

Tas'heel Annual Report

For The Fiscal Year Ended in 2022

1.0 Chairman Statement

Dear Shareholders & Stakeholders,

It is with great pleasure that I present to you the Annual Report of the United Company for Financial Services (Tasheel Finance) for the financial year 2022. The year has been marked by notable achievements that demonstrate our commitment to excellence, innovation, and customer service.

Throughout the year, we have worked tirelessly to deliver high-quality financial services to our customers. We continued to improve our product offerings, streamline our processes, and invest in our employees to ensure that we provide the best possible service to our clients.

We were honored to be recognized as the 'Best Digital Consumer Finance Platform in Saudi Arabia' at the Global Business Outlook Awards 2022, as well as the 'Most Innovative Fintech Company in Saudi Arabia' for 2022 by the International Business Magazine. The accolades stand testament to our relentless pursuit of digital innovation and commitment to providing our customers with the best possible experience while setting new standards in the financial industry.

Our active investments in advanced technologies and the establishment of a sound digital ecosystem have enabled us to attain a cyber-security maturity level of 3.65. We have also completed the PCI DSS Audit to verify our strict adherence to PCI controls, which are safeguards installed to protect all systems interacting with payment card processing, to enhance data and customer security.

Furthermore, we implemented new processes and initiatives at Tas'heel to mitigate different kinds of risks and make our overall processes more airtight. These initiatives have helped us increase the risk appetite of the company while closing any open risks associated with any process within the company with highly increased efficiency. A newly developed incident management process is also in place to improve, enhance, and ease incident reporting, contributing to our commitment to providing our customers with the best possible experience.

Our positive engagement with customers resulted in serving 63+ thousand new customers and 10+ thousand returning customers during the year 2022. We achieved a 41.5% increase in active customers compared to 2021 and a 13.3% increase in Net Promoter Score (NPS) compared to the previous year.

Aligned with the Kingdom's Vision 2030, investing in local human capital is a strategic priority for us. We have achieved 84.91% Saudization at Tas'heel, exceeding the SAMA criteria and acquiring platinum status under Nitaqat, proof of our commitment to providing opportunities for local talents.

In conclusion, on behalf of the Board of Directors, I would like to thank our valued customers, shareholders, and stakeholders for their trust and support. A keen sense of gratitude is also owed

to the Central Bank of Saudi Arabia (SAMA) and other regulatory bodies for facilitating a supportive and progressive regulatory environment.

We remain committed to providing innovative, seamless, and secure financial solutions, enabling the financial empowerment of our customers, and contributing to the economic development of the Kingdom of Saudi Arabia.

Sincerely,

Fozan Al Fozan

Chairman, Tas'heel Finance

2.0 Board of Directors

Mr. Fozan Al Fozan

Chairman – Non-Executive

Mr. Al Fozan is a pioneering business figure in the Kingdom of Saudi Arabia. He holds board seats at several well-known organizations, including Al Fozan Holding Company, Madar Building Materials, Madar Electrical Materials, and the United Electronics Company (eXtra). Mr. Al Fozan holds a Bachelor of Accounting from the Faculty of Administrative Sciences at King Saud University (1993).

Mr. Adel Al Mangour

Vice Chairman – independent

Prior to joining the family office, Mr. Al Manqour served as Managing Director of Wholesale Banking at Gulf International Bank and Chief Credit Officer at Arab National Bank, and prior to this, at J.P. Morgan Chase. He has also served on the board of the Saudi Credit Bureau. Mr. Al Manqour holds an MBA from Portland State University School of Business.

Mr. Mohamed Galal

Board Member – Non-Executive

Mr. Mohammed Galal is the Managing Director and CEO of United Electronics Company (eXtra). He has over 30 years of experience in the retail industry, strategic planning, and sales. Prior to joining eXtra in 2004, he held several executive positions at Procter & Gamble, serving in senior positions across the region. He holds a Bachelor of Accounting from Ain Shams University (1985).

Mr. Abdullatif Ali Alfozan

Board Member – Non-Executive

Mr. Al Fozan is a board and committee member at several well-known entities in the Kingdom of Saudi Arabia, including Al Fozan Holding Company, United Homeware Company, Al Oula Real Estate Company, and Alpha Capital. He is currently the Corporate Investment Director at Al Fozan

Holding Company and the Managing Director of Ascend Healthcare Solutions. Prior to this, he held several positions in banks and consultancy firms. He holds a bachelor's degree from the University of Toronto, with a double major in economics and employment relations.

Ms. Kubra Shehabi

Board Member– Non-Executive

Ms. Shehabi brings over 30 years of experience gained from local and international financial institutions. She currently serves as Partner at Milestone Accounting & Consulting, and a board member of Procco Financial Services. Ms. Shehabi began her career at InvestCorp before taking up positions at JP Morgan Chase Bahrain, where she headed the Credit Risk department, Al Salam Bank Bahrain, where she established and headed the Credit Risk department, and First Energy Bank, where she established and headed the Risk Management department. Ms. Shehabi holds an MBA in investment and finance and is a Certified Public Accountant and a Certified Basel II professional.

Eng. Saad AlKhalb

Board Member– independent

His Excellency, Engineer Saad Al Khalb is the CEO of Saudi EXIM bank, a government-owned bank focused on export financing and export insurance. Is the former Head of the Saudi Ports Authority and Deputy Transportation Minister, in which role he contributed to the realization of the Kingdom's Vision 2030 development plan. He serves as a member of the board at several Saudi and international firms. He holds a Bachelor of Electrical Engineering from King Fahd University of Petroleum and Minerals and has attended Advanced Management and Strategic Program at INSEAD in France.

3.0 CEO's Statement

CEO Statement

At Tas'heel Finance, we are proud to have been a technology-native, fast-growing Fintech Company since our inception. Our commitment to leveraging technology to customize financial solutions that are tailored to consumer needs, along with our strong portfolio management, credit scoring capabilities, internal controls, and collection processes have allowed Tas'heel to build a healthy and reliable loan portfolio, significantly growing its market share in Saudi Arabia.

In 2022, we continued making significant progress toward our goals while building on our digital capabilities to simplify our processes and enhance the customer experience. In various aspects of our business, we have achieved exceptional growth and success, which has further solidified our market position. The driving force behind our success has been our commitment to excellence and passion for delivering superior customer experiences. This has helped us achieve strong financial results and keep our position as a leading provider of financial services in the market.

Thanks to our investments in tech infrastructure and digital capabilities, we have been able to develop products and initiate solutions that enhance our consumer financing offering. This has resulted in significant growth in new-booked loans of 16.4% compared to 2021. We also successfully launched the Tas'heel credit card, which has been received positively by our customers. We have entered new segments with the current products to further expand our experience. These efforts have resulted in a remarkable revenue growth of 38.5% and a net profit growth of 50.40% compared to 2021, and a portfolio growth of 31% in FY 2022, further positioning us as a leading profitable Fintech Company with a multi-product offering. We remain dedicated to delivering competitive and innovative solutions, enabling our customers to prosper.

Our focus on technology has also been a major contributor to our success. We achieved a system stability rate of 97.89%. We achieved an uptime of 99.6% for our digital signature alternative, which was only 86% in 2021. The launch of the integrated applications approvals process in September 2022 has resulted in additional efficiencies. Data is a major initiative we have. We started in 2022 to build capabilities that will help us penetrate new segments and innovate new solutions. Likewise, the newly launched data orchestration platform has given us better market reach.

In 2022 we achieved an 84.91% Saudization rate while also increasing our female workforce by 40%. Our new learning management system and revamped onboarding process have resulted in a 97%

satisfaction rate for our new joiners. 94% of our employees have been certified as credit advisors in the relevant departments. We are also proud to report a 26% decrease in attrition compared to 2021.

The consumer financing market has grown significantly in the KSA, booking a four-fold increase in value terms between 2020 and 2022 to SAR 18.2 billion as of Q3,2022, and Tas'heel is looking to capitalize on this front and further augment FinTech's offering. Capitalizing on the Kingdom's underserved consumer financing sector to fuel growth and capture market share. Leveraging its access to a comprehensive set of data and insights to create tailored financial solutions as the USP of Tasheel is how to gather, analyze and deploy the data. Identifying opportunities to develop products and solutions that enhance its consumer financing offering, and investing in tech infrastructure and digital capabilities to enhance its agile business model. Tas'heel will leverage these pillars of growth to become a leading fintech company that boasts a multi-product offering.

We remain committed to continuing our success in the coming years and to delivering competitive and innovative solutions that enable our customers to prosper. I thank our employees, customers, and partners for their utmost commitment and unwavering support that has enabled us to scale new heights of success in customer service and product excellence.

Sincerely,

Sakhr Almulhem

CEO, Tas'heel Finance

4.0 Overview 2022 – A Year of Achievements

Business Performance

16.4% Sales Growth vs 2021

39% Revenue Growth vs. 2021

50.40% Net Profit Growth vs. 2021

31.3% Portfolio Growth vs. 2021

17 new partners, 19+ branches

Human Resources

84.91% Saudization – Nitiqat Platinum Status

94% of the targeted group are certified credit advisors

40% increase in the female workforce

A new learning management system launched

Onboarding process revamped

97% satisfied new-joiners

26% Decrease in Attrition vs. 2021

Technology

97.89% system stability achieved

Store queuing system and WhatsApp BOT launched. Combined cost saving of SAR 560,000.

The digital signature alternative achieved an uptime of 99.6% vs. 86% in 2021

Launch of integrated applications approvals process Qarar.

The data orchestration platform has also resulted in savings of SAR 187,000 annually in licenses.

Security

Attained a Cybersecurity maturity level of 3.65.

PCI DSS Audit conducted successfully

Engagement

Net Promoter Score (NPS) 13.3% increase in NPS, compared to the previous year.

+12,713 Social Media followers added

437% Social Media engagement increase

Awards

Best Digital Consumer Finance Platform in Saudi Arabia – Global Business Outlook Awards 2022

Most Innovative Fintech Company in Saudi Arabia for 2022 – International Business Magazine

5.0 Tas'heel at a Glance

Journey of excellence

Delivering Differentiated, Digital Financing Solutions

The United Company for Financial Services (“Tas’heel Finance”) is a pioneer in the delivery of a range of Shariah-compliant customized consumer financing solutions. An award-winning Fintech, Tas’heel provides a simple and seamless online personal financing experience with state-of-the-art technology, including an end-to-end digital process for booking and disbursing financing facilities, ensuring customers enjoy fast application approval times and a wide range of convenient repayment and tenor options that are designed to meet their needs.

Established in 2019 and headquartered in Khobar, Tas’heel, a closed joint-stock company fully owned by United International Holding Company, has over 60 retailer store network, partnering with leading brands such as eXtra, Virgin, IKEA and Saudi German Hospital delivering an extensive choice of installment financing that is enriching customers’ lives.

Governed by the Saudi Central Bank (SAMA), Tas’heel has a presence in 27 cities throughout the Kingdom of Saudi Arabia. A regional success story that is fast becoming the preferred choice for tailored personal finance and installment programs, Tas’heel is transforming financing and empowering consumers through accessible, fast, and easy financing solutions.

6.0 Our Strategy

A dynamic growth strategy

Tas’heel has a clear plan to realize its vision of enabling customers and enriching lives by providing financial solutions leveraging technology.

As a tech-driven company, we will keep investing in the latest technologies, and deliver innovative products and services with an unmatched customer experience

Powered By People

A culture of learning & innovation. At Tas’heel Finance, we nurture a corporate culture that is conducive to learning, and continuous improvement through structure, processes, and togetherness. The company provides a dynamic and safe working environment that supports our employees to reach their full potential. In addition to empowering change-enablers, we ensure training and development opportunities that enable Tas’heel team members to achieve their career development goals.

Partnering for progress

Creating sustainable value for stakeholders

Tas'heel is committed to achieving continuous and sustained gains in market share by profitably expanding its base of strategic partners to grow the product and financing business lines and deliver to our customers more products and service choices from leading local and global brands.

Revolutionary Technology

Robust & Agile Infrastructure. Tas'heel is a pioneer in the kingdom's online consumer financial solutions space and is committed to continuous innovation to meet the changing needs of our customers through cutting-edge fintech. The company is leveraging the latest technologies and building a robust and agile IT infrastructure, working to develop and adopt innovative technological solutions with applications to the front-, middle-, and back-offices. We are developing systems that are not only highly customizable to evolve in step with customers changing needs and the Fourth Industrial Revolution, but also

materially strengthen our risk management processes as we maintain our position as a leading Non-Banking Financial Institution (NBFI) to offer end-to-end digital customer journeys while providing a platform for the development of innovative financial solutions.

Versified Solutions

Innovative financial solutions. Tas'heel provides a diverse range of financial solutions and is evolving and expanding its services to deliver a wide array of personal and product financing to suit the changing needs of our customers. In addition to improving on our already popular Shari'ah-compliant installment financing of Murabaha and Tawaruq personal financing, Tas'heel is expanding the portfolio to include a non-bank credit card which is set for launch in the second quarter of 2022. The company is also exploring expansion in new areas.

7.0 Vision, Mission & Values

Vision

Enable our clients to enrich their lives and achieve their ambitions by providing effortless financial services through innovative digital solutions.

Mission

To be a dynamic organization that provides a unique digital experience to enable our clients to meet their financial needs by integrating quality of service, investing in digital transformation, and focusing on customer needs and goals in a fast and efficient manner.

Values

- **We are all in charge**
Ownership is our drive; we are accountable till the last mile to deliver the best experience and performance.

- **The Future is Today**
Positioned to offer the most innovative and cutting-edge solutions. Being the pioneers in the Tech industry through our commitment to constant improvement driven by our ambition and expertise.
- **Customers First**
We are responsible to deliver the best experience to the customer with a value answering their inspirations.
- **Think Big, Grow bigger**
Raise the bar, innovate, and come up with smart plans, our only path is growth.
- **Together we can**
We believe that every colleague has value... together we drive a bigger impact.

8.0 Our Business Model

Frictionless Finance Completing its second full year of operations in 2022, Tas'heel specializes in Shariah-compliant consumer finance solutions, providing cash finance to a wide range of customer segments and offering distinctive product finance underpinned by durable partnerships with retailers operating across a range of market sectors. Leveraging an innovative FinTech platform, Tas'heel offers customers a highly differentiated consumer finance offering and is the only NBFi in the Saudi market with an end-to-end digital process for booking and disbursing consumer finance. Risk management policies are strictly adhered to, and Tas'heel constantly works to assess the quality of the finance arm's portfolio and to foresee future risks or delinquencies. Tas'heel's financial solutions are distinguished by minimal requirements and instant approvals, made possible by efficient digital processes. The Company works to make consumer finance simple and accessible, offering its services both to Saudi nationals and resident expatriates. Distinguishing itself from its competition, Tas'heel utilizes a highly sophisticated risk management infrastructure to provide noncollateralized credit programs while managing delinquencies and nonperforming assets in a highly efficient and competitive manner. Personal Finance Tas'heel Finance offers customers its Shariah-compliant personal finance solutions (Tawarruq) with a host of repayment options and financing tenors tailor-made for customers' specific financial requirements and preferences. Personal finance is provided in amounts of up to SAR 250,000, with tenor options, with a maximum of 60 months. Tas'heel Finance requires no guarantor or salary transfer to disburse personal finance, granting instant approval for immediate financing and charging a fixed profit margin in lieu of interest rates in conformance with Shariah statutes. Product Finance Tas'heel Finance offers an unmatched range of installment programs, providing easily accessible Shariah-compliant installment finance (Murabaha) in cooperation with a strong and expanding base of retail partners. Installment programs are provided for product purchases of up to SAR 60,000. Customers can choose from a range of tenors, with a maximum of 36 months. Tas'heel Finance requires no guarantor or salary transfer to disburse product finance, granting instant approval for immediate financing to customers purchasing goods and services from one of Tas'heel's many retail partners. (Credit Card) requires no guarantor or salary transfer no annual fee for the first year, granting instant app.

9.0 Our People – Management Team



Sakhr Bin Abdulrahman Almulhem

Chief Executive Officer

Sakhr Almulhem is the Chief Executive Officer of Tash'eel and a member of several executive management committees. Sakhr is an industry veteran with more than 27 years of local, regional, and global experience in the financial and banking sector in Saudi Arabia, the United States, the United Kingdom, and Mexico. Throughout his extensive career, he has founded several technology and incubator companies in Saudi Arabia and was the key player in the establishment of a Saudi bank. Prior to his appointment as CEO of Tash'eel, Sakhr held executive roles in the financial, insurance, and aviation sectors spanning business management, development, product marketing, operations management, projects, and strategic planning. He has received numerous accolades during his career. He holds a Bachelor of Marketing, an MBA, and a Postgraduate Degree in Artificial Intelligence from the United States of America.



Mohammed Ahmed Al Doseri -Chief Information Security Officer

Mohammed Al Doseri Serves as the Chief Information Security Officer of Tasheel Finance. Mohammed is responsible for defining and executing an Information security and Cyber security Strategy in alignment with the organization's goal of providing a secure, seamless, and enhanced Security and customer experience. Framing information security plans, guidelines, policies, and short-term strategies, and leading information security planning processes to establish a comprehensive information security program. Mohammed has over 14 years of experience in the Banking sector focusing on Information Technology and Information Security. Mohammed started his career at Bahrain Telecommunications company (Batelco) and shift to work in the Banking sector for 12 years at Kuwait Finance House-Bahrain where he work on building the Information Security department and implement critical projects in Information security for the Bank and work with KFH Group to build the centralized Security Operation Center. and before joining Tasheel Mohammed was working as chief information Security Officer in one of the Financial companies in Eastern-KSA.



Shahrukh Lali - Chief Risk Officer

Shahrukh serves as Tas'heels Chief Risk Officer. Shahrukh is responsible for the overall Risk Management of the company including Credit Risk which is the core activity in any lending business. Shahrukh Joined Tas'heel from eXtra (United Electronics Company) where he was responsible for setting up and then managing the Instalment Sales Business. Prior to eXtra he has worked in both local and multinational Banks within and outside KSA focusing on the Consumer Finance business for over 25 years.



Haitham Kabbarah- Head of Internal Audit

Haitham serves as Head of Internal Audit at Tasheel Finance. He is one of the responsible team for delivering the company's strategic objectives. Haitham joined Tasheel Finance from Saudi National Bank where he held the position of Internal Audit Vice President of Retail Operations and Support Function. Haitham has more than 27 years of experience in (Planning and preparing internal, operational, and credit audit, Credit management, and improving financial and operation practices)



Rashid K. AlMudayan – Head of Compliance Officer and AML/CTF

Mr. AlMudayan serves as Chief Compliance Officer and AML/CTF at Tasheel Finance. He is responsible for maintaining a high compliance culture through establishing governance, compliance, and AML policies and procedures, guiding and educating the company's members on compliance matters, identifying compliance and AML risks that the company may face, and coming up with effective recommendations to handle them. Mr. AlMudayan has more than 20 years of experience in the field of compliance, governance, and financial crimes, where he previously worked with Saudi Investment Bank, HSBC Saudi Arabia, Samba Capital, Deutsche Gulf Finance, and Amlak International for real

Estate Finance



Amjad Abu Amara – Chief Operating Officer

Amjad serves as Chief Operating Officer at Tasheel Finance, he is responsible for delivering smooth operations, and customer satisfaction, maintaining high culture, and achieving the company's strategic objectives. Amjad joined Tasheel Finance from First Abu Dhabi Bank where he held the position of Country Chief Operating Officer. Amjad has more than 31 years of experience in retail & corporate banking (local and international), investment, projects management, technology & process re-engineering, throughout his career he served multiple organizations including Saudi British Bank, Saudi Hollandi Bank, National Commercial Bank, Gulf International Bank, Arab National Bank, First Abu Dhabi Bank & Saudi Stock Exchange (Tadawul).



Noor Alkhabbaz - Head of Finance

Noor Alkhabbaz serves as the Head of Finance. Noor is responsible for the finance functions of the company with an emphasis on strategic planning, governance, control, working capital optimization, management accounting, and bottom-line performance. Noor joined Tasheel Finance from SPL where he held the position of Financial Controlling Director.

Noor has over 15 years of experience in audit, banking, accounting, controlling & finance. He started his career as an Auditor at Ernest & Young (EY) and shifted to work in the banking sector at Samba Financial Group, where he worked in retail banking management before moving to corporate banking. After that, he worked in Oil & Gas sector at National Oilwell Varco (NOV) as Financial Controller. Noor holds a master's degree in Accountancy from Case Western Reserve University in Ohio, United States, and a bachelor's degree in Finance from King Saud University



Nawaf serves as Chief Human Resources Officer at Tasheel Finance, he is responsible for developing and executing human capital strategy in support of the overall business plan and strategic direction of the organization. Nawaf joined Tasheel Finance from the Ministry of Finance where he held the position of General Human Resources Manager. Nawaf has 20+ years of experience in the human resources field where he held various positions at local and global companies, providing consultations for several projects in human resources, information technology, and business merger & acquisition. Nawaf specializes in management consulting for public organizations, private companies, and family businesses to improve efficiency and create succession plans. Nawaf holds a master's degree in Human Resources Management from the University of Melbourne, Australia, and a science bachelor's degree in Information Technology from Colorado Technical University, USA.

10.0 Management Review of Operations

1. Risk Management

The Risk Management function manages Tas'heel's Credit Risk, Operational Risk, Anti-fraud, and Collection Strategy & Assurance. The transformation of Tas'heel and the Risk Management department continued in 2022. New processes and initiatives, such as Behavior Scoring System, Application Scoring System, and Incident Reporting were implemented to mitigate different kinds of risks and make the overall processes more airtight, as well as towards increasing the risk appetite of the company.

An incident management process using the Operational Risk Management System from Bench Matrix was created, where employees were trained on how to report any incident, this system can be accessed using the same login ID to access Windows and email from any location. The incidents reported come directly from users from across the company and are reviewed by the Ops Risk Manager who assigns the investigation to the relevant department head to know why it happened if it's closed or not, and what steps have been taken to avoid such incidents in the future. Previously this was done via emails and tracking through excel sheets. This has improved the quality and quantity of incident reporting which is helping the company close any open risks associated with any process within the company.

2. Compliance & AML

The Compliance function identifies, monitors, manages, and reports on all relevant compliance risks of Tas'heel. The function follows a risk-based compliance program and reports findings of such quarterly. The compliance department also monitors compliance with AML (Anti Money Laundering) laws, regulations, and rules and promotes awareness of compliance issues through the training of the company's Board of Directors and employees. The division successfully implemented the 2022 Compliance Plan and obtained SAMA approval to launch a business with the company's new retail partners. Improvements were also made to AML and Whistleblowing systems and Compliance, AML-CTF, and Whistleblowing training were also conducted for employees and the board of Directors. During the year several SAMA circulars were addressed including ECL write-off requirements. Going forward, the focus of the department, in line with the company's digitization journey, is on further automating the function to address all regulations within Tas'heel's core system.

3. Information Technology

The information Technology department is key to supporting Tas'heel towards becoming a fully-fledged fintech. The department is driving the development of a robust and agile IT infrastructure, leveraging frontier technologies that deliver an unmatched Digital Journey to customers while ensuring all back-office functions work seamlessly and cost-effectively. The department ensures the integration of all internal systems and, through its Helpdesk, supports all staff located on-site and remotely. Information technology also manages the production and Disaster Recover (DR) site infrastructures and project manages all IT enhancement initiatives, ensuring smooth change management takes place. In 2022, the automation of several processes enhanced customer experience, both internally and externally, as described in the table below:

Process	Description	Benefit
Auto closure of matured loans	Closing Matured loans automatically post maturity	1. cost save if 1 FTE 2. increase customer satisfaction
Deceased customer loan closure	Automation of closure and accounting entries for deceased customers	instant account closure Eliminate manual work
automation of early closure	70% of the early closure requests are automatically closed within the same day	1. cost save of 2 FTE 2. reduce request TAT by 50%
Upload of promotion payments	Promotion payments uploaded from a list compared to processing one by one	instant payment credit Eliminate manual work
Auto dialer for telemarketing and collections	Implementing auto dialer for collections and telemarketing	1. increase agent productivity by 30% 2. automation of calling MIS
Fraud check to be done post approval	A fraud check is being done now before the offer call is made to the customer	reduce complaints
The system checks in altitude	Underwriters will have all information required on one screen	increase productivity by 5%
Contract sending for Tawaruq customers	Automation of contracts sending the post-approval call	1. save of 0.5 FTE 2. reduction of the customer journey by 5 minutes
Display customer contracts in the customer portal	customers can see the signed contracts on the portal and mobile applications	1. reduce calls requesting contract copy 2. increase customer trust in the company
Automation of clearance letter issuance	Customers can get the clearance letter from the portal once the account is closed	1. Eliminate manual work 2. convenience to customers as they can get the letter anytime

4. Cyber Security

The cybersecurity function at Tas’heel is in charge of safeguarding IT infrastructure, edge devices, networks, and data. They oversee preventing data breaches as well as monitoring and responding to attacks. In addition, they are tasked with the management of Cybersecurity Policies and Procedures as per local and international Compliance Standards and the management of cybersecurity risks. In 2022, the function, which achieved an impressive Cybersecurity maturity level of 3.65, according to the SAMA Cybersecurity Framework, protected Tas’heel assets through several activities. The cybersecurity department also completed the PCI DSS Audit to verify our strict adherence to PCI controls. The division continues to use the latest technologies in cybersecurity to protect

stakeholders with a focus on further enhancing system integration, visibility, and cybersecurity reporting to create an echo system between Technology and Cyber security controls.

5. Operations

Tas'heel's Operations department facilitates the error-free and timely processing of customer applications and service requests through the management of core operations, applications, the contact center, and collections operations. Throughout 2022, the department continued supporting the success of the customer Digital Journey, including Digital signatures and promissory notes. Amendments to workflows were also made to further enhance the customer experience. We achieved a system stability rate of 97.89%, and the launch of the store queuing system and WhatsApp BOT resulted in a cost-saving of SAR 560,000. We achieved an uptime of 99.6% for our digital signature alternative, which was only 86% in 2021. The launch of the integrated applications approvals process in Qarar in September 2022 has resulted in additional savings of SAR 2.5 million. Automated reporting and data pipeline have also resulted in man-hour savings of 150 hours every month and cost savings of SAR 180,000. Likewise, the newly launched data orchestration platform has also resulted in savings of SAR 187,000 annually in licenses.

6. Sales

Tash'eel's Sales team supports the delivery of an outstanding on-the-ground customer experience in line with regulatory requirements. The team analyses market trends and gathers customer feedback to address the changing consumer needs. Despite increased competition, Tash'eel sales have remarkably achieved strong growth results. This was mainly driven by continuous improvement in sales capabilities, increased focus on remote locations as well as aggressive expanding our key accounts customer base. Moving forward, our strategy for growth will continue to leverage sales capabilities as a key point of difference through upgrading our selling skills. We will also continue to leverage Key accounts as key growth drivers by expanding into more sectors and more sizable customers (Telecommunications & Education). As for the new products' launches planned in 2022, We worked closely with the various departments to equip our teams with the needed product knowledge and training to optimally cross-sell the new products into one unique selling proposition that meets all customer needs.

7. Marketing

The Marketing team is responsible for elevating brand awareness and building brand loyalty in our target markets. The division, which is also tasked with shaping impactful customer promotional campaigns, creates and implements a marketing strategy aligned with the organization's business goals. An increased focus remains on targeted digital marketing activities with a notable achievement being a positive average Click Through Rate (CTR) that is substantially higher than the Google benchmark, underscoring the growing interest

in Tas'heel's brand and solutions. During the year the marketing function navigated numerous challenges, including the closure of many retailers by elevating the online experience through enhancements to the Digital Journey, website, and mobile app with a focus on the User Experience (UX). Throughout 2022, continued efforts were made to implement a more targeted, regional marketing plan that builds brand equity and awareness in our target markets.

8. Customer Fulfillment

The Customer Fulfillment department is comprised of the inbound call center, outbound call center, and customer service unit. It is responsible for handling all inbound calls and addressing customer requests from social media, email, and portal channels. The unit actively monitors trends, volumes, calls, and complaints and makes strategic adjustments to ensure the highest levels of customer care are maintained.

9. Human Resources

2022 Key Highlights:

HR Department continues its strategic focus on creating an inspiring place to work by gaining, retaining, and elevating the best talents.

1. By Q1 of 2022, HR Department revamped a structured onboarding program that offers organized orientation plans and supportive training for the new joiners.
2. HR also conducted the first engagement feedback survey in UCFS which resulted in Engagement initiatives mapped to an analysis of key engagement drivers. The engagement activities were derived from several levels of employees through action planning focus groups and executive leadership team workshops to co-create the plan.
3. HR designed the company's new core values and established the behavioral competencies derived from the values (Ownership, Together We Can, The Future is Today, Customers First, and Think Big Grow Bigger).
4. Tas'heel Newsletter was launched to support the engagement of key initiatives to improve corporate communication and increase engagement in the company vision and strategic directions.
5. Promoting a learning and development culture and engaging employees with several learning poutines and achieving the launch of the first online learning platform, increase the habit of leading self-learning.
6. Also, as part of diversity and inclusion, HR achieved an increase in the Female workforce which reached 40% vs 35% in 2021, and efforts to offer more opportunities to support females' talent.
7. HR Department developed the internal hiring and announcement process to promote internal movements and applied to recognize newly promoted employees and celebrate their new roles to increase the culture of development and motivate others to apply for internal vacancies.
8. Saudization remains high and at a platinum nitaqat status. In 2022, Tas'heel closed with a 94.5% Saudization rate. To ensure that all SAMA-regulated roles are filled with Saudis,

HR filled the Head of Finance, Chief Operating Officer, and Customer Care Manager with qualified talents approved by SAMA.

9. Improve the compensation and benefits offered to employees, an annual salary increase followed by a salary review conducted. Also, an attractive annual bonus pays distributed to promote high-performing culture and retain talents. The HR department also improved the Medical Insurance benefit which improved the insurance classes and included more medical networks offered to 1600 employees and their family members.

Focus Areas in 2023:

1. HR policies and procedures manual is designed and to be published to all employees which will increase employee awareness and systematic approach to delivering HR services.
2. HR initiatives of 2023 are launching the People Wellbeing Calendar which fosters an inspiring and engaging place to work and increases employee awareness in several health and wellbeing areas. As well as supporting the employer branding efforts and increase of loyalty.
3. To achieve a culture of development and engaged talents, HR is designing development programs focused on coaching and high potential employees.
4. To design Recognition programs and motivational campaigns to foster high performing culture.
5. The compensation and benefits system is in the process to continue improving the employee value proposition, achieving fair pay, and competing with the market.
6. Further, expand inclusion efforts by increasing female leadership to further achieve the inclusion focus.

10. Internal Audit

The Internal Audit Department is an integral part of the company's internal control and governance framework and it's defined as the third line of defense in the company. It has been entrusted with reviewing the company's business and procedures and assessing its compliance with the relevant laws and regulations applicable in the Kingdom. Furthermore, the board's or its committees' policies, controls, and procedures. It is an independent department that is part of the Audit Committee and gives advice on how to carry out internal audits in an objective way that adds value to the company and improves its operations. This, in turn, helps the company achieve its goals by taking a systematic, structured approach to evaluate and improve governance, risk management, and control processes. The company's Internal Audit Department follows established plans and policies to evaluate and improve the effectiveness of internal control, risk management, and governance to ensure that they are all in conformity with best practices and standards. In this text, you will get advice on how you can change your business to be more efficient at internal control and protect your money and assets.

Based on its mandated tasks, the Internal Audit Department provides the Audit Committee on a quarterly and yearly basis with reports that include remarks and weaknesses regarding

the implementation of internal control procedures. Moreover, it reviews the potential impacts on the company's business processes and transactions while focusing on high and medium-risk activities. This isn't the only thing in each report. It also advises on how to deal with these comments in a way that will help the company, its operations, and its governance and risk management processes.

11. Social Contribution Details

Corporate Social Responsibility is an important element of Tas'heel's business strategy. The company seeks to add value to community outreach is a core part of our corporate culture. Tas'heel conducted two blood donation campaigns on June, 13th-14th 2022, and December 22nd, 2022.

12. The Capital of UCFS

Substantial Shareholders Ownership of Company Shares

Shareholder	Capital, Number & Percentage of shares		
	Capital	Number of shares	Direct Ownership Percentage
United International Holding Company (UIHC)	350,000,000	35,000,000	100%

Financial Results and the Most Prominent Results of Business Sectors Performance

1. Comparison of Financial Results

Description Thousand Riyals	2019G	2020G	2021G	2022G
	Audited	Audited	Audited	Audited
Financing Revenue	15,580.9	130,631.7	300,895.1	416,957.2
Finance Cost	0	-5,382.2	-11,216.6	-27,778.5
Net Financing Revenue	15,580.9	125,249.5	289,678.5	389,178.7
Total operating Expense	-35,271.6	-98,838.2	-147,740	-178,174.8
Net income before Zakat	-18,504.3	26,678.4	143,082.7	215,135.2
Net income after Zakat	-18,792.8	21,342.7	128,774.4	193,622.3

2. Comparison of Assets & Liabilities

Description Thousand Riyals	2019G	2020G	2021G	2022G
	Audited	Audited	Audited	Audited
Net Financing Receivables	143,899.1	703,166.9	1,186,060.1	1,554,622.8
Other Assets	33,036.4	78,103	71,524.9	58,038.1
Total Assets	176,935.5	781,269.9	1,257,585	1,612,660.9
Total Bank Borrowing	0	340,682	675,743.9	837,473.4
Other Liabilities	45,912.6	88,820.8	101,099.5	100,620.3
Total Liabilities	45,912.5	429,502.8	776,843.4	938,093.7
Equities	131,022.9	351,767.1	480,741.6	674,567.1
Total Liabilities and Equities	176,935.5	781,269.9	1,257,585	1,612,660.9

The following table shows the most important financial indicators

Financial Indicators	2019G	2020G	2021G	2022G
	Audited	Audited	Audited	Audited
Share Profit after Zakat (Riyal)	-1.25	1	3.68	5.53
Return on Average Equities after Zakat %	-28.7%	8.8%	30.9%	33.5%
Return on Average Assets after Zakat %	-21.2%	4.5%	12.6%	13.5%

3. Main Business Activities

Name of Activity	Activity Revenue (Thousand riyals)	Percentage
Murabah Contract Income	146,123.3	35%
Tawaruq Contract Income	270,352	64.9%
Islamic Credit Card Income	481.9	0.1%
Total	416,957.2	100.0%

4. Zakat & Governmental Payment during 2022

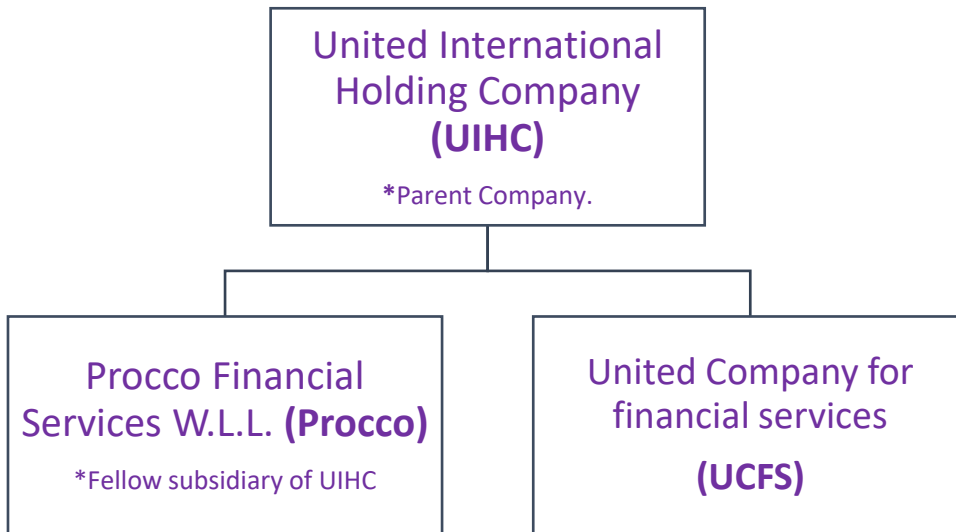
SR	Amount	Description	Reasoning
Zakat	14,752,876	Zakat on Income	Annual Zakat Declaration
Gosi	5,364,587.62	Social Insurance	Social insurance payments due on Saudi and expertise employee
Tax Authority	99,248.32	Withholding tax	For the consultancy and other services provided by nonresident firms

5. The Company Borrowing Details during FY 2022:

Sr	Name of Financer	Opening Balance of Financing	Financing Amounts Repaid during the year	Additional Financing Amount	Financing Remaining Amount
1	Riyad Bank	391,979,166	391,979,166	25,000,000	25,000,000
2	SABB	50,000,000	50,000,000	350,000,000	350,000,000
3	Al Bilad Bank	233,000,000	47,066,666	21,000,000	206,933,334
4	BSF	-	-	250,000,000	250,000,000

*All amounts in SAR

Affiliates:



Dividend Policy

In accordance with the stipulations of Article 26 of the Executive Regulations of the Finance Companies Control Law, the annual net profits of the Company are distributed as follows:

1. Ten percent (10%) of net profits are set aside to form the Company's statutory reserve. The General Assembly may elect to suspend such retention once said the reserve has reached 30% of the Company's paid-in capital.
2. In keeping with the proposal of the Board of Directors, the General Assembly allocates an amount not exceeding twenty percent (20%) of net profits to an additional reserve, the uses and specific purposes of which are determined by the General Assembly.
3. The General Assembly may elect to create further additional reserves if it deems such action to serve the interests of the Company or ensure that fixed profits are distributed to shareholders to the greatest extent possible. The Assembly may also deduct amounts from the Company's net profit to establish social institutions for Company employees or to assist those dependent on such institutions.
4. The remainder of net profits, representing five percent (5%) of the Company's paid-in capital, shall be distributed to shareholders.
5. In accordance with the stipulations of Articles 18 and 26 of the Companies Law, five percent (5%) of the remaining profits are allocated to the remuneration of the Board of Directors, provided that such remuneration is proportional to the number of Board sessions attended by a given Member.

Distribution of profits shall be subject to the restrictions stated in the Executive Regulations of the Financing Companies Control Law. It stipulates that a letter must be obtained from the Saudi Central Bank, including its no objection before the distribution of any profits, any other distributions, or announcement of such distribution.

13. Risk Management

As part of UCFS's endeavor to achieve its strategic objectives, UCFS will be exposed to various types of risks as it undertakes its business activities. Such risks could translate into financial, reputational, and operational losses which could ultimately threaten the viability of the Company. Accordingly, risk management will play a vital role in the Company's day-to-day activities and is a key discipline to:

- i) Optimize the return to and protect the interests of stakeholders;
- ii) Safeguard its assets and protect its reputation; and
- iii) Improve its operating performance.

The risk management framework outlines the mechanism of how the Company will manage its risks, and accordingly, it is considered the main reference for all-risk policies and procedures.

The CEO and the Senior Management are responsible for ensuring that the institutional environment supports the effective functioning of risk management.

The company's environment is the foundation of risk management, providing the underpinning culture, discipline, and structure that influence how strategy and objectives are established, how activities are planned and executed, and how risks are identified, assessed, and acted upon.

13.1 Risk Management Goal and Objectives:

The Company's ultimate goal with respect to risk management is to ensure that it remains a well-funded, well-controlled, risk-averse institution in order to achieve sustainable and balanced growth.

13.2 Risk Management Principles:

1. UCFS will follow an Enterprise Risk Management (ERM) approach and hence risk management will be applied in all major functions and activities of the company, rather than only in selected areas, to isolate the material risks.
2. ERM ensures a response to risks which are often dynamic and often highly interdependent and need to be managed through a portfolio approach rather than as separate and static events, to achieve comprehensive and integrated attention.
3. Notwithstanding the above, the Risk Management Department will monitor risks centrally and independently. The responsibilities of all related parties in risk management processes are clearly stated in Risk Governance section of this framework.
4. Risk management is dynamic, iterative and responsive to change.
5. The 3-lines defense model will be used to manage risks. The first line consists of the business and supporting departments (Risk Owners). The second line consists of RMD and

Compliance department, and internal audit department represents the third line of defense.

6. All risks shall be identified promptly, and risk management department in coordination with the risk owner shall conduct materiality test, in order to determine the material risks on a consolidated level.
7. Risk appetite shall be approved by the board of directors for all material risks and must not be exceeded in all cases without a written approval from the board of directors.
8. The exposure to all material risks shall be assessed using appropriate risk measurement tools.
9. Risk management facilitates continual improvement of the organization.
10. Risk strategy shall be determined according to the type and amount of risks, and the approved risk appetite, taking into consideration the levels of capital and liquidity, and the efficiency of risk management personnel.

13.3 Risk Management Infrastructure:

UCFS' risk management infrastructure is the foundation of its risk management framework, that the Company uses to identify, assess, monitor and manage risks in the most efficient and effective way

1. Risk management governance
2. Risk management policies
3. Risk management processes & procedures

13.4 Risk Areas:

UCFS will be exposed to several risks as a result of its day-to-day activities. Accordingly, UCFS must devote the required resources to manage these risks efficiently and effectively. The list of material risks must be updated on an annual basis, or whenever deemed appropriate by RMD. Material risks should be measured, controlled and monitored on a continuous basis.

1. Material Risks Areas for UCFS:

UCFS considers the following risks areas as material given its business activities:

- a) Credit Risk;
- b) Operational Risk;
- c) Liquidity Risk.

2. Lower Materiality Risks Areas for UCFS:

UCFS considers the following risks areas as having lower materiality given its business activities:

- a) Market risk (including exchange rate risk): UCFS will neither take any positions in financial markets nor undertake any trading activities.
- b) Country Risk: UCFS will limit its activities to KSA.
- c) Profit Rate Risk – UCFS will have no investments in financial market.
- d) Strategic Risk Reputational
- e) Reputational Risk: Brand Risk arising from negative publicity or negative incidents in media that cause damage to reputation.

3. Credit Risk

4. Information Technology risk:

Reliable systems are a must in order to enable customers to seamlessly use the services and employees to perform their duties.

5. Information Security & Cyber Security:

Information and cyber security risk is high in the fintech industry and we aim to reduce this risk by having latest technology and resources that that enables preventing, detecting and responding to threats, both internal and external.

6. Fraud risk:

Improper controls built around any process which involves release of funds or granting a facility may lead to misuse of the process by internal or external parties, hence every point of vulnerability should have a control which is monitored on proactive basis to prevent any fraudulent activity.

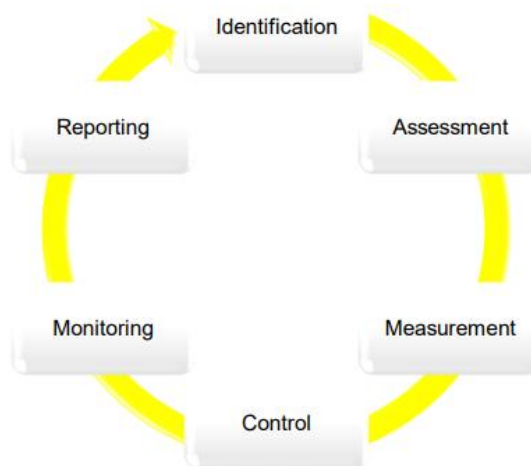
7. Conduct risk:

The company must have a code of conduct and ethics document that clearly outlines the reasonable and acceptable behavior as opposed to unreasonable and unacceptable behaviors. Such as Conflict of interest, improper information disclosure, insider trading

13.5 Risk Appetite:

Risk appetite is defined as the broad-based level of risk that the Company is able and willing to undertake in pursuit of its business objectives. The Risk Appetite ensures formal identification and consensus about the strategic level risks which the Company is facing and is a key tool for the business.

13.6 Risk Management Process:



11.0 The Company's board of directors and committees

11.1 Corporate Governance Statement

Tas'heel aspires to the highest standards of corporate governance. Our approach to corporate governance is based on a set of values and behaviors that underpin our day-to-day activities, and are designed to promote transparency, fair dealing, and the protection of stakeholder interests, including our customers, our shareholders, our employees, and our community. At Tas'heel we see good corporate governance as fundamental to the sustainability of our business.

Responsibilities of the board of directors

Governance

Board governance is the framework that controls how the board is structured, how it operates, and how decisions are made. It includes the processes, rules, and systems to help boards understand their specific responsibilities among each member and committee, as well as guides on how to best work with management.

Strategic Direction

The board of directors helps decide or at least informs how the organization grows. Board members who bring strong strategic experience in a broad range of industries can help the organization address opportunities and potential threats. Strategic planning

should be done on an ongoing basis by the board and include both short and long-term goals.

Accountability

The board has a legal responsibility to provide oversight and accountability for the organization. They must ensure that all legal and ethical standards are followed, and the organization is appropriately managing its assets and resources.

The Board carries out its tasks outlined in the company's articles of association and United Company for financial services Company governance regulations. The most prominent tasks include but are not limited to:

- Setting and adhering to corporate values for itself, senior management, and other employees create expectations that all business should be conducted in a legal and ethical manner.
- Promoting risk awareness within a strong risk culture, conveying the Board's expectation that it does not support excessive risk-taking and that all employees are responsible for helping ensure that the company operates within the agreed risk appetite and risk limits.
- Ensuring that appropriate steps are taken to communicate throughout the company the corporate values, professional standards or codes of conduct it sets, together with supporting policies
- Ensuring that employees, including senior management, are aware that appropriate disciplinary or other actions will follow unacceptable behaviors and transgressions.
- The Board shall be primarily responsible to provide effective governance over the Company's affairs for the benefit of its shareholders, and to balance the interests of its clients, employees, suppliers, and local communities.
- The Board shall actively oversee the business including approving and overseeing the implementation of New Co.'s strategic objectives and approving risk strategy, corporate governance rules, and principles of professional conduct. The Board shall also keep up with material changes in the entity's business and the external environment as well as act in a timely manner to protect the long-term interests of the Company.
 - Accordingly, the Board should:
 - establish and monitor the company's business objectives and strategy.
 - establish the company's corporate culture and values.
 - oversee the implementation of the appropriate governance framework.
 - develop, along with senior management and the CRO, the company's risk appetite, taking into account the competitive and regulatory landscape, long-term interests, exposure to risk, and the ability to manage risk effectively.

The Board of directors is composed of six (6) members. The names of Board members and the classification of their membership are shown as follows:

#	Name of Board Members	Membership	Classifications of Membership
1	Mr. Fozan Al Fozan	Chairman	Non-Executive
2	Mr. Adel Al Mangour	Vice Chairman	Independent
3	Mr. Mohamed Galal	Board Member	Non-Executive
4	Mr. Abdullatif Ali Alfozan	Board Member	Non-Executive
5	Ms. Kubra Shehabi	Board Member	Non-Executive
6	Eng. Saad AlKhalb	Board Member	Independent

Board Meetings held and Attendance.

The Board held five (5) meetings during **2022G**. the following table shows Board meetings and attendance record of each meeting:

Name of member	No. of Meetings (5)					Total Attendance	Attendance %
	1 st meeting April	2 nd meeting June	3 rd meeting September	4 th meeting November	5 th meeting December		
Fozan Mohamed Al Fozan – chairman	Y	Y	Y	Y	Y	5	100%
Adel Al Mangour- deputy or vice chairman	Y	Y	Y	Y	Y	5	100%
Mohamed Galal Fahmy	Y	Y	Y	Y	Y	5	100%
Abdullatif Al Fozan	Y	Y	Y	Y	Y	5	100%
Kubra Shehabi	Y	Y	Y	Y	Y	5	100%

Saad Al Khalb	Y	Y	Y	Y	X	4	80%
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11.2 Shareholders' General Assemblies Held

The company held one general assembly meeting in 2022G, as follows:

The ordinary general assembly meeting was held on 29/5/2022G. Agenda items included the following:

Vote on the Board's report for the fiscal year ended December 31, 2021
Vote on the audit committee's report for the fiscal year ended December 31, 2021
Vote on the company's auditor's report for the fiscal year ended December 31, 2021
Vote on financial statements for the fiscal year ended December 31, 2021
Vote on the discharge of board members for the fiscal year ended December 31, 2021
Vote on the appointment of the company's auditor from among the candidates on the recommendation of the Audit Committee, in order to examine, review, and audit the financial statements for the second, third, and annual quarters of the fiscal year 2022 and the first quarter of 2023 and determine its fees. (Price Water House Company)

The following are the attendance of members for the Ordinary General Assembly Meeting Held on 29/5/2022G: Attendance Record
<ol style="list-style-type: none"> 1- Fozan Al Fozan 2- Adel Al Mangour 3- Mohamed Galal 4- Abdullatif Ali Alfozan 5- Kubra Shehabi 6- Saad Al Khalb

The company held one extortionary assemblies' meeting in 2022G, as follows:

The ordinary general assembly meeting was held on 13/10/2022G. Agenda items included the following:

Vote on the amendment of articles 3, 5, 10, 12, 13, 14, 16, 19, 20, 23,27,28, 32, 35, and 40 in the Company bylaws
Vote on the Audit& Compliance committee's new composition as follows: <ul style="list-style-type: none"> - Saad AlKhalb (Chairman) - Fuad Tawfiq (Member) - Ibrahim AlJassir (Member)
Vote on the company's Nomination and Remuneration Charter
Vote on Audit and Compliance Charter
Vote on the Nomination & Remuneration policy

11.3 Names and Information of Members of the Board, Committees

Board and Its Committees' Members (from the Board) as of 31 December 2022G

Ser	Name	Committees' membership within the company	Current Posts	Previous Posts	Qualifications	Experience
1	Fozan Al Fozan	- Member of the Nomination & Remuneration Committee	Board Member Abdullatif and Mohammed Al Fozan Al Fozan Holding Company Al Fozan Building Materials Co. Bawan Holding United Electronics Company (eXtra) Amjal Property Development Company Ajwad Holding, Al Mada Holding United Industries Company United Glass Industries (uniglass)	NA	Bachelor of Accounting from the Faculty of Administrative Sciences at King Saud University	20 years
2	Adel Al Mangour	- Chairman of Audit & Compliance Committee ended October 12, 2022 - Member of the Risk Committee - Member of the Nomination & Remuneration Committee	Board Manager The Family Office	Board Member, committees Tawuniya Member of the Board of Directors, Head of the Investment Committee	MBA Portland State University BSc Accounting Portland state University BSc General Administration Portland University BSc	35 years

3	Mohamed Galal	- Chairman of Executive Committee - Member of the Risk Committee - Member of the Nomination & Remuneration Committee	Board Member, committees United Electronics Company (eXtra) Board Member, Chairman Procco Financial Services Board member Al Yassra Fashion Board member Halwani Bros Board member Goknur, Turkey.	Board Member, committees Ahmed Mohamed Saleh Baeshen & Co. National General Automotive United Homeware Company – Nice Nawah Holding	Accounting Ain Shams University	37 years
4	Abdullatif Ali Alfozan	Member of Executive committee	Board Member, committees AlFozaan Holding Company Ascend Healthcare Solutions Alpha Capital The National Company for Glass Industries (PJSC) United Homeware Company (Nice) Ajdan Real-estate Development Company Nesaj Compound Company (Retail Residence)	Board Member, committees Arnon Plastic Industries Bawan Holding Company	BA Economics & Employment Relations University of Toronto	10 years
5	Kubra Shehabi	- Chairman of Risk Committee - Member of the Audit & Compliance Committee ended October 12, 2022	Board Member, committees Procco Financial Services Accounting & Consulting	Board Member, committees First Energy Bank Al Salam Bank	MBA Investment & Finance university of Hull BSc Business Administration University of Bahrain	30 years

					Diploma in Business Administration University of Bahrain	
6	Saad Al Khalb	Member of Audit & Compliance Committee ended October 12, 2022 Chairman of Audit & Compliance Committee starting October 13, 2022	Board Member of government and private entities. President of the Saudi Ports Authority "Mawani"		BSc Electrical Engineering King Fahad University of Petroleum and Minerals	29 years
7	Sakhr Bin Abdulrahman Almulhem	Executive Committee Member	Board Member Procco Financial Services		MBA International Business Washington International University INSEAD Executive Management Graduate France	27 years
8	Saeed AlMahoudi	Nomination & Remuneration Chairman	N/A	N/A	King Fahad University of Petroleum and Minerals Bachelor of Finance and Management Information Systems	30 Years
9	Ibrahim AlJassir	Audit & Compliance Committee Member starting October 13, 2022	Audit Committee Member – TABADUL a Saudi logistic digital transformation Audit Committee Member – Nassej Digital transformation in learning &		University of ALABAMA in U.S.A. (1995) Associate of Science, Accounting & Auditing	27 years

			knowledge management Audit Committee Chairman - International Digital Solutions Co – new leap (Digital Financial Services)			
10	Fuad Tawfiq	Audit & Compliance Committee Member starting October 13, 2022	Audit Committee Member, Tabadul, Company Audit Committee Member, Abaad Aldawaa pharmaceutical company		Ain Shams University Bachelor, Accounting	22 years

Names of companies inside and outside the Kingdom, in which the company director is a member of its current or previous boards or one of its directors.

#	Member Name	Names of companies in which the board member is a member of its current board or one of its directors	Inside the Kingdom/outside the kingdom	Legal entity (joint stock listed/joint stock/unlisted/limited liability/.....)
1	Fozan Al Fozan	Abdullatif and Mohammed Al Fozan Al Fozan Holding Company Al Fozan Building Materials Co. Bawan Holding United Electronics Company (eXtra) Amjal Property Development Company Ajwad Holding Al Mada Holding United Industries Company United Glass Industries (uniglass)	Saudi Arabia Saudi Arabia Saudi Arabia Saudi Arabia Saudi Arabia Saudi Arabia Saudi Arabia Saudi Arabia Saudi Arabia	Closed contribution. Closed contribution Limited Liability Contributions included Contributions included Closed contribution Closed contribution Closed contribution Limited Liability Limited Liability Limited Liability

2	Adel Al Mangour	Tawuniya	Saudi Arabia	joint stock company
3	Mohamed Galal	Procco Financial Services	Bahrain	Limited Liability
		Al Yassra Fashion	Kuwait	
		Halwani Bros	Egypt	Shareholding company
		Goknur	Turkey	
4	Abdullatif Ali Alfozan	AlFozan Holding Company	Saudi Arabia	Closed contribution.
		Ascend Healthcare Solutions	Saudi Arabia	Limited liability
		Alpha Capital	Saudi Arabia	closed joint stock investment company
		The National Company for Glass Industries (PJSC)	Saudi Arabia	Shareholding Company
		United Homeware Company (Nice)	Saudi Arabia	Mixed limited liability Limited liability
		Alpha Capital	Saudi Arabia	Limited liability
		Nesaj Compound Company (Retail Residence)	Saudi Arabia	
		Arnon Plastic Industries	Saudi Arabia	Shareholding Company
		Bawan Holding Company	Saudi Arabia	
		Ajdan Real-estate Development Company	Saudi Arabia	
		AlOula Real estate Development Company	Saudi Arabia	
5	Kubra Shehabi	Procco Financial Services	Bahrain	Limited Liability
6	Saad Al Khalb	AMLAK International	Saudi Arabia	joint stock company

11.4 Board Committees

In accordance with the company's articles of association and governance regulations, a proper number of subcommittees of the Board shall be formed in line with the company's needs, circumstances, and activities. Such formation shall be in a manner that assists the Board to perform its tasks effectively, in accordance with general procedures set by the Board. These procedures shall include identifying the committee's mission, duration of work, the powers granted to it during this period, and how it will be overseen by the Board. The committees shall submit their reports to the Board, which oversees the work of these committees periodically, to verify that committees are carrying out the tasks assigned to them. The Board shall also approve the work regulations of all of its committees, while the general assembly shall approve the work regulations of the "Audit Committee" as well as those of the "Remunerations and Nominations Committee". The following Board committees were formed:

- Executive Committee.
- Risk & Credit Management Committee.
- Audit & Compliance Committee.
- Shariah Committee
- Remunerations and Nominations Committee

Below is a description of the duties and responsibilities of these committees and their meetings during 2022G:

1.0 Executive Committee.

The Executive Committee is composed of three (3) members and the following table shows the names of committee members and the record of attendance of meetings held during the fiscal year 2022G:

Name of member	No. of Meetings (3)							Total Attendance	Attendance %
	1 st meeting	2 nd meeting	3 rd meeting	4 th meeting	5 th meeting	6 th meeting			
	January	Feb	April	May	August	October			
Mohamed Galal Fahmy chairman	Y	Y	Y	Y	Y	Y	6	100%	
Abdullatif Al Fozan-Member	Y	Y	Y	Y	Y	Y	6	100%	

Sakhr Almulhem - Member	Y	Y	Y	Y	Y	Y	6	100%
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Below is a brief description of the Executive Committee's responsibilities and tasks:

The Executive Committee is tasked with monitoring the implementation of the Company's strategy, ensuring the achievement of operational objectives.

2.0 Risk & Credit Management Committee.

The Risk & Credit Management Committee is composed of three (3) members and the following table shows the names of committee members and the record of attendance of meetings held during the fiscal year 2022G:

Name of member	No. of Meetings (4)					
	1 st meeting February	2 nd meeting June	3 rd meeting August	4 th meeting December	Total Attendance	Attendance %
Kubra Shehabi (Chair)	Y	Y	Y	Y	4	100%
Adel Almangour	Y	Y	Y	Y	4	100%
Mohamed Galal	Y	Y	Y	Y	4	100%

Below is a brief description of the Risk & Credit Committee's responsibilities and tasks:

The Risk and Credit Management Committee (RCMC) assists the Board in overseeing the Company's risk management processes. The committee carries out related responsibilities which may be assigned to it by the Board and are responsible for providing advice regarding the Company's current and future risk appetite levels. The RCMC oversees the Company's capital and liquidity management strategies and is ultimately responsible for managing all forms of risk to the Company, be they Credit, Market, Operational, Compliance, or Reputational risks, ensuring that the Company's risk appetite is commensurate with the degree of risk accepted by the Board of Directors.

3.0 Audit & Compliance Committee.

The Audit & Compliance Committee is composed of three (3) members and the following table shows the names of committee members and the record of attendance of meetings held during the fiscal year 2022G:

The Audit & Compliance Committee is composed of the following three (3) members.

Their Membership ended in October 2022.

Name of member	No. of Meetings (4)				
	1 st meeting	2 nd meeting	3 rd meeting	Total Attendance	Attendance %
	February	April	July		
Adel Almangour (Chair)	Y	Y	Y	3	100%
Kubra Shehabi	Y	Y	Y	3	100%
Saad Alkhalb	Y	Y	Y	3	100%

A new Audit & Compliance committee composition was formed on 13/10/2022 as follows:

Name of member	No. of Meetings		
	4 th meeting	Total Attendance	Attendance %
	October		
Saad Alkhalb (Chair)	Y	4	100%
Ibrahim ALjassir	Y	1	100%
Saad Alkhalb	Y	1	100%

Below is a brief description of the Audit & Compliance Committee's responsibilities and tasks:

The Audit and Compliance Committee ensures compliance with the Company's approved operating rules and procedures. In accordance with the regulations of the Saudi Central Bank (SAMA), the Audit and Compliance Committee is composed of non-executive members. Supervising and cooperating with the Company's internal and external auditors, the committee is tasked with ensuring that the Company fully applies all internal control

policies and that accounting principles and policies present the financial results in a fair and accurate manner. The committee is further tasked with approving the scope of the Company's internal auditor, ensuring that Executive Management applies necessary corrective measures in a timely manner to address control deficiencies or non-compliance with policies, laws, regulations, or any other infringements identified by the auditors or other control functions.

The results of the annual audit and the effectiveness of the internal control procedures in the company, and the efficiency of the internal control system.

The internal audit opinion on the adequacy of control arrangements is based upon the results of Internal Audit reviews undertaken and completed during the period by the plan approved by the Audit Committee. Sufficient, reliable, and relevant evidence has been obtained to support the recommendations made. The internal Audit opinion is limited to the work carried out by the Internal Audit during the period (1st Jan 2022 – 31st Dec 2022) on the effectiveness of the management of those principal risks, identified within the Internal Audit program. While all principal risks identified within the organization's framework may not have been included in Internal Audit's coverage period, we have undertaken sufficient work to allow the audit to give a reasonable assurance, that risks are being managed effectively.

- An assessment of the range of individual opinions arising from risk-based audit assignments contained within the internal audit plan that have been reported to the ACC throughout the year. This assessment has taken account of the relative materiality of these areas and management's response in respect of addressing control weaknesses, besides, reviews of the management of key strategic risks associated with the main financial and corporate systems.
- Reviews the management of a selection of key directorate risks and a wide range of control systems in place at an operational level.
- Probity and system reviews of key services and completion of follow-up audit reviews to confirm the implementation of audit recommendations.
- Management requests for additional business assurance reviews and reviews of organizational documentation e.g. key committee minutes and attendance at organizational meetings in addition to outcomes from special audit reviews and counter investigations work.

From the work undertaken during the financial year 2022 and considering other sources of assurance, Internal Audit has reached an opinion that the framework of governance, control, and risk management are operating adequately to meet the company's objectives and that there were no outstanding significant issues arising from the work undertaken by Internal Audit at the time of writing this report.

4.0 Shariah committee

The Shariah committee is an independent committee appointed by the Board of Directors.

The Shariah committee is responsible for ensuring that all products, services, policies, and agreements extended by the Company conform to the rules and principles of Shariah Guidelines and Standards. The committee must verify all relevant policies and agreements in coordination with Executive Management before the launch of any new product or service, subject to the approval of the Board of Directors. The Shariah committee is also tasked with providing guidance and conducting annual Shariah audits to ensure that the Company complies with the Shariah Guidelines and Standards.

The Sharia Committee is composed of two (2) members and the following table shows the names of committee members and the record of attendance of meetings held during the fiscal year 2022G:

Name of member	1 st meeting	2 nd meeting	3 rd meeting	Total Attendance	Attendance %
Dr. Salah Fahad Al Shalhoob	Y	Y	Y	3	100%
Sh. Muhammad Ahmad Sultan	Y	Y	Y	3	100%

Below is the profile for each member of the sharia committee:

Dr. Salah Fahad Al Shalhoob	Shaikh Salah is a Sharia scholar who procured his PhD from Edinburgh University (UK) and Master from Al Imam University (KSA). He has led a broad range of engagements in the US, Europe, and the GCC with a focus on banking and investment products, real-estate acquisitions, Islamic Insurance management, Listed securities, and private equity fund. His product-based experience spans sukuks, home mortgages, leasing, SME Financing, and asset management transactions. He is an Assistant Professor at the Islamic & Arabic Studies College of Applied Studies at King Fahd University of Petroleum & Minerals & has written several research papers.
Sh. Muhammad Ahmad	Prior to joining the family office, Mr. Al Manqour served as Managing Director of Wholesale Banking at Gulf International Bank and Chief Credit Officer at Arab National Bank, and prior to this, at J.P. Morgan Chase. He has also served on the board of the Saudi Credit Bureau. Mr. Al Manqour holds an MBA from Portland State University School of Business.

Below is a brief description of the Shariah Committee's responsibilities and tasks:

- Meet at least two times a year.
- Issue Sharia decisions for the queries raised by the management.
- Review Policies & procedures related to all products and ensure they align with Sharia guidelines. This also includes reviewing the decision-making policy of the Sharia Committee.
- Review and certify the product(s) in light of applicable Sharia standards. The Sharia Committee will also review transactional documents e.g. TCs, applications, contracts, agreements, and legal docs related to each product, and deliver a statement or certification, including one or more fatawa, regarding compliance with principles of Sharia.
- Inform the Board of Directors of major activities that are incongruent with the Sharia criteria and recommend appropriate measures to remedy the situation.
- Confirm from the management that the calculation of Zakat complies with GAZT requirements.
- Monitor, through Internal Sharia Control and/or Internal Sharia Audit the compliance of the Company's activities with the Sharia guidelines.
- On an annual basis, conduct a Sharia supervisory assessment (by way of sampling) on selected activities.
- Submit an annual Sharia report for the Board of Directors after conducting the Sharia Supervisory assessment.

Sharia Board Report

11/05/1444
05/12/2022



بسم الله الرحمن الرحيم
التقرير السنوي لهيئة الرقابة الشرعية
الخاص بالشركة المتحدة للخدمات المالية (تسهيل)

إلى مساهمي الشركة المتحدة للخدمات المالية الكرام،
السلام عليكم ورحمة الله وبركاته...

الحمد لله رب العالمين والصلاة والسلام على أكرم الأنبياء والمرسلين سيدنا محمد وعلى آله وصحبه أجمعين، أما بعد:

يسرنا أن نقدم لكم التقرير السنوي لهيئة الرقابة الشرعية الخاص بالشركة المتحدة للخدمات المالية (الشركة) وفق نطاق العمل المتفق عليه لمراجعة أعمال الشركة وأنشطتها عن السنة المالية المنتهية في 2021/12/31.

إن إدارة الشركة مسؤولة عن القيام بأعمالها طبقاً لأحكام ومبادئ الشريعة الإسلامية، في حين تتمثل مسؤوليتنا في إبداء رأي مستقل بناء على مراجعتنا لأعمال الشركة وتقديم تقرير بذلك.

لقد قمنا بمراجعة المنتجات المقدمة والعقود المتعلقة بها والاستثمارات المنفذة من قبل الشركة خلال الفترة المشار إليها، كما قمنا أيضاً بإجراء مراجعة شاملة لأنشطة الشركة من أجل إبداء رأي فيما إذا كانت الشركة قد التزم بالأحكام والمبادئ الشرعية من خلال الأحكام والضوابط والتوجيهات المعتمدة.

كما تمت مراجعة أعمال الشركة من خلال الاطلاع على تقرير التدقيق الشرعي (المرفق) للتأكد من التزام الشركة بالضوابط والمعايير المتفق مع الأحكام والمبادئ الشرعية، إضافة إلى الحصول على جميع المعلومات والتفسيرات التي اعتبرناها ضرورية لتزويدنا بأدلة تكفي لإعطاء تأكيد معقول بأن الشركة لم تخالف أحكام ومبادئ الشريعة الإسلامية.

بناء ما سبق ومع الأخذ بالاعتبار التوصيات الواردة في تقرير المدقق الشرعي، تبين لنا أن أعمال الشركة وأنشطتها المنفذة خلال الفترة المشار إليها متوافقة مع الأحكام والضوابط الشرعية.

وصلى الله وسلم على سيدنا محمد وعلى آله وصحبه أجمعين، والحمد لله رب العالمين...



.....
الشيخ د. صلاح فهد الشلهوب

.....
الشيخ محمد أحمد سلطان

5. Remunerations and Nominations Committee

The Committee is composed of four (4) members and the following table shows the names of committee members and the record of attendance of meetings held during the fiscal year 2022G:

Name of member	1 st meeting	2 nd meeting	Attendance	Total Attendance %
	October	December		
Saeed AL Mahoudi- (Chairman)	Y	Y	2	100%
Mohamed Galal Fahmy Member	Y	Y	2	100%
Fozan Al Fozan- Member	Y	Y	2	100%
Adel AlMangour - Member	Y	Y	2	100%

Below is a brief description of the Remunerations and Nominations Committee's responsibilities and tasks:

- The committee shall be in charge of identifying and proposing candidates for selection as members of the Board and the executive management, and preparing a clear policy for the remuneration of said members, as per the relevant Central Bank instructions.
- The committee should examine and evaluate members' performance, nominate new members, and discuss the policy for remunerations and incentives.
- Coordinate with the Human Resources Department to develop the replacement and succession policy, and ensure the executive management's compliance therewith.
- Establish a record of the qualifications and skills of Board members to identify the additional skills required to activate the role of the Board and ensure the implementation of its tasks and responsibilities.
- Ensure that the remuneration amount is consistent with the prevailing local norms and control systems, and is appropriate to achieve the shareholders' interests and the financial institution's long-term strategic goals, and ensure that the incentive system is reviewed periodically and that it does not encourage participation in high-risk operations to achieve short-term profits, in addition to its agreement with the risk policy of the financial institution approved by the Board.

14. Remuneration

Remuneration & Compensation of the Board of Directors

The Company's remuneration policy has been formulated in accordance with provisions of the Companies Law and its implementing regulations in order to reward the members of the Board and its committees as well as the Executive Management in a fair and equitable manner that aligns with the Company's strategic objectives.

Board of Directors	Total
Fozan Mohamed Al Fozan	291,000
Mohamed Galal Fahmy	351,000
Adel Al Mangour	345,000
Saad Al Khalb	294,000
Kubra Shihabi	339,000
Abdullatif Al Fozan	303,000
Ibrahim Aljassir	20,500
Saeed Almahoudi	76,000
Fareed Tawfiq	20,500
Sakhr Almulhim	88,000
Total	1,972,000

The table below includes total meeting compensation paid in the year 2023 in exchange for the 5 board meetings held in the year 2022

Board of Directors meetings	Attendance					Attendance Allowance	Annual Remuneration	Total
Fozan Mohamed Al Fozan	3,000	3,000	3,000	3,000	3,000	15,000	200,000	215,000
Mohamed Galal Fahmy	3,000	3,000	3,000	3,000	3,000	15,000	200,000	215,000
Adel Al Mangour	3,000	3,000	3,000	3,000	3,000	15,000	200,000	215,000
Saad Al Khalb	3,000	3,000	3,000	3,000	3,000	15,000	200,000	212,000
Kubra Shihabi	3,000	3,000	3,000	3,000	3,000	15,000	200,000	215,000
Abdullatif Al Fozan	3,000	3,000	3,000	3,000		12,000	200,000	215,000
Total								1,287,000

Violation Category	Number of Penalties Decisions		Total Amount Levied in Penalties (SR)	
	2021	2022	2021	2022
SAMA Supervisory Instructions	0	1	0	20000
Violating SAMA's instructions regarding due diligence in combating money laundering and terrorist financing	0	0	0	0
Violation of the SAMA's for Consumer Protection	0	1	0	50000
Total	0	2	0	70000

16. Related Parties

Related parties comprise the shareholders, directors, and associated companies (representing entities that are directly or indirectly controlled by or under the significant influence of the Company's shareholders)

Transactions with Related Parties

Significant transactions with related parties in the ordinary course of business during the year were as follows:

Nature of transaction	2022	2021	2020
United Electronics Company			
Purchases from the shareholder to be financed to consumers under Murabaha contracts	373,754,380	356,634,421	300,106,389
Payments to the shareholder	-400,575,980	-417,837,424	-363,286,410
Collections made by the shareholder on behalf of the Company	-157,117	-7,003,532	-31,634,973
Collections made by the Company on behalf of the shareholder	13,245,964	51,858,957	100,710,576
Employee benefit obligations transferred from the shareholder	-	-	-1,817,013
Expenses incurred by the Company on behalf of the shareholder	-	-555,649	-1,767,229
Expenses incurred by the shareholder on behalf of the Company	10,940,459	9,484,212	5,032,661
Information Technology support charges	1,085,000	1,148,376	1,445,704

Procco Financial Services W.L.L			
Outsourced personnel expenses	23,731,753	13,766,312	6,949,635
Payments during the year	-23,798,987	-12,362,256	-6,906,435
Expenses incurred by the shareholder on behalf of the Company	635,778	1,093,463	-

The transactions are based on terms agreed as per signed agreements between the Company and the related parties. Below Due to related parties

	2022	2021	2020
United Electronics Company	36,798,226	38,505,520	44,781,044
Procco Financial Services W.L.L	3,109,263	2,540,719	43,200

15. Board Declarations

Based on the information available from all material aspects, the Board declares as follows:

- The account records were prepared properly.
- The internal control system was prepared properly and was implemented effectively.
- There is no doubt about the company's ability to continue its activity.
- No recommendation was issued by the Board to change the auditor prior to the expiry of the term for which it was appointed, and no such change was recommended by the Audit Committee.
- The financial statements were prepared in accordance with international accounting standards, as directed by the supervisory authorities. The Board declares that there is no material difference between these standards and the accounting standards adopted by the Saudi Organization for Certified Public Accountants.

16. Conclusion

This annual report illustrates the financial status of Tash'eel and is designed to communicate timely, reliable, and relevant information regarding the company's achievements and performance for the year 2022. Tash'eel is committed to transparent communications with all its stakeholders. The Board of Directors also thanks the Central Bank of Saudi Arabia for its efforts in supporting this sector by strengthening the regulatory and supervisory foundations and increasing transparency in a way that serves customer segments and increases the strength of the Saudi economy.