

SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

Interim condensed financial statements

For the period ended 31 March 2025

together with the

Report on review of interim condensed financial statements

SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 31 March 2025

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED
FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SAUDI FRANSI FOR FINANCE
LEASING COMPANY
(A CLOSED JOINT STOCK COMPANY)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Saudi Fransi for Finance Leasing Company ("the Company") as at 31 March 2025, and the related interim condensed statements of profit or loss, comprehensive income, changes in shareholder's equity and cash flows for the three-month period then ended, and 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 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services



Saud A. Altamimi
Certified Public Accountant
License No. (650)



Riyadh: 09 Thul-Qi'dah 1446H
07 May 2025

SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025 and 31 December 2024

(SAR '000)

		31 March 2025 (Unaudited)	31 December 2024 (Audited)
	Notes		
ASSETS			
Cash and cash equivalents		176,676	86,746
Net investment in finance leases	5	4,106,468	3,637,187
Personal financing	6	919,838	774,457
Positive fair value of derivatives	9	10,623	18,234
Prepayments		187,881	165,710
Other assets	7	218,399	227,810
Investments at fair value through other comprehensive income (FVOCI)	8	893	893
Intangible assets		47,333	47,812
Property, equipment and right of use assets		2,732	2,953
Total assets		5,670,843	4,961,802
SHAREHOLDER'S EQUITY AND LIABILITIES			
Liabilities			
Accounts payable	12	695,996	516,113
Advance from customers		125,478	102,514
Due to related party	10.b	3,232	403
Negative fair value of derivatives	9	1,396	1,001
Provision, accrued expenses and other liabilities	13	94,563	101,424
Provision for zakat	14	9,775	8,623
Long-term Tawarruq Financing	11	3,415,195	2,909,188
Employees' end of service benefits		12,603	12,084
Total liabilities		4,358,238	3,651,350
Shareholder's equity			
Share capital	15	750,000	750,000
Statutory reserve		58,603	58,603
Other reserve		10,663	18,672
Retained earnings		493,339	483,177
Total shareholder's equity		1,312,605	1,310,452
Total shareholder's equity and liabilities		5,670,843	4,961,802

Mohammed Al Shaeikh
Chairman

Haitham Aljarbooa
Chief Executive Officer

Ahamed T. Rasheed
Acting Chief Financial Officer

The accompanying notes (1) through (21) form an integral part of these financial statements.

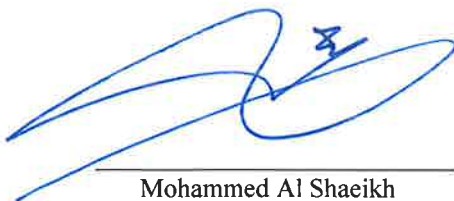
SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the three months period ended 31 March 2025

(SAR '000)


	<i>Notes</i>	For the three-months period ended	
		31 March 2025	31 March 2024
Finance income		102,691	60,853
Fees income	16	15,237	9,503
Fees expenses	16	(15,073)	(8,170)
Fees income, net		164	1,333
Total operating income		102,855	62,186
Salaries and employee-related expenses		(20,814)	(20,237)
Depreciation		(221)	(340)
Amortization		(749)	(485)
Other general and administration expenses		(10,258)	(8,681)
Financial charges		(41,556)	(32,413)
Charge of expected credit losses, net	5.1.1	(21,144)	(12,389)
Total operating expenses		(94,742)	(74,545)
Net operating profit/(loss)		8,113	(12,359)
Gain on disposal of net investment in finance lease	5.1.3	-	14,930
Provision for financial guarantee on lease receivables sold	5.1.3	(1,277)	(4,939)
Other income		4,478	3,157
		3,201	13,148
Net income for the period before zakat		11,314	789
Zakat expense	14	(1,152)	(81)
Net income for the period		10,162	708



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Chairman



Haitham Aljarbooa
Chief Executive Officer



Ahamed T. Rasheed
Acting Chief Financial Officer

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SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

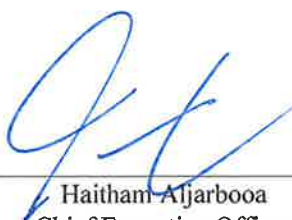
For the three months period ended 31 March 2025

(SAR '000)

	For the three-months period ended	
	31 March 2025	31 March 2024
Notes		
Net income for the period	10,162	708
Other comprehensive income:		
<i>Items that will be reclassified to statement of income in subsequent periods:</i>		
Cash flow hedges:		
- Net change in fair value	9 (8,009)	9,806
Total comprehensive income for the period	2,153	10,514



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Chief Executive Officer



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Acting Chief Financial Officer

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SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY (UNAUDITED)

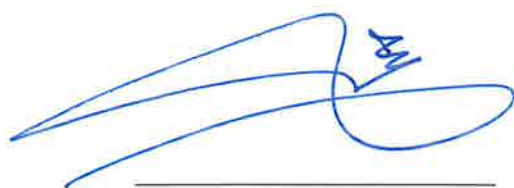
For the three months period ended 31 March 2025
(SAR '000)

**For the three-months period ended
31 March 2025**

	<u>Share Capital</u>	<u>Statutory reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at 1 January 2025	750,000	58,603	18,672	483,177	1,310,452
Net income for the period	-	-	-	10,162	10,162
Other comprehensive loss	-	-	(8,009)	-	(8,009)
Total comprehensive income	-	-	(8,009)	10,162	2,153
Balance as at 31 March 2025	<u>750,000</u>	<u>58,603</u>	<u>10,663</u>	<u>493,339</u>	<u>1,312,605</u>

**For the three-months period ended
31 March 2024**

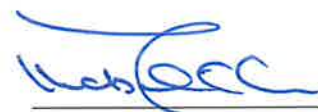
	<u>Share Capital</u>	<u>Statutory reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at 1 January 2024	500,000	55,448	25,586	454,785	1,035,819
Net income for the period	-	-	-	708	708
Other comprehensive income	-	-	9,806	-	9,806
Total comprehensive income	-	-	9,806	708	10,514
Balance as at 31 March 2024	<u>500,000</u>	<u>55,448</u>	<u>35,392</u>	<u>455,493</u>	<u>1,046,333</u>



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SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

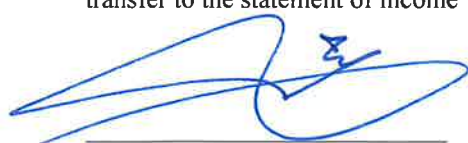
For the three months period ended 31 March 2025 and 2024
(SAR '000)

	Notes	For the three months ended 31 March 2025	For the three months ended 31 March 2024
Cash flows from operating activities			
Net income for the year before zakat		11,314	789
<i>Adjustments to reconcile net income to net cash generated from operating activities:</i>			
Depreciation		221	340
Amortization		749	485
Gain on disposal of net investment in finance lease		-	(14,930)
Provision for financial guarantee on lease receivables sold	5.1.3	1,277	4,939
Allowance for expected credit losses, net	5.1.1	21,144	12,389
Employees' end of service benefits		750	658
Financial charges		41,556	32,413
Operating income before changes in operating assets and liabilities		77,011	37,083
Net increase in operating assets			
Net investment in finance leases		(480,384)	(934,487)
Personal financing		(155,423)	(119,004)
Prepayments		(22,171)	(5,529)
Other assets		9,412	(14,143)
		(648,566)	(1,073,163)
Net decrease / (increase) in operating liabilities			
Accounts payable		179,883	333,974
Due to related parties		2,829	865
Advance from customers		22,964	17,502
Provision, accrued expenses and other liabilities		(8,140)	5,003
Cash used in operations		197,536	357,344
Employees' end of service benefits paid net of transfers in		(232)	-
Net cash used in operating activities		(374,251)	(678,736)
Cash flows from investing activities			
Purchase of intangibles		(269)	-
Purchase of property and equipment		-	(50)
Net cash used in investing activities		(269)	(50)
Cash flows from financing activities			
Drawdown of long-term loan	11	1,110,000	500,000
Payments of long-term loan	11	(604,167)	(643,542)
Financial charges paid		(41,383)	(33,718)
Proceeds from the sale of net investment in finance lease		-	856,949
Net cash generated from in financing activities		464,450	679,689
Net increase in cash and cash equivalents		89,930	903
Cash and cash equivalents at the beginning of the period		86,746	38,018
Cash and cash equivalents at the end of the period		176,676	38,921

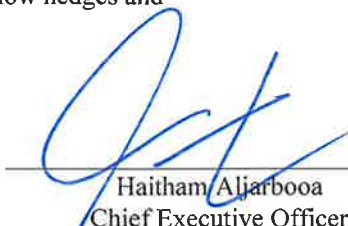
Supplemental non-cash information:

Net change in the fair value of cash flow hedges and transfer to the statement of income

9 8,009 9,806



Mohammed Al Shaeikh
Chairman



Haitham Aljarbooa
Chief Executive Officer



Ahamed T. Rasheed
Acting Chief Financial Officer

The accompanying notes (1) through (21) form an integral part of these financial statements.

Internal Use

SAUDI FRANSI FOR FINANCE LEASING COMPANY (A Sole Shareholder Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2025

(SAR '000)

1. THE COMPANY AND NATURE OF OPERATIONS

Saudi Fransi for Finance Leasing Company ("the Company") is a Closed Joint Stock Company ("CJSC") established under the Regulations for Companies in the Kingdom of Saudi Arabia. The Company operates under Commercial Registration No. 1010320273 dated 24 Dhul Hijjah 1432H (corresponding to 21 November 2011).

As per the Saudi Central Bank ("SAMA") directive, the Company obtained a license no. 201511/ 38/ش to practice finance activities.

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

Saudi Fransi for Finance Leasing
Prince Abdulaziz Ibn Musaid Ibn Jalawi Road
P.O. Box 56006,
Riyadh 11554
Kingdom of Saudi Arabia

The objective of the Company is to provide lease financing for assets and personal financing.

2. BASIS OF PREPARATION

a) *Statement of compliance*

The interim condensed financial statements of the Company as at and for the period ended 31 March 2025 have been prepared in accordance with the 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 Organisation for Chartered and Professional Accountants ("SOCPA") and in compliance with the provisions of the regulations for companies in the Kingdom of Saudi Arabia and by-laws of the company.

b) *Basis of measurement*

These interim condensed financial statements have been prepared on a going concern basis under the historical cost convention except for commission rate swaps and investment at fair value through other comprehensive income – equity instrument, which are measured at fair value. Further, employees' EOSB are measured at present value of future obligations using the Projected Unit Credit Method.

The Company does not present current and non-current assets and liabilities separately in the interim condensed statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

c) *Functional and presentation currency*

Items included in these interim condensed financial statements are measured using the currency of the primary economic environment in which the Company operates. These interim condensed financial statements are presented in Saudi Arabian Riyals ("SAR") which is the Company's functional and presentation currency. All financial information presented has been rounded-off to thousand unless otherwise stated.

d) *Going Concern*

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the intention and resources to continue in business for the foreseeable future. In making the going concern assessment, the company has considered a wide range of information relating to present and future projections of profitability, cash flows and other capital resources, etc. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

31 March 2025

(SAR '000)

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

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have a material impact on the interim condensed financial statements of the Company.

(i) New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 01, 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have a significant impact on the condensed interim consolidated financial statements of the Company.

Standard, interpretation, amendments	Description	Effective Date
Amendment to IFRS 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.	January 01, 2025

(ii) New standards or amendments issued but are not yet effective

Standard, interpretation, 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

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those in the preparation of the audited financial statements for the year ended 31 December 2024.

SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

31 March 2025

(SAR '000)

5 NET INVESTMENT IN FINANCE LEASES

31 March 2025 (Unaudited)			
		Later than one	
Note	Not later than	year and less	Total
	one year	than five years	
Lease contract receivables	1,443,138	3,687,544	5,130,682
Unearned finance income	(279,250)	(704,145)	(983,395)
Net receivable from finance lease	1,163,888	2,983,399	4,147,287
Provision for expected credit losses	5.2		(40,819)
Net investment in finance leases			4,106,468

31 December 2024 (Audited)			
		Later than one	
Note	Not later than	year and less than	Total
	one year	five years	
Lease contract receivables	1,271,675	3,263,574	4,535,249
Unearned finance income	(244,597)	(618,577)	(863,174)
Net receivable from finance lease	1,027,078	2,644,997	3,672,075
Provision for expected credit losses	5.2		(34,888)
Net investment in finance leases			3,637,187

These leased assets carry profit rates ranging from 3% to 9.99% per annum (31 December 2024: 3% to 9.99%) and lease rentals are determined on the basis of implicit rate of profit based on the cash flows of the lease. The Company holds the title of the leased assets as a collateral against the finance leases.

5.1 Allowance for impact on expected credit losses, net

	For the period ended 31 March 2025	For the year ended 31 December 2024
Charge / (Reversal) for the period/year for Investment in finance lease	11,102	(5,487)
Charge for the period/year for Investment in Personal finance	10,042	44,682
	21,144	39,195

5.2 The movement in the allowance for expected credit losses is as follows:

	For the period ended 31 March 2025	For the year ended 31 December 2024
Balance as at 1 January	34,888	58,840
Charge for the period/year (5.1)	11,102	(5,487)
Write off for the period/year	(5,171)	(18,465)
Balance as at 31 March	40,819	34,888

5.3 During the period, the Company sold finance lease receivables amounting to SR Nil (December 31, 2024: SR 3,083 million) including principal value of SR Nil (December 31, 2024: SR 2,412 million) to local commercial bank "Banque Saudi Fransi" or "BSF", Parent for SR Nil (December 31, 2024: SR 2,682 million) in pursuant to a portfolio sale agreement with BSF, where the Company retained maximum 0.5% of the risk of transferred portfolio. As per the assessment performed by the management significant risk and rewards related to the sold finance lease receivables have been transferred to BSF and these finance lease receivables have been derecognised from the statement of financial position. Gain on disposal of finance lease receivable amounting to SAR Nil (March 31, 2024: SAR 14.9 million). The amount received of SAR Nil (December 31, 2024: SR 2,499 million) on assignment of finance lease receivables has been recognised as sale proceeds in the Statement of Financial Position.

Pursuant to the terms of the transfer agreement, the Company is not allowed to repledge those receivable, and the financial institution has recourse only to the receivables in the event the Company defaults its obligation.

SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

31 March 2025

(SAR '000)

6 PERSONAL FINANCING

31 March 2025 (Unaudited)			
	Not later than one year	Later than one year and less than five years	Total
<i>Note</i>			
Contract receivables	433,299	843,637	1,276,936
Unearned income	(99,763)	(194,240)	(294,003)
	<u>333,536</u>	<u>649,397</u>	<u>982,933</u>
Provision for expected credit losses	6.1		(63,095)
Personal financing			<u>919,838</u>

31 December 2024 (Audited)			
	Not later than one year	Later than one year and less than five years	Total
<i>Note</i>			
Contract receivables	348,048	711,983	1,060,031
Unearned income	(76,345)	(156,176)	(232,521)
	<u>271,703</u>	<u>555,807</u>	<u>827,510</u>
Provision for expected credit losses	6.1		(53,053)
Personal financing			<u>774,457</u>

6.1 The movement in the allowance for expected credit losses is as follows:

	<i>Note</i>	For the period ended 31 March 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
Balance as at 1 January		53,053	8,371
Provision for the period/year	5.1	10,042	44,682
Balance as at		<u>63,095</u>	<u>53,053</u>

7. OTHER ASSETS

	<i>Note</i>	31 March 2025 (Unaudited)	31 December 2024 (Audited)
VAT receivable, net		144,983	142,223
Insurance receivable		34,781	47,324
Other receivables	7.1	26,329	24,995
Dealers' receivable		10,482	12,085
Assets held for sale		1,824	1,183
		<u>218,399</u>	<u>227,810</u>

7.1 This account includes receivable against interest rate swap amounting to SAR 3.2 million (December 31, 2024 SAR 4 m), net unamortized onboarding cost of SAR 6.7 million (December 31, 2024 SAR 6 million), loans provided to staff SAR 2 million (December 31, 2024 SAR 1.5 m), and receivable from customers against fee receivables from customer care services amounting to SAR 6.9 million (December 31, 2024 SAR 5.8 m).

SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

31 March 2025

(SAR '000)

8. INVESTMENT AT FVOCI

Pursuant to Article 18/1 of the financial leasing law, Saudi Financial Lease Contract Registry Company (SIJIL) was established on 3/2/1439, corresponding to 23 October 2017, under CR No. 1010612415, and SAMA approval no. 381000124076 dated 23/12/1438, corresponding to 14 September 2017.

This Company has been set up by SAMA as a means to further regulate the market and facilitate transfer of leases between suppliers of finance and counterparties. SIJIL has 700,000 shares of SR 10 each. These 700,000 shares have been divided between finance lease companies registered and operating in Saudi Arabia. The Company purchased 89,285 shares at SR 10 each, amounting to SR 892,850.

As at the date of these financial statements, the carrying value of this investment is not materially different to its fair value.

9. DERIVATIVE

<u>SR in 000'</u>	<u>Positive fair value of derivative</u>	<u>Negative fair value of derivative</u>	<u>Notional amount</u>			<u>Total</u>
			<u>Within 3 months</u>	<u>Within 3-12 months</u>	<u>Within 1-5 years</u>	
IRS-31 March 2025 <i>(Unaudited)</i>	10,623	(1,396)	189,167	567,500	1,712,500	2,469,167
IRS- 31 December 2024 <i>(Audited)</i>	18,234	(1,001)	189,167	567,500	1,901,667	2,658,334

The Company entered into a commission rate swap with its parent, Banque Saudi Fransi (BSF), the Company is exposed to variability in future commission cash flows on long term borrowings which bear commission at a variable rate. The company uses commission rate swaps as cash flow hedges of these commission rate risks. As at 31 March 2025, there was no ineffective portion between hedge item (borrowing) and the hedge instrument (IRS). The positive fair value of commission rate swaps as on 31 March 2025 is SAR 10.6 million (31 December 2024: SAR 18.20 million) and the negative fair value of commission rate swaps is SAR 1.4 million (31 December 2024: SAR 1 million). The fair value of commission rate swaps is calculated using discounted cash flow model using a risk-free discount rate adjusted for appropriate risk margin for counterparty risk including the entity's own credit risk.

10. RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of BSF and its affiliated entities and certain key management personnel. The Company transacts with its related parties in the ordinary course of business. The transactions with related parties are undertaken in light of applicable rules and regulations.

The Company in its ordinary course of business transacts with the following related parties. The terms of those billings and charges are on an agreed basis with these related parties:

<u>Name</u>	<u>Relationship</u>
Banque Saudi Fransi (BSF)	Parent
Sofinco Saudi Fransi (SSF)	Affiliate

In addition to the related party transactions and balances disclosed elsewhere in these financial statements, significant transactions and balances arising from transactions with related parties are as follows:

SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

31 March 2025

(SAR '000)

10. RELATED PARTY TRANSACTIONS (CONTINUED)

a) Transactions with related parties

<i>Nature of transactions</i>	<i>Related parties</i>	For three- months period ended 31 March 2025 <i>(Unaudited)</i>	For three- months period ended 31 March 2024 <i>(Unaudited)</i>
IT maintenance and network related expenses	BSF	(1,054)	(1,082)
Financial charges on long-term loan and commission rate swaps including bank charges	BSF	(41,556)	(32,413)
Draw down of long-term loan	BSF	1,110,000	500,000
Payments of long-term loan	BSF	(604,1667)	(643,542)
Profit Paid – Borrowing	BSF	(45,939)	(43,667)
Guarantee Issued	BSF	30,000	30,200
Proceeds from Sold Portfolio	BSF	-	856,949
Provision against Partial Recourse	BSF	19,282	15,068
Derivative Cashflow Hedge	BSF	2,469,167	2,106,458

Certain expenses paid by BSF on behalf of the Company were not charged by BSF to the Company; these expenses mainly included provision of rent-free premises, telephone expenses and electricity expenses.

The above transactions mainly resulted in the following balances:

b) Due to related parties (excluding term loan):

	31 March 2025 <i>(Unaudited)</i>	31 December 2024 <i>(Audited)</i>
SSF (Managed & owned by BSF)	857	859
BSF	2,375	(456)
	3,232	403

c) Other balances with a related party:

<i>Nature of balances</i>	<i>Related party</i>	31 March 2025 <i>(Unaudited)</i>	31 December 2024 <i>(Audited)</i>
Cash and Cash equivalents	Banque Saudi Fransi	176,676	86,746
Financial guarantee	Banque Saudi Fransi	19,282	18,005
Payable against sold portfolio collection	Banque Saudi Fransi	162,596	89,802
Long-term Tawarruq Financing	Banque Saudi Fransi	3,415,195	2,909,188

d) The company considers chief executive officer, chief financial officer, chief risk officer, chief business development officer, chief sales officer, chief information technology officer and chief governance and legal officer as key management personnel. The compensation of the key management personnel is listed below:

	For three months period ended 31 March 2025 <i>(Unaudited)</i>	For three months period ended 31 March 2024 <i>(Unaudited)</i>
Salaries	1,593	1,675
End of service benefits	60	66
	1,653	1,741

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11. LONG -TERM TAWARRUQ FINANCING

The Company has a shariah-compliant facility "Al Tawarruq" with a limit of SAR 4,600 million from its parent company Banque Saudi Fransi ("BSF").

As at 31 March, the outstanding / utilized amounts from the above facility which are as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Current portion	777,695	777,521
Non-current portion	<u>2,637,500</u>	<u>2,131,667</u>
	<u>3,415,195</u>	<u>2,909,188</u>

The long-term loans carry profit rate equal to SIBOR plus 0.5% per annum payable on maturity. The management have provided BSF with promissory notes against this facility.

The movement in borrowings for the period was as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	2,909,188	2,757,102
Borrowings during the period / year	1,110,000	2,871,958
Principal repayments during the period / year	(604,167)	(2,716,125)
Profit accrued during the period / year	46,113	188,690
Profit repayments during the period / year	<u>(45,939)</u>	<u>(192,437)</u>
Balance at end of the period / year	<u>3,415,195</u>	<u>2,909,188</u>

12. ACCOUNTS PAYABLE

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Dealers payable	389,375	287,560
Insurance payable	98,240	99,851
Payable against sold portfolio collection	162,596	89,802
Commission payable	15,710	15,452
Third-party insurance collected	9,359	9,134
Government fee payable	3,528	2,637
Customer verification expense payable	13,243	7,550
Others	<u>3,945</u>	<u>4,127</u>
	<u>695,996</u>	<u>516,113</u>

13. PROVISION, ACCRUED EXPENSES AND OTHER LIABILITIES

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Payable to service providers	63,510	69,362
Financial guarantee	19,282	18,005
Salaries and employee related expenses	6,117	9,021
Lease liability	726	812
Legal and professional charges	438	840
Others	<u>4,490</u>	<u>3,384</u>
	<u>94,563</u>	<u>101,424</u>

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14. ZAKAT

The movement in the provision for zakat is as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	8,623	5,893
Charge for the period/year	1,152	3,626
Payment during the period/year	-	(896)
Closing balance	9,775	8,623

Status of assessments

The Company has submitted its zakat returns for the years ended 31 December 2012 to 2024 with the Zakat, Tax and Customs Authority ("ZATCA").

During the period, zakat assessment is made on a consolidated basis and to be paid by BSF on behalf of the Company. The charge for the Company is billed by BSF at the end of the year. No assessments have been raised by ZATCA for the year 2024.

During the period ended 31 March 2025, there has been no significant development in the status of the Company's zakat and income tax assessments for the status disclosed in the audited financial statement of the Company for the year ended 31 December 2024.

15. SHARE CAPITAL

The authorised, issued and paid-up share capital of the Company is SAR 750 million (31 December 2024: SAR 750 million) divided into 75 million (31 December 2024: 75 million) shares of SAR 10 (31 December 2024: SAR 10) each and 100% owned by BSF.

16. FEE INCOME AND EXPENSES

	For the three months period ended 31 March 2025 (Unaudited)	For the three months period ended 31 March 2024 (Unaudited)
Fee income		
Insurance income	9,175	7,280
Processing fee	4,470	736
Other operating income	1,592	1,487
	15,237	9,503
Fee expenses		
Insurance expenses	(4,641)	(3,582)
Commission	(3,466)	(789)
Registration fee	(480)	(13)
Verification expenses	(6,486)	(3,786)
	(15,073)	(8,170)

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17. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial assets (including lease receivables) and financial liabilities are measured at amortized cost except for derivative financial instruments and equity instruments which are measured at fair value. The carrying amounts of all financial assets and financial liabilities measured at amortized cost approximate their fair values except for net investments in finance leases.

The following table shows the carrying amount and fair values of financial assets and financial liabilities where fair value is different from carrying value or where the financial assets and liabilities are recorded at fair value, including their levels in the fair value hierarchy.

31 March 2025 (Unaudited)	-----Fair Value-----				
	Carrying Value	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>					
Receivable from finance lease	4,147,287	-	-	4,282,164	4,282,164
Receivable from Personal finance	982,933	-	-	997,973	997,973
Investment (FVOCI)	893	-	-	893	893
Other Assets	218,399	-	-	218,399	218,399
Positive fair value of derivative	10,623	-	10,623	-	10,623
<u>Financial liabilities:</u>					
Long Term Tawarruq Financing	3,415,195	-	-	3,415,195	3,415,195
Negative fair value of derivative	1,396	-	1,396	-	1,396
Due to Related Party	3,232	-	-	3,232	3,232

31 December 2024 (Audited)	Carrying Value	-----Fair Value-----			
		Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>					
Receivable from finance lease	3,672,075	-	-	3,989,329	3,989,329
Receivable from Personal finance	827,510	-	-	830,139	830,139
Investment (FVOCI)	893	-	-	893	893
Other Assets	227,810	-	-	227,810	227,810
Positive fair value of derivative	18,234	-	18,234	-	18,234
<u>Financial liabilities:</u>					
Negative fair value of derivative	1,001	-	1,001	-	1,001
Long Term Tawarruq Financing	2,909,188	-	-	2,909,188	2,909,188
Due to Related Party	403	-	-	403	403

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

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

The fair value of net investment in finance lease is determined using discounted cash flow technique considering the credit adjusted market rates. The rates are determined based on the risk profile of lease receivables and current commission rates.

Fair value of long-term loan is not significantly different from the carrying values included in the financial statements since the current market commission rates for similar financial instruments are not significantly different from the contracted rates.

Fair value of financial assets held at fair value through other comprehensive income – equity instruments is not significantly different from the carrying values included in the financial statements. There had been no inter-level transfers during the period.

18. GEOGRAPHICAL CONCENTRATION

The Company's operations are restricted to the Kingdom of Saudi Arabia only.

19. COMMITMENTS

The Company has finance lease contracts approved but not utilised, indicative offers issued which are under consideration of the customers as of the reporting date which have the potential to convert into financing amounting to SAR 6.5 million (31 December 2024: SR 23 million).

As at 31 March 2025, the Company has an outstanding guarantee of SR 30 million (31 December 2024: SR 30 million) submitted in favour of Abdul Latif Jameel Retail Company Limited against purchases of vehicle for onward leasing to customers.

20. SUBSEQUENT EVENTS

There have been no subsequent events to the reporting date that would require adjustment or disclosure to the interim condensed financial statement as at and for the period ended 31 March 2025.

21. BOARD OF DIRECTORS' APPROVAL

The financial statements have been approved by the Board of Directors on **6th May 2025** (corresponding to 8th Dhul-Qidah 1446AH).