



شركة الفا العربية للتمويل
Alpha Arabia Finance Company

Board of Directors Report

For the year 2025

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



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Chairman's Message

On behalf of myself and my fellow Board members, I am pleased to present the 2025 Annual Report for "Alpha Arabia Finance." We consider this year a milestone in our journey, marking the transition from the foundation phase to the actual launch towards leadership and institutional excellence.

During this year, the company successfully implemented its strategic plans, turning them into a tangible reality. We have effectively overcome challenges related to infrastructure and regulatory requirements. This solid foundation has enabled us to launch strongly into the Saudi market, aiming to be an active part of the financial sector's growth in line with the targets of Saudi Vision 2030.

This distinguished performance is clearly reflected in our financial and operational indicators. Our financing portfolio has achieved steady and well-planned growth. At "Alpha Arabia," we do not only look at growth in terms of numbers; we prioritize our customers' trust through quality and efficiency, operating under the highest standards of governance and transparency to meet our clients' expectations and achieve sustainability.

As we look toward the future, we renew our commitment to continuous development and innovation, enhancing our competitive capabilities to provide an exceptional customer experience.

In conclusion, we express our deepest appreciation to the Saudi Central Bank (SAMA) for its continuous support and guidance. We also thank our valued shareholders for their trust, and our partners and clients for their loyalty. Special thanks and appreciation go to the "Alpha Arabia" team for their dedication and professionalism, which have brought us to where we are today.

Fahad bin Saleh Al Musabhi

Chairman of the Board

About Alpha Arabia Finance Company – 2025

General Overview:

The year 2025 marked a significant milestone for Alpha Arabia Finance Company, as it transitioned from the foundation and licensing year to actual operations and established its presence in the Saudi market. During this year, the company continued implementing its strategic plans and developing its operational infrastructure, supported by its license from the Saudi Central Bank (SAMA).

The company focused its efforts on expanding its Sharia-compliant financing services to meet the growing needs of individuals and SMEs, reaffirming its commitment to enhancing financial inclusion and contributing effectively to the Kingdom's economic development.

The company's financing activities include the following:

- Consumer Financing.
- Finance Lease.
- Small and Medium Enterprises (SMEs) Financing.

Vision:

To be the ultimate stop for innovative financing solutions.

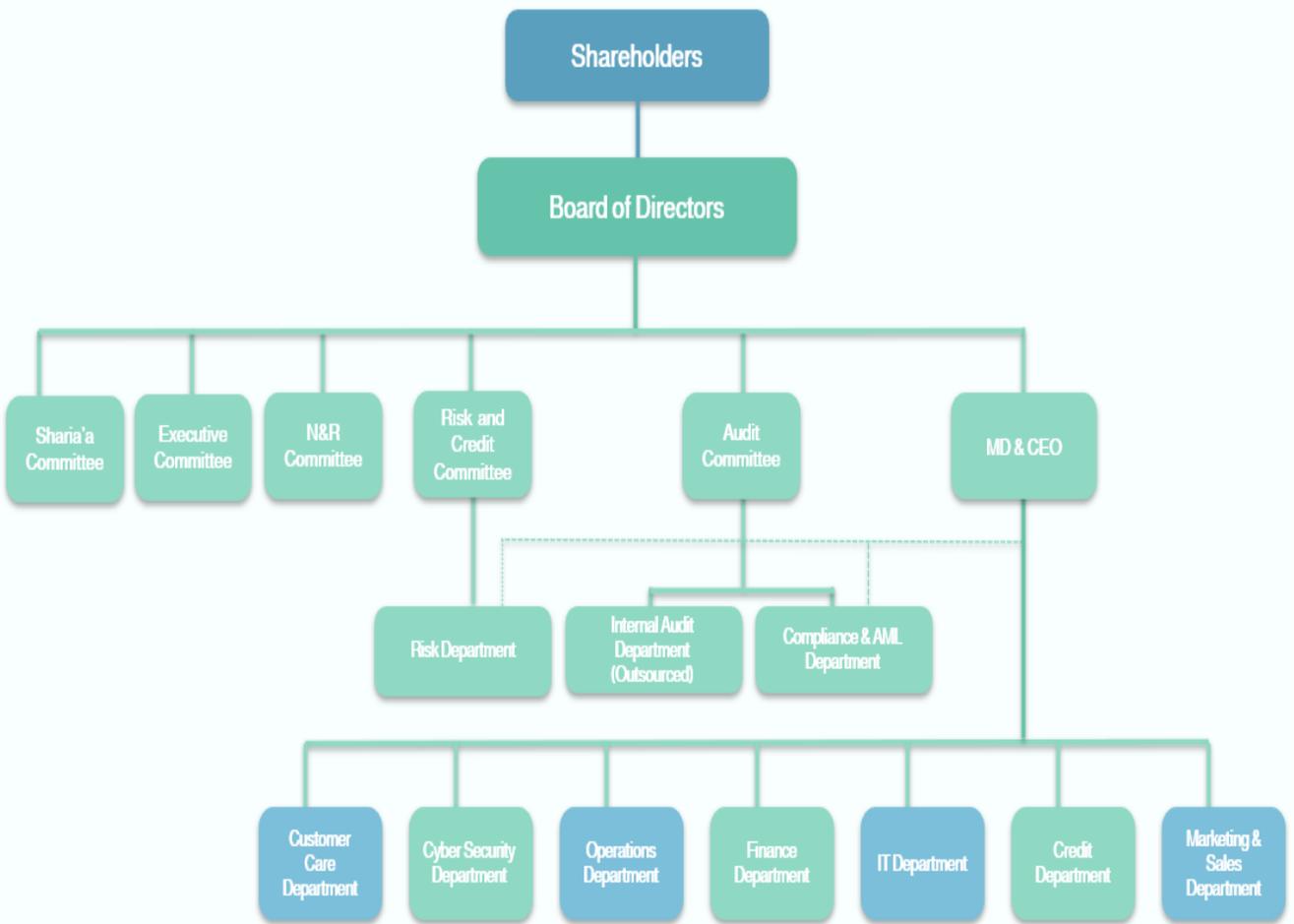
Mission:

To offer a range of diversified sharia complaint financing solutions with lean and transparent process that meets our customers, partners and community's financial needs.

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.

Organizational Structure



Shareholders Register and Ownership Percentage as of the end of 2025

Shareholder Name	Ownership Percentage	Number of Shares
Alpha United Investment Company	30%	3,000,000
National Trust Investment Company - Oman	30%	3,000,000
Abdulmohsen bin Abdulrahman Alsowailem	30%	3,000,000
Sultan bin Saleh Al Musabhi	6%	600,000
Fahad bin Saleh Al Musabhi	4%	400,000

Board Members and their Classification

<p>Mr. Fahad bin Saleh Al-Musabhi</p> <p>Chairman of the Board</p> <p><i>Non-Independent</i></p>	<p>Mr. Abdullah bin Ahmed Bahwan</p> <p>Vice Chairman of the Board</p> <p><i>Non-Independent</i></p>	<p>Mr. Abdulmohsen bin Abdulrahman Alsowailem</p> <p>MD & CEO</p> <p><i>Executive</i></p>
<p>Mr. Mohammed bin Saad Bahwan</p> <p>Board Member</p> <p><i>Non-Independent</i></p>	<p>Mr. Omar bin Sohail Bilani</p> <p>Board Member</p> <p><i>Independent</i></p>	<p>Mr. Ahmed bin Ibrahim AlShabanah</p> <p>Board Member</p> <p><i>Independent</i></p>

Board of Directors Meetings

Name	1 st Meeting 28-01-2025	2 nd Meeting 28-05-2025	3 rd Meeting 30-09-2025	4 th Meeting 30-12-2025	Attendance %
Mr. Fahad bin Saleh Al-Musabhi	✓	✓	✓	✓	100%
Mr. Abdullah bin Ahmed Bahwan	✓	✓	✓	✓	100%
Mr. Abdulmohsen bin Abdulrahman Alsowailem	✓	✓	✓	✓	100%
Mr. Mohammed bin Saad Bahwan	✓	✓	✓	✓	100%
Mr. Omar bin Sohail Bilani	✓	✓	✓	✓	100%
Mr. Ahmed bin Ibrahim AlShabanah	✓	✓	✓	✓	100%

Board Committees

Board committees play a vital role in supporting the Board in fulfilling its duties and responsibilities. They review specialized matters and provide necessary recommendations to ensure sound decision-making. These committees exercise their powers in accordance with approved charters to achieve operational efficiency and regulatory compliance. Below is an overview of the duties, composition, and meetings of these committees:

Executive Committee

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

- Reviewing the company's strategic directions and providing recommendations to the Board.
- Reviewing and approving short and medium-term financial and operational business plans in alignment with long-term strategic plans.
- Approving new products and business initiatives intended for launch.
- Providing recommendations to the Board regarding investment plans, including the investment of excess liquidity.
- Monitoring the performance of the company and ensuring adherence to approved plans and budgets.

Executive Committee Composition and Meetings

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

Name	1 st Meeting 28-01-2025	2 nd Meeting 17-03-2025	3 rd Meeting 28-05-2025	4 th Meeting 29-09-2025	5 th Meeting 03-11-2025	6 th Meeting 23-12-2025	Attendance %
Mr. Fahad bin Saleh Al-Musabhi	✓	✓	✓	✓	✓	✓	100%
Mr. Abdulmohsen bin Abdulrahman Alsowailem	✓	✓	✓	✓	✓	✓	100%
Mr. Ahmed bin Ibrahim AlShabanah	✓	✓	✓	✓	✓	✓	100%

Audit Committee

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

- The integrity, accuracy, and effectiveness of the company's financial statements and reports.
- The company's compliance with legal and regulatory requirements.
- The qualifications, independence, and performance of the company's external auditor.
- The performance, integrity, and effectiveness of the company's internal control, internal audit, and financial reporting systems.

Audit Committee Composition and Meetings

Name	Position
Mr. Omar bin Sohail Bilani	Chairman of the Audit Committee
Mr. Hussam bin Ataa Albayouk	Member of the Audit Committee
Mr. Tom Cyriac	Member of the Audit Committee

Name	1 st Meeting 01-05-2025	2 nd Meeting 20-05-2025	3 rd Meeting 06-08-2025	4 th Meeting 19-11-2025	Attendance %
Mr. Omar bin Sohail Bilani	✓	✓	✓	✓	100%
Mr. Hussam bin Ataa Albayouk	✓	✓	✓	✓	100%
Mr. Tom Cyriac	✓	✓	✓	✓	100%

Risk and Credit Committee

The primary role of the Risk and Credit Committee is to ensure effective monitoring within the company to ensure prudent credit practices and mitigate risks. It is also responsible for reviewing and approving policies and procedures related to credit granting for individuals, Small and Medium Enterprises (SMEs), and finance leasing.

Risk and Credit Committee Composition and Meetings

Name	Position
Mr. Fahad bin Saleh Al-Musabhi	Chairman of the Risk and Credit Committee
Mr. Abdullah bin Ahmed Bahwan	Member of the Risk and Credit Committee
Mr. Abdulmohsen bin Abdulrahman Alsowailem	Member of the Risk and Credit Committee
*Mr. Abdulrahman bin Mohammed Najm	Member of the Risk and Credit Committee

Name	1 st Meeting 30-04-2025	2 nd Meeting 24-07-2025	3 rd Meeting 30-10-2025	4 th Meeting 25-12-2025	Attendance %
Mr. Fahad bin Saleh Al-Musabhi	✓	✓	✓	✓	100%
Mr. Abdullah bin Ahmed Bahwan	✓	✓	✓	✓	100%
Mr. Abdulmohsen bin Abdulrahman Alsowailem	✓	✓	✓	✓	100%
*Mr. Abdulrahman bin Mohammed Najm	N/A	N/A	✓	✓	100%

*The Company obtained the non-objection on October 22, 2025, for the appointment of Mr. Abdulrahman bin Mohammed Najm as a member of the Risk and Credit Committee.

Nomination and Remuneration Committee

The primary role of the N&R Committee is to:

- Recommend nominations for Board and committee membership to fill vacancies in accordance with approved policies and procedures.
- Conduct an annual review of the skills required for Board membership.
- Review the Board’s structure, identify strengths and weaknesses, and submit recommendations accordingly.
- Develop compensation and remuneration policies for Board members and senior executives.

N&R Committee Composition and Meetings

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

Name	1 st Meeting 17-03-2025	2 nd Meeting 21-12-2025	Attendance %
Mr. Omar bin Sohail Bilani	✓	✓	100%
Mr. Fahad bin Saleh Al-Musabhi	✓	✓	100%
Mr. Mohammed bin Saad Bahwan	✓	✓	100%
Mr. Ahmed bin Ibrahim AlShabanah	✓	✓	100%

Shari'a Committee

The Shari'a Committee is responsible for overseeing the company's operations and its duties include:

- Studying and reviewing the company's objectives and policies to ensure their compliance with Shari'a principles.
- Reviewing new products, as well as contracts and agreements entered into by the company.
- Issuing fatwas (legal opinions) and resolutions to the company's management regarding business-related matters in accordance with Islamic Shari'a.
- Conducting periodic monitoring of all company activities through the Shari'a Compliance and Shari'a Audit departments.
- Submitting an annual Shari'a report on the company's operations and the extent of its compliance with Shari'a guidelines

Shari'a Committee Composition and Meetings

Name	Position
Dr. Abdulaziz bin Saad Al-Nafisah	Chairman of the Shari'a Committee
Dr. Mohammed bin Hafiz Abu Bakr	Member of the Shari'a Committee

Name	1 st Meeting 12-02-2025	2 nd Meeting 06-03-2025	3 rd Meeting 27-03-2025	4 th Meeting 20-07-2025	Attendance %
Dr. Abdulaziz bin Saad Al-Nafisah	✓	✓	✓	✓	100%
Dr. Mohammed bin Hafiz Abu Bakr	✓	✓	✓	✓	100%

Related Party Transactions

The Board confirms that these transactions were conducted in the ordinary course of business and on prevailing commercial terms, without any preferential conditions. The table below outlines the transactions and contracts entered into with related parties during the year 2025:

Related Party Name	Nature of Relationship	Nature of Transaction / Contract	Transaction Value (SAR)
Yaqeen Indirect Financing Fund	Mr. Ahmed AlShabanah, the CEO and Managing Director of Yaqeen Capital, is a member of the Board of Directors of Alpha Arabia Finance.	Indirect Financing	23,015,000 ٴ
Alpha United Investment Company	Alpha United Investment Company and Mr. Abdulmohsen bin Abdulrahman AlSowailem are related parties.	Lease of furnished offices for the company's headquarters in AlSahafa district, Riyadh.	2,760,001 ٴ
Integrated Marketing Advertising Company	Mr. Fahad bin Saleh Al-Musabhi and Mr. Abdulmohsen bin Abdulrahman Al-Sowailem are related parties.	Implementation of marketing campaigns via social media platforms and brand awareness activities.	1,514,766 ٴ

Risk Management Framework

Risk management is a fundamental pillar of Alpha Arabia Finance's strategy. It plays a key role in ensuring sustainable growth and protecting the company from financial and operational risks. The company is committed to implementing advanced practices in this field to minimize the impact of potential risks on its financial and operational performance. Alpha Arabia Finance's management recognizes the importance of following a structured and calculated risk management approach, which enhances the company's ability to adapt quickly and flexibly to changing market challenges. The company adopts advanced techniques for risk analysis and prioritization, helping develop proactive plans to mitigate potential negative impacts.

Furthermore, the company works on promoting a risk-awareness culture among all employees. The active participation of every individual in risk assessment and management is essential to ensure the company's ability to respond quickly and adapt to any unexpected conditions that may affect its financial and operational stability.

- **Key Risks Facing the Company:**

Based on the nature of the company's business activities and operational environment, the principal risks and their mitigation mechanisms are categorized as follows:

• **Credit Risk:**

Given the nature of the company's financing activities, credit risk is classified as the most significant material risk. To mitigate this risk, the company is committed to implementing strict credit policies approved by the Board of Directors and in compliance with Saudi Central Bank (SAMA) regulations.

Risk Management Framework

- **Operational Risk:**

Risks arising from deficiencies in internal processes, systems, or human errors. The company manages these risks by automating processes and implementing control measures to enhance operational efficiency and ensure procedural integrity.

- **Liquidity Risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation..

- **Market Risk:**

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market profit rates or the market prices of securities due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

- **Cybersecurity Risk:**

With the increasing reliance on technology, the company places the priority on protecting its digital infrastructure from cyberattacks and breaches that could threaten data confidentiality or business continuity. The company has invested in security systems and collaborates with specialized service providers to enhance infrastructure efficiency, in addition to conducting periodic training programs for employees to raise security awareness.

- **Control and Reporting Mechanism:**

The company follows a proactive monitoring approach through:

- Issuing comprehensive quarterly risk reports, including a precise assessment of indicators and recommendations for corrective actions.
- Periodically reviewing these reports by the Risk and Credit Committee, then presenting them to the Board of Directors to ensure appropriate strategic decision-making.

Summary of Financial Results and Company Performance

Financial Reporting Standards

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, and the standards issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), as well as the requirements of the Companies Law and the Company's Bylaws.

Zakat Provision:

The Company follows ZATCA regulations to calculate its Zakat provision, which is recorded in the income statement.

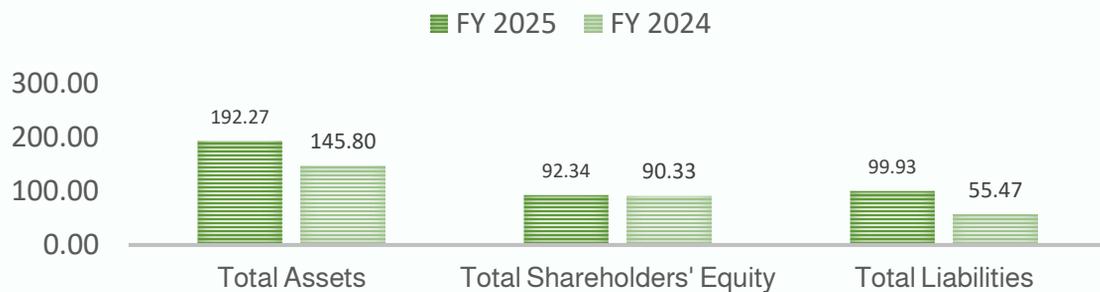
The Zakat provision for 2025 was SAR 412,798, compared to SAR 319,074 in the previous year.

The following summary of financial statements is for the period from January 1, 2025, to December 31, 2025. These are the third annual financial statements issued by the management in accordance with the Articles of Association.

The financial statements were approved and authorized for issue by the Board of Directors on February 19, 2026.

Summary of Financial Results and Company Performance

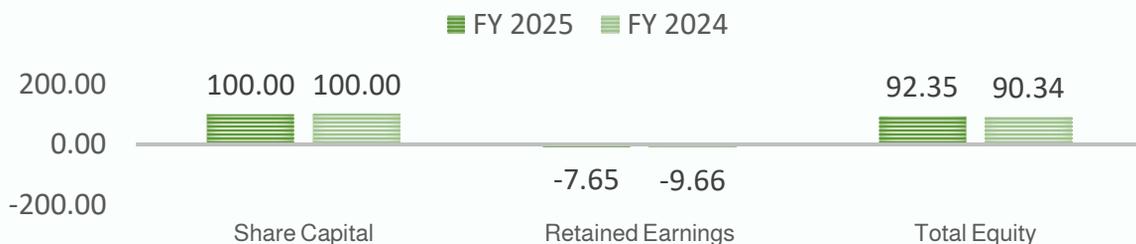
Financial Position – Amounts in SAR Millions



Comprehensive Income – Amounts in SAR Millions



Statement of Changes in Equity – Amounts in SAR Millions



Penalties and Sanctions

Subject of Violation	2025		2024	
	Number of Executive Decisions	Total Amount of Fines	Number of Executive Decisions	Total Amount of Fines
Violations of Central Bank Supervisory and Regulatory Instructions	0	0	0	0
Violations of Consumer Protection Instructions	0	0	0	0
Violations of Anti-Money Laundering Instructions	0	0	0	0

Remuneration Disclosure

Total remuneration for the Board of Directors and subcommittees during 2025 was as follows:

	Board Members	External Members
Board of Directors	⌘128.000	-
Board Committees:		
• Audit Committee	⌘53.000	⌘107.000
• Executive Committee	⌘22.000	-
• N&R Committee	⌘44.000	-
• Risk and Credit Committee	-	⌘14.000
Total:	⌘247.000	⌘121.000

Salaries and benefits for five senior executives, including the CEO and CFO, amounted to SAR 5,746,781.

General Assembly Meetings and Resolutions

As part of the Board of Directors' commitment to continuous communication with shareholders and keeping them informed of company updates and material decisions, an Extraordinary General Assembly meeting was held on 28/05/2025.

General Assembly Resolutions

- Approval of the amendment to the Company's Articles of Association.
- Approval of the Board of Directors' Report for the fiscal year ended December 31, 2024.
- Approval of the External Auditor's Report and the Financial Statements for the fiscal year ended December 31, 2024.
- Approval of the Shari'a Committee's Report for the fiscal year ended December 31, 2024.
- Approval of the Audit Committee's Report for the fiscal year ended December 31, 2024.
- Approval to discharge the members of the Board of Directors from liability for the fiscal year ended December 31, 2024.
- Approval of transactions conducted with related parties during the fiscal year ended December 31, 2024, and approval of their continuation for the year 2025.
- Approval of the appointment of RSM as the external auditor for 2025, including the quarterly financial reviews up to the end of the first quarter of 2026, for a total fee of SAR 210,000 (including VAT).
- Approval for the payment of independent Board members' remuneration, totaling SAR 127,000.
- Approval for the payment of Audit Committee remuneration, totaling SAR 161,000.

Conclusion

In conclusion, Alpha Arabia Finance Company extends its sincere thanks and gratitude to the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince for their unlimited support of the financial sector. We also appreciate the leading role of the Saudi Central Bank (SAMA) in providing a supportive regulatory environment that has enabled us to expand our business.

Furthermore, we reassure our valued shareholders and customers of our commitment to continuing our journey of development and innovation, while actively contributing to the goals of Saudi Vision 2030.



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