

Board of Directors Annual Report 2021

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Chairman's statement:

Dear Shareholders of Bidaya Home Finance,

On behalf of the Board of Directors, I am pleased to announce to present the BOD Annual Report of Bidaya for home finance for 2021. A year in which Bidaya achieved its strategic ambitions and business targets to become one of the supporters of Vision 2030.

The Kingdom's leadership has demonstrated a forward-looking, decisive approach in the year 2021, and there have been proactive measures implemented by government authorities as the world continues to grapple with the effects of the global pandemic. However, the Saudi economy managed to achieve solid growth in 2021, reversing the trend of the prior year and returning to expansion with a 3.3% increase in real GDP. In this remarkable year, the Kingdom, its leadership, regulators, authorities, and people have demonstrated resilience and wisdom.

Bidaya started the year with solid determination to achieve its strategic ambitions. The company has invested to enhance its capability by introducing technology enablers for business growth, service availability, and operational efficiency. The company also have strengthened the enterprise architecture and expanded our digital footprint.

Bidaya achieved a net profit ratio of 16.55%. Total assets reached SAR 2.6 billion as of 31 December 2021. The return on assets ratio reached 1.16% and return on equity ratio 3.38% in 2021.

Bidaya adherence to the principles of sound corporate governance & the highest standards in internal controls, risk management, compliance, and cybersecurity across all Bidaya's operations.

By helping citizens own their homes, Bidaya supported vision 2030 by expanding its operations to cover more than 83 projects of the Ministry of Housing.

For Bidaya, empowering Saudi talents and fostering women's participation in the workplace remains one of our core objectives in the company. In 2021 the company increased its Saudization ratio by 3% and 4% of new hires were female, taking their participation rate to 34% of the total workforce.

On behalf of the Board of Directors, I extend my deepest gratitude to the custodian of the two holy mosques, King Salman bin Abdulaziz Al Saud; His royal highness Prince Mohammed bin Salman bin Abdulaziz, crown prince, deputy prime minister, and minister of defense; and to the Kingdom's government; the Saudi central bank; the ministry of housing, for supporting the kingdom's home finance business sector.

I also take this opportunity to thank Bidaya's valued customers and shareholders for their trust & support, and its entire staff who work tirelessly to sustain Bidaya's position in the market as the leader in digital home finance.

Best regards,

On behalf of the Board,

Thalib Ali Al Shamarani
Chairman of The Board of Directors
February 2021

Vision and Mission:

Vision:

Our vision is to "enable homeownership to all" through a diversified package of financing products that suit the largest number of customers, not to mention high-level customer service that matches international standards. Through the package of solutions offered by Bidaya, it hopes to reach the largest number of citizens and residents of the Kingdom who are looking for financing solutions for real estate units they plan to purchase.

Mission:

Customers: you are at the heart of everything we do to enable our customers to live the life they choose

Partners: Enable our partners' continued growth and success

Employees: Enable our staff to be the best

Shareholders: Enable you to continue the success

Community: Enable the Kingdom to promote prosperity and security

Key Activities

The core activity of Bidaya is to provide Shari'ah-compliant mortgage financing. Our vision is in line with the Government, i.e. "enable homeownership for all". Given the common objective, considerable work was achieved done in partnership with the Ministry of Housing (MoH) and Real Estate Development Fund (REDF). The majority of the focus during 2021 remained closely aligned to that of the MoH and REDF.

Financial Review for the Year Ending 31 December 2021

Highlights		2017	2018	2019	2020	2021
Balance Sheet	Equity (SR' m)	818.7	835.4	846.2	871.2	901.2
	Return on Equity (%)	-1.70%	1.60%	1.30%	2.90%	3.38%
	Total Assets (SR' m)	967	1,462	2,300	2,538	2,636
	Return on Assets (%)	-1.50%	1.10%	0.60%	1.00%	1.16%
Profit & Loss	Total Revenue (SR' m)	40.6	81	129	157	181
	Net Profit (SR' m)	-13.7	13	10.9	25.0	29.9
	Cost to Income Ratio (%)	147.60%	90.50%	80.80%	64.70%	66.82%
	Net Profit Ratio (%)	-33.80%	16.00%	8.40%	15.94%	16.55%

Whereas 2020 was dominated by the business disruption caused by the Covid-19 pandemic, the main themes of 2021 were returning to normality while continuing to pursue the Company's growth strategy in the face of increasing competition in a fast-evolving market.

The Company's core strategy of utilizing its origination and servicing capabilities to provide such services to third parties alongside own-book lending remains unchanged. This provides Bidaya with sufficient operational flexibility to manage risk and optimize returns in the mortgage market while serving market participants including the end consumer, portfolio acquirers, investors, and government agencies enabling homeownership for all.

In 2021, the key features of the mortgage market in which Bidaya operates were the increasing prevalence of long-term fixed-rate products, a reduction in the supply of ready units available for sale, and changes in relative product profitability due to changes in origination cost and asset pricing.

Despite a challenging market, Bidaya continued to improve its financial performance through appropriate alignment of strategies and management of its cost base. Return on equity increased by 17% to 3.4% (31 December 2020: 2.9%) and return on assets increased to 1.2% (31 December 2020: 1.0%) despite the increase in the cost to income ratio to 66.8% (31 December 2020 64.7%).

Balance Sheet Key Items

As of 31 December 2021, total assets amounted to SR 2.6 billion (31 December 2020: SR 2.5 billion).

Net additions to the Ijara portfolio were SR 487.0 million (31 December 2020: SR 799.5 million). Portfolio sales of SR 387.8 million (31 December 2020: SR 196.8 million) took place during the year. In addition to the assets held on the balance sheet, Bidaya continues to service portfolios sold as well as assets originated on behalf of third parties. At the end of the year, Bidaya had total assets under management of SR 4.0 billion (31 December SR 3.5 billion).

On 31 December 2021 Bidaya had outstanding financing facilities of SR 1,036 million (31 December 2020 SR 1,031 million) and outstanding Sukuk of SR 550 million (31 December 2020 SR 300 million).

On 31 December 2021, a key milestone in Bidaya's evolution was achieved in that all previous accumulated losses were extinguished. The Company closed the year with shareholders' equity of SR 901.2 million (31 December 2020 SR 871.2m).

Profit & Loss Key Items

Total Revenue for the year was SR 181.2 million (2020: SR 157.0 million), an increase of 15%. The composition, and growth, of revenue in 2021 reflected both wider market conditions as well as the maturing of Bidaya's multi-strategy capabilities. Ijara income grew by 9% to SR 150.8 million (2020: SR 138.1 million). This rate of growth was slower than in the previous year due to a growing proportion of the portfolio comprising lower-yielding long-term fixed-rate financing as well as an increase in portfolio sales. As a result of increased portfolio sales, servicing income increased by 37% to SR 11.7 million (2020: SR 8.5 million) while the gain on portfolio sales increased by 355% to SR 11.2 million (2020: SR 2.5 million). Fee income declined marginally to SR 7.5 million (2020: SR 7.9 million).

Total Operating Expenses for the year amounted to SR 137.7 million (2020: SR 119.8 million), an increase of 15.0%. Finance charges were SR 48.1 million (2020: SR 42.5 million), an increase of 13.3% due to increased financing. Depreciation and amortizing charges together amounted to SR 5.6 million (2020: SR 6.7 million), a decrease of 17.7% due to assets becoming fully amortized. Other expenses totaled SR 84.0 million (2020: SR 76.6 million), an increase of 9.7% reflective of Bidaya's growing business. 2020 Operating Expenses included a reversal of VAT provision in the amount of SR 6.0 million.

Impairment charges decreased by 20.4% to SR 10.8 million (2019: SR 13.6 million). Impairment charges cover all aspects of Bidaya's business and are not solely representative of credit impairment on its Ijara portfolio. Impairment charged for credit losses declined year-on-year due mainly to the adoption of a write-off policy as well.

This was offset by impairment charged against other receivables, most notably an SR 4.5 million (2020: Nil) charge against VAT receivable from the Ministry of housing due to uncertainty surrounding both the timing and certainty of recoverability.

During the Covid-19 pandemic of 2020, SAMA announced a debt relief package for which portion of Bidaya's debt financing qualified. This program terminated in 2021. During the year, Bidaya recognized gains under this program of SR 1.1 million (2020: SR 5.0 million).

The Zakat charge for the year was SR 3.7 million (2020: SR 3.6 million) leaving a net profit for the year after Zakat of SR 30.0 million (2020: SR 25.0 million), an increase of 19.8%.

The abridged financial position of Bidaya Home Finance Company as of December 31, 2021, is as follows:

Balance Sheet (SR 000's)	Dec '21	Dec '20	Variance Y-o-Y
Cash	50,084	25,667	24,417
Ijarah receivables, net	2,482,124	2,379,075	103,049
Other Assets	103,767	133,756	-29,989
Total Assets	2,635,975	2,538,498	97,477
Secured financing	1,036,000	1,031,000	5,000
Sukuk	550,000	300,000	250,000
MoH liability	83,960	273,873	-189,913
Other liabilities	64,801	62,393	2,408
Total Liabilities	1,734,761	1,667,266	67,495
Equity	901,214	871,232	29,982

Income Statement
(SR 000's)

	Dec '21	Dec '20	Variance Y-o-Y
Ijarah income	150,765	138,106	12,659
Fee income	7,546	7,902	(356)
Servicing income	11,674	8,532	3,142
Gain on sale of portfolio	11,173	2,453	8,720
Total revenue	181,158	156,993	24,165
EXPENSES			
Operating expenses	(84,044)	(76,588)	(7,456)
Depreciation and amortization	(5,558)	(6,748)	1,190
Finance charges	(48,118)	(42,462)	(5,656)
(Reversal) / provision for penalty	-	6,000	6,000
Total operating expense for the year	(137,720)	(119,798)	(17,922)
The impairment charge for credit losses	(10,804)	(13,579)	2,775
Operating income for the year	32,634	23,616	9,018
Other Income	7	48	(41)
Gain arising on modification of terms of financial facilities	1,052	4,993	(3,941)
Net profit for the year before Zakat	33,693	28,657	5,036
Zakat charge for the year	(3,711)	(3,629)	(82)
Net profit for the year after Zakat	29,982	25,028	4,954

Risk Management

As a mortgage finance company operating in Saudi Arabia, Bidaya is exposed to the following key risks.

Credit Risk: Given the nature of its business, Bidaya is exposed to Customer counterparty risk whereby timely repayment of its mortgage portfolio is essential. The year 2021 showed an improvement in customer affordability as a result of economic activity from COVID-19. (Article-83) still frozen, However, there was a good enhancement in the eviction process which resulted in receiving court eviction orders for 6 cases in Q3 2021. Delinquency management forms a critical part of Credit Risk. The internal focus was shifted to active collections follow-up and debt management advice. In addition to the intensive follow-up with REDF for MGS submitted claims. This resulted in a 90+ ratio (2.89%) staying within reasonable levels as of the year-end.

As for Portfolio by Employer type, Government, Semi-Government, and Blue Chip employers together constitute 70% of the on-balance sheet portfolio, which is comforting from a Credit standpoint. ECL year-on-year decreased mainly owing to the adoption of a write-off policy.

Bidaya succeeded to obtain a Rating of local issuance of (SAA-) on its Sukuk issuance from Capital Intelligence, with a Stable outlook.

Market & Strategic Business Risk: Mortgage lending is on the rise in Saudi Arabia. While the Government is supporting homeownership, new REDF property evaluations have impacted the business starting from Q2 2021. Operating businesses are still affected by disrupted supply chains and slower developer rollouts. However, the Ministry of housing has rolled out new Off Plan projects which improve OTH origination. Also, oil prices are trading higher than \$80/ barrel, which is a positive for Saudi. Non-oil exports for Saudi Arabia show a positive trend which stimulates the market in 2021.

Country Risk: With mortgages originating in and being serviced in Saudi Arabia, Bidaya is exposed to Country Risk. The Country's geopolitical status, fiscal position, and dependence on oil affect this risk category. Owing to COVID-19, Moody's and Fitch changed their Outlook on Saudi to "Outlook Stable" with Sovereign ratings (Moody's: A1; Fitch A-; S&P: A).

Liquidity Risk: Bidaya Funding Strategy governs the availability of funding for its business activities. Bidaya's assets are long-term tenor in nature, which raises Asset-Liability mismatch. The asset portfolio sales model continues to work effectively, though The Saudi Refinance Company (SRC) is the single buyer (which raises single counterparty risk).

For the year under review, three portfolios were sold aggregating SR 376.6 MM, helping to reduce the Asset Liability mismatch and hence reducing the funding cost. Given the Operating Model includes the "Originate to Sell and Service" strategy; Bidaya is aligned with SRC's Customer Eligibility Criteria. Sukuk's due bullet repayments (aggregating SR 300MM) were successfully repaid promptly during the year. SRC and bank lines were renewed, which remain a source to fill in liquidity gaps. While the liquidity position was managed during 2021, Liquidity Risk remains a key challenge for the Company in the medium to long run.

Operational Risk: Operational Risk remains prevalent, with the supply chain still impaired. Risk Department concluded Risk and Control Self-Assessment (RCSA) at the functional level and the required actions are planned and progressed. Also, the Operational Risk incident process has been enhanced putting more control to avoid and minimize any financial impact.

Reputational Risk: Bidaya's strategic partnership and commitment with MOH, REDF, and SRC have an increasing trajectory. Business from them entails the requirement for maintaining high servicing standards given the high profile of these entities. This raises Reputational Risk.

For Cyber Security, the main activities in 2021 were focused on security integration for website revamping and Middle Ware project, mail protection: Managed Security Service i.e. (MSS) for 24/7 monitoring of Bidaya logs (around 400K task/week). The business Continuity Management project started in the year 2021, with the plan and testing scheduled in Q1 2022. In the year 2021, a Cyber Security training and awareness program was concluded covering all of Bidaya's staff. Also, a new policy was developed which is related to Corporate Social Media Security which is a regulatory requirement. Moreover, several projects have been implemented during the year 2021. This includes Data Classification & Data Leakage Prevention, Threat Intelligence Service Architecture Review & SOC Performance.

Legal Risk: For delinquent cases, remedial action entails going through the legal process and being exposed to legal infrastructure for eviction and recovery. This exposes Bidaya to Legal Risk. Court activity (Article-83 still suspended, however, the

eviction process showed positive progress which resulted in receiving a court order for 6 evictions cases; the outlook for this risk is assessed as Medium Risk.

People Risk: While “Originate to Sell & Service” and “Originate to Service” strategy modes raise staff capacity requirements, ‘Automated Underwriting’ is an efficient tool for meeting future workflow requirements without increasing headcount.

For the year under review, People Health & Safety (of staff and customers) decreased owing to the new requirements to comply with Ministry of Health vaccination roles. Management continue Corona Risk Committee (CRC) periodic meeting and designed the anticipated scenarios, related action items, and active monitoring Vaccination Program initiated by the Ministry of Health in Q4 2020 have continued to the end of the year 2021 with a positive impact on people’s health

Commercial Activities

The Commercial Sector has continued its initiatives for improving customer experience, enhancing the levels of service, and providing unique home financing solutions that go beyond customer expectations to meet their current and future needs.

Thus, the success of the Commercial Department business during 2021 was – and will continue to be – rooted in providing advanced products and services that keep pace with the times, taking the customer experience towards new heights of excellence. The Commercial Department adopts a policy through which it concentrates its businesses and initiatives to make Bidaya the fastest growing and the most customer-centric home financing company. The success of Bidaya in providing modern and advanced products and services has taken the customer experience to new levels of excellence have contributed to a customer base increasing by 886 with the volume of transactions reaching SAR 598 million.

The Commercial Department encompasses the sales, marketing, business, and product development verticals. With the customer at the heart of everything we do, we have structured our services and products on a business-to-consumer basis through the retail and wholesale distribution channels through the company website (www.bidaya.com.sa).

Product Development Department has launched the following products and features during 2021:

1. Buy and Leaseback Product
2. Land Financing Product
3. Self-employed segment reactivation
4. Fixed Forward Ijarah Product
5. Purchase Through Financing Feature
6. Transfer of Rights Agreement
7. LTFR Enhanced RAC Program
8. Real-Estate Broker Commission Program
9. Convert Variable Financing to Fixed Financing for BHF's current customers
10. Special Rate Offering for AAA Companies
11. KSCHA Agreement (Phase 1)

Along with the new products and features launched, the Product Development Department focused on streamlining the existed products' offerings and processes, which takes customer experience to a higher level of excellence. By doing so, Bidaya maintains a strong leadership in the home finance industry and further strengthens its commitment to consumers by providing attractive mortgage solutions.

Main processes improvements conducted in 2021:

1. Updating Product Development Procedures and Guidelines
2. Revamping Product Focus Group
3. Pricing/Re-pricing document and process refinement
4. Product Mentoring Guidelines developed
5. Valuation Variance Increase to accommodate more customers
6. Sales Purchase Agreement update to Version 7, then to Version 8

Business Development Department has commissioned additional 24 Off-plan projects along with signing agreements with Knowledge Economic City (KEC) in regards to new originations. The below table presents commissioned projects.

	Project name	Developer Name
1	Al Narjous View	Al Rashed
2	Nissag Town 2	Retal
3	Al Shroug	Al Raem
4	Al Fakiriyah	Al Raem
5	Al Dhahiah	Al Aqaria
6	Al Khamis view	Al Rashed
7	Noma'a	Tamken
8	Taj Al Massef	Al Faf real estate
9	Jaddara	Wahat Al Dammam
10	Faisal Bin Saedan	Jawhrat Al Sahab
11	Faisal Bin Saedan	Jawhrat Al Groub
12	Faisal Bin Saedan	Ishbilya
13	Faisal Bin Saedan	Nouzol Al Hazim
14	Wahat Al Kahmis	Al Rashed
15	Obhour park	Al Atheer
16	Sama Jeddah	Makiyon
17	Al Safowa Garden	Mbani Al Safwah
18	Aris	Sakanna
19	Sedrah 1	Roshen
20	Sraya Al Jewan	Dar W Emar
21	Al Dana Al Garbi	Khuta Al Khair
22	Sakenah 1	Al Suliman Real estate
23	Sakenah 3	Al Suliman Real estate
24	Asalat Al jewan	Mohammed Al Habib Real Estate

Off-plan Delivered Units:

The company believes that off-plan product is the way forward, hence the company successfully handover completed units totaling 318 units in two projects with a total financing volume of approximately SR 96 million, which represent 15% of the Originated Off-plan financing.

Furthermore, the Business Development team has on boarded during 2021:

21 new employers, 3 platforms, 6 developer's Ready units, and 3 brokers.

Not only to increase potential business volume but also to strengthen the strategic partnership.

Marketing Department:

Digital Marketing Strategy obtained an always-on strategy by targeting potential customers across the digital & online platforms via google search & Facebook integration and planned targeted campaigns across both platforms & their subsidiary & other platforms in order to increase Bidaya's reach.

Revised the social media calendar look & feel and started executing a fixed social media post monthly calendar to maintain consistent messaging to our customers.

In October 2021, Bidaya sponsored the Saudi Gymnastics Federation championship for women in Riyadh.

Sales Department activities:

- Enhance electronic services in the sales department to eliminate sales in branches.
- In line with investing more in technology, Sales Department has been restructured and renamed to (Digital Telemarketing Team). Focusing on increasing efficiency, and along with quality assurance in terms of servicing and reporting
- We launch STC sign so the customers/owner can sign their contracts without visiting Bidaya Office.

CRM Initiative:

To align with Bidaya's strategic vision of the digitalization process, we have improved a Customer Relationship Management (CRM) application, which increases the Telemarketers' capacity to serve our customers within 60 minutes instead of 48 hours.

In addition, the outbound calls through Auto dialer has increased the customers reached by 3times, which increases the number of application by 100%.

Rewards & recognitions:

Bidaya has maintained its global recognition in 2021, where UK-based publication Global Business Outlook named us as the 'Best Home Finance Provider- Saudi Arabia, 2021' category.

Also in 2021, we achieved another award the "Fastest Growing Digital Transformation Home Finance Company - 2021" at the International Finance Awards – UK-based.

To conclude, Bidaya has gained 22 Awards during the last 6 years, which indicates Bidaya's strength in maintaining its digitalized theme improvement, as well as, its sustainable financial solvency.

Information Technology

Bidaya stands as a leading Technology Oriented Home Finance Company in the market of the Middle East. Our focus on continuous improvement of digital transformation to enhance Customer Experience, TAT, and User Experience has helped us retain and improve the position.

As a company Strategy, Bidaya has gone through a very aggressive digital transformation during the year 2021. This has come by introducing technology enablers for business growth, service availability, and operational efficiency. We have strengthened the enterprise architecture and expanded our digital footprint. Three major projects planned during the year were Business Process re-engineering, Introduction of Middleware across the enterprise, and revamping of Portal, our online presence. On the other hand, improvement of infrastructure was due and was much needed with the introduction of new technologies and business enablers. To meet this requirement, we have introduced load balancer and failover web servers with improved quality. Replacing old and obsolete storage (EOS) with the latest and dynamic storage.

Additional computing power is introduced to accommodate existing demand and future requirements to enable service and continuity.

Delivering projects in 2021 while managing work from home situations needed detailed planning to ensure security aspect. Some of the major projects delivered are:

1. Business Process Re-engineering to improve customer onboarding and technical verifications and betterment of Turn-Around-Time.
2. Introduced Middleware across the Enterprise (Delivered with minimal to no latency)
3. Enhancing Customer Relationship Management to achieve higher customer satisfaction and enhanced marketing and sales effectiveness.
4. Revamping online presence using the latest tools and technology and adding new features for better user interface (UI) and user experience (UX).
5. Standardize Vendor contracts to introduce more effective Service Level Agreements (SLAs).
6. Introduced SIT environment as part of better quality delivery of the projects.
7. Acquiring additional Computing power to facilitate existing and future requirements to support business growth by introducing new services.
8. Datacenter and DR-Site review have been conducted to utilize as a strategic resource to drive your business needs.
9. Introduce a Digital signing platform with STC to facilitate customers and property owners to sign business documents without reaching Bidaya branches.
10. Introduce electronic promissory note acceptance through NAFITH Service, Ministry of Justice platform.

Human Resources

The HR has continued its initiatives to deliver strategic objectives of human resources that aligned with Bidaya's goals by recruiting, providing proper orientation and induction, imparting proper training and developing skills, retain talented employees.

- **HR Statistics :**

1. The Total number of employees = 151.
2. Saudization = 78%.
3. Number of female employees = 34%.
4. Employee retention (Companywide) = 90%

- **Continuation of precautionary actions during COVID – the 19 pandemics by implementing the following working arrangement:**

1. Ensure that all networks are working constantly during the lockdown.
2. Ensure that all needed access is ready during working from home.
3. Flexible working hours for all employees.

- **Strategic Partnership with Universities:**

1. As part of Bidaya's vision and mission in social responsibilities, HR has agreed with The Institute of Public Administration to train 20 Saudi trainees for 4 months in different Groups such as “Finance, Operations, and HR”.
2. HR has agreed with Imam Mohammed Bin Saud to train four Saudi trainees for four months.

- **Learning & Development:**

1. Training & Development hours: 2815.
2. Conduct Anti-Money-Laundering (AML) training course for 160 employees including the Board of Directors.
3. Conduct 5 in-house training programs in “Customer Journey” and “Selling Skills”.
4. Conduct a “Collection” training program for 15 employees.
5. Conduct a Certified Credit Advisor training program for 30 employees.
6. Conduct 5 awareness sessions in Cyber Security.
7. Design an “Individual Development Plan” for 15 high caliber employees in different Groups as part of investing in them to enhance their knowledge towards achieving Bidaya objectives.

- **Organizational Development:**
 1. Approving high-level organizational structure.
 2. Organizational re-structure of (Finance, Commercial, Operations, HR, Customer Care, Risk).

Internal Audit

The internal audit department is an essential part of the internal control and governance framework in Bidaya. Internal audit is an independent function and its objective activity that provides an assurance and advisory services to add benefits and improve Bidaya's operations. The department has been entrusted with the tasks of reviewing the company's business, policies, and procedures, assessing the extent of compliance with policies and controls that are established by the Board of Directors and the Committees derived from it.

The company's internal audit department follows approved plans and policies to evaluate and improve the effectiveness of internal control and risk management to ensure that all are in line with best practices and standards by providing advice and recommending a professional and objective framework, to strengthen internal control and protect the company's assets.

The Internal Audit department submits quarterly and annual reports to the Audit Committee that includes raised observations and identified weaknesses related to the application of internal controls. In addition to reporting potential risks that affect the operations by highlighting the risk level. Moreover, recommendations and possible mechanisms to deal with these observations.

The approved risk-based Internal Audit plan for 2021 consisted of eleven planned audits. One additional audit was done Ad-hoc. All audits were finalized. Seven audits were conducted in-house, four co-sourced and one out-sourced.

Below is a heat map summary.

Department	Critical	High	Medium	Low	Total
Human Resource	0	5	3	3	11
Product Development	0	1	4	0	5
Business Development	0	3	1	2	6
Customer Care 1	0	0	0	1	1
Sales & Branches	0	0	3	2	5
Information Technology	0	8	4	1	13
Cybersecurity	0	6	3	0	9
Underwriting	0	0	0	1	1
Legal	0	4	2	1	7
Finance	1	6	7	2	16
Compliance & AML	0	4	2	3	9
Risk Management	0	6	3	2	11
Customer Care 2	0	0	1	0	1
Call Center	0	4	4	1	9
Total	1	47	37	19	104

Compliance

Compliance is an independent department responsible for assessing, monitoring, and advising. The Compliance Department prepares quarterly and reports on the compliance activities for the Audit Committee and Board of Directors.

In 2021, the department maintained a comprehensive compliance program that ensured that proper alignment was maintained and compliance levels were raised. Its objective is to provide insightful and proactive assurance of supervisory requirements by ensuring compliance with rules and regulations.

As a result of the department's clear guidance, money laundering and terrorist financing have been combated effectively. Mitigate the Anti-money laundering risk factors by conducting and improving certain processes, such as Know Your Customer (KYC), Enhanced Due Diligence (EDD), monitoring transactions, and whistleblowing.

A risk-based approach and specialized training are used to raise awareness as well as to foster a compliance culture. The training was conducted on compliance, anti-money laundering, and fraud prevention to provide adequate coverage of the training requirements. The Departments oversee the training programs and make sure training is conducted annually.

Penalties imposed by the Saudi Central Bank

The below schedule shows, the penalties received in the year 2020- 2021.

*Previous Financial Year			*Current Financial Year		
Fine Subject	Number of Penalties	Amount	Fine Subject	Number of Penalties	Amount
Breach of the Implementation of SAMA Supervision & Regulation Control	2	SAR 470,000	Breach of the Implementation of SAMA Supervision & Regulation Control	2	SAR 195,000

Governance

Introducing the Board of Directors and the Board Committees

First: Board of Directors

The Board of Directors consists of (11) members as follows:

#	Member	Membership
1	Thalib Al Shamarani	Chairman
2	Bassam Boodai	Vice Chairman
3	Fahad Al Othaim	Non-executive member
4	Naif Alissa	Non-executive member
5	Dakheel Al Zahrani	Non-executive member
6	Abdulaziz Al Omair	Non-executive member
7	Taher Agueel	Non-executive member
8	Ehab Al Dabbagh	Independent member
9	Tariq Ali	Independent member
10	Ali Al Shehri	Independent member
11	Ahmed Al Munifi	Independent member

Thalib Al Shamarani (Non-Executive)	<ul style="list-style-type: none"> Chairman of the Board of Directors of BHF since 2021. An advisor to His Excellency the Minister of Finance since 2020. Senior Executive Vice President & CRO of Riyad Bank from 2005 to 2019. Bachelor's degree in Business Administration from King Abdulaziz University, Jeddah – Saudi Arabia.
Bassam Boodai (Non-Executive)	<ul style="list-style-type: none"> Vice-Chairman of the Board of Directors of BHF since 2015. Member of the Nomination & Remuneration Committee in BHF. Member of the Executive Committee in BHF. The CEO of Jenan Real Estate Company since 2008. Deputy Secretary-General, Eastern Province in Chamber of Commerce & Industry from 1996 to 2006. Ph.D. degree in International Marketing from the University of St Andrews – Scotland.

	<ul style="list-style-type: none"> • MBA from King Fahd University of Petroleum and Minerals in Dhahran – Saudi Arabia.
Abdulaziz Al Omair (Non-Executive)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2015. • Chairman of the Executive Committee in BHF. • Executive Director and a Board Member of Wasl Investment Trading Company. • Regional Head, Institutional & High Net worth Individuals Sales and Distribution in Al Rajhi Capital from 2009 to 2010. • Bachelor's degree in Business Administration from Webster University – Switzerland.
Naif Al-Issa (Non-Executive)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2021 • Member of the Executive Committee in BHF. • Member of the Risk Management & Credit Committee in BHF. • Vice President at the Public Investment Fund. • Investment Banking in Alawal invest from 2015 to 2017. • MBA – USA. • Bachelor's Degree in Civil Engineering – USA.
Taher Aqeel (Non-Executive)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2015. • Member of the Audit Committee in BHF. • The Founder and CEO of Taher Aqeel Financial Consultancy Company since 2013. • CEO of National Air Services Company and Deutsche Azizia Financial Services Company. • Master's degree in Industrial Engineering, University of Texas – USA. • Bachelor's Degree in Industrial Engineering, University of Texas – USA.
Dakheel Al Zahrani (Non-Executive)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2015. • Member of the Executive Committee in BHF. • Head of the Investment Team at Arab Investment Company. • The Director of Strategic Planning and Research from 2014 to 2017. • Master's degree in International Marketing Science from the University of Strathclyde – UK. • Bachelor's degree in Accounting from King Abdulaziz University in Jeddah – Saudi Arabia.
Fahad Al Othaim (Non-Executive)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2015. • Member of the Nomination & Remuneration Committee in BHF. • Chairman in Abdullah Al Othaim Investment Co. since 2005. • Member of the Board of Directors in Dar AlKhyol General Contracting Co. from 2013 to 2018. • Bachelor's degree in Business Administration/Marketing from King Saud University – Saudi Arabia.
Ahmed Al Munifi (Independent)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2015. • Chairman of the Risk Management & Credit Committee in BHF. • Founder and CEO of Merger and Acquisition House for Financial Consultancy since 2016. • Chief Executive Officer in Alpen Capital from 2014 to 2016. • Bachelor's degree in Economics from King Saud University in Riyadh – Saudi Arabia.

<p>Tariq Ali (Independent)</p>	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2015. • Member of the Risk Management & Credit Committee in BHF. • Partner and general director of Gulf Banking Consultations since 2001. • Group Head in National Commercial Bank from 1994 to 2000. • MBA from the University of West Texas - USA. • Bachelor of Economy from University of the Punjab –Pakistan.
<p>Ali Al Shehri (Independent)</p>	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2021. • Member of the Nomination & Remuneration Committee in BHF. • Member of the Boards of Directors in Hamad and Ahmed Mohamed Al Mozaini Company for Real Estate. • Director in Hamad & Ahmed Al Muzini Co. from 2017 to 2020. • Bachelor's degree in Mechanical Engineering from King Fahd University of Petroleum and Minerals in Dhahran - Saudi Arabia.
<p>Ehab Al Dabbagh (Independent)</p>	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2021. • Member of the Risk Management & Credit Committee in BHF. • Chairman of the Nomination & Remuneration Committee in BHF. • Member of the Board of Directors in Mudaraba Financial Co. • Member of the Board of Directors in Tawuniya since 2020. • Member of the Investment Committee in Tawuniya • Chairman of Nomination & Remuneration Committee in Tawuniya. • CEO of Ijmal Ltd since 2014. • GM Corporate Banking Services in Saudi Hollandi Bank (SHB) from 2012 to 2014. • Member of the Board of Directors of the Saudi Financial Support Services Company from 2008 to 2014. • Bachelor degree in Marketing from King Fahd University of Petroleum and Minerals in Dhahran – Saudi Arabia.

Board meetings for the year 2021

The Board of Directors held (7) meetings during the fiscal year ending on December 31, 2021, and the following statement shows the Board meetings and the attendance for each meeting:

#	Member	Date							Total
		24/2/2021	28/4/2021	6/7/2021	4/8/2021	27/10/2021	14/11/2021	20/12/2021	
1	Thalib Al Shamarani (Chairman)	Joined on 27 June 21		✓	✓	✓	✓	✓	5
2	Bassam Boodai (Vice-Chairman)	✓	✓	✓	✓	✓	✓	✓	7
3	Fahad Al Othaim (Member)	X	✓	✓	X	✓	✓	X	4
4	Naif Alissa (Member)	Joined on 27 June 21		✓	✓	✓	✓	✓	5
5	Dakheel Al Zahrani (Member)	✓	✓	✓	✓	✓	✓	X	6
6	Abdulaziz Al Omair (Member)	✓	✓	✓	✓	✓	✓	✓	7
7	Taher Ageuel (Member)	✓	✓	✓	✓	✓	✓	✓	7
8	Ehab Al Dabbagh (Member)	Joined on 27 June 21		✓	✓	✓	✓	✓	5
9	Tariq Ali (Member)	✓	✓	X	✓	✓	✓	✓	6
10	Ali Al Shehri (Member)	Joined on 27 June 21		✓	✓	✓	✓	✓	5
11	Ahmed Al Munifi (Member)	X	✓	✓	✓	✓	✓	✓	6
12	Naif Al Hamdan (Chairman)	✓	✓	The Board term ended on 27 June 2021					2
13	Abdulelah Al Sheikh (Member)	✓	✓	The Board term ended on 27 June 2021					2
14	Majid Alissa (Member)	✓	✓	The Board term ended on 27 June 2021					2
15	Mohammed Al Saadoon (Member)	✓	✓	The Board term ended on 27 June 2021					2

Second: Board Committees

- **Executive Committee:**

Executive Committee	
Abdulaziz Al Omair (Non-Executive)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2015. • Member of the Executive Committee in BHF. • Executive Director and a Board Member of Wasl Investment Trading Company. • Regional Head, Institutional & High Net worth Individuals Sales and Distribution in Al Rajhi Capital from 2009 to 2010. • Bachelor's degree in Business Administration from Webster University - Switzerland.
Naif Al-Issa (Non-Executive)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2021 • Member of the Executive Committee in BHF. • Member of the Risk Management & Credit Committee in BHF. • Vice President at the Public Investment Fund. • Investment Banking in Alawal invest from 2015 to 2017. • MBA – USA. • Bachelor's Degree in Civil Engineering – USA.
Bassam Boodai (Non-Executive)	<ul style="list-style-type: none"> • Vice-Chairman of the Board of Directors of BHF since 2015. • Member of the Nomination & Remuneration Committee in BHF. • Member of the Executive Committee in BHF. • The CEO of Jenan Real Estate Company since 2008. • Deputy Secretary-General, Eastern Province in Chamber of Commerce & Industry from 1996 to 2006. • Ph.D. degree in International Marketing from the University of St Andrews – Scotland. • MBA from King Fahd University of Petroleum and Minerals in Dhahran – Saudi Arabia.
Dakheel Al Zahrani (Non-Executive)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2015. • Member of the Executive Committee in BHF. • Head of the Investment Team at Arab Investment Company. • The Director of Strategic Planning and Research from 2014 to 2017. • Master's degree in International Marketing Science from the University of Strathclyde – UK. • Bachelor's degree in Accounting from King Abdulaziz University in Jeddah – Saudi Arabia.
Mazin Al Ghunaim	<ul style="list-style-type: none"> • Chief Executive Officer of BHF since 2015. • Member of the Executive Committee of BHF since 2015. • Chief Executive Officer in Abu Dhabi Islamic Bank (Saudi Finance Company) from 2012 to 2015. • Master's degree in Islamic Economy from the American Open University – Egypt. • Bachelor's degree in agricultural economics from king Saud University – Saudi Arabia.

- The Executive Committee's main objective is to assist the Board in following up on the Company's activities by supervising the performance of the Company, reviewing and monitoring the works thereof regularly, and making the necessary recommendations for the Board and making the decisions delegated by the Board. At the request of the Board, the Committee may also undertake the necessary studies and recommendations in strategic and investment matters. The committee held (10) meetings in 2021 as per below:

Meetings	Members					
	Abdulaziz Al Omair	Bassam Boodai	Dakheel Al Zahrani	Naif Alissa	Mazin Al Ghunaim	Abdulelah Al Sheikh
	Committee Chairman	Member	Member	Member	Executive Member	Member
27/1/2021	✓	✓	✓	Joined 27 June 21	✓	✓
21/2/2021	✓	✓	✓		✓	✓
25/4/2021	✓	✓	✓		✓	✓
1/8/2021	X	✓	✓	✓	✓	BoD term ended 27 June 2021
26/8/2021	✓	✓	✓	✓	✓	
6/10/2021	✓	✓	✓	✓	✓	
20/10/2021	✓	✓	✓	✓	✓	
11/11/2021	✓	✓	✓	✓	✓	
5/12/2021	✓	✓	✓	✓	✓	
13/12/2021	✓	✓	✓	✓	✓	
Total	9	10	10	7	10	3

- Audit Committee:**

Audit Committee	
Yaser Balkhi	<ul style="list-style-type: none"> Member of the Audit Committee in BHF since 2015. Owner of Yasser Balkhi Certified Public Accountants since 2010. Partner of Deloitte from 2006 to 2010. Bachelor's degree in accounting from King Abdulaziz University – Saudi Arabia.
Taher Aqeel (Non-Executive)	<ul style="list-style-type: none"> Board member of the Board of Directors of BHF since 2015. Member of the Audit Committee in BHF. The Founder and CEO of Taher Aqeel Financial Consultancy Company since 2013. CEO of National Air Services Company and Deutsche Azizia Financial Services Company. Master's degree in Industrial Engineering, University of Texas – USA. Bachelor's Degree in Industrial Engineering, University of Texas – USA.
Saud Al Sayyari	<ul style="list-style-type: none"> Member of the Audit Committee in BHF since 2015. Senior Investment Manager in Asian Infrastructure Investment Bank since 2019. Investment Analyst in PIF from 2011 to 2014. Bachelor's degree in Finance from the University of Nebraska - USA.

- The Audit Committee is responsible for monitoring the Company's businesses and verifying the integrity and soundness of the financial statements and internal control systems in place therein. The committee held (4) meetings in 2021 as per below:

Meetings	Meetings		
	Taher Aqeel	Saud Al Sayyari	Yaser Balkhi
	Committee Chairman Until 30 Dec 2021	Committee Chairman Since 30 Dec 2021	Independent Member
17/2/2021	✓	✓	✓
21/4/2021	✓	✓	✓
26/7/2021	✓	✓	✓
20/10/2021	✓	✓	✓
Total	4	4	4

- **Risk Management and Credit Committee:**

Risk Management and Credit Committee	
Ahmed Al Munifi (Independent)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2015. • Chairman of the Risk Management & Credit Committee in BHF. • Founder and CEO of Merger and Acquisition House for Financial Consultancy since 2016. • Chief Executive Officer in Alpen Capital from 2014 to 2016. • Bachelor's degree in Economics from King Saud University in Riyadh - Saudi Arabia.
Ehab Al Dabbagh (Independent)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2021. • Member of the Risk Management & Credit Committee in BHF. • Chairman of the Nomination & Remuneration Committee in BHF. • Member of the Board of Directors in Mudaraba Financial Co. • Member of the Board of Directors in Tawuniya since 2020. • Member of the Investment Committee in Tawuniya • Chairman of Nomination & Remuneration Committee in Tawuniya. • CEO of Ijmal Ltd since 2014. • GM Corporate Banking Services in Saudi Hollandi Bank (SHB) from 2012 to 2014. • Member of the Board of Directors of the Saudi Financial Support Services Company from 2008 to 2014. • Bachelor degree in Marketing from King Fahd University of Petroleum and Minerals in Dhahran – Saudi Arabia.
Tariq Ali (Independent)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2015. • Member of the Risk Management & Credit Committee in BHF. • Partner and general director of Gulf Banking Consultations since 2001. • Group Head in National Commercial Bank from 1994 to 2000. • MBA from the University of West Texas - USA. • Bachelor of Economy from University of the Punjab –Pakistan.
Naif Al-Issa (Non-Executive)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2021 • Member of the Executive Committee in BHF. • Member of the Risk Management & Credit Committee in BHF. • Vice President at the Public Investment Fund. • Investment Banking in Alawwal invest from 2015 to 2017. • MBA – USA. • Bachelor's Degree in Civil Engineering – USA.

- The committee is competent to develop a comprehensive risk management strategy and policies on the nature and size of the Company's activities, verify their implementation, review and update the same based on the internal and external variables of the Company and recommend them to the Board per the requirements of SAMA. The committee held (6) meetings in 2021 as per below:

Meetings	Members				
	Tariq Ali	Ahmed Al Munifi	Ehab Al Dabbagh	Naif Alissa	Yahya Al Suliman
	Committee Chairman until 27 June 2021	Committee Chairman since 27 June 2021	Member	Member	Independent Member
23/2/2021	✓	X	Joined 27 June 21	Joined 27 June 21	✓
27/4/2021	✓	✓			✓
8/6/2021	✓	✓			✓
3/8/2021	✓	✓	✓	✓	Membership's term ended 27 June 21
17/10/2021	✓	✓	✓	✓	
20/10/2021	✓	✓	✓	✓	
Total	6	5	3	3	3

• **Nominations and Remunerations Committee:**

Nominations and Remunerations Committee	
Ehab Al Dabbagh (Independent)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2021. • Member of the Risk Management & Credit Committee in BHF. • Chairman of the Nomination & Remuneration Committee in BHF. • Member of the Board of Directors in Mudaraba Financial Co. • Member of the Board of Directors in Tawuniya since 2020. • Member of the Investment Committee in Tawuniya • Chairman of Nomination & Remuneration Committee in Tawuniya. • CEO of Ijmal Ltd since 2014. • GM Corporate Banking Services in Saudi Hollandi Bank (SHB) from 2012 to 2014. • Member of the Board of Directors of the Saudi Financial Support Services Company from 2008 to 2014. • Bachelor degree in Marketing from King Fahd University of Petroleum and Minerals in Dhahran – Saudi Arabia.
Ali Al Shehri (Independent)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2021. • Member of the Nomination & Remuneration Committee in BHF. • Member of the Boards of Directors in Hamad and Ahmed Mohamed Al Mozaini Company for Real Estate. • Director in Hamad & Ahmed Al Muzini Co. from 2017 to 2020. • Bachelor's degree in Mechanical Engineering from King Fahd University of Petroleum and Minerals in Dhahran – Saudi Arabia.
Bassam Boodai (Non-Executive)	<ul style="list-style-type: none"> • Vice-Chairman of the Board of Directors of BHF since 2015. • Member of the Nomination & Remuneration Committee in BHF. • Member of the Executive Committee in BHF.

	<ul style="list-style-type: none"> • The CEO of Jenan Real Estate Company since 2008. • Deputy Secretary-General, Eastern Province in Chamber of Commerce & Industry from 1996 to 2006. • Ph.D. degree in International Marketing from the University of St Andrews – Scotland. • MBA from King Fahd University of Petroleum and Minerals in Dhahran – Saudi Arabia.
Fahad Al Othaim (Non-Executive)	<ul style="list-style-type: none"> • Board member of the Board of Directors of BHF since 2015. • Member of the Nomination & Remuneration Committee in BHF. • Chairman in Abdullah Al Othaim Investment Co. since 2005. • Member of the Board of Directors in Dar AlKhyol General Contracting Co. from 2013 to 2018. • Bachelor's degree in Business Administration/Marketing from King Saud University – Saudi Arabia.

- The committee is competent to propose to the Board clear policies, criteria, and procedures for nomination for the leadership positions by the requirements of SAMA, recommend to the Board the nomination of the membership of the Board and its committees by the statutory requirements and the approved policies and standards, prepare a career succession plan for the Senior Management of the Company. The committee held (6) meetings in 2021 as per below:

Meetings	Members				
	Ehab Al Dabbagh	Bassam Boodai	Fahad Al Othaim	Ali Al Shehri	Majid Alissa
	Committee Chairman since 27 June 2021	Committee Chairman until 27 June 2021	Member	Member	Member
23/2/2021	Joined 27 June 21	✓	✓	Joined 17 October 21	✓
17/3/2021		✓	✓		✓
7/4/2021		✓	X		✓
3/8/2021	✓	✓	X	✓	BoD term ended 27 June 21
28/11/2021	✓	✓	X	✓	
15/12/2021	✓	✓	X	✓	
Total	3	6	2	2	3

- **Shari'ah Supervisory Committee:**

Shari'ah Supervisory Committee	
Nazih Hammad	<ul style="list-style-type: none"> • Chairman of Shari'ah Supervisory committee in BHF. • Retired professor of Islamic Jurisprudence & its fundamentals from Faculty of Shari'ah, Umm Al-Qura University • Doctorate with the first honor from Dar Al-Ulum Faculty of Cairo University, Egypt. • Master from Baghdad University, Iraq. • Bachelors in Shari'ah from Damascus University.
Mohammed Al Qari	<ul style="list-style-type: none"> • Executive Member of Shari'ah Supervisory committee in BHF. • Former Professor of Islamic Economics at King Abdulaziz University • Ph.D. from the University of California.
Amin Fateh	<ul style="list-style-type: none"> • Member of Shari'ah Supervisory committee in BHF. • General Manager of Minhaj Advisory in Dubai – UAE. • Former Imam for the Ministry of Awqaf & Islamic Affairs in Kuwait. • Bachelor's degree honorable Hadith from the University of Jordan. • Master's degree honorable Hadith from the University of Jordan. • Ph.D. in Islamic studies from the University of Birmingham in Britain.

- The Shari'ah Supervisory Committee is concerned with the commitment of the company to the provisions and principles of Islamic law and whose decisions are binding on the company per the policies and procedures adopted and relevant to the Sharia Supervisory Board. The committee held (6) meetings in 2021 as per below:

Meetings	Members		
	Nazih Hammad Chairman	Mohammed Al Qari Executive Member	Amin Fateh Member
23/02/2021	✓	✓	✓
7/3/2021	✓	✓	✓
19/5/2021	✓	✓	✓
1/8/2021	✓	✓	✓
3/11/2021	✓	✓	✓
12/12/2021	✓	✓	✓
Total	6	6	6

- **Introducing the Executive Management:**

#	Name	Designation
1	Mazin Ahmed Al Ghunaim	Chief Executive Officer
2	Faisal Al Nasser	Chief Operating Officer
3	Naif Al Amri	Chief Commercial Officer
4	Bandar Al Fouzan	Chief People Officer
5	John Ryan	Chief Finance Officer
6	Mohammed Badat	Chief Beneficiary Centre Officer
7	Hussain Al Sadqi	Acting Chief Risk Officer

Mazin Al Ghunaim	<ul style="list-style-type: none"> • Chief Executive Officer of BHF since 2015. • Member of the Executive Committee of BHF since 2015. • Chief Executive Officer in Abu Dhabi Islamic Bank (Saudi Finance Company) from 2012 to 2015. • Master's degree in Islamic Economy from the American Open University – Egypt. • Bachelor's degree in agricultural economics from King Saud University – Saudi Arabia.
Faisal Al Nasser	<ul style="list-style-type: none"> • Chief Operating Officer of BHF since 2021. • General Manager of Operations at SABB Bank from 2016 to 2021. • Bachelor's degree in Computer Engineering from King Saud University – Saudi Arabia.
John Ryan	<ul style="list-style-type: none"> • Chief Finance Officer of BHF since 2018. • Director of Corporate Development Department at Amicos. Financial Group from 2016 to 2017. • Bachelor's degree in Accounting from the University of South Africa in Africa.
Bandar Al Fouzan	<ul style="list-style-type: none"> • Chief People Officer of BHF since 2020. • Chief People Officer of Amana Cooperative Insurance Company until 2020. • Bachelor's degree in Law from King Saud University – Saudi Arabia.
Naif Al Amri	<ul style="list-style-type: none"> • Chief Commercial Officer of BHF since 2018. • Director General of Customer Service for the Ministry of Human Resources and Social Development from 2011 to 2016 • Diploma in banking from the Institute of Public Administration in the Kingdom of Saudi Arabia.
Hussain Al Sadqi	<ul style="list-style-type: none"> • Acting Chief Risk Officer of BHF since 2018. • Director of Risk Management for Amlak International Company from 2015 to 2018. • Master's degree in Finance from Virginia University – the USA • Bachelor's degree in Finance from King Fahd University of Petroleum and Minerals – Saudi Arabia.
Mohammed Badat	<ul style="list-style-type: none"> • Chief Beneficiaries Centre Officer of BHF since 2015. • Head of Sales for Gulf Prime Services from 2012 to 2015. • Holds Bachelor's & Master's degrees.

Third: Meetings of the General Assembly Meetings held during the year 2021:

The General Assembly was held virtually on 27 June 2021 and was attended by the following Board members:

1. Naif Alhamdan
2. Bassam Boodai
3. Abdulaziz Alomair
4. Taher Agueel
5. Abdulelah Al Alsheikh

Fourth: Remuneration of the Board of Directors and its sub-committees:

Member	Board	EC	AC	RMCC	NRC	Sitting fees (SAR)	Annual rewards (SAR)	Total SAR
Thalib Al Shamarani (Chairman)	5					15,000	92,712.20	107,712.20
Naif Alissa	5	7		3		45,000	123,287.64	168,287.64
Bassam Boodai	7	10			6	69,000	240,000	309,000.00
Fahad Al Othaim	4				2	18,000	180,000	198,000.00
Ehab Al Dabbagh	5			3	3	33,000	123,287.64	156,287.64
Ali Al Shehri	5				2	21,000	74,301.35	95,301.35
Dakheel Al Zahrani	6	10				48,000	180,000	228,000.00
Abdulaziz Al Omair	7	9				48,000	180,000	228,000.00
Taher Agueel	7		4			33,000	220,000	253,000.00
Tariq Ali	6			6		36,000	180,000	216,000.00
Ahmed Al Munifi	6			5		33,000	180,000	213,000.00
Mazin Al Ghunaim		10				30,000	60,000	90,000.00
Yaser Balkhi			4			12,000	80,000	92,000.00
Saud Al Sayyari			4			12,000	80,000	92,000.00
Naif Al Hamdan (Ex-Chairman)	2					6,000	87,781	93,781.00
Mohammed Alsaadoon	2					6,000	41,425	47,425.00
Abdulelah Alsheikh	2	3				15,000	87,780.00	102,780.00
Majid Alissa	2				3	15,000	87,780.00	102,780.00
Yahya Al Suliman (Ex-RMCC Member)				3		9,000	29,260.00	38,260.00
Total of the remunerations and rewards for 2021								2,831,614.83

Fifth: Remunerations of five Senior Executives, who have received the highest remuneration from the Company, provided that the chief executive officer and chief financial officer are among them:

Fixed Rewards				Variable Rewards						Total executive remuneration for the board, if any	Total
Salaries	Allowances	Benefits	Total	Recurring Rewards	Profits	Short term incentive plans	Long term incentive plans	Granted Shares (Value is entered)	Total	-	
4,091,399	1,675,334	0	5,766,733	0	0	372,536	604,356	0	976,892	0	6,743,625

Corporate Social Responsibilities:

The company decided to defer the Social Responsibilities to the beginning of 2022.

Dividend Distribution:

On 31 December 2021, a key milestone in Bidaya's evolution was achieved in that all previous accumulated losses were extinguished. Accordingly, no dividend is available for distribution to the shareholders for 2021.