

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

Interim condensed financial statements
For the period ended 30 September 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 (UNAUDITED)

For the period ended 30 September 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 30 September 2025, and the related interim condensed statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2025, and the related interim condensed statement of changes in shareholder's equity and cash flows for the six-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: 5 Jumada al-Ula 1447H
27 October 2025

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025 and 31 December 2024

(SAR '000')

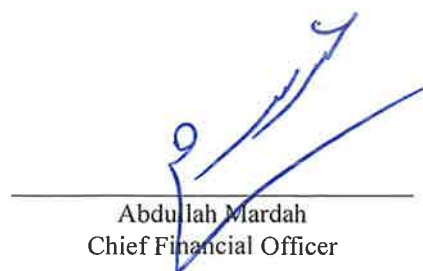
		<i>30 September 2025</i>	<i>31 December 2024</i>
	<i>Notes</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
<u>ASSETS</u>			
Cash and cash equivalents		49,946	86,746
Net investment in finance leases	5	3,317,257	3,637,187
Personal financing	6	1,327,463	774,457
Positive fair value of derivatives	9	5,079	18,234
Prepayments		87,166	165,710
Other assets	7	373,836	227,810
Investments at fair value through other comprehensive income (FVOCI)	8	893	893
Intangible assets		48,127	47,812
Property, equipment and right of use assets		3,376	2,953
Total assets		5,213,143	4,961,802
<u>SHAREHOLDER'S EQUITY AND LIABILITIES</u>			
Liabilities			
Accounts payable	12	1,170,746	516,113
Advance from customers		162,409	102,514
Due to related parties	10.b	8,298	403
Negative fair value of derivatives	9	7,558	1,001
Provision, accrued expenses and other liabilities	13	108,776	101,424
Provision for zakat	14	10,830	8,623
Long-term tawarruq financing	11	2,328,387	2,909,188
Employees' end of service benefits		13,286	12,084
Total liabilities		3,810,290	3,651,350
Shareholder's equity			
Share capital	15	750,000	750,000
Statutory reserve		58,603	58,603
Other reserve		(1,041)	18,672
Retained earnings		595,291	483,177
Total shareholder's equity		1,402,853	1,310,452
Total shareholder's equity and liabilities		5,213,143	4,961,802



Mohammed Al Sheikh
Chairman



Haitham Aljarbooa
Chief Executive Officer



Abdullah Mardah
Chief Financial Officer

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

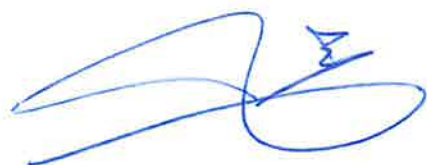
SAUDI FRANSI FOR FINANCE LEASING COMPANY
(A Sole Shareholder Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT INCOME (UNAUDITED)

For the period ended 30 September 2025

(S'000')

	<i>Notes</i>	For the three-month period ended		For the nine-month period ended	
		30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
Finance income		115,427	76,993	332,494	203,401
Fees income	16	19,877	14,118	54,662	33,801
Fees expenses	16	(19,277)	(10,504)	(50,838)	(27,306)
Fees income, net		600	3,614	3,824	6,495
Total operating income		116,027	80,607	336,318	209,896
Salaries and employee-related expenses		(22,098)	(20,511)	(64,834)	(60,334)
Depreciation		(239)	(344)	(677)	(1,024)
Amortization		(768)	(496)	(2,274)	(1,467)
Other general and administration expenses		(9,837)	(9,932)	(30,641)	(27,395)
Financial charges		(33,608)	(38,117)	(110,582)	(107,800)
Charge of expected credit losses, net	5.1	(26,235)	(14,470)	(70,746)	(29,011)
Total operating expenses		(92,785)	(83,870)	(279,754)	(227,031)
Net operating profit/(loss)		23,242	(3,263)	56,564	(17,135)
Gain on disposal of net investment in finance lease	5.3	35,731	-	60,905	15,093
Provision for financial guarantee on lease receivables sold	5.3	(8,242)	903	(16,852)	(3,218)
Other income		6,067	2,798	17,383	8,668
		33,556	3,701	61,436	20,543
Net income for the period before zakat		56,798	438	118,000	3,408
Zakat expense	14	(4,734)	(45)	(5,886)	(351)
Net income for the period		52,064	393	112,114	3,057



Mohammed Al Sheikh
Chairman



Haitham Aljarboa
Chief Executive Officer



Abdullah Mardah
Chief Financial Officer

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

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2025

(S'000')

	For the three-month period ended		For the nine-month period ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
Notes				
Net income for the period	52,064	393	112,114	3,057
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	(2,162)	(36,129)	(19,713)	(28,795)
Total comprehensive income/ (loss) for the period	49,902	(35,736)	92,401	(25,738)



Mohammed Al Sheikh
Chairman



Haitham Aljarbooa
Chief Executive Officer



Abdullah Mardah
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 nine months period ended 30 September 2025

(S'000')

**For the nine-month period ended
30 September 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	-	-	-	112,114	112,114
Other comprehensive loss	-	-	(19,713)	-	(19,713)
Total comprehensive income	-	-	(19,713)	112,114	92,401
Balance as at 30 September 2025	<u>750,000</u>	<u>58,603</u>	<u>(1,041)</u>	<u>595,291</u>	<u>1,402,853</u>

**For the nine-month period ended
30 September 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
Increase in paid up capital	250,000	-	-	-	250,000
Net income for the period	-	-	-	3,057	3,057
Other comprehensive loss	-	-	(28,795)	-	(28,795)
Total comprehensive income	-	-	(28,795)	3,057	(25,738)
Balance as at 30 September 2024	<u>750,000</u>	<u>55,448</u>	<u>(3,209)</u>	<u>457,842</u>	<u>1,260,081</u>



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Chairman



Haitham Aljarbooa
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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 nine months period ended 30 September 2025 and 2024

(S'000')

	Notes	For the nine-month ended 30 September 2025	For the nine-month ended 30 September 2024
Cash flows from operating activities			
Net income for the period before zakat		118,000	3,408
<i>Adjustments to reconcile net income to net cash generated from operating activities:</i>			
Depreciation		677	1,024
Amortization		2,274	1,467
Charge for expected credit losses, net	5.1	70,746	29,011
Gain on disposal of net investment in finance lease		(60,905)	(15,093)
Provision for financial guarantee on lease receivables sold	5.3	16,852	3,218
Employees' end of service benefits		2,255	2,334
Financial charges		110,582	107,800
Operating income before changes in operating assets and liabilities		260,481	133,169
Changes in operating assets and liabilities			
Net investment in finance leases		(1,625,291)	(1,765,945)
Personal financing		(619,596)	(450,476)
Prepayments		78,544	(9,607)
Other assets		(146,026)	(12,757)
Accounts payable		654,632	(82,944)
Due to related party		7,895	3,035
Advance from customers		59,895	26,571
Provision, accrued expenses and other liabilities		(9,501)	1,853
		(1,338,967)	(2,157,101)
Zakat paid		(3,679)	-
Employees' end of service benefits paid net of transfers in		(1,053)	(707)
Net cash used in operating activities		(1,343,699)	(2,157,808)
Cash flows from investing activities			
Purchase of intangibles		(2,588)	-
Purchase of property and equipment		(1,100)	(50)
Net cash used in investing activities		(3,688)	(50)
Cash flows from financing activities			
Drawdown of long-term loan	11	2,833,333	2,279,125
Payments of long-term loan	11	(3,410,833)	(1,717,875)
Financial charges paid		(113,883)	(109,312)
Issuance of share capital		-	250,000
Proceeds from the sale of net investment in finance lease		2,001,970	1,471,752
Net cash generated from financing activities		1,310,587	2,173,690
Net (decrease) / increase in cash and cash equivalents		(36,800)	15,832
Cash and cash equivalents at the beginning of the period		86,746	38,018
Cash and cash equivalents at the end of the period		49,946	53,850
Supplemental non-cash information:			
Net change in the fair value of cash flow hedges and transfer to the statement of income		(19,713)	(28,795)

Mohammed Al Sheikh
Chairman

Haitham Aljarbooa
Chief Executive Officer

Abdullah Mardah
Chief Financial Officer

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

Internal Use

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

30 September 2025

(ﷲ '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/H/38 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.

The Company is owned by Saudi Fransi Bank "Parent" or "BSF". The Company is a subsidiary of Saudi Fransi Bank, which represents the main shareholder in the Company.

2. BASIS OF PREPARATION

a) *Statement of compliance*

The interim condensed financial statements of the Company as at and for the period ended 30 September 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 Organization 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 ("ﷲ") 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 (UNAUDITED)
(continued)
30 September 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 2025, 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.

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 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
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
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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

30 September 2025

(S'000')

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.

5. NET INVESTMENT IN FINANCE LEASES

30 September 2025 (Unaudited)			
		Later than one year and less than five years	Total
Note	Not later than one year		
Lease contract receivables	1,421,821	2,714,958	4,136,779
Unearned finance income	(273,023)	(513,787)	(786,810)
Net receivable from finance lease	1,148,798	2,201,171	3,349,969
Provision for expected credit losses	5.2		(32,712)
Net investment in finance leases			3,317,257

31 December 2024 (Audited)			
		Later than one year and less than five years	Total
Note	Not later than one year		
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 30 September 2025 (Unaudited)	For the period ended 30 September 2024 (Unaudited)
Charge / (reversal) for the period/year for Investment in finance lease	4,156	(7,135)
Charge for the period/year for Investment in Personal finance (6.1)	66,590	36,146
	70,746	29,011

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

	For the period ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
Balance as at 1 January	34,888	58,840
Charge / (reversal) for the period/year (5.1)	4,156	(5,487)
Write off for the period/year	(6,332)	(18,465)
Balance as at 30 September	32,712	34,888

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

30 September 2025

(SAR '000')

5. NET INVESTMENT IN FINANCE LEASES (CONTINUED)

5.3 During the period, the Company sold finance lease receivables amounting to SAR 1,951 million (December 31, 2024: SAR 3,083 million) including principal value of SAR 1,771 (December 31, 2024: SAR 2,412 million) to local commercial bank "Banque Saudi Fransi" or "BSF", Parent for SAR 2,002 million (December 31, 2024: SAR 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 interim condensed statement of financial position. Gain on disposal of finance lease receivable amounting to SAR 60.9 million (September 30, 2024: SAR 15.09 million). The amount received of SAR 1,875 million (December 31, 2024: SAR 2,499 million) on assignment of finance lease receivables has been recognised as sale proceeds in the interim condensed 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.

6. PERSONAL FINANCING

30 September 2025 (Unaudited)			
	Not later than one year	Later than one year and less than five years	Total
Note			
Contract receivables	675,979	1,254,982	1,930,961
Unearned income	(182,927)	(339,615)	(522,542)
	493,052	915,367	1,408,419
Provision for expected credit losses	6.1		(80,956)
Personal financing			1,327,463

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

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

		For the period ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
	Note		
Balance as at 1 January		53,053	8,371
Provision for the period/year	5.1	66,590	44,682
Write off for the period/year		(38,687)	-
Balance as at		80,956	53,053

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

30 September 2025

(SAR '000')

7. OTHER ASSETS

		30 September 2025 (Unaudited)	31 December 2024 (Audited)
	Note		
VAT receivable, net		134,815	142,223
Insurance receivable		184,977	47,324
Other receivables	7.1	38,506	24,995
Dealers' receivable		12,310	12,085
Assets held for sale		3,228	1,183
		<u>373,836</u>	<u>227,810</u>

7.1 This account includes receivable against interest rate swap amounting to SAR 3.0 million (December 31, 2024 SAR 4 million), net unamortized onboarding cost of SAR 9.8 million (December 31, 2024 SAR 6 million), loans provided to staff SAR 2.5 million (December 31, 2024 SAR 1.5 m), and receivable from customers against fee receivables from customer care services amounting to SAR 11.5 million (December 31, 2024 SAR 5.8 million).

8. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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 SAR 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 SAR 10 each, amounting to SAR 892,850.

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

9. DERIVATIVE

	Positive fair value of derivative	Negative fair value of derivative	Notional amount			Total
			Within 3 months	Within 3-12 months	Within 1-5 years	
IRS-30 September 2025 (Unaudited)	5,079	(7,558)	189,167	706,666	1,195,000	2,090,833
IRS- 31 December 2024 (Audited)	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 30 September 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 30 September 2025 is SAR 5.08 million (31 December 2024: SAR 18.23 million) and the negative fair value of commission rate swaps is SAR 7.56 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.

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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 interim condensed financial statements, significant transactions and balances arising from transactions with related parties are as follows:

a) Transactions with related parties

<u>Nature of transactions</u>	<u>Related parties</u>	<u>For nine-months period ended 30 September 2025</u> <i>(Unaudited)</i>	<u>For nine-months period ended 30 September 2024</u> <i>(Unaudited)</i>
IT maintenance and network related expenses	BSF	3,247	3,247
Financial charges on long-term loan and commission rate swaps including bank charges	BSF	110,582	107,800
Draw down of long-term loan	BSF	2,833,333	2,279,125
Payments of long-term loan	BSF	3,410,833	1,717,875
Financial charges paid	BSF	125,416	140,205
Guarantee Issued	BSF	30,000	-
Proceeds from Sold Portfolio	BSF	1,874,783	1,561,707
Provision against Partial Recourse	BSF	16,852	-
Derivative Cashflow Hedge	BSF	2,090,833	-

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):

	<u>30 September 2025</u> <i>(Unaudited)</i>	<u>31 December 2024</u> <i>(Audited)</i>
SSF (Managed & owned by BSF)	857	859
BSF	7,441	(456)
	<u>8,298</u>	<u>403</u>

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10. RELATED PARTY TRANSACTIONS (CONTINUED)

c) Other balances with a related party:

		30 September 2025 (Unaudited)	31 December 2024 (Audited)
<u>Nature of balances</u>	<u>Related party</u>		
Cash and Cash equivalents	Banque Saudi Fransi	49,946	86,746
Financial guarantee	Banque Saudi Fransi	29,515	18,005
Payable against sold portfolio collection	Banque Saudi Fransi	562,762	89,802
Long-term Tawarruq Financing	Banque Saudi Fransi	2,328,387	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 nine months period ended 30 September 2025 (Unaudited)	For nine months period ended 30 September 2024 (Unaudited)
Salaries	5,044	4,313
End of service benefits	1,014	290
	6,058	4,603

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 30 September, the outstanding / utilized amounts from the above facility which are as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Current portion	913,387	777,521
Non-current portion	1,415,000	2,131,667
	2,328,387	2,909,188

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:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	2,909,188	2,757,102
Borrowings during the period / year	2,833,333	2,871,958
Principal repayments during the period / year	(3,410,833)	(2,716,125)
Profit accrued during the period / year	122,115	188,690
Profit repayments during the period / year	(125,416)	(192,437)
Balance at end of the period / year	2,328,387	2,909,188

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12. ACCOUNTS PAYABLE

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Dealers payable	377,530	287,560
Payable against sold portfolio collection	562,762	89,802
Insurance payable	183,194	99,851
Customer verification expense payable	12,543	7,550
Commission payable	12,983	15,452
Third-party insurance collected	9,121	9,134
Government fee payable	3,254	2,637
Others	9,359	4,127
	1,170,746	516,113

13. PROVISION, ACCRUED EXPENSES AND OTHER LIABILITIES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Payable to service providers	57,403	69,362
Financial guarantee	29,515	18,005
Salaries and employee related expenses	12,221	9,021
Legal and professional charges	927	840
Lease liability	726	812
Others	7,984	3,384
	108,776	101,424

14. ZAKAT

The movement in the provision for zakat is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	8,623	5,893
Charge for the period/year	5,886	3,626
Payment during the period/year	(3,679)	(896)
Closing balance	10,830	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 ended 30 September 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 except for below:

- During the period, GSTC scheduled a hearing session for FY 2015 and GSTC issued its decision by establishing the termination of the litigation accordingly, and ZATCA cancelled the zakat liability for FY 2015.
- During the period, GSTC scheduled a hearing session for the FY 2013 and FY 2014 and GSTC issued decision against the Company accordingly, ZATCA has issued a final liability amounting to: SR 1.68 million for FY 2013 and SR 2.08 for FY 2014. The Company has paid this amount during the period.

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.

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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-month period ended		For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Fee income				
Insurance income	11,533	8,280	30,346	22,880
Processing fee	5,806	1,539	16,177	4,153
Other operating income	2,538	4,299	8,139	6,768
	<u>19,877</u>	<u>14,118</u>	<u>54,662</u>	<u>33,801</u>
Fee expenses				
Insurance expenses	(5,891)	(4,058)	(15,859)	(11,466)
Commission	(5,043)	(2,603)	(12,683)	(5,634)
Registration fee	(182)	(262)	(792)	(446)
Verification expenses	(8,161)	(3,581)	(21,504)	(9,760)
	<u>(19,277)</u>	<u>(10,504)</u>	<u>(50,838)</u>	<u>(27,306)</u>

17. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

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

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 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.

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

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.

30 September 2025 (Unaudited)	-----Fair Value-----				
	Carrying Value	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>					
	3,317,257	-	-	3,517,257	3,517,257
Receivable from finance lease					
Receivable from Personal finance	1,327,463	-	-	1,421,026	1,421,026
Investment (FVOCI)	893	-	-	893	893
Other Assets	373,836	-	-	373,836	373,836
Positive fair value of derivative	5,079	-	5,079	-	5,079
<u>Financial liabilities:</u>					
Long Term Tawarruq Financing	2,328,387	-	-	2,328,387	2,328,387
Negative fair value of derivative	7,558	-	7,558	-	7,558
Due to Related Party	8,298	-	-	8,298	8,298

31 December 2024 (Audited)	-----Fair Value-----				
	Carrying Value	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>					
	3,672,075	-	-	3,989,329	3,989,329
Receivable from finance lease					
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

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 interim condensed 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.

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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 26.2 million (31 December 2024: SAR 23 million).

As at 30 September 2025, the Company has an outstanding guarantee of SAR 30 million (31 December 2024: SAR 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 30 September 2025.

21. BOARD OF DIRECTORS' APPROVAL

The financial statements have been approved by the Board of Directors on 23 October 2025 (corresponding to 01 Jumada Al Awal 1447 AH).