



SHIL

السعودية لتمويل المساكن
SAUDI HOME LOANS

**BOARD OF DIRECTORS
REPORT 2022**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

**Custodian of the Two Holy Mosques King
Salman bin Abdulaziz Al Saud**



Crown Prince, Prime Minister

Mohammed bin Salman bin Abdulaziz Al Saud



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Saudi Home Loans - Board of directors' report

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Chairman's speech

Mr. Youssef Abdullah Al-Shalash

Ladies and gentlemen, shareholders of the Saudi Home Finance Company

On behalf of myself and on behalf of the members of the Board of Directors, I am pleased to present the annual report of the Saudi Home Finance Company, as the report included the results of the company's business, achievements and important developments, in addition to the financial statements for the fiscal year ending on December 31, 2022 AD.

The company has maintained reasonable and appropriate profit margins despite the challenges and fluctuations in market conditions during the year 2022, as the company was able to continue to develop its business and improve the quality of its real estate financing services. The net profit for the year 2022 amounted to SR 95.9 m, a decrease of 7% compared to the previous year. The return on equity was 5.6%.

It also falls within the context of the major successes achieved by the company during its journey, which is based on the competencies of a work team characterized by extensive experience, high productivity, and keenness to achieve the strategic objectives of the company, the company also continues to implement strategic growth plans and adopt the principle of operational efficiency with the aim of maximizing revenues and reducing costs within a strong and comprehensive framework of corporate governance and this is to dedicate the institutional character to the company's procedures and policies, while the roles, duties and responsibilities of the Board of Directors, Board Committees, Executive Management, and General Assemblies have been developed in line with applicable regulations such as corporate governance regulations, corporate law and related financing systems.

There is no doubt that the steady growth of the company's financing business formed the basis for its shareholders and partners to take the decision to list 30% of the company's shares in the Saudi stock market "Trade" in the second quarter of 2022 AD, as this represents the culmination of the company's efforts to strengthen its position as a leading company in the field of financing in the Kingdom of Saudi Arabia,

In conclusion, I and my fellow members of the Board of Directors express the utmost gratitude and appreciation to the leader of our blessed march, the Custodian of the Two Holy Mosques and His Highness the Trustworthy Crown Prince, Aydhm Allah, for the great achievements and developments that our dear country has achieved under their wise leadership in all fields. We also express our sincere thanks to the Central Bank of Saudi Arabia, which has been supportive of the various financing sectors, as well as the Chairman and members of the Sharia Board for their valuable advice and guidance. We also extend our thanks and gratitude to our shareholders and customers. I also thank the company's executive management and all its employees with great pride in our creative human resources whose dedication and perseverance contributed to achieving the company's goals.



CEO speech

Mr. Bandar Saeed Al-Ghamdi

With Allah grace and success, the company has maintained balanced levels of growth during its journey since its inception, as it was able to continue in its professional path and develop its activities and products in order to achieve shareholder satisfaction and serve its customers.

During the year 2022 AD, the company achieved many achievements and positive developments despite the great challenges that the real estate finance sector witnessed and was exposed to, especially with regard to the high cost of financing. However, thank God, the company was able to mitigate these effects and overcome these challenges by developing its services and enhancing the efficiency of operational activities, including it creates better value for its shareholders, customers and employees.

Perhaps one of the most important developments achieved by the company this year is the expansion of the sales circle for the company's current products, in addition to commercial financing for individuals and business owners, which contributed to increasing and raising sales and attracting a new segment of commercial customers with good reputation and financial solvency. The company has also begun to develop and expand its products by obtaining a license from the Central Bank of Saudi Arabia to practice consumer financing activity and small and medium enterprises financing activity, as these two activities will be offered and financed during the year 2023 after completing the required regulatory approvals.

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

Company overview

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

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

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

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

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

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

VISION, MISSION AND VALUES

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

OUR VISION

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

OUR MESSAGE

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

OUR VALUES

Developing channels of communication with clients.

Facilitate the customer journey with easy procedures.

Developed environment and sustainable growth.

Board of Directors

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

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

Name	Nationality	Membership type (Chairman - Vice President - Member)	Membership status (Executive - Non-Executive - Independent)
Mr. Youssef Abdullah Al-Shalash	Saudi	Chairman	Non-executive
Mr. Obaid Abdullah Al-Rasheed	Saudi	Vice Chairman	Non-executive
Mr. Abdullatif Abdullah Al Shalash	Saudi	Member	Non-executive
Dr. Ahmed Saleh Al-Duhailan	Saudi	Member	Non-executive
Mr. Ayham Muhammad Al-Youssef	Saudi	Member	Independent
Mr. Ziyad Naeem Al-Shaar	Lebanese	Member	Non-executive
Mr. Kamal Amin Khadr	Saudi	Member	Non-executive
Mr. Faris Ibrahim Al-Rashed Al-Hamid	Saudi	Member	Independent
Mr. Saud Abdulaziz Al-Qasir	Saudi	Member	Independent
Mr. Othman Khairy Badr	Saudi	Member	Non-executive
Mr. Ahmed Abdullah Al Al-Sheikh *	Saudi	Member	Independent

* (He resigned from the membership of the Board on 06/07/2022 AD)

BOARD MEMBERS

**THEIR CURRENT AND PREVIOUS JOBS, QUALIFICATIONS
AND EXPERIENCE, AND COMPANIES INSIDE OR OUTSIDE
THE KINGDOM THAT THEY HOLD MEMBERSHIP IN ITS
CURRENT AND PREVIOUS BOARDS OF DIRECTORS OR
ONE OF ITS MANAGERS**



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

Date of appointment to the Board (current term)

- 28/11/2019

Academic and Professional Qualifications

- Bachelor's degree in Islamic law, Imam Muhammad bin Saud Islamic University, 1990 AD.
- Diploma in Systems Studies Program for the Bureau of Investigation and Public Prosecution from the Institute of Public Administration in 1992.
- Chairman of the Board of Directors of the Saudi Home Finance Company (non-executive) for the current term that ends on November 27, 2022 AD. (Public Joint Stock Company - Saudi Arabia)
- Chairman of the Board of Directors of Dar Al-Arkan Real Estate Development Company (non-executive), member of the Executive Committee and member of the Nominations and Remuneration Committee, a public joint stock company, working in the field of real estate management and development, since its establishment in 2000 AD to date (a public joint stock company - Saudi Arabia).

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

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



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

- Date of appointment to the Board (current term)** • 28/11/2019
- Date of appointment as Vice-Chairman of the Board** • 29/04/2021
- Date of appointment to the Nomination and Remuneration Committee (Current term)** • 02/04/2020
- Academic and Professional Qualifications**
- Bachelor of Business Administration from San Jose State University in the United States in 1983.
- Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom**
- Vice Chairman of the Board of Directors of the Saudi Home Finance Company to date (non-executive) - (a public shareholding company - the Kingdom of Saudi Arabia)
 - Member of the Nominations and Rewards Committee of the Saudi Home Finance Company to date (non-executive) - (a public joint stock company - the Kingdom of Saudi Arabia).
 - Member of the Board of Directors of the Arab National Bank from 2021 AD to date. (Non-executive) - (Public Joint Stock Company - Kingdom of Saudi Arabia)
 - CEO of the Arab National Bank from 2021 AD to date. (Executive) - (Public Joint Stock Company - Saudi Arabia)
 - Vice Chairman of the Board of Directors of the Saudi Chemical Company, (non-executive) - a public joint stock company, working in the field of manufacturing civil and military explosives and related products from 2019 AD to date. (Public Joint Stock Company - Kingdom of Saudi Arabia)
 - Member of the Board of Directors of Dr. Sulaiman Al Habib Group for Medical Services (non-executive) - a public joint stock company, working in the field of establishing and managing hospitals, medical centers, dispensaries, laboratories, analysis, x-rays, dental clinics and pharmacies from 2015 AD to date. (Public Joint Stock Company - Kingdom of Saudi Arabia)
 - Chairman of the Nominations Committee of Dr. Sulaiman Al Habib Medical Services Holding Group (non-executive) - a public joint stock company, working in the field of establishing and managing hospitals, medical centers, dispensaries, laboratories, analysis, x-rays, dental clinics and pharmacies from 2015 AD to date. (Public Joint Stock Company - Kingdom of Saudi Arabia)
 - Chairman of the Board of Directors of Al-Arabi Heavy Equipment Rental Company, a closed joint stock company, working in the field of heavy equipment rental, from 2010 until 2021. (Closed Joint Stock Company - Saudi Arabia)
 - Deputy Managing Director of the Arab National Bank, a public joint stock company, working in the field of banking, from 2010 AD until 2021 AD. (Public Joint Stock Company - Kingdom of Saudi Arabia)
 - Member of the Board of Directors of the Saudi Chemical Company, a public joint stock company, working in the field of manufacturing civil and military explosives and related products, from 2013 AD until 2019 AD (Public Joint Stock Company - Kingdom of Saudi Arabia)



Abdullatif Abdullah Al Shalash, Member of the Board of Directors (Non-Executive)

Date of appointment to the Board (current term)

- 28/11/2019

Academic and Professional Qualifications

- Bachelor of Science in Leadership and Supervision from Purdue University, Indiana, USA, 2001.

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

- Member of the Board of Directors of the Saudi Home Finance Company (non-executive) for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia
- Member of the Board of Directors of Al-Khair Capital Saudi Arabia (non-executive) - a closed joint stock company, working in the field of dealing, custody, investment management, fund operation, arranging and providing advice in securities business, from 2009 AD to date. Closed joint stock company - Kingdom of Saudi Arabia
- Member of the Board of Directors of Al-Khair Bank, a Bahraini closed joint stock company, (non-executive) working in the field of banking, from 2004 until 2019. - Closed joint stock company - Kingdom of Bahrain.
- Member of the Board of Directors of Dar Al-Arkan Real Estate Development Company (non-executive) - a public shareholding company, working in the field of real estate management and development, from 2005 AD until 2019 AD. Public Joint Stock Company - Kingdom of Saudi Arabia.
- Managing Director of Dar Al-Arkan Real Estate Development Company, (executive) a public shareholding company, working in the field of real estate management and development, from 2007 AD until 2019 AD. Public Joint Stock Company - Kingdom of Saudi Arabia
- Member of the Board of Directors of the Company, (non-executive) - a Bahraini closed joint stock Company, operating in the field of insurance, from 2007 AD until 2020 AD. Closed joint stock company - Kingdom of Bahrain



Ayham Mohammed Al-Youssef, Board Member (Independent) - Chairman of the Executive Committee and Chairman of the Nominations and Remunerations Committee.

Date of appointment to the Board (current term) • 28/11/2019

Date of appointment to the Executive Committee (current term) • 03/02/2020

Date of appointment to the Nomination and Remuneration Committee (current term) • 02/04/2020

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

- Academic and Professional Qualifications Bachelor of Industrial Management, King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia in 1994.
- Member of the Board of Directors of the Saudi Home Finance Company (independent) for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia.
- Chairman of the Executive Committee and Chairman of the Nominations and Remuneration Committee (independent) - Saudi Home Finance Company - a public joint stock company - Saudi Arabia.
- Member of the Board of Directors of the Saudi Marketing Company, (independent), a public joint stock company, working in the field of wholesale and retail trade in foodstuffs, from 2017 AD to date. . Public Joint Stock Company - Kingdom of Saudi Arabia.
- Member of the Board of Directors of Al-Ahlia Gulf Union Cooperative Insurance Company (independent) - a public shareholding company, working in the field of cooperative insurance from 2016 AD to date. . Public Joint Stock Company - Kingdom of Saudi Arabia
- Member of the Board of Directors (independent) - Ayan Investment Company - a public shareholding company working in the health field - Kingdom of Saudi Arabia.
- CEO of Vision Capital Company from 2008 to 2011 AD - a closed joint stock company - Saudi Arabia.
- General Manager of HSBC Fund - from 2006 to 2008 - a closed joint stock company - Saudi Arabia.
- CEO of the Real Estate Development Fund, a government fund, working in the field of finance, from 2017 AD until 2018 AD. Government Fund - Kingdom of Saudi Arabia
- Vice Chairman of the Board of Directors of the Real Estate Development Fund, a governmental fund, working in the field of financing, from 2017 AD until 2018 AD. Government Fund - Kingdom of Saudi Arabia
- Advisor to the Minister of Housing, a government agency working in the field of organizing and facilitating a balanced and sustainable housing environment, from 2017 AD until 2018 AD. Government agency - Kingdom of Saudi Arabia.
- Chief Executive Officer of Albilad Capital, a closed joint stock company, working in the field of dealing, custody, investment management, fund operation, arranging and advising in securities business, from 2011 AD until 2015 AD. Closed joint stock company - Kingdom of Saudi Arabia.



Ziyad Naim Al Shaar, Board Member (non-executive) / member of the Executive Committee

Date of appointment to the Board (current term) • 28/11/2019

Date of appointment to the Executive Committee (current term) • 03/02/2020

Academic and professional qualifications

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

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

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



Ahmed Abdullah Abdulaziz Al-Sheikh, Member of the Board of Directors (Independent)

He resigned from the membership of the Board of Directors on 06/07/2022 AD

Date of appointment to the Board (current term)

- 25/11/2021

Academic and professional qualifications

- Bachelor of Business Administration, Accounting, from King Saud University in Riyadh, in 1991
- Received a number of intensive trainings at the US Federal Reserve Bank in New York, the US Federal Reserve Bank in Washington, the Financial Stability Board in Basel (Switzerland), the World Bank (USA), the International Monetary Fund (USA), Harvard Business School (USA), INSEAD International Business School (France) and IMD University (Switzerland).

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

- Member of the Board of Directors of the company for the current term (Independent) to date.
- Member of the Board of Directors of the National Housing Company, a governmental company, operating in the field of housing, from 2021 AD to date.
- Chairman of the Audit Committee of the Non-oil Revenue Center, a government center, working in the field of non-oil revenue, from 2021 AD to date.
- Senior Advisor to the Governor at the Central Bank of Saudi Arabia, a government agency, working in the field of regulating financial sectors, issuing and managing currency, and developing and implementing monetary and financial stability policies from 2019 AD until November 2021 AD.
- Member of the Board of Directors of the General Organization for Social Insurance,
- Secretary of the Finance Committee at the Saudi Royal Court, a government agency, from 2017 AD until 2021 AD.
- A member of the Board of Economic and Development Affairs, a governmental council, working in the field of assisting the state in unifying its orientations in all matters related to economic and development affairs, from 2017 AD until 2021 AD.
- Member of the Board of Directors of the Non-oil Revenue Center, a governmental center, working in the field of non-oil revenues, from 2017 AD until 2021 AD.
- Undersecretary Governor for Control at the Central Bank of Saudi Arabia, a government agency, working in the field of regulating financial sectors, issuing and managing currency, and developing and implementing monetary policies and financial stability policies from 2016 AD until 2018 AD.
- An agent for market institutions at the Capital Market Authority, a governmental body, working in the field of supervising the organization and development of the financial market and issuing regulations, rules and instructions necessary to implement the provisions of the financial market system, from 2014 AD until 2016 AD.



Kamal Amin Salim Khedr, Member of the Board of Directors (non-executive)/ Member of the Executive Committee

Date of appointment to the Board (current term) • 28/11/2019

Date of appointment to the Executive Committee (current term) • 03/02/2020

Academic and professional qualifications

- Bachelor of Business Administration from the University of Richmond, UK in 1989.

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

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



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

- | | |
|--|---|
| Date of appointment to the Board (current term) | <ul style="list-style-type: none">• 29/03/2021 |
| Academic and professional qualifications | <ul style="list-style-type: none">• Bachelor's degree, Industrial Management Sciences from King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia in 1993. |
| Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom | <ul style="list-style-type: none">• Member of the Board of Directors of the Saudi Home Finance Company for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia• Head of Retail Banking in charge of the Arab National Bank, a public joint stock company, operating in the field of banking, from 2021 AD to date. Public Joint Stock Company - Kingdom of Saudi Arabia• Head of Retail Banking Products at the Arab National Bank, a public joint stock company, working in the field of banking, from 2014 AD until 2021 AD. Public Joint Stock Company - Kingdom of Saudi Arabia• Sales Manager at the Arab National Bank, a public joint stock company, working in the field of banking, from 2010 AD until 2014 AD. Public Joint Stock Company - Kingdom of Saudi Arabia |



Faris Ibrahim Rashid Al-Rashed Al-Hamid, Board Member (Independent), Chairman of the Risk and Credit Management Committee and a member of the Nominations and Remunerations Committee

- | | |
|--|---|
| Date of appointment to the Board (current term) | <ul style="list-style-type: none">• 28/11/2019 |
| Date of appointment to the Risk and Credit Committee (current term) | <ul style="list-style-type: none">• 22/04/2020 |
| Date of appointment to the Nominations and Remunerations Committee | <ul style="list-style-type: none">• 16/04/1443 |
| Academic and professional qualifications | <ul style="list-style-type: none">• Bachelor of Computer Science from King Saud University, Kingdom of Saudi Arabia in 1994. |
| Current and previous positions and companies in | <ul style="list-style-type: none">• Entrepreneurs Development Program, from the Ceylon College of Management, Massachusetts Institute of Technology, Cambridge, USA, in 2009. |

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which he served as a member of the Board of Directors inside or outside the Kingdom

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



Saud Abdulaziz Jassim Al-Qaseer, Board Member (Independent)

Date of appointment to the Board (current term)

- 11/25/2021

Academic and professional qualifications

- Bachelor of Architecture, from King Saud University in 1987.

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

- Academic and Professional Qualifications Bachelor's degree in Architectural Engineering from King Saud University in 1987.
- The Royal Commission for Jubail and Yanbu, a government agency, working in the field of development from 1989 AD until 1995 AD, when the following positions (jobs) were vacant: General Manager of the Jubail Project - Director of the Construction Department of the Royal Commission for Jubail and Yanbu - Director of the Saif Numan Company Group from 1987 AD until 1989 AD when there were vacant positions Next: Marketing Engineer - Production Engineer - Site Engineer
- Current and previous positions and companies in which he served as a member of the Board of Directors inside or outside the Kingdom
- Member of the Board of Directors of the Saudi Home Finance Company (independent) for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia
- Founding and Executive Director of Amjal Real Estate Development Company, a closed joint stock company, working in the field of real estate development from 2012 AD to date. Closed joint stock company - Kingdom of Saudi Arabia
- Executive Director of Dar Al-Arkan Real Estate Company, a public joint-stock company, working in the field of real estate management and development, from 2004 AD until 2011 AD. Public Joint Stock Company - Kingdom of Saudi Arabia
- General Manager of Projects and Business Development for Fama Holding Group, a closed joint stock company, working in the field of investment from 1995 AD until 2004 AD. Closed joint stock company - Kingdom of Saudi Arabia



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

Date of appointment to the Board (current term) • 11/28/2019

Date of appointment to the Audit Committee (current term) • 08/04/2020

Date of appointment to the Executive Committee (current term) • 03/02/2020

Academic and professional qualifications

- Bachelor's degree in Accounting from Imam Muhammad bin Saud Islamic University, Kingdom of Saudi Arabia in 1992.

- Master of Accounting from the University of Miami, Florida, USA in 1997.

- Ph.D. in Accounting and Finance from Cardiff University, United Kingdom in 2004.

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

- Demonstrator at the College of Islamic Law in Al-Ahsa, a governmental college, working in the field of education, from 1994 AD until 1995 AD.

- Lecturer at Imam Muhammad bin Saud University in Al-Ahsa, a public university, working in the field of education, from 1997 AD to 2000 AD.

- Member of the Board of Directors of the Saudi Home Finance Company (non-executive) to date - a public shareholding company - the Kingdom of Saudi Arabia.

- Member of the Audit Committee and member of the Executive Committee (non-executive) of the Saudi Home Loans Company to date - a public joint stock company - the Kingdom of Saudi Arabia.

- Chairman of the Board of Directors of Insurance Company (non-executive), a Bahraini closed joint stock Company, working in the field of insurance from 2020 AD to date. Closed joint stock company - Kingdom of Bahrain.

- Chairman of the Board of Directors of Takaful Insurance Company (non-executive), a closed joint stock company, Kuwait, operating in the field of insurance from 2011 AD to date. Closed joint stock company - State of Kuwait.

- Member of the Board of Directors of PFC Holdings Group (non-executive), a Bahraini limited liability company, working in the financial field from 2010 to date. Limited Liability Company - Kingdom of Bahrain.

- Member of the Board of Directors and Chairman of the Audit and Risk Committee of the Bahrain Financial Company Group - PFC Holdings (non-executive), a Bahraini company with limited liability, operating in the financial field from 2009 to date. Closed joint stock company - Kingdom of Bahrain.

- Member of the Board of Directors of Al-Khair Bank, a Bahraini closed joint stock Company, operating in the field of banking, from 2011 AD until 01/30/2022 AD. Closed joint stock company - Kingdom of Bahrain.

- Chairman of the Audit Committee at Al-Khair Bank, a Bahraini closed joint stock Company, operating in the field of banking, from 2011 AD until 01/30/2022 AD. . Closed joint stock company - Kingdom of Bahrain

Board meetings

Four Board meetings were held during the year 2022 AD. As shown in the table below:

Name	First meeting of the Board of Directors 30/03/2022 AD	Second meeting of the Board of Directors 28/06/2022 AD	Third meeting of the Board of Directors 27/09/2022 AD	Fourth meeting of the Board of Directors 21/12/2022 AD
Mr. Youssef Abdullah Al-Shalash	Attended	Apologized	Attended	Attended
Mr. Obaid Abdullah Al-Rasheed	Attended	Attended	Attended	Attended
Mr. Abdullatif Abdullah Al Shalash	Attended	Attended	Attended	Apologized
Dr. Ahmed Saleh Al-Duhailan	Attended	Attended	Attended	Attended
Mr. Ayham Muhammad Al-Youssef	Attended	Attended	Attended	Attended
Mr. Ziyad Naeem Al-Shaar	Attended	Attended	Attended	Attended
Mr. Kamal Amin Khadr	Attended	Attended	Attended	Attended
Mr. Faris Ibrahim Al-Rashed Al-Hamid	Attended	Attended	Attended	Attended
Mr. Saud Abdulaziz Al-Qasir	Attended	Attended	Attended	Attended
Mr. Othman Khairy Badr	Attended	Attended	Attended	Attended
Mr. Ahmed Abdullah Al Al-Sheikh	Attended	Apologized	Resignation	Resignation

Board Committees

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

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

Executive Committee:

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

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

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

Saudi Home Loans - Board of directors' report

The following is a statement of the members of the Executive Committee during the year 2022, with an explanation of their membership characteristics:

Name	Nationality	Membership type (Chairman - Member)	Membership status (executive - non-executive - independent)
Mr. Ayham Muhammad Al-Youssef	Saudi	Committee Chairman	Independent
Dr. Ahmed Saleh Al-Duhailan	Saudi	Committee Member	Non-executive
Mr. Bassam Rashad Al-Mubarak	Saudi	Committee Member (Outside the Board)	Non-executive
Mr. Ziyad Naeem Al-Shaar	Lebanese	Committee Member	Non-executive
Mr. Kamal Amin Khadr	Saudi	Committee Member	Non-executive

The Executive Committee held (7) meetings during the year 2022 - attached a statement of the number of meetings and attendance record for each member:

Meeting Sr. Date	1 Jan 24, 2022	2 Feb 28, 2022	3 May 30, 2022	4 Sep 21, 2022	5 Nov 7, 2022	6 Nov 27, 2022	7 Dec 18, 2022
Mr. Ayham Muhammad Al-Youssef	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Ahmed Saleh Al-Duhailan	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Bassam Rashad Al-Mubarak	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Ziyad Naeem Al-Shaar	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Kamal Amin Khadr	Attended	Attended	Attended	Attended	Attended	Attended	Attended

Current and previous positions and qualifications of Executive Committee members who are not members of the Board of Directors:



Bassam Rashad Al-Mubarak, Executive Committee member (Outside the Board)

Date of appointment to the Nomination and Remuneration Committee (current term) 25/11/2021

Date of appointment to the Executive Committee (current term) 21/09/2021

Academic and Professional Qualifications

- Bachelor of Political Science - King Saud University 1989.
- General Certificate for Dealing in Securities (1-CME)
- Equity Brokers Certificate (3-CME).

Member of the Nominations and Remunerations Committee - Member of the Executive Committee

- Head of Strategic Investments Department - Arab National Bank from June 2021 to date. Public Joint Stock Company - Kingdom of Saudi Arabia.
- Member of the Board of Directors and CEO - Arab National Investment Company from September 2014 until May 2021 - a closed joint stock company - Saudi Arabia.
- Head of the Local and International Brokerage Department - from June 2008 to January 2014 AD, Arab National Bank - a public joint stock company - Saudi Arabia.
- Head of the Local and International Mediation Department - from June 2007 to early 2008,
- From June 2007 to early 2008, Banque Saudi France - Public Joint Stock Company - Kingdom of Saudi Arabia.

Audit Committee:

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

According to Article (40) of the Articles of Association of the company, the audit committee consists of (3) members as a minimum and (5) members as a maximum. Accordingly, the committee until the end of the year 2022 AD was formed of (3) members in accordance with the main principles of governance in financial institutions issued by the Central Bank, as well as the governance regulations issued by the Capital Market Authority, and the number of members will be raised and increased to be (5) members in the year 2023 AD. The duties and powers of the Audit Committee are as follows:

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

The following is a statement of the members of the Audit Committee during the year 2022 AD, with an explanation of the characteristics of their membership:

Name	Nationality	Membership type (chairman/member)	Membership status (executive / non-executive / Independent)
Dr. Muhammad Sulaiman Al-Aqeel	Saudi	Chairman	Independent - outside the board
Dr. Ahmed Saleh Al-Duhailan	Saudi	Member	Non-executive - member of the Board of Directors
Mr. Yazid Omar Al-Suwailem	Saudi	Member	Independent - from outside the board of directors

Saudi Home Loans - Board of directors' report

The Audit Committee held (7) meetings during the year 2022 AD, according to the attached statement with the attendance record for each meeting.

Name	First meeting February 24, 2022	Second meeting March 30, 2022	Third meeting April 26, 2022	Fourth meeting July 31, 2022	Fifth meeting September 20, 2022	Sixth meeting October 25, 2022	Seventh meeting October 30, 2022
Dr. Muhammad S. Al-Aqeel	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Ahmed S. Al-Duhailan	Attended	Attended	Attended	Attended	Attended	Attended	Apologized
Mr. Yazid O. Al-Suwailem	Attended	Attended	Attended	Attended	Attended	Attended	Attended

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



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

Date of appointment to the Audit Committee (current term)

- 25/11/2021

Academic and professional qualifications

- Academic and Professional Qualifications • Bachelor's degree in Accounting from King Saud University, Qassim Branch, Kingdom of Saudi Arabia in 1987.
- Master's degree in accounting from the University of Miami, USA, in 1996.
- Ph.D. in Accounting from the University of Melbourne, Australia, in 2006.
- Fellowship of the Saudi Organization for Auditors and Accountants (SOCPA) in 1997.
- Member of the Audit Committee of the Saudi Home Finance Company from 2020 AD to date - a public joint stock company - the Kingdom of Saudi Arabia
- Member of the External Advisory Committee for the Bachelor of Accounting Program, Imam Abdurrahman Bin Faisal University, a public university, working in the field of education, from 2021 AD to date - Kingdom of Saudi Arabia.
- Member of the Advisory Board of the Accounting Department at the College of Economics and Administration at Qassem University, a public university, working in the field of education, from 2019 AD to date. Kingdom of Saudi Arabia.
- Assistant Secretary General for Membership and Professional Development at the Saudi Organization for Auditors and Accountants (SOCPA), a governmental body, working in the field of pioneering and supervising the accounting and auditing profession in the Kingdom of Saudi Arabia, from 2013 AD until 2019 AD.

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

- Heading a consulting team assigned to study and review accounting reports prepared by certified accountants based on a consulting contract between the Saudi Organization for Auditors and Accountants and a government agency from 2016 AD to 2019 AD. Kingdom of Saudi Arabia.
- Associate Professor of Accounting at the Institute of Public Administration, a government institute, working in the field of raising the adequacy of state employees and preparing them scientifically, from 2013 AD until 2014 AD. Kingdom of Saudi Arabia

Saudi Home Loans - Board of directors' report

- Assistant Professor of Accounting at the Institute of Public Administration, a governmental institute, working in the field of raising the adequacy of state employees and preparing them scientifically, from 2006 AD until 2013 AD. Kingdom of Saudi Arabia
- Part-time consultant at the Ministry of Education, from 2011 to 2012. Kingdom of Saudi Arabia.
- Coordinator of the accounting sector at the Institute of Public Administration, a government institute, working in the field of raising the adequacy of state employees and preparing them scientifically, from 2010 AD until 2012 AD. Kingdom of Saudi Arabia
- Member of the editorial board of the Journal of the Institute of Public Administration, a governmental institute, working in the field of raising the adequacy of state employees and preparing them scientifically from 2008 AD until 2012 AD. Kingdom of Saudi Arabia
- Member of the Examinations Committee of the Saudi Organization for Auditors and Accountants, a governmental body, working in the field of pioneering and supervising the accounting and auditing profession in the Kingdom of Saudi Arabia from 2007 AD until 2012 AD, the Kingdom of Saudi Arabia.



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

Date of appointment to the Audit Committee (current term)

- 25/11/2021

Academic and professional qualifications

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

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

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

Results of reviewing the effectiveness of internal control functions:

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

Saudi Home Loans - Board of directors' report

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

During 2022 AD, the Audit Committee reviewed various reports on the adequacy of internal control conditions and systems from the Internal Audit Department and the Compliance Department. The Audit Committee also held several meetings during the year and received reports from the Risk and Cyber Security Department, Information Technology Department, Legal Department and other departments. The Auditing Committee's discussions and decisions were documented in the minutes of the meetings and the issues and observations that required attention were submitted to the Board of Directors. The committee also reviewed the latest developments regarding issues that require the attention of the Audit Committee. In addition, it received internal audit reports and compliance reports and reviewed action plans of submitted issues. According to the continuous evaluation of the company's internal control policies and controls, the internal control system works effectively in terms of covering the important risks and control aspects that would substantially affect the achievement of the company's objectives.

Pursuant to the minutes of the meetings of the Audit Committee and its work reports submitted to the Chairman and members of the Board of Directors that included the necessary observations and recommendations, the committee, through its follow-up of the performance of the Internal Audit Department, Compliance Department and other relevant departments, and reviewing the reports submitted by the Internal Audit Department, Risk Management, Compliance Department, as well as the reports of the external auditor during 2022, in addition to other reports that the Audit Committee requests from time to time regarding the activity of some departments to find out about some aspects of the company's progress of work and the meetings that were held in the presence of the chief executive officer and senior executives and the discussions related to the contents of the reports submitted to the committee, the Audit Committee is convinced of the reasonableness and effectiveness of the company's internal control procedures and that the internal control environment is constantly developing to meet the business need. The committee also confirms that it does not have any material observations about the company's business that must be mentioned and that the observations. Furthermore, corrective procedures are made regarding the opinions and observations expressed by the committee by the Internal Audit Department or the Compliance Department which follows up, monitors and closes these observations.

Risk and Credit Management Committee:

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

- Developing a clear and written business strategy and policies for risk management and identifying all types of related risks and the methods of handling them.
- Developing appropriate procedures for early and comprehensive detection of risks, evaluating, managing and monitoring them as well as preparing reports in their regard.
- Preparing and discussing the risk report on a quarterly basis and submitting it to the Board of Directors, including the decisions taken in this regard.
- Reviewing the company's internal policies and regulations related to risk management activities.
- Reviewing the company's general provisions, setting an upper limit for large exposures, and studying the appropriate treatment of overdue accounts

Saudi Home Loans - Board of directors' report

- Evaluating and monitoring the adequacy and effectiveness of the Company's risk management framework and supervision to ensure effective risk identification, measurement and reporting, including desire of risk and risk tolerance.
- Reviewing the policies and regulations related to the activities of the Information Security Department.
- Supervision of the standing and potential risks, including credit risk, market risk, liquidity risk, operational risk, legal risk, strategic risk, reputation risks, credit concentration risks in the portfolio, financing risks, and information security risks within the framework and directives of the Board of Directors.

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

Name	Nationality	Membership Type (Chairman - Member)	Membership status (executive - non-executive - independent)
Mr. Faris Al-Hamid	Saudi	Chairman - Member of the Board of Directors	Independent
Mr. Hassan Al-Rashid	Saudi	Member - outside the Board of Directors	Independent
Mr. Pierre Come Leg	French	Member - outside the Board of Directors	Independent

The Risk and Credit Management Committee held (4) meetings during 2022 AD, according to the attached statement with the attendance record for each meeting.

Name	First meeting January 31, 2022	Second meeting May 16, 2022	Third meeting August 3, 2022	Fourth meeting November 02, 2022
Mr. Faris Al-Hamid	Present	Present	Present	Present
Mr. Hassan Al-Rashid	Present	Present	Present	Present
Mr. Pierre Come Leg	Present	Present	Present	Present

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

Hassan Ali Al-Rashed, member of the Risk and Credit Committee

Date of appointment in the committee (current term)	<ul style="list-style-type: none"> • 22/04/2020
Academic and professional qualifications	<ul style="list-style-type: none"> • High school • a number of courses in finance and risk management
Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom	<ul style="list-style-type: none"> • Member of the Risk and Credit Management Committee of the Saudi Housing Loans Company, from 2020 to date. Public Joint Stock Company - Kingdom of Saudi Arabia • Director of Individual Risk Management at the Arab Bank, a public joint stock company, operating in the field of banking, from 2009 to date. Public Joint Stock Company - Kingdom of Saudi Arabia • Individual Collection Manager at The Saudi British Bank, a public joint stock company, working in the field of banking, from 1988 to 2009. A public joint stock company - Kingdom of Saudi Arabia

Pierre Come Legge, member of the Risk and Credit Committee

Date of appointment in the committee (current term)	<ul style="list-style-type: none"> • 20/04/2020 AD
Academic and professional qualifications	<ul style="list-style-type: none"> • Bachelor's degree in Engineering Statistics from Ansay University, Brouz, France, in 2005. • Master's degree in Statistics and Economics from the University of Ivry Val d'Issonne, Ivry, France, in 2003.
Current and previous positions and companies in which he served as a member of their board	<ul style="list-style-type: none"> • Member of the Risk and Credit Management Committee at the Saudi Housing Loans Company from 2020 to date. Public Joint Stock Company - Kingdom of Saudi Arabia • Director of Retail Risk Management at Arab National Bank, a public joint stock company, operating in the field of banking, from 2013 to date. Public Joint Stock Company - Kingdom

Saudi Home Loans - Board of directors' report

of directors inside or outside the Kingdom	<p>of Saudi Arabia</p> <ul style="list-style-type: none"> • Senior Manager of Project Management at Credit Agricole, a French public shareholding company, working in the field of banking, from 2010 AD until 2013 AD. Public joint stock company - France. • Project Risk Manager at Credit Agricole, a French public shareholding company, working in the field of banking from 2008 until 2009. Public joint stock company - France • Quantitative Marketing Analyst, Credit Agricole, a French public shareholding company, working in the field of banking, from 2005G until 2007G. Public joint stock company - France
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Nominations and Remunerations Committee:

A brief description of the committee's tasks and terms of reference:

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

A statement of the members of the Nominations and Remunerations Committee

Name	Nationality	Membership Type (Chairman - Member)	Membership status (executive - non-executive - independent)
Ayham Muhammad Al-Youssef	Saudi	Chairman - Member of the Board of Directors	Independent
Obaid Abdullah Al-Rasheed	Saudi	Member - Member of the Board of Directors	Non-executive
Fares Ibrahim Al-Hamid	Saudi	Member - Member of the Board of Directors	Independent
Bassam Rashid Al-Mubarak	Saudi	Member - from outside the Board of Directors	Non-executive

The Nominations and Remuneration Committee held (4) meetings during 2022 AD, according to the attached statement with the attendance record of each meeting.

Name	First meeting March 16, 2022	Second meeting July 03, 2022	Third meeting October 04, 2022	Fourth meeting December 27, 2022
Ayham Muhammad Al-Youssef	Present	Present	Present	Present
Obaid Abdullah Al-Rasheed	Present	Present	Present	Present
Fares Ibrahim Al-Hamid	Present	Present	Present	Present
Bassam Rashid Al-Mubarak	Present	Present	Present	Present

The Sharia Committee:

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

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

Statement of the members of the Sharia Committee

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

The Sharia Committee held two meetings during 2022 AD, according to the statement attached to the attendance record

Name	First meeting: 29/05/2022 AD	Second meeting: 23/06/2022 AD
Sheikh Abdullah bin Suleiman Al-Manea	Present	Present
Sheikh Dr. Abdullah bin Muhammad Al-Mutlaq	Present	Present
Sheikh Dr. Muhammad bin Ali Al-Qari	Present	Present

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

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

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

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

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

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

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

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

Saudi Home Loans - Board of directors' report

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

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

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

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

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

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

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

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

A statement of the remuneration approved for the members of the Board of Directors of 2022:

	Fixed remunerations							Variable remunerations						End of service remuneration	Grand total	Expenses allowance
	A certain amount	Allowance for attending committee sessions	Total allowance for attending committee sessions	In-kind benefits	Rewards for technical, administrative and advisory works	Remuneration for the chairman, managing director or secretary if he is a member	Total	Profits percentage	Periodic bonuses	Short-term incentive plans	Long-term incentive plans	Shares granted (the value is entered)	Total			
First: Independent Members																
Ayham Muhammad Al-Youssef	250,000	3,000	12,000	-	-	-	262,000	-	-	-	-	-	-	-	-	-
Fares Ibrahim Al-Hamid	250,000	3,000	12,000	-	-	-	262,000	-	-	-	-	-	-	-	-	-
Saud Abdulaziz Al-Qasir	250,000	3,000	12,000	-	-	-	262,000	-	-	-	-	-	-	-	-	-
Ahmed Abdullah Al Sheikh	125,000	3,000	3,000	-	-	-	128,000	-	-	-	-	-	-	-	-	-
Total	875,000		39,000	-	-	-	914,000	-	-	-	-	-	-	-	-	-
Second: Non-executive members																
Youssef Abdullah Al-Shalash	250,000	3,000	9,000	-	-	-	259,000	-	-	-	-	-	-	-	-	-
Obaid Abdullah Al-Rasheed	250,000	3,000	12,000	-	-	-	262,000	-	-	-	-	-	-	-	-	-
Abdul Latif Abdullah Al-Shalash	250,000	3,000	9,000	-	-	-	259,000	-	-	-	-	-	-	-	-	-
Ahmed Saleh Al-Duhailan	250,000	3,000	12,000	-	-	-	262,000	-	-	-	-	-	-	-	-	-
Kamal Amin Khedr	250,000	3,000	12,000	-	-	-	262,000	-	-	-	-	-	-	-	-	-
Ziyad Naim Al-Shaar	250,000	3,000	12,000	-	-	-	262,000	-	-	-	-	-	-	-	-	-
Othman Khairy Badr	250,000	3,000	12,000	-	-	-	262,000	-	-	-	-	-	-	-	-	-
Total	1,750,000		78,000	-	-	-	1,828,000	-	-	-	-	-	-	-	-	-
Third: Executive members																
None	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A statement of the remuneration approved for members of committees of the board:

Total	Allowance for attending sessions	Fixed bonuses (except for attendance allowance for sessions)	Total
Audit committee members			
Muhammad bin Suleiman Al-Aqeel	21,000	100,000	121,000
Ahmed bin Saleh Al-Duhailan	17,000	100,000	117,000
Yazid bin Omar Al-Suwailem	21,000	100,000	121,000
Total	59,000	300,000	359,000
Members of the Nomination and Remuneration Committee			
Ayham Muhammad Al-Youssef	12,000	100,000	112,000
Obaid Abdullah Al-Rasheed	12,000	100,000	112,000
Fares Ibrahim Al-Hamid	12,000	100,000	112,000
Bassam Rashid Al-Mubarak	12,000	100,000	112,000
Total	48,000	400,000	448,000
Members of the Risk Management Committee			
Mr. Faris Al-Hamid	12,000	100,000	112,000
Mr. Hassan Al-Rashid	12,000	100,000	112,000
Mr. Pierre Com Leg	12,000	100,000	112,000
Total	36,000	300,000	336,000
Executive Committee members			
Ayham bin Mohammed Al-Youssef	21,000	100,000	121,000
Ahmed bin Saleh Al-Duhailan	21,000	100,000	121,000
Bassam bin Rashid Al-Mubarak	21,000	100,000	121,000
Ziyad Naim Al-Shaar	21,000	100,000	121,000
Kamal Amin Khedr	21,000	100,000	121,000
Total	105,000	500,000	605,000
Shariah Committee members *			
Sheikh Abdullah bin Suleiman Al-Manea	10,000	120,000	130,000
Sheikh Dr. Abdullah bin Muhammad Al-Mutlaq	10,000	120,000	130,000
Sheikh Dr. Muhammad bin Ali Al-Qari	10,000	180,000	190,000
Total	30,000	420,000	450,000

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

Executive management members

Bandar Saeed Al-Ghamdi

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

Muath Adnan Jabr

Position	<ul style="list-style-type: none"> Chief Financial Officer
Date of appointment	<ul style="list-style-type: none"> 27/08/2020
Academic and professional qualifications	<ul style="list-style-type: none"> Master's degree in Accounting from Amman Arab University of Graduate Studies in Jordan in 2007. Bachelor's degree in Accounting from the University of Applied Sciences in Jordan in 2003. Certified Financial Controller Certificate from the International Academy of Financial Management and Business in 2015.
Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom	<ul style="list-style-type: none"> Director of the financial department of the company from 2020 AD to date. Kingdom of Saudi Arabia Director of the Financial Department in charge of the company from 2019 AD to 2020 AD. Company's financial controller, from 2012G to 2019G - Kingdom of Saudi Arabia. Financial Controller of the Leading Investments Company, a closed joint stock company, working in the field of investments, from 2008 AD to 2012 AD - Kingdom of Saudi Arabia. Account Manager at HBG (formerly Spinneys), a limited liability company operating in the retail field in Jordan, from 2003AD to 2008AD - The Hashemite Kingdom of Jordan.

Muhammad Abdul Rahman Al-Asaad

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

Khalid bin Ghazi Al-Nuwailaty - General Manager of Operations

Position	<ul style="list-style-type: none"> • Manager of Operations
Date of appointment	<ul style="list-style-type: none"> • 21/11/2021 AD
Academic and professional qualifications	<ul style="list-style-type: none"> • Bachelor of Accounting from King Abdulaziz University, Kingdom of Saudi Arabia in 2001 AD.
Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom	<ul style="list-style-type: none"> • General Manager of Operations - Saudi Housing Loans Company - Listed Shareholder Company - Kingdom of Saudi Arabia. • Chairman of Operations Department at Emirates NBD Bank in Saudi Arabia, a closed joint stock company, working in the field of banking, from 2018 AD to 2021 AD - Kingdom of Saudi Arabia. • Chairman of Operations of Loans at GB Morgan Saudi Arabia, a closed joint stock company, working in the field of banking, from 2011 AD to 2017 AD - Saudi Arabia. • Chairman of the Islamic Mortgage Loans Department at Al-Jazira Bank, a public joint-stock company, operating in the field of banking, from 2008 AD to 2011 AD - Kingdom of Saudi Arabia. • Operations Manager for Islamic Loans at Bank Al-Jazira, a public joint-stock company, working in the field of banking, from 2004 AD to 2008 AD - Kingdom of Saudi Arabia. • Accountant at Fitaihi Group, a public joint stock company, working in the field of luxury consumer goods, from 2002 AD to 2004 AD - Kingdom of Saudi Arabia.

Statement of remuneration and compensations paid to five senior executives who received the highest remunerations, including the Chief Executive Officer and the Chief Financial Officer:

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

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

Fixed rewards				Variable bonuses						End of service remuneration	Total remuneration of the executives on behalf of the board, if any	Total
Salaries	Allowances	In-kind benefits	Total	Profits percentage	Periodic bonuses	Short-term incentive plans	Long-term incentive plans	Shares granted (the value is entered)	Total			
4,305,840	849,173	0	5,155,013	1,063,884	0	0	0	0	1,063,884	0	0	6,218,897

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

Company's dividend policy

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

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

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

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

Dividends announced and distributed in 2022:

On 05/04/2022 AD, the General Assembly of Shareholders decided to authorize the Board of Directors to distribute interim profits to shareholders. Accordingly, the Board of Directors decided on 29/05/2022 AD to distribute an amount of 77,400,000 million riyals from the net profit achieved at the end of the fiscal year ending on 31/12/2021 AD as cash dividends of the shareholders registered in the company's register at the end of circulation on 31/05/2022 AD.

Number of shares eligible for distribution	Share amount	Total distributed dividends	Percentage of dividends out of the realized net profit	Eligible people and value date	Distribution date
100,000,000	0.774	77,400,000	75%	The entitlement shall be for the shareholders registered in the Shareholders Register at the Deposit Center at the end of the second circulation day following the value date.	14/06/2022 AD

No dividend has been proposed for the year 2022 as of the reporting date.

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

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

General Assemblies of Shareholders held during 2022

During 2022 AD, the Company held one meeting of the Ordinary General Assembly of Shareholders, on 5/4/2022 AD (before the date in which the company was listed in the main financial market). The agenda included the following:

- 1- Voting on the report of the Board of Directors of the fiscal year ending on 31/12/2021 AD.
- 2- Voting on the auditor's report of the fiscal year ending on 31/12/2021 AD.
- 3- Voting on the balance sheet and profit and loss account of the fiscal year ending on 31/12/2021 AD
- 4- Voting to discharge the members of the Board of Directors from liability of the fiscal year ending on 31/12/2021 AD.
- 5- Voting on the appointment of the auditors, according to the nomination of the Audit Committee for reviewing the financial statements of the fiscal year 2022 and the quarterly financial statements.
- 6- Voting on the auditing committee report of the year 2021 AD.
- 7- Voting to authorize the Board of Directors to distribute interim dividends to shareholders.
- 8- Voting on the recommendation of the Board of Directors to deduct the expenses and costs of the public offer of the company from the returns and dues of the partners from the public offer.
- 9- Voting on the transactions that took place between the company and the Arab National Bank as a related party during the fiscal year ending on 31/12/2021 AD and licensing for the next year (Details are attached).
- 10- Voting on the transactions that took place between the company and Tharawat Real Estate Assets Company as a related party during the fiscal year ending on 31/12/2021 AD and licensing for the next year. (Details are attached)
- 11- Voting on the transactions that took place between the company and the International Finance Corporation as a related party during the fiscal year ending on 31/12/2021 AD, and licensing for the next year (Details are attached).
- 12- Voting on the transactions that took place between the company and the Kingdom of Installment Trading Company as a related party during the fiscal year ending on 12/31/2021 AD and licensing for the next year. (Details are attached)
- 13- Voting on the transactions that took place between the company and Dar Al-Arkan Real Estate Development Company as a related party during the fiscal year ending on 31/12/2021 AD and licensing for the next year. (Details are attached).

Board members attending at the Ordinary General Assembly Meeting of Shareholders:

- Mr.: Youssef bin Abdullah Al-Shalash - Chairman of the Board of Directors.
- Mr.: Kamal Amin Khader - Member of the Board of Directors.
- Dr.: Ahmed bin Saleh Al-Duhailan - Member of the Board of Directors

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

Number	Date of the request	Reasons for the request
(1)	19/04/2022 AD	Company procedures
(2)	01/06/2022 AD	Profit Dividends file
(3)	05/07/2022 AD	Company procedures

Complied and non- complied provisions of the Corporate Governance Regulations issued by the Capital Market Authority as well as the reasons:

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

SN.	Article of the Governance Regulations	Reasons for non-application
1	Article Seven - Paragraph (d) - Appointing an official specialized in investor relations tasks	Guidance Clause
2	Article Thirty-Nine - Training	Guidance Clause - partially implemented during 2022 AD by providing internal training materials for the Board and the Executive administration related to cybersecurity, combating fraud, money laundering and terrorist financing
3	Article forty-one - Evaluation	Guidance Clause - partially implemented during 2022 by developing evaluation forms to be filled out by the member of the council / committee.
4	Article fifty-one - Paragraph (C) - Chairing the Audit Committee	Guidance Clause
5	Article seventy-eight - Internal Auditing Report	Guidance Clause - Partially implemented, as the quarterly report is submitted to the Auditing Committee.
6	Article eighty-two - Employee Motivation	Guidance Clause
7	Article eighty-five - Employee Motivation	Guidance Clause - partially implemented
8	Article eighty-seven - Social Responsibility	Guidance Clause - Partially implemented, as the Board approved the company's social responsibility policy which will be submitted to the general assembly of shareholders for approval.
9	Article eighty-eight - Social Work Initiatives	Guidance Clause
10	Article ninety-five - Governance Committee	Guidance Clause

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

The company receives the opinions, suggestions and complaints of the shareholders through the e-mail announced on the company's website on Tadawul Co. and through phone calls where the Secretary of the Board is responsible for informing the Board of Directors of any substantial proposals or observations on the part of the shareholders. The company did not receive any proposals or observations during 2022 AD, except for some communications related to some shareholders that the participants did not receive their share of the profits that the company announced its distribution during 2022 AD. The cases were dealt with, most of which were due to the lack of information required by the concerned shareholder.

Business units and main departments in the company

Business and Product Development Department:

The Product Development Department sought to develop the company's performance and keep pace with market changes by following the latest scientific standards before launching or developing any product through continuous research and study of the real estate market and analyzing strengths and weaknesses among competitors and identifying customers' needs and target segments with the aim of closing the financing gap in the market and then conducting a feasibility study of the products to determine the best available investment opportunities and to create and develop financing products. The products and work development team was also keen on studying the important aspects of all that is related to marketing strategies, sales strategies, product offers, and the importance of using the latest technologies to raise the level of productivity as the most important updates are applied at a record speed to maintain the development of the company's performance and maintain its position in the real estate market.

In 2022, there was a quantum leap in terms of the development and launch of various financing products and solutions in the market, in addition to new financing activities. The following are among the most important achievements:

- ❑ Obtaining the approval of the Central Bank of Saudi Arabia to exercise financing the activity of small and medium enterprises and the activity of consumer financing for individuals and companies.
- ❑ Launching self-build product, Balloon payment service and (3 in 1) service.
- ❑ Developing and organizing many policies and procedures related to the company's works, in line with the best standards which point out the roles and responsibilities of each department.
- ❑ Developing all training materials of all products and implementing training for departments in order to raise the level of knowledge of products, their characteristics, policies and procedures, in addition to holding workshops in order to raise the level of service and contribute to achieving the goals of the company.
- ❑ Renewal of the agreement and contract with two international companies (DD Cap Company and Kondo Company) located in London to provide services for the purchase and sale of commodities, which serve the financing operations (Tawarruq) of the company's works.
- ❑ Developing and testing the system of new financing products and solutions in addition to the continuous development of existing products and their advantages and characteristics.
- ❑ Managing the relationship with all external work sectors, service providers, work sectors, and real estate developers in a way that guarantees the interests and businesses of all parties, work development, and the company's production efficiency.

Commercial Real Estate Finance Department:

As part of the company's work growth strategy and plans of 2022, the Commercial Finance and Wealthy Clients Department is based on a set of financing programs and solutions that are compatible with the provisions of Islamic Sharia to finance commercial activity, businessmen and self-employed people, where the administration seeks to achieve the company's goals through managing the relationship with customers to provide financing in exchange for real estate guarantees according to approved policies and procedures, by searching for new opportunities for growth and expansion in addition to developing a growth strategy and seeking to attain the satisfaction of the customers.

Customers' portfolios are managed by professional relationship managers who were appointed to manage the relationship with this segment in the various regions of the Kingdom (central region - western region - eastern region) and activate their role to attract this segment of clients and search for sales opportunities for commercial real estate financing.

Sales Department (Retail):

The sales department tries to achieve the company's short and long-term goals by providing the company's products to customers. It seeks to reach the largest segment of customers to develop the financing portfolio. It is concerned with reflecting a distinctive image of the company by enriching the customer's order journey. The administration is interested in determining the needs and challenges of the market, study and evaluate them, and share them with the executive administration to keep pace with the market, open new sales channels, display the company's products, present offers, and introduce the company. More than 400 field visits were made to real estate (office + institution + company) in various regions of the Kingdom (such as the central - eastern - western - northern regions). A number of real estate marketing agreements and contracts were signed to achieve the interests of both parties.

Operations Department:

The Operations Department is one of the main departments in the company. It supports other departments and sections to ensure work progress in accordance with internal policies and procedures and legislation from various relevant authorities. It also seeks to develop and improve daily work procedures and works support to serve the company's strategic goals. The following sections are included under Operations Department:

1. Credit Department:

The credit department is concerned with analyzing and evaluating real estate financing applications submitted to the company, verifying the suitability of customers for credit policies, and issuing final approvals in a record time that helps competition without prejudice to quality standards. It also seeks to improve procedures and put forward recommendations that contribute to developing workflow and reducing future risks to the company. Major Works and Achievements:

- 1- The standard time for approving applications has been reduced from 24 hours to 2 hours.
- 2- Plans have been made to amend the law to meet the requirements of the SIMAH Credit Capacity Project.
- 3- Applications are reviewed to ensure they meet the criteria of responsible financing.

2. Evaluation and collateral Department:

It refers to the department concerned with evaluating and examining all properties that customers wish to finance. It is also concerned with examining, re-evaluating and maintaining real estate after financing. Three sections are included under the evaluation department as follows:

First: Property Evaluation Section: It is concerned with evaluating real estate before financing to verify its fair market value and construction quality.

Second: Maintenance Section: It is concerned with estimating and dealing with damages that may occur to clients' real estate during the validity period of the financing contract.

Third: Repossessed properties Section: It is concerned with the rehabilitation and maintenance of real estate recovered from customers and offering them in the real estate market.

Major Works and Achievements:

- Listing the Real Estate Maintenance Section under the Evaluation and Guarantees Department.
- Preparing the policy and procedures of the Evaluation and Guarantees Department.
- Updating the policy and procedures of recovered real estate.

- Amendment of maintenance department procedures.

3. Closure and Clearance Section:

The Clearance and Transfer of Ownership Section is an important and complementary element to complete the customer's journey to obtain the property through the process of issuing checks and transferring property (selling, buying, and mortgaging all types of real estate) in addition to the final review of client files, which contributes to raising the level of customer satisfaction and improving the quality of procedures. The following tasks are included under the Closure and Clearance Department:

First: Purchase and mortgaging newly funded real estate, and selling and releasing mortgages on paid real estate, while making sure to follow the approved procedures and complete the required documents.

Second: Updating the deeds and coordinating with the agents of other companies and banks to complete the registration or transfer of the property in a way that suits each case.

Major Works and Accomplishments:

- Full commercial product support, guidance and assistance whenever needed.
- Keeping pace with the rapid development in the field of services of the Ministry of Justice.

Customer' Care Department:

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

Most important works:

- Realizing a great achievement of the Central Bank complaints handling team by reaching 100% of the number of complaints that were successfully answered during the maximum time period for responding to complaints, which exceeded the percentage required by the Central Bank of 80%.
- Achieving an 80.5% customer satisfaction rate which exceeded the 70% required by the Central Bank.
- Linking most departments with the Customers' Care Department System to receive requests or complaints through the system, which contributed to activating the speed of response to customer requests and the easy monitoring and follow-up?
- Focusing on the continuous development of frontline employees' awareness of the company's products and services through the provision of training programs by the concerned departments.

Communication Center:

In line with the company's objectives to increase customer satisfaction by responding to their inquiries and suggestions and dealing with complaints with the highest quality standards, the Customer Care Department seeks to provide the best means of communication through:

- Free call
- Messaging service
- Social networking sites (Whats App - Twitter)

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- Branch services - Sama platform cares

The Communication Center deals with the following areas:

- Handling incoming and outgoing communications of current and potential clients
- Creation of effective means of communication through the latest digital channels
- Conversations and live/ direct notifications with customers

Marketing Department:

The Marketing Department is concerned with implementing the company's media and advertising strategies. It also conducts market research to define goals and challenges, monitor products and competitive features and their attractiveness in the market, and develop appropriate action plans to achieve the goals.

The Marketing Department also works with all departments to build and update promotional communication plans and provide support and assistance to achieve goals and to reach the largest possible opportunities for developing the financing portfolio.

It is also concerned with cooperation and coordination with government entities and agencies, and the private sector, in publishing educational messages to educate customers in all that is related to the company's financing products, as well as enabling them to obtain them through the easiest methods.

The most important works:

Carrying out continuous advertising campaigns throughout the year on the products and benefits offered by the company through search engines and social media platforms.

Continuous development and improvement of the content of the official website, in addition to implementing the most important requirements and observations of the Central Bank

Participation in the most important real estate and financing exhibitions in the Kingdom

The company's numbers on social media platforms:

The total number of followers and visitors on social media platforms reached more than 5,951,585



5,908,451 views



9,163K Followers



28K Followers

Information Technology Department:

The Information Technology Department represents the main backbone of the company to enable it to carry out its work effectively and achieve its goal of providing value to customers through various technical systems. It provides various technical services in the public administration and all its branches and develops safe solutions to the requirements of works continuity and development and supports and enables the achievement of work results continuously according to the company's strategy represented in achieving the requirements of the Central Bank

Main technical services:

- Management and operation of information security systems services
- Services of compliance with the requirements of the Central Bank

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- Infrastructure operation and backup environment services
- Network and database services
- Business management systems and human resources services
- Technical support services and technical asset management
- Business analysis and project management services
- Digital transformation services

Significant developments:

- Providing services to thousands of daily and operational requests of works departments.
- Executing technical and information security requirements related to the successful general subscription of the company.
- Developing various work products on technical systems according to the company's strategy
- Addressing most of the security vulnerabilities on the infrastructure.
- Partial implementation of infrastructure development.
- Implementation of modern information security systems on the infrastructure

Future and development goals:

Excellence in providing high-quality digital financial technology solutions that enable the Saudi Home Finance Company to assume a leading position in the Saudi market in line with the Kingdom's Vision 2030

Ensuring the optimal utilization of human assets, financial assets and technical knowledge to create integrated, stable and secure digital solutions in accordance with best practices and work needs

Compliance Department:

The Saudi Home Finance Company (SAHL) takes a unified approach to corporate governance in compliance with the regulatory controls associated with all relevant systems represented by the Central Bank of Saudi Arabia and the regulatory authorities. The company's compliance department is considered one of the foundations of its success factors, as it plays a key role in preserving its reputation, credibility, and the interests of the founders and partners, providing protection by establishing a sound management approach in financing institutions, preventing non-compliance risks, preserving professional values and practices at work, and spreading the culture and concept of commitment among the company's employees.

The Compliance and Anti-Money Laundering and Terrorism Financing Department ensures that all departments in the Saudi Housing Loans Company (SAHL) apply the instructions of the regulatory and legislative authorities in accordance with compliance requirements especially the regulations and rules issued by the Central Bank of Saudi Arabia in terms of regulations and related instructions. Compliance is an integral part of the Saudi Home Finance Company's work activities.

Major Achievements

- Commitment to providing the Central Bank of Saudi Arabia with all requirements within the time frame
- Reviewing the company's policies and procedures in accordance with the latest relevant laws and regulations and reviewing the extent to which they are adhered to.
- Automation of some work procedures related to compliance aspects to ensure the accuracy of the implementation of automated control to achieve compliance requirements
- Establishing a comprehensive database that includes all relevant rules and regulations and circulars received from the Saudi Central Bank

Saudi Home Loans - Board of directors' report

- Increasing the comprehensiveness of the quarterly compliance reports
- Establishing a regulatory compliance program (monitoring program) to review the company's level of compliance with the latest approved systems, regulations, circulars, internal policies and procedures.
- Assessing the risks of all products and services provided by the company from the perspective of combating Anti- Money Laundering and Terrorism Financing and reviewing the results of the assessment to ensure the followed methodology.
- Updating and adding some standards to the Anti-Money Laundering System and improving the quality of alerts in it.
- Inclusion of additional ban lists from among the lists issued by the Central Bank in the company's laws.
- Developing a strategy for evaluating customers' risks according to the prepared criteria and including them in the Anti-Money Laundering and Terrorism Financing law

Legal Department:

The role of the Legal Department revolves around framing the governance of the company in line with the provisions of the main principles of governance in financial institutions subject to the supervision of the Central Bank and the Companies Law and the governance regulations and related systems issued by the Capital Market Authority in addition to financing rules and systems and the circulars, regulations and controls issued by the Central Bank. One of the most important responsibilities of the legal department is pleading in cases and preserving the rights of the company to reach the goal of resolving cases in a timely and appropriate manner in a way that does not affect the rights, safety and reputation of the company. The department contributes effectively to the process of collecting debts from defaulting clients, by pleading before the Court of Execution, the Public Judiciary, and the Committee of the Resolution of Financing Disputes. The department plays a leading role in providing advice, consultation and legal opinion in all legal fields necessary for all sections and departments of the company and providing legal protection through a highly qualified and experienced team from the scientific and practical aspects.

Most Important Achievements:

- The department assumed the legal tasks of offering the company in the market in coordination with the legal office in charge of the legal diligence report
- Updating and preparing governance regulations in line with the requirements of the main governance principles for financing companies issued by the Central Bank, as well as seeking to issue all regulations in line with the requirements of the Capital Market Authority after completing the company's public offering process.
- Reviewing and updating the regulations and policies of the Board of Directors committees, as well as preparing and approving the regulations of the Sharia Committee in accordance with the Sharia governance policy issued by the Central Bank.
- Representation and follow-up of cases filed by the company or filed by clients before the Finance Disputes Committee.
- Coordination and follow-up of performance with the external office of the law firm that represents the company in lawsuits filed by the company or against the company, whether by clients or any third party.
- Follow-up cases in government departments and some police stations with regard to legal procedures as a plaintiff or defendant.
- Contributing effectively to collecting debts from defaulting clients by pleading before the Court of Execution, the Public Judiciary and the Committee for Settlement of Financing Disputes.

Saudi Home Loans - Board of directors' report

- Assuming secretarial duties of the Board of Directors and the committees emanating from the Board of Directors in accordance with the policy and regulations of the legal department of the company.

Human Resources Department:

The role of the human resources and administrative support sector revolves around developing strategic and operational plans to attract, develop and maintain suitable Saudi competencies, in addition to providing support and administrative assistance to all sectors of the company. The sector also conducts training programs related to training and developing technical and leadership skills and motivating employees to achieve the highest results in line with the company's objectives. The sector is also keen on achieving Saudization rates in all sectors of the company, which amounted to a total of 88% at the end of 2022. In 2023 AD, work is in progress to develop of the company's sectors in order to match the volume of development in the company, as well as the regulations approved by the Central Bank of Saudi Arabia.

Financial Department:

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

Internal Audit Department:

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

One of the priorities of the department is to consider the continuous performance in terms of future planning and the development of work continuity arrangements at the company level and monitor the implementation of work strategy and its impact on the company's internal control and risk management processes.

Most Important Achievements:

- 100% of the work plan of the Internal Audit Department approved by the Audit Committee has been completed and implemented according to the approved schedule.
- It has been ensured that all observations of the Central Bank of Saudi Arabia are properly processed by the concerned departments through final examinations of them by the Internal Audit Department and through the provision of professional advice by the department.
- A number of advisory tasks have been provided to the Executive Department upon its request.
- Five meetings were held with the Internal Audit Committee to discuss all observations and ensure adherence to the deadlines for processing.
- All notes were processed according to the dates specified with the concerned departments by 100%, and the integrity of the processing was confirmed.

The Internal Audit Department confirms the integrity of the company's internal control procedures and the efficiency of its control system according to the results of the examination of all departments according to the internal audit management plan approved by the Auditing Committee.

Company's social responsibility

The company's social responsibility is one of the pillars and objectives that the company has been interested in since its incorporation, by dealing humanely with the heirs of deceased clients by finding and offering solutions that enable them to continue benefiting from the real estate financed for their heirs. The company also launched the One Community initiative in the month of Ramadan 2019 under the umbrella of (Ramadan of Giving). This initiative aims to restore and restore rehabilitate homes that need maintenance and restoration for poor and needy families. A number of volunteers from all members of the community work in an effort to develop the spirit of initiative and giving and to strengthen the bonds of brotherhood among the members of the community. The company did not carry out any business or community contributions during the 2022.

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

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

Subject of the violation	Fiscal year 2022		Fiscal year 2021	
	No. of executive decisions	Total amount of financial penalties in Saudi riyals	No. of executive decisions	Total amount of financial penalties in Saudi riyals
Violation of the supervisory and regulatory instructions of the Central Bank of Saudi Arabia	2	0	0	0
Violation of the Central Bank of Saudi Arabia's customer protection instructions	0	0	0	0
Violation of the Central Bank of Saudi Arabia's instructions regarding due diligence in combating Anti-Money Laundering and terrorism financing	0	0	0	0

The company confirms that no fines or penalties were imposed on the company during 2022 AD by the Central Bank. As for decisions during 2021 AD, the company adhered to the corrective plan and all observations that were shared with the Central Bank at the time.

2. Sanctions and penalties of violations imposed by other parties:

The company confirms that no fines or penalties were imposed on the company by any governmental or supervisory authority during 2022 AD.

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

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

1- Regulatory Risk:

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

2- Strategic Risk:

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

3- Market and Business Risk:

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

4- Reputational Risk:

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

5- Credit Risk:

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

6- Operational Risk:

It is well known that financing procedures include errors that may result in financial losses or risks affecting the company's reputation with clients. These risks include, but are not limited to, the risks resulting from

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

7- Collateral Value Risk:

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

8- Liquidity Risk:

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

9- Interest Rate Risk:

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

10- IT & Cyber-security Risks:

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

11- Legal Risk:

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

12- Insurance Coverage Risk:

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

13- Human Capital Risk:

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

Transactions and contracts with related parties during the fiscal year 2022

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

Name	Date created	Nature of the agreement	Duration	Amount
Arab national Bank	02/08/2021	Credit facilities	5 years	Facility Balance = 1.57 billion riyals (commission paid is 66 million riyals)
Arab national Bank	21/11/2021	Hedging agreement for Murabaha product	20 years	200 million riyals (the fair value of financial derivatives amounted to 31 million riyals)
Arab national Bank	01/01/2022	Sharia Supervisory Service Level Agreement	two years	10 thousand riyals every quarter
Arab national Bank	03/11/2022	Murabaha deposit agreement	3 months	20 million riyals (commission recognized is 413 thousand riyals)
Arab national Bank	30/03/2014	Service Agreement - Sold portfolio	-	4 million riyals
Arab national Bank	7/2010	deferred commission agreement	-	14.4 million riyals
Kingdom Installment Company	28/07/2008	ADL Agreement (Safe keeping)	5 years	-
International Finance Corporation	31/5/2016	Credit facilities	3 years	Facility Balance = 79 million riyals (paid commission is 4.5 million riyals)
Tharawat Real Estate Assets Company	2020	Renting the company's headquarters in Riyadh	annually	2.2 million riyals
Dar Al Arkan Real Estate Development Company	26/5/2021	Purchase of housing units for the purpose of financing them for clients	two years	3.80 million riyals
Waslat company	01/07/2022	Real estate marketing services	annual	0.25 million riyals
Quara Digital Company	22/8/2022	Technical support services	annual	13 thousand riyals

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

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

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

The company has adopted a policy and strategy represented in increasing and developing its products by adding new activities such as consumer financing and financing small and medium enterprises as it obtained the no objection of the Central Bank to engage in these activities in December 2022 AD. The company is expected to offer these products during the first or second quarter of 2023 AD.

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

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

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

Company financial statements

Assets, liabilities and shareholder equity

(Saudi riyals)	2022	2021	2020	2019	2018
Financing portfolio, net	4,122,820,128	4,088,089,231	4,199,138,508	4,238,416,012	4,190,325,349
Other assets	206,009,215	316,594,693	265,498,993	174,066,549	169,680,133
Total assets	4,328,829,343	4,404,683,924	4,464,637,501	4,412,482,561	4,360,005,482
Loans and facilities	2,551,268,518	2,653,074,515	2,819,883,777	2,801,922,613	2,824,238,161
Other obligations	68,842,740	61,675,281	58,687,311	110,470,504	90,228,131
Total liabilities	2,620,111,258	2,714,749,796	2,878,571,088	2,912,393,117	2,914,466,292
Entity	1,708,718,085	1,689,934,128	1,586,066,413	1,500,089,444	1,445,539,190
Total liabilities and equity	4,328,829,343	4,404,683,924	4,464,637,501	4,412,482,561	4,360,005,482

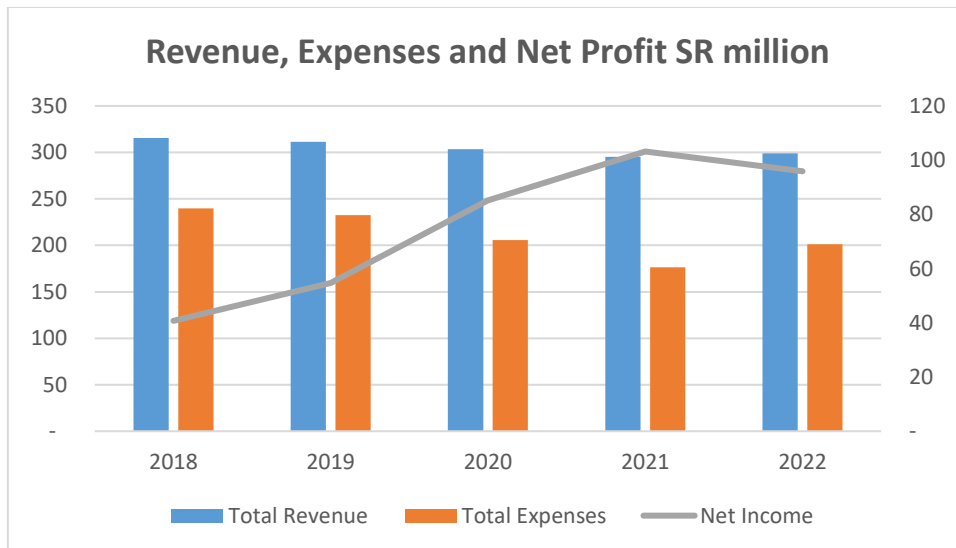
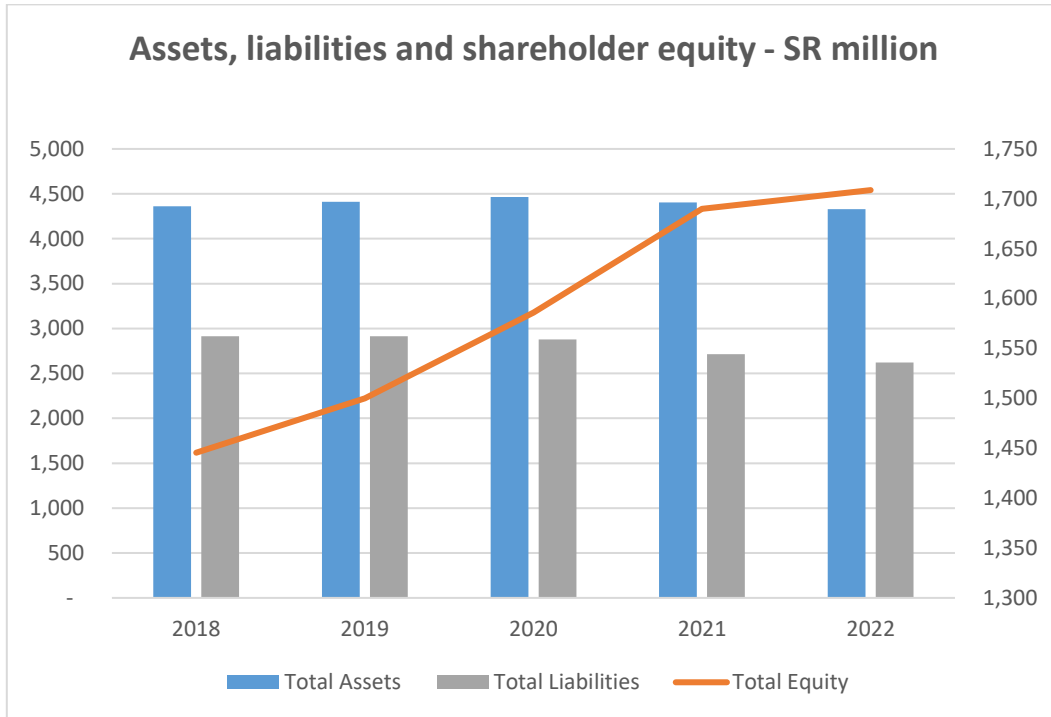
Income statement

(Saudi riyals)	2022	2021	2020	2019	2018
Lease contracts revenues	261,855,727	277,407,631	290,114,950	298,571,687	302,058,066
Other operating income *	37,277,486	17,827,027	13,227,471	12,796,928	13,326,623
Total revenue	299,133,213	295,234,658	303,342,421	311,368,615	315,384,689
Borrowing cost	(106,706,161)	(74,077,401)	(93,167,534)	(137,200,554)	(131,699,801)
Other operating expenses *	(115,942,314)	(110,985,763)	(105,097,871)	(84,219,010)	(75,715,761)
provision of credit losses	21,457,639	8,839,954	(7,500,431)	(11,223,703)	(32,188,965)
Total costs	(201,190,836)	(176,223,210)	(205,765,836)	(232,643,267)	(239,604,527)
Net profits before zakat and tax	97,942,377	119,011,448	97,576,585	78,725,348	75,780,162
Zakat and income tax *	(2,052,752)	(15,815,849)	(12,461,076)	(24,064,124)	(35,052,472)
Net profit after zakat and tax	95,889,625	103,195,599	85,115,509	54,661,224	40,727,690

- Other operating revenues include administrative fees and real estate evaluation fees for the financed properties after deducting evaluation costs. It also includes early repayment revenues and revenues from managing sold portfolios. It also includes an amount of 29.6 million riyals of 2022 AD which represents fair value gains of the financial derivatives
- Other operating expenses include general and administrative expenses, selling and marketing expenses, and insurance expenses on the financing portfolio.
- The decrease in zakat and income expense of 2022 is due to the reversal of the income tax amounts due from the Zakat and Income Authority on previous years.

Saudi Home Loans - Board of directors' report

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



Main Financial indicators

(Saudi riyals)	2022	2021	2020	2019	2018
Earnings per share (EPS)	0.96	1.03	0.85	0.55	0.41
Return on equity (ROE)	5.6%	6.1%	5.4%	3.6%	2.8%
Return on assets (ROA)	2.2%	2.3%	1.9%	1.2%	0.9%
Debts to Equity (D/E)	1.49	1.57	1.78	1.87	1.95

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

(Saudi riyals)	2022	2021
Central Region	152,277,125	163,685,372
Western Region	50,731,882	55,739,865
Eastern Province	48,260,066	48,694,946
Northern area	4,452,591	3,672,217
Southern area	6,134,063	5,615,231
Total	261,855,727	277,407,631

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

(Saudi riyals)	2022	2021	Change	%
Lease contracts revenues	261,855,727	277,407,631	(15,551,904)	-6%
Other operating income	37,277,486	17,827,027	19,450,459	109%
Total revenue	299,133,213	295,234,658	3,898,555	1%
Borrowing cost	(106,706,161)	(74,077,401)	(32,628,760)	44%
Other operating expenses	(115,942,314)	(110,985,763)	(4,956,551)	4%
provision of credit losses	21,457,639	8,839,954	12,617,685	143%
Total costs	(201,190,836)	(176,223,210)	(24,967,626)	14%
Net profits before zakat and tax	97,942,377	119,011,448	(21,069,071)	-18%
Zakat and income tax	(2,052,752)	(15,815,849)	13,763,097	-87%
Net profit after zakat and tax	95,889,625	103,195,599	(7,305,974)	-7%

- The company's total revenue increased by 1% compared to last year, mainly due to gains from financial derivatives.
- The total cost of 2022 increased by 14% compared to last year mainly due to the increase in SIBOR (Borrowing from Banks) during the year.
- The company achieved a net profit before zakat and income tax of 97.9 million riyals in 2022, with a decrease of 18% compared to last year,
- Net profit after zakat and income tax amounted to 95.9 million riyals in 2022, with a decrease of 7% compared to last year.
- Total assets decreased by 1.7% and total liabilities decreased by 3.5% compared to last year.
- Total shareholders' equity increased by 1.1% compared to last year.

Information related to loans from banks and financial institutions

SN	Funding entity (SAR)	Balance at the beginning of the year	New financing	Paid/change during the year	Balance at the end of the year	Remaining period
1	Arab national Bank	1,672,545,150	-	(100,920,213)	1,571,624,937	54
2	Gulf International Bank	411,908,999	-	(53,895,438)	358,013,561	45
3	International Finance Corporation	109,517,304	-	(31,111,515)	78,405,789	33
4	Saudi National Bank	357,742,546	-	(19,272,406)	338,470,140	145
5	Saudi Real Estate Refinance Company	101,360,516	150,000,000	(46,606,425)	204,754,091	6
	Total	2,653,074,515	150,000,000	(251,805,997)	2,551,268,518	

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

The statutory payments due by the company during 2022 include zakat, income tax due, value-added tax, and amounts due to the General Organization of Social Insurance in exchange for insurance contributions for employees. The following table shows the data of those payments:

(Saudi riyals)	Reasons	paid during the year	Due until the end of the year and unpaid amounts
General Authority for Zakat, Tax and Customs - The amount of zakat due on the Saudi partner and the income tax due on the foreign partner according to the provisions and regulations of the General Authority for Zakat and Income	Regulatory requirement	18,576,698	11,127,671
General Authority of Zakat, Tax and Customs - Value Added Tax due on supplies subject to the Value Added Tax Law and its Executive Regulations	Regulatory requirement	275,844	-2,097
General Authority for Zakat, Tax and Customs - Withholding tax in accordance with the provisions and regulations of the General Authority of Zakat and Income	Regulatory requirement	65,949	0
General Organization for Social Insurance in accordance with the provisions of the labor Law	Regulatory requirement	4,767,871	381,971
Labor office - including fees for renewal of residency and work permits	Regulatory requirement	175,083	0
Licenses and fees - They represent the licensing fees that the company pays to the regulatory authorities in return for licensing the activity, including the Central Bank of Saudi Arabia, Tadawul, Ida'a and the Ministry of Investment.	Regulatory requirement	218,956	0

Admissions

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

- The account records were prepared correctly.
- The internal control system was prepared on sound foundations and implemented effectively.
- There is no doubt about the company's ability to continue its activities.
- According to the best information available to it in all material respects, there is no business or contracts to which the company is a party, or in which there was an interest of a member for the company's board of directors or the executive management, or for any person related to any of them.
(Except within the limits stipulated in Article No. 56 of the executive regulations of the Finance Companies Control Law issued by the Central Bank of Saudi Arabia or what has been disclosed in the financial statements and this report).
- There are no recommendations of the Audit Committee during 2022 AD related to a conflict between it and the decisions of the Board of Directors, or related to the Board's refusal to take them into account regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor.
- There are no arrangements or agreements under which one of the company's shareholders waived any rights in the profits.
- There are no arrangements or agreements under which a member of the company's board of directors or a senior executive waived any remuneration.
- No recommendation was issued by the Board of Directors to change the auditor before the end of the period for which he was appointed, nor was this recommended by the Audit Committee.
- There is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors regarding the appointment and dismissal of the company's auditor, determining his fees and evaluating his performance, or appointing the internal auditor.
- There are no shares or debt instruments issued to any subsidiary company.
- During 2022 AD, there will be no social contributions of the company.
- There are no treasury shares withheld by the company.
- There are no investments or reserves established for the benefit of the company's employees during 2022 AD.
- There is no refund, purchase or cancellation by the company of any recoverable debt instruments and the value of the remaining securities.
- There are no transfer or subscription rights under transferable debt instruments or contractual securities, or memorandums of subscription rights or similar rights issued or granted by the company.
- There are no categories and numbers of any convertible debt instruments, any contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year 2022 AD.
- There is no interest, contractual securities, and subscription rights belonging to the members of the company's board of directors, senior executives, and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in that interest or those rights during the fiscal year 2022 AD.
- The financial statements have been prepared in accordance with the international accounting standards and the directives of the supervisory authorities. The Board of Directors acknowledges that there is no material difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants.

Conclusion

In conclusion, the Chairman and members of the Board of Directors express their thanks to the honorable shareholders, the chief executive officer of the company and all the employees of the company for their support and unlimited granting that contributed to the development of the company and the achievement of its goals.

Chairman

Youssef Abdullah Al-Shalash

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