

## Tas'heel Annual Report

For The Fiscal Year Ended in 2023

## Chairman Statement

Dear Shareholders & Stakeholders,

It is with great pleasure that I present the Annual Report for the fiscal year 2023 of the United Company for Financial Services, commonly known as “Tas’heel Finance”. The year under review has been characterized by significant accomplishments that reflect our solid dedication to excellence, innovation, and customer service. Throughout the year, we expended considerable effort to provide high-quality financial services to our esteemed clientele. We continued to enhance our product offerings, simplify our processes, and invest in our human resources to ensure that we deliver the best possible service to our clients.

In addition, we introduced new initiatives and processes at Tas'heel to mitigate risks and enhance the overall security of our operations. These measures enabled us to increase our risk appetite while efficiently eliminating any open risks associated with any process within the company. Furthermore, we established an incident management process to improve incident reporting, further demonstrating our commitment to delivering exceptional customer experiences.

Aligned with the Kingdom's Vision 2030, we prioritize the investment in local human capital. At Tas’heel Finance, we have achieved 85.8% Saudization, surpassing the SAMA criteria and acquiring platinum status under Nitaqat, a testament to our commitment to providing opportunities for local talents.

In conclusion, on behalf of the Board of Directors, I extend my gratitude to our esteemed customers, shareholders, and stakeholders for their unwavering trust and support. We also appreciate the Central Bank of Saudi Arabia (SAMA) and other regulatory bodies for their role in fostering a supportive and progressive regulatory environment.

We remain committed in our commitment to delivering innovative, seamless, and secure financial solutions, empowering our customers financially and contributing to the economic development of the Kingdom of Saudi Arabia.

Sincerely,

**Fozan Al Fozan**

**Chairman, Tas’heel Finance**

## Overview

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

Established in 2019 and headquartered in Khobar, Tas’heel, a closed joint-stock company fully owned by United International Holding Company, has a wide ranging 76-plus retailer store network, partnering with leading brands such as eXtra, Panda, Virgin, IKEA, and Saudi German Hospital, delivering an extensive choice of installment financing that is enriching customers’ lives.

Products offered include Personal Finance, Product Finance, Credit Card, and the newly launched Baseeta – an innovative offering that allows customers to tap & purchase and convert their transactions in any Retailer worldwide to a convenient payment plan.

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

## Our Strategy

### ➤ A dynamic growth strategy

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

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

### ➤ Powered By People

A culture of learning & innovation

At Tas’heel Finance, we nurture a corporate culture that is conducive to learning and continuous improvement through structure, processes, and togetherness.

The company provides a dynamic and safe working environment that supports our employees to reach their full potential. In addition to empowering change enablers, we ensure training and development opportunities that enable Tas’heel team members to achieve their career development goals.

### ➤ Partnering for progress

Creating sustainable value for stakeholders

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

➤ **Revolutionary Technology**

**Robust & Agile Infrastructure**

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

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

➤ **Diversified Solutions**

**Innovative financial solutions**

Tas'heel Finance is a tech-led, innovative Financial Service provider. This is reflected in the development and launch of cutting-edge services like Baseeta, which combines the benefits of usual Product Finance and the flexibility of revolving credit lines to offer a completely new and novel solution to Customers.

Our application processes have been digitized and taken completely online to enable our customers to apply for any Product without the need for their physical presence or paper documentation. We are connected to various relevant service providers within the Kingdom to achieve a complete digital journey by which we serve our customers.

We understand that as a Finance Company, we need to be cognizant of the various risks involved in lending. Our online decision engine has evolved over time and has been automated to appraise individual customers based on their profile and segment and arrive at the optimum decision and at the appropriate pricing point. This is done in real-time by our system and without any manual intervention.

Data is a source of knowledge and information – clean data backed with extensive analysis leads to invaluable insights on trends in the Market. With this in mind, we are building and investing in infrastructure to help us understand and serve our customers better. Our daily dashboards and trend mapping help us maintain profitability, innovate products, and sustain planned portfolio growth.

With our extensive dependence on our in-house IT infrastructure, it is only natural that we ensure adequate safety and security of our relevant Assets. To achieve this critical objective, we are PCI-DSS level 1 certified, and our SAMA-mandated Cybersecurity level is consistently above mandated requirements.

## 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

- **Ownership**  
Ownership is our drive; we are accountable till the last mile to deliver the best experience and performance.
- **The Future is Today**  
We are positioned to offer the most innovative and cutting-edge solutions. We are pioneers in the Tech industry through our commitment to constant improvement driven by our ambition and expertise.
- **Customers First**  
We are responsible for delivering the best experience to the customer with a value answering their inspiration.
- **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.

## Business Overview2023

<b>Performance:</b> <ul style="list-style-type: none"> <li>• 24.1% Sales Growth vs 2022</li> <li>• 25.6 Revenue Growth vs. 2022</li> <li>• 9.7% Net Profit Growth vs. 2022</li> <li>• 20.5% Portfolio Growth vs. 2022</li> </ul>	<b>Technology:</b> <ul style="list-style-type: none"> <li>• Launched Apple Pay for Credit Cards.</li> <li>• Launched a new look user interface for Web &amp; Mobile Apps</li> </ul>
<b>Cyber Security:</b> <ul style="list-style-type: none"> <li>• Implementing NDMO Data Governance and PDPL framework</li> </ul>	<b>Awards:</b> <ul style="list-style-type: none"> <li>• Best Fintech Solutions Provider 2023 – Global Brands Magazine</li> </ul>

## 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.

### Board of Directors:

#### 1. Fozan Al Fozan:

Over 21 years of experience, Mr. Al Fozan's has a Bachelor of Accounting from the Faculty of Administrative Sciences at King Saud University. Currently, He is a Board member and committee member of the Nomination and Remuneration committee at Tas'heel Finance and Board member at: Abdullatif and Mohammed Al Fozan, Al Fozan Holding Company, Madar Building Materials Company, Bawan Holding United Company, Electronics Company (eXtra), Ajwad Holding Company, Al Yamamah Steel Industries, Blom investment Company. (blominves), Athman Holding Company and Retal Urban Development Company.

#### 2. Adel Al Mangour:

Over 35 years of experience, Mr. Al Mangour has an MBA from Portland State University and BSc of Accounting & General Administration from Portland State University. Currently, He is a board member at Tas'heel Finance and The Family Office Company. In addition to, Nomination and Remuneration Committee member and Risk and Credit Management Committee member at Tas'heel Finance. Previous positions: Deputy CEO at The Family Office, Board Member, and its committees at: Tawuniya, Gulf International Bank UK, Saudi Home Loans and Saudi Credit Bureau. Managing Director Wholesale Banking Gulf International Bank B.S.C and Chief Credit Officer at Arab National Bank.

#### 3. Mohamed Galal:

Over 37 years of experience, Mr. Galal has a Bachelor of Accounting from Ain Shams University. Currently, He is MD and CEO of United Electronics Company eXtra, and Board member, Chairman of Executive Committee, Member of the Risk Committee and Member of the Nomination and Remuneration at Tas'heel Finance. In addition to, Board member at: United International Holding Company, Halwani Bros, Egypt, United Electronics Company (eXtra) – Bahrain & Oman, eXtra Import Company Egypt, and Procco Financial Services. Previous positions: Board Member, committees at: Ahmed Mohamed Saleh Baeshen & Co, National General Automotive, United Homeware Company "Nice", Al Yassra Fashion Kuwait and Gökür in Turkey.

#### 4. Abdullatif Al Fozan:

11 years of experience, Mr. Abdullatif has a BA in Economics & Employment Relations from the University of Toronto. Currently, He is a Board member and Executive Committee at Tas'heel

Finance. In addition to, Board Member, committees at: Al Fozan Holding Company, Ascend Healthcare Solutions, Alpha Capital, United Homeware Company (Nice), Ajdan Real-estate Development Company, Nesaj Compound Company (Retail Residence), Samaya investment Company, Tadbeer Environmental Services Company, Al Oula Real Estate Development Company, United Electronics Company (eXtra), Rushd Financial Company, Saudi Re Company and Retail Urban Development Company. Chief Executive Officer Al Fozan Holding Company, Company's Directors Saudi Industrial Machinery CO, Founder & Managing Director Ascend Healthcare Solutions, Company's Director Roaya Nutrition Company Limited and Company's Director Rafa Gulf Contracting Company. Previous positions: Board Member, committees at: Arnon Plastic Industries, Bawan Holding Company, and The National Company for Glass Industries (PJSC). Consultant – Mergers & Acquisitions, Transaction Advisory Services at Ernst & Young and Corporate Relationship Manager at Banque Saudi Fransi.

**5. Kubra Shehabi:**

31 years of experience, Mrs. Shehabi has a Certified Public Accountant, USA and MBA Investment & Finance from University of Hull and BSc Business Administration from University of Bahrain and Diploma in Business Administration University of Bahrain, BSc, and Diploma in Business Administration from University of Bahrain. Currently, She is a Board member and Chairman of Credit and Risk Management Committee at Tas'heel Finance. In addition to, Board Member, Chairman of Audit Committee at Procco Financial Services and Board Member, Chairman of the Risk Committee, Member of the Audit Committee at Saudi Reinsurance Co. Previous positions: Head of Risk Management at First Energy Bank, Head of Credit at Al Salam Bank and Head of Credit JP Morgan Chase Bank.

**6. Saad Al Khalb:**

30 years of experience, Mr. Alkhalb has a BSc in Electrical Engineering from King Fahad University of Petroleum and Minerals. Currently, He is a board member and Chairman of Audit & Compliance Committee at Tas'heel Finance and CEO of Saudi EXIM Bank. Previous positions: President of the Saudi Ports Authority "Mawani", Vice Minister Ministry of Transport, (COO) at Saudi British Bank, (COO) at HSBC – Oman, Director of Operation & Technology AMLAK International, Head of Alternate Delivery Channels & Electronic Sales Arab National Bank and Corporate Relationship Banking and Risk Management & I.T. Operations Regional Head at SAMBA Financial Group.

## Committee members from outside the Board:

### 1. Saeed Almahoui:

Over 30 years of experience, Mr. Almahoui has a BSc in Science, Finance and Management Information Systems from King Fahad University of Petroleum and Minerals. Currently, He is a Chairman of the Nomination and Remuneration at Tas'heel Finance and Officially Licensed Financial Consultant at Riyas Advisory (Owner & CEO). Previous positions: CEO At Nassir Bin Hazza & Brothers Group, Area General Manager of Eastern Province at Saudi British Bank (SABB), Regional Manager, Corporate Banking - Eastern Province at Arab National Bank (ANB), Division Head, Corporate Banking Group - Eastern Region at SAMBA, Consumer Finance Business Manager, Riyadh at SAMBA, Branch Manager of the Al Khobar Branch at SAMBA, Corporate Credit Officer/Relationship Manager at SAMBA and Accountant at Saudi European Petrochemical Company (SABIC Affiliate).

### 2. Fuad Tawfiq:

Over 34 years of experience, Mr. Tawfiq has a BSc in Accounting from Ain Shams University. Currently He is an Audit & Compliance Committee Member at Tas'heel Finance and Chairman of the Audit Committee at Tech Invest company. Previous positions: Audit Committee Member at Tabadul Company and Abaad Aldawaa Pharmaceutical company. CFO at Mohammed Bin Ali Al Swailem Group and Al-Majal Al-Arabi Holding Group.

### 3. Ibrahim AlJassir:

Over 27 years of experience, Mr. AlJassir has an Associate of Science, Accounting & Auditing from University of ALABAMA in the United States. Currently CFO at National Water Company and Audit & Compliance Committee Member at Tas'heel Finance and Audit Committee Chairman at International Digital Solutions Co – newleap (Digital Financial Services) and Audit Committee Member at TABADUL, a Saudi logistic digital transformation and Nassej Digital transformation in learning & knowledge management. Previous positions: CFO at STC Channels Group, Hoshan Group and Abdulah Fouad Holding Co. VP Finance / Strategic Advisor Saudi Logistics and Technical Support, Director of Finance at Goharat Al-Babtain Holding Group and Bin Saedan Group of Companies. Deputy Group Financial Controller Al Faisaliah Group

### 4. Sakhr Abdulrahman Almulhem:

Over 27 years of experience, Mr. Almulhem has an MBA in International Business from Washington International University and INSEAD Executive Management Graduate France. Currently, He is Member of the Executive Committee at Tas'heel Finance and Board & Committee Member at Procco Financial Services.



## Tas'heel Executive Management:

1. **Sakhr Abdulrahman Almulhem**

Chief Executive Officer with a total of 27 years of experience. Mr. Almulhem has an MBA in International Business from Washington International University and INSEAD Executive Management Graduate France. Previous positions: Co-Founder & President SAMMEST Incubator, Riyadh and Manama, Business Development – MENA Area Manager General Authority of Civil Aviation, EVP Head of Retail Banking-Co-creator of “Meem” Gulf International Bank, SVP Division Head of Customer Management the National Commercial Bank and Senior Manager Consumer Finance the Saudi British Bank (SABB).

2. **Noor AlKhabbaz**

Head of Finance with a total of 16 years of experience. Mr. AlKhabbaz has master's degree in accountancy from Case Western Reserve University in Ohio, United States, and a bachelor's degree in finance from King Saud University. Previous positions: Auditor at Ernest & Young (EY), Samba Financial Group, where he worked in retail banking management and corporate banking. After that, he worked in the Oil & Gas sector at National Oilwell Varco (NOV) as Financial Controller.

3. **Mohammed AlDoseri:**

Chief Information Security Officer with a total of 16 years of experience. Mr. AlDoseri has BSc Business Information Systems University of Bahrain. Previous positions: Chief Information Security Officer at Aljabr Financing Corporation, Senior Information Security Specialist Kuwait Finance House Bahrain, and Client Relationship Manager BATELCO.

4. **Haitham Kabbarah**

Head of Internal Audit with a total of 27 years of experience. Mr. Kabbarah has a bachelor's degree in business administration studies – AOU. Previous positions: Internal Audit Vice President Retail Operations and Support – SNB, Internal Audit - Assistant General Manager SAMBA Financial Group, Real Estate Manager at National Creativity Investment Company, Head on Internal Audit Alawwal Capital and Internal Audit Manager Alawwal Bank.

5. **Nawaf Al Dhubaib:**

Chief Human Resources Officer with a total of 21 years of experience. Mr. Al Dhubaib has master's degree in human resources management from the University of Melbourne, Australia, and a science bachelor's degree in information technology from Colorado Technical University, USA. Previous positions: General Human Resources Manager at Ministry of Finance.

6. **Mohammed Abduljabbar:**

Head of Compliance & AML with a total of 18 years of experience. Mr. Abduljabbar has bachelor's degree in accounting UQU, Advanced Diploma in Compliance & Financial Crime CCL Academy and Certified Compliance Officer from Institute of Banking. Previous positions: Compliance & AML Director - Abdul Latif Jameel Finance Company.

**7. Ayman Alebrahim:**

Head of Risk Management with a total of 14 years of experience. Mr. Alebrahim has bachelor's degree in accounting from King Fahd University of Petroleum and Minerals (KFUPM), Associate Professional Risk Manager (APRM) from the Professional Risk Managers International Association (PRMIA), Certified Professional Islamic Accountant (CIPA) from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and Advanced Diploma in Islamic Finance (ADIF) from the Bahrain Institute of Banking & Finance (BIBF). Previous positions: external auditor at Ernst & Young in the Kingdom of Bahrain and Section Head in the financial control department and Head of Credit Review at Al Baraka Islamic Bank.

**8. Raed Shomali:**

Acting Chief Operations Officer with a total of 26 years of experience. Mr. Shomali has bachelor's in business administration – Jordan and Accelerated Development program – Chicago booth, Singapore. Previous positions: Head of customer fulfillment - Tas'heel Finance, Service Director – Mastercard International Head of Credit Initiation – Dunia Finance and Call center Manager – Citibank NA.

**9. Faisal AlGannas:**

Customer Care Manager with a total of 6 years of experience. Mr. AlGannas has a bachelor's degree Fulton School of Engineering, Arizona State University and Certified Credit Adviser Professional. Previous position: Operations analyst then Team leader of Operations at Tas'heel Finance

## Names of the Company that the Board Members participate in:

#	Member Name	Names of companies	Located inside / outside Saudi Arabia	Legal entity
1	Fozan Al Fozan	<ol style="list-style-type: none"> <li>1. Abdullatif and Mohammed Al Fozan</li> <li>2. Al Fozan Holding Company</li> <li>3. Bawan Holding</li> <li>4. United Electronics Company (eXtra)</li> <li>5. Ajwad Holding Company</li> <li>6. Al Yamamah Steel Industries</li> <li>7. Blominves</li> <li>8. Athman Holding Company.</li> <li>9. Madar Building Materials Company</li> <li>10. Retal Urban Development Company</li> <li>11. Ascend Advanced Healthcare Solutions</li> </ol>	Saudi Arabia	<ol style="list-style-type: none"> <li>1. Joint Stock Company Unlisted</li> <li>2. Joint Stock Company Unlisted</li> <li>3. Joint Stock Company Listed</li> <li>4. Joint Stock Company Listed</li> <li>5. Joint Stock Company Unlisted</li> <li>6. Joint Stock Company Unlisted</li> <li>7. Joint Stock Company Unlisted</li> <li>8. Limited Liability</li> <li>9. Limited Liability</li> <li>10. Joint Stock Company Unlisted</li> <li>11. Limited Liability</li> </ol>
2	Adel Al Mangour	The Family Office	Outside	joint stock closed company
3	Mohamed Galal	<ol style="list-style-type: none"> <li>1. United Electronics Company (eXtra)</li> <li>2. United Electronics Company (eXtra)</li> <li>3. United Electronics Company (eXtra)</li> <li>4. Procco Financial Services</li> <li>5. Chairman of the Board of Directors of United International Holding Company.</li> <li>6. Al Yassra Fashion.</li> <li>7. Halwani Bros, Egypt</li> <li>8. Ahmed Mohamed Saleh Baeshen &amp; Co.</li> <li>9. National General Automotive</li> <li>10. United Homeware Company – Nice</li> </ol>	<ol style="list-style-type: none"> <li>1. Inside</li> <li>2. Outside</li> <li>3. Outside</li> <li>4. Outside</li> <li>5. Inside</li> <li>6. Outside</li> <li>7. Outside</li> <li>8. Inside</li> <li>9. Inside</li> <li>10. Inside</li> </ol>	<ol style="list-style-type: none"> <li>1. Joint Stock Listed</li> <li>2. Limited Liability</li> <li>3. Limited Liability</li> <li>4. Limited Liability</li> <li>5. Joint Stock Company Unlisted</li> <li>6. Limited Liability</li> <li>7. Joint Stock Listed</li> <li>8. Limited Liability</li> <li>9. Mixed limited liability</li> <li>10. Limited Liability</li> </ol>
4	Abdullatif Al Fozan	<ol style="list-style-type: none"> <li>1. Al Fozan Holding Company</li> <li>2. Ajdan Real-estate Development Company</li> <li>3. Al Oula Real Estate Development Company</li> <li>4. Ascend Healthcare Solutions</li> </ol>	Saudi Arabia	<ol style="list-style-type: none"> <li>1. Closed Joint Stock</li> <li>2. Single Person Limited Company</li> <li>3. Single Person Limited Company</li> <li>4. Single Person Limited Company</li> </ol>

		5. Athman Medical 6. Saudi Industrial Machinery Co. 7. Roaya Nutrition Company Limited 8. Samaya investment Company 9. Tadbeer Environmental Services Company 10. United Homeware Company (Nice) 11. Rafa Gulf Contracting Company 12. Alpha Capital 13. United Company for Financial Services 14. Tadbeer Environmental Services Company 15. Saudi Reinsurance Co. 16. United Electronics Company (eXtra) 17. Retal Urban Development Company		5. Single Person Limited Company 6. Limited Liability 7. Limited Liability 8. Limited Liability 9. Limited Liability 10. Limited Liability 11. Limited Liability 12. Joint Stock Closed 13. Joint Stock Closed 14. Limited Liability 15. Listed Joint Stock 16. Listed Joint Stock 17. Listed Joint Stock
5	Kubra Shehabi	1. Saudi Reinsurance Co. 2. Procco Financial Services 3. Milestone Accounting & Consulting 4. Sayacorp former - First Energy Bank 5. Al Salam Bank 6. JP Morgan Chase Bank	1. Inside 2. Outside 3. Outside 4. Outside 5. Outside 6. Outside	1. listed Joint stock 2. Limited Liability 3. Individual Establishment 4. Shareholding Company (closed) 5. Shareholding Company 6. Branch of Foreign Company
6	Saad Al Khalb	1. Saudi EXIM Bank 2. HSBC – SA 3. Sinad Holding 4. Riyadh Air 5. Saudi Exports	Saudi Arabia	1. Governmental entity 2. Joint Stock 3. Listed Joint Stock 4. Listed Joint Stock 5. Governmental Entity

## Responsibilities of the board of directors

### Governance

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

### Strategic Direction

The board of directors helps decide how the organization grows. Board members who bring strong strategic experience in a broad range of industries can help the organization address opportunities and potential threats. Strategic planning should be done on an ongoing basis by the board and include both short and long-term goals.

## Accountability

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

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

- Setting and adhering to corporate values for itself, senior management, and other employees 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 for providing effective governance over the Company's affairs for the benefit of its shareholders and for balancing the interests of its clients, employees, suppliers, and local communities.
- The Board shall actively oversee the business, including approving and overseeing the implementation of New Co.'s strategic objectives and approving risk strategy, corporate governance rules, and principles of professional conduct. The Board shall also keep up with material changes in the entity's business and the external environment, as well as act in a timely manner to protect the long-term interests of the Company.

Accordingly, the Board should:

- establish and monitor the company's business objectives and strategy.
- establish the company's corporate culture and values.
- oversee implementation of the appropriate governance framework.
- develop, along with senior management and the CRO, the company's risk appetite, considering the competitive and regulatory landscape, long-term interests, exposure to risk, and the ability to manage risk effectively.

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

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

## Names and Information of Members of the Board, Committees

In accordance with the company's articles of association and governance regulations, a proper number of subcommittees of the Board shall be formed in line with the company's needs, circumstances, and activities. Such formation shall be in a manner that assists the Board in performing its tasks effectively, following 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 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.
- Remunerations and Nominations Committee.

Below is a description of the duties and responsibilities of these committees and their meetings during 2023:

### 1.0 Executive Committee.

The Executive Committee is tasked with monitoring the 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 Executive Committee is composed of three (3) members, and the following table shows the names of committee members and the record of attendance of meetings held during the fiscal year 2023:

Name of member	No. of Meetings (3)							
	1 <sup>st</sup> meeting	2 <sup>nd</sup> meeting	3 <sup>rd</sup> meeting	4 <sup>th</sup> meeting	5th meeting	6 <sup>th</sup> meeting	Total Attendance	Attendance %
	March	Jun	Aug	Nov	Dec	Dec		
Mohamed Galal Chairman	Y	Y	Y	Y	Y	Y	6	100%
Abdullatif Al Fozan- Member	Y	Y	Y	Y	Y	Y	6	100%
Sakhr Almulhem - Member	Y	Y	Y	Y	Y	Y	6	100%

## 2.0 Risk & Credit Committee.

The Risk and Credit Management Committee (RCMC) is headed by an independent director and assists the Board in overseeing the Company's risk management processes. The committee carries out related responsibilities that 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.

The Risk & Credit Committee is composed of three (3) members, and the following table shows the names of committee members and the record of attendance of meetings held during the fiscal year 2023:

Name of member	No. of Meetings (4)					
	1 <sup>st</sup> meeting	2 <sup>nd</sup> meeting	3 <sup>rd</sup> meeting	4 <sup>th</sup> meeting	Total Attendance	Attendance %
	March	June	October	January		
Kubra Shehabi Chairman	Y	Y	Y	Y	4	100%
Adel Almangour	Y	Y	Y	Y	4	100%
Mohamed Galal	Y	Y	Y	Y	4	100%



### 3.0 Audit & Compliance Committee.

The Company's Executive management is responsible for ensuring the effectiveness of the internal control system and compliance with all policies, procedures, and processes set by the Executive management. This is done under the supervision of the Company's Board of Directors to ensure the realization of its strategic objectives and the protection of its assets.

The Audit and Compliance Committee ensures that the Company adheres to its approved operating Policies and Procedures. The committee comprises independent members per the Saudi Central Bank (SAMA) Rules & Regulations. Its primary role is supervising and collaborating with the Company's internal and external auditors to ensure that all internal control policies are fully implemented, and that accounting principles and policies present the financial results transparently and accurately.

The Audit & Compliance Committee is composed of three (3) members, and the following table shows the names of committee members and the record of attendance of meetings held during the fiscal year 2023:

Name of member	No. of Meetings (5)					Total Attendance	Attendance %
	1st meeting February	2nd meeting April	3rd meeting July	4th meeting August	5th meeting October		
Saad AlKhalb (Chairman)	Y	Y	Y	Y	Y	5	100%
Ibrahim AlJassir	Y	Y	Y	Y	Y	5	100%
Fouad Tawfik	Y	Y	Y	Y	Y	5	100%

### 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.

Shariah Committee's 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) considering applicable Sharia standards. The Sharia Committee will also review transactional documents, e.g., TCs, applications, contracts,

- agreements, and legal docs related to each product, and deliver a statement or certification, including one or more fatwah, regarding compliance with the principles of Sharia.
- Inform the Board of Directors of major activities that are incongruent with the Sharia criteria and recommend appropriate measures to remedy the situation.
  - Confirm from the management that the calculation of Zakat complies with GAZT requirements.
  - Monitor, through Internal Sharia Control and/or Internal Sharia Audit, the compliance of the Company's activities with the Sharia guidelines.
  - On an annual basis, conduct a Sharia supervisory assessment (by way of sampling) on selected activities.
  - Submit an annual Sharia report for the Board of Directors after conducting the Sharia Supervisory assessment.

The Sharia Committee is composed of two (2) members, and the following table shows the names of committee members and the record of attendance of meetings held during the fiscal year 2023:

Name of member	1 <sup>st</sup> meeting	2 <sup>nd</sup> meeting	3 <sup>rd</sup> meeting	4 <sup>th</sup> 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 of the sharia committee:

Dr. Salah Fahad Al Shalhoob	Shaikh Salah is a Sharia scholar who procured his Ph.D. from Edinburgh University (UK) and Master's 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 funds. His product-based experience spans sukuks, home mortgages, leasing, SME Financing, and asset management transactions. He is an Assistant Professor at the Islamic & Arabic Studies College of Applied Studies at King Fahd University of Petroleum & Minerals & has written several research papers.
Sh. Muhammad Ahmad	Shaikh Muhammad has over ten years of experience as a Shari'a consultant and academic in various parts of Islamic finance. He has worked predominantly in financial services along with retail and investment banking and has expertise in corporate advisory and real-estate funds. Sheikh Muhammad works extensively with leading global and domestic financial institutions across the GCC. His work ranges from redesigning conventional Sukuk organizational structures of funds in the banking, insurance, and private equity sectors. He procured his Master's (A'alamiyah) in Fiqh and Usool ul Fiqh from Jami'ah Ahsan UI Uloom and procured a Bachelor's in Islamic sciences from Jamia Dar-ul-Uloom.

## 5.0 Nominations and Remunerations Committee

The committee shall oversee identifying and proposing candidates for selection as members of the Board and the executive management and prepare a clear policy for the remuneration of said members, as per the relevant Central Bank instructions.

Remunerations and Nominations Committee's responsibilities and tasks:

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

The Committee is composed of four (4) members, and the following table shows the names of committee members and the record of attendance of meetings held during the fiscal year 2023G:

Name of member	1 <sup>st</sup> meeting May	2 <sup>nd</sup> meeting Oct	Attendance	Total Attendance %
Saeed AL Mahoudi- (Chairman)	Y	Y	2	100%
Mohamed Galal - Member	Y	Y	2	100%
Fozan Al Fozan- Member	Y	Y	2	100%
Adel AlMangour - Member	Y	Y	2	100%

## Dividend Policy

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

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

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

## 1. Remuneration

### Remuneration & Compensation of the Board of Directors

The Company's remuneration policy has been formulated in accordance with provisions of the Companies Law and its implementing regulations 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:

Sr	Name	Attendance Allowance	Annual Remuneration	Total Rewards	Numbers of Meetings
1	Mr. Fozan Al Fozan	15,000 SAR	200,000 SAR	<b>215,000 SAR</b>	5
2	Mr. Adel AlMangour	15,000 SAR	200,000 SAR	<b>215,000 SAR</b>	5
3	Mr. Mohammed Galal	15,000 SAR	200,000 SAR	<b>215,000 SAR</b>	5
4	Ms. Kubra Radhi	15,000 SAR	200,000 SAR	<b>215,000 SAR</b>	5
5	Mr. Abdulatif Al Fozan	15,000 SAR	200,000 SAR	<b>215,000 SAR</b>	5
6	Mr. Saad Al Khalb	15,000 SAR	200,000 SAR	<b>215,000 SAR</b>	5
<b>Total</b>		<b>1,290,000 SAR</b>			

### Board Committees Members

Sr	Name	Annual Compensation	Attendance Allowance	Total	Number of Committees
1	Mr. Fozan Al Fozan	70,000 SAR	6,000 SAR	<b>76,000 SAR</b>	1
2	Mr. Adel Almangour	100,000 SAR	18,000 SAR	<b>118,000 SAR</b>	2
3	Mr. Mohammed Galal	100,000 SAR	36,000 SAR	<b>136,000 SAR</b>	3
4	Ms. Kubra Radhi	100,000 SAR	12,000 SAR	<b>112,000 SAR</b>	1
5	Mr. Abdulatif Alfozan	70,000 SAR	18,000 SAR	<b>88,000 SAR</b>	1
6	Mr. Saad Al Khalb	70,000 SAR	15,000 SAR	<b>85,000 SAR</b>	1
7	Mr. Saeed Almahoudi	70,000 SAR	6000 SAR	<b>76,000 SAR</b>	1
8	Mr. Sakhr Almulhem	70,000 SAR	18,000 SAR	<b>88,000 SAR</b>	1
9	Mr. Foad Tawfiq	70,000 SAR	15,000 SAR	<b>85,000 SAR</b>	1
10	Mr. Ibrahim Aljasser	70,000 SAR	15,000 SAR	<b>85,000 SAR</b>	1
<b>Total</b>		<b>790,000 SAR</b>			

## Board Meetings held and Attendance.

The Board held five (5) meetings during **2023**. The following table shows Board meetings and attendance record of each meeting:

Name of member	No. of Meetings (5)						
	1 <sup>st</sup> meeting	2 <sup>nd</sup> meeting	3 <sup>rd</sup> meeting	4 <sup>th</sup> meeting	5 <sup>th</sup> meeting	Total Attendance	Attendance %
	Jan	April	Jul	Oct	Dec		
Fozan Mohamed Al Fozan – Chairman	Y	Y	Y	Y	Y	5	100%
Adel Al Mangour - Deputy Chairman	Y	Y	Y	Y	Y	5	100%
Mohamed Galal	Y	Y	Y	Y	Y	5	100%
Abdullatif Al Fozan	Y	Y	Y	Y	Y	5	100%
Kubra Shehabi	Y	Y	Y	Y	Y	5	100%
Saad Al Khalb	Y	Y	Y	Y	Y	5	100%

## Remuneration of Executive Management

The compensation for members of the Executive Management, including the Chief Executive Officer and Finance Director, during FY 2023 is **SR 7,058,657.00**

## 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 2022 and 2023:

Violation Subject	Number of Enforcements Decisions		Total Amount of Penalties (SR)	
	2022	2023	2022	2023
Violation of SAMA's Supervisory and regulatory instructions	1	3	20,000	305,000
Violation of SAMA's instruction for customer protection	1	-	50,000	-
Violation of SAMA's due diligence instructions in combating money laundering and terrorism financing	-	-	-	-
Total	2	3	70,000	305,000

## Internal Control

Based on the periodic reports presented by the Internal Audit Department, the Compliance Department, and the Company's external auditors, the Audit Committee found no significant gaps in the Company's control system. However, it should be noted that any internal control system, regardless of its practical and sound design and implementation, cannot give absolute confirmations.

The committee is also responsible for approving the scope of the Company's internal auditor and ensuring that Executive Management takes prompt corrective measures to address control deficiencies or non-compliance with policies, laws, regulations, or any other infringements identified by the auditors or other control functions. The Audit Committee actively monitors the adequacy and effectiveness of the internal control system to ensure that identified risks are mitigated.

The Board of Directors has full access to the audit committee's reports, including the annual internal audit report. These reports are reviewed regularly to provide an ongoing assessment of the internal control system's effectiveness, facilitate the identification of any potential deficiency in its practical application, and treat any defect that may arise due to changed circumstances.



## Social Contribution Details

Corporate Social Responsibility is an important element of Tas'heel 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.

## Shareholders' General Assemblies Held

The company held one general assembly's meeting in 2023G, as follows:

The ordinary general assembly meeting was held on 23/5/2023G. Agenda items included the following:

Vote on the Board's report for the fiscal year ended December 31, 2022
Vote on the audit committee's report for the fiscal year ended December 31, 2022
Vote on the company's auditor's report for the fiscal year ended December 31, 2022
Vote on financial statements for the fiscal year ended December 31, 2022
Vote on the discharge of board members for the fiscal year ended December 31, 2022
Vote on the appointment of the company's auditor from among the candidates on the recommendation of the Audit Committee in order to examine, review, and audit the financial statements for the second, third, and annual quarters of the fiscal year 2023 and the first quarter of 2024 and determine its fees. (Price Water House Company)

The following is the attendance of members for the Ordinary General Assembly Meeting Held on 29/5/2022. G: Attendance Record.

1- Fozan Al Fozan
2- Adel Al Mangour
3- Mohamed Galal
4- Abdullatif Ali Alfozan
5- Kubra Shehabi
6- Saad Al Khalb

## Risk Management

### Introduction:

As part of the Company's endeavor to achieve its strategic objectives, UCFS will be exposed to various types of risks as it undertakes its business activities. Such risks could translate into financial, reputational, and operational losses, which could ultimately threaten the viability of the Company.

Accordingly, risk management will play a vital role in the Company's day-to-day activities and is a key discipline in order to:

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

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

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

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

### Risk Governance:

The risk governance at UCFS starts with the board Risk & credit Management Committee (RCMC), as described in the section above. The role and responsibilities of RCMC have been elaborated in the RCMC Charter.

The Risk Management Department is considered an independent, non-executive function, and the Head of Risk Management shall be reporting directly to the risk and credit management committee and indirectly to the CEO. The roles and responsibilities of the department are described in the risk management framework of UCFS.

### Risk Appetite:

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

## Risk Strategy:

The following four types of strategies will be considered to manage UCFS's risks:

### **Risk Acceptance:**

This strategy shall be used in situations where the result of the Likelihood-Impact is (Low, Low) and shall be exercised by accepting the risk without imposing any control.

### **Risk Transfer:**

This strategy shall be used in situations where the result of the Likelihood is (Low or high), and shall be exercised to reduce the high impact by transferring the risk to a third party using a letter of guarantee for credit risks, insurance contracts for operational risks, etc.

### **Risk Reduction:**

This strategy shall be used in situations where the result of the Likelihood-Impact is (High or low) and shall be exercised to reduce the high Likelihood by imposing controls such as (Dual controls for the cash process).

### **Risk Avoidance:**

This strategy shall be used in situations where the result of the Likelihood-Impact is (High, High) and must be exercised when UCFS cannot accept this risk, or cannot transfer it to a third party, or reduce it because of the high cost of doing so.

## Financial Results and the Most Prominent Results of Business Sectors Performance

### 1. The Capital of UCFS

Substantial Shareholders Ownership of Company Shares

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

### 1. Comparison of Financial Results

Description Thousand Riyals	2019	2020	2021	2022	2023
	Audited	Audited	Audited	Audited	Audited
Financing Revenue	15,580.9	130,631.7	300,895.1	416,957.2	523,854.1
Finance Cost	0	5,382.2	11,216.6	27,778.5	63,243.2
Net Financing Revenue	15,580.9	125,249.5	289,678.5	389,178.7	460,610.8
Total operating Expense	35,271.6	98,838.2	147,740	178,174.8	225,630.9
Net income before Zakat	-18,504.3	26,678.4	143,082.7	215,135.2	236,777.2
Net income after Zakat	-18,792.8	21,342.7	128,774.4	193,622.3	212,353.8

### 2. Comparison of Assets & Liabilities

Description Thousand Riyals	2019	2020	2021	2022	2023
	Audited	Audited	Audited	Audited	Audited
Net Financing Receivables	143,899.1	703,166.9	1,186,060.1	1,554,622.8	1,867,385.4
Other Assets	33,036.4	78,103	71,524.9	58,038.1	58,722.9

Total Assets	176,935.5	781,269.9	1,257,585	1,612,660.9	1,926,108.3
Total Bank Borrowing	0	340,682	675,743.9	837,473.4	945,351.4
Other Liabilities	45,912.6	88,820.8	101,099.5	100,620.3	93,558.3
Total Liabilities	45,912.5	429,502.8	776,843.4	938,093.7	1,038,909.7
Equities	131,022.9	351,767.1	480,741.6	674,567.1	887,198.6
Total Liabilities and Equities	176,935.5	781,269.9	1,257,585	1,612,660.9	1,926,108.3

The following table shows the most important financial indicators.

Financial Indicators	2019	2020	2021	2022	2023
	Audited	Audited	Audited	Audited	Audited
Share Profit after Zakat (Riyal)	-1.25	1	3.68	5.53	6.07
Return on Average Equities after Zakat %	-28.7%	8.8%	30.9%	33.5%	27.2%
Return on Average Assets after Zakat %	-21.2%	4.5%	12.6%	13.5%	12.0%

### 3. Main Business Activities

Name of Activity	Activity Revenue (Thousand riyals)	Percentage
Income from Tawarruq finance activities	378,387.3	72.23%
Income from Murabaha finance activities	140,317	26.79%
Income from Islamic credit card activities	5,149.8	0.98%
Total	523,854.1	100.0%

#### 4. Zakat & Governmental Payment during 2023

SR	Amount	Description	Reasoning
Zakat	22,183,669	Zakat on Income	Annual Zakat Declaration
Gosi	5,759,971	Social Insurance	Social insurance payments due on Saudi and expertise employee
Tax Authority	472,848	Withholding tax	For the consultancy and other services provided by nonresident firms

#### 5. The Company Borrowing Details during FY 2023:

Sr	Name of Financer	Opening Balance of Financing	Financing Amounts Repaid during the year	Additional Financing Amount	Financing Remaining Amount
1	Riyad Bank	25,000,000	58,000,000	33,000,000	-
2	SAB	350,000,000	100,001,250	-	249,998,750
3	AlBilad Bank	206,933,334	216,933,334	10,000,000	-
4	Al Rajhi Bank	-	31,150,000	387,500,000	356,350,000
5	Al Inma Bank	-	35,812,500	369,000,000	333,187,500
6	BSF	250,000,000	250,000,000	-	-

\*All amounts in SAR

## Related Parties

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

## Transactions with Related Parties

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

Nature of transaction	2023	2022	2021	2020
<b>United Electronics Company</b>				
Purchases from the shareholder to be financed to consumers under Murabaha contracts	254,752,989	373,754,380	356,634,421	300,106,389
Payments to the shareholder	-286,020,363	-400,575,980	-417,837,424	-363,286,410
Collections made by the shareholder on behalf of the Company	-18,368	-157,117	-7,003,532	-31,634,973
Collections made by the Company on behalf of the shareholder	48,985	13,245,964	51,858,957	100,710,576
Employee benefit obligations transferred from the shareholder	-	-	-	-1,817,013
Expenses incurred by the Company on behalf of the shareholder	-	-	-555,649	-1,767,229
Expenses incurred by the shareholder on behalf of the Company	10,436,697	10,940,459	9,484,212	5,032,661
Information Technology support charges	-	1,085,000	1,148,376	1,445,704
<b>Procco Financial Services W.L.L</b>				
Outsourced personnel expenses	24,228,099	23,731,753	13,766,312	6,949,635
Payments during the year	-24,248,524	-23,798,987	-12,362,256	-6,906,435
Expenses incurred by the shareholder on behalf of the Company	695,950	635,778	1,093,463	-
<b>United International Holding Company</b>				
Expenses incurred by the company on behalf of the shareholder	290,886	-	-	-

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

**Below due to related parties:**

	2023	2022	2021	2020
United Electronics Company	15,998,166	36,798,226	38,505,520	44,781,044
Procco Financial Services W.L.L	3,784,788	3,109,263	2,540,719	43,200

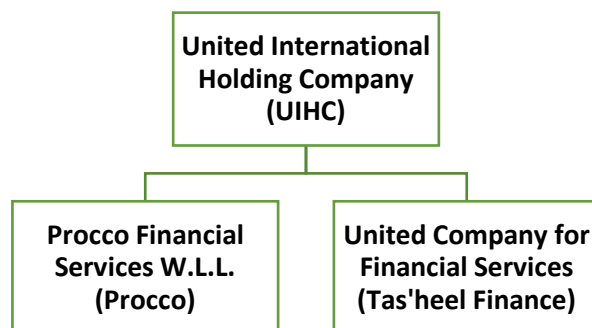
**Below Due from related parties**

	2023	2022	2021	2020
United International Holding Company	290,886	-	-	-

**Affiliates:**

Tas'heel, a financial services company, is not affiliated with any other company. It is owned by United International Holding Company (UIHC).

Below is a graphic of the ownership:





## Board Meetings held and Attendance.

The Board held five (5) meetings during **2023**. The following table shows Board meetings and attendance record of each meeting:

Name of member	No. of Meetings (5)						
	1 <sup>st</sup> meeting	2 <sup>nd</sup> meeting	3 <sup>rd</sup> meeting	4 <sup>th</sup> meeting	5 <sup>th</sup> meeting	Total Attendance	Attendance %
	Jan	April	Jul	Oct	Dec		
Fozan Mohamed Al Fozan – chairman	Y	Y	Y	Y	Y	5	100%
Adel Al Mangour- deputy or vice chairman	Y	Y	Y	Y	Y	5	100%
Mohamed Galal Fahmy	Y	Y	Y	Y	Y	5	100%
Abdullatif Al Fozan	Y	Y	Y	Y	Y	5	100%
Kubra Shehabi	Y	Y	Y	Y	Y	5	100%
Saad Al Khalb	Y	Y	Y	Y	Y	5	100%

## 2. Board Declarations

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

- The account records were prepared properly.
- The internal control system was prepared properly and was implemented effectively.
- There is no doubt about the company's ability to continue its activity.
- No recommendation was issued by the Board to change the auditor prior to the expiry of the term for which it was appointed, and no such change was recommended by the Audit Committee.

The financial statements were prepared in accordance with international accounting standards, as directed by the supervisory authorities. The Board declares that there is no material difference between these standards and the accounting standards adopted by the Saudi Organization for Certified Public Accountants.

## Conclusion

This annual report illustrates the financial status of Tas'heel and is designed to communicate timely, reliable, and relevant information regarding the company's achievements and performance for the year 2023. Tas'heel 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.