

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

**Interim condensed financial statements  
For the period ended 31 March 2026  
together with the  
Report on review of interim condensed financial statements**

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

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INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the period ended 31 March 2026

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**ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)**  
**Paid-Up Capital: ٥,500,000** (Five Million Five Hundred Thousand Saudi Riyals)

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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 2026, and the related interim condensed statements of income and comprehensive income for the three-month periods ended 31 March 2026, and the related interim condensed statement of 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: 10 Thul-Qi'dah 1447H  
27 April 2026

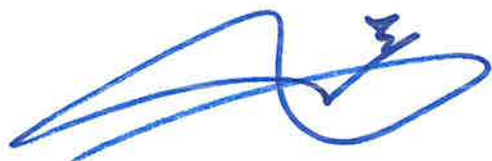
SAUDI FRANSI FOR FINANCE LEASING COMPANY  
(A Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

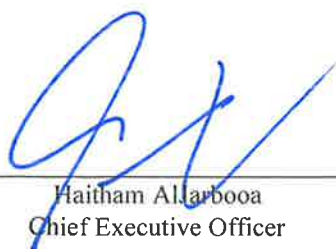
As at 31 March 2026 and 31 December 2025

(S'000')

	<i>Notes</i>	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
<b>ASSETS</b>			
Cash and cash equivalents		110,917	91,825
Net investment in finance leases	5	3,375,960	3,663,569
Personal financing	6	1,551,911	1,501,859
Positive fair value of derivatives	9	3,223	3,600
Prepayments		91,656	93,205
Other assets	7	1,053,157	381,874
Investments at fair value through other comprehensive income (FVOCI)	8	949	949
Intangible assets		43,529	44,043
Property and equipment		2,940	3,116
Right of use assets	11	75,677	-
<b>Total assets</b>		<b>6,309,919</b>	<b>5,784,040</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>			
<b>Liabilities</b>			
Accounts payable	13	582,235	638,865
Advance from customers		237,914	218,359
Due to related parties	10	16,253	12,767
Negative fair value of derivatives	9	3,224	8,401
Accrued expenses and other liabilities	14	100,333	111,219
Provision for zakat	15	22,376	16,726
Lease liabilities	11	70,013	-
Long-term Tawarruq Financing	12	3,774,633	3,329,131
Employees' end of service benefits		13,007	12,592
<b>Total liabilities</b>		<b>4,819,988</b>	<b>4,348,060</b>
<b>Shareholder's equity</b>			
Share capital	16	750,000	750,000
Reserve		58,603	58,603
Other reserve		2,892	(1,908)
Retained earnings		678,436	629,285
<b>Total shareholder's equity</b>		<b>1,489,931</b>	<b>1,435,980</b>
<b>Total shareholder's equity and liabilities</b>		<b>6,309,919</b>	<b>5,784,040</b>



Mohammed AlSheikh  
Chairman



Haitham AlArbooa  
Chief Executive Officer



Abdullah Mardah  
Chief Financial Officer

The accompanying notes (1) through (22) form an integral part of these interim condensed financial statements.

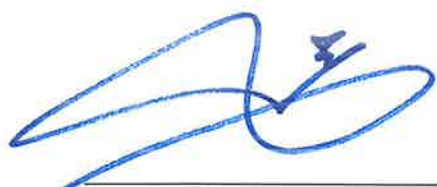
SAUDI FRANSI FOR FINANCE LEASING COMPANY  
(A Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT INCOME (UNAUDITED)

For the period ended 31 March 2026

(SAR '000')

	<i>Notes</i>	For the three-month period ended	
		31 March 2026	31 March 2025
Finance income		159,808	102,691
Fees income	17	23,898	15,237
Fees expenses	17	(20,793)	(15,073)
Fees income, net		3,105	164
<b>Total operating income</b>		<b>162,913</b>	<b>102,855</b>
Salaries and employee-related expenses		(23,658)	(20,814)
Depreciation		(2,174)	(221)
Amortization		(751)	(749)
Other general and administration expenses		(12,634)	(10,258)
Financial charges		(45,441)	(41,556)
Charge of expected credit losses, net	5.1	(60,668)	(21,144)
<b>Total operating expenses</b>		<b>(145,326)</b>	<b>(94,742)</b>
<b>Net operating profit</b>		<b>17,587</b>	<b>8,113</b>
Gain on disposal of net investment in finance lease	5.3	32,847	-
Reversal of/ (provision) for financial guarantee on lease receivables sold	5.3	402	(1,277)
Other income		3,965	4,478
		37,214	3,201
<b>Net income for the period before zakat</b>		<b>54,801</b>	<b>11,314</b>
Zakat expense	15	(5,650)	(1,152)
<b>Net income for the period</b>		<b>49,151</b>	<b>10,162</b>



Mohammed AlSheikh  
Chairman



Haitham AlJarbooa  
Chief Executive Officer



Abdullah Mardah  
Chief Financial Officer

The accompanying notes (1) through (22) form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2026

(SAR '000')

	For the three-month period ended	
	31 March 2026	31 March 2025
Net income for the period	49,151	10,162
<b>Other comprehensive income:</b>		
<i>Items that will be reclassified to statement of income in subsequent periods:</i>		
Cash flow hedges:		
- Net change in fair value	4,800	(8,009)
<b>Total comprehensive income for the period</b>	<b>53,951</b>	<b>2,153</b>



Mohammed AlSheikh  
Chairman



Haitham AlJarbooa  
Chief Executive Officer



Abdullah Mardah  
Chief Financial Officer

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

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

For the three months period ended 31 March 2026

(S '000')

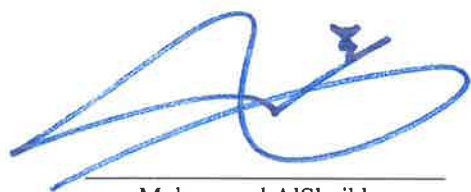
For the three-month period  
ended

31 March 2026

	<u>Share Capital</u>	<u>Reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at 1 January 2026	750,000	58,603	(1,908)	629,285	1,435,980
Net income for the period	-	-	-	49,151	49,151
Other comprehensive loss	-	-	4,800	-	4,800
Total comprehensive income	-	-	4,800	49,151	53,951
<b>Balance as at 31 March 2026</b>	<b>750,000</b>	<b>58,603</b>	<b>2,892</b>	<b>678,436</b>	<b>1,489,931</b>

For the three-month period ended  
31 March 2025

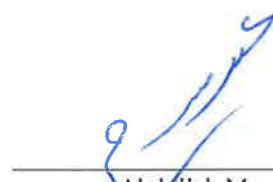
	<u>Share Capital</u>	<u>Reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at 1 January 2025	750,000	58,603	18,672	483,177	1,310,452
Net income for the period	-	-	-	10,162	10,162
Other comprehensive loss	-	-	(8,009)	-	(8,009)
Total comprehensive income	750,000	58,603	(8,009)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



Mohammed AlSheikh  
Chairman



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Chief Executive Officer



Abdullah Mardah  
Chief Financial Officer

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three months period ended 31 March 2026 and 2025

(S'000')

	<i>Notes</i>	For the three- month ended 31 March 2026	For the three- month ended 31 March 2025
<b>Cash flows from operating activities</b>			
Net income for the period before zakat		54,801	11,314
<i>Adjustments to reconcile net income to net cash generated from operating activities:</i>			
Depreciation		2,174	221
Amortization		751	749
Charge for expected credit losses, net	5.1	60,668	21,144
Gain on disposal of net investment in finance lease		(32,847)	-
Provision for financial guarantee on lease receivables sold	5.3	(402)	1,277
Employees' end of service benefits		752	750
Financial charges		44,497	41,556
Accrued interest on lease liabilities	11	944	-
<b>Operating income before changes in operating assets and liabilities</b>		<b>131,338</b>	<b>77,011</b>
<b>Changes in operating assets and liabilities</b>			
Net investment in finance leases		276,457	(480,384)
Personal financing		(99,568)	(155,423)
Prepayments		1,549	(22,171)
Other assets		(638,487)	9,412
Accounts payable		(56,630)	179,883
Due to related party		3,486	2,829
Advance from customers		19,555	22,964
Provision, accrued expenses and other liabilities		(11,288)	(8,140)
Zakat paid		-	-
Employees' end of service benefits paid net of transfers in		(337)	(232)
<b>Net cash used in operating activities</b>		<b>(373,925)</b>	<b>(374,251)</b>
<b>Cash flows from investing activities</b>			
Purchase of intangibles		(329)	(269)
Purchase of property and equipment		-	-
<b>Net cash used in investing activities</b>		<b>(329)</b>	<b>(269)</b>
<b>Cash flows from financing activities</b>			
Drawdown of long-term loan	12	675,000	1,110,000
Payments of long-term loan	12	(225,833)	(604,167)
Financial charges paid		(47,305)	(41,383)
Repayment of lease liability	11	(8,516)	-
<b>Net cash generated from financing activities</b>		<b>393,346</b>	<b>464,450</b>
Net increase in cash and cash equivalents		19,092	89,930
Cash and cash equivalents at the beginning of the period		91,825	86,746
<b>Cash and cash equivalents at the end of the period</b>		<b>110,917</b>	<b>176,676</b>
<b>Supplemental non-cash information:</b>			
Net change in the fair value of cash flow hedges and transfer to the statement of income		4,800	(8,009)

Mohammed AlSheikh  
Chairman

Haitham AlJarbooa  
Chief Executive Officer

Abdullah Mardah  
Chief Financial Officer

The accompanying notes (1) through (22) form an integral part of these interim condensed financial statements.

Internal Use

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

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

31 March 2026

(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 Unified Identification Number 7001689913 (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 shariah-compliant 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 31 March 2026 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 (“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 Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

31 March 2026

(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 2026, 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 interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

<b>Standard, interpretation, amendments</b>	<b>Description</b>	<b>Effective Date</b>
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments:	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.	01 January 2026
Disclosures	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.	
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Financial Statements; and IAS 7 Statement of Cash Flows.	01 January 2026

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

31 March 2026

(SAR '000')

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

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

Standard, interpretation, amendments	Description	Effective date
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.	01 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 financial statements provided that, at the reporting date it does not have public accountability and its parent produces financial statements under IFRS Accounting Standards.	01 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

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 2025.

5. NET INVESTMENT IN FINANCE LEASES

31 March 2026 (Unaudited)			
Note	Not later than one year	Later than one year and less than five years	Total
Lease contract receivables	1,609,801	2,574,866	4,184,667
Unearned finance income	(299,899)	(472,759)	(772,658)
Net receivable from finance lease	1,309,902	2,102,107	3,412,009
Allowance for expected credit losses	5.2		(36,049)
Net investment in finance leases			3,375,960

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

31 March 2026

(SAR '000')

5. NET INVESTMENT IN FINANCE LEASES (Continued)

	Note	31 December 2025 (Audited)		Total
		Not later than one year	Later than one year and less than five years	
Lease contract receivables		1,564,157	3,020,824	4,584,981
Unearned finance income		(306,600)	(586,991)	(893,591)
Net receivable from finance lease		1,257,557	2,433,833	3,691,390
Allowance for expected credit losses	5.2			(27,821)
Net investment in finance leases				3,663,569

These leased assets carry profit rates ranging from 3% to 9.99% per annum (31 December 2025: 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 2026 (Unaudited)	For the period ended 31 March 2025 (Unaudited)
Charge for the period for Investment in finance lease	11,151	11,102
Charge for the period for Investment in Personal finance (6.1)	49,516	10,042
	60,667	21,144

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

	For the period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance as at 1 January	27,821	34,888
Charge for the period/year (5.1)	11,151	981
Write off for the period/year	(2,923)	(8,048)
Balance as at	36,049	27,821

5.3 During the period, the Company sold finance lease receivables amounting to SAR 872 million (31 December 2025: SAR 2,734 million) including principal value of SAR 757 million (31 December 2025: SAR 2,102 million) to local commercial bank "Banque Saudi Fransi" or "BSF", Parent for SAR 790 million (31 December 2025: SAR 2,188 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 32.8 million (31 March 2025: Nil). The amount received of SAR 811 million (31 December 2025: SAR 2,246 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.

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

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

31 March 2026

(S'000')

6. PERSONAL FINANCING

	Note	31 March 2026 (Unaudited)		
		Not later than one year	Later than one year and less than five years	Total
Contract receivables		876,323	1,543,369	2,419,692
Unearned income		(261,774)	(461,033)	(722,807)
		<u>614,549</u>	<u>1,082,336</u>	<u>1,696,885</u>
Allowance for expected credit losses	6.1			<u>(144,974)</u>
Personal financing				<u>1,551,911</u>

	Note	31 December 2025 (Audited)		
		Not later than one year	Later than one year and less than five years	Total
Contract receivables		802,567	1,471,302	2,273,869
Unearned income		(233,670)	(428,374)	(662,044)
		<u>568,897</u>	<u>1,042,928</u>	<u>1,611,825</u>
Allowance for expected credit losses	6.1			<u>(109,966)</u>
Personal financing				<u>1,501,859</u>

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

	Note	For the period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance as at 1 January		109,966	53,053
Charge for the period/year	5.1	49,516	108,317
Write off for the period/year		(14,508)	(51,404)
Balance as at		<u>144,974</u>	<u>109,966</u>

7. OTHER ASSETS

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Insurance receivable from customer		215,103	183,078
VAT receivable, net		109,497	117,606
Receivable from insurance Companies		11,502	11,502
Dealers' receivable		18,316	22,341
Receivables against sold portfolio, net		645,831	5,926
Assets held for sale		10,603	4,093
Other receivables	7.1	42,305	37,328
		<u>1,053,157</u>	<u>381,874</u>

7.1 This account includes receivable against interest rate swap amounting to S'0.3 million (31 December 2025 S'1 million), net unamortized onboarding cost of S'13.4 million (31 December 2025 S'12.2 million), loans provided to staff S'2.1 million (31 December 2025 S'2.4 million), and receivable from customers against fee receivables from customer care services amounting to S'17.1 million (31 December 2025 S'14.6 million).

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**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	
<b>IRS-31 March 2026</b> <i>(Unaudited)</i>	<b>3,223</b>	<b>(3,224)</b>	<b>172,500</b>	<b>587,500</b>	<b>1,152,500</b>	<b>1,912,500</b>
IRS- 31 December 2025 <i>(Audited)</i>	3,600	(8,401)	189,167	517,500	1,195,000	1,901,667

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 2026, 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 2026 is SAR 3.2 million (31 December 2025: SAR 3.6 million) and the negative fair value of commission rate swaps is SAR 3.2 million (31 December 2025: SAR 8.4 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
Mutakamela Insurance Company (MIC)	Affiliate

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10. RELATED PARTY TRANSACTIONS (Continued)

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 three-months period ended 31 March 2026 (Unaudited)</u>	<u>For three-months period ended 31 March 2025 (Unaudited)</u>
IT maintenance and network related expenses	BSF	(2,000)	(1,054)
Financial charges on long-term loan and commission rate swaps including bank charges	BSF	(45,441)	(41,556)
Draw down of long-term loan	BSF	675,000	1,110,000
Payments of long-term loan	BSF	225,833	(604,1667)
Financial charges paid	BSF	(47,257)	(45,939)
Guarantee Issued	BSF	30,000	30,000
Proceeds from Sold Portfolio	BSF	806,151	-
Provision against Partial Recourse	BSF	33,307	19,282
Derivative Cashflow Hedge	BSF	1,912,500	2,469,167

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>31 March 2026 (Unaudited)</u>	<u>31 December 2025 (Audited)</u>
SSF (Managed & owned by BSF)	859	859
BSF	3,486	-
MIC	11,908	11,908
	<u>16,253</u>	<u>12,767</u>

c) Other balances with a related party:

<u>Nature of balances</u>	<u>Related party</u>	<u>31 March 2026 (Unaudited)</u>	<u>31 December 2025 (Audited)</u>
Cash and Cash equivalents	Banque Saudi Fransi	110,917	91,825
Financial guarantee	Banque Saudi Fransi	30,000	30,000
Payable against sold portfolio collection	Banque Saudi Fransi	261,727	97,069
Receivables against Sold Portfolio	Banque Saudi Fransi	907,558	102,995
Long-term Tawarruq Financing	Banque Saudi Fransi	3,774,633	3,329,131

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:

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10. RELATED PARTY TRANSACTIONS (Continued)

	For three months period ended 31 March 2026 <i>(Unaudited)</i>	For three months period ended 31 March 2025 <i>(Unaudited)</i>
Salaries	1,935	1,593
End of service benefits	1,305	60
	<u>3,240</u>	<u>1,653</u>

11. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amount of right-of-use assets, i.e. office building taken on lease and the movement during the period:

	31 March 2026 <i>(Unaudited)</i>
Balance as at the beginning of the period	-
Addition during the period	77,585
Depreciation charge during the period	<u>(1,908)</u>
Balance at the end of the period	<u>75,677</u>

Set out below the carrying amount of lease liabilities and the movement during the period:

	31 March 2026 <i>(Unaudited)</i>
Balance as at the beginning of the period	-
Addition during the period	77,585
Accretion of interest	944
Payment	<u>(8,516)</u>
Balance at the end of the period	<u>70,013</u>

12. 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").

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 2026 <i>(Unaudited)</i>	31 December 2025 <i>(Audited)</i>
Balance at beginning of the period / year	3,329,131	2,909,188
Borrowings during the period / year	675,000	4,298,333
Principal repayments during the period / year	(225,833)	(3,873,333)
Profit accrued during the period / year	43,640	160,467
Profit repayments during the period / year	<u>(47,305)</u>	<u>(165,524)</u>
Balance at end of the period / year	<u>3,774,633</u>	<u>3,329,131</u>

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13. ACCOUNTS PAYABLE

	31 March 2026 <i>(Unaudited)</i>	31 December 2025 <i>(Audited)</i>
Dealers payable	316,387	413,802
Insurance payable to insurance companies	160,814	130,614
Insurance payable to customers	45,200	43,959
Commission payable	15,631	18,259
Customer verification expense payable	16,375	10,234
Third-party insurance collected	9,284	9,208
Government fee payable	4,402	3,875
Others	14,142	8,914
	<u>582,235</u>	<u>638,865</u>

14. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 March 2026 <i>(Unaudited)</i>	31 December 2025 <i>(Audited)</i>
Payable to service providers	48,524	53,878
Financial guarantee	33,307	33,709
Salaries and employee related expenses	9,011	15,238
Legal and professional charges	1,132	920
Others	8,359	7,474
	<u>100,333</u>	<u>111,219</u>

15. PROVISION FOR ZAKAT

The movement in the provision for zakat is as follows:

	31 March 2026 <i>(Unaudited)</i>	31 December 2025 <i>(Audited)</i>
Opening balance	16,726	8,623
Charge for the period/year	5,650	15,418
Payment during the period/year	-	(7,315)
Closing balance	<u>22,376</u>	<u>16,726</u>

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 31 March 2026, 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 2025.

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.

16. SHARE CAPITAL

The authorised, issued and paid-up share capital of the Company is S'750 million (31 December 2025: S'750 million) divided into 75 million (31 December 2025: 75 million) shares of S'10 (31 December 2025: S'10) each and 100% owned by BSF.

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17. FEE INCOME AND EXPENSES

Fee income	For the three-month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Insurance income	13,741	9,175
Processing fee	8,460	4,470
Other operating income	1,697	1,592
	<u>23,898</u>	<u>15,237</u>
<b>Fee expenses</b>		
Insurance expenses	(7,667)	(4,641)
Commission	(6,408)	(3,466)
Registration fee	(169)	(480)
Verification expenses	(6,549)	(6,486)
	<u>(20,793)</u>	<u>(15,073)</u>

18. 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.

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 2026 (Unaudited)	-----Fair Value-----				
	Carrying Value	Level 1	Level 2	Level 3	Total
<b><u>Financial assets:</u></b>					
Receivable from finance lease	3,375,960	-	-	3,712,811	3,712,811
Receivable from Personal finance	1,551,911	-	-	1,902,628	1,902,628
Investment (FVOCI)	949	-	-	949	949
Positive fair value of derivative	3,223		3,223	-	3,223
<b><u>Financial liabilities:</u></b>					
Long Term Tawarruq Financing	3,774,633	-	-	3,774,633	3,774,633
Negative fair value of derivative	3,224	-	3,224	-	3,224
Due to Related Party	15,394	-	-	15,394	15,394

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**18. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)**

31 December 2025 (Audited)	-----Fair Value-----				Total
	Carrying Value	Level 1	Level 2	Level 3	
<u>Financial assets:</u>					
Receivable from finance lease	3,663,569	-	-	4,088,206	4,088,206
Receivable from Personal finance Investment (FVOCI)	1,501,859 949	- -	- -	1,820,415 949	1,820,415 949
Other Assets	-	-	-	-	-
Positive fair value of derivative	3,600	-	3,600	-	3,600
<u>Financial liabilities:</u>					
Negative fair value of derivative	8,401	-	8,401	-	8,401
Long Term Tawarruq Financing Due to Related Party	3,329,131 12,767	- -	- -	3,329,131 12,767	3,329,131 12,767

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.

**19. GEOGRAPHICAL CONCENTRATION**

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

**20. 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 22 million (31 December 2025: SAR 16 million).

As at 31 March 2026, the Company has an outstanding guarantee of SAR 30 million (31 December 2025: SAR 30 million) submitted in favour of Abdul Latif Jameel Retail Company Limited against purchases of vehicle for onward leasing to customers.

**21. EVENTS AFTER REPORTING PERIOD**

Subsequent to the reporting date, geopolitical tensions in parts of the Middle East have increased. Public communications from government and regulatory authorities have continued to emphasize the resilience of the economy and the continuation of business operations across key sectors, supported by established business continuity and risk management frameworks.

These developments arose after the reporting period and have therefore been assessed as non-adjusting events in accordance with IAS 10 Events after the Reporting Period. Accordingly, no adjustments have been made to the amounts recognized in the condensed interim financial statements as at 31 March 2026, which reflect conditions existing at that date.

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**21. EVENTS AFTER REPORTING PERIOD (Continued)**

The Company has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these non-adjusting events on future periods.

Management has also considered the impact of these events on the Company's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

**22. BOARD OF DIRECTORS' APPROVAL**

The financial statements have been approved by the Board of Directors on 26 April 2026 (corresponding to 09 Dhu'l-Qi'dah 1447 AH).