

**NAYIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)  
**Unaudited Condensed Interim Financial Statements**  
**For the three-month period ended**  
**31 March 2025**  
**and the Independent Auditor's Review Report**

**NAYIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)  
**Unaudited Condensed Interim Financial Statements**  
**For the three-month period ended 31 March 2025**

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## KPMG Professional Services Company

Roshn Front, Airport Road  
P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

# Independent Auditor's Report on Review of Condensed Interim Financial Statements

To the Shareholders of Nayifat Finance Company

## Introduction

We have reviewed the accompanying 31 March 2025 condensed interim financial statements of **Nayifat Finance Company** ("the Company"), which comprises:

- the condensed statement of financial position as at 31 March 2025;
- the condensed statement of comprehensive income for the three-month period ended 31 March 2025;
- the condensed statement of changes in equity for the three-month period ended 31 March 2025;
- the condensed statement of cash flows for the three-month period ended 31 March 2025; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statements 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 31 March 2025 condensed interim financial statements of the Company are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services Company

**Hani Hamzah A. Bedairi**  
License No: 460



Riyadh on: 1 Dhul-Qa'dah 1446H  
Corresponding to: 29 April 2025

**NAVIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2025**  
(All amounts in Saudi Riyals in thousand unless otherwise stated)

	<i>Notes</i>	<b>31 March 2025 (Unaudited)</b>	31 December 2024 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	6	47,042	86,476
Other balances with banks	7	10,420	5,933
Islamic financing receivables - net	8	1,901,975	1,865,054
Equity investment measured at fair value through OCI		728	728
Prepayments and other assets		50,731	50,563
Assets held for sale	9	17,697	17,885
Intangible assets		7,255	8,324
Property and equipment		29,987	29,795
<b>Total assets</b>		<b><u>2,065,835</u></b>	<b><u>2,064,758</u></b>
<b>LIABILITIES AND EQUITY</b>			
Accruals and other payables		46,614	108,350
Islamic bank financings and other liabilities	10	510,151	475,899
Provision for Zakat		23,490	18,490
Provision for employees' end of service benefits		14,049	14,034
<b>Total liabilities</b>		<b><u>594,304</u></b>	<b><u>616,773</u></b>
Share capital		1,200,000	1,200,000
Statutory reserve	11	-	69,645
General reserve		21,929	21,929
Retained earnings		249,602	156,411
<b>Total equity</b>		<b><u>1,471,531</u></b>	<b><u>1,447,985</u></b>
<b>Total liabilities and equity</b>		<b><u>2,065,835</u></b>	<b><u>2,064,758</u></b>

The accompanying notes from 1 through 20 form an integral part of these condensed interim financial statements.

  
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Chief Financial Officer

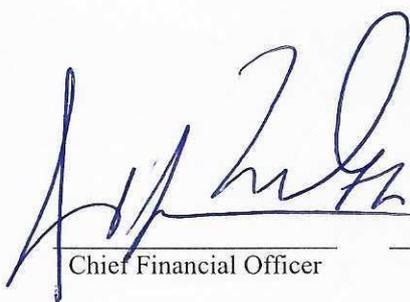
  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chairman of  
Board of Directors

**NAYIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(All amounts in thousands of Saudi Riyals unless otherwise stated)

	<i>Notes</i>	<b>For the three-month period ended 31 March</b>	
		<b>2025</b>	<b>2024</b>
Commission income from Islamic financing receivables		86,923	85,531
Commission expense on Islamic bank financings		<u>(9,389)</u>	<u>(12,198)</u>
<b>Net commission income from Islamic financing receivables</b>		<b>77,534</b>	<b>73,333</b>
Charge of expected credit loss allowance – net	8.6	(13,918)	(12,038)
Salaries and other related expenses	12	(22,435)	(24,130)
General and administrative expenses		(11,187)	(13,198)
Depreciation and amortization		(1,703)	(2,503)
Other income – net		255	213
<b>Net income for the period before Zakat</b>		<b>28,546</b>	<b>21,677</b>
Zakat charge for the period		(5,000)	(4,500)
<b>Net income for the period</b>		<b>23,546</b>	<b>17,177</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>23,546</b>	<b>17,177</b>
<b>Basic and diluted earnings per share</b>	13	<b>0.20</b>	<b>0.14</b>

The accompanying notes from 1 through 20 form an integral part of these condensed interim financial statements.

		
Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors

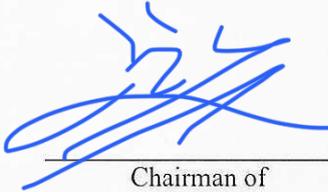
**NAYIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)  
**CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(All amounts in Saudi Riyals in thousand unless otherwise stated)

	<i>Note</i>	<u>Share capital</u>	<u>Statutory reserve</u>	<u>General reserve</u>	<u>Retained earnings</u>	<u>Total</u>
<b>2025</b>						
<b>Balance as at 31 December 2024 (Audited)</b>		1,200,000	69,645	21,929	156,411	1,447,985
Transfer to retained earnings	11		(69,645)		69,645	-
Total comprehensive income for the period		-	-	-	23,546	23,546
<b>Balance as at 31 March 2025 (Unaudited)</b>		<u>1,200,000</u>	<u>-</u>	<u>21,929</u>	<u>249,602</u>	<u>1,471,531</u>
<b>2024</b>						
Balance as at 31 December 2023 (Audited)		1,200,000	69,645	8,822	98,447	1,376,914
Total comprehensive income for the period		-	-	-	17,177	17,177
Balance as at 31 March 2024 (Unaudited)		<u>1,200,000</u>	<u>69,645</u>	<u>8,822</u>	<u>115,624</u>	<u>1,394,091</u>

The accompanying notes from 1 through 20 form an integral part of these condensed interim financial statements.

  
\_\_\_\_\_  
Chief Financial Officer

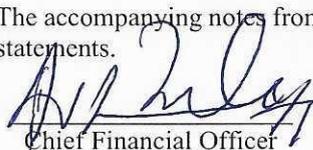
  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chairman of  
Board of Directors

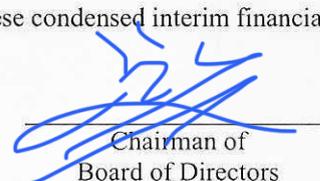
**NAYIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)  
**CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(All amounts in thousands of Saudi Riyals unless otherwise stated)

	<i>Notes</i>	<b>For the three-month period ended 31 March</b>	
		<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities</b>			
Net income for the period before Zakat		28,546	21,677
<b>Adjustments for</b>			
Depreciation and amortization		1,703	2,503
Gain on sale of assets held for sale	9	(262)	-
Provision for employees' end of service benefits		719	905
Charge of expected credit loss allowance – net	8.6	13,918	12,038
Commission income from Islamic financing receivables		(86,923)	(85,531)
Commission expense on lease liabilities		8	2
Commission expense on Islamic bank financings		9,389	12,198
		<u>(32,902)</u>	<u>(36,208)</u>
<b>Changes in operating assets and liabilities</b>			
Islamic financing receivables – net		(26,813)	(10,375)
Prepayments and other assets		(168)	17,600
Accruals and other payables		(1,736)	6,109
Other balances with banks		(4,487)	565
		<u>(66,106)</u>	<u>(22,309)</u>
Commission income received		62,897	87,059
Employees' end of service benefits paid		(704)	(131)
Dividend paid		(60,000)	-
Commission expense and charges paid		(11,138)	(12,382)
<b>Net cash (used in) / generated from operating activities</b>		<u>(75,051)</u>	<u>52,237</u>
<b>Cash flows from investing activities</b>			
Acquisition of intangible assets		(122)	(10)
Acquisition of property and equipment		(126)	(835)
Proceeds from sale of assets held for sale	9	450	-
<b>Net cash generated from / (used in) investing activities</b>		<u>202</u>	<u>(845)</u>
<b>Cash flows from financing activities</b>			
Proceeds from Islamic bank financings		210,000	10,000
Repayment of Islamic bank financings		(174,285)	(60,477)
Payment of lease liabilities		(300)	-
<b>Net cash generated from / (used in) financing activities</b>		<u>35,415</u>	<u>(50,477)</u>
<b>Net change in cash and cash equivalents</b>		<u>(39,434)</u>	<u>915</u>
Cash and cash equivalents at the beginning of the period		<u>86,476</u>	<u>61,295</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>47,042</u>	<u>62,210</u>

The accompanying notes from 1 through 20 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman of  
Board of Directors

**NAYIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(All amounts in Saudi Riyals in thousand unless otherwise stated)

**1. GENERAL INFORMATION**

Nayifat Finance Company (the “Company”) is a Saudi joint stock company under Commercial Registration (“CR”) number 1010176451 issued in Riyadh on 9 Jumad al-Thani 1431 H (corresponding to 23 May 2010). The Company is licensed to operate under The Saudi Central Bank (“SAMA”) having license no. 5/AS/201312 expiring on 25 Safar 1450H (corresponding to 18 July 2028). The Company is authorized to provide lease finance, consumer finance, small and medium enterprise finance, debt crowdfunding and credit cards finance in the Kingdom of Saudi Arabia.’

The Company’s registered office is located in Riyadh at the following address:

Nayifat Finance Company  
7633 Al Ulaya – Al Woroud Dist.  
Unit No 1555, Riyadh 12253 – 2105  
Kingdom of Saudi Arabia

**2. BASIS OF PREPARATION**

- 2.1 These condensed interim financial statements of the Company 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”).

The assets and liabilities in the condensed statement of financial position are presented in order of liquidity.

- 2.2 These condensed interim financial statements do not include all information and disclosures required for a complete set of financial statements and should be read in conjunction with the Company’s last annual audited financial statements as at and for the year ended 31 December 2024.
- 2.3 These condensed interim financial statements have been prepared on a going concern basis under the historical cost convention except for equity investments measured at fair value through OCI which are carried at fair value. Further, provision for employees’ end of service benefits is measured at present value of defined benefit obligation using the Projected Unit Credit Method.

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The accounting policies, estimates and assumptions used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the last annual audited financial statements for the year ended 31 December 2024.

**NAYIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(All amounts in Saudi Riyals in thousand unless otherwise stated)

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

*Standards, interpretations and amendments effective*

Following standards, interpretations and amendments are effective from the current year and are adopted by the Company. The Company has assessed that these amendments have no significant impact on the Company's condensed interim financial statements.

<b><u>Standards, interpretations and amendments</u></b>	<b><u>Description</u></b>	<b><u>Effective date</u></b>
Amendment to IAS 21 – Lack of exchangeability	The International Accounting Standard Board (“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

*Standards, interpretations and amendments not yet effective*

IASB has issued the following accounting standards, interpretation and amendments, which become effective from periods starting on or after 1 January 2026. The Company did not opt for early adoption of these pronouncements and do not expect the adoption to have a significant impact on the financial statements of the Company.

<b><u>Standards, interpretations and amendments</u></b>	<b><u>Description</u></b>	<b><u>Effective date</u></b>
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

**NAYIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(All amounts in Saudi Riyals in thousand unless otherwise stated)

**4. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS (continued)**

*Standards, interpretations and amendments not yet effective (continued)*

<b>Standards, interpretations and amendments</b>	<b>Description</b>	<b>Effective date</b>
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

**5. USE OF JUDGEMENTS AND ESTIMATES**

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements as at and for the year ended 31 December 2024.

The management has concluded that the critical accounting judgements, estimates and assumptions remain appropriate under the current circumstances and there are no changes to the significant judgements and estimates disclosed in the annual audited financial statements for the year ended 31 December 2024.

**NAYIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(All amounts in Saudi Riyals in thousand unless otherwise stated)

**6. CASH AND CASH EQUIVALENTS**

	<i>Note</i>	<b>31 March 2025 (Unaudited)</b>	31 December 2024 (Audited)
Cash at bank	6.1	<b>47,042</b>	86,476

6.1 This represents current accounts maintained with local banks.

**7. OTHER BALANCES WITH BANKS**

	<i>Note</i>	<b>31 March 2025 (Unaudited)</b>	31 December 2024 (Audited)
Margin deposits (restricted)	7.1	<b>10,420</b>	5,933

7.1 These represent non-profit bearing margin deposits held with local banks against financing facilities obtained and the tenor of these deposits is in line with the maturity of the underlying financing facilities (note 10).

**8. ISLAMIC FINANCING RECEIVABLES – NET**

The business activities of the Company are in the Kingdom of Saudi Arabia and primarily represent Tawarruq.

8.1 The breakup of Islamic financing receivables is as follows:

**31 March 2025**

	<u>Personal</u>	<u>SME</u>	<u>Islamic credit cards</u>	<u>Total</u>
Performing	1,272,600	340,636	24,991	1,638,227
Non-performing	268,240	130,736	2,569	401,545
<b>Gross receivables</b>	<b>1,540,840</b>	<b>471,372</b>	<b>27,560</b>	<b>2,039,772</b>
ECL allowance	(118,180)	(17,025)	(2,592)	(137,797)
<b>Net receivables</b>	<b>1,422,660</b>	<b>454,347</b>	<b>24,968</b>	<b>1,901,975</b>

**31 December 2024**

	<u>Personal</u>	<u>SME</u>	<u>Islamic credit cards</u>	<u>Total</u>
Performing	1,252,450	305,710	24,408	1,582,568
Non-performing	288,763	125,957	2,818	417,538
Gross receivables	1,541,213	431,667	27,226	2,000,106
ECL allowance	(116,637)	(15,823)	(2,592)	(135,052)
<b>Net receivables</b>	<b>1,424,576</b>	<b>415,844</b>	<b>24,634</b>	<b>1,865,054</b>

**NAYIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(All amounts in Saudi Riyals in thousand unless otherwise stated)

**8. ISLAMIC FINANCING RECEIVABLES – NET (continued)**

**8.2 Reconciliation of gross to net Islamic financing receivables:**

**31 March 2025**

	<u>Personal</u>	<u>SME</u>	<u>Islamic credit cards</u>	<u>Total</u>
Gross receivables	2,180,886	586,074	27,560	2,794,520
Unearned commission income	(640,046)	(114,702)	-	(754,748)
	<u>1,540,840</u>	<u>471,372</u>	<u>27,560</u>	<u>2,039,772</u>
ECL allowance	(118,180)	(17,025)	(2,592)	(137,797)
<b>Net receivables</b>	<b><u>1,422,660</u></b>	<b><u>454,347</u></b>	<b><u>24,968</u></b>	<b><u>1,901,975</u></b>

**31 December 2024**

	<u>Personal</u>	<u>SME</u>	<u>Islamic credit cards</u>	<u>Total</u>
Gross receivables	2,202,927	541,065	27,226	2,771,218
Unearned commission income	(661,714)	(109,398)	-	(771,112)
	<u>1,541,213</u>	<u>431,667</u>	<u>27,226</u>	<u>2,000,106</u>
ECL allowance	(116,637)	(15,823)	(2,592)	(135,052)
<b>Net receivables</b>	<b><u>1,424,576</u></b>	<b><u>415,844</u></b>	<b><u>24,634</u></b>	<b><u>1,865,054</u></b>

**8.3 Stage wise analysis of Islamic financing receivables:**

**31 March 2025**

	<u>Personal</u>	<u>SME</u>	<u>Islamic credit cards</u>	<u>Total</u>
Stage 1	1,100,539	292,755	23,777	1,417,071
Stage 2	172,061	47,881	1,214	221,156
Stage 3	268,240	130,736	2,569	401,545
	<u>1,540,840</u>	<u>471,372</u>	<u>27,560</u>	<u>2,039,772</u>
ECL allowance	(118,180)	(17,025)	(2,592)	(137,797)
<b>Net receivables</b>	<b><u>1,422,660</u></b>	<b><u>454,347</u></b>	<b><u>24,968</u></b>	<b><u>1,901,975</u></b>

**31 December 2024**

	<u>Personal</u>	<u>SME</u>	<u>Islamic credit cards</u>	<u>Total</u>
Stage 1	1,015,710	146,302	22,030	1,184,042
Stage 2	236,740	159,408	2,378	398,526
Stage 3	288,763	125,957	2,818	417,538
	<u>1,541,213</u>	<u>431,667</u>	<u>27,226</u>	<u>2,000,106</u>
ECL allowance	(116,637)	(15,823)	(2,592)	(135,052)
<b>Net receivables</b>	<b><u>1,424,576</u></b>	<b><u>415,844</u></b>	<b><u>24,634</u></b>	<b><u>1,865,054</u></b>

As at 31 March 2025, stage 3 includes certain contracts amounting to SR 57.31 million (31 December 2024: SR 63.92 million) which are currently undergoing a curing period following their prior classification.

Although these contracts remain classified as Stage 3, they are currently within the curing period as per the Company's internal credit risk management policies and regulatory guidelines. These contracts are monitored to ensure sustained performance before they can be reclassified to a lower-risk stage. This classification does not necessarily indicate a permanent credit impairment but reflects the structured curing process required before transitioning to a lower-risk category.

**NAYIFAT FINANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(All amounts in Saudi Riyals in thousand unless otherwise stated)

**8. ISLAMIC FINANCING RECEIVABLES – NET (continued)**

**8.4 Reconciliation of gross Islamic financing receivables**

The movement in gross Islamic financing receivables is as follows:

	Stage 1	Stage 2	Stage 3	Total
Balances as at 1 January 2025	1,184,042	398,526	417,538	2,000,106
Transfer from Stage 1	(74,387)	71,408	2,979	-
Transfer from Stage 2	184,979	(233,957)	48,978	-
Transfer from Stage 3	16,354	11,209	(27,563)	-
Net other movements*	106,083	(26,030)	(19,311)	60,742
	233,029	(177,370)	5,083	60,742
Write-off during the period	-	-	(21,076)	(21,076)
<b>Balances as at 31 March 2025</b>	<b>1,417,071</b>	<b>221,156</b>	<b>401,545</b>	<b>2,039,772</b>

	Stage 1	Stage 2	Stage 3	Total
Balances as at 1 January 2024	1,342,362	290,230	362,201	1,994,793
Transfer from Stage 1	(374,389)	257,340	117,049	-
Transfer from Stage 2	57,370	(137,565)	80,195	-
Transfer from Stage 3	3,347	1,690	(5,037)	-
Net other movements*	155,352	(13,169)	(83,943)	58,240
	(158,320)	108,296	108,264	58,240
Written off during the year	-	-	(52,927)	(52,927)
Balances as at 31 December 2024	1,184,042	398,526	417,538	2,000,106

\*net other movement includes financing originated, financing repaid and other measurements.

**8.5 Movement in ECL allowance of Islamic financing receivables:**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	9,411	15,031	110,610	135,052
Transfer from Stage 1	(1,220)	1,151	69	-
Transfer from Stage 2	2,880	(6,312)	3,432	-
Transfer from Stage 3	2,758	4,247	(7,005)	-
Financial assets settled	(522)	(835)	(8,974)	(10,331)
New financial assets originated	2,438	-	-	2,438
Net re-measurement of loss allowance	(2,758)	7,038	27,434	31,713
	3,576	5,289	14,956	23,821
Written off during the period	-	-	(21,076)	(21,076)
<b>ECL allowance as at 31 March 2025</b>	<b>12,987</b>	<b>20,320</b>	<b>104,490</b>	<b>137,797</b>

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	12,141	24,674	85,467	122,282
Transfer from Stage 1	(12,802)	5,811	6,991	-
Transfer from Stage 2	4,294	(12,892)	8,598	-
Transfer from Stage 3	716	544	(1,260)	-
Financial assets settled	(2,860)	(5,662)	(17,375)	(25,897)
New financial assets originated	25,141	-	-	25,141
Net re-measurement of loss allowance	(17,219)	2,556	81,116	66,453
	(2,730)	(9,643)	78,070	65,697
Written off during the year	-	-	(52,927)	(52,927)
ECL allowance as at 31 December 2024	9,411	15,031	110,610	135,052

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**8. ISLAMIC FINANCING RECEIVABLES – NET (continued)**

**8.6 Charge of expected credit loss allowance – net**

	<b>For the three-month period ended March 31 (Unaudited)</b>	
	<b>2025</b>	<b>2024</b>
Provision for expected credit loss allowance – net of reversal	<b>23,821</b>	22,336
Recoveries against receivables previously written off	<b>(9,903)</b>	(10,298)
Charge of expected credit loss allowance – net	<b>13,918</b>	12,038

**8.7 Assignment of Islamic financing receivables**

The Company assigned Islamic financing receivables amounting to SR 626.58 million (31 December 2024: SR 602.62 million) to local commercial banks for obtaining Islamic bank financing. The carrying amount of associated Islamic bank financing amounts to SR 508.05 million (31 December 2024: SR 472.99 million).

These Islamic financing receivables have not been derecognized from the condensed statement of financial position as the Company retains substantially all the related risks and rewards, primarily credit risk. The Company is liable for the repayments of their assigned receivables to local commercial banks in case of customer default. The amount received on assignment of Islamic financing receivables has been recognized as Islamic bank financing in the condensed statement of financial position.

Pursuant to the terms of the transfer agreement, the Company is not allowed to re-pledge those receivables and the financial institution lenders have recourse only to the receivables in the event the Company defaults its obligation.

**8.8 Amounts written off still subject to enforcement activity**

As at 31 March 2025, the receivables amount written off still subject to enforcement activity is SR 197 million (31 December 2024: SR 190 million).

**8.9 Ageing analysis of Tawarruq Islamic financing receivables:**

**Personal**

<b>31 March 2025</b>	<b>Gross exposure</b>	<b>ECL allowance</b>	<b>Net exposure</b>
0 to 30 days	<b>1,100,539</b>	<b>(11,701)</b>	<b>1,088,838</b>
30 to 90 days	<b>172,061</b>	<b>(19,887)</b>	<b>152,174</b>
90 to 180 days	<b>76,029</b>	<b>(25,557)</b>	<b>50,472</b>
180 to 270 days	<b>29,299</b>	<b>(9,862)</b>	<b>19,437</b>
270 to 360 days	<b>25,537</b>	<b>(8,584)</b>	<b>16,953</b>
360 to 450 days	<b>31,745</b>	<b>(10,784)</b>	<b>20,961</b>
450 to 540 days	<b>24,916</b>	<b>(8,356)</b>	<b>16,560</b>
540 to 630 days	<b>25,134</b>	<b>(8,435)</b>	<b>16,699</b>
630 days & above	<b>55,580</b>	<b>(15,014)</b>	<b>40,566</b>
<b>Total</b>	<b>1,540,840</b>	<b>(118,180)</b>	<b>1,422,660</b>

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**8. ISLAMIC FINANCING RECEIVABLES – NET (continued)**

**8.9 Ageing analysis of Tawarruq Islamic financing receivables (continued)**

<u>31 December 2024</u>	<u>Gross exposure</u>	<u>ECL allowance</u>	<u>Net exposure</u>
0 to 30 days	1,015,710	(8,441)	1,007,269
30 to 90 days	236,740	(14,353)	222,387
90 to 180 days	69,152	(23,137)	46,015
180 to 270 days	33,361	(11,162)	22,199
270 to 360 days	30,130	(10,081)	20,049
360 to 450 days	31,748	(10,622)	21,126
450 to 540 days	30,417	(10,177)	20,240
540 to 630 days	35,559	(11,898)	23,661
630 days & above	58,396	(16,766)	41,630
<b>Total</b>	<b>1,541,213</b>	<b>(116,637)</b>	<b>1,424,576</b>

**SME**

<u>31 March 2025</u>	<u>Gross exposure</u>	<u>ECL allowance</u>	<u>Net exposure</u>
0 to 30 days	<b>292,755</b>	<b>(979)</b>	<b>291,776</b>
30 to 90 days	<b>47,881</b>	<b>(293)</b>	<b>47,588</b>
90 to 180 days	<b>18,313</b>	<b>(1,122)</b>	<b>17,191</b>
180 to 270 days	<b>23,456</b>	<b>(2,667)</b>	<b>20,789</b>
270 to 360 days	<b>2,558</b>	<b>(244)</b>	<b>2,314</b>
360 to 450 days	<b>1,321</b>	<b>(61)</b>	<b>1,260</b>
450 to 540 days	<b>20,139</b>	<b>(1,042)</b>	<b>19,097</b>
540 to 630 days	-	-	-
630 days & above	<b>64,949</b>	<b>(10,617)</b>	<b>54,332</b>
<b>Total</b>	<b>471,372</b>	<b>(17,025)</b>	<b>454,347</b>

<u>31 December 2024</u>	<u>Gross exposure</u>	<u>ECL allowance</u>	<u>Net exposure</u>
0 to 30 days	146,302	(689)	145,613
30 to 90 days	159,408	(447)	158,961
90 to 180 days	26,691	(588)	26,103
180 to 270 days	4,957	(441)	4,516
270 to 360 days	880	(59)	821
360 to 450 days	20,205	(1,052)	19,153
450 to 540 days	-	-	-
540 to 630 days	554	(28)	526
630 days & above	72,670	(12,519)	60,151
<b>Total</b>	<b>431,667</b>	<b>(15,823)</b>	<b>415,844</b>

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**8. ISLAMIC FINANCING RECEIVABLES – NET (continued)**

**8.9 Ageing analysis of Tawarruq Islamic financing receivables (continued)**

**Islamic Credit Cards**

<b><u>31 March 2025</u></b>	<b>Gross exposure</b>	<b>ECL allowance</b>	<b>Net exposure</b>
0 to 30 days	23,777	(307)	23,470
30 to 90 days	1,214	(140)	1,074
90 to 180 days	1,320	(933)	387
180 to 270 days	767	(744)	23
270 to 360 days	482	(468)	14
<b>Total</b>	<b>27,560</b>	<b>(2,592)</b>	<b>24,968</b>

<b><u>31 December 2024</u></b>	<b>Gross exposure</b>	<b>ECL allowance</b>	<b>Net exposure</b>
0 to 30 days	22,030	(282)	21,748
30 to 90 days	2,378	(231)	2,147
90 to 180 days	1,095	(803)	292
180 to 270 days	616	(451)	165
270 to 360 days	1,107	(825)	282
<b>Total</b>	<b>27,226</b>	<b>(2,592)</b>	<b>24,634</b>

**9. ASSETS HELD FOR SALE**

These represent properties in the Kingdom of Saudi Arabia which were repossessed by the Company against settlement of Islamic financing receivables.

During the period, the Company sold a property for SAR 0.45 million, resulting in a gain on disposal of SAR 0.26 million, as the property's carrying amount was SAR 0.19 million.

**10. ISLAMIC BANK FINANCINGS AND OTHER LIABILITIES**

	<i>Note</i>	<b>31 March 2025 (Unaudited)</b>	31 December 2024 (Audited)
Islamic bank financings	10.1	<b>509,669</b>	475,704
Lease liabilities		<b>482</b>	195
		<b>510,151</b>	475,899

**10.1** The Company has long-term financing limits amounting to SR 1,856.69 million (31 December 2024: SR 1,856.69 million) with local banks to finance current and long-term funding needs of which SR 508.05 million was utilized as of 31 March 2025 (31 December 2024: SR 472.99 million). These financing facilities are repayable in three to five years in monthly, quarterly or bi-annual instalments. The commission rates on the financing availed range from 1 month / 3 months / 6 months SIBOR along with margin of 1.20% to 1.75%.

As at 31 March 2025, the balance of Islamic bank financing includes accrued commission expense of SR 1.62 million (31 December 2024: SR 2.71 million).

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**10. ISLAMIC BANK FINANCINGS AND OTHER LIABILITIES (continued)**

Under the terms of the financing arrangements, the Company adhered to financial covenants. The Company is required to maintain margin deposits (note 7). These margin deposits cannot be withdrawn or used by the Company for liquidity purposes whilst the financing amount is outstanding, the same amount can be offset against the financing in the event of default, though there is no intention of net settlement on part of the Company.

**11. STATUTORY RESERVE**

During the Extraordinary General Assembly meeting held on 10 March 2025, the shareholders, upon the recommendation of the Board of Directors, approved the transfer of the entire statutory reserve balance amounting to SAR 69.65 million to retained earnings.

**12. SALARIES AND OTHER RELATED EXPENSES**

	<b>For the three-month period ended 31 March (Unaudited)</b>	
	<b>2025</b>	<b>2024</b>
Salaries and related costs	<b>13,063</b>	12,407
Other employee related costs	<b>7,572</b>	9,923
Directors and Board committees' fees	<b>1,800</b>	1,800
	<b>22,435</b>	24,130

**13. EARNINGS PER SHARE**

	<b>For the three-month period ended 31 March (Unaudited)</b>	
	<b>2025</b>	<b>2024</b>
Net income for the period	<b>23,546</b>	17,177
Weighted average number of shares for basic and diluted EPS	<b>120,000</b>	120,000
Basic and diluted EPS (in Saudi Riyals)	<b>0.20</b>	0.14

**14. CONTINGENCIES AND COMMITMENTS**

***Contingencies***

There is no significant change in the status of contingencies since the year ended 31 December 2024.

***Commitments***

There are no significant commitments other than irrevocable commitments to extend credit related to undrawn credit card limits as at 31 March 2025 amounting to SR 6.7 million (31 December 2024: SR 9.78 million) and SME related commitments as at 31 March 2025 amounting to SR Nil million (31 December 2024: SR 0.60 million). ECL allowance held against undrawn commitment is approximately SR 0.31 million (31 December 2024: 0.40 million).

**15. RELATED PARTY TRANSACTIONS AND BALANCES**

The related parties of the Company include shareholders, the Board of Directors and key management personnel. In the ordinary course of its activities, the Company transacts business with its related parties on mutually agreed terms.

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**15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**15.1** Related party transactions during the period were as follows:

Related party	Nature of transaction	For the three-month period ended 31 March (Unaudited)	
		2025	2024
Key management personnel (KMPs) - note 15.1.1	Compensation for the period (short-term)	2,747	2,519
Number of KMPs :15 (2024:13)	Employees' end of service benefits entitlement (post-employment benefit)	176	143
Directors and Board committees' members	Remuneration of directors and Board committees' members	1,800	1,800
AlBayouk Chartered Accountants Office - note 15.1.2	Zakat / VAT consultancy fees	192	58
Yaqeen Capital - note 15.1.3	Commodities Waqala transaction	187	582

**15.1.1** Key management personnel of the Company include Chief executive officer and his direct reports.

**15.1.2** Al Bayouk Chartered Accountants Office is under the ownership of a member of Board of Directors.

**15.1.3** Yaqeen Capital is under the common control of the major shareholder, Falcom Holding Company, which is the ultimate controlling party. Yaqeen Capital acts as the agent of the Company for facilitating Tawarruq financing in relation to buying and selling of commodities. The Company has paid an advance to Yaqeen Capital for these transactions and the balance is receivable on demand.

**15.2** Balances of related parties as at statement of financial position date were as follows:

Related party	Nature of balance outstanding	Amount receivable / (payable)	
		31 March 2025 (Unaudited)	31 December 2024 (Audited)
Yaqeen Capital - note 15.1.3	Advance for commodity Tawarruq transactions – held on behalf of the Company	36,239	36,425
Directors and Board Committees members	Board remuneration payable	(1,954)	(2,057)
Key management personnel - note 15.1.1	EOSB payable	(2,844)	(3,036)
Falcom Holding Company	Dividend payable	-	28,803
Board of Directors	Dividend payable	-	37

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**16. CAPITAL MANAGEMENT**

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern, maintain healthy capital ratios in order to support its business and to provide an optimal return to its shareholders.

The Board of Directors seek to maintain a balance between the higher returns that might be possible with higher levels of Islamic bank financing and the advantages and security afforded by a sound capital position. The Company monitors aggregate amount of financing offered by the Company on the basis of the regulatory requirements which requires to maintain aggregate financing to capital ratio up to three times.

	<b>31 March 2025 (Unaudited)</b>	31 December 2024 (Audited)
Aggregate financing to capital ratio (Islamic financing receivables – net divided by total equity)	<b>1.29 times</b>	1.29 times

**17. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using other valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs

**Valuation models**

The Company measures fair values of financial assets and financial liabilities using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

**Fair value hierarchy of financial assets and liabilities**

All financial assets and liabilities which are carried at fair value are of an insignificant amount.

The fair value of Islamic financing receivables is classified as level 3 as per fair value hierarchy and has been determined using expected cash flows discounted at relevant current effective profit rate for respective segment. The fair value as at 31 March 2025 amounts to SR 1,950 million (31 December 2024: SR 1,929 million).

For all other financial assets and liabilities which are not measured at fair value, the Company has assessed that the carrying amount approximates their fair value due to their short-term nature and frequent re-pricing. Cash at banks and margin deposits have been classified as level 1 while all remaining financial assets and liabilities are classified as level 3 as per the fair value hierarchy and have been determined by using expected cash flows discounted at relevant current effective profit rate.

There have been no transfers between levels of the fair value hierarchy during the current and prior period.

**18. OPERATING SEGMENTS**

Operating segments are identified based on internal reports about components of the Company that are regularly reviewed by the Company's Board of Directors in its function as the Chief Operating Decision Maker to allocate resources to segments and to assess their performance. Performance of each segment is measured based on the related activities of each segment where the return from respective portfolio is the basis for performance measurement as management believes that this indicator is the most relevant in evaluating the results of segments.

The Company's reportable segments are as follows:

- 1) Personal:** These relate to personal financing provided to retail segment.
- 2) SME:** These relate to financing provided to SMEs and High Net Worth Individuals.
- 3) Islamic credit cards:** These relate to Islamic credit cards provided to retail customers.

The segment wise breakup is as follows:

**As at 31 March 2025**

	<b>Personal</b>	<b>SME</b>	<b>Islamic credit cards</b>	<b>Total</b>
Total assets	1,422,660	454,694	24,621	1,901,975
Total liabilities	415,992	131,383	14,740	562,115

**As at 31 December 2024**

	Personal	SME	Islamic credit cards	Total
Total assets	1,424,576	415,844	24,634	1,865,054
Total liabilities	396,623	114,768	14,423	525,814

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**18. OPERATING SEGMENTS (continued)**

**18.1 Reconciliation of reportable segment assets and liabilities to the condensed statement of financial position**

	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
Total assets for reportable segments	1,901,975	1,865,054
Unallocated other Assets	163,860	199,704
Total assets as per condensed statement of financial position	<u>2,065,835</u>	<u>2,064,758</u>
Total liabilities for reportable segments	562,115	525,814
Unallocated others liabilities	32,189	90,959
Total liabilities as per condensed statement of financial position	<u>594,304</u>	<u>616,773</u>

The segment wise breakup of income and expenses is as follows:

*For the three-month ended 31 March 2025*

	Personal	SME	Islamic credit cards	Total
Commission income	71,274	15,111	538	86,923
Commission expense	(7,023)	(2,245)	(121)	(9,389)
Direct operating expense	(7,563)	(1,823)	(753)	(10,139)
Impairment charge	(12,716)	(1,202)	-	(13,918)
Unallocated income	-	-	-	255
Unallocated expenses	-	-	-	(25,186)
Net income / (loss) before Zakat	<u>43,972</u>	<u>9,841</u>	<u>(336)</u>	<u>28,546</u>

*For the three-month ended 31 March 2024*

	Personal	SME	Islamic credit cards	Total
Commission income	72,973	12,815	(257)	85,531
Commission expense	(9,127)	(2,889)	(182)	(12,198)
Direct operating expense	(8,791)	(1,035)	(681)	(10,507)
Impairment charge	(6,720)	(4,191)	(1,127)	(12,038)
Unallocated income	-	-	-	213
Unallocated expenses	-	-	-	(29,324)
Net income / (loss) before Zakat	<u>48,335</u>	<u>4,700</u>	<u>(2,247)</u>	<u>21,677</u>

**18.2 Reconciliation of reportable segment income and expenses to the condensed statement of comprehensive income**

	For the three-month period ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
Total income for reportable segments	86,923	85,531
Unallocated income	255	213
<b>Total income as per condensed statement of comprehensive income</b>	<u>87,178</u>	<u>85,744</u>
Total expenses for reportable segments	33,446	34,743
Unallocated expenses	25,186	29,324
<b>Total expense as per condensed statement of comprehensive income</b>	<u>58,632</u>	<u>64,067</u>

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**19. SUBSEQUENT EVENTS**

There were no events subsequent to the condensed statement of financial position date which required adjustments to or disclosure in these condensed interim financial statements.

**20. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS**

The accompanying condensed interim financial statements were approved for issue by the Board of Directors on 29 April 2025.