Bahrain Commercial Facilities Company B.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2026

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REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF BAHRAIN COMMERCIAL FACILITIES COMPANY B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Bahrain Commercial Facilities Company B.S.C. ("the Company") and its subsidiaries (collectively, "the Group") as at 30 June 2026 comprising of the interim consolidated statement of financial position as at 30 June 2026, and the related interim consolidated statements of profit or loss and comprehensive income for three and six month periods then ended and the interim consolidated statement of changes in equity and cash flows for the six-month period then ended and explanatory notes. The Board of Directors of the Group is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 (IAS 34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated 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”. A review of interim financial information 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 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst + Young

29 July 2026
Manama, Kingdom of Bahrain

Bahrain Commercial Facilities Company B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Note	*(Reviewed)* 30 June 2026 BD '000	*(Audited)* 31 December 2025 BD '000
ASSETS			
Cash and balances with banks		**9,354**	6,792
Loans and advances to customers	6	**139,639**	140,054
Trade receivables	7	**5,125**	4,718
Inventories	8	**24,464**	21,924
Investment properties		**4,762**	4,755
Property and equipment		**27,800**	30,296
Other assets	9	**6,415**	7,861
TOTAL ASSETS		**217,559**	216,400
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	10	**18,388**	18,082
Bank term loans and other borrowings		**94,102**	91,053
TOTAL LIABILITIES		**112,490**	109,135
EQUITY			
Share capital		**20,419**	20,419
Treasury shares		**(599)**	(599)
Statutory reserve		**10,210**	10,210
Share premium		**25,292**	25,292
Other reserves		**27,735**	27,557
Retained earnings		**22,012**	24,386
TOTAL EQUITY		**105,069**	107,265
TOTAL LIABILITIES AND EQUITY		**217,559**	216,400

Najla M. Al Shirawi
Chairperson

Yaser Alsharifi
Vice Chairperson

Abdulla Abdulrazaq Bukhowa
Chief Executive Officer

Bahrain Commercial Facilities Company B.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Note	*(Reviewed)* *Six months ended 30 June*		*(Reviewed)* *Three months ended 30 June*	
		2026	*2025*	***2026***	*2025*
		BD '000	*BD '000*	***BD '000***	*BD '000*
Interest income		**7,716**	7,694	**3,854**	3,853
Interest expense		**(3,135)**	(3,261)	**(1,592)**	(1,663)
Net interest income		**4,581**	4,433	**2,262**	2,190
Automotive revenue		**23,095**	24,086	**12,501**	12,628
Cost of sales		**(19,187)**	(19,976)	**(10,606)**	(10,819)
Gross profit on automotive revenue		**3,908**	4,110	**1,895**	1,809
Net fees and commission income		**689**	1,018	**311**	516
Rental and real estate income	11	**185**	415	**91**	209
Other income		**558**	529	**353**	299
Total operating income		**9,921**	10,505	**4,912**	5,023
Salaries and related costs		**(3,855)**	(3,934)	**(1,807)**	(1,728)
Other operating expenses		**(5,818)**	(5,675)	**(3,005)**	(2,822)
Total operating expenses		**(9,673)**	(9,609)	**(4,812)**	(4,550)
Profit before provisions, credit losses and recoveries		**248**	896	**100**	473
Provisions and credit losses		**(1,218)**	(938)	**(309)**	(462)
Recoveries from written off balances		**2,170**	2,290	**1,299**	1,104
Profit for the period		**1,200**	2,248	**1,090**	1,115
Basic and diluted earnings per share		**6 fils**	11 fils	**5 fils**	6 fils

Najla M. Al Shirawi	Yaser Alsharifi	Abdulla Abdulrazaq Bukhowa
Chairperson	Vice Chairperson	Chief Executive Officer

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	(Reviewed) Six months ended 30 June		***(Reviewed) Three months ended 30 June***	
	2026 BD ’000	*2025 BD ’000*	***2026 BD ’000***	*2025 BD ’000*
Profit for the period	**1,200**	2,248	**1,090**	1,115
Other comprehensive income/ (loss):				
Items that are or may be reclassified to profit or loss				
Net change in cash flow hedge reserve	**54**	(427)	**17**	(142)
Total comprehensive income for the period	**1,254**	1,821	**1,107**	973

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	(Reviewed)								
	Share capital		*Reserves and retained earnings*						
					Other reserves				
	Share capital BD '000	***Treasury shares BD '000***	***Statutory reserve BD '000***	***Share premium BD '000***	***Cash flow hedge reserve BD '000***	***Donation reserve BD '000***	***General reserve BD '000***	***Retained earnings BD '000***	***Total equity BD '000***
As at 1 January 2026	20,419	(599)	10,210	25,292	50	7	27,500	24,386	107,265
2025 appropriations (approved by shareholders):									
- Donations (note 13)	-	-	-	-	-	150	-	(150)	-
- Dividends to equity holders (note 13)	-	-	-	-	-	-	-	(3,424)	(3,424)
Balance after 2025 appropriations	**20,419**	**(599)**	**10,210**	**25,292**	**50**	**157**	**27,500**	**20,812**	**103,841**
Comprehensive income for the period:									
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,200**	**1,200**
Other comprehensive income:									
- Net change in cash flow hedge reserve	**-**	**-**	**-**	**-**	**54**	**-**	**-**	**-**	**54**
	20,419	**(599)**	**10,210**	**25,292**	**104**	**157**	**27,500**	**22,012**	**105,095**
Utilisation of donation reserve	**-**	**-**	**-**	**-**	**-**	**(26)**	**-**	**-**	**(26)**
At 30 June 2026	**20,419**	**(599)**	**10,210**	**25,292**	**104**	**131**	**27,500**	**22,012**	**105,069**

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Bahrain Commercial Facilities Company B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	(Reviewed)								
	Share capital		*Reserves and retained earnings*						
					Other reserves				
	Share capital BD '000	*Treasury shares BD '000*	*Statutory reserve BD '000*	*Share premium BD '000*	*Cash flow hedge reserve BD '000*	*Donation reserve BD '000*	*General reserve BD '000*	*Retained earnings BD '000*	*Total equity BD '000*
As at 1 January 2025	20,419	(599)	10,210	25,292	559	15	27,500	22,480	105,876
2024 appropriations (approved by shareholders):									
- Donations	-	-	-	-	-	150	-	(150)	-
- Dividends to equity holders	-	-	-	-	-	-	-	(3,021)	(3,021)
Balance after 2024 appropriations	20,419	(599)	10,210	25,292	559	165	27,500	19,309	102,855
Comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	2,248	2,248
Other comprehensive loss:									
- Net change in cash flow hedge reserve	-	-	-	-	(427)	-	-	-	(427)
	20,419	(599)	10,210	25,292	132	165	27,500	21,557	104,676
Utilisation of donation reserve	-	-	-	-	-	(64)	-	-	(64)
At 30 June 2025	20,419	(599)	10,210	25,292	132	101	27,500	21,557	104,612

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	(Reviewed) *Six months ended* *30 June*	
	2026	*2025*
	BD '000	*BD '000*
OPERATING ACTIVITIES		
Loan repayments, interest received and other credit related receipts	**100,197**	107,862
Cash receipts from automotive sales	**22,947**	24,056
Insurance commission received	**185**	234
Proceeds from sale of real estate inventory	**376**	364
Rental and evaluation income received	**167**	423
Directors' fees paid	**(306)**	(306)
Loans and advances to customers	**(90,416)**	(99,148)
Payments to suppliers	**(20,715)**	(21,570)
Payments for operating expenses	**(6,261)**	(6,745)
Interest paid	**(3,225)**	(3,260)
Net cash generated from operating activities	**2,949**	1,910
INVESTING ACTIVITIES		
Addition to property and equipment	**(3,711)**	(3,692)
Addition to investment properties	**(35)**	(20)
Proceeds from sale of property and equipment	**3,881**	1,304
Movement of fixed deposits with maturities of more than three months	**-**	1,000
Net cash generated from/ (used in) investing activities	**135**	(1,408)
FINANCING ACTIVITIES		
Bank term loans and other borrowings availed	**8,097**	25,105
Bank term loans and other borrowings paid	**(4,695)**	(25,077)
Dividends paid	**(3,424)**	(3,021)
Donations paid	**(26)**	(64)
Net cash used in financing activities	**(48)**	(3,057)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**3,036**	(2,555)
Cash and cash equivalents at 1 January	**6,208**	10,658
CASH AND CASH EQUIVALENTS AT 30 JUNE	**9,244**	8,103
Cash and cash equivalents comprise:		
Cash and balances with banks	**9,354**	11,191
Less:		
Restricted cash	**(110)**	(88)
Fixed deposits with maturities of more than three months	**-**	(3,000)
	9,244	8,103

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

1 REPORTING ENTITY

Bahrain Commercial Facilities Company B.S.C. (the "Company") is a public shareholding company incorporated and registered in the Kingdom of Bahrain. It provides term loans and issues credit cards. Effective 26 June 2005, the Company became licensed and regulated by the Central Bank of Bahrain ("the CBB"). This financial information is the reviewed interim condensed consolidated financial statements (the "interim condensed consolidated financial statements") of the Company and its subsidiaries (together referred to as the "Group") for the six-month period ended 30 June 2026.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting ("IAS 34").

The interim condensed consolidated financial statements of the Group have been prepared in accordance with applicable rules and regulations issued by the Central Bank of Bahrain ("CBB"). These rules and regulations require the application of all International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The interim condensed consolidated financial statements are reviewed, not audited. They do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the Group's last audited consolidated financial statements for the year ended 31 December 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2025.

3 MATERIAL ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards or amendments to existing standards that have become applicable effective from 1 January 2026.

Several amendments and interpretations apply for the first time in 2026, but do not have any impact on the interim condensed consolidated financial statements of the Group.

3.1.1 Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments; and

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 New standards, interpretations and amendments adopted by the Group (continued)

3.1.1 Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (continued)

- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments did not have a material impact on the Group's interim condensed consolidated financial statements.

3.1.2 Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments did not have a material impact on the Group's interim condensed consolidated financial statements.

3.1.3 Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts; and
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments did not have a material impact on the Group's interim condensed consolidated financial statements.

3.2 New standards, interpretations and amendments issued but not yet effective

The new accounting standards issued and effective as at 1 January 2026 do not have a significant impact on the Group's accounting policies. The condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation applied in the preparation of the Group's audited consolidated financial statements as at and for the year ended 31 December 2025, except for the adoption of new standards or amendments to existing standards that have become applicable effective from 1 January 2026.

A number of new accounting standards, amendments and interpretations are effective for annual periods beginning after 1 January 2026 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these condensed consolidated interim financial statements.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 New standards, interpretations and amendments issued but not yet effective (continued)

The following new standards, amendments and interpretations to standards that are relevant to the Group are not expected to have a significant impact on the Group's condensed consolidated interim financial statements:

- IFRS 18 Presentation and Disclosure in Financial Statements - IFRS 18 is effective for reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 introduces new requirements for: presentation within the statement of profit or loss, including specified totals and subtotals; disclosure of management-defined performance measures; and aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes;

- IFRS 19: Subsidiaries without Public Accountability: Disclosures - IFRS 19, which allows eligible subsidiaries to elect to provide reduced disclosures when they apply the recognition, measurement and presentation requirements in other IFRS accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and can be early adopted; and

- Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21 - These amendments are effective for annual periods beginning on or after 1 January 2027, with early application permitted. The amendments require that where an entity's functional currency is non-hyperinflationary but its presentation currency is hyperinflationary, all amounts including comparatives are translated at the closing rate at the date of the most recent statement of financial position. Where both functional and presentation currencies are hyperinflationary, comparative figures of foreign operations with a non-hyperinflationary functional currency are restated using the general price index in accordance with IAS 29. The amendments also introduce additional disclosure requirements.

4 USE OF JUDGEMENTS AND ESTIMATES

Preparation of interim condensed consolidated financial statements requires management to make judgments, 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. The areas of significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the last audited consolidated financial statements as at and for the year ended 31 December 2025.

Significant increase in credit risk (SICR)

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporation, forward-looking information into measurement of ECL and selection and approval of models used to measure ECL.

Judgement is involved in setting the rules and trigger points to determine whether there has been a SICR since initial recognition of a financing facility, which would result in the financial asset moving from 'stage 1' to 'stage 2'. The Group continues to assess borrowers for other indicators of unlikeliness to pay, taking into consideration the underlying cause of any financial difficulty and whether it is likely to be temporary or longer term.

Reasonableness of forward-looking information

Judgement is involved in determining which forward looking information variables are relevant for particular financing portfolios and for determining the sensitivity of the parameters to movements in these forward-looking variables.

4 USE OF JUDGEMENTS AND ESTIMATES (continued)

Reasonableness of forward-looking information (continued)
Due to macroeconomic variables being not statistically acceptable, the Group continues to use Vasicek-Merton single factor model for conversion of TTC PD to PIT PD instead of the regression methodology as per the Group's approved policy. Vasicek Based Analysis method has been used to forecast the forward-looking PIT PDs by developing composite index oil price as macro-economic variables.

Probability weights
Management judgement is involved in determining the probability weighting of each scenario considering the risks and uncertainties surrounding the base case scenario.

5 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the last audited consolidated financial statements for the year ended 31 December 2025 with emphasis on those described below:

Credit Risk
The Group is performing assessments of the relevant available macroeconomic information in light of the rising interest rate environment and the ongoing geopolitical tensions within the region. The relevant macroeconomic information has been updated for the period.

The risk management department has also enhanced its monitoring of the financing portfolio by reviewing the performance of exposures to sectors expected to be directly or indirectly impacted by the ongoing challenging economic environment to identify potential SICR on a qualitative basis.

Liquidity risk and capital management
The Group's approach to managing liquidity risk is to ensure that the Group secures funding significantly larger than present and future requirements. The Group continuously monitors the extent to which contractual receipts exceed contractual payments and the levels of new advances are correlated to the levels of liquidity. Liquidity risks are closely monitored by the risk management and finance departments and reported to the Assets and Liabilities Committee (ALCO) and the Board.

The Group continues to calibrate stress testing scenarios to current market conditions in order to assess the impact on the Group in the current extreme stress environment. As at the reporting date the liquidity and funding position of the Group remains strong and is well placed to absorb and manage the impacts of this disruption.

Operational risk management
The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage, to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Group manages the operational risk through policies and procedures to identify, assess, control, manage and report risks. Additionally, prior to the implementation of new products and services, it's reviewed and assessed for operational risks. The Group's risk management division employs clear internal policies and procedures and the Risk Control Self-Assessment (RCSA) methodology to reduce the likelihood of any operational losses. Where appropriate, risk is mitigated by way of insurance.

5 FINANCIAL RISK MANAGEMENT (continued)

Geopolitical developments in the Middle East

The geopolitical situation in the Middle East has intensified since 28 February 2026, with ongoing developments creating secondary impacts across multiple countries in the region, including the Kingdom of Bahrain. These circumstances have contributed to heightened uncertainty in the economic environment and have resulted in disruption to certain business and economic activities across the region.

In response, the Group has activated its business continuity arrangements and enhanced its risk management and monitoring practices to address potential operational, credit, and liquidity risks arising from these developments. Management continues to closely monitor the situation and its potential implications for the Group's operations, financial position, and performance.

Impact on Expected Credit Losses (ECL)

In light of the prevailing economic uncertainty, management has reassessed the macroeconomic scenarios and probability weightings used in estimating expected credit losses ("ECL") as at 30 June 2026, in accordance with IFRS 9 – Financial Instruments. The revised weightings reflect management's updated view of the increased likelihood of adverse economic outcomes in the current environment. The probability weightings assigned to each macro-economic scenario are summarised below:

Scenarios	***30 June 2026***	*30 June 2025*	*31 December 2025*
Base case	**55%**	60%	60%
Best case	**10%**	20%	20%
Worst case	**35%**	20%	20%

Assessment of asset carrying values and other financial statement impacts

As at 30 June 2026, management has assessed the carrying values of the Group's financial assets, including loans and advances, and other relevant exposures, as well as non-financial assets, for indicators of impairment or valuation adjustment arising from the current geopolitical environment. Based on the information available at the reporting date, management has concluded that the carrying values of these assets reasonably reflect the conditions and risks existing as at 30 June 2026.

Given the evolving nature of the situation, management acknowledges that further developments may affect economic assumptions, credit risk assessments, and asset valuations in future reporting periods. Any additional impacts arising from new information or changes in circumstances will be recognised prospectively in accordance with the applicable IFRS requirements, including through updates to ECL estimates, valuation assumptions, or impairment assessments in subsequent periods.

On 14 April 2026, the Central Bank of Bahrain (CBB) issued Circular EDS/NA/01/2026 introducing temporary support measures for licensed financial institutions (retail banks, financing companies and micro finance companies). These include a three month repayment deferral for eligible loans and credit card facilities, relaxation of IFRS 9 staging thresholds for deferred exposures, access to repo liquidity facilities against eligible collateral, a reduction in the cash reserve requirement, and a temporary lowering of minimum Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirements. These measures are effective from 19 April 2026.

The Group continues to actively monitor regional and global developments and will refine its assumptions, judgments, and estimates as circumstances evolve. Management remains focused on maintaining prudent risk management and liquidity buffers to support the Group's resilience in the current environment.

6 LOANS AND ADVANCES TO CUSTOMERS

(a) Exposure by staging

	30 June 2026 (Reviewed)			
	Stage 1 BD ’000	***Stage 2 BD ’000***	***Stage 3 BD ’000***	***Total BD ’000***
Loans and advances	**108,811**	**8,864**	**51,691**	**169,366**
Less: expected credit loss	**(1,682)**	**(1,756)**	**(26,289)**	**(29,727)**
Loans and advances	**107,129**	**7,108**	**25,402**	**139,639**

	31 December 2025 (Audited)			
	Stage 1 BD ’000	*Stage 2 BD ’000*	*Stage 3 BD ’000*	*Total BD ’000*
Loans and advances	106,497	8,544	55,280	170,321
Less: expected credit loss	(1,434)	(1,287)	(27,546)	(30,267)
Loans and advances	105,063	7,257	27,734	140,054

(b) Expected credit loss movement

	30 June 2026 (Reviewed)			
2026	***Stage 1 BD ’000***	***Stage 2 BD ’000***	***Stage 3 BD ’000***	***Total BD ’000***
Expected credit loss at 1 January 2026	**1,434**	**1,287**	**27,546**	**30,267**
Net transfer between stages	**(63)**	**4**	**59**	**-**
Net charge for the period	**311**	**465**	**93**	**869**
Write off during the period	**-**	**-**	**(1,409)**	**(1,409)**
Expected credit loss at 30 June 2026	**1,682**	**1,756**	**26,289**	**29,727**

6 LOANS AND ADVANCES TO CUSTOMERS (continued)

(b) Expected credit loss movement (continued)

	31 December 2025 (Audited)			
2025	*Stage 1 BD '000*	*Stage 2 BD '000*	*Stage 3 BD '000*	*Total BD '000*
Expected credit loss at 1 January 2025	1,066	1,978	36,615	39,659
Net transfer between stages	(149)	(953)	1,102	-
Net charge for the year	517	262	976	1,755
Write off during the year	-	-	(11,147)	(11,147)
Expected credit loss at 31 December 2025	1,434	1,287	27,546	30,267

7 TRADE RECEIVABLES

	***(Reviewed)* 30 June 2026 BD '000**	*(Audited) 31 December 2025 BD '000*
Trade receivables	**7,070**	6,527
Less: expected credit losses	**(1,945)**	(1,809)
	5,125	4,718

Movement in expected credit loss

	***(Reviewed)* 30 June 2026 BD '000**	*(Audited) 31 December 2025 BD '000*
At beginning of the period / year	**1,809**	1,637
Charge for the period / year	**136**	172
At end of the period / year	**1,945**	1,809

8 INVENTORIES

	(Reviewed) **30 June 2026** **BD '000**	*(Audited)* *31 December 2025* *BD '000*
Vehicles	**14,642**	11,130
Automotive spare parts	**6,477**	7,098
Real estate inventory	**4,957**	5,329
	26,076	23,557
Provisions	**(1,612)**	(1,633)
	24,464	21,924

Movement in provisions

	(Reviewed) **30 June 2026** **BD '000**	*(Audited)* *31 December 2025* *BD '000*
At beginning of the period / year	**1,633**	1,385
Net charge for the period / year	**213**	477
Utilisation	**(234)**	(229)
At end of the period / year	**1,612**	1,633

9 OTHER ASSETS

	(Reviewed) **30 June 2026** **BD '000**	*(Audited)* *31 December 2025* *BD '000*
Advance to suppliers and manufacturers incentive	**4,290**	6,147
Prepaid expenses	**1,284**	774
VAT receivables	**535**	685
Positive fair value derivative	**104**	50
Others	**202**	205
	6,415	7,861

10 TRADE AND OTHER PAYABLES

	(Reviewed) ***30 June*** ***2026*** ***BD '000***	*(Audited)* *31 December* *2025* *BD '000*
Accounts payable	**7,823**	6,577
Accrued expenses	**7,559**	8,474
Advance from customers	**752**	814
Lease liabilities	**616**	523
Interest payable	**663**	736
Others	**975**	958
	18,388	18,082

11 RENTAL AND REAL ESTATE INCOME

	(Reviewed) ***30 June*** ***2026*** ***BD '000***	*(Reviewed)* *30 June* *2025* *BD '000*
Sale of real estate		
Revenue	**375**	368
Cost of sales	**(368)**	(356)
Profit from sale of real estate	**7**	12
Rental and valuation income	**178**	403
Rental and real estate income	**185**	415

12 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties comprise major shareholders, directors, and key management personnel of the Group and entities owned or controlled, jointly controlled or significantly influenced by them and companies affiliated by virtue of shareholding in common with that of the Group.

The Group has banking relationships and obtains term borrowings and has unutilised credit facilities with certain of its shareholder banks (Bank of Bahrain and Kuwait B.S.C and National Bank of Bahrain B.S.C). All such transactions are in the ordinary course of business and on terms agreed between the parties.

12 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

	(Reviewed)	*(Audited)*
	30 June 2026	*31 December 2025*
	BD '000	*BD '000*
Shareholders:		
Term loans	**43,034**	42,984
Bank balance	**2,767**	1,234

	(Reviewed)	*(Reviewed)*
	30 June 2026	*30 June 2025*
	BD '000	*BD '000*
Shareholders:		
Interest expense	**1,518**	1,478

Key management personnel

Transactions with related parties are transactions with key management personnel or their direct family members.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel include members of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officer, the automotive companies' Chief Executive Officer, approved personnel by the CBB and the General Managers.

	(Reviewed)	*(Audited)*
	30 June 2026	*31 December 2025*
	BD '000	*BD '000*
Loan and advances*	**806**	611

	(Reviewed)	*(Reviewed)*
	30 June 2026	*30 June 2025*
	BD '000	*BD '000*
For the period ended		
Salaries and short-term and end of service employee benefits	**1,187**	1,001
Directors remuneration and attendance fees	**264**	183
Sales, service and lease of vehicles	**13**	47

*The Group has allowance for expected credit losses on balances with related parties of BD 334 thousand (31 December 2025: BD 580 thousand).

13 APPROPRIATIONS

At the Annual General Meeting held on 25 March 2026, the shareholders approved the appropriation of dividends of BD 3,424 thousand and the appropriation of donations of BD 150 thousand (2025: appropriation of dividends of BD 3,021 thousand and the appropriation of donations of BD 150 thousand) from the retained earnings of the Group.

14 OPERATING SEGMENT INFORMATION

	Operating income		***Profit / (loss)***	
	Six months ended 30 June 2026 (Reviewed) BD '000	*Six months ended 30 June 2025 (Reviewed) BD '000*	***Six months ended 30 June 2026 (Reviewed) BD '000***	*Six months ended 30 June 2025 (Reviewed) BD '000*
Lending	**4,945**	5,177	**19**	780
Automotive	**4,438**	4,476	**1,247**	1,598
Insurance	**353**	437	**83**	23
Real estate	**185**	415	**(149)**	(153)
	9,921	10,505	**1,200**	2,248

Majority of the Group's assets and liabilities are concentrated in the lending and automotive segments. Total assets as of 30 June 2026 amounted to BD 155,693 thousand and BD 50,891 thousand (31 December 2025: BD 155,119 thousand and BD 50,012 thousand) and total liabilities amounted to BD 102,256 thousand and BD 9,855 thousand (31 December 2025: BD 99,877 thousand and BD 8,863 thousand) in the lending and automotive segments respectively.

15 FAIR VALUE

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 in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Except for derivative instruments which are classified as at fair value, all of the Group's other financial assets and liabilities are classified as at amortised cost.

Fair value hierarchy

The Group measures fair values of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. ask 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 where all significant inputs are directly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes instruments where the valuation technique includes inputs not based on market observable data.

15 FAIR VALUE (continued)

(i) Financial assets and liabilities measured at fair value

The fair value of the derivatives, which are not exchange traded, is estimated at the amount the Group would receive or pay to terminate the contract at the reporting date taking into account current market conditions and the current credit worthiness of the counterparties. The Group's exposure to derivatives are categorised under Level 2.

(ii) Financial assets and liabilities not measured at fair value

The following tables set out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised:

30 June 2026 (Reviewed)	***Level 1***	***Level 2***	***Level 3***	***Fair value***	***Carrying value***
	BD '000	***BD '000***	***BD '000***	***BD '000***	***BD '000***
Loans and advances to customers	**-**	**-**	**139,639**	**139,639**	**139,639**
Bank term loans and other borrowings	**-**	**-**	**94,102**	**94,102**	**94,102**

31 December 2025 (Audited)	*Level 1*	*Level 2*	*Level 3*	*Fair value*	*Carrying value*
	BD '000	*BD '000*	*BD '000*	*BD '000*	*BD '000*
Loans and advances to customers	-	-	140,054	140,054	140,054
Bank term loans and other borrowings	-	-	91,053	91,053	91,053

In the case of loans and advances to customers, the average interest rate of the loan portfolio is in line with current market rates for similar facilities and hence after consideration of adjustment for prepayment risk and impairment charges it is expected that the carrying value would not be materially different to fair value of these assets.

The fair value of bank term loans and other borrowings issued approximate their carrying value since they are at floating interest rates.

The fair values of all other financial instruments approximated their respective book values due to their short-term nature.