NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)

Unaudited Condensed Interim Financial Statements and the Independent Auditor's Review Report

For the six-month period ended 30 June 2026

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2026

ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-Up Capital: ⃁ 5,500,000 (Five Million Five Hundred Thousand Saudi Riyals)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NAYIFAT FINANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Nayifat Finance Company (A Saudi Joint Stock Company) ("the Company") as at 30 June 2026, and the related condensed interim statement of comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related condensed interim statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. 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") as 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statement 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 condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other Matter

The financial statements for the year ended 31 December 2025 and the condensed interim financial statements for the period ended 30 June 2025 were audited and reviewed, respectively, by another independent auditor, who expressed an unmodified opinion and review conclusion on 12 Ramadan 1447H, corresponding to 1 March 2026 and 3 Safar 1447H, corresponding to 28 July 2025, respectively.

Ernst & Young Professional Services

Hesham A. Alatiqi
Certified Public Accountant
License No. (523)

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سجل تجاري ١٠١٠٣٨٣٨٢١
CR.1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Riyadh: 12 Safar 1448H
26 July 2026

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

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

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
ASSETS			
Cash and cash equivalents	*6*	**367,614**	261,709
Other balances with banks	*7*	**8,743**	11,244
Islamic financing receivables - net	*8*	**1,595,022**	1,781,681
Equity investment measured at fair value through OCI		**728**	728
Prepayments and other assets		**53,728**	53,463
Assets held for sale	*9*	**16,802**	16,802
Intangible assets		**7,233**	8,338
Property and equipment		**28,253**	28,921
Total assets		**2,078,123**	2,162,886
LIABILITIES AND EQUITY			
Accruals and other payables		**65,135**	65,414
Islamic bank financings and other liabilities	*10*	**692,032**	836,563
Provision for Zakat		**9,048**	7,112
Provision for employees' end of service benefits		**12,317**	14,280
Total liabilities		**778,532**	923,369
Share capital		**1,200,000**	1,200,000
General reserve		**21,929**	21,929
Retained earnings		**121,036**	60,962
Treasury shares		**(43,374)**	(43,374)
Total equity		**1,299,591**	1,239,517
Total liabilities and equity		**2,078,123**	2,162,886

For Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

The accompanying notes from 1 through 20 form an integral part of these condensed interim financial statements.

NAYIFAT FINANCE COMPANY

(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

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

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026	2025	**2026**	2025
Commission income from Islamic financing receivables		**70,811**	82,420	**150,938**	169,343
Commission expense on Islamic bank financing		**(12,822)**	(10,459)	**(26,666)**	(19,848)
Net commission income from Islamic financing receivables		**57,989**	71,961	**124,272**	149,495
Reversal / (charge) of expected credit loss ("ECL") allowance – net	*8.6*	**17,047**	(12,358)	**9,274**	(26,276)
Salaries and other related expenses	*11*	**(21,840)**	(24,321)	**(44,082)**	(46,756)
Other administrative expenses		**(12,734)**	(13,836)	**(23,794)**	(25,023)
Depreciation and amortization		**(967)**	(1,380)	**(2,146)**	(3,083)
Other income – net		**2,691**	305	**4,788**	560
Net income for the period before Zakat		**42,186**	20,371	**68,312**	48,917
Zakat charge for the period		**(5,288)**	(4,800)	**(8,238)**	(9,800)
Net income for the period		**36,898**	15,571	**60,074**	39,117
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income		**36,898**	15,571	**60,074**	39,117
Basic and diluted earnings per share	*12*	**0.32**	0.13	**0.52**	0.33

For Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

The accompanying notes from 1 through 20 form an integral part of these condensed interim financial statements.

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals in thousand unless otherwise stated)

	Share capital	Statutory reserve	General reserve	Treasury Share	Retained earnings	Total
2026						
Balance as at 31 December 2025 (Audited)	**1,200,000**	**-**	**21,929**	**(43,374)**	**60,962**	**1,239,517**
Total comprehensive income for the period	-	-	-	-	**60,074**	**60,074**
Balance as at 30 June 2026 (Unaudited)	**1,200,000**	**-**	**21,929**	**(43,374)**	**121,036**	**1,299,591**
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	-	-	-	-	39,117	39,117
Transfer to retained earnings	-	(69,645)	-	-	69,645	-
Dividend	-	-	-	-	(39,282)	(39,282)
Treasury shares	-	-	-	(11,608)	-	(11,608)
Balance as at 30 June 2025 (Unaudited)	1,200,000	-	21,929	(11,608)	225,891	1,436,212

For Chief Financial Officer

Chief Executive Officer

Chairman of
Board of Directors

The accompanying notes from 1 through 20 form an integral part of these condensed interim financial statements.

NAYIFAT FINANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals in thousand unless otherwise stated)

	Notes	For the six-month period ended 30 June	
		2026	2025
Cash flows from operating activities			
Net income for the period before Zakat		**68,312**	48,917
Adjustments for			
Depreciation and amortization		**2,146**	3,083
Gain on sale of assets held for sale		**-**	(575)
Provision for employees' end of service benefits		**1,060**	1,430
Charge of expected credit loss allowance – net	*8.6*	**(9,274)**	26,276
Commission income from Islamic financing receivables		**(150,938)**	(169,343)
Commission expense on lease liabilities		**1**	15
Commission expense on Islamic bank financings		**26,666**	19,848
		(62,027)	(70,349)
Changes in operating assets and liabilities			
Islamic financing receivables – net		**219,552**	(31,356)
Prepayments and other assets		**(265)**	(880)
Accruals and other payables		**(279)**	(4,363)
Other balances with banks		**2,501**	(4,487)
		159,482	(111,435)
Commission income received		**127,317**	126,468
Employees' end of service benefits paid		**(3,023)**	(1,128)
Proceeds from sale of assets held for sale		**-**	2,450
Zakat paid		**(6,302)**	(17,596)
Commission expense and charges paid		**(24,729)**	(17,289)
Net cash generated from / (used in) operating activities		**252,745**	(18,530)
Cash flows from investing activities			
Acquisition of intangible assets		**(319)**	(805)
Acquisition of property and equipment		**(54)**	(156)
Net cash used in investing activities		**(373)**	(961)
Cash flows from financing activities			
Proceeds from Islamic bank financings		**-**	298,000
Repayment of Islamic bank financings		**(146,167)**	(245,641)
Treasury shares		**-**	(11,608)
Payment of lease liabilities		**(300)**	(500)
Dividend paid		**-**	(60,000)
Net cash (used in) / financing activities		**(146,467)**	(19,749)
Net change in cash and cash equivalents		**105,905**	(39,240)
Cash and cash equivalents at the beginning of the period		**261,709**	86,476
Cash and cash equivalents at the end of the period		**367,614**	47,236

For Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

The accompanying notes from 1 through 20 form an integral part of these condensed interim financial statements.

(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") as 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 2025.

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 other comprehensive income (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 2025.

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**
Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments	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

(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 effective (continued)

Standards, interpretations and amendments	**Description**	**Effective date**
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026

Standards, interpretations and amendments not yet effective

The International Accounting Standard Board (IASB) has issued the following accounting standards, interpretation and amendments, which become effective from periods starting on or after 1 January 2027. The Company has opted not to early adopt these pronouncements.

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
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

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

Standards, interpretations and amendments not yet effective (continued)

Except for IFRS 18, the management has assessed that the above amendments have no material impact on the Company's condensed interim financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements as endorsed in kingdom of Saudi Arabia will replace IAS 1 Presentation of Financial Statements for annual reporting periods beginning on or after 1 January 2027. The company has not early adopted the standard in preparing these condensed interim financial statements. The company has established an IFRS 18 implementation plan governed by senior management. The plan includes an assessment of the impact on condensed interim financial statement presentation, disclosures, systems, data requirements and regulatory reporting.

Based on the assessment performed to date, the company expects the principal impact of IFRS 18 to relate to the presentation, aggregation, disaggregation and disclosure of information in the condensed interim financial statements. The adoption of IFRS 18 is not expected to impact the company total profit or total equity.

Presentation of Statement of Income

IFRS 18 requires entities to classify income and expenses into operating, investing, financing, zakat and discontinued operations categories and introduces new mandatory subtotals, including operating profit and profit before financing and zakat.

Based on its preliminary assessment, the company has concluded that providing financing to customers is part of its specified main business activities under IFRS 18. Accordingly, the company currently expects the following items to be presented within the operating category:

- Commission income arising from financing assets;
- Bank commission expense arising from Islamic borrowing;
- Operating expenses arising from the company's activities; and
- Charge of expected credit loss will remain under operating as they relate to core lending activities.

Management-defined Performance Measures

IFRS 18 introduces disclosure requirements for Management-defined Performance Measures ("MPMs"), being measures used in public communications to communicate management's view of an aspect of financial performance. Such measures will be required to be disclosed within a single note to the condensed interim financial statements together with explanations of their purpose and reconciliations to the most directly comparable IFRS-defined totals or subtotals.
The company is evaluating whether certain measures communicated externally, including net financing income, return on equity, return on assets and other performance metrics, meet the definition of MPMs and may therefore require additional disclosures and reconciliations upon adoption of IFRS 18.

Principles of Aggregation and Disaggregation

IFRS 18 introduces enhanced requirements relating to the aggregation and disaggregation of information in the financial statements and accompanying notes. The company is currently assessing whether additional disaggregation may be required for financing assets, investment securities, treasury activities, fee and commission income, trading activities and expected credit losses. The company also expects certain line-item descriptions and disclosures to be refined to align with the requirements of IFRS 18.

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

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

Consequential Amendments

IFRS 18 introduces consequential amendments to other IFRS Accounting Standards, including IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. The company is assessing the impact of these amendments, including potential changes to the classification and presentation of certain cash flow items and comparative information.
The company assessment remains ongoing and may be refined as implementation activities progress, industry practice develops and further guidance becomes available.

5. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the 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 and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments 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 2025.

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 2025.

6. CASH AND CASH EQUIVALENTS

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Cash at bank	*6.1*	**117,152**	161,709
Short-term placements	*6.2*	**250,462**	100,000
		367,614	261,709

6.1 This represents current accounts maintained with local banks.

6.2 These represent short-term placements with local banks having original maturity of one and two month. These placements carry profit rate ranging from 4.41% to 4.90% per annum. The related profit income is recognised in the condensed interim statement of comprehensive income under Other income, net.

7. OTHER BALANCES WITH BANKS

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Margin deposits (restricted)	*7.1*	**8,743**	11,244

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.

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

8. ISLAMIC FINANCING RECEIVABLES – NET

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

8.1 The breakup of Islamic financing receivables is as follows:

30 June 2026 (Unaudited)

	Personal	**SME**	**Islamic credit cards**	**Total**
Performing	**1,250,711**	**227,554**	**27,516**	**1,505,781**
Non-performing	**129,645**	**153,024**	**3,099**	**285,768**
Gross receivables	**1,380,356**	**380,578**	**30,615**	**1,791,549**
ECL allowance	**(132,456)**	**(60,410)**	**(3,661)**	**(196,527)**
Net receivables	**1,247,900**	**320,168**	**26,954**	**1,595,022**

31 December 2025 (Audited)

	Personal	SME	Islamic credit cards	Total
Performing	1,393,687	293,018	29,051	1,715,756
Non-performing	141,248	114,874	2,677	258,799
Gross receivables	1,534,935	407,892	31,728	1,974,555
ECL allowance	(140,205)	(49,008)	(3,661)	(192,874)
Net receivables	1,394,730	358,884	28,067	1,781,681

8.2 Reconciliation of gross to net Islamic financing receivables:

30 June 2026 (Unaudited)

	Personal	**SME**	**Islamic credit cards**	**Total**
Gross receivables	**1,880,093**	**466,377**	**30,615**	**2,377,085**
Unearned commission income	**(499,737)**	**(85,799)**	**-**	**(585,536)**
	1,380,356	**380,578**	**30,615**	**1,791,549**
ECL allowance	**(132,456)**	**(60,410)**	**(3,661)**	**(196,527)**
Net receivables	**1,247,900**	**320,168**	**26,954**	**1,595,022**

31 December 2025 (Audited)

	Personal	SME	Islamic credit cards	Total
Gross receivables	2,151,149	510,571	31,728	2,693,448
Unearned commission income	(616,214)	(102,679)	-	(718,893)
	1,534,935	407,892	31,728	1,974,555
ECL allowance	(140,205)	(49,008)	(3,661)	(192,874)
Net receivables	1,394,730	358,884	28,067	1,781,681

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

8. ISLAMIC FINANCING RECEIVABLES – NET (continued)

8.3 Stage wise analysis of Islamic financing receivables:

30 June 2026 (Unaudited)

	Personal	**SME**	**Islamic credit cards**	**Total**
Stage 1	**1,112,816**	**176,921**	**26,403**	**1,316,140**
Stage 2	**137,895**	**50,633**	**1,113**	**189,641**
Stage 3	**129,645**	**153,024**	**3,099**	**285,768**
	1,380,356	**380,578**	**30,615**	**1,791,549**
ECL allowance	**(132,456)**	**(60,410)**	**(3,661)**	**(196,527)**
Net receivables	**1,247,900**	**320,168**	**26,954**	**1,595,022**

31 December 2025 (Audited)

	Personal	SME	Islamic credit cards	Total
Stage 1	1,242,361	237,472	27,571	1,507,404
Stage 2	151,326	55,546	1,480	208,352
Stage 3	141,248	114,874	2,677	258,799
	1,534,935	407,892	31,728	1,974,555
ECL allowance	(140,205)	(49,008)	(3,661)	(192,874)
Net receivables	1,394,730	358,884	28,067	1,781,681

As at 30 June 2026, stage 3 includes certain contracts amounting to SR 26.42 million (31 December 2025: SR 29.68 million) which are currently undergoing a curing period.

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. During this period, 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.

8.4 Reconciliation of gross Islamic financing receivables

The movement in gross Islamic financing receivables is as follows:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balances as at 1 January 2026	**1,507,404**	**208,352**	**258,799**	**1,974,555**
Transfer from stage 1	**(150,614)**	**127,129**	**23,485**	**-**
Transfer from stage 2	**31,627**	**(116,280)**	**84,653**	**-**
Transfer from stage 3	**3,142**	**6,423**	**(9,565)**	**-**
Net other movements*	**(75,419)**	**(35,983)**	**(27,576)**	**(138,978)**
	(191,264)	**(18,711)**	**70,997**	**(138,978)**
Written off during the period	**-**	**-**	**(44,028)**	**(44,028)**
Balances as at 30 June 2026 (Unaudited)	**1,316,140**	**189,641**	**285,768**	**1,791,549**

	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	(118,835)	74,482	44,353	-
Transfer from stage 2	136,459	(241,220)	104,761	-
Transfer from stage 3	21,544	10,902	(32,446)	-
Net other movements*	284,194	(34,338)	(42,431)	207,425
	323,362	(190,174)	74,237	207,425
Written off during the year	-	-	(232,976)	(232,976)
Balances as at 31 December 2025 (Audited)	1,507,404	208,352	258,799	1,974,555

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

* Net other movement includes financing originated, financing repaid and re-measurements.

8. ISLAMIC FINANCING RECEIVABLES – NET (continued)

8.5 Movement in ECL allowance of Islamic financing receivables:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2026	**21,393**	**24,369**	**147,112**	**192,874**
Transfer from stage 1	**(1,816)**	**1,492**	**324**	**-**
Transfer from stage 2	**4,801**	**(12,273)**	**7,472**	**-**
Transfer from stage 3	**1,368**	**3,163**	**(4,531)**	**-**
Financial assets settled	**(1,896)**	**(2,051)**	**(6,204)**	**(10,151)**
New financial assets originated	**1,507**	**-**	**-**	**1,507**
Net re-measurement of loss allowance	**(4,527)**	**8,311**	**52,541**	**56,325**
	(563)	**(1,358)**	**49,602**	**47,681**
Written off during the period	**-**	**-**	**(44,028)**	**(44,028)**
ECL allowance as at 30 June 2026 (Unaudited)	**20,830**	**23,011**	**152,686**	**196,527**

	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	(1,613)	929	684	-
Transfer from stage 2	2,638	(7,798)	5,160	-
Transfer from stage 3	4,385	3,648	(8,033)	-
Financial assets settled	(2,074)	(3,091)	(19,485)	(24,650)
New financial assets originated	3,543	-	-	3,543
Net re-measurement of loss allowance	5,103	15,650	291,152	311,905
	11,982	9,338	269,478	290,798
Written off during the year	-	-	(232,976)	(232,976)
ECL allowance as at 31 December 2025 (Audited)	21,393	24,369	147,112	192,874

8.6 Reversal/(charge) of ECL allowance – net

	For the six-month period ended 30 June (Unaudited)	
	2026	2025
Provision for ECL allowance – net of reversal	**47,681**	47,374
Recoveries against receivables previously written off	**(56,955)**	(21,098)
Reversal / (charge) of ECL allowance – net	**9,274**	(26,276)

8.7 Assignment of Islamic financing receivables

The Company has assigned its Islamic financing receivables to local commercial banks to obtain Islamic bank financing. The Islamic financing receivables have not been derecognized from the condensed statement of financial position, as the Company retains substantially all the benefits and risks, and specifically the credit risk. The Company is responsible for repaying its assigned receivables to the local commercial banks in the event of the customer's default. The amount received upon assignment of the 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 June 2026, the receivables amount written off still subject to enforcement activity is SR 325 million (31 December 2025: SR 370 million).

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

8. ISLAMIC FINANCING RECEIVABLES – NET (continued)

8.9 Aging analysis of Tawarruq Islamic financing receivables:

Personal

30 June 2026	**Gross Exposure**	**ECL allowance**	**Net exposure**
0 to 30 days	**1,112,816**	**(18,589)**	**1,094,227**
30 to 90 days	**137,895**	**(21,606)**	**116,289**
90 to 180 days	**36,962**	**(19,306)**	**17,656**
180 to 270 days	**27,903**	**(19,964)**	**7,939**
270 to 360 days	**29,051**	**(23,045)**	**6,006**
360 to 450 days	**35,729**	**(29,946)**	**5,783**
Total	**1,380,356**	**(132,456)**	**1,247,900**

31 December 2025	Gross Exposure	ECL allowance	Net exposure
0 to 30 days	1,242,361	(17,557)	1,224,804
30 to 90 days	151,326	(22,031)	129,295
90 to 180 days	45,433	(23,867)	21,566
180 to 270 days	27,359	(20,017)	7,342
270 to 360 days	30,416	(24,332)	6,084
360 to 450 days	38,040	(32,401)	5,639
Total	1,534,935	(140,205)	1,394,730

SME

30 June 2026	**Gross Exposure**	**ECL allowance**	**Net exposure**
0 to 30 days	**176,921**	**(1,502)**	**175,419**
30 to 90 days	**50,633**	**(852)**	**49,781**
90 to 180 days	**27,686**	**(3,622)**	**24,064**
180 to 270 days	**29,103**	**(4,111)**	**24,992**
270 to 360 days	**13,809**	**(2,397)**	**11,412**
360 to 450 days	**7,373**	**(1,086)**	**6,287**
450 to 540 days	**14,867**	**(6,028)**	**8,839**
540 to 630 days	**21,813**	**(16,111)**	**5,702**
630 days & above	**38,373**	**(24,701)**	**13,672**
Total	**380,578**	**(60,410)**	**320,168**

31 December 2025	Gross Exposure	ECL allowance	Net exposure
0 to 30 days	237,472	(1,918)	235,554
30 to 90 days	55,546	(1,298)	54,248
90 to 180 days	10,891	(1,743)	9,148
180 to 270 days	18,812	(1,820)	16,992
270 to 360 days	36,956	(14,728)	22,228
360 to 450 days	9,457	(4,746)	4,711
450 to 540 days	7,497	(3,659)	3,838
540 to 630 days	-	-	-
630 days & above	31,261	(19,096)	12,165
Total	407,892	(49,008)	358,884

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

8. ISLAMIC FINANCING RECEIVABLES – NET (continued)

8.9 Aging analysis of Tawarruq Islamic financing receivables (continued)

Islamic Credit Cards 30 June 2026	Gross Exposure	ECL allowance	Net exposure
0 to 30 days	**26,403**	**(739)**	**25,664**
30 to 90 days	**1,113**	**(554)**	**559**
90 to 180 days	**1,292**	**(987)**	**305**
180 to 270 days	**877**	**(670)**	**207**
270 to 360 days	**360**	**(275)**	**85**
360 to 450 days	**570**	**(436)**	**134**
Total	**30,615**	**(3,661)**	**26,954**

31 December 2025	Gross Exposure	ECL allowance	Net exposure
0 to 30 days	27,571	(1,155)	26,416
30 to 90 days	1,480	(406)	1,074
90 to 180 days	964	(424)	540
180 to 270 days	933	(912)	21
270 to 360 days	587	(574)	13
360 to 450 days	193	(190)	3
Total	31,728	(3,661)	28,067

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.

10. ISLAMIC BANK FINANCINGS AND OTHER LIABILITIES

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Islamic bank financing	*10.1*	**691,900**	836,208
Lease liabilities		**-**	301
Accrued bank charges		**132**	54
		692,032	836,563

10.1 The Company has long-term financing from local Islamic bank under Islamic borrowing facility . These financing facilities are repayable in three to five years in monthly and quarterly instalments. The profit rates on the financing availed range from 1 month and 3 months SIBOR along with bank fix margin.

Under the terms of the financing arrangement, the Company adhered to covenants. The covenants are monitored by management at regular intervals and actions are taken by management to ensure compliance for any potential deviations.

The Company is required to maintain margin deposits (as disclosed in note 7). These 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.

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

11. SALARIES AND OTHER RELATED EXPENSES

	For the six-month period ended 30 June (Unaudited)	
	2026	2025
Salaries and related costs	**26,823**	26,038
Other employee related costs	**15,388**	17,118
Directors and Board committees' fees	**1,871**	3,600
	44,082	46,756

12. EARNINGS PER SHARE

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

	For the six-month period ended 30 June (Unaudited)	
	2026	2025
Net income for the period	**60,074**	39,117
Weighted average number of shares for basic and diluted EPS	**116,600**	119,842
Basic and diluted EPS (in Saudi Riyals)	**0.52**	0.33

13. CONTINGENCIES AND COMMITMENTS

Contingencies
There is no significant change in the status of contingencies since the year ended 31 December 2025.

Commitments
There are no significant commitments other than irrevocable commitments to extend credit related to undrawn credit card limits as at 30 June 2026 amounting to SR 33.95 million (31 December 2025: SR 30.42 million) and SME related commitments as at 30 June 2026 amounting to SR Nil million (31 December 2025: SR 3.25 million). ECL allowance held against undrawn commitment is approximately SR 0.002 million (31 December 2025: SR 0.12 million).

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

14. RELATED PARTY TRANSACTIONS AND BALANCES

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

14.1 Related party transactions during the period were as follows:

Related party	Nature of transactions	For the six-month period ended 30 June (Unaudited)	
		2026	2025
Key management personnel (KMPs) – (note 14.1.1) (Number of KMPs: 8 (2025: 15)	Compensation for the year (short-term)	**3,516**	4,699
	Employees' end of service benefits entitlement (post-employment benefit)	**158**	301
Directors and Board committees' members	Remuneration of Directors and Board committee's members	**1,871**	3,600
AlBayouk Chartered Accountant Office – (note 14.1.2)	Zakat / VAT consultancy fees	**-**	192
Yaqeen Capital Company – (note 14.1.3)	Commodities Waqala transaction	**224**	293
	Treasury shares portfolio management fees	**97**	-

14.1.1 Key management personnel of the Company include Chief executive officer and his direct reports.

14.1.2 Al Bayouk Chartered Accountants Office was under the ownership of a member of Board of Directors till 3 November 2025.

14.1.3 Yaqeen Capital Company is an associate of the major shareholder, Falcom Holding Company, which is the ultimate controlling party. Yaqeen Capital Company 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. In addition, Yaqeen Capital Company is managing the treasury shares portfolio of the Company.

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

Related party	Nature of balance outstanding	Amount receivable / (payable)	
		30 June 2026 (Unaudited)	31 December 2025 (Audited)
Yaqeen Capital - note 14.1.3	Advance for commodity Tawarruq transactions – held on behalf of the Company	35,537	35,920
Directors and Board Committees members	Board remuneration payable	(1,377)	(1,317)
Key management personnel - note 14.1.1	Employees' end of service benefits payable	(1,626)	(2,940)

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

15. 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 seek 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 up to three times.

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Aggregate financing to capital ratio (Islamic financing receivables – net divided by total equity)	**1.23 times**	1.44 times

16. 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.

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 June 2026 amounts to SR 1,670 million (31 December 2025: SR 1,963 million).

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

16. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (continued)

Fair value hierarchy of financial assets and liabilities

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 were no transfers between levels of the fair value hierarchy during the current and prior period.

17. 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.

The Company's reportable segments are as follows:

1) **Personal financing:** These relate to personal financing provided to retail segment.
2) **SME financing:** 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 segment wise breakup is as follows:

As at 30 June 2026

	Personal	**SME**	**Islamic credit cards**	**Total**
Total assets	**1,247,900**	**320,168**	**26,954**	**1,595,022**
Total liabilities	**541,426**	**138,911**	**11,695**	**692,032**

As at 31 December 2025

	Personal	SME	Islamic credit cards	Total
Total assets	1,394,730	358,884	28,067	1,781,681
Total liabilities	697,650	171,678	20,999	890,327

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

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Total assets for reportable segments	**1,595,022**	1,781,681
Unallocated other Assets*	**483,101**	381,205
Total assets as per condensed statement of financial position	**2,078,123**	2,162,886
Total liabilities for reportable segments	**692,032**	890,327
Unallocated others liabilities*	**86,500**	33,042
Total liabilities as per condensed statement of financial position	**778,532**	923,369

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

17. OPERATING SEGMENTS (continued)

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

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

For the six-month ended 30 June 2026

	Personal	**SME**	**Islamic credit cards**	**Unallocated Expenses**	**Total**
Commission income	**126,462**	**24,207**	**269**	**-**	**150,938**
Commission expense	**(22,342)**	**(4,277)**	**(47)**	**-**	**(26,666)**
Salaries and other related expenses	**(11,933)**	**(2,446)**	**(1,366)**	**(28,337)**	**(44,082)**
Other administrative expenses	**(2,178)**	**(1,689)**	**-**	**(19,927)**	**(23,794)**
Depreciation and amortization	**(453)**	**(6)**	**(260)**	**(1,427)**	**(2,146)**
Charge of expected credit loss allowance – net	**20,676**	**(11,402)**	**-**	**-**	**9,274**
Other income	**-**	**-**	**-**	**4,788**	**4,788**
Net income / (loss) before Zakat	**110,232**	**4,387**	**(1,404)**	**(44,903)**	**68,312**

For the six-month ended 30 June 2025

	Personal	SME	Islamic credit cards	Unallocated Expenses	Total
Commission income	138,245	29,895	1,203	-	169,343
Commission expense	(14,960)	(4,594)	(294)	-	(19,848)
Salaries and other related expenses	(11,671)	(2,713)	(1,440)	(30,932)	(46,756)
Other administrative expenses	(2,130)	(903)	(41)	(21,949)	(25,023)
Depreciation and amortization	(639)	(7)	(141)	(2,296)	(3,083)
Charge of expected credit loss allowance – net	(20,294)	(6,482)	500	-	(26,276)
Other income	-	-	-	560	560
Net income / (loss) before Zakat	88,551	15,196	(213)	(54,617)	48,917

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

	For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Total income for reportable segments	**150,938**	169,923
Unallocated income	**4,788**	560
Total income as per condensed statement of comprehensive income	**155,726**	169,903
Total expenses for reportable segments	**37,723**	65,809
Unallocated expenses	**49,691**	55,177
Total expense as per condensed statement of comprehensive income	**87,414**	120,986

17.3 Unallocated Balances:
*Line items in the condensed interim statement of financial position and condensed interim statement of comprehensive income, other than Islamic financing receivables and Islamic bank financings, that are not directly attributable to the reportable operating segment are classified as unallocated.

18. IMPACT OF GEO-POLITICAL SITUATION ON ECL

Since 28 February 2026, the geopolitical situation in the Middle East has become increasingly volatile. Management has assessed the potential impact of these developments on the Company's operations and financial position. Given the Company's primary focus on domestic retail financing, no material impact has been identified on its operations or financial performance as at the reporting date.

The Company continues to monitor developments in the region and has considered available forward-looking information in its assessment of ECL. Given the inherent uncertainty, management will continue to reassess the situation and update its assumptions, including ECL inputs, as more reliable information becomes available.

19. 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.

20. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying condensed interim financial statements were approved for issue by the Board of Directors on 22 July 2026