

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
Unaudited Condensed Interim Financial Statements
and the Independent Auditor's Review Report
For the nine-month period ended 30 September 2025

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2025

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KPMG Professional Services Company

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report on Review of Condensed Interim Financial Statements

To the Shareholders of Nayifat Finance Company

Introduction

We have reviewed the accompanying 30 September 2025 condensed interim financial statements of **Nayifat Finance Company** ("the Company"), which comprises:

- the condensed statement of financial position as at 30 September 2025;
- the condensed statement of comprehensive income for the three-month and nine-month periods ended 30 September 2025;
- the condensed statement of changes in equity for the nine-month period ended 30 September 2025;
- the condensed statement of cash flows for the nine-month period ended 30 September 2025; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting' ('IAS 34') that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2025 condensed interim financial statements of the Company are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Saleh Mohammed S Mostafa
License No: 524



Riyadh on: 5 Jumada Al-Awwal 1447H
Corresponding to: 27 October 2025

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 September 2025

(All amounts in Saudi Riyals in thousand unless otherwise stated)

	<u>Notes</u>	30 September 2025 (Unaudited)	31 December 2024 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	6	51,238	86,476
Other balances with banks	7	9,669	5,933
Islamic financing receivables - net	8	1,950,733	1,865,054
Equity investments measured at fair value through OCI		728	728
Prepayments and other assets		52,099	50,563
Assets held for sale	9	16,010	17,885
Intangible assets		8,003	8,324
Property and equipment		29,235	29,795
Total assets		2,117,715	2,064,758
<u>LIABILITIES AND EQUITY</u>			
Accruals and other payables		50,119	108,350
Islamic bank financing and other liabilities	10	599,813	475,899
Provision for Zakat		14,484	18,490
Provision for employees' end of service benefits		14,655	14,034
Total liabilities		679,071	616,773
Share capital		1,200,000	1,200,000
Statutory reserve	11	-	69,645
General reserve		21,929	21,929
Treasury shares	13	(29,529)	-
Retained earnings		246,244	156,411
Total equity		1,438,644	1,447,985
Total liabilities and equity		2,117,715	2,064,758

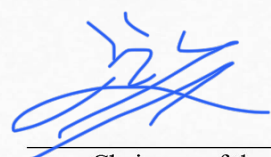
The accompanying notes from 1 through 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman of the
Board of Directors

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2025
(All amounts in Saudi Riyals in thousand unless otherwise stated)

		For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<i>Notes</i>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Commission income from Islamic financing receivables		87,619	92,727	256,962	271,346
Commission expense on Islamic bank financing		(10,937)	(12,052)	(30,785)	(36,194)
Net commission income from Islamic financing receivables		76,682	80,675	226,177	235,152
(Charge) / Reversal of expected credit loss allowance – net	8.6	(11,867)	4,229	(38,143)	(10,362)
Salaries and other related expenses	14	(23,717)	(23,944)	(70,473)	(67,841)
Other administrative expenses		(15,630)	(14,029)	(40,653)	(39,634)
Depreciation and amortization		(1,310)	(2,619)	(4,393)	(7,687)
Other (expense) / income		(5)	211	555	638
Net income for the period before Zakat		24,153	44,523	73,070	110,266
Zakat charge for the period		(3,800)	(5,600)	(13,600)	(15,850)
Net income for the period		20,353	38,923	59,470	94,416
Other comprehensive income		-	-	-	-
Total comprehensive income		20,353	38,923	59,470	94,416
Basic and diluted earnings per share	15	0.17	0.32	0.50	0.79

The accompanying notes from 1 through 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer

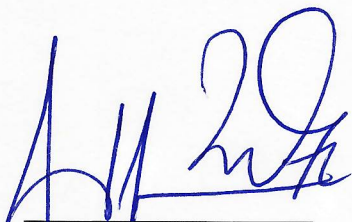


Chairman of the
Board of Directors

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the nine-month period ended 30 September 2025
(All amounts in Saudi Riyals in thousand unless otherwise stated)

	Share capital	Statutory reserve	General reserve	Treasury shares	Retained earnings	Total
2025						
Balance as at 31 December 2024 (Audited)	1,200,000	69,645	21,929	-	156,411	1,447,985
Total comprehensive income for the period	-	-	-	-	59,470	59,470
Transfer to retained earnings (Note 11)		(69,645)	-	-	69,645	-
Dividend (Note 12)	-	-	-	-	(39,282)	(39,282)
Treasury shares (Note 13)	-	-	-	(29,529)	-	(29,529)
Balance as at 30 September 2025 (Unaudited)	1,200,000	-	21,929	(29,529)	246,244	1,438,644
2024						
Balance as at 31 December 2023 (Audited)	1,200,000	69,645	8,822	-	98,447	1,376,914
Total comprehensive income for the period	-	-	-	-	94,416	94,416
Balance as at 30 September 2024 (Unaudited)	1,200,000	69,645	8,822	-	192,863	1,471,330

The accompanying notes from 1 through 22 form an integral part of these condensed interim financial statements.


Chief Financial Officer

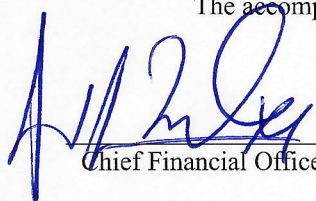

Chief Executive Officer

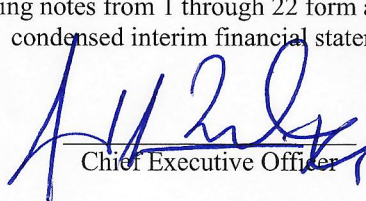

Chairman of the
Board of Directors

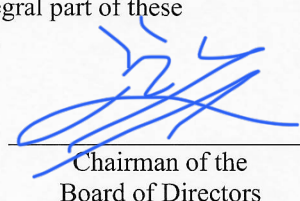
NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
For the nine-month period ended 30 September 2025
(All amounts in Saudi Riyals in thousand unless otherwise stated)

		For the nine-month period ended 30 September	
	<i>Notes</i>	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before Zakat		73,070	110,266
<i>Adjustments for</i>			
Depreciation and amortization		4,393	7,687
Gain on sale of assets held for sale	9	(575)	-
Provision for employees' end of service benefits		2,135	2,357
Charge of expected credit loss allowance – net	8.6	38,143	10,362
Commission income from Islamic financing receivables		(256,962)	(271,346)
Commission expense on lease liabilities		19	48
Commission expense on Islamic bank financing		30,785	36,194
		(108,992)	(104,432)
<i>Changes in operating assets and liabilities</i>			
Islamic financing receivables – net		(60,138)	(12,117)
Prepayments and other assets		(1,536)	18,455
Accruals and other payables		1,769	3,847
Other balances with banks		(3,736)	958
		(172,633)	(93,289)
Commission income received		193,278	251,485
Proceeds from assets held for sale	9	2,450	-
Employees' end of service benefits paid		(1,514)	(1,338)
Zakat paid		(17,606)	(17,281)
Commission expense and charges paid		(32,911)	(36,149)
Net cash (used in) / generated from operating activities		(28,936)	103,428
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets		(2,736)	(3,962)
Acquisition of property and equipment		(198)	(1,233)
Net cash used in investing activities		(2,934)	(5,195)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Islamic bank financings		428,000	75,000
Repayment of Islamic bank financings		(302,057)	(192,719)
Treasury shares	13	(29,529)	-
Dividend paid	12	(99,282)	-
Payment of lease liabilities		(500)	(48)
Net cash used in financing activities		(3,368)	(117,767)
Net change in cash and cash equivalents		(35,238)	(19,534)
Cash and cash equivalents at the beginning of the period	6	86,476	61,295
Cash and cash equivalents at the end of the period	6	51,238	41,761
Supplemental non-cash information:			
Right of use asset		578	-
Lease liabilities		578	-

The accompanying notes from 1 through 22 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer


Chairman of the Board of Directors

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the nine-month period ended 30 September 2025
(All amounts in Saudi Riyals in thousand unless otherwise stated)

1. GENERAL INFORMATION

Nayifat Finance Company (the “Company”) is a Saudi joint stock company under Commercial Registration (“CR”) number 1010176451 issued in Riyadh on 9 Jumad al-Thani 1431 H (corresponding to 23 May 2010). The Company is licensed to operate under the Saudi Central Bank (“SAMA”) having license no. 5/AS/201312 expiring on 25 Safar 1450H (corresponding to 18 July 2028). The Company is authorized to provide lease finance, consumer finance, small and medium enterprise finance, debt crowdfunding and credit cards finance in the Kingdom of Saudi Arabia.

The Company’s registered office is located in Riyadh at the following address:

Nayifat Finance Company
7633 Al Ulaya – Al Woroud Dist.
Unit No 1555, Riyadh 12253 – 2105
Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard – 34 ‘*Interim Financial Reporting*’ (“IAS 34”) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The assets and liabilities in the condensed statement of financial position are presented in order of liquidity.

- 2.2 These condensed interim financial statements do not include all information and disclosures required for a complete set of financial statements and should be read in conjunction with the Company’s last annual audited financial statements as at and for the year ended 31 December 2024.
- 2.3 These condensed interim financial statements have been prepared on a going concern basis under the historical cost convention except for equity investments measured at fair value through OCI which are carried at fair value. Further, provision for employees’ end of service benefits is measured at present value of defined benefit obligation using the Projected Unit Credit Method.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the last annual audited financial statements for the year ended 31 December 2024.

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the nine-month period ended 30 September 2025
(All amounts in Saudi Riyals in thousand unless otherwise stated)

4. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS

Standards, interpretations and amendments effective

Following standards, interpretations and amendments are effective from the current year and are adopted by the Company. The Company has assessed that these amendments have no significant impact on the Company's condensed interim financial statements.

Standards, interpretations and amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	The International Accounting Standard Board ("IASB") amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

Standards, interpretations and amendments not yet effective

IASB has issued the following accounting standards, interpretation and amendments, which become effective from periods starting on or after 1 January 2026. The Company did not opt for early adoption of these pronouncements and do not expect the adoption to have a significant impact on the financial statements of the Company.

Standards, interpretations and amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the nine-month period ended 30 September 2025
(All amounts in Saudi Riyals in thousand unless otherwise stated)

4. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS (CONTINUED)

Standards, interpretations and amendments not yet effective (continued)

Standards, interpretations and amendments	Description	Effective date
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

5. USE OF JUDGEMENTS AND ESTIMATES

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements as at and for the year ended 31 December 2024.

The management has concluded that the critical accounting judgements, estimates and assumptions remain appropriate under the current circumstances and there are no changes to the significant judgements and estimates disclosed in the annual audited financial statements for the year ended 31 December 2024.

6. CASH AND CASH EQUIVALENTS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Cash at bank – note 6.1	<u>51,238</u>	<u>86,476</u>

6.1 This represents current accounts maintained with local banks.

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the nine-month period ended 30 September 2025
(All amounts in Saudi Riyals in thousand unless otherwise stated)

7. OTHER BALANCES WITH BANKS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Margin deposits (restricted) – note 7.1	<u>9,669</u>	<u>5,933</u>

- 7.1 This represents non-profit bearing margin deposits held with local banks against financing facilities obtained and the tenor of these deposits is in line with the maturity of the underlying financing facilities.

8. ISLAMIC FINANCING RECEIVABLES – NET

The business activities of the Company are in the Kingdom of Saudi Arabia and primarily represent Tawarruq financing and Islamic credit cards.

8.1 The breakup of Islamic financing receivables is as follows:

30 September 2025

	Personal	SME	Islamic credit cards	Total
Performing	1,354,724	305,215	29,041	1,688,980
Non-performing	242,198	167,664	2,498	412,360
Gross receivables	1,596,922	472,879	31,539	2,101,340
ECL allowance	(125,450)	(23,065)	(2,092)	(150,607)
Net receivables	1,471,472	449,814	29,447	1,950,733

31 December 2024

	Personal	SME	Islamic credit cards	Total
Performing	1,252,450	305,710	24,408	1,582,568
Non-performing	288,763	125,957	2,818	417,538
Gross receivables	1,541,213	431,667	27,226	2,000,106
ECL allowance	(116,637)	(15,823)	(2,592)	(135,052)
Net receivables	1,424,576	415,844	24,634	1,865,054

8.2 Reconciliation of gross to net Islamic financing receivables

30 September 2025

	Personal	SME	Islamic credit cards	Total
Gross receivables	2,223,992	587,556	31,539	2,843,087
Unearned commission income	(627,070)	(114,677)	-	(741,747)
	1,596,922	472,879	31,539	2,101,340
ECL allowance	(125,450)	(23,065)	(2,092)	(150,607)
Net receivables	1,471,472	449,814	29,447	1,950,733

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the nine-month period ended 30 September 2025
(All amounts in Saudi Riyals in thousand unless otherwise stated)

8. ISLAMIC FINANCING RECEIVABLES – NET (CONTINUED)

8.2 Reconciliation of gross to net Islamic financing receivables (continued)

31 December 2024

	Personal	SME	Islamic credit cards	Total
Gross receivables	2,202,927	541,065	27,226	2,771,218
Unearned commission income	(661,714)	(109,398)	-	(771,112)
	1,541,213	431,667	27,226	2,000,106
ECL allowance	(116,637)	(15,823)	(2,592)	(135,052)
Net receivables	1,424,576	415,844	24,634	1,865,054

8.3 Stage wise analysis of Islamic financing receivables

30 September 2025	Personal	SME	Islamic credit cards	Total
Stage 1	1,199,625	266,086	27,784	1,493,495
Stage 2	155,099	39,129	1,257	195,485
Stage 3	242,198	167,664	2,498	412,360
	1,596,922	472,879	31,539	2,101,340
ECL allowance	(125,450)	(23,065)	(2,092)	(150,607)
Net receivables	1,471,472	449,814	29,447	1,950,733

31 December 2024	Personal	SME	Islamic credit cards	Total
Stage 1	1,015,710	146,302	22,030	1,184,042
Stage 2	236,740	159,408	2,378	398,526
Stage 3	288,763	125,957	2,818	417,538
	1,541,213	431,667	27,226	2,000,106
ECL allowance	(116,637)	(15,823)	(2,592)	(135,052)
Net receivables	1,424,576	415,844	24,634	1,865,054

As at 30 September 2025, stage 3 includes certain contracts amounting to SAR 32.76 million (31 December 2024: SAR 63.92 million) which are currently undergoing a curing period following their prior classification.

Although these contracts remain classified as Stage 3, they are currently within the curing period as per the Company's internal credit risk management policies and regulatory guidelines. These contracts are monitored to ensure sustained performance before they can be reclassified to a lower-risk stage. This classification does not necessarily indicate a permanent credit impairment but reflects the structured curing process required before transitioning to a lower-risk category.

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the nine-month period ended 30 September 2025
(All amounts in Saudi Riyals in thousand unless otherwise stated)

8. ISLAMIC FINANCING RECEIVABLES - NET (CONTINUED)

8.4 Reconciliation of gross Islamic financing receivables

Movement in gross Islamic financing receivables is as follows:

	Stage 1	Stage 2	Stage 3	Total
Balances as at 1 January 2025	1,184,042	398,526	417,538	2,000,106
Transfer from Stage 1	(99,719)	65,852	33,867	-
Transfer from Stage 2	145,309	(242,987)	97,678	-
Transfer from Stage 3	14,843	20,686	(35,529)	-
Net other movements*	249,020	(46,592)	(44,230)	158,198
	309,453	(203,041)	51,786	158,198
Written off during the period	-	-	(56,964)	(56,964)
Balances as at 30 September 2025	1,493,495	195,485	412,360	2,101,340
	Stage 1	Stage 2	Stage 3	Total
Balances as at 1 January 2024	1,342,362	290,230	362,201	1,994,793
Transfer from Stage 1	(374,389)	257,340	117,049	-
Transfer from Stage 2	57,370	(137,565)	80,195	-
Transfer from Stage 3	3,347	1,690	(5,037)	-
Net other movements*	155,352	(13,169)	(83,943)	58,240
	(158,320)	108,296	108,264	58,240
Written off during the year	-	-	(52,927)	(52,927)
Balances as at 31 December 2024	1,184,042	398,526	417,538	2,000,106

*Net other movements include financing originated, financing repaid and other measurements.

8.5 Movement in ECL allowance of Islamic financing receivables:

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	9,411	15,031	110,610	135,052
Transfer from stage 1	(1,477)	941	536	-
Transfer from stage 2	2,761	(7,680)	4,919	-
Transfer from stage 3	4,612	4,465	(9,077)	-
Financial assets settled	(1,664)	(2,426)	(16,222)	(20,312)
New financial assets originated	3,333	-	-	3,333
Net re-measurement of loss allowance	(2,434)	7,833	84,099	89,498
	5,131	3,133	64,255	72,519
Written off during the period	-	-	(56,964)	(56,964)
ECL allowance as at 30 September 2025	14,542	18,164	117,901	150,607

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the nine-month period ended 30 September 2025
(All amounts in Saudi Riyals in thousand unless otherwise stated)

8. ISLAMIC FINANCING RECEIVABLES - NET (CONTINUED)

8.5 Movement in ECL allowance of Islamic financing receivables (continued)

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	12,141	24,674	85,467	122,282
Transfer from stage 1	(12,802)	5,811	6,991	-
Transfer from stage 2	4,294	(12,892)	8,598	-
Transfer from stage 3	716	544	(1,260)	-
Financial assets settled	(2,860)	(5,662)	(17,375)	(25,897)
New financial assets originated	25,141	-	-	25,141
Net re-measurement of loss allowance	(17,219)	2,556	81,116	66,453
	(2,730)	(9,643)	78,070	65,697
Written off during the year	-	-	(52,927)	(52,927)
ECL allowance as at 31 December 2024	9,411	15,031	110,610	135,052

8.6 Charge of expected credit loss allowance – net

	For the nine-month period ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Provision for expected credit loss allowance – net of reversals	72,519	46,954
Recoveries against receivables previously written off	(34,376)	(36,592)
Charge of expected credit loss allowance – net	38,143	10,362

8.7 Assignment of Islamic financing receivables

The Company assigned Islamic financing receivables amounting to SAR 745.49 million (31 December 2024: SAR 602.62 million) to local commercial banks for obtaining Islamic bank financing. The carrying amount of associated Islamic bank financing amounts to SAR 598.31 million (31 December 2024: SAR 472.99 million).

These Islamic financing receivables have not been derecognized from the condensed statement of financial position as the Company retains substantially all the related risks and rewards, primarily credit risk. The Company is liable for the repayments of their assigned receivables to local commercial banks in case of customer default. The amount received on assignment of Islamic financing receivables has been recognized as Islamic bank financing in the condensed statement of financial position.

Pursuant to the terms of the transfer agreement, the Company is not allowed to re-pledge those receivables and the financial institution lenders have recourse only to the receivables in the event the Company defaults its obligation.

8.8 Amounts written off still subject to enforcement activity

As at 30 September 2025, the receivables amount written off still subject to enforcement activity is SAR 237 million (31 December 2024: SAR 190 million).

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8. ISLAMIC FINANCING RECEIVABLES - NET (CONTINUED)

8.9 Ageing analysis of Tawarruq Islamic financing receivables

Personal

30 September 2025

	<u>Gross exposure</u>	<u>ECL allowance</u>	<u>Net exposure</u>
0 to 30 days	1,199,625	(13,140)	1,186,485
30 to 90 days	155,099	(17,907)	137,192
90 to 180 days	41,451	(13,930)	27,521
180 to 270 days	30,795	(10,387)	20,408
270 to 360 days	36,281	(12,215)	24,066
360 to 450 days	30,698	(10,394)	20,304
450 to 540 days	21,614	(7,257)	14,357
540 to 630 days	19,378	(6,511)	12,867
630 days & above	61,981	(33,709)	28,272
Total	1,596,922	(125,450)	1,471,472

31 December 2024

	<u>Gross exposure</u>	<u>ECL allowance</u>	<u>Net exposure</u>
0 to 30 days	1,015,710	(8,441)	1,007,269
30 to 90 days	236,740	(14,353)	222,387
90 to 180 days	69,152	(23,137)	46,015
180 to 270 days	33,361	(11,162)	22,199
270 to 360 days	30,130	(10,081)	20,049
360 to 450 days	31,748	(10,622)	21,126
450 to 540 days	30,417	(10,177)	20,240
540 to 630 days	35,559	(11,898)	23,661
630 days & above	58,396	(16,766)	41,630
Total	1,541,213	(116,637)	1,424,576

SME

30 September 2025

	<u>Gross exposure</u>	<u>ECL allowance</u>	<u>Net exposure</u>
0 to 30 days	266,086	(998)	265,088
30 to 90 days	39,129	(116)	39,013
90 to 180 days	24,221	(1,422)	22,799
180 to 270 days	29,206	(4,898)	24,308
270 to 360 days	11,222	(788)	10,434
360 to 450 days	14,447	(882)	13,565
450 to 540 days	734	(118)	616
540 to 630 days	1,375	(198)	1,177
630 days & above	86,459	(13,645)	72,814
Total	472,879	(23,065)	449,814

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8. ISLAMIC FINANCING RECEIVABLES - NET (CONTINUED)

8.9 Ageing analysis of Tawarruq Islamic financing receivables (continued)

SME (continued)

<u>31 December 2024</u>	<u>Gross exposure</u>	<u>ECL allowance</u>	<u>Net exposure</u>
0 to 30 days	146,302	(689)	145,613
30 to 90 days	159,408	(447)	158,961
90 to 180 days	26,691	(588)	26,103
180 to 270 days	4,957	(441)	4,516
270 to 360 days	880	(59)	821
360 to 450 days	20,205	(1,052)	19,153
450 to 540 days	-	-	-
540 to 630 days	554	(28)	526
630 days & above	72,670	(12,519)	60,151
Total	431,667	(15,823)	415,844

Islamic credit cards

<u>30 September 2025</u>	<u>Gross exposure</u>	<u>ECL allowance</u>	<u>Net exposure</u>
0 to 30 days	27,783	(405)	27,378
30 to 90 days	1,257	(142)	1,115
90 to 180 days	1,004	(621)	383
180 to 270 days	1,270	(785)	485
270 to 360 days	225	(139)	86
Total	31,539	(2,092)	29,447

<u>31 December 2024</u>	<u>Gross exposure</u>	<u>ECL allowance</u>	<u>Net exposure</u>
0 to 30 days	22,030	(282)	21,748
30 to 90 days	2,378	(231)	2,147
90 to 180 days	1,095	(803)	292
180 to 270 days	616	(451)	165
270 to 360 days	1,107	(825)	282
Total	27,226	(2,592)	24,634

9. ASSETS HELD FOR SALE

These represent properties in the Kingdom of Saudi Arabia which were repossessed by the Company against settlement of Islamic financing receivables.

During the period, the Company sold two properties for SAR 2.45 million, resulting in a gain on disposal of SAR 0.58 million, as the properties' carrying amount was SAR 1.88 million.

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10. ISLAMIC BANK FINANCING AND OTHER LIABILITIES

		30 September 2025	31 December 2024
	<i>Note</i>	<u>(Unaudited)</u>	<u>(Audited)</u>
Islamic bank financing	10.1	599,517	475,704
Lease liabilities		296	195
		<u>599,813</u>	<u>475,899</u>

- 10.1 The Company has long-term financing limits amounting to SAR 1,786.69 million (31 December 2024: SAR 1,856.69 million) with local banks to finance current and long-term funding needs of which SAR 598.31 million was utilized as of 30 September 2025 (31 December 2024: SAR 472.99 million). These financing facilities are repayable in three to five years in monthly, quarterly or bi-annual instalments. The commission rates on the financing availed range from 1 month / 3 months / 6 months SIBOR along with margin of 1.15% to 1.75%.

As at 30 September 2025, the balance of Islamic bank financing includes accrued commission expense of SAR 1.20 million (31 December 2024: SAR 2.71 million).

Under the terms of the financing arrangements, the Company adhered to financial covenants. The Company is required to maintain margin deposits (note 7). These margin deposits cannot be withdrawn or used by the Company for liquidity purposes whilst the financing amount is outstanding, the same amount can be offset against the financing in the event of default, though there is no intention of net settlement on part of the Company. Further, the Company has assigned Islamic financing receivables amounting to SAR 745.49 million (31 December 2024: SAR 602.62 million) against Islamic bank financing.

11. STATUTORY RESERVE

During the Extraordinary General Assembly meeting held on 10 March 2025, the shareholders, upon the recommendation of the Board of Directors, approved the transfer of the entire statutory reserve balance amounting to SAR 69.65 million to retained earnings.

12. DIVIDEND

The Board of Directors in their meeting held on 24 June 2025, declared dividend of SAR 0.33 per share amounting to SAR 39.28 million (2024: SAR 0.50 per share amounting to SAR 60 million).

13. TREASURY SHARES

During the nine-month period ended 30 September 2025, based on the approval from the Extraordinary General Assembly, the Company initiated a share buyback program to repurchase up to a maximum of 3,400,000 shares, representing 2.83% of its total issued ordinary shares. As of 30 September 2025, the Company has repurchased 2,343,496 shares with a value of SAR 29.53 million.

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14. SALARIES AND OTHER RELATED EXPENSES

	For the nine-month period ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Salaries and related costs	38,528	36,987
Other employee related costs	26,545	25,443
Directors and Board committees' fees	5,400	5,411
	70,473	67,841

15. EARNINGS PER SHARE

The basic and diluted earnings per share (EPS) has been computed by dividing net income for the period by the weighted average number of shares outstanding during the period.

	For the nine-month period ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Net income for the period	59,470	94,416
Weighted average number of shares for basic and diluted EPS	119,383	120,000
Basic and diluted EPS (in Saudi Riyals)	0.50	0.79

16. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in the status of contingencies since the year ended 31 December 2024.

Commitments

There are no significant commitments other than irrevocable commitments to extend credit related to undrawn credit card limits as at 30 September 2025 amounting to SAR 24.75 million (31 December 2024: SAR 9.78 million) and SME related commitments as at 30 September 2025 amounting to SAR 1.45 million (31 December 2024: SAR 0.60 million). ECL allowance held against undrawn commitment is approximately SAR 0.54 million (31 December 2024: 0.40 million).

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17. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Company include shareholders and key management personnel. In the ordinary course of its activities, the Company transacts business with its related parties on mutually agreed terms.

17.1 Related party transactions during the period were as follows:

<u>Related party</u>	<u>Nature of transactions</u>	<u>For the nine-month period ended 30 September</u>	
		<u>2025</u>	<u>2024</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>
Key management personnel (KMPs) - note 17.1.1	Compensation for the period (short-term)	6,401	7,936
Number of KMPs :13 (2024:15)	Employees' end of service benefits entitlement (post-employment benefits)	398	424
Directors and Board committee's members – note 17.1.1	Remuneration of directors and Board committee's members	5,400	5,411
AlBayouk Chartered Accountants Office - note 17.1.2	Zakat / VAT consultancy fees	309	255
Yaqeen Capital - note 17.1.3	Commodities Waqala transactions	399	475

17.1.1 Key management personnel of the Company include the Board of Directors, Chief executive officer and his direct reports.

17.1.2 Al Bayouk Chartered Accountants Office is under the ownership of a member of Board of Directors.

17.1.3 Yaqeen Capital is under the common control of the major shareholder, Falcom Holding Company, which is the ultimate controlling party. Yaqeen Capital acts as the agent of the Company for facilitating Tawarruq financing in relation to buying and selling of commodities. The Company has paid an advance to Yaqeen Capital for these transactions and the balance is receivable on demand.

17.2 Balances of related parties as at statement of financial position date were as follows:

<u>Related party</u>	<u>Nature of balance outstanding</u>	<u>Amount receivable / (payable)</u>	
		<u>30 September 2025</u>	<u>31 December 2024</u>
		<u>(Unaudited)</u>	<u>(Audited)</u>
Yaqeen Capital - note 17.1.3	Advance for commodity Tawarruq transactions & share purchase held on behalf of the Company	38,497	36,425
Directors and Board Committees members	Board remuneration payable	(1,841)	(2,057)
Key management personnel - note 17.1.1	EOSB payable	(2,788)	(3,036)
Falcom Holding Company	Dividend payable	-	(28,803)
Board of Directors – note 17.1.1	Dividend payable	-	(37)
AlBayouk Chartered Accountants Office - note 17.1.2	Zakat / VAT consultancy fees payable	(15)	(40)

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18. CAPITAL MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern, maintain healthy capital ratios in order to support its business and to provide an optimal return to its shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of Islamic bank financing and the advantages and security afforded by a sound capital position. The Company monitors aggregate amount of financing offered by the Company on the basis of the regulatory requirements which requires to maintain aggregate financing to capital ratio of three times.

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Aggregate financing to capital ratio (Islamic financing receivables – net divided by total equity)	<u>1.36 times</u>	<u>1.29 times</u>

19. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using other valuation techniques.

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19. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Valuation models

The Company measures fair values of financial assets and financial liabilities using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

All financial assets and liabilities which are carried at fair value are of an insignificant amount.

The fair value of Islamic financing receivables is classified as level 3 as per fair value hierarchy and has been determined using expected cash flows discounted at relevant current effective profit rate for respective segment. The fair value as at 30 September 2025 amounts to SAR 1,974 million (31 December 2024: SAR 1,929 million).

For all other financial assets and liabilities which are not measured at fair value, the Company has assessed that the carrying amount approximates their fair value due to their short-term nature and frequent re-pricing. Cash at banks and margin deposits have been classified as level 1 while all remaining financial assets and liabilities are classified as level 3 as per the fair value hierarchy and have been determined by using expected cash flows discounted at relevant current effective profit rate.

There have been no transfers between levels of the fair value hierarchy during the current and prior period.

20. OPERATING SEGMENTS

Operating segments are identified based on internal reports about components of the Company that are regularly reviewed by the Company's Board of Directors in its function as the Chief Operating Decision Maker to allocate resources to segments and to assess their performance. Performance of each segment is measured based on the related activities of each segment where the return from respective portfolio is the basis for performance measurement as management believes that this indicator is the most relevant in evaluating the results of segments.

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20. OPERATING SEGMENTS (CONTINUED)

The Company's reportable segments are as follows:

- 1) **Personal:** These relate to personal financing provided to retail segment.
- 2) **SME:** These relate to financing provided to SMEs and High Net Worth Individuals.
- 3) **Islamic credit cards:** These relate to Islamic credit cards provided to retail customers.

The segments wise breakup is as follows:

As at 30 September 2025	Personal	SME	Islamic credit cards	Total
Total assets	<u>1,471,472</u>	<u>449,814</u>	<u>29,447</u>	<u>1,950,733</u>
Total liabilities	<u>489,412</u>	<u>146,254</u>	<u>16,527</u>	<u>652,193</u>
As at 31 December 2024	Personal	SME	Islamic credit cards	Total
Total assets	<u>1,424,576</u>	<u>415,844</u>	<u>24,634</u>	<u>1,865,054</u>
Total liabilities	<u>396,623</u>	<u>114,768</u>	<u>14,423</u>	<u>525,814</u>

20.1 Reconciliation of reportable segment assets and liabilities to the condensed statement of financial position

	As at 30 September 2025 (Unaudited)	As at 31 December 2024 (Audited)
Total assets for reportable segments	<u>1,950,733</u>	1,865,054
Other unallocated amounts	<u>166,982</u>	199,704
Total assets as per condensed statement of financial position	<u>2,117,715</u>	<u>2,064,758</u>
Total liabilities for reportable segments	<u>652,193</u>	525,814
Other unallocated amounts	<u>26,878</u>	90,959
Total liabilities as per condensed statement of financial position	<u>679,071</u>	<u>616,773</u>

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20. OPERATING SEGMENTS (CONTINUED)

20.1 Reconciliation of reportable segment assets and liabilities to the condensed statement of financial position (continued)

The segments wise breakup of income and expenses is as follows:

For the nine months ended 30 September 2025

	Personal	SME	Islamic credit cards	Total
Commission income	209,739	46,223	1,000	256,962
Commission expense	(23,221)	(7,099)	(465)	(30,785)
Direct operating expense	(21,233)	(5,400)	(2,535)	(29,168)
Impairment (charge) / reversal	(31,401)	(7,242)	500	(38,143)
Unallocated income*	-	-	-	555
Unallocated expenses**	-	-	-	(86,351)
Net income / (loss) before Zakat	133,884	26,482	(1,500)	73,070

For the nine months ended 30 September 2024

	Personal	SME	Islamic credit cards	Total
Commission income	226,459	43,295	1,592	271,346
Commission expense	(27,343)	(8,385)	(467)	(36,195)
Direct operating expense	(24,382)	(3,798)	(2,342)	(30,522)
Impairment charge	(4,504)	(4,669)	(1,189)	(10,362)
Unallocated income*	-	-	-	638
Unallocated expenses**	-	-	-	(84,639)
Net income / (loss) before Zakat	170,230	26,443	(2,406)	110,266

20.2 Reconciliation of reportable segment income and expenses to the condensed statement of comprehensive income

	For the nine-month period ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Total income for reportable segments	256,962	271,346
Unallocated income*	555	638
Total income as per condensed statement of comprehensive income	257,517	271,984
Total expenses for reportable segments	98,096	77,079
Unallocated expenses**	86,351	84,639
Total expense as per condensed statement of comprehensive income	184,447	161,718

* Unallocated income mainly includes gain on disposals of properties classified under assets held for sale and rental income for one of these properties in prior year.

** Unallocated expenses are common expenses which mainly include bank charges, depreciation, taxes and other common expenses which are not relevant to a particular segment.

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21. SUBSEQUENT EVENTS

There were no events subsequent to the condensed statement of financial position date which required adjustments to or disclosure in these condensed interim financial statements.

22. DATE OF APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying condensed interim financial statements were approved for issue by the Board of Directors on 23 October 2025.