



أجل. . AJIL

شركة أجل للخدمات التمويلية
AJIL Financial Services Company

BOARD OF DIRECTORS' REPORT 2024



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1- Chairman's Message

I am proud to share the Annual Board Report of AJIL for the year 2024, reflecting another year of resilience, strategic growth and financial strength. As we navigate a competitive market, our commitment to innovation, compliance and financial prudence enabled us maintaining our market position in the financing sector.

With the blessings of Allah, 2024 has been a year of continued growth witnessed by a 16% increase in new financing during the year. This growth has translated into an 8% rise in revenues. These results were also substantiated by the company's efforts to control its cost resulting in a 31% increase in the operating profit and 48% growth in net profit after zakat for the year.

As a key pillar of the sustainable growth in the current evolving market, during 2024, we further strengthened our risk management, compliance and governance frameworks, reinforcing our commitment to transparency and regulatory compliance. We also focused our efforts on enhancing our credit risk management and remedial strategies resulting in a healthier receivables portfolio and reduced expected credit losses.

In line with our strategic objectives and as an integral part of building the foundation for our digital transformation plans, I am also pleased to confirm that we upheld our commitment to cybersecurity by maintaining Maturity Level 3 and successfully testing our Business Continuity and Disaster Recovery Plans to confirm our preparedness and ability to minimize our operational disruption.

As we step into the year 2025 aiming at value creation for our stakeholders, our focus will remain on growing our existing business, enhancing our cost efficiencies, and executing our digital transformation plan to enhance our customers experience and increase our market reach. We will also continue to harness technology, strengthen our risk management strategies, and explore new market opportunities to reinforce our leadership position in the financing sector.

On behalf of the Board of Directors, I extend my sincere gratitude to our customers, employees, regulators, and shareholders for their unwavering trust and support. I would also like to confirm to our Shareholders and to all other stakeholders that the Board and Management are continuously focusing their efforts on executing our plans to enhance market reach and business performance while ensuring compliance with the regulations.

Thank you for your trust and support.

*Yours' Sincerely
Amr AlKabbani*

2- Business and Strategy

2.1 A Year in View:

"The secret of change is to focus all your energy not on fighting the old, but on building the new." – Socrates

In line with this principle, 2024 was a year of sustainability and progress. While expanding our business, we remained focused on building a stronger, more resilient foundation for the future. We enhanced our financial strength by growing our portfolio, improving profitability, optimizing credit risk management and reinforcing stability through a significant reduction in non-performing loans. Additionally, our digital transformation journey gained momentum, paving the way for greater efficiency and innovation. At the same time, we upheld our commitment to cybersecurity by maintaining Maturity Level 3 and reinforced our dedication to workforce development with a strong Saudization rate. These achievements reflect our long-term vision of sustainable growth, operational efficiency and innovation-driven success.

2.2 Strategy:

To drive our strategic objectives forward, our company is accelerating its digital transformation journey, aiming to redefine processes and elevate customer experience. By harnessing advanced technologies and data-driven insights, we are committed to optimizing operations and delivering innovative solutions that align with our customers' evolving needs. This forward-thinking approach will not only expand our market presence but also strengthen our position through seamless fintech integrations, fostering deeper client engagement and unlocking new growth opportunities.

Additionally, as competition intensifies in both digital and conventional finance, our strategy remains focused on differentiation through flexible solutions and an enhanced customer-centric approach, ensuring we stay ahead in an evolving financial landscape.

Equally important, we remain steadfast in our commitment to maintaining the highest credit quality while driving business growth. As we expand our portfolio, we will continue to uphold rigorous credit standards, ensuring financial stability and long-term sustainability. This disciplined approach reinforces our dedication to responsible growth, safeguarding both our customers and stakeholders.

3- Financial Highlights

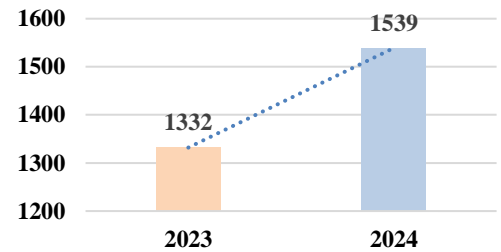
Below is a summary of key financial indicators for 2024 in comparison to 2023:

3.1 Business Performance:

The company exhibited a strong growth of 16% in booking new business, which can be attributed to the positive indicators of the Saudi Economy. This upward trend is expected to continue alongside the projected GDP growth and the company's strategic plan to grow organically.

The plan for digital transformation in various processes will be instrumental in enhancing this growth and generating higher returns.

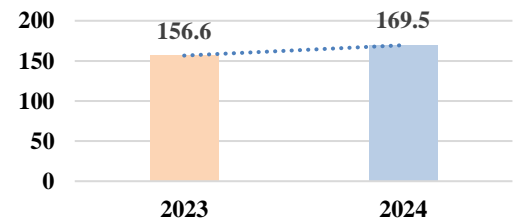
New Business Booked (SR Mn)



3.2 Net Financing Revenue:

Net financing revenue witnessed an increase of 8%, reflecting the effective management of financial resources and growth driven by higher bookings.

Net Financing Revenue (SR Mn)

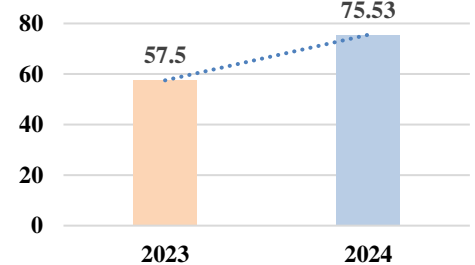


3.3 Operating Profit:

While increasing investments in the areas of strategic importance, like human resources, technology, cybersecurity and risk management, the company managed to increase its operating profit by 31%.

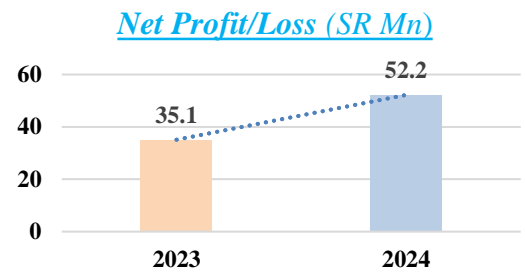
With these strategic investments, the company is actively undergoing digital transformation to build its capacity to serve a larger number of customers in various segments of the market.

Operating Profit (SR Mn)



3.4 Net Profit / Loss:

The Company is poised to achieve higher levels of profit which was the company's trajectory. The increase in net profit from SR 35.1 Mn to SR 52.2 Mn indicates a favorable projection for the company's financial position.



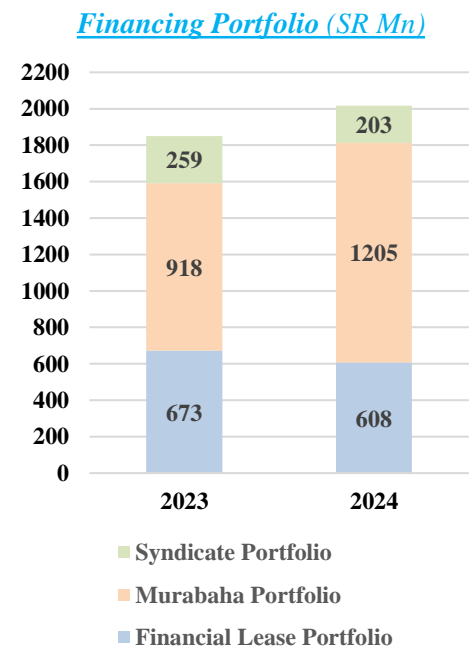
3.5 Business Portfolio:

Revenue generating portfolio has increased from SR 1,850 Mn in 2023 to SR 2,016 Mn in 2024.

Despite the overall growth during 2024, we noticed a shift from financial lease portfolio (10% contraction) to Murabaha portfolio (31% growth), which is indicating a change in the trend and demand of financing working capital as compared to productive assets' financing.

It is worth reporting that most of the Murabaha financing deals are collateralized by either mortgage of real estate or guarantees issued by Kafalah program.

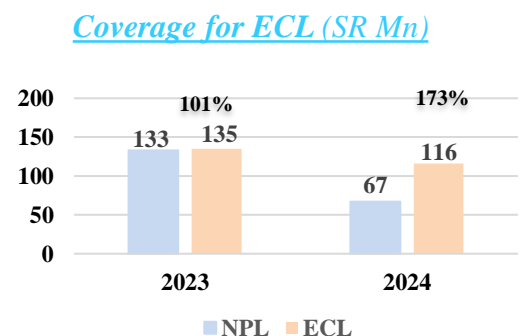
Furthermore, in 2024, the company entered into syndicate financing contracts amounting to SR 70 Mn with its syndicate partners compared to SR 185 Mn in 2023 and generated revenues not only as a financier but also as a managing partner. Our portion of this portfolio has reduced by 22% (SR 203 Mn vs SR 259 Mn) during 2024.



3.6 Coverage for Expected Credit Losses (ECL):

We are pleased to report a major improvement in risk management ratios as a result of the company's commitment to effective credit risk management as well as strict collection and recovery measures.

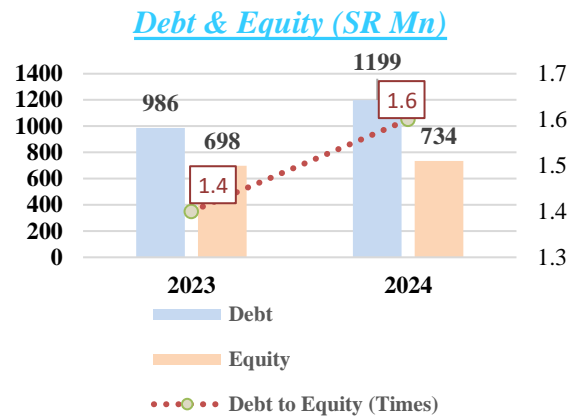
During 2024, the NPL ratio reduced from 7.74% to 3.48%. Simultaneously, the NPL coverage has increased from 101% to 173%.



3.7 Debt and Equity:

The company is maintaining a healthy debt to equity ratio of 1.6 times (1.4 in 2023).

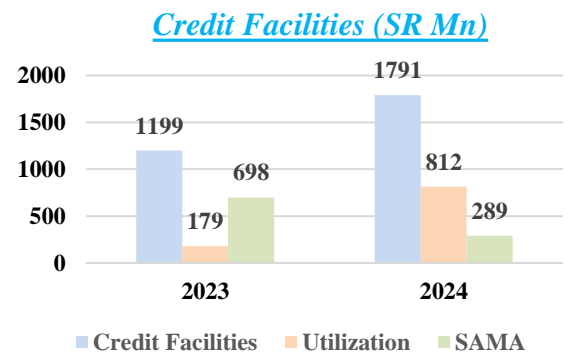
The company manages its liquidity risk by ensuring that adequate bank facilities are available to meet any commitments, as they arise. In addition, the company is carefully maintaining a mix of medium-term and short-term liabilities to align the maturities of liabilities in line with the maturities of assets for effective cash flow management.



3.8 Credit Facilities:

The company is maintaining strong relationships with a number of commercial banks in Saudi Arabia.

The company's credit facilities' limits were maintained at healthy levels (SR 1,791 Mn). The utilization and credit facilities are likely to increase during 2025 with the expected growth in the portfolio.



3.9 Financial Reporting Standards:

AJIL maintains proper books of accounts in compliance with the Implementing Regulations of the Law on Supervision of Finance Companies. The annual audited financial statements for the year ending 31 December 2024, which are an integral part of this report, have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (SOCPA).

3.10 Zakat & Taxes:

The company is calculating the Zakat and Taxes as per laws and regulations applicable in the Kingdom of Saudi Arabia. The company has submitted the Zakat and tax return for the year ended 31 December 2023 within the stipulated timeline. The company has calculated Zakat accruals of SR 13.6 Mn for the year ended 31 December 2024 based on the new Zakat rules for financing activities. The company has secured an unrestricted Zakat and Tax Certificate valid until 30 April 2025.

3.11 Employee Benefits Scheme:

AJIL works in a highly competitive business segment where our people are our primary assets. It is only by taking care of the physical and emotional wellbeing of our employees that we can hope to remain a market leader.

To support the ongoing physical wellness of employees, AJIL offers subsidized memberships to leading fitness centers in Saudi Arabia. We support families and provide a schooling allowance for managerial employees. We are a committed equal opportunities employer and nurturing and advocating talent remain a priority.

To ensure employees' wellbeing, the company offers special leave allowances and travel benefits to its employees which help them to spend quality time with their families and friends during vacations.

In addition to the above, we are providing quality comprehensive health insurance coverage to our employees and their families.

4- Ownership Structure

The share capital of the company is divided into 50,000,000 shares of SR 10 each.

4.1 Shareholders as at 31 December 2024:

Shareholder	Percentage of Shareholding	No. of Shares
Riyad Bank	48.46%	24,230,769
Zahid Group Holding Company Limited	34.62%	17,307,692
Al Yemni Investment Co.	6.92%	3,461,539
Khaled Ahmed Al Juffali Company	5.00%	2,500,000
Sons of Husein Alireza Holding Company Ltd.	5.00%	2,500,000
Total	100.00%	50,000,000

4.2 Changes in Shareholding Structure during the Year:

During the year 2024, the ownership structure of the company remained unchanged.

5- Board of Directors

AJIL is managed by a Board of Directors (the Board) elected by the General Assembly for a term ending on 13 September 2026. The Board as at 31st of December 2024 includes three independent members and four non-executive members.

5.1 Board of Directors Composition:

#	Name	Position	Classification
1	Mr. Ali Alireza	Chairman	Non-Executive
2	Mr. Mohammed Abu Al-Naja	Vice Chairman	Non-Executive
3	Mr. Mohammed Al-Salah	Member	Non-Executive
4	Mr. Usman Mahmood	Member	Non-Executive
5	Mr. Haytham Zahid	Member	Non-Executive
6	Mr. Amr AlKabbani	Member	Independent
7	Dr. Faisal Baassiri	Member	Independent
8	Mr. Majid Al-Osailan	Member	Independent

5.2 Changes to the Board of Directors Composition:

The revised Board of Directors composition effective from 12 December 2024 is as follows:

#	Name	Position	Classification
1	Mr. Amr AlKabbani	Chairman	Independent
2	Mr. Mohammed Abu Al-Naja	Vice Chairman	Non-Executive
3	Mr. Mohammed Al-Salah	Member	Non-Executive
4	Mr. Usman Mahmood	Member	Non-Executive
5	Mr. Haytham Zahid	Member	Non-Executive
6	Dr. Faisal Baassiri	Member	Independent
7	Mr. Majid Al-Osailan	Member	Independent

5.3 Board Members' Qualifications:

Name	Current Positions	Previous Positions and Experience	Qualifications
Mr. Amr AlKabbani (Chairman – Independent)	<ul style="list-style-type: none"> Chief Executive Officer at Isam Khairi Kabbani (IKK) Group of Companies. Member of the Board of Isam Khairi Kabbani (IKK) Group of Companies. Chairman of the Board of AJIL Financial Services Company. Member of the Nomination & Remuneration Committee for AJIL Financial Services Company. 	<ul style="list-style-type: none"> Chairman of the Audit Committee for AJIL Financial Services Company (2022-2024) Chief Operating Officer at Isam Khairi Kabbani(IKK) Group of Companies (2011-2015) Regional Manager for the Gulf Countries at Credit Agricole Corporate & Investment Bank, Dubai, UAE (2004-2011) 	<ul style="list-style-type: none"> Bachelor's degree in International Business Administration from the American College in Paris
Mr. Mohammed Abu Al-Naja (Vice Chairman)	<ul style="list-style-type: none"> Chief Corporate Banking Officer at Riyadh Bank. Member of the Board of Royal and Sun Alliance. 	<ul style="list-style-type: none"> Member of the Credit Committee for AJIL Financial Services Company (2022-2023). Executive Vice President –Corporate Banking 	<ul style="list-style-type: none"> Bachelor's degree in Law from King Saud University.

Name	Current Positions	Previous Positions and Experience	Qualifications
	<ul style="list-style-type: none"> Vice Chairman of the Board of AJIL Financial Services Company. 	<ul style="list-style-type: none"> Services at Riyadh Bank (2014-2018). Senior Vice President – Corporate Banking (Large Corporate) at Riyadh Bank (2013-2014). Vice President – Manager, Corporate Banking (Medium Corporate) at Riyadh Bank (2010-2013). Senior Relationship Manager at Riyadh Bank (2004-2010). 	
Mr. Mohammed Al-Salah (Member)	<ul style="list-style-type: none"> Senior Vice President – Manager, Corporate Banking Department at Riyadh Bank. Member of the Board of Kafallah Program, Financing Institutions' Representative. Member of the Board of AJIL Financial Services Company. 	<ul style="list-style-type: none"> Vice President – Corporate Banking Regional Manager (Central Region) at Riyadh Bank (2013-2017). Team Leader Corporate Banking Sector at Riyadh Bank (2009-2013). 	<ul style="list-style-type: none"> Bachelor's degree in Industrial Engineering from King Saud University.
Mr. Usman Mahmood (Member)	<ul style="list-style-type: none"> Chief Financial Officer and Group Strategist at Zahid Group. Member of the Board of Altaaqa Alternative Solutions Company Limited. Member of the Board of Altaaqa Alternative Solutions Global FZE. Member of the Board of OCS Arabia LLC. Member of the Board of EJAR - The Machinery Rental Alternative Company Limited. Member of the Board of SAFEER for Renewable Energy. Member of the Board of MTD Arabia. Member of the Board of Arabian Vehicles and Trucks Industry Machinery Company Limited. Member of the Board of Altaaqa Renewable Energy Greece. Member of the Board of AJIL Financial Services Company. 	<ul style="list-style-type: none"> Director Finance and Accounting - Zahid Tractor and Heavy Machinery Company Limited (1996-2017) Member of the Credit Committee for AJIL Financial Services Company (2022-2023) 	<ul style="list-style-type: none"> Associate member of the Chartered Institute of Management Accountants England & Wales. Associate member of British Institute of Management Bachelor's degree in Economics from University of the Punjab.
Mr. Haytham Zahid (Member)	<ul style="list-style-type: none"> Chief Executive Officer at Zahid Group Group President- Investments at Zahid Group. 	<ul style="list-style-type: none"> Regional Manager at Zahid Tractor and Heavy Machinery Company Limited (2012-2017) 	<ul style="list-style-type: none"> Bachelor's degree in Economics from Brown University, Providence.

Name	Current Positions	Previous Positions and Experience	Qualifications
	<ul style="list-style-type: none"> Member of the Board of Zahid Group Holding LLC Member of the Board of Zahid Tractor and Heavy Machinery Co. Ltd. Member of the Board of Altaaqa Alternative Solutions Global FZE (UAE). Member of the Board of Altaaqa Alternative Solutions Company Limited (KSA). Member of the Board of Alternative Solutions for Renewable Energy LLC Member of the Board of Operations & Maintenance Alternative Solutions Member of the Board of Z5G Holding LLC Chairman of Zahid Travel Group LLC Vice-Chairman of Hospitality Ventures LLC Chairman of OCS Arabia LLC. Member of the Board of Perpetua Holding GmbH. Member of the Board of Perpetua Holding Europe. Member of the Board of Perpetua Holding NA Limited Chairman of Wared Logistics Services LLC. Member of the Board of Saudi Company for Site Technology. Company Limited Member of the Board of Zahid Group Holding (MENA) Limited (UAE). Member of the Board of Zahid Tractor & Heavy Machinery (MENA) Limited (UAE) Member of the Board of TGI MENA Trading FZE (UAE) Member of the Board of Z5G Holding LLC (Cayman Islands) Member of the Board of AJIL Financial Services Company. Chairman of the Executive Committee for AJIL Financial Services Company. 	<ul style="list-style-type: none"> Regional Sales Manager at Zahid Tractor and Heavy Machinery Company Limited (2009-2012) 	
Dr. Faisal Baassiri (Member)	<ul style="list-style-type: none"> Managing Partner of Ashurst Law Firm (LLPC). 	<ul style="list-style-type: none"> Lawyer at Osama Yamani Law firm (2003 – 2006) 	<ul style="list-style-type: none"> PhD in Law from Université

Name	Current Positions	Previous Positions and Experience	Qualifications
	<ul style="list-style-type: none"> • Lawyer to the French Consulate. • Member of the Board of Gulf General Cooperative Insurance Company (GGI). • Chairman of the Nomination & Remuneration Committee of General Cooperative Insurance Company (GGI). • Member of the Board of AJIL Financial Services Company. • Chairman of the Nomination & Remuneration Committee for AJIL Financial Services Company. 	<ul style="list-style-type: none"> • Head of Legal Affairs at SEDCO Holding (2006-2012) • Member of the Risk Management Committee of General Cooperative Insurance Company (GGI) (2019 – 2022) 	<ul style="list-style-type: none"> • Panthéon-Assas (Paris II) • Baccalaureate in Economics from Institut Florimont, Geneva, Switzerland
Mr. Majid Al-Osailan (Member)	<ul style="list-style-type: none"> • Chairman of the Board of the NIZAK Mining Company • CEO of City Cement Company. • Member of the Board of City Cement Company. • Member of the Executive Committee for City Cement Company. • Vice-Chairman of the Board of ARTEX Industrial Investment Company. • Member of the Board of the National Gas Distribution Company. • Vice-Chairman of Green Solutions for Environmental Services Company. • Vice-Chairman of Innovative Solutions for Environmental Services Company. • Vice-Chairman of the National Committee of Cement Manufacturing. • Member of the Board of AJIL Financial Services Company. • Member of the Executive Committee for AJIL Financial Services Company. 	<ul style="list-style-type: none"> • Chairman-of the Audit Committee for Al-Abdullatif industrial & investment (2022-2024) • Member of the Risk Committee in ARTEX Industrial Investment Company (2022-2024) • Chairman of the Energy and Environment Committee under the Saudi International Chamber of Commerce (ICC) (2021-2023) • Member of the Saudi International Chamber of Commerce (ICC) (2021-2023) • Deputy Chief Executive Officer at City Cement Company (2016-2019) • Member of the Board of National Distribution Gas (CJSC) (2016-2019) • Member of the Board of Saudi Makamin (2016-2019) • Member of the Audit Committee for Murabaha Installments Company (2015-2016) • Chief Finance & Administration Officer at City Cement Company (2014-2016) • Chief Financial Officer at City Cement Company (2012-2014) 	<ul style="list-style-type: none"> • Master's degree in Business Administration from International University of America • Bachelor's degree in Administrative Science Accounting from King Saud University • Certified Global Executive by INSEAD business school • MISK (Prince Mohammed Bin Salman Foundation) 2030 Leaders Certificate in cooperation with (ESADE University Executive Programs, EY, MINERVA, Willis Towers Watson, Center for Creative Leadership)

Name	Current Positions	Previous Positions and Experience	Qualifications
		<ul style="list-style-type: none"> Senior Relationship Manager at Riyadh Bank (2010-2012) 	

5.1 Board of Directors Meetings:

The Board conducted six meetings during the year 2024. The following table details the Board meetings' attendance:

#	Name	21 Apr 2024	11 Jul 2024	3 Sep 2024	2 Oct 2024	16 Oct 2024	19 Dec 2024	Total	Attendance Rate
1	Mr. Ali Alireza*	✓	✓	✓	✓	N/A	N/A	4	100%
2	Mr. Amr AlKabbani**	✓	✓	✓	✓	✓	✓	6	100%
3	Mr. Mohammed Abu Al-Naja	✓	✓	✓	✓	✓	✗	5	83.33%
4	Mr. Mohammed Al-Salah	✓	✗	✓	✗	✓	✓	4	66.66%
5	Mr. Usman Mahmood	✓	✓	✓	✗	✓	✓	5	83.33%
6	Mr. Haytham Zahid	✓	✓	✓	✓	✗	✓	5	83.33%
7	Dr. Faisal Baassiri	✓	✓	✓	✓	✓	✓	6	100%
8	Mr. Majid Al-Osailan	✓	✓	✓	✓	✓	✓	6	100%

✓ = Attended

✗ = Absent

N/A = Not a member

* Mr. Alireza resigned from the Board effective from the 6th of October 2024.

** Mr. AlKabbani has been appointed as a Chairman of the Board effective from the 1st of December 2024.

6- Board Committees

6.1 Audit Committee:

The primary role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to accounting and financial reporting, adequacy and effectiveness of the internal control environment, compliance with laws and regulations, and internal and external audit processes.

6.1.1 Audit Committee Composition:

#	Name	Position	Classification
1	Mr. Amr AlKabbani	Chairman	Independent
2	Mr. Tariq Zaino	Member	Independent
3	Mr. Mohammed Al-Fadhel	Member	Non-Executive

6.1.2 Changes to the Audit Committee Composition

The revised Audit Committee composition effective from 12 December 2024 is as follows:

#	Name	Position	Classification
1	Mr. Mazen Al Sharfan	Chairman	Independent
2	Mr. Tariq Zaino	Member	Independent
3	Mr. Mohammed Al-Fadhel	Member	Non-Executive

6.1.3 Audit Committee Members' Qualifications:

Name	Current Positions	Previous Positions and Experience	Qualifications
Mr. Mazen Al Sharfan (Member)	<ul style="list-style-type: none"> Chief Internal Auditor at Cruise Saudi Chairman of Audit Committee at King Abdullah Port Member of the Audit Committee of Virgin Megastore Member of the Audit Committee of Anfas Medical Company Member of the Audit Committee of AL Madinah Almunawarah Chamber of Commerce Chairman of the Audit Committee of AJIL Financial Services Company 	<ul style="list-style-type: none"> Member of the Audit Committee of Emaar the Economic City (2021 – 2023) Senior Director of Internal Audit at Nahdi Medical Company (2018 – 2022) Director of Internal Audit at Economic Cities Authority (2017 – 2017) Head of Internal Audit at Saudi Enaya Cooperative Insurance (2014 – 2016) Audit Manager at Saudi Economic & Development Company (SEDCO) (2009 – 2013) Head of Cost & Management Accounts at Cristal Global (2005 – 2009) Internal Auditor – Business Risk Services at Ernst & Young (2002 – 2005) 	<ul style="list-style-type: none"> Masters of Professional Accounting from King Abdullah University Bachelor's degree in Accounting from King Abdullah University Masters of Business Administration from Jack Welch Management Institution, Strayer University, USA Certified Internal Auditor (CIA), Institute of Internal Auditors, USA.

Name	Current Positions	Previous Positions and Experience	Qualifications
Mr. Tariq Zaino (Member)	<ul style="list-style-type: none"> Member of the Audit Committee for Saudi Reinsurance Company Founder of Zaino CPA (Tariq H. Zaino Chartered Accountant Co.) Member of the Audit Committee of AJIL Financial Services Company 	<ul style="list-style-type: none"> Audit Director at General Zakat & Tax Authority (2017-2019) Consultant and Financial Analyst at Capital Market Authority – Appeal Committee (2014-2017) Manager – Zakat and Tax at Ernst & Young (2012-2014) Assistant Manager – Zakat and Tax at Ernst & Young (2006-2012) Accountant at Saudi Chemical Company (2004-2006) 	<ul style="list-style-type: none"> Bachelor's degree in Accounting from King Saud University Member of SOCPA
Mr. Mohammed Al-Fadhel (Member)	<ul style="list-style-type: none"> Senior Vice President – Manager MSME Department at Riyadh Bank Member of the Audit Committee of AJIL Financial Services Company 	<ul style="list-style-type: none"> Senior Vice President – Manager Retail Control & Support Department at Riyadh Bank (2019-2021) Vice President – Head of Corporate Credit Policy & Strategy at Riyadh Bank (2015-2019) Member of the Board of AJIL Financial Services Company (2015-2019) Assistant Vice President – Head of Multinational Credit Review at Riyadh Bank (2014-2015) Credit Manager at Riyadh Bank (2010-2014) Assistant Manager Credit at Riyadh Bank (2009-2010) 	<ul style="list-style-type: none"> Bachelor's degree in Business Administration from King Saud University

6.1.4 Audit Committee Meetings:

During 2024, the Audit Committee held seven meetings. The following tables detail the Audit Committee meetings' attendance:

#	Name	25 Feb 2024	25 Apr 2024	23 May 2024	21 Jul 2024
1	Mr. Amr AlKabbani	✓	✓	✓	✓
2	Mr. Tariq Zaino	✓	✓	✓	✓
3	Mr. Mohammed Al-Fadhel	✓	✓	✓	✓

#	Name	5 Sep 2024	20 Oct 2024	21 Nov 2024	Total	Attendance Rate
1	Mr. Amr AlKabbani	✓	✓	✓	7	100%
2	Mr. Tariq Zaino	✓	✓	✓	7	100%
3	Mr. Mohammed Al-Fadhel	✓	✓	✓	7	100%

6.2 Nomination & Remuneration Committee (NRC):

The primary role of the NRC is to assist the Board of Directors in fulfilling its responsibilities with respect to the following:

- Nominating candidates to the membership of the Board, its Committees and the Executive Management;
- Review the company's remuneration policy that governs the compensation of the Board, Board Committees' and Executive Management members;
- Evaluate the performance of the members of the Board and its Committees; and
- Review the company's compensation and benefits policy and incentives scheme.

6.2.1 NRC Composition:

#	Name	Position	Classification
1	Dr. Faisal Baassiri	Chairman	Independent
2	Mr. Amr AlKabbani	Member	Independent
3	Mr. Mohammed Zaher Al Munajjed	Member	Independent

6.2.2 NRC Members' Qualifications:

Name	Current Positions	Previous Positions and Experience	Qualifications
Dr. Faisal Baassiri (Chairman)	<ul style="list-style-type: none"> • Managing Partner of Ashurst Law Firm (LLPC). • Lawyer to the French Consulate. • Member of the Board of Gulf General Cooperative Insurance Company (GGI). • Chairman of the Nomination & Remuneration Committee of General Cooperative Insurance Company (GGI). • Member of the Board of AJIL Financial Services Company. • Chairman of the Nomination & Remuneration Committee for AJIL Financial Services Company. 	<ul style="list-style-type: none"> • Lawyer at Osama Yamani Law firm (2003 – 2006) • Head of Legal Affairs at SEDCO Holding (2006-2012) • Member of the Risk Management Committee of General Cooperative Insurance Company (GGI) (2019 – 2022) 	<ul style="list-style-type: none"> • PhD in Law from Université Panthéon-Assas (Paris II) • Baccalaureate in Economics from Institut Florimont, Geneva, Switzerland
Mr. Amr AlKabbani (Member)	<ul style="list-style-type: none"> • Chief Executive Officer at Isam Khairi Kabbani (IKK) Group of Companies. • Member of the Board of Isam Khairi Kabbani (IKK) Group of Companies. • Chairman of the Board of AJIL Financial Services Company. 	<ul style="list-style-type: none"> • Chairman of the Audit Committee for AJIL Financial Services Company (2022-2024) • Chief Operating Officer at Isam Khairi Kabbani (IKK) Group of Companies (2011-2015) • Regional Manager for the Gulf Countries at Credit Agricole Corporate & Investment Bank, Dubai, UAE (2004-2011) 	<ul style="list-style-type: none"> • Bachelor's degree in International Business Administration from the American College in Paris

Name	Current Positions	Previous Positions and Experience	Qualifications
	<ul style="list-style-type: none"> Member of the Nomination & Remuneration Committee for AJIL Financial Services Company. 		
Mr. Mohammed Zaher Al Munajjed (Member)	<ul style="list-style-type: none"> Vice Chairman and Member of the Board of Kindasa Water Services Chairman of the Audit Committee for Kindasa Water Services Member of the Executive Committee for Kindasa Water Services Member of the Board of Gulf General Cooperative Insurance Company (GGI) Member of the Nomination & Remuneration Committee of GGI Member of the Board of Red Sea International Chairman of Nomination & Remuneration Committee of Red Sea International Member of the Audit Committee of Red Sea International Chairman of the Board of Saudi Support Services Company 	<ul style="list-style-type: none"> Member of the Board of ROLACO trading company (2017-2020) Chairman of the Nomination & Remuneration Committee of GGI (2009-2019) Member of the Board of Credit Suisse Saudi Arabia (2012-2017) Chairman of the board of Grameen Jameel Pan Arab Micro Finance Ltd (2007-2017) 	<ul style="list-style-type: none"> Master's degree in Business Administration from Harvard Business School in USA. Master's degree in French International Law from the St Joseph University in Beirut. Bachelor's degree in Business Administration from the American University in Lebanon.

6.2.3 NRC Meetings:

During 2024, the NRC held five meetings. The following table details the NRC meetings' attendance:

#	Name	11 Jan 2024	11 Mar 2024	27 May 2024	30 Sep 2024	25 Nov 2024	Total	Attendance Rate
1	Dr. Faisal Baassiri	✓	✓	✓	✓	✓	5	100%
2	Mr. Mohammed Zaher Al Munajjed	✓	✓	✓	✓	✓	5	100%
3	Mr. Amr AlKabbani	✓	✓	✓	✓	✓	5	100%

6.3 Risk Management and Credit Committee (RMCC):

The primary role of the RMCC is to assess the company's risk profile and key areas of risk and identify mitigating factors related therewith.

6.3.1 RMCC Composition:

#	Name	Position	Classification
1	Mr. Abdulaziz Alasker	Chairman	Non-Executive
2	Mr. Mahmood Kamel	Member	Non-Executive
3	Mr. Mohammed Barig Ahmed Siraj	Member	Non-Executive
4	Mr. Naief Arab	Member	Executive

6.3.2 RMCC Members' Qualifications:

Name	Current Positions	Previous Positions and Experience	Qualifications
Mr. Abdulaziz Alasker (Chairman)	<ul style="list-style-type: none"> Acting Senior Vice President – Risk Management at Riyadh Bank since July 2023 Board Member at SIMAH Credit Bureau since April 2023 Chairman of the RMCC of AJIL Financial Services Company 	<ul style="list-style-type: none"> Executive Vice President – Risk Management at Riyadh Bank (2022-2023) Executive Vice President – Corporate Credit at Riyadh Bank (2014-2022) Senior Vice President – Head of Credit Review & Approval (2011-2014) 	<ul style="list-style-type: none"> Bachelor's degree in Accounting from King Saud University.
Mr. Mahmood Kamel (Member)	<ul style="list-style-type: none"> Corporate Credit Manager & Head of Risk at Zahid Tractor & Heavy Machinery Co. Ltd Member of the RMCC of AJIL Financial Services Company 	<ul style="list-style-type: none"> Corporate Credit Manager at Zahid Tractor & Heavy Machinery Co. Ltd (2015-2017) Regional Credit Manager at Zahid Tractor & Heavy Machinery Co. Ltd (2009-2015) Credit Risk Manager at NCB (2007-2009) Regional Manager at AJIL Financial Services Company (2005-2007) Executive Manager - Credit Administration/Control & Risk Management at the United Bank of Egypt (2004-2005) Manager - Credit Administration/Control & Risk Management at Credit Agricole Egypt (1999-2004) Head - Financial Institutions & Correspondent Banking at Societe Arabe Internationale de Banque (1994-1999) Assistant Manager - Financial Institutions at UBS, Egypt (1989-1994) 	<ul style="list-style-type: none"> Bachelor's degree in Business Administration from Ain Shams University, Cairo, Egypt.

Name	Current Positions	Previous Positions and Experience	Qualifications
Mr. Mohammed Barig Ahmed Siraj (Member)	<ul style="list-style-type: none"> Vice President Group Affairs at Zahid Tractor & Heavy Machinery Co. Ltd Member of the Board of Zahid Travel Group Member of the Board of OCS Arabia Member of the Board of Tasleeh Vice Chairman of the Board of Hala (a Saudi Fintech) Chairman of the Audit Committee of Hala (a Saudi Fintech) Member of the Investment Committee of Nor Nouf ventures Member of the Board of Saudi Federation for Special Olympics since November 2022 Member of the RMCC of AJIL Financial Services Company 	<ul style="list-style-type: none"> Director of IT at Zahid Tractor & Heavy Machinery Co. Ltd (2013-2020) Member of the Board of CIMC Arabia & CIMC Vehicles Bahrain Factory (2014-2021) Member of the Board of OCS Arabia (2014-2016) Executive Member of the Board of AlAghar (2010-2020) CEO at ICT Ventures JSC (2008-2012) Independent Member of the Board of 3 of Bakheet Investment Group's Funds (2011-2014) Board Observer in Mobidiv, ITS², & IdealRatings (2009-2012) Vice President Information Technology at General Authority of Civil Aviation (2005-2008) IT Consultant at Communication and Information Technology Commission (2004-2005) RASiM Establishment (2002-2004) Chief Technology Officer at Arabia Online Ltd. (2000-2002) Assistant General Manager of the Broadcast Center at ARAB RADIO & TELEVISION [ART] (1997-2000) Information Technology Manager at Albaraka Investment & Development Co. (1993-1997) Information Systems Specialist at SAUDIA AIRLINES (1988-1992) 	<ul style="list-style-type: none"> Master's degree in Electrical & Computer Engineering from University of California at Santa Barbara Bachelor's degree in Electrical & Computer Engineering from University of California at Santa Barbara
Mr. Naief Arab (Member)	<ul style="list-style-type: none"> Chief Operating Officer at AJIL Financial Services Company Secretary of the Board of Directors of AJIL Financial Services Company Member of the Risk Management and Credit Committee for AJIL Financial Services Company Member of the Audit & Risk Committee for Sunbulah Group Chairman of the SME Committee for financing companies (a subcommittee formed 	<ul style="list-style-type: none"> Head of Treasury & Funding at AJIL Financial Services Company (2016-2018) Risk & Treasury Manager at AJIL Financial Services Company (2016-2016) Head Of Compliance at AJIL Financial Services Company (2013-2016) Team Leader (Corporate Banking Group) at National Bank of Kuwait (2009-2013) Senior Relationship Manager (Corporate Banking Group) at Bank Al-Jazira (2008-2009) Relationship Manager(Corporate Banking Group) at Arab National Bank (2006-2008) 	<ul style="list-style-type: none"> Bachelor's degree in Finance from Bentley University, USA

Name	Current Positions	Previous Positions and Experience	Qualifications
	by the Executive Committee for financing companies). • Member of the RMCC of AJIL Financial Services Company	• Relationship Manager (Corporate & Investment Banking Group) at Samba Financial Group (2002-2005)	

6.3.3 RMCC Meetings:

During 2024, the RMCC held four meetings. The following table details the RMCC meetings' attendance:

#	Name	18 Apr 2024	27 Jun 2024	3 Oct 2024	5 Dec 2024	Total	Attendance Rate
1	Mr. Abdulaziz Alasker	✓	✓	✓	✓	4	100%
2	Mr. Mahmood Kamel	✓	✓	✓	✓	4	100%
3	Mr. Mohammed Barig Ahmed Siraj	✓	✓	✓	✓	4	100%
4	Mr. Naief Arab	✓	✓	✓	✓	4	100%

6.4 Executive Committee:

The primary role of the Executive Committee is to assist the Board of Directors in fulfilling its responsibilities with respect to developing and monitoring the performance of the company's Strategic and Business Plans.

6.4.1 Executive Committee Composition:

#	Name	Position	Classification
1	Mr. Haytham Zahid	Chairman	Non-executive
2	Mr. Majid Al-Osailan	Member	Independent
3	Mr. Matar Al Khateeb	Member	Executive

6.4.2 Executive Committee Members' Qualifications:

Name	Current Positions	Previous Positions and Experience	Qualifications
Mr. Haytham Zahid (Chairman)	<ul style="list-style-type: none"> Chief Executive Officer at Zahid Group Group President- Investments at Zahid Group. Member of the Board of Zahid Group Holding LLC Member of the Board of Zahid Tractor and Heavy Machinery Co. Ltd. Member of the Board of Altaaqa Alternative Solutions Global FZE (UAE). Member of the Board of Altaaqa Alternative Solutions Company Limited (KSA). Member of the Board of Alternative Solutions for Renewable Energy LLC Member of the Board of Operations & Maintenance Alternative Solutions Member of the Board of Z5G Holding LLC Chairman of Zahid Travel Group LLC Vice-Chairman of Hospitality Ventures LLC Chairman of OCS Arabia LLC. Member of the Board of Perpetua Holding GmbH. Member of the Board of Perpetua Holding Europe. Member of the Board of Perpetua Holding NA Limited Chairman of Wared Logistics Services LLC. Member of the Board of Saudi Company for Site Technology. Company Limited 	<ul style="list-style-type: none"> Regional Manager at Zahid Tractor and Heavy Machinery Company Limited (2012-2017) Regional Sales Manager at Zahid Tractor and Heavy Machinery Company Limited (2009-2012) 	<ul style="list-style-type: none"> Bachelor's degree in Economics from Brown University, Providence.

Name	Current Positions	Previous Positions and Experience	Qualifications
	<ul style="list-style-type: none"> Member of the Board of Zahid Group Holding (MENA) Limited (UAE). Member of the Board of Zahid Tractor & Heavy Machinery (MENA) Limited (UAE) Member of the Board of TGI MENA Trading FZE (UAE) Member of the Board of Z5G Holding LLC (Cayman Islands) Member of the Board of AJIL Financial Services Company. Chairman of the Executive Committee for AJIL Financial Services Company. 		
Mr. Majid Al-Osailan (Member)	<ul style="list-style-type: none"> Chairman of the Board of the NIZAK Mining Company CEO of City Cement Company. Member of the Board of City Cement Company. Member of the Executive Committee for City Cement Company. Vice-Chairman of the Board of ARTEX Industrial Investment Company. Member of the Board of the National Gas Distribution Company. Vice-Chairman of Green Solutions for Environmental Services Company. Vice-Chairman of Innovative Solutions for Environmental Services Company. Vice-Chairman of the National Committee of Cement Manufacturing. Member of the Board of AJIL Financial Services Company. Member of the Executive Committee for AJIL Financial Services Company. 	<ul style="list-style-type: none"> Chairman-of the Audit Committee for Al-Abdullatif industrial & investment (2022-2024) Member of the Risk Committee in ARTEX Industrial Investment Company (2022-2024) Chairman of the Energy and Environment Committee under the Saudi International Chamber of Commerce (ICC) (2021-2023) Member of the Saudi International Chamber of Commerce (ICC) (2021-2023) Deputy Chief Executive Officer at City Cement Company (2016-2019) Member of the Board of National Distribution Gas (CJSC) (2016-2019) Member of the Board of Saudi Makamin (2016-2019) Member of the Audit Committee for Murabaha Installments Company (2015-2016) Chief Finance & Administration Officer at City Cement Company (2014-2016) Chief Financial Officer at City Cement Company (2012-2014) Senior Relationship Manager at Riyadh Bank (2010-2012) 	<ul style="list-style-type: none"> Master's degree in Business Administration from International University of America Bachelor's degree in Administrative Science Accounting from King Saud University Certified Global Executive by INSEAD business school MISK (Prince Mohammed Bin Salman Foundation) 2030 Leaders Certificate in cooperation with (ESADE University Executive Programs, EY, MINERVA, Willis Towers Watson, Center for Creative Leadership)

Name	Current Positions	Previous Positions and Experience	Qualifications
Mr. Matar Al Khateeb (Member)	<ul style="list-style-type: none"> Chief Executive Officer at AJIL Financial Service Company Member of the Executive Committee for AJIL Financial Services Company. 	<ul style="list-style-type: none"> Member of the Audit Committee of Jeddah Chamber of Commerce (2019-2022) Member of the Risk Management and Credit Committee of AJIL Financial Service Company (2014-2020) Chief Financial Officer at AJIL Financial Services Company (2009-2016) Regional Manager Finance & Accounts at Zahid Tractor & Heavy Machinery Co. Ltd (2002-2009) 	<ul style="list-style-type: none"> Master's Degree in Political Sciences from Insitut D'Etudes Politiques, Aix-En-Provence, France

6.4.3 Executive Committee Meetings:

During 2024, the Executive Committee held five meetings. The following table details the Executive Committee meetings' attendance:

#	Name	9 Jan 2024	31 Jan 2024	23 Jul 2024	3 Nov 2024	25 Nov 2024	Total	Attendance Rate
1	Mr. Haytham Zahid	✓	✓	✓	✓	✓	5	100%
2	Mr. Majid Al-Osailan	✓	✓	✓	✓	✓	5	100%
3	Mr. Matar Al Khateeb	✓	✓	✓	✓	✓	5	100%

6.5 Shariah Committee:

The primary role of the Shariah Committee is to ensure that AJIL's products comply with the Islamic Shariah Principles. AJIL outsourced the Shairah governance activities to Almarjea, a specialized Shariah governance service provider.

6.5.1 Shariah Committee Composition:

#	Name	Position	Classification
1	Shaikh Dr. Mohammed Abdullah Bu Tayban	Chairman	Independent
2	Sheikh Dr. Irshad Ahmad Aijaz	Member	Independent

6.5.2 Shariah Committee Members' Qualification:

Name	Current Positions	Previous Positions and Experience	Qualifications
Shaikh Dr. Mohammed Abdullah Bu Tayban	<ul style="list-style-type: none"> Member of Shariah Committee of Riyadh Bank. Member of Shariah Committee of Khazna Finance Company. Member of Shariah Committee of Qwara Finance Company. Member of the Maraqi Association. 	<ul style="list-style-type: none"> Head of the Endowments Committee at the Chamber of Commerce. Executive Director of the Baqa Endowment Foundation. 	<ul style="list-style-type: none"> PhD in Comparative Jurisprudence - Higher Institute of Judiciary - Saudi Arabia. Masters in Comparative Jurisprudence - Higher Institute of

Name	Current Positions	Previous Positions and Experience	Qualifications
	<ul style="list-style-type: none"> Vice President of the Raso Association for personal development. Supervisor of Partnerships - Prince Miteb bin Abdulaziz National Foundation 		<ul style="list-style-type: none"> Judiciary - Saudi Arabia. Bachelors in Sharia - Imam Muhammad bin Saud Islamic University - Saudi Arabia.
Sheikh Dr. Irshad Ahmad Aijaz	<ul style="list-style-type: none"> Member, AAOIFI Shariah Board. Chairman of Shariah Advisory Board of State Bank of Pakistan. Chairman of Shariah Advisory Board of Securities and Exchange Commission of Pakistan. Chairman of Shariah Advisory Board of BankIslami Pakistan Limited. Member of Shariah Advisory Board of Standard Chartered Pakistan. Member of Shariah Advisory Board of Bank Makramah Pakistan.(Summit bank) Member of Shariah Advisory Board of Kazakhstan Ijara Company. Chairman of Shariah Advisory Board of Fuel Financing. Member of Shariah Advisory Board of Etamed Financing. Shariah Advisor for Shariah Review Bureau. Shariah Advisor for Al Hilal Shariah Advisors. 	<ul style="list-style-type: none"> Member of Shariah Advisory Board of Meethaq Islamic Banking, Bank Muscat. Member of Shariah Advisory Board of Barakah Properties, Australia Shariah Advisor for Allied Rental Modarabah. 	<ul style="list-style-type: none"> PhD in Islamic Studies, Sheikh Zayed Islamic Center, University of Karachi, Pakistan Masters in business administration, Iqra University, Pakistan. Specialization in Fiqh and Fatwa, Dar Al Uloom University, Pakistan. Bachelors in Arabic and Islamic Studies, Dar Al Uloom University, Pakistan.

6.5.3 Shariah Committee Meetings:

During 2024, the Shariah Committee held two meetings. The following table details the Shariah Committee meetings' attendance:

#	Name	30 Sep 2024	31 Dec 2024	Total	Attendance Rate
1	Shaikh Dr. Mohammed Abdullah Bu Tayban	✓	✓	2	100%
2	Sheikh Dr. Irshad Ahmad Aijaz	✓	✓	2	100%

7- Executive Management

The Executive Management Members are responsible for managing the daily activities of the company and proposing and executing strategic decisions.

7.1 Executive Management Composition:

The composition of the Executive Management of the company during the year ended 2024 was as follows:

#	Name	Position
1	Mr. Matar Mohammad Al Khateeb	Chief Executive Officer
2	Mr. Naief Nihad Arab	Chief Operating Officer
3	Mr. Muhammad Shah Zeb Khan	Acting Chief Financial Officer

7.2 Changes to Executive Management Composition:

The revised Executive Management composition effective from 24 August 2024 is as follows:

#	Name	Position
1	Mr. Matar Mohammad Al Khateeb	Chief Executive Officer
2	Mr. Naief Nihad Arab	Chief Operating Officer
3	Mr. Mohammed Abubaker Bagabir	Chief Financial Officer

7.3 Executive Management Qualifications:

Name	Current Position	Previous Position and Experience	Qualifications
Mr. Matar Al Khateeb (Chief Executive Officer)	<ul style="list-style-type: none"> Chief Executive Officer at AJIL Financial Services Company Member of the Executive Committee of AJIL Financial Services Company 	<ul style="list-style-type: none"> Member of the Audit Committee of Jeddah Chamber of Commerce (2019-2022) Member of the Risk Management and Credit Committee of AJIL Financial Service Company (2014-2020) Chief Financial Officer at AJIL Financial Services Company (2009-2016) Regional Manager Finance & Accounts at Zahid Tractor & Heavy Machinery Co. Ltd (2002-2009) 	<ul style="list-style-type: none"> Master's Degree in Political Sciences from Institut D'Etudes Politiques, Aix-En-Provence, France
Mr. Naief Arab (COO)	<ul style="list-style-type: none"> Chief Operating Officer at AJIL Financial Services Company Member of the Risk Management and Credit Committee of AJIL Financial Services Company Secretary of the Board of Directors of AJIL Financial Services Company Member of the Audit & Risk Committee for Sunbulah Group Chairman of the SME Committee for financing 	<ul style="list-style-type: none"> Head of Treasury & Funding at AJIL Financial Services Company (2016-2018) Risk & Treasury Manager at AJIL Financial Services Company (2016-2016) Head Of Compliance at AJIL Financial Services Company (2013-2016) Team Leader (Corporate Banking Group) at National Bank of Kuwait (2009-2013) Senior Relationship Manager (Corporate Banking Group) at Bank Al-Jazira (2008-2009) 	<ul style="list-style-type: none"> Bachelor's degree in Finance from Bentley University, USA

Name	Current Position	Previous Position and Experience	Qualifications
	companies (a subcommittee formed by the Executive Committee for financing companies).	<ul style="list-style-type: none"> Relationship Manager (Corporate Banking Group) at Arab National Bank (2006-2008) Relationship Manager (Corporate & Investment Banking Group) at Samba Financial Group (2002-2005) 	
Mr. Mohammed Bagabir	<ul style="list-style-type: none"> Chief Financial Officer at AJIL Financial Services Company 	<ul style="list-style-type: none"> Head of Basel & Regulatory Reporting at Bank Aljazira (2021-2024) Senior Manager Basel & Regulatory Reporting at Bank Aljazira (2021-2021) Basel & Regulatory Reporting Manager at Bank Aljazira (2018-2021) MSME Relationship Manager at Bank Alrajhi (2015-2018) Business Analyst in Corporate Banking at Bank Alrajhi (2014-2014) 	<ul style="list-style-type: none"> Master's Degree in Accounting & Finance from Oxford University, UK Bachelor's degree in Accounting & Finance from Oxford University, UK Chartered Accountant by the Institute of Chartered Accountants England & Wales (ICAEW). Chartered Accountant by the Institute of Chartered Certified Accountants (ACCA) - UK.

7.4 Senior Management:

The Senior Management members are responsible of managing the company's functions and departments, the composition of the Senior Management of the company during the year ended 2024 was as follows:

#	Name	Position
1	Mr. Roshantha Pathmaperuma	Head of Corporate Lease Business
2	Ms. Kawther Elahi	Head of Credit
3	Ms. Amani Bamousa	Head of Compliance
4	Mr. Hattan Alhamdan	Head of Risk Management
5	Ms. Eilaf Dawood	Head of Internal Audit
6	Mr. Muhammad Khurram Sheikh	Advisor Finance and Business Development
7	Mr. Nedal El Kafrawy	Advisor Quality Control
8	Mr. Omar Milaih	Head of Information Technology
9	Mr. Majid Khodary	Chief Information Security Officer
10	Ms. Sarrah Kattan	Head of Human Resources
11	Ms. Alaa Halwani	Manager Customer Care

8- Internal Control

The Board of Directors and Executive Management are responsible for the design and implementation of the internal control system. All AJIL employees are ultimately responsible for operating and maintaining an effective internal control system at their respective levels.

8.1 Risk Management:

AJIL is applying its Risk Management Framework to identify, manage, measure, and report all potential risks, ensuring that the level of risk taken by the company is consistent with shareholders' expectations and the company's strategic objectives.

As a financing company, credit risk is one of the company's main risks. As a result of the strict enforcement of the company's Collection Policy, the performance of the credit portfolio continues to improve, resulting in a Non-Performing Loans (NPL) ratio of 3.5% as of 31st December 2024 (31st December 2023: 7.7%). As part of its continuous improvement process, the company is currently reviewing and updating its Credit Policy and Credit Scoring Model to further enhance its processes and controls related to the credit evaluation, review, approval, and credit risk mitigation of credit transactions.

From a liquidity standpoint, the company has access to adequate and diversified funding sources, including Musharaka-based lines, securitization, and short and medium-term loans to meet its short and long-term funding needs. In addition, the company is currently reviewing and updating its liquidity risk management framework, which aims to identify, measure, monitor, and control the company's liquidity risk exposures under both normal business operations and stressed scenarios.

In alignment with the company's strategic objectives, the company continues to invest in its cyber security and business continuity controls and infrastructure to ensure its readiness for digital transformation. In 2024, the company successfully tested its Business Continuity and Disaster Recovery Plans to confirm its preparedness and ability to swiftly recover its operations in the event of a disaster.

8.2 Compliance and Anti Money Laundering:

8.2.1 Compliance:

AJIL established an independent Compliance Department that reports directly to the Audit Committee. The Compliance Department is responsible for ensuring the company's compliance with the financing laws and regulations by following a Compliance policy and a Compliance Program that are updated annually to cover the following:

- Identifying and dealing with all compliance risks and monitoring all relevant developments;
- Analyzing new procedures, policies, operations and suggesting the procedures to address relevant compliance risks;
- Following a compliance program and including its findings in a quarterly compliance report;
- Promoting awareness of compliance issues and providing training for employees on compliance related matters through periodic programs; and
- Reporting any irregularities and/or violations promptly to SAMA and the Audit Committee.

8.2.2 Anti-Money Laundering & Counter Terrorism Financing:

AJIL's Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) function is established as part of the company's Compliance Department. AJIL established this function to combat money laundering and terrorism financing activities by setting a number of controls that assess and mitigate

the related risks and ensure the company's compliance with the relevant laws and regulations. AML/CTF major controls are as follows:

- AML/CTF Policy.
- Customers' AML/CTF Risk Assessment and rating Model.
- Know Your Customers procedures.
- Know Your Vendor procedures.
- Customers' Due Diligence and Enhanced Due Diligence procedures.
- Monitoring of high risk transactions from AML/CTF prospective.
- Customers' screening against UN sanction lists.

8.3 Internal Audit:

The Internal Audit function is independently and actively supporting AJIL's identification, evaluation and mitigation of risks, and serving as a proponent for internal controls and its continuous improvement. AJIL's Internal Audit reports independently to the Audit Committee in order to provide the Board of Directors with an objective assurance regarding the adequacy and effectiveness of risk management, internal controls, and governance processes.

The Internal Audit carries out its functions in accordance with the annual audit plan approved by the Audit Committee and adopts a risk-based approach in executing the audit plan, focusing on Credit Risk & Administration, Customer Care, Compliance, and Risk Management functions.

AJIL's Internal Audit submits quarterly reports to the Audit Committee that summarize the status of executing the internal audit plan, the findings noted during the audit reviews along with the audit recommendations, the management corrective measures and its target implementation date. The Internal Audit also monitors the implementation of audit recommendations through quarterly follow-up reviews in order to assure that the identified risks and control measures have been addressed by the management in an effective and timely manner.

8.4 Effectiveness of the Internal Control Environment:

The Board of Directors reviews the periodic reports issued by the Board Committees, Executive Management and Control Functions. We are pleased to advise that nothing has come to the attention of the Board of Directors that causes it to believe that the system of internal control has not been properly designed or implemented.

The Board is of the opinion that the controls, organizational structure, policies, and procedures that constitutes the current Internal Control Environment are 'sufficient' and continuously monitored and updated in order to manage any changes or developments to improve its effectiveness.

9- Declarations

9.1 Board Assurance:

The Board of Directors, with reference to the year ending on 31 December 2024, confirms that:

- Proper books of accounts have been maintained and the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and circulars issued by the Saudi Organization for Certified Public Accountants (SOCPA).
- All Internal Audit recommendations have been properly implemented or are being implemented.
- There is no doubt over AJIL's ability to continue as a going concern in the foreseeable future.
- During the year 2024, the company did not pay any fine and/or penalties for violations/non-compliance of applicable laws and regulations except for the following:

Subject of the Violation	Previous Fiscal Year		Current Fiscal Year	
	Number of Executive Decisions	Total Amount of Fines (in SAR)	Number of Executive Decisions	Total Amount of Fines (in SAR)
Violation of SAMA's Supervisory and Control Instructions	-	-	2	200,000
Violation of SAMA's Customers' Protection Instructions	-	-	-	-
Violation of SAMA's Anti-Money Laundering and Counter Terrorism Financing Due Diligence	-	-	-	-
Violation of Ministry of Human Resources Regulations	-	-	-	-
Violation of Ministry of Commerce Regulations	-	-	-	-

9.2 Related Parties Transactions

The company deals with certain related parties during its normal course of business. The Board of Directors and management ensure that related parties' transactions pricing and terms are conducted on commercial terms and on arm's length basis. The following table details the contracts/businesses conducted with related parties during the fiscal year ended on 31 December 2024.

#	Service Provider	Nature of Service/Businesses	Value (SAR)	Term/Duration	Related Party Name
1	Riyad Bank	Financial Charges on Term Loan	8,598,669	12 Months	<ul style="list-style-type: none"> Riyad Bank, Shareholder (48.46%) Mr. Mohammad Abu Al-Naja, Vice Chairman Mr. Mohammed Al-Salah, Board Member
2	Riyad Bank	Borrowing of term loans	409,000,000	12 Months	<ul style="list-style-type: none"> Riyad Bank, Shareholder (48.46%) Mr. Mohammad Abu Al-Naja, Vice Chairman Mr. Mohammed Al-Salah, Board Member
3	Riyad Bank	Repayment of term loans	244,954,365	12 Months	<ul style="list-style-type: none"> Riyad Bank, Shareholder (48.46%) Mr. Mohammad Abu Al-Naja, Vice Chairman Mr. Mohammed Al-Salah, Board Member

#	Service Provider	Nature of Service/Business	Value (SAR)	Term/Duration	Related Party Name
4	Riyad Bank	Repayment against Musharaka	118,193,138	12 Months	<ul style="list-style-type: none"> Riyad Bank, Shareholder (48.46%) Mr. Mohammad Abu Al-Naja, Vice Chairman Mr. Mohammed Al-Salah, Board Member
5	Zahid Tractor & Heavy Machinery Co Ltd.	Services	761,840	12 Months	<ul style="list-style-type: none"> Mr. Usman Mahmood, Board Member Mr. Haytham Zahid, Board Member
6	Zahid Tractor & Heavy Machinery Co Ltd.	Purchase of leasing equipment	427,557,824	12 Months	<ul style="list-style-type: none"> Mr. Usman Mahmood, Board Member Mr. Haytham Zahid, Board Member
7	Zahid Travel Group	Travel services	125,928	12 Months	<ul style="list-style-type: none"> Mr. Usman Mahmood, Board Member Mr. Haytham Zahid, Board Member
8	Juffali Industrial Product Company	Purchase of leasing equipment	39,186,250	12 Months	<ul style="list-style-type: none"> Khaled Ahmed Al Juffali Company Shareholder (5%)
9	EJAR Machinery Rental Alternative Co. Ltd.	Purchase of leasing equipment	2,768,280	12 Months	<ul style="list-style-type: none"> Mr. Usman Mahmood, Board Member Mr. Haytham Zahid, Board Member
10	The Machinery Group LLC (TAMGO)	Purchase of leasing equipment	17,977,684	12 Months	<ul style="list-style-type: none"> Mr. Usman Mahmood, Board Member Mr. Haytham Zahid, Board Member
11	Saudi Company for Site Technology Ltd.,	GPS installation services	78,022	12 Months	<ul style="list-style-type: none"> Mr. Usman Mahmood, Board Member Mr. Haytham Zahid, Board Member
12	AL TAAQA Alternative Solutions Company Limited	Purchase of leasing equipment	687,125	12 Months	<ul style="list-style-type: none"> Mr. Usman Mahmood, Board Member Mr. Haytham Zahid, Board Member
13	Riyad Capital	Musharka financing arrangements	27,616,094	12 Months	<ul style="list-style-type: none"> Riyad Bank, Shareholder (48.46%) Mr. Mohammad Abu Al-Naja, Vice Chairman Mr. Mohammed Al-Salah, Board Member
14	United A Maintenance and Cleaning Company	Services	346,035	12 Months	<ul style="list-style-type: none"> Mr. Naief Nihad Abdullah Arab, COO & Secretary of the Board of Directors

9.3 Remuneration

The remuneration of the members of the Board and its committees and the top five Executive Management members (including CEO and CFO) during the year was as follows:

#	Member Name	Position	Fixed Remuneration (SAR)	Meeting Attendance Fee (SAR)	Total Remuneration (SAR)
1	Mr. Ali Alireza	Chairman of the Board – non-executive up to 6 October 2024	114,754	-	114,754
2	Mr. Mohammed Abu Al-Naja	Vice Chairman of the Board – non-executive	150,000	-	150,000
3	Mr. Mohammed Al-Salah	Board Member – non-executive	150,000	-	150,000
4	Mr. Usman Mahmood	Board Member – non-executive	150,000	-	150,000
5	Mr. Haytham Zahid	Board Member – non-executive	150,000	-	150,000
Total Remuneration of Non-Executive Board Members			714,754	-	714,754
1	Mr. Amr AlKabbani	Chairman effective 1 December 2024	150,000	-	150,000
2	Dr. Faisal Baassiri	Member	150,000	-	150,000
3	Mr. Majid Al-Osailan	Member	150,000	-	150,000
Total Remuneration of Independent Board Members			450,000	-	450,000
Total Remuneration of Board of Directors			1,164,754	-	1,164,754

#	Member Name	Position	Fixed Remuneration (SAR)	Meeting Attendance Fee (SAR)	Total Remuneration (SAR)
1	Mr. Amr AlKabbani	Chairman of the Audit Committee up to 26 November 2024	35,956	30,000	65,956
2	Mr. Tariq Zaino	Member of the Audit Committee	40,000	30,000	70,000
3	Mr. Mohammed Al-Fadhel	Member of the Audit Committee	40,000	30,000	70,000
Total Remuneration of the Audit Committee			115,956	90,000	205,956
1	Dr. Faisal Baassiri	Chairman	30,000	20,000	50,000
2	Mr. Mohammed Zaher Al Munajjed	Member	30,000	20,000	50,000
3	Mr. Amr AlKabbani	Member	30,000	20,000	50,000
Total Remuneration of the NRC			90,000	60,000	150,000
1	Mr. Abdulrahman Al-Zuwaidi	Chairman of the RMCC	30,000	20,000	50,000
2	Mr. Mahmood Kamel	Member of the RMCC	30,000	20,000	50,000
3	Mr. Mohammed Barig Ahmed Siraj	Member of the RMCC	30,000	20,000	50,000
4	Mr. Naief Arab	Member of the RMCC	30,000	20,000	50,000
Total Remuneration of the RMCC			120,000	80,000	200,000
1	Mr. Haytham Zahid	Chairman of the Executive Committee	30,000	25,000	55,000
2	Mr. Majid Al-Osailan	Member of the Executive Committee	30,000	25,000	55,000
3	Mr. Matar Al Khateeb	Member of the Executive Committee	30,000	25,000	55,000
Total Remuneration of the Executive Committee			90,000	75,000	165,000
1	Shaikh Dr. Mohammed Abdullah Bu Tayban	Chairman of the Shariah Committee	133,500	-	133,500
2	Sheikh Dr. Irshad Ahmad Aijaz	Member of the Shariah Committee			
Total Remuneration of the Shariah Committee * Shariah Committee remuneration is inclusive of the cost of Shariah Governance and Annual Review.			133,500	-	133,500
Total Remuneration of the top five Executive Management members (including CEO and CFO)					7,425,399

9.4 Corporate Social Contributions:

During 2024, AJIL executed the following Corporate Social Contribution programs:

#	Program Name	Program Details	Total Cost
1	Sponsorship of Orphans	In association with EL-Wedad Charity, AJIL sponsored 12 orphaned children for one year.	SAR 43,200
2	Donations via Ehsan Platform	AJIL also participated in general donations initiatives via Ehsan Platform to support the following cases: <ol style="list-style-type: none"> 1- Providing warm clothes for families in need. 2- Treatment and rehabilitation of people with disabilities. 3- Food baskets for families in need 	SAR 56,800

In addition, AJIL continued to consider social, economical and environmental issues while designing its financing products to be a valuable contributor to the society.

9.5 Applicable Laws:

AJIL adheres to the provisions of all applicable laws, rules and regulations including but not limited to the following:

- Companies' Law
- Finance Companies Control Law
- Implementing Regulations of Finance Companies Control Law
- Finance Lease Law
- Implementing Regulations of Finance Lease Law
- Key Principles of Governance in Financial Institutions
- Anti-Money Laundering Law

9.6 General Assembly Meetings:

Two Ordinary General Assembly meetings (OGM) were held during 2024. The following is the list of Board members who attended the meetings:

General Assembly Meeting Date	General Assembly Meeting Type	Board Member Name	Board Member Capacity
30 May 2024	Ordinary	Mr. Amr AlKabbani	Member of the Board
17 October 2024	Extraordinary	Dr. Faisal Baassiri	Member of the Board

10- Looking Ahead

As we reflect on a successful year, 2024 has been a milestone for AJIL, marked by the achievement of our business goals, exceeding profitability targets, and meeting our risk management objectives, resulting in a healthier receivables portfolio. This strong performance reinforces our commitment to sustainable growth and financial excellence.

Looking ahead, 2025 will be a pivotal year as we move from strategy to execution. Having selected our technology partners, we are set to implement cutting-edge solutions aimed at digital onboarding and financing for SME customers. This digital transformation milestone will mark a significant leap forward in our mission to provide seamless, efficient, and technology-driven financial services, reinforcing our strengths in the evolving financial landscape.

Aligned with Vision 2030, we remain steadfast in our commitment to supporting SMEs as a key driver of the Kingdom's economic growth. As an enabler of SME success, we continue to provide solutions that empower businesses to thrive and contribute to the nation's economic development.

Furthermore, we anticipate continued momentum with rising demand for financing across various sectors of the economy. Our focus remains on driving business expansion, increasing revenues, and enhancing net income, capitalizing on opportunities from both our existing clientele and new customers in the market. With a solid foundation and a clear strategic vision, we are well-positioned to sustain our success and navigate the evolving financial landscape.

The Board of Directors sincerely appreciates the esteemed leadership of the Kingdom of Saudi Arabia. We extend our deepest gratitude to The Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al-Saud, and His Royal Highness, Crown Prince Mohammed bin Salman bin Abdulaziz Al-Saud, for their visionary leadership and unwavering commitment to progress.

We are also grateful to the Saudi Central Bank (SAMA), the Ministry of Commerce (MOC), and the Zakat, Tax, and Customs Authority (ZATCA) for their continued support and contributions to the growth of our sector.

Furthermore, we extend our heartfelt thanks to our shareholders and business partners for their trust, loyalty, and ongoing support. The Board also acknowledges AJIL's Management team for their dedication, professionalism, and invaluable contributions to the company's achievements.

May Allah guide us on our path and bless our efforts in realizing our vision of becoming the leading financial services institution in Saudi Arabia.

Board of Directors
AJIL Financial Services Company