



BOARD OF DIRECTORS REPORT - 2023

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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SHL Finance Company - Board of Directors' Report 2023

Custodian of the Two Holy Mosques King

Salman bin Abdulaziz Al Saud

حفظه الله

خادم الحرمين الشريفين

سلمان بن عبد العزيز آل سعود



SHL

Crown Prince, Prime Minister

Mohammed bin Salman bin Abdulaziz Al Saud

حفظه الله

ولي العهد نائب رئيس الوزراء ووزير الدفاع
محمد بن سلمان بن عبد العزيز آل سعود



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Chairman's Speech

Mr. Youssef Abdullah Al-Shalash

Ladies and gentlemen, shareholders of the SHL Finance Company

On behalf of myself and on behalf of the members of the Board of Directors, I am pleased to present the annual report of the SHL Finance Company, as the report included the results of the company's business, achievements and important developments, in addition to the financial statements for the fiscal year ending on December 31, 2023.

The company has maintained its financing business despite the challenges and fluctuations in market conditions during the year 2022, as the company was able to continue to develop its business and improve the quality of its financing services through obtaining licenses from Central Bank to offer new business activities in the year 2023 in addition the company worked to improved its financing services for real estate customers for both retail and commercials customers such as real estate developers and also the company is planning to obtain additional products and services in the future. After on year of the company listing in April 2022 in the Saudi Capital Market, which we considered as a land mark for the company premier position and major successes achieved by the company during its journey in the financing market in Saudi Arabia.

The Board of Directors takes high concern and attention of the company shareholders either individuals or institutions to achieve reasonable returns on their investments through working to achieve high productivity based on the company strategic plans aimed to increase the revenue and decreasing the costs and expenses and enhancing the operational and controls aspects through the company services automation of products and service within a strong and comprehensive framework of corporate governance and this is to dedicate the institutional character to the company's procedures and policies, while the roles, duties and responsibilities of the Board of Directors, Board Committees, Executive Management, and General Assemblies have been developed in line with applicable regulations such as corporate governance regulations, corporate law and related financing regulations to achieve the compliance with the best practices of disclosure and governance.. In conclusion, I and my fellow members of the Board of Directors express the utmost gratitude and appreciation to the leader of our blessed march, the Custodian of the Two Holy Mosques and His Highness the Trustworthy Crown Prince, Aydham Allah, for the great achievements and developments that our dear country has achieved under their wise leadership in all fields. We also express our sincere thanks to the Central Bank of Saudi Arabia, which has been supportive of the various financing sectors, as well as the Chairman and members of the Sharia Board for their valuable advice and guidance. We also extend our thanks and gratitude to our shareholders and customers. I also thank the company's executive management and all its employees with great pride in our creative human resources whose dedication and perseverance contributed to achieving the company's goals.

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CEO Speech

Mr. Bandar Saeed Al-Ghamdi

With Allah grace and success, the company has maintained balanced levels of growth in the year 2023 and achieved many positive aspects in its products and services, despite the great challenges affecting the financing sector through the increase of the financing costs which reason directly affected the company profit. The company took many measures and actions to mitigate the impact and to overcome the challenges. These actions and measures include the enhancement of services and the decrease of costs and expenses and improve the operational aspects to obtain best values for our stakeholders and employees.

During the year 2023, the company main achievement was offering new products and financing activities such as personal financing and SME's products which attracted new customers and enhanced the sales of the company in addition to company real estate financing product for individual and business men of good financial positions and reputation.

The company now started for automating its products and services as we obtained the Central Bank none objection to offer electronic services for the company products, and we expect the year 2024 will observe a good development in enhancing our technology systems in compliance with applying the highest level of protecting information and data and personal information of our customers based on the applicable laws and regulations.

The company seeks permanently and continuously to improve the internal work environment for its employees by enhancing efficiency, development, training and attracting qualified national cadres to contribute to the growth and development of the company. The company was also keen to pay attention to the internal control departments, and to strengthen them with qualified cadres to enable them to perform their role effectively. Customer service and satisfaction comes from the priorities of the executive management, through providing services at a high level of efficiency, responding to customer requests in record time, and responding to their complaints or observations in accordance with relevant policies and regulations.

Company Overview

The SHL financing Company was established in alliance and partnership between the founders, the Arab National Bank, Dar Al-Arkan Real Estate Development Company, the International Finance Corporation, and some national companies and individual investors, where it was registered in the city of Riyadh in the Kingdom of Saudi Arabia under Commercial Registration No.: 1010241934 and the date of 12/22/1428 AH corresponding to 01/01/2008 AD. The company is also licensed by the Central Bank of Saudi Arabia to engage in real estate financing activity, under license No. 14 / A.SH / 201403 dated 04/27/1435 AH corresponding to 2/27/2014 AD.

And the company's capital is 1,000,000,000 Saudi Riyals, paid in full and divided into 100 million shares. The Saudi Home Loans Company has become a public joint stock company, where 30% of shares were offered in the main financial market, in April 2022. The following are the main shareholders and their shares in the capital:

Contributors	Number of Shares & Ownership percentage	
	Number of Shares	Ownership percentage
Arab national Bank	29,400,000	29,4%
Dar Al-Arkan Company	10,500,000	10,5%
Yousef bin Abdullah Al-Shalash	5,600,000	5,6%
Other contributors *	54,500,000	54,5%
The total	100,000,000	100%

- Other shareholders include 30% of what was offered in the financial market, and the rest are founding shareholders who own less than 5% stake.

And the company's main objectives are to provide innovative residential and commercial real estate financing products and solutions and provide them to the individual sector. It has also been recently licensed to engage in consumer financing activity and small and medium enterprises financing activity in accordance with Islamic Sharia standards.

The company is also proud of its main shareholders, namely the Arab National Bank and Dar Al-Arkan Real Estate Development Company, as well as all its other shareholders from companies, institutions and individual investors. And the company includes a group of trained employees and a professional executive team consisting of a group of distinguished competencies with local and international expertise in the field of finance. The company is always striving to achieve it.

VISION, MISSION AND VALUES

Since its establishment on January 1, 2008, SHL Finance (SHL) has become one of the leading companies in the field of Islamic financing directed to meet the basic housing needs of customers in the Saudi market and help them find solutions to finance dream homes while adhering to the provisions of Islamic Sharia, as the presence of a Sharia supervisory board guarantees Compliance of all products and services with the provisions and rules of Islamic Sharia. And during this period of its inception, the company was able to achieve a qualitative leap in the level of achievements and its interest in customer satisfaction as a supreme goal that it seeks to achieve, as the company was keen from the beginning to provide its services with professionalism and high quality by striving tirelessly to serve the country in a way that benefits the society and the individual.

OUR VISION

Contribute to achieving the Kingdom's Vision 2030 in raising the percentage of ownership by financing citizens through financial solutions compatible with Islamic Sharia.

OUR MISSION

We seek to provide various financing solutions that meet the needs of all segments of customers to own their properties easily through the latest technology.

OUR VALUES

Developing channels of communication with clients.

Facilitate the customer journey with easy procedures.

Developed environment and sustainable growth.

Board of Directors

The company's Board of Directors works to maintain focus on achieving the strategic goals and objectives in accordance with the company's vision, mission and objectives. The Board of Directors consists of eleven members elected by the Genal Shareholders Assembly held on 13th February 2023, as it includes the most prominent talents who possess extensive experience and knowledge. They are responsible for setting the company's strategy, the basics of its work, and directing the administrative and financial performance.

COMPOSITION OF THE BOARD OF DIRECTORS AND CLASSIFICATION OF ITS MEMBERS (EXECUTIVE - NON-EXECUTIVE - INDEPENDENT)

Name	Nationality	Membership Type (Chairman - Vice President - Member)	Membership Status (Executive - Non-Executive - Independent)
Mr. Youssef Abdullah Al-Shalash	Saudi	Chairman	Non-executive
Mr. Obaid Abdullah Al-Rasheed	Saudi	Vice Chairman	Non-executive
Mr. Abdulelah Al Shaiekh	Saudi	Member	Independent
Dr. Ahmed Saleh Al-Dehailan	Saudi	Member	Non-executive
Mr. Ayham Muhammad Al-Youssef	Saudi	Member	Independent
Mr. Ziyad Naeem El- Sha'ar	Lebanese	Member	Non-executive
Mr. Kamal Amin Khodr	Saudi	Member	Non-executive
Mr. Faris Ibrahim Al-Rashed Al-Humaid	Saudi	Member	Independent
Mr. Saud Abdulaziz Al-Gussaiyer	Saudi	Member	Independent*
Mr. Othman Khairy Bader	Saudi	Member	Non-executive*
Mr. Abdulaziz Saleh Alanbar	Saudi	Member	Independent
Mr. Mohammed Abdulrhman Al Ghannam	Saudi	Member	Independent*

* (Othman Khairy Bader resigned from the membership of the Board on 27th Sept. 2023)

*Saud Abdulaziz Al Gussaiyer resigned from the Board membership on 21st December 2023

*Mohammed Abdulrhman Al Ghannam appointed as a temporary member in the vacant seat after the resignation of Othman Khairy Bader

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Youssef Abdullah Al Shalash, Chairman of the Board (Non-Executive)

Date of appointment to the Board (current term)

- **14TH FEBRUARY 2023**
- **Appointed as the Chairman of the Board on 7th March 2023**

Academic and Professional Qualifications

- Bachelor's degree in Islamic law, Imam Muhammad bin Saud Islamic University, 1990 AD.
- Diploma in Systems Studies Program for the Bureau of Investigation and Public Prosecution from the Institute of Public Administration in 1992.
- Chairman of the Board of Directors of the SHL Finance Company (non-executive) for the current term that ends on November 27, 2025 AD. (Public Joint Stock Company - Saudi Arabia)
- Chairman of the Board of Directors of Dar Al-Arkan Real Estate Development Company (non-executive), member of the Executive Committee and member of the Nominations and Remuneration Committee, a public joint stock company, working in the field of real estate management and development, since its establishment in 2000 AD to date (a public joint stock company - Saudi Arabia).

Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom

- Chairman of the Board of Directors of Al-Khair Bank, (non-executive) a Bahraini closed joint stock Company, working in the field of banking, since its establishment in 2004 AD until 30/01/2022 AD. (Closed Joint Stock Company - Kingdom of Bahrain).
- Chairman of the Board of Directors of Al-Khair Capital Saudi Arabia, (non-executive) a closed joint stock company, working in the field of dealing, custody, investment management, fund operation, arranging and providing advice in securities business since its inception in 2009 AD to date (Closed Joint Stock Company - Kingdom of Saudi Arabia).
- Chairman of the Board of Directors of Dar Al-Arkan Real Estate Company, (non-executive) and a member of the Nominations and Remuneration Committee, a closed joint stock company, working in the field of real estate, from 9/9/2020 AD to date (a closed joint stock company - Saudi Arabia).
- Chairman of the Board of Directors of Future Horizons Investment Company (non-executive) from 2021 to date (a closed joint stock company - Saudi Arabia)
- Chairman of the Board of Directors, Quara Holding Company (non-executive), a limited liability company - Saudi Arabia
- Chairman of the Board of Directors of the Development and Technology Orbits Company (non-executive), a limited liability company - Saudi Arabia
- Chairman of the Board of Directors of Emaar Al-Bayader Development and Trade Company (Executive) Limited Liability Company - Kingdom of Saudi Arabia.

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Obaid Abdullah Al-Rasheed, Vice Chairman (Non-Executive) / member of the Nomination and Remuneration Committee

Date of appointment to the Board (current term)	<ul style="list-style-type: none">• 14th February 2023
Date of appointment as Vice-Chairman of the Board	<ul style="list-style-type: none">• 7th March 2023
Date of appointment to the Nomination and Remuneration Committee (Current term)	<ul style="list-style-type: none">• 21st March 2023
Academic and Professional Qualifications	<ul style="list-style-type: none">• Bachelor of Business Administration from San Jose State University in the United States in 1983.
Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom	<ul style="list-style-type: none">• Vice Chairman of the Board of Directors of the SHL Finance Company to date (non-executive) - (a public shareholding company - the Kingdom of Saudi Arabia)• Member of the Nominations and Rewards Committee of the SHL Finance Company to date (non-executive) - (a public joint stock company - the Kingdom of Saudi Arabia).• Member of the Board of Directors of the Arab National Bank from 2021 AD to date. (Non-executive) - (Public Joint Stock Company - Kingdom of Saudi Arabia)• The MD and CEO of the Arab National Bank from 2021 AD to date. (Executive) - (Public Joint Stock Company - Saudi Arabia)• Vice Chairman of the Board of Directors of the Saudi Chemical Company, (non-executive) - a public joint stock company, working in the field of manufacturing civil and military explosives and related products from 2019 AD to date. (Public Joint Stock Company - Saudi Arabia)• Member of the Board of Directors of Dr. Sulaiman Al Habib Group for Medical Services (non-executive) - a public joint stock company, working in the field of establishing and managing hospitals, medical centers, dispensaries, laboratories, analysis, x-rays, dental clinics and pharmacies from 2015 AD to date. (Public Joint Stock Company - Kingdom of Saudi Arabia)• Chairman of the Nominations Committee of Dr. Sulaiman Al Habib Medical Services Holding Group (non-executive) - a public joint stock company, working in the field of establishing and managing hospitals, medical centers, dispensaries, laboratories, analysis, x-rays, dental clinics and pharmacies from 2015 AD to date. (Public Joint Stock Company - Kingdom of Saudi Arabia)• Chairman of the Board of Directors of Al-Arabi Heavy Equipment Rental Company, a closed joint stock company, working in the field of heavy equipment rental, from 2010 until 2021. (Closed Joint Stock Company - Saudi Arabia)• Deputy Managing Director of the Arab National Bank, a public joint stock company, working in the field of banking, from 2010 AD until 2021 AD. (Public Joint Stock Company - Kingdom of Saudi Arabia)• Member of the Board of Directors of the Saudi Chemical Company, a public joint stock company, working in the field of manufacturing civil and military explosives and related products, from 2013 AD until 2019 AD (Public Joint Stock Company - Kingdom of Saudi Arabia)

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Abdulelah Saleh Al Sheikh, Member of the Board of Directors (Independent)

Date of appointment to the Board (current term)

- 14th February 2023
- 13th June 2023

Date of appointment as Risk Committee member (current term)

Academic and Professional Qualifications

- Bachelor of Administration Portland University – USA 1986
- MBA, Eastern New Mexico University - 1988

Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom

- Member of the Board of Directors of the SHL Finance Company (Independent) for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia
- Member of the Risk Committee of SHL Finance Company for the current term – Public Joint Stock Company - Kingdom of Saudi Arabia
- The CEO of SHL Finance Company as from June 2011 up to August 2022 - Public Joint Stock Company - Kingdom of Saudi Arabia
- Board member and chairman of the Audit Committee as from 2014 up to date – Attah for Education company - Public Joint Stock Company - Kingdom of Saudi Arabia.
- Board member and a member of the NRC and Governance Committees as from 2021 up to date – Care shield Holding Company- Joint Stock Company - Kingdom of Saudi Arabia
- Board member of SAMAMA Holding company as from 2021 up to date - Joint Stock Company - Kingdom of Saudi Arabia
- Vice Chairman and chairman of the Audit Committee and member of the NRC of Standard Chartered Capital as from 2022 up to date - Joint Stock Company - Kingdom of Saudi Arabia
- Board member of SIMAH company from 2000 to 2022 - Joint Stock Company - Kingdom of Saudi Arabia
- Board member of the Saudi Hollandi Capital company from 2007 to 2010 - Joint Stock Company - Kingdom of Saudi Arabia
- Board member of the Saudi Traveler's Cheques from 2007 to 2008 - Joint Stock Company - Kingdom of Saudi Arabia
- Board member of Al Yusr leasing financing company – from 2009 to 2015 - Joint Stock Company - Kingdom of Saudi Arabia
- Board member of Saudi Fisheries company from 2014 up to 2017 - Public Joint Stock Company - Kingdom of Saudi Arabia

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Ayham Mohammed Al-Youssef, Board Member (Independent) - Chairman of the Executive Committee up to 10/10/2023*, and Chairman of the Nominations and Remunerations Committee.

Date of appointment to the Board (current term)	<ul style="list-style-type: none">• 14th February 2023
Date of appointment to the Executive Committee (current term)	<ul style="list-style-type: none">• 22/03/2023
Date of appointment to the Nomination and Remuneration Committee (current term)	<ul style="list-style-type: none">• 21/03/2023
Academic and Professional Qualifications	<ul style="list-style-type: none">• Academic and Professional Qualifications Bachelor of Industrial Management, King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia in 1994.
Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom	<ul style="list-style-type: none">• Member of the Board of Directors of the SHL Finance Company (independent) for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia.• Chairman of the Executive Committee and Chairman of the Nominations and Remuneration Committee (independent) -SHL Finance Company - a public joint stock company - Saudi Arabia.• Member of the Board of Directors of the Saudi Marketing Company, (independent), a public joint stock company, working in the field of wholesale and retail trade in foodstuffs, from 2017 AD to date. Public Joint Stock Company - Kingdom of Saudi Arabia.• Member of the Board of Directors of Al-Ahlia Gulf Union Cooperative Insurance Company (independent) - a public shareholding company, working in the field of cooperative insurance from 2016 AD to date. . Public Joint Stock Company - Kingdom of Saudi Arabia• Member of the Board of Directors (independent) - Ayan Investment Company - a public shareholding company working in the health field - Kingdom of Saudi Arabia.• CEO of Vision Capital Company from 2008 to 2011 AD - a closed joint stock company - Saudi Arabia.• General Manager of HSBC Fund - from 2006 to 2008 - a closed joint stock company - Saudi Arabia.• CEO of the Real Estate Development Fund, a government fund, working in the field of finance, from 2017 AD until 2018 AD. Government Fund - Kingdom of Saudi Arabia• Vice Chairman of the Board of Directors of the Real Estate Development Fund, a governmental fund, working in the field of financing, from 2017 AD until 2018 AD. Government Fund - Kingdom of Saudi Arabia• Advisor to the Minister of Housing, a government agency working in the field of organizing and facilitating a balanced and sustainable housing environment, from 2017 AD until 2018 AD. Government agency - Kingdom of Saudi Arabia.• Chief Executive Officer of Albilad Capital, a closed joint stock company, working in the field of dealing, custody, investment management, fund operation, arranging and advising in securities business, from 2011 AD until 2015 AD. Closed joint stock company - Kingdom of Saudi Arabia.

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Ziyad Naim El Chaar, Board Member (Non-Executive) / member of the Executive Committee

Date of appointment to the Board (current term) • 14th February 2023

Date of appointment to the Executive Committee (current term) • 22nd March 2023

Academic and professional qualifications

- Bachelor of Science from the American University of Beirut in 1990.
- Master's degree in Commerce and Business Administration from the American University of Beirut in 1998.

Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom

- Member of the Board of Directors of the SHL Finance Company (non-executive) for the current term and to date - a public joint stock company - the Kingdom of Saudi Arabia.
- Member of the Executive Committee of the SHL Finance Company from 2022 to date - a closed joint stock company - Saudi Arabia.
- Executive Director of Quara Holding Company, a limited liability company working in the field of real estate, from 2019 AD to date - a limited liability company - Saudi Arabia.
- Vice Chairman of the Board of Directors of Dar Al-Arkan Real Estate Company, a closed joint stock company, operating in the field of real estate, from 2020 AD to date. A closed joint stock company - Kingdom of Saudi Arabia.
- Vice Chairman of the Board of Directors of the Future Financial Horizons Company - from 2021 to date - a closed joint stock company - Saudi Arabia.
- CEO of Emaar, a UAE public shareholding company, working in the field of real estate management and development, from 2018G to 2019G. - United Arab Emirates.
- CEO of Dar Al-Arkan Real Estate Development Company, a public joint stock company, working in the field of real estate management and development, from 2017 AD until 2019 AD. - Kingdom of Saudi Arabia.
- Member of the Board of Directors of Dar Al-Arkan Real Estate Development Company, a public joint stock company, working in the field of real estate management and development, from 2018 AD until 2019 AD. - Kingdom of Saudi Arabia.
- Member of the Board of Directors of DAMAC Properties, a UAE public shareholding company, working in the field of real estate management and development, from 2005 AD until 2017 AD. United Arab Emirates
- Chief Executive Officer of Fattal Holding Company, a Lebanese closed joint stock company, working in the field of distributing food, beverages and pharmaceutical products in Lebanon, Iraq and Syria from 1993 AD until 2005 AD. State of Lebanon.

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Abdulaziz Saleh Al Anbar, Member of the Board of Directors (Independent)

Date of appointment to the Board (current term)	<ul style="list-style-type: none">• 14th February 2023
Date of appointment as ExCom member (current term)	<ul style="list-style-type: none">• 22nd March 2023
Academic and professional qualifications	<ul style="list-style-type: none">• Bachelor of Civil engineer, Petroleum & Mineral University - 1975
Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom	<ul style="list-style-type: none">• Member of the Board of Directors of the SHL Finance company for the current term (Independent) to date - a public joint stock company - the Kingdom of Saudi Arabia.• Member of the ExCom of SHL Finance company up to date - a public joint stock company - the Kingdom of Saudi Arabia.• Member of the Board of Directors & Chairman of NRC as from 2019 up to date – Oqalat company – Limited Liability company - the Kingdom of Saudi Arabia.• Member of the Board and member of the NRC and the Investment Committee of The Saudi real estate company as from 2016 to 2022 a joint stock company - the Kingdom of Saudi Arabia.• Member of the Board and chairman of the ExCom of Safco company as from 1996 to 2014 - public joint stock company - the Kingdom of Saudi Arabia.• Board member of the Saudi hotels and tourist company as from 1992 up to 2013 a public joint stock company - the Kingdom of Saudi Arabia.• Board member of the South Cement Company as from 2006 to 2009 - a public joint stock company - the Kingdom of Saudi Arabia.

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Kamal Amin Salim Khodr, Member of the Board of Directors (Non-Executive)/ Chairman of the Executive Committee & Chairman of the Credit and Risk Management Committee

Date of appointment to the Board (current term) • 14th February 2023

Date of appointment to the Executive Committee (current term) • 22nd March 2023 as a member, and as a Chairman of the ExCom on 25th October 2023

Date of appointment as chairman of the Risk Committee • 13th June 2023

Academic and professional qualifications

- Bachelor of Business Administration from the University of Richmond, UK in 1989.
- Master of Business Administration from the University of Liverpool in the United Kingdom in 2011.
- Member of the Board of Directors of the SHL Finance Company for the current term to date. A public joint stock company - Kingdom of Saudi Arabia.
- Chairman of the Credit & Risk Management Committee of the SHL Finance Company for the current term to date. A public joint stock company - Kingdom of Saudi Arabia
- Member and Chairman of the Executive Committee of the company for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia
- General Manager of Risk Management at the Arab National Bank, a public joint stock company, operating in the field of banking, from 2018 to date. Public Joint Stock Company - Kingdom of Saudi Arabia.
- Member of the Board of Directors of SIMAH Credit Information Company, a closed joint stock company, working in the field of credit information system, from 2020 AD to date. Closed joint stock company - Kingdom of Saudi Arabia.
- Member of the Audit Committee of SIMAH Credit Information Company, a closed joint stock company, working in the field of credit information system, from 2020 to date. Closed joint stock company - Kingdom of Saudi Arabia
- Head of the Corporate Banking Services Group at Banque Saudi Fransi, a public joint stock company, working in the field of banking, from 2012AD until 2018AD. Public Joint Stock Company - Kingdom of Saudi Arabia
- Risk Manager and Banking Group Officer at Banque Saudi Fransi, a public joint stock company, operating in the field of banking, from 2006AD until 2012AD. Public Joint Stock Company - Kingdom of Saudi Arabia

Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom

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***Othman Khairy Abdel Halim Bader, Board Member (Non-Executive)**

Date of appointment to the Board (current term)

- 14th February 2023

Academic and professional qualifications

- Bachelor's degree, Industrial Management Sciences from King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia in 1993.

Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom

- Member of the Board of Directors of the SHL Finance Company for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia
- Head of Retail Banking in charge of the Arab National Bank, a public joint stock company, operating in the field of banking, from 2021 AD to date. Public Joint Stock Company - Kingdom of Saudi Arabia
- Head of Retail Banking Products at the Arab National Bank, a public joint stock company, working in the field of banking, from 2014 AD until 2021 AD. Public Joint Stock Company - Kingdom of Saudi Arabia
- Sales Manager at the Arab National Bank, a public joint stock company, working in the field of banking, from 2010 AD until 2014 AD. Public Joint Stock Company - Kingdom of Saudi Arabia

- He resigned from the Board membership on 27th September 2023

Faris Ibrahim Rashid Al-Rashid Al-Humaid, Board Member (Independent), & member of the Nominations and Remunerations Committee



Date of appointment to the Board (current term)

- 14th February 2023

Date of appointment to the Nominations and Remunerations Committee

- 21st March 2023

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Academic and professional qualifications

Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom

- Bachelor of Computer Science from King Saud University, Kingdom of Saudi Arabia in 1994.
- Entrepreneurs Development Program, from the Ceylon College of Management, Massachusetts Institute of Technology, Cambridge, USA, in 2009.
- Oxford Advanced Leadership and Management Program, University of Oxford, Oxford, UK, 2011.
- Board of Directors Institute Certificate, Board of Directors Institute, Saudi Arabia, 2015.
- General Certificate of Dealing in Securities - Securities and Legislations - Financial Academy - Riyadh 2017.
- International Certificate in Wealth Management - Wealth and Investment Management - Financial Academy - Riyadh 2021.
- Member of the Board of Directors of the SHL Finance Company (Independent) for the current term to date - a public joint stock company - the Kingdom of Saudi Arabia.
- Member of the Nominations and Rewards Committee of the SHL Finance Company for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia
- Co-founder of Lindo Saudi Information Technology Company, a closed joint stock company, working in the field of financing products, from 2019 AD to date - Kingdom of Saudi Arabia
- Co-founder of Sabbar Company, a limited liability company working in the field of employment, from 2019 to date. - Kingdom of Saudi Arabia.
- Chairman of the Board of Directors of Derayah Ventures Fund, a private fund, working in the field of investment, from 2019 AD to date. - Kingdom of Saudi Arabia.
- Chairman of the Board of Directors of the Czech Center for Physiotherapy and Rehabilitation, a closed joint stock company, working in the field of health care, from 2018 to date. Closed joint stock company - Kingdom of Saudi Arabia.
- Member of the Board of Directors and Chairman of the Nominations Committee, Dur Hospitality Company, a public joint stock company operating in the field of hotels, from 2021 to date - Kingdom of Saudi Arabia.
- Member of the Board of Directors and member of the Governance Committee, Bin Dawood Holding Company, a public joint stock company operating in the field of consumer goods, from 2022 to date - Kingdom of Saudi Arabia.
- Member of the Board of Directors and Chairman of the Nominations Committee, Elm Company, a public joint stock company working in the field of technology, from 2021 to date - Kingdom of Saudi Arabia.
- Founder and chairman of the glasses board at the Wateen Endowment Foundation, working in the field of blood donation, from 2018 AD to date.
- Co-founder of Hlala Trading Company (formerly Hlala), a limited liability company working in the field of financial technology, from 2018 to date. Endowment Foundation - Kingdom of Saudi Arabia.
- Member of the Board of Directors of Derayah Financial Company, a closed joint stock company, operating in the financial sector, from 2013 AD to date - Kingdom of Saudi Arabia.
- Founder and Chairman of the Board of Trustees of Oqal, working in the field of providing opportunities for founders of pioneering startups from 2011 AD to date, Endowment Foundation - Saudi Arabia.
- Member of the Board of Directors of Ibrahim Al-Rashed Sons Agricultural Company, a closed joint stock company, working in the field of agricultural and animal production, from 2009 AD to date - Kingdom of Saudi Arabia.
- General Manager at Nal Investment Company, a limited liability company, working in the field of investment, from 2008 AD until 2018 AD - Kingdom of Saudi Arabia.
- Member of the Board of Directors and Chairman of the Audit Committee, Naseej Communications and Information Technology Company, a technical company from 2021 to date - a limited liability company - Saudi Arabia.
- Member of the Board of Directors of Hlala Bostani Company, a limited liability company, in the field of sweets from 2022 to date - Kingdom of Saudi Arabia.
- Chairman of the Board of Directors of Specialized Coffee Company, a limited liability company, in the field of coffee from the date of 2022 - Kingdom of Saudi Arabia.

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Saud Abdulaziz Al- Gussaiyer, Board Member (Independent) – Audit Committee member – ExCom member up to 21st December 2023*

Date of appointment to the Board (current term)	<ul style="list-style-type: none">• 14th February 2023
Date of appointment in the Audit Committee	<ul style="list-style-type: none">• 14th February 2023
Date of appointment in the ExCom	<ul style="list-style-type: none">• 25th October 2023
Academic and professional qualifications	<ul style="list-style-type: none">• Academic and Professional Qualifications Bachelor's degree in Architectural Engineering from King Saud University in 1987.
Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom	<ul style="list-style-type: none">• Member of the Board of Directors of the SHL Finance Company (independent) for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia• Founding and Executive Director of Amjal Real Estate Development Company, a closed joint stock company, working in the field of real estate development from 2012 AD to date. Closed joint stock company - Kingdom of Saudi Arabia• Executive Director of Dar Al-Arkan Real Estate Company, a public joint-stock company, working in the field of real estate management and development, from 2004 AD until 2011 AD. Public Joint Stock Company - Kingdom of Saudi Arabia• General Manager of Projects and Business Development for Fama Holding Group, a closed joint stock company, working in the field of investment from 1995 AD until 2004 AD. Closed joint stock company - Kingdom of Saudi Arabia.• The Royal Commission for Jubail and Yanbu, a government agency, working in the field of development from 1989 AD until 1995 AD, when the following positions (jobs) were vacant: General Manager of the Jubail Project - Director of the Construction Department of the Royal Commission for Jubail and Yanbu - Director of the Saif Numan Company Group from 1987 AD until 1989 AD when there were vacant positions Next: Marketing Engineer - Production Engineer - Site Engineer

***He resigned from the Board membership & Audit Committee and ExCom on 21st December 2023**

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Ahmed Saleh Al-Dehailan, Board Member (Non-Executive) / Member of the Audit Committee and Member of the Executive Committee

- | | |
|--|--|
| Date of appointment to the Board (current term) | • 14 th February 2023 |
| Date of appointment to the Audit Committee (current term) | • 14 th February 2023 |
| Date of appointment to the Executive Committee (current term) | • 22 nd March 2023 |
| Academic and professional qualifications | <ul style="list-style-type: none"> • Bachelor's degree in Accounting from Imam Muhammad bin Saud Islamic University, Kingdom of Saudi Arabia in 1992. • Master of Accounting from the University of Miami, Florida, USA in 1997. • Ph.D. in Accounting and Finance from Cardiff University, United Kingdom in 2004. |
| Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom | <ul style="list-style-type: none"> • Member of the Board of Directors of the SHL Finance Company (non-executive) to date - a public shareholding company - the Kingdom of Saudi Arabia. • Member of the Audit Committee and member of the Executive Committee (non-executive) of the Saudi Home Loans Company to date - a public joint stock company - the Kingdom of Saudi Arabia. • Chairman of the Board of Directors of Insurance Company (non-executive), a Bahraini closed joint stock Company, working in the field of insurance from 2020 AD to date. Closed joint stock company - Kingdom of Bahrain. • Chairman of the Board of Directors of Takaful Insurance Company (non-executive), a closed joint stock company, Kuwait, operating in the field of insurance from 2011 AD to date. Closed joint stock company - State of Kuwait. • Member of the Board of Directors of PFC Holdings Group (non-executive), a Bahraini limited liability company, working in the financial field from 2010 to date. Limited Liability Company - Kingdom of Bahrain. • Member of the Board of Directors and Chairman of the Audit and Risk Committee of the Bahrain Financial Company Group - PFC Holdings (non-executive), a Bahraini company with limited liability, operating in the financial field from 2009 to date. Closed joint stock company - Kingdom of Bahrain. • Chairman of the Board of Directors of Al-Khair Capital company from 27th July 2022 up to date, a Bahraini closed joint stock Company - Kingdom of Bahrain. <ul style="list-style-type: none"> • Chairman of the Board of Directors of Al-Khair Capital company Dubai, from 8th November 2023 up to date, a UAE closed joint stock Company - UAE. |

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Mohammed Abdulrahman Al Ghannam – Board member – Independent*

- Date of appointment to the Board (current term)** • 17th October 2023
- Academic and professional qualifications** • Bachelor's degree in Business Administration – City College University 1983
- Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom**
- Member - temporary- of the Board of Directors of the SHL Finance Company (non-executive) as from 17th October 2023 to date - a public shareholding company - the Kingdom of Saudi Arabia.
 - Board member in the Development of Human Resources Company as from 2019 up to date – limited liability company - Kingdom of Saudi Arabia.
 - The CEO of the Development of Human Resources Company as from 2018 up to date – limited liability company - Kingdom of Saudi Arabia.
 - Branch manager of the Arab National Bank from 1983 up to 2013 – a public shareholding company - the Kingdom of Saudi Arabia.

***He was appointed temporary in the vacant seat after the resignation of the Board member Othman Khairy Badr**

Board meetings

(6) Board meetings were held during the year 2023 as shown in the table below:

Name	First meeting of the Board of Directors 20 th Feb 2023	Second meeting of the Board of Directors 7 th March 2023	Third meeting of the Board of Directors 14 th May 2023	Fourth meeting of the Board of Directors 21 st June 2023	Fifth meeting of the Board of Directors 27 th Sept. 2023	Sixth meeting of the Board of Directors 21 st December 2023
Youssef Abdullah Al-Shalash	Attended	Attended	Attended	Attended	Attended	Attended
Obaid Abdullah Al-Rasheed	Attended	Attended	Attended	Attended	Attended	Attended
Abdulelah Saleh Al Sheikh	Attended	Attended	Attended	Attended	Attended	Apologized
Dr. Ahmed Saleh Al-Dehailan	Attended	Attended	Attended	Apologized	Attended	Attended
Mr. Ayham Muhammad Al-Yousef	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Ziyad Naeem Al-Sha'ar	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Kamal Amin Khodr	Attended	Attended	Attended	Attended	Apologized	Attended

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Mr. Faris Ibrahim Al-Rashid Al-Humaid	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Saud Abdulaziz Al-Gussaiayer	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Othman Khairy Bader	Attended	Attended	Attended	Attended	Apologized	Resigned
Abdulaziz Saleh Alanbar	Attended	Attended	Attended	Attended	Attended	Attended
Mohammed A. Al Ghannam	Not appointed	Not appointed	Not appointed	Not appointed	Not appointed	Attended

Board Committees

In accordance with the company's bylaws and the two governance regulations issued by the Central Bank of Saudi Arabia and the Capital Market Authority, the company has committed itself to forming the appropriate and regular number of committees emanating from the Board of Directors according to the requirements of their operation and in a way that contributes to assisting the Board of Directors to effectively carry out the tasks entrusted to it. The Board also issued regulations related to the work and tasks of these committees, or recommended their approval by the General Assembly of Shareholders, such as the Audit Committee and the Nominations and Remunerations Committee. This is in accordance with the relevant regulating laws and regulations and in a way that achieves the Board's oversight of its work and evaluation of its performance in general, through the reports it submits to the Council, as well as through reviewing and approving the minutes of its periodic meetings.

The following is a statement and a brief description of the tasks of each committee, the number of its members, the meetings held, in addition to the attendance record of the members:

Executive Committee:

Brief description of the functions and powers of the Executive Committee:

The Executive Committee consists of a maximum of five (5) members to be nominated by the Board of Directors, with the need to obtain a non-objection letter from the Central Bank of Saudi Arabia for appointment. The committee meets with a minimum of (6) meeting per year, and the committee chairman can call for any meeting if work requires that.

The committee exercises its powers and competencies according to the authorities delegated to it by the Board of Directors in accordance with the authority matrix, in addition to monitoring the financial performance and its compatibility with the budget approved by the Board of Directors, as well as ensuring the implementation of the company's policies and procedures, as well as approving the annual operational plans and estimated financial budgets before submitting them to the Board of Directors for approval.

The following is a statement of the members of the Executive Committee during the year 2023, with an explanation of their membership characteristics:

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A statement of the members of the Executive Committee:

NAMES	Nationality	Membership Type (Chairman/Member)	Membership Status (Executive, – Non-Executive, Independent)
Ayham M. Al-Yousef.	Saudi	Chairman (Till 10 Oct-2023)	Independent
Dr. Ahmed S. Al-Dehailan- Member.	Saudi	Member	Non-Executive
Abdulaziz Saleh Al-Anbar.	Saudi	Member	Non-Executive
Ziad Naeem El-Chaar.	Lebanese	Member	Non-Executive
Kamal Amin Khodr.	Saudi	Member- (Chairman from 25-Oct-2023)	Non-Executive
Saud Abdulaziz Al-Gusaiyer.	Saudi	Member	Independent

The Executive Committee Held (12) Meetings During the year 2023, According to the Attached Statement of Attendance Record for Each Meeting.

Meeting Nos.:	1	2	3	4	5	6	7	8	9	10	11	12
Dates:	08May 2023	13Jun e2023	19July 2023	31July 2023	17Aug -2023	31Aug -2023	13Sep- 2023	16-Oct- 2023	15 Nov- 2023	20 Nov- 2023	06 Dec- 2023	11 Dec- 2023
Ayham M. Al-Yousef.	Present	Present	Present	Present	Present	Present	Present	Resigned	Resigned	Resigned	Resigned	Resigned
Dr. Ahmed Saleh Al-Dehailan.	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Abdulaziz Saleh Al-Anbar.	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Ziad Naeem El-Chaar.	Present	Apology	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Kamal Amin Khodr.	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Saud Abdulaziz AlGusaiyer-Member.	NK	NK	NK	NK	NK	NK	NK	NK	Present	Present	Present	Present

Audit Committee:

Brief description of the Audit Committee's competence and duties:

The Audit Committee was established for the current term of office based on the General Assembly meeting held on 14th February 2023. According to Article (40) of the Articles of Association of the company, the Audit Committee consists of (3) members as a minimum and (5) members as a maximum. Accordingly, the committee until the end of the year 2023 was formed of (5) members in accordance with the main principles of governance in financial institutions issued by the Central Bank, as well as the governance regulations issued by the Capital Market Authority. The duties and powers of the Audit Committee are as follows:

- Recommending to the Board of Directors to approve the nomination/appointment or re-appointment of the company's external auditor from among the list of nominated auditors, and to determine his fees. The committee's scope of work also includes ensuring that the nominated external auditor has the necessary expertise to review the company's financial and accounting business, and to practice his work with complete impartiality and independence.
- Supervising the Internal Audit Department and the Compliance Department, ensuring their independence in performing their duties, and verifying that there are no restrictions on their work or the existence of anything that could negatively affect their work.
- Reviewing the quarterly and annual financial statements and discussing them with the executive management and the external auditor and recommending to the Board of Directors their approval and recommending their approval by the General Assembly of Shareholders.
- Approving the annual plan of the Internal Audit Department and the Compliance Department and following up on their implementation.
- Review and update the internal policies of the Internal Audit Department and the Compliance Department, and ensure that appropriate human cadres are available in the concerned departments.
- Preparing the annual report of the Audit Committee and submitting it to the Board of Directors for approval and recommendation for approval by the General Assembly of Shareholders.
- Reviewing the effectiveness of the company's internal control by requesting reports from the relevant internal departments

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The following is a statement of the members of the Audit Committee during the year 2023, with an explanation of the characteristics of their membership:

NAMES	Nationality	Membership Type (Chairman/Member)	Membership Status (Executive, – Non-Executive, Independent)
Dr. Mohammed Suleiman Al-Aqeel- Chairman.	Saudi	Chairman	Independent – Out of BoD
Dr. Ahmed Saleh Al-Dehailan- Member.	Saudi	Member	Non-Executive- Member of BoD
Yazeed Omer Al-Sowailam- Member.	Saudi	Member	Independent – Out of BoD
Thamer Mesfer Al-Wadai- Member.	Saudi	Member	Independent – Out of BoD
Saud Abdulaziz Al-Gusaiyer- Member.	Saudi	Member	Independent – Member of BoD. (Resigned from the Committee on 21Dec-2023)

The Audit Committee held (8) meetings during the year 2023, according to the attached statement with the attendance record for each meeting.

Meeting Nos.:	1	2	3	4	5	6	7	8
Dates:	26Feb- 2023	21Mar- 2023	02May- 2023	07Jun- 2023	24July20 23	06Sep- 2023	24-Oct- 2023	05-Dec- 2023
Dr. Mohammed Suleiman Al-Aqeel- Chairman.	Present	Present	Present	Present	Present	Present	Present	Present
Dr. Ahmed Saleh Al- Dehailan-Member.	Present	Present	Present	Present	Present	Present	Present	Present
Yazeed Omer Al- Sowailam-Member.	Present	Present	Present	Present	Present	Present	Present	Present
Thamer Mesfer Al- Wadai-Member.	Present	Present	Present	Present	Present	Present	Present	Present
Saud Abdulaziz Al- Gusaiyer-Member.	Present	Apology	Present	Present	Present	Present	Present	Present

Current and previous jobs and qualifications of members of the Audit Committee who are not members of the Board of Directors



Dr. Muhammad Sulaiman Al-Aqeel, Chairman of the Audit Committee – Independent from outside the Board.

Date of appointment to the Audit Committee (current term)

- **14th February 2023**

Academic and professional qualifications

- Academic and Professional Qualifications • Bachelor's degree in Accounting from King Saud University, Qassim Branch, Kingdom of Saudi Arabia in 1987.
- Master's degree in accounting from the University of Miami, USA, in 1996.
- Ph.D. in Accounting from the University of Melbourne, Australia, in 2006.
- Fellowship of the Saudi Organization for Auditors and Accountants (SOCPA) in 1997.
- Member of the Audit Committee of the Saudi Home Finance Company from 2020 AD to date - a public joint stock company - the Kingdom of Saudi Arabia
- Member of the External Advisory Committee for the Bachelor of Accounting Program, Imam Abdurrahman Bin Faisal University, a public university, working in the field of education, from 2021 AD to date - Kingdom of Saudi Arabia.
- Member of the Advisory Board of the Accounting Department at the College of Economics and Administration at Qassem University, a public university, working in the field of education, from 2019 AD to date. Kingdom of Saudi Arabia.
- Assistant Secretary General for Membership and Professional Development at the Saudi Organization for Auditors and Accountants (SOCPA), a governmental body, working in the field of pioneering and supervising the accounting and auditing profession in the Kingdom of Saudi Arabia, from 2013 AD until 2019 AD.
- Heading a consulting team assigned to study and review accounting reports prepared by certified accountants based on a consulting contract between the Saudi Organization for Auditors and Accountants and a government agency from 2016 AD to 2019 AD. Kingdom of Saudi Arabia.
- Associate Professor of Accounting at the Institute of Public Administration, a government institute, working in the field of raising the adequacy of state employees and preparing them scientifically, from 2013 AD until 2014 AD. Kingdom of Saudi Arabia
- Assistant Professor of Accounting at the Institute of Public Administration, a governmental institute, working in the field of raising the adequacy of state employees and preparing them scientifically, from 2006 AD until 2013 AD. Kingdom of Saudi Arabia
- Part-time consultant at the Ministry of Education, from 2011 to 2012. Kingdom of Saudi Arabia.

Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom

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- Coordinator of the accounting sector at the Institute of Public Administration, a government institute, working in the field of raising the adequacy of state employees and preparing them scientifically, from 2010 AD until 2012 AD. Kingdom of Saudi Arabia
- Member of the editorial board of the Journal of the Institute of Public Administration, a governmental institute, working in the field of raising the adequacy of state employees and preparing them scientifically from 2008 AD until 2012 AD. Kingdom of Saudi Arabia
- Member of the Examinations Committee of the Saudi Organization for Auditors and Accountants, a governmental body, working in the field of pioneering and supervising the accounting and auditing profession in the Kingdom of Saudi Arabia from 2007 AD until 2012 AD, the Kingdom of Saudi Arabia.
- Member of number of governmental and some charity organizations - Kingdom of Saudi Arabia



Yazid Omar Abdullah Al-Suwailem, Member of the Audit Committee – Independent from outside the Board.

Date of appointment to the Audit Committee (current term)

- 14th February 2023

Academic and professional qualifications

- Bachelor's degree - King Fahd University of Petroleum and Minerals - Software Engineering.
- Mini MBA SMEs Growth - Babson University.

Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom

- Member of the Audit Committee of the Saudi Home Finance Company from 2021 to date - a public joint stock company - Saudi Arabia
- CEO - Digital Markup. Limited Liability Company 2011 to date - Kingdom of Saudi Arabia.
- Member and Partner - Takhlees Logistics Company 2017 to date. Limited Liability Company - Kingdom of Saudi Arabia.
- Member and Partner - First Lammt Company for Information Technology. 2014 to date - Limited Liability Company - Kingdom of Saudi Arabia.
- Founder and CEO of Information Technology - Lamma Al-Oula Company 2014 AD to date. Limited Liability Company - Kingdom of Saudi Arabia.
- Founder and CEO of Information Technology - iFady. 2011- 2014 A limited liability company - Kingdom of Saudi Arabia
- Software Engineer - Saudi Systems Engineering Company. 2011-2012 A limited liability company - Saudi Arabia.
- Software Engineer - Advanced Electronics Company. 2009 -2011 Limited Liability Company - Saudi Arabia.



Thamer Mesfer Al Wadai – Audit Committee member – independent from outside the Board of Directors

Date of appointment to the Audit Committee (current term)

- 14th February 2023

Academic and professional qualifications

Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom

- Bachelor's degree of Business Administration - Alemam Mohammed bin Saud University
- MBA – Yamama University
- Accounting Diploma – Institute of administration - Riyadh
- Member of the Audit Committee of SHL Finance Company from Feb 2023 to date - a public joint stock company - Saudi Arabia
- Member of the audit Committee and member of the Board of Directors of the Arab National Bank as from March 2020 up to date - a public joint stock company - Saudi Arabia
- Member of the NRC as from 2020 up to date – Arab National Bank - a public joint stock company - Saudi Arabia
- Member of the Audit Committee – Tharwat Almadenaha Company as from March 2021 up to date – Limited liability company- Saudi Arabia.
- Member of the Audit Committee in Takamul Holding company as from December 2021 up to date -limited liability company – Saudi Arabia.
- Member of the Audit Committee in Swaeed for work solutions – as from 2021 up to date – Limited liability company – Saudi Arabia.
- Board member and Audit Committee member in Setrofarma company as from May 2022 up to date - joint stock company - Saudi Arabia
- Member of the Audit Committees of some other Governmental and Semi-Governmental companies and organizations – Kingdom of Saudi Arabia.

Results of reviewing the effectiveness of internal control functions:

The Auditing Committee pays great attention to an effective internal control system in the company in order to manage risks within the framework of the company's approved risk acceptance policy. The internal control system includes the policies, procedures and processes approved by the Board of Directors whose implementation is supervised by the Audit Committee and the Company's Internal Control Department.

The Internal Auditing Department acts as a basic line of defense by submitting periodic reports to the Audit Committee on the results of its works in relation to the results of examination and auditing and the observations or suggestions it consider about the general performance of the company and its main departments. Through these reports, the Auditing Committee assesses the adequacy, suitability and effectiveness of the internal control system

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and directs to address the risks that are referred to in the internal auditing reports and the reports of the Compliance Department and Combating Money Laundering and Terrorism Financing.

During 2023, the Audit Committee reviewed various reports on the adequacy of internal control conditions and systems from the Internal Audit Department and the Compliance Department. The Audit Committee also held several meetings during the year and received reports from the Risk and Cyber Security Department, Information Technology Department, Legal Department and other departments. The Auditing Committee's discussions and decisions were documented in the minutes of the meetings and the issues and observations that required attention were submitted to the Board of Directors. The committee also reviewed the latest developments regarding issues that require the attention of the Audit Committee. In addition, it received internal audit reports and compliance reports and reviewed action plans of submitted issues. According to the continuous evaluation of the company's internal control policies and controls, the internal control system works effectively in terms of covering the important risks and control aspects that would substantially affect the achievement of the company's objectives.

Pursuant to the minutes of the meetings of the Audit Committee and its work reports submitted to the Chairman and members of the Board of Directors that included the necessary observations and recommendations, the committee, through its follow-up of the performance of the Internal Audit Department, Compliance Department and other relevant departments, and reviewing the reports submitted by the Internal Audit Department, Risk Management, Compliance Department, as well as the reports of the external auditor during 2023, in addition to other reports that the Audit Committee requests from time to time regarding the activity of some departments to find out about some aspects of the company's progress of work and the meetings that were held in the presence of the chief executive officer and senior executives and the discussions related to the contents of the reports submitted to the committee, the Audit Committee is convinced of the reasonableness and effectiveness of the company's internal control procedures and that the internal control environment is constantly developing to meet the business need. The committee also confirms that it does not have any material observations about the company's business that must be mentioned and that the observations. Furthermore, corrective procedures are made regarding the opinions and observations expressed by the committee by the Internal Audit Department or the Compliance Department which follows up, monitors and closes these observations.

Risk and Credit Management Committee:

A brief description of the tasks and terms of reference of the Risk and Credit Management Committee

- Developing a clear and written business strategy and policies for risk management and identifying all types of related risks and the methods of handling them.
- Developing appropriate procedures for early and comprehensive detection of risks, evaluating, managing and monitoring them as well as preparing reports in their regard.
- Preparing and discussing the risk report on a quarterly basis and submitting it to the Board of Directors, including the decisions taken in this regard.
- Reviewing the company's internal policies and regulations related to risk management activities.
- Reviewing the company's general provisions, setting an upper limit for large exposures, and studying the appropriate treatment of overdue accounts
- Evaluating and monitoring the adequacy and effectiveness of the Company's risk management framework and supervision to ensure effective risk identification, measurement and reporting, including desire of risk and risk tolerance.
- Reviewing the policies and regulations related to the activities of the Information Security Department.
- Supervision of the standing and potential risks, including credit risk, market risk, liquidity risk, operational risk, legal risk, strategic risk, reputation risks, credit concentration risks in the portfolio, financing risks, and information security risks within the framework and directives of the Board of Directors.

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Statement of the members of the Risk and Credit Management Committee:

NAMES	Nationality	Membership Type (Chairman/Member)	Membership Status (Executive, Non-Executive, Independent)
Faris Al-Humaid.	Saudi	Chairman for Previous Session	Independent
Hassan Al-Rashed	Saudi	Member for Previous Session	Independent
Kamal Amin Khodr.	Saudi	Chairman- Member of BoD	Non-Executive
Abdulah Saleh Al Shaikh.	Saudi	Member- Member of BoD	Independent
Pierre-Com Liege.	French	Member – Out of BoD	Non-Executive
Roy Rajeh Al-Khoury	Lebanese	Member – Out of BoD	Non-Executive
Ala Ibrahim Asali.	Saudi	Member – Out of BoD	Non-Executive

The Risk & Credit Committee Held (4) Meetings During the year 2023, According to the Attached Statement of Attendance Record for Each Meeting.

Meeting Nos.:	1	2	3	4
Dates:	05Feb-2023	18June2023	02August2023	29-October2023
Faris Al-Humaid. (Chairman for Previous Session).	Present	Not Member	Not Member	Not Member
Hassan Al-Rashed (Member for Previous Session).	Present	Not Member	Not Member	Not Member
Pierre-Com Liege.	Present	Present	Present	Present
Kamal Amin Khodr.	Not Appointed Yet	Present	Present	Present
Abdulah Saleh Al Shaikh.	Not Appointed Yet	Present	Present	Present
Roy Rajeh Al-Khoury	Not Appointed Yet	Present	Present	Present
Ala Ibrahim Asali.	Not Appointed Yet	Present	Present	Present

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Current and previous jobs and professional qualifications of the members of the Risk and Credit Committee other than the members of the Board of Directors:

Pierre - Come Liege, member of the Risk and Credit Committee

Date of appointment in the committee (current term)	<ul style="list-style-type: none"> 13th June 2023
Academic and professional qualifications	<ul style="list-style-type: none"> Bachelor's degree in Engineering Statistics from Ansay University, Brouz, France, in 2005. Master's degree in Statistics and Economics from the University of Ivry Val d'Issonne, Ivry, France, in 2003.
Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom	<ul style="list-style-type: none"> Member of the Risk and Credit Management Committee at the SHL Finance Company from 2020 to date. Public Joint Stock Company - Kingdom of Saudi Arabia Director of Retail Risk Management at Arab National Bank, a public joint stock company, operating in the field of banking, from 2013 to date. Public Joint Stock Company - Kingdom of Saudi Arabia Senior Manager of Project Management at Credit Agricole, a French public shareholding company, working in the field of banking, from 2010 AD until 2013 AD. Public joint stock company - France. Project Risk Manager at Credit Agricole, a French public shareholding company, working in the field of banking from 2008 until 2009. Public joint stock company - France Quantitative Marketing Analyst, Credit Agricole, a French public shareholding company, working in the field of banking, from 2005G until 2007G. Public joint stock company - France

Roy Rajeh Alkhory – member of the Credit & Risk Management Committee

Date of appointment in the committee (current term)	<ul style="list-style-type: none"> 13th June 2023
Academic and professional qualifications	<ul style="list-style-type: none"> Bachelor's degree Banking & Finance Number of specialized training Courses and certificates in Banking & Financing.
Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom	<ul style="list-style-type: none"> Member of the Risk and Credit Management Committee at the SHL Finance Company from June 2023 up to date - Public Joint Stock Company - Kingdom of Saudi Arabia. Chief Private assets Manager as from Jan 2023 to date – Arab National Bank - Public Joint Stock Company - Kingdom of Saudi Arabia. Chief Risk Manger – Al Moutwasit Bank Group, as from 2018 to October 2022 – Joint Stock Company – Republic of Lebanon. Chief supporting Banking Group – Saudi Fransi Bank from 2012 to 2018 - Public Joint Stock Company - Kingdom of Saudi Arabia. Hold many banking and financing positions in the Republic of Lebanon and Kingdom of Saudi Arabi.

Alaa Ibrahim Assaly – Member of the Credit & Risk Management Committee

Date of appointment in the committee (current term)	<ul style="list-style-type: none"> 13th June 2023
Academic and professional qualifications	<ul style="list-style-type: none"> Bachelor's degree in Computer Engineering – King Fahad University – 2001. Number of certificates and training courses in the information Security and protection of Cyber Security.

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Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom	<ul style="list-style-type: none">• Member of the Risk and Credit Management Committee SHL Finance Company from June 2023 to date - Public Joint Stock Company - Kingdom of Saudi Arabia• Chief Information security head – Arab National Bank from 2017 to date - Public Joint Stock Company - Kingdom of Saudi Arabia• Deputy head of information security department from 2013 to 2018 - Public Joint Stock Company - Kingdom of Saudi Arabia• Manager of information security section from 2009 to 2013 – Bank Albilad - Public Joint Stock Company - Kingdom of Saudi Arabia• Worked as information security officer in the Arab National Bank from 2003 to 2009 - Public Joint Stock Company - Kingdom of Saudi Arabia.
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Nominations and Remunerations Committee:

A brief description of the Committee's Tasks and Terms of Reference:

- Evaluating the performance of the members of the council and its committees. The committee also evaluates the strengths and weaknesses of the council and its committees, and proposes to address any deficiencies, if any.
- Recommendations to the Board of Directors regarding the nomination of members of the Board and its committees and following up on obtaining the approval of the Central Bank of Saudi Arabia.
- Following-up the independence of the independent members on an annual basis, and ensuring that there is no conflict of interest in case the member occupies the position of membership of the board of directors of another company that has interests with the company.
- Ensuring that an introductory program is set for the new members of the Board of Directors and its committees and the nature of their work.
- Reviewing and approving the company's compensation and benefits policies. The committee also reviews and recommends all forms of compensation to members and trustees of the board and committees.
- Reviewing human resource policies and procedures and development goals that include performance indicators to be achieved within incentive and reward programs.
- Reviewing and recommending the appointment of executive managers in the company in accordance with the company's policies and objectives.

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A statement of the members of the Nominations and Remunerations Committee

NAMES	Nationality	Membership Type (Chairman/Member)	Membership Status (Executive, Non-Executive, Independent)
Ayham M. Al-Yousef.	Saudi	Chairman- Member of BoD	Independent
Obaid Abdullah Al-Rasheed.	Saudi	Member- Vice Chairman of BoD	Non-Executive
Faris Ibrahim Al-Humaid.	Saudi	Member- Member of BoD	Independent
Bader Nahes Al-Otaibi.	Saudi	Member- Member of BoD	Non-Executive

The Nomination & Remuneration Committee (NRC) Held (5) Meetings During the year 2023, According to the Attached Statement of Attendance Record for Each Meeting.

Meeting Nos.:	1	2	3	4	5
Dates:	11May-2023	29May-2023	26Sept-2023	03-Oct-2023	18Dec-2023
Ayham M. Al-Yousef.	Present	Present	Present	Present	Present
Obaid Abdullah Al-Rasheed.	Present	Present	Present	Present	Present
Faris Ibrahim Al-Humaid.	Present	Present	Present	Present	Present
Bader Nahes Al-Otaibi.	Present	Present	Present	Present	Present

Current and previous jobs and professional qualifications of the members of the NRC other than the members of the Board of Directors:

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Bader Nahes Al Otaibi – NRC Member

Date of appointment in the committee (current term)	<ul style="list-style-type: none"> 22nd March 2023
Academic and professional qualifications	<ul style="list-style-type: none"> Bachelor's degree in Human Resources – King Abdulaziz University – 2013. MBA – Ensik University – France 2022 Executive Master degree – Alyamama university Number of certificates professional and training courses
Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom	<ul style="list-style-type: none"> Member of the NRC - SHL Finance Company from March 2023 to date - Public Joint Stock Company - Kingdom of Saudi Arabia. Member of NRC – Arab National Bank - Public Joint Stock Company - Kingdom of Saudi Arabia. Board Chairman and NRC member of the ANB Company for heavy equipment company – closed joint stock company – Saudi Arabia Member of the NRC of ANB Capital - closed joint stock company – Saudi Arabia Worked as HR officer and director as from 2003 – Kingdom of Saudi Arabia.

The Sharia Committee:

A brief description of the committee's duties and powers:

- Reviewing all the company's products and contracts and ensuring their compliance with Sharia provisions and controls.
- Verifying the company's commitment to executing its transactions in accordance with the provisions of Islamic Sharia.
- Reviewing and approving the company's Shari'a supervision reports and works and making observations thereon.
- Contributing to what serves the development of performance and the legal commitment of the company and the preservation of its legal identity in policies, standards, procedures and the like.

Statement of the members of the Sharia Committee

Name	Nationality	Membership Type (Chairman - Member)	Membership status (executive - non-executive - independent)
Sheikh Abdullah bin Suleiman Al-Manea	Saudi	Chairman	Independent
Sheikh Dr. Abdullah bin Muhammad Al-Mutlaq	Saudi	Member	Independent
Sheikh Dr. Muhammad bin Ali Al-Qari	Saudi	Member	Independent
Sheikh Dr. Yousef Bin Abdullah Al Shubaili	Saudi	member	Independent

The Sharia Committee held two meetings during 2023 AD, according to the statement attached to the attendance record

Name	First meeting: 22/05/2023 AD	Second meeting: 28/05/2023 AD
Sheikh Abdullah bin Suleiman Al-Manea	Present	Present
Sheikh Dr. Abdullah bin Muhammad Al-Mutlaq	Present	Present
Sheikh Dr. Muhammad bin Ali Al-Qari	Present	Present
Sheikh Dr. Yousef Bin Abdullah Al Shubaili	NK	NK

Sheikh Abdullah bin Suleiman Al Manea, Chairman of the Sharia Committee:

Sheikh Abdullah, an advisor and member of the Royal Court in the Kingdom, and a member of the Supreme Judicial Authority of the Royal Court since its establishment in 1391 AH. He was appointed as Vice President for Scholar Research, Fatwa, Preach and Guidance in 1396 AH. He is a member of the Islamic Jurisprudence Academy of the Organization of the Islamic Conference. He worked as a President of the Courts of Makkah Al-Mukarramah, and a former judge of the Court of Cassation in Makkah Al-Mukarramah.

Sheikh Abdullah is a member of Sharia Supervisory Committees in a number of Saudi banks. He is also a member of several Sharia boards and entities, including the Accounting and Auditing Organization of Islamic Financial Institutions located in Bahrain. Moreover, he supervised a number of doctoral theses, participated in the discussion of a number of master's and doctoral theses, collected a number of legal rulings (interpretative opinions) and wrote a number of books on Islamic finance.

Sheikh Dr. Abdullah Al Mutlaq, Member of the Sharia Committee:

Sheikh Abdullah is a member of the Standing Committee of Scholar Research and Fatwa. Sheikh Abdullah obtained a Ph.D. from Imam Muhammad bin Saud University in Riyadh in 1404 AH. He was previously a chairman of the Comparative Jurisprudence Department at the university. Sheikh Abdullah is a member of Sharia Supervisory Committees in a number of Saudi banks. Besides, he supervised a number of doctoral theses, participated in the discussion of a number of master's and doctoral theses, collected a number of legal rulings (interpretative opinions) and wrote a number of books in the field of Islamic finance.

Sheikh Dr. Muhammad Ali Al-Qari, Member of the Sharia Committee:

Sheikh Al-Qari is a professor of Islamic Economics at King Abdulaziz University in Jeddah, and a former director of the Islamic Economics Research Center at the same university. Sheikh Al-Qari received the Scientific Award of the Islamic Development Bank in Islamic banking and financial sciences of 2004. He is an expert at the Islamic Jurisprudence Academy of the Organization of the Islamic Conference and the Islamic Jurisprudence Academy of the Muslim World League.

Sheikh Al-Qari is a member of the editorial boards of a number of academic publications in the field of Islamic financial services and jurisprudence, including the journals issued by the Jurisprudence Academy of the Muslim World League, Islamic Economic Studies of the Islamic Development Bank, Islamic Economics of the International Association of Islamic Economics in London, and the Advisory Board of the Harvard Series in Sharia Islamic. Sheikh Al-Qari is a member of many Fatwa and Sharia Supervisory Boards in many banks and financial institutions. He is also an author of several books and articles on Islamic finance in both Arabic and English. Besides, he is a frequent speaker at conferences held around the world as well as being a visiting professor at Harvard University in 1995. Sheikh Al-Qari holds a Ph.D. from the University of California.

Professor Dr. Youssef bin Abdullah Al-Shubaili, Member of the Sharia Committee:

Professor of Comparative Sharia Jurisprudence at the Higher Judicial Institute, holds a Doctorate Degree (PHD) with excellent degree with first class honors in Comparative Sharia Jurisprudence from the Higher Judicial Institute, and is an expert in the International Islamic Jurisprudence Academy, and Chairman and member of a number of committees in commercial disputes. He is a chairman and member of a number of Sharia committees for Islamic financial institutions, a member of the Advisory Committee of the Scientific Society of Saudi Islamic Banking, a (former) member of the Board of Directors of the General Authority for the Guardianship of the Funds of Minors and the like, and a (former) member of the Advisory Council of the Center for Jurisprudential Excellence in Contemporary Sharia Issues. He supervised and discussed dozens of academic reserches for Master's and PHD degrees in Sharia jurisprudence and regulations, and he has many published academic papers on Islamic financial transactions and zakat issues.

the Means on which the Board of Directors relied on in evaluating its performance, the performance of its committees, the executive administration and the external entity that conducted the evaluation and its relationship with the company, if any.

In implementation of the governance policies issued by the Central Bank of Saudi Arabia, as well as adopting the best practices in this regard, after the company was listed on the main financial market in April 2022, the Board of Directors, in its second meeting held on 28/06/2022 AD, issued an evaluation policy of the members of the Board and its committees. The evaluation focused on the following data:

- 1- Self-assessment of the performance of the members of the Council.
- 2- Performance evaluation of the Executive Committee.
- 3- Performance evaluation of the audit committee.
- 4- Performance evaluation of the Credit and Risk Management Committee.
- 5- Evaluating the performance of the Nomination and Remuneration Committee.

The company confirms that no external party was assigned to conduct the evaluation, but rather all evaluation forms and reports of the members of the Board and Committees were submitted to the attention of the Chairman and members of the Nominations and Remunerations Committee.

Remuneration and compensation policy of members of the Board, its subcommittees and the executive administration:

The company applies the policy of remuneration and compensation of the Board of Directors, its subcommittees and the executive administration approved by the General Assembly of Shareholders held on December 22, 2021 AD according to the recommendation of the Board of Directors and the Nominations and Remuneration Committee

This policy included the main and effective principles of best practices and standards in accordance with the supervisory regulations and instructions. The policy also aims to attract the appropriate competencies to accomplish the tasks and responsibilities of the Board of Directors and its committees in line with the company's activity, strategy and objectives.

It aims to urge the members of the Board of Directors for the success and development of the company in the long term, and to enhance the effectiveness of risk management and achieve the integrity and stability of the company's financial position. The policy has established a number of controls that must be considered when determining remuneration, including, but not limited to, the remuneration fairness and suitability with the member's competencies, works and responsibilities that the members of the Board of Directors undertake and bear to be achieved during the fiscal year. The rewards must be fair and commensurate with the results of the periodic evaluation of the performance of the members of the Board of Directors and its committees, and the performance and evaluation of the executive administration.

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A statement of the remuneration approved for the members of the Board of Directors of 2023:

Fixed remunerations								Variable remunerations						End of service remuneration	Grand total	Expenses allowance
	A certain amount	Allowance for attending committee sessions	Total allowance for attending committee sessions	In-kind benefits	Rewards for technical, administrative and advisory works	Remuneration for the chairman, managing director or secretary if he is a shareholder	Total	Profits percentage	Periodic bonuses	Short-term incentive plans	Long-term incentive plans	Shares granted (the value is entered)	Total			
First: Independent Members																
Ayham Muhammad Al-Youssef	250,000	3,000	18,000	-	-	-	268,000	-	-	-	-	-	-	-	-	-
Fares Ibrahim Al-Humaid	250,000	3,000	18,000	-	-	-	268,000	-	-	-	-	-	-	-	-	-
Saud Abdulaziz Al Gussayeir	243,000	3,000	15,000	-	-	-	258,000	-	-	-	-	-	-	-	-	-
Abdulaziz S. Alanbar	220,000	3,000	18,000	-	-	-	238,000	-	-	-	-	-	-	-	-	-
Abdulelah S. Alsheikh	220,000	3,000	18,000				238,000									
Mohammed A. Alghannam	52,000	3,000	3,000				55,000									
Total	1,235,000		90,000	-	-	-	1,325,000	-	-	-	-	-	-	-	-	-
Second: Non-executive members																
Youssef Abdullah Al-Shalash	250,000	3,000	18,000	-	-	-	268,000	-	-	-	-	-	-	-	-	-
Obaid Abdullah Al-Rasheed	250,000	3,000	18,000	-	-	-	268,000	-	-	-	-	-	-	-	-	-
Ahmed Saleh Al-Dehailan	250,000	3,000	15,000	-		-	265,000	-	-	-	-	-	-	-	-	-
Kamal Amin Khodr	250,000	3,000	15,000	-		-	265,000	-	-	-	-	-	-	-	-	-
Ziad Naim Alsha'ar	250,000	3,000	18,000	-		-	268,000	-	-	-	-	-	-	-	-	-
Othman Khairy Bader	185,000	3,000	12,000	-		-	197,000	-	-	-	-	-	-	-	-	-
Total	1,435,000		96,000	-	-	-	1531,000	-	-	-	-	-	-	-	-	-
Third: Executive members																
None	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A statement of the remuneration approved for members of committees of the Board in 2023:

Total	Allowance for attending sessions	Fixed bonuses (except for attendance allowance for sessions)	Total
Audit committee members			
Muhammad bin Suleiman Al-Aqeel	24,000	100,000	124,000
Ahmed bin Saleh Al-Duhailan	24,000	100,000	124,000
Yazid bin Omar Al-Suwailem	24,000	100,000	124,000
Thamer Musfer Alwadi	24,000	88,000	112,000
Saud A. Algussaiyer	21,000	85,000	106,000
Total	117,000	473,000	590,000
Members of the Nomination and Remuneration Committee			
Ayham Muhammad Al-Youssef	15,000	100,000	112,000
Obaid Abdullah Al-Rasheed	15,000	100,000	112,000
Faris Ibrahim Al-Humaid	15,000	100,000	112,000
Bader Nahes Alotaibi	15,000	78,000	93,000
Total	60,000	378,000	438,000
Members of the Risk Management Committee			
Faris Al-Humaid	3,000	12,000	15,000
Hassan Al-Rashid	3,000	12,000	15,000
Pierre-Com Liege	12,000	100,000	112,000
Kamal Amin Khodr	9,000	55,000	64,000
Abdulelah S. Alsheikh	9,000	55,000	64,000
Roy R. Alkhory	9,000	55,000	64,000

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Alaa Ibrahim Assaly	9,000	55,000	64,000
Total	54,000	344,000	398,000
Executive Committee members			
Ayham bin Mohammed Al-Youssef	21,000	78,000	99,000
Ahmed bin Saleh Al-Dehailan	36,000	100,000	136,000
Abdulaziz S. Alanbar	36,000	78,000	114,000
Ziyad Naim Alsha'ar	33,000	100,000	133,000
Kamal Amin Khodr	36,000	100,000	136,000
Saud A. Algussaiyer	12,000	16,000	28,000
Total	174,000	472,000	646,000
Shariah Committee members *			
Sheikh Abdullah bin Suleiman Al-Manea	10,000	120,000	130,000
Sheikh Dr. Abdullah bin Muhammad Al-Mutlaq	10,000	120,000	130,000
Sheikh Dr. Muhammad bin Ali Al-Qari	10,000	180,000	190,000
Sheikh Dr. Yousef bin Abdullah Alshubaili	-	60,000	60,000
Total	30,000	480,000	510,000

* - Remuneration of Shariah committee is based on the agreement with them.

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Executive Management Members

Bandar Saeed Al-Ghamdi



Position	<ul style="list-style-type: none">• Chief Executive Officer
Date of appointment	<ul style="list-style-type: none">• 16/08/2020 AD
Academic and professional qualifications	<ul style="list-style-type: none">• Bachelor of Business Administration from King Abdul-Aziz University, Kingdom of Saudi Arabia in 2007.
Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom	<ul style="list-style-type: none">• Chief Executive Officer of the company, from 2020 AD to date.• Member of the Executive Committee of the SHL Finance Company from 2020 AD to 10/04/2021 AD - Kingdom of Saudi Arabia.• General Manager of Assets of Retail Banking at Al Bilad Bank, a public shareholding company, working in the field of banking, from 2015 AD to 2020 AD. Kingdom of Saudi Arabia.• Assistant General Manager of Assets of Retail Banking at Al Inma Bank, a public joint stock company, operating in the field of banking, from 2007G to 2015G. Kingdom of Saudi Arabia

Abdullah Al Shamrani



Position	<ul style="list-style-type: none">• Chief Financial Officer
Date of appointment	<ul style="list-style-type: none">• 23/07/2023

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Academic and professional qualifications	<ul style="list-style-type: none"> • Bachelor's degree in Financing from the University of King Fahad for Petroleum and Miners -2012 • Obtained professional training and courses in finance and banking sectors.
Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom	<ul style="list-style-type: none"> • Head of the Treasury Department – Amlak International for Financing – from June 2019 to July 2023 – Joint stock listed company – Kingdom of Saudi Arabia. • Manager of the Treasury Dept. National Bank of Qatar – from June 2017 to June 2019 - Joint stock listed company – Kingdom of Saudi Arabia. • Responsible officer for Treasury client's solutions – Saudi Hollandi Bank – from March 2013 to June 2017 - Joint stock listed company – Kingdom of Saudi Arabia.

Muhammad Abdul Rahman Al-Asaad

Position	• Chief Risk Officer
Date of appointment	• 12/01/2020
Academic and professional qualifications	<ul style="list-style-type: none"> • Master of Financial Economics from Ohio University, USA, 2013. • Bachelor of Business Administration and Marketing from Applied Science University, Jordan in 2000.
Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom	<ul style="list-style-type: none"> • Chief Risk Officer, from 2020 to date - Kingdom of Saudi Arabia • Senior Manager of Individual Risk and Collection of the private sector at Al-Rajhi Bank, a public shareholding company, working in the field of banking, from 2018 AD to 2020 AD - Kingdom of Saudi Arabia. • Senior Manager Corporate Credit Strategy at Al Rajhi Bank, a public joint stock company, working in the field of banking, from 2016 AD to 2018 AD - Kingdom of Saudi Arabia. • Individual Risk Manager at Al-Rajhi Bank, a public joint-stock company, working in the field of banking, from 2014 AD to 2016 AD - Kingdom of Saudi Arabia. • Director of Real Estate Finance at Emirates NBD Bank (Saudi Arabia Branch), an Emirati public shareholding company, working in the field of banking, from 2013 AD to 2014 AD - Kingdom of Saudi Arabia. • Director of Credit Policies and Procedures at Al Inma Bank, a public joint stock company, working in the field of banking, from 2009 AD to 2010 AD - Kingdom of Saudi Arabia. • Director of Product Development at Amlak International Real Estate Finance Company, a public shareholding company, working in the fields of real estate financing, from 2008 AD to 2009 AD - Kingdom of Saudi Arabia.

Khalid bin Ghazi Al-Nuwailaty - General Manager of Operations

Position	• Manager of Operations
Date of appointment	• 21/11/2021 AD
Academic and professional qualifications	• Bachelor of Accounting from King Abdulaziz University, Kingdom of Saudi Arabia in 2001 AD.

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<p>Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom</p>	<ul style="list-style-type: none"> • General Manager of Operations – SHL Finance Company - Listed Shareholder Company - Kingdom of Saudi Arabia. • Chairman of Operations Department at Emirates NBD Bank in Saudi Arabia, a closed joint stock company, working in the field of banking, from 2018 AD to 2021 AD - Kingdom of Saudi Arabia. • Chairman of Operations of Loans at GB Morgan Saudi Arabia, a closed joint stock company, working in the field of banking, from 2011 AD to 2017 AD - Saudi Arabia. • Chairman of the Islamic Mortgage Loans Department at Al-Jazira Bank, a public joint-stock company, operating in the field of banking, from 2008 AD to 2011 AD - Kingdom of Saudi Arabia. • Operations Manager for Islamic Loans at Bank Al-Jazira, a public joint-stock company, working in the field of banking, from 2004 AD to 2008 AD - Kingdom of Saudi Arabia. • Accountant at Fitaihi Group, a public joint stock company, working in the field of luxury consumer goods, from 2002 AD to 2004 AD - Kingdom of Saudi Arabia.
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Statement of remuneration and compensations paid to five senior executives who received the highest remunerations, including the Chief Executive Officer and the Chief Financial Officer:

Remunerations of the company's senior executives are determined according to the recommendation of the Nominations and Remunerations Committee and the Board of Directors' approval of the relevant policy. The salaries, allowances, compensations and end of service rewards are determined according to the human resources policies approved by the company according to employment contracts and related regulations and applications. As for the annual bonuses, they are granted in line with the strategic objectives of the company to motivate the senior executives to achieve the general objectives of the company.

The table below shows the remuneration and compensation paid to senior executives, including the Chief Executive Officer and Chief Financial Officer:

Fixed rewards				Variable bonuses						End of service remuneration	Total remuneration of the executives on the behalf of the board, if any	Total
Salaries	Allowances	In-kind benefits	Total	Profits percentage	Periodic bonuses	Short-term incentive plans	Long-term incentive plans	Shares granted (the value is entered)	Total			
4,462,135	874,335	0	5,180,175	0	704,106	0	0	0	704,106	0	0	5,180,175

The company is committed to disclosing the bonuses granted to senior executives in total, according to the requirements of the corporate governance regulations, without stating the details in order to protect the interests of the company and ensure job stability.

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Company's Dividend Policy

The company applies Article (48) of the article of association, which stipulates that without prejudice to the provisions of Article (twenty-sixth) of the Executive Regulations of the Finance Companies Control Law, the annual net profits of the company shall be distributed after deducting all public expenses and other costs, including zakat and income tax, as follows:

- 1- (10%) of the net profits shall be set aside to form the company's statutory reserve. The Ordinary General Assembly may decide to stop this retention when the aforementioned reserve reaches (30%) of the paid-up capital.
- 2- The Ordinary General Assembly, according to a proposal by the Board of Directors, may set aside an equal percentage of the net profits to form an agreement reserve and allocate it for a specific purpose or purposes decided by the General Assembly.
- 3- The Ordinary General Assembly may decide to form other reserves to the extent that serves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders.
- 4- The remainder, if any, shall be distributed to the shareholders at a percentage representing (5%) five percent of the company's paid-up capital.
- 5- Pursuant to the provisions stipulated in Article (twenty-two) of this bylaw, a percentage not exceeding (10%) ten percent of the remainder shall be allocated for the remuneration of the Board of Directors, provided that the entitlement to this remuneration is proportionate to the number of sessions attended by the member.
- 6- The remainder shall then be distributed among the shareholders as a share in the profits or transferred to the retained profits account.

After the company was listed on the main financial market in April 2022, the Board of Directors decided to recommend the Extraordinary General Assembly to amend some of the above paragraphs to allow the Board to distribute interim profits to shareholders. Paragraphs (3) to (6) were canceled and replaced with the following:

- (3) After that, the remainder - if any - shall be distributed among the shareholders at a rate not less than (1%) one percent of the paid-up capital of the company.
- (4) The Ordinary General Assembly may - by a decision to be renewed annually - authorize the Board of Directors to distribute interim profits to shareholders on a semi-annual or quarterly basis in accordance with the procedures and rules regulating that issued by the competent authorities.

Dividends announced and distributed in 2023:

On 21/06/2023, the General Assembly of Shareholders approved the Board of Directors recommendation to distribute cash dividends to Shareholders with a total amount of SAR 50,000,000 for the year ended in December 2022 for the shareholders registered in the company's register at the end of second day of Tadawul after the due date.

Number of shares eligible for distribution	Share amount	Total distributed dividends	Percentage of dividends out of the realized net profit	Eligible people and value date	Distribution Date
100,000,000	52.14%	50,000,000	0.50%	The entitlement shall be for the shareholders registered in the Shareholders Register at the Deposit Center at the end of the second circulation day following the value date.	13/07/2023

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No dividend has been proposed for the year 2023 as of the reporting date.

Statement of the names of the companies in which the company is a shareholder

Company name	Capital	Company Ownership Percentage	Company's main activity	Headquarters of the company's operations	Headquarters of incorporation of the company
Saudi Contract Registration Company	37,500,000 Saudi riyals	2.23%	Registration of financial lease contracts	Kingdom of Saudi Arabia, Riyadh	Kingdom of Saudi Arabia, Riyadh

General Assemblies of Shareholders held During 2023

The Company Held (2) Shareholders meetings in 2023 the first Extra General Shareholder meeting was held on 14 /02/2023 , and the second General Assembly Meeting was held on 21st June 2023, and we will highlight the Agenda of each of these meetings:

First: The Agenda of the Extra General Meeting (first meeting) held on 14th February 2023:

- 1- Voting to amend Article (2) of the Company Articles of Association from (Saudi Home Loans Company -Closed Company) to (SHL Financing Company – Public Company). (attached)
- 2- Voting to amend Article (3) of the Company Articles of Association regarding the Company's activities. (attached)
- 3- Voting to amend Article (40) of the Articles of Association of the Company regarding the Audit Committee constitution (Attached).
- 4- Voting to amend Article (48) of the Articles of Association of the Company regarding profit distribution. (attached)
- 5- Voting to appoint Board of Directors members from the Nominees list for the new Board Term starting from the date of the Extra General Assembly on 14th February 2023 up to the end of the Term on 27th November 2025 (Profiles & C.Vs. attached).
- 6- Voting to appoint the Audit Committee members for the new Term starting as from the date of the Extra General Assembly on 14th February 2023 up to the end of the Term on 27th November 2025 (profiles & C.V. attached)
The Nominees names are:
 - a- Dr. Mohammed Bin Suleiman Alageel – independent – none Board member.
 - b- Dr. Ahmed Bin Saleh Aldehailan: Board none executive member – member
 - c- Mr. Yazeed Bin Omer Alsowailen: Independent - None Board member: member
 - d- Mr. Thamer Bin Musfer Alwadey: Independent – none Board member – member.
 - e- Mr. Saud Bin Abdulaziz Al Gussayer – Independent – Board member.
- 7- Voting to approve the Board and Board Committees members compensation as recommended by the Board of Directors and recommendation of the Nomination & Remuneration Committee (NRC) based on the Remuneration and Compensation for Board and Board Committees members and Executive Management Policy for total amount of SAR 4.125 mm for the fiscal year ended 31st December 2022. (attached)
- 8- Voting to approve the Company Social Responsibility Policy (Attached).
- 9- Voting to approve the internal Charter of the Audit Committee in compliance with the Central Bank principles of corporate Governance for financial institutions and other Regulatory bodies outlining its tasks, membership, and rules governing its performance. (attached)

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- 10- Voting to approve the internal Charter of the Nomination & Remuneration Committee (NRC) in compliance with the Central Bank principles of corporate Governance for financial institutions and other Regulatory bodies outlining its tasks, membership, and rules governing its performance. (attached).
- 11- Voting to approve the Board of Directors and Board Committees acts as from the date of the expiry of the Board Term on 27th November 2022, up to the date of holding the Extra General Assembly on 14th February 2023.
The below Board and Committee members who attended the meeting:
 - a- Yosef A. Alshelash – Chairman of the Board.
 - b- Ahmed S. Aldehailan – Board member
 - c- Ayham Alyousef – Board and ExCom And NRC member.
 - d- Othman Khairy Bader – Board member'
 - e- Kamal A. Khodr – Board member
 - f- Saud A. Algussaiyer – Board member.
 - g- Faris Alrashid – Board member.
 - h- Mohammed Sulaiman Alaqeel – Audit Committee Chairman.

Second: The Agenda of the General Meeting (first meeting) held on 21st June 2023:

- 1- To review and discuss the Board of Directors Report for the fiscal year ended 31st December 2022. (attached)
- 2- To review and discuss the Financial Statements for the fiscal year ended 31st December 2022. (attached)
- 3- To vote on the External Auditors Report for the fiscal year ended 31st December 2022. (attached)
- 4- To vote on absolving the members of the Board of Directors from liabilities for the fiscal year ended 31st December 2022.
- 5- To vote on the Board of Directors recommendation by its resolution No:6-2023 dated 14th May 2023 to distribute cash dividends of a total amount of 50 million (Fifty million Saudi Riyals) to the Shareholders for the fiscal year ended 31st December 2022, which equal to (0.50) Saudi Riyals per share representing (5%) of the share par value, and the eligibility for Shareholders owing shares and registered with the Securities Depository Center Co. (Edda) by the closing of the General Assembly date, and the distribution date will be announced later on. (attached)
- 6- To vote on the appointment of the company's auditor from among the candidates based on the Audit Committee recommendation to examine, review, and audit the financial statements for the second, third and annual financial statements for the year 2023, and the first quarter of the year 2024, and to determine his fees. (attached).
- 7- To vote on the contracts made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Alrasheed indirect interest, related to the banking facilities (Islamic Tawarruq financing) obtained from the Arab National Bank, with a total balance of 1.57 billion Saudi riyals as of December 31st , 2022, along with the consequences of these facilities such as burdens and costs in the amount of 65.9 million Saudi riyals during the same year and on the basis of the SIBOR of the bank's profit margin, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 8- To vote on the contracts made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Alrasheed had indirect interest, the company amortizes the previous balance on a monthly basis until the end of those contracts. The unpaid part of the commission paid to the Arab National Bank was amounted to 14.4 million Saudi riyals as of December 31st, 2022. the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.

- 9- To vote on the contracts made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to service fees, representing the value of administrative services provided by SHL Finance Company related to real estate financing contracts sold to the Arab Bank during 2014, according to the asset sale agreement signed with the Arab Bank. The inclusive service revenues during the year were amounted to 4.0 million Saudi riyals, net after deducting the costs of services, and the balance of service fees due from the Arab National Bank was amounted to 0.6 million Saudi riyals as of December 31st, 2022, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 10- To vote on the contracts made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest. related to fair value of derivative financial instruments and hedging profit, during 2022, the company signed an interest rate swap agreement to hedge its exposure to interest rate risk on financing contracts with a fixed profit cost by exchanging prices between the fixed interest paid monthly. The positive fair value of the interest rate swap as of December 31st, 2022 was amounted to 31.32 million Saudi riyals, with a nominal amount of 189 million Saudi riyals. Hedging revenue recognized in the profit/loss statement during the year was 0.3 million Saudi riyals, that appear deducted from the facility cost, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 11- To vote on the contracts made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to credit-sales (Murabaha deposits), during the year, the company signed credit-sales (Murabaha deposits) agreements with the Arab National Bank, as part of the company's strategy for the optimal use of available cash, as the outstanding balance of credit-sales (Murabaha deposits), as of December 31st , 2022, were amounted to 20 million Saudi riyals, and the realized deposit profits for the year were amounted to 0.4 million Saudi riyals. the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 12- To vote on the contract made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to the service level agreement for Sharia supervision, on January 1, 2022, the company signed a service level agreement (SLA) with the Arab National Bank regarding assigning the tasks of Sharia compliance and Sharia Audit, for two years, at an amount of 10 thousand Saudi riyals monthly, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 13- To vote on the contracts made between the company and the shareholder, Dar Al Arkan Real Estate Development Company as a related party, which Board member Mr. Yousef Abdullah Alshelash had indirect interest, represented in the fact that the company, during the year within its normal activity, financed clients to purchase ready housing units within the housing projects developed by Dar Al Arkan Real Estate Development Company in various regions of the Kingdom and according to the customers' desire and choice. Total value of the residential units purchased from Dar Al Arkan Real Estate Development Company and financed to customers during the year 2022 was amounted to 3.8 million Saudi riyals, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 14- To vote on the contracts made between the company and the shareholder, Tharawat Real Estate Assets Company, which the Board member Mr. Yousef bin Abdullah Alshalash, has an indirect interest, and these amounts are represented in the rental value for offices space Nos. (004/103/104/303/304) rented by the company's Head Offices in Madarat Towers located in Riyadh, Al-Wazarat district, with a total area of 1961 m2, according to the agreement signed between the company and Tharawat Real Estate Assets Company on 01/01/2020. The rents paid for the year 2022 were amounted to 2.18 million Saudi

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riyals, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.

- 15- To vote on the contracts made between the company and Wasalt Real Estate Services Company, in which the the Board member Mr. Youssef bin Abdullah Alshalash, has an indirect interest. Whereas, on 01/07/2022, the company signed an annual real estate marketing services agreement with Wasalt Real Estate Services Company, in order to attract clients and finance them through the company. The commissions paid to Wasalt Real Estate Services Company during the year 2022 were amounted to 0.25 million Saudi riyals, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 16- To vote on the transactions implemented between the company and Quara Digital for technical support services, in which the Board member Mr. Youssef bin Abdullah Alshalash, has an indirect interest. Whereas, on 22/08/2022, the company signed an annual technical support services agreement with Quara Digital for technical support services, in order to provide the necessary technical support for the company. The fees paid to Quara Digital for technical support services during the 2022 were amounted to 13 thousand Saudi riyals, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.

The below Board and Committee members who attended the meeting:

- a- Yosef A. Alshelash – Chairman of the Board.
- b- Obaid A. Al Rasheed – Vice Chairman
- c- Ahmed S. Aldehailan – Board member
- d- Abdulela S. Alsheikh – Board member
- e- Ziad Naeem Alshaar – Board member
- f- Abdulaziz S. Alanbar – Board member
- g- Ayham Alyousef – Board and ExCom And NRC member.
- h- Othman Khairy Bader – Board member'
- i- Kamal A. Khodr – Board member
- j- Saud A. Algussaiyer – Board member.
- k- Faris Alrashid – Board member.
- l- Mohammed Sulaiman Alaqeel – Audit Committee Chairman.

Number of the company's requests of the register of shareholders and the reasons

Number	Date of the request	Reasons for the request
(1)	29L01L2023	Others

Complied and Non-Complied Provisions of the Corporate Governance Regulations issued by the Capital Market Authority as well as the Reasons:

The company is committed to applying all mandatory provisions of the Corporate Governance Regulations issued by the Capital Market Authority, as well as applying the main principles of governance in financial institutions issued by the Central Bank of Saudi Arabia. The table below shows the provisions that were not applied in the Governance Regulations and the reasons for that:

SN.	Article of the Governance Regulations	Reasons for Non-Application
1	Article Seven - Paragraph (d) - Appointing an official specialized in investor relations tasks	Guidance Clause
2	Article Thirty-seven - Training	Guidance Clause - partially implemented during 2023 by providing internal training materials for the Board and the Executive administration related to cyber security, combating fraud, money laundering and terrorist financing
3	Article Thirty – nine - Evaluation	Guidance Clause - partially implemented during 2023 by developing evaluation forms to be filled out by the member of the council / committee.
4	Article fifty-one - Paragraph (C) - Chairing the Audit Committee	Guidance Clause
5	Article seventy-five - Internal Auditing Report	Guidance Clause - Partially implemented, as the quarterly report is submitted to the Auditing Committee.
6	Article eighty – Protection of Stakeholders	Guidance Clause – partially implemented as the company had internal customer care Policies, related parties' transactions, and now we will develop in 2024 the requested policy.
7	Article eighty- two - Employee Motivation	Guidance Clause - partially implemented
8	Article eighty-five - Social Responsibility	Guidance Clause - Partially implemented, as the company adopted a repair and maintenance program for poor and week social classes in 2023.
9	Article ninety-two - Governance Committee	Guidance Clause

Actions taken by the Board of Directors to inform its members of the shareholders' proposals and observations

The company receives the opinions, suggestions and complaints of the shareholders through the e-mail announced on the company's website on Tadawul Co. and through phone calls where the Secretary of the Board is responsible for informing the Board of Directors of any substantial proposals or observations on the part of the shareholders. The company did not receive any proposals or observations during 2023, except for some communications, related to some shareholders that the participants did not receive their share of the profits that the company announced its distribution during 2023. The cases were dealt with, most of which were due to the lack of information required by the concerned shareholder.

The Company's Main Business Sectors and Departments

1- Business and Product Development Management:

Product and Business Development Department has been dedicated to advancing the company's strategic objectives while adapting to the dynamic landscape of the finance market and industry. Through meticulous research and analysis, the department ensures that each service or product offered meets the highest scientific standards and is tailored to meet the evolving needs of customers and target segments. By continuously studying the finance market and assessing competitors' strengths and weaknesses, the team identifies opportunities to bridge gaps in financing and conducts thorough feasibility studies for new financing activities and products. This proactive approach enables the team to pinpoint the most promising investment opportunities and develop innovative financing products that align with the company's strategic goals. Furthermore, the department prioritizes the study of key aspects such as marketing strategies, sales tactics, and product offerings, while embracing the latest technologies to enhance productivity. Rapid implementation of these developments underscores the team's commitment to advancing the company's performance and maintaining its competitive edge in the finance market.

2023 witnessed a qualitative leap in terms of creating and offering new financing activities for the company in the market, in addition to offering digital services and electronic signatures for financing contracts and documents, in addition to developing new financing products. Among the most important of these achievements is the introduction of two new financing activities in addition to 8 financing products:

- Launching and offering five financing products to finance the activity of small and medium enterprises and large companies, which are:
 - Working capital financing
 - Self-building financing
 - Financing real estate assets
 - Financing real estate developers
- Launching a personal finance product that serves the individual sector (wealthy people and those with fixed incomes)
- Launching the Murabaha mortgage product for individuals (wealthy people and those with fixed incomes)
- Working alongside Sales Department to double the company's sales during the second half of 2023 compared to sales in the first half of the year.
- Obtaining the approval of Saudi Central Bank for digital services and submitting signatures for contracts and promissory notes electronically to customers
- Opening new outlets and sales points in Arab National Bank branches to support and enhance sales

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- Launching a strategic working relationship with the Kafalah Programme, the Small and Medium Enterprises Authority, and Monshaat Bank, to serve the company's financing activities to finance small and medium enterprise activity and support entrepreneurs.
- Developing and organizing many policies and procedures for the company's business in accordance with the best standards for the same, which clarify the roles and responsibilities of each department.
- Developing all training materials for all products and implementing training for departments in order to raise the level of knowledge of the products, their characteristics, policies and procedures, in addition to holding workshops with aim of raising the level of service and contributing to achieving the company's goals.
- Renewing the agreement and contract with two international companies (DDCap and Condor Company) based in London to provide services for purchasing and selling commodities that serve the financing operations (securitization) of the company's business.
- Developing and testing the system for new financing activities and their products, in addition to the continuous development of existing products and their features and characteristics.
- Managing the relationship with all external business sectors, service providers, business sectors, and real estate developers in such way that ensures the interests and business of all parties, business development, and the company's productive efficiency.
- Technical linkage with many service providers to increase efficiency and financing procedures to speedily and easily obtain financing, for example (Kafalah Program, Small and Medium Enterprises Authority, Social Insurance, Monshaat Bank, Geidea Company, and Leen Company (Open Banking).
- Participating in exhibitions supporting financing small and medium enterprise activity in cooperation with Small and Medium Enterprises General Authority.

2- Sales Department (Commercial):

As part of the company's business growth strategy and plans for the year 2023, the Commercial Finance, Wealthy Clients, and Corporate and Small and Medium Enterprises Finance Group have devised a comprehensive set of financing programs and solutions adhering to the principles of Islamic Sharia. They are designed to finance and support small and medium enterprises (SMEs), aligning with Vision 2030 and the company's overarching strategy, while also expanding their market presence. The primary objectives of these programs include facilitating access to working capital financing products, enhancing portfolio diversity with attractive returns, and fostering SME development and expansion across all regions of the Kingdom. Moreover, the Department is actively engaged in financing commercial activities, serving entrepreneurs and self-employed individuals. This involves fostering customer relationships, providing financing against real estate collateral in accordance with the company's credit policies, and pursuing opportunities for growth, including developer financing and real estate agent partnerships, maintaining continuity of the relationship with current customers in addition to developing a growth strategy based on financial gains and customer satisfaction. Customer portfolios are managed by professional relationship managers who have been appointed to manage the relationship with this segment according to the customers' work areas (the central region - the western region - the eastern region) and to activate their role in order to attract this segment of customers and communicate with existing customers in addition to searching for sales opportunities. With aim of supporting and empowering small and medium enterprises, "SHL Finance Company" signed a memorandum of understanding with the Kafalah Program as well as Monshaat Bank in order to increase financing opportunities for small and medium enterprises and to ensure that they obtain the necessary financing.

Additionally, the Department is committed to ensuring exemplary customer service and satisfaction. This involves delivering services with a high level of efficiency, promptly addressing customer requests, and responding swiftly to their feedback and suggestions in compliance with relevant policies and regulations. Furthermore, the Department prioritizes enhancing the work environment by optimizing efficiency, fostering

development, providing training opportunities, and attracting skilled local talent to bolster the company's growth and development efforts.

3- Sales Department (Retail)

Individual Sales Department plays a pivotal role in advancing the company's objectives, both in the short and long term, by effectively promoting the company's products to end consumers. Their primary aim is to expand the customer base and enhance the financing portfolio. They are dedicated to projecting a favorable image of the company by enhancing the customer's experience throughout the financing process. Furthermore, the Department diligently gathers insights into the needs and challenges prevalent in the real estate market. These insights are then shared with the executive management for collaborative discussions aimed at devising tailored solutions to meet the diverse needs of our customers.

Most important works and achievements:

- Working to communicate with real estate marketers in various regions of the Kingdom, including real estate offices and real estate brokerage companies, to find opportunities for cooperation to finance individual clients with real estate products that suit their needs according to the company's financing policies and programs. Top of Form
- Field visits were conducted to over 200 real estate entities, including offices, institutions, and companies, across different regions of the Kingdom (Central, Eastern, Western, and Northern). These visits aimed to establish new sales channels and showcase the offerings of SHL Finance Company, presenting tailored solutions and introducing the company's services. Additionally, comprehensive sales and introductory brochures detailing the company's products, along with all pertinent financing requirements for individuals in line with our established procedures and policies, were distributed to selected entities.

4- Operations Department

Operations Department is one of the main departments in the company and supports other departments and divisions to ensure the progress of work in accordance with internal policies and procedures and legislation of various relevant authorities. It also works to develop and improve daily work procedures and business support in such way that serves the company's strategic objectives. The following sections belonged to Operations Department:

- 1- Credit section for individuals.
- 2- Evaluation, Guarantees and Real Estate Maintenance Section.
- 3- Closing and Disposals Section.

A- Credit Department

Credit Department is dedicated to analyzing and assessing real estate and personal financing applications from individuals received by the company. Their focus lies in verifying customers' alignment with credit policies and swiftly issuing final approvals, enabling competitive turnaround times while upholding quality standards. Furthermore, the Department actively endeavors to enhance procedures and propose recommendations aimed at optimizing workflow efficiency and mitigating potential future risks to the company.

Most important works and achievements:

- 1- Contributing to setting the necessary requirements in the system to launch personal finance products in accordance with credit policies and principles of responsible financing for individuals and testing them to ensure their validity and suitability.
- 2- Contributing to developing plans and implementing the project to convert existing variable lease contracts into fixed lease contracts and studying them for credit before implementation.

- 3- Concluding an agreement with a financial technology company through which technical services are provided that contribute to raising the level of efficiency of study procedures and approvals for real estate financing and personal financing applications.
- 4- Contributing to raising the level of quality and accuracy of customer data that is submitted to Credit Information Company
- 5- Applications are reviewed to ensure they comply with responsible financing standards.

B- Evaluation and Guarantees Department

It is the department concerned with evaluating and examining all properties that customers wish to finance, and it is also the department concerned with examining, re-evaluating and maintaining properties after financing. Three sections are belonged to Evaluation Department, which are as follows:

First/Property Evaluation Section: It is the Section concerned with evaluating properties before financing to verify their fair market value and the quality of their construction.

Second/Maintenance Section: It is the Section concerned with assessing and treating damages that may occur to customers' properties during the validity period of the financing contract.

Third/Recovered Properties Section: It is the Section concerned with rehabilitating and maintaining properties recovered from clients and displaying them in the real estate market.

Most important works and achievements:

- Inserting Real Estate Maintenance Section under Evaluation and Guarantees Department.
- Preparing Evaluation and Guarantees Department policy and procedures.
- Updating the policy and procedures for repossessed properties.
- Modifying Maintenance Section procedures.
- Preparing procedures for in-kind registration and starting to register all of the company's properties according to regions and neighborhoods based on the directives of Real Estate General Authority

C- Closing and Clearance Department

Clearances and Ownership Transfer Department is an important and complementary element in completing the customer's experience to obtain the property through the process of issuing checks and transferring ownership (selling, buying and mortgaging all types of properties), in addition to the final review process of customer files, which contributes to raising the level of customer satisfaction and improving the quality of procedures. The following tasks are belonged to Closing and Clearance Department:

First/Purchasing and mortgaging newly financed properties and selling and releasing the mortgage of paid properties, while ensuring that the approved procedures are followed and the required documents are completed.

Second/Updating instruments and coordination

5- Customer Care Department

Customer Care Department serves more than seven thousand customers with the highest quality standards across the largest financing portfolio at level of real estate financing companies. The policies and procedures of Customer Care Department are constantly updated to comply with internal changes and legislation and to be consistent with the regulations, controls and circulars of the Central Bank related to customer service.

The most important works:

- Exceeding the Central Bank's target for handling customer complaints, which is set at the required 80% for the number of complaints that were successfully responded to during the maximum time period for treatment.

- Achieving 82.5% in customer satisfaction rate, which exceeded the percentage required by the Central Bank, which is 70%.
- Linking most departments to Customer Care Department system to receive requests or complaints through the system, which contributed to the speed of response to customer requests and the ease of monitoring and follow-up.
- Focusing on continuous development of front-line employees' familiarity with the company's products and services through provision of training programs by the relevant departments.

6- Marketing Department

Marketing Department is driven by a vision to promote the company's brand identity, showcase its diverse range of products, and bolster its standing within the local financing market. Through ongoing research, the Department sets clear objectives and devises tailored strategies to attain optimal outcomes. Internally, it collaborates closely with other departments, providing support and assistance to streamline processes and boost overall productivity. Moreover, Marketing Department endeavors to enhance financial literacy by disseminating simplified awareness messages to customers and fostering seamless communication through our official social media channels. Throughout the year, the team meticulously plans and executes marketing campaigns aimed at delivering engaging promotional content tailored to specific sectors, thereby expanding the financing portfolio. Furthermore, the Department actively engages with external agencies and stakeholders to offer enticing deals and incentives, thereby attracting a wider customer base and facilitating property ownership tailored to individual needs.

Most achievements:

- Updating the company's brand name and finalizing the identity applications and its usage guide
- Updating all visual designs and publications in the branches to strengthen the company's new identity
- Documenting electronic channels to increase trust between the company and its current and potential customers
- Working on promotional and interactive advertising campaigns on search engines and social media platforms with aim of raising awareness of new products
- Developing the content of the official website in terms of updating the content and adding the basic requirements of Saudi Central Bank



27.1 K



14.7 K

7- Information Technology Department:

Information Technology Department serves as the cornerstone of the company, playing a pivotal role in streamlining business operations and delivering added value to customers. By leveraging cutting-edge technical solutions and conducting thorough data analysis, the Department ensures confidentiality and privacy of sensitive information. Providing an array of technology services to all departments, the IT Department designs and implements secure solutions to safeguard business continuity and promote development. Furthermore, the Department actively supports efforts to achieve ongoing business results in alignment with the company's strategic objectives, adhering to directives mandated by regulatory bodies such as the Central Bank.

Main IT services

- Information security systems management and operation services
- Compliance with the Central Bank requirements services
- Infrastructure operation and backup environment services
- Network and database services
- Business management and human resources systems services
- Technical support and technical asset management services
- Business analysis and project management services
- Digital transformation services

Achievements

- During this year, Information Technology Department achieved many important achievements, including:
- Data Quality Management: Effectively managing and resolving data quality issues on a daily/weekly/monthly basis.
- Monitoring and uploading contracts: Regularly monitoring and uploading contracts to all business channels.
- Technical Support: Handling thousands of technical support tickets across all business channels.
- Information Technology integration and migration tasks: Monitoring and implementing information technology integration and migration tasks on a regular basis.
- Business reports: Producing required business reports, such as risk reports, financial reports, and collection reports.
- Transaction management: Uploading and modifying transactions on a regular basis.
- Security and privacy reviews: Successfully processing the results of internal and external audits, and addressing security vulnerabilities in cybersecurity.
- Successfully implementing projects: Successful implementation of strategic projects on the application and infrastructure side.
- Successfully implementing the disaster recovery plan: for a period of five days upon the request of the Central Bank.

Future Objectives

For the coming year, the IT Department has several objectives we are looking to achieve:

- ❖ Company Systems Development: Developing new systems to meet regulatory and business requirements.
- ❖ Strategic projects to upgrade infrastructure: Developing strategic projects to upgrade infrastructure.
- ❖ Upgrading core banking solutions: Upgrading core banking solutions to meet digital transformation plans and business needs.
- ❖ Moving to the cloud: Moving more of our infrastructure and applications to the cloud to increase scalability and reduce costs.
- ❖ Enhancing cybersecurity: Increasing our focus on cybersecurity to protect the company's systems and data from external and internal threats.
- ❖ Data Governance: Improving the company's data governance practices to ensure data quality and reliability in all departments and branches of the company.
- ❖ Artificial Intelligence and Machine Learning Initiatives: Exploring and implementing initiatives involving artificial intelligence and machine learning to accelerate financial processes and improve customer experience.

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- ❖ Developing IT skills: Continuing to enhance the skills of IT employees through training and professional development opportunities.

8- Compliance Department:

Compliance with regulations, laws and instructions is one of the most important foundations of SHL Finance Company's success, maintaining its reputation and credibility, and providing it with protection from regulatory penalties. Compliance is also a comprehensive and multi-faceted responsibility, and falls on all parties in the company, starting with the Board of Directors and senior management and ending with all employees, each according to his powers and tasks assigned to him.

Compliance Department focuses on the following objectives:

- Strengthening the relationship with regulatory authorities.
- Listing all regulations and laws of the applicable regulatory authorities.
- Educating employees about the importance of compliance by preparing training courses and sending awareness messages.
- Preventing risks of non-compliance (reputational risks/penalties/operational risks)
- Maintaining sound values and practices.
- Creating mechanisms that combat financial crimes, in particular combating money laundering and terrorist financing.
- Providing advice on the risks of non-compliance within the company and working with senior management to include compliance with regulations and laws in the policies, procedures and work steps for all products and services provided.

Culture of Compliance:

Ensuring compliance with regulations begins with the highest echelons of the company's leadership. It is crucial that the Board of Directors and senior management serve as exemplars in both work management and compliance practices. Effective compliance hinges on instilling a corporate culture wherein high standards of honesty and professional integrity are upheld. It's imperative for management to consistently emphasize the importance of fostering a culture of compliance throughout the organization. Compliance with regulatory requirements isn't solely the responsibility of the Compliance Department; rather, it's a shared obligation for every individual within the company. Recognizing that compliance is integral to the company's business and operational activities, each employee bears the responsibility of upholding it to help achieve organizational goals and implement an effective regulatory compliance program.

The most prominent tasks carried out by Compliance Department:

- Obtaining a no-objection certificate from Saudi Central Bank to change the company's name to (SHL Finance Company)
- Obtaining a no-objection certificate from Saudi Central Bank to amend the company's articles of association
- Obtaining a no-objection certificate from Saudi Central Bank to renew the license for SHL Finance Company
- Obtaining a no-objection certificate from Saudi Central Bank to add consumer financing activities and financing small and medium enterprises.
- Obtaining a no-objection certificate from Saudi Central Bank to appoint and nominate members of the Board of Directors and emerging committees for the new session.
- Obtaining a no-objection certificate from Saudi Central Bank to provide electronic services to SHL Finance Company

9- Legal and Governance Department:

The role of Legal and Governance Department revolves around framing governance in the company in line with the provisions of the main governance principles in financial institutions subject to supervision of the Central Bank and the Companies Law, governance regulations and related regulations issued by Capital Market Authority in addition to the financing laws and regulations and the circulars, regulations and controls issued by the Central Bank.

Legal Department bears responsibility of advocating for the company's rights and ensuring that cases are handled promptly and judiciously to safeguard the company's interests, reputation, and safety. This entails representing the company in legal proceedings with the aim of resolving cases in such manner that upholds its rights while adhering to legal protocols. Furthermore, the Department plays a pivotal role in the debt collection process by representing the company before relevant judicial bodies such as the Execution Court and the Committee for Resolving Financing Disputes. Moreover, the Legal Department serves as a vital resource for providing legal guidance, advice, and opinions across all divisions and departments of the company. Through the expertise of a highly skilled and experienced team, the Department offers comprehensive legal protection, both theoretically and practically, ensuring the company's compliance with legal requirements and mitigating potential risks. Some of the key tasks and responsibilities of the legal department include:

- Updating and preparing governance regulations in accordance with the requirements of the main governance principles for financing companies issued by the Central Bank, as well as working to issue all regulations in accordance with the requirements of Capital Market Authority after completing the company's public offering process and issuing the new companies' system and updated regulations from Capital Market Authority.
- Reviewing and updating the regulations and policies of the Board of Directors committees and the company's articles of association, as well as preparing and approving Sharia Committee regulations in accordance with the Sharia governance policy issued by the Central Bank.
- Representing and following up on cases brought by the company or filed by clients before Financing Disputes Committee.
- Coordinating and following up on performance with the external law firm that represents the company in lawsuits filed by the company or against the company, whether by clients or any third party.
- Following up on cases in government departments and some police departments regarding legal procedures as a plaintiff or defendant.
- Contributing effectively to the process of collecting debts from defaulting clients by pleading before Enforcement Court, Public Judiciary, and Committee for Resolving Financing Disputes.
- Assuming the secretarial duties of the Board of Directors and the committees emanating from the Board of Directors in accordance with the policy and regulations of the company's Legal Department.

10- Collection Department:

Collection Department within SHL Finance Company plays a critical role in managing all collection activities and operations internally. Recognizing the significance of Collection Department within the credit cycle, the company places great emphasis on enhancing these processes by leveraging insights gleaned from collection reports and data. Backed by the unwavering support of the company's executive management, the Collection Department possesses invaluable experience in effectively managing its operations. This includes adeptly balancing the company's interests with the rights of customers, achieved through a thorough understanding of the underlying reasons for customer delays and defaults in meeting their obligations. Comprised of skilled professionals, the Collection Department boasts a team of qualified individuals equipped with the requisite

expertise to handle collection operations proficiently. They meticulously implement controls and regulations prescribed by regulatory and supervisory authorities, ensuring compliance and adherence to industry standards.

Collection Department achieved collection rates higher than all the targets allocated to it for the year 2023 AD, noting that the company launched new products during this year (personal finance - financing small and medium enterprises). Collection Department team was trained internally to deal with these products, and these products did not record any late / in default contracts during 2023 AD.

It is worth noting that the commercial financing product was launched in 2021 AD, and no default on any financing contract was recorded until end of 2023 AD.

11- Human Resources Department:

Human Resources and Administrative Support Department plays a pivotal role in formulating strategic and operational plans aimed at attracting, nurturing, and retaining Saudi talent. Additionally, it provides comprehensive administrative support to all sectors within the company. A core function of this sector involves implementation of training programs designed to enhance both technical proficiency and leadership skills among employees, thereby fostering a culture of continuous improvement aligned with the company's overarching objectives. Moreover, the sector is committed to achieving Saudization targets across all company sectors, with a notable achievement of 91% by the end of 2023. Efforts persist into 2024 to further develop company sectors in accordance with the evolving needs and regulations mandated by Saudi Central Bank, ensuring alignment with the company's growth trajectory.

12- Financial Department:

Financial management is concerned with studying the best ways to use capital in order to maximize the market value of the company and maximize the wealth of shareholders to achieve survival and sustainable growth. It also determines the company's financial objectives in the short, medium and long term, as well as prepares estimated budgets with revenues, expenses and cash flows, and compiles and analyzes financial data in administrative reports to assist senior management in making decisions and following corrective measures for plans and the financial system.

13- Internal Audit Department:

Under guidance of Audit Committee, Audit Department is concerned with assisting the Board of Directors in fulfilling its oversight responsibilities by monitoring and reviewing integrity of the company's financial reports and the effectiveness of the internal and external audit functions. It also focuses on financial performance, new and emerging risks, crisis management, business continuity and flexibility.

It is also a priority for the Department to consider ongoing performance in terms of future planning and development of business continuity arrangements at the company level and monitor implementation of the business strategy and its impact on the company's internal control and risk management processes.

Most achievements:

- The work plan of Internal Audit Department approved by the Audit Committee was 100% completed and implemented according to the approved timetable.
- Integrity of handling all observations of Saudi Central Bank by the concerned departments was confirmed through final inspections by Internal Audit Department and through the provision of professional consultations by the Department.
- A number of advisory tasks were provided to the executive management upon its request.

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- Five meetings were held with Internal Audit Committee to discuss all observations and ensure adherence to the dates specified for treatment.
- All observations were processed 100% according to the dates specified with the concerned departments, and the integrity of the processing was confirmed.

Internal Audit Department confirms soundness of the company's internal control procedures and efficiency of its control system based on the results of examination for all departments in accordance with Internal Audit Department's plan approved by the Audit Committee.

Company's Social Responsibility

The company's social responsibility is one of the pillars and objectives that the company has been interested in, since its incorporation, by dealing humanely with the heirs of deceased clients by finding and offering solutions that enable them to continue benefiting from the real estate financed for their heirs. The company also launched the One Community initiative in the month of Ramadan 2019 under the umbrella of (Ramadan of Giving). The company in 2023 renewed this agreement with One Community Society. This initiative aims to restore and rehabilitate homes that need maintenance and restoration for poor and needy families. We achieved the repairs and maintenance of about (66) houses with a total cost of SAR 50 thousand as the work completed with one month from the starting date.

A statement of any sanction, penalty, precautionary measure, or precautionary restriction imposed on the company, with a statement of the reasons for the violation, the agency that signed it, and ways for treating and avoiding it in the future.

1. Penalties / restrictions / precautionary measures issued by the Central Bank of Saudi Arabia

Subject of the Violation	Fiscal year 2022		Fiscal year 2021	
	No. of Executive Decisions	Total Amount of Financial Penalties in Saudi Riyals	No. of Executive Decisions	Total Amount of Financial Penalties in Saudi Riyals
Violation of the supervisory and regulatory instructions of the Central Bank of Saudi Arabia	0	0	1	0
Violation of the Central Bank of Saudi Arabia's customer protection instructions	0	0	0	0
Violation of the Central Bank of Saudi Arabia's instructions regarding due diligence in combating Anti-Money Laundering and Terrorism Financing	0	0	0	0

The company confirms that no fines or penalties were imposed on the company during 2023 by the Central Bank. As for decisions during 2022, the company adhered to the corrective plan and all observations that were shared with the Central Bank at the time.

2. Sanctions and Penalties of Violations Imposed by other Parties:

The company confirms that no fines or penalties were imposed on the company by any governmental or supervisory authority during 2023.

Risks that the company faces or is likely to face in the future:

The SHL Finance Company pays great attention to managing the risks that the company may be exposed to during the performance of its works. The risk sector is considered one of the important and specialized sectors in any financing activity. This sector is headed by the chairman of the risk sector in the company and is organizationally affiliated to the Risk and Credit Management Committee emanating from the Board of Directors. The risk sector is affiliated with many departments, including cyber-security management, credit risk, operational and works continuity risks, and collection management. The risk sector plays a fundamental role in revealing the risks to which the company is exposed, whether financial or non-financial risks, for example but not limited to: credit, liquidity, market, operational and others. In addition, the company's risk sector monitors and manages risks and mitigates them by setting policies and procedures that point out the roles and responsibilities for managing the various risks in the company and the role of each administrative level in managing these risks, starting from the Board of Directors as well as the executives and employees of the company. The risk sector defines quantitative and qualitative standards for accepting all types of risks. These standards are approved by the Credit and Risk Committee and the Board of Directors on a regular basis. Those standards and their levels are submitted to the Credit and Risk Committee and the Board of Directors periodically. It should be noted that the Risk and Credit Committee Meeting is held on a quarterly basis or as needed. Through this committee, the main risks and their levels are discussed; sub-committees such as the Cyber-security Committee and the Business Continuity Committee are reviewed; and recommendations and suggestions are submitted to the company's board and administration.

1- Regulatory Risk:

The company, by virtue of its activity, is subject to the supervision of the Central Bank of Saudi Arabia and the Capital Market Authority as a public joint stock company which the company shall comply with all regulatory requirements imposed by those authorities in all fields. Failure to comply with these requirements, will lead to substantial negative risks to the company's performance that may lead to material losses such as financial fines or to strategic and reputation risks such as suspending the company's license, Allah forbid. In addition, the company has agreements with government agencies related to programs and initiatives that the company finances the beneficiaries. These agreements obligate the company to commit to certain regulatory provisions in its operational procedures to ensure compliance with those agreements. Furthermore, there are many regulations and bylaws to which the company is subject in its activities and which are supervised by government bodies and agencies, for example but not limited to the General Authority for Zakat, Tax and Customs, Municipalities and others. The company's failure to comply with these rules and regulations may cause material losses such as fines or organizational risks that may negatively affect the company's reputation and continuity.

2- Strategic Risk:

The financing sector is considered one of the vital sectors that undergo continuous dynamic changes. Due to the increase in these variables and competition in the sector, the company is keen to have a clear and flexible strategy to achieve the company's goals. The company is keen to set short and long-term goals to achieve this strategy and to review these goals periodically by the company's administration and board committees. Some risks may arise on the company's performance related to the possibility of the company's strategy does not keep pace with the rapid changes in the market, regulatory requirements, technical development or any mistakes by the company's administration in achieving and constantly following up the performance of the company's strategy. These risks are likely to have a negative impact on the company's financial performance and the fluctuation of the share price in the financial market.

3- Market and Business Risk:

The company operates in the real estate finance sector, which is a competitive sector full of products and competitors from banks and various financing companies. In view of the large market size and the continued demand for various real estate financing products, the company is exposed to risks that may arise from the intensity of competition and the possibility of the entry of new competitors, whether local or external, that have greater financial or marketing capabilities which may affect the company's ability to keep up with these facilities, whether with financing prices offered to customers, new products offered, staff leakage, and so on. This competition may affect the company's market share or the company's loss of a segment of its customers and thus the company's financing portfolio and profits will decrease.

4- Reputational Risk:

The company's endeavor to maintain an excellent reputation is one of the important things that SHL Company always strives to achieve. Examples the risks that the company may be exposed to, in this regard include, but are not limited to, frequent customer complaints, which may affect the company's reputation with current and future customers, whether through customer services or social media, or the company's inability to interact with these complaints and resolve them quickly and effectively. Also, the company may be exposed to reputational risks as a result of poor financial results, which may lead to a decline in the value of the company's shares in the financial market, or operational losses such as a malfunction in the systems, cases of fraud or poor service provided by the company's employees, the company repeatedly obtaining regular violations from the Central Bank, or other judicial procedures against the company which may lead to the material negative impact on the company's performance in the future.

5- Credit Risk:

The SHL Finance Company is exposed to credit risks mainly as it operates in the financing activity. The credit risks are considered major risks of the company as they result from the possibility of delay or failure of the financed clients in paying the payments agreed upon in the financing contracts, in whole or in part, at the times specified for maturity throughout the financing period. The company limits the impact of credit risks by adopting advanced methodologies for managing credit risks including designing policies and criteria for granting credit commensurate with the company's risk strategy and reviewing these credit policies periodically according to the performance of the credit portfolio and according to market changes. Credit policies include criteria for granting each segment of customers, different products, criteria for accepting real estate and real estate evaluation, credit history, etc. Credit policies are constantly reviewed by the Risk Committee and approved by the Board of Directors. In addition, the performance of the credit portfolio is constantly reviewed by the department and risk committee. The necessary recommendations, to mitigate credit risks, are submitted to the Board of Directors periodically. In addition, there is a specialized team for credit for both the individual and business segments, composed of employees with high experience in credit analysis. The company allocates and reviews a form for provisions for credit losses, according to the standards imposed by the Central Bank of Saudi Arabia, which is reviewed by a specialized third party so that this form is updated annually or whenever changes arise that require it, in addition to being reviewed by the department and risk committee and approved by the Board of Directors. Besides, the company has a team specialized in collections and it constantly follows up, on late and defaulted customers to urge them to pay.

6- Operational Risk:

It is well known that financing procedures include errors that may result in financial losses or risks affecting the company's reputation with clients. These risks include, but are not limited to, the risks resulting from fraud, non-verification of customer documents proving income and credit capacity, errors in documenting legal

documents such as contracts, which may lead to the loss of legal cases in addition to the risks of inefficiency of technical systems. Besides, the risk of inability to continue business is an operational risk that may result in times of disasters, crises, pandemics, etc. These risks may cause material operating losses that may adversely affect the company's financial results. The company manages these risks through a team specialized in operational risks and business continuity. The company has designed policies, procedures and standards for operational risks to define roles and responsibilities for managing operational risks and reviewing them continuously.

7- Collateral Value Risk:

The company finances through the guarantee of real estate assets. The liquidation value of these assets may be affected in the event that some clients default, especially in times of economic recession, or if liquidation takes place on a large scale in the market, Allah forbid, which may lead to a crisis in providing cash liquidity and thus affect the financial statements. In order to measure the expected impact of these risks, the company performs stress tests on the real estate portfolio using hypotheses of the impact of the real estate value on 3 levels (current prices, better than current prices, less than current prices) with an appropriate discount rate for the value of real estate and using approved real estate price indicators.

8- Liquidity Risk:

Liquidity risk arises from the company's inability to provide sufficient cash flows to cover short or long-term obligations. Since the company's activity is real estate financing, this requires lending customers for long periods that may not be commensurate with the shorter borrowing periods from banking institutions from which the company usually borrows to provide the necessary liquidity, which may cause a gap between the periods of lending and borrowing which may result in the company's inability to fulfill its obligations. Therefore, this may have a negative impact on the company's financial results. The company takes several steps to mitigate liquidity risks, including, but not limited to, diversifying funding and liquidity sources from several banking institutions, government programs such as the Saudi Refinancing Company, and periodic cash flows from the company's activity. In addition, the company follows up liquidity risk indicators on a regular basis and submits reports to the risk committee on the performance of those indicators, in addition to the specialized policies and procedures of liquidity risk management approved by the risk committee and the board of directors. They include the roles and responsibilities for managing those risks and early indicators for detecting liquidity risks.

9- Interest Rate Risk:

Due to the long period of real estate financing for clients, there may be risks of fluctuating interest rates associated with the SIBOR indicator during the financing period which may lead to the possibility that the company incurs losses represented by the difference between the prices at which customers were financed and the prices after the increase which leads to an increase in the cost of financing the company's facilities from banks. In addition, some of the real estate financing that is provided to customers, are financing at a fixed interest rate throughout the financing period, which is likely to expose the company to some losses in the event that interest rates rise to higher levels. Therefore, the company seeks to mitigate these risks by implementing tools to hedge against the rise in interest rates for financing with a fixed interest rate, or financing with a high profit margin that covers any possible rise in the SIBOR index, or financing with a variable profit margin in anticipation of any rise in prices.

10- IT & Cyber-Security Risks:

There is no doubt that the failure of technical systems, is one of the most important risks that the company is exposed to, due to its direct impact on the company's performance. Most of the sector's business is carried out through technical systems. In addition, technical risks may arise from the lack of qualified staff for developing or maintaining the technical systems which may cause a negative impact on the competitive position of the company through the length of the procedures and the dissatisfaction of customers. Also, the company's systems are subject to cyber-attacks that may result from the impact of the company's business and systems, in addition to the possibility that customer information and data and the company's sensitive data will be hacked or lost, which may result in a material negative impact on the company's reputation and performance.

11- Legal Risk:

The company may be exposed to many legal risks, including legal disputes with all parties that the company deals with, such as disputes with clients or former owners of real estate in the event that there are construction defects in the financed real estate. It also includes disputes with the Financing Dispute Settlement Committee, or disputes with any other parties. Legal risks generally arise from the company's loss of legal cases filed by or against the company, against other parties, which may cause material losses that affect the company's financial performance. The company always seeks to mitigate these risks by reviewing the cases that the company lost, analyzing the reasons that led to this, and developing corrective measures to prevent the recurrence of these losses.

12- Insurance Coverage Risk:

Insurance coverage, of some risks, is very important to protect the company from material losses that the company may be exposed to such as the risk of death and total or partial disability of the funded clients, Allah forbid, in addition to insurance of funded real estate or insurance against cyber-security risks and data protection of clients or insurance against the mistakes of the company's employees and executives. The lack of insurance coverage of these risks may lead to material losses with a negative impact on the company's financial results. It should be noted that the company is likely to be exposed to the non-approval of the insurance companies of the insurance coverage of some cases for several reasons, including the lack of proper disclosure by customers in the health declaration or errors related to the documents submitted to the insurance companies.

13- Human Capital Risk:

The company's employees are considered one of the most important assets that any facility must maintain, train and continuously develop their capabilities to ensure their loyalty and continuity. Since the high competition in the labor market, may expose the company to the loss of distinguished employees with high experience, on whom the company depends greatly. The job leakage of distinguished employees especially in specialized majors, may have a negative impact on the company's performance and continuity.

Transactions and contracts with related parties during the fiscal year 2022

During its business cycle, the company contracted with a number of related parties as follows:

Name	Date Created	Nature of the Agreement	Duration	Amount
Arab National Bank	02/08/2021	Credit facilities	5 years	Facility Balance = 1.70 billion riyals (commission paid is 66 million riyals)
Arab National Bank	21/11/2021	Hedging agreement for Murabaha product	20 years	200 million riyals (the fair value of financial derivatives amounted to 6.5 million riyals)
Arab National Bank	01/01/2022	Sharia Supervisory Service Level Agreement	two years	10 thousand riyals every quarter
Arab National Bank	03/11/2022	Murabaha deposit agreement	3 months	20 million riyals (commission recognized is 24 thousand riyals)
Arab National Bank	30/03/2014	Service Agreement - Sold portfolio	-	4.4 million riyals (due is (0.5 million Riyals)
Arab National Bank	7/2010	deferred commission agreement	-	12.1 million riyals
Kingdom Installment Company	01/01/2021	ADL Agreement (Safe keeping)	5 years	-
Tharawat Real Estate Assets Company	2020	Renting the company's headquarters in Riyadh	annually	2.2 million riyals
Dar Al Arkan Real Estate Development Company	26/5/2021	Purchase of housing units for the purpose of financing them for clients	two years	3.80 million riyals
Waslat Company	01/07/2022	Real estate marketing services	annual	110 Thousand riyals
Quara Digital Company	22/8/2022	Technical support services	annual	170 thousand riyals
Al Khair Capital Company	11/05/2023	Murabaha Deposit Agreement	-	Commission recognized 1.1 million Riyals

The company also confirms that there are no businesses or contracts concluded with the company that have a direct interest for a member of the Board of Directors, the executive administration, or any natural person related to any of them.

A description of the company's important plans and decisions - including structural changes to the company, expansion of its business, or cessation of its operations and future prospects of the company's business:

Since its incorporation, the company has sought to establish a base of distinguished customers by providing products and services in its field of activity and contributing to the provision of suitable housing that meets their aspirations and contributes indirectly to family and community stability and sustainable economic development in the Kingdom of Saudi Arabia. During its long journey, the company was able to establish a wide customer base across the cities and regions of the Kingdom. In addition, in 2014, it was awarded the best service provider for individual clients from Bankers Middle East. The company also has a distinguished position in terms of responding to the complaints and observations of its customers.

The company has adopted a policy and strategy represented in increasing and developing its products by adding new activities such as Consumer Financing and Financing Small and Medium Enterprises as it obtained the no objection of the Central Bank to engage in these activities in December 2023. The company is expected to offer these products during the first or second quarter of 2023.

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The company also operates according to a clear strategy and plan by giving priority to digital transformation by obtaining the best practices and technical systems in order to achieve the growth of its business and its customers' service, considering the best technical controls that achieve the safety of transactions and the preservation of information of the company, customers and stakeholders.

The company also seeks to enhance its competitive capabilities and achieve revenues for its shareholders by taking advantage of the appropriate opportunities in its field of activity through the projects included in the Kingdom's Vision 2030 initiative and contributing to development by financing the proposed projects in order to achieve sustainable development in the Kingdom.

The company also confirms that there are no plans to stop the company's operations, limit its activity or restructure it. Rather, the company seeks to expand its business and activities, in order to achieve an appropriate return for its shareholders, employees and stakeholders.

Company Financial Statements:

Balance Sheet:

2019	2020	2021	2022	2023	Saudi Riyals
4,238,416,012	4,199,138,508	4,088,089,231	4,122,820,128	4,183,159,016	Financing Portfolio - Net
174,066,549	265,498,993	316,594,693	206,009,215	200,199,036	Other assets
4,412,482,561	4,464,637,501	4,404,683,924	4,328,829,343	4,383,358,052	Total assets
2,801,922,613	2,819,883,777	2,653,074,515	2,551,268,518	2,667,085,488	Loans & facilities
110,470,504	58,687,311	61,675,281	68,842,740	55,619,079	Other obligations
2,912,393,117	2,878,571,088	2,714,749,796	2,620,111,258	2,722,704,567	Total Liabilities
1,500,089,444	1,586,066,413	1,689,934,128	1,708,718,085	1,660,653,485	Equity
4,412,482,561	4,464,637,501	4,404,683,924	4,328,829,343	4,383,358,052	Total Liabilities and Equity

Income Statement:

2019	2020	2021	2022	2023	البيان (ريال سعودي)
298,571,687	290,114,950	277,407,631	261,855,727	297,915,434	Financing Contracts Revenue
12,796,928	13,227,471	17,827,027	37,277,486	5,317,224	Other operating income *
311,368,615	303,342,421	295,234,658	299,133,213	303,232,658	Total revenue
(137,200,554)	(93,167,534)	(74,077,401)	(106,706,161)	(187,848,859)	Borrowing cost
(84,219,010)	(105,097,871)	(110,985,763)	(115,942,314)	(116,157,754)	Other operating expenses *
(11,223,703)	(7,500,431)	8,839,954	21,457,639	3,664,405	Provision of credit losses
(232,643,267)	(205,765,836)	(176,223,210)	(201,190,836)	(300,342,208)	Total cost
78,725,348	97,576,585	119,011,448	97,942,377	2,890,450	Total income before Zakat & tax
(24,064,124)	(12,461,076)	(15,815,849)	(2,052,752)	(564,054)	* Zakat & income tax
54,661,224	85,115,509	103,195,599	95,889,625	2,326,396	Net profit after Zakat & tax

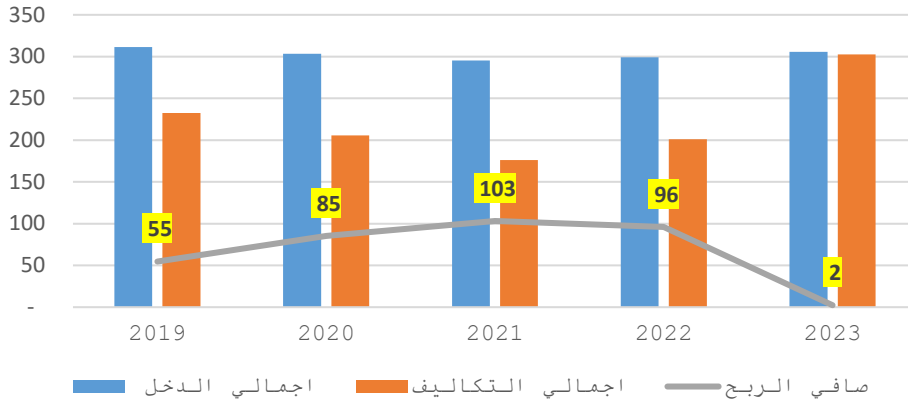
- Other operating revenues include administrative fees and real estate evaluation fees for the financed properties after deducting evaluation costs. It also includes early repayment revenues and revenues from managing sold portfolios. It also includes an amount of 4.2 million riyals of 2023 which represents fair value gains of the financial derivatives
- Other operating expenses include general and administrative expenses, selling and marketing expenses, and insurance expenses on the financing portfolio.
- The decrease in zakat and income expense of 2022 and 2023 is due to the reversal of the income tax amounts due from the Zakat and Income Authority on previous years.

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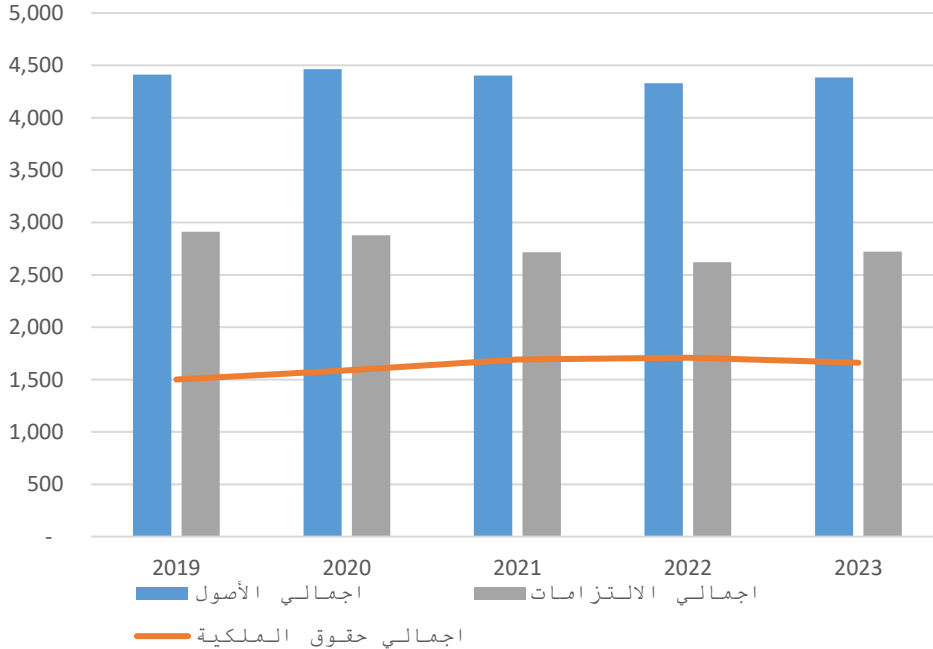
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The following graph highlights the historical growth and movements in the numbers of the Saudi Home Finance Company during the past five years:

Revenue , expenses and net profit
SAR



Assets , Liabilities & shareholders
Equity SAR millions



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Main Financial Indicators

2019	2020	2021	2022	2023	البيان (ريال سعودي)
0.55	0.85	1.03	0.96	0.02	(EPS) Earning per share
3.6%	5.4%	6.1%	5.6%	0.1%	(ROE) Return on equity
1.2%	1.9%	2.3%	2.2%	0.1%	(ROA) Return on assets
1.87	1.78	1.57	1.49	1.61	(D/E) Debts to equity

Here is a geographical analysis of the company's total revenues:

2022	2023	Saudi Riyals
152,277,125	165,629,210	Central Region
50,731,882	53,145,180	Western Region
48,260,066	6,664,806	Eastern Region
4,452,591	9,015,133	Northern Region
6,134,063	63,461,105	Southern Region
261,855,727	297,915,434	Total

Clarification of any material differences in the operating results on the results of the previous year:

%	التغير	2022	2023	البيان (ريال سعودي)
14%	36,059,707	261,855,727	297,915,434	Financing Contracts revenue
-86%	(29,690,305)	37,277,486	5,317,224	Other operating income
1.4%	4,099,445	299,133,213	303,232,658	Total revenue
76%	(81,142,698)	(106,706,161)	(187,848,859)	Cost of borrowing
0%	(215,440)	(115,942,314)	(116,157,754)	Other operating expenses
-83%	(17,793,234)	21,457,639	(3,664,405)	Provision for credit losses
49%	(99,151,372)	(201,190,836)	(300,342,208)	Total expenses
-97%	(95,051,927)	97,942,377	2,890,450	Net profit before Zakat and tax
-73%	1,488,698	(2,052,752)	(564,054)	Zakat and income tax
-98%	(93,563,229)	95,889,625	2,326,396	Net income after Zakat and tax

- The company's total revenue increased by 2% compared to last year, mainly due to gains from financial derivatives.
- The total cost of 2023 increased by 50% compared to last year, mainly due to the increase in SIBOR (Borrowing from Banks) during the year.

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- The company achieved a net profit before zakat and income tax of 2.9 million riyals in 2023, with a decrease of 97% compared to last year, the net profit after zakat and income tax amounted to 2.3 million riyals in 2023, with a decrease of 98% compared to last year.

Information Related to Loans from Banks and Financial Institutions

2022	2023	SAR Millions
2,653,074,515	2,551,268,518	Balance at beginning of the year
150,000,000	455,000,000	New facilities
(254,875,200)	(344,569,823)	Paid during the year
106,706,161	187,848,859	Fees on facilities
(103,636,958)	(182,462,066)	Fees paid during the year
2,551,268,518	2,667,085,488	Balance at the year end

A statement of the value of statutory payments that have been paid and due for zakat, taxes, fees, or any other dues that have not been paid until the end of the annual financial period, with a brief description and an indication of their reasons.

The statutory payments due by the company during 2023 include zakat, income tax due, value-added tax, and amounts due to the General Organization of Social Insurance in exchange for insurance contributions for employees. The following table shows the data of those payments:

Due up the year end and not paid	Paid during the year	Reasons	Riyals Saudi
525,957	13,992,986	Regulatory	General Authority for Zakat, Tax and Customs - The amount of zakat due on the Saudi partner and the income tax due on the foreign partner according to the provisions and regulations of the General Authority for Zakat and Income
23,944	540,600	Regulatory	General Authority of Zakat, Tax and Customs - Value Added Tax due on supplies subject to the Value Added Tax Law and its Executive Regulations
0	69,172	Regulatory	General Authority for Zakat, Tax and Customs - Withholding tax in accordance with the provisions and regulations of the General Authority of Zakat and Income
495,076	5,414,132	Regulatory	General Organization for Social Insurance in accordance with the provisions of the labor Law
0	141,088	Regulatory	Labor office - including fees for renewal of residency and work permits
503,192	1,094,737	Regulatory	Licenses and fees - They represent the licensing fees that the company pays to the regulatory authorities in return for licensing the activity, including the Central Bank of Saudi Arabia, Tadawul, Ida'a and the Ministry of Investment.

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SHL Finance Company - Board of Directors' Report 2023

Admissions

The Board of Directors, according to the information available to it, in all material respects, acknowledges that:

- The account records were prepared correctly.
- The internal control system was prepared on sound foundations and implemented effectively.
- There is no doubt about the company's ability to continue its activities.
- According to the best information available to it, in all material respects, there is no business or contracts to which the company is a party, or in which there was an interest of a member for the company's board of directors or the executive management, or for any person related to any of them.
(Except within the limits stipulated in Article No. 56 of the executive regulations of the Finance Companies Control Law, issued by the Central Bank of Saudi Arabia, or what has been disclosed in the financial statements and this report).
- There are no recommendations of the Audit Committee during 2023 related to a conflict between it and the decisions of the Board of Directors, or related to the Board's refusal to take them into account regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor.
- There are no arrangements or agreements under which one of the company's shareholders waived any rights in the profits.
- There are no arrangements or agreements under which a member of the company's board of directors or a senior executive waived any remuneration.
- No recommendation was issued by the Board of Directors to change the auditor before the end of the period for which he was appointed, nor was this recommended by the Audit Committee.
- There is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors regarding the appointment and dismissal of the company's auditor, determining his fees and evaluating his performance, or appointing the internal auditor.
- There are no shares or debt instruments issued to any subsidiary company.
- There are no treasury shares withheld by the company.
- There are no investments or reserves established for the benefit of the company's employees during 2023.
- There is no refund, purchase or cancellation by the company of any recoverable debt instruments and the value of the remaining securities.
- There are no transfer or subscription rights under transferable debt instruments or contractual securities, or memorandums of subscription rights or similar rights issued or granted by the company.
- There are no categories and numbers of any convertible debt instruments, any contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year 2023.
- There is no interest, contractual securities, and subscription rights belonging to the members of the company's board of directors, senior executives, and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in that interest or those rights during the fiscal year 2023.
- The financial statements have been prepared in accordance with the international accounting standards and the directives of the supervisory authorities. The Board, of Directors, acknowledges that there is no material difference from the accounting standards, approved by the Saudi Organization for Certified Public Accountants.

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SHL Finance Company - Board of Directors' Report 2023

Conclusion

In conclusion, the Chairman and members of the Board of Directors express their thanks to the Honorable Shareholders, the Chief Executive Officer of the Company and all the employees of the Company for their support and unlimited granting that contributed to the development of the Company and the achievement of its goals.

Chairman

Youssef Abdullah Al-Shalash