

**YANAL FINANCE COMPANY  
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED  
30 JUNE 2025**

**YANAL FINANCE COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025**

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## Report on review of interim condensed financial statements

To the Shareholders of YANAL Finance Company  
(A Saudi Closed Joint Stock Company)

### **Introduction**

We have reviewed the accompanying interim condensed statement of financial position of YANAL Finance Company (A Saudi Closed Joint Stock Company) (the "Company") as of 30 June 2025 and the related interim condensed statements of income and comprehensive income for the three-month and six-month periods then ended, and the changes in shareholders' equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed 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 interim condensed 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 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, as 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

### **PricewaterhouseCoopers**



Adel F. Alqahtani  
License Number 614



27 July 2025

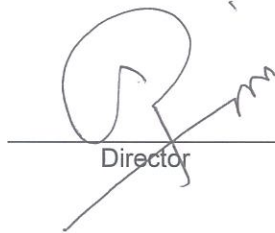
**YANAL FINANCE COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
(All amounts are in Saudi Riyals unless stated otherwise)

	Note	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
<b>Assets</b>			
Cash and cash equivalents	7	82,177,424	32,839,677
Advances, prepayments, and other receivables	6	19,456,505	19,708,644
Net investment in finance leases	4	745,439,636	789,168,358
Net investment in murabaha finance	5	967,187,251	801,036,405
Equity investment designated at fair value through other comprehensive income ("FVOCI")		892,850	892,850
Intangible assets		439,939	571,670
Property, equipment and right of use assets		7,591,970	8,414,830
<b>Total assets</b>		<b>1,823,185,575</b>	<b>1,652,632,434</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Short-term loan		35,400,621	20,003,870
Accounts payable		50,177,892	33,175,198
Accrued expenses and other liabilities	9	29,543,713	45,947,539
Zakat and income tax	11	6,064,080	14,699,694
Negative fair value of derivative		-	1,133
Long-term loans, lease liability and grants	8	720,941,861	542,213,891
Employees' end of service benefits (EOSB)		25,519,066	24,665,514
<b>Total liabilities</b>		<b>867,647,233</b>	<b>680,706,839</b>
<b>Equity</b>			
Share capital		550,000,000	550,000,000
Statutory reserve		106,397,004	106,397,004
Retained earnings		299,141,338	315,529,724
Cash flow hedge		-	(1,133)
<b>Total equity</b>		<b>955,538,342</b>	<b>971,925,595</b>
<b>Total liabilities and equity</b>		<b>1,823,185,575</b>	<b>1,652,632,434</b>

The accompanying notes (1) through (16) form an integral part of these interim condensed financial statements.



Chief Executive Officer



Director




Chief Financial  
Officer

**YANAL FINANCE COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**INTERIM CONDENSED STATEMENT OF INCOME (UNAUDITED)**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE**  
(All amounts are in Saudi Riyals unless stated otherwise)

		For the three months ended 30 June (Unaudited)		For the six months ended 30 June (Unaudited)	
	Note	2025	2024	2025	2024
Finance income	10	57,437,070	46,836,037	116,191,471	94,744,601
Special commission expense	8.3	(11,860,266)	(8,648,189)	(22,000,739)	(17,136,961)
<b>Net finance income</b>		<b>45,576,804</b>	<b>38,187,848</b>	<b>94,190,732</b>	<b>77,607,640</b>
<b>Other income</b>		<b>317,155</b>	<b>2,684,780</b>	<b>693,656</b>	<b>3,201,925</b>
<b>OPERATING EXPENSES</b>					
Expected credit losses ("ECL") (charge) / reversal on financial assets	4.2, 5.2	(1,767,256)	(1,463,037)	(726,556)	2,846,380
Salaries and employee related expenses		(15,206,517)	(13,515,489)	(31,024,969)	(26,770,276)
Other general and administrative expenses		(2,807,376)	(2,201,595)	(5,608,378)	(4,780,947)
Depreciation and amortisation		(627,359)	(612,475)	(1,250,566)	(1,219,224)
<b>Total operating expenses</b>		<b>(20,408,508)</b>	<b>(17,792,596)</b>	<b>(38,610,469)</b>	<b>(29,924,067)</b>
<b>Income for the period before zakat and income tax</b>		<b>25,485,451</b>	<b>23,080,032</b>	<b>56,273,919</b>	<b>50,885,498</b>
Zakat expense	11	(2,870,568)	(2,427,929)	(6,337,616)	(5,467,136)
Income tax expense	11	(1,266,932)	(1,521,644)	(1,091,060)	(2,959,270)
<b>Total zakat and income tax expense</b>		<b>(4,137,500)</b>	<b>(3,949,573)</b>	<b>(7,428,676)</b>	<b>(8,426,406)</b>
<b>Income for the period after zakat and income tax</b>		<b>21,347,951</b>	<b>19,130,459</b>	<b>48,845,243</b>	<b>42,459,092</b>
<b>Earnings per share - basic and diluted</b>	12	<b>0.39</b>	<b>0.35</b>	<b>0.89</b>	<b>0.77</b>

The accompanying notes (1) through (16) form an integral part of these interim condensed financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

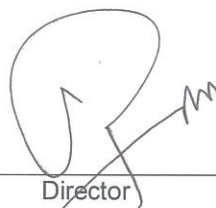
**YANAL FINANCE COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE**  
(All amounts are in Saudi Riyals unless stated otherwise)

	For the three months ended 30 June (Unaudited)		For the six months ended 30 June (Unaudited)	
	2025	2024	2025	2024
Income for the period after zakat and income tax	21,347,951	19,130,459	48,845,243	42,459,092
Other comprehensive income				
<i>Items that are or maybe reclassified to statement of income in subsequent periods</i>				
Cash flow hedge – effective portion of changes in fair value	(2,902)	(8,838)	1,133	59,233
<i>Items that will not be reclassified to statement of income in subsequent periods</i>				
Actuarial gain / (loss) on EOSB	293,605	219,001	(608,629)	(946,159)
<b>Total comprehensive income for the period</b>	<b>21,638,654</b>	<b>19,340,622</b>	<b>48,237,747</b>	<b>41,572,166</b>

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Chief Executive Officer



Director



Chief Financial Officer



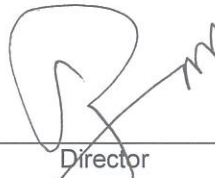
**YANAL FINANCE COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**  
(All amounts are in Saudi Riyals unless stated otherwise)

	Share capital	Statutory reserve	Retained earnings	Cash flow hedge	Total equity
<b>Balance as at 31 December 2023 (Audited)</b>	550,000,000	106,397,004	290,277,738	73,453	946,748,195
<b>Total comprehensive income:</b>					
Income for the period after zakat and income tax	-	-	42,459,092	-	42,459,092
Other comprehensive (loss) / income	-	-	(946,159)	59,233	(886,926)
Dividends paid (Note 15)	-	-	41,512,933	59,233	41,572,166
	-	-	(55,000,000)	-	(55,000,000)
<b>Balance as at 30 June 2024 (Unaudited)</b>	550,000,000	106,397,004	276,790,671	132,686	933,320,361
<b>Balance as at 31 December 2024 (Audited)</b>	550,000,000	106,397,004	315,529,724	(1,133)	971,925,595
<b>Total comprehensive income:</b>					
Income for the period after zakat and income tax	-	-	48,845,243	-	48,845,243
Other comprehensive (loss) / income	-	-	(608,629)	1,133	(607,496)
			48,236,614	1,133	48,237,747
Dividends paid (Note 15)	-	-	(64,625,000)	-	(64,625,000)
<b>Balance as at 30 June 2025 (Unaudited)</b>	550,000,000	106,397,004	299,141,338	-	955,538,342

The accompanying notes (1) through (16) form an integral part of these interim condensed financial statements.



Chief Executive Officer



Director



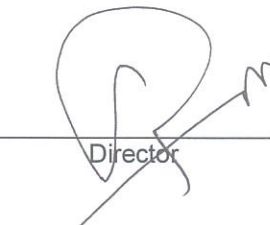
Chief Financial Officer


**YANAL FINANCE COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS - UNAUDITED**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE**  
(All amounts are in Saudi Riyals unless stated otherwise)

	Note	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income for the period before zakat and income tax		56,273,919	50,885,498
<b>Adjustments for non-cash items:</b>			
Depreciation of property and equipment		1,117,715	1,065,365
Amortisation of intangible assets		132,851	153,859
Special commission expense		22,000,739	17,136,961
ECL allowance on financial assets	4.2,5.2	726,556	(2,846,380)
Gain on disposal of property, equipment and intangible assets		-	(1,304)
Employees' EOSB expense, net		1,915,166	1,685,053
		<b>82,166,946</b>	<b>68,079,052</b>
<b>Changes in operating assets and liabilities:</b>			
Advances, prepayments and other receivables		220,547	(3,418,454)
Net investment in finance leases		40,739,796	(36,677,162)
Net investment in murabaha finance		(163,888,476)	(84,206,913)
Accounts payable		17,002,694	49,122,297
Accrued expenses and other liabilities		(16,342,587)	1,833,576
Zakat and income tax paid		(16,064,290)	(11,005,954)
EOSB paid		(1,670,243)	(68,436)
<b>Net cash used in operating activities</b>		<b>(57,835,613)</b>	<b>(16,341,994)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>			
Additions to property, equipment and intangible assets		(295,975)	(785,686)
Proceeds from sale of property, equipment and intangible assets		-	1,304
<b>Net cash used in investing activity</b>		<b>(295,975)</b>	<b>(784,382)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans		411,000,000	285,000,000
Repayments of loans		(209,822,915)	(236,754,166)
Repayments of profit-free SAMA deposit		(7,581,590)	(8,503,881)
Payment against lease liability		(742,500)	(594,000)
Special commission and other bank charges paid		(20,758,660)	(16,549,406)
Dividends paid, net of zakat recovered		(64,625,000)	(52,367,158)
<b>Net cash generated from / (used) in financing activities</b>		<b>107,469,335</b>	<b>(29,768,611)</b>
Net increase / (decrease) in cash and cash equivalents		49,337,747	(46,894,987)
Cash and cash equivalents at the beginning of the period		32,839,677	46,355,961
<b>Cash and cash equivalents at the end of the period</b>	7	<b>82,177,424</b>	<b>(539,026)</b>

The accompanying notes (1) through (16) form an integral part of these interim condensed financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



**YANAL FINANCE COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025** (Unaudited)  
(All amounts are in Saudi Riyals unless stated otherwise)

**1. GENERAL INFORMATION**

YANAL Finance Company (the "Company") is a Saudi closed joint stock company established under the Regulations for Companies in the Kingdom of Saudi Arabia. The Company operates under Commercial Registration number 1010163957 issued in Riyadh on 21 Shawal 1421H (corresponding to 16 January 2001), non-industrial license number 99 dated 27 Safar 1421H (corresponding to 31 May 2000) issued by the Ministry of Commerce and a finance company license number 7/A Sh/201403 dated 27 Rabi-al-Thani 1435H (corresponding to 27 February 2014) issued by the Saudi Central Bank ("SAMA"), through its six branches (2024: six branches) in the Kingdom of Saudi Arabia.

The Company's head office is located in Riyadh at the following address:

YANAL Finance Company  
3612, Prince Fawaz Bin Abdul Aziz, Ar Rabwah Dist.  
Riyadh 12813 – 7997  
Kingdom of Saudi Arabia

The Company has the following branches:

<b>Branch commercial registration number</b>	<b>Date</b>	<b>Location</b>
2050046083	9 Jamada Awal, 1425H	Dammam
4030150057	9 Jamada Awal, 1425H	Jeddah
2055013067	9 Rabi-Al-Awwal, 1432H	Jubail
5855036378	9 Rabi-Al-Awwal, 1432H	Khamis Mushait
4031090240	26 Rabi-Al-Thanni, 1436H	Makkah Al-Mukaramah
1131344162	30 Rabi Al Awwal 1446H	Buraidah

The results, assets and liabilities of the branches are included in these interim condensed financial statements.

The objective of the Company is to provide lease financing for movable and immovable assets and murabaha financing to all economic sectors in the Kingdom of Saudi Arabia.

These interim condensed financial statements have been reviewed, not audited.

**2. BASIS OF PREPARATION**

- 2.1** These interim condensed financial statements of the Company as at and for the six-month period ended 30 June 2025 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).
- 2.2** These interim condensed financial statements do not include all information and disclosure required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements for the year ended 31 December 2024.

**YANAL FINANCE COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025** (Unaudited)  
(All amounts are in Saudi Riyals unless stated otherwise)

**2. BASIS OF PREPARATION** (continued)

**2.3** The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after 1 January 2025. The management has assessed that the amendments have no significant impact on the Company's interim condensed financial statements.

- Amendment to IAS 21 – Lack of exchangeability – 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.

The listing of standards and interpretations issued which the Company reasonably expects to be applicable at a future date are as follows. The Company intends to adopt these standards when they become effective, where applicable.

<b>Standard / Interpretation</b>	<b>Description</b>	<b>Effective from periods beginning on or after</b>
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 recognised 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 recognised and derecognised and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
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

**YANAL FINANCE COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025** (Unaudited)  
(All amounts are in Saudi Riyals unless stated otherwise)

**2. BASIS OF PREPARATION** (continued)

- 2.4** The accounting and risk management policies used in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2024.

**3. USE OF JUDGEMENTS AND ESTIMATES**

The preparation of interim condensed 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 interim results may not represent a proper indication of the annual results of operations. In preparing these interim condensed 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 applied to the statutory financial statements as at and for the year ended 31 December 2024.

**4. NET INVESTMENT IN FINANCE LEASES**

- 4.1** Reconciliation between gross and net investment in finance leases are as follows:

	Note	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Finance lease receivables		899,057,065	1,005,565,591
Unearned finance lease income		(118,817,553)	(144,980,051)
Net investment in finance leases		780,239,512	860,585,540
Modification loss		(70,700,694)	(70,700,694)
Income on modified finance leases	10	70,700,694	70,163,316
		-	(537,378)
Net investment in finance leases after modification loss		780,239,512	860,048,162
ECL on investment in finance leases	4.2	(34,799,876)	(70,879,804)
		745,439,636	789,168,358
Current maturity		(421,840,093)	(454,179,429)
		323,599,543	334,988,929

- 4.2** The movement in the ECL on net investment in finance lease was as follows:

	Note	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Balance as at 1 January		70,879,804	87,761,532
ECL charged / (reversed) for the period / year		2,988,926	(8,106,397)
Bad debt written-off		(39,068,854)	(8,775,331)
Balance at the end of the period / year	4.2.1	34,799,876	70,879,804

**YANAL FINANCE COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (Unaudited)**  
(All amounts are in Saudi Riyals unless stated otherwise)

**4. NET INVESTMENT IN FINANCE LEASES (continued)**

**4.2.1** Portfolio ECL analysis for investment in finance leases is as follows:

<b>30 June 2025 (Unaudited)</b>	<b>Net investment in finance lease</b>	<b>ECL</b>	<b>Probability of default rates</b>
<b>Days past due category</b>			
Not yet due	522,274,758	160,091	0.00%-0.03%
1-90 days*	204,934,596	638,020	0.04%-1.24%
91-180 days*	20,676,040	4,352,042	1.25%-12.37%
181-365 days	3,525,376	820,981	12.38%-49.72%
366 days – 730 days	-	-	49.73%-100%
Above 730 days and specific accounts**	28,828,742	28,828,742	100%
	<b>780,239,512</b>	<b>34,799,876</b>	

<b>31 December 2024 (Audited)</b>	<b>Net investment in finance lease</b>	<b>ECL</b>	<b>Probability of default rates</b>
<b>Days past due category</b>			
Not yet due	624,375,546	1,810,310	0.00%-0.03%
1-90 days*	167,120,612	675,157	0.04%-1.18%
91-180 days*	690,804	24,681	1.19%-14.14%
181-365 days	-	-	14.15%-51.57%
366 days – 730 days	940,527	911,605	51.58%-100%
Above 730 days and specific accounts**	67,458,051	67,458,051	100%
	<b>860,585,540</b>	<b>70,879,804</b>	

\* Net investment in finance lease of SR 14.8 million (2024: SR 16.3 million) under overdue category of 1-90 days and 91-180 days are secured by real estate collateral, while the balance is secured by title to vehicle, machinery and equipment.

\*\* Includes fully provided specific accounts reclassified from 'Not yet due' to '366 days – 730 days' overdue categories with net investment in finance lease amounting to SR 27.3 million (2024: SR 62 million).

**5. NET INVESTMENT IN MURABAHA FINANCE**

**5.1** Reconciliation between murabaha finance receivables and net investment in murabaha finance is as follows:

	<b>Note</b>	<b>As at 30 June 2025 (Unaudited)</b>	<b>As at 31 December 2024 (Audited)</b>
Murabaha finance receivables		1,123,726,260	943,911,452
Unearned murabaha finance income		(150,719,290)	(134,659,902)
Net investment in murabaha finance		973,006,970	809,251,550
Modification loss		(11,580,516)	(11,580,516)
Income on modified murabaha finance	10	11,370,201	11,237,145
		(210,315)	(343,371)
Net investment in murabaha finance after modification loss		972,796,655	808,908,179
ECL on investment in murabaha finance	5.2, 5.4	(5,609,404)	(7,871,774)
		967,187,251	801,036,405
Current maturity		(428,651,895)	(347,212,591)
		<b>538,535,356</b>	<b>453,823,814</b>

**YANAL FINANCE COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (Unaudited)**  
(All amounts are in Saudi Riyals unless stated otherwise)

**5. NET INVESTMENT IN MURABAHA FINANCE (continued)**

**5.2** The movement in the ECL on Murabaha finance receivables was as follows:

	<b>Note</b>	<b>As at 30 June 2025 (Unaudited)</b>	<b>As at 31 December 2024 (Audited)</b>
Balance as at 1 January		<b>7,871,774</b>	2,657,414
ECL (reversed) / charge for the period / year		<b>(2,262,370)</b>	5,214,360
Balance at the end of the period / year	5.2.1	<b>5,609,404</b>	7,871,774

**5.2.1** Stage wise analysis of murabaha finance receivables and ECL is as follow:

	<b>Performing (Stage 1)</b>	<b>Under- performing (Stage 2)</b>	<b>Non- performing (Stage 3)</b>	<b>Total</b>
<b>30 June 2025 (Unaudited)</b>				
Net investment in murabaha finance	<b>906,171,925</b>	<b>49,946,310</b>	<b>16,888,735</b>	<b>973,006,970</b>
ECL	<b>(1,972,428)</b>	<b>(27,135)</b>	<b>(3,609,841)</b>	<b>(5,609,404)</b>
Net receivables	<b>904,199,497</b>	<b>49,919,175</b>	<b>13,278,894</b>	<b>967,397,566</b>
	<b>Performing (Stage 1)</b>	<b>Under- performing (Stage 2)</b>	<b>Non- performing (Stage 3)</b>	<b>Total</b>
<b>31 December 2024 (Audited)</b>				
Net investment in murabaha finance	782,285,297	9,732,676	17,233,577	809,251,550
ECL	(2,035,279)	(25,761)	(5,810,734)	(7,871,774)
Net receivables	780,250,018	9,706,915	11,422,843	801,379,776

**5.3** Stage-wise movement of net investment in murabaha finance:

	<b>Performing (Stage 1)</b>	<b>Under- performing (Stage 2)</b>	<b>Non- performing (Stage 3)</b>	<b>Total</b>
<b>30 June 2025 (Unaudited)</b>				
Balances as at 1 January	<b>782,285,297</b>	<b>9,732,676</b>	<b>17,233,577</b>	<b>809,251,550</b>
Transfer from Stage 1	<b>(47,208,161)</b>	<b>43,284,894</b>	<b>3,923,267</b>	-
Transfer from Stage 2	<b>754,086</b>	<b>(754,086)</b>	-	-
Transfer from Stage 3	<b>1,259,865</b>	-	<b>(1,259,865)</b>	-
Financial assets settled	<b>(35,706,048)</b>	<b>(354,134)</b>	<b>(2,600,954)</b>	<b>(38,661,136)</b>
New financial assets originated	<b>262,220,862</b>	-	-	<b>262,220,862</b>
Net re-measurement	<b>(57,433,976)</b>	<b>(1,963,040)</b>	<b>(407,290)</b>	<b>(59,804,306)</b>
	<b>123,886,628</b>	<b>40,213,634</b>	<b>(344,842)</b>	<b>163,755,420</b>
Balances as at 30 June	<b>906,171,925</b>	<b>49,946,310</b>	<b>16,888,735</b>	<b>973,006,970</b>



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**5. NET INVESTMENT IN MURABAHA FINANCE** (continued)

**5.3** Stage-wise movement of net investment in murabaha finance (continued):

	<b>Performing</b>	<b>Under-</b>	<b>Non-</b>	<b>Total</b>
	(Stage 1)	performing	performing	
		(Stage 2)	(Stage 3)	
<b>31 December 2024 (Audited)</b>				
Balances as at 1 January	577,924,053	28,333,615	14,254,596	620,512,264
Transfer from Stage 1	(18,410,223)	8,606,145	9,804,078	-
Transfer from Stage 2	12,348,787	(12,348,787)	-	-
Transfer from Stage 3	2,071,126	-	(2,071,126)	-
Financial assets settled	(38,422,138)	(459,250)	(2,675,044)	(41,556,432)
New financial assets originated	227,879,562	-	1,666,314	229,545,876
Net re-measurement	18,894,130	(14,399,047)	(3,745,241)	749,842
	204,361,244	(18,600,939)	2,978,981	188,739,286
Balances as at 31 December	782,285,297	9,732,676	17,233,577	809,251,550

**5.4** Stage-wise movement in ECL of net investment in murabaha finance is as follows:

	<b>Performing</b>	<b>Under-</b>	<b>Non-</b>	<b>Total</b>
	(Stage 1)	performing	performing	
		(Stage 2)	(Stage 3)	
<b>30 June 2025 (Unaudited)</b>				
ECL as at 1 January	2,035,279	25,761	5,810,734	7,871,774
Transfer from Stage 1	(53,981)	24,089	29,892	-
Transfer from Stage 2	451	(451)	-	-
Transfer from Stage 3	39	-	(39)	-
Financial assets settled	(4,894)	(975)	(2,600,954)	(2,606,823)
New financial assets originated	11,390	-	-	11,390
Net re-measurement of ECL	(15,856)	(21,289)	370,208	333,063
	(62,851)	1,374	(2,200,893)	(2,262,370)
ECL as at 30 June	1,972,428	27,135	3,609,841	5,609,404

	<b>Performing</b>	<b>Under-</b>	<b>Non-</b>	<b>Total</b>
	(Stage 1)	performing	performing	
		(Stage 2)	(Stage 3)	
<b>31 December 2024 (Audited)</b>				
ECL as at 1 January	96,164	98,650	2,462,600	2,657,414
Transfer from Stage 1	(196,189)	23,316	172,873	-
Transfer from Stage 2	3,078	(3,078)	-	-
Transfer from Stage 3	1,904,208	-	(1,904,208)	-
Financial assets settled	(14,545)	(346)	(119,258)	(134,149)
New financial assets originated	24,455	-	28,584	53,039
Net re-measurement of ECL	218,108	(92,781)	5,170,143	5,295,470
	1,939,115	(72,889)	3,348,134	5,214,360
ECL as at 31 December	2,035,279	25,761	5,810,734	7,871,774

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**6. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**

		<b>As at 30 June 2025 (Unaudited)</b>	<b>As at 31 December 2024 (Audited)</b>
	<b>Note</b>		
Deferred value added tax ("VAT") and VAT refund		<b>9,240,809</b>	10,398,633
Prepaid expenses		<b>4,876,853</b>	4,713,547
Loans and advances to staff		<b>3,040,743</b>	2,622,327
Receivable from lessees, net	6.1	<b>1,178,520</b>	729,927
Prepaid insurance, net		<b>629,975</b>	1,102,226
Advance to suppliers		<b>191,565</b>	56,695
Other		<b>298,040</b>	85,289
		<b>19,456,505</b>	19,708,644

- 6.1** Receivable from lessees are stated net of ECL balance of SR 1,636,974 (2024: SR 1,667,059). Amount written off during the six-month period ended 30 June 2025 amounted to SR 30,085 (2024: Nil).

**7. CASH AND CASH EQUIVALENTS**

	<b>As at 30 June 2025 (Unaudited)</b>	<b>As at 31 December 2024 (Audited)</b>
Cash at banks	<b>82,166,646</b>	32,822,251
Cash in hand	<b>10,778</b>	17,426
	<b>82,177,424</b>	32,839,677

**8. LONG-TERM LOANS, LEASE LIABILITY AND GRANTS**

		<b>As at 30 June 2025 (Unaudited)</b>	<b>As at 31 December 2024 (Audited)</b>
	<b>Note</b>		
Long-term loans	8.1	<b>705,750,002</b>	519,572,918
Commission-free deposit payable to SAMA	8.2	<b>7,406,019</b>	14,987,609
		<b>713,156,021</b>	534,560,527
Government grant on SAMA		-	(1,285,599)
Special commission expense on grant	8.3	-	1,285,599
		-	-
Accrued special commission expense		<b>4,485,766</b>	3,770,272
Total loans and deposits, net of grant		<b>717,641,787</b>	538,330,799
Less: unamortised fee		<b>(19,103)</b>	(69,183)
		<b>717,622,684</b>	538,261,616
Lease liability		<b>3,319,177</b>	3,952,275
		<b>720,941,861</b>	542,213,891
Less: current maturity		<b>(325,648,828)</b>	(250,357,835)
Non-current portion of long-term loans, lease liability and grants		<b>395,293,033</b>	291,856,056

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**8. LONG-TERM LOANS, LEASE LIABILITY AND GRANTS (continued)**

- 8.1** Long term loans are obtained from commercial banks at prevailing commercial commission rates which are payable by June 2028. The Company was fully compliant with the covenants on long-term loans during the period / year ended 30 June 2025 and 31 December 2024.
- 8.2** Represents the commission-free deposit received from SAMA against funding for lending program of SAMA to support SME customers. The financing tenure is thirty-six months including six-month repayments grace period. The net impact of the commission-free deposit from SAMA and commission charged on financing to SME customers with a low commission rate is not significant to the interim condensed financial statements.
- 8.3** Special commission expense includes an amount of nil (2024: SR 6,302) commission cost on SAMA commission-free deposit.

**9. ACCRUED EXPENSES AND OTHER LIABILITIES**

	<b>As at 30 June 2025 (Unaudited)</b>	<b>As at 31 December 2024 (Audited)</b>
Proposed lease related payables	9,729,796	23,600,773
Employee related payables	7,366,542	9,226,705
Accrued expenses	3,650,367	2,441,723
Charity payable	3,373,402	2,608,031
Leased assets insurance claims to be settled	1,832,040	1,393,440
Legal and professional charges	1,456,004	2,701,857
Other	2,135,562	3,975,010
	<b>29,543,713</b>	<b>45,947,539</b>

**10. FINANCE INCOME**

Finance income for the six-month period ended includes reversal of SR 0.54 million (2024: SR 1.54 million) and SR 0.13 million (2024: SR 0.25 million) against modification loss on finance leases and murabaha finance contracts, respectively.

**11. ZAKAT AND INCOME TAX**

There is no change in the status of Zakat and income tax assessment since 31 December 2024.

**12. BASIC AND DILUTED EARNINGS PER SHARE**

The basic and diluted earnings per share are calculated by dividing the profit for the period attributable to the shareholders by weighted average number of shares 55,000,000 (2024: 55,000,000) at the end of the period.

**13. COMMITMENTS**

	<b>As at 30 June 2025 (Unaudited)</b>	<b>As at 31 December 2024 (Audited)</b>
Cost of finance lease and murabaha contracts not yet executed	18,573,734	10,694,377
Bank guarantees issued on behalf of the Company	5,000,000	5,000,000

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**14. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent major shareholders, Board members and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Other related parties represent entities under common control and entities controlled by key management personnel of the Company. Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

In the ordinary course of its activities, the Company transacts business with related parties, which are related to its shareholders. Significant related party transactions and balances are as follows:

	<b>For the six-month period ended 30 June 2025 (Unaudited)</b>	<b>For the six-month period ended 30 June 2024 (Unaudited)</b>
<b><u>Transactions:</u></b>		
<b>The Saudi Investment Bank – shareholder</b>		
Loans received	160,000,000	85,000,000
Loans repayment	64,166,667	54,500,000
Special commission expense and other bank charges paid	5,933,316	4,623,064
Rent and premises related expense	125,000	125,000
<b>The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company, KSA- affiliate</b>		
Premium for insurance and other related payments, net	2,057,462	2,059,191
<b>Key Management Personnel</b>		
Salaries and other short-term employee benefits	7,647,137	6,800,614
End of service benefits	399,288	447,951
Directors' meeting attendance fees	590,000	590,000
	<b>As at 30 June 2025 (Unaudited)</b>	<b>As at 31 December 2024 (Audited)</b>
<b><u>Balances:</u></b>		
<b>The Saudi Investment Bank - shareholder</b>		
Bank current accounts	80,850,022	23,036,464
Loans (including accrued commission)	218,838,127	122,476,343
Negative fair value of derivative	-	(1,133)
<b>The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company, KSA - other related parties</b>		
Advance / prepaid against insurance premium, net	1,206,633	133,280
<b>Key Management Personnel</b>		
Employees' end of service benefits	3,738,464	3,339,176
Loans to key management of the Company	473,512	765,616
Directors' meeting attendance fee payable	590,000	1,180,000

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**15. DIVIDENDS**

The Board of Directors proposed an annual dividend of SR 1.175 per share (2024: SR 1 per share) for the year ended 31 December 2024 amounting to SR 64.63 million (2023: SR 55 million). The shareholders approved the distribution at the Annual General meeting held on 07 May 2025 which was fully paid as at 30 June 2025.

**16. DATE OF APPROVAL OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS**

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