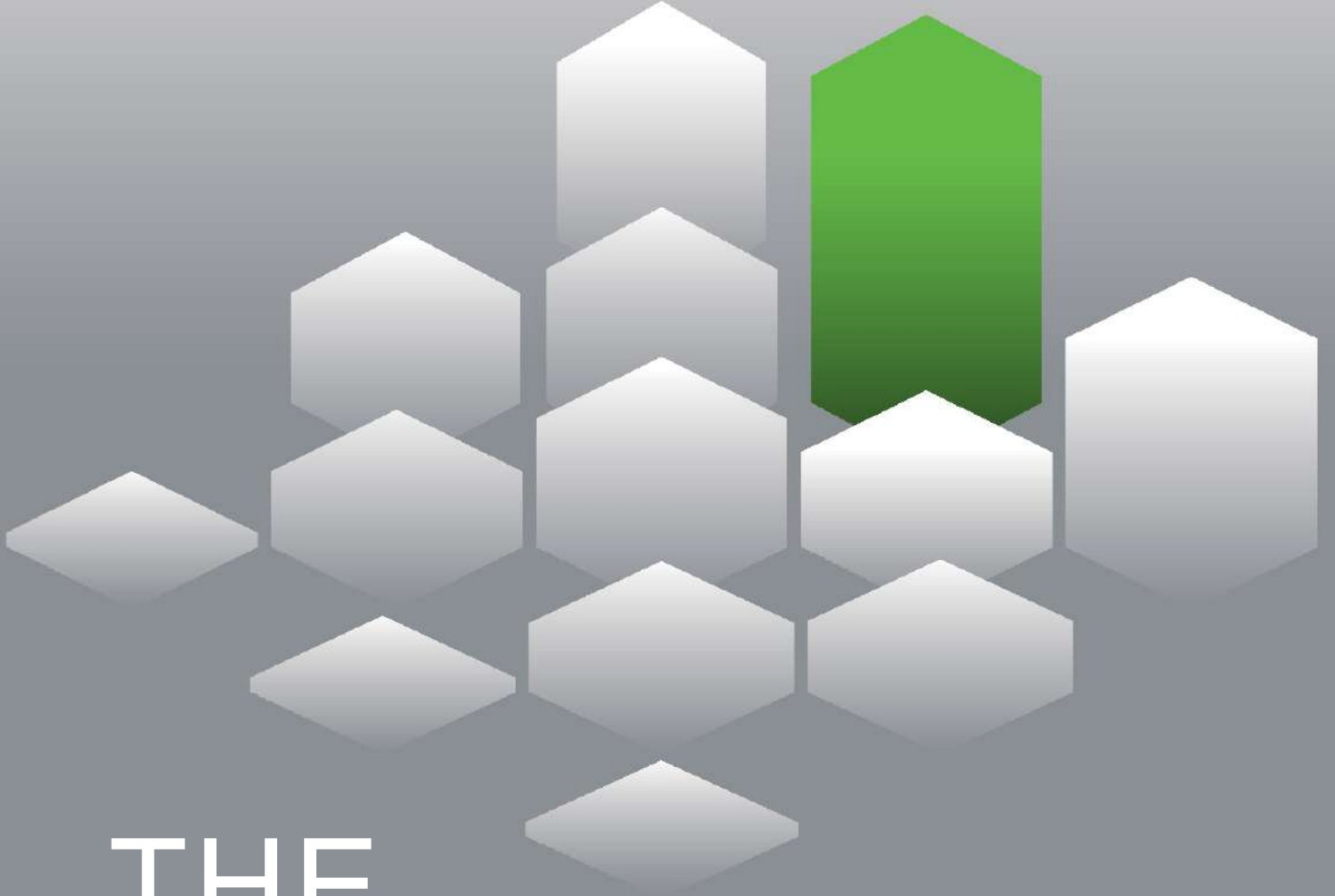


تسهييل
للتمويل

الشركة المتحدة للخدمات المالية
United Company for financial services



THE FUTURE IS TODAY

Annual Report 2021

上海海派



KING SALMAN BIN
ABDULAZIZ AL SAUD

The Custodian of the Two
Holy Mosques

We are part of this world, and we live the problems and challenges it is facing. We all share this responsibility and will actively contribute, God willing, to the development of solutions to many of the world's pressing issues, including the issues of the environment and sustainable development. We will continue in this regard to work with international organizations, institutions and partners.



MOHAMMAD BIN SALMAN

Crown Prince of the
Kingdom of Saudi Arabia

In order to preserve the unique environmental character of the region, environmental sustainability laws and mechanisms will be developed. Natural resources will be conserved in accordance with the best practices and standards in place globally.

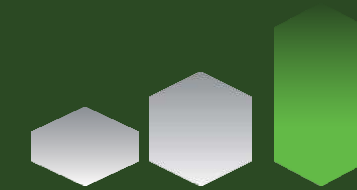
Annual Report 2021

THE FUTURE IS TODAY

United Financial Services Company
8868 Malik Bin Qais - Al Rawabi District,
Al Khobar 34421-23176, Kingdom of Saudi Arabia

Contents

04	Chairman Statement
06	Board of Directors
08	CEO Statement
10	At A Glance
16	Our Strategy
18	Vision, Mission & Values
20	Our Market
24	Our People - Management Team
25	Management Review of Operations
28	The Capital of UFC
40	Risk Management
41	The Company's board of directors and committees
42	The Company's Executive Management
48	Remuneration
52	Penalties
60	Related Parties
65	Board Declarations
80	Conclusion



INTRODUCTION



1.0 Chairman Statement

FOZAN AL FOZAN

Chairman

It gives me pleasure to present you with the Annual Report of the United Company for Financial Services (Tas'heel Finance) for the year ended 31 December 2021.

The financial services industry is witnessing a rapid change driven by advanced technologies and evolving customer expectations. Tas'heel continues to take the lead, maximizing on these opportunities to deliver innovative products and exceptional customer experiences. The COVID-19 pandemic, which has resulted in numerous socio-economic challenges, has impacted businesses across the board. It has fast tracked digital transformation across all sectors. Regulators, government, the private sector, and end users are all embracing digital initiatives at a faster pace to ensure life and business continuity. The Pandemic also shone a spotlight on the true value of digital technology and its potential to drive financial inclusion and social and economic progress as we rebuild our economy. Fintech, with its ability to direct cash to those who need it most, could possibly even speed up the work of minimizing the economic damage of COVID-19 in our economies.

During 2021, our second full year of operations, our focus remained on ensuring the wellbeing of our employees, customers, and our community. In addition to an increased focus on digital operational resilience and continuity in the provision of financial services, Tas'heel remained committed to catering to the daily financial needs of customers through a simple and seamless customer experience.

I am pleased to announce that again, despite the considerable challenges, Tas'heel performed very well, posting a positive net income for the year of 2021 (128.7m) 2020 (21.3m). The financing portfolio achieved milestone growth, crossing the SAR1.2billion mark at the end of the financial year, underscoring our commitment to delivering innovative financial service by leveraging technology.

Although Tas'heel has achieved impressive results in its

first two years of operations in consumer and product financing, we remain unwavering in our dedication to the further development of our products and processes as key to our sustainable success through latest technologies and a corporate culture of continuous learning and development.

As we move into 2022, Tas'heel will continue to grow its market share through world-class standards of customer service and the introduction of new financial services leveraging Technology that meets the changing needs of our customers in today's dynamic financial sector.

On behalf of the Board of Directors, I would like to express my gratitude to the Central Bank of Saudi Arabia (SAMA) and other regulatory bodies for facilitating a supportive and progressive regulatory environment. I would also like to thank all our customers, business partners, and shareholders for their ongoing trust and support. Finally, to our dedicated management team and employees whose hard work and dedication is key to our success now and in the future. Together we are working to create value for our shareholders, stakeholders, economy, and our society.

Tas'heel continues to take the lead, maximizing on these opportunities to deliver innovative products and exceptional customer experiences

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 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 a number of 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, board member in 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, 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 Statement

SAKHR BIN ABDULRAHMAN ALMULHEM

Chief Executive Officer

Although 2021 remained a challenging year due to restriction put in place due to COVID-19, I am pleased to report that Tas'heel successfully navigated these challenges and delivered a remarkable set of operational and financial results. This was due to a steadfast commitment to customer service excellence and continuous innovation and improvement of our products and processes. For the financial year ended 31st December 2021, Tas'heel posted a net income of SAR 128.7 million, a substantial achievement considering this is the company's second full year of operations. The financing portfolio also grew by 69% as Tas'heel served an expanding customer base that on 31 December 2021 had grown to 111,484.

Facilitated by the kingdom's supportive regulatory environment and advanced financial IT infrastructure, Tas'heel has revamped the customer journey of booking a loan, with the entire onboarding online process now simpler and easier. From digital Signatures to electronic KYC, Tas'heel provides customers with a complete Straight Through Process and effortless omnichannel experience.

Collaboration is key in today's connected economy and, in addition to leveraging the latest technology available to deliver speed and convenience to our customers, during 2021 the company expanded its strategic partnership network, joining hands with several new partners, including Abyat, Andalusia hospital and Pro Care hospital, which has supported us in our expansion strategy and in providing exceptional product and services to our growing customer base.

The year also witnessed a focus on product innovation, and I am pleased to report that aligned with our mission to bring a wider choice of financing solutions to our customers, Tas'heel has received an approval from SAMA to launch credit cards and has entered into an agreement with Mastercard to issue Titanium and World Mastercard to its customers, with a host of exciting benefits and services in the first half of 2022. It is an exciting time to be in financial services and to be part of the Tas'heel Team. We are moving forward with a clear strategy, an experienced team and an agile corporate structure. We are committed to addressing the true needs of customers through innovative products and by leveraging technology that delivers financial solutions that are easy and simple to use and are accessible anytime and anywhere. Our people, encouraged by a corporate culture of transparency and creativity, are empowered to think differently, and work in close collaboration with our customers to fully understand their needs. We involve our customers when designing

products and services and hear their recommendations on different matters like product naming and brand identity creation. The continued dedication to these pillars of product, technology, people, and customers is the key to ensuring Tas'heel's long term success.

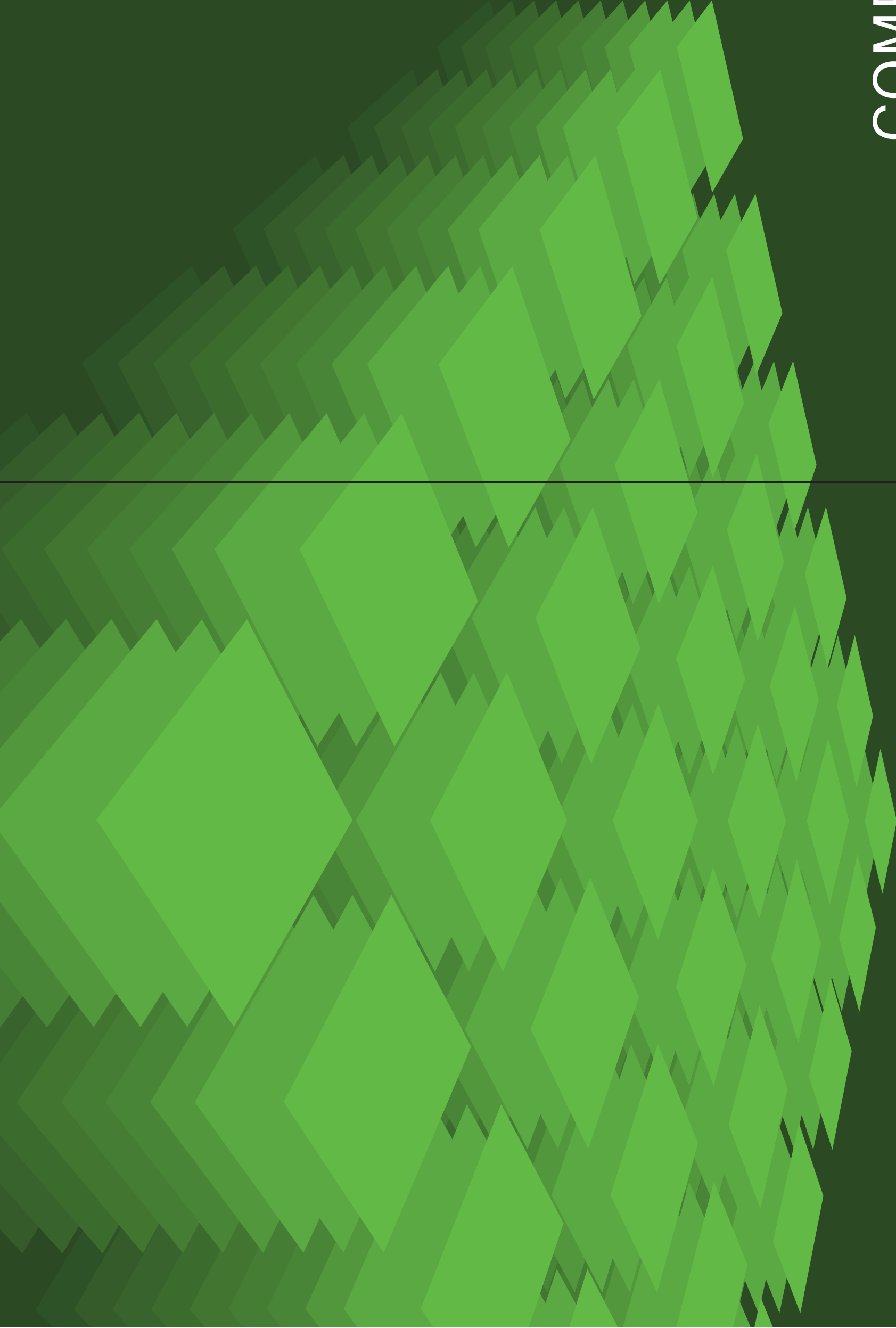
We thank the Board of Directors for their continued support and guidance and extend appreciation to the kingdom's regulatory authorities for their invaluable support. The Kingdom's advanced financial technology infrastructure and supportive regulatory environment is a key driver of industry product and service innovation, ensuring customers have access to advanced financial products and services, as well as encouraging the sustainable growth and development of Saudi Arabia's financial services industry. The kingdom's dynamic regulatory environment continues to support the delivery of financial service innovation and excellence and elevates Saudi Arabia's reputation and positioning as a progressive financial services center across the region and worldwide.

Finally, we would like to thank our customers who, through their valuable feedback, either face to face, or through our digital and social channels, on customer surveys and in focus groups, have really become our partners in success as well as our inspiration to reach new heights of service and product excellence.

Being a tech-driven company, we will keep following our aspirations and continue to invest in frontier technologies towards our vision of becoming the region's leading financial technology provider delivering on customers' financial needs.

**We are moving forward
with a clear strategy,
an experienced team
and an agile corporate
structure.**

COMPANY OVERVIEW



4.0 At a Glance



has an expansive 60 plus retailer store network, partnering with leading brands such as eXtra, Virgin, IKEA and Saudi German Hospital

Journey of excellence

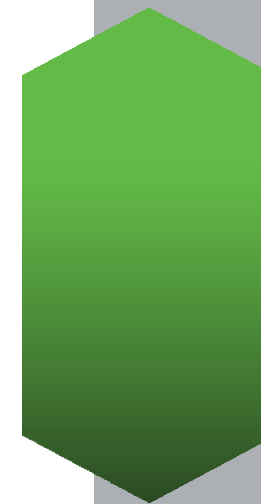
Delivering Differentiated, Digital Financing Solutions

The United Company for Financial Services (“Tas’heel Finance”) is a pioneer in the delivery of a range of Shariah compliant customised 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 and fully owned by United International Holding Company, has an expansive 60 plus retailer store network, partnering with leading brands such as eXtra, Virgin, IKEA and Saudi German Hospital delivering an extensive choice of instalment 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 instalments programs, Tas’heel is transforming financing and empowering consumers through accessible, fast and easy financing solutions.

5.0 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 for a constant improvement driven with our ambition and expertise.

Customers first

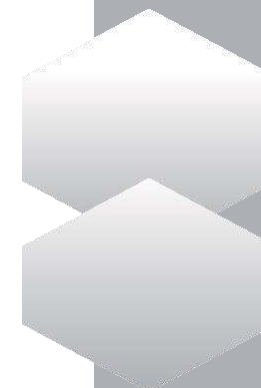
We are responsible to deliver the best experience to the customer with a value answering their inspirations.

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.



6.0 Our Strategy



A Dynamic Growth Strategy Through Security

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 our 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 enables ensures Tas'heel team members 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 customer more products and services 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 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'a compliant instalment 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 Our Market

Saudi Arabia's dynamic financial services landscape, which has traditionally been dominated by large, conventional banking institutions with activity focused on lending to the corporate sector is evolving, with a shift towards strong credit growth in the retail segment of the financial services industry.


Retail lending now represents a key driver of credit growth in Saudi Arabia's financial sector. Excluding credit card facilities, the value of personal loans extended by commercial banks in the Kingdom stood at SAR 430.86 billion (USD 114.9 billion) in September 2020, up from SAR 38.4 billion (USD 10.2 billion) at year-end 1999. Meanwhile, credit extended to retail clients increased by 12.3% during the first nine months of 2021, driven by expansion in retail mortgages and personal finance. Retail lending accounted for 41% of total credit as of September 2021, up from 31% at the close of 2016. Strong and growing demand for retail finance solutions is driven by a highly favorable fundamentals profile. With a population of 34.8 million, Saudi Arabia is a G20 economy and is the largest country in the Gulf Region, boasting its largest market for retail finance. In addition to its size, the Kingdom's retail finance space displays strong potential for growth; Saudi Arabia posts the lowest retail loans to GDP ratio in the Gulf Cooperation Council (GCC), leaving significant room for expansion relative to regional peers. Saudi consumer demand is underpinned by favorable demographic features, with over 65% of the population aged under 35, and total population expected to reach 39 million by 2030. On the supply side, the growing appetite for retail activity is underpinned by the absence of caps on retail loan pricing and the consequent lucrativeness of returns from retail lending.

A Sophisticated Consumer Base Saudi Arabia's retail finance space is evolving even as it expands, with a progressive intensification in industry competition. Market surveys indicate that Saudi banking customers are highly open to changing their institutions, and are open to experimenting with new financial products offered through digital channels. Surveys further indicate that approximately two-thirds of banking customers in the Kingdom actively seek new banking offers, with 32% of customers who leave their banks citing a lack of products that meet their requirements and a similarly sized cohort citing poor customer service. Retail clients at traditional financial institutions often face long processing times

and burdensome requirements, including salary transfers designed to enable banks' automatic deduction of instalments from customers' accounts. In many cases, services are restricted to Saudi nationals. These dynamics have spurred significant changes in consumer behavior. A large and growing number of customers are willing to open accounts with purely digital institutions that are capable of extending new products rapidly and conveniently. Saudi Arabia's

smartphone penetration rate has reached 90%, with the Kingdom's young, tech-savvy population preferring a mobile interface for financial transactions. Meaningful evolution in consumer behaviour can also be seen in the rapid growth of e-commerce over recent years, cementing a clear shift in preferences towards transacting online.

The shifting pattern of consumer demand has catalysed the emergence of a vibrant FinTech ecosystem. FinTech lenders typically augment traditional credit metrics with alternative sources of data, automating processes for determining a borrower's willingness and ability to pay, and accelerating credit decisions. At present, there are 155 fintechs registered with Fintech Saudi. The fintech sector in Saudi Arabia is largely driven by young, first generation entrepreneurs who are now competing with the largest financial institutions. The total volume of FinTech transactions in Saudi Arabia is climbing at an average annual rate of over 18%, with personal finance transactions comprising over 30% of FinTech transaction values. Meanwhile, the number of smartphone transactions more than quadrupled between April 2017 and April 2020 and is expected to continue growing. Saudi Arabia's FinTech market is expected to post transaction values exceeding SAR 123.8 (USD 33 billion) by 2023. The technologies deployed by FinTech lenders provide several competitive advantages beyond the automation of credit decisions and an increase in process efficiencies. Digital solutions present a highly competitive yet cost-effective avenue for streamlining services and enhancing the customer experience, while enabling the extension of amortizing unsecured instalment loans that offer clients more



With a population of 34.8 million, Saudi Arabia is a G20 economy and is the largest country in the Gulf Region

favourable payment terms and fixed tenors over which debts can be repaid. An Accommodative Regulatory Framework The Saudi Central Bank (SAMA) has constructed a highly favourable regulatory framework for Saudi Arabia's FinTech space, recognizing FinTechs' role in increasing financial inclusion and access to affordable credit. SAMA's innovative Sandbox program has provided several local and international firms with a 'safe space' to test new digital solutions, with the aim of accelerating the digitization of the Saudi financial sector, reinforcing economic growth, and spurring economic diversification. Recent years have also seen SAMA issue the first licenses for nonbank financial institutions (financial technology - FinTech institutions), electronic wallet companies, and payment services companies. SAMA has expanded the use of digital promissory notes, further enabling the diffusion of end-to-end digital processes for booking and disbursing loans. These accommodative moves are in line with the Financial Sector Development Program outlined in the Saudi government's Vision 2030 strategy.

Our Business Model

Frictionless Finance Completing its second full year of operations in 2021, 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 to 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. In 2021, Tas'heel rapidly extended its business reach to encompass the entirety of the Kingdom of Saudi Arabia. Meanwhile, conditions associated with the COVID-19 pandemic accelerated the market's transition towards digital platforms, with Tas'heel receiving regulatory approval to accept digital signatures on financing contracts and adopting the Ministry of Justice's digital promissory note platform, further streamlining Tas'heel's booking and disbursement process and making for an even more frictionless customer experience. 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. As of year-end 2021, Tas'heel held an outstanding personal finance portfolio of SAR 856.58 million. Product Finance Tas'heel Finance offers an unmatched range of instalment programs, providing easily accessible Shariah-compliant instalment finance (Murabaha) in cooperation with a strong and expanding base of retail partners. Instalment 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. As of year-end 2021, Tas'heel held an outstanding product finance portfolio of SAR 362.8 million.

8.0 Our People Management Team



SAKHR BIN ABDULRAHMAN ALMULHEM
Chief Executive Officer

Sakhr Almulhem is the Chief Executive Officer of Tash'eel and 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 a number of 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.



RAMY ASKAR
Head of Finance

Ramy Askar serves as the Head of Finance. Ramy is responsible for leading the finance functions of the Company with an emphasis on strategic planning, governance, control, risk management, working capital optimization, management accounting, preparing the Company Financial statements, and bottom-line performance. Prior to his appointment with Tas'heel, he

served as the Financial Controller for eXtra (United Electronics Company). He brings over 21 years' experience in Retail Business functions, accounting, controlling, corporate finance and process implementation, monitoring finance portfolios and credit risk. Ramy is also a seasoned professional in IFRS, IAS, Zakat and taxation.



SHAHROUKH LALI
Chief Risk Officer

Shahrukh Lali serves as Tas'heel's 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 Credit Risk Director and responsible

for setting up and then managing the Instalment Sales Business. Prior to eXtra, he worked in both local and multinational banks in KSA and abroad, delivering on 28 years in the Consumer Finance Risk Management. He holds MBA Finance



JAFAR AL YAQOUB
Head of Customer Care

Jafar Al Yaqoub is the Head of Customer Care at Tas'heel. He is responsible for ensuring an elevated and differentiated customer experience and maintaining a high level of customer satisfaction. Prior to joining Tas'heel, Jaffar was the

Contact Center Assistant Manager for Gulf International Bank, Saudi Arabia. He holds bachelor's degree, Business Administration and his total experience 7 year



MOHAMMED ALDOSERI
Chief Information Security Officer

Mohammed Al Doseri is Tash'eel's Chief information Security Officer. Mohammed is responsible for defining and executing an information security and cyber security strategy in alignment with the organization's goal to provide a secure, seamless, and enhanced security and customer experience. Framing information security plans, guidelines, policies and short-term strategies, and lead information security planning processes to establish a comprehensive information security program. Mohammed has 16 years of experience in the banking sector focusing on information

technology and information security. Prior to his appointment with Tash'eel, Mohammed was the Chief Information Security Officer for a financial company in Eastern-KSA and previous to this served at Kuwait Finance House-Bahrain, where he worked on building the Information Security department and implementing critical projects in information security in addition to working with the Group to build the centralized Security Operation Center. He also served at Batelco, Bahrain's leading telecommunication company. He holds BSc. Business Information System.



HAITHAM KABBARAH
Head of Internal Audit

As the Head of Internal Audit at Tash'eel, Haitham supports the delivery of the company's strategic objectives. He brings over 27 years of experience planning and preparing internal, operational and credit audits, credit management, and enhancing

financial and operational practices. Prior to his appointment with Tas'heel, Haitham was the Internal Audit Vice President Retail Operations and Support for the Saudi National Bank. He holds bachelor's degree - Business Administration Studies - AOU



RASHID K. ALMUDAYAN
Chief Compliance Officer and MLRO

Rashid brings to Tas'heel more than 20 years of experience in the field of compliance, governance and financial crimes. As Chief Compliance Officer and AML/CTF at Tash'eel Finance, he supports the development of a high compliance culture through the establishment of governance, compliance and AML policies and procedures and by guiding and

enhancing awareness on compliance matters, identifying compliance and AML risks and delivering recommendations. Previous to Tas'heel, Rashid worked with Saudi Investment Bank, HSBC Saudi Arabia, Samba Capital, Deutsche Gulf Finance and Amlak International for real Estate Finance. He holds Bachelor Finance Management.



ESRAA ALJAFERI
Acting Head of Human resources

Esraa Aljaferi is responsible to lead the HR function, towards a strategic change and for bringing Tasheel Finance goals and values into reality. She ultimately supports both the Organization and People to be empowered with the right HR services, to be enabled with the right knowledge and tools, and to keep them motivated to thrive and achieve.

Esraa brings to Tas'heel the expertise in Talent Management, Learning & Development, Engagement & Wellbeing, and Performance Management. She is ATD Certified Trainer and CIPD Level 5 in People Management, and she holds a Bachelor's degree, majored in both Business Administration and HR Management. And her total experience 6 year.

9.0 Management Review of Operations

1. Response to covid

Strength through adversity

Protecting people & ensuring business continuity

The COVID-19 Pandemic has had far reaching impact across all industries, including the finance sector, and as we navigated the challenges during the reporting period, the wellbeing and safety of our employees, customers and the community remained our top priority.

Restrictions that were put in place, including travel bans, lock downs and closures of physical stores, resulted in a shift in consumer behaviour. Not only has the adoption of online technologies and fintech been fast tracked, both globally and in the kingdom of Saudi Arabia, but consumer's financial behaviour changed with customers prioritizing their purchases with a focus on essential needs. As such Tas'heel adapted to meet these changing needs, innovating in order to respond and thrive in the changing business landscape.

The Robust Business Continuity Plan that was implemented in March 2020 continued throughout 2021 with great success due to a focus on teamwork and transparency. In line with Ministry of Health (MOH) instructions, Tas'heel implemented a remote work force with Work from Home (WFH) technology without minimal affect to business outcome. The number of kiosk agents was also reduced, while online applications were encouraged by providing solutions such as Digital Signatures, and the activation of video 'Know Your customer' (KYC) in addition to E-wallets for online shopping.

Throughout COVID-19, we are well positioned to thrive with a focus on technology and teamwork ensuring Tas'heel will remain close to our customers as we continue to deliver a fast, seamless and safe financing experience.

2. Risk Management

The Risk Management function manages Tas'heel's Credit Risk, Operational Risk, Anti-fraud, and Collection Strategy & Assurance. 2021 was a year of transformation for Tas'heel and the Risk Management department actively supported the company in building a profitable portfolio as these wide-ranging changes were implemented, including the shift to a completely online application and loan booking process.

During the year the department had several notable achievements. In addition to building the team, filling all positions with qualified talent, Risk Management successfully revised the Application Score Card and ECL Methodology, including the new ECL Guidelines issues by SAMA. The department also enhanced the review process of all finances being booked, by conducting a comprehensive check to ensure compliance with SAMA Fair Lending Guidelines. The Department also implemented SAMA Rules governing Credit Risk Exposure Classification and Provisioning for Finance Companies during the period and is set to fully automate the process in Q1 2022. Navigating the challenges of Work from Home (WFH), the department activated System Activity Logs for Collectors operating remotely, while online channels were used to file recovery cases in court. The strategic focus of Risk Management going into 2022 is the development of a Behaviour Scoring System and an Application Scoring System.

3. 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 on a quarterly basis. Compliance department also monitors compliance with AML (Anti Money Laundering) laws, regulations and rules and promotes awareness of compliance issues through training of the company's Board of Directors and employees. In 2021, the division supported the successful implementation of the company's end to end Digital Journey with a focus on new KYC video process and Digital Signatures. The division also successfully implemented the 2021 Compliance Plan, obtained SAMA approval on Tas'heel's new credit card products, to be launched in 2022, and on the Digital Journey services. The appointment of several key positions was also facilitated by the department which gained SAMA approval on the same. SAMA no objection was also gained to launch business with the company's new retail partners. Other notable achievements include establishing a new Policy & Procedures committee for handling and updating Tas'heel's Policy and Procedures documentation. In addition, improvements were also made to AML and Whistleblowing systems and Compliance, AML-CTF and Whistleblowing training was also conducted for employees and the board of Directors. During the year a number of 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.

4. 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 2021, the division had a number of notable achievements as it embraced the changes occurring in the dynamic financial services space. In particular, IT was instrumental in integrating the Straight Through Processing (STP) of loans with numerous service providers in the kingdom to ensure a frictionless online journey for Tas'heel customers. During the year the company invested in a new system designed to support the upcoming launch of Tas'heel's credit card products, the first non-bank credit cards to be launched in the kingdom of Saudi Arabia. The strategic focus of the IT team going forward is on building the IT infrastructure to be fintech and open banking enabled.

5. Cyber Security

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. 2021, with continued WFH protocol in place and a rise in cybersecurity threats due to the Pandemic, presented several cybersecurity challenges, however the division implemented multiple levels of control which successfully protected the company and its stakeholders from threats. In 2020, the function, which achieved an impressive Cybersecurity maturity level of 3.59 according to the SAMA Cybersecurity Framework, protected Tas'heel assets through a number of activities. These included implementing Defense-In-Depth controls, a Service Desk Solution to manage employee requests machines, and enforcing privilege Access Management and Monitoring to safely address remote access to critical infrastructure during WFH. The cybersecurity department also implemented NCA essential controls, SWIFT customer service controls, and enhanced the company's data classification system and Security Information and Event Management (SIEM) solution. Aligned with a goal to elevate employee awareness of cybersecurity issues, a cybersecurity awareness platform was also created with training and development a key focus throughout the year. Moving into 2022 the division will continue to use 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.

9.0 Management Review of Operations (continue)

6. Operations

Tas'heel's Operations department facilitates the error free and timely processing of customer applications and service requests through management of core operations, applications, the contact center and collections operations. In 2021, the department supported the success of the customer Digital Journey, including Digital signatures and promissory notes. Amendments to workflows were also made in efforts to further enhance the customer experience.

7. Sales

Tas'heel'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, Tasheel 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 aggressively expanding our key accounts customer base.

Moving forward, our strategy for growth will continue to leverage sales capabilities as key point of difference through upgrading our selling skills. We will also continue to leverage Key accounts as key growth driver by expanding into more sectors and more sizable customers (Telecommunications & Education). Additionally, we have taken big steps towards partnering with major banks as new sizable white space opportunity (ANB / SNB / Riyadh banks). Finally, we are also stepping into corporate sales to serve their employee financial needs and we are expanding outside extra stores into 5 malls across the kingdom following the success of our test in Dhahran mall Kiosk.

As for the new products' launches planned in 2022, We are currently working closely with the various departments to equip our teams with the needed product knowledge and training to optimally cross sell these products into one unique selling proposition that meets all customer needs.

8. 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 organisation's business goals. 2021 was an active year for the department with 22 campaigns launched during the period, including the Anniversary Promotion, which achieved significant sales. An increased focus remained 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). Towards 2022, continued efforts will be made to implement a more targeted, regional marketing plan that builds brand equity and awareness in our target markets.

9. 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. Notwithstanding numerous challenges, including WFH protocol and significantly increased call volumes due to store closures, the department performed extremely well during the reporting period, meeting SAMA Care Key Performance Indicators (KPI's), and reducing SAMA complaints by almost half. The call center also achieved an impressive call pick up rate before 20 seconds of above 90% for the last quarter of 2021 and achieved its sales targets. In addition, contact center sold finances to customers worth 249MM; 210M Tawaruq and 39MM Murabaha. Tawaruq sales represents more than 30% of the total sales which makes it a very strong sales channel helping the company to grow and achieve the sales targets.

10. Human Resources

The Human Resources department is responsible for attracting and retaining the region's best talent and developing and implementing HR policies and programs that encourage employees to reach their full potential. Aligned with a goal to shape a "learning organization", the department is focused on simplifying the employee learning journey and delivering learning and development opportunities. In 2021, the department facilitated 2,248 training hours for employees with the majority conducted online and supported external functional learnings and certifications. In an effort to ensure employee engagement and satisfaction, variety of activities conducted for inclusiveness and creating a fun space to work; a Team Building session was held for members of the management team. In efforts to remain abreast of innovation in the dynamic fintech sector. Other notable achievements of the team include shifting various internal processes and procedures online including career development remained a key focus area with 20 employees promoted in 2021 with future enhancements made to launch Tas'heel's "high potential programs" by next year that aims to complement succession planning. Recruitment also continued in 2021 with the employee population growing to 331 (2020: 306), underscoring Tas'heel's commitment to growth despite the challenging operating environment.

11. 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 their compliance with the relevant laws and regulations applicable in the Kingdom. Furthermore, the board's or its committees' policies, controls, and procedures.

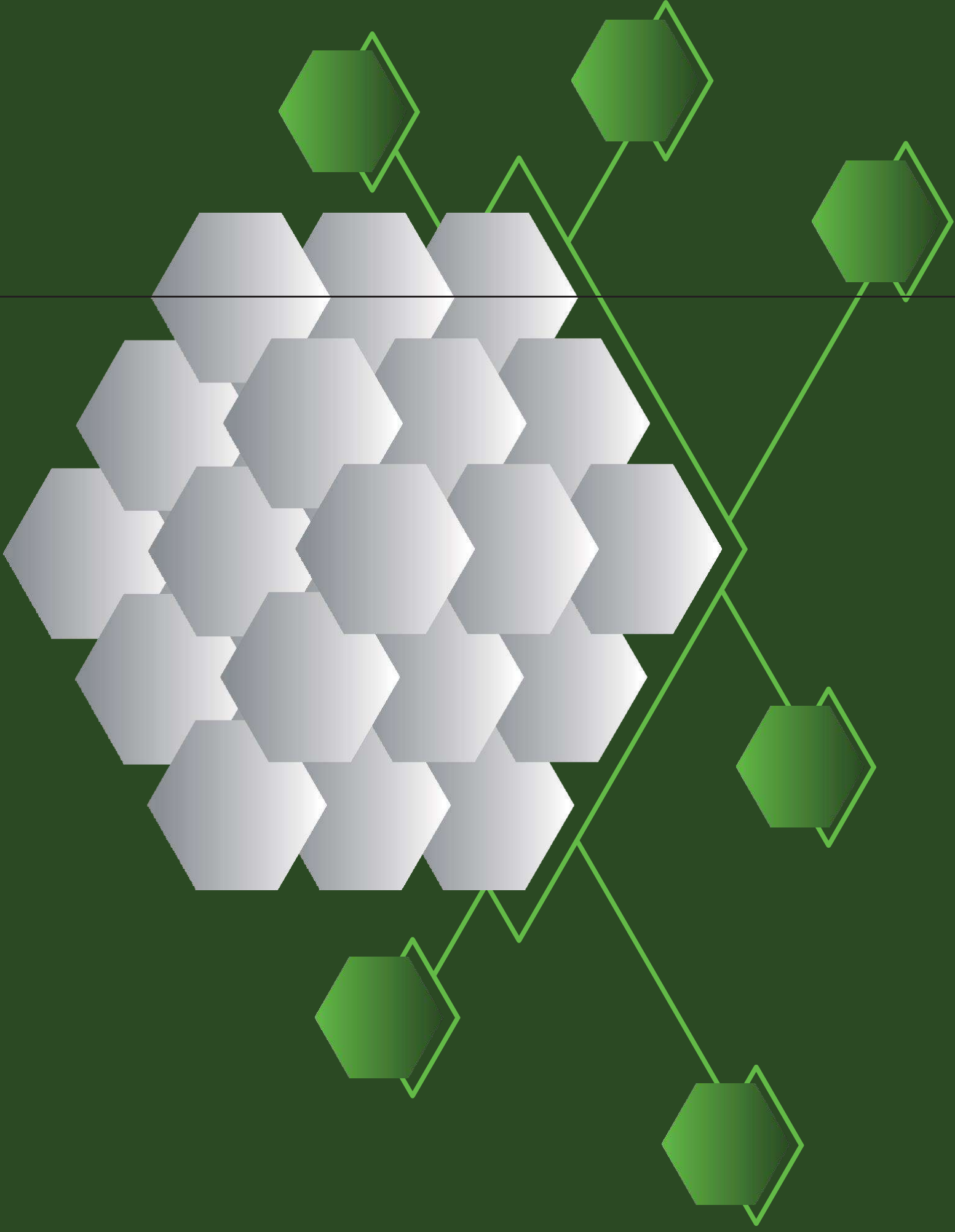
It is an independent department that is part of the Audit Committee and gives advice on how to carry out internal audits in an objective way that adds value to the company and improves its operations. This, in turn, helps the company achieve its goals by taking a systematic, structured approach to evaluate 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.

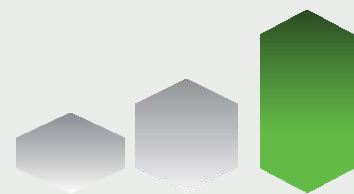
Based on its mandated tasks, the Internal Audit Department provides the Audit Committee on a quarterly and yearly basis with reports that include remarks and weaknesses regarding the implementation of internal control procedures. Moreover, it reviews the potential impacts on the company's business processes and transactions while focusing on high and medium-risk activities. This isn't the only thing in each report. It also gives advice on how to deal with these comments in a way that will help the company, its operations, and its governance and risk management processes.

12. Social Contribution Details

Corporate Social Responsibility is an important element of Tas'heel's business strategy. The company seeks to add value, financially and in kind, to the communities in which it operates and as such community outreach is a core part of our corporate culture. Tas'heel did not make any financial contributions during the reporting period.



FINANCIAL STATEMENTS



10.0

The Capital of UFC

Substantial Shareholders Ownership of Company Shares

During the year ended 31 December 2021, UEC United Electronic Company transferred its shareholding in the Company to UIHC United International Holding Company, a wholly owned subsidiary of UEC. The legal formalities including update to underlying shareholder's register and By-laws were completed subsequent to the year-end during January 2022

Shareholder	Number & Percentage of shares	
	Number of shares	Direct Ownership Percentage
United International Holding Company	350,000,000	100%

Financial Results and the Most Prominent Results of Business Sectors Performance

Comparison of Financial Results

Description Thousand Riyals	2019G	2020G	2021G
	Audited	Audited	Audited
Activity Revenue	15580.9	130631.7	300895.1
Bank Expense	0	-5382.2	-11216.6
Total Activity Profit	15580.9	125249.5	289678.5
Total operating Expense	-35271.6	-98838.2	-147739.9
Net income before Zakat	-18504.2	26678.3	143082.7
Net income after Zakat	-18792.8	21342.7	128774.4

Comparison of Assets & Liabilities

Description Thousand Riyals	2019G	2020G	2021G
	Audited	Audited	Audited
Financing Portfolio	143899	703166.9	1186060.1
Other Assets	33036.3	78102.9	71524.9
Total Assets	176935.4	781269.8	1257585
Total Bank Loans and the Central Bank Deferred Payment Program	0	340,682	675.744
Other Liabilities	45912.5	88821	101099
Total Liabilities	45912.5	429503	776843
Equities	131022.8	351767.1	480,741.6
Total Liabilities and Equities	176935.4	781269.8	1,257,585

The following table shows the most important financial indicators

Financial Indicators	2019G	2020G	2021G
	Audited	Audited	Audited
Share Profit after Zakat (Riyal)	-1.25	1	3.68
Return on Equities after Zakat %	-29%	9%	31%
Return on Assets after Zakat %	-21%	5%	13%

Volume of Company Main Business Activities

Name of Activity	Activity Revenue (Thousand riyals)	Percentage
Murabah Contract Income	125117.4	41.6%
Tawaruq Contract Income	180871.4	60.1%
Processing fee net of related expenses	-5093.6	-1.7%
Total	300895.1	100.0%

Zakat & Governmental Payment

SR	Ending Balance as of 31 December 2021	Description	Reasoning
Zakat	4,205,115.41	Zakat on Income	Annual Zakat Declaration
Gosi	4,509,162.24	Social Insurance	Social insurance payments due on Saudi and expertise employee
Tax Authority	26,471.11	Withholding tax	For the consultancy and other services provided by nonresident firms

Information related to any loans on the company

Ser	Name of Financer	Opening Balance of Financing	Financing Amounts Repaid during the year	Additional Financing Amount	Financing Remaining Amount
1	Riyad Bank	50,000,000	6,666,667		43,333,333.36
2	Riyad Bank	50,000,000	5,000,000		45,000,000.02
3	Riyad Bank		5,208,333	50,000,000	44,791,666.70
4	Riyad Bank		4,166,667	50,000,000	45,833,333.00
5	Riyad Bank		4,166,667	50,000,000	45,833,333.00
6	Riyad Bank		1,562,500	25,000,000	23,437,500.01
7	Riyad Bank		3,125,000	50,000,000	46,874,999.99
8	Riyad Bank		3,125,000	50,000,000	46,874,999.99
9	Riyad Bank		-	50,000,000	50,000,000.00
10	SABB			50,000,000	50,000,000.00
11	Al Bilad Bank	50,000,000	10,000,000		40,000,000.00
12	Al Bilad Bank	50,000,000	10,000,000		40,000,000.00
13	Al Bilad Bank	20,000,000	2,000,000		18,000,000.00
14	Al Bilad Bank		-	25,000,000	25,000,000.00
15	Al Bilad Bank		-	20,000,000	20,000,000.00
16	Al Bilad Bank		-	10,000,000	10,000,000.00
17	Al Bilad Bank		-	30,000,000	30,000,000.00
18	Al Bilad Bank		-	50,000,000	50,000,000.00

*all amount in SAR

Affiliate

No affiliates or subsidiaries

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:

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 reserve has reached 30% of the Company's paid-in capital.

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.

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.

The remainder of net profits, representing five percent (5%) of the Company's paid-in capital, shall be distributed to shareholders.

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 prior to distribution of any profits, any other distributions or announcement of such distribution.

11.0 Risk Management

1. Credit Risk

Credit risk is one of the most significant risks UCFS faces. Credit risk occurs when the customer does not fulfill his or her obligations as per the contract.

Tasheel mitigates credit risk by leveraging CRM measurement and analysis tools and by conducting rigorous assessment of an individual's credit history and capacity to repay in line with regulatory requirements.

2. Funding and cash Rate risks

Liquidity Risk Consists of 2 types of risk:

1. Liquidity Funding Risk is the risk that UCFS will not be able to efficiently meet its expected and unexpected current and future obligations when they fall due without affecting either daily operations or UCFS financial condition.
2. Asset "Market" liquidity risk is the risk of loss arising from UCFS inability to convert assets into cash at fair value when needed.

Liquidity in UCFS is measured based on cashflows, amount of assets expected to be booked over a specific time horizon, determining the expected losses and corresponding liquidity cover available. Liquidity risk is measured based on intra-day, short term and medium to long term time horizons.

3. Market Risk

Market risk is the risk that arises from movements in stock prices, interest rates, exchange rates, and commodity prices.

UCFS has no investment in financial market as they are not allowed (equity or debt). Saudi Riyal is the only currency to make all transactions hence there is no market risk exposure on the company.

4. Interest rate volatility risk

UCFS is exposed to Interest Rate volatility risk related to funding being done using bank lines, in case there is a change in the SIBOR rate by the Saudi Central Bank this can directly impact the cost of funds for the business leading to squeeze in margins for the company. UCFS

products are all fixed rate products and pricing does not change during the tenor of the loan. UCFS as part of its risk appetite statement defines the min level of margins on which it will operate and any change in the margin is monitored on a monthly basis as part of the enterprise risk appetite statement. Any risk to the min margins can be identified in time to take corrective actions which can be to reprice all future loans as well as switching to alternate cheaper funds in order to maintain the acceptable margins.

5. Operational risk

Operational risk is inherent to Tasheel Finance's business processes. The Company is exposed to risks that are typical for companies within the industry that operate within the same market. As the Company does not receive an explicit financial return for such risks, the approach to managing operational risk differs from the approach applied to other risk categories.

The purpose of Operational Risk Management is not to eliminate risks, but rather to identify and cost-effectively mitigate operational risks that approach or exceed UCFS tolerance.

Tasheel's Central Risk Management department is responsible for monitoring and controlling operational risks based on a centrally coordinated methodology. This includes a pre-defined Risk Register that is used for identifying, classifying, and reporting operational risks, as well as a matrix in which risks are assessed according to their estimated probability and impact. Risks are assessed for their residual economic, financial reporting, reputational, and compliance impact, taking into account existing mitigation and controls

The matrix is also used to assess residual exposures against the Company's tolerance limits for operational risk. This limit represents the level of operational risk that the Board of Directors and Executive Management teams are willing to accept. Material risks that exceed or are approaching risk tolerance are reported to Executive Management and the Board of Directors. In addition, mitigation strategies are required for all risks that are outside of operational risk limits, in order to bring them within tolerance. Cyber risk and information security are a key focus of Tasheel's operational risk controls. The Company performs a quarterly

11.0 Risk Managements (continue)

cyber risk assessment to determine the current maturity of controls. This is based on standards defined by the Saudi Central Bank (SAMA). The results of the assessment are shared with senior management and integrated into the Company's cybersecurity program.

6. Legal risk

This is the potential loss that a company or individual could face as the result of a legal issue. It could be a claim made against them, a change in the law or failure to take the proper legal measures to protect themselves.

At UCFS we have our own legal department, and we also engage with external firms in order to get expert legal advice from making new agreements between UCFS and the Customer, UCFS and the Vendors or UCFS and any other party to ensure that while we are engaged as a company, we are covered via clauses to reduce the risk of being in breach of any local and/or international law.

7. Reputation risk

Every organization, no matter the structure, nature of operations, or size, has reputational risk. All risks are significant in and of themselves, but resulting reputation damage can be even more catastrophic, as a reputation is one of a company's biggest assets.

UCFS Manages reputational risk by making reputational risk part of strategy and planning. Standardizing, technology, policies, and procedures reduce the likelihood and severity of events that could cause reputational damage. Understanding all actions that can affect public perception. Understanding stakeholder expectations. Focus on a positive image and communication and by creating response and contingency plans.

8. IT risk

Information technology risk, IT risk, IT-related risk, or cyber risk is any risk related to information technology. While information has long been appreciated as a valuable and important asset, the rise of the knowledge economy and the Digital Revolution has led to organizations becoming increasingly dependent on information, information processing and especially IT. Various events or incidents that compromise IT in some way can therefore cause adverse impacts on the organization's business processes or mission, ranging from inconsequential to catastrophic in scale.

UCFS has a dedicated department which is headed by a Chief Information Security Officer who along with his team assesses the probability or likelihood of various types of event/incidents with their predicted impacts or consequences, should they occur, is a common way to assess and measure IT risks. Alternative methods of measuring IT risk assessing other contributory factors such

as the threats, vulnerabilities, exposures, and asset values. This department ensures and monitors all information which is being transmitted or received within the secured network. They develop rules for data protection and security and ensure that the company is immune to any external and internal threats.

9. Strategic risk

Strategic risks are those that pose a threat to a company's ability to set and execute its overall strategy. UCFS keeps itself aware of the possible circumstances that could put an obstacle between the organization and its objectives and is ready to adapt and respond quickly to any changes.

10. Zakat risk

This is the potential risk with Improper administration & Filing of VAT, withholding Tax and Zakat returns that may lead to penalties & fines from the regulators.

11. Insurance -Covered risk

The company secures insurance related to risks that may encounter must be added as per the regulations. UCFS has insurance coverage for all assets and any damage to the same are fully covered by Islamic Insurance.

Best-in-class Risk Management Framework

Taking and managing risks is key to Tas'heel's business. All risk-related activities are subject to the Company's best-in-class risk management framework, which facilitates risk-return evaluations and sets boundaries to risk-taking at all levels of the organization in line with the principles mandated by the Board of Directors in Tas'heel's Risk Management Policy. Tas'heel's risk management framework is based on four fundamental principles, applied consistently across all risk categories:

1. Controlled risk-taking

Financial strength and value creation are central to Tas'heel Finance's value proposition. The Company thus operates within a clearly defined risk policy and risk control framework.

2. Clear accountability

Tas'heel's operations are based on the principle of delegated and clearly defined authority. Individuals are accountable for the risks they take on, and their incentives are aligned with the Company's overall business objectives.

3. Independent risk controlling

Dedicated units within the Risk Management department control all risk-taking activities. These are supported by Compliance and Internal Audit functions.

4. Transparency

Risk transparency, knowledge-sharing and responsiveness to change are integral to the risk control process. The central goal of risk transparency is to create a culture of mutual trust and reduce the likelihood of surprises in the source and potential magnitude of losses.

Roles for Delegated Risk-Taking

Tas'heel's risk management framework distinguishes between three fundamental roles in the risk-taking process:

1. Risk Owner

Establishes a strategy, delegates execution and control, and retains ultimate responsibility for the outcomes

2. Risk Taker

Executes an objective within the authority delegated by the risk owner; risk takers are required to provide the respective risk controller with all information required to monitor and control their risks.

3. Risk Controller

Tasked by the risk owner with independent oversight of risk-taking activities to mitigate potential conflicts of interest between the risk owner and risk taker; risk controllers are responsible for escalating relevant concerns.

Risk Taking Activities

Risk-taking activities at Tas'heel are typically subject to three lines of defense. All department heads are required to certify the effectiveness of the internal control system for their area of responsibility on a quarterly basis. This approach is designed to achieve a strong, coherent, and companywide risk culture built on the principles of ownership and accountability:

1. First Line

Day-to-day risk control activities performed by risk takers in the business, including identification of risks and design of effective controls.

2. Second Line

Independent oversight performed by functions such as Risk Management and Compliance.

3. Third Line

Independent audits of processes and procedures carried out by Internal Audit or by external auditors.

Risk Appetite Framework

Risk appetite describes the extent to which the Board has authorized Executive Management to assume risk. It represents the amount of risk that Tas'heel is willing to accept within the constraints imposed by its capital and liquidity resources, its strategy, and the regulatory environment within which it operates. Tas'heel's risk appetite framework has been instituted to meet three objectives. Firstly, the framework aims to protect the shareholders' franchise by ensuring that the Company is able to continue operating the business following an extreme loss event. Secondly, the framework ensures that capital and liquidity are maintained at adequate levels while remaining sufficient to attract clients and meet regulatory requirements and expectations. Finally, the risk appetite framework aims to avoid material operational risks that could subject the Company to large operational losses with corresponding consequences from an economic, reputational or regulatory perspective.

12.0

The Company's board of directors and committees

12.1 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 committees, as well as guides how to best work with management.

Strategic Direction

The board of directors' help decide or at least inform 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 their assets and resources.

The Board carries out its tasks set forth in the company' 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 that 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 acting 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 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 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 2021G. the following table shows Board meetings and attendance record of each meeting:

Name of member	No. of Meetings (5)					Total Attendance	Attendance %
	1st meeting February	2nd meeting May	3rd meeting August	4th meeting October	5th 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	X	Y	Y	Y	4	75%
Kubra Shehabi	Y	Y	Y	Y	Y	5	100%
Saad Al Khalb	Y	Y	Y	Y	Y	5	100%

12.2 Shareholders' General Assemblies Held

The company held one general assemblies' meeting in 2021G, as follows:

The ordinary general assembly meeting was held on 06/06/2021G. Agenda items included the following:

- Vote on the Board's report for the fiscal year ended December 31, 2020
- Vote on the audit committee's report for the fiscal year ended December 31, 2020
- Vote on the company's auditor's report for the fiscal year ended December 31, 2020
- Vote on financial statements for the fiscal year ended December 31, 2020
- Vote on the discharge of board members for the fiscal year ended December 31, 2020
- 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 fiscal year 2021 and the first quarter of 2022 and determine its fees. (Price Water House Company)

The following are the attendance of members for Ordinary General Assembly Meeting Held on 06/06/2021G: Attendance Record

- | | | |
|-------------------|--------------------------|-----------------|
| • Fozan Al Fozan | • Mohamed Galal | • Kubra Shehabi |
| • Adel Al Mangour | • Abdullatif Ali Alfozan | • Saad Al Khalb |

12.0

The Company's board of directors and committees (continue)

12.3 Names and Information of Members of the Board, Committees

Board and Its Committees' Members (from the Board) as on 31 December 2021G

Fozan Al Fozan

Committees' membership within the company

-

Current Posts

- 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
Amjaad Holding, Al Mada Holding
United Industries Company
United Glass Industries (uniglass)

Previous Posts

-

Qualifications

Bachelor of Accounting
from the Faculty of Administrative Sciences
at King Saud University

Experience

20 years

Adel Al Mangour

Committees' membership within the company

- Chairman of Audit & Compliance Committee
- Member of Risk Committee

Current Posts

- Deputy CEO
The Family Office
- Board Manager
The Family Office

Previous Posts

- Board Member, committees Tawuniya
Gulf International Bank UK
Saudi Home Loans
Saudi Credit Burreau
- Managing Director Wholesale Banking
Gulf International Bank B.S.C
- Chief Credit Officer
Arab National Bank

Qualifications

- MBA
Portland State University
- BSc Accounting
Portland state University
- BSc General Administration
Portland University BSc

Experience

35 years

Mohamed Galal

Committees' membership within the company

- Chairman of Executive Committee
- Member of Risk Committee

Current Posts

- Board Member, committees
United Electronics Company (eXtra)
Procco Financial Services
Al Yassra Fashion
Halwani Bros
- CEO United Electronics Company

Previous Posts

- Board Member, committees
Ahmed Mohamed Saleh Baeshen & Co.
National General Automotive
United Homeware Company - Nice
Nawah Holding

Qualifications

- Accounting
Ain Shams University

Experience

37 years

Abdullatif Ali Alfozan

Committees' membership within the company

- Member of executive Committee

Current Posts

- Board Member, committees
AlFozan 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)
- Chief Operating Officer
AlFozan Holding Company
- Founder & Managing Director
Ascend Healthcare Solutions

Previous Posts

- Board Member, committees
Arnon Plastic Industries
Bawan Holding Company
- Consultant - Mergers & Acquisitions, Transaction
Advisory Services
Ernst & Young
- Corporate Relationship Manager
Banque Saudi Fransi

Qualifications

- BA Economics & Employment Relations
University of Toronto

Experience

10 years

Kubra Shehabi

Committees' membership within the company

- Chairman of Risk Committee
- Member of Audit & Compliance Committee

Current Posts

- Board Member, committees
Procco Financial Services
- Partner
Milestone Accounting & Consulting

Qualifications

- MBA Investment & Finance
university of Hull
- BSc Business Administration
University of Bahrain
- Diploma in Business Administration
University of Bahrain

Previous Posts

- Board Member, committees
First Energy Bank
Al Salam Bank
- Head of Risk Management
First Energy Bank
- Head of Credit
Al Salam Bank
- Head of Credit Department
JP Morgan Chase Bank
- Marketable Securities & Financial Control Department
Investcorp Bank

Experience

30 years

Saad Al Khalb

Committees' membership within the company

- Member of Audit & Compliance Committee

Current Posts

- Board Member of
government and private entities.
- President
of the Saudi Ports Authority "Mawani"

Qualifications

- BSc Electrical Engineering
King Fahad University of Petroleum and Minerals

Experience

29 years

Previous Posts

- Vice Minister
Ministry of Transport
- (COO)
Saudi British Bank
- Director of Operation & Technology
AMLAK International
- Head of Alternate Delivery Channels & Electronic Sales
Arab National Bank
- Corporate Relationship Banking and Risk
Management & I.T. Operations Regional Head
SAMBA Financial Group

12.0

The Company's board of directors and committees (continue)

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

Fozan Al Fozan

Name of the entity	Location of business / country	Legal entity
Abdullatif and Mohammed Al Fozan	Saudi Arabia	Closed contribution
Al Fozan Holding Company	Saudi Arabia	Closed contribution
Al Fozan Building Materials Co.	Saudi Arabia	Limited Liability
Bawan Holding	Saudi Arabia	Contributions included
United Electronics Company (eXtra)	Saudi Arabia	Contributions included
Amjal Property Development Company	Saudi Arabia	Closed contribution
Amjaad Holding, Al Mada Holding	Saudi Arabia	Closed contribution
Al Mada Holding	Saudi Arabia	Limited Liability
United Industries Company	Saudi Arabia	Limited Liability
United Glass Industries (uniglass)	Saudi Arabia	Limited Liability

Adel Al Mangour

Name of the entity	Location of business / country	Legal entity
The Family Office	Saudi Arabia	joint stock closed company
Tawuniya	Saudi Arabia	joint stock company
Gulf International Bank UK	United Kingdom	LTD
Saudi Home Loans	Saudi Arabia	joint stock company
Saudi Credit Bureau	Saudi Arabia	closed joint-stock company
Gulf International Bank B.C.S	Bahrain	B.C.S
Arab National Bank	Saudi Arabia	joint stock company

Mohamed Galal

Name of the entity	Location of business / country	Legal entity
United Electronics Company (eXtra)	Saudi Arabia	joint stock company
Procco Financial Services	Bahrain	Limited Liability
Al Yassra Fashion	Kuwait	Limited Liability
Halwani Bros	Saudi Arabia, Egypt	Shareholding company
Ahmed Mohamed Saleh Baeshen & Co.	Saudi Arabia	Shareholding company
National General Automotive	Saudi Arabia	LTD
United Homeware Company - Nice	Saudi Arabia	Mixed limited liability
Nawah Holding	Saudi Arabia	Limited Liability Company

Abdullatif Ali Alfozan

Name of the entity	Location of business / country	Legal entity
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
Ajdan Real-estate Development Company	Saudi Arabia	Limited liability
Nesaj Compound Company (Retail Residence)	Saudi Arabia	Limited liability
Arnon Plastic Industries	Saudi Arabia	Limited liability
Bawan Holding Company	Saudi Arabia	Shareholding Company
Ernst & Young	UK, Saudi Arabia	LTD
Banque Saudi Fransi	Saudi Arabia	joint stock company

Kubra Shehabi

Name of the entity	Location of business / country	Legal entity
Procco Financial Services	Bahrain	Limited Liability
Milestone Accounting & Consulting	Bahrain	Individual Establishment
Sayacorp former - First Energy Bank	Bahrain	Shareholding Company (closed)
Al Salam Bank	Bahrain	Shareholding Company
JP Morgan Chase Bank	Bahrain	Branch of Foreign Company
Investcorp Bank	Bahrain	Shareholding Company (closed)

Saad Al Khalb

Name of the entity	Location of business / country	Legal entity
Saudi Ports Authority "Mawani"	Saudi Arabia	Government agency
Ministry of Transport	Saudi Arabia	Government Ministry
Saudi British Bank	Saudi Arabia	joint stock company
AMLAK International	Saudi Arabia	joint stock company
Arab National Bank	Saudi Arabia	joint stock company
NCB former SAMBA Financial Group	Saudi Arabia	joint stock company

12.0 The Company's board of directors and committees (continue)

12.4 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 need, 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 Committee.
- Audit & Compliance Committee.
- Shariah Committee

Below is a description of the duties and responsibilities of these committees and their meetings during 2021G:

1.0 Executive Committee.

The Executive Committee is composed of three (3) members and the following table shows the names of committee members and record of attendance of meetings held during the fiscal year 2021G:

Name of member	No. of Meetings (3)		
	1st meeting December	Total Attendance	Attendance %
Mohamed Galal Fahmy chairman	Y	1	100%
Abdullatif Al Fozan- Member	Y	1	100%
Sakhr Almulhem - Member	Y	1	100%

Below is a brief description of the Executive Committee responsibilities and tasks:

The Executive Committee is tasked with monitoring implementation of the Company's strategy, ensuring the achievement of operational objectives, and cooperating with the other committees established by the Board of Directors.

The Nomination and Remuneration Committee is currently part of the Executive Committee and is tasked with identifying and recommending candidates for selection as executive and non-executive Members of the Board of Directors. The committee determines and approves Members' compensation in accordance with the regulations of the Saudi Central Bank (SAMA).

2.0 Risk & Credit Committee.

The Risk & Credit Committee is composed of three (3) members and the following table shows the names of committee members and record of attendance of meetings held during the fiscal year 2021G:

Name of member	No. of Meetings (4)				Total Attendance	Attendance %
	1st meeting February	2nd meeting June	3rd meeting August	4th meeting October		
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 responsibilities and tasks:

The Risk and Credit Management Committee (RCMC) is headed by independent director and 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 is 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 record of attendance of meetings held during the fiscal year 2021G:

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

Below is a brief description of the Audit & Compliance Committee 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 apply 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 2021 - 31st Dec 2021) 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's 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 2021 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.

The Company's board of directors and committees (continue)

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 record of attendance of meetings held during the fiscal year 2021G:

Name of member	1st meeting	2nd meeting	3rd meeting	4th meeting	Total Attendance	Attendance %
Dr. Salah Fahad Al Shalhoob	Y	Y	Y	Y	4	100%
Sh. Muhammad Ahmad Sultan	Y	Y	Y	Y	4	100%

Below is the profile for each member in the sharia committee

Dr. Salah Fahad Al Shalhoob	Shaikh Salah is a Sharia scholar who procured his PhD from Edinburgh University (UK) and Masters 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 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 responsibilities and tasks:

- Meet at least two times a year.
- Issue Sharia decisions for the queries raised by the management.
- Review policy & 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, 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 to 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

15/01/1443
23/08/2021



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
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 والصلوة 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 2020/12/31.

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.

بناءً على 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



TAL-632-02-01-01-21

www.abudhabi.com

13.0

The Company's Executive Management

Sakhr Bin Abdulrahman Almulhem

Current Posts

Chief Executive Officer Tas'heel

Previous Posts

- Co-Founder & President SAMMEST Incubator, Riyadh and Manama
- Business Development - MENA Area Manager General Authority of Civil Aviation, Head Office, Riyadh
- EVP, Head of Retail Banking, Co-creator of "Meem" Gulf International Bank, Head office, Bahrain
- SVP, Division Head of Customer Management The National Commercial Bank, Head office, Jeddah
- Senior Manager Consumer Finance The Saudi British Bank (SABB)

Qualifications

- MBA International Business Washington International University
- INSEAD Executive Management Graduate France

Experience

27 years

Ramy Askar

Current Posts

Head of Finance Tas'heel

Previous Posts

Financial Controller eXtra (United Electronics Company)

Qualifications

IFRS, IAS, Zakat and taxation professional

Experience

21 years

Shahrukh Lali

Current Posts

Chief Risk Officer Tas'heel

Previous Posts

Credit Risk Director eXtra (United Electronics Company)

Qualifications

MBA Finance

Experience

28 years

Jafar Al Yaqoub

Current Posts

Head of Customer Care Tas'heel

Previous Posts

Qualifications

- Contact Center Assistant Manager Gulf International Bank
- Administrative Coordinator Tamweel Aloula

Mohammed AlDoseri

Current Posts

Chief Information Security Officer Tas'heel

Previous Posts

- Chief Information Security Officer Aljabr Financing Corporation
- Senior Information Security Specialist Kuwait Finance House Bahrain
- Client Relationship Manager BATELCO

Qualifications

BSc Business Information Systems University of Bahrain

Experience

16 years

Haitham Kabbarah

Current Posts

Head of Internal Audit

Previous Posts

- Internal Audit Vice President Retail Operations and Support - SNB
- Internal Audit - Assistant General Manager - SAMBA Financial Group
- Real Estate Manager - National Creativity Investment Company
- Head on Internal Audit - Alawwal Capital
- Internal Audit Manager - Alawwal Bank

Qualifications

Bachelor degree - Business Administration Studies - AOU

Experience

27 years

Rashid K. AlMudayan

Current Posts

Chief Compliance Officer and MLRO Tas'heel

Previous Posts

- Director of Governance, Compliance and AML - Deutsche Gulf Finance
- Director of Governance and Legal Group - AMLAK Real Estate
- Head of Compliance & Corporate Secretary - AMLAK Real Estate
- Assistant General Manager - SAMBA Capital
- Head of Compliance & AML (MLRO) - Saudi Venture Capital Investment company
- Manager Compliance & AML HSBC
- Product Development Manager - Saudi Investment Bank
- Assistant Fund Manager - Saudi Investment Bank
- Administrative Manager - Faisal & Partners for Medical Services

Qualifications

- BSc Business Administration in Finance King Saud University

- Advanced Diploma in Compliance & Financial Crime

Experience

20 years

Esraa Aljaferi

- BSc Business Administration Imam Abdulrahman BinFaisal University

- Diploma in Accounting Institute of

Public Administration

Experience
7 years

Current Posts

Acting Head of Human Resources Tas'heel

Previous Posts

- Talent Management Group Leader Ikea
- HR Advisor - Serco

Qualifications

- BSc Business Administration & HR Management
- ATD Certified Trainer and CIPD Level 5 in PeopleManagement

Exp

erie

nce

6

yea

rs

14.0 Remuneration

Remuneration & Compensation of 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	212,000
Mohamed Galal Fahmy	294,000
Adel Al Mangour	339,000
Saad Al Khalb	297,000
Kubra Shehabi	339,000
Abdullatif Al Fozan	215,000
Total	1,696,000

The table below includes total meeting compensation paid in the year 2021 in exchange for the board meetings held in the year 2021 (this amount is allocated in 2021 to be paid in 2022).

Board of Directors meetings	Attendance					Attendance Allowance	Annual Remuneration	Total
	Meeting 1	Meeting 2	Meeting 3	Meeting 4	Meeting 5			
Board member	Meeting 1	Meeting 2	Meeting 3	Meeting 4	Meeting 5	Sub-Total	Sub-Total	
Fozan Mohamed Al Fozan	3,000	3,000	3,000	3,000	3,000	15,000	200,000	215,000
Mohamed Galal	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	215,000
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	3,000	15,000	200,000	212,000
Total								1,287,000

The table below includes total meeting compensation paid in the year 2021 in exchange for the (Audit & Compliance Committee) and (Risk & Credit Committee) and (Executive Committee) meetings in the year 2021(this amount is allocated in 2021 to be paid in 2022).

Board member	Remun. for attending other committees	Audit and Compliance Committee Meetings				Board Risk and Credit Management Committee				Executive Committee				Total from attending Committee Meetings	Total
		Meeting 1	Meeting 2	Meeting 3	Meeting 4	Meeting 1	Meeting 2	Meeting 3	Meeting 4	Meeting 1	Meeting 2	Meeting 3	Meeting 4		
Mohamed Galal Fahmy	100,000	0	0	0	0	3,000	3,000	3,000	3,000	3,000	0	0	0	15000	115,000
Adel Al Mangour	100,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	0	0	0	0	24000	124,000
Saad Al Khalb	70,000	3,000	3,000	3,000	3,000	0	0	0	0	0	0	0	0	12000	82,000
Kubra Shihabi	100,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	0	0	0	0	24000	124,000
Abdullatif Al Fozan	70,000	0	0	0	0	0	0	0	0	3,000	0	0	0	3000	73,000
Sakhr AlMulhim	70,000	0	0	0	0	0	0	0	0	3,000	0	0	0	3000	73,000
Total														81,000	591,000

Remuneration of Executive Management

The table below includes Total compensation for members of the Executive Management, including the Chief Executive Officer and Finance Director during FY 2021(this amount is allocated in 2021 to be paid in 2022).

Salary	Allowance	Total	Annual Bonus	Long Term incentive plan	Total
2,495,842.00	1,586,735.71	4,082,577.71	1,461,120.00	-	5,543,697.71

15.0 Penalties

The company practices its business and activities in accordance with the applicable laws, regulations, and directives of the Kingdom of Saudi Arabia.

The table below includes penalties imposed by SAMA on Tas'heel during 2020 and 2021:

Regulatory Fines & Penalties				
Violation Category	Number of Penalty Decisions		Total Amount Levied in Penalties (SR)	
	2020	2021	2020	2021
SAMA Supervisory Instructions	0	0	0	0
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	220,000	0	220,000	0

Penalties Imposed by Other Regulatory Authorities

Reason for Penalty	Authority	Amount (SAR)	Measures undertaken to remedy and avoid the penalties imposed
Non-compliance with HRSD instructions	HRSD	50,000	Various corrective and preventative measures have been taken with respect to changes in processes, policies and procedures to avoid such violations and ensure compliance with the pertinent regulations.
Total		50,000	

16.0 Related Parties

56

Related parties comprise the shareholders, directors, associated companies (representing entities which 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	2021	2020
United Electronics Company		
Purchases from the shareholder to be financed to consumers under Murabaha contracts	356,634,421	300,106,389
Payments to the shareholder	(417,837,424)	(363,286,410)
Collections made by the shareholder on behalf of the Company	(7,003,532)	(31,634,973)
Collections made by Company on behalf of the shareholder	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	9,484,212	5,032,661
Information Technology support charges	1,148,376	1,445,704
Procco Financial Services W.L.L		
Outsourced personnel expenses	13,766,312	6,949,635
Payments during the year	(12,362,256)	(6,906,435)

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

	2021	2020
United Electronics Company	38,505,520	44,781,044
Procco Financial Services W.L.L	2,540,719	43,200

17.0 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 on the company's ability to continue its activity
- No recommendation was issued by the Board to change the auditor prior to 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.

18.0 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 2021. 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.

