

Investor Presentation

FY 2020



Contents

01

Who We Are

03

02

Strategy Overview

04

03

Macroeconomic Overview

05

04

Strategy Update

10

05

FY 2020 Financial Results

14

06

Business Segments

25

07

2021 Outlook

30

08

Appendix

32

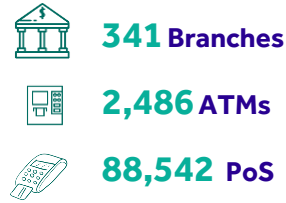


Riyad Bank is the Third Largest Bank in Saudi Arabia

FY 2020 Key Metrics



Third Largest Bank in Saudi Arabia*



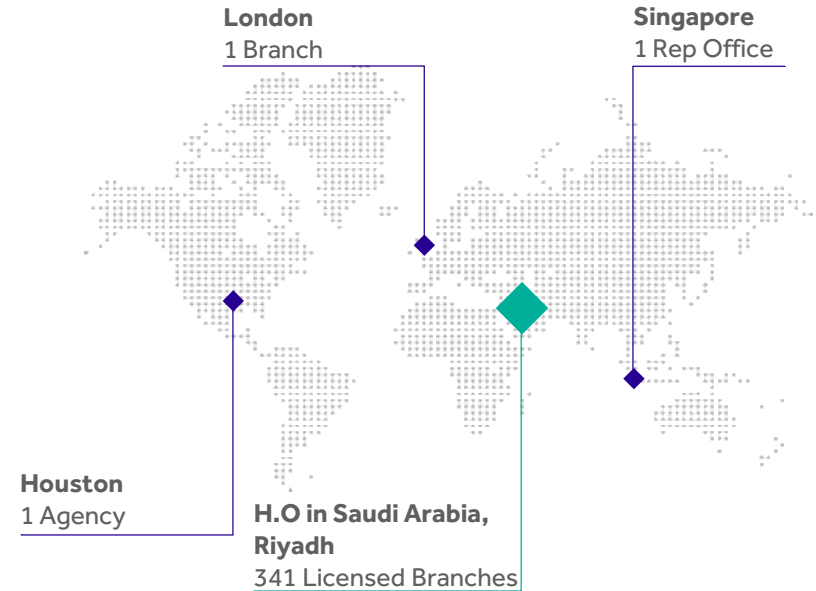
Ratings

BBB+ S&P

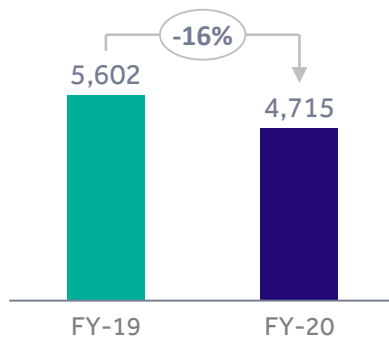
BBB+ Fitch

A+ CI

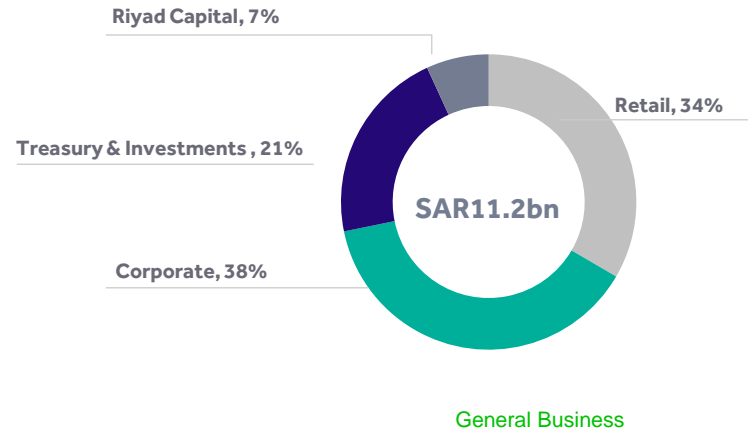
Riyad Bank Presence



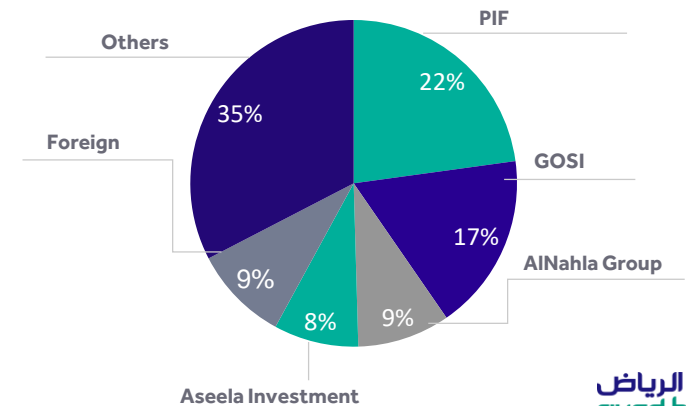
Net Income after Zakat (SARmn)



FY 2020 Operating Income Mix by Segment



Shareholder mix

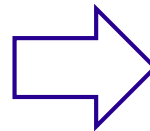


Management Highlights

FY 2020 Snapshot

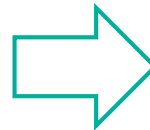


Strategy



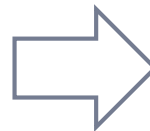
- Executed the strategic transformation plan exceptionally well.
- Structural and recent shifts in the industry require Riyadh Bank to chart a new course therefore, Riyadh Bank is activating a new phase of the transformation.

Financial Performance



- Net loans grew by 10.0% YoY to SAR 191 billion.
- Total Deposits grew by 4.4% YoY to SAR 203 billion.
- Total Operating Income grew by 4.6% YoY to SAR 11,205 million.
- Efficiency ratio remains within our comfort level at 32.4%.
- Net Operating income before Impairments and Zakat increased by 7.4% YoY to SAR 7,571 million.
- Net Income decreased by 15.8% YoY due to increased impairment charges for the period.

Asset Quality, Capital & Liquidity



- Cost of Risk reached 107 bps.
- Capitalization remained strong with CET1 of 16.5% and total CAR of 19.1%.
- LCR and NSFR Ratios reached to 200% and 130%, respectively. LDR (incl. Sukuk) reached 91.7% while regulatory LDR stood at 75%.

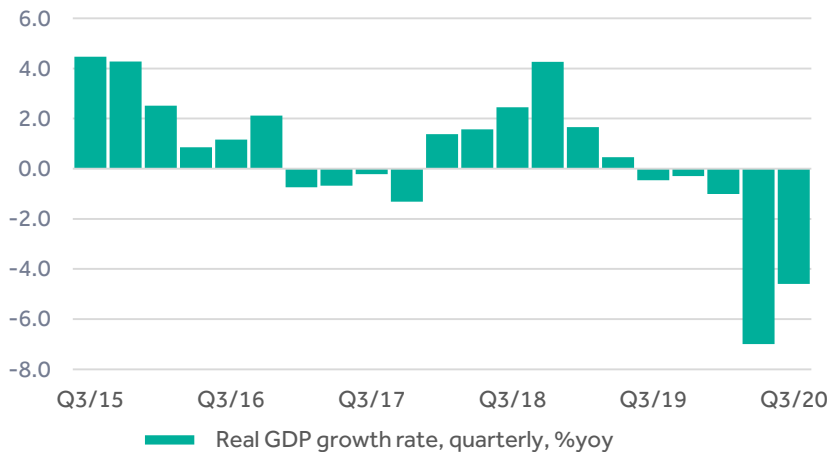


KSA Macroeconomic Environment

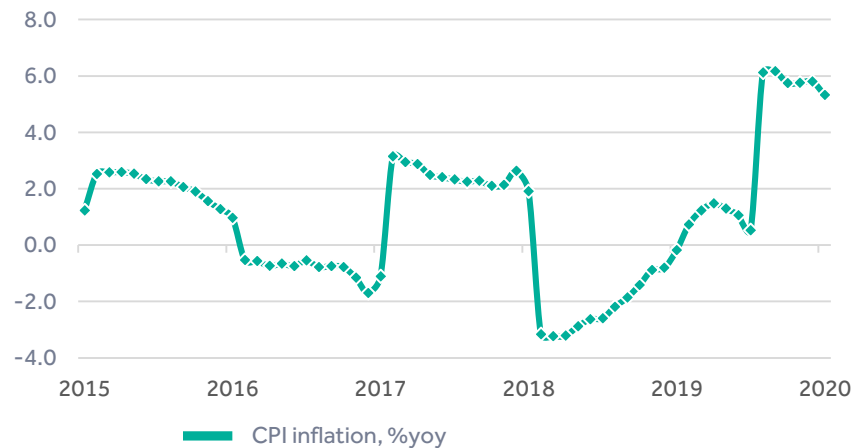
Saudi Macro Framework

The Economy started to recover from COVID-19 impact

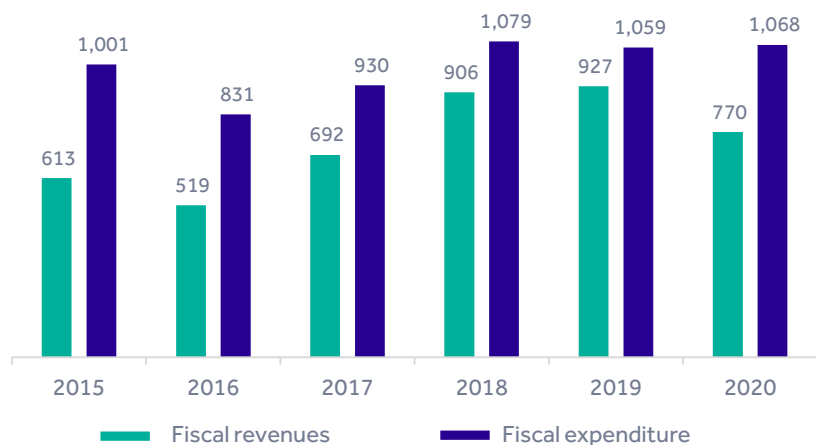
GDP



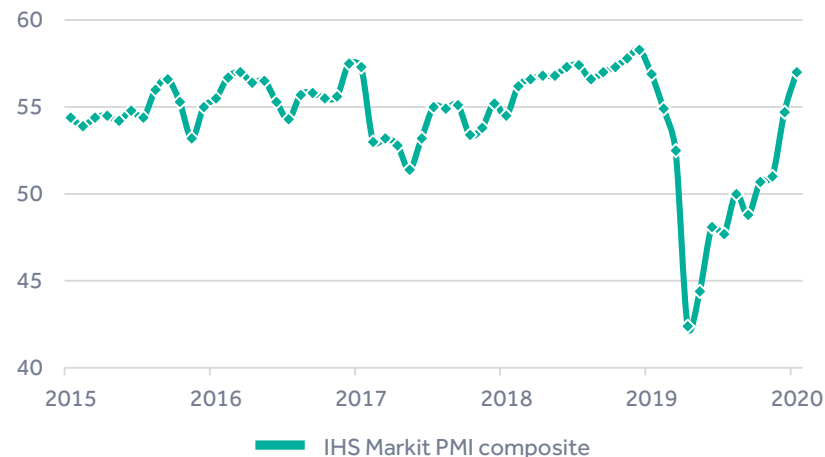
CPI Inflation



Fiscal Revenues and Expenditure (SARbn)



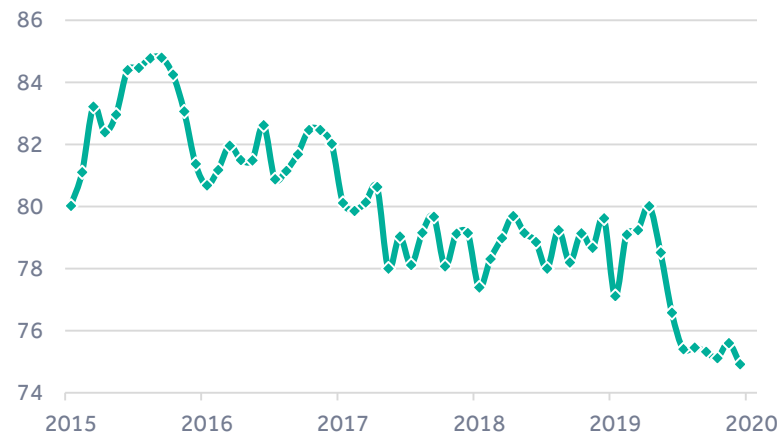
Purchasing Manager Index



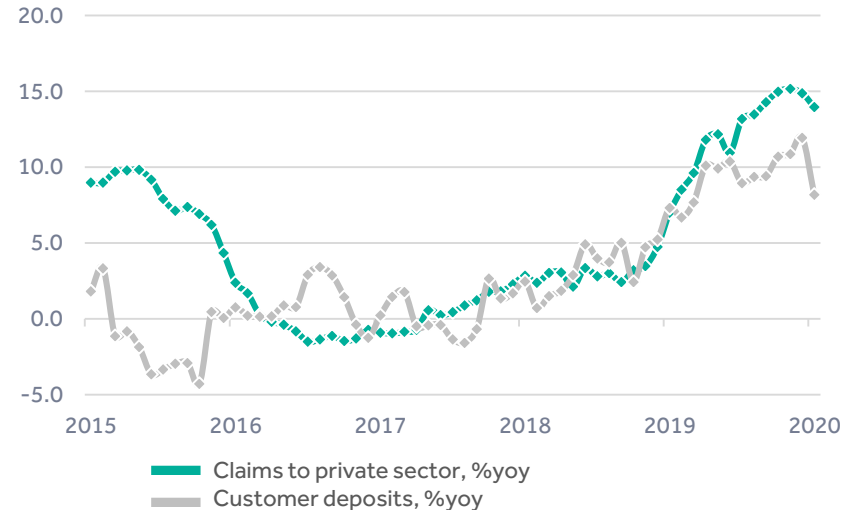
Banking Sector Highlights

The Economy started to recover form COVID-19 impact (Continued)

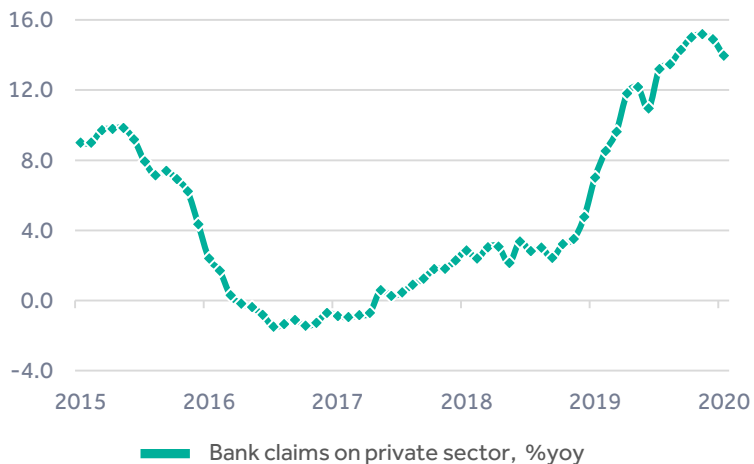
Regulatory LDR



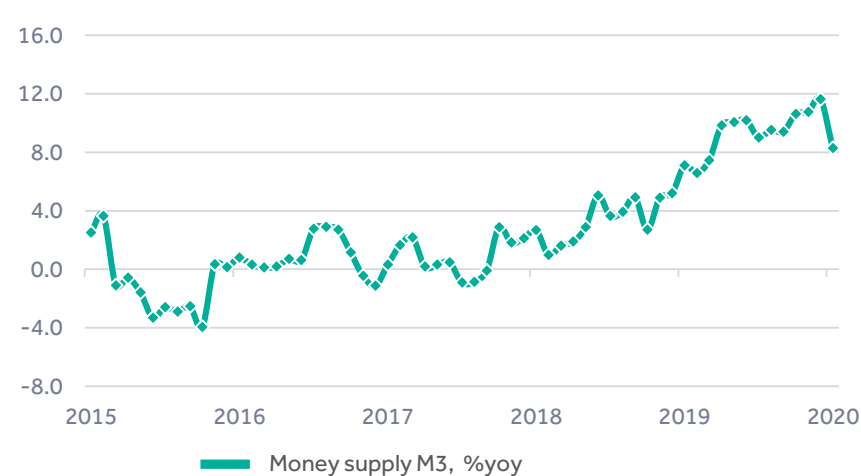
Credit and Customer Deposits



Credit to Private Sector



Money Supply M3





Government programs

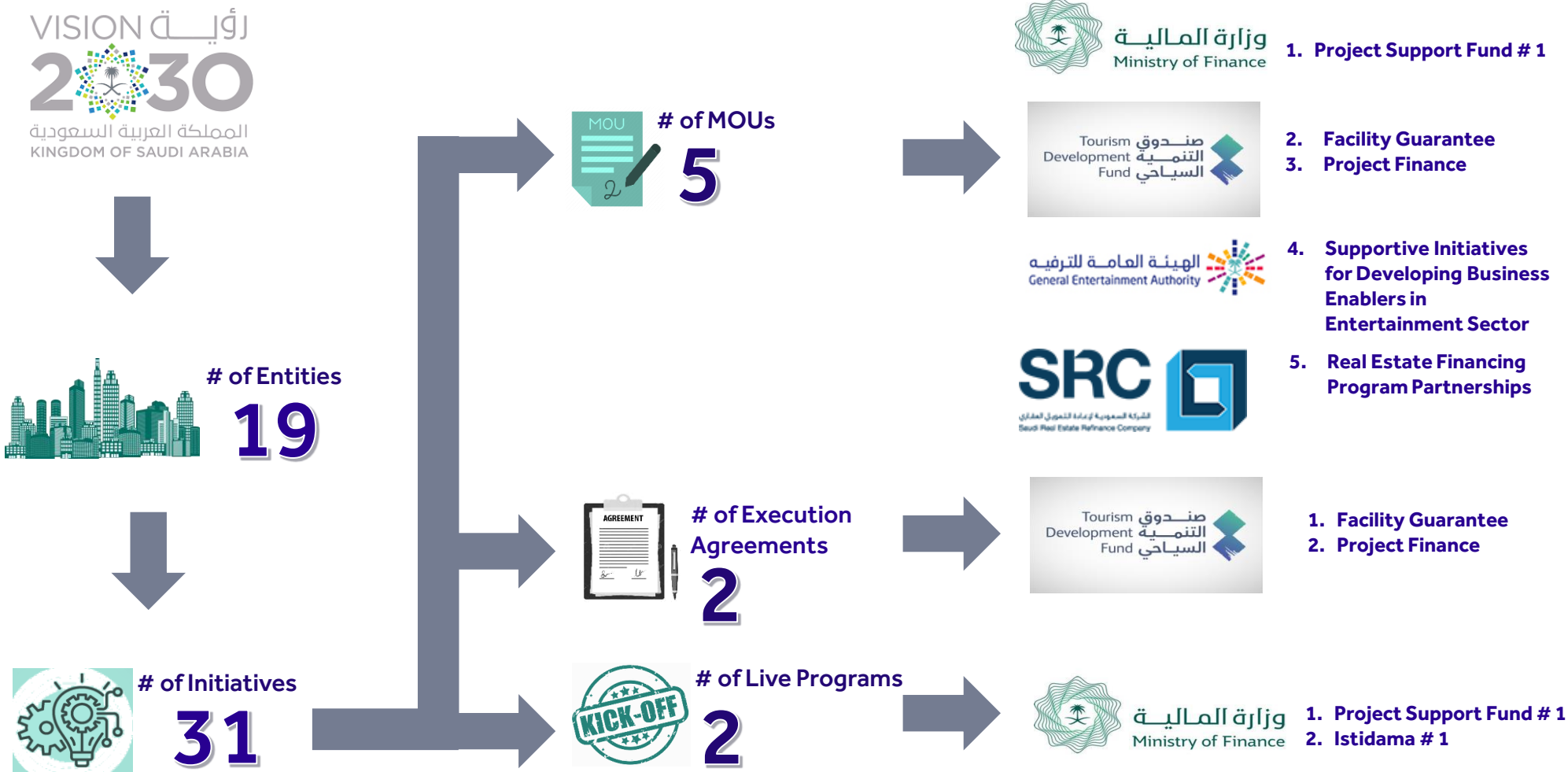
SAR 290+bn in combating adverse impact of COVID-19 on Saudi Economy

Saudi Arabian Monetary Authority (SAMA)		Ministry of Finance	Ministry of Interior	Saudi Human Resources Development Fund
To Private sector		To Banks	To Economy	
Corporate	Retail			
SMEs Deferred Payments Program extended till Q1 2020	Free transfers between local banks	Postponed SAMA supervisory Prudential policy measures (SRVs and ICAAP)	To increase Government Debt to GDP up to 50%	To extend Iqama and visas for expats for three months without charge
SAR 13.2 bn Funding for Lending Program	Revaluated internet rates and other fees imposed on credit cards	Postponed of new regulations (Provisioning methodology and Basel III finalized reforms)	Total of SAR 117 bn to support Private Sector ✓ SAR 70 bn in Q1-20 ✓ SAR 47 bn in Q2-20	SAR 5.3 bn to support private sector to employ and for training
SAR 0.8 bn POS & E-commerce fees	Refunded to the customers the exchange commissions on credit cards for canceled travels	Requested banks to engage with the external Auditors to measure Expected Credit Loss (ECL) to be reasonable and supportable	SAR 47 bn to support health sector	1,400 economic entities to delay services fees payments for 3 months
SAR 6 bn Loan Guarantee Program	Raise the limit allowed for payments via bank cards through POS to be SAR 300 without pin number	Extended the Foreign Bank Branches Regulations (FBBs) execution	USD 0.5 bn to fund int'l efforts vs Covid-19	To delay submission of declarations and payment of Zakat and VATs
Repo rate cut at 1.0%	Raise transfer limit for digital wallets to SAR 20K	SAMA injected SAR 50 bn into the Banking sector	30% off to electricity bills for commerce and industry	Replacing 15% VAT on real estate transaction with 5% sales tax
Extended pausing the practice of freezing Saudis customers' accounts due to ID expiry until further notice.	Postpone the instalments for 6 months without interest or additional costs, for those affected by losing their jobs		Defer SMEs installments financed by Development funds	
Waived all fees on customers (corporate and retails) related to refinance or loan settlement.			Threshold for the 1 st home buyer VAT waiver to SAR 1 mn	
Provided all electronic channels from issuing and renewing insurance policy and receiving various requests and inquiries from customers.				

Includes FY 2020 updates

Vision 2030 initiatives

Riyad Bank is fully committed to the success of the National Agenda



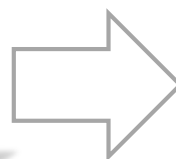
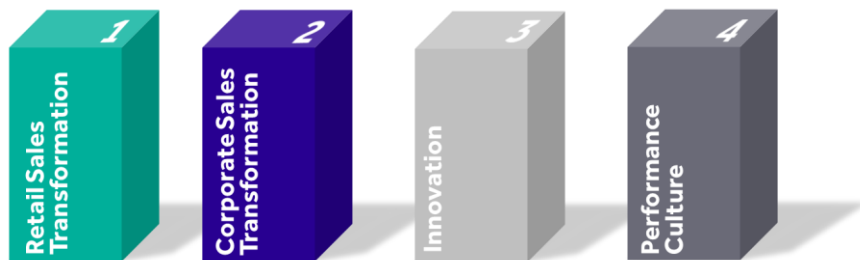


Strategy Update

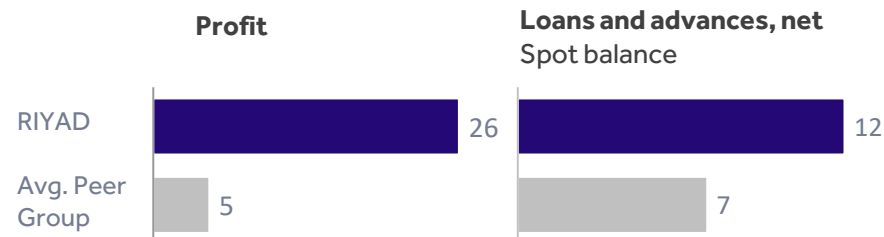
Riyad Bank has executed its strategic transformation exceptionally well, making it the fastest growing bank in KSA for the past 3 years



To be the most innovative and trusted financial solutions partner



CAGR %, 2017-2019



Overarching Theme (2017-2020)



Transform core engine: Overhauling performance management and productivity across core business lines, cultivating innovation and digitization culture, and improving the health of the organization.

Key Achievements:

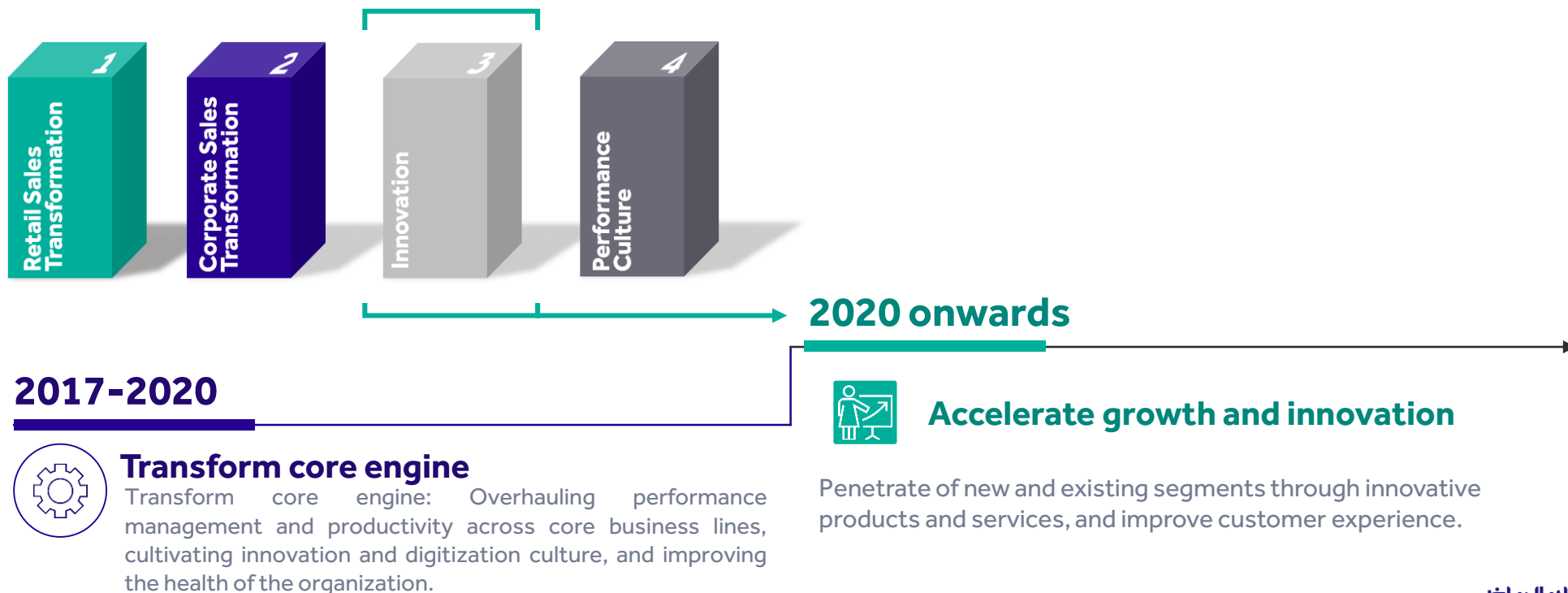
- Increased customer’s base, net profits and deposits and market share.
- Significantly developed the technical infrastructure and advanced the activation of digital capabilities to meet customer’s needs during Covid-19 outbreak.
- Achieved specific targets positioning Riyad Bank amongst the strongest brands and one of the best work environments by jumping 25 points in the Organizational Health Index score placing Riyad Bank in the top quartile of measure globally.

However, structural and recent shifts in the industry require us to chart a new course for the Bank

Recent trends

-  Increasing customer expectations around digital sales and service.
-  Depressed demand and compressed margins due to COVID-19
-  Imperative to renew effort to reinforce our competitive advantage
-  Growing competitive intensity with recent M&As in the region.

Hence Riyad Bank has activated a new phase of the transformation...





... Which will be delivered across 3 areas and support our aspiration to become the Best Bank in KSA

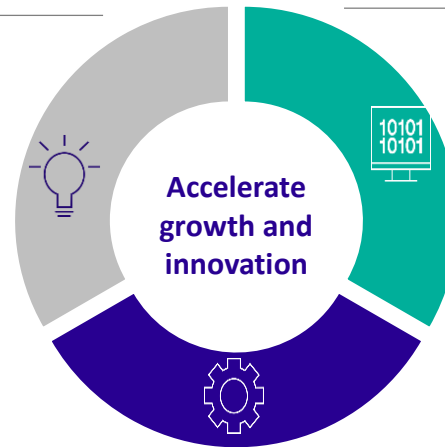
Strategy

Value through innovation

Creating new markets through digital eco-systems, disrupting me-too propositions, integrating Advanced Analytics into BAU

Enablement through next gen operating model

Transforming core technology infrastructure and operating model through agile



Efficiency through digitization

Improve organization productivity including front to back digitization














Financial Results Overview

FY 2020 Key Highlights

FY 2020 Vs FY 2019

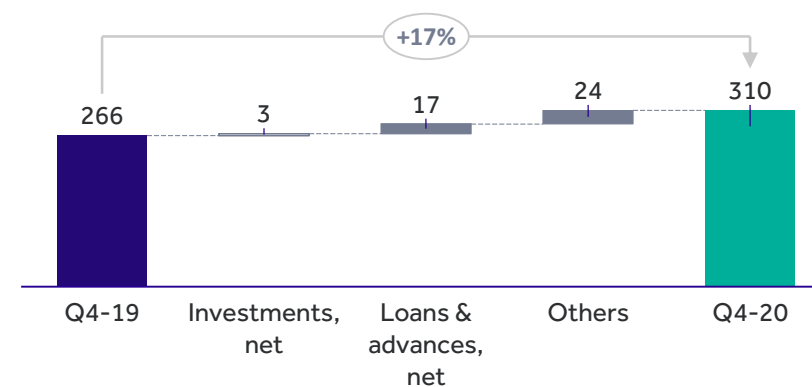
<p>Balance Sheet</p>	<p>16.7%</p>  <p>Total assets</p>	<p>10.0%</p>  <p>Loan and advances, net</p>	<p>5.8%</p>  <p>Investments, net</p>	<p>4.4%</p>  <p>Customer deposits</p>	<p>18.5%</p>  <p>Demand & other deposits</p>
<p>Income Statement</p>	<p>15.8%</p>  <p>Net income</p>	<p>4.8%</p>  <p>NSCI</p>	<p>3.9%</p>  <p>Fee and other income</p>	<p>4.6%</p>  <p>Total operating income</p>	<ul style="list-style-type: none"> ▪ Increase in Credit related impairment by 105% mainly due to updating banks' macro-economic factors and overlays in current period ▪ Cost of Risk in FY 2020 increased by 48 bps to 107 bps compared to FY 2019.
<p>Asset Quality</p>	<ul style="list-style-type: none"> • NPL ratio 1.86 % and NPL coverage at 124 % • Capital position: CET1 ratio of 16.5% and Total Capital Adequacy Ratio of 19.1%. • Strong funding and liquidity with Regulatory Loans to Deposits Ratio of 75%, Net Stable Funding Ratio of 130% and Liquidity Coverage Ratio of 200%. • Leverage Ratio of 11.8%. 				

Financial Highlights – Balance Sheet

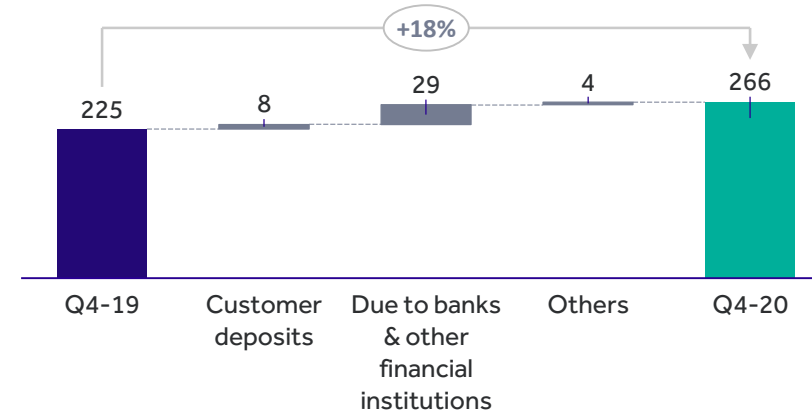
Strong balance sheet growth supported by continued growth in loans and placements

SAR (mn)	Q4 2020	Q3 2020	QoQ % change	Q4 2019	YTD % change
Cash and balances with SAMA and financial institutions	55,579	55,633	-0.1%	33,924	+63.8%
Investments, net	56,450	55,036	+2.6%	53,361	+5.8%
Loans and advances, net	191,347	190,823	+0.3%	173,982	+10.0%
Total assets	310,088	308,558	+0.5%	265,789	+16.7%
Customer deposits	203,039	201,292	+0.9%	194,518	+4.4%
Debt securities in issue	5,684	5,638	+0.8%	4,003	+42.0%
Total liabilities	265,733	265,903	-0.1%	225,217	+18.0%
Total shareholders' equity	44,355	42,655	+4.0%	40,571	+9.3%
Risk weighted assets	268,134	265,329	+1.1%	249,556	+7.4%
Tier 1 ratio	16.5%	16.1%	+2.9%	16.3%	+1.7%
Total capital adequacy ratio	19.1%	18.5%	+3.0%	18.1%	+5.6%

Total Assets Growth Drivers (SARbn)



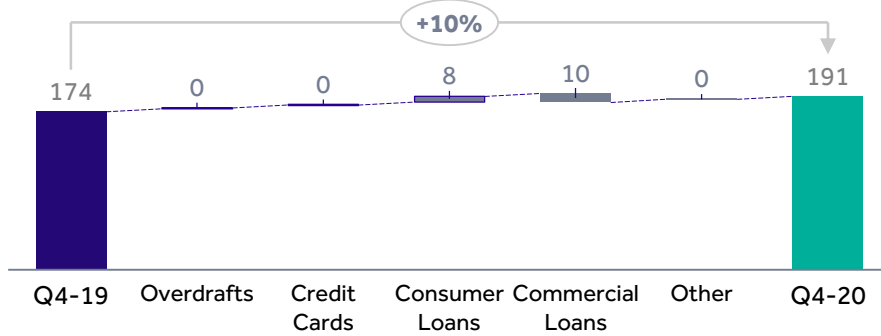
Total Liabilities Growth Drivers (SARbn)



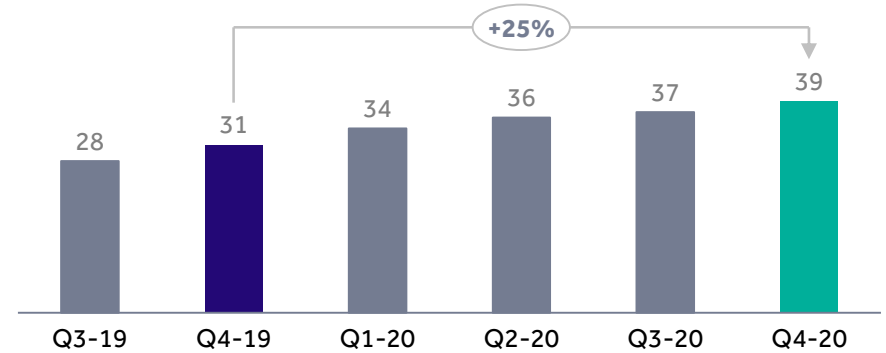
Assets & Lending

Strong loan growth mainly driven by commercial and mortgage loans

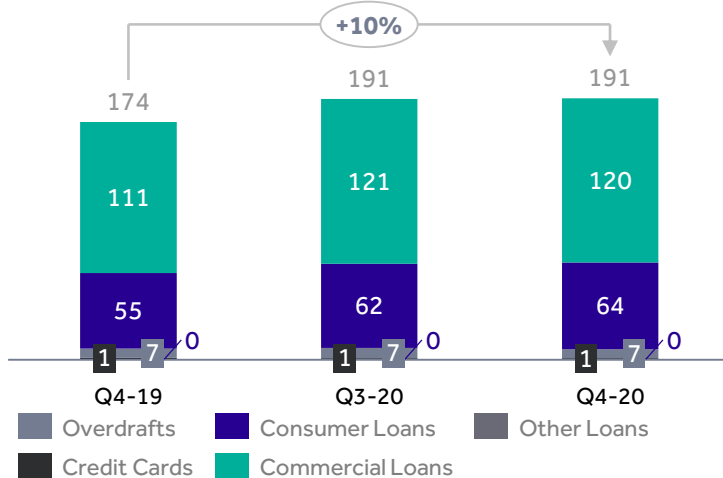
Loans & Advances Growth Drivers (SARbn)



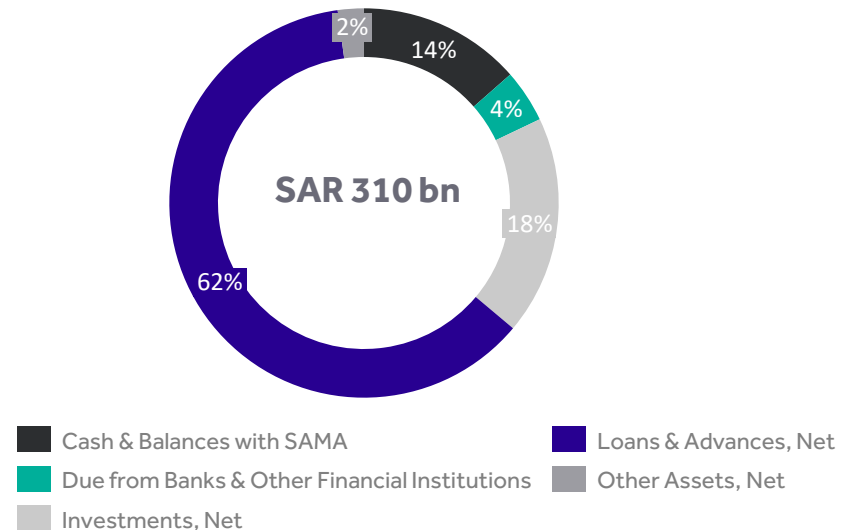
Mortgages Loans, Gross (SARbn)



Loans & Advances, Net by Type (SARbn)



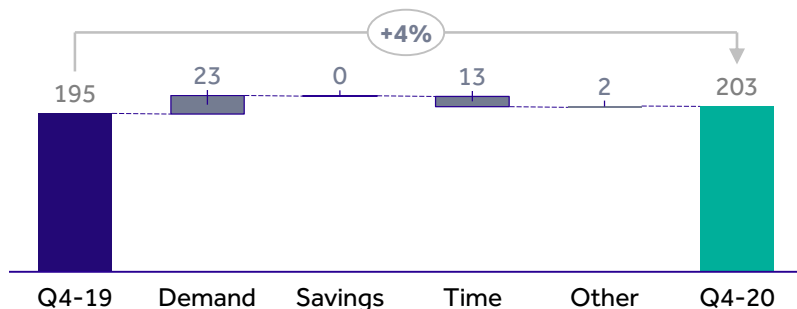
Total Assets Mix (SARbn)



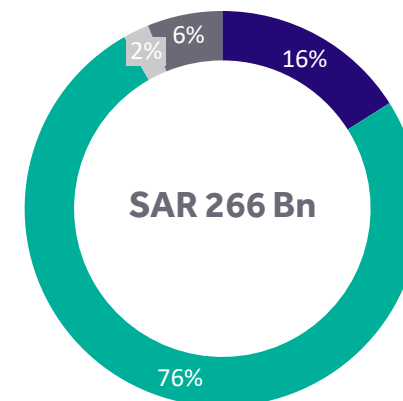
Liabilities and Funding

Continued strong growth in non-commission bearing deposits and progressively optimizing the bank's cost of funds. Due to banks grew on the back of SAMA deposits.

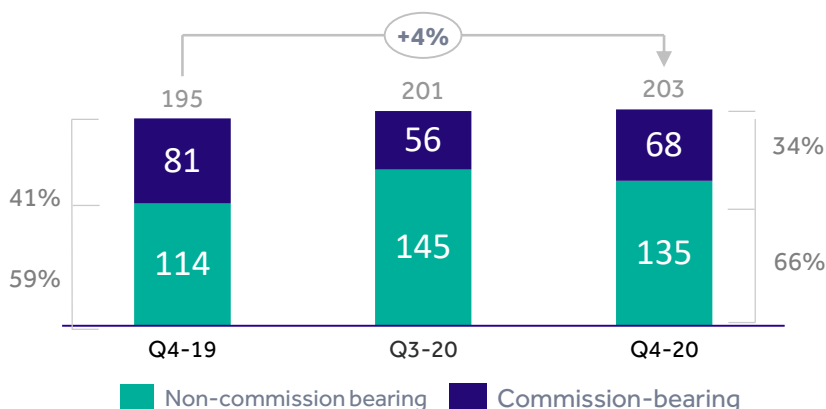
Customer Deposits Growth Drivers (SARbn)



Total Liabilities Mix (SARbn)



Total Customer Deposits by Type (SARbn)



- Due to Banks & Other Financial Institutions
- Customer Deposits
- Debt Securities in Issue
- Other Liabilities, Net

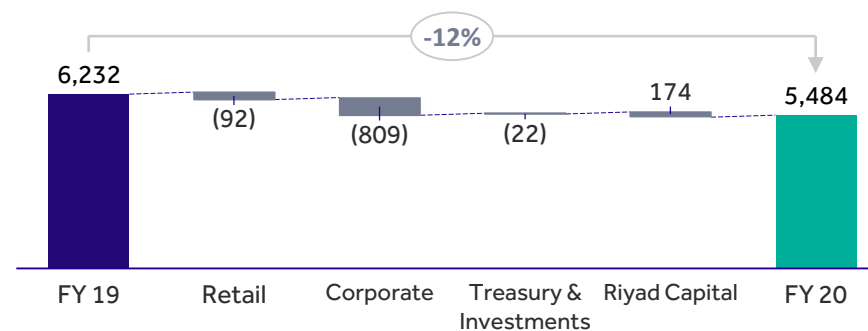


Financial Highlights – Income Statement

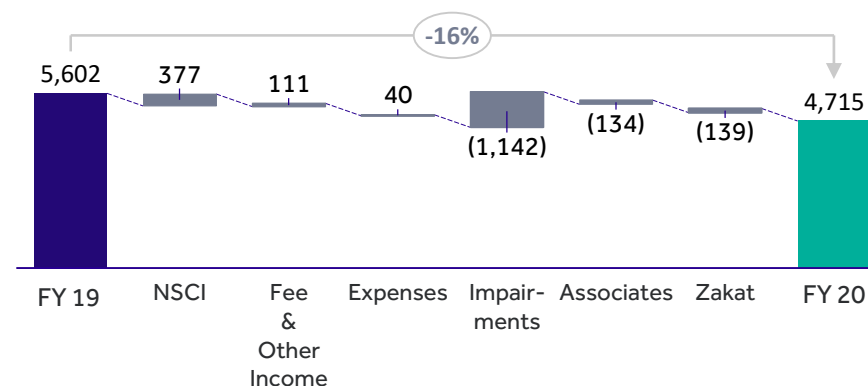
Operating income growth was offset by higher impairment charges

SAR (mn)	FY 2020	FY 2019	YoY % change	Q4 2020	Q3 2020	QoQ % change
Net special commission income	8,214	7,837	+4.8%	2,036	2,073	-1.8%
Fee and other income	2,992	2,880	+3.9%	754	748	+0.7%
Total operating income, net	11,205	10,717	+4.6%	2,790	2,821	-1.1%
Operating expenses	(3,635)	(3,674)	-1.1%	(958)	(890)	+7.7%
Net operating income before impairment charges	7,571	7,043	+7.4%	1,831	1,931	-5.1%
Impairment charge for credit losses and other financial assets	(2,062)	(1,012)	+103.7%	(651)	(490)	+32.9%
Impairment charge for investments	(44)	48	-192.0%	(29.6)	19.4	-252.8%
Net operating income	5,464	6,079	-10.1%	1,150	1,460	-21.2%
Share of earnings of associates, net	19	153	-87.4%	6	13	-51.5%
Net income for the period before Zakat	5,484	6,232	-12.0%	1,157	1,473	-21.5%
Zakat for the period	(769)	(630)	+22.1%	(277)	(177)	+56.5%
Net income for the period	4,715	5,602	-15.8%	880	1,296	-32.1%
EPS	1.57	1.87	-15.8%	0.29	0.43	-32.1%
ROE before Zakat	12.9%	16.1%	-19.9%	8.1%	14.1%	-34.9%
ROA before Zakat	1.9%	2.5%	-31.0%	1.1%	2.0%	-81.8%
Cost to income ratio	32.4%	34.3%	-5.4%	34.3%	31.5%	+8.9%

Net Income before Zakat Growth Drivers by Segment (SARmn)



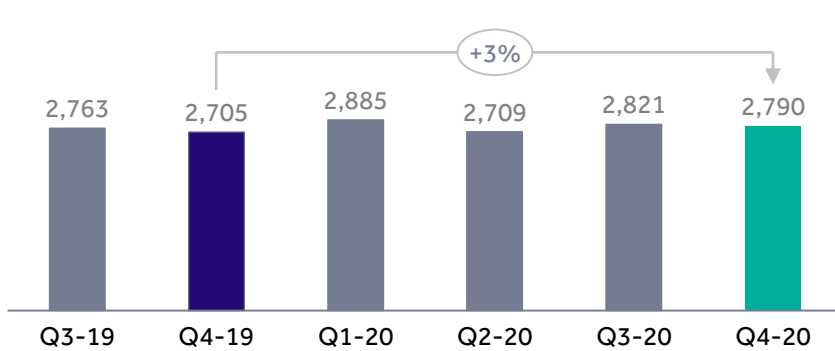
Net Income after Zakat Growth Drivers by Type (SARmn)



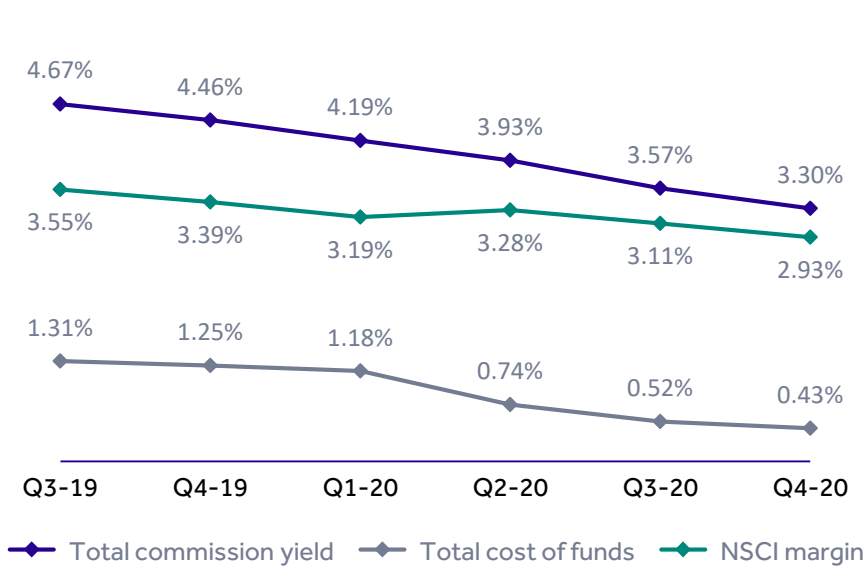
Income Trends

Income growth supported by strong balance sheet

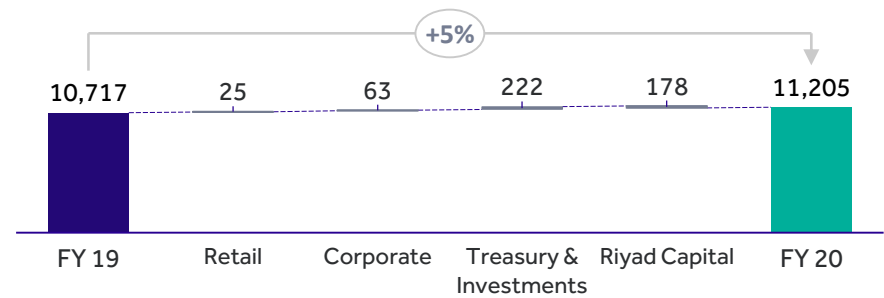
Total Operating Income, Net (SARmn)



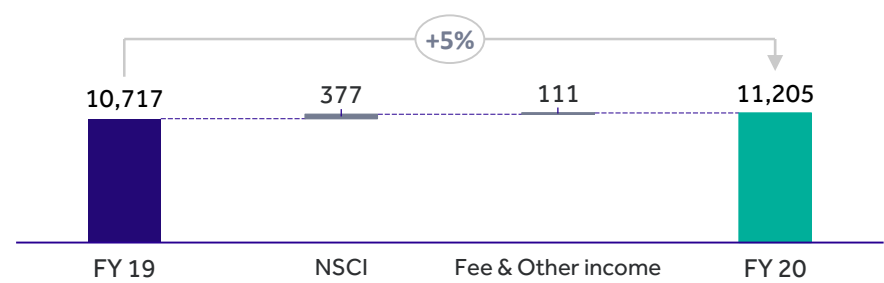
NSCI Margin, Yields and Funding Costs (%)



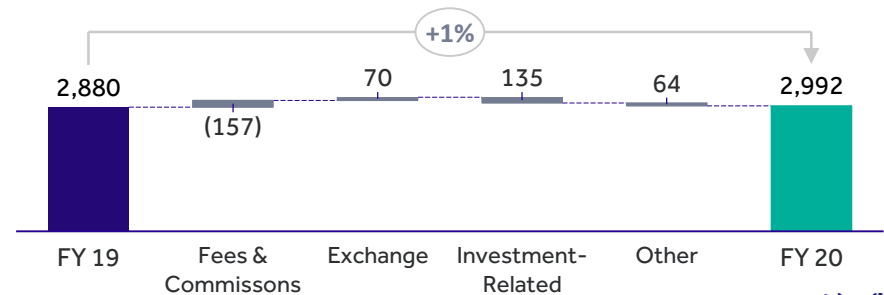
Total Operating Income Growth Drivers by Segment (SARmn)



Total Operating Income Growth Drivers by Type (SARmn)



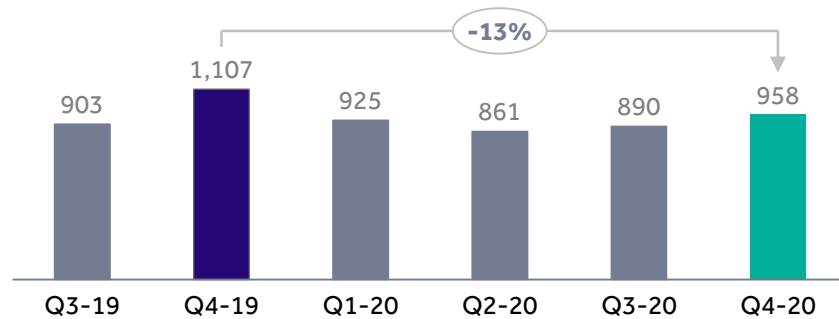
Fee & Other Income Growth Drivers by Type (SARmn)



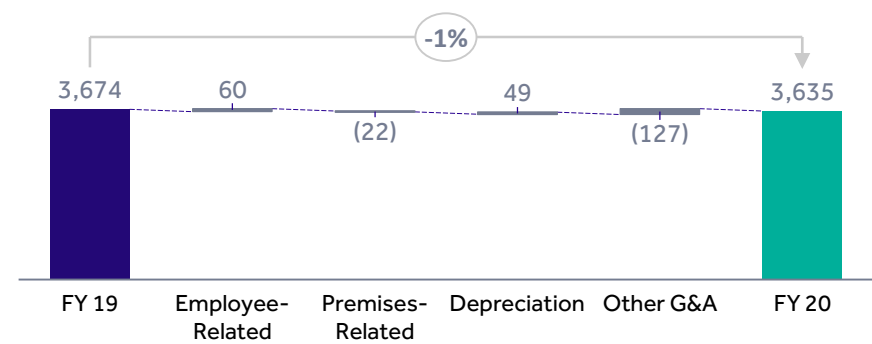
Expenses Trends

Continued cost efficiency improvement driven by income growth, despite continued investment in the Bank's transformation program

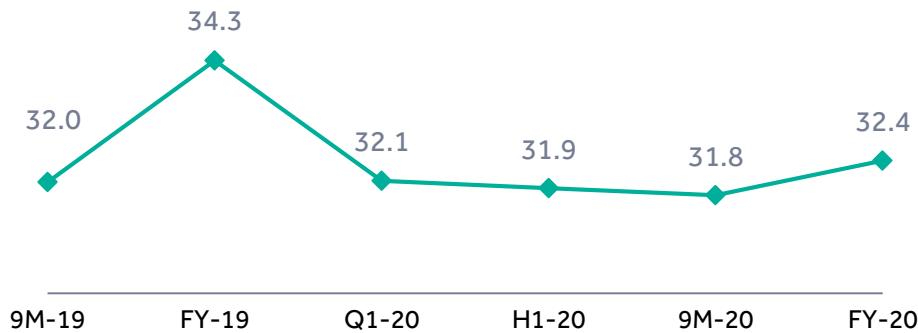
Operating Expenses (SARmn)



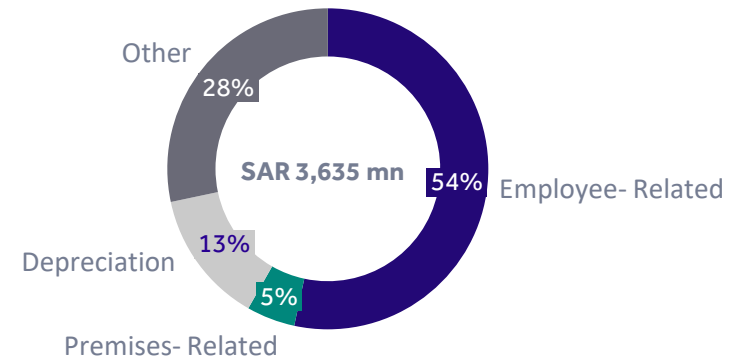
Operating Expenses Growth Drivers by Type (SARmn)



Cost to Income Ratio (YTD %)



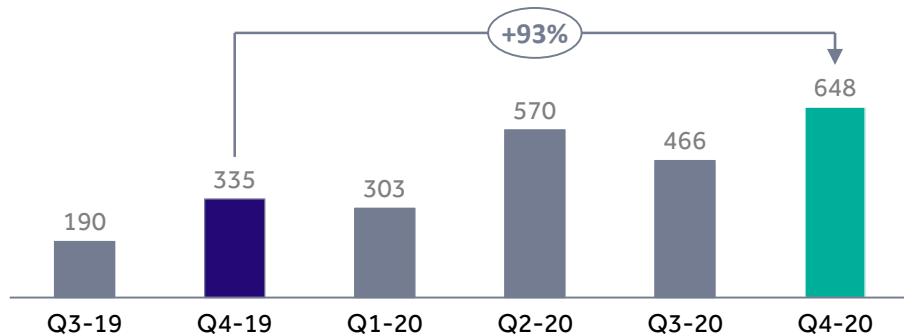
FY 2020 Operating Expenses Mix by Type (SARmn)



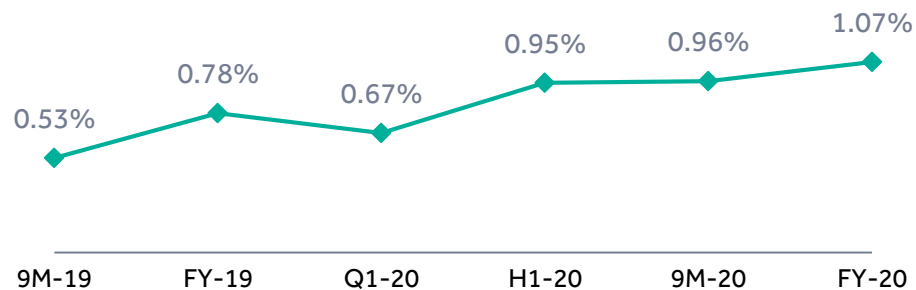
Credit Quality

Stable asset quality trends with solid NPL coverage ratio

Impairment Charge for Credit Losses, Net (SARmn)

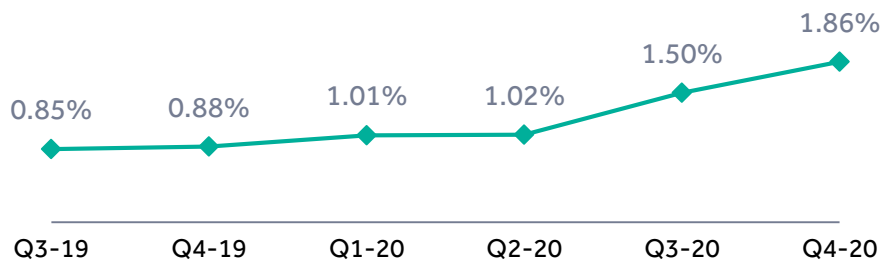


Cost of Risk (YTD %)

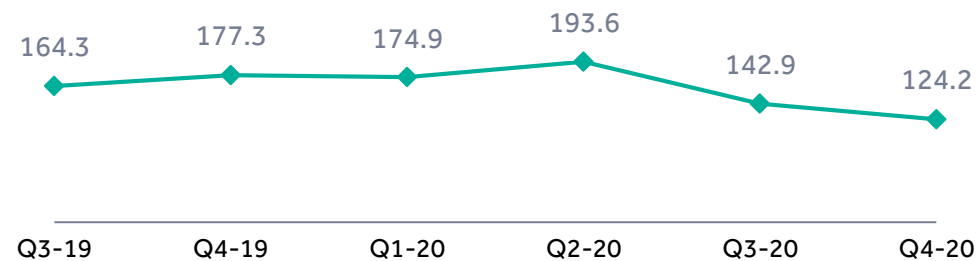


Cost of Risk calculation =
$$\frac{\text{Annualized YTD Impairment charge for credit losses, net}}{\text{Avg gross loans and advances}}$$

NPL Ratio (%)



NPL Coverage (%)

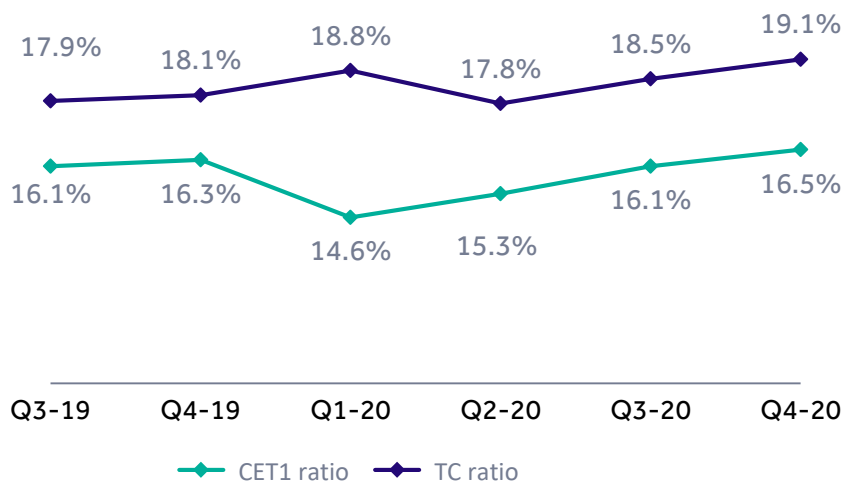




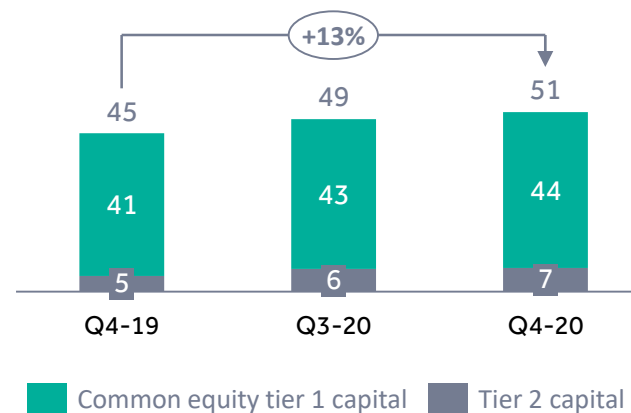
Capitalization

Capitalization well above regulatory minima and continues to support growth

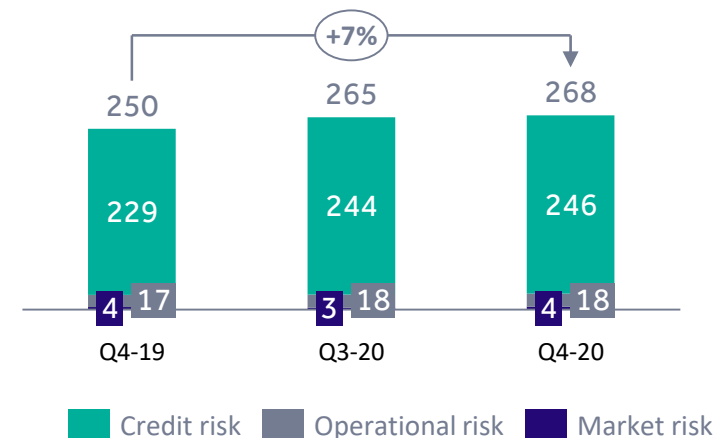
Capital Ratios (%)



Capitalization (SARbn)



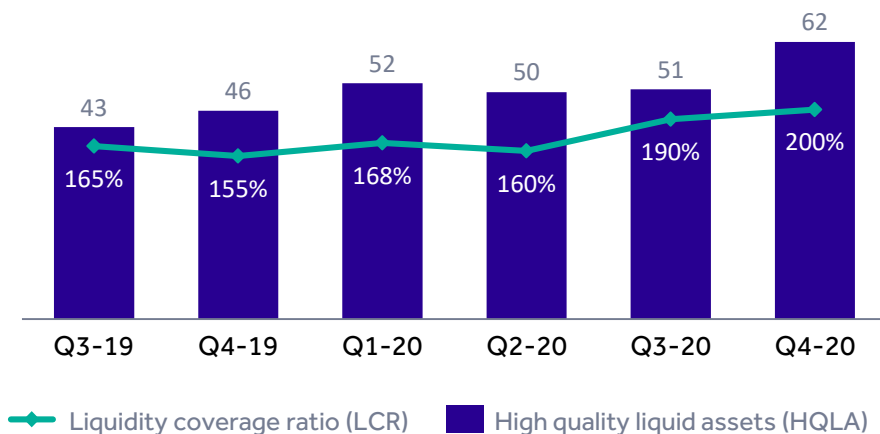
Risk Weighted Assets (SARbn)



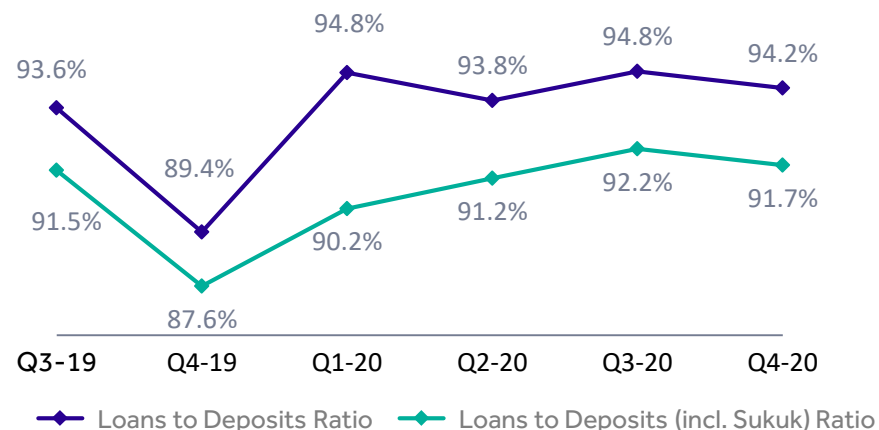
Liquidity

Liquidity continues to be at comfortable levels

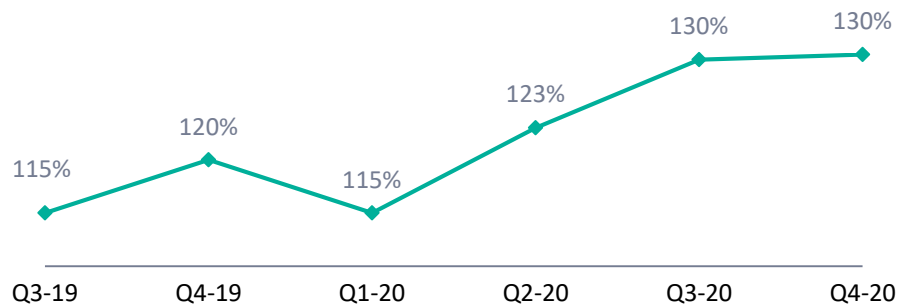
HQLA and Liquidity Coverage (SARbn/%)



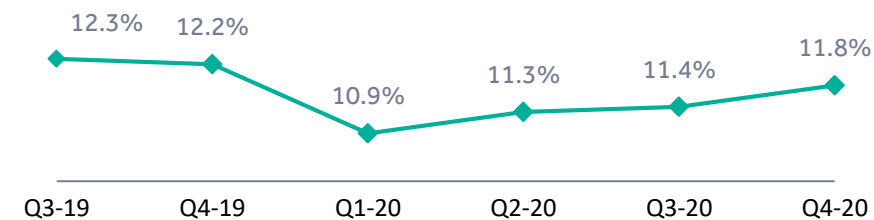
Loans to Deposit Ratios (%)



Net Stable Funding Ratio NSFR (%)



Basel III leverage Ratio (%)





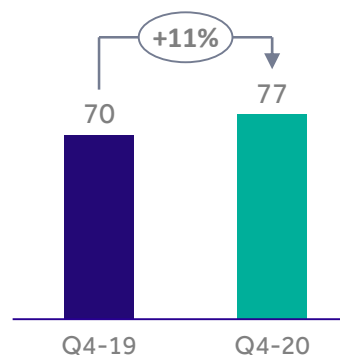
Business Segments

Retail Banking

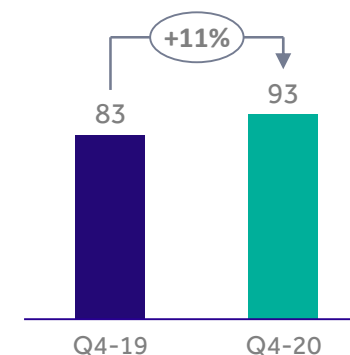
Operating income growth offset by higher impairment charges

SAR (mn)	FY 2020	FY 2019	YoY % change	4Q 2020	3Q 2020	QoQ % change
Total assets	77,495	69,754	+11%	77,495	75,644	+2%
Total liabilities	92,921	83,485	+11%	92,921	90,844	+2%
Net special commission income	3,564	3,316	+7%	934	898	+4%
Fee and Commission income net	198	424	-53%	23	71	-67%
Operating income	3,745	3,720	+1%	952	960	-1%
Operating expenses	(2,431)	(2,433)	-0%	(629)	(607)	+4%
Impairment charge	(33)	86	-138%	(39)	111	-135%
Net income before Zakat	1,281	1,373	-7%	283	465	-39%

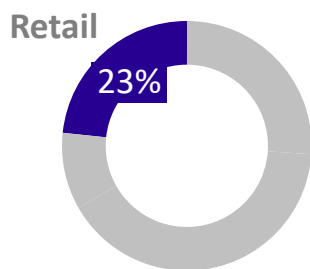
Total Assets (SARbn)



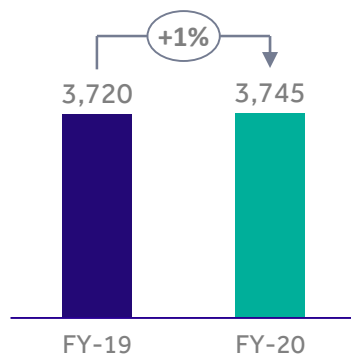
Total Liabilities (SARbn)



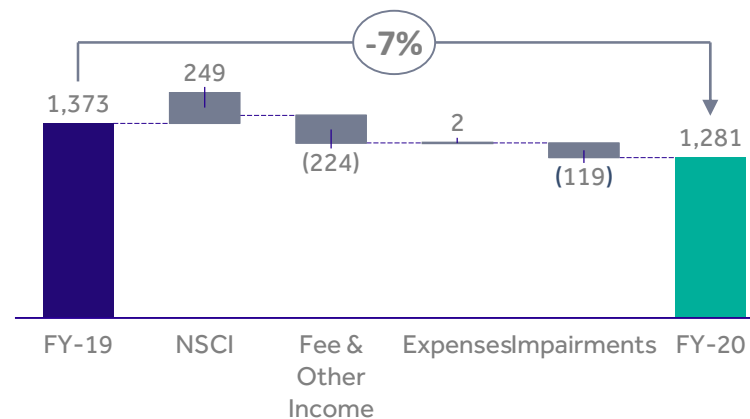
FY 2020 Net Income Contribution by Segment



Operating Income (SARmn)



Net Income before Zakat Growth Drivers by Type (SARmn)

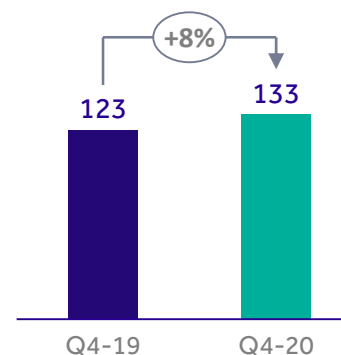


Corporate Banking

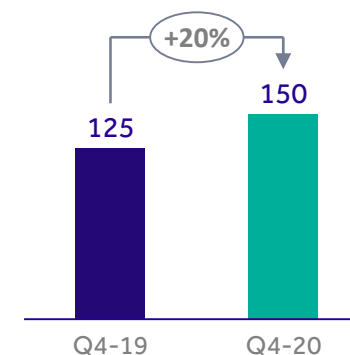
Strong loans and deposits growth

SAR (mn)	FY 2020	FY 2019	YoY % change	4Q 2020	3Q 2020	QoQ % change
Total assets	133,404	123,120	+8%	133,404	134,640	-1%
Total liabilities	149,573	124,794	+20%	149,573	150,430	-1%
Net special commission income	3,203	3,045	+5%	790	842	-6%
Fee and Commission income net	1,102	1,182	-7%	219	325	-32%
Operating income	4,302	4,239	+1%	1,005	1,162	-14%
Operating expenses	(849)	(899)	-6%	(222)	(196)	+13%
Impairment charge	(2,025)	(1,103)	+84%	(620)	(595)	+4%
Net income before Zakat	1,428	2,237	-36%	163	371	-56%

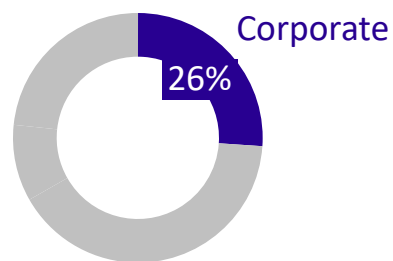
Total Assets (SARbn)



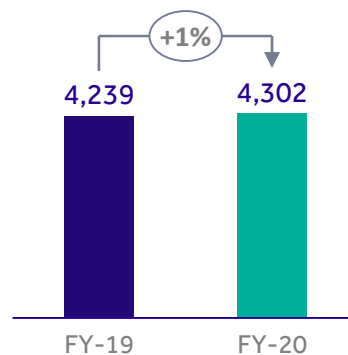
Total Liabilities (SARbn)



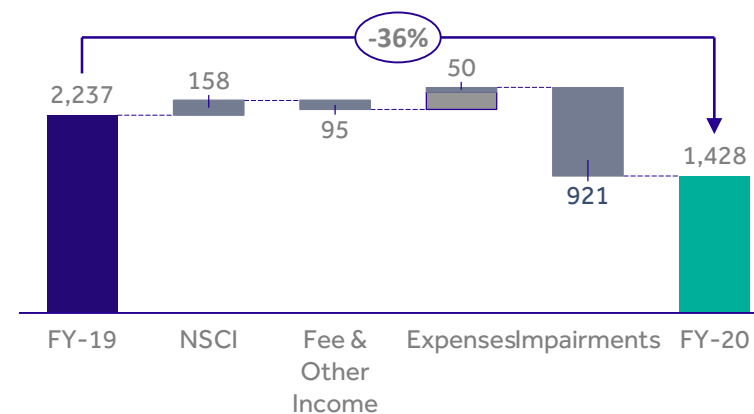
FY 2020 Net Income Contribution by Segment



Operating Income (SARmn)



Net Income before Zakat Growth Drivers by Type (SARmn)

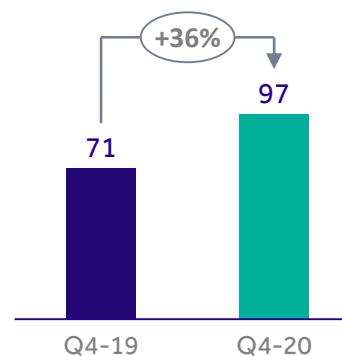


Treasury & Investments

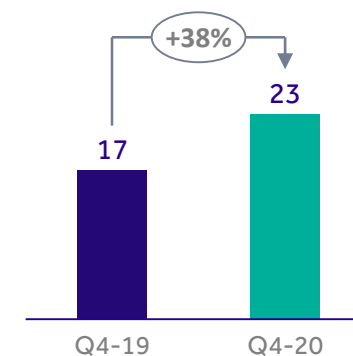
Increase in profit due to increase from fees and other income

SAR (mn)	FY 2020	FY 2019	YoY % change	4Q 2020	3Q 2020	QoQ % change
Total assets	96,820	71,341	+36%	96,820	96,171	+1%
Total liabilities	22,784	16,511	+38%	22,784	24,208	-6%
Net special commission income	1,256	1,334	-6%	263	287	-8%
Fee and other income, net	1,136	836	36%	322	220	47%
Operating income	2,392	2,170	+10%	585	506	+16%
Operating expenses	(132)	(123)	+7%	(34)	(33)	+4%
Impairment charge	(49)	53	-192%	(22)	14	-260%
Share in earnings of associates, net	19	153	-87%	6	13	-52%
Net income before Zakat	2,231	2,251	-1%	535	500	+7%

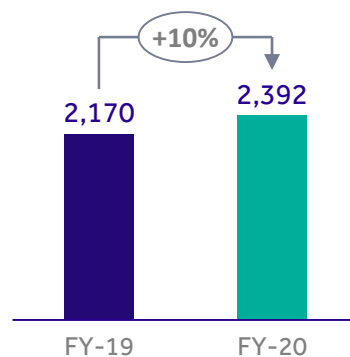
Total Assets (SARbn)



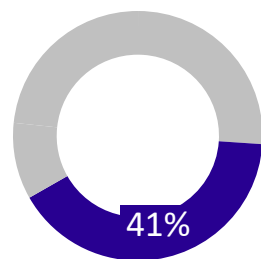
Total Liabilities (SARbn)



Operating Income (SARmn)

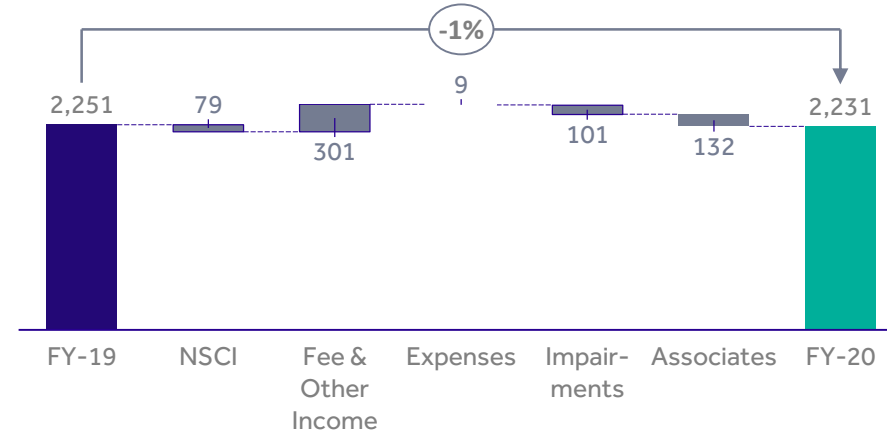


FY 2020 Net Income Contribution by Segment



Treasury and investments

Net Income before Zakat Growth Drivers by Type (SARmn)

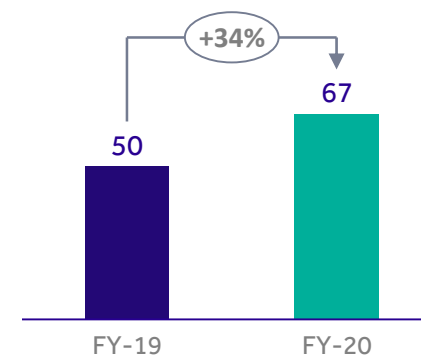


Riyad Capital

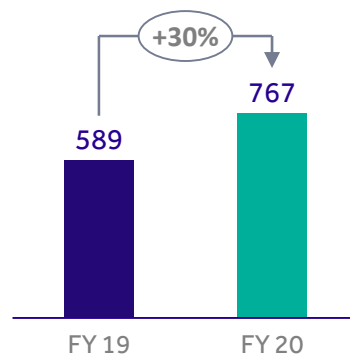
Strong performance supported by strong AuMs growth

SAR (mn)	FY 2020	FY 2019	YoY % change	4Q 2020	3Q 2020	QoQ % change
Total assets	2,370	1,574	+51%	2,370	2,103	+13%
Total liabilities	455	428	+6%	455	422	+8%
Net special commission income	191	142	+35%	49	46	+5%
Fee and Commission income net	544	412	+32%	191	136	+40%
Operating income	767	589	+30%	248	192	+29%
Operating expenses	(223)	(219)	+2%	(73)	(54)	+36%
Net income before Zakat	544	369	+48%	175	138	+27%

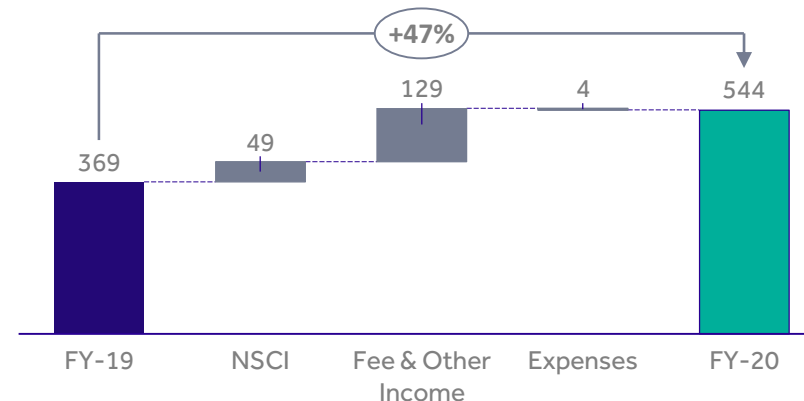
Total AUM (SARbn)



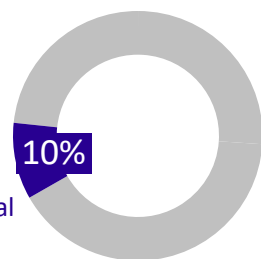
Operating Income (SARbn)




Net Income before Zakat Growth Drivers by Type (SARmn)



FY 2020 Net Income Contribution by Segment



Riyad Capital



2021 Outlook



2021 Guidance

Riyad Bank Guidance

Guidance Metric	FY 2019	2020 latest Guidance	FY 2020	2021 Guidance
Loans, Net	SAR174 Bn (+15% YoY)	Low-mid double digit % growth	SAR191 Bn (+10% YoY)	High single digit % growth
NSCI Margin (%)	3.48%	- 25bps to -40bps	3.13%	-10bps to -20bps
Cost to Income (%)	34.3%	Below 34%	32.4%	Below 34%
Cost of Risk (%)	0.59%	0.95% to 1.05%	1.07%	0.8% to 1.0%
CET1 (%)	16.3%	Above 14.0%	16.5%	Above 15%
ROAE Before Zakat (%)	16.1%	Above 13.0%	12.9%	Above 12%



Appendix



Riyad banks' commitment to Environmental, Social and Governance (ESG) factors, started well before global trends



“Bukra”, a comprehensive and long-term corporate social responsibility strategy, is aligned with the best practices of the most important local, regional and global frameworks, including Vision 2030, and the UN Sustainable Development Goals

Social

- Organized several internal and external blood drives with **382 donors** and donating **168,970 ml**
- Supported King Faisal Specialist Hospital - **Center for Autism Research** and the **Autism Center of Excellence** and Participated in an international research project studying the effects of COVID-19 on people with disabilities and their families
- Hired qualified employees** with disabilities and also committed to implementing facilities in the buildings
- 41%** of the SMEs in the Kafalah Programme are working with Riyad Bank, and the Bank holds the highest SME portfolio and largest loan book for SMEs
 - 189%** increase in Saudi Workers in SMEs
 - 53%** increase in Women Owners of SMEs

With Bukra, the Bank is targeting the following UNSDGs:



Governance

- 6 Independent Board Directors
- 4 Board Subcommittees
- Adopted 2 new Governance policies and frameworks
- Updated communication guidelines to meet the needs of persons with disabilities

Environmental

- By recycling 3,480 kg of waste,** We saved 80 cubic meters of landfill, almost 14 tons of CO₂ (Data from EPA), and 59 trees.
- By saving 7,520 kg of paper,** We reduced the volume of material printed over the previous year and reducing toner costs by 73%

Riyad Bank COVID-19 Initiatives

Supporting the economy and community while ensuring business continuity and safety of employees

Medical efforts



- Distributed **7,000** safety boxes containing masks, gloves, and sanitizers to all employees



- Donated **SAR 17 million** to the Ministry of Health under the "We are responsible and I am the First one" campaign.



- Donated **SAR 10.9 million** to the Society Fund initiative by Ministry of human resources and social development



- Partnered with Saudi Food bank and various charities to distributes **10,000** food boxes to families in need Ramadan.

Economic efforts

- Through SAMA credit relief initiatives channeled via the bank, **10,636** loans and 2,301 entities were deferred, amounting to total volume of payment deferred of SAR 19.87bn
- Postponed loans installment for all public and health workers for **3 months** starting from April in recognition of their service during the crises.
- Collaborated with the ministry of communications and information technology to distribute **677** tables to students to facilitate their study from home efforts .

Work Continuity

- **100%** of work capacity
- Maintaining social distance principle and flexible working hours
- Daily deep cleaning of all bank premises

Employees

- Hot lines and App for employees
- Employee booklet that includes general awareness, Covid-19 preventive measures, policies.
- **40+** awareness messages (email, text messages and calls)

Customers

- Marketing campaigns to encourage customers to use the digital channels
- Delivering ATMs cards to customers homes

Investors

- Conducted multiple calls with investors and analysts





MOST PROFITABLE



MOST EFFICIENT



BANK OF CHOICE



DIGITALLY ENABLED

Riyad Bank Contact

Contact the investor relations for more information:

Ibrahim Al-Muhanna

Head of Investor Relations

Telephone: +966 11 401 3030 Ext. 2499

E-mail: ibrahim.al-muhanna@riyadbank.com

Address: Riyadh - Al Shuhada District
Eastern ring road
Granada Oasis - Tower (A1)
P.O Box 22622
Riyadh 11416
Kingdom of Saudi Arabia

Visit our Website

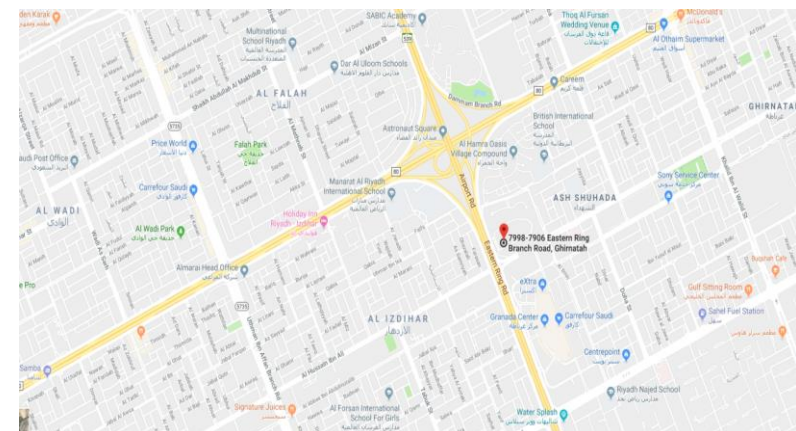
<https://www.riyadbank.com/en/about-us/investor-relations>

The screenshot shows the Riyad Bank website's 'Financial Results' page for 2019. The page features a navigation menu with options like 'Bank', 'Borrow', 'Invest', 'Digital Banking', and 'Discover'. The main content area is titled 'Financial Results' and lists various financial reports for 2019, including:

- Quarter 2 - Results Presentation (PDF (1MB))
- Quarter 2 - Earnings Release (PDF (664KB))
- Quarter 2 - Disclosure Under Basel III Framework (PDF (1MB))
- Quarter 2 - Interim Condensed Consolidated Statements (PDF (1MB))
- Quarter 1 - Results Presentation (PDF (801KB))
- Quarter 1 - Earnings Release (PDF (156KB))

Riyad Bank Head Office

[Link](#)





Disclaimer

This presentation has been prepared by Riyad Bank solely for informational purposes.

The presentation may contain forward looking statements, which reflect Riyad Bank's beliefs or current expectations and assumptions regarding the future of the business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions.

Forward looking statements are neither historical facts nor assurances of future performance and can generally be identified by terminology including "anticipate", "aspire", "believe", "project", "estimate", "expect", "forecast", "strategy", "target", "trend", "future", "likely", "may", "should", "will", "intend", "plan", "goal", "objective", "seek", "roadmap", and other words of similar meaning or similar expressions.

By their nature, forward looking information and statements are subject to known and unknown uncertainties, risks and changes in circumstances that are difficult to predict and not in Riyad Bank's control. Our actual results of operations and financial conditions may differ materially from that or those indicated in the forward looking statements. You should not place undue reliance on any of these forward looking statements.

Any forward looking statement made by Riyad Bank in the presentation is based only on information currently available to us and speaks only as to the date on which this presentation is made. Past performance is not a reliable indication of future performance. Riyad Bank makes no representations or warranties as to the accuracy, or completeness of the information and shall not have any liability for any representations, express or implied, regarding the information contained in, or for any omissions from, the information included in this presentation.

Riyad Bank undertakes no obligation whatsoever to publicly update any forward looking statement whether as a result of new information, future developments or otherwise.

Riyad Bank will be always compliant with the proper timely disclosure of any essential information to be broadcasted via the formal approved channels according to the applied rules, regulations and laws of the kingdom of Saudi Arabia.