	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
AlAhli Insurance Services Marketing Company	500,000	50,000	100%	A limited liability company engaged as an insurance agent for the distribution and marketing of Islamic insurance products in Saudi Arabia. On July 07, 2020, the Saudi Central Bank issued the governing rules of banking insurance activities, by which banking insurance activities, such as marketing and distribution of Islamic insurance products, are practiced directly by the Bank. Therefore, the company decided to start immediate liquidation process of its operations. The company's legal liquidation procedures are still in process	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi NCB Markets Limited	187,500	50,000	100%	A limited liability company with the objective of trading financial derivatives, repurchases, and reverse purchases on behalf of the Bank	Cayman Islands	Cayman Islands
Eastgate MENA Direct Equity L.P.	688,674,270	–	100%	A private equity fund domiciled in the Cayman Islands and managed by NCB Capital-Dubai. The fund's investment objective is to generate returns from investment in Shariah-compliant direct private equity opportunities in high-growth businesses	Cayman Islands	Middle East and North Africa
AlAhli Outsourcing Company	50,000	5	100%	Limited liability company engaged in recruitment services within the Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

Details of subsidiary companies are as follows:

(a) NCB Capital Company (NCBC)

NCB Capital is Saudi Arabia's largest investment bank and asset manager, offering wealth management, asset management, investment banking, and brokerage services to the Kingdom's retail, affluent, high net worth, and institutional clients.

With SAR 186 billion in client assets under management across various local and international asset classes at the end of 2020 and an MQ1 rating – Moody's highest for investment manager quality – NCB Capital is the Kingdom's largest asset manager and one of the region's largest providers of employee savings programs.

During the year, NCB Capital's Wealth & Asset Management businesses launched the NCB Capital Aviation Fund II, NCB Capital Tier One Sukuk Fund III and NCB Capital Credit Fund I and expanded its AlAhli REIT Fund (1) – adding SAR 5.7 billion to NCB Capital's assets under management – and increased the number of clients on the firm's employee savings program platform by 43%.

In recognition of these achievements, NCB Capital was named 'Best Investment Bank, KSA' by Middle East Finance Awards, and 'Best Asset Management Company, KSA' and 'Best Wealth Management Company, KSA' by International Finance Awards. AlAhli Multi-Asset Growth Fund, AlAhli Asia Pacific Index Fund, and AlAhli Freestyle Saudi Equity Fund together won three Lipper Fund Awards for "providing strong, risk-adjusted performance relative to their peers."

(b) Türkiye Finans Katılım Bankası

NCB owns 67.03% (2019: 67.03%) interest in Türkiye Finans Katılım Bankası, a Turkish participation bank that operates by attracting current accounts and profit/loss sharing investment accounts. It provides those funds to retail and corporate clients in the form of Shariah-compliant finance, lease, and profit/loss sharing partnerships, developing a more varied financing structure and reducing its financing costs.

Total assets of Turkey Finance Bank increased by 55.4% in 2020, the financing portfolio grew by 42.8%, customer deposits by 45.3%, and the ratio of loans to deposits decreased from 76% to 75%. Net income for 2020 was TRY 676 million, up from TRY 377 million in 2019.

Wholesale funding (includes Tier-II borrowing from NCB) increased from TRY 5.3 billion to 14.8 billion, the growth of assets during the year was mainly funded by the increase in deposits and due from banks funding which consists of borrowings from financial institutions and sukuk issuance in the domestic capital market. At the same period, deposits grew by 45% from TRY 40.7 billion to TRY 59.1 billion, of which current deposits jumped by 92%.

Individual auto financing achieved impressive growth of 117% with a nominal value of TRY 1.03 billion, while mortgage financing grew by 75% and general purpose financing for individuals surged by 78%, attributable to newly-launched innovative products and services.

Turkey Finance Bank opened 10 new branches, taking its network to 319 at the end of 2020, and updated service channels such as ATMs, points of sale, and telephone and online banking – including new communication and online services.

(c) Real Estate Development Company

NCB has 100% direct ownership of the share capital of Real Estate Development Company, a limited liability company registered in Saudi Arabia under Commercial Registration 4030146558 dated 21 Dhual Qi'dah 1424H (corresponding to 13 January 2004) with capital of SAR 500,000. The purposes of the Company are:

- (1) Maintaining and managing the assets and real estate transfers to NCB and third-parties as a guarantee and registering these properties in their name for the financing purposes for which the Company was established.
- (2) Purchasing, accepting, and transferring properties; buying, selling, and transferring apartments, villas, residential units, land, properties of all kinds and names, and obtaining the best price on behalf of the Company.
- (3) Managing properties and real estate assets transferred to NCB and third-parties as a guarantee and registering them in its name for the financing purposes for which the Company was established.
- (4) Purchasing land and properties, as well as owning plots of land for development and sale or lease in cash or by installments for the benefit of the Company to establish buildings and invest in their development by selling or leasing in cash or by installments.
- (5) Real estate management and development.
- (6) Accepting and discharging mortgages on behalf of the Company and effecting and executing mortgages against the property of the Company in favor of the Real Estate Development Fund and applying for discharge and acceptance of the mortgages.
- (7) Purchase and sale of off-plan housing units and operating through residential financing.

Board of Directors' Report Continued

(d) AIAhli Insurance Services Company (Isnad)

NCB has 100% effective ownership of AIAhli Insurance Services Marketing Company, a limited liability company registered in Saudi Arabia under commercial registration 4030195150 dated 21/12/1430H (8/12/2009) with capital of SAR 500,000. The Company's objectives are to serve as an agent for marketing Islamic insurance products and services in Saudi Arabia and marketing all the insurance products of AIAhli Takaful Company.

(e) The Saudi National Commercial Bank Markets Ltd

The Bank has 100% direct ownership of the Saudi NCB Markets Company Ltd, established in 2016 as a limited liability company and registered in the Cayman Islands, with capital of \$50,000 (SAR 187.5). The Company specializes in trading of derivatives, purchases, and repurchases on behalf of the Bank.

(f) AIAhli Outsourcing Company (Isnad)

The Bank has 100% direct ownership of AIAhli Outsourcing Company, a limited liability company registered in Saudi Arabia. The Company operates in recruitment services in Saudi Arabia.

AFFILIATED COMPANIES

The company	Capital (SAR)	Number of issued shares	Ownership (%)	Main activity	Country of incorporation	Country of activity
Real Estate Markets Trading Company	1,600,000,000	1,600,000	60%	Owning, managing, maintaining, and cleaning Jamjoom Commercial Center	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
AIAhli Takaful Company	166,666,670	16,666,667	29.99%	Insurance (protection and savings for individuals and groups)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

(a) Real Estate Markets Trading Company

NCB has 60% direct ownership of Real Estate Markets Trading Company, a limited liability company established in Saudi Arabia under commercial registration 4030073863 on 5/4/1411H (24/10/1990), with capital of SAR 1,600 million. The Bank adheres to the International Financial Reporting Standards in preparation of its financial statements.

Under those standards, the term 'control' entails three requirements: The Group has power of control over the Company; the Group has exposure or rights to the variable returns of the Company; and the Group has the ability to use power to affect returns of the Company. Since these requirements are not fully applicable to Real Estate Markets Trading, NCB includes it under investments as an affiliate, so that its financial statements are not consolidated with those of the Group, but treated as separate from NCB. The Company's Articles of Association expired on 4/4/1431H (corresponding 20/3/2010). It was agreed that the term of the Company would be extended for an additional five years commencing from the expiry date in the commercial register. The additional term also expired on 4/4/1436H (corresponding 24/1/2015). As at 21/8/1436H (corresponding 8/6/2015), NCB accordingly filed a lawsuit to the Jeddah Administrative Court, registered under No 7270/2/J for the year 1436H at the Fifth Commercial Circuit, requesting the liquidation of the Company due to expiry of its term and failure to reach an agreement between the partners on the extension of its term. On 12/07/1437H, the Court issued its judgment to the effect that the Real Estate Markets Trading Company shall be dissolved and liquidated, and Abdulrazzaq & Ahmed Waly Sait Co shall be appointed as a liquidator.

The Administrative Appeal Court in Makkah endorsed the judgment on 13/10/1437H. On 27/11/2017, the appointed liquidator declared the dissolution in Al Medina Gazette, Issue 19941. In the hearing held by visual communication on 28/2/1442H, the parties attended to appoint another liquidator following the death of the previous appointee. Based on these proceedings and the judgment of the previous Circuit, the current Circuit decided to appoint Sadagah Certified Public Accountants & Consultants to be the authorized trustee in bankruptcy under license No 141029 to run the liquidation procedures of Real Estate Markets Trading Company. Work is still ongoing to complete the procedures for receiving the Company's business by the liquidator to begin the liquidation process.

(b) AIAhli Takaful Company

NCB directly owns 29.99% of the capital of AIAhli Takaful Company, a Saudi joint-stock company established under Royal Decree M/70, dated 22/11/1427H (13/12/2006), and ministerial resolution 262 dated 20/11/1427H (10/12/2006). The Company was established in Jeddah under commercial registration No 4030171573 on 21/7/1428H (4/8/2007) and holds an insurance business license (TMN/20079/7) dated 29/8/1428H (11/9/2007) issued by the Saudi Central Bank. The Company began insurance activities in accordance with the Cooperative Insurance Companies Control Law and with capital of SAR 100 million. Shareholder approval was obtained on 12 December 2011 to increase the Company's capital to SAR 166,666,670 with a total of 16,666,667 issued shares.

ISLAMIC BANKING

(a) NCB's Shariah Committee

NCB Shariah Committee is an independent body, responsible for the adoption of the Shariah-compliant products and services provided by NCB and ensuring the integrity of their legitimate application through the Shariah Supervisory Unit. NCB's Shariah Committee comprises four prominent scholars in Shariah and Islamic economics; His Excellency Sheikh Abdullah Bin Sulaiman Al Manea, Advisor to the Royal Court, and member of the Supreme Council of the Senior Ulama, is the Chairman of the Shariah Supervisory Board. The Shariah Board members include His Excellency Sheikh Dr Abdullah bin Mohammed Al Mutlaq, Advisor to the Royal Court and member of the Supreme Council of the Senior Ulama; Sheikh Dr Abdullah bin Abdulaziz Al-Musallah, former Head of Commission on Scientific Signs in the Qur'an; and Sheikh Dr Mohammed bin Ali Al-Qari, former head of the Institute of Islamic Economics.

During 2020, NCB increased the number of Shariah Committee members by entering into a contract with His Excellency Sheikh Dr Khaled bin Muhammad Abdullah Al-Sayyari to be the fifth member of NCB Shariah Committee as of 2021. He is a member of the teaching staff at the Saudi Electronic University, member of Shariah Standards Committee at the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Riyadh, and member of Saudi Fiqh Association.

(b) Shariah-Compliant Banking

NCB achieved a high level of compliance with the Islamic Shariah and application of the Shariah standards set by the Shariah Board for the Bank's various businesses. The Bank took additional procedures to grow Islamic banking, giving priority to Shariah-compliant products and solutions, and building and supporting the Islamic banking systems, as well as publishing monthly awareness messages to its employees. NCB also held many conferences and symposia to raise awareness among clients on Islamic banking, tackle problems, and propose solutions to overcome obstacles that hinder the growth of Islamic banking in general and develop its products and services in particular.

This progress report on the Islamic banking transformation program covers the financial year ended 31 December 2020:

- (1) The Bank's assets reached SAR 599 billion, 79% of which are Shariah-compliant (2019: 77%).
- (2) Liabilities reached SAR 519 billion, 85% of which are from Shariah-compliant sources (2019: 77%).
- (3) The proportion of total Shariah-compliant financing reached 87% (2019: 85%); the proportion of Shariah-compliant financing to the corporate sector reached 79% (2019: 75%).
- (4) Operating income generated from Shariah-compliant transactions reached 77%.
- (5) Islamic Sukuk in which the Treasury Group invested amounted to 62%.

All NCB branches have worked since 2007 in complete conformity with Islamic Shariah. NCB continues to take actions towards further transformation to Islamic banking. This includes the coordination among NCB's Shariah Division and different business groups to find Islamic alternatives to the remaining conventional products and develop new and improved Islamic products to cover a wider segment of customers in response to their needs and wishes.

Shariah Division

The Shariah Division's assigned functions are a key development engine in NCB. It performs tasks supporting NCB's objectives and plans in expanding and increasing the services and products provided to the Bank's customers. Shariah Division is also entrusted with supervising and controlling NCB's Islamic banking and represents a defense line preventing NCB from being exposed to the risks of non-compliance with Islamic law.

During 2020, NCB's Shariah Division continued its efforts with the Bank's objectives of supporting Islamic banking industry and expanding its scope across all the Bank's businesses. To achieve this objective, the Shariah Committee held 11 meetings with various NCB businesses, associates, and affiliated companies. These meetings answered all queries regarding the Shariah issues related to banking operations. The outcome was the development of new products, support and improvement of other products, and the review, improvement, and approval of contracts and executive documents.

With regard to NCB's efforts to train new Shariah scholars, the Bank continued its unique and distinguished program for qualifying new scholars to join Shariah boards. So far, six Islamic banking experts have graduated from the program, with a new candidate joining.

The Shariah-compliance team of Shariah Division verifies the implementation of all the resolutions of NCB's Shariah Committee and its requirements in all the Bank's policies and procedures, product programs, electronic systems, and training programs.

The Shariah-compliance team made nine Shariah control visits, including a review of four of the Bank's Islamic products to verify their compliance with the Shariah resolutions, and four NCB Capital investment funds. The Shariah-compliance team also made a control visit to AlAhli Takaful Company to ensure that its insurance products comply with the Shariah resolutions.

NCB'S CORPORATE RESPONSIBILITY PROGRAMS

For more than 15 years, NCB's corporate responsibility achievements have been making a profound difference within the communities served by the Bank, meeting the needs of society and keeping up with societal changes. Recently, NCB has been developing its corporate responsibility strategy to boost the impact and depth of its programs. As a result, the Bank launched the Ahalina strategy that focuses on empowering various society groups, converting them into positive and developmental energies capable of supporting the national economy. To this end, NCB has used its expertise and specialized capabilities in various fields to further support community initiatives that are in line with the Bank's strategy.

From the beginning of 2020, Corporate Responsibility entered a new phase, implementing a strategy of social empowerment that aims to enable individuals and non-profit organizations and to provide community support in the various regions of the Kingdom. The strategy has been adopted after an in-depth study that took into consideration societal needs and the goals outlined in the Saudi national agenda.

Among NCB's 2020 Corporate Responsibility achievements were the:

Productive Families Finance Program

This program provides micro-finance to women of productive families through group loans that are exempt from traditional guarantees. Each beneficiary group comprises three to five women and the program is based on the principle of collective guarantee among themselves. The Bank provides interest-free loans without any profit to the Bank or additional costs to the beneficiaries. Finance starts from SAR 3,000 per beneficiary in the first phase of a project, rising to SAR 10,200 in Phase 4.

The program seeks to empower women and strengthen their role within families and the wider community, specifically by qualifying low-income women and those seeking employment and productivity. By establishing a culture of self-reliance and self-employment opportunities for women, the program ultimately helps reduce poverty and unemployment, while empowering women socially and economically through income-generating projects. Funding is provided through five independent Ahalina CR branches – in Jeddah, Riyadh, Al-Ahsa, Ha'il, and Buraidah. Setting up these Ahalina branches alone stimulated in community empowerment by creating more than 58 new jobs, of which more than 83% are for women.

In 2020, 2,386 loans were provided to female beneficiaries, with a total value of SAR 9,809,400. This brings the number of loans since the program began to 17,296, with a total value of more than SAR 62 million. The program also took the initiative to mitigate the beneficiaries' financial burdens due to Covid-19 by deferring loan installments for three months during lockdowns.

Craft Production Program

This program aims to empower women, develop their skills, raise their efficiency, and utilize their energies according to the Vision 2030 objective of increasing women's representation in the labor market to 30%. Under the program, 405 women in seven cities were trained in various crafts, including traditional handicrafts. Participants learned how to produce traditional products to the highest quality standards, using modern technologies and approaches developed in cooperation with specialized international consultative bodies.

Corporate Responsibility efforts in this area have also improved the efficiency of training, with 82 female trainers now certified as professionals. As a result, many trainees have started their own projects, creating significant and diverse job opportunities while earning a sustainable income.

Within the scope of the program, the Bank has provided marketing opportunities and outlets for 130 women by setting up innovative channels to display and market their products and services. For example, women working within the program were given the opportunity to craft the Bank's gifts to VIPs and to showcase their products as part of NCB's special offers to employees. Women's products and services are regularly photographed and displayed on Ahalina's social media pages, creating further marketing opportunities.

AlAhli Entrepreneurs Program

NCB is focused on empowering young men and women, encouraging them to pursue an entrepreneurial spirit and start their own successful projects. This is why the Bank launched a number of business accelerators in partnership with the General Authority for Small and Medium Enterprises (Monsha'at). These accelerators support innovation, facilitate starting businesses, and develop capacities, in the process creating job opportunities for Saudi nationals across the Kingdom.

The second series of accelerators specialized in fintech and was launched in November, 2020. It is set to support young people with creative projects in fintech that can help transform the Kingdom into an innovation hub. The Fintech Accelerator was divided into two main phases. The first – recruitment – involved 20 projects with creative ideas and a five-day training camp. At the end of the camp, 10 winning projects advanced to the second stage, where participants were enabled to build their fintech startups with financial support of SAR 70,000 each. The Fintech Accelerator will end with a graduation ceremony when the winning projects will be presented to potential investors and individuals interested in fintech entrepreneurship.

In December, 2020 – again in partnership with Monsha'at – NCB finalized the Social Entrepreneurship Accelerator, which seeks innovative solutions to societal challenges, as well as enabling projects to grow and create a sustainable impact. This accelerator launched 20 projects with high potential for success in the social entrepreneurship sector and provides follow-up services, guidance, and counseling for three months. Of the 20 initial projects, 12 have received social enterprise accreditation certificates from the Ministry of Human Resources and Social Development and from Monsha'at.

Ahalina Social Investment Program

This program was launched at the beginning of 2020 in strategic partnership with the King Khalid Foundation. It aims to empower non-profit organizations and associations by developing their capabilities to design and implement sustainable projects that align with Vision 2030. The ultimate objective is to expand the impact of this vital sector by adopting best management practices.

In this context, two regional sessions of the program were launched, first in the Central and Western Regions, followed by the Eastern, Southern, and Northern Borders Region. Workshops, meetings, and field visits were organized for each participating association to come up with an action plan and a budget for their projects. The outcomes were to be based on sound administrative principles that would underpin their success.

By the end of the two sessions, support was approved for 17 development projects to be implemented in 13 cities across the Kingdom. These projects will help 768 beneficiaries who will have the opportunity to build and develop their capabilities to access the labor market, providing them with economic empowerment and enabling their financial independence while contributing to the domestic product and advancing the Kingdom's economic development.

AlAhli Volunteer Program

This program involves NCB employees in activities that meet the needs of the community. The Bank provides general and professional volunteering opportunities, being the first private sector company in Saudi Arabia to adopt a 30-hour paid system for employees who volunteer for community work.

In general volunteering, more than 340 NCB employees in 25 cities across the Kingdom participated in 35 voluntary initiatives – contributing 1,646 hours at an economic value of SAR 29,628. For the fourth consecutive year, activities included the Ahalina Happiness Campaign, aiming to instill the concept of volunteering. In 2020, the campaign began in Ramadan and included distributing 18,000 Iftar meals and health kits. Beneficiaries included orphanages and retirement homes, as well as cleaning of workers' accommodation. Volunteers delivered the meals and health kits across Riyadh, Jeddah, and Dammam, adhering to the highest safety and quality standards at all stages of processing, packaging, and distribution, thus minimizing the risk of a Covid-19 spread.

The Eid Keswa (Eid Clothes) initiative was then launched in six cities, giving vouchers to beneficiaries to buy clothes from one of the major retailers (subject to the precautionary measures now adopted).

Earlier in 2020, the second phase of Ahalina Happiness was launched through 16 volunteering initiatives covering 16 cities. The campaign included the distribution of food baskets, household appliances, and tablets and computers. It also involved the sterilization of mosques, divers cleaning up the sea, tree planting, and donating winter clothes. Also launched was the Shukr Initiative (Gratitude) which is devoted to the children of martyrs, health practitioners, and security guards. Many other activities have taken place in cooperation with charities and Government entities.

For the fifth consecutive year, volunteering continued with the Pro Bono initiative by NCB employees, with 70 volunteers participating in 66 projects and giving a total of 327 hours at an economic value of more than SAR 121,000 to 40 beneficiaries across the Kingdom. These included charities and SME operators who benefited from remote specialist workshops and consultations on how best to deal with the repercussions of the Covid-19 pandemic and mitigate its impacts.

Volunteers provided their specialist professional capabilities, such as accounting, marketing and public relations, finance, legal affairs, IT, operations management, human resources, strategy, planning, and project management. This enhanced the resources of non-profit organizations' staff and the private sector's transfer of value and benefit to society.

Sponsorship and Donations

As part of NCB's leadership role in society, the Bank supports many activities and initiatives that have a direct social impact. During 2020, such sponsorship and donation activities had an exceptional role in supporting the directions and plans of the Kingdom in addressing the impacts of the Covid-19 pandemic. NCB participated in the Saudi Arabian Health Endowment Fund, launched by the Ministry of Health, contributing SAR 33 million to support the awareness and treatment efforts in response to the pandemic.

The Bank also supported the Community Fund, launched by the Ministry of Human Resources and Social Development, with a contribution of SAR 20.49 million to mitigate the impacts arising from the pandemic.

The Bank's own initiatives included provision of relief support to those most affected by the pandemic by distributing food baskets to 8,000 families in cooperation with the Saudi Food Bank and contributing to the Berran Bi Makkah campaign.

In support of young entrepreneurs, NCB sponsored the Post-Covid-19 Entrepreneurship initiative to help them overcome the obstacles they faced because of the pandemic. The Bank also sponsored the Entrepreneurship Complex in partnership with Monsha'at.

In a related context, the Bank provided community support for other initiatives and activities, such as sponsorship of International Volunteer Day under the auspices of the Ministry of Human Resources and Social Development. During this event, volunteers were honored, stressing their active social roles and encouraging the culture of volunteering.

For the third successive year, NCB's No Receipt Print initiative continued to protect the environment by encouraging customers to reduce paper consumption in ATM transactions. The value of the paper saved is donated to the Children with Disability Association, amounting to SAR 1.4 million during 2020.

26. BOARD OF DIRECTORS, RELATED COMMITTEES, AND EXECUTIVE MANAGEMENT COMPOSITION OF THE BOARD OF DIRECTORS AND TYPES OF ITS MEMBERS ARE: EXECUTIVE BOARD MEMBER, NON-EXECUTIVE BOARD MEMBER, INDEPENDENT BOARD MEMBER

Member	Position	Membership Type
Saeed Mohammed A AlGhamdi	Board Chairman	Non-Executive
Rashid Ibrahim M Sharif	Board Vice-Chairman	Non-Executive
Marshall Charles Bailey	Board Member	Non-Executive
David Jeffrey Meek	Board Member	Non-Executive
Anees Ahmed M Moumina	Board Member	Non-Executive
Saoud Solaiman A Aljuhni	Board Member	Non-Executive
Zaid Abdulrahman A Algwaiz	Board Member	Independent
Ziad Mohammed S Altunisi	Board Member	Independent
Mohammed Ali M Alhokal	Board Member	Independent

Board Members

The Board of Directors consists of nine members, appointed by the General Assembly every three years, and meets at least once every three months (minimum of four times a year) or when required, by invitation from the Chairman, or from two members. The quorum comprises five members attending in person, including the Chairman. The decisions and discussions of the Board must be recorded in minutes of meetings and signed by the Chairman and the Board members. The Board Secretary is responsible for recording the proceedings of meetings.

It is worth noting that the Board members were re-elected for a new period of three years. During the sixth Extraordinary General Assembly to increase the Bank's capital (first meeting), nine board members were elected for the session from 15/05/2018 to 14/05/2021. Board members' names, qualifications and experiences are:

Saeed Mohammed A AlGhamdi, Chairman

Mr AlGhamdi is the Chairman of the Board of Directors of the National Commercial Bank and Chairman of the Executive Committee at the Bank. He is a non-executive Board member and representative of the Public Investment Fund. Mr AlGhamdi's academic qualification and professional experience are:

Academic qualifications

Year	Qualification	Major	University
1987	Bachelor's Degree	Computer Sciences and Engineering	King Fahd University of Petroleum and Minerals, Dhahran, KSA

Other current positions and memberships

Job title	Name	Legal form	Sector
Chairman of Board of Directors	NCB Capital Company (NCBC)	Closed shareholding company - inside KSA	Financial services
Chairman of Board of Directors	Manga Productions -	Subsidiary - Misk Foundation - Inside KSA	Art sector
Board Member	Real Estate General Authority	Government organization - inside KSA	Real estate
Board Member	Misk Foundation	Charity - inside KSA	Non-profit sector

Professional experience

Job title	Name	Legal form	Sector
Chairman of Board of Directors	Second Health Cluster	Government company – inside KSA	Health Sector
Chairman of Board of Directors	Saudi Credit Bureau (SIMAH)	Closed shareholding company – inside KSA	Financial Services
Chairman of Board of Directors	Türkiye Finans Katılım Bankası	Turkish closed shareholding company – outside KSA	Banking Sector
Chief Executive Officer	National Commercial Bank	Public shareholding company	Banking Sector
Advisor to HE the Governor	Saudi Central Bank	Government organization	Government
Advisor to the Chairman	National Commercial Bank	Public shareholding company	Banking
Board Member	Al Rajhi Takaful	Public shareholding company/inside KSA	Insurance
Board Member	Al Rajhi Capital	Closed shareholding company – inside KSA	Financial services
Deputy CEO	Al Rajhi Bank	Public shareholding company	Banks
Board member	Al Rajhi Bank Malaysia	Malaysian limited liability company	Banks
Board member	INJAZ–Saudi Arabia	Saudi non-profit organization – inside KSA	Civil society
Board member	Advisory Board of MasterCard Middle East & Africa	US public shareholding company	Financial services
Board member	The Institute of International Finance	Global non-profit organization	Education

Rashid Ibrahim M Sharif, Vice-Chairman

Mr Sharif is Vice Chairman of the Board and a member of the Bank's Executive Committee. He is a non-executive Board member and representative of the Public Investment Fund. Mr Sharif is now Head of General Directorate for Investments in Local Companies at the Public Investments Fund (PIF). His academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2009	Master's Degree	Business Administration	Prince Sultan University, Riyadh, KSA
1998	Bachelor's Degree	Finance Department	King Fahd University of Petroleum and Minerals, Dhahran, KSA

Other current positions and memberships

Job title	Name	Legal form	Sector
Head of General Directorate for Investments in Local Companies	Public Investments Fund	Government organization – inside KSA	–
Board Member	Saudi Electricity Company	Public shareholding company – inside KSA	Investment
Board Member	Saudi Telecom Company	Public shareholding company – inside KSA	Communications
Board Member	AccorInvest Company	Shareholding company – outside KSA	Investment

Professional experience

Job title	Name	Legal form	Sector
Board Member	KAFD Development & Management Company	Government company – inside KSA	Real estate development
Board Member	Saudi Basic Industries Corporation (SABIC)	Public shareholding company – inside KSA	Basic materials
Chief Executive Officer	Riyadh Capital	Closed shareholding company	Financial services
Manager of Corporate Investment Banking Management	Riyadh Capital	Closed shareholding company	Financial services
Manager of Registration and Inclusion Department	Capital Markets Authority	Government Organization	Capital Market Authority
Customer Finance Relations Manager	Bank Albilad	Public shareholding company	Banks
Credit Section	Saudi Industrial Development Fund	Government fund	Industrial development

Board of Directors' Report Continued

David Jeffrey Meek, Board Member

Mr Meek is a Board member, member of the Nomination and Compensation and Governance Committee, and member of the Risk Committee. He is a non-executive Board member and representative of the Public Investment Fund. His academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
1984	Advanced General Certificate of Secondary Education	Mathematics, Economics and Geography	British Council – United Kingdom
1983	General Certificate of Secondary Education	Mathematics, English Language, English Literature, Economics	British Council – United Kingdom

Other current positions and memberships

Job title	Name	Legal form	Sector
Deputy Chairman	NCB Capital Company (NCBC)	Closed shareholding company – inside KSA	Financial services
Board Member	This Land Ltd	Limited liability company – outside KSA	Real estate development
Chairman of the Board of Directors	Equiti Capital UK Limited	Limited Liability Company – outside KSA	Financial services sector
Chairman of the Board of Trustees	Getting on Board	Non-profit Organization – outside KSA	Civil and social organizations sector
Member of the Board of Trustees	British Liver Trust	Non-profit Organization – outside KSA	Civil and social organizations sector
Founder and Manager	InnoMotion Limited	Limited Liability Company – outside KSA	Management consultation sector

Professional experience

Job title	Name	Legal form	Sector
Managing Director	JPMorgan, London, UK	Shareholding company – outside KSA	Financial services
Managing Director	Mizuho International, London	Shareholding company – outside KSA	Financial services
Managing Director	Citigroup, London	Shareholding company – outside KSA	Financial services
Senior Partner	ILEX Asset Management Ltd	Limited liability company – outside KSA	Financial services
Board Member	IDM Cheshunt Ltd	Limited liability company – outside KSA	Real Estate
Founder	Cheslake Ltd	Limited liability company – outside KSA	Real estate development
Partner/Founder and CEO	Parcoa Ltd	Limited liability company – outside KSA	Business support services
Chairman of the Board	Waves Technology Co Ltd	Limited liability company – outside KSA	Technology
Chairman of the Board	Regtech Associates Ltd	Limited liability company – outside KSA	Regulatory technology

Marshall Charles Bailey, Board Member

Mr Bailey is a Board Member and Chairman of the Risk Committee. He is a non-executive Board member and representative of the Public Investment Fund. Details of his academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
1990	Master's Degree	Diplomatic History	The University of Winnipeg, Canada
1988	Bachelor's Degree	Political Science and Economics	Graduate Institute of International and Development Studies, Geneva, Switzerland.

Other current positions and memberships

Job title	Name	Legal form	Sector
Chairman of the Board of Directors	Mitsubishi UFJ Financial Group	Public Limited Company – outside KSA	Financial sector
Board Member	CFA Institute	Institute – outside KSA	Non-profit professional organization
Board Member	Financial Services Compensation Scheme	Closed shareholding company – outside KSA	Financial services

Professional experience

Job title	Name	Legal form	Sector
Board Member	CIBC Capital Markets – public limited company	Global Financial Markets Organization – outside KSA	Financial markets sector
Board Member	LCH Group Holdings Ltd.	Closed shareholding company – outside KSA	Financial sector
President – Global President	ACI International Financial Markets (UK)	Shareholding company – outside KSA	Financial sector
Operations CEO and Senior Administrative Manager	State Street Bank UK, Europe, the Middle East and Africa (EMEA)	Shareholding company – outside KSA	Banks
London Branch Chairman	State Street Bank, Germany	Shareholding company – outside KSA	Banks
Chief Executive Officer (CEO)	Smart Markets International Ltd	Limited liability company – outside KSA	Financial services
Board Member	European CHOP Group	Shareholding company – outside KSA	Financial sector
Board Member	UK Financial Investment Ltd	Public Limited Company	Financial sector
Board Member	CFA Society	Professional society	Educational sector
Member of the Board of Trustees	East End Community Foundation and Isle of Dukes	Voluntary association	Volunteering sector
Member	Inter-party parliamentary group – House of Lords	Inter-party parliamentary group	Political sector
Co-chair of Working Groups	Group of market participants	Working group	Financial sector

Board of Directors' Report Continued

Anees Ahmed M Moumina, Board Member

Mr Moumina is a Board member, a member of NCB's Risk Committee, a non-executive Board member and representative of the General Organization of the Social Insurance (GOSI). Mr Moumina is the CEO of Savola Group. Details of his academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2014	Degree	CEO International Program for Global Leadership	Wharton University, USA
2000	Degree	CEO International Program for Global Leadership	Harvard University, USA
1995	Degree	Senior Executive Management Program for Company Management.	Columbia University, USA
1986	Master Degree	Engineering Management Sciences (with honors)	Georgetown University, USA
1985	Bachelor Degree	Civil Engineering (with honors)	Georgetown University, USA

Other current positions and memberships

Job title	Name	Legal form	Sector
Chief Executive Officer (CEO)	Savola Group	Public shareholding company – inside KSA	Food production and retail
Vice Chairman of Board of Directors	Savola Food Company	Closed shareholding company – inside KSA	Food production
Vice Chairman of Board of Directors	Al Kabeer Company	Closed shareholding company – outside KSA	Food production
Vice Chairman of Board of Directors	United Sugar Company	Closed shareholding company – inside KSA	Food production
Vice Chairman of Board of Directors	Panda Retail Company	Closed shareholding company – inside KSA	Retail
Vice Chairman of Board of Directors	Herfy Food Services Co.	Public shareholding company – inside KSA	Consumer services
Board Member	Almarai Company	Public shareholding company – inside KSA	Food production
Board Member	Knowledge Economic City	Public shareholding company – inside KSA	Real estate management and development
Board Member	Kinan International for Real Estate Development Company	Closed shareholding company – inside KSA	Real estate management and development
Board Member	Dr Soliman Fakeeh Hospital	Closed shareholding company – inside KSA	Healthcare
Board Member	Afia Company	Closed shareholding company – inside KSA	Food production

Professional experience

Job title	Name	Legal form	Sector
Chief Executive Officer (CEO)	SEDCO Holding	Closed shareholding company – inside KSA	Investment
Board Member	Elaf Group	Closed shareholding company – inside KSA	Tourism services
Chairman of the Board	Dunia Alaswaf Trading LLC (ALSHIAKA)	Closed shareholding company – inside KSA	Long-term commodities
Chairman of the Board	Ewaan Global Residential Company	Closed shareholding company – inside KSA	Housing
Regional Director General for the Western Region and Senior Credit Officer	Samba Financial Group	Public shareholding company – inside KSA	Banks
Marketing Manager	P&G	Closed shareholding company – inside KSA	Consumables

Saoud Solaiman A Aljuhni, Board Member

Mr Aljuhni is a Member of the Board of Directors and a Member of the Bank's Risk Committee. He is a non-executive Board member representing the Public Pension Agency (PPA). Mr Aljuhni is the Assistant Governor of the Public Pension Agency for Insurance Affairs. Details of his academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2008	Master's Degree	Actuarial Sciences	University of Kent, UK
2007	High Diploma	Actuarial Sciences	University of Kent, UK
2003	Diploma	Actuarial Sciences	Muhanna Foundation, the Lebanese Republic
2001	Bachelor's Degree	Management Information Systems	King Fahd University of Petroleum and Minerals, Dhahran, KSA

Other current positions and memberships

Job title	Name	Legal form	Sector
Chairman of the Board of Directors	Tabuk Cement Company	Public shareholding company – inside KSA	Basic materials
Board Member	National Industrialization Company	Public shareholding company – inside KSA	Basic materials

Professional experience

Job title	Name	Legal form	Sector
Board member	Saudi Industries Development Company	Closed shareholding company – inside KSA	Investment

Zaid Abdulrahman A Algwaiz, Board Member

Mr Algwaiz is a Board member, Chairman of Nomination, Compensation and Governance Committee, and a member of the Bank's Executive Committee. He is an independent Board Member and is a Board Member of numerous companies. Details of his academic qualification and professional experience are:

Academic qualifications

Year	Qualification	Major	University
1987	Bachelor's Degree	Financial accounting	King Saud University, Riyadh, KSA

Other current positions and memberships

Job title	Name	Legal form	Sector
Board member – Audit Committee Member	Bupa Arabia for Cooperative Insurance Co	Public shareholding company – inside KSA	Insurance
Chairman of Assets and Liabilities Committee	Mohammed Ibrahim Alsubeaei & Sons Investment Co. – MASIC	Closed shareholding company – inside KSA	Multiple investments
Board Member and Chairman of Audit Committee	GIB Capital	Closed shareholding company – inside KSA	Financial
Member of the Investment Committee	Real Estate General Authority	Public authority – inside KSA	Real estate
Member of Audit Committee	New Jeddah Downtown	Public Authority – inside KSA	Real estate development
Board Member	Rajhi Steel	Limited liability company – inside KSA	Steel manufacturing

Board of Directors' Report Continued

Professional experience

Job title	Name	Legal form	Sector
Chairman of Audit Committee	Noon Investment Company	Closed shareholding company – inside KSA	Retail
Audit Committee Member	Zakher Real Estate Development Company	Limited liability company – inside KSA	Real estate development
Board Member and Chairman of Audit Committee	Mohammad Abdulaziz AlRajhi & Sons Investment Co	Limited liability company – inside KSA	Multiple investments
Board Member and Chairman of Audit Committee	Wilayah Investment Co	Government company – inside KSA	Government company
Board Member	Middle East Specialized Cables (MESC)	Public shareholding company – inside KSA	Capital goods
Board Member	Saudi Hollandi Capital	Closed shareholding company – inside KSA	Financial services
Board Member	Gulf Financing Company	Closed shareholding company – inside KSA	Financing
Board Member	Al Yusr Financing & Leasing Company	Closed shareholding company – inside KSA	Financing
Board Member	Al Rajhi Steel Industries Co	Limited liability company – inside KSA	Steel industry
Deputy Managing Director	HSBC Saudi Arabia Ltd	Closed shareholding company	Financial services
General Manager of Corporate Banking Services	Saudi British Bank (SABB)	Public shareholding company	Banks
Chief Accountant – Financing, Planning, and Budgeting Management	King Faisal Specialist Hospital	Government	Medical services
Chairman of Risk Committee	Mohammed Ibrahim Alsubeaei & Sons Investment Co. – MASIC	Closed shareholding company – inside KSA	Multiple investments

Ziad Mohammed S Altunisi, Board Member

Mr Altunisi is a Board Member and Member of the Bank's Nomination, Compensation, and Governance Committee and Executive Committee. He is an independent Board Member and is CEO of Al-Faisaliah Group. Details of his academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2005	Senior Executives' Course	Corporate Financial Statements	INSEAD Institute, Switzerland
2003	Senior Executives' Course	Private equity rights and venture capital	Harvard Business School
1996	Master Degree	Securities and Investment Services	University of Reading, UK
1991	Bachelor Degree	Business Management	King Saud University, Riyadh, KSA

Other current positions and memberships

Job title	Name	Legal form	Sector
Chairman of the Board of Directors	Nuwa Capital	Shareholding company – outside KSA	Financial
Chairman of the Board of Directors	AWJ Holding Company	Closed shareholding company – inside KSA	Asset and investment management
Board Member	Sackville Capital	Shareholding company – outside KSA	Multiple investments
Board Member	Saudi Philips	Closed shareholding company – inside KSA	Medical devices and equipment
Board Member	Al Safi Danone Company	Closed shareholding company – inside KSA	Producing milk and dairy products
Board Member	Accenture Company	Closed shareholding company – inside KSA	Information technology
Board Member	Accentia Company	Shareholding company – outside KSA	Information technology
Board Member	RNC Aflanka	Shareholding company – outside KSA	Investment
Board Member	Knowledge Economic City	Public shareholding company – inside KSA	Real estate management and development

Professional experience

Job title	Name	Legal form	Sector
Board Member	Solidere International	Closed shareholding company	Real estate investment
Board Member	Pharma International	Closed shareholding company	Production of medicines and drugs
Vice Chairman and Operation Manager	Al Faisaliah Holding Group	Closed shareholding company	Multiple investments
Executive Director for Finance	Al Faisaliah Holding Group	Closed shareholding company	Multiple investments
Treasury Manager	Al Faisaliah Holding Group	Closed shareholding company	Multiple Investments
Investment Advisor – Private Banking	Samba Financial Group	Public shareholding company	Banks

Mohammed Ali M Alhokal, Board Member

Mr Alhokal is a Board Member, Chairman of Audit Committee, and independent Board Member. He was a Board Member and advisor to several listed and unlisted shareholding companies. Details of his academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
1989	Master Degree	Finance and Marketing	University of Wisconsin, USA
1985	Bachelor Degree	Business Management	Concordia, USA

Other current positions and memberships

Job title	Name	Legal form	Sector
Board Member	Albawardi Group	Closed shareholding company – inside KSA	Multiple investments
Board Member Chairman of Audit Committee	Sulaiman A. Al Rajhi Real Estate Investments Co.	Closed shareholding company – inside KSA	Multiple investments
Board Member Chairman of Risk and Compliance Committee Chairman of Audit Committee Member of Credit Committee	Tourism Development Fund	Public fund	Tourism sector
Chairman of Audit Committee, Assets and Liabilities Committee and Member of Credit Committee	Nayifat Finance Co (Al-Naifat)	Closed shareholding company	Financing
Independent Board Member and Chairman of Audit Committee	Reza Investment Co (Al Ra'idah Investment)	Closed shareholding company – inside KSA	Real estate
Adviser of Board of Directors	R.J. Fleming & Co (DIFC) Ltd	Limited liability company- outside KSA	Financial Services
Board member, Advisor & Chairman of Audit and Risk Committee	Al Jazirah Rent A Car	Closed shareholding company	Car rent

Board of Directors' Report Continued

Professional experience

Job title	Name	Legal form	Sector
Non-board independent member of the Executive Committee	Abdullatif Alissa Group Holding Co.	Closed shareholding company	Multiple investments
Member of the Advisory Board	Fast Holding Ltd.	Limited liability company – outside KSA	Multiple investments
Senior advisor	R.J. Fleming & Co (DIFC) Ltd	Limited liability company- outside KSA	Financial Services
Regional Director General for the Central Region – Corporate Business Banking Group	Samba Financial Group	Public shareholding company	Banks
Regional Director for Corporate Central Region	Alawwal Bank (formerly Saudi Hollandi Bank)	Public shareholding company	Banks
Board Member	Al Ra'idah Investment Company	Closed shareholding company – inside KSA	Multiple investments
Board Member	Nayifat Finance Company (Al-Naifat)	Closed shareholding company – inside KSA	Financing
Board Member and Chairman of Credit and Finance Committee	Abdullatif Alissa Group Holding Co.	Public shareholding company – inside KSA	Multiple investments
Advisor to the Chairman for Financial and Treasury Affairs	Abdullatif Alissa Holding Group	Public shareholding company	Multiple investments

Board's Secretary General

Ahmed Rabie AlRowaili, Head of Corporate Governance and Board of Directors Secretariat

Mr AlRowaili has been the Head of Corporate Governance and Board of Directors General Secretariat since 2018. He is also the Secretary General of the Board of Directors. Details of his academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2007	MA	International Law and Legal Studies	Seattle University, USA
2005	BA	Law	King Saud University, KSA

Other current positions and memberships

Job title	Name	Legal form	Sector
Member of the Risk and Compliance Committee	Tourism Development Fund	Public fund	Tourism sector

Professional experience

Mr AlRowaili joined NCB in 2018 as Head of Corporate Governance and Board of Directors General Secretariat, after 11 years of experience in governance and legal affairs. He held several positions, including Director General of Legal Affairs, Secretary of the Board of Directors of Takamul Holding Company and a senior legal advisor at NCB Capital.

Members of the Audit Committee

In its meeting held on 15 May 2018, NCB's Shareholders' Extraordinary General Assembly approved the re-formation of Committee Members, identification of the Committee's duties and responsibilities, and compensation of members from 15/05/2018 to 14/05/2021. The Board of Directors also decided on 17/05/2018 to approve the appointment of Mr Mohammed Ali M Alhokal, independent Board Member, as Chairman of Audit Committee. On 04/10/2019, the Extraordinary General Assembly of the Bank's Shareholders approved the recommendation of the Board of Directors to appoint the Chairman of the committee. Audit Committee Members are:

Dr Khalid Mohammed Altaweel, Committee Member and non-Board Member

Dr Altaweel is a Board Member of many listed and unlisted shareholding companies. His academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2006	Executive Master's Degree	Business Management	The University of Edinburgh, Scotland
1994	PHD	Computer Science	Texas A&M University, US
1989	Master's Degree	Computer Science	King Fahd University of Petroleum and Minerals, Dhahran, KSA
1986	Bachelor's Degree	Computer Sciences and Engineering	King Fahd University of Petroleum and Minerals, Dhahran, KSA

Other current positions and memberships

Job title	Name	Legal form	Sector
Board Member	Saudi Credit Bureau (SIMAH)	Closed shareholding company	Financial services
Board Member	Naqel	Partnership	Transport
Board Member	Tasheel	Limited liability company	Financial services
Chairman of Board of Directors	SIMAH	Limited liability company	Credit rating
Board Member	Saudi Chemical Company	Public shareholding company	Healthcare
Partner and Board Member	LEORON Professional Development Institute	Company located outside KSA	Professional Development
Partner and Board Member	Cheeky Monkeys	Company located outside KSA	Entertainment
Member of the Board of Trustees	The Prince Sultan University	Civil Academic Institution	Education

Professional experience

Dr Altaweel has more than 20 years' experience in many public and private sectors. He has been the founder and Vice-Chairman of Elm Company Board of Directors and Chairman of Executive Committee for more than five years. He has also been a Member of the Executive Board of Directors of International Saudi Chamber of Commerce; Audit Committee Member at Capital Markets Authority of Saudi Arabia; partner and Board Member of Leoron Professional Development Institute; and Board Member of VFS Tasheel International. He has been a Member of the Board of Trustees at Prince Sultan University since its foundation and is also a private equity investment advisor.

Dr Altaweel has for more than eight years been an executive advisor to HRH Prince Muhammad Bin Nayef, Assistant Minister of Interior for Security Affairs and Director General of Saudi National Information Center. He has led very important initiatives in information technology, serving all citizens and residents in the Kingdom of Saudi Arabia. He has also published many research papers on networking, security, distributed systems, and e-government, and has been a keynote speaker at many local and international conferences. He was Head of Computer Engineering Section and Dean of College of Computer Science & Engineering at King Fahd University of Petroleum & Minerals, KSA.

Hani Suleiman Alshadokhi, Committee Member and non-Board Member

Mr Hani Alshadokhi is an external Member of the Audit Committee. He is a board member, a member of the Audit Committee, the Executive Committee, the Risk and Credit Management Committee of Al Yusr Leasing & Financing Co., and a board member of the Best Trading Company. He is also CEO of Dar al Madaa Financial Consultancies Office. Details of Mr Hani Alshadokhi's academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2011	Advisor	Financial consultancies for non-securities	Department of Consulting Professions, Ministry of Commerce and Investment, KSA
2011	Advisor	Management consultancies	Department of Consulting Professions, Ministry of Commerce and Investment, KSA
1989	Bachelor's Degree	Financial Management and Operation Management	King Fahd University of Petroleum and Minerals, Dhahran, KSA

Other current positions and memberships

Job title	Name	Legal form	Sector
Board member Member of Executive Committee, Member of Risk and Credit Committee	Al Yusr Leasing & Financing Co.	Closed shareholding company	Finance
Board Member	Best Trading Company	Closed shareholding company	Car rental

Professional experience

Mr Alshadokhi has 33 years' experience in credit and risk management with banks and financial institutions operating in Saudi Arabia. He was Senior Risk Advisor at Bank Albilad and held a number of executive positions and memberships in the audit, finance, credit, and risk committees.

Board of Directors' Report Continued

Dr Abdurrahman Mohammed Albarrak, Committee Member and non-Board Member

Dr Albarrak is a Member of Audit Committee at NCB and non-Board Member. He is a founder and executive partner of Thara Administrative Investment Company and committee chairman and board member of many listed and unlisted companies. His academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2005	PhD	Financial	Newcastle University, UK
2001	Master's Degree	Financial	Colorado University, USA
1997	Bachelor's Degree	Accounting	King Faisal University, KSA

Other current positions and memberships

Job title	Name	Legal form	Sector
Independent non-Board Audit Committee Member	National Security Center	Government agency	Security sector
Independent non-Board Chairman of Governance Committee	Thiqah Business Services	Public company	Business Services
Board Member Chairman of Audit Committee - independent	Saudi Credit Bureau - SIMAH	Closed shareholding company	Financial sector
Board Member Chairman of Audit Committee - independent	BinDawood Holding	Closed shareholding company	Retail
Chairman of Audit, Compliance and Risk Committee - independent and non-Board Member	Saudi Cargo Company	Closed shareholding company	Cargo
Vice president Board Member Chairman of the Nomination and Compensation Committee Audit Committee Member	Health Holding Company	Owned by the Ministry of Health	Health sector
Board Member and Chairman of Audit Committee - independent Member	Alandalus Property Co.	Public shareholding company	Real estate management and development
Audit Committee Chairman - independent and non-Board Member	Al Elem Information Security Co	Closed shareholding company	Information security
Audit Committee Member - independent and non-Board Member	Etihad Etisalat Co (Mobily)	Public shareholding company	Communications
Audit Committee Member - independent and non-Board Member	General Authority of Zakat and Tax	Government authority	Financial
Audit Committee Member - independent and non-Board Member	General Entertainment Authority	Government authority	Entertainment
Audit Committee Member - independent and non-Board Member	National Center for Privatization	Government center	Financial
Audit Committee Member - independent and non-Board Member	Center of Spending Efficiency	Government center	Financial
Audit Committee Member - independent and non-Board Member	Non-oil Revenue Development Center	Government center	Financial
Audit Committee Member - independent and non-Board Member	Local Content & Government Procurement Authority	Government center	Financial

Professional experience

Dr Albarrak has more than 20 years' experience in finance and accounting. He has also held a number of memberships in audit, finance, compliance, and risk committees.

Mr Abdulrahman Mohammed Aloudan, Committee Member and non-Board Member

Mr Aloudan is a member of the Bank's Audit Committee and a non-Board member. His academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
1986	Master's Degree	Computer Science	Florida Institute of Technology, USA
1984	Bachelor's Degree	Computer Science	Jacksonville University, USA

Other current positions and memberships

Job title	Name	Legal form	Sector
Audit Committee Member	Saudi Stock Exchange (Tadawul)	Closed shareholding company	Capital Market Authority
Board Member	The Company for Cooperative Insurance, Tawuniya	Public shareholding company	Insurance
Member of the Founding Council	SME Bank	Public	Financial

Professional experience

Mr Aloudan has more than 25 years of experience in information technology and commercial banking consultancy. He held several positions at Riyadh Bank in developing and maintaining systems management until he was appointed as the Vice-Executive Head of Information Technology. He has also held many memberships of audit committees.

Members of Executive Management

Faisal bin Omar Al-Saqqaf, Chief Executive Officer (CEO)

Mr Al-Saqqaf has been NCB's CEO since May 2018. He was a member of the Executive Committee and Risk Committee until 31 December 2020. In the Executive Management Committees, Mr Al-Saqqaf was the Chairman of the Higher Management Committee, Credit & Remedial Management Committee, Small & Medium Enterprises Committee, and Information Security Committee. Details of his academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
1986	Master's Degree	Business Management	Harvard University, USA
1982	Bachelor's Degree	Economy	Harvard University, USA

Other current positions and memberships

Job title	Name	Legal form	Sector
Board Member and Member of Audit Committee	Türkiye Finans Katılım Bankası	Turkish closed shareholding company	Banking Industry
Board Member	Advisory Board of MasterCard Middle East & Africa	US public shareholding company	Financial services

Professional experience

Mr Al-Saqqaf has more than 30 years' banking experience. He joined NCB in 2003 as Head of Strategy and Performance Management. In 2006, he was appointed Group Chief Financial Officer, and in 2013 became Head of Strategy & Business Development Group, holding that position until being appointed Chief Executive Officer.

Talal bin Ahmed Al Khereiji, Deputy Chief Executive Officer

Mr Talal Al Khereiji was appointed Deputy CEO in March 2020. In this role, he oversees four critical banking groups: Retail, Corporate, Treasury, and Remittances (QuickPay). As Deputy CEO, he is a member of the Higher Management Committee, Assets and Liabilities Committee, Credit & Remedial Management Committee, Information Security Committee, Small & Medium Enterprises Committee and Customer Service Committee. Details of his academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
1995	Master's Degree	International Businesses	Edmund A. Walsh School of Foreign Service, Georgetown University, USA
1993	Bachelor's Degree	International Economy	Georgetown University, USA

Board of Directors' Report Continued

Other current positions and memberships

Job title	Name	Legal form	Sector
Board Member	NCB Capital Company (NCBC)	Closed shareholding company	Financial markets
Member of the Risk Committee	NCB Capital Company (NCBC)	Closed shareholding company	Financial markets

Professional experience

Mr Alkhereiji has more than 24 years' banking experience, having begun his career in 1995 at SAMA in the Investment Management Department. He was a member of the advisory group that designed and implemented SAMA investment policy under which the foreign exchange reserves were managed. His role included tactical asset allocation, investment research, proprietary fund management, and fund manager selection/supervision. Mr Alkhereiji joined NCB in 2003 and headed the Assets and Liabilities Management Department at NCB Treasury. He also served as NCB's ALCO Secretary until his appointment as Head of Treasury Group in 2009. He has also chaired the Treasurers Committee in the Kingdom of Saudi Arabia for two consecutive years. He was also the Vice-Chairman of the Advisory Board for the Saudi Arabian Interbank Offered Rate (SAIBOR).

Lama Ahmed Ghazzaoui, Head of Finance Group

Mrs Ghazzaoui is the Head of Finance Group and a member of the Higher Management, Assets and Liabilities, Procurement, Operational Risk, Credit and Remedial Management, and Information Security committees. Details of her academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2000	Member	General Accounting	Association of Certified Public Accountants, Colorado, USA
1996	Bachelor's Degree	Accounting	Lebanese American University, Lebanon

Other current positions and memberships

Job title	Name	Legal form	Sector
Chairperson of the Audit Committee	NCB Capital Company	Closed Shareholding Company	Financial Services
Board Member	Türkiye Finans Katılım Bankası	Shareholding Company	Banking Industry
Member of the Audit Committee	Türkiye Finans Katılım Bankası	Shareholding Company	Banking Industry

Professional experience

Mrs Ghazzaoui has more than 23 years' experience in finance, accounting and banking. She began her professional career as an external auditor at Deloitte & Touche, joining Effat University in 2001 as internal auditor and accounting instructor. She moved to NCB in 2003 as a Senior Financial Analyst, later becoming Financial Controller of Treasury Division, responsible for general financial affairs, preparation of balance sheets, issuance of reports, and treasury control. In December 2010, she was appointed a Chief Accountant. She has been serving as the Head of Finance Group since 2013.

Majed Hamdan Al Ghamdi, Head, Retail Banking Group

Mr Al Ghamdi has been Retail Banking Group Head since March 2020. He is also a member of the Higher Management Committee, Assets and Liabilities Committee, Credit & Remedial Management Committee, Operational Risk Committee, and Small & Medium Enterprises Committee. His academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2017	-	Leaders' Development Program	Harvard University, USA
2015	-	Executive Development Program	The Wharton School of the University of Pennsylvania, USA
2012	Master's Degree	Risk Management	New York University, USA
2004	Bachelor's Degree	Industrial Engineering	King Abdulaziz University, KSA

Other current positions and memberships

Job title	Name	Legal form	Sector
Board member	Türkiye Finans Katılım Bankası	Closed Shareholding Company	Banking
Chairman of Credit Committee	Türkiye Finans Katılım Bankası	Closed Shareholding Company	Banking

Professional experience

Mr Al Ghamdi has more than 15 years' banking experience, having joined NCB through its Corporate Associate Program, followed by a series of positions of increasing responsibility within NCB's Risk Management Group. In 2014, he was appointed Head of Enterprise Risk Management and subsequently also held positions on the Boards of NCB subsidiaries. In 2016 he was appointed as a member of NCB Capital's Board Risk Committee and as a Board member at TFKB. In 2018 he served as Head of the Corporate Banking Group until becoming Head, Retail Banking Group in 2020.

Wael bin Abdulaziz Raies – Head, Corporate Banking Group

Mr Raies has been Head of Corporate Banking Group since March 2020. He is also a member of the Higher Management, Assets and Liabilities, Operational Risk, Credit & Remedial Management, and Small & Medium Enterprises committees. His academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2016	-	Advanced Management Program	Harvard University, USA
2013	-	Strength and Leadership Program	University of Virginia, USA
2004	Master's Degree	Business Administration	King Saud University, Riyadh
1996	Bachelor's Degree	Electrical Engineering	King Fahad University of Petroleum and Minerals, Dhahran

Other current positions and memberships

Job title	Name	Legal form	Sector
Chairman of the Board of Directors	Türkiye Finans Katılım Bankası	Shareholding Company	Banking Industry

Professional experience

Mr Raies has more than 21 years' experience in banking. Previously, he had three years of engineering experience with Schlumberger Wire Line & Testing, working on-shore and off-shore, and becoming engineer in charge of Qatar land locations. He joined NCB in 2002 after working for SAMBA Financial Services since 1999. During his years at NCB, he progressed through various roles, including Central and Eastern Regions Director at CBG. In 2013, he was assigned as Head of Remedial Management, then Head of Corporate Banking Division. In 2016, he was appointed CEO of TFKB until he was appointed as the Head, Corporate Banking Group in March 2020.

Ramzy Abdulaziz Darwish, Head, Treasury Group

Mr Darwish has been Head of Treasury Group since March 2020. He is also a member of the Higher Management, Assets and Liabilities, and Operational Risk, committees. He is also a member of the Debt Transparency Working Group with the Institute of International Finance. Details of his academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2005	Bachelor Degree	Industrial & Labor Relations	Cornell University, Ithaca, USA
2017	Executive Management Program	Management	Columbia University, USA

Board of Directors' Report Continued

Professional experience

Ramzy Darwish has a 15-year record of achievements in the finance sector with one of the largest banks in the MENA region. In his previous role as Head of Investments, he was trading and positioning NCB's proprietary fixed income portfolio with investments in local, regional and international corporate and government securities. He is also a member of the Assets and Liabilities Committee, responsible for managing liquidity, leverage, and interest rate risk on the largest balance sheet in the Kingdom. During his time leading the Treasury Group Mr Darwish oversaw many initiatives that continue to position NCB as a leading bank in the region, such as its inclusion as a General Clearing Member with Muqassa, the issuance of Additional Tier 1 Sukuk, and raising the largest Murabaha facility in the Saudi banking sector, as well as the launch of the Gold Account.

Naif bin Safouk Al Bashir Al Morshed, Head of Risk Group

Mr Al Morshed has held his current position since 2015 and has been Risk Committee Secretary since 2018. He also chairs the Operational Risk Committee and is a Member of the Higher Management, Assets and Liabilities, Credit & Remedial Management, Information Security, and Small & Medium Enterprises committees. Details of his academic qualification and professional experience are:

Academic qualifications

Year	Qualification	Major	University
1988	Bachelor's Degree	Business Management	California State University, USA

Other current positions and memberships

Job title	Name	Legal form	Sector
Board Member	Patients' Treatment Charity	Charity organization	Community services
Board Member	Advanced Electronics Company	Limited liability company	Industrial/maintenance and operation/contracting
Trustee Board Member	Riyadh Economic Forum	Government entity	Social services

Professional experience

Mr Al Morshed has more than 30 years' banking experience, having begun his career with NCB in 1989. From 1996 to 2015, he assumed several executive and leadership positions, including Regional Director for the Central Region at GBC, Head of Commercial Business Group, Head of the Corporate Banking Group, and Head of Institutional Banking until his current appointment as Head of Risk Group since May 2015.

Omar M. Hashim, Head of Strategy and Business Development Group

Mr Hashim is the Head of Strategy and Business Development Group. He is also a member of the Higher Management, Procurement, Digital Transformation, Customer Service, and Operational Risk committees. His academic qualifications and professional experience are:

Academic qualification

Year	Qualification	Major	University
1993	Bachelor's Degree	Computer and Information Technology	King Fahd University of Petroleum and Minerals

Mr Hashim has completed several courses in executive management, notably:

Entity Name	Course Field
University of Pennsylvania	Wharton Advanced Management Program
Columbia University	Digital Business Strategy program

Other current positions and memberships

Job title	Name	Legal form	Sector
Former Chairman	Saudi Financial Support Services Company (Sanid)	Closed shareholding company	Financial sector
Board of Directors Advisor	Capital Market Website	Limited liability company	Financial sector
Board of Directors Advisor	Vision Ventures	Investment fund	Financial sector
Chairman	AlAhli Takaful	Listed Shareholding Company	Financial sector

Professional experience

Mr Hashim has more than 25 years' experience in various fields. He had worked at IBM Saudi Arabia since 1993 and joined NCB in 2001 as a Development Manager for e-Commerce and Business. He was assigned in various positions during his career in the Bank related to products, customer segments and banking services channels, with experience in electronic payments and technology including cash management, remittances and electronic banking services. He was appointed Head of Digital and Technology Group before his current position as Head of the Strategy and Business Development Group, in addition to being Chairman of AIAhli Takaful.

Mutlaq bin Salem Al Enazi, Head of Human Resources Group

Mr Al Enazi has held his current position since 2018. He is also a Board Member of AIAhli Isnad, and the Higher Management Committee. His academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2001	Master's Degree	English Language	Murray State University, Kentucky, USA
1998	Bachelor's Degree	Languages and Translation	King Saud University, Riyadh, KSA

Professional experience

Mr Al Enazi joined NCB in 2013 as a Head of Recruitment and Development, with extensive experience over 21 years in public and private sectors and a proven record in personnel development, human resource strategies, and organizational development. He began his career in the Institute of Public Administration and held several positions, including Head of Training and Leadership Division at Saudi British Bank (SABB). From 2010 to 2013, he was Head of the Training and Development Division at SABB. Since joining NCB in 2013, Mr Mutlaq has achieved many successes, including NCB's Rowad AIAhli and Wessam AIAhli programs, creating employment opportunities for new Saudi graduates, and is an active proponent of NCB's objective of being Employer of Choice.

Firas bin Hani Al Turki, Head of Shared Services Group

Mr Al Turki has held his current position since 2016. He is also a Member of the Higher Management, Procurement, Business Continuity Management Program Steering, Operational Risk, Information Security, and Customer Service committees. His academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2002	Master's Degree	Industrial Engineering	University of Florida (UF), Gainesville, USA
1999	Bachelor's Degree	Industrial Engineering	King Abdulaziz University, KSA

Professional experience

Mr Al Turki has more than 18 years of banking experience, having begun his career through NCB's Executive Employee Program. He worked in financial and accounting affairs within the CFO's office, at the corporate service centers, corporate operations, project management, and the operations department, before assuming his current position in 2016.

Board of Directors' Report Continued

Walid bin Hassan Abdul Shakur, Head of Legal Department

Mr Abdul Shakur has held his current position since 2009. He is also a Member of the Procurement, Employee Grievance, and Compliance committees. Details of his academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
1989	Bachelor's Degree	Law	King Abdulaziz University, KSA
2006	License in Law	Law	Ministry of Justice, KSA
2007	Member of the Arab Lawyers Union	Law	Arab Lawyers Union
2013	Certified Arbitrator at the GCC Commercial Arbitration Centre	Law/Arbitration	GCC Commercial Arbitration Centre

Other current positions and memberships

Job title	Name	Legal form	Sector
Board Member	Commercial Real Estate Markets Company Ltd	Limited liability company – inside KSA	Real estate
General Manager	Real Estate Development Company for Ownership and Management Ltd	Limited liability company – inside KSA	Real estate
Board Member	Arab Financial Services Company	Closed shareholding company, Kingdom of Bahrain	Financial services
Member of the Audit Committee	Arab Financial Services Company	Closed shareholding company, Kingdom of Bahrain	Financial services
Board Member	Al-Behar Real Estate Investment Co.	Jeddah, Saudi Arabia	Real estate

Professional experience

Mr Abdul Shakur has more than 30 years of experience in advocacy and legal consultancy. He began his career in 1990 as a legal researcher with NCB and held increasingly responsible positions before becoming Legal and Counseling Group Head in 2009. Over his tenure with the Group, he has accumulated extensive experience in legal specialties such as adjudication, contracts, and general consultancy. His key achievements in consultancy and litigation include winning important local cases, leading to awards in favor of NCB totaling more than SAR 15 billion. Mr Abdul Shakur defended NCB in a prominent international lawsuit that was worth more than \$1 trillion in which he received a final judgment in favor of NCB.

Fouad bin Abdullah Al Harbi, Head of Compliance Department

Mr Al Harbi has held his current position since 2013. He is also Chairman of the Compliance Committee, and a member of the Operational Risk and Information Security committees. Previously, he headed several committees for banks operating in Saudi Arabia: Chief Compliance Officers', Anti-Financial Crimes and Money Laundering, and Self-Supervision. Mr Al Harbi is a Fellow of the Arab Academy for Banking and Financial Sciences. His academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2012	Certified Compliance Officer	Compliance	Saudi Arabian Monetary Authority, Banking Institute, Riyadh, KSA
2012	Compliance and Anti-Money Laundering Certification	Compliance and Anti-Money Laundering	Henley Business School, UK
2007	Certified Compliance Officer	Compliance	American Academy of Financial Management, USA
1993	Bachelor's Degree	Accounting	King Saud University, Riyadh, KSA

Professional experience

Mr Al Harbi has more than 26 years' experience in accounting, control and compliance, and anti-money laundering. He began his career at Thebes Real Estate Investment and Development Company, becoming Head of Accounting. He joined NCB in 1997, holding various positions and co-founding the Compliance Department where he held several roles until his present position.

Sharif bin Mohammed Al-Samman, Head of Internal Audit

Mr Al-Samman has been Head of Internal Audit since August 2019. His academic qualifications and professional experience are:

Academic qualifications

Year	Qualification	Major	University
2017	Master's Degree	Law Studies	Northwestern, USA
1993	Bachelor's Degree	Public Administration	American University of Beirut, Lebanon

Other current positions and memberships

Institute of Internal Auditors of Saudi Arabia

Professional experience

Mr Al-Samman has more than 27 years' experience in investment and internal auditing of banking and investment services. He joined SAMBA Financial Group's investment management in 1993, and was promoted in 2002 to Head of International Brokerage and Director of the Financial Markets Program in the Audit and Risk Review Group. He also held several leadership positions in SAMBA Capital & Investment Management Co, including Chief Operating Officer from 2011. In March 2019, he was appointed as acting CEO of the company.

Omar Soufian Yassine, Head of Quick Pay

Mr Yassine is the Head of Quick Pay at NCB. His responsibilities include product development, digital channels, relationships with correspondent banks, operation efficiency, marketing activities for business development and execution of the Bank's digital strategy. Before his current position, Mr Yassine was Head of Digital Banking for Retail and Corporate businesses at NCB, and was responsible for developing the digital channels and products, payments, and sales.

Academic qualifications

Major	University
Executive Development Program	International Institute for Management Development (IMD), Switzerland
Advanced Management Program	INSEAD

Key roles and responsibilities of the Board of Directors:

- The Board shall be accountable for setting NCB overall strategy and guiding its strategy and objectives. Therefore, the Board shall be accountable for developing performance objectives, taking resolutions affecting substantial capital expenditure, acquisition, purchase, sale, and liquidation operations.
- The Board shall also be responsible for monitoring the financial objectives of the Bank and verifying corporate performance against previously agreed strategic, operational, and business plans.
- The Board's tasks include aligning and monitoring the organizational structure of all businesses, staffing levels, the Bank's compensation system, and supervising succession plans.

Board of Directors Meetings, 2020

Name	Number of meetings	Attendance	Apologies	Attendance percentage	27 Jan	21 Mar	22 Jun	14 Jul	21 Sep	11 Oct	15 Nov	21 Dec
Saeed Mohammed A AlGhamdi	8	7	0	100.00%	Yes	Yes	Yes	- *	Yes	Yes	Yes	Yes
Rashid Ibrahim M Sharif	8	7	0	100.00%	Yes	Yes	Yes	- *	Yes	Yes	Yes	Yes
Marshall Charles Bailey	8	7	0	100.00%	Yes	Yes	Yes	- *	Yes	Yes	Yes	Yes
David Jeffrey Meek	8	7	0	100.00%	Yes	Yes	Yes	- *	Yes	Yes	Yes	Yes
Anees Ahmed M Moumina	8	7	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saoud Solaiman A Aljuhni	8	8	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mohammed Ali M Alhokal	8	8	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ziad Mohammed S Altunisi	8	8	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ziad Abdulrahman A Algwaiz	8	8	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

* The Board of Directors' meeting on July 14, 2020 was dedicated to discussing issues for related parties. The relevant members were not invited to attend and their attendance record is therefore unaffected.

Board Committees

Audit Committee

The Audit Committee consists at least of three and up to five members to be appointed by the General Assembly every three years. The Committee shall meet at least once every three months – four times every year – or whenever required by invitation from the Chairman or at the request of a member of the Committee, Chairman of the Board of the Bank, senior management, or an internal or external auditor. The Committee quorum shall be complete if attended by a majority of the members.

The decisions and discussions of the Committee must be recorded in minutes to be signed by the Chairman and the Members. Recording the proceedings of meetings is the responsibility of the Committee Secretary.

Key roles and responsibilities:

The Committee shall be accountable to the Board and shall assist the Board in meeting its responsibilities, which include:

- Ensuring the operation of an effective system of internal control and compliance.
- Meeting external financial reporting obligations, including those prescribed under applicable laws and regulations.

The key objective of the Audit Committee is to oversee and supervise:

- The integrity of financial statements.
- The external/internal auditors' qualifications, independence, and performance supervision.
- The Bank's compliance with all applicable legal and regulatory requirements and ethical standards.
- Performing the internal audit, compliance, anti-money laundering, and financial crime functions according to the standards stipulated by laws as required by the Saudi Central Bank.
- Reviewing the contracts and transactions suggested to be conducted by the Bank with related parties based on the assurances, obtaining the necessary guarantees from the Executive Management that they are carried out without preferential benefits or conditions, according to the internal policies and procedures and providing its recommendations to the Board.

Audit Committee Meetings, 2020

Name	Number of meetings	Attendance	Apologies	Attendance percentage	21 Jan	23 Jan	29 Feb	23 Apr	7 Jun	20 Jul	17 Sep	20 Oct	29 Nov	29 Dec
Mohammed Ali M Alhokal	10	10	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hani Suleiman Alshadokhi	10	10	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dr Khaled M Altaweel	10	10	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dr Abdul Rahman M. Albarrak	10	10	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Abdul Rahman M Aloudan	10	10	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Executive Committee

The Executive Committee consists of five Members: The Chairman, three Board Members, and the CEO. It shall be headed by the Chairman and may be headed by the CEO. The Committee holds six periodic meetings per year or whenever needed and the meeting may be cancelled if no urgent decisions are required. Quorum for the meeting of the Committee shall be completed if attended by a majority in originality or by proxy. Absent members may vote by proxy. The decisions and discussions of the Committee must be recorded in minutes to be signed by the Chairman and the members. Recording the proceedings of meetings is the responsibility of the Committee Secretary.

Key roles and responsibilities:

The main objective of the Executive Committee is to manage and oversee the Bank's operations and make quick decisions on urgent issues in the Bank's course of business. Executive Committee shall guarantee that the Bank is sufficiently represented in the affiliated companies. In addition, it shall make decisions on credit and debt settlement, corporate responsibility, purchases, and corrective measures within the authority conferred by the Board.

Executive Committee Meetings, 2020

Name	Number of meetings	Attendance	Apologies	Attendance percentage	27 Jan	19 Apr	15 Jun	12 Jul	26 Jul	17 Aug	14 Sep	2 Nov	16 Nov	26 Nov
Saeed Mohammed A AIGHamdi	10	10	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rashid Ibrahim M Sharif	10	10	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ziad Mohammed S Altunisi	10	10	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Zaid Abdul Rahman Alwaiz	10	10	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Faisal Omar Al- Saqqaf (CEO)	10	10	0	100.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Nomination, Compensation, and Governance Committee

In its annual meeting on 31 December 2017, NCB General Assembly approved the Nomination, Compensation, and Governance Committee's Charter in line with the Corporate Governance Regulations issued by the Board of the Capital Market Authority.

The Nomination, Compensation, and Governance Committee consists of at least three non-Executive Board Members including two independent non-Executive Members other than the Board Members. The Chairman shall not have the right to be the head of the Committee. The CEO and Head of Human Resources Group may be invited to attend the meetings without exercising voting rights. The Committee shall convene at least twice a year. The meeting quorum shall comprise the presence of the majority of members.

Committee decisions and recommendations shall be made with the majority of present members' votes. In case of a tie, the Chairman shall have a casting vote. Voting may not be withheld or delegated. The decisions and discussions of the Committee must be minuted and signed by the Chairman and the members. Recording the proceedings of meetings is the responsibility of the Committee's Secretary.

Key roles and responsibilities:

- Suggest clear policies and standards to the Board of Directors, Board Committees, and the Executive Management.
- Provide recommendations to the Board of Directors and its Committee members in relation to Board membership, according to the applicable policies and procedures.
- Ensure compliance with the terms and conditions stated in the rules and regulations issued by the regulatory bodies and the requirements decided by the Saudi Central Bank, the Capital Market Authority, and the Ministry of Commerce as well as the Board Membership Nomination Policy approved by NCB's General Assembly.
- Ensure that the number of candidates for Board membership whose names are placed before the General Assembly is greater than the number of available seats so that the General Assembly has the opportunity to choose from the candidates.
- Set a description of the capabilities and qualifications required for membership of the Board and its Committees and for filling Executive Management positions.
- Conduct an annual review and prepare the description of the required skills and qualifications for membership of the Board and its Committees including specification of the time that shall be allocated by the member for the activities of the Board and its Committees.
- Ensure that No Objection Certificates are obtained from the Saudi Central Bank for the nominees, after they have been approved by the Board.
- Review the Board's structure and the structure of its Committees and provide recommendations on proposed changes.
- Establish a register with the qualifications and skills of the Members of the Board and its Committees to identify the additional skills required to enhance the Board's role and performance of its duties and responsibilities.
- Define the Board and its Committees' strengths and weaknesses, and suggest solutions that serve the Bank's interest.
- Annually ensure the independence of the Independent Members and the absence of any conflict of interest in case a Board Member also acts as a member of the board of directors of another company.
- Set a job description for the executive, non-executive, and Independent Members and Senior Executives.
- Set the measures for filling vacancies in the membership of the Board and Committees thereof and in senior Executive management.
- Set clear policies for Board and Committee members' and executives' performance-based compensation standards, disclose such standards, verify their implementation, and consider the provisions issued by the regulatory bodies when preparing and raising them to the Board for approval by NCB's General Assembly.
- Periodically review the Compensation Policy and assess its effectiveness in the achievement of set goals
- Make recommendations to the Board on the compensation of the Board Members, Board Committee Members, and Senior Executives according to the approved policy.
- Ensure that the volume of compensation conforms to the prevailing local practice and relevant regulations, achieves the depositors' and shareholders' interests, and achieves the Bank's long-term strategic objectives.
- Develop the Bank's Succession Policy and ensure compliance by Executive Management.
- Ensure that the Bank's incentive program is regularly reviewed and does not encourage the involvement in high-risk transactions to achieve short-term profits and is in line with NCB's approved Risk Policy.
- Make recommendations to the Board on the candidates for membership of Board Committees taking into account the necessary qualifications required for every Committee.

Nomination, Compensation, and Governance Committee Meetings, 2020:

Name	Number of meetings	Attendance	Apologies	Attendance percentage%	26 January	20 August	20 September	15 December
Zaid Abdulrahman A Algwaiz	4	4	0	100.0%	Yes	Yes	Yes	Yes
Ziad Mohammed S Altunisi	4	4	0	100.0%	Yes	Yes	Yes	Yes
David Jeffrey Meek	4	4	0	100.0%	Yes	Yes	Yes	Yes

Risk Committee

The Risk Committee consists of at least three, and up to five, Board Members, including the CEO. The majority of members are non-executive. The Committee meets at least twice yearly or when required. Quorum comprises the majority of members. The decisions and recommendations of the Committee are passed by the majority of votes of members present. In case of a tie, the Chairman shall have a casting vote.

Key roles and responsibilities:

The Risk Committee is in charge of the supervision of Management in the Bank, ensuring that the Management understands significant risks to which the Bank is exposed and has comprehensive policies and processes in place to manage these risks, within the limits and areas of authority prescribed by the Board. The Committee shall review the measures adopted to ensure a sound and consistent risk profile.

Risk Committee Meetings, 2020

Name	Number of meetings	Attendance	Apologies	Attendance percentage%	26 January	22 April	20 September	30 November
Anees Ahmed M Moumina	4	4	0	100.0%	Yes	Yes	Yes	Yes
Saoud Solaiman A Aljuhni	4	4	0	100.0%	Yes	Yes	Yes	Yes
Marshall Charles Bailey	4	4	0	100.0%	Yes	Yes	Yes	Yes
David Jeffrey Meek	4	4	0	100.0%	Yes	Yes	Yes	Yes
Faisal Omar Al-Saqqaf (CEO)	4	4	0	100.0%	Yes	Yes	Yes	Yes

27. ASSESSMENT OF THE EFFECTIVENESS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

In line with the provisions of the applicable laws and regulations issued by the competent regulatory bodies in Saudi Arabia that a Board should assess the effectiveness of its Members and the volume of their involvement in its businesses, whether jointly or individually, and that this should apply to the Board Committees, and the Nomination, Compensation, and Governance Committee, when designing and preparing the assessment forms, considering the volume of the members' involvement and their effectiveness at the level of the Board and its Committees.

28. TRAINING PROGRAMS FOR THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

Given the Bank's commitment to enhance the skills of the Members of the Board of Directors and the Board Committees in banking and governance, a number of training programs inside and outside Saudi Arabia have been designed. NCB will continue the preparation of such programs in the coming year to become more specialized.

29. CHANGES TO KEY SHARE OWNERSHIP

The following table provides a detailed description of the key shareholders' ownership ratio in the Bank at the beginning and end of 2020.

Shareholder's name	Number of shares at the beginning of the year 01/01/2020	Number of shares at the end of the year 31/12/2020	Net Change	Y-o-Y%	Ownership%
Public Investments Fund (PIF)	1,328,839,999	1,328,839,999	0	0	44.29%
General Organization for Social Insurance	155,400,000	155,400,000	0	0	5.18%
Public Pension Agency (PPA)	160,826,298	160,826,298	0	0	5.36%

30. OWNERSHIP OF NCB'S SHARES BY DIRECTORS AND SENIOR EXECUTIVES, AND THEIR RELATIVES, AND CHANGES DURING 2020

The following tables provide a detailed description of the percentage of ownership distributed among the Board of Directors, their spouses and minor children; and Senior Executives, their spouses and their minor children, taking into account the increase in capital:

(a) Board members, and their relatives

Name of beneficiary	Number of shares at the beginning of the year 01/01/2020	Number of shares at the end of the year 31/12/2020	Net change	Y-o-Y%
Saeed Mohammed A AlGhamdi (Representative of Public Investment Fund)	257,739	492,264	234,525	91.00%
Rashid Ibrahim M Sharif (Representative of Public Investment Fund)	1,500	3,000	1,500	100.00%
Marshall Charles Bailey (Representative of Public Investment Fund)	0	0	-	-%
David Jeffrey Meek (Representative of Public Investment Fund)	0	0	-	-%
Anees Ahmed M Moumina (Representative of the General Organization for Social Insurance)	47,260	47,260	-	-%
Saoud Solaiman A Aljuhni (Representative of the Public Pension Agency)	0	0	-	-%
Zaid Abdulrahman A Algwaiz	19,875	59,525	39,650	199.50%
Ziad Mohammed S Altunisi	0	0	-	-%
Mohammed Ali Al-Hokal	0	0	-	-%

(b) Senior Executives and their relatives

Name of beneficiary	Title	Number of shares at the beginning of the year 01/01/2020	Number of shares at the end of the year 31/12/2020	Net change	Y-o-Y%
Faisal Omar Al- Saqqaf	Chief Executive Officer (CEO)	55,000	20,000	(35,000)	-63.64%
Lama A. Ghazzaoui	Head of Finance Group	0	60,000	60,000	100.00%
Ahmed Rabie AlRowaili	Head of Governance and Board of Directors Secretariat	3,799	3,799	-	-%
Talal Bin Ahmed Al Khereji	Deputy Chief Executive	3,150	75,339	72,189	2,291.71%
Firas Bin Hani Al Turki	Head of Shared Services Group	150	55,591	55,441	36,960.67%
Walid Bin Hassan Abdul Shakur	Head of Legal and Advisory Division	71,050	117,395	46,345	65.23%
Fouad Bin Abdullah Al Harbi	Head of Compliance Division	1,061	0	(1,061)	-100.00%
Omar M. Hashim	Head of Strategy and Business Development Group	0	50,515	50,515	100.00%
Omar Soufian Yassine	Head Quick Pay	118	20,776	20,658	17,506.78%
Ramzy Abdulaziz Darwish	Head of Treasury Group	10,000	35,845	25,845	258.45%
Majid AlGhamdi	Head of the Retail Banking Group	0	0	-	-%
Mutlaq Ben Salem Al Enazi	Head of Human Resources Group	0	0	-	-%
Naif bin Safouk Al Bashir Al Morshed	Head of Risk Group	0	189,143	189,143	100.00%
Wael Abdulaziz Raies	Head of Corporate Banking Group	0	0	-	-%
Sharif bin Mohammed Al-Samman	Head of Internal Audit	0	0	-	-%

31. SHAREHOLDERS' RIGHTS

NCB's Articles of Association, updated according to the resolution of the Extraordinary General Assembly held on 15 May 2018 and NCB's Corporate Governance Framework updated and approved by the Board of Directors on 21 September 2020, as well as the Bank's Shareholders Right Policy approved by the Board of Directors on 15 December 2020, stipulated shareholders' rights to obtain profits, attend assemblies, participate in discussions and voting, and dispose of their shares. Shareholders are also provided with information related to assemblies, balance sheets, the account of profits and losses, and the Board of Directors' annual report. This information is also published in local newspapers and on NCB's official website. Following is a statement with NCB's number of requests for the shareholders' register, the dates of such requests, and their reasons for the fiscal year ended 31 December 2020:

Number of requests	Date of request	Reasons for the request
1	02/01/2020	NCB's internal procedures
2	31/03/2020	NCB Shareholders' 8th Extraordinary General Assembly meeting
3	02/04/2020	Distribution of the cash profits to NCB Shareholders in respect of the second half of the fiscal year ended 31 December 2019.
4	03/09/2020	Corporate's internal procedures
5	07/10/2020	Corporate's internal procedures
6	04/11/2020	Corporate's internal procedures
7	04/01/2021	Corporate's internal procedures

32. NCB SHAREHOLDERS' GENERAL ASSEMBLIES

During the fiscal year ended 31 December 2020, NCB held a General Assembly for its Shareholders in which a number of topics announced on the Tadawul website were discussed. The Board also reviewed Shareholder resolutions and recommendations issued by the General Assembly. The following statement shows the attendance of the Board Members at the General Assembly meeting:

Name	Attendance Register
	NCB Shareholders' 8th Extraordinary General Assembly meeting regarding NCB's capital increase (first meeting) 31/03/2020
Saeed Mohammed A AIGHamdi (Board Chairman, Chairman of the Executive Committee & Representative of PIF)	Attendance
Rashid Ibrahim M Sharif (Vice Chairman of the Board and Representative of PIF)	Attendance
Marshall Charles Bailey (Representative of PIF)	Attendance
David Jeffrey Meek (Representative of PIF)	Attendance
Anees Ahmed M Moumina (Representative of the General Organization for Social Insurance)	Attendance
Saoud Solaiman A Aljuhni (Representative of the Public Pension Agency)	Attendance
Zaid Abdulrahman A Algwaiz	Attendance
Ziad Mohammed S Altunisi	Attendance
Mohammed Ali M Alhokal	Attendance

33. CORPORATE GOVERNANCE

In general, NCB operates in compliance with the provisions and guidelines of the Corporate Governance Regulations issued by the CMA, and the Saudi Central Bank's Corporate Governance Principles for Banks Operating in Saudi Arabia. NCB is committed to complying with all governance regulations and updates. The Bank continues to revise its relevant policies and procedures as regulatory updates are issued. In its meeting dated 21 September 2020, the Board of Directors approved the updated Corporate Governance Framework of the Bank, in addition to the creation, update, and approval of the policies supplementing the Framework by the General Assembly and NCB's Board, each within its powers in line with the provisions of the Corporate Governance Regulations issued by the CMA.

NCB affirms that it continues to audit the general framework of the Bank's governance in accordance with the highest professional standard and best practices to keep abreast of any developments and to ensure the implementation of effective governance in all the Bank's businesses.

ACKNOWLEDGMENT

The NCB Board expresses its deep gratitude and appreciation to the Custodian of the Two Holy Mosques, King Salman Bin Abdulaziz Al Saud; HRH Prince Muhammad Bin Salman Bin Abdulaziz Al Saud, Crown Prince, Deputy Prime Minister, and Minister of Defense; and the Government of the Custodian of the Two Holy Mosques.

The Board also thanks the Council of Economic and Development Affairs, the Ministry of Finance, the Saudi Central Bank, the Capital Market Authority, and the Ministry of Investment, who spare no effort to develop the financial services industry in the Kingdom. This has great impact on the progress and prosperity of the national financial sector, in addition to their significant role in achieving economic growth in the Kingdom, despite the considerable challenges facing the world's economies.

The Board expresses its gratitude to all NCB's shareholders for their continuous trust and support for the Bank's business strategies. The Board also thanks its customers, one of the most important assets in the Bank's continued success, and all employees for their dedication and competence, which are vital elements in the Bank's distinguished 2020 results.

May the Peace and Mercy of Allah be upon you

Board of Directors