

**AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2025
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REVIEW REPORT**

**AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

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Report on review of condensed consolidated interim financial statements

To the Shareholders of Amlak International Finance Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Amlak International Finance Company ("Saudi Joint Stock Company") and its subsidiary (together the "Group") as at 31 March 2025 and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes (the "condensed consolidated interim financial statements").

The Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim 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 condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Khalid A. Mahdhar
License Number 368


30 April 2025

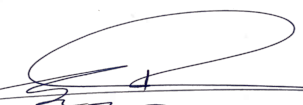
AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025
(SR'ooo)

		31 March 2025 (Unaudited)	31 December 2024 (Audited)
	Note		
<u>ASSETS</u>			
Cash and cash equivalents	5	139,540	32,360
Investments		893	893
Positive fair value of derivatives	11	2,962	6,855
Murabaha receivables, net	6	3,136,094	2,982,731
Ijara receivables, net	7	1,115,309	1,249,034
Ijara mawsofa fi athemmah receivables, net	8	90,793	90,435
Prepayments and other assets		76,667	82,373
Property, equipment and right of use assets, net		66,409	67,530
Total assets		4,628,667	4,512,211
<u>LIABILITIES AND EQUITY</u>			
Account payables and other accruals	10	86,024	76,789
Negative fair value of derivatives	11	4,599	3,723
Zakat payable	12	15,193	12,096
Borrowings	13	3,271,116	3,175,406
Employees' end of service benefits		19,870	19,478
Total liabilities		3,396,802	3,287,492
Share capital	14	1,019,250	1,019,250
Cash flow hedge reserve	11	(1,637)	3,132
Retained earnings		214,252	202,337
Total equity		1,231,865	1,224,719
Total liabilities and equity		4,628,667	4,512,211

The accompanying notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.


Murad Alsadiq
Chief Finance Officer


Adnan Al Shubaily
Chief Executive Officer

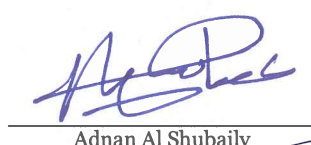

Abdullah Al Sudairy
Managing Director


AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(SR'ooo)

		For the three-month period ended 31 March	
	Note	2025	2024
INCOME			
Income from Murabaha contracts		109,331	61,266
Income from Ijara contracts		20,155	32,360
Income from Ijara mawsofa fi athemmah contracts		1,606	2,262
Loss on sale of portfolio and revaluation of servicing rights asset, net		(1,085)	(987)
Fees and commission income		8,182	4,123
Total income from Murabaha, Ijara and Ijara mawsofa fi athemmah		138,189	99,024
EXPENSES			
Finance cost		(52,959)	(47,492)
Fee expense		(3,814)	(573)
Net income from Murabaha, Ijara and Ijara mawsofa fi athemmah		81,416	50,959
Other operating income			
Other income		250	291
		81,666	51,250
Operating expenses			
Depreciation		(4,588)	(2,894)
General and administrative expenses	16	(33,141)	(26,775)
Selling and marketing expenses	17	(8,236)	(5,455)
Impairment charge for expected credit losses, net		(20,689)	(5,002)
Net income for the period before zakat and income tax expense		15,012	11,124
Zakat and income tax expense	12	(3,097)	(2,518)
Net income for the period		11,915	8,606
Basic and diluted earnings per share (SR)	15	0.12	0.08

The accompanying notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.


Murad Alsadiq
Chief Finance Officer

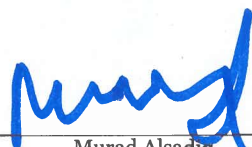

Adnan Al Shubaily
Chief Executive Officer



Abdullah Al Sudairy
Managing Director


AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(SR'000)

	For the three- month period ended 31 March	
	2025	2024
Net income for the period	11,915	8,606
Other comprehensive (loss) / income		
<i>Items that may be reclassified to consolidated statement of profit or loss in subsequent years:</i>		
Net change in fair value of cash flow hedges	(4,769)	3,824
Total other comprehensive (loss) / income	(4,769)	3,824
Total comprehensive income for the period	7,146	12,430

The accompanying notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.


Murad Alsadiq
Chief Finance Officer


Adnan Al Shubaily
Chief Executive Officer



Abdullah Al Sudairy
Managing Director



AMIAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(SR'000)

	Share capital	Statutory reserve	Cash flow hedge reserve	Retained earnings	Total
For the period ended 31 March 2025					
Balance at 1 January 2025 (Audited)	1,019,250	-	3,132	202,337	1,224,719
Net income for the period	-	-	-	11,915	11,915
Other comprehensive loss	-	-	(4,769)	-	(4,769)
Total comprehensive income	-	-	(4,769)	11,915	7,146
Balance at 31 March 2025	1,019,250	-	(1,637)	214,252	1,231,865
For the period ended 31 March 2024					
Balance at 1 January 2024 (Audited)	906,000	101,934	9,834	167,854	1,185,622
Net income for the period	-	-	-	8,606	8,606
Other comprehensive income	-	-	3,824	-	3,824
Total comprehensive income	-	-	3,824	8,606	12,430
Balance at 31 March 2024	906,000	101,934	13,658	176,460	1,198,052

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Murad Alsadiq
Chief Finance Officer

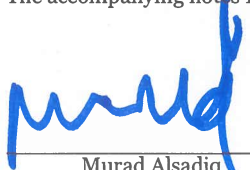

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Chief Executive Officer

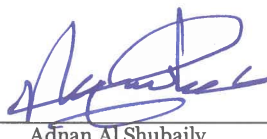

Abdullah Al Sudairy
Managing Director

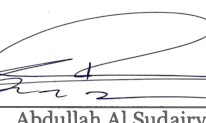
AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(SR'000)

	Note	For the three-month period ended 31 March	
		2025	2024
Cash flows from operating activities:			
Net income for the period before zakat and income tax expense		15,012	11,124
<u>Non-cash adjustment to reconcile net income before zakat and income tax expense for the period to net cash used in operating activities</u>			
Depreciation		4,588	2,894
Finance cost		52,959	47,492
Employees' end of service benefits		912	787
Impairment charge allowance for expected credit losses, net		11,791	1,760
Write-off expense		8,898	3,242
Loss on sale of portfolio and revaluation of servicing rights asset, net		1,085	987
Other income		(250)	(291)
		94,995	67,995
<u>(Increase) / decrease in operating assets</u>			
Murabaha receivables		(172,247)	(470,579)
Ijara receivables		131,381	217,524
Ijara mawsofa fi athemmah receivables		(373)	260
Prepayments and other assets		5,175	4,844
<u>(Increase) / (decrease) in operating liabilities</u>			
Account payables and other accruals		9,694	18,121
		68,625	(161,835)
Finance cost paid	13	(43,364)	(46,470)
Employees' end of service benefits paid		(520)	(283)
Net cash generated from / (used in) operating activities		24,741	(208,588)
Cash flows from investing activities			
Purchase of property and equipment		(3,467)	(2,434)
Rental income received from property under possession		250	250
Net cash used in investing activities		(3,217)	(2,184)
Cash flows from financing activities			
Repayment of borrowings	13	(188,726)	(258,931)
Proceeds from borrowings	13	275,000	460,000
Payment of lease liabilities		(618)	(112)
Net cash generated from financing activities		85,656	200,957
Net change in cash and cash equivalents		107,180	(9,815)
Cash and cash equivalents at the beginning of the period	5	32,360	27,736
Cash and cash equivalents at the end of the period	5	139,540	17,921
Non-cash supplemental information:			
Net changes in fair value of cash flow hedge		4,769	(3,824)

The accompanying notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.


Murad Alsadiq
Chief Finance Officer


Adnan Al Shubaily
Chief Executive Officer


Abdullah Al Sudairy
Managing Director

AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(SAR'ooo)

1 THE GROUP AND THE NATURE OF OPERATIONS

Amlak International Finance Company (the "Company") is a Saudi Joint Stock Company established and registered in the Kingdom of Saudi Arabia under commercial registration number 1010234356 in Riyadh dated 27/05/1428H (corresponding to 13/06/2007G) and Ministry of Commerce Resolution No. 132/S dated 25/05/1428H (corresponding to 11/06/2007G) and the Saudi Central Bank ("SAMA") License No. 2/PU/201312 dated 21/02/1435H (corresponding to 24/12/2013G). The Company operates through branches in Riyadh, Jeddah and Khobar.

As per the revised commercial registration certificate of the Company dated 17 Rajab 1444 H (corresponding to 28/02/2023), the objectives of the Company have been updated to provide real estate financing, SMEs financing, and personal financing as per SAMA approval dated 20 Rabea Awwal 1444H (corresponding to 16/10/2022).

The registered office of the Company is located at Thumamah Road, Riyadh, Kingdom of Saudi Arabia. A Corporate Office has been established in Jeddah by the Company in 2019. The Company has the following branches in the Kingdom of Saudi Arabia:

<u>Branch Commercial Registration Number</u>	<u>Date of issuance</u>	<u>Location</u>
2050057816	30/12/1428	Khobar
4030171680	24/07/1428	Jeddah

The Company has the following subsidiary:

Name of the subsidiary	Registration Number	Country of incorporation	Ownership	Principal business activity
Amlak International for Real Estate Development Company	1010317413	Saudi Arabia	100%	Hold titles of real estate properties financed by Amlak International Finance Company

These condensed consolidated interim financial statements comprise the interim financial information of the Company and its subsidiary (Amlak International for Real Estate Development Company) together hereinafter referred to as the Group.

2 BASIS OF PREPARATION

(a) Statement of compliance

The condensed consolidated interim financial statements of the Group as at and for the period ended 31 March 2025, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2024.

(b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a going concern basis under the historical cost convention except for the measurement of investments and derivatives, which are carried at fair value. Further, employees' end of service benefits are measured at present value of future obligations using the Projected Unit Credit Method.

(c) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Arabian Riyals (SR), as it is the functional currency of the Group. All financial information presented has been rounded-off to the SR in thousand unless otherwise stated.

AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(SAR'000)

3 MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual audited consolidated financial statements for the year ended 31 December 2024 unless otherwise stated.

4 IMPACTS OF CHANGES DUE TO ADOPTION OF NEW STANDARDS

New standards, interpretations and amendments adopted by the Group

Following standard, interpretation or amendment are effective from the current year and are adopted by the Group, however, these does not have any impact on the condensed consolidated interim financial statements of the Group:

Standard, interpretation, amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

Accounting standards issued but not yet effective

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Standard / Interpretation	Description	Effective from periods beginning on or after
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
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

AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(SAR'000)

4 IMPACTS OF CHANGES DUE TO ADOPTION OF NEW STANDARDS (CONTINUED)

Accounting standards issued but not yet effective (CONTINUED)

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

<u>Other standards</u>		
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	Not yet endorsed by SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	Not yet endorsed by SOCPA

5 CASH AND CASH EQUIVALENTS

	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
Cash at bank – current accounts	139,484	32,319
Cash on hand	56	41
	139,540	32,360

6 MURABAHA RECEIVABLES, NET

	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
Gross Murabaha receivables	3,182,035	3,017,771
Less: Impairment allowance for credit losses	(45,941)	(35,040)
Murabaha receivables, net	3,136,094	2,982,731

6.1 The maturity profile of murabaha receivables as at 31 March 2025 and 31 December 2024 was as follows:

	As at 31 March 2025 (Unaudited)			
	Not later than one year	Later than one year but not later than five years	Later than five years	Total
Gross Murabaha receivables	859,758	2,158,077	164,200	3,182,035
Less: Impairment allowance for credit losses				(45,941)
Murabaha receivables, net				3,136,094
	As at 31 December 2024 (Audited)			
	Not later than one year	Later than one year but not later than five years	Later than five years	Total
Gross Murabaha receivables	742,819	2,094,690	180,262	3,017,771
Less: Impairment allowance for credit losses				(35,040)
Murabaha receivables, net				2,982,731

AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(SAR'000)

6 MURABAHA RECEIVABLES, NET (CONTINUED)

6.2 Stage wise analysis of Murabaha receivables is as follows:

	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
31 March 2025 (Unaudited)				
Gross Murabaha receivables	2,875,259	216,611	90,165	3,182,035
Allowance for expected credit losses	(14,608)	(2,092)	(29,241)	(45,941)
Murabaha receivables, net	2,860,651	214,519	60,924	3,136,094
31 December 2024 (Audited)				
Gross Murabaha receivables	2,789,902	171,165	56,704	3,017,771
Allowance for expected credit losses	(13,223)	(2,043)	(19,774)	(35,040)
Murabaha receivables, net	2,776,679	169,122	36,930	2,982,731

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

For the period ended 31 March 2025	Stage 1	Stage 2	Stage 3	Total
Opening balance	13,223	2,043	19,774	35,040
Charge during the period	1,385	49	11,989	13,423
Write off receivables	-	-	(2,522)	(2,522)
Closing balance	14,608	2,092	29,241	45,941
For the year ended 31 December 2024	Stage 1	Stage 2	Stage 3	Total
Opening balance	9,116	1,265	1,358	11,739
Charge during the year	4,107	778	19,188	24,073
Write off receivables	-	-	(772)	(772)
Closing balance	13,223	2,043	19,774	35,040

6.4 Impairment charge for expected credit losses movement:

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Charge for the period	13,423	4,983
Write-offs expense	5,461	-
Net	18,884	4,983

6.5 The movement in gross Murabaha receivables is as follows:

	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
Opening balance	3,017,771	1,879,922
Financial assets originated during the period / year (all stage 1)	453,722	1,868,845
Net other movements	(281,475)	(728,555)
Write offs	(7,983)	(2,441)
Closing balance	3,182,035	3,017,771

AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(SAR'000)

7 IJARA RECEIVABLES, NET

	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
Gross investment in Ijara receivables	1,551,448	1,718,092
Less: Unearned income	(413,824)	(444,832)
Net investment in Ijara receivables	1,137,624	1,273,260
Less: Impairment allowance for credit losses	(22,315)	(24,226)
Ijara receivables, net	1,115,309	1,249,034

7.1 The maturity profile of Ijara receivables as at 31 March 2025 and 31 December 2024 was as follows:

As at 31 March 2025 (Unaudited)				
	Not later than one year	Later than one year but not later than five years	Later than five years	Total
Gross investment in Ijara receivables	362,849	570,430	618,169	1,551,448
Less: Unearned income	(69,804)	(174,076)	(169,944)	(413,824)
Net investment in Ijara receivables	293,045	396,354	448,225	1,137,624
Less: Impairment allowance for credit losses				(22,315)
Ijara receivables, net				1,115,309

As at 31 December 2024 (Audited)				
	Not later than one year	Later than one year but not later than five years	Later than five years	Total
Gross investment in Ijara receivables	430,902	644,740	642,450	1,718,092
Less: Unearned income	(82,157)	(187,665)	(175,010)	(444,832)
Net investment in Ijara receivables	348,745	457,075	467,440	1,273,260
Less: Impairment allowance for credit losses				(24,226)
Ijara receivables, net				1,249,034

7.2 Stage wise analysis of Ijara receivables is as follows:

	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
31 March 2025 (Unaudited)				
Gross Ijara receivables	838,385	140,875	158,364	1,137,624
Allowance for expected credit losses	(933)	(391)	(20,991)	(22,315)
Ijara receivables, net	837,452	140,484	137,373	1,115,309
31 December 2024 (Audited)				
Gross Ijara receivables	899,927	211,984	161,349	1,273,260
Allowance for expected credit losses	(663)	(1,124)	(22,439)	(24,226)
Ijara receivables, net	899,264	210,860	138,910	1,249,034

AMLAK INTERNATIONAL FINANCE COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(SAR'000)

7 IJARA RECEIVABLES, NET (CONTINUED)

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

For the period ended 31 March 2025	Stage 1	Stage 2	Stage 3	Total
Opening balance	663	1,124	22,439	24,226
Reversal during the period	270	(733)	(1,184)	(1,647)
Written-off receivables	-	-	(264)	(264)
Closing balance	933	391	20,991	22,315

For the year ended 31 December 2024	Stage 1	Stage 2	Stage 3	Total
Opening balance	1,785	2,527	23,446	27,758
Reversal during the year	(1,122)	(1,403)	(558)	(3,083)
Written-off receivables	-	-	(449)	(449)
Closing balance	663	1,124	22,439	24,226

7.4 Impairment charge for expected credit losses movement:

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Reversal for the period	(1,647)	(3,229)
Write-offs expense	2,906	3,242
Net	1,259	13

7.5 The movement in gross Ijara receivables is as follows:

	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
Opening balance	1,273,260	1,796,087
Financial assets originated during the period / year (all stage 1)	6,559	6,028
Net other movements	(139,025)	(523,708)
Written-off receivables (From stage 3)	(3,170)	(5,147)
Closing balance	1,137,624	1,273,260

8 IJARA MAWSOFA FI ATHEMMAH RECEIVABLES, NET

	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
Gross investment in Ijara mawsofa fi atthemmah receivables	149,295	150,433
Less: Unearned income	(58,399)	(59,910)
Net investment in Ijara mawsofa fi atthemmah receivables	90,896	90,523
Less: Impairment allowance for credit losses	(103)	(88)
Ijara mawsofa fi atthemmah receivables, net	90,793	90,435

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8 IJARA MAWSOFA FI ATHEMMAH RECEIVABLES, NET (CONTINUED)

8.1 The maturity profile of Ijara mawsofa fi athemmah receivables as at 31 March 2025 and 31 December 2024 was as follows:

As at 31 March 2025 (Unaudited)			
Not later than one year	Later than one year but not later than five years	Later than five years	Total
Gross investment in Ijara mawsofa fi athemmah receivables	11,646	45,058	92,591
Less: Unearned income	(6,686)	(23,396)	(28,317)
Net investment in Ijara mawsofa fi athemmah receivables	4,960	21,662	64,274
Less: Impairment allowance for credit losses			(103)
Ijara mawsofa fi athemmah receivables, net			90,793
As at 31 December 2024 (Audited)			
Not later than one year	Later than one year but not later than five years	Later than five years	Total
Gross investment in Ijara mawsofa fi athemmah receivables	11,835	44,476	94,122
Less: Unearned income	(6,732)	(23,695)	(29,483)
Net investment in Ijara mawsofa fi athemmah receivables	5,103	20,781	64,639
Less: Impairment allowance for credit losses			(88)
Ijara mawsofa fi athemmah receivables, net			90,435

8.2 Stage wise analysis of Ijara mawsofa fi athemmah receivables is as follows:

	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
<u>31 March 2025 (Unaudited)</u>				
Gross Ijara mawsofa fi athemmah receivables	88,455	1,177	1,264	90,896
Allowance for expected credit losses	(38)	(2)	(63)	(103)
Ijara mawsofa fi athemmah receivables, net	88,417	1,175	1,201	90,793
<u>31 December 2024 (Audited)</u>				
Gross Ijara mawsofa fi athemmah receivables	87,974	1,266	1,283	90,523
Allowance for expected credit losses	(23)	-	(65)	(88)
Ijara mawsofa fi athemmah receivables, net	87,951	1,266	1,218	90,435

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8 IJARA MAWSOFA FI ATHEMMAH RECEIVABLES, NET (CONTINUED)

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

For the period ended 31 March 2025	Stage 1	Stage 2	Stage 3	Total
Opening balance	23	-	65	88
Charge during the period	15	2	(2)	15
Written-off receivables	-	-	-	-
Closing balance	38	2	63	103

For the year ended 31 December 2024	Stage 1	Stage 2	Stage 3	Total
Opening balance	17	-	223	240
Charge during the year	6	-	12	18
Written-off receivables	-	-	(170)	(170)
Closing balance	23	-	65	88

8.4 Allowance for expected credit losses charge movement:

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Charge for the period	15	5
Write-offs expense	-	-
Net	15	5

8.5 The movement in gross Ijara mawsofa fi atthemmah receivables is as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	90,523	97,409
Financial assets originated during the year (all stage 1)	-	-
Net other movements	373	(5,606)
Write-offs expense (From stage 3)	-	(1,280)
Closing balance	90,896	90,523

9 FINANCIAL RISK MANAGEMENT

The following table shows reconciliations from the opening to the closing balance of the gross receivables and loss allowance for the period ended 31 March 2025.

GROSS EXPOSURE	12 Month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Balance at 1 January 2025	3,777,800	384,415	219,339	4,381,554
Transfer from 12 Month ECL	(200,106)	189,861	10,245	-
Transfer from Lifetime ECL (not credit impaired)	71,263	(104,198)	32,935	-
Transfer from Lifetime ECL (credit impaired)	-	2,314	(2,314)	-
Net repayments and other movements during the period	(307,137)	(113,729)	741	(420,125)
New Murabaha, Ijara, Ijara mawsofa fi athemmah receivables originated during the period	460,279	-	-	460,279
Write-offs	-	-	(11,153)	(11,153)
Balance at 31 March 2025	3,802,099	358,663	249,793	4,410,555

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9 FINANCIAL RISK MANAGEMENT (CONTINUED)

The following table shows reconciliations from the opening to the closing balance of the gross receivables and loss allowance for the period ended 31 March 2025 (CONTINUED).

LOSS ALLOWANCE	12 Month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Balance at 1 January 2025	13,907	3,168	42,279	59,354
Transfer from 12 Month ECL	(823)	728	95	-
Transfer from Lifetime ECL (not credit impaired)	1,058	(1,586)	528	-
Transfer from Lifetime ECL (credit impaired)	-	207	(207)	-
Net re-measurement of loss allowance	(692)	458	10,818	10,584
Murabaha, Ijara, Ijara mawsofa fi athemmah receivables that have been derecognized during the period	(795)	(490)	(431)	(1,716)
New Murabaha, Ijara, Ijara mawsofa fi athemmah receivables originated during the period	2,923	-	-	2,923
Write-offs	-	-	(2,786)	(2,786)
Balance at 31 March 2025	15,578	2,485	50,296	68,359

The following table shows reconciliations from the opening to the closing balance of the gross receivables and loss allowance for the year ended 31 December 2024.

GROSS EXPOSURE	12 Month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Balance at 1 January 2024	3,055,516	498,850	189,052	3,743,418
Transfer from 12 Month ECL	(152,531)	130,750	21,781	-
Transfer from Lifetime ECL (not credit impaired)	47,272	(69,618)	22,346	-
Transfer from Lifetime ECL (credit impaired)	6,621	4,030	(10,651)	-
Net repayments and other movements during the year	(1,053,950)	(179,597)	5,679	(1,227,868)
New Murabaha, Ijara, Ijara mawsofa fi athemmah receivables originated during the year	1,874,872	-	-	1,874,872
Write-offs	-	-	(8,868)	(8,868)
Balance at 31 December 2024	3,777,800	384,415	219,339	4,381,554

LOSS ALLOWANCE	12 Month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Balance at 1 January 2024	10,918	3,792	25,027	39,737
Transfer from 12 Month ECL	(1,300)	950	350	-
Transfer from Lifetime ECL (not credit impaired)	167	(558)	391	-
Transfer from Lifetime ECL (credit impaired)	595	354	(949)	-
Net re-measurement of loss allowance	(13,706)	559	21,461	8,314
Murabaha, Ijara, Ijara mawsofa fi athemmah receivables that have been derecognized during the year	(1,481)	(1,929)	(2,610)	(6,020)
New Murabaha, Ijara, Ijara mawsofa fi athemmah receivables originated during the year	18,714	-	-	18,714
Write-offs	-	-	(1,391)	(1,391)
Balance at 31 December 2024	13,907	3,168	42,279	59,354

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10 ACCOUNT PAYABLES AND OTHER ACCRUALS

	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
Advance from customers	29,247	9,749
Lease liabilities	15,913	16,371
Accrued expenses	8,276	17,079
Servicing contract payables	7,720	2,113
Salaries and employee related expenses	4,374	12,533
Others	20,494	18,944
	86,024	76,789

11 DERIVATIVES

As at 31 March 2025, the Group held profit rate swaps ("PRS") of a notional value of SR 950 million (31 December 2024: SR 1,250 million) in order to hedge its exposure to commission rate risks related to its borrowings.

	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
Positive fair value of PRSs	2,962	6,855
Negative fair value of PRSs	(4,599)	(3,723)

12 ZAKAT

a) The movement in zakat is as follow:

	For the three-month period ended 31 March (Unaudited)	
	2025	2024
Balance at the beginning of the period	12,096	7,809
Charge for the period	3,097	2,518
Balance as at end of the period	15,193	10,327

b) Zakat and income tax status

Zakat and income tax declaration for all the years up till 2023 have been filed with the ZATCA and acknowledgement certificates have been obtained. Subsequent to the period end, the Group has filed zakat and income tax assessment for the year 2024 which is yet to be finalised by ZATCA.

13 BORROWINGS

These represent amounts borrowed from local banks and Saudi Real Estate Re-finance Company ("SRC") under Islamic borrowings facilities approved by the Sharia Committee. These facilities carry borrowing costs at profit rates ranging from 1 month to 1 year Saudi Inter Bank Offer rates ("SIBOR") plus spread with maturity periods ranging from 1 month to 5 years and are secured by the assignment of proceeds from the Group's receivables. The agreements contain certain covenants, which among other things, require certain financial ratios to be maintained. The Group was in compliance with all loan covenants at 31 March 2025.

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13 BORROWINGS (CONTINUED)

The movement in borrowings is as follows:

	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
Balance at the beginning of the period / year	3,175,406	2,600,070
Borrowings obtained during the period / year	275,000	1,695,000
Principal repayments during the period / year	(188,726)	(1,120,444)
Profit accrued during the period / year	52,800	197,496
Profit repayments during the period / year	(43,364)	(196,716)
Balance at the end of the period / year	3,271,116	3,175,406

14 SHARE CAPITAL

As at 31 March 2025, the Group's authorised, issued and paid-up share capital was SR 1,019.25 million (31 December 2024: SR 1,019.25 million) divided into 101.925 million shares (31 December 2024: 101.925 million shares) with a nominal value of SR 10 each.

15 EARNINGS PER SHARE

The basic and diluted earnings per share have been computed by dividing net income for the period by the weighted average numbers of shares outstanding during the period.

	For the three-month period ended 31 March (Unaudited)	
	2025	2024
Net income for the period (SR '000)	11,915	8,606
Weighted average number of ordinary shares (in thousands)	101,925	101,925
Basic and diluted earnings per share (SR)*	0.12	0.08

There are no potential dilutive instruments as at 31 March 2025 (31 March 2024: nil).

* The weighted average number of shares has been retrospectively adjusted for the prior period to reflect the effect of the changes in number of shares due to issue of bonus shares subsequent to period end.

16 GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended 31 March (Unaudited)	
	2025	2024
Salaries and employee related cost	22,052	17,887
VAT expenses	2,693	1,288
Information technology expenses	2,489	2,414
Professional fee	1,844	1,966
Board fees	1,472	1,287
Communication	537	448
Bank charges	353	362
Rent and other expenses	150	91
Maintenance expenses	32	18
Traveling expenses	24	64
Others	1,495	950
	33,141	26,775

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17 SELLING AND MARKETING EXPENSES

	For the three-month period ended 31 March (Unaudited)	
	2025	2024
Salaries and outsourcing cost	3,706	3,305
Marketing expenses	4,181	1,500
Insurance	349	650
	8,236	5,455

18 RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Group include its shareholders and their affiliated entities, the Subsidiary, members of the Board of Directors and its committees and key management personnel. Affiliate represents entities under common control and entities controlled by key management personnel of the Group. In the ordinary course of its activities, the Group transacts business with its related parties on mutually agreed terms. Key management personnel represent the Managing Director, Chief Executive Officer and his direct reportees.

Significant transactions and balances arising from transactions with related parties are as follows:

Nature of transactions	Name of related party	Relationship	For the three-month period ended 31 March (Unaudited)	
			2025	2024
Finance cost	The Saudi Investment Bank	Significant shareholder	13,499	11,935
Salaries and benefits	Key management personnel	Key management	4,164	10,224
Financing income	Key management personnel	Key management	3	5
Board fees	Board members	Board members	1,472	1,287

Nature of balances and names of related parties	Relationship	Balances	
		31 March 2025 (Unaudited)	31 December 2024 (Audited)
Bank balances:			
The Saudi Investment Bank	Shareholder	28,939	9,125
Borrowings:			
The Saudi Investment Bank	Shareholder	781,154	805,314
(Negative) / positive fair value of derivatives:			
The Saudi Investment Bank	Shareholder	(279)	808
Financing and advances:			
Key management personnel	Key management	817	748
Board fees			
Board members	Board members	1,615	556

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The principal or the most advantageous market must be accessible to the group. Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents, investments, derivatives, Murabaha, Ijara and Ijara mawsofa fi athemmah receivables and other receivables. Financial liabilities consist of borrowings, payables and derivatives.

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19 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

31 March 2025 (Unaudited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets at amortised cost:</u>					
Murabaha receivables, net	3,136,094	-	-	3,209,462	3,209,462
Ijara receivables, net	1,115,309	-	-	921,887	921,887
Ijara mawsofa fi athemmah receivables, net	90,793	-	-	74,762	74,762
Cash and cash equivalents	139,540	-	-	139,540	139,540
Other receivables	5,539	-	-	5,539	5,539
<u>Financial assets at fair value:</u>					
Investments	893	-	893	-	893
Positive fair value of derivatives	2,962	-	2,962	-	2,962
<u>Financial liabilities at fair value:</u>					
Negative fair value of derivatives	4,599	-	4,599	-	4,599
		Fair value			
31 December 2024 (Audited)	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets at amortised cost:</u>					
Murabaha receivables, net	2,982,731	-	-	3,056,261	3,056,261
Ijara receivables, net	1,249,034	-	-	1,048,588	1,048,588
Ijara mawsofa fi athemmah receivables, net	90,435	-	-	74,725	74,725
Cash and cash equivalents	32,360	-	-	32,360	32,360
Other receivables	8,668	-	-	8,668	8,668
<u>Financial assets at fair value:</u>					
Investments	893	-	893	-	893
Positive fair value of derivatives	6,855	-	6,855	-	6,855
<u>Financial liabilities at fair value:</u>					
Negative fair value of derivatives	3,723	-	3,723	-	3,723

The valuation of fixed rate Murabaha receivables, Ijara receivables and Ijara mowsofa fi athemmah receivables are estimated using contractual cash flows discounted at latest yield, which is the contracted profit rate for recent transactions. Input into the discounted cash flow technique includes recent yields and contractual cash flows. Management assessed that the carrying amount of other financial instruments largely approximate fair value due to either short-term maturities or re-pricing of the special commission on those instruments and these financial instruments are classified as level 3. There have been no transfers to and from any levels during the period.

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20 COMMITMENTS AND CONTINGENCIES

Financing facilities approved but not utilised:

The Group has facilities 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 SR 88.5 million (31 December 2024: SR 90 million).

21 SEGMENT INFORMATION

The Group's objective is to provide real estate financing, SMEs financing and personal financing in the Kingdom of Saudi Arabia. All assets, liabilities and operations as reflected in the condensed consolidated interim statement of financial position, condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income belong to all financing segments.

For management purposes, the group is organised into the following primary business segments:

Retail

These represent finance products granted to small and medium sized businesses under self- employed category and individuals.

Corporate

These represent financing products granted to corporate, SMEs, high net worth individuals and institutional customers.

Head office

Head office is responsible for managing the surplus liquidity of the Group through short term market placements. It also provides support services to the business functions.

The total assets and liabilities as at 31 March 2025 and 31 December 2024 and its total operating income, expenses and net profit for the three-month period ended 31 March 2025 and 31 March 2024 are as follows:

	Retail	Corporate	Head office	Total
<u>2025</u>				
Income	66,814	71,625	-	138,439
Expenses	(65,796)	(57,631)	-	(123,427)
Segment results	1,018	13,994	-	15,012
Total assets	1,717,981	2,701,775	208,911	4,628,667
Total liabilities	1,305,392	2,052,257	39,153	3,396,802
<u>2024</u>				
Income	31,207	68,108	-	99,315
Expenses	(30,172)	(58,019)	-	(88,191)
Segment results	1,035	10,089	-	11,124
Total assets	1,636,262	2,769,204	106,745	4,512,211
Total liabilities	1,208,833	2,045,180	33,479	3,287,492

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21 SEGMENT INFORMATION (CONTINUED)

Below is the reconciliation of revenue and expenses from the condensed consolidated interim financial statements to operating segment note:

	For the three-month period ended 31 March	
	2025	2024
	(Unaudited)	
<u>Income</u>		
Total income from Murabaha, Ijara and Ijara mawsofa fi athemmah	138,189	99,024
Other income	250	291
Total income – as per operating segment note	138,439	99,315
<u>Expenses</u>		
Fee expense	(3,814)	(573)
Finance cost	(52,959)	(47,492)
Depreciation	(4,588)	(2,894)
General and administrative expenses	(33,141)	(26,775)
Selling and marketing expenses	(8,236)	(5,455)
Impairment charge for credit losses, net	(20,689)	(5,002)
Total expense – as per operating segment note	(123,427)	(88,191)

22 APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements have been approved by the Board of Directors on 28 April 2025.