

Compliance Report Based On

IdealRatings



Score 103.71 / 0.00

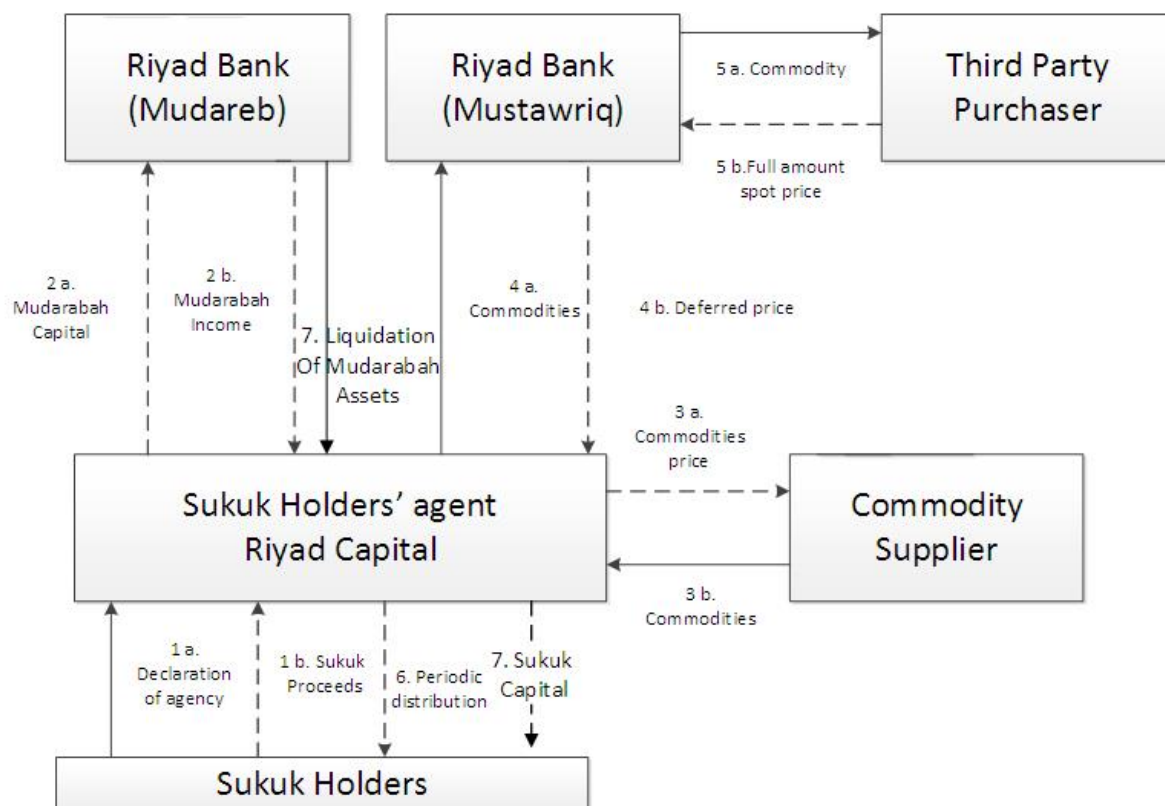
## Riyad Bank 2025, FLT Riyad Bank

Type Of Sukuk	Mudarabah, Tawarruq
Domicile	Saudi Arabia
Originator Business Activity	Banks
Exchange	Not Listed
ISIN	SA13RFK0FQ39

This report has been prepared to determine the Shariah compliance status of the Sukuk based on the IdealRatings Shariah mandate as at 26-03-2020

Funds  
REITs Equities Purification  
Sukuk Benchmark

## Sukuk Structure Diagram:



1. On the closing Date, the sukukholders will appoint Riyad Capital, as Sukuk Holders agent. Then Sukuk Holders will pay the sukuk proceeds to Riyad Capital.
2. Sukuk Holders agent, will pay 51% of the sukuk proceeds to Riyad Bank, via a Mudarabah agreement. By which, Riyad Bank acts as a Mudareb and shall invest the monies of the Sukuk Holders in its shariah compliant business activity. The Mudaren shall distribute the profits between himself and the sukukholders as per the agreed ratio
3. Sukuk Holders agent, will pay 49% of the sukuk proceeds to Commodity Supplier, as the purchase price of the Murabaha Commodities. Riyad Capital, receives ownership of Commodities.
4. Sukuk Holders agent, sells the Murabaha Commodities to Riyad Bank, via a Murabaha agreement. Thereby, Riyad Bank seizes ownership of commodities
5. Riyad Bank will on-sell the commodities to independent third party purchaser for spot price.
6. On Quarterly basis, Riyad Bank pays the periodic distribution amount to Sukuk Holders.
7. on the liquidation date, the Mudareb shall liquidate the Mudarabah assets and pay the sukukholders the Sukuk capital which is equal to the nominal value of the sukuk minus any losses

## Sukuk Details

Original Issue Amount (M)	4.00 B
Issue Currency	SAR
Issue Date	June 24, 2015
Maturity Date	June 24, 2025
Tenor (Years)	10.00
Total Amount outstanding	4.00 B
Governing Law	Laws of Saudi Arabia
Jurisdiction	Courts of Saudi Arabia
Domicile	Saudi Arabia
Ownership	Corporate
Sukuk Structure	Mudarabah Tawarruq
Exchanges	Not Listed
Coupon Class	FLT
Coupon Frequency	Semiannually
Current Coupon Rate	3.357099914550781
Solicitor	Allen & Overy LLP / Zeyad S. Khoshaim Law Firm/ Allen & Overy LLP
Auditor	Deloitte & Touche Bakr Abulhair & Co.KPMG Al Fozan & Al Sadhan

## Shariah Boards approved the Sukuk:

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### Shariah Committee of Riyad Bank2015

Abdullah Bin Mohammed Al-Mutlaq  
Muhammad Ali Elgari

## Structure Screening

## Mudarabah

Score **108.00** |Threshold **0.00**

Shariah Field	Value	Compliance	Weight
Sukuk structure and contract are based on shariah non complaint contracts? Ref: Page 58 lines:16-41	No		5
Did the prospectus not include a statement to abide to shariah principles? Ref: No Reference Data	Yes		3
Has the Prospectus not disclosed the contractual conditions? Ref: Page 58 all page, Page 59 all page, Page 60 all page, Page 61 all page, Page 62 all page, Page 63 all page	No		3
Has the Prospectus not disclosed the loss conditions and tolerance ? Ref: Page 59 lines:4-8	No		3
Are the Sukuk not monitored through out tenure? Ref: No Reference Data	NIP		3
Are the Proceeds used in non-compliant investments? Ref: Page 74 all page	No		3
Has the Prospectus not disclosed the events of default ? Ref: Page 69 lines:35-45, Page 70 all page	No		3
Are the sukuk not approved by shariah board? Ref: Page 31 all page	No		3
Is Sukuk manager obliged to make up profit shortfalls? Ref: Page 62 lines:42-44, Page 63 lines:1-23	No		3
Does sukuk manager seize surplus profits? Ref: Page 63 lines:16-23	Yes		3
Does sukuk manager utilize from reserve account for his own interest? Ref: Page 62 lines:43-44, Page 63 lines:1-2	No		5
Does the originator have the right to exchange the sukuk assets in total loss? Ref: No Reference Data	NA		
Are Sukukholders refrained from their asset disposition rights? Ref: Page 71 lines:7-12	No		5
Are late payment charges not donated? Ref: Page 64 lines:41-46, Page 65 lines:1-2	No		5
Are the Sukuk assets not clearly specified? Ref: Page 58 lines:16-29, Page 74 all page	No		5
Does Sukuk Manager seize surplus profits and make up shortfalls? Ref: Page 63 lines:16-23, Page 62 lines:42-44, Page 63 lines:1-23	No		3
Is the Takaful/ insurance shortfall guarantee a non shariah guarantee? Ref: No Reference Data	NA		
Do PU and SU agreements have same trigger events? Ref: No Reference Data	NA		
Has the prospectus not stated that the proceeds will be used in shariah compliant investments Ref: Page 74 all page	No		3
Are Sukuk assets not evaluated Ref: Page 58 lines:16-41	No		5
Is the scope of mudarabah not clearly defined? Ref: Page 58 all page, Page 59 all page	No		5









Shariah Field	Value	Compliance	Weight
Does Mudareb guarantee Mudarabah capital? Ref: Page 60 lines:7-19, Page 24 lines:20-28	No		5
Does Mudarabah Capital or any part of it constitute a debt obligation? Ref: Page 58 lines:16-30	No		4
Are profits a lump sum amount? Ref: Page 59 lines:19-23	No		5
Are Profits distributed not from the Mudarabah Capital? Ref: Page 59 all page	No		3
Does rab al-mal have the right to claim the profits before capital is intact? Ref: Page 59 lines:38-41, Page 60 lines:1-19	No		5
Does Sukuk Manager/Issuer guarantee Capital or Profits through compounded capacity? Ref: Page 24 lines:20-28, Page 62 lines:42-44, Page 63 lines:1-23	No		5
Does the guarantor and guaranteed Correlation exceed 30%? Ref: No Reference Data	NA		
Does sukuk manager guarantee in cases other than torts and negligence? Ref: Page 24 lines:20-28, Page 62 lines:42-44, Page 63 lines:1-23	No		5
Are profits a preset amount? Ref: No Reference Data	No		1
Does the mudareb commingle his funds with Mudarabah? Ref: Page 58 lines:39-40	Yes		
Is profit share between Mudareb and Rab almal not determined? Ref: Page 59 lines:19-22	NIP		5
Is Mudareb entitled to additional wage? Ref: No Reference Data	No		3
Is the Mudarabah Exercise price face value? Ref: Page 24 lines:20-28	No		5
Are the mudarabah assets/ investment non-compliant? Ref: Page 74 all page	No		5
Is the mudareb obliged to make up profits shortfall Ref: Page 62 lines:42-44, Page 63 lines:1-23	No		3

## Structure Screening

Tawarruq

Score **68.00** |Threshold **0.00**

Shariah Field	Value	Compliance	Weight
Sukuk structure and contract are based on shariah non complaint contracts? Ref: Page 58 lines:16-41	No		5
Did the prospectus not include a statement to abide to shariah principles? Ref: No Reference Data	Yes		3
Has the Prospectus not disclosed the contractual conditions? Ref: Page 58 all page, Page 59 all page, Page 60 all page, Page 61 all page, Page 62 all page, Page 63 all page	No		3
Has the Prospectus not disclosed the loss conditions and tolerance ? Ref: Page 59 lines:4-8	No		3
Are the Sukuk not monitored through out tenure? Ref: No Reference Data	NIP		3
Are the Proceeds used in non-compliant investments? Ref: Page 74 all page	No		3
Has the Prospectus not disclosed the events of default ? Ref: Page 69 lines:35-45, Page 70 all page	No		3
Are the sukuk not approved by shariah board? Ref: Page 31 all page	No		3
Is Sukuk manager obliged to make up profit shortfalls? Ref: Page 62 lines:42-44, Page 63 lines:1-23	No		3
Does sukuk manager seize surplus profits? Ref: Page 63 lines:16-23	Yes		3
Does sukuk manager utilize from reserve account for his own interest? Ref: Page 62 lines:43-44, Page 63 lines:1-2	No		5
Does the originator have the right to exchange the sukuk assets in total loss? Ref: No Reference Data	NA		
Are Sukukholders refrained from their asset disposition rights? Ref: Page 71 lines:7-12	No		5
Are late payment charges not donated? Ref: Page 64 lines:41-46, Page 65 lines:1-2	No		5
Are the Sukuk assets not clearly specified? Ref: Page 58 lines:16-29, Page 74 all page	No		5
Does Sukuk Manager seize surplus profits and make up shortfalls? Ref: Page 63 lines:16-23, Page 62 lines:42-44, Page 63 lines:1-23	No		3
Is the Takaful/ insurance shortfall guarantee a non shariah guarantee? Ref: No Reference Data	NA		
Do PU and SU agreements have same trigger events? Ref: No Reference Data	NA		
Has the prospectus not stated that the proceeds will be used in shariah compliant investments Ref: Page 74 all page	No		3
Are Sukuk assets not evaluated Ref: Page 58 lines:16-41	No		5
Are Tawarruq commodities gold, silver or currencies? Ref: No Reference Data	NIP		

Shariah Field	Value	Compliance	Weight
Are Tawarruq commodities not distinct? Ref: No Reference Data	NIP		
Is purchaser not given adequate details on commodities purchased? Ref: No Reference Data	NIP		5
Are commodities not received by the Purchaser? Ref: No Reference Data	NIP		
Is there a ban on receiving commodities? Ref: No Reference Data	NIP		
Are Tawarruq commodities sold to original seller? Ref: Page 44 lines:36-38	No		5
Is re-selling of purchased goods not by the Purchaser himself or its agent? Ref: Page 44 lines:36-38	No		4
Is tawarruq applied to fund regular, non-urgent, finance needs? Ref: Page 74 all page	Yes		5
Is the Mustawriq a conventional bank? Ref: Page 74 all page	No		5



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