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

Interim condensed financial statements
For the six-month period ended 30 June 2026
together with the
Report on review of interim condensed financial statements

INDEX **PAGE**

ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-Up Capital: ⃁ 5,500,000 (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 30 June 2026, and the related interim condensed statements of income and comprehensive income for the six-month period ended 30 June 2026, 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)

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CR.1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Riyadh: 13 Safar 1448H
27 July 2026

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026
(⃁ '000')

	Notes	***30 June 2026 (Unaudited)***	*31 December 2025 (Audited)*
ASSETS			
Cash and cash equivalents		**16,841**	91,825
Net investment in finance leases	*5*	**3,858,154**	3,663,569
Personal financing	*6*	**1,605,105**	1,501,859
Positive fair value of derivatives	*9*	**4,064**	3,600
Prepayments		**94,147**	93,205
Other assets	*7*	**412,720**	381,874
Investments at fair value through other comprehensive income (FVOCI)	*8*	**949**	949
Intangible assets		**43,225**	44,043
Property and equipment		**3,710**	3,116
Right of use assets	*11*	**73,769**	-
Total assets		**6,112,684**	5,784,040
SHAREHOLDER'S EQUITY AND LIABILITIES			
Liabilities			
Accounts payable	*13*	**542,067**	638,865
Advance from customers		**231,801**	218,359
Due to related parties	*10*	**13,834**	12,767
Negative fair value of derivatives	*9*	**1,850**	8,401
Accrued expenses and other liabilities	*14*	**101,049**	111,219
Provision for zakat	*15*	**25,077**	16,726
Lease liabilities	*11*	**70,969**	-
Long-term Tawarruq Financing	*12*	**3,597,343**	3,329,131
Employees' end of service benefits		**13,052**	12,592
Total liabilities		**4,597,042**	4,348,060
Shareholder's equity			
Share capital	*16*	**750,000**	750,000
Reserve	*17*	**58,603**	58,603
Other reserve		**5,108**	(1,908)
Retained earnings		**701,931**	629,285
Total shareholder's equity		**1,515,642**	1,435,980
Total shareholder's equity and liabilities		**6,112,684**	5,784,040

Mohammed AlSheikh	Haitham AlJarbooa	Abdullah Mardah
Chairman	Chief Executive Officer	Chief Financial Officer

The accompanying notes 1 through 23 form an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT INCOME (UNAUDITED)

For the six-month period ended 30 June
(⃁ '000')

	Notes	For the three-month period ended 30 Jun 2026	For the three-month period ended 30 Jun 2025	For the six-month period ended 30 Jun 2026	For the six-month period ended 30 Jun 2025
Finance income		**162,224**	114,376	**322,032**	217,067
Fees income	*18*	**28,166**	19,549	**52,064**	34,786
Fees expenses	*18*	**(22,733)**	(16,488)	**(43,526)**	(31,561)
Fees income, net		**5,433**	3,061	**8,538**	3,225
Total operating income		**167,657**	117,437	**330,570**	220,292
Salaries and employee-related expenses		**(24,102)**	(21,921)	**(47,760)**	(42,735)
Depreciation		**(2,019)**	(217)	**(4,194)**	(438)
Amortization		**(799)**	(757)	**(1,550)**	(1,506)
Other general and administration expenses		**(12,312)**	(10,546)	**(24,945)**	(20,805)
Financial charges		**(47,088)**	(35,418)	**(92,529)**	(76,974)
Charge of expected credit losses, net	*5.1*	**(68,304)**	(23,367)	**(128,971)**	(44,511)
Total operating expenses		**(154,624)**	(92,226)	**(299,949)**	(186,969)
Net operating profit		**13,033**	25,211	**30,621**	33,323
Gain on disposal of net investment in finance lease	*5.3*	**-**	25,174	**32,847**	25,174
Reversal of / (provision) for financial guarantee on lease receivables sold	*5.3*	**5,136**	(7,333)	**5,538**	(8,610)
Other income		**8,027**	6,838	**11,991**	11,316
		13,163	24,679	**50,376**	27,880
Net income for the period before zakat		**26,196**	49,890	**80,997**	61,203
Zakat expense	*15*	**(2,701)**	-	**(8,351)**	(1,152)
Net income for the period		**23,495**	49,890	**72,646**	60,051

Mohammed AlSheikh Chairman	Haitham AlJarbooa Chief Executive Officer	Abdullah Mardah Chief Financial Officer

The accompanying notes 1 through 23 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 six-month period ended 30 June
(⃁ '000')

	Notes	For the three-month period ended		For the six-month period ended	
		30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
Net income for the period		**23,495**	49,890	**72,646**	60,051
Other comprehensive income:					
Items that will be reclassified to statement of income in subsequent periods:					
Cash flow hedges:					
- Net change in fair value		**2,215**	(9,542)	**7,016**	(17,551)
Total comprehensive income for the period		**25,710**	40,348	**79,662**	42,500

Mohammed AlSheikh	Haitham AlJarbooa	Abdullah Mardah
Chairman	Chief Executive Officer	Chief Financial Officer

The accompanying notes 1 through 23 form an integral part of these interim condensed financial statements.

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

For the six-month period ended 30 June
(⃁ '000')

For the six-month period ended 30 June 2026	**Share Capital**	**Reserve**	**Other reserves**	**Retained earnings**	**Total**
Balance as at 1 January 2026	**750,000**	**58,603**	**(1,908)**	**629,285**	**1,435,980**
Net income for the period	-	-	-	72,646	72,646
Other comprehensive income	-	-	7,016	-	7,016
Total comprehensive income	-	-	7,016	72,646	79,662
Balance as at 30 June 2026	**750,000**	**58,603**	**5,108**	**701,931**	**1,515,642**

For the six-month period ended 30 June 2025	Share Capital	Reserve	Other reserves	Retained earnings	Total
Balance as at 1 January 2025	750,000	58,603	18,672	483,177	1,310,452
Net income for the period	-	-	-	60,051	60,051
Other comprehensive loss	-	-	(17,551)	-	(17,551)
Total comprehensive income	-	-	(17,551)	60,051	42,500
Balance as at 30 June 2025	750,000	58,603	1,121	543,228	1,352,952

Mohammed AlSheikh
Chairman

Haitham AlJarbooa
Chief Executive Officer

Abdullah Mardah
Chief Financial Officer

The accompanying notes 1 through 23 form an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June
(⃁ '000')

	Notes	**For the six-month ended 30 June 2026**	For the six-month ended 30 June 2025
Cash flows from operating activities			
Net income for the period before zakat		**80,997**	61,203
Adjustments to reconcile net income to net cash generated from operating activities:			
Depreciation		**4,194**	438
Amortization		**1,550**	1,506
Charge for expected credit losses, net	*5.1*	**128,971**	44,511
Gain on disposal of net investment in finance lease		**(32,847)**	(25,174)
Provision for financial guarantee on lease receivables sold		**(5,538)**	8,610
Employees' end of service benefits		**1,503**	1,918
Financial charges		**90,628**	76,974
Accrued interest on lease liabilities	*11*	**1,900**	-
Operating income before changes in operating assets and liabilities		**271,358**	169,986
Changes in operating assets and liabilities			
Net investment in finance leases		**(970,205)**	(959,065)
Personal financing		**(213,841)**	(332,696)
Prepayments		**(942)**	(24,457)
Other assets		**(30,846)**	(35,754)
Accounts payable		**(96,798)**	227,013
Due to related parties		**1,067**	5,444
Advance from customers		**13,442**	21,705
Provision, accrued expenses and other liabilities		**(23,491)**	(30,556)
		(1,050,256)	(958,380)
Zakat paid		-	(26)
Employees' end of service benefits paid net of transfers in		**(1,043)**	(862)
Net cash used in operating activities		**(1,051,299)**	(959,268)
Cash flows from investing activities			
Purchase of intangibles		**(253)**	(1,969)
Purchase of property and equipment		**(972)**	(565)
Net cash used in investing activities		**(1,225)**	(2,534)
Cash flows from financing activities			
Drawdown of long-term loan	*12*	**2,000,000**	2,213,333
Payments of long-term loan	*12*	**(1,730,000)**	(2,237,500)
Financial charges paid	*12*	**(90,095)**	(108,051)
Proceeds from the sale of net investment in finance lease		**806,151**	1,085,873
Repayment of lease liability	*11*	**(8,516)**	-
Net cash generated from financing activities		**977,540**	953,655
Net increase in cash and cash equivalents		**(74,984)**	(8,147)
Cash and cash equivalents at the beginning of the period		**91,825**	86,746
Cash and cash equivalents at the end of the period		**16,841**	78,599
Supplemental non-cash information:			
Net change in the fair value of cash flow hedges and transfer to the statement of income		**7,016**	(17,551)

Mohammed AlSheikh	Haitham AlJarbooa	Abdullah Mardah
Chairman	Chief Executive Officer	Chief Financial Officer

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

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 and unified number 7001689913 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 30 June 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 ("⃁") 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.

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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.

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
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	1 January 2026
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.	1 January 2026

(⃁ '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
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
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. The Company is currently assessing the detailed presentation and disclosure requirements of IFRS 18 and has initiated a gap assessment to evaluate the expected impact on the financial statements upon its effective date of 1 January 2027 (Modify based on specific progress of each company)	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

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

		30 June 2026 *(Unaudited)*		
	Note	**Not later than one year**	**Later than one year and less than five years**	**Total**
Lease contract receivables		2,340,004	2,494,027	4,834,031
Unearned finance income		(451,403)	(483,074)	(934,477)
Net receivable from finance lease		1,888,601	2,010,953	3,899,554
Allowance for expected credit losses	*5.2*			(41,400)
Net investment in finance leases				3,858,154

(⃁ '000')

5. NET INVESTMENT IN FINANCE LEASES (Continued)

	Note	31 December 2025 *(Audited)* Not later than one year	Later than one year and less than five years	Total
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 30 June 2026 *(Unaudited)*	For the period ended 30 June 2025 *(Unaudited)*
Charge for the period for Investment in finance lease	**18,375**	30,975
Charge for the period for Investment in Personal finance (6.1)	**110,596**	13,536
	128,971	44,511

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

	For the period ended 30 June 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)	**18,375**	981
Write off for the period/year	**(4,796)**	(8,048)
Balance as at	**41,400**	27,821

5.3 During the period, the Company sold finance lease receivables amounting to ⃁ 839 million (31 December 2025: ⃁ 2,734 million) including principal value of ⃁ 757 million (31 December 2025: ⃁ 2,102 million) to local commercial bank "Banque Saudi Fransi" or "BSF", Parent for ⃁ 790 million (31 December 2025: ⃁ 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 ⃁ 32.8 million (30 June 2025: 25 million). The amount received of ⃁ 806 million (31 December 2025: ⃁ 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.

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6. PERSONAL FINANCING

	Note	**30 June 2026 *(Unaudited)*** Not later than one year	Later than one year and less than five years	Total
Contract receivables		**1,200,072**	**1,365,486**	**2,565,558**
Unearned income		**(362,865)**	**(412,881)**	**(775,746)**
		837,207	**952,605**	**1,789,812**
Allowance for expected credit losses	*6.1*			**(184,707)**
Personal financing				**1,605,105**

	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)
		568,897	1,042,928	1,611,825
Allowance for expected credit losses	*6.1*			(109,966)
Personal financing				1,501,859

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

	Note	**For the period ended 30 June 2026 *(Unaudited)***	For the year ended 31 December 2025 *(Audited)*
Balance as at 1 January		**109,965**	53,053
Charge for the period/year	5.1	**110,596**	108,317
Write off for the period/year		**(35,854)**	(51,404)
Balance as at		**184,707**	109,966

7. OTHER ASSETS

	Note	**30 June 2026 *(Unaudited)***	31 December 2025 *(Audited)*
Insurance receivable from customer		**217,289**	183,078
VAT receivable, net		**98,922**	117,606
Receivable from insurance Companies		**11,502**	11,502
Dealers' receivable		**22,743**	22,341
Receivables against sold portfolio, net		**-**	5,926
Assets held for sale		**12,692**	4,093
Other receivables	7.1	**49,572**	37,328
		412,720	381,874

7.1 This account includes net unamortized onboarding cost of ⃁ 14.4 million (31 December 2025 ⃁ 12.2 million), loans provided to staff ⃁ 1.7 million (31 December 2025 ⃁ 2.4 million), and receivable from customers against fee receivables from customer care services amounting to ⃁ 15.1 million (31 December 2025 ⃁ 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 ⃁ 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 ⃁10 each, amounting to ⃁ 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

			Notional amount			
	Positive fair value of derivative	**Negative fair value of derivative**	**Within 3 months**	**Within 3-12 months**	**Within 1-5 years**	**Total**
IRS-30 June 2026 *(Unaudited)*	**4,064**	**(1,850)**	**214,167**	**587,500**	**1,238,333**	**2,040,000**
IRS- 31 December 2025 *(Audited)*	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 30 June 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 30 June 2026 is ⃁ 4.1 million (31 December 2025: ⃁ 3.6 million) and the negative fair value of commission rate swaps is ⃁ 1.9 million (31 December 2025: ⃁ 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.

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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:

Name	Relationship
Banque Saudi Fransi (BSF)	Parent
Sofinco Saudi Fransi (SSF)	Affiliate
Mutakamela Insurance Company (MIC)	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

Nature of transactions	*Related parties*	**For six-months period ended 30 June 2026** *(Unaudited)*	For six-months period ended 30 June 2025 *(Unaudited)*
IT maintenance and network related expenses	BSF	**4,000**	2,108
Rent, insurance and other expenses	BSF	**3,131**	2,882
Financial charges on long-term loan and commission rate swaps including bank charges	BSF	**(92,529)**	(76,974)
Draw down of long-term loan	BSF	**2,000,000**	2,213,333
Payments of long-term loan	BSF	**(1,730,000)**	(2,237,500)
Financial charges paid	BSF	**(90,095)**	(116,189)
Guarantee Issued	BSF	**30,000**	30,000
Proceeds from Sold Portfolio	BSF	**806,151**	1,085,873
Provision against Partial Recourse	BSF	**28,171**	26,616
Derivative Cashflow Hedge	BSF	**2,040,000**	2,280,000
Payment for insurance	MIC	**6,064**	-

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):

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
SSF (Managed & owned by BSF)	**859**	859
BSF	**7,131**	-
MIC	**5,844**	11,908
	13,834	12,767

(⃁ '000')

10. RELATED PARTY TRANSACTIONS (Continued)

c) Other balances with a related party:

Nature of balances	*Related party*	**30 June 2026** *(Unaudited)*	31 December 2025 *(Audited)*
Cash and Cash equivalents	Banque Saudi Fransi	**16,841**	91,825
Financial guarantee	Banque Saudi Fransi	**30,000**	30,000
Payable against sold portfolio collection	Banque Saudi Fransi	**181,266**	97,069
Receivables against Sold Portfolio	Banque Saudi Fransi	**155,525**	102,995
Long-term Tawarruq Financing	Banque Saudi Fransi	**3,597,343**	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

	For three months period ended 30 June 2026 *(Unaudited)*	For three months period ended 30 June 2025 *(Unaudited)*
Salaries	**3,924**	3,266
End of service benefits	**1,411**	125
	5,335	3,391

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:

	30 June 2026 *(Unaudited)*
Balance as at the beginning of the period	-
Addition during the period	**77,585**
Depreciation charge during the period	**(3,816)**
Balance at the end of the period	**73,769**

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

	30 June 2026 *(Unaudited)*
Balance as at the beginning of the period	-
Addition during the period	**77,585**
Accretion of interest	**1,900**
Payment	**(8,516)**
Balance at the end of the period	**70,969**

(⃁ '000')

12. LONG -TERM TAWARRUQ FINANCING

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

The long-term loans carry interest 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 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
Balance at beginning of the period / year	**3,329,131**	2,909,188
Borrowings during the period / year	**2,000,000**	4,298,333
Principal repayments during the period / year	**(1,730,000)**	(3,873,333)
Interest accrued during the period / year	**88,307**	160,467
Interest repayments during the period / year	**(90,095)**	(165,524)
Balance at end of the period / year	**3,597,343**	3,329,131

13. ACCOUNTS PAYABLE

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
Dealers payable	**284,732**	413,802
Insurance payable to insurance companies	**119,092**	130,614
Insurance payable to customers	**52,158**	43,959
Payable sold portfolio, net	**25,741**	-
Commission payable	**13,443**	18,259
Customer verification expense payable	**12,572**	10,234
Third-party insurance collected	**9,075**	9,208
Government fee payable	**4,613**	3,875
Others	**20,641**	8,914
	542,067	638,865

14. ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
Payable to service providers	**53,156**	53,878
Financial guarantee	**28,171**	33,709
Salaries and employee related expenses	**9,854**	15,238
Legal and professional charges	**672**	920
Others	**9,196**	7,474
	101,049	111,219

(⃁ '000')

15. PROVISION FOR ZAKAT

The movement in the provision for zakat is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Opening balance	**16,726**	8,623
Charge for the period/year	**8,351**	15,418
Payment during the period/year	-	(7,315)
Closing balance	**25,077**	16,726

Status of assessments

The Company has submitted its zakat returns for the years ended 31 December 2012 to 2025 with the Zakat, Tax and Customs Authority ("ZATCA").

During the period ended 30 June 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 ⃁ 750 million (31 December 2025: ⃁ 750 million) divided into 75 million (31 December 2025: 75 million) shares of ⃁ 10 (31 December 2025: ⃁ 10) each and 100% owned by BSF.

17. RESERVE

This balance represents the total amounts appropriated from net income for prior years as statutory reserves in accordance with the requirements of the previous Companies Law and the Company's Articles of Association/ Company's By-Law prior to alignment with the new Companies Law. The utilization of these reserves is subject to the decisions of the shareholders' assembly.

18. FEE INCOME AND EXPENSES

	For the three-month period ended		For the six-month period ended	
Fee income	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
Insurance income	**13,066**	9,639	**26,807**	18,814
Processing fee	**9,795**	5,901	**18,255**	10,371
Other operating income	**5,305**	4,009	**7,002**	5,601
	28,166	19,549	**52,064**	34,786
Fee expenses				
Insurance expenses	**(8,591)**	(5,327)	**(16,258)**	(9,968)
Commission	**(6,879)**	(4,173)	**(13,287)**	(7,639)
Registration fee	**(4,712)**	(130)	**(8,772)**	(610)
Verification expenses	**(2,551)**	(6,858)	**(5,209)**	(13,344)
	(22,733)	(16,488)	**(43,526)**	(31,561)

(⃁ '000')

19. 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.

30 June 2026 *(Unaudited)*		---------------Fair Value---------------			
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:					
Receivable from finance lease	**3,858,154**	-	-	**4,219,136**	**4,219,136**
Receivable from Personal finance	**1,605,105**	-	-	**1,972,421**	**1,972,421**
Investment (FVOCI)	**949**	-	-	**949**	**949**
Positive fair value of derivative	**4,064**	-	**4,064**	-	**4,064**
Financial liabilities:					
Long Term Tawarruq Financing	**3,597,343**	-	-	**3,597,343**	**3,597,343**
Negative fair value of derivative	**1,850**	-	**1,850**	-	**1,850**
Due to Related Party	**13,834**	-	-	**13,834**	**13,834**

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

19. 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 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.

20. GEOGRAPHICAL CONCENTRATION

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

21. 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 ⃁ 21 million (31 December 2025: ⃁ 16 million).

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

22. IMPACT ON GEO-POLITICAL SITUATION ON EXPECTED CREDIT LOSS ("ECL")

The geopolitical situation in the Middle East has deteriorated significantly since 28 February 2026. The situation has remained highly volatile and has impacted several countries in the Middle East including Kingdom of Saudi Arabia, causing disruption to some business and economic activities.

The Company continues to evaluate and closely monitor the current situation to assess any impact geopolitical situation may have had on its business and financial performance, through conducting stress-testing scenarios, as appropriate, on expected movements of oil prices and its impact on key credit, liquidity, operational, solvency and performance indicators in addition to other risk management practices. The steps taken by management also includes commencing review of credit exposures at a more granular level with particular focus on specific economic sectors, and collateral protection, where required.

The impact of such uncertain economic environment is judgmental, and the Compay will continue to reassess its position and the related impact on a regular basis as more reliable data becomes available and accordingly determine if any adjustment in the ECL is required in subsequent reporting periods.

23. BOARD OF DIRECTORS' APPROVAL

The financial statements have been approved by the Board of Directors on 23 July 2026 (corresponding to 9 Safar 1448 AH).