



الفا العربية للتمويل  
Alpha Arabia Finance

Annual Report

Alpha Arabia  
Finance

# Annual Report 2024

Board of Directors Report  
Alpha Arabia Finance Company  
For the Fiscal Year Ended in 2024

Annual Report

## **1- Chairman's Message:**

On behalf of myself and my fellow Board members, I am pleased to present to you the annual report of Alpha Arabia Finance Company for the year 2024. This report highlights the company's performance and achievements throughout the year amid the promising developments in the financial sector in the Kingdom of Saudi Arabia.

With the grace and blessings of Allah, the year 2024 marked a significant milestone in the company's journey. On February 6, 2024 (corresponding to 25 Rajab 1445H), we obtained the license from SAMA to engage in SME financing, financial leasing, and consumer financing. This license represents a major step in enhancing our ability to provide Sharia-compliant financial solutions that meet market demands, contributing to the growth of the financial sector and supporting the objectives of Saudi Vision 2030 by enabling individuals and businesses to access tailored financial solutions.

As we commenced our operational activities, we focused on offering competitive financing products that empower individuals and small and medium-sized enterprises (SMEs) to achieve their aspirations. We are committed to continuously developing our business and strengthening Alpha Arabia Finance's position as a trusted financial partner that actively contributes to driving economic growth in the Kingdom.

In conclusion, I would like to express my deepest gratitude to our shareholders, clients, and partners for their trust and continuous support. I would also like to extend my sincere appreciation to our dedicated team, whose efforts were instrumental in achieving these milestones.

With sincere thanks and appreciation,

**Fahad bin Saleh Al Musabhi**

**Chairman of the Board of Directors**

## **2- About Alpha Arabia Finance Company – 2024:**

- **Overview:**

The year 2024 marked the launch of Alpha Arabia Finance Company and the strengthening of its position in the financial sector in the Kingdom of Saudi Arabia, following its receipt of the final license from the Saudi Central Bank. Since its inception, the company has been committed to providing Sharia-compliant financing solutions tailored for individuals and small & medium enterprises (SMEs), contributing to financial inclusion and economic growth.

**Our Financing Activities Include:**

- Consumer Financing
- Financial Leasing
- SME Financing

- **Our Vision:**

To be the ultimate stop for innovative financing solutions.

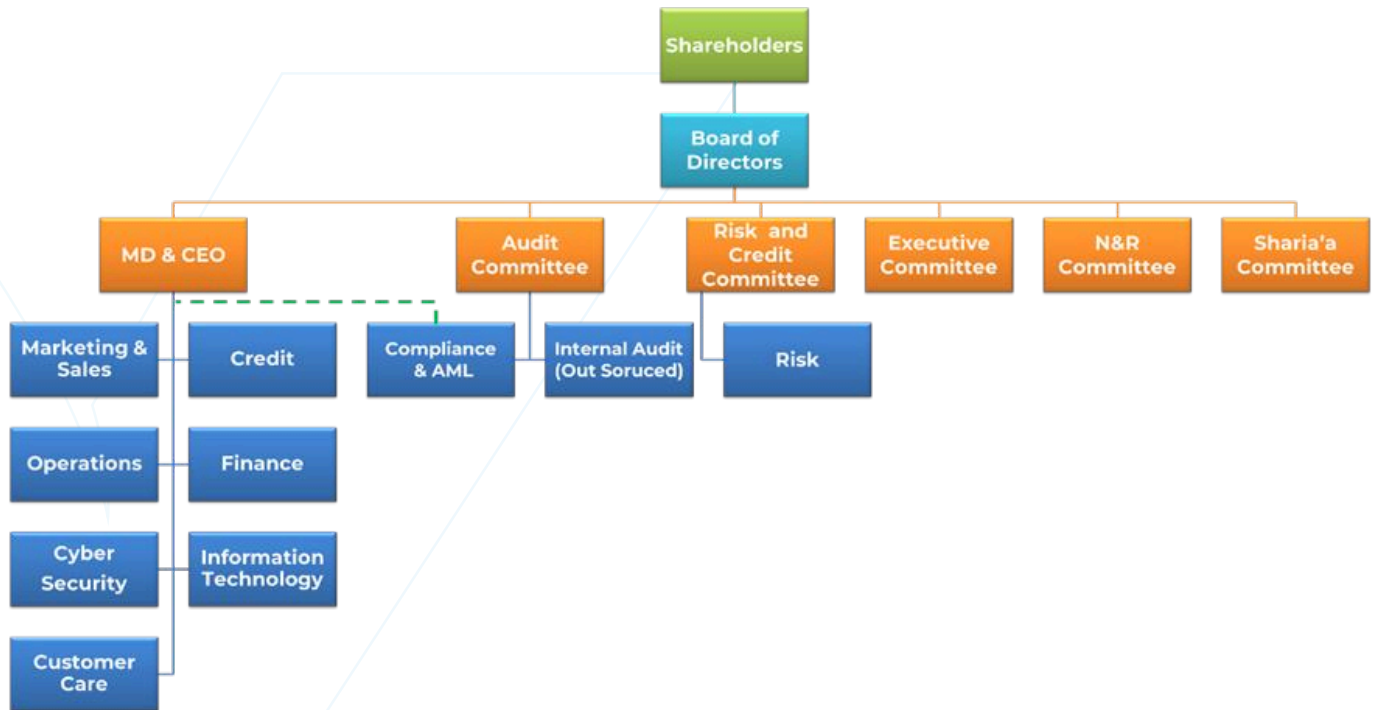
- **Our Mission:**

To offer a range of diversified Sharia compliant financing solutions with a lean and transparent process that meets our customers, partners and communities' financial needs.

- **Our Objectives:**

Engage in financing activities in accordance with the Companies Law, the Finance Companies Control Law, and Implementing Regulations, to pursue the Consumer & SME financing activities, following the principles of Sharia.

### 3- Company Organizational Structure:



### 4- General Assembly Meetings:

One Ordinary General Assembly Meeting was held during the year on April 30, 2024.

### 5- Board of Directors and Subcommittees:

- Board Members and Their Classification:

Name	Membership	Independence
Mr. Fahad bin Saleh Al-Musabhi	Chairman of the Board	Non-Independent Member
Mr. Abdullah bin Ahmed Bahwan	Board Member (Vice Chairman)	Non-Independent Member
Mr. Abdulmohsen bin Abdulrahman Al-Sowailem	Board Member (Managing Director)	Executive Member
Mr. Mohammed bin Saad Bahwan	Board Member	Non-Independent Member
Mr. Omar bin Suhail Bilani	Board Member	Independent Member
Mr. Ahmed bin Ibrahim Al-Shabanah	Board Member	Independent Member

## • Board Meetings:

Name	Membership	Meeting 1 25-03-2024	Meeting 2 01-09-2024	Meeting 3 27-10-2024	Meeting 4 04-12-2024	Attendance Rate %
Mr. Fahad bin Saleh Al-Musabhi	Chairman of the Board	X	X	X	X	100%
Mr. Abdullah bin Ahmed Bahwan	Board Member (Vice Chairman)	X	X	X	X	100%
Mr. Abdulmohsen bin Abdulrahman Al-Sowailam	Board Member (Managing Director)	X	X	X	X	100%
Mr. Mohammed bin Saad Bahwan	Board Member	X	X	X	X	100%
Mr. Omar bin Suhail Bilani	Board Member	X	X	X	X	100%
Mr. Ahmed bin Ibrahim Al-Shabanah	Board Member	X	X	X	X	100%

## - Executive Committee:

The Executive Committee is responsible for supporting senior management in implementing the company's strategies and objectives in accordance with the guidelines approved by the Board of Directors. The committee's key responsibilities include:

1. Reviewing the company's strategic directions and making recommendations to the Board of Directors.
2. Reviewing and approving short- and medium-term financial and operational business plans, ensuring alignment with long-term strategic goals.
3. Approving new products and business activities the company intends to launch.
4. Providing recommendations to the Board on investment plans, including the management of financial surpluses.
5. Monitoring the company's performance and that of its business units to ensure compliance with the approved plan and budget.

**\* Executive Committee Membership:**

Name	Position
Mr. Fahad bin Saleh Al-Musabhi	Chairman of the Executive Committee
Mr. Abdulmohsen bin Abdulrahman Al-Sowaillem	Executive Committee Member
Mr. Ahmed bin Ibrahim Al-Shabanah	Executive Committee Member

Name	Membership	Meeting 1 19-09-2024	Meeting 2 27-10-2024	Meeting 2 04-12-2024	Attendance Rate %
Mr. Fahad bin Saleh Al-Musabhi	Chairman of the Executive Committee	X	X	X	100%
Mr. Abdulmohsen bin Abdulrahman Al-Sowaillem	Executive Committee Member	X	X	X	100%
Mr. Ahmed bin Ibrahim Al-Shabanah	Executive Committee Member	X	X	X	100%

\* The company obtained SAMA No Objection for the formation of the Executive Committee on August 7, 2024.

## • Audit Committee:

The primary role of the Audit Committee is to monitor the company's activities and assist the Board of Directors in overseeing the following:

1. The integrity, accuracy, and effectiveness of the company's financial statements and reports.
2. The company's compliance with legal and regulatory requirements.
3. The qualifications, independence, and performance of the external auditor.
4. The effectiveness of internal control systems, internal audits, and the overall financial reporting process.

## • Audit Committee Membership:

Name	Position
Mr. Omar bin Suhail Bilani	Chairman of the Audit Committee
Mr. Hossam bin Atta Al-Bayouk	Audit Committee Member
Mr. Tom Cyriac	Audit Committee Member

Name	Membership	Meeting 1 25-04-2024	Meeting 2 22-07-2024	Meeting 3 04-12-2024	Meeting 4 26-12-2024	Attendance Rate %
Mr. Omar bin Suhail Bilani	Chairman of the Audit Committee	X	X	X	X	100%
Mr. Hossam bin Atta Al-Bayouk	Audit Committee Member	X	X	X	X	100%
Mr. Tom Cyriac	Audit Committee Member	X	X	-	X	75%

• **Risk and Credit Committee:**

- The primary role of the Risk and Credit Committee is to ensure the company has effective oversight to guarantee the prudent practice of credit activities, avoid risks undertaken by the company, and review and approve policies and procedures related to credit granting for individuals, SMEs, and financial leasing.

• **Risk and Credit Committee Membership:**

Name	Membership
Mr. Fahad bin Saleh Al-Musabhi	Chairman of the Risk and Credit Committee
Mr. Abdullah bin Ahmed Bahwan	Risk and Credit Committee Member
Mr. Abdulmohsen bin Abdulrahman Al-Sowaillem	Risk and Credit Committee Member
Mr. Mohammed bin Faisal Idais*	Risk and Credit Committee Member

Name	Membership	Meeting 1 28-03-2024	Meeting 2 27-06-2024	Meeting 3 27-10-2024	Meeting 4 04-12-2024	Attendance Rate %
Mr. Fahad bin Saleh Al-Musabhi	Chairman of the Risk and Credit Committee	x	x	x	x	100%
Mr. Abdullah bin Ahmed Bahwan	Risk and Credit Committee Member	x	x	x	x	100%
Mr. Abdulmohsen bin Abdulrahman Al-Sowaillem	Risk and Credit Committee Member	x	x	x	x	100%
*Mr. Mohammed bin Faisal Idais	Risk and Credit Committee Member	-	-	-	-	0%

\* Mr. Mohammed bin Faisal Idais resigned from his membership in the Risk and Credit Committee on March 31, 2024.



• **N&R Committee:**

- The primary role of the N&R Committee is to recommend to the Board of Directors candidates for board or committee memberships to fill vacant positions, in accordance with the approved policies and procedures.
- Conduct an annual review of the required skills and expertise needed for Board membership.
- Review the Board structure, identify strengths and weaknesses, and submit recommendations accordingly.
- Develop policies for the compensation and remuneration of Board members and senior executives and submit recommendations to the Board regarding the annual budget for bonuses and incentives.

• **N&R Committee Membership:**

Name	Membership
Mr. Omar bin Suhail Bilani	Chairman of the N&R Committee
Mr. Fahad bin Saleh Al-Musabhi	N&R Committee Member
Mr. Mohammed bin Saad Bahwan	N&R Committee Member
Mr. Ahmed bin Ibrahim Al-Shabanah	N&R Committee Member

Name	Membership	Meeting 1 17-09-2024	Meeting 2 27-10-2024	Attendance Rate %
Mr. Omar bin Suhail Bilani	Chairman of the N&R Committee	X	X	100%
Mr. Fahad bin Saleh Al- Musabhi	N&R Committee Member	X	X	100%
Mr. Mohammed bin Saad Bahwan	N&R Committee Member	X	X	100%
Mr. Ahmed bin Ibrahim Al-Shabanah	N&R Committee Member	X	X	100%

• **Sharia Committee:**

- The Sharia Committee oversees the company's activities from a Sharia compliance perspective and is responsible for the following:
- Reviewing and evaluating the company's objectives and policies to ensure they comply with Sharia principles.
- Assessing new products, contracts, and agreements entered by the company.
- Issuing fatwas and decisions to guide the company's management on matters related to Sharia compliance.
- Conducting regular monitoring of all company activities through the Sharia Compliance Department, which includes Sharia auditing and regulatory oversight.
- Providing an annual Sharia report on the company's activities and its adherence to Sharia guidelines.

• Sharia Committee Members:

Name	Membership
Dr. Abdulaziz bin Saad Al-Nafisa	Chairman of the Sharia Committee
Dr. Mohammed Hafiz Abu Bakr	Sharia Committee Member

Name	Membership	Meeting 1 21-04-2024	Meeting 2 26-09-2024	Attendance Rate %
Dr. Abdulaziz bin Saad Al-Nafisa	Chairman of the Sharia Committee	x	x	100%
Dr. Mohammed Hafiz Abu Bakr	Sharia Committee Member	x	x	100%

6- Shareholders Register and Ownership Percentage as of December 31, 2024

Shareholder Name	Number of shares	Value of shares	Ownership Percentage (%)
Alpha United Investment Company	3,000,000	30,000,000	30%
National Trust Investment Company	3,000,000	30,000,000	30%
Mr. Abdulmohsen bin Abdulrahman Al-Sowailem	3,000,000	30,000,000	30%
Sultan bin Saleh Al-Musabhi	600,000	6,000,000	6%
Fahad bin Saleh Al-Musabhi	400,000	4,000,000	4%

## 7- Description of Any Transactions Between the Company and Related Parties or Any Business or Contracts Involving the Company:

S #	Purpose	Period	Related Party	Vendor Name	Amount with VAT
1	<ul style="list-style-type: none"> <li>ITIS Cloud Manage Services,</li> <li>ITIS CS Services (VCISO),</li> <li>ITIS MS Dynamics 365</li> <li>ITIS MS Hosting</li> <li>SOC services</li> <li>Penetration Test</li> <li>Telephony Server (Cloud Extra)</li> <li>Veeam Hosting</li> <li>ITIS MS D 365 Support Services</li> </ul>	For 12 months	Mr. Fahad Saleh AlMusabhi	Information Technology Integrated Solutions	SR1,900,000/-
2	Rent Payment for 2nd year of rental agreement signed for four years Services	For 12 months	Mr. Abdulmohsen Al Sowaiem	Alpha united Investment company	SR1,600,000/-
3	<ul style="list-style-type: none"> <li>Annual subscription fees of official pages.</li> <li>Subscription of domain and name on IOS and Android for mobile application.</li> <li>Social Media Marketing Campaigns for 12 months.</li> <li>Other Marketing Activities to raise company's awareness and presence in market.</li> </ul>	For 12 months	Mr. Fahad Saleh AlMusabhi. & Mr. Abdulmohsen Al Sowaiem	Alpha Creative	SR2,400,000/-

## 8- Risk Management

- Risk management is a fundamental pillar in the strategies of Alfa Arabia Finance Company, playing a crucial role in securing the sustainability of its growth and shielding it from financial and operational risks. Management acknowledges the significance of adopting a structured and strategic approach to risk management to minimize the potential impact of risks on its financial and operational performance, which strengthens the company's ability to swiftly and effectively adapt to evolving market challenges.

### Types of Risks:

- **Credit Risk:** Credit risk is one of the primary risks the company may face, given that financing is its core activity. To manage this risk, the company follows policies and procedures approved by the Board of Directors in compliance with the regulations of the Saudi Arabian Monetary Authority (SAMA). Additionally, it assesses clients' creditworthiness through a thorough, systematic evaluation of their financial position, incorporating both quantitative and qualitative factors.
- **Operational Risk:** Operational risk concerns losses resulting from system failures, process inefficiencies, human errors, or fraud. It involves all the internal operations managed by the company to deliver its services. These risks can affect the company's operational efficiency.
- **Market Risk:** This risk stems from fluctuations in financial market prices, including changes in interest rates or exchange rates, which may affect the company's performance.
- **Liquidity Risk:** Liquidity risk refers to the company's ability to fulfill its short-term financial obligations without incurring substantial losses. To mitigate this risk, the company prioritizes aligning funding sources with the maturity of client loans and maintaining adequate credit limits with local banks.
- **Cybersecurity Risk:** Cybersecurity risks involve potential threats and attacks on the company's information systems and digital infrastructure. These risks include cyberattacks, viruses, malware, and breaches that could lead to sensitive data exposure or disruptions in internal operations. To mitigate these risks, the company employs security systems, conducts regular employee training to enhance cybersecurity awareness, and continuously analyzes threats to develop effective countermeasures.

- **Approach to Risk Management:**

- Quarterly Risk Reports: The company prepares detailed risk reports every quarter, providing a comprehensive assessment of potential risks along with recommended actions. These reports are reviewed by the Risk and Credit Committee and submitted to the Board of Directors.

## 9- Summary of Financial Results and Company Performance

- Summary of Financial Indicators for the Fiscal Year Ended December 31, 2024
- Financial Reporting Standards:
- The company's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the Kingdom of Saudi Arabia, along with other approved standards issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
- The following financial statements cover the period from January 1, 2024, to December 31, 2024, and represent the second annual financial statements issued by the company's management in accordance with its Bylaws.
- The financial statements were approved and authorized for issuance by the Board of Directors on February 9, 2025.

### Zakat Allocation:

- According to the instructions of the Zakat, Tax, and Customs Authority (ZATCA), the Zakat provision is calculated at the end of the financial year under the items of comprehensive income. Any differences resulting from the final assessment are recognized under the same item in the year in which the zakat assessment is approved.
- The zakat amount for the year 2024 was SAR 319,074, compared to SAR 16,355 for the year 2023.

## Financial Position – Amounts in Million Saudi Riyals (SAR)



## Comprehensive Income – Amounts in Million Saudi Riyals (SAR)



## Statement of Changes in Shareholders' Equity – Amounts in Million Saudi Riyals (SAR)



## 10- Penalties and Violations:

Violation Subject	Fiscal Year 2024
Violations of the Saudi Central Bank's Supervisory and Regulatory Instructions	None
Violations of the Saudi Central Bank's Customer Protection Instructions	None
Violations of the Saudi Central Bank's Due Diligence Instructions on Anti-Money Laundering and Counter-Terrorist Financing	None

## 11- Disclosure of Remunerations:

Total Compensation for the Board of Directors, Subcommittees:

	Board Members	Non-Board Members
Board Members	127,000 SAR	-
Board Committees:		
Audit Committee	53,000 SAR	108,000 SAR
Executive Committee	21,000 SAR	-
N&R Committee	44,000 SAR	-
Risk and Credit Committee	-	-
Total:	245,000 SAR	108,000 SAR

The total salaries and benefits for the five senior executives including the CEO and CFO for the Year 2024 amounted to 5,064,435 SAR.



## 12- General Assembly Resolutions

- Adoption of the company's financial statements for the period ended December 31, 2023.
- Adoption of the Audit Committee's recommendation to appoint RSM United Accountants for Professional Consulting as the external auditor.
- Adoption of the Board of Directors' report on the company's activities for the year 2023.
- Adoption of the Sharia Committee's report on the company's activities for the year 2023.
- Adoption of the Audit Committee's report on the company's activities for the year 2023.
- Adoption of the Executive Committee Charter.
- Release of the Board of Directors from liability for their management of the company during the fiscal year 2023.

## 13- Conclusion

- Alpha Arabia Finance Company extends its sincere gratitude to our wise government, the Saudi Central Bank, and all supporting entities, which enabled us this year to obtain the necessary license and begin offering our services.
- We thank you for your valuable trust and look forward to continuing to achieve greater success together