



Annual Report

Sustainable Development Strategy

2025
هـ 1447-1446



“Quara Finance”, a leading Saudi Company
in Providing Innovative Sharia-Compliant
Financing Services and solutions

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

The Board of Directors of Quara Finance is pleased to present its annual report for the fiscal year ended December 31, 2025. This report includes the annual financial statements, along with an overview of the company's business and developments throughout the year. It also outlines the composition of the Board of Directors and its committees, highlighting the most significant changes and achievements realized by the company during 2025.



Custodian of the Two Holy Mosques

الملك محمد بن سلمان بن عبدالعزيز آل سعود

May Allah protect him.



His Royal Highness Prince

محمد بن سلمان بن عبدالعزيز آل سعود

Crown Prince and Prime Minister

May Allah protect him.



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Chairman's Statement

Dear Honorable Shareholders,

It is my pleasure to present the Company's annual report for the fiscal year 2025, which marks our first full operational year following the listing on the Parallel Market (Nomu). This year represents a significant milestone in the Company's journey, as we transitioned from a phase of transformation to a stage of consolidating our position and enhancing sustainability.

The year 2025 witnessed a strong launch for the Company's operations, supported by a clear vision and an integrated strategy aimed at providing innovative financing solutions that meet the needs of individuals, while maintaining a steadfast commitment to implementing best practices in governance and rational management. Through our investment in advanced financial technologies and the enhancement of operational efficiency, we have succeeded in establishing the foundations for sustainable growth, enabling the Company to deliver added value to both our shareholders and clients.

In light of rapid economic shifts, the Company continued its efforts throughout the year to strengthen operational flexibility and adapt to changes, focusing on diversifying its financing portfolio and expanding its service range. We also worked on fostering strategic partnerships across various sectors, contributing to our direction toward achieving sustainable growth and enhancing our competitiveness in the market.

The finance sector is one of the thriving industries in the Kingdom of Saudi Arabia, experiencing accelerated growth driven by the increasing demand for flexible and innovative financing solutions. This growth aligns with the objectives of Saudi Vision 2030, which places the development of the financial sector as one of its primary pillars. In this context, the Company continues to focus on growing its business in the retail financing sector by offering flexible solutions that meet customers' financial needs and keep pace with market developments.

In conclusion, I extend my sincere thanks and appreciation to our esteemed shareholders, Board members, Executive Management, and all employees for their hard work, dedication, and unwavering commitment to achieving the Company's goals. I also express my deep gratitude to our shareholders, partners, and clients for their continuous support, and we look forward to continuing our journey of growth and excellence in the coming years.

Chairman of the Board
Abdullah bin Abdulrahman AlShilash

01

Executive Summary

Board Members



Board Chairman
Abdullah bin Abdulrahman AlShilash



Deputy Chairman
Abdulkarim bin Abdulaziz Aldoaiji



Board Member
Khalid bin Mohammed Fagih



Board Member
Mohammed bin Misfer Al-Malki



Board Member
Abdulrahman bin Abdulaziz Al Misned



Board Member
Tarek bin Sami Zeitoun



Board Member
Anand Sudarshan Raheja

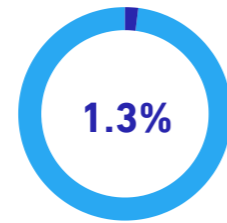
Key Financial Performance Indicators for 2025



Total financing provided by the company in 2025G

685.5

Million ₹



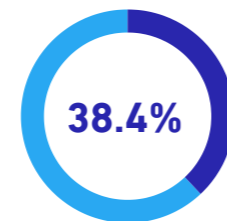
Increase in total financing compared to 2024G



Total Annual Revenue for the Year 2025

259.3

Million ₹



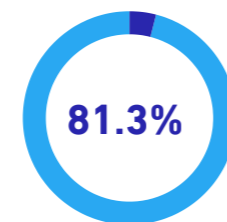
Annual Revenue Growth Rate compared to 2024



Total Annual Net Profit for the Year 2025

8.1

Million ₹



Annual Net Profit Decrease Rate compared to 2024

Key Operational Performance Indicators for 2025



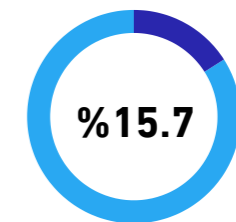
Number of Financing Programs Provided by the Company for the Year 2025

2



Number of Beneficiaries in the Retail Sector for the Year 2025

135.601



Growth Rate of Retail Sector Beneficiaries compared to 2024

Company Plans and Decisions in 2025G



The company's journey during 2025G witnessed a major development on all the following levels:

01 Institutional level

During 2025, the Company witnessed significant institutional development, characterized by the continuous expansion and diversification of its partnerships. The number of active partnerships surpassed 1,000 partners across several vital sectors, most notably: electronics, furniture, travel and tourism, and the medical sector, including one-day surgery procedures. The Company continues to target additional sectors to further diversify its partnership portfolio and support sustainable growth.

In the context of digital transformation, the number of customers benefiting from the Company's services has exceeded one million since the launch of the digital transformation and the "Quara Finance" platform. Furthermore, 2025 saw an increasing demand for the Company's digital solutions, with more than one million customers applying for financing through the "Quara" app during the year. This reflects growing customer trust and the effectiveness of the digital platform in meeting their financing needs.

02 Financial and operational level

In 2025G, the Company successfully implemented one of its key operational strategies by developing a comprehensive mechanism and plan to train partners' employees on executing various operational procedures, from receiving customers and promoting Quara products to completing delivery processes within branches. This approach contributed to enhancing operational efficiency and achieving a remarkable reduction in operating costs.

In this context, the Company continues to monitor sales performance on a daily basis through specialized teams, while also focusing on attracting new success partners. These efforts support the continuity of the Company's operations and strengthen its ability to achieve sustainable long-term growth.

03 Prospects and Future Plans

Quara continues to implement its development strategy aimed at achieving further growth by launching and expanding a range of innovative financing solutions that meet the needs and requirements of its customers in both the individual sector and the small and medium enterprises (SME) sector.

This comes in parallel with the Company's strategic direction toward attracting additional investors, particularly in the financial and digital sectors, as well as sectors that support the programs of Saudi Arabia's Vision 2030. These efforts strengthen the Company's position and support its future expansion.

02

Our Story

Sustainable
Development
Journey

Sustainable Development Journey

Incorporation and Milestones

2009

Quara Finance Company was initially established as a limited liability company under the name "Maalem Installment Company", where the company's capital upon establishment amounted to three million (3,000,000) Saudi ٮ.

2012

The partners decided to increase the company's capital from three million 3,000,000 Saudi ٮ to thirty million 30,000,000 Saudi ٮ, by transferring part of the partners' current account equivalent to twenty-seven million 27,000,000 Saudi ٮ, according to the auditor's certificate issued on 03/12/2012G. The partners also decided to amend the value of the share to become ten 10 Saudi ٮ.

2020

The Extraordinary General Assembly approved increasing the company's capital from one hundred and fifty million (150,000,000) ٮ to three hundred million 300,000,000 Saudi ٮ.

2013

The partners decided to convert the company from a limited liability company to a closed joint stock company and increase the company's capital to reach one hundred million (100,000,000) Saudi ٮ.

2017

The Extraordinary General Assembly approved amending Article Two of the company's Articles of Association in its name and amending it from Maalem Installment Company to Maalem Financing Company. This assembly also approved increasing the company's capital from one hundred million (100,000,000) Saudi ٮ to one hundred and fifty million 150,000,000 Saudi ٮ.

2021

The Extraordinary General Assembly approved amending Article Two of the company's bylaws to change the company name from Maalem Financing Company to "Quara Financing Company".

2024

Obtaining the approval of the Capital Market Authority to offer the Company's shares for public subscription and listing the Company on the Saudi Parallel Market (Nomu) on Tadawul.

2025

Quara Finance continued in 2025G to strengthen its role in providing innovative financing solutions, drawing on its expertise in the financing sector and leveraging the rapid growth of financial technology services, supported by increasing regulatory efforts to develop the sector's infrastructure. The Company focuses on offering Sharia-compliant financing solutions that meet the needs of individuals and support the business growth of enterprises.

Throughout the year, the Company continued investing in the development of its technological infrastructure and enhancing innovation within its operational processes. These efforts contributed to accelerating the assessment of financing applications and improving the overall customer experience. Quara also continues to implement its strategic vision aimed at solidifying its position as a leading provider of innovative financing solutions in the Kingdom of Saudi Arabia, keeping pace with technological advancements and meeting the evolving expectations of its customers.



Vision

To be a pioneer in providing innovative financial solutions and optimal option for individuals and institutions.



Mission

To provide financing products that suit the needs of individuals and entities, through high-performance institutional transactions, using the latest systems in accordance with the provisions of Islamic Sharia.

Company Main Activities

The company operates under Commercial Registration No. (1010262141), dated 09/02/1430H (corresponding to 04/02/2009G). The company's activity, according to the commercial registration of the main branch, is consumer finance, financing small and medium enterprises, and financial leasing. The company operates under a license issued by the Saudi Central Bank No. (45/A SH/201605), dated 02/08/1437H. This license was renewed for five years to end on 29/07/1452H. The purpose of the company, as stated in the Articles of Association, is to finance companies and individuals in accordance with the provisions of the Companies Law, the Finance Companies Control Law and its implementing regulations, related regulations, and instructions issued by the competent authorities, including the Saudi Central Bank. "Quara Finance" constantly focuses on providing financing products that are compatible with Islamic Sharia and seeks to develop innovative products and expand its customer base through building collaborative strategic partnerships.

The company classifies its target customer segments from the financing products it provides to the Saudi market into three main sectors:

01 Public sector employees:

military employees and retired employees in government agencies and bodies and other sectors of the state.

02 Private sector employees

03 Small and medium enterprises

The company strives to provide innovative and flexible financing solutions through multiple channels to efficiently and easily meet their needs. This is done through the following:

- **Digital platforms**

The Company has developed integrated digital platforms the most distinguished of which is the Application that enables customers to submit their finance applications and complete procedures quickly and easily from anywhere and at any time, while ensuring a smooth and secure experience that enhances the service efficiency and customer experience quality.

- **Authorized partners**

The Company has succeeded in establishing a network of authorized sales partners across strategic locations in various regions of the Kingdom of Saudi Arabia, allowing customers to easily access financing services and supporting the Company's expansion and geographical coverage.

Company Trademarks

The Company owns two (2) registered trademarks used in its commercial transactions, both of which have been officially registered with the Saudi Authority for Intellectual Property under Class (36), which covers insurance services, financial services, and real-estate affairs. These two trademarks have been granted the necessary legal protection in accordance with the trademark regulations in force in the Kingdom, allowing the Company to use them on its products, as well as on the exterior façades of its buildings, offices, and affiliated points of sale.

Innovative Programs and Products

“Quara Finance” provides a range of innovative services, solutions and programs that cover the needs of a wide range of beneficiaries, each according to their requirements and ability to meet the financing conditions.

First | Financing individuals

It is an innovative program that provides Saudi and resident customers, who meet the conditions, with cash liquidity of up to 50,000 Saudi ر, in installments that extend to 5 years, and without a guarantor or salary transfer.

Number of customers who applied for financing through the Quara App during 2025G reached 1,230,000 customers.

In the individual-financing segment, customers are primarily acquired through marketing campaigns carried out across social media platforms and digital channels, which help enhance direct reach and increase awareness of the financing solutions offered.

During 2025G, the company carried out several promotional campaigns in collaboration with specialized digital-marketing firms through in-app advertising, including Axponant and 14Dot. Approved promotional materials were used within designated advertising spaces inside these applications, supporting the attraction of new customers for individual-financing products.

The Company also used direct communication channels with customers by establishing in-site promotional points, including a promotional booth inside Al Qasr Mall, aimed at strengthening direct engagement with customers and providing the necessary information about individual-financing solutions.

On the digital-channel side, the company launched advertising campaigns across several applications and online platforms, including Jahez, Noon, OpenSooq, and Wala Plus, with the goal of expanding the individual-financing customer base and enhancing the digital presence of the Company's services.

Second | Purchase Financing

The Company provides purchase-financing solutions to customers, both citizens and residents, with financing amounts ranging from 1,500 Saudi ر to 30,000 Saudi ر, depending on the commercial partner, with repayment periods of up to three years. In 2025G, the Company introduced an extended repayment option of up to 42 months as a competitive advantage, enhancing the flexibility of its financing solutions and meeting customer needs.

As part of expanding its purchase-financing activities, the Company worked during 2025G to establish and activate several strategic partnerships with major commercial entities in the electronics, electrical appliances, and technology sectors. Notable partners include Aleph, Hamad Abdullah Al-Manea Trading Company, Abdul Latif Jameel Electronics (REDSEA), and Sharaf DG. These partnerships contributed to expanding the scope of purchase financing and increasing the Company's presence through a diverse network of points of sale across various regions of the Kingdom, supporting the customer experience and enhancing growth opportunities in this sector.



A Glance on the Company's Departments

Quara Finance is committed to implementing an advanced business strategy, according to an advanced organizational structure integrated with the best operational practices in the field of finance, considering the current market requirements and all its diverse customer segments. According to a comprehensive corporate governance framework.

01 Collection Department

The Collection Department is responsible for ensuring that the amounts due to the company from customers are collected according to the established mechanisms, which contributes to maintaining cash flow and enhancing financial sustainability. The department's tasks include following up and organizing debt collection operations, in addition to developing payment mechanisms and procedures and implementing them to ensure that dues are collected on time. The department also seeks to develop effective strategies for dealing with overdue debts to contribute to improving the performance of collection operations to maintain the company's financial stability and ensure the achievement of its financial goals.

02 Credit Department

The Credit Department is responsible for assessing and analyzing the creditworthiness of customers, with the aim of determining the extent of customers' ability to meet the amounts due. The department's tasks include studying and analyzing the financial data and credit history of customers to ensure that informed credit decisions are made that contribute to reducing the company's financial risks. The department also sets appropriate credit policies that are in line with the company's strategic objectives, while ensuring compliance with applicable laws and regulations. The Credit Department seeks to strike the balance between supporting the growth of the customer portfolio and achieving financial sustainability for the company, by providing appropriate credit solutions that contribute to strengthening the relationship with customers without affecting the integrity of the company's financial position.

Elements for maintaining the quality of the financing portfolio and reducing credit risks:

- | | |
|--|--|
| <p>01 Assessing the creditworthiness of customers.</p> | <p>02 Diversifying the financing portfolio.</p> |
| <p>03 Periodic following-up to re-evaluate the pledged collateral.</p> | <p>04 Continuous updating of credit policies to ensure gaps are identified and addressed</p> |

Credit Evaluation

Quara Finance is committed to applying an advanced methodology in the credit evaluation that includes a comprehensive analysis and evaluation of the creditworthiness and credit rating of customers to determine their capabilities and financial ability to pay installments on their due dates. It relies on a set of financial elements such as credit history, guarantees and assets that are used in making decisions to grant financing and determine appropriate terms.

The importance of credit evaluation lies in reducing credit risks to reduce the exposure rate so as to ensure the calculation of an appropriate monthly installment that is consistent with the customer's monthly income and does not impose additional burdens on the customer.

03 Compliance and Anti-Money Laundering and Combating the Financing of Terrorism Department

The Compliance and Anti-Money Laundering and Counter-Terrorist Financing Department operates as an independent unit responsible for ensuring the Company's adherence to the regulations, rules, and directives issued by supervisory and regulatory authorities. Its responsibilities include monitoring the compliance of executive departments, assessing non-compliance risks, and identifying any potential regulatory, financial, or reputational impacts on the company.

The Department also oversees financial transactions, monitors, analyzes, and reports suspicious activities, ensuring the integrity of financial transactions and preventing their use in illicit financing activities. In addition, it contributes to strengthening a culture of compliance across the Company.

04 Internal Audit Department

The Internal Audit Department is an essential part of the company's governance and an important pillar for enhancing integrity and transparency. The internal audit aims to evaluate the control systems and operational and financial processes to ensure compliance with regulations and standards, in addition to identifying risks and improving institutional performance through its independent and objective role. It also highlights opportunities for improvement and addresses any shortcomings that may affect the company's performance.

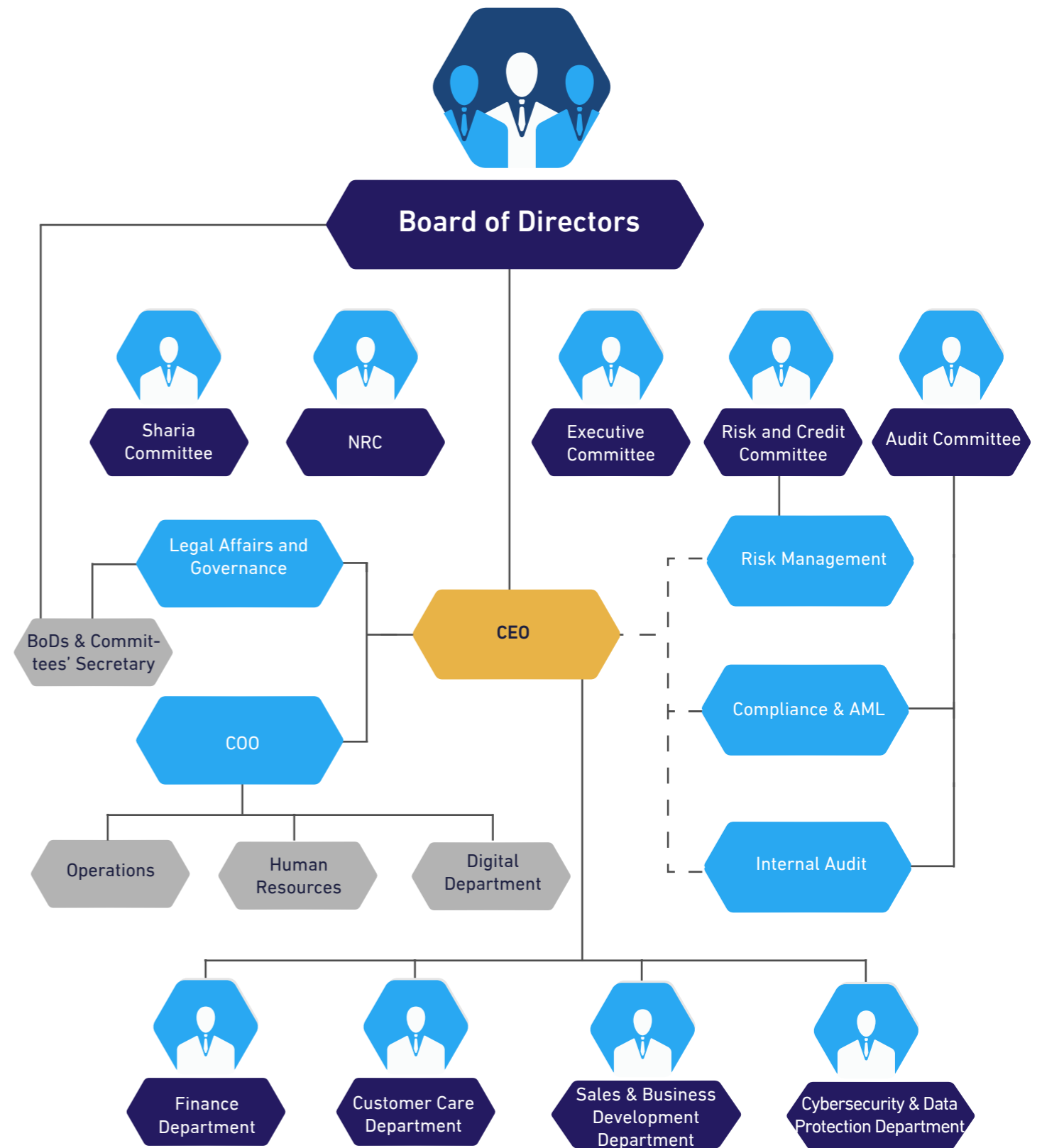
Geographical presence

Quara Finance continues to implement its expansion plan to deliver its innovative financing solutions and products across all regions of the Kingdom of Saudi Arabia. This is achieved through cooperation agreements with more than 1,000 stores and a network of up to 3,000 branches distributed throughout the Kingdom, ensuring the company remains close to its customer segments and able to meet their needs and requirements with the highest standards of quality, efficiency, and security.

This expansion is supported by multiple communication channels, including a toll-free number, a dedicated WhatsApp messaging line, and the Company's official email.



Organization Structure



03

Strategic Direction

Sustainable
Development
Pillar

Company Strategy

In pursuit of achieving sustainable growth across all financial and operational levels, Quara Finance Company implements a comprehensive development strategy aimed at strengthening its position as a leading digital financing company in the Kingdom of Saudi Arabia for individuals and small and medium-sized enterprises (SMEs). This is achieved through leveraging the latest financial technologies and providing innovative financing solutions that are compliant with Sharia principles.

Pillars of implementing the company's strategy

01 Providing Instant Digital Financing

The Company focuses on offering instant, paperless financing based on automation and digital transformation, enabling customers to obtain financing as quickly as possible with minimal requirements. To achieve this, the company has established a specialized technical team dedicated to developing and implementing advanced digital solutions that allow financing procedures to be completed without the need for physical documents and with minimal customer information.

Quara is also among the first companies to activate API integrations in the fintech sector, in addition to developing an advanced business-rules engine that enables instant creditworthiness assessment for customers.

02 Offering Innovative Products for Diverse Customer Segments

The Company is committed to focusing on its core activities by providing innovative, Sharia compliant financing products that meet the needs of various customer segments. The Company aims to expand its customer base by developing new solutions and strengthening collaborative partnerships with relevant entities.

03 Creating Sustainable Value for All Stakeholders

The company is dedicated to delivering added value to all stakeholders, including shareholders, customers, and employees, through close monitoring of key performance indicators. These include maintaining the quality of the credit portfolio, achieving balanced and sustainable portfolio growth, providing integrated digital financing solutions, controlling operating costs, and generating attractive returns on equity. Additionally, the company prioritizes attracting and retaining top talent.

The Company's Competitive Advantages

Quara Finance enjoys a set of competitive advantages that strengthen its position within the financing sector in the Kingdom of Saudi Arabia. The most notable include:

● Technological Readiness

The company has developed advanced technological solutions to support the growth of its digital-financing products. These include automating parts of the collection system, activating interactive voice-response (IVR) systems to serve customers around the clock, and developing an advanced engine for instant credit-worthiness assessment. These capabilities enable the company to launch new products within short timeframes and provide it with a strong competitive edge in the market.

● Professionally Developed Governance Structure, Policies, and Procedures

The company adopts an effective governance framework that includes specialized committees reporting directly to the Board of Directors. These committees work to define risk and return within the company's strategy, as well as identify, monitor, and manage potential risks. Quara also maintains a systematic credit framework and an integrated risk-management structure to ensure effective identification, monitoring, and mitigation of risks.

Among its strengths is the availability of multiple channels for financing-installment payments,

including the Company's dedicated electronic payment gateway and the option to add a credit card for automatic deductions from the customer's bank account. This is supported by a highly qualified collection team and automated communication systems, such as auto-dialing and SMS messaging, which contribute to high collection efficiency, lower delinquency rates, and improved asset quality.

● Broad and Unique Network of Partners Across Saudi Arabia

The company has an extensive network of partnerships in the customer-purchase-financing sector, collaborating with leading partners across multiple industries. This enables the Company to offer flexible financing solutions that meet customer needs across all regions of the Kingdom.

Strategic Partnerships

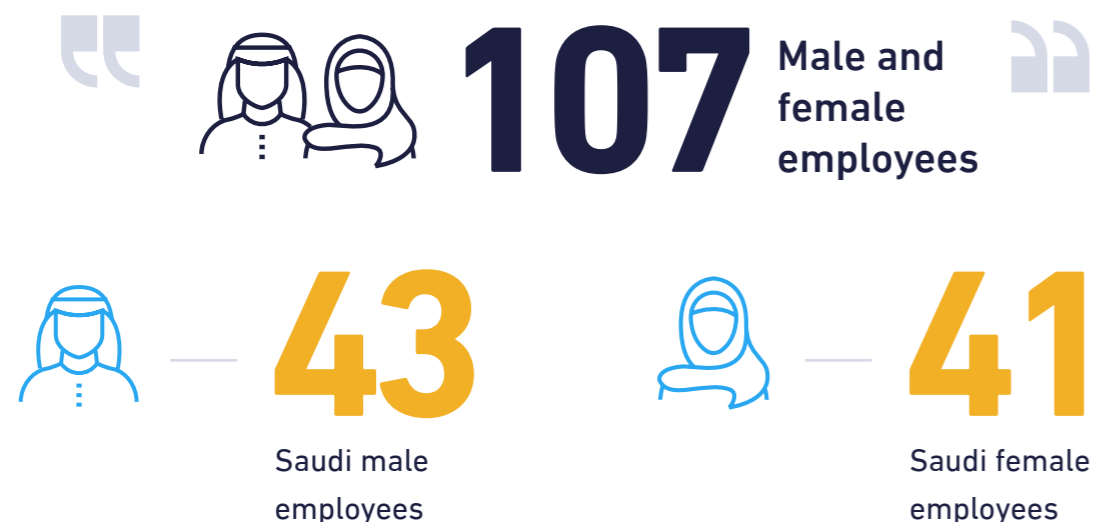
Aligned with its commitment to delivering the highest levels of value, quality, efficiency, and security to its customers, Quara Finance has successfully built a network of strategic partnerships with top providers of consumer products and services. These partnerships are selected based on high standards of quality and reliability, ensuring that the needs of diverse customer segments are met and that the financing experience is enhanced. This approach supports the company's strategic direction toward sustainable expansion and strengthens its presence in the digital-financing sector within the Kingdom.



04

Human Capital De- velopment

Human Capital Development Path



In line with its commitment to developing the work environment and raising production efficiency across all its work channels, Quara Finance Company strives to invest in attracting competencies and expertise from young Saudi talents, to raise their capabilities and refine their knowledge, and support them with a wide range of development programs, initiatives and training workshops that enable them to continuously raise their performance and enhance their ability to give and innovate. This contributes to enriching the local labor market with more jobs and real job opportunities with real competitive advantages, in an effort to enhance human development, one of the goals of the Kingdom's Vision 2030 programs. The following table shows the numbers and percentages of male and female employees in the company:

Statement	2023G	2024G	2025G
Number of Saudi male employees	49	43	43
Number of Saudi female employees	41	45	41
Number of non-Saudi employees	22	23	23
Total number of employees	107	111	107

Localization Program

The company is committed to implementing an integrated strategy to localize new jobs in its various departments and divisions, in addition to its continued commitment to replacing Saudi male and female employees at many of its job levels, which ensures the company's continued classification within the platinum range in the Nitaqat program at a rate of %80.99 at the company level in all its business sectors.

Excellent operational work environment

Quara Finance Company continues to apply an advanced, integrated methodology towards establishing a competitive and stimulating work environment, through which it endeavors to ensure job stability for all its employees at all levels, and to involve them in all the company's activities and events, from social, national and cultural events throughout the year, through which it ensures achieving the highest level of satisfaction with the services and programs provided by the company to all employees during the year.

Social Responsibility Initiatives

In line with its commitment to strengthening its leadership presence in the market for innovative financing solutions and programs, Quara Finance places great importance on its role in community development and on conducting its business responsibly toward its employees, customers, shareholders, and the broader society in which it operates. Building on this commitment, the company works to establish partnerships and launch impactful initiatives aimed at delivering added value to the community and supporting social programs, enhancing the sustainability of its positive impact and ensuring the continuity of its contributions in the future.





05

Sustainability

In the context of its commitment to implementing its comprehensive development strategy, through which it aims to achieve its strategic objectives by raising its operational and organizational efficiency according to a comprehensive corporate governance framework, “Quara Finance” is keen to integrate the concept of sustainability into all details of its business across all business sectors in the company, in a way that ensures its sustainability and growth according to the highest standards of efficiency and quality. Accordingly, the company strives to develop a comprehensive strategy and an advanced action plan through which it applies the best environmental, social and corporate governance practices to be implemented in the coming period, according to the following strategic streams:

Environmental Practices

● Digital Transformation

Digital transformation plays a pivotal role in preserving the environment and reducing reliance on paper. This is achieved through several sustainable environmental practices. Digital transformation can reduce paper use through electronic contracts, electronic invoices, and online meetings.

Social practices

● Community Participation

Launching community service programs that encourage employees at all levels and roles to participate in local community development projects.

● Digital Safety and Security Programs

Implement advanced measures to protect stakeholders’ personal data and ensure privacy and secure digital practices throughout the organization.

● Empowering Women at Work

Empowering women at work is a process that aims to increase women’s participation in the workforce, achieve gender equality in employment opportunities, and enhance women’s role in leadership and decision-making positions.

Governance Practices

● Stakeholder Engagement

The Company has established a structured institutional approach to stakeholder engagement through regular communication channels with shareholders, customers, and employees. This approach ensures that their feedback and suggestions are incorporated into governance processes and policy-making. The objective is to enhance the quality of decision-making, strengthen trust, and maintain a balanced alignment of interests among all relevant parties.

● Financial Control and Risk Management

The company continued to strengthen its financial-control and risk-management framework by conducting periodic reviews of financial statements and internal controls, under the supervision of independent committees reporting to the Board of Directors. These practices aim to ensure the integrity of financial reporting, reinforce principles of transparency and accountability, and support the company’s long-term financial sustainability.



06

Risks Management and Business Continuity

Quara Finance is committed to implementing an integrated risk management policy based on accurately identifying risks, objectively assessing them, effectively addressing them, and continuously monitoring them. This policy aims to enhance operational stability, ensure business continuity and development, and achieve the company's strategic objectives with efficiency and flexibility.

Risk Management Department at the Company operates as an independent function under the supervision of the Risk and Credit Management Committee. It is responsible for monitoring and managing credit risks for individuals and businesses, market risks, operational risks, as well as all other risks highlighted by the Saudi Central Bank.

The Risk Management Department also undertakes the development and activation of related policies and procedures, measuring and assessing the Company's risk-bearing capacity, and preparing and implementing operational risk assessment plans in accordance with the plan approved by the Risk and Credit Management Committee. Its responsibilities further include reviewing relevant company policies and ensuring the effectiveness of business controls.

Risk Management Department is committed to preparing and submitting periodic quarterly risk reports to the Risk and Credit Management Committee and the Board of Directors. These reports include analyses of existing and potential risks, along with recommendations necessary to mitigate their future impact. The Department also works continuously to develop and enhance the Company's risk management framework, contributing to the avoidance of potential risks and reducing their negative effects on the Company's operations.

Types of Potential Risks to the Company's Business

● Credit risk

Credit risk is one of the most significant risks the Company may face. It represents the possibility that the counterparty in a financing transaction may be unable to fulfill its contractual obligations, which could result in financial losses. These risks arise primarily from credit facilities granted to customers and may be influenced by changes in local or global economic conditions or by changes in the financial system in general.

If such factors materialize, they may affect the value and collectability of financing assets, potentially requiring an increase in provisions for bad debts and doubtful receivables against financing assets and collateral. Failure to maintain the quality of the credit portfolio could lead to higher default rates and debt write-offs, which would negatively impact the Company's financial position, business results, and future prospects.

As part of its credit risk management framework, the Company conducts a comprehensive assessment of customers' creditworthiness using a methodology based on quantitative and qualitative criteria, helping to build a strong and balanced financing portfolio. The Company also applies periodic review mechanisms for existing financings to detect early signs of weakness and take appropriate corrective measures in a timely manner.

● Market and liquidity risks

Liquidity risk represents the possibility that the Company may be unable to meet its financial obligations as they fall due, or that it may be unable to secure the necessary liquidity without incurring substantial losses that could affect its financial position or reputation. These risks are linked to the nature of the Company's financial operations and may increase due to several factors, most notably significant mismatches between the maturities of assets and liabilities, excessive reliance on specific funding sources, whether short- or long-term, or dependence on a particular sector, in addition to changes in credit ratings, market disruptions, or exceptional circumstances.

In this context, the Company has adopted a clear liquidity management policy that includes allocating adequate reserves to address potential liquidity risks, along with continuous monitoring of the maturity structure of financial assets and liabilities. Based on the periodic analyses conducted by management, the Company believes that its available liquidity levels are sufficient to support its operations and meet its financial obligations, while continuing to monitor these risks regularly in anticipation of any future developments.

● Operational risks

Operational risks arise from a range of factors related to the nature of day-to-day activities. These include, but are not limited to: internal or external fraud, human error, failure to document transactions in accordance with regulatory requirements, failure to obtain necessary internal approvals, or non-compliance with regulatory requirements and approved best practices. They also include system and technology failures, external system breakdowns, or natural disasters. The occurrence of any of these risks may have negative impacts on the Company's operations, financial position, and business results.

In this context, the Company adopts an integrated framework for managing operational risks, which includes identifying, measuring, and continuously monitoring these risks. Consolidated assessment results for the year 2025G showed that operational risk levels remained within acceptable and manageable limits, without exceeding high-risk thresholds. This reflects the effectiveness of the Company's approach and its ability to manage this type of risk.

● Concentration risks

Concentration risk arises when the Company relies excessively on a specific customer segment or a particular sector, which may increase its vulnerability to changes or shocks in the business environment. Accordingly, the Company is committed to diversifying its customer base and geographic reach, helping to reduce concentration risk and enhance operational stability.

Customer-base diversity is one of the Company's key strengths, as it serves two primary customer segments:



This diversity, combined with a deep understanding of the needs of each segment, helps reduce concentration risk and strengthens the Company's ability to withstand external changes.

● Business continuity

Quara Finance is committed to ensuring the continuity of its operations by implementing effective procedures and approved plans designed to enhance the Company's ability to respond to emergencies, meet its operational obligations, and achieve its strategic objectives. During 2025G, the Company did not encounter any material risks or challenges that could affect the continuity of its business. This outcome reflects the Company's integrated approach to risk management and its proactive preparedness for various potential scenarios, ensuring operational sustainability and performance efficiency.

● Maintaining high quality of the financing portfolio

The Company adopts an integrated and systematic framework for credit assessment and risk management aimed at maintaining the quality and sustainability of its financing portfolio. The credit function is one of the core pillars supporting the effectiveness of the Company's operations, where related processes and systems have been organized and streamlined to enhance the quality of credit decisions.

In this context, the Company evaluates the financial strength and creditworthiness of small and medium enterprise (SME) customers and verifies that the purpose of financing aligns with the nature of the business. This is carried out through field visits that include assessing the establishment, its owner, and the executive management team.

For individual financing, the Company relies on analyzing customers' financial behavior and spending patterns, and it applies responsible lending standards rigorously in compliance with the regulations and guidelines issued by the Saudi Central Bank, prior to approving any financing.





07

Financial performance for 2025G

Quara Finance Company has succeeded in achieving high levels of growth during the year 2025G, as reflected by the following set of financial and operational figures and facts:

01 Key financial and operational performance indicators for 2025G

Key Performance Indicators (SAR million)	20222	2023	2024	2025
Income Statement				
Murabaha revenues	169.9	187.6	187.3	259.3
Net financing revenues	156.1	178.7	173.3	224.6
Other revenues	27.2	7.1	4.2	3.3
Murabaha loss provision	(28.0)	(6.5)	(28.3)	(87.3)
Operating expenses	(94.9)	(116.2)	(96.3)	(130.4)
Zakat	(9.6)	(9.3)	(9.7)	(2.0)
Net profit	50.8	53.8	43.2	8.1
Balance Sheet				
Murabaha receivables, net	710.3	677.0	771.7	801.8
Cash and cash equivalents	181.4	41.8	64.8	151.8
Total assets	930.2	765.1	874.4	998.5
Long-term loans	461.1	227.2	288.3	413.3
Payable securities - Sukuk	4.1	-	-	-
Loans from related parties	93.4	98.0	81.2	89.1
Total liabilities	591.5	372.6	415.2	531.2
Paid-up capital	300.0	300.0	300.0	300.0
Reserves	38.7	92.5	159.3	167.2
Shareholders' equity	338.7	392.5	459.3	467.2
Key Ratios				
Return on Equity	15.0%	13.7%	9.4%	1.7%
Return on Assets	5.5%	7.0%	4.9%	0.8%
Portfolio Return	23.7%	27.7%	24.3%	32.3%
Cost to Income	48.6%	59.7%	50.3%	49.7%
Provision Coverage	24.8%	29.8%	28.6%	39.0%
Non-Performing Assets	8.4%	9.9%	15.2%	16.1%
- Retail	4.2%	5.2%	11.3%	14.2%
- Small and medium enterprises	14.9%	23.4%	64.1%	97.3%
Financial Leverage	2.1	1.8	1.8	1.8
Debt to Equity Ratio	1.6	0.8	0.8	1.1
Net Margin	30.2%	28.7%	23.1%	3.1%

02 Capital

The Company has maintained the same level of share capital at 300 million Saudi ٮ, with no changes during the period. Total shareholders' equity increased to 467.2 million Saudi ٮ in 2025 (2024: 459.3 million Saudi ٮ; 2023: 392.5 million Saudi ٮ) as a result of retained earnings. There was no change in the statutory reserve, which remained at 12.5

300 Company's Capital (Million ٮ) **467.2** Total Shareholders' Equity (Million ٮ)

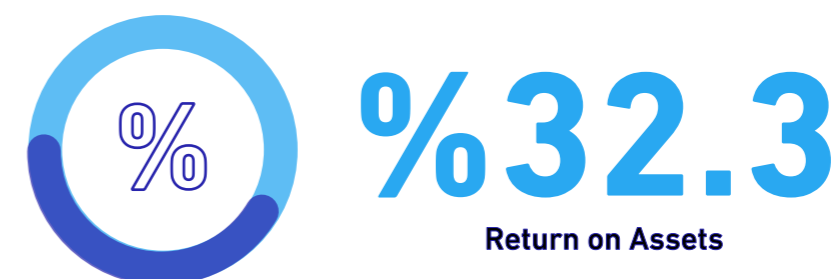
million Saudi ٮ (2024: 12.5 million Saudi ٮ). Likewise, there was no change in the contribution of shareholders' equity to related-party loans, which stood at 34.3 million Saudi ٮ (2024: 34.3 million Saudi ٮ).

12.5 statutory reserve (Million ٮ) **34.3** contribution of shareholders' equity to related-party loans (Million ٮ)

03 Impact of the main activities on the company's size and its effect to the results of the fiscal year 2025G

The company primarily maintained its profitability profile as there was a strategic shift towards higher yield retail financing, which was partially offset by the deterioration in asset quality during the current year. The increase in overall portfolio size and pricing review led to growth in retail financing income.

The return on margin bearing assets has improved to 32.3% over the past four years due to increased high-yield retail financing and a risk-based pricing approach.



04 Explaining the material differences in operating results from the results of the previous year or any expectations announced by the company in 2025G.

Income Statement	2024G	2025G	Changes	Change %
Murabaha Revenue	187.3	259.3	72.0	38.4%
Net Financing Revenue	173.3	224.6	51.3	29.6%
Other Revenue	4.2	3.3	(0.9)	-22.2%
Murabaha Loss Provision	(28.3)	(87.3)	(59.0)	208.9%
Operating Expenses	(96.3)	(130.4)	(34.1)	35.4%
Zakat	(9.7)	(2.0)	7.6	-79.0%
Net Profit	43.2	8.1	(35.1)	-81.2%

- Murabaha revenues for 2025G increased to 259.3 million Saudi ﷲ , compared to 187.3 million Saudi ﷲ in the 2024G financial year, representing a growth of 38.4%.
- Profit after Zakat for the 2025G financial year amounted to 8.1 million Saudi ﷲ , compared to 43.2 million Saudi ﷲ for the 2024G financial year, reflecting a decrease of 81.2%.
- In 2025G, the Company provided retail customers with financing totaling 685.5 million Saudi ﷲ , compared to 676.6 million Saudi ﷲ in 2024G, an increase of 1.3%.
- The Murabaha loss provision for the 2025G financial year reached 87.3 million Saudi ﷲ , compared to 28.3 million Saudi ﷲ for the 2024G financial year. This increase was primarily driven by the rise in non-performing assets from 15.2% in 2024G to 16.1% in 2025G.

05 Geographical analysis of the company's total revenues for the year 2025G

Region	Central	Eastern	Northern	Southern	Western	Total
In millions of Saudi riyals	144.8	23.7	20.3	35.6	34.9	259.3

06 Statement of assets, liabilities and shareholders' equity for the past four fiscal years

Items (in millions of Saudi Riyals)	2022	2023	2024	2025
Current Assets	642.3	515.6	507.8	570.5
Non-Current Assets	287.9	249.5	366.7	428.0
Total Assets	930.2	765.1	874.4	998.5
Current Liabilities	481.8	265.0	164.4	225.8
Non-Current Liabilities	109.7	107.5	250.8	305.4
Total Liabilities	591.5	372.6	415.2	531.2
Paid-up Capital	300.0	300.0	300.0	300.0
Legal Reserve and Retained Earnings	38.7	92.5	159.3	167.2
Total Shareholders' Equity	338.7	392.5	459.3	467.2

07 A statement of any financing facilities of the Company (whether payable on demand or otherwise), a statement of the total indebtedness of the Company and its subsidiaries, the amount of the financing facility capital, the lender's shares, its term, and the remaining amount.

Loan Terms (in millions of Saudi Riyals)	Monsha'at	Saudi Central Bank	Bank	Related party
Opening Balance	7.2	68.3	212.8	81.1
Add: Loans taken during the year	-	-	362.6	-
Add: Loan management fees accrued during the year	0.2	-	29.3	7.9
Less: Principal repayments during the year	(7.2)	(65.2)	(166.2)	-
Less: Loan management fees paid during the year	(0.2)	-	(28.2)	-
Less: Deferred income amortization on interest-free loans	-	-	-	-
Less: Equity contribution to interest-free loans	-	-	-	-
Closing Balance	-	3.1	410.3	89.0

The company has sufficient financial flexibility to support its investment portfolio growth target of 1.2 billion Saudi R by the end of 2026G. According to management, the total available financing lines amount to 1250 million Saudi R , of which 675 million Saudi R is currently unutilized. This includes a 500 million Saudi R Sukuk program approved by the Capital Market Authority, 50 million Saudi R short-term lines, and 125 million Saudi R long-term bank lines.

08 Regulatory payments to government agencies

Details	Paid	Due and not paid at the end of the annual financial period	Brief Description
Zakat	10,942,710	None	Regulatory
Value Added Tax	2,676,518	None	Regulatory
Withholding Tax	790,160	None	Regulatory
General Organization for Social Insurance	2,727,621	None	Regulatory
Labor Office Fees	197,825	None	Regulatory
Licenses and Fees for Government Agencies	261,000	None	Regulatory





08

Governance

Sustainable
Institutional
Maturity

Corporate Governance

Quara Finance, led by its Board of Directors, is committed to establishing an effective, advanced, and sustainable governance framework that supports the Company in defining its strategic objectives and working toward their achievement, while adhering to the highest standards of transparency, disclosure, and integrity. Through this approach, the Company aims to realize its vision and mission and deliver sustainable, long-term value to its shareholders and all stakeholders.

Quara Finance also reaffirms its commitment to conducting all its activities in accordance with the principles of Islamic Sharia, in compliance with the requirements of the Finance Companies Control Law. In this context, the Company has adopted comprehensive corporate governance policies, procedures, and a governance manual, which are continuously updated to ensure the application of sound governance practices and to enhance the effectiveness of the governance framework. The Board of Directors and executive management consistently monitor adherence to governance requirements and work to reinforce the principles of transparency and accountability across all Company activities.

Governance Practices Framework

Quara Finance is committed to applying governance principles within an integrated and professional framework, in line with the best recognized practices in this field. This includes the following:

- 01** Protecting the rights of shareholders and stakeholders, and ensuring that these rights do not conflict with personal interests.
- 02** Applying the principles of transparency and integrity by disclosing material information and events that affect or may affect the interests of shareholders and stakeholders, including disclosure of transactions with related parties.
- 03** Identifying and addressing conflicts of interest, whether potential or actual, that may arise from personal interests that affect or may affect the interests of the Company, its shareholders, or its stakeholders.
- 04** Adopting clear policies and procedures to limit conflicts of interest, protect the rights of shareholders and stakeholders, and strengthen confidence in the Company's practices.

Principles of Governance



Transparency

The Board of Directors adheres to the highest standards of transparency, by providing relevant vital information in a clear and understandable manner to all stakeholders, including shareholders, employees, customers and the public, in order to enhance mutual trust and support informed decision making.



Responsibility

Each member of the Board of Directors bears individual responsibility for performing his duties and obligations, while the Board collectively assumes responsibility for the decisions it makes and for overseeing the Company's performance and ensuring the achievement of its strategic objectives.



Integrity

The Company is committed to treating all parties fairly and equally, without discrimination or bias, while avoiding any conflicts of interest and placing the interests of the Company above any personal interests.



Justice

The Company is keen to uphold the principle of fairness in all its dealings, helping to reduce practices of corruption and fraud, and reinforcing an institutional culture built on commitment, responsibility, and sound governance.

Board of Directors

The Board of Directors of Quara Finance is the highest administrative authority in the Company and is accountable to the General Assembly of shareholders for managing the Company in accordance with its Articles of Association and all relevant laws and regulations. The Board plays a central role in guiding and overseeing the Company's activities in a manner that serves the interests of shareholders and stakeholders and strengthens institutional sustainability.

The key responsibilities of the Board of Directors include setting and approving the Company's strategic directions and primary objectives, approving and monitoring governance frameworks, internal controls, and risk management systems, and ensuring their efficiency and effectiveness. The Board also approves major budgets and financial policies, monitors and evaluates the Company's performance and the work of executive management, and establishes policies governing the Company's relationship with stakeholders while safeguarding their rights.

Additionally, the Board is responsible for establishing and approving policies that ensure compliance with applicable laws and regulations, overseeing their implementation, and ensuring adherence to disclosure requirements related to material information concerning the Company and its performance. This enables shareholders to assess the Company's assets, liabilities, and financial position. The Board also carries out other duties detailed in the Company's Articles of Association.

Members of the Board of Directors

The Articles of Association of Quara Finance specify that the Board of Directors shall consist of eight (8) members, in accordance with the Companies Law issued by the Ministry of Commerce and the Corporate Governance Regulations issued by the Capital Market Authority.

In line with the Company's Articles of Association, members of the Board of Directors are elected by the General Assembly of shareholders for a three-year term. The General Assembly elected the members of the Board for the fourth (current) term, which began on 11-09-2024G and will end on 10-09-2027G.

Board Members for the Year 2025G

The Name	Position	Membership status	Date of appointment
Abdullah bin Abdulrahman AlShilash	Chairman of Board of Directors	Non-executive	11/09/2024G
Abdulkarim bin Abdulaziz Aldoajji	Deputy Chairman	Independent	11/09/2024G
Anand Sudarshan Kumar Raheja	Board Member	Non-executive	11/09/2024G
Tarek Sami Zeitoun	Board Member	Non-executive	11/09/2024G
Abdulrahman bin Abdulaziz Al Misned	Board Member	Non-executive	11/09/2024G
Mohammed bin Misfer Al-Malki	Board Member	Independent	11/09/2024G
Khalid bin Mohammed Fagih	Board Member	Non-executive	11/09/2024G

Board meetings for the year 2025G

The Name	Position	Board of Directors Meeting Dates for 2025			
		25/03	24/04	23/07	22/10
Abdullah bin Abdulrahman AlShilash	Board Chairman	✓	✓	✓	✓
Abdulkarim bin Abdulaziz Aldoajji	Deputy Chairman	✓	✓	✓	✓
Anand Sudarshan Kumar Raheja	Board Member	✓	✓	✓	✓
Tarek Sami Zeitoun	Board Member	✓	✓	✓	✓
Abdulrahman bin Abdulaziz Al Misned	Board Member	✓	✓	✓	✓
Mohammed bin Misfer Al-Malki	Board Member	✓	✓	✓	✓
Khalid bin Mohammed Fagih	Board Member	✓	✓	✓	✓

Committees of the Board of Directors

(5) committees have been formed to assist the Board of Directors in implementing and following up on all Board decisions, in coordination and cooperation with members of the Executive Management, and to submit periodic reports to the Board of Directors on the progress of the company's work. They have all commenced their work tasks for the current session in accordance with the regulations, policies and governance requirements. They are as follows:

01 Executive Committee

02 Audit Committee

03 Nominations and Remuneration Committee

04 Sharia Committee

05 Risk and Credit Management Committee

01 1. Executive Committee

The Executive Committee aims to assist the Board of Directors and the CEO in carrying out the activities and tasks assigned to it by the Board of Directors, to ensure the efficiency of the company's operations and it has the right to exercise all the powers granted to it.

Competencies and Responsibilities

- The Executive Committee assists the Board of Directors in performing the activities and functions delegated to it by the Board to streamline the operations of the Company.
- The Executive Committee assists the Board of Directors in determining the Company's main strategic objectives and investment strategies, which are approved by the Board of Directors.
- The Executive Committee reviews and approves all major investment decisions in line with the Company's approved strategies.
- The Committee reviews the new investment proposals and monitors their compliance with investment policies and procedures.

Executive Committee Members

Before committee reconstitution		After Committee reconstitution*	
Name	Capacity	Name	Capacity
Abdullah bin Abdulrahman AlShilash	Committee Chairman	Ziad Naim El Chaar	Committee Chairman
Ghalib Jamal Jarar	Member	Abdullah bin Abdulrahman AlShilash	Member
Tarek Sami Zeitoun	Member	Tarek Sami Zeitoun	Member
Ziad Naim El Chaar*	Member	Josaf Malik Al-Korani	Member

*Approval of the Central Bank was obtained to appoint Mr. Ziyad Al-Sha'ar member to the Executive Committee on 04/05/2025G

*approval of the Central Bank was obtained to reform the Executive Committee on 14/10/2025G and to appoint Mr. Ziyad Al-Sha'ar chairman to the committee in place of Mr. Abdullah AlShilash who became member to the committee. Mr. Josaf Malik Al-Korani also became a committee member in place of Mr. Ghalib Jarar

Executive Committee Meetings

The Executive Committee held (6) meetings during the year 2025G, as shown in the following table:

Name	Membership	Board of Directors Meeting Dates for 2025					
		04/03	20/04	13/05	20/07	19/10	18/12
Abdullah bin Abdulrahman bin Abdullah AlShilash	Committee Chairman	✓	✓	✓	✓	✓	✓
Ghaleb Jamal Jarrar	Member	✓	✓	-	✓	✓	✓
Tarek Sami Zeitoun	Member	✓	✓	✓	✓	✓	✓
After obtaining Non-Objection to appointment							
Ziad Naim El Chaar*	Member	-	-	✓	✓	-	-
After obtaining Non-Objection to reconstitution**							
Ziad Naim El Chaar	Committee Chairman	-	-	-	-	✓	✓
Abdullah bin Abdulrahman bin Abdullah AlShilash	Member	-	-	-	-	✓	✓
Tarek Sami Zeitoun	Member	✓	✓	✓	✓	✓	✓
Josaf Malik Al-Korani	Member	-	-	-	-	✓	✓

*Approval of the Central Bank was obtained to appoint Mr. Ziyad Al-Sha'ar member to the Executive Committee on 04/05/2025G

**approval of the Central Bank was obtained to reform the Executive Committee on 14/10/2025G and to appoint Mr. Ziyad Al-Sha'ar chairman to the committee in place of Mr. Abdullah AlShilash who became member to the committee. Mr. Josaf Malik Al-Korani also became a committee member in place of Mr. Ghalib Jarar

02 Audit Committee

The Audit Committee aims to assist the Board of Directors in performing its oversight and governance responsibilities with respect to the integrity of the Company's financial statements, the effectiveness of the internal control system, the efficiency of risk management, and the competence and independence of the internal and external auditors. The Audit Committee shall consist of a minimum of three members, one of whom must be independent, and none of the members shall hold any executive position in the Company.

Competences and Responsibilities

1. Reviewing the annual and quarterly financial statements in preparation for their approval by the Board of Directors.
2. Reviewing the accounting policies and procedures before their acceptance and implementation by the company.
3. Reviewing the annual performance of the external auditors and making recommendations to the Board of Directors regarding their appointment, reappointment or termination of their services.
4. Discussing with the external auditors any audit issues encountered in the normal course of audit work, including any limitations on the scope of the audit or access to information.
5. Reviewing the audit plan submitted by the external auditors before the commencement of the audit process.
6. Reviewing and approve the Compliance and Anti-Money Laundering and Terrorist Financing Management Plan and the Internal Audit Management Plan.
7. Supervising the Internal Audit and Compliance and Anti-Money Laundering and Terrorist Financing Management Departments.
8. Recommending to the Board of Directors the appointment of external auditors and internal and external consultants and determining their compensation and professional fees, in addition to determining the scope of their work and the duration of their assignment.

Audit Committee Members

Name	Capacity
Essam bin Abdulaziz Al- Segair	Committee Chairman
Abdulkarim bin Abdulaziz Aldoaiji	Member
Ghaleb Jamal Jarar	Member

Audit Committee Meetings

The Audit Committee shall meet at least four times a year. The dates of the meetings shall coincide after the issuance of the quarterly and annual financial statements and the external auditors' reports. Its meetings shall also be held prior to the Board of Directors' meetings.

Name	Membership	Audit Committee Meeting Dates for 2025			
		19/02	22/04	22/07	21/10
Essam bin Abdulaziz Al-Segair	Committee Chairman	✓	✓	✓	✓
Abdulkarim bin Abdulaziz Aldoaiji	Member	✓	✓	✓	✓
Ghalib Jamal Jarrar	Member	✓	✓	✓	✓

As part of its supervisory role and responsibilities to ensure the appointment of an external auditor with the necessary competence and expertise to guarantee the quality and accuracy of the audit process, the Committee recommended the appointment of (KPMG) as the Company's external auditor for the fiscal year 2025 and the first quarter of 2026.

03 Nominations and Remuneration Committee

The Nominations and Remuneration Committee aims to make recommendations to the Board of Directors regarding the nomination of candidates for vacancies in the Board of Directors and its committees, as well as nominations for vacancies in executive roles, and to develop clear policies and mechanisms for remuneration and incentives for employees, members of the Board and its committees, and senior executives. The Nominations and Remuneration Committee shall consist of at least three members and no more than five members.

Competences Responsibilities

1. Approving the incentive and payment plans for senior executives.
2. Approving the proposed human resources policies and procedures and any changes thereto.
3. Evaluating the CEO in accordance with the purposes and objectives set by the Board of Directors.
3. Reviewing the company's organizational structure and recommending it to the Board of Directors.
4. Recommending to the Board of Directors the level of compensation to be paid to the members of the Board of Directors, members of its committees, external members and the Executive Director.
5. Ensuring that the details of the company's financial compensation policy are disclosed in the annual report of the Board of Directors in accordance with the instructions of the Saudi Central Bank.
6. Reviewing and evaluating the structure of the Board of Directors and its committees, ensuring independence and making recommendations regarding the changes that can be made.
7. Annually reviewing the requirements for appropriate skills for membership of the Board of Directors and preparing a description of the capabilities and qualifications required for membership of the Board of Directors.

Members of the Nominations and Remuneration Committee

At the beginning of the Board tenure

Name	Capacity
Essam bin Abdulaziz Al- Segair	Committee Chairman
Abdulkarim bin Abdulaziz Aldoaiji	Member
Ghalib Jamal Jarrar	Member

After the reconstitution

Name	Capacity
Mohamed bin Abdullah Al-Othaim	Committee Chairman
Abdullah bin Abdurrahman AlShilash	Member
Misha'l bin Mohamed Al-Kathiri	Member

* (Non-objection obtained from the Central Bank to reconstitute the Committee on 14/10/2025G)

Nominations and Remuneration Committee meetings

Name	Membership	Nominations and Remuneration Committee Meeting Dates for 2025G (before Reconstitution)	
		26/06	
Essam bin Abdulaziz Al-Segair	Committee Chairman	✓	Committee reconstitution
Abdulkarim bin Abdulaziz Aldoaiji	Member	✓	
Ghaleb Jamal Jarar	Member	✓	

Name	Membership	Nominations and Remuneration Committee Meeting Dates for 2025G (after Reconstitution)	
			29/12
Mohamed bin Abdullah Al-Othaim	Committee Chairman	Reconstitution	✓
Abdullah bin Abdurrahman AlShilash	Member		✓
Misha'l bin Mohamed Al-Kathiri	Member		✓

04 Risk and Credit Management Committee

The Risk and Credit Management Committee develops and recommends to the Board of Directors oversight processes relating to the Company’s credit and risk management practices. It also oversees credit and risk policies, provides feedback on all policies, monitors the performance of the loan portfolio and reviews the risk management framework, including policies, procedures and practices applied within the Company to manage risks. The Risk and Credit Committee consists of at least three members and no more than five members.

Responsibilities and roles

1. Supervising the risk reports submitted to the Saudi Central Bank on a quarterly basis.
2. Approving the company’s risk management framework.
3. Monitoring risks and discussing issues affecting the company’s exposure to risks and recommending them to the Board of Directors.
4. Reviewing the implementation of risk management strategies and business continuity strategies through the risk management framework and policies and procedures related to business continuity.
5. Reviewing and recommending to the Board of Directors approval of the risk measurement methodology to identify, analyze and assess risks within the company.
6. Reviewing risks and their impact on the company and verifying the existence of the necessary policies and controls to mitigate these risks.
7. Reviewing and evaluating the different types of risks and any changes to them including market risks, operational risks, credit risks, investment risks, liquidity risks and provide specific recommendations regarding capital management if necessary.

Members of the Risk and Credit Management Committee

Name	Capacity
Anand Sudarshan Kumar Raheja	Committee Chairman
Abdullah bin Abdulrahman AlShilash	Member
Faisal Abdulaziz Al Fouzan	Member

Risk and Credit Management Committee Meetings

Name	Membership	Risk and Credit Committee Meeting Dates for 2025			
		10/02	21/04	21/07	20/10
Anand Sudarshan Kumar Raheja	Committee Chairman	✓	✓	✓	✓
Abdullah bin Abdulrahman bin Abdullah AlShi-lash	Member	✓	✓	✓	✓
Faisal Abdulaziz Al Fouzan	Member	✓	✓	✓	✓

05 Sharia Committee

It is an independent body of jurists specialized in Islamic financial transactions jurisprudence. Its existence aims to direct, monitor and supervise the company's activities and ensure their compliance with the provisions and principles of Islamic Sharia. The company's board of directors appoints the committee members upon nomination by the Remuneration and Nominations Committee, provided that their number is not less than two members who are specialized and knowledgeable in Sharia provisions in the field of financial transactions and does not exceed five members, after notifying the Saudi Central Bank.

Committee competences

1. Approving the legal aspects of the Articles of Association, bylaws, regulations, forms and policies followed in the company's work and approving any amendments thereto.
2. Approving standard and non-standard agreements and contracts related to the financial transactions conducted by the company and participating in amending and developing the aforementioned forms when necessary.
3. Following up on the company's operations, reviewing its activities from a Sharia perspective during the periods determined in coordination with the company's management, and verifying that the transactions concluded were for products and contracts approved by the committee by regularly reviewing the practical steps and auditing the documents from a Sharia perspective to ensure that Sharia requirements are not violated. This review includes the issue of correction to repeat the process or settle obligations and rights in accordance with the provisions of Sharia.
4. Providing guidance and advice to employees concerned with implementing Islamic financial transactions to help them achieve compliance with the provisions and principles of Islamic Sharia.
5. Answering customers' questions and inquiries regarding the legality of some procedures or transactions.
6. Expressing the legal opinion on the company's financial statements during the specified periods in coordination between the committee and the management.
7. Ensuring that the distribution of profits and the allocation of losses were in accordance with the Sharia controls and standards.
8. Ensuring that the company's Zakat is calculated in accordance with the Sharia controls and standards.

Members of the Sharia Committee

Name	Capacity
Mohammed Abdullah Bu Tayban	Committee Chairman
Mansour Ali Al-Qudah	Member

Sharia Committee meetings

The Sharia Committee shall hold periodic meetings as required by the Company's work needs, at least once every six months. It may hold emergency sessions if the interest of work so requires, at the request of the management, the Committee Chairman, or two of its members.

Name	Membership	Sharia Committee Meeting Dates for 2025G	
		27/03	30/06
Mohammed Abdullah Bu Tayban	Committee Chairman	✓	✓
Mansour Ali Al-Qudah	Member	✓	✓

Biographies of the members of Board of Directors



Abdullah bin Abdulrahman bin Abdullah AlShilash

Current Position:

- Chairman of the Board of Directors
- Member of the Executive Committee
- Member of the Risk and Credit Management Committee.
- Member of the Nomination and Remuneration Committee

Academic Qualifications:

- Master's – Columbia University, New York
- Master's in business administration – Thunderbird University.
- Bachelor's in finance – Arizona State University (USA).

Current and Previous Experience and Positions:

- Al Khair Capital Company – CEO.
- Abdullah Al Othaim Investment – Board Member.
- Dar Al Arkan Real Estate Development Company – Financial Analyst.



Abdulkarim bin Abdulaziz bin Mohammed Aldoaji

Current Position:

- Deputy Chairman of the Board of Directors
- Member of the Audit Committee

Academic Qualifications:

- Master of Computer Science – West Coast University (USA).
- Bachelor of Computer Science – University of California (USA).

Current and Previous Experience and Positions:

- Al Khair Capital Saudi Arabia – Board Member.
- Capital Market Authority – Advisor.
- Investment Capital Company – CEO.
- Bank Al Bilad – CEO Advisor.
- Gulf International Bank – CEO Advisor.
- Dar Al Arkan Real Estate Company – Board Member.



Abdulrahman bin Abdulaziz Al Misned

Current Position:

- Board Member

Academic Qualifications:

- Bachelor of Administrative Sciences (Accounting) – King Saud University (Saudi Arabia)

Current and Previous Experience and Positions:

- Al Khair Capital Company – Member of the Board of Directors.
- KPMG Al Fozan & Partners – Director of the Consulting Department.
- Alia Group – Head of Real Estate and Assets Department.
- Alia United Company – General Manager.
- Alia United Company – Project Manager.



Khalid bin Mohammed Fagih

Current Position:

- Board Member

Academic Qualifications:

- Business Administration Course (Finance and Business) – Stanford University
- Leadership Course (Business Administration) – Harvard University
- Bachelor of Computer Science and Statistics – King Abdulaziz University

Current and Previous Experience and Positions:

- Red Sea International Company – CEO – Managing Director.
- Samba Financial Group – General Manager of Corporate Finance Group.
- Saudi Investment Bank – Corporate Finance Officer.
- Saudi United Bank – Corporate Finance Officer.
- Arab National Bank – Corporate Finance Officer.



Mohammed bin Misfer Al-Malki

Current Position:

- Board Member

Current and Previous Experience and Positions:

- Madar Investment Company - CEO.
- Capital Market Authority - Director of Inspection.
- Kasb Financial Company - CEO.
- Najith for Financial Consulting - CEO.
- General Authority for Small and Medium Enterprises - Deputy Governor for Finance.
- Al Anson Trading Company – Member of the Board of Directors, Member of the Nominations and Audit Committee.
- Arab Sea Information Systems Company – Member of Audit Committee.
- Kafalah Program – Member of the Board of Directors, Member of Executive Committee, Chairman of the Audit Committee.
- Indirect Lending Initiative (Private Sector Stimulation) – Steering Committee Chairman and Credit Committee.
- Jada Company– Member of the Board of Directors.
- Zar Amwal Company – Member of the Board of Directors.
- Thakher Development Company – Member of the Board of Directors.
- Oil Parks Development Company – Member of Audit Committee.
- Riyadh Health Cluster 1 – Member of Internal Audit Committee.
- Yaqeen Capital Company – Member of the Board of Directors Investment Funds.
- Bayan Credit Information Company – Member of the Board of Directors, Member of Executive Committee.
- Saudi Bangladeshi Industrial and Agricultural Investment Company (SABINCO) – Member of the Board of Directors, Member of Executive Committee, Member of Internal Audit Committee.
- Saudi Real Estate Company – Member of the Board of Directors, Member of Nominations and Remuneration Committee.

Academic Qualifications:

- Master of Business Administration - Alfaisal University



Anand Sudarshan Raheja

Current Position:

- Board Member
- Chairman of Risk and Credit Committee

Current and Previous Experience and Positions:

- Dar Al Arkan Real Estate Development Company - CEO.
- Dar Al Arkan Real Estate Development Company - CFO.
- Faber Finance - Executive Director.

Academic Qualifications:

- MBA (Finance) – New York University (USA)
- Bachelor of Commerce – University of Delhi (India)



Tarek Sami Zeitoun

Current Position:

- Board Member
- Member of the Executive Committee

Current and Previous Experience and Positions:

- Wasalt Real Estate Services Company – Board Member.
- Themar Arabia Company – General Manager of Digital Solutions.
- Al-Baheth Al-Maaloumi Company – Executive Director.

Academic Qualifications:

- Bachelor of Information Systems Engineering - University of Manchester (UK) - 2001.

Biographies of Board Committee Members



Essam Al-Segair

Current Position:

- Chairman of the Audit Committee

Current and Previous Experience and Positions:

- Afaq Food Company – Member of Audit Committee.
- Al-Babtain Power and Telecommunications Company – Member of Audit Committee and Board Member.
- Al-Soudah Development – Head of Governance, Risk and Compliance.
- Al-Ahlia Cooperative Insurance Company – Member of Audit Committee.
- Nama Chemicals Company – Board Member.
- King Abdullah Economic City (KAFD) – Acting Head of Risk Management.
- Kafala Program – Head of Risk Management.
- General Authority of Zakat and Income – Head of Risk Strategy.
- Bank Saudi Fransi – Head of Banking Audit Department.

Academic Qualifications:

- Bachelor of Accounting - King Saud University - 2005.
- Master of Business Administration - Johnson & Wales University (USA) - 2010.



Ghalib bin Jamal Jarrar

Current Position:

- Member of Audit Committee

Current and Previous Experience and Positions:

- Public Investment Fund Projects - Chief Financial Officer.
- Quara Holding Company - Chief Financial Officer.
- Dar Al Arkan Real Estate Company - Chief Financial Officer.
- Aljazira Capital Company - Senior Financial Manager.
- Sport Clubs Company - Accounts Manager.
- Al-Fanar Company - Accountant.
- National Electricity Company Jordan - Accountant.
- Atta Consulting and Tax Company, Jordan - Accountant.

Academic Qualifications:

- MBA – Horizons University, France.
- Professional MBA – International Business Academy, London.
- Bachelor of Accounting – Al-Balqa Applied University, Jordan.



Faisal bin Abdulaziz Al Fouzan

Current Position:

- Member of the Risk and Credit Management Committee

Current and Previous Experience and Positions:

- Saudi Data and Artificial Intelligence Authority (SDAIA) – Director of Cybersecurity, Abshir Platform
- National Information Center, Senior consultant in Compliance, Governance and Risk
- Elm Co., Deputy director for Governance, Compliance and Risk Department
- Naif Arab University for Security Sciences – Director of the Cybersecurity Department, Head of IT Security Department (Associate professor)
- Yamamah University – Associate Professor, IT and Network Security Department
- Riyadh Bank, Systems Engineer.

Academic Qualifications:

- Bachelor of Computer Science – Hail University
- Master of Network Security – Glasgow Caledonia University (UK)
- PhD in Cybersecurity and Networks – Glasgow Caledonia University (UK)



Mohamed bin Abdullah Al-Othaim

Current Position:

- Chairman of Nomination and Remuneration Committee

Current and Previous Experience and Positions:

- Chairman of the Board – Lidar Investment Company (2021 – Present).
- Board Member – Othaim Holding Company.
- Chairman of the Board of Managers – Radial Construction and Development Contracting Company.
- Board Member – Abdullah Al-Othaim & Sons Charity Foundation.
- CEO – Abdullah Al-Othaim Investment and Real Estate Development Company (2015 – 2021).
- Western Region Manager – Abdullah Al-Othaim Markets Company (2013 – 2015).

Academic Qualifications:

- Bachelor's degree of business management, Cardiff Metropolitan University, UK, 2013G



Misha'l Mohamed Al-Kathiri

Current Position:

- Member of the Nominations and Remunerations Committee

Current and Previous Experience and Positions:

- Board Member, Al-Kathiri Holding Co., 2017G to date.
- Board Member, Lynn Al Khair Trading Company (listed joint stock company), 2019G to date
- Board Member, Agricultural Platform Company (closed Saudi joint stock company), 2019G to date
- General Manager - Supply Support Limited (one person company), 2018G to date
- Board Member, Ilyan Industrial Company (listed joint stock company), 2021G to date
- Board Member, Taqadum International Telecom and IT, 2021G to date
- Board Member, Sukouk Al-Kathiri Est., 2021G to date.
- General Manager - Al-Bab Industrial Co., 2021G to date
- General Manager - Luxury Yacht Industrial Co., 2023G to date
- General Manager - Musandada Contracting Co., 2024 to date.
- General Manager - Traus Town Real Estate Co., 2024G to date
- General Manager - Saraya Addar Investment Co., 2025G to date

Academic Qualifications:

- Bachelor of Naval and military Science - King Fahd Maritime College - Saudi Arabia - 2005G



Mohammed bin Abdullah Bu Tayban

Current Position:

- Chairman of the Sharia Committee

Academic Qualifications:

- Bachelor's Degree in Sharia, Imam Muhammad bin Saud Islamic University.
- Master of Comparative Jurisprudence, Higher Institute of Magistracy
- PhD Comparative Jurisprudence, Higher Institute of Magistracy
- Fellowship of Legal Counsel, Scientific Judiciary Society.

Current and Previous Experience and Positions:

- Rusou for Character Building, Vice President.
- Miteb bin Abdulaziz Al Saud Foundation, Partnerships Supervisor
- Chamber of Commerce, Chairman of Endowments Committee.
- Baqa Endowment Foundation, Executive Director.



Mansour Ali Mohammed Al-Qudah

Current Position:

- Member of the Sharia Committee

Academic Qualifications:

- Bachelor of Jurisprudence and Islamic Studies, Yarmouk University
- Master of Islamic Economics, Yarmouk University
- Professional Diploma in Accounting and Auditing, Arab Academy for Financial and Banking Sciences (Jordan)
- PhD Economics and Islamic Banking, Yarmouk University

Current and Previous Experience and Positions:

- Nizwa Bank, Muscat Sultanate of Oman, Sharia Department Manager, Internal Sharia Auditor.
- Al-inama Bank, Riyadh Saudi Arabia, Assistant Director of Sharia Group and Director of Policy and Procedures Control in the Sharia Department.
- Jordan Islamic Bank, Jordan, Dalla Al Baraka Banking.



Ziad Naim El Chaar

Current Position:

- Chairman of the Executive Committee

Academic Qualifications:

- Bachelor's degree: Arts and Sciences, American University, Beirut 1990G
- Master's degree: Trade Science and Business Administration, American University, Beirut 1998G

Current and Previous Experience and Positions:

- Deputy Chairman of the Board of Directors, Quara Holding, 2021 to date
- Board Member and Chief Executive Officer, Global House, London, 2021G to date
- Board Member, Sahel Finance Co., 2017G to date.
- Board Member and Chairman of the Board of Directors, Wasalet Real Estate Services Co, 2023G to date
- Board Member, Dar Al-Arkan Real Estate Development Co., 2025G to date.
- Board Member, Damac Properties, Emirates, 2005G-2017G
- Board Member and Chairman, Dar Al-Arkan Real Estate Development, 2017G-2019G
- Chief Executive Officer, Emaar Real Estate, UAE, 2018G-2019G



Joseph Malak El Kourani

Current Position:

- Member of the Executive Committee

Academic Qualifications:

- Master of Business Administration, University of Northampton, UK 2020G
- Bachelor of Business Administration, University of Balamand, Lebanon, 1998G

Current and Previous Experience and Positions:

- Chief Executive of the Commercial sector - Dar Al Arkan Real Estate Company, 2023G to date
- Head of Revenue - Madarat Development and Technology, 2020G-2023G
- General Manager of Sales, Dar Al Arkan Real Estate Development Company, 2018G-2020G
- Vice President of Sales, DAMAC Properties, 2012G-2017G
- Sales Manager - GGC Co., Met Life, 1997G-2012G

Members of The Executive Management and Their Biographies

The Executive Management of Quara Finance includes Executive Directors as shown in the table below:



Faisal bin Abdulrahman AL shaikh

Current Position:

- 2022G to date: CEO of Quara Finance, a listed joint stock company operating in the finance sector.

Previous Work Experience:

- 2020G-2022G: Head of Investment Banking, Mizuho Saudi Arabia Company, a public joint stock company operating in the financial sector.
- 2019G -2020G: Structured Finance Manager, Project Finance and Joint Loans at Al Rajhi Bank, a public joint stock company operating in the financial sector
- 2013G-2019G: Senior Transaction Officer, Structured Finance Department of the French Bank, a public shareholding company operating in the financial sector.
- 2012G -2013G: Director of Financial institutions relationship at Saudi British Bank, a public shareholding company operating in the financial sector.
- 2008G-2011G: Product Manager, SAB Takaful, a listed joint stock company operating in the financial sector.

Academic Qualifications:

- 2007G: Bachelor's degree in Financial Management, King Saud University.



Amrish Kumar Shah

Current Position:

- 2020G to date: CFO of Quara Finance, a listed joint stock company operating in the finance sector.

Previous Work Experience:

- 2020G -2020G: Executive Director of Finance at Thimar Al Arabiya Company, a limited liability company operating in the construction sector.
- 2018G -2020G: Executive Director of Finance and Director of Operations at Carvi Financial Services Limited in India, a limited liability company operating in financial services.
- 2007G -2018G: Executive Director of at Reliance for Commercial and Real Estate Finance in India, a public shareholding company operating in the finance sector.

Academic Qualifications:

- 1999G: Institute of Certified Accountants of India.



Mohammed Ahmed Al-Mutawakil

Current Position:

- 2025G to date: Executive Operations Director, Quara Finance, a listed joint stock com-pany operating in the finance sector.

Academic Qualifications:

- 2012G: Master of Science in Real Estate Management and Development, American University
- 2003G: Bachelor of Business Administration in Finance and International Business, George Washington University.

Previous Work Experience:

- 2022G -2025G: Executive Operations Director, Dar Al-Arkan, a listed joint stock company operating in the estate sector.
- 2019G -2022G: Executive Director of Finance at Jeddah Urban Development Co., a limited liability company operating in the construction sector.
- 2018G -2019G: Head of Business Development and Investment, Jeddah Urban Development Co., a limited liability company operating in the real estate sector.
- 2015G -2018G: Head of Easy Housing , Red Sea Co., a listed joint stock company operating in the estate sector.



Reem Tilal At-Tilal

Current Position:

- 2024G to date: Head of Governance and Legal Affairs, Quara Finance, a listed joint stock company operating in the finance sector.

Academic Qualifications:

- Bachelor's degree in Business Administration, Imam Muhammad Bin Saud Islamic University

Previous Work Experience:

- 2024G: Director of Governance at Quara Finance
- 2024G: Director of Governance at Yaqeen capital
- 2022G: Director of Governance at Al-Amthel Finance
- 2020G: Director of Compliance, Anti-money Laundering and Terrorism Financing De-partment, Quara Finance
- 2018G: Branch Director, Allianz SFB
- 2018G: Financial Analyst at Allianz SFB



Fahd Dheifallah Al-Mutairi

Current Position:

- 2025G to date: Head of Cyber Security at Quara Finance.

Academic Qualifications:

- 2017G: Bachelor's degree in computer Engineering, Qaseem University

Previous Work Experience:

- 2024G to 2025G: Cybersecurity Director for governance, risk and compliance
- 2023G to 2024G: Governance, risk and compliance Supervisor, Acting Cybersecurity Director
- 2022G to 2023G: Cybersecurity officer for governance, risk and compliance
- 2018G to 2022G: Senior Cyber Security Officer at the Saudi Commission for Health Specialties
- 2017G to 2018G: Cyber security officer, Gulf Medical Company



Nawaf Nasir Abdulaziz Al-Saleh

Current Position:

- Head of Human Resources at Quara Finance Co., appointed on 27/02/2023G.

Previous Work Experience:

- 2012G - 2021G: Teaching assistant, King Saud University, a government institution operating in the educational sector.

Academic Qualifications:

- 2019G: Master of Human Resources and Organization Management, University of Nottingham.
- 2012G: Bachelor of Business Administration, King Saud University



Musa Mohammed Al-A'so'us

Current Position:

- 2023G to date: Head of Internal Audit, Quara Finance.

Academic Qualifications:

- 2015: Bachelor's degree in Economics from Imam Mohammad Ibn Saud Islamic University.
- Certified Internal Auditor (CIA) Fellowship – The Institute of Internal Auditors (IIA), USA.

Previous Work Experience:

- 2022G-2023G: Internal Audit Director, Food Development Company.
- 2021G-2022G: Senior Internal Auditor, General commission for the Guardianship of Trust Funds for Minors and their Counterparts
- 2020G-2021G: Senior Internal Auditor, Mediterranean and Gulf Insurance Company (MEDGLF).
- 2018G -2020G: Internal auditor, Fawaz al-Hokair Group.
- 2017G-2018G: The head of the Operations Department, Takaful Al-Rajhi.



Turki Ali Ridhwan

Current Position:

- Head of Sales and Business Development, Quara Finance Company (Acting), 2025G to date

Previous Work Experience:

- 2023G-2025G: Senior Business Development Officer, Quara Finance
- 2022G to 2023G: Business Development Officer, Amlak Company
- 2020G-2022G: Director of Corporate Relations, Arriyada Financial
- 2019G to 2020G: Sales Advisor, National Bank
- 2018G to 2019G: Virgin Megastore Sales Representative, Middle East and North Africa
- 2018G to 2018G: Collaborative training of human resources, the Ministry of higher Education
- 2016G to 2018G: Sales manager, Jarir Bookstore, (Part time)

Academic Qualifications:

- 2023G: Master of Business Administration - Public Administration, USA, Fujairah
- 2022G: Mini MBA Program, General Management, International Institute of Business Administration
- 2018G: Bachelor's degree of Business Administration, Human Resources Management, King Saud University.



Yusuf Bin Mohammed At-Tassan

Current Position:

- Head of Operations Department, Quara Finance. 2025G to date:

Academic Qualifications:

- Diploma of Business Administration. 1998G.

Previous Work Experience:

- 2023G-2025G: Head of Collection Department, Quara Finance.
- 2020G-2023G: Head of Collection Department, Saudi Finance Co.
- 2016G -2020G: Head of collection, Arco Human Resources Co.
- 2008G-2015G: Head of collection, Riyadh Bank.
- 1999G -2008G: Credit Manager, Riyadh Bank.
- 1996G -1999G: Head of Applications, Riyadh Bank.
- 1991G -1995G: Credit Officer, Saudi American Bank.



Dhai Sweihil Ad-Dosery

Current Position:

- 2025G to date: Head of Customer Care Unit, Quara Finance, closed joint stock company operating in the financial sector.

Academic Qualifications:

- 2019G: Bachelor in English and Translation, Princess Noura Bint Abdurrahman University

Previous Work Experience:

- Acting Director of Customer Care, Quara Finance, 2025G
- Assistant Director of Customer Care, Quara Finance, 2023G-2024G
- Customer Service Officer at the Call Centers, 2020G-2021G
- Translation Training, Abdullah Bin Abdulaziz University Hospital



Anwar Mite'b Al-Murshed

Current Position:

- 2024G to date:: Chief Risk Officer, Quara Finance

Academic Qualifications:

- 2011G: Bachelor of English Language

Previous Work Experience:

- 2022G to 2024G: Head of Operations Risk, Quara Finance
- 2021G to 2022G: Vice President of Credit, Abu Dhabi First Bank
- 2021G to 2021G: Acting Director of Operations Risk, Deutsche Gulf Finance
- 2020G to 2021G: Director of Credit Support, Deutsche Gulf Finance
- 2017G-2019G: Director of Credit Risk, Deutsche Gulf Finance
- 2012G-2017G: Senior Credit Risk Analyst, Deutsche Gulf Finance



Ryan Saeed Al-Qahtani

Current Position:

- 2025G: Head of Compliance and Anti-money Laundering, Quara Finance (Acting)
- Senior manager of the Department of Compliance and Anti-money Laundering, Quara Finance

Academic Qualifications:

- 2015G: Bachelor of Financial Management - King Fahd University of Petroleum and Minerals.

Previous Work Experience:

- 2024G - 2022G: Senior Inspector, Capital Market Authority
- 2019G-2022G: Superintendent of Banking, the Central Bank of Saudi Arabia
- 2015G-2019G: Bank Inspector, Central Bank of Saudi Arabia

Waiver of interests

There are no arrangements or agreements under which any of the Board members, senior executives or shareholders of the Company waive any of their interests or rights to profits.

The Audit Committee's opinion on the adequacy of internal and financial controls and risk-management.

The Audit Committee confirms that the executive management is fulfilling its responsibilities in designing, implementing, and maintaining an effective internal control system, including approved policies, procedures, and processes, under the supervision of the Committee and the approval of the Board of Directors, with the aim of achieving the company's strategic objectives and ensuring compliance with relevant regulatory and supervisory requirements.

The internal control system is designed in accordance with best practices recommended by regulatory and supervisory authorities. These systems are subject to periodic evaluation by the relevant departments, with continuous follow-up and oversight by the Audit Committee to verify their efficiency, effectiveness, and ability to achieve the intended objectives.

Based on the periodic reports issued by the Internal Audit Department, the Compliance and Anti-Money Laundering and Counter-Terrorist Financing Department, in addition to the external auditor's reports and the annual confirmations and disclosures submitted by executive management, the Committee affirms that the Company's internal control, financial control, and risk management systems operate efficiently and effectively, providing an appropriate level of reasonable assurance toward achieving control objectives and safeguarding the interests of the Company and its shareholders.

Remunerations Distribution Policy

When determining and disbursing the remuneration of the Board of Directors and its committees, the Saudi Central Bank emphasizes adherence to the following controls:

01

Remuneration must be aligned with the long-term objectives of the financial institution, consistent with prevailing local practices, and in line with the approved risk policy.

02

Board members are not permitted to vote on the agenda item related to Board remuneration during the General Assembly meeting.

03

The Saudi Central Bank must be provided with a report on the total remuneration of the Board of Directors and its committees no later than the end of March each year.

Statement of the Remunerations Granted to the Board Members and its committees for 2025G.

Board Member / Committee	Membership Type Member of the Board / Committee Executive / Non-executive / Independent	Lump Sum Amount (Amount in SAR "000")	Sessions Attendance Allowance (Amount in SAR "000")	In-kind benefits (Amount in SAR "000")	Percentage of profits (Defined with total amount in SAR "000")	Share granted (Defined with total amount in SAR "000")	Remuneration of the Board Chairman, Managing Director or the Secretary if he is a board member (Amount in SAR "000")	Other (Defined with total amount in SAR "000")	Total in SAR "000"
Abdullah bin Abdurrahman AlShilash	<ul style="list-style-type: none"> Member of the Board of Directors Member of the Executive Committee Member of the Risk and Credit Management Committee Member of the Nomination and Remuneration Committee (Post-reconstitution) 	0	0	0	0	0	0	0	0
Abdulkarim bin Abdulaziz Al-Duaiji	<ul style="list-style-type: none"> Vice Chairman of the Board Member of the Audit Committee Member of the Nomination and Remuneration Committee (Pre-reconstitution) 	0	0	0	0	0	0	0	0
Anand Sudarshan Kumar Raheja	<ul style="list-style-type: none"> Member of the Board of Directors Chairman of the Risk and Credit Management Committee 	0	0	0	0	0	0	0	0
Tarek Sami Zeiton	<ul style="list-style-type: none"> Member of the Board of Directors Member of the Executive Committee 	0	0	0	0	0	0	0	0
Abdurrahman bin Abdulaziz Al-Masned	<ul style="list-style-type: none"> Member of the Board of Directors 	50,000	8,000	0	0	0	0	0	58,000
Mohamed bin Misfer Al-Malki	<ul style="list-style-type: none"> Member of the Board of Directors 	50,000	8,000	0	0	0	0	0	58,000
Khalid Mohamed Khalil Fakeeh	<ul style="list-style-type: none"> Member of the Board of Directors 	50,000	8,000	0	0	0	0	0	58,000
Ghalib Jamal Jarar	<ul style="list-style-type: none"> Member of the Audit Committee Member of the Nomination and Remuneration Committee (Pre-reconstitution) 	55,000	22,000	0	0	0	0	0	77,000
Esssam Al- Segair	<ul style="list-style-type: none"> Chairman of the Audit Committee Chairman of the Nomination and Remuneration Committee (Pre-reconstitution) 	60,000	10,000	0	0	0	0	0	70,000
Faisal Abdulaziz Al Fouzan	Member of the Risk Management Committee	50,000	8,000	0	0	0	0	0	58,000
Mohammed Abdullah Al-Othaim	<ul style="list-style-type: none"> Chairman of the Nomination and Remuneration Committee (Post-reconstitution) 	10,000	2,000	0	0	0	0	0	12,000
Misha'l Mohamed Al-Kathiri	<ul style="list-style-type: none"> Member of the Nomination and Remuneration Committee (Post-reconstitution) 	10,000	2,000	0	0	0	0	0	12,000
Ziad Naim El Chaar	<ul style="list-style-type: none"> Chairman of the Executive Committee (Post-reconstitution) 	0	0	0	0	0	0	0	0
Josaf Malik Al-Korani	<ul style="list-style-type: none"> Member of the Executive Committee (Post-reconstitution) 	0	0	0	0	0	0	0	0
Total in SAR "000"		335,000	68,000	0	0	0	0	0	403,000

Statement of Remunerations and Compensation Paid to Senior Executives (Including the CEO and CFO)

Fixed Remunerations					Variable Remunerations								
	Salaries	Allowances	In-kind Benefits	Total	Periodic Bonuses	Profits	Short-term Incentive Plan	Long-term Incentive Plan	Granted Shares (Value)	Total	End-of-Service Provision	Total Executive Remunerations from the Board (if any)	Grand Total
المجموع	5,329,560.00 ١	0	0	5,329,560.00 ١	0	0	0	0	0	5,329,560.00 ١	0	0	5,329,560.00 ١

Remunerations of the Sharia Committee Members:

It should also be noted that the Sharia Committee has its duties outsourced to an external party (Dar Al-Muraja'a, the Auditor), after obtaining approval from the Saudi Central Bank. Accordingly, the total remuneration, as stipulated in the executed contract, for the Committee members, the Committee Secretary, and the Custodian amounts to SAR 65,000.

General Assembly and Shareholders Relationship

The Shareholders General Assembly held one meeting in 2025G which was an Ordinary General Assembly meeting as follows:

Ordinary General Assembly Meeting Wednesday, June 4, 2025G		
Board members attendees	Position	Attendance status
Abdullah bin Abdurrahman AlShilash	Board Chairman	Present
Abdulkareem bin Abdulaziz Al-Doaiji	Board Vice Chairman	Present
Abdurrahman bin Abdulaziz Al-Masned	Director	Present
Mohamed bin Misfer Al-Malki	Director	Present
Tarek Sami Zeiton	Director	Present
Khalid bin Mohamed Fakeeh	Director	Present
Anand Sudarshan Raheja	Director	Present

Ordinary General Assembly Meeting Wednesday, June 4, 2025G		
Shareholders attendees	Position	Attendance %
Al-Mawarid Al-Uola Real Estate Co.	Senior Shareholders	96,85550%
Awaid Financial Co.	Senior Shareholders	
Nawaqees Trading Co.	Senior Shareholders	
Public Shareholders	Public	

Dividend Distribution Policy

The distribution of dividends is subject to specific restrictions in accordance with applicable laws, regulations, and the company's Articles of Association. Furthermore, Article Twenty-Six (26) of the Implementing Regulations of the Finance Companies Control Law requires that a finance company obtain a no-objection letter from the Saudi Central Bank prior to approving, recommending, or announcing any dividend distribution or other forms of distribution, after ensuring that the following conditions have been met:

- 01 The distribution does not result in the capital adequacy or liquidity levels falling below the prescribed thresholds.
- 02 Total distribution in a financial year shall not exceed profits of the previous financial year.
- 03 Any other conditions stipulated by the Saudi Central Bank.

A shareholder is entitled to receive his share of dividends in accordance with Article Forty (40) of the Company's Articles of Association, which states that: A shareholder becomes entitled to his share of dividends pursuant to the resolution issued by the General Assembly in this regard, and the resolution shall specify the entitlement date and the distribution date. Dividend entitlement shall be for shareholders registered in the shareholders' register at the end of the entitlement date. The Board of Directors must implement the General Assembly's resolution concerning the distribution of dividends to shareholders.

Statement of Shareholders Requests Register

Number	Request Date	Request Reasons
1	04- 06- 2025G	General Assembly
1	09- 12- 2025G	Corporate Procedures

Statement of Names, Number of Shares, and Ownership Percentages of Major Shareholders in the Company

Shareholder	Nationality	Number of shares in 2025G	Ownership %
Al-Mawarid Al-Uola Real Estate Co.	Saudi	9,116,667.	30.38%
Awaid Financial Co.	Saudi	9,116,667.	30.38%
Nawaqees Trading Co.	Saudi	9,116,667.	30.38%
Eligible Shareholders	-	2,650,000.	8.83.
Total		30,000,000.	100%

Statement of the Company's transactions with related parties as per Article (71) of the Companies Law:

Name	Date of Incorporation	Agreement Nature	Period	Amount
NA	-	-	--	-

The company's shareholders and all their affiliated entities are classified as related parties. In the normal course of business, the company conducts transactions with related parties based on mutually agreed-upon pricing and contractual terms approved by the Company's management.

Statement of violations and penalties imposed on the Company:

Violation Subject	2024		2025	
	Total Financial fines (SAR)	Number of executive decisions	Total Financial fines (SAR)	Number of executive decisions
Non-compliance with supervisory and control instructions of the Central Bank	1	75,000	3	367,500
Non-compliance with the Central Bank instructions regarding customers protection	-	-	1	100,000
Violation of the Central Bank's instructions regarding the exercise of due diligence in combating money laundering and terrorist financing.	-	-	-	-
Violation of the Listing Rules and the Procedures for Suspending the Trading of Listed Securities issued by the Capital Market Authority.	2	-	-	-
Violation of the Rules on the Offering of Securities and Continuing Obligations issued by the Capital Market Authority.	1	-	-	-

Statement of Violations and Actions Taken:

A number of observations were identified during the visit conducted in 2025G, and all necessary actions were taken into consideration, with the observations closed within the regulatory timeframes. The required measures have been established and implemented to ensure compliance and to prevent the recurrence of such violations in the future.

Declarations of the Board of Directors in 2025G

The members of the Board of Directors acknowledge that all resolutions and recommendations issued during the year 2025 were made within the powers granted to them and in compliance with the approved laws and regulations, as follows:

- The accounting records were properly prepared.
- The financial statements were prepared in accordance with International Accounting Standards and the guidance of regulatory authorities, and the Board affirms that there are no material deviations from the accounting standards adopted by the Saudi Organization for Chartered and Professional Accountants.
- There are no reservations in the auditor's report regarding the annual financial statements.
- The internal control system was properly established and effectively implemented.
- There is no doubt regarding the company's ability to continue its operations.
- There are no arrangements or agreements under which any shareholder has waived any rights to dividends.
- There are no arrangements or agreements under which any Board member or senior executive has waived any remuneration.
- There is no conflict between the recommendations of the Audit Committee and the resolutions of the Board of Directors regarding the appointment or dismissal of the company's external auditor, determination of their fees, evaluation of their performance, or the appointment of the internal auditor.
- The Board of Directors confirms that there were no business dealings or contracts in which the company was a party and in which any Board member, senior executive (including the CEO and CFO), or any person related to any of them had a direct or indirect material interest during the financial year ended 2025G.



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