شركة رافعات الخليج للإيجار التمويلي
Gulf Lifting Financial Leasing Co.

# 2024
# Board of Directors' Annual Report

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# 1. Chairman Letter

It is with great pleasure and optimism that I present this message as a Chairman of the Board of Directors for Gulf Lifting Financial Leasing Co (GLFL). As we reflect on the past year, we are reminded of the remarkable achievements we've made together for growth and expansion in terms of developing competitive products and adopting into the digital transformation, despite the challenges we've encountered along the way.

Dr. Faisal Bin Khalid Kanoo - Chairman

As part of the Vision 2030 initiative, Saudi Arabia has undertaken significant transformational programs in recent years, focusing on increasing digital penetration across both individual and corporate sectors. Notably, the Kingdom has excelled in its digital government transformation, ranking first in the region and third globally in the World Bank's 2022 Gov.Tech Maturity Index. Additionally, Saudi Arabia's GDP is estimated at approximately SAR 4.0 trillion in 2023 and is projected to grow at a compound annual growth rate (CAGR) of around 6% until 2033. The country's large and expanding population further drives substantial domestic demand for goods, services, and infrastructure.

In line with this, we have continually refined our strategy, reinforced our core values, and developed our capabilities to align with Vision 2030. This approach positions us to stay competitive in the financing sector, allowing us to effectively navigate the opportunities and challenges of the future

We recognize the importance of not only delivering value to our shareholders but also contributing positively to the communities we serve.

On behalf of the Board of Directors, I would like to extend my deepest gratitude to all our stakeholders for their trust and support. Together, we look forward to building on our success and ensuring long-term, sustainable growth for GLFL. We are excited about the future and are committed to delivering even greater results as we move forward.

## 2. Chief Executive Officer Letter

As we embark on another exciting year, I would honorably like to reflect on our journey and share my vision for the future of Gulf Lifting Financial Leasing Co. (GLFL).

Nair Bin Bayan Alsulami - Chief Executive Officer

We recognize the evolution of the financing sector, and we are evolving alongside it. Looking ahead, we must remain adaptable, embrace change, and continue supporting each other as we build upon the strong foundation, we've established for GLFL.

In the past two years, GLFL has developed a range of competitive Murabaha and Tawarruq products that will be launched starting 2025 for the MSME and Corporate segments, alongside its existing Corporate Ijarah, all designed to address the specific financing needs of these target customer groups. Additionally, GLFL has outperformed the market in terms of credit quality through its Ijarah Fast Track Scheme, which is underpinned by a strategic focus on lending to high-performing customers, leveraging long-standing, strong relationships. In addition to a robust credit risk assessment and management framework is in place, resulting in low levels of non-performing loans (NPLs). This scheme has been developed to support SMEs growth.

We are also focused on digital transformation by working on launching a specialized Loan Origination & Management System, developing an integration framework and architecture to connect with enablers, service providers, and partners, and enhancing our data analytics capabilities to gain deeper customer insights.

Lastly, I would like to express my heartfelt gratitude to our shareholders, board of directors, employees, customers, and business partners for their steadfast commitment and for being an integral part of this remarkable journey.

I look forward to another year of success, growth, and shared accomplishments.

Let's continue to make an impact — together.

## 3. Introduction: GLFL's vision, mission and corporate values

**Vision**

To be the leading Sharia-compliant financial partner, empowering the corporate sector, including SMEs, to contribute to economic growth in Saudi Arabia.

**Mission**

Our goal is to empower businesses by addressing their financial needs, enabling them to seize opportunities, boost productivity, and achieve sustainable growth through our innovative financial solutions.

**Values**

Financial integrity solutions to build strong and long-lasting relationships with clients

Exploring new innovative finance-related possibilities and groundbreaking solutions to address the evolving needs of our clients

Dedicated team of seasoned professionals committed to leverage their expertise to ensure clients' success

Collaboration and seek partnerships that drive mutual financial growth

**Background**

Gulf Lifting Financial Leasing Company (GLFL) is a Saudi Closed Joint Stock Company with a commercial registration number 2050030896 dated 19 Shaban, 1416H corresponding to 10 January 1996G and Saudi Central Bank (SAMA) license number 47/A Sh/201708 dated 14 Dhul Qa'dah 1438H corresponding to 6 August 2017G. The company's Headquarters is in Dammam and a point of sale in Jeddah. GLFL is licensed to practice the activities of Finance Lease and SME Finance. GLFL is effectively a wholly owned subsidiary of Yusuf Bin Ahmed Kanoo Company Limited one of the largest independent family-owned multinationals Group in the Middle East; with key interest in Industrial & Energy, Logistics, Shipping, Travel, Real Estate, Global Investments and Ventures.

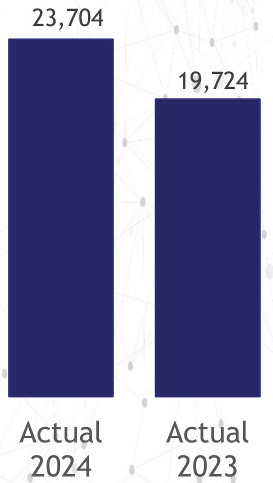
## 4. Shareholders Structure

| Shareholder | Percentage % | No of shares | Share Value (SAR) | Total Shares Value (SAR) |
|---|---|---|---|---|
| Yusuf Bin Ahmed Kanoo Company Limited | 94% | 15,585,200 | 10 | 155,852,000 |
| Ali Abdulla Kanoo | 1% | 165,800 | 10 | 1,658,000 |
| Ali Abdulaziz Kanoo | 1% | 165,800 | 10 | 1,658,000 |
| Saud Abdulaziz Kanoo | 1% | 165,800 | 10 | 1,658,000 |
| Bader Abdulaziz Kanoo | 1% | 165,800 | 10 | 1,658,000 |
| Ahmed Fawzi Kanoo | 1% | 165,800 | 10 | 1,658,000 |
| Faisal Khalid Kanoo | 1% | 165,800 | 10 | 1,658,000 |
| **Total** | **100%** | **16,580,000** | **10** | **165,800,000** |

## 5. Financial Highlights - 31 December 2024

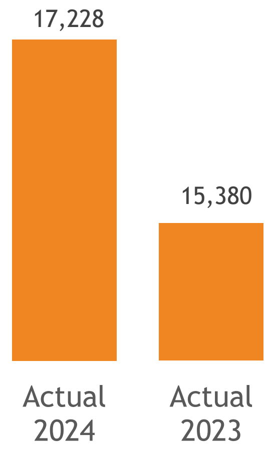
All amounts in SA ‘000

### Total Operating Income



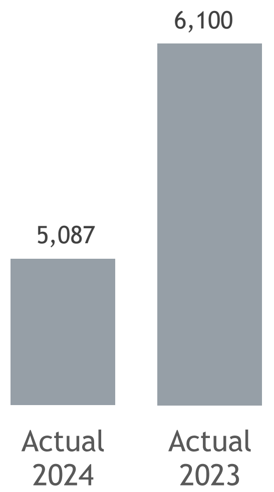

Total operating income increased by 20% compared to 2023 to reach SAR 24 million

### Total Operating expenses



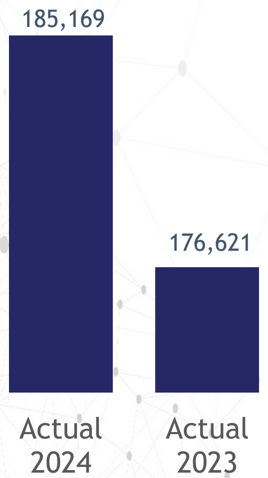

Total operating expenses increased by 12% compared to 2023 to reach SAR 17 million

### Net Income



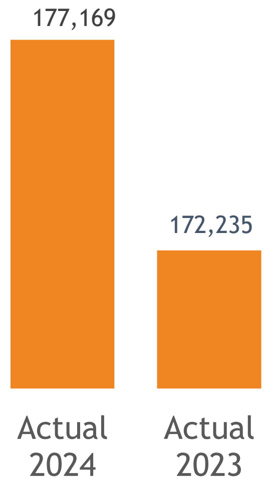

Net income decreased by 17% compared to 2023 to reach SAR 5 million

### Total Assets



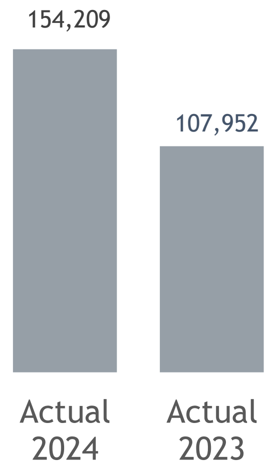

Total assets increased by 5% compared to 2023 to reach SAR 185 million

### Total Equity




Total equity increased by 3% compared to 2023 to reach SAR 177 million

### Total Financing Assets




Financing assets increased by 43% compared to 2023 to reach SAR 154 million

## 6. Business Review

The company disbursed business of SR 114 Million for the year 2024 as compared to SR 55 Million for 2023.

Key Highlights:

| Highlights | 2024 | 2023 | Variance |
|---|---|---|---|
| **New Business Disbursed** | 114 Million | 55 Million | 107% |
| **Financing Portfolio Size** | 157 Million | 111 Million | 41% |

## 7. Risk Management

**Risk management structure**

- **Board of Directors**

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

- **Audit Committee**

The audit committee is appointed by the Board of Directors. The audit committee assists the Board in carrying out its responsibilities with respect to assessing the quality and integrity of financial reporting and risk management, the audit thereof and the soundness of the internal controls of the Company.

- **Internal Audit**

All key operational, financial and risk management processes are audited by the Internal Audit. Internal audit examines the adequacy of the relevant policies and procedures, the Company's compliance with the internal policies and regulatory guidelines. Internal audit discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee.

- **Risk Committee**

Board of Directors of the Company has established a risk committee. The primary responsibility of the risk committee is to oversee and approve the company-wide risk management practices to assist the board in overseeing risks, such as financial, credit, market, liquidity, security, legal, regulatory, reputational, and other risks.

### 7.1 Reputational Risk:

As a subsidiary of the esteemed Kanoo Group, boasting a legacy of over 130 years, GLFL acknowledges the critical impact of reputational risk on both financial performance and social capital. Accordingly, the company has instituted robust measures to safeguard its market standing, including the optimization of operational processes, swift resolution of client concerns, and the appointment of a dedicated Customer Service Manager, thereby mitigating risks associated with client dissatisfaction and operational inefficiencies.

### 7.2 Country Risk:

GLFL effectively mitigates country and systemic risks by maintaining a focused operational footprint within Saudi Arabia, leveraging the robust support of government and SAMA initiatives designed to empower SMEs and their financiers. Additionally, the company strategically capitalizes on the Kingdom's stable macroeconomic environment, characterized by low inflation and a business-friendly landscape, to reinforce its resilience and growth potential.

### 7.3 Fraud Risk:

GLFL employs a multifaceted approach to mitigate internal and external fraud risks, encompassing rigorous employee training on information security, the imposition of stringent penalties for violations, the implementation of fortified physical security measures, and the deployment of advanced system security protocols across all organizational devices and facilities.

### 7.4 Compliance Risk:

GLFL's Compliance Department upholds a robust regulatory framework by maintaining a comprehensive circular, conducting continuous monitoring and reviews, and ensuring the seamless execution of regulatory reporting, prompt notifications, and the implementation of effective control mechanisms, thereby safeguarding against the risks associated with regulatory non-compliance.

### 7.5 Counterparty Risk:

GLFL effectively mitigates counterparty risk through rigorous client assessments conducted jointly by the Sales and Credit & Risk teams, the enforcement of prudently defined exposure limits by client category and equipment type, mandatory asset insurance provisions, and the preservation of asset confiscation rights, thereby upholding a resilient and comprehensive risk management framework integral to its core business operations.

### 7.6 Credit risk:

GLFL has established procedures to manage credit exposure including evaluation of lessees' credit worthiness, formal credit approvals, assigning credit limits, obtaining collateral such as down payments and personal guarantees. Individual lease contracts generally are for terms not exceeding sixty- months.

## 7.7 Concentration Risk:

GLFL proactively addresses concentration risk through strategic diversification of its lease investment portfolio across multiple sectors, enforcing sub-sector exposure caps below 55%, and deliberately expanding into high potential industries such as manufacturing, transportation & storage, and other promising sectors. This approach aligns with the objectives of Saudi Vision 2030, effectively mitigating sector-specific vulnerabilities while bolstering the portfolio's overall resilience and adaptability.

| Business Activity | OS Principal (in SAR million) | % |
|---|---|---|
| Building & Construction (Private Sector) | 56,699 | 36% |
| Transportation & Storage | 37,492 | 24% |
| Manufacturing | 18,286 | 12% |
| Building & Construction (Public/ Semi-Public) | 17,584 | 11% |
| Administrative & Support Services Activities | 16,422 | 10% |
| Wholesale & Retail – Trade | 6,698 | 4% |
| Agriculture, Forestry and Fishing | 1,919 | 1% |
| Electricity, Gas & Water Supplies | 1,599 | 1% |
| Professional, Scientific & Technical Activities | 519 | 0.3% |
| **Total** | **157,218** | **100%** |

## 7.8 Interest Rate Risk:

The company's interest rate risk management is characterized by sophisticated sensitivity analyses that comprehensively evaluate potential rate fluctuations across borrowing and deposit portfolios. These assessments incorporate nuanced reinvestment risk evaluations, resulting in a minimal interest rate risk profile as of the fourth quarter of 2024. This position is reinforced by the company's elevated asset returns and a zero-leverage financial structure.

## 7.9 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial assets may fluctuate because of changes in foreign exchange rates. The Company's principal transactions are carried in Saudi Riyals. Management believes that there is minimal risk of significant losses due to exchange rate fluctuations as the majority of the monetary assets and liabilities are in Saudi Riyals or currencies which are pegged to the Saudi Riyal and consequently the Company does not hedge its foreign currency exposure.

## 7.10 Liquidity Risk:

GLFL approach to managing liquidity is to ensure, as far as possible, 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. The contractual maturities of liabilities have been determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date and do not take account of the effective maturities as indicated by the Company's availability of liquidity. GLFL has implemented a liquidity risk policy following new regulations by SAMA.

### 7.11 Operational Risk:

The Credit & Risk Department is implementing a Risk & Control Self-Assessment (RCSA) to evaluate and mitigate operational risks. The IT division maintains all required measures to mitigate any potential hazards such as system failures, hacking, and virus attacks. Various IT systems and applications are utilized to reduce operational risk through maintenance and operational administration of internal systems. A comprehensive gap analysis of the IT & Cyber Security Committee's infrastructure was conducted, to identify areas for improvement and develop appropriate action plans. Fire-fighting equipment is in place with periodic check-ups to ensure proper installation of safety measures. GLFL is committed to adhering to and updating building security and safety measures. The company premises are equipped with evacuation plans, assembly points, and emergency staff and vehicles for crisis situations.

### 7.12 Cyber security Risk:

GLFL established comprehensive policies and procedures implementing high standard required by Saudi Central Bank (SAMA) to cover the cyber security framework, Personal Data Protection Law (PDPL), National Data Management Office (NDMO) and Business Continuity Management (BCM). GLFL has started implementing these policies and procedures which enables GLFL to reach to level 3 maturity required by SAMA and guarantee the ability of the company to manage the potential cyber security threats. The cyber security department introduced awareness programs for all stakeholders and put procedures to protect the users, infrastructures, and applications.

## 8. Internal Control Systems

PKF Al Bassam
Chartered Accountants

### 8.1 Internal Audit Department

**Outsourced**

The Internal Audit Department serves as the cornerstone of organizational governance, providing independent and objective assurance and advisory services aimed at enhancing the effectiveness of risk management, control, and governance processes. With a dedicated team of skilled professionals. By November 2024, the Internal Audit Department have been outsourced to PKF Al Bassam Certified public accountants and auditors which operates as a proactive partner, offering insights and recommendations to improve operations, safeguard assets, and ensure compliance with policies, regulations, and best practices. Through comprehensive audits, assessments, and reviews, the Internal Audit Department evaluates the adequacy and effectiveness of internal controls and identifies areas for improvement, helping to mitigate risks and enhance operational efficiency. By conducting thorough examinations of financial statements, processes, and systems, the department assists management in making informed decisions and achieving strategic objectives.

## 8.2 Compliance Department

Compliance is a comprehensive and multi-faceted responsibility that falls on everyone's responsibility, starting from the board of directors and senior management, extending to all GLFL employees. The company places utmost importance on its reputation by maintaining credibility, integrity, and ethical standards. It emphasizes that this goal is only achieved through the committed behavior of individuals working in the company and their actions that ensure the preservation of these standards.

The company is committed to adhering to and implementing all laws and regulations related to SAMA through:

### Advisory & Communication

- Identify and assess compliance risks
- Review and amend internal procedures
- Advise management on laws & standards
- Educate staff and liaise with regulators

### Corporate Governance

- Maintain & update governance framework
- Monitor compliance & business processes
- Facilitate information flow
- Liaise with board members & committees

### Whistleblowing & Anti-Financial Crime

- Promote a culture of accountability
- Encourage reporting of unethical activities
- Ensure protection against discrimination
- Uphold standards per ethical guidelines

### Anti-Fraud

- Design & implement fraud risk assessment
- Update Fraud Risk Register
- Follow up and report to Audit Committee

### Policies and Procedures

- Assess impact of new policies
- Communicate policies company-wide
- Ensure SAMA compliance in all procedures
- Evaluate and enhance policy effectiveness

### Monitoring & Reporting

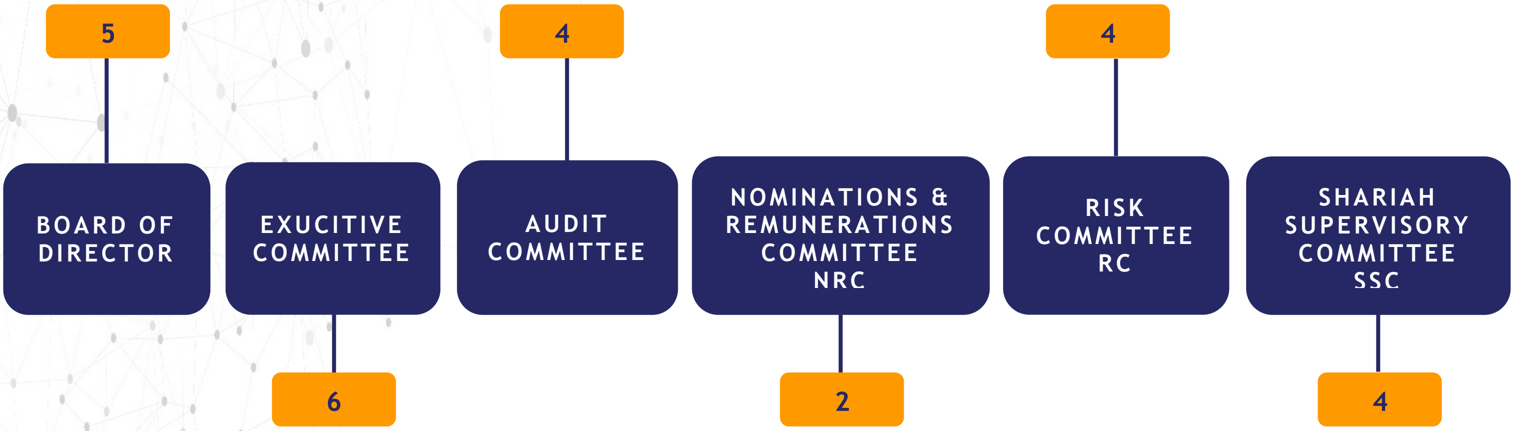
- Increase management visibility into risk
- Communicate security & risk status info
- Ensure compliance & provide risk indicators

## 9. Corporate Governance

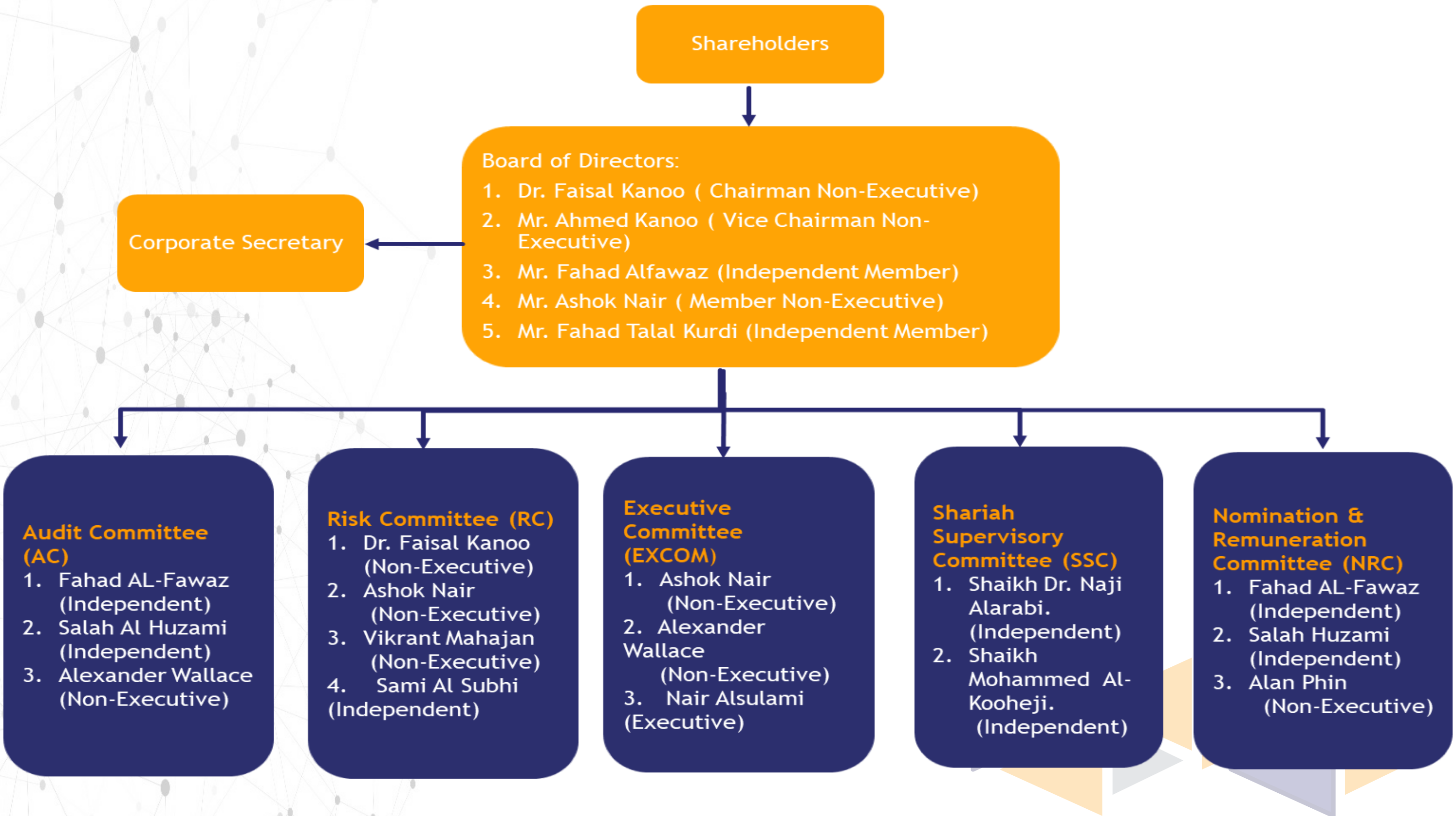
### Meetings of the Year 2024

Gulf Lifting Financial Leasing Company has a strong corporate governance structure and assures to maintain its high standard throughout the year to be in line with corporate governance principals issued by SAMA.

**In 2024 the following meetings were held:**




## Structure



## ▪ Board Members 2024

The Board of Directors consists of 5 members in accordance with Article 15 of the Company's Bylaws, who were elected by the General Assembly of shareholders.

| Name/Position | Current BoD Memberships | Qualifications | Highlighted Experience |
|---|---|---|---|
| **Dr. Faisal Khalid Kanoo Chairman of the Board (Non-executive)** | Chairman of the board of director at Gulf Lifting Financial Leasing Co.<br>Board Member at Yusuf Bin Ahmed Kanoo | PhD - Brunel University<br>MBA - London Business School<br>BSc in International Economics - Georgetown University | Former President - Kanoo Real Estate<br>Former Group Project Manager- Kanoo Commercial former<br>Chairman of Credit and Risk Committee at Gulf Lifting Financial Leasing Co. current<br>Former Member of Board of Directors at Gulf Lifting Financial Leasing Co. |
| **Ahmed Fawzi Kanoo Vice Chairman (Non-Executive)** | Vice Chairman of the Board of director at Gulf Lifting Financial Leasing Co.<br>Chairman of the Board of Kanoo Terminal Services Ltd. | Bachelor of Science in Business Administration -Suffolk University, Boston, Massachusetts | Director - Yusuf Bin Ahmed Kanoo Holdings Co. B.S.C.<br>Director – YBA Kanoo - Saudi Arabia<br>Chairman – Kanoo Terminal Services Ltd.<br>Director - Investcorp Saudi Arabia (ISAFIC)<br>Director – Gulf Lifting Financial Leasing Co.<br>Director – BASF Saudi Arabia Company Ltd.<br>Director - Nouryon Saudi Arabia for Chemicals<br>Director - International Computer World Co. Ltd. |
| **Thanoor Ashok Nair Board Member (Non-Executive)** | Board Member at Gulf Lifting Financial Leasing Co. | Bachelor Degree of Commerce from R A Podar College Of Commerce & Economic.<br>Chartered Accountant-Finance, Accounting - Institute of Chartered Accountants of India.<br>Cost & Works Accountant, Costing Institute of Cost & Works Accountants of India. | Former Executive General Manager at YBA Kanoo<br>ormer Acting CEO Kanoo Capital Ventures<br>Former Technical Advisor at YBA Kanoo Bahrain. |

## ▪ Board Members 2024 (continue)

| Name/Position | Current BoD Memberships | Qualifications | Highlighted Experience |
|---|---|---|---|
| **Fahad AlFawaz**<br>**Board Member**<br>**(Independent)** | Board Member at Gulf Lifting Financial Leasing Co. | Bachelor of Science in Industrial Management - King Fahad University of Petroleum & Minerals (KFUPM)<br>MBA degree - Surrey University | CEO of Makkah Construction and Development Company<br>Audit Committee Member at Takafol Al Rajhi<br>Audit Committee Member at Wadi Al Huloul Limited<br>Audit Committee Member at Middle East Paper Company (Mepco) |
| **Fahad Kurdi**<br>**Board Member**<br>**(Independent)**<br>**Appointed on 24 Dec 2023** | Board Member at Gulf Lifting Financial Leasing Co. | Bachelor Degree of Business Administration from Webster University, Geneva, Switzerland | Deputy CEO and Head of wealth management department at NBK Watani Wealth Management<br>Former Board member, Nomination and Remuneration Committee Member and Chairman of Investment Committee at Alsager Cooperative Insurance.<br>Held management roles at Investcorp, Jadwa Investment, NCB Capital, and Banque Saudi Fransi. |

## ▪ Audit Committee Members 2024

| Name/Position | Current Occupation | Qualifications | Highlighted Experience |
|---|---|---|---|
| **Fahad AlFawaz**<br>**Chairman**<br>**(Independent)** | Board, Audit and NRC Member - Gulf Lifting Financial Leasing Co.<br>CEO of Makkah Construction and Development Company | Bachelor of Science in Industrial Management -(KFUPM)<br>MBA degree - Surrey University | CEO of Makkah Construction and Development Company<br>Audit Committee Member at Takafol Al Rajhi<br>Audit Committee Member at Wadi Al Huloul Limited<br>Audit Committee Member at Middle East Paper Company (Mepco) |
| **Salah AlHuzami**<br>**Member**<br>**(Independent)** | Audit Committee and NRC Member at Gulf Lifting Financial Leasing Co.<br>Board Member and Chairman of Audit Committee in AlSafwa Cement Company, Jeddah Saudi Arabia.<br>NRC Member at Destinations Development Co. (PIF)<br>Board Member and Audit Committee Member at Group Five Pipe Saudi.<br>Audit Committee Member at S.A.Ghudran Company. | Bachelor of Science in Industrial Management -(KFUPM)<br>Mini-MBA on Oil & Gas - CWC School, London, UK | Former Executive Committee and Board Member at Yanbu Cement Company, Jeddah Saudi Arabia.<br>Former Nomination & Remuneration Committee, Audit Committee Member and Board Member at Arbah Capital<br>Former Board Member at DanaGaz W.L.L. (a subsidiary of Dana Gas PJSC), Bahrain |
| **Alexander Wallace**<br>**Member**<br>**(Non-Executive)** | Audit Committee and Executive Committee Member at Gulf Lifting Financial Leasing Co.<br>Member of the Audit Committee at AXA Insurance (Gulf) BSC<br>Group Chief Internal Audit Officer at YBA Kanoo Group | BA Accountancy & Finance - Heriot Watt University, Scotland | Former Managing Director- Chief of Staff and SVP & Head of Operations & Support at National Bank of Abu Dhabi<br>Former Acting Head of Operational Risk- Abu Dhabi Investment Authority |

## ▪ Executive Committee Members 2024

| Name/Position | Current Occupation | Qualifications | Highlighted Experience |
|---|---|---|---|
| **Thanoor Ashok Nair Chairman (Non-Executive)** | Board Member, Executive Committee Member and Risk Committee Member at Gulf Lifting Financial Leasing Co. | Bachelor Degree of Commerce from R A Podar College Of Commerce & Economic.<br>Chartered Accountant- Finance, Accounting - Institute of Chartered Accountants of India.<br>Cost & Works Accountant, Costing Institute of Cost & Works Accountants of India. | Former Executive General Manager at YBA Kanoo<br>Former Acting CEO Kanoo Capital Ventures<br>Former Technical Advisor at YBA Kanoo Bahrain. |
| **Alexander Wallace Member (Non-Executive)** | Audit Committee and Executive Committee Member at Gulf Lifting Financial Leasing Co.<br>Member of the Audit Committee at Axa Insurance (Gulf) BSC<br>Group Chief Internal Audit Officer at YBA Kanoo Group | BA Accountancy & Finance - Heriot Watt University, Scotland | Former Managing Director- Chief of Staff and SVP & Head of Operations & Support at National Bank of Abu Dhabi<br>Former Acting Head of Operational Risk- Abu Dhabi Investment Authority |
| **Nair Bayan Alsulami Member (Non-Executive)** | CEO at Gulf Lifting Financial Leasing Co.<br>Board Member of Genovic Boutiques DMCC.<br>Executive Committee Member at Gulf Lifting Financial Leasing Co. | BA Business Administration - Swiss Management Center - SMC University | Former Board Member - Modern Insurance and Reinsurance Broker Company (MIB).<br>Chief Executive Officer - Absolute Values Financial Consultant.<br>General Manager and ExCom Member - Gulf Finance Corporation. |

## Nomination & Remuneration Committee Members 2024

| Name/Position | Current Occupation | Qualifications | Highlighted Experience |
|---|---|---|---|
| **Fahad AlFawaz Chairman (Independent)** | Board, Audit and NRC Member - Gulf Lifting Financial Leasing Co.<br>CEO of Makkah Construction and Development Company | Bachelor of Science in Industrial Management -(KFUPM)<br>MBA degree - Surrey University | CEO of Makkah Construction and Development Company<br>Audit Committee Member at Takafol Al Rajhi<br>Audit Committee Member at Wadi Al Huloul Limited<br>Audit Committee Member at Middle East Paper Company (Mepco) |
| **Salah AlHuzami Member (Independent)** | Audit Committee and NRC Member at Gulf Lifting Financial Leasing Co.<br>Board Member and Chairman of Audit Committee in AlSafwa Cement Company, Jeddah Saudi Arabia.<br>NRC Member at Destinations Development Co. (PIF)<br>Board Member and Audit Committee Member at Group Five Pipe Saudi.<br>Audit Committee Member at S.A.Ghudran Company. | Bachelor of Science in Industrial Management -(KFUPM)<br>Mini-MBA on Oil & Gas - CWC School, London, UK | Former Executive Committee and Board Member at Yanbu Cement Company, Jeddah Saudi Arabia.<br>Former Nomination & Remuneration Committee, Audit Committee Member and Board Member at Arbah Capital<br>Former Board Member at DanaGaz W.L.L. (a subsidiary of Dana Gas PJSC), Bahrain |
| **Alan Phin Member (Non-Executive)** | NRC Member at Gulf Lifting Financial Leasing Co.<br>Group HR & Corporate Services Manager – Yousif Bin Ahmed Kanoo W.L.L. | Master of Business Administration - Heriot-Watt University, Edinburgh Business School. | Former Head of Shared Service – YBA Kanoo Co. Ltd<br>Former Organization Development Manager – YBA Kanoo Co. Ltd<br>Senior Brand Relations Manager – Tesco UK & Fawaz Al Hokair<br>Former Chairman of NRC at AXA Gulf Insurnce |

## Risk Committee Members 2024

| Name/Position | Current Occupation | Qualifications | Highlighted Experience |
|---|---|---|---|
| **Dr. Faisal Khalid Kanoo Chairman (Non-Executive)** | Chairman of the Board at Gulf Lifting Financial Leasing Co.<br>Chairman of Risk Committee at Gulf Lifting Financial Leasing Co.<br>Board Member at Yusuf Bin Ahmed Kanoo. | PhD - Brunel University<br>MBA - London Business School<br>BSc in International Economics - Georgetown University | Former President – Kanoo Real Estate<br>Former Group Project Manager- Kanoo Commercial former<br>Chairman of Credit and Risk Committee at Gulf Lifting Financial Leasing Co. current<br>Former Member of Board of Directors at Gulf Lifting Financial Leasing Co. |
| **Thanoor Ashok Nair Chairman (Non-Executive)** | Board Member, Executive Committee Member and Risk Committee Member at Gulf Lifting Financial Leasing Co. | Bachelor Degree of Commerce from R A Podar College Of Commerce & Economic.<br>Chartered Accountant- Finance, Accounting - Institute of Chartered Accountants of India.<br>Cost & Works Accountant, Costing Institute of Cost & Works Accountants of India. | Former Executive General Manager at YBA Kanoo<br>Former Acting CEO Kanoo Capital Ventures<br>Former Technical Advisor at YBA Kanoo Bahrain. |

| Name/Position | Current Occupation | Qualifications | Highlighted Experience |
|---|---|---|---|
| **Vikrant Mahajan Member (Non-Executive)** | Risk Committee Member at Gulf Lifting Financial Leasing Co.<br>Senior Portfolio Manager, Joint Ventures and Private Equity at Kanoo Capital Ventures - YBA Kanoo, Bahrain | MBA - Financial Management, Johnson & Wales University,<br>B. Tech - Electrical Engineering, National Institute of Technology, Hamirpur. | Former Manager, Fixed Income & Alternative Investment - Trust Reinsurance Company.<br>Former Manager, Private Equity and M&A - OMAR ZAWAWI ESTABLISHMENT LLC.<br>Former Associate Manager, Corporate Finance. - VEDANTA RESOURCES PLC. |
| **Sami Saleh Alsubhi (Cyber Expert)** | Sr. Director - Chief Information Security Officer (CISO) at Bupa Arabia<br>Gulf Lifting Financial Leasing Co. | Master of Software Engineering University of Queensland, Brisbane, Australia<br>Bachelor of Computer Engineering King Fahd University of Petroleum and Minerals, Dhahran, Saudi Arabia | Director - Chief Information Security Officer (CISO) at Bupa Arabia<br>Director - IT Security at Bupa Arabia<br>Head of Information Security at Bupa Arabia<br>Head of Information Security at Petro Rabigh<br>Network Security Analyst at Petro Rabigh |

- Shariah Committee Members 2024

| Name/Position | Current Occupation | Qualifications | Highlighted Experience |
|---|---|---|---|
| **Naji Al-Arabi Chairman** | Shariah Committee Member at Gulf Lifting Financial Leasing Co.<br>Shariah Committee Member at Arab Bank<br>Shariah Committee Member at Bloom REIT Fund<br>Shariah Committee Member at Tamweel AlOula | Bachelors in Jurisprudence and Legal Politics -Al Zaytoonah University, Tunisia<br>Higher Education (Masters & PhD) in the Prophetic Sunnah and Sciences - Mohammad V University, Morocco-Surrey University. | Shariah Committee Member at Gulf Lifting Financial Leasing Co.<br>Shariah Committee Member of Arab Bank<br>Shariah Committee Member of Bloom REIT Fund<br>Shariah Committee Member of Tamweel AlOula |
| **Muhammed Al-Kooheji Member** | Shariah Committee Member at Gulf Lifting Financial Leasing Co.<br>Shariah Committee Member at Arab Bank<br>Shariah Committee Member at Tamweel AlOula<br>Shariah Committee Member at Salfa | Bachelors in Shari'a and Law , Azhar<br>CSAA , AAOIFI<br>Advanced Diploma in Islamic Commercial Jurisprudence (ADICJ), BIBF | Shariah Committee Member at Gulf Lifting Financial Leasing Co.<br>Shariah Committee Member of Arab Bank<br>Shariah Committee Member of Tamweel AlOula<br>Shariah Committee Member of Salfa |

- ## Board Meetings Attendance

| Member Name | Position | 13 Feb | 30 Apr | 23 July | 22 Oct | 16 Dec |
|---|---|---|---|---|---|---|
| Dr. Faisal Khalid Kanoo (Non-Executive) | Chairman | √ | √ | √ | √ | √ |
| Ahmed Fawzi Kanoo (Non-Executive) | Vice Chairman | √ | √ | √ | √ | √ |
| Thonoor Ashok Nair (Non-Executive) | Member | √ | √ | √ | √ | √ |
| Fahad EL-Fawaz (Independent) | Member | √ | √ | √ | √ | √ |
| Fahad Kurdi (Independent) | Member | √ | √ | √ | √ | √ |

- ## Audit Committee Meetings Attendance

| Member Name | Position | 11 Feb | 28 Apr | 21 Jul | 17 Oct |
|---|---|---|---|---|---|
| Fahad EL-Fawaz (Independent) | Chairman | √ | √ | √ | √ |
| Salah Alhuzami (Independent) | Member | √ | √ | √ | √ |
| Alexander Wallace (Non-Executive) | Member | √ | √ | √ | √ |

- ## Risk Committee Meetings Attendance

| Member Name | Position | 11 Feb | 28 Apr | 21 July | 20 Oct |
|---|---|---|---|---|---|
| Dr. Faisal Khalid Kanoo (Non-Executive) | Chairman | √ | √ | √ | √ |
| Thonoor Ashok Nair (Non-Executive) | Member | √ | √ | √ | √ |
| Vikrant Mahajan (Non-Executive) | Member | √ | √ | √ | √ |
| Sami Alsubhi (Independent)* | Member | N/A | N/A | √ | √ |

*Appointed as RC member on 6th of June 2024.

- ## Executive Committee Meetings

| Member Name | Position | 12 Feb | 29 Apr | 22 Jul | 2 Sep | 21 Oct | 15 Dec |
|---|---|---|---|---|---|---|---|
| Thonoor Ashok Nair (Non-Executive) | Chairman | √ | √ | √ | √ | √ | √ |
| Nair Bayan Alsulami (CEO) | Member | √ | √ | √ | √ | √ | √ |
| Alexander Wallace (Non-Executive) | Member | √ | √ | √ | × | √ | √ |

- ## Nomination & Remuneration Committee Meetings

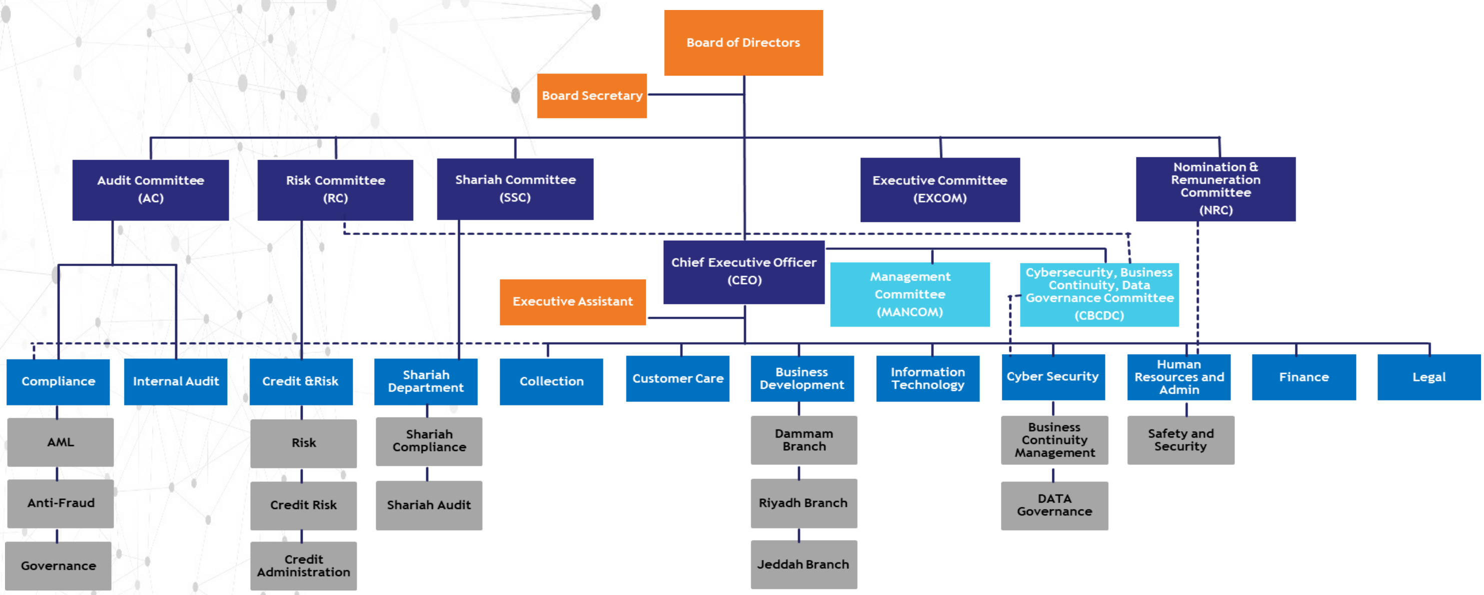
| Member Name | Position | 17 Oct | 5 Dec |
|---|---|---|---|
| Fahad EL-Fawaz (Independent) | Chairman | √ | √ |
| Alan Phin (Non-Executive) | Member | √ | √ |
| Salah AlHuzami (Independent) | Member | √ | √ |

- ## Shariah Supervisory Committee Meetings

| Member Name | Position | 31 Mar | 1 Jul | 30 Sep | 31 Dec |
|---|---|---|---|---|---|
| Shaikh Dr. Naji Alarabi | Chairman | √ | √ | √ | √ |
| Shaikh Mohammed AlKooheji | Member | √ | √ | √ | √ |

## 10. Human Resources

# Organization Chart




# Key Management Profile

### Nair Bayan Alsulami
### Chief Executive Officer

-Nair is an accomplished Board and Executive Level leasing industry professional with 25+ years across various sectors, including 15+ years in finance company management

-He played an instrumental role in Gulf Finance Saudi Arabia, securing a SAMA license and managing a SAR 300Mn portfolio; previously, he handled a SAR 600Mn portfolio at Yanal Finance

-Known for implementing transparent corporate governance, he excels in strategic planning, credit management, risk, compliance, and operational processes. He holds a bachelor's degree in Business Administration.

### Mohamed Alebrahim
### Chief Financial Officer

-Mohamed Alebrahim comes with an experience of over 16 years in the Finance and Accounting discipline, of which has been in the Islamic Banking sector in the Kingdom of Bahrain

-He contributed as a member of several working groups of Accounting Standards issued by AAOIFI. He joined GLFL as Chief Financial Officer in 2022, prior to this, he was Deputy Head of Finance of Al Baraka Group in Bahrain

-His responsibilities include reporting to the GLFL Board and CEO, regulatory reporting to SAMA, and managing financial statements.

**Mossab Bajnaid**
**Head of HR and Administration**

-Mossab Bajnaid is an experienced HR professional with over 12 years in the field
-He previously managed HR departments at Al-Mamoon Insurance Brokers and Ajil Financial Services Company as HR Manager
-Holding a bachelor's degree in Business Administration and CIPD Level 5, he joined GLFL in 2024 as Head of Human Resources and Administration
-In this role, he oversees the full HR and administration functions, reports to the CEO, and serves as secretary to the NRC

**Abdulateef Jarfan**
**Acting Chief Information Security Officer**

-Abdullateef Jarfan, Acting CISO for Cybersecurity, has over 5 years of experience in Information Systems Security
-He established the cyber security division at Al-Tuwairqi Group and holds a master’s from Tuskegee University
-Abdullateef is certified in CISM, ISMS, CCNA, ITILv4, Security+, and ISO 27001/27005
-He is actively involved with SAMA, NCA, ISO, and SDAIA, focusing on enhancing security protocols and risk management

**Reem Almuhareb**
**Head of Customer Care**

-Reem has started her journey at a young age, currently holding 2 years of experience.
-She started as customer care relationship officer in Shobbak Saudi Arabia, then got promoted to assistant operation manager.
-Reem holds a bachelor’s degree in English literature from University of Imam Abdulrahman bin Faisal.

**Rayan Alzahrani**
**Acting Business Development Head**

-Mr. Rayan Alzahrani has extensive experience in the financial services sector. He acts as a key point of contact for clients, ensuring successful onboarding and maintaining clients, He also worked at Gulf Finance, Lama Fintech, and Bupa Arabia, gaining diverse experience in client relations.
-He has Master of Science in Manufacturing System Management from Southern Methodist University and a Bachelor of Science in Marketing from King Abdulaziz University.

**Hadeel Alsuwaie**
**Head of Compliance**

-Ms. Hadeel Alsuwaie is an experienced compliance professional with + 4 years in the financial sector.
-She has worked in various financial companies, starting as a Compliance Officer and Secretary of the Policy and Procedure Committee at Tasheel Finance and then advanced her expertise at Al Tayseer Arabian Company.
-Currently Hadeel serves as the Head of Compliance at GLFL, following her promotion from Senior Compliance and AML - CTF Officer and Acting Head of Compliance.
-Ms. Hadeel holds a bachelor’s degree in MIS from PMU and holds professional certificates such as CFCS, GRCP and GRCA.

**Mohammed Abdulaziz**
**Head of Collection**

-Mohammad Abdulaziz has over 16 years of experience in the financial sector
-He began as a Sales Representative at Tajeer Company, later becoming Sales Supervisor and Branch Manager at Auto Star Company
-He then joined Tamweel Aloula as a Relationship Manager
-Currently, he serves as Senior Collection Officer and Head of Collections at Gulf Lifting Financial Leasing Company
-Mohammad holds a bachelor's degree in Arabic Language from Imam Mohammed Bin Saud University.

**Faisal Hejazi**
**Head of Credit and Risk**

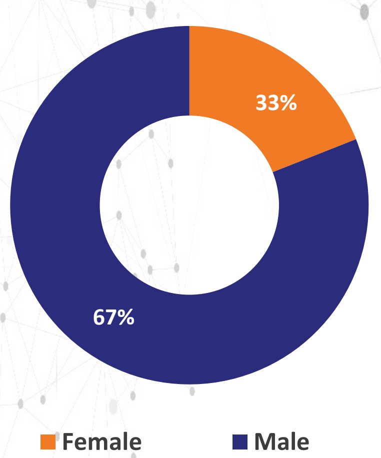
-Faisal Hejazi brings over 13 years of experience in banking and financial institutions, with a focus on Credit Risk Management
-His expertise lies in assessing and mitigating credit risk to maintain organizational stability
-He began his career at Bank Al-Bilad, advancing to a relationship manager role, and later worked as a senior credit analyst at Aljazira Bank. His background includes experience with notable financial firms
-Holding a bachelor's degree in business administration, Faisal joined GLFL in early 2024.

**Asaad Alsamdany**
**Head of IT**

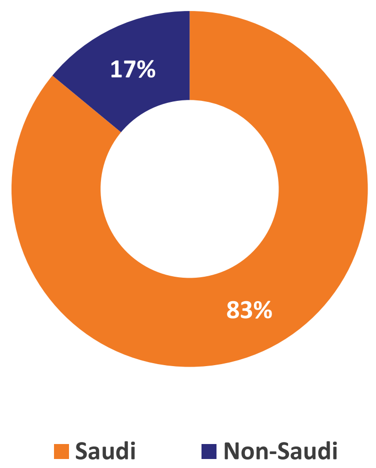
-Asaad has over 12 years of experience in the IT field, specializing in overseeing IT infrastructure, ensuring system reliability, security, and optimizing performance
-Before joining GLFL, he worked on key projects with Wipro Arabia for Saudi Airlines and Ethmar Construction for the NEOM project.
-He then transitioned to the finance sector as IT Manager at Finzey Finance, where he led FinTech project management and cross-functional teams to deliver innovative solutions that improved operational efficiency and drove strategic growth.

# People Analysis

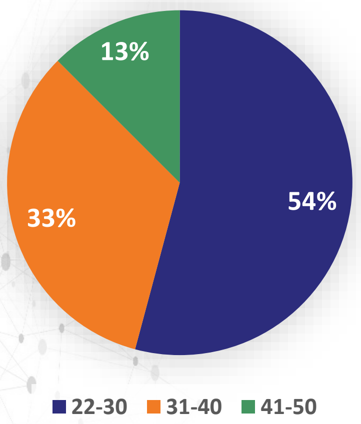
## Male & Female



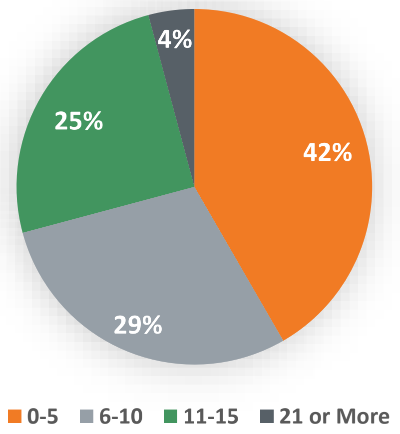

## Saudization




## Ages




## Years of Experience



## 11. Board Members and Senior Management Compensation

The following details related to remuneration and compensation paid to Board members, committees' members, and executive management.

- Board of Directors Remuneration

| Member Name | Position | Membership Type | Specific Amount | Attendance Allowance | Total |
|---|---|---|---|---|---|
| Dr. Faisal Khalid Kanoo | Chairman | Non-Executive | - | - | - |
| Ahmed Fawzi Kanoo | Vice Chairman | Non-Executive | - | - | - |
| Thonoor Ashok Nair | Board Member | Non-Executive | 120,000 | 25,000 | 145,000 |
| Fahad AlFawaz | Board Member | Independent | 120,000 | 25,000 | 145,000 |
| Fahad Kurdi | Board Member | Independent | 120,000 | 25,000 | 145,000 |
| **Total** | | | **360,000** | **75,000** | **435,000** |

- Executive Committee Members Remuneration

| Member Name | Position | Membership Type | Specific Amount | Attendance Allowance | Total |
|---|---|---|---|---|---|
| Thonoor Ashok Nair | Chairman | Non-Executive | 90,000 | 30,000 | 120,000 |
| Alexander Wallace | Member | Non-Executive | - | - | - |
| Nair Bayan Alsulami | Member | Executive | - | - | - |
| **Total** | | | **90,000** | **30,000** | **120,000** |

- Audit Committee Members Remuneration

| Member Name | Position | Membership Type | Specific Amount | Attendance Allowance | Total |
|---|---|---|---|---|---|
| Fahad AlFawaz | Chairman | Independent | 90,000 | 12,000 | 102,000 |
| Salah AlHuzami | Member | Independent | 90,000 | 12,000 | 102,000 |
| Alexander Wallace | Member | Non-Executive | - | - | - |
| **Total** | | | **180,000** | **24,000** | **204,000** |

- Nomination and Remuneration Members Remuneration

| Member Name | Position | Membership Type | Specific Amount | Attendance Allowance | Total |
|---|---|---|---|---|---|
| Fahad AlFawaz | Chairman | Independent | 30,000 | 6,000 | 36,000 |
| Salah AlHuzami | Member | Independent | 30,000 | 6,000 | 36,000 |
| Alan Phin | Member | Non-Executive | - | - | - |
| **Total** | | | **60,000** | **12,000** | **72,000** |

- Risk Committee Members Remuneration

| Member Name | Position | Membership Type | Specific Amount | Attendance Allowance | Total |
|---|---|---|---|---|---|
| Dr. Faisal Khalid Kanoo | Chairman | Non-Executive | - | - | - |
| Thonoor Ashok Nair | Member | Non-Executive | 60,000 | 12,000 | 72,000 |
| Vikrant Mahajan | Member | Non- Executive | - | - | - |
| Sami Alsubhi | Member | Independent | 30,000 | 6,000 | 36,000 |
| Total | | | 90,000 | 18,000 | 108,000 |

- Senior Management Compensation

| | Amount in SAR |
|---|---|
| Total remunerations of the top five Executive Management members including CEO & CFO | 4,161,202 |

## 12. Declaration from Board and Management

The Board Member confirms that;

- The company prepares its financial statement per international financial reporting standard ["IFRS"] as required by the finance lease laws and regulations.
- Proper books of the finance department have been maintained.
- There is no doubt about the ability of the company to continue the business as a going concern.

## 13. Interest of Board Members and Executive Management

The following board members own shares in Gulf Lifting Financial Leasing Company as stated below:

| Director Name | Ownership % |
|---|---|
| Dr. Faisal Khalid Kanoo | 1% |
| Mr. Ahmed Fawzi Kanoo | 1% |

## 14. Social Responsibility Contributions

Our Social Responsibility in 2024:
At GLFL, we are committed to giving back to the community through impactful initiatives. In 2024, we engaged in various activities, including:

- Ramadan Annual Breakfast:
  Hosted an iftar event, fostering unity with our employees.

- Pink October:
  Raised breast cancer awareness through our social media platforms and between our employees and community.

- World Men's Health Day:
  Promoted world men’s health through our social media platform encouraging for annual checkups.

- Saudi Food Bank - Eta’am:
  We partnered with Saudi food bank in food packaging back to school baskets and distribution to underprivileged families, where we provide a month's supply of food to 57 families.

- Winter Campaign:
  We partnered with Joud charity to Provide warm clothing and essentials to 60 individuals in need.

- Ertiqaa:
  We partnered with Ertiqaa society to give away 21 used IT devices.

## 15. Penalties incurred on the company by SAMA in 2024

Gulf Lifting Financial Leasing Company adhere to the Saudi Companies law, rules, and regulations of the Saudi Central Bank

The table below includes penalties imposed by SAMA on GLFL during 2024.

| Violation Category | 2024 | | 2023 | |
|---|---|---|---|---|
| | Number of Valuations | Total Amount of penalties (SAR) | Number of Valuations | Total Amount of penalties (SAR) |
| Violation of SAMA’s Supervisory and Control Instructions | 1 | 125,000 | 1 | 250,000 |

## 16. External Auditors

KPMG was appointed as an external auditor for the 2nd, 3rd quarter, year ended 31 December 2024 and 1st quarter of 2025, for remuneration of SAR 314,500 for the three-quarters reviews, annual audit, SAMA annual prudential certification, Zakat compliance services and Transfer pricing services.

## 17. Related Parties Transaction

Related parties represent shareholders, directors, and key company management personnel and entities controlled or significantly influenced by such parties. Amounts due from/to related parties are disclosed in the statement of financial position. The transaction with associated parties mainly includes collection on behalf of the company and certain expenses and services undertaken at manually agreed terms and conditions. The management and board approve these transactions of directors of the company.

| Description | Transaction | | | |
|---|---|---|---|---|
| | Beginning Balance | Payment From Glfl | Purchase Invoice From Kanoo | Ending Balance |
| Yusuf Bin Ahmed Kanoo Company Limited | - | 46,000 | - | - |

## 18. Annual Ordinary General Assembly Meeting (AGM) - 3 June 2024

During the AGM meeting, the following decisions were made by shareholders:

1. Voting on the approval of the Annual Board of Director Report for the fiscal year ending on December 31,2023.
2. Voting on the approval of the Annual Audit Committee Report for the fiscal year ending on December 31, 2023.
3. Voting on the approval Annual Financial Statements for the fiscal year ending on December 31, 2023.
4. Voting on the approval of the Annual External Auditor's report for the fiscal year ending on December 31, 2023.
5. Voting on the approval of reappointing the Company's External Auditor (KPMG) based on the Audit Committee Recommendation and Board of Directors Nomination to review and audit the financial statements for Q2, Q3 Annual Audit of 2024 andQ1 of 2025, and determine their fees.
6. Voting on the approval to absolve the members of the Board of Directors and the Executive Management of liability for their management to the company for the period January 1st ,2023 to December 31,2023.
7. Voting on the Approval of the transactions with related parties.
8. Voting on the Approval appointment of the fifth board member Mr. Fahad Talal Kurdi, based on article 18 of the company's article of association, after the Board's recommendation and obtaining SAMA's non-objection.
9. Voting on the approval of the Audit Committee Charter based on committee recommendation and board resolution.
10. Voting on the approval of the Nomination and Remuneration Committee Charter based on committee recommendation and board resolution.
11. Voting on the approval of the Social Responsibility Policy based on committee recommendation and board resolution.
12. Voting on the Approval Board of director's remuneration policy and its sub-committees' remuneration and financial allowances, based on the recommendation of NRC and BOD to implement and disbursement of what was stated in the policy since the beginning of the formation of the current period of the Board.
13. Voting on the Approval of delegating the CEO of the Company, Mr. Nair Bayan Alsulami, Saudi his ID number 1004440010 to represent, submit and terminate all necessary and required procedures, papers and applications, and sign on our behalf to carry out all statutory procedures according to the regulations in force in the KSA and associated with this decision with all Governmental and private agencies such as Ministry of Commerce, Saudi Business Center and Saudi Central Bank, and to document and sign the Articles Of Association in front of the notary in KSA and publishing it in the Official Gazette, new technology platforms and

amend the Company's Commercial Register in the Companies Register and Commercial Register, sign and receive the register Commercial for the Company, and submit any other requests to government and private agencies and generally work to do all the necessary requirements on behalf of GLFL to amend the articles of association of the company in the KSA and delegate him to sign the agreement for borrowing from SABB and Al Rajhi Bank in accordance with the attached condition.

## 19. Financial Reporting Standards

The annual audited financial statement for the year ended 31 December 2024 of Gulf Lifting Financial Leasing Company has been prepared in accordance with international financial reporting standards (IFRS) as issued by the international accounting standard boards (IASB). The board takes this opportunity to thank the government of Saudi Arabia, particularly the Saudi Central Bank and mi the story of commerce, for their support. The board also place on record appreciation for shareholders for their confidence and support and to the company employee for their effort and professionalism.

## 20. Audited Financials 2024