

تأجير  
للتمويل



# Taajeer Finance Board of Directors' Report for 2022

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# Introduction

Taajeer Finance Board of Directors is pleased to present the annual report for the period ending on December 31, 2022 AD.

## Who are we

Taajeer Finance (Saudi Closed Joint Stock Company) is Registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030289565, and Unified Number 7009425773, issued on Shaaban 17, 1337, Corresponding to May 24, 2016.

The company's head office is located in Jeddah, the main activity of the company is represented in the following commercial activities in the Kingdom of Saudi Arabia.

1. Finance leasing.
  2. Financing SMEs activities.
  3. Consumer Finance.
- The company obtained a license from Saudi Central Bank to practice finance leasing and finance SMEs activities in the Kingdom of Saudi Arabia under License No.: 46/201611/أ ش On Safar 29, 1438 AH, Corresponding to Nov 29, 2016.
  - The company obtained the approval of the Saudi Central Bank to add consumer finance activity on Jumada al-Awwal 28, 1441 AH, corresponding to January 23, 2020.
  - The company obtained the Saudi Central Bank's NOC to continue offering the products on Jumada al-Thani 03, 1441 AH.

## Geographical focus

The company operates in the Kingdom of Saudi Arabia through its main office in Jeddah and six branches in:

Branch	Commercial Register	Unified number
Al-Riyadh	1010468134	7003764094
Jeddah	4030293321	7007570026
Mubarraz	2252067592	7003764136
Dammam	2050111740	7003764128
Makkah Al-Mokarramah	4031098948	7003764110
Abha	5850070587	7003764102

The company also obtained a license from the Saudi Central Bank for these branches to provide quick services and ensure the quality of work. The company owns **29 points** of sale spread out through the sales work centers and showrooms of car dealerships in all major regions such as Makkah, Taif, Al Baha, Abha, Jizan, Dammam, Jubail, Qatif, Al Ahsa, Jeddah, Yanbu, Madinah, Buraidah and Riyadh.

## Business Sectors

Taajeer Finance targets, including but not limited to, the individuals' sector across all its segments and the corporate sector, such as "education, health, technology, manufacturing, construction, contracting, hospitality, entertainment, communications, and transportation", the company has established strategic partnerships with many accredited local distributors to meet the customers' needs. The company also offers Shariah-compliant products for individuals and SMEs in the private and public sectors within the Kingdom of Saudi Arabia.

The company finances its clients through finance leasing and Murabaha contracts, whereby the legal ownership of the asset is retained by the company in the finance lease, whereas the asset's legal ownership is transferred to the client in the Murabaha contract.

## Vision, mission, values and objectives

### Our vision:

Providing innovative financing solutions for a better future.

### Our mission:

To be a sustainable financing partner in providing the best suitable services to utilize our core values, talents, expertise, and innovation to maximize the value added to our employees and shareholders.

### Our values:

Respect–Innovation–Credibility–Preferred work environment–Governance–Social Responsibility.

### Our objectives:

- Digital transformation.
- Capital increase.
- Tawarq product launch.
- Diversity in consumer finance products.
- Diversity in the products of SMEs.
- The company's IPO.

# Corporate Governance

## Shareholder structure

The company's capital is 500,000,000 SAR divided into 50,000,000 shares, with a value of 10 SAR per share as on December 31, 2022, owned as follows:

Contributor	Number of shares	Amount	Ratio
Taajeer Global Co. Ltd.	500,000	5,000,000	1%
Taajeer Gulf Co. Ltd.	500,000	5,000,000	1%
Taajeer International Co., Ltd.	500,000	5,000,000	1%
National Taajeer Company for Car Maintenance and Integrated Services Ltd.	500,000	5,000,000	1%
Al Ahdaaff Al Mumayza Co. Ltd.	48,000,000	480,000,000	96%
<b>Total</b>	<b>50,000,000</b>	<b>500,000,000</b>	<b>100%</b>

## General Assembly Meetings in 2022

General Assembly	Date	Attendance by members
General Assembly	28/06/2022	The meeting was held in the presence of the shareholders' majority
The Extraordinary General Assembly	25/12/2022	The meeting was held in the presence of the shareholders' majority



## Board of Directors

The company's Board of Directors is the supreme administrative body responsible for managing the company before the general assembly of shareholders according to the company's Articles of Association and the relevant laws and regulations. The company's Board of Directors provides support through the subcommittees thereof, which include:

- Review Committee.
- Executive Committee.
- Credit and Risk Committee.
- Nomination and Remuneration Committee.
- Legitimacy Committee.

Where such committees supervise the company's strategy, manage its risks, update policies and its work procedures, and ensure the quality and effectiveness of internal control and governance procedures.

Taajeer Finance Articles of Association specified the number of board members to be (7) members, whereas the company's Board of Directors was elected by the General Assembly of shareholders for the current (third) term, which began on 29/11/1443 AH, corresponding to 28/06/2022 covering a three-years period ending in 28/11/1446 AH, corresponding to 27/06/2025.

## Board of Directors meetings for the third

### Board meetings for the second term in 2022.

Member Name	Position	Appointment Date *	Membership status	Meeting No.1-2022 23-03-2022	Meeting No. 2- 2022 05-07-2022	Meeting No. 3- 2022 2022-26-10	Meeting No. 4-2022 2022-22-12
**Faisal Saleh Malaikah	Chairman of Board	29/11/1443 28/06/2022	Non-executive/Independent	√	√	√	√
**Abdulhamid Mohieldin Nazer	Vice Chairman of the Board	29/11/1443 28/06/2022	Non-executive/Independent	√	√	√	√
**Muhammad Iqbal Al-Kadihi	Board Member	29/11/1443 28/06/2022	Non-executive/Independent	x	√	√	√
**Turki Saeed Badib	Board Member	29/11/1443 28/06/2022	Non-executive/Independent	√	√	√	√
***Farouk Fouad Ghulam	Board Member	22/07/2019 19/11/1440	Non-executive/Independent	√	x	x	x
**Abbas Mohammed Al-Nahdi	Board Member and CEO	29/11/1443 28/06/2022	Executive/ Non-independent	√	√	√	√
**Hazm Sami Jamjoom	Board Member	29/11/1443 28/06/2022	Non-executive/Independent	√	√	√	√
**Hussein Abdullah Baqis	Board Member	29/11/1443 28/06/2022	Non-executive/Independent	x	√	√	√

\*\* The date of appointment is the date of obtaining the Central Bank's NOC to nominate the member for the third term of the Board.

\*\*\* The date of appointment is the date of obtaining the Central Bank's NOC to nominate the member for the ended second term of the Board.

Board Members' Names, Current and Previous Positions, Qualifications, and Experiences

Member Name	Position	Current Position	Previous Position	Educational Qualifications	Work Experience
Faisal Saleh Malaikah	Chairman of Board	<ul style="list-style-type: none"> <li>Managing Director of Taajeer Group and Its Affiliates</li> <li>CEO of Alawal Capital Co.</li> </ul>	<ul style="list-style-type: none"> <li>Vice-Chairman - Wealth Management, Alawal Capital Co.</li> <li>Products Development Manager - RUSD Group</li> <li>Financial Analyst at RUSD Group</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor in Financial Management</li> <li>Holds a general certificate for dealing in securities from the Capital Market Authority</li> </ul>	<ul style="list-style-type: none"> <li>From 2015 To 2016 Vice-Chairman - Wealth Management - Al Awwal Capital Company</li> <li>In 2015, he was assigned the responsibilities of Vice President for Financial Affairs and Administrative Department</li> <li>From September 2009 to September 2012, he was the Product Development Manager at RUSD Group</li> <li>From September 2007 to August 2009, he worked as a financial analyst in the corporate services management department at RUSD Group.</li> </ul>
Abdulhamid Mohieldin Nazer	Vice Chairman of the Board	<ul style="list-style-type: none"> <li>Member of Audit Committe - taajeer finance company</li> <li>Chairman - Misr Arab Poultry Company</li> <li>Chairman - Spring Poultry Company</li> <li>Chairman of Badary Altasmeen Company</li> </ul>	<ul style="list-style-type: none"> <li>Project Manager - King Abdulaziz International Airport at Dallah Avco Company</li> <li>General manager at Baraka For Trade &amp; Investment</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting</li> <li>Master of Business Administration</li> <li>Fellowship of American Banking Auditors.</li> <li>Postgraduate Diploma in</li> </ul>	<ul style="list-style-type: none"> <li>Project Manager At Dallah Avco Company</li> <li>General manager at Baraka For Trade &amp; Investment</li> <li>Deputy Executive Director - Prosperity Trading &amp; Contracting Company S.P.C</li> </ul>

		<ul style="list-style-type: none"> <li>Board member - Taajeer Group</li> </ul>	<ul style="list-style-type: none"> <li>Deputy Executive Director - Prosperity Trading &amp; Contracting Company S.P.C</li> <li>Deputy Executive Director at</li> <li>Partner at RSM Abdelgadir Bannaga &amp; Partners Company (Allied Accountants)</li> </ul>	International Business Administration	<ul style="list-style-type: none"> <li>Deputy Executive Director at</li> <li>Partner at RSM Abdelgadir Bannaga &amp; Partners Company (Allied Accountants)</li> </ul>
Muhammad Iqbal Al-Kadihi	Board Member	<ul style="list-style-type: none"> <li>Co-owner of al-Hayat financial consulting office in the Kingdom of Saudi Arabia</li> </ul>	<ul style="list-style-type: none"> <li>Executive Director at Saad Asset Leasing Company</li> <li>Deputy General Manager at Gulf Power and Marine Company</li> <li>Executive Operations Manager at Dari Homes Company for Loans</li> <li>General Manager at Taajeer Company</li> <li>Accounting and Finance Manager at Abdul Latif Jameel Company</li> <li>Head of Corporate Banking Services at the Saudi Investment Bank (SAIB) and the Saudi Cairo Bank (The United Bank)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Industrial Management</li> <li>Master of Financial Management</li> <li>Certified Accountant certificate accredited by the American Institute of Certified Public Accountants</li> <li>Value Added Tax (VAT) Specialist Certificate from The Saudi Organization for Chartered and Professional Accountants (SOCPA)</li> </ul>	<ul style="list-style-type: none"> <li>Partner in East Oasis Real Estate Company in Saudi Arabia from 2011 to 2016</li> <li>Deputy General Manager at Gulf Power Marine in Saudi Arabia, working in the oil and gas trading and services sector from 2017 to 2020</li> <li>Executive Operations Manager at Dari Homes for Loans Company in Saudi Arabia, from 2006 to 2008</li> <li>Executive Manager at Saad Asset Leasing Company in Saudi Arabia from 2006 to 2008</li> <li>General manager at Taajeer Company from 1998 until 2006.</li> <li>Accounting and Finance Manager at Abdul Latif Jameel Company From 1996 Until 1998.</li> </ul>

					<ul style="list-style-type: none"> <li>• Head of Corporate Banking Services the Saudi Investment Bank and the Saudi Cairo Bank (The United Bank) from 1981 to 1996</li> </ul>
Turki Saeed Badib	Board Member	<ul style="list-style-type: none"> <li>• CEO of Al-Waseela Trading Company</li> <li>• Chief Executive Officer Of Banader Gulf for Media Production Company</li> <li>• General Manager of The Wolf United Company</li> <li>• General Manager of the Saudi National Company Ltd.</li> <li>• General Manager of Banader Gulf Sports Company</li> <li>• General Manager of Banader Gulf Sports Company</li> <li>• General Manager of Banader Gulf Sports Company</li> <li>• Board Member at Al Battar Group</li> <li>• Chairman of Banader Misr Company</li> </ul>	<ul style="list-style-type: none"> <li>• Chairman of the Board of Directors of Akmar Al-Belad Contracting Company</li> <li>• Vice Chairman of the Board at System Upgrade Company</li> <li>• Maintenance Manager at St. Jude Children's Research Hospital Company in The United States</li> <li>• Research Assistant at Johns Hopkins Bayview Medical Center in The United States</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Biomedical Engineering</li> <li>• Master of Engineering Management</li> </ul>	<ul style="list-style-type: none"> <li>• CEO of Al-Waseela Trading Company</li> <li>• Chief Executive Officer Of Banader Gulf for Media Production Company</li> <li>• General Manager of The Wolf United Company</li> <li>• General Manager of the Saudi National Company Ltd.</li> <li>• General Manager of Banader Gulf Sports Company</li> <li>• General Manager of Banader Gulf Sports Company</li> <li>• The General Manager of Shelf Subsea Company</li> <li>• Board Member at Al Battar Group</li> <li>• Chairman of Banader Misr Company</li> <li>• Former Chairman of the Board at Akmar Al-Belad Contracting Company</li> <li>• Former Vice Chairman of the Board at the System Upgrade Company</li> </ul>

<p>Abbas Mohammed Al-Nahdi</p>	<p>Board Member and CEO</p>	<p>The CEO of Taajeer Finance Company</p>	<ul style="list-style-type: none"> <li>• CEO of Mohamed Yousuf Naghi &amp; Brothers Group</li> <li>• Chairman of Distribution Channels at the National Commercial Bank</li> <li>• Chief Auditor at Ernst &amp; Young Company</li> </ul>	<p>Bachelor of Accounting</p>	<ul style="list-style-type: none"> <li>• Board Member of Taajeer Finance</li> <li>• Member of the Executive Committee of Taajeer Finance Company</li> <li>• Member of Nomination and Remuneration Committee</li> <li>• CEO of Mohamed Yousuf Naghi &amp; Brothers Group</li> <li>• Chairman of Distribution Channels at the National Commercial Bank</li> <li>• Chief Auditor at Ernst &amp; Young Company</li> <li>• Chairman of Review Committee at AME Company</li> </ul>
<p>Hazm Sami Jamjoom</p>	<p>Board Member</p>	<p>The CEO of the automotive sector at Taajeer Group</p>	<ul style="list-style-type: none"> <li>• Vice Chairman at Mohamed Yousef Naghi Motors Company (Hyundai)</li> <li>• Chief of Operations at Alissa Automotive Co.</li> <li>• General Manager of Operations at Alhamrani United Limited Co.</li> <li>• General Manager of Marketing at Toyota Abdul Latif Jameel</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor's degree of mechanical engineering</li> <li>• Master's degree in automotive engineering</li> </ul>	<ul style="list-style-type: none"> <li>• The CEO of the automotive sector at Taajeer Group</li> <li>• Vice Chairman at Mohamed Yousef Naghi Motors Company (Hyundai)</li> <li>• Chief of Operations at Alissa Automotive Co.</li> <li>• General Manager of Operations at Alhamrani United Limited Co.</li> </ul>

			<ul style="list-style-type: none"> <li>• General Manager of Assurance and Quality at Toyota Company</li> <li>• Regional After-Sales Operation Manager at Abdul Latif Jameel Company</li> <li>• Quality Assurance Engineer at Abdul Latif Jameel Co. Ltd.</li> </ul>		<ul style="list-style-type: none"> <li>• General Manager of Marketing at Toyota Abdul Latif Jameel</li> <li>• General Manager of Assurance and Quality at Toyota Company</li> <li>• Regional After-Sales Operation Manager at Abdul Latif Jameel Company</li> <li>• Quality Assurance Engineer at Abdul Latif Jameel Co. Ltd.</li> </ul>
Hussein Abdullah Baqis	Board Member	General Manager of Ithraa Saudi Consulting Group	<ul style="list-style-type: none"> <li>• Senior Relationship Manager at the Saudi National Bank in the Kingdom of Saudi Arabia</li> <li>• Senior Relationship Manager at the Arab Bank in the Kingdom of Saudi Arabia</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Accounting</li> <li>• Master's degree in Applied Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Relationship Manager at the Saudi National Bank, a joint stock company operating in the currency exchange and banking services sector from 2012 to 2016.</li> <li>• Senior Relationship Manager at the Arab National Bank, a joint stock company operating in the currency exchange and banking services sector from 2012 to 2016.</li> </ul>

## Review Committee

Review Committee							
Member Name	Position	Appointment Date*	Membership status	Meeting No.1-2022 23-03-2022	Meeting No. 2-2022 28-08-2022	Meeting No. 3-2022 26-10-2022	Meeting No. 4-2022 11-12-2022
Walid Tamerek	Chairman of Review Committee	29/11/1443 28/06/2022	Independent	√	√	√	√
Abdulhamid Mohieldin Nazer	Member of Review Committee	29/11/1443 28/06/2022	Non-executive - Independent	√	√	√	√
Hisham Al-Zein	Member of Review Committee	29/11/1443 28/06/2022	Independent	√	√	√	√

\* The date of appointment is the date of obtaining the Central Bank's NOC to nominate the member for the current term of the Board.



## Executive Committee

Executive Committee									
Member Name	Position	Appointment Date*	Membership status	Meeting No.1-2022 22-03-2022	Meeting No.02-2022 22-08-2022	Meeting No.03-2022 10/10/2022	Meeting No.04-2022 25/10/2022	Meeting No.05-2022 08-12-2022	Meeting No.06-2022 21-12-2022
Faisal Saleh Malaikah	Chairman of Executive Committee	29/11/1443 28/06/2022	Non-executive - Independent	√	√	√	√	√	√
Hazm Sami Jamjoom	Member of Executive Committee	29/11/1443 28/06/2022	Non-executive - Independent	x	√	√	√	√	√
Abbas Mohammed Al-Nahdi	Member of Executive Committee	29/11/1443 28/06/2022	Executive - Non-independent	√	√	√	√	√	√

\* The date of appointment is the date of obtaining the Central Bank's NOC to nominate the member for the current term of the Board. Credit and Risk Committee.

## Credit and Risk Committee

Credit and Risk Committee							
Member Name	Position	Appointment Date*	Membership status	Meeting No. 2022-1 21-03-2022	Meeting No. 2-2022 24/11/2022	Meeting No. 3-2022 20-11-2022	Meeting No. 4-2022 29-12-2022
**Farouk Fouad Ghulam	Chairman of Credit and Risk Committee	29/11/1443 28/06/2022	Non-executive - Independent	√	√	√	√
***Turki Saeed Badib	Member of Credit and Risk Committee	11/12/2020 25/04/1442	Non-executive - Independent	√	X	X	X
**Turki Batwil	Member of Credit and Risk Committee	29/11/1443 28/06/2022	Non-executive - Independent	√	√	√	√
**Hussein Abdullah Baqis	Member of Credit and Risk Committee	29/11/1443 28/06/2022	Non-executive - Independent	X	√	√	√

\*\* The date of appointment is the date of obtaining the Central Bank's NOC to nominate the member for the third term of the Board.

\*\*\* The date of appointment is the date of obtaining the Central Bank's NOC to nominate the member for the ended second term of the Board.

## Nomination and Remuneration

Nomination and Remuneration Committee					
Member Name	Position	Appointment Date *	Membership status	Meeting No.	Meeting
				1-2022 22-03-2022	No. 2-2022 22-12-2022
**Zuhair Ibrahim Al-Maghribi	Chairman of Nomination and Remuneration Committee	29/11/1443 28/06/2022	Non-executive - Independent	X	√
**Faisal Saleh Malaikah	Member of Nomination and Remuneration Committee	29/11/1443 28/06/2022	Non-executive - Independent	√	√
**Abbas Mohammed Al-Nahdi	Member of Nomination and Remuneration Committee	29/11/1443 28/06/2022	Executive - Not Independent	√	√
**Hussein Abdullah Baqis	Member of Nomination and Remuneration Committee	29/11/1443 28/06/2022	Non-executive - Independent	√	√
***Farouk Fouad Ghulam	Member of Nomination and Remuneration Committee	22/07/2019 19/11/1440	Non-executive - Independent	√	X

\*\* The date of appointment is the date of obtaining the Central Bank's NOC to nominate the member for the third term of the Board.

\*\*\*The date of appointment is the date of obtaining the Central Bank's NOC to nominate the member for the ended second term of the Board.

## Shariah Board

Shariah Board					
Member Name	Position	Appointment Date *	Membership status	First Meeting	Second Meeting
Dr / Osama Mohamed Bahr	Chairman of Shariah Board	06/12/1443 05/07/2022	Non-executive - Independent	No committee meeting was held in 2022	No committee meeting was held in 2022
Sultan Muhammad Al-Qarni	Member of Shariah Board	06/12/1443 05/07/2022	Executive – Non-independent	2022	2022

\* Date of nomination is after the meeting of the Board at the third term of Board of Directors minute No. 2. \*

Names of members to the board of directors' sub-committees, their current and previous positions, qualifications, and experiences

Member Name	Executive Committee	Current Position	Previous Position	Educational Qualifications	Work Experience
Faisal Saleh Malaikah	Chairman of Executive Committee	<ul style="list-style-type: none"> <li>Managing Director of Taajeer Group and Its Affiliates</li> <li>CEO of Alawal Capital Co.</li> </ul>	<ul style="list-style-type: none"> <li>Vice-Chairman - Wealth Management, Alawal Capital Co.</li> <li>Products Development Manager - RUSD Group</li> <li>Financial Analyst at RUSD Group</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in financial management</li> <li>Holds a general certificate for dealing in securities from the Capital Market Authority</li> </ul>	<ul style="list-style-type: none"> <li>From 2015 To 2016 Vice-Chairman - Wealth Management - Al Awwal Capital Company</li> <li>In 2015, he was assigned the responsibilities of Vice President for Financial Affairs and Administrative Department</li> <li>From September 2009 to September 2012, he was the Product Development Manager at RUSD Group</li> <li>From September 2007 to August 2009, he worked as a financial analyst in the corporate services management department at RUSD Group.</li> </ul>
Abbas Mohammed Al-Nahdi	Member of Executive Committee	<ul style="list-style-type: none"> <li>The CEO of Taajeer Finance Company</li> </ul>	<ul style="list-style-type: none"> <li>CEO of Mohamed Yousuf Naghi &amp; Brothers Group</li> <li>Chairman of Distribution Channels at the National Commercial Bank</li> <li>Chief Auditor at Ernst &amp; Young Company</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting</li> </ul>	<ul style="list-style-type: none"> <li>Board Member of Taajeer Finance</li> <li>Member of Nomination and Remuneration Committee</li> <li>CEO of Mohamed Yousuf Naghi &amp; Brothers Group</li> </ul>

					<ul style="list-style-type: none"> <li>• Chairman of Distribution Channels at the National Commercial Bank</li> <li>• Chief Auditor at Ernst &amp; Young Company</li> <li>• Chairman of Review Committee at AMI Company</li> </ul>
Hazm Sami Jamjoom	Member of Executive Committee	The CEO of the automotive sector at Taajeer Group	<ul style="list-style-type: none"> <li>• Vice Chairman at Mohamed Yousef Naghi Motors Company (Hyundai)</li> <li>• Chief of Operations at Alissa Automotive Co.</li> <li>• General Manager of Operations at Alhamrani United Limited Co.</li> <li>• General Manager of Marketing at Toyota Abdul Latif Jameel</li> <li>• General Manager of Assurance and Quality at Toyota Company</li> <li>• Regional After-Sales Operation Manager at Abdul Latif Jameel Company</li> <li>• Quality Assurance Engineer at Abdul Latif Jameel Co. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor's degree of mechanical engineering</li> <li>• Master's degree in automotive engineering</li> </ul>	<ul style="list-style-type: none"> <li>• The CEO of the automotive sector at Taajeer Group</li> <li>• Vice Chairman at Mohamed Yousef Naghi Motors Company (Hyundai)</li> <li>• Chief of Operations at Alissa Automotive Co.</li> <li>• General Manager of Operations at Alhamrani United Limited Co.</li> <li>• General Manager of Marketing at Toyota Abdul Latif Jameel</li> <li>• General Manager of Assurance and Quality at Toyota Company</li> <li>• Regional After-Sales Operation Manager at Abdul Latif Jameel Company</li> </ul> <p>Quality Assurance Engineer at Abdul Latif Jameel Co. Ltd.</p>

Member Name	Internal Review Committee	Current Position	Previous Position	Educational Qualifications	Work Experience
Walid Abdullah Temairik	Chairman of Review Committee	<ul style="list-style-type: none"> <li>• CEO of Walid Tamirak Accountants and Legal Auditors Office</li> <li>• Member of Review Committee at AL RAJHI BANK</li> <li>• Member of the Audit Committee at Risan Al-Arabiya Real Estate Development Company</li> </ul>	<ul style="list-style-type: none"> <li>• Member of Review Committee at Taajeer Finance Company</li> <li>• Member of Review Committee of Real Estate Development Fund</li> <li>• Member of Review Committee of International Integration Company</li> <li>• Board Member of International Integration Company</li> <li>• Board member of the Saudi Organization for Certified Public Accountants</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Accounting</li> <li>• Recipient of the fellowship of the Saudi Organization for Chartered and Professional Accountants</li> </ul>	<ul style="list-style-type: none"> <li>• CEO of Walid Tamirak Accountants and Legal Auditors Office</li> <li>• Member of Review Committee at AL RAJHI BANK</li> <li>• Member of the Audit Committee at Risan Al-Arabiya Real Estate Development Company</li> <li>• Member of Review Committee at Taajeer Finance Company</li> <li>• Member of Review Committee of Real Estate Development Fund</li> <li>• Member of Review Committee of International Integration Company</li> <li>• Board Member of International Integration Company</li> <li>• Board member of the Saudi Organization for Certified Public Accountants</li> </ul>
Hashem Abdullah Al-Zein	Member of Review Committee	<ul style="list-style-type: none"> <li>• Financial administrative affairs and liquidation Consultant</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Controller at the Authority of Economic Cities and Special Zones</li> <li>• CEO of Operation at Nourin United for Information Systems</li> <li>• Assistant General Manager of Financial Management at the Economic Cities Authority</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Accounting</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Controller at the Authority of Economic Cities and Special Zones</li> <li>• CEO of Operation at Nourin United for Information Systems</li> <li>• Assistant General Manager of Financial Management at the Economic Cities Authority</li> </ul>

<p>Abdulhamid Mohieldin Nazer</p>	<p>Member of Review Committee</p>	<ul style="list-style-type: none"> <li>• Vice Chairman of the Board of Taajeer Finance Company</li> <li>• Chairman - Misr Arab Poultry Company</li> <li>• Chairman - Spring Poultry Company</li> <li>• Chairman of Badary Altasmeen Company</li> </ul>	<ul style="list-style-type: none"> <li>• Project Manager for King Abdulaziz Airport, Dallah Avco Company</li> <li>• General manager at Baraka For Trade &amp; Investment</li> <li>• Executive Vice President of Al-Tawfiq and Al-Amin in Bahrain and Saudi Arabia</li> <li>• Partner at RSM Abdelgadir Bannaga &amp; Partners Company (Allied Accountants)</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Accounting</li> <li>• Master of Business Administration</li> <li>• Fellowship of American Banking Auditors.</li> <li>• Postgraduate Diploma in International Business Administration</li> </ul>	<ul style="list-style-type: none"> <li>• Project Manager At Dallah Avco Company</li> <li>• General manager at Baraka For Trade &amp; Investment</li> <li>• Executive Vice President of Al-Tawfiq and Al-Amin in Bahrain and Saudi Arabia</li> <li>• Partner at RSM Abdelgadir Bannaga &amp; Partners Company (Allied Accountants)</li> </ul>
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Member Name	Credit and Risk Committee	Current Position	Previous Position	Educational Qualifications	Work Experience
Farouk Fouad Ghulam	Chairman of Credit and Risk Committee	<ul style="list-style-type: none"> <li>• CEO of Alfa Investment Group</li> </ul>	<ul style="list-style-type: none"> <li>• Vice President of RUSD Global Group</li> <li>• CEO and Vice President of Al Baital Real Estate Group</li> <li>• Head of Asset Department at Al-Khabeer Capital</li> <li>• General Manager of Special Funds and Public Relations at Al-Tawfeeq Investment Company</li> <li>• Head of Product Development and Operational Risk of the Investment Management Department at the National Bank</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor's degree in Law</li> <li>• Master's degree in Law with a focus on International Trade and Transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Board Member of Taajeer Group</li> <li>• Board Member Alawal Capital Co.</li> <li>• Board Member Alpha's Investment Company</li> <li>• Board Member Arkal Construction Company</li> <li>• Vice President of RUSD Global Group</li> <li>• CEO and Vice President of Al Baital Real Estate Group</li> <li>• Head of Asset Department at Al-Khabeer Capital</li> </ul>
Hussein Abdullah Baqis	Member of Credit and Risk Committee	<ul style="list-style-type: none"> <li>• General Manager of Ithraa Saudi Consulting Group</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Relationship Manager at the Saudi National Bank in the Kingdom of Saudi Arabia</li> <li>• Senior Relationship Manager at the Arab Bank in the Kingdom of Saudi Arabia</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Accounting</li> <li>• Master's degree in Applied Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Relationship Manager at the Saudi National Bank, a joint stock company operating in the currency exchange and banking services sector from 2012 to 2016.</li> <li>• Senior Relationship Manager at the Arab National Bank, a joint stock company operating in the currency exchange and banking</li> </ul>

					<p>services sector from 2012 to 2016.</p> <ul style="list-style-type: none"> <li>• General Manager of Ithraa Saudi Consulting Group</li> </ul>
Turki Abdullah Batwil	Member of Credit and Risk Committee	<ul style="list-style-type: none"> <li>• Director of Information Security at King Abdulaziz International Airport in Jeddah</li> </ul>	<ul style="list-style-type: none"> <li>• Director of Information Technology in the Western Province</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor's degree in ICT (Information and Communication Technology)</li> <li>• Master's degree in Business Administration</li> </ul>	<ul style="list-style-type: none"> <li>• Director of Information Security at King Abdulaziz International Airport in Jeddah</li> <li>• Director of Information Technology in the Western Region for the National Water Company</li> </ul>

Member Name	Nomination and Remuneration Committee	Current Position	Previous Position	Educational Qualifications	Work Experience
Zuhair Ibrahim Al-Maghribi	Chairman of Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>Head of Human Capital Sector at the National Housing Company</li> </ul>	<ul style="list-style-type: none"> <li>Head of Human Resources and Administrative Affairs Sector at Almagal Group</li> <li>General Manager of Al-Aghar Group</li> <li>Head of Human Resources and Administrative Affairs Sector at Arab Supply and Trading Corporation</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of English Language</li> <li>Master's degree in Education and Human Development</li> <li>Master's degree in Business Administration</li> <li>Higher Diploma in Human Resource Management</li> </ul>	<ul style="list-style-type: none"> <li>Deputy Head of the Nominations Committee at the Saudi Contractors Authority</li> <li>Head of Human Capital Sector at the National Housing Company</li> <li>Head of Human Resources and Administrative Affairs Sector at Almagal Group</li> <li>General Manager of Al-Aghar Group</li> <li>Head of Human Resources and Administrative Affairs Sector at Arab Supply and Trading Corporation</li> </ul>
Hussein Abdullah Baqis	Member of Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>General Manager of Ithraa Saudi Consulting Group</li> </ul>	<ul style="list-style-type: none"> <li>Senior Relationship Manager at the Saudi National Bank in the Kingdom of Saudi Arabia</li> <li>Senior Relationship Manager at the Arab Bank in the Kingdom of Saudi Arabia</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting</li> <li>Master's degree in Applied Finance</li> </ul>	<ul style="list-style-type: none"> <li>Senior Relationship Manager at the Saudi National Bank, a joint stock company operating in the currency exchange and banking services sector from 2012 to 2016.</li> <li>Senior Relationship Manager at the Arab National Bank, a joint stock company operating in the currency exchange and banking services sector from 2012 to 2016.</li> <li>General Manager of Ithraa Saudi Consulting Group</li> </ul>

<p>Faisal Saleh Malaikah</p>	<p>Member of Nomination and Remuneration Committee</p>	<ul style="list-style-type: none"> <li>• Managing Director of Taajeer Group and Its Affiliates</li> <li>• CEO of Alawal Capital Co.</li> </ul>	<ul style="list-style-type: none"> <li>• Vice-Chairman - Wealth Management, Alawal Capital Co.</li> <li>• Products Development Manager - RUSD Group</li> <li>• Financial Analyst at RUSD Group</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor's degree in financial management</li> <li>• Holds a general certificate for dealing in securities from the Capital Market Authority</li> </ul>	<ul style="list-style-type: none"> <li>• From 2015 To 2016 Vice-Chairman - Wealth Management - Al Awwal Capital Company</li> <li>• In 2015, he was assigned the responsibilities of Vice President for Financial Affairs and Administrative Department</li> <li>• From September 2009 to September 2012, he was the Product Development Manager at RUSD Group</li> <li>• From September 2007 to August 2009, he worked as a financial analyst in the corporate services management department at RUSD Group.</li> </ul>
<p>Abbas Mohammed Al-Nahdi</p>	<p>Member of Nomination and Remuneration Committee</p>	<p>The CEO of Taajeer Finance Company</p>	<ul style="list-style-type: none"> <li>• CEO of Mohamed Yousuf Naghi &amp; Brothers Group</li> <li>• Chairman of Distribution Channels at the National Commercial Bank</li> <li>• Chief Auditor at Ernst &amp; Young Company</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Accounting</li> </ul>	<ul style="list-style-type: none"> <li>• Board Member of Taajeer Finance</li> <li>• Member of the Executive Committee of Taajeer Finance Company</li> <li>• Member of Nomination and Remuneration Committee</li> <li>• CEO of Mohamed Yousuf Naghi &amp; Brothers Group</li> <li>• Chairman of Distribution Channels at the National Commercial Bank</li> <li>• Chief Auditor at Ernst &amp; Young Company</li> <li>• Chairman of Review Committee at AMI Company</li> </ul>

Member Name	Shariah Board	Current Position	Previous Position	Educational Qualifications	Work Experience
Dr / Osama Bahr	Chairman of Shariah Board	<ul style="list-style-type: none"> <li>Chairman of Shariah compliance and Investment at First Energy Bank (FEB)</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of Shariah compliance at Al Salam Bank</li> </ul>	<ul style="list-style-type: none"> <li>Holds a PhD from The Hague University in the Netherlands</li> <li>Holds a Master's Degree from Imam El Ouzaii University in Lebanon</li> <li>Holds a Bachelor's Degree from Emir Abdelkader University in Algeria</li> </ul>	<ul style="list-style-type: none"> <li>Member of Weqaya Takaful Insurance Shariah Board</li> <li>Member of Ithmaar Bank Shariah Board</li> <li>Member of First Energy Bank (FEB) Shariah Board</li> <li>Member of International Investment Bank Shariah Board</li> <li>Member of Alkhabeer Capital Shariah Board</li> <li>Member of Wasatah Capital Shariah Board</li> <li>Member of American Express Shariah Board - KSA</li> </ul>
Mr / Sultan Al-Qarni	Member of Shariah Board	<ul style="list-style-type: none"> <li>Financial Director at Taajeer Finance</li> </ul>	<ul style="list-style-type: none"> <li>Financial Director at Hafil Transportation Company</li> </ul>	<ul style="list-style-type: none"> <li>Diploma in Accounting from the Institute of Public Administration</li> <li>Bachelor of Islamic Law</li> <li>Master of Principles of Islamic Jurisprudence</li> <li>Diploma in International Financial Standards</li> </ul>	<ul style="list-style-type: none"> <li>Director of the Financial Department at Taajeer Finance Company</li> <li>Financial Director at Hafil Transportation Company</li> <li>Assistant to the financial director at United Yousef M Naghi Co. Ltd</li> <li>Accounting Manager at Abdul Latif Company</li> </ul>

## Executive Management

Position	Name
Chef Executive Officer	Mr / Abbas Mohammed Al-Nahdi
Director of Sales and Marketing Department	Mr / Wissam Mohamed Maleki
Director of Compliance, Anti-Money Laundering and Terrorism Financing Department	Mr / Saad Mansour Abdul Aty
Director of Human Resources and Administrative Affairs	Ms / Raham Samir Faisal
Director of the Financial Department	Mr / Sultan Muhammad Al-Qarni
Director of Operations	Me / Hesham Al-Sharif
Director of Customer Care	Mr / Suleiman Hammad Al-Maliki
Director of the Internal Audit Department	Ms / Haneen Al-Ahmadi
Director of Credit and Risk Management	Mr / Ayman Omar Babhair
Cyber security Manager	Mr / Ahmed Barum

Names of executive managing directors, their current and previous positions, qualifications, and experiences for the year 2022

Manager Name	Current Position	Previous Position	Qualifications	Work Experience
Mr / Sultan Al-Qarni	Director of the Financial Department	Financial Director at Hafil Transportation Company	<ul style="list-style-type: none"> <li>• Diploma in Accounting from the Institute of Public Administration</li> <li>• Bachelor of Islamic Law</li> <li>• Master of Principles of Islamic Jurisprudence</li> <li>• Diploma in International Financial Standards</li> </ul>	<ul style="list-style-type: none"> <li>• Director of the Financial Department at Taajeer Finance Company</li> <li>• Financial Director at Hafil Transportation Company</li> <li>• Assistant to the financial director at United Yousef M Naghi Co. Ltd</li> <li>• Head of Accounts Department at Abdul Latif Company</li> </ul>
Mr / Saad Mansour Abdul Aty	Head of Compliance and Management department	<ul style="list-style-type: none"> <li>• Head of the Compliance Management department in Taajeer Group</li> <li>• Head of the Complaints Management department at Salama Cooperative Insurance Company</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor's degree of international business administration</li> <li>• Diploma in Insurance Studies</li> </ul>	<ul style="list-style-type: none"> <li>• Head of the Compliance Management department in Taajeer Group</li> <li>• Head of Claims and Survey Department in the Arab Islamic Insurance Company</li> <li>• Head of Complaints Management in Salama Cooperative Insurance Company</li> <li>• Director of Compliance, Anti-Money Laundering/ Combating The Financing of Terrorism, AML/ CFT</li> <li>• Member of the Governance Committee for Financial Companies at the Central Bank</li> <li>• Member of the Anti-Money Laundering and Terrorism</li> </ul>

				Financing Committee for Financial Companies at the Central Bank
Ms / Haneen Al-Ahmadi	Director of Internal Audit Department	Senior Internal Auditor at Yusuf Mohammed Naghi Company	<ul style="list-style-type: none"> <li>• Bachelor's degree in economics and business Administration</li> <li>• Executive master's degree in business administration with a specialization in Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Internal Auditor at Yusuf Mohammed Naghi Company</li> <li>• Senior Internal Auditor for Operations and Finance at Al-Futtaim Group</li> <li>• Internal Auditor at Middle East Paper Company</li> <li>• Accountant at Al Rajhi International Group</li> </ul>
Ayman Babhair	Director of Risk and Credit	Senior Credit Risk Manager at Al-Jazira Bank	Bachelor of business administration and finance	<ul style="list-style-type: none"> <li>• Senior Credit Risk Manager at Al-Jazira Bank engaged in providing, banking facilities to individual and corporate clients Al-Jazira Bank</li> <li>• Senior Relationship Manager at the British Bank</li> </ul>
Mr / Wissam Maleki	Director of Sales and Marketing Department	Sales Manager for the Western and Southern provinces at Tajeer Group	Bachelor of business administration	<ul style="list-style-type: none"> <li>• Sales Manager for the Western and Southern provinces at Tajeer Group</li> <li>• Sales Manager for branches at a company that rents equipment, trades in real estate and automotive.</li> <li>• Sales team supervisor at Al Jomaih Automotive</li> <li>• Sales supervisor at branches of Al-Kaki Company</li> </ul>



Mr / Suleiman Al-Maliki	Head of Customer Care Department	Sales representative at Ghassan Ahmad Al-Sulaiman Trading Company	Bachelor's degree in office management	<ul style="list-style-type: none"> <li>• Sales representative at Ghassan Ahmad Al-Sulaiman Trading Company</li> <li>• Specialist in customer service at a company for leasing equipment, real estate, and cars.</li> <li>• Experienced Administrative Assistant at Jeddah Concrete Products Factory</li> <li>• Data Entry Clerk at Adwaa Car Rental Company</li> </ul>
Ms / Raham Faisal	Head of Human Resources and Administrative Affairs Department	Human Resources and Recruitment Business Partner at BINZAGR Co. - RO Ltd.	Bachelor's degree in human resources	<ul style="list-style-type: none"> <li>• Human Resources and Recruitment Business Partner at BINZAGR Co. - RO Ltd.</li> <li>• Recruitment Specialist at Al-Sunbulah Group</li> <li>• Recruitment Specialist at Al-Naghi Group</li> </ul>
Mr / Hesham Al-Sharif	Head of Operations Department	Maintenance Manager at Abdul Latif Jameel Business in Jeddah	Bachelor's degree of mechanical engineering	<ul style="list-style-type: none"> <li>• Maintenance Manager at Abdul Latif Jameel Business in Jeddah</li> <li>• Reception Manager at Abdul Latif Jameel Business</li> <li>• Reception Engineer at Abdul Latif Jameel Business in Jeddah</li> <li>• Member of the Customer Protection and Awareness Committee for Financing Companies at the Central Bank</li> </ul>

Mr / Ahmed Barum	Director of Information Security Management	Acting Director of Cybersecurity Operations Center - General Authority of Civil Aviation	Bachelor's degree in information technology Master's degree in Electronics and Information Technology	<ul style="list-style-type: none"> <li>• Acting Director of Cybersecurity Operations Center - General Authority of Civil Aviation</li> <li>• Head of Monitoring and Analysis Department - General Authority of Civil Aviation</li> <li>• Information Security Analyst L2 - General Authority of Civil Aviation</li> <li>• Technical Support Specialist - Saudi Electricity Company</li> </ul>
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Internal Control

## Internal Control System

The Board of Directors is responsible for the appropriate design and implementation of the Control Department, risk management, internal auditing, and compliance to ensure continuous monitoring and evaluation of the system, all employees are ultimately responsible for the effective operation and maintenance of the Internal Control System at their respective level. The external auditors are responsible for determining the adequacy of the Internal Control System to determine the reliability level of the company's internal controls and design their audit procedures accordingly.

The Company's Internal Control System is subject to continuous evaluations and improvements to facilitate determining loopholes and meeting the required level of effectiveness. The main controls include the following:

- I. A series of policies and procedures that are subject to regular updates and reviews to ensure their adequacy and efficiency.
- II. Automating the company's operations using advanced (Oracle and Sibel) systems that help enhance efficiency and control over the environment.
- III. All related business and major important decisions are monitored by management to protect the company's interests.
- IV. The presence of specialized departments in auditing areas such as Risks and Compliance and Combating Money Laundering and Terrorist Financing.

## Compliance and Anti-Money Laundering and Terrorist

The Board of Directors believes that the presence of compliance and anti-money laundering and terrorist financing functions is an integral part of the sound management framework. Therefore, a department has been established that identifies and monitors compliance risks and prepares reports on issues related to non-compliance and the associated risks. It is mainly based on consolidating relations with regulatory authorities and establishing mechanisms and frameworks to ensure the prevention of crimes and the protection of professional values and practices.

## Capital Management

The company's Capital Management objectives are to ensure the company's ability to continue as a functioning facility and to provide a satisfactory return to shareholders through optimizing the capital structure. The company manages the capital structure and adjust it as per the changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, restructure the capital via cash or issuing new shares, and the company monitors the capital based on the regulatory requirements of corporate regulations and the minimum requirements imposed by the Saudi Central Bank for the capital of finance companies.

# Disclosures and Social Contribution

## The Company's Operations with Stakeholders

Stakeholder	Operation Type	Amount
Taajeer Group	Car Purchasing	0
Taajeer International Co., Ltd.	Car Purchasing	141,330,604
Alawal Capital Co.	Interest on short-term loans	54,000,000
National Taajeer Company for Car Maintenance and Integrated Services Ltd.	Car maintenance	898,224
Awaed company	Collection services	3,466,494

## Remunerations as at the end of Dec 31, 2022

Names of the Board Members	Position	Annual Remuneration	Allowance for attending the Board meetings	Allowance for attending the committees meetings	Total
Faisal Saleh Malaikah	Chairman of Board	250,000	12,000	24,000	286,000
Abdulhamid Mohieldin Nazer	Vice Chairman of the Board	200,000	12,000	12,000	224,000
Abbas Mohammed Al-Nahdi	Chef Executive Officer - Board Member	200,000	12,000	24,000	236,000
Muhammad Iqbal Al-Kadihi	Board Member	200,000	9,000	0	209,000
Hazm Sami Jamjoom	Board Member	200,000	12,000	15,000	227,000
Turki Saeed Badib	Board Member	200,000	12,000	3,000	215,000
Hussein Abdullah Baqis	Board Member	200,000	9,000	15,000	224,000
<b>Total</b>			<b>1,621,000 SAR</b>		

**The sum of the top five salaries and benefits of Executive Officers, including the CEO and the CFO**

Total Salaries	Total Variable Remunerations (Annually)
3,030,987 SAR	830,000 SAR

**Executive committee at the end of Dec 31, 2022**

Members	Position	Annual Remuneration
Faisal Saleh Malaikah	Board Chairman	0
Hazm Sami Jamjoom	Member	0
Abbas Mohammed Al-Nahdi	Member	0

**Nomination and remuneration committee at the end of Dec 31, 2022**

Members	Position	Annual Remuneration
Zuhair Ibrahim Al-Maghribi	Board Chairman	0
Faisal Saleh Malaikah	Member	0
Abbas Mohammed Al-Nahdi	Member	0
Hussein Abdullah Baqis	Member	0
***Farouk Fouad Ghulam	Member	0

\*\*\* The ended second term of the Board.



## Credit and Risk Committee at the end of Dec 31, 2022

Members	Position	Annual Remuneration
Farouk Fouad Ghulam	Board Chairman	0
Hussein Abdullah Baqis	Member	0
Turki Batwil	Member	0
***Turki Saeed Badib	Member	0

\*\*\* The ended second term of the Board.

## Review Committee at the end of Dec 31, 2022

Members	Position	Annual Remuneration
Walid Tamerek	Board Chairman	50,000
Abdulhamid Mohieldin Nazer	Member	50,000
Hashem Al-Zein	Member	50,000

## Shariah Board at the end of Dec 31, 2022

Members	Position	Annual Remuneration
Dr / Osama Mohamed Bahr	Board Chairman	0
Sultan Muhammad Al-Qarni	Member	0

## Saudi Central Bank executive resolutions

Offense Subject	Previous fiscal year 2021		The current fiscal year 2022	
	Number of executive resolutions	Total Amount of fines (SAR)	Number of executive resolutions	Total Amount of fines (SAR)
Violating the instructions of the supervisory and control institution	1	Warning No. 21038/ت Date 08/01/1443 AH	1	Non-repetition warning due to the failure of the company in the process of completing the electronic connection to the customer's credit capacity assessment service with SAMA/Central Bank.
Violating the instructions of the institution concerned with due diligence in combating money laundering and terrorist financing.	N/A	N/A	1	Non-repetition warning for failure to comply with the instructions for obtaining a certificate of commitment for the Finance Sector/Central Bank.
Violation of the supervisory and regulatory instructions of the central bank related to the leadership succession plan	1	Decision number 21003 for the amount of 50,000 Saudi Riyals On 03/02/2021		

## Payments to government agencies in 2022

Payments to government agencies in 2021	Paid Amount	Due Amount
Zakat and Income	**6,613,740	*8,982,073
Social Security	2,162,121	-
Visa and residence fees	155,088	-

\* 2022 Zakat is due in April 2023

\*\* 2021 Zakat was due and paid in 2022

## Social contribution

As a part of the society, we consider our investments therein as important as any other investments, and the company derives its activities in social responsibility

from its commitment to contribute towards a better future by sponsoring the society and in the light of the global challenges the world is facing

we celebrated (National Day - Foundation Day - International Women's Day - World Father's Day - World Breast Cancer Day).

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# 2022 Activities Overview

- A. The company's financial statements for the year ended on December 31, 2022, have been prepared in accordance with International Financial Reporting Standards (IFRSs) as applied in the Kingdom of Saudi Arabia, and other standards and statements approved by the Saudi Organization for Chartered and Professional Accountants ("SOCPA")
- B. The company has applied the International Financial Reporting Standard (IFRS9) Issued in July 2014 with a date of initial application on January 1, 2018. The IFRS9 represents a fundamental change from the International Accounting Standard (IAS39) for financial reports - Recognition and Measurement. The new standards also bring fundamental changes to the accounting of financial assets and some aspects of the accounting of financial liabilities.
- C. The company's management has assessed the company's ability to continue as a functional facility, and it is convinced that the company has the resources to continue its operations for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast doubt on the Company's ability to continue as a functional facility. Thus, the financial statements were prepared based on the continuity principle.
- D. As required by the Saudi Companies' Law, the company transfers 10% of its annual profits to the statutory reserve until the reserve reaches 30% of the capital. This reserve is not distributable to shareholders.
- E. Derecognition of financial assets:
- A financial asset is mainly derecognized when:
- The validity of the rights to receive cash flows from the asset is expired.
  - The Company transfers its rights to receive cash flows from the asset or has accrued an obligation to pay the received cash flows in full without material delay to a third party under an arrangement "A pass-through security":
    - The company substantially transfers all the asset's risks and benefits.
    - Or the company does not substantially transfer or retain all the asset's risks and benefits, but transfers the control thereof.
  - When the company transfers its rights to receive cash flows from an asset or enters a pass-through arrangement, it assesses whether, and to what extent, it has retained the equity risks and benefits.

When it neither transfers nor retains all the risks and benefits of the asset substantially or transfers the control thereof, the company continues to recognize the transferred asset to the extent of its continuing involvement. In this case, the company also recognizes the associated liability.

#### F. Credit loss for accounts receivable under a finance lease

Credit loss measurement requires a judgment, particularly, the estimation of the amount and future cash flows schedule and collateral values when determining credit losses and assessing the significant increase in credit risk. These estimates are driven by several factors and changes that can lead to different levels of provisions.

The company's expected credit loss calculations are the outputs of a complex model with a number of basic assumptions regarding the selection and interrelationship of variable inputs.

Elements of the ECL model that considers accounting judgments and estimates include the following:

- The company's internal credit rating model, which assigns the probabilities of default to a group of individual receivables;
- The company's criteria for assessing whether there has been a significant increase in credit risk, and therefore provisions for financial assets should be measured based on the expected credit loss over a lifetime and qualitative assessment;
- Segmentation of financial assets when assessing ECL on a collective basis.
- Develop ECL models, including various formulas and input selection.
- Determining the correlations between macroeconomic scenarios and economic inputs, such as unemployment, GDP growth levels, and the impact on the possibility of default.
- The main inputs in measuring expected credit losses are the structure of terms for the following variables:
  - The possibility of default (PD)
  - Loss given default (LGD)
  - Exposure at default (EAD)

The company classifies its financial assets into three stages according to the (IFRS-9) methodology as follows:

**The first stage:** Financial assets that have not significantly deteriorated in credit quality since their inception:

The provision for impairment is recognized based on 12 months of possibility of default.

**The second stage:** Financial assets that have significantly deteriorated in credit quality since their inception: An allowance for impairment is recognized based on lifetime ECL. A provision for impairment is registered over the Lifetime.

**The third stage:** For financial assets that have suffered an impairment:

The Company recognizes an allowance for impairment based on the financial default over the Lifetime.

#### G. End of Service Benefits

Amendments to IAS 19 are processed when a modification, curtailment or adjustment of the system occurs during the reporting period. The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method. Pre-measurement, consisting of actuarial gains and losses is recognized immediately in the statement of financial position with a deduction or credit against retained earnings through Other Comprehensive Income (OCI) in the period in which it occurs.

#### H. Loans and borrowings

After initial recognition, loans and advances are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized and through the effective interest rate amortization process.

#### I. Zakat Basis

No provision for zakat was calculated in the company's financial statements and the company's zakat was recorded in the parent company's final books until December 31, 2018, in accordance with the previous regulations, and on Rajab 7, 1440 AH corresponding to March 14, 2019, the new Zakat regulations were issued, which specified a new basis for calculating Zakat for financial institutions and demanded to provide Zakat separately from non-financing institutions. Accordingly, the company started recognizing Zakat fees as of January 1, 2019.

## Business Overview 2022

The company achieved a net profit of 51,276,311 SAR for the period ending on December 31, 2022, and the table below summarizes the main activities for the period ending on December 31, 2022

<b>Total Assets</b>	<b>1,349,304,803</b>
<b>Total Liabilities</b>	<b>813,192,007</b>
<b>Capital</b>	<b>500,000,000</b>
<b>Retained Earnings</b>	<b>8,064,536</b>
<b>Statutory Reserve</b>	<b>14,715,637</b>
<b>Gross Funded Amount</b>	<b>1,354,722,038</b>
<b>Net Funded amount</b>	<b>1,002,643,915</b>
<b>Net Receivables</b>	<b>960,000,474</b>
<b>Business breakdown index as a percentage of outstanding net receivables</b>	<b>Ijara 96%</b>
	<b>Murabaha 4%</b>
	<b>Individuals 90%</b>
	<b>Corporates 10%</b>
	<b>Saudis 84%</b>
	<b>Non-Saudis 16%</b>
	<b>Private Sector 78%</b>
<b>Public Sector 22%</b>	
<b>Financial Leverage</b>	<b>1: 1.8</b>



# Board Confirmations

## Board Confirmations

The Board of Directors of the financial leasing company confirms that:

- Documents were kept properly.
- The financial statements have been prepared in accordance with the provisions of the Companies' Law in the Kingdom of Saudi Arabia and the company's Articles of Association.
- The financial statements have been prepared in accordance with the International Financial Accounting Reporting Standards, as amended by the Saudi Central Bank and the Department of Zakat and Income Tax (DZIT).
- Internal control procedures have been properly and effectively implemented.
- There is no doubt about the Company's ability to continue as a going concern.

## Conclusion

The company's Board of Directors would also like to take the opportunity to express its gratitude and appreciation to the legislature, regulatory and supervisory authorities in the finance sector, represented by the Saudi Central Bank, the Capital Market Authority and the Ministry of Commerce and Investment for their continuous support to this sector. The Board would like to thank all the company's commercial partners, including the valued clients and distributors, for their valuable support throughout 2022, and wish for the continued success of Taajeer Finance.



Chairman of Board

Faisal Saleh Malaikah