



**BUILDING  
STABILITY,  
DELIVERING  
VALUE**



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**Visit**  
our corporate  
website for more  
information.

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His Royal Highness Prince  
**Salman bin Hamad Al Khalifa**  
The Crown Prince  
and Prime Minister



His Majesty King  
**Hamad Bin Isa Al Khalifa**  
The King of  
the Kingdom of Bahrain

## GROUP PROFILE

### **National Finance House (NFH)**

is a Bahrain-based financing company specialising in consumer and corporate finance for the purchase of private, commercial and heavy vehicles. Established in 2005 and commencing operations in 2006, the Group operates under a Financing Company licence issued by the Central Bank of Bahrain and is capitalised at BHD 7.5 million. The Group is backed by a strong shareholder base of leading GCC institutional investors and has built a strong position in Bahrain's competitive vehicle finance market, recognised for its responsive service, flexible solutions and speed in processing loan applications.

In line with its strategy to diversify within secured asset-based financing, the Group introduced dedicated medical equipment financing in 2022 to support healthcare providers, followed by solar equipment financing to facilitate the purchase and installation of solar panels for residential and commercial properties. The Group has also established a wholly owned subsidiary, National Finance House Auto Mall W.L.L., which offers a one-stop platform for customers to select new and used vehicles and arrange financing, registration and insurance services under one roof.

Further strengthening its customer offering, the Group expanded into insurance intermediation in 2025 through its wholly owned subsidiary, National Finance House Insurance Services Company W.L.L., which obtained an Insurance Broker licence from the Central Bank of Bahrain in July 2025. This positions the Group to provide more integrated financial and protection solutions, reinforcing its role as a trusted partner for individuals and businesses across the Kingdom of Bahrain.

## SHAREHOLDERS

### **Kingdom of Bahrain**

- Bahrain National Holding Company
- Y.K. Almoayyed & Sons
- E.K. Kanoo B.S.C.

### **Kingdom of Saudi Arabia**

Almutlaq Group

### **Sultanate of Oman**

Oman International Development & Investment Company

### OUR VISION



**We aspire to be the first-choice provider of finance solutions.**

### OUR VALUES



Our business activities and relationships with all stakeholders are governed by the following core values:

- **Consistency**
- **Integrity**
- **Performance**
- **Service**
- **Innovation**
- **Teamwork**

We are committed to establishing enduring and mutually beneficial relationships with our clients, which are distinguished by:

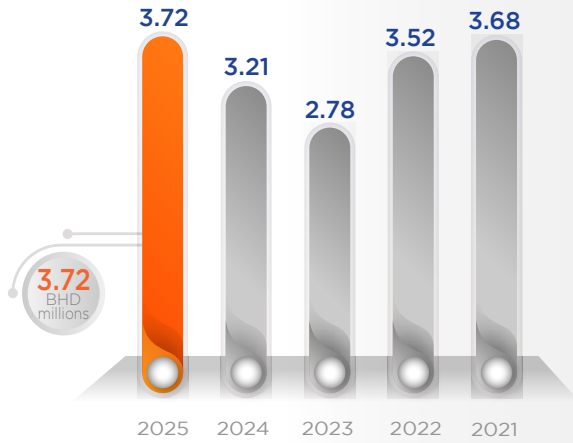
- **The provision of innovative and flexible financing solutions**
- **The delivery of personalised, speedy and responsive customer service**
- **The adoption of the highest standards of ethical behaviour**

### OUR MISSION

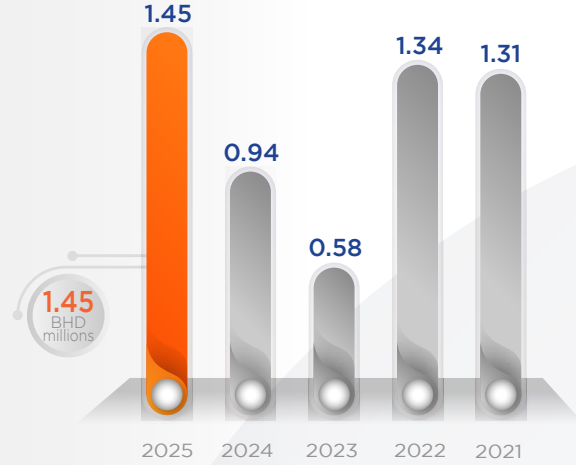


# Financial Highlights

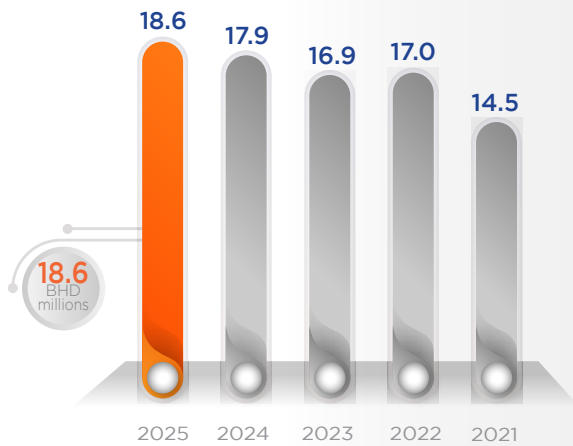
## TOTAL INCOME



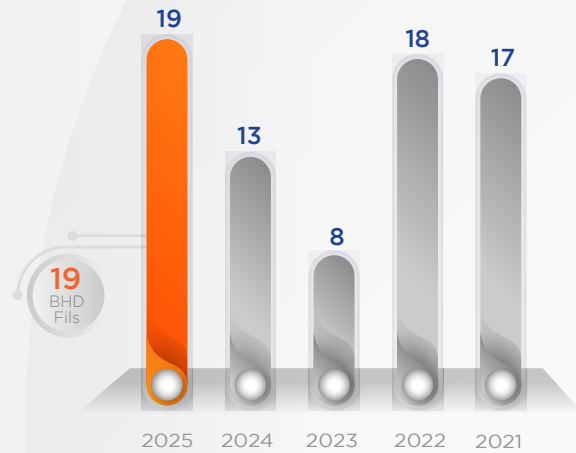
## PROFIT FOR THE YEAR



## TOTAL EQUITY



## EARNINGS PER SHARE



	2025	2024	2023	2022	2021
Total Assets	46,548,708	47,065,762	50,385,587	53,073,839	51,663,625
Total Liabilities	27,966,228	29,184,128	33,446,496	36,116,089	35,447,754
Total Equity	18,582,480	17,881,634	16,939,091	16,957,750	16,215,871
Total Income	3,716,572	3,211,653	2,784,865	3,517,820	3,678,338
Profit for the Year	1,450,846	942,543	581,341	1,341,879	1,309,697
Share Capital	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Dividends	1,125,000	750,000	-	600,000	600,000
ROAE (%)	8.0%	5.4%	3.4%	8.1%	8.3%
ROA (%)	3.1%	2.0%	1.2%	2.5%	2.5%
EPS (in fils)	19	13	8	18	17



# Operational Highlights



### BAHRAINISATION

By the end of 2025, the Group maintained an exceptional Bahrainisation level of 98%, reflecting its continued commitment to developing and retaining local talent.



### INSURANCE BROKERAGE LAUNCH

In 2025, the Group established National Finance House Insurance Services Company W.L.L., a wholly owned subsidiary licensed by the Central Bank of Bahrain as an insurance broker, enabling the Group to offer integrated insurance solutions alongside its core financing products and strengthen fee-based income.



### GOVERNANCE & COMPLIANCE ENHANCEMENTS

The Group strengthened its governance and compliance framework in line with evolving regulatory expectations, updating key charters, policies and procedures and aligning with the new standalone Fit & Proper Requirements Module.



### BUSINESS CONTINUITY & CYBER RESILIENCE

The Group reinforced its operational resilience by conducting fire drills, business continuity and disaster recovery exercises, as well as periodic vulnerability assessment and penetration testing (VAPT), helping to validate preparedness and strengthen the Group's cyber and operational risk controls.



### RECORD AUTO MALL PERFORMANCE

NFH Auto Mall delivered its strongest year since inception, supported by healthy demand for automobiles, effective partnerships with key dealers and disciplined pricing, contributing positively to Group profitability.



### STRONG MARKET POSITION

The Group continued to maintain a strong market presence in Bahrain's highly competitive vehicle financing sector, supported by growth in auto lending, the continued success of NFH Auto Mall and close collaboration with key dealers.

## Board of **Directors**



Talal Fuad Kanoo



Raed Abdulla Fakhri



Ahmed Adnan  
Al-Aseeri

*NFH is overseen by a distinguished Board of Directors comprising local and regional business leaders with diverse skills, experience, and expertise. Their collective backgrounds span key sectors such as finance, technology, strategic planning, and governance, enabling robust discussion and informed decision-making.*

*This diversity of perspective supports a comprehensive approach to addressing the Group's challenges and opportunities, and reinforces effective oversight of its long-term direction.*

### Talal Fuad Kanoo

Chairman (Executive)  
Chairman of Nomination &  
Remuneration Committee  
Appointed to the Board in 2006

#### Managing Director & Chairman of the Executive Committee

- Ebrahim Khalil Kanoo Group, Bahrain

#### Member of Board of Directors

- Bahrain National Holding Company, Bahrain

#### Experience

- Over 27 years of experience in the automotive industry.

### Raed Abdulla Fakhri

Deputy Chairman (Executive)  
Chairman of Executive Committee  
Appointed to the Board in 2023

#### Group Chief Executive Officer

- Bahrain National Holding B.S.C.

#### Member of the Board of Directors

- BDI Partners
- Aljabr Finance
- Bahrain Bourse

#### Experience

- Over 32 years of experience in business development, investment and portfolio management.

### Ahmed Adnan Al-Aseeri

Board Member (Executive)  
Member of Executive Committee  
Appointed to the Board in 2023

#### Chief Investment Officer

- Bahrain National Holding B.S.C.

#### Experience

- Over 18 years of experience across consulting, private equity, real estate investments, business building and portfolio management.



Khalid Shaheen Saqer Shaheen



Khalifa Fareed Almoayyed



Al Wadhah Al-Adawi

### Khalid Shaheen Saqer Shaheen

Board Member (Non-Executive)  
Member of Executive Committee  
Deputy Chairman of Nomination & Remuneration Committee  
Appointed to the Board in 2011

#### Member of Board of Directors

- Ebrahim Khalil Kanoo Group, Bahrain

#### Fellow

- Institute of Directors, UK

#### Member

- National Association of Corporate Directors, USA

#### Experience

- Over 35 years of extensive banking experience.

### Khalifa Fareed Almoayyed

Board Member (Executive)  
Member of Audit, Compliance & Risk Committee  
Appointed to the Board in 2025

#### Business Development Manager

- Y.K. Almoayyed & Sons Group, Bahrain

#### Director

- Fareed Yusuf Almoayyed & Sons

#### Experience

- Over 4 years of experience in the field of automobile, consulting engineering, construction and information technology solutions.

### Al Wadhah Al-Adawi

Board Member (Executive)  
Appointed to the Board in 2024

#### Chief Investment Officer (CIO)

Oman International Development & Investment Company S.A.O.G (OMINVEST), Sultanate of Oman

#### Member of the Board of Directors

- Eastbridge Partners Pte Ltd, Singapore

#### Experience

- Over 20 years of international experience in managing global portfolios and driving strategic investments.



Vincent Bhatt

### Vincent Bhatt

Board Member (Executive)  
Member of Executive Committee  
Appointed to the Board in 2024

#### Group Director - Investments (Head of M&A and VC)

Almutlaq Group, Riyadh

#### Member of the Board of Directors

- West Shura III, Riyadh
- Aiyad Knowledge Company for Education and Training, Riyadh

#### Experience

- Over 25 years of experience in the field of Joint Ventures, M&A, Private Equity, PPPs, Real estate investments, business development, portfolio management.



Redha Abdulla  
Ali Faraj

### Redha Abdulla Ali Faraj

Board Member (Independent)  
Chairman of Audit, Compliance & Risk Committee  
Appointed to the Board in 2018

#### Member of

- Shura Council, Bahrain
- Minors Estate Guardianship Council, Bahrain

#### Member of Board of Directors and Chairman of Audit, Risk & Compliance Committee

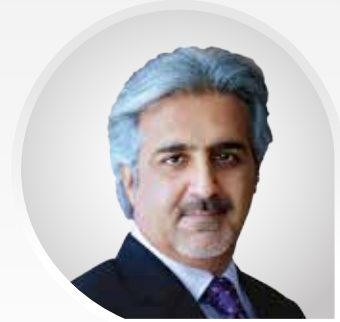
- Y.K. Almoayyed & Sons Group, Bahrain
- Almoayyed International Group, Bahrain
- Almoayyed Contracting Group, Bahrain
- National Concrete Company, Bahrain
- Banader Hotels Company BSC

#### Founder

- Al Faraj Horizon Developments Company WLL, Bahrain

#### Experience

- 65 years of experience in public and private sector experience and has own consulting business for the past 23 years.



Tawfeeq Mohammed  
Bastaki

### Tawfeeq Mohammed Bastaki

Board Member (Independent)  
Member of Audit, Compliance & Risk Committee  
Member of Nomination & Remuneration Committee  
Appointed to the Board in 2021

#### Experience

- Over 45 years of banking experience in Conventional and Islamic Banking

# Strengthening Stability Through Sound Governance

The Group remains committed to strengthening stability by maintaining robust governance structures, disciplined risk management, and strong internal controls. Clear oversight, accountability, and regulatory compliance continue to underpin decision-making across the organization.

This foundation enables the Group to operate with confidence, manage risks effectively, and protect stakeholder interests in a dynamic operating environment.



**TALAL FUAD KANOO**  
Chairman of the Board

**It is with great pleasure that I present the Annual Report of National Finance House (NFH) for the year ended 31 December 2025. The Group delivered its highest net profit since inception of its operations, reflecting a strong step-up in profitability and a continued strengthening of our financial position, supported by disciplined execution, resilient core earnings, and prudent risk management.**

The Group reported a net profit of BHD 1.451 million in 2025, representing an increase of 54% compared to BHD 0.943 million in the previous year. This strong performance reflects the disciplined execution of our strategic priorities, prudent resource management, and continued focus on operational effectiveness. The improvement in profitability was supported by higher net interest income, which increased to BHD 3.024 million, alongside continued contribution from the Auto Mall business, with gross profit from automotive sales rising to BHD 225 thousand. These results reaffirm our ability to adapt to changing market dynamics while maintaining a high-quality portfolio and delivering sustainable returns.

Total income for the year increased by 16% to BHD 3.716 million, supported by diversification of revenue streams and effective cost management. At the same time, the Group's balance sheet remained robust, with total assets amounting to BHD 46.55 million at the end of 2025. Loans to customers stood at BHD 43.95 million, reflecting a measured approach to portfolio growth and continued focus on risk-adjusted opportunities. Impairment losses on loans to customers amounted to BHD 488 thousand (2024: BHD 521 thousand), consistent with the Group's prudent and forward-looking approach to credit risk management.

## Board of Directors' Report

Our equity position strengthened further, increasing to BHD 18.58 million, reinforcing the Group's financial stability and positioning it well for future growth. In addition, basic earnings per share improved to 19.34 fils, compared to 12.57 fils in 2024, reflecting the Group's continued commitment to delivering consistent value to shareholders.

### Dividend Recommendation

Based on the Group's results and capital position, the Board of Directors is proposing a cash dividend of 15% of the paid-up capital (BHD 1.125 million) out of retained earnings for approval by the Shareholders at the upcoming Annual General Meeting, compared to 10% (BHD 750 thousand) proposed in the previous year.

### Board of Directors

During the year, Mr. Mohammed Farouk Almoayyed, Deputy Chairman, resigned from the Board. The Board records its sincere appreciation for his valued contributions and dedicated service, and wishes him every success in his future endeavours. Following this change, Mr. Raed Abdulla Fakhri assumed the role of Deputy Chairman of the Board. The Board also welcomed Mr. Khalifa Fareed Almoayyed, representing Y.K. Almoayyed & Sons, whose experience and insight are expected to further support the Board's governance and strategic direction.

### Strategic progress and outlook

During 2025, the Group continued to advance its strategic priorities, balancing profitability with resilience and prudent risk management. This reflects our commitment to Building Stability, Delivering Value—strengthening the balance sheet through robust governance and disciplined risk practices, while delivering consistent returns for shareholders. We remain focused on delivering a high-quality financing portfolio, enhancing the customer experience, strengthening operational capabilities, and pursuing diversification where it supports sustainable growth.

Looking ahead, while inflation and interest rate conditions are expected to remain more supportive than prior periods, uncertainty driven by global macroeconomic and geopolitical developments continues to require vigilance. The Group will remain agile and proactive, strengthening digital enablement, deepening strategic partnerships, and maintaining robust governance and risk management. Our priorities will continue to centre on customer focus, disciplined growth, strong credit and liquidity practices, and delivering consistent value to our shareholders.

### Board and Executive Management Compensation

In accordance with the Group's commitment to uphold the highest standards of transparency and confidence with our esteemed stakeholders, we are pleased to provide the following tables, which detail the compensation of the Board of Directors members and the executive management for the fiscal year ending on December 31, 2025.

**First: Board of Directors' remuneration details**

(All Amounts are in Bahraini Dinars)

Name	Fixed remunerations				Variable remunerations				End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the Chairman and Board	Total allowance for attending Board and committee meetings	Others*	Total	Remunerations of the Chairman and Board	Incentive plans	Others**	Total			
<b>First: Independent Directors <sup>(1)</sup>:</b>											
1- Redha Abdulla Faraj	-	20,000	-	20,000	-	-	-	-	-	20,000	-
2- Tawfeeq Mohamed Bastaki	-	16,000	-	16,000	-	-	-	-	-	16,000	-
<b>Second: Non-Executive Directors:</b>											
1- Khaled Shaheen Saqer Shaheen	-	15,500	-	15,500	-	-	-	-	-	15,500	-
<b>Third: Executive Directors:</b>											
1- Talal Fuad Ebrahim Kanoo	10,000	5,000	-	15,000	-	-	-	-	-	15,000	-
2- Mohammed Farouk Almoayyed (Resigned) <sup>(2)</sup>	3,646	3,000	-	6,646	-	-	-	-	-	6,646	-
3- Raed Abdulla Fakhri	7,500	8,000	-	15,500	-	-	-	-	-	15,500	-
4- Ahmed Adnan Al-Aseeri	6,250	7,750	-	14,000	-	-	-	-	-	14,000	-
5- Khalifa Fareed Almoayyed	3,125	2,750	-	5,875	-	-	-	-	-	5,875	-
6- Al Wadhah Al Adawi <sup>(3)</sup>	6,250	3,750	-	10,000	-	-	-	-	-	10,000	-
7- Vincent Bhatt	5,000	3,500	-	8,500	-	-	-	-	-	8,500	-
<b>Total</b>	<b>41,771</b>	<b>85,250</b>	<b>-</b>	<b>127,021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,021</b>	<b>-</b>

**Notes:**

\* It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any).

\*\* It includes the Board member's share of the profits - Granted shares.

**Other Information:**

(1) Independent Directors are entitled to receive attendance allowance only per meeting attended.

(2) The Director is no longer represents Y.K. Almoayyed & Sons

(3) The Director is representing Oman International Development & Investment Co SAOG (OMINVEST) and both attendance allowance and Director's remuneration is paid directly to OMINVEST.

(4) The Group does not have any variable remuneration payments, end of service benefits, or expense allowances paid to its directors.

(5) Board remuneration represents payments proposed for the year 2025, which are subject to approval by the shareholders at the upcoming Annual General Meeting scheduled for March 18, 2026.

**Second: Executive Management remuneration details**  
(All Amounts are in Bahraini Dinars)

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2025	Aggregate Amount
Top 6 remunerations for executives, including CEO and Senior Financial Officer	302,009	40,034	-	342,043

**Acknowledgments**

We wish to place on record our deep appreciation to His Majesty King Hamad bin Isa Al Khalifa, the King of the Kingdom of Bahrain, and to His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince, Deputy Supreme Commander of the Armed Forces and Prime Minister, for their wise leadership and continued support.

We also extend our sincere thanks to the Government of the

**Talal Fuad Kanoo**  
Chairman of the Board

Kingdom of Bahrain, its ministries and relevant authorities, and to the Central Bank of Bahrain for their ongoing guidance and their invaluable role in supporting the growth and development of the Kingdom's financial sector.

Our appreciation further extends to our shareholders and customers for their continued confidence and support. Finally, we express our gratitude to our management and staff for their dedication, hard work and professionalism, which have been fundamental to the Group's performance and success.

**Raed Abdulla Fakhri**  
Deputy Chairman of the Board



# Delivering Value Through Prudent Performance

2026

2025

2024

Value creation remains a central focus of the Group's strategy. Through disciplined cost management, balanced growth, and careful capital allocation, the Group continues to enhance financial performance while preserving resilience. This approach ensures that value is delivered consistently to shareholders, customers, and partners, even amid evolving market conditions.





**MAY A. LATIF AL-MAHMOOD**  
Chief Executive Officer

**The year 2025 represented a decisive year of progress for National Finance House (National Finance House), underpinned by stronger profitability, disciplined execution, and continued balance sheet optimisation. Against an evolving operating backdrop, the Group strengthened its core financing business, improved funding efficiency, and maintained a clear focus on governance, risk discipline, and customer experience—reinforcing the resilience and sustainability of our business model.**

#### **Strong and broad-based financial performance**

NFH delivered a notable improvement in profitability in 2025, with the Group reporting a net profit of BHD 1.451 million, representing a 54% increase compared to BHD 0.943 million in 2024. This performance was supported by the sustained contribution of our core financing activities, improving funding cost dynamics, and continued progress across diversified income streams.

Total income increased by 16% to BHD 3.716 million (2024: BHD 3.212 million). Net interest income rose to BHD 3.024 million (2024: BHD 2.574 million), reflecting the underlying strength of our portfolio and improved spread management. In parallel, our Auto Mall business continued to contribute positively, with gross profit on automotive sales increasing to BHD 225 thousand (2024: BHD 208 thousand). Net fee and commission income also improved to BHD 329 thousand (2024: BHD 299 thousand), reflecting steady execution across supporting revenue lines.

On the cost side, the Group maintained sound cost discipline. Total expenses remained broadly stable at BHD 2.265 million

## **Chief Executive Officer's Report**

(2024: BHD 2.269 million), and depreciation reduced year-on-year, reflecting the existing asset base. The Group recorded impairment losses on loans to customers of BHD 488 thousand during the year (2024: BHD 521 thousand), consistent with our prudent and forward-looking approach to provisioning.

#### **Balance sheet strength and improving liquidity**

The Group's balance sheet remains robust, with total assets of BHD 46.55 million at year end (2024: BHD 47.07 million). Net loans to customers stood at BHD 43.95 million (2024: BHD 45.18 million), reflecting a measured approach to portfolio positioning—prioritising risk-adjusted opportunities and maintaining portfolio quality in an evolving credit environment.

Liquidity improved during the year, with cash and bank balances increasing to BHD 1.65 million (2024: BHD 0.88 million). Bank borrowings decreased to BHD 25.74 million (2024: BHD 26.38 million), reflecting our continued focus on prudent balance sheet management and optimising funding. The effective interest rate on borrowings eased compared to the prior year, supporting the improvement in net interest income and reinforcing the benefits of our funding optimisation efforts.

#### **Credit risk discipline and prudent provisioning**

Credit risk remains the predominant risk type in our financing activities, and the Group continues to maintain strong underwriting, monitoring, and recovery practices. The expected credit loss (ECL) allowance on loans to customers increased to BHD 2.774 million (2024: BHD 2.650 million), reflecting portfolio migration dynamics and the Group's conservative stance in maintaining adequate provisioning. During the year, the Group also completed loan write-offs of BHD 364 thousand, while continuing to realise recoveries from previously written-off exposures. Our approach remains grounded in preserving portfolio quality and maintaining resilience through the cycle.

#### **Capital strength and shareholder value**

The Group's equity strengthened further, increasing to BHD 18.58 million (2024: BHD 17.88 million), supported by improved profitability and disciplined capital management. Basic and

diluted earnings per share increased to 19.34 fils (2024: 12.57 fils), reflecting the stronger earnings performance delivered during the year and our continued focus on generating sustainable returns for shareholders.

### Strategic focus and outlook

While financial performance in 2025 reflects the strength of our fundamentals, we remain equally focused on the long-term drivers of competitiveness and customer value. The Group continues to advance its strategic priorities—including operational efficiency, digital enablement, and service enhancement—while maintaining strong governance and a disciplined risk culture.

Looking ahead, we will continue to strengthen our market position by sustaining prudent growth in our core financing activities, further optimising our funding profile, and enhancing customer experience across our channels. Our priorities remain clear: deliver consistent performance, protect

balance sheet resilience, and create long-term value for shareholders and stakeholders.

### Appreciation

I extend my sincere appreciation to the Board of Directors, the Central Bank of Bahrain, regulatory bodies, shareholders, customers, business partners, and financial institutions for their continued trust and support.

Most importantly, I thank our employees for their dedication, professionalism, and commitment. Their efforts remain central to our achievements and progress. As we move forward, I am confident that NFH will continue to build on its momentum through collaboration, disciplined execution, and a shared commitment to delivering sustainable value.

May Al-Mahmood  
Chief Executive Officer



## MANAGEMENT TEAM



May Al-Mahmood



Ahmed Matar Al-Alawi



Ali Redha Mohammed



Essa Raed Buhammood



Hussain Eid



Noof Rajab Almusawi

- **May Al-Mahmood**  
Chief Executive Officer
- **Ahmed Matar Al-Alawi**  
Head of Financial Control
- **Ali Redha Mohammed**  
Head of Retail
- **Essa Raed Buhammood**  
Head of Risk, Compliance & MLRO
- **Hussain Eid**  
Head of Enterprise PMO  
& Information Technology
- **Noof Rajab Almusawi**  
Human Resources Manager

**NFH** continues to benefit from a stable and well-qualified Management Team, distinguished by extensive experience, strong leadership capabilities, and deep expertise across key business and support functions.

# Focused Strategy and Measured Progress

The Group's strategy in 2025 emphasizes focus, execution, and readiness for the future. By prioritizing core business lines and advancing initiatives in a measured and controlled manner, the Group is strengthening its operational foundations while preparing for longer-term opportunities. This deliberate approach ensures sustainable progress without compromising stability.



## REVIEW OF OPERATIONS

**In 2025, amid moderating but still uncertain global economic conditions, changing market dynamics and evolving regulatory expectations in the Kingdom of Bahrain, the Group delivered its strongest performance since inception, reinforcing its resilience and ability to create sustainable value. By maintaining a conservative risk appetite, focusing on its core vehicle financing and Auto Mall franchise, and selectively expanding into complementary activities such as equipment finance and insurance brokerage, the Group continued to build on its solid foundations while supporting the needs of its customers and stakeholders across the Kingdom.**

### FINANCING ACTIVITIES

In 2025, NFH's core lending activities remained centred on vehicle financing, supported by strong collaboration with car dealers and NFH Auto Mall, disciplined pricing and a continued focus on portfolio quality. Auto loans continued to represent the largest share of the Group's financing book and an important driver of revenue and profitability.

The Group also maintained a selective presence in equipment financing, including support for healthcare and commercial customers. New disbursements in this segment were lower than in 2024 and below internal targets, reflecting softer demand and a cautious approach to new exposures in line with the Group's risk appetite. Management will continue to review the positioning and growth potential of this product set within the overall portfolio strategy.

### NFH AUTO MALL

Established in May 2019, NFH Auto Mall continues to serve as a comprehensive solution for customers seeking to select, finance, register and insure premium automobile brands under one roof. In 2025, the business delivered its strongest financial performance since inception, with growth in both total revenues and net income compared with the previous year, supported by healthy demand for automobiles and an improving market environment in the Kingdom of Bahrain.

NFH Auto Mall remains an important contributor to the Group's overall profitability and market presence. With a customer-centric approach, a diversified vehicle offering and close integration with the Group's financing and insurance platforms, the Auto Mall is well positioned to capitalise on new opportunities and respond to the evolving preferences of buyers seeking high-quality vehicles and a seamless end-to-end purchasing experience.

### MARKETING

In 2025, the Group continued to adopt a targeted and cost-conscious approach to marketing, with a focus on supporting core business lines and reinforcing its brand presence in the Kingdom of Bahrain. Key initiatives included seasonal campaigns, most notably the Ramadan promotion, and joint activities with car dealers and NFH Auto Mall to promote auto financing offers and selected vehicle models. These efforts were designed to drive quality leads, support sales conversion and strengthen long-term relationships with key dealership partners.

The Group also maintained an active presence on social media to raise awareness of its products and services, including auto loans, Auto Mall offerings and equipment financing. Customer enquiries and feedback received through these channels, together with input from frontline staff, were used to refine campaign messages and improve customer communication.

Through this focused, partnership-led approach, the Group aims to enhance brand recognition, support sustainable business growth and remain responsive to customer needs and market conditions.

### INSURANCE

Historically, the Group distributed insurance products as an Appointed Representative of Bahrain National Insurance (BNI), offering customers convenient access to motor and related insurance alongside its financing solutions. Following the sale of BNI and BNL and the ensuing changes to that relationship, the Group no longer acts as an Appointed Representative of BNI or BNL.

Effective 17 July 2025, the Group strengthened its presence in the insurance sector through its wholly owned subsidiary, National Finance House Insurance Services Company W.L.L., which obtained an Insurance Broker licence from the Central Bank of Bahrain. Operating as an independent broker, the subsidiary is able to serve both NFH customers and the wider market, providing access to a broader range of insurance options for individuals and businesses. This enables the Group to offer more holistic financial and protection solutions, complementing its core activities and enhancing overall customer convenience and value.

### CUSTOMER SERVICE

Delivering a consistent and high-quality customer experience remains a key priority for the Group. In 2025, the Group continued to enhance its service standards across its branches and customer contact channels, with a focus on clear communication, efficient processing and ease of access to information about its products and services. Service guidelines and turnaround-time benchmarks are in place for key activities such as application processing, disbursements and customer enquiries, and performance against these standards is monitored on a regular basis.

Customer feedback is treated as an important input to service improvement. Insights from the Customer Complaints framework, frontline staff interactions and feedback received through the Group's social media presence are shared with relevant departments to address root causes, streamline processes and refine customer-facing documentation and disclosures. Through these efforts, the Group aims to strengthen long-term relationships with its customers and reinforce its reputation as a responsive and reliable provider of financing and related services in the Kingdom of Bahrain.

### CREDIT ADMINISTRATION

In 2025, the Group's Credit Administration function continued to serve as a key control point between credit approval and disbursement. The unit ensures facilities are booked in accordance with approved terms, delegated authorities, and internal policies, and that required documentation, collateral/security, and insurance coverage are in place prior to disbursement. It also oversees the maintenance of customer files, monitoring of facility limits and expiries, and the timely updating of collateral and other supporting records.

Credit Administration continues to align with the Central Bank of Bahrain's requirements relating to Credit Risk and Credit Information, including the use of Credit Reference Bureau (CRB) data in the assessment and ongoing monitoring of customers. Regular reconciliations, exception reporting, and management information are provided to relevant committees and functions to support portfolio monitoring, early identification of emerging risks, and coordination with the Collections and Risk Management teams. Through these controls, the function helps to safeguard asset quality and support prudent, well-governed lending practices across the Group.

## COLLECTION MANAGEMENT

Effective collection and recovery practices remain a core component of the Group's credit risk management framework. The Group applies a risk-based collection strategy that differentiates between early arrears, high-risk and defaulted exposures, with clearly defined segmentation, follow-up actions and escalation paths. Reminder calls, SMS notifications and written communications are complemented, where necessary, by field visits, restructuring options in line with policy, and the use of external recovery channels and legal action, particularly for non-performing and charged-off accounts. These measures are designed to maximise recoveries while ensuring that customers are treated fairly and in accordance with applicable regulations.

Throughout 2025, the Group continued to focus on maintaining portfolio quality and improving recoveries from delinquent and written-off accounts. Collection performance and key delinquency and recovery indicators are monitored regularly by Management and reported to the relevant committees and the Board, enabling timely intervention where required. The Group's approach balances firmness in enforcing contractual obligations with appropriate consideration of each customer's circumstances and is underpinned by documented policies, delegated authorities and clear guidelines for restructuring and settlement, thereby supporting sound asset quality and prudent provisioning.

## CUSTOMER COMPLAINTS

The Group's customer complaints framework is managed under the Compliance function and operates independently from the business lines, supporting transparency and accountability in the handling of customer concerns. In 2025, the Group continued to maintain robust processes for receiving, recording, monitoring, and resolving complaints in line with the Central Bank of Bahrain's customer complaints procedures and other regulatory requirements. Multiple free-of-charge channels are available for customers to submit complaints or suggestions (including branches, written correspondence, email, and the website), and complaints are acknowledged and investigated in accordance with the timeframes prescribed by the CBB. Where appropriate, matters are escalated to senior management, and a quarterly summary of complaints, including their nature, handling time, and resolution status, is reported to the CBB's Consumer Protection Unit.

The Group remains committed to periodically reviewing and enhancing its complaint management framework to help ensure that customer issues are handled fairly, promptly, and efficiently. Lessons learned are shared with relevant departments to support continuous improvement and strengthen the overall customer experience.

## HUMAN RESOURCES AND EMPLOYEE DEVELOPMENT

In 2025, the Human Resources function continued to advance employee welfare, professional development, and workforce engagement. The Group maintained a high Bahrainisation rate of 98% and recorded a further increase in female representation to 28% of total staff, reflecting its commitment to nurturing local talent and providing equal opportunities across the organisation.

Cybersecurity awareness remained a key priority, supported by the continued use of the Human Risk Management (HRM) e-learning platform to identify and address security knowledge gaps across all levels of the organisation. This targeted approach equipped employees with practical skills to recognise threats, reduce human-factor vulnerabilities, and support compliance with information security requirements. In addition to in-house training, staff attended selected external programmes delivered by the Bahrain Institute of Banking and Finance (BIBF) and other providers to further strengthen

technical and regulatory knowledge.

Beyond cybersecurity, the Group delivered a structured compliance awareness programme covering Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT) and Counter-Proliferation Financing (CPF), conflict of interest, the Personal Data Protection Law (PDPL), whistleblowing policy and reporting mechanisms, Business Continuity Plan (BCP) awareness, customer due diligence (CDD), and first aid and fire-fighting. These initiatives reinforced the Group's commitment to operational integrity, regulatory compliance, and effective risk mitigation.

Moreover, the Human Resources Department launched an exclusive Tamkeen-supported batch, through which 58.1% of employees participated in the AI Readiness Program at BIBF. The programme equips employees with practical AI skills aligned with Bahrain's evolving market needs, enabling them to automate tasks, create content, and optimise workflows while building a foundation for long-term career growth in the digital era.

In line with official directives, NFH Group employed seven individuals under the Job Seekers Program, supporting the Ministry of Labour's national initiative to create employment opportunities. This reflects the Group's commitment to social responsibility and its role in strengthening Bahrain's workforce by providing meaningful career opportunities and nurturing local talent.

During 2025, one NFH Group employee was also honoured by the Minister of Labour, having been recognised for outstanding dedication and performance. This achievement reflects the Group's focus on fostering excellence and supporting national initiatives that promote professional growth and productivity.

As part of its corporate social responsibility (CSR) initiatives, the Group prioritised employee health and wellbeing. A key highlight was the "Think Pink" Breast Cancer Awareness session, delivered in collaboration with Al Kindi Hospital and Bahrain National Life Assurance (BNL), focusing on prevention, early detection, and health education. In addition, a Men's Health Awareness session was organised in collaboration with Ibn Al Nafees Hospital, promoting regular screening, early diagnosis, and healthier lifestyle choices. Together, these initiatives reinforced the Group's commitment to fostering a supportive and health-conscious workplace.

Overall, NFH Group's people initiatives in 2025 demonstrate alignment with national priorities and a forward-looking approach to workforce development. By embracing innovation, supporting government programmes, and promoting excellence, the Group continues to strengthen its role as a responsible corporate leader contributing to Bahrain's sustainable growth and competitiveness.

## INFORMATION TECHNOLOGY

In 2025, the Group's key implementation milestone was the completion of the Go-Live of the Insurance Broker system for its newly licensed subsidiary, National Finance House Insurance Services Company W.L.L. The platform provides an integrated environment for policy issuance, administration and reporting, supporting more efficient operations and an improved service experience for customers and partners.

During the year, the Group also advanced its cyber security framework. A comprehensive gap analysis was completed between NIST CSF versions 1.1 and 2.0, incorporating the updated Central Bank of Bahrain (CBB) Cyber Security Requirements issued in July 2025 and the National Cyber Security Centre's "Protect Your Organisation" guidance. This work established a unified baseline for future enhancements, with priority improvements in areas such as multi-factor authentication, backup and recovery, and automated patch

management scheduled for phased procurement and implementation from late 2025 onwards.

In parallel, the Group progressed its readiness for the updated national e-KYC framework following the CBB's clarification of eligible solutions and the confirmation that the Information & eGovernment Authority (iGA) will provide e-KYC services through Beyon Connect. Work during 2025 focused on refining the technical architecture and integration model so that the Group's existing onboarding platform can connect to the new national e-KYC solution within the regulatory transition timelines, while continuing to meet Customer Due Diligence (CDD) requirements under the Financial Crime Module.

NFH also invested in upgrading elements of its network and data-centre environment to support higher availability, performance and security. As part of its cyber-resilience agenda, the Group conducted periodic Vulnerability Assessment and Penetration Testing (VAPT) exercises, with identified issues remediated within agreed timeframes.

Business continuity and disaster recovery remained core priorities. During 2025, the Group carried out planned fire drills, business continuity simulations and disaster recovery tests involving key departments and the designated recovery site, helping to validate the effectiveness of response arrangements and the resilience of critical systems. Collectively, these technology and resilience initiatives support the Group's objective of delivering secure, reliable and efficient services to customers while underpinning the Group's broader digital transformation journey.

#### **RISK MANAGEMENT**

In 2025, the Group continued to operate in an environment influenced by moderating but still elevated inflation, changing global monetary conditions, and evolving geopolitical and regulatory developments. These factors reaffirmed the importance of a strong, forward-looking risk management framework to support asset quality, liquidity, and capital resilience, while enabling prudent growth in the loan book and new business lines.

During the year, the Group further strengthened its Risk Management and Internal Control Frameworks in line with the Board-approved risk appetite and applicable regulatory expectations. Key initiatives included refining Key Risk Indicators (KRIs), updating the annual Risk and Control Self-Assessment (RCSA), and enhancing credit scoring and grading methodologies for individual and corporate customers to better reflect prevailing market conditions. The Group also continued to review and adjust pricing, concentration limits, and portfolio strategies to manage credit, liquidity, and market risks in a disciplined manner.

Operational risk remained a priority as the Group progressed its wider digital and systems agenda. Technology-related risks, including cyber risk and resilience, continued to be monitored through assurance activities and governance reporting, supporting preparedness and the protection of critical systems. These activities complemented ongoing efforts to embed a strong risk culture across the organisation, with an emphasis on early escalation, clear accountability, and disciplined execution.

Through a conservative risk appetite, strengthened frameworks, and continuous improvement in risk tools and controls, the Group remains well positioned to manage key risks and support sustainable growth.

#### **COMPLIANCE**

In 2025, the Board continued to place strong emphasis on compliance risk management, with oversight exercised through the Audit, Compliance & Risk Committee to ensure that the Group's activities remained aligned with the requirements of the Central Bank of Bahrain (CBB) and other applicable laws

and regulations. During the year, the compliance framework was further enhanced to reflect evolving regulatory priorities, including the introduction of the standalone Fit & Proper Requirements Module, enhanced national e-KYC expectations, data protection obligations, and updated guidance on financial crime controls.

A risk-based compliance methodology remains embedded across the Group, supporting the targeted identification, assessment, and mitigation of compliance risks. During the year, relevant policies, procedures, and manuals were reviewed and updated to reflect regulatory changes and to clarify roles, escalation paths, and reporting lines. Ongoing awareness and training initiatives were delivered through the Group's HRM platform to reinforce staff understanding of key regulatory themes, including AML/CFT/CPF, data protection, and conduct requirements. This approach supports the Group's commitment to responsible and ethical operations and contributes to long-term resilience and stakeholder confidence.

#### **BUSINESS CONTINUITY**

The Group remains firmly committed to supporting continuity of service to customers and safeguarding the interests of all stakeholders in the event of operational disruption. This commitment is underpinned by a comprehensive Business Continuity Plan (BCP) that covers critical business functions, alternative work arrangements, data recovery, and information security measures, in line with regulatory expectations in the Kingdom of Bahrain.

During 2025, the Group further strengthened its operational resilience by conducting two fire drills and two business continuity simulations, supported by call-tree exercises involving key departments and the disaster recovery site. In addition, disaster recovery scenario tests were carried out to validate readiness across critical functions and to confirm that recovery time and recovery point objectives remain appropriate. Together, these measures help ensure that the Group is well prepared to respond to unexpected events while maintaining continuity of core services.

## Serving Customers with Trust and Commitment



Customers remain at the heart of the Group's operations. By delivering reliable financing solutions, maintaining transparent practices, and strengthening service standards, the Group continues to build long-term relationships founded on trust. This commitment supports customer confidence and reinforces the Group's reputation as a dependable financial partner.



## RISK MANAGEMENT REVIEW

The Group is committed to maintaining robust governance standards through a comprehensive Risk Management and Internal Control Framework. This framework supports the systematic identification, assessment, monitoring and mitigation of risks across the Group's operations and helps ensure that risks are managed within the risk appetite approved by the Board.

During the year, the Group conducted its annual review and assessment of risk management practices to assess ongoing alignment with the Central Bank of Bahrain's guidelines and the strategic objectives set by the Board. The underlying policies and procedures are formally documented and regularly communicated across the organisation, ensuring that relevant stakeholders are equipped with the guidance and tools required to uphold the Group's risk management standards.

### KEY DEVELOPMENTS IN 2025

- **Strengthening of governance, charters and policies:** In 2025, NFH undertook a comprehensive review of its Board and committee charters, management committee mandates, risk management policies and core operational procedures to reflect recent regulatory and legal developments in the Kingdom of Bahrain. The updates clarified roles, escalation paths and accountability and reinforced alignment with CBB expectations on governance, risk management and compliance.
- **Implementation of the standalone Fit & Proper Requirements Module:** The Group aligned its internal frameworks with the new standalone Fit & Proper Requirements Module issued by the CBB, including updated definitions of key senior management and control function holders. Related HR and Nomination & Remuneration processes, as well as Board induction and ongoing training arrangements, were refined to ensure that fitness and propriety expectations are embedded in appointments, performance evaluation and succession planning.
- **Enhancements to financial crime, e-KYC and data protection controls:** NFH further strengthened its financial crime and customer due diligence framework in line with updated national e-KYC requirements and identity documentation standards. Data protection arrangements were enhanced, including the formalisation of the Data Protection Guardian role, to support compliance with applicable personal data protection obligations and safeguard customer information.
- **Continuous improvement in risk management tools and assessments:** The Group continued to refine its risk management tools, including updates to Key Risk Indicators (KRIs), the annual Risk and Control Self-Assessment (RCSA) and credit scoring and grading methodologies for both individual and corporate customers, to ensure they better reflect prevailing market conditions and the Group's risk appetite.
- **Ongoing assurance over financial crime compliance:** NFH complied with the Agreed-Upon Procedures requirements for testing adherence to customer due diligence and onboarding standards under the CBB Financial Crime Module. The external review, together with the MLRO's annual assessment, did not identify any material observations, supporting the ongoing effectiveness of the Group's AML/CFT/CPF controls.

### RISK PHILOSOPHY & APPROACH

The Group maintains a conservative risk appetite that is closely aligned with its business model and strategic objectives. This approach supports sound asset quality, sustainable performance and long-term value creation for stakeholders.

Key elements of the Group's risk philosophy and approach include:

- **Conservative risk appetite:** Adopting a prudent risk appetite that recognises and accepts only those risks that are commensurate with the Group's business model and strategy.
- **Risk culture:** Promoting a culture of transparency, accountability and early escalation, where risks are identified, assessed and managed proactively at all levels of the organisation.

By combining a conservative risk appetite with a disciplined risk culture, the Group aims to preserve financial resilience while supporting its strategic ambitions.

### RISK MANAGEMENT FUNCTION

The Risk Management function operates independently of the business lines and provides independent risk oversight in line with regulatory expectations and the risk appetite approved by the Board. It reports to the Audit, Compliance & Risk Committee (ACRC) and, through the ACRC, to the Board, and also reports to Executive Management to support day-to-day risk oversight. This structure is designed to ensure that key risks are appropriately identified, escalated and addressed.

Its responsibilities include implementing the Risk Management Framework across the Group; supporting the systematic identification, assessment, monitoring, mitigation and reporting of risks across all business units; monitoring adherence to Board-approved risk limits and related policies; and developing risk dashboards and other management information to support effective decision-making. The function also oversees operational risk incidents and loss events, reviews the risk profile of new products and services, and promotes a strong culture of risk awareness and internal control throughout the organisation.

### RISK EXPOSURE

The Group's business operations involve exposure to a wide range of risks inherent in the financial services industry, including:

- Credit Risk
- Liquidity Risk
- Market Risk including interest rate risk & currency risk
- Operational Risk
- Legal, Compliance, and Regulatory Risk
- Reputational Risk

These risks represent critical elements of the Group's operating environment. They are rigorously monitored and managed through the Group's risk management framework, designed to safeguard financial resilience, regulatory compliance and reputation.

## RESPONSIBILITIES

### Board of Directors

The Board of Directors holds ultimate responsibility for establishing and overseeing the Group's risk management framework. It defines the overall risk parameters and tolerance levels by approving the Group's risk management policies. The Board has established the Audit, Compliance & Risk Committee to review and monitor key risk metrics and to oversee compliance with approved policies. The Committee reports regularly to the Board on the Group's risk profile and risk management activities.

### Management

The Chief Executive Officer (CEO) bears primary responsibility for ensuring that the Group's risk-taking activities remain within the risk management policies and tolerance levels defined by the Board of Directors. The risk management process is supported by a comprehensive structure of policies, procedures and limits, as well as robust risk measurement and Management Information Systems (MIS) to support monitoring and reporting. The CEO is supported by the Head of Risk, Compliance and Money Laundering Reporting Officer (MLRO) and three risk-related management committees.

### Risk Management Committee

The Risk Management Committee is responsible for identifying the principal risks to which the Group may be exposed and for ensuring that appropriate policies, procedures, controls and systems are in place to monitor and manage these risks effectively.

### Credit Committee

Chaired by the Chief Executive Officer, the Credit Committee serves as the main forum for the oversight of credit risk. It establishes and reviews credit policies and procedures, oversees the credit process and approves loans and other credit facilities within its delegated authority limits.

### Asset & Liability Committee

Chaired by the Chief Executive Officer, the Asset & Liability Committee is responsible for overseeing the management of the Group's assets and liabilities. Its responsibilities include ensuring that sufficient funds are available to meet commitments under both normal and stressed conditions, managing liquidity risk, reviewing loan interest rates and addressing strategic issues related to liquidity and margin management.

## SUBSIDIARY OVERSIGHT

In 2025, NFH continued to exercise robust oversight of its subsidiaries, National Finance House Auto Mall W.L.L. and National Finance House Insurance Services W.L.L., to maintain alignment with the Group's strategy, risk appetite and governance standards. The Group's risk management and internal control frameworks are applied on a consolidated basis, with subsidiary activities monitored through regular reporting to Executive Management and the Board committees. This approach supports consistent policies, controls and compliance practices across the Group, and helps ensure that risks arising from subsidiary operations are appropriately identified, assessed and mitigated in a timely manner.

## ANTI-MONEY LAUNDERING & FINANCIAL CRIME COMPLIANCE

The Group has appointed a dedicated Money Laundering Reporting Officer (MLRO) and Deputy MLRO to oversee its Anti-Money Laundering (AML), Counter-Terrorism Financing (CFT), and Counter-Proliferation Financing (CPF) framework. A comprehensive set of AML/CFT/CPF policies and procedures is in place, supported by ongoing staff training to promote awareness of regulatory requirements, the identification of suspicious activity, and timely reporting obligations.

The Group applies risk-based Customer Due Diligence and Beneficial Ownership measures, including KYC documentation, screening, and the monitoring of unusual or higher-risk transactions, in line with the CBB's Financial Crime Module and other applicable regulations.

The most recent annual Agreed-Upon Procedures (AUP) review of the Financial Crime Module, conducted by the external auditors for the year ended 31 December 2024, did not identify any material findings. In addition, the MLRO's annual review supported the Group's assessment that its AML/CFT/CPF framework and related procedures continued to operate in line with applicable requirements, and no material instances of non-compliance were identified during the year.



## CORPORATE GOVERNANCE REPORT

**In 2025, National Finance House (NFH) reaffirmed its commitment to maintaining high standards of corporate governance, transparency and compliance. Against a backdrop of significant regulatory developments in Bahrain – including new Fit & Proper requirements for Boards and senior management, enhanced cyber security expectations, strengthened data protection obligations and updated rules on payments and cheques – NFH continued to embed fairness, accountability and responsible conduct across its operations. This focus supports organisational resilience and enables the Group to deliver sustainable value to its stakeholders.**

### 1. CORPORATE GOVERNANCE AND COMPLIANCE IN 2025

A balanced corporate governance strategy remains integral to NFH's business prosperity and accountability. It fosters transparency within the Group, strengthens stakeholder confidence, and supports sustainable growth and long-term value creation. Robust governance arrangements also mitigate risks and reduce the potential for unethical practices by setting clear lines of responsibility and well-defined decision-making processes that reflect the best interests of the Group and its stakeholders.

In 2025, NFH further enhanced its governance and compliance framework in response to evolving regulatory priorities in the Kingdom of Bahrain. Key areas of focus included alignment with the new standalone Fit & Proper Requirements Module, strengthened e-KYC, data protection and cyber security expectations, and other recent regulatory and legal developments affecting financial institutions. In this context, relevant Board and committee charters, management committee mandates, risk management policies and other Group policies were reviewed and updated to reflect these changes and to further clarify roles, escalation paths and accountability.

During 2025, NFH implemented a structured compliance awareness programme in line with the Compliance Plan approved by the Audit, Compliance & Risk Committee. Mandatory training covered key areas such as conflict of interest, cybersecurity, Personal Data Protection Law (PDPL), business continuity, regulatory and financial crime requirements, whistleblowing and reporting mechanisms, customer due diligence (CDD), first aid and fire-fighting, and guidelines for responsible lending (consumer credit and charging best practices). Employees across the Group participated actively in the programme, and the completion of mandatory modules is monitored to ensure full adherence to the Group's training requirements.

### 2. GOVERNANCE PHILOSOPHY

The Group is committed to fostering an environment of the highest integrity and promoting a culture that upholds leading practices in corporate governance. Recognising that transparency, fairness, compliance, and accountability are essential pillars of effective governance, the Group continues to embed these values across its operations. The Board of Directors retains ultimate responsibility for the adoption and implementation of corporate governance, in alignment with regulatory policies and statutory requirements in the Kingdom of Bahrain.

### 3. STRUCTURE

The Group maintains a robust corporate governance structure that clearly defines the Group's objectives and the mechanisms by which the Board and Management pursue these objectives in the best interests of the Group and its shareholders. This structure supports an environment that adheres to high standards of ethical business conduct, facilitates effective oversight, and promotes the efficient use of resources to achieve operational excellence.

### 4. PRINCIPLES

The Group's corporate governance framework is anchored in core principles that support sustainable success. These include maintaining an independent, active, and skilled Board of Directors

capable of effectively overseeing and guiding Management; adherence to a Code of Conduct that governs the behaviour of directors, managers, and employees; implementing rigorous control and monitoring systems; and ensuring the timely and accurate dissemination of information to shareholders, regulators, and other stakeholders.

### 5. BOARD OF DIRECTORS

#### Board Composition

The Group's Board of Directors comprises highly skilled, experienced, and well-regarded professionals drawn from diverse business backgrounds. The Board is committed to supporting the Group's long-term sustainability while upholding the highest standards of corporate governance and ethical business conduct across the Group's operations.

The Group's Memorandum and Articles of Association provide that the Board may comprise up to ten members. The Board currently comprises nine Directors, including two Independent Directors. The Board was appointed at the Annual General Meeting held on 14 March 2024 for a three-year term, with the next election/re-election scheduled for March 2027. The appointment of Directors is subject to the approval of the Central Bank of Bahrain ("CBB"). The Board periodically reviews its composition, as well as the contributions of individual Directors and its Committees, to ensure continued alignment with the Group's objectives and applicable regulatory requirements.

Where exemptions have been granted by the CBB in respect of Board composition requirements, the Group operates in accordance with the terms of those exemptions.

#### Board Meetings

The Board meets as frequently as required and convenes at least four times each year to discharge its oversight responsibilities. A quorum of at least five members, including the Chairperson, is required for each meeting. In the absence of the Chairperson, the Vice Chairperson must be present. Meetings may also be held via teleconference or video conference. Board members are required to attend at least 75% of Board meetings during the calendar year, and proxy attendance is not permitted.

#### Roles & Responsibilities

The Board is accountable to the Group's shareholders and other stakeholders for ensuring that the Group is managed in a safe, sound, and sustainable manner, balancing financial performance with the Group's broader responsibilities. The Board is also accountable to regulators for ensuring that the Group's business is conducted in full compliance with applicable laws, regulations, and supervisory requirements.

The Board is responsible for the preparation and fair presentation of the Group's financial statements in accordance with International Financial Reporting Standards ("IFRS"). This includes establishing and maintaining an effective system of internal control considered necessary to ensure that the financial statements are free from material misstatement, whether arising from fraud or error.

#### Induction & Training

The Group is committed to the ongoing training and development of Board members, in line with the Central Bank of Bahrain's Fit and Proper Requirements Module. Newly appointed Directors undergo an induction covering the Group's strategy and business model, financial performance, governance and key policies, risk profile, and applicable regulatory and compliance obligations, supported by briefings with Executive Management as required. Throughout the year, the Group facilitates Board-specific continuing professional development ("CPD"), including updates and briefings incorporated within Board and Committee packs, enabling Directors to remain current on industry developments, emerging risks and trends, and regulatory requirements, and to discharge their oversight responsibilities effectively.

For persons heading senior management functions, the Group conducts an annual assessment of training needs and maintains annual training plans that set out the required training areas, learning methods, timelines, and review processes. During 2025, all members of Senior Management successfully completed a minimum of 15 hours of continuous professional development.

#### Performance Evaluation

The Board conducts an annual self-assessment of its performance and reviews the self-evaluations of individual Board members and each Board Committee. Recommendations arising from these evaluations are carefully considered and implemented as appropriate.

#### Board of Directors Remuneration

The remuneration of Independent Directors comprises a fixed component, whereas other members of the Board receive both fixed and variable components. Fixed remuneration includes sitting fees for each meeting attended. Variable remuneration is linked to a percentage of the net profit for the financial year. Directors' remuneration is also linked to attendance and performance, with participation in meetings via telephone or video conference treated as attendance. Directors' remuneration is pro-rated for Board members who served for part of the financial year, where applicable. In total, directors received BHD 127,021 in remuneration and sitting fees for their service on the Board and its Committees during 2025.

In accordance with the Commercial Companies Law No. (21) of 2001 (as amended), including Article (188), and Article (125) of its Executive Regulations (No. 3 of 2022), the Group disclosed the remuneration of Board members and Executive Management for the financial year ended 31 December 2025 in the Chairman's Statement.

#### Code of Ethics & Business Conduct

The Board has approved a comprehensive Code of Ethics and Business Conduct applicable to Directors, Management, and employees. The Code commits all signatories to the highest standards of ethical personal and professional conduct and requires integrity, mutual respect, and due diligence in the discharge of their duties. It also sets out requirements relating to confidentiality and outlines the responsibilities of signatories to refrain from bribery, kickbacks, and corrupt practices, and to adhere to sound employment practices.

#### Code of Best Practice on Consumer Credit & Charging

The Group has adopted and implements the Code of Best Practice on Consumer Credit & Charging issued by the Central Bank of Bahrain. The Code sets out minimum standards for the provision of consumer credit facilities (including loans and overdrafts), other products that create a creditor-debtor relationship, and financial services for which fees are charged. The Code is published on the Group's website.

#### Whistle-blower Policy

The Group has implemented a whistle-blower scheme that enables employees to confidentially report any breach or suspected breach of established policies and procedures to designated officials. This policy promotes a culture of transparency and accountability across the organization and helps safeguard the interests of all stakeholders.

#### Conflict of Interest Policy

The Board has approved a Conflict of Interest Policy to uphold high standards of corporate governance and ethical business conduct. The policy sets out potential areas of conflict of interest, together with the internal controls and procedures designed to prevent and manage such conflicts. It also specifies the disclosure requirements relating to conflicts of interest. Where the Board or its Committees deliberate on a matter involving a Director's conflict of interest, the Director concerned abstains from voting. During the year, no actual conflicts of interest were reported or identified through the Group's declaration and review processes involving any member of the

Board of Directors between their responsibilities to the Group and their private interests or other duties. Any potential conflicts were duly disclosed and managed in accordance with the Conflict of Interest Policy.

#### Related Party Transactions

The Group's policies, charters, and agreements comprehensively govern related party transactions to ensure transparency and accountability. All dealings with shareholders and/or the Board of Directors are conducted on an arm's-length basis, including borrowings received from them. Loans extended to related parties are approved in line with the authorities delegated by the Board of Directors to Management. Lending transactions that exceed prescribed exposure limits require Board approval. In such cases, any Board member or Senior Management involved must abstain from the decision-making process in respect of credit granted to companies or individuals related to them.

In compliance with Article 189 of the Commercial Companies Law, all transactions involving members of the Board of Directors are subject to Board approval. These transactions were reviewed and approved by the Board and are summarized in the related party note annexed to the Financial Statements for 2025.

During 2025, the Group did not undertake any related party transactions of a materially significant nature involving its Directors, Management, or their relatives that could potentially conflict with the interests of the Group. Furthermore, as of 31 December 2025, no shares were held by Directors or Senior Managers.

#### Material transactions

Material transactions requiring approval from the Board or its Committees generally relate to lending activities that exceed predefined exposure thresholds. Approval is also required for the restructuring of corporate loans, the write-off of loans above specified limits, and the arrangement of new credit facilities from banks.

#### Communications with Stakeholders

The Group has a Public Disclosure Policy approved by the Board of Directors and conducts all communications with its stakeholders in a transparent, accurate, and timely manner. Key communication channels include the Annual General Meeting, the annual report, semi-annual and annual financial statements, the corporate website, and regular announcements through appropriate local media.

The Group provides information on all events requiring disclosure either on its website ([www.nfh.com.bh](http://www.nfh.com.bh)) or through other approved publication methods. The Group's annual results are published in two local newspapers, one in Arabic and one in English, and a copy is submitted to the Central Bank of Bahrain. Previous annual reports, quarterly and semi-annual interim financial statements, and other public disclosures, as required under the CBB's Public Disclosure Module, are made available on the Group's website for a reasonable period.

Annual reports are distributed to shareholders, relevant regulatory authorities, key banking partners, and other stakeholders. These reports provide comprehensive management discussion and analysis, supporting transparency and presenting a fair view of the Group's performance and operations.

#### 6. Board Committees

The Board has established three committees to support the discharge of its responsibilities: the Executive Committee, the Audit, Compliance & Risk Committee, and the Nomination & Remuneration Committee. The Board may also establish temporary committees and discontinue them as necessary.

#### Performance Evaluation

Each Board Committee undertakes a written annual self-assessment of its performance, including the performance of its members. The results, together with the Committee's conclusions



# Governance

and recommendations, are reported to the Board at a regularly scheduled meeting.

## Executive Committee

### Committee Composition

The Board nominates the members of the Committee, including the Chairperson. The Committee shall comprise a minimum of three Directors and the Chief Executive Officer. Members are appointed for a term of three years, provided that the term of members who are also Directors is co-terminous with their term of service on the Board.

### Committee Meetings

The Committee meets as often as necessary to discharge its responsibilities effectively. Meetings may be convened at the request of any Committee member or the Chairperson of the Board. In 2025, the Committee held four meetings. The quorum for each meeting is two members. Meetings are chaired by the Chairperson, or by the Vice Chairperson in the Chairperson's absence.

### Roles & Responsibilities

- Oversee the Group's financial and business performance and guide its relationships with shareholders and other key stakeholders, including regulators and the media, while maintaining effective communication between the Board and Management and directing issues to the appropriate committee or function as needed.
- Take overall responsibility for setting the Group's business objectives and targets, its strategic direction and control, and for monitoring and controlling key risks, including the timely implementation of Board decisions, strategic initiatives, major projects, and the launch of new products within the authorities delegated by the Board.
- Assist Management with the Group's funding strategy, including maintaining strong relationships with banks and lenders and ensuring access to adequate and stable sources of funding.
- Review policies, the business plan, and the annual budget for submission to the Board for approval, and receive regular reports from Management to drive improvements in financial performance.
- Approve credit facilities, other exposures, expenditure, and financial commitments within the authority limits specified by the Board, and make recommendations to the Board in respect of proposals beyond its powers, including the annual report on the affairs of the Group.

## Audit, Compliance & Risk Committee

### Committee Composition

The Board nominates the members of the Committee, including the Chairperson. The Committee shall comprise a minimum of three members, the majority of whom, including the Chairperson, shall be Independent Directors. Members are appointed for a term of three years, provided that the term of members who are also Directors is aligned with their tenure on the Board.

### Committee Meetings

The Committee meets at least once in every calendar quarter, in line with the financial reporting and audit cycle, to review the quarterly financial results, and may meet at other times as required to discharge its responsibilities. In 2025, the Committee held five meetings. The quorum for each meeting is two members, and all meetings must be attended by the Chairperson of the Committee or, in their absence, the Vice Chairperson.

### Roles & Responsibilities

- Assist the Board in overseeing the Group's financial reporting system, internal control environment, risk management framework, audit functions, compliance with legal and regulatory requirements, and overall Corporate

Governance.

- Monitor the effectiveness and integrity of risk management and internal controls, including Business Continuity and Disaster Recovery arrangements, the implementation of audit recommendations, and the identification, assessment, and reporting of ESG-related risks and opportunities within the Group's risk strategy.
- Oversee the integrity of financial reporting by reviewing interim and annual financial statements, key accounting policies and significant judgmental areas, and recommending the financial statements for Board approval.
- Oversee the internal and external audit functions, including recommending the appointment and, where appropriate, removal of auditors; assessing their independence, effectiveness and remuneration; approving and reviewing the internal audit plan; and monitoring audit reports, findings and management's responses, as well as non-audit services provided by the external auditor.
- Monitor the Compliance and AML/CFT functions and the adequacy of systems and procedures to ensure ongoing regulatory compliance, including whistle-blower arrangements, and review the Corporate Governance framework, Code of Business Conduct and related policies, recommending any necessary changes to the Board for approval.

## Nomination & Remuneration Committee

### Committee Composition

The Board nominates the members of the Committee, including the Chairperson. The Committee shall comprise a minimum of three non-executive members, the majority of whom, including the Chairperson, shall be Independent Directors. Members are appointed for a term of three years, provided that the term of members who are also Directors is aligned with their tenure on the Board.

### Committee Meetings

The Committee meets at least twice a year and may convene more frequently as required to discharge its responsibilities effectively. In 2025, the Committee held two meetings. The quorum for each meeting is two members, and all meetings must be attended by the Chairperson or, in their absence, the Vice Chairperson of the Committee.

### Roles & Responsibilities

- Ensure the Board is composed of individuals with the appropriate mix of skills, experience and expertise, and recommend the composition and size of the Board and its Committees, including identifying and recommending candidates for appointment or election to the Board, its Committees, the Chief Executive Officer and other key Officers, taking into account fit and proper criteria and time commitments.
- Review and recommend the Company's remuneration policies and programmes for Board members, the Chief Executive Officer, Senior Management and other employees, including salary and fees, benefits, severance arrangements, incentive schemes and annual bonus plans, ensuring alignment with the Company's strategy, values and regulatory requirements.
- Establish and oversee processes for evaluating the performance and effectiveness of individual Directors, the Board and its Committees, and recommend actions to enhance skills, contribution and overall governance effectiveness.

### Board & Board Committee Changes in Board Composition in 2025

During 2025, Mr. Mohammed Farouk Almoayyed, Deputy Chairman of the Board and Chairperson of the Executive Committee, resigned from the Board. Mr. Khalifa Fareed Almoayyed was subsequently appointed to the Board on 13 July 2025 as the representative of Y.K. Almoayyed & Sons, replacing Mr. Mohammed Farouk Almoayyed for the remainder of the current term. Following this change, the Board unanimously elected Mr. Raed Abdulla Fakhri as Deputy Chairman of the Board, effective 20 May 2025.

### Members as at 31 December 2025

The classification of Executive, Non-Executive and Independent Directors is in accordance with the definitions stipulated by the CBB. None of the Directors has any direct inter-relationship with another Director.

Directors	Directorship Type	Board	Executive Committee	Audit, Compliance & Risk Committee	Nomination & Remuneration Committee
Talal Fuad Ebrahim Kanoo	Executive	Chairman			Chairman
Raed Abdulla Fakhri	Executive	Deputy Chairman	Chairman		
Ahmed Adnan Alaseeri	Executive	Member	Member		
Khaled Shaheen Saqer	Non-Executive	Member	Member		Member
Khalifa Fareed Almoayyed (Joined on 13 July 2025)	Executive	Member		Member	
Al Wadhah Al Adawi	Executive	Member			
Vincent Bhatt	Executive	Member	Member		
Redha Abdulla Ali Faraj	Independent	Member		Chairman	
Tawfeeq Mohammed Bastaki	Independent	Member		Member	Member

### Board & Board Committee Meetings and Record of Attendance during 2025

Attended     Absent     Not a member during this period     Attended by phone / Zoom

Board of Directors	26 Feb	20 May	25 Aug	26 Nov	8 Dec	% of meetings attended
Talal Fuad Ebrahim Kanoo	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	80%
Mohammed Farouk Y. Almoayyed (Resigned with effect from 13 July 2025)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	100%
Raed Abdulla Fakhri	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Ahmed Adnan Alaseeri	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Khaled Shaheen Saqer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			100%
Khalifa Fareed Almoayyed (Joined on 13 July 2025)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Al Wadhah Al Adawi						100%
Vincent Bhatt	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	80%
Redha Abdulla Ali Faraj	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Tawfeeq Mohammed Bastaki	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%



# Governance

Audit, Compliance & Risk Committee	10 Feb	18 Feb	13 May	12 Aug	18 Nov
Redha A. Faraj	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tawfeeq Mohamed Bastaki	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ahmed Adnan Alaseeri (Member until 25 August 2025)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Khalifa Fareed Almoayyed (Appointed on 25 August 2025)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Executive Committee	4 Feb	18 May	10 Aug	4 Nov
Mohammed Farouk Y. Almoayyed (Resigned with effect from 13 July 2025)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raed Abdulla Fakhri	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Khaled Shaheen Saqer	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ahmed Adnan Alaseeri (Appointed on 25 August 2025)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vincent Bhatt (Appointed on 25 August 2025)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Nomination & Remuneration Committee	9 Feb	25 Aug
Talal Fuad Ebrahim Kanoo	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Khaled Shaheen Saqer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tawfeeq Mohamed Bastaki	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## 7. Shareholders

List of the Group's Shareholders as of 31 December 2025:

Shareholder's Name	Country	% of Ownership	No. of Shares	BHD Amount of Ownership
Bahrain National Holding Company	Bahrain	34.93%	26,195,240	2,619,524
E.K. Kanoo B.S.C.	Bahrain	18.00%	13,502,700	1,350,270
Y.K. Almoayyed & Sons	Bahrain	18.00%	13,502,700	1,350,270
Oman International Development and Investment Company	Oman	17.47%	13,100,000	1,310,000
Almutlaq Group	K.S.A.	11.60%	8,699,360	869,936
		<b>100.00%</b>	<b>75,000,000</b>	<b>7,500,000</b>

## 8. Management

The Board has delegated authority for the Group's day-to-day management to the Chief Executive Officer (CEO). The CEO is supported by an experienced Management team and five key management committees: the Management Committee, Credit Committee, Risk Management Committee, Asset & Liability Committee, and IT Steering Committee. These committees, comprising senior management personnel, assist the CEO in directing the Group's activities, ensuring efficient and controlled operations, and delivering the results for which the Group was established.

### Managerial and Employees' Remuneration Policy

NFH recognises that its employees are critical to the Group's long-term success and business sustainability. Accordingly, the remuneration framework is designed to attract, retain and motivate competent and high-performing staff in a competitive employment market, while remaining aligned with the interests of shareholders and compliant with the Central Bank of Bahrain's sound remuneration practices. Employee remuneration and benefits are reviewed periodically in the context of the Group's performance, market conditions and prevailing local and industry practices.

The remuneration of all permanent employees comprises fixed and variable components. Fixed remuneration is determined by the position held, level of responsibility, job complexity, length of service, individual performance and local market salary practices for similar roles in comparable financial institutions. It includes gross salary and applicable benefits such as allowances, medical insurance and other standard employee benefits.

Variable remuneration consists primarily of annual bonuses. The overall staff bonus pool is approved by the Nomination & Remuneration Committee and/or the Board, taking into account the Group's financial performance, risk profile and other qualitative factors. Within this approved pool, the individual bonus for the Chief Executive Officer is approved by the Nomination & Remuneration Committee based on key performance indicators agreed annually with the Committee. Bonuses for other employees are determined under the remuneration framework approved by the Nomination & Remuneration Committee, reflecting Group, business unit and individual performance.

Remuneration for individuals in Key Senior Management Positions, Control Function Holder roles and other material risk-takers is structured and monitored in line with the Central Bank of Bahrain's remuneration regulations and sound remuneration practices, ensuring an appropriate balance between risk, performance and reward.

The total amount of remuneration paid to Senior Managers is disclosed in the Annual Report.

### Employment of Relatives

It is the Group's policy not to encourage the employment of direct relatives of staff, particularly relatives of individuals occupying Key Senior Management Positions or Control Function Holder roles. Direct relatives include spouses, parents, children, siblings, and in-laws.

As part of annual governance reporting, the CEO must disclose to the Board the identity of any direct relatives employed within the Group who are related to individuals classified as Key Senior Management Positions or Control Function Holders.

For 2025, all such disclosures were submitted to the Board.

## 9. Auditors

The shareholders of the Group appointed KPMG, one of the leading accounting firms in the Kingdom of Bahrain, as the external auditors for the year 2025. The external auditors charged BHD 24,550 for their services (BHD 11,250 for the audit and BHD 13,300 for additional services, including the review of condensed interim financial information, PIRFM review, public disclosure review, Financial Crime Module review, and Annual License Fee ("ALF") review). During the year, the external auditors did not provide any additional material consulting or administrative services to the Group that could compromise their independence.

The internal audit function is outsourced to Deloitte for the year ended 31 December 2025. The scope of the internal audit function, as approved by the Audit, Compliance & Risk Committee, covers audits and reviews of all business operations and support services. The internal audit process primarily focuses on assessing risks, evaluating the effectiveness of internal controls, and ensuring compliance with established policies, procedures and delegated authorities. The internal audit function operates independently of Management and reports directly to the Audit, Compliance & Risk Committee. During 2025, BHD 8,500 was charged by the outsourced internal auditors for the services rendered to the Group.

## 10. Compliance

The Group operates in compliance with all relevant laws, regulations and rulebook requirements governing financial institutions, including the Central Bank of Bahrain's rules and guidelines, legal and regulatory obligations, and applicable international accounting standards. The Group has established comprehensive Know Your Customer (KYC) guidelines, together with customer due diligence policies, processes and procedures.

The Group has appointed a Head of Risk, Compliance & Money Laundering Reporting Officer (MLRO), a Deputy MLRO and a Complaints Officer. The Compliance function operates independently of business lines, reporting directly to the Audit, Compliance & Risk Committee and administratively to the CEO. In addition, the Board Secretary has direct access to the Board of Directors, in line with corporate governance requirements.

Throughout the year, the Group maintained compliance with all applicable regulations. Where exemptions were granted by the CBB in respect of specific High Level Controls requirements, the Group operated in accordance with those exemptions. There were no instances of material non-compliance and no fines or penalties were imposed by the Central Bank of Bahrain (CBB).

## 11. Non-Compliance with High Level Controls Module of CBB Rulebook

For the year 2025, the Group was fully compliant with the requirements of the CBB's HC Module, except for the matters in respect of which the Group obtained an exemption from the CBB on 25 April 2024. No fines or penalties were imposed on the Group by any regulatory body during the year.

### Board Composition

In accordance with Paragraph HC-1.4.5 of the CBB Rulebook, at least half of the Board should be non-executive directors, with at least three of those being independent directors. For licensees with a controller, Paragraph HC-1.5.2 further requires that at least one-third of the Board comprises independent directors. Minority shareholders are generally expected to rely on the diligent oversight exercised by independent directors, rather than seeking specific representation on the Board.

As at 31 December 2025, the Board of National Finance House B.S.C. (closed) (NFH) comprised six Executive Directors and



# Governance

three Non-Executive Directors, including two Independent Directors. Based on a nine-member Board, a total of three Independent Directors is required under HC-1.5.2; the Group therefore falls slightly short of this requirement and does not fully meet the Non-Executive proportion envisaged under HC-1.4.5. The Board considers that the current composition remains appropriate at this stage, taking into account NFH's size, business model and concentrated shareholder base, all of whom are represented on the Board and its key committees. Independent Directors play an active role in Board deliberations and committee work, including the Audit, Compliance & Risk Committee and the Nomination & Remuneration Committee, and provide effective challenge and independent judgement. These arrangements are supported by formal committee charters, a documented corporate governance framework, a strong internal control and risk management environment, and regular Board and committee evaluations, which together help protect the interests of minority shareholders and other stakeholders.

#### Chairman of Board of Directors:

Paragraph HC-1.4.6 of the CBB Rulebook provides that the Chairman of the Board should be an Independent Director, and Paragraph HC-1.4.8 requires that the Chairman must not be an Executive Director. As at 31 December 2025, the Chairman of the Board, Mr. Talal Fuad Ebrahim Kanoo, represents Bahrain National Holding (BNH) and serves as a non-independent Executive Director. NFH is therefore not in full compliance with these provisions.

Notwithstanding this, NFH remains committed to maintaining robust corporate governance standards. The Board considers the current Chairmanship appropriate in light of NFH's shareholder structure and the active oversight exercised by Independent Directors on the Board and its key committees, particularly the Audit, Compliance & Risk Committee. Potential conflicts of interest arising from business relationships between NFH, BNH, E.K. Kanoo and Y.K. Almoayyed are managed through formal conflict-of-interest policies, systematic disclosure of related-party relationships, and the consistent application of the arm's-length principle in tendering and approval processes.

These safeguards, together with a documented corporate governance framework and regular Board and committee evaluations, are designed to ensure that all decisions are taken transparently and in the best interests of the Group and its shareholders, including minority shareholders.

#### Nomination & Remuneration Committee:

Paragraphs HC-4.2.2 and HC-5.3.2 of the CBB Rulebook provide that the Nomination & Remuneration Committee should comprise only Independent Directors or, alternatively, only Non-Executive Directors, the majority of whom are Independent Directors, and that the Chairperson of the Committee should be an Independent Director.

As at 31 December 2025, the Chairperson of the Group's Nomination & Remuneration Committee, Mr. Talal Fuad Ebrahim Kanoo, is a non-independent Executive Director. While the Committee therefore does not fully meet the Chairperson independence requirement, its decision-making is safeguarded by the fact that the majority of its members are Independent Directors and by the governance framework (including formal committee charters, conflict-of-interest requirements, and Board oversight) under which it operates.

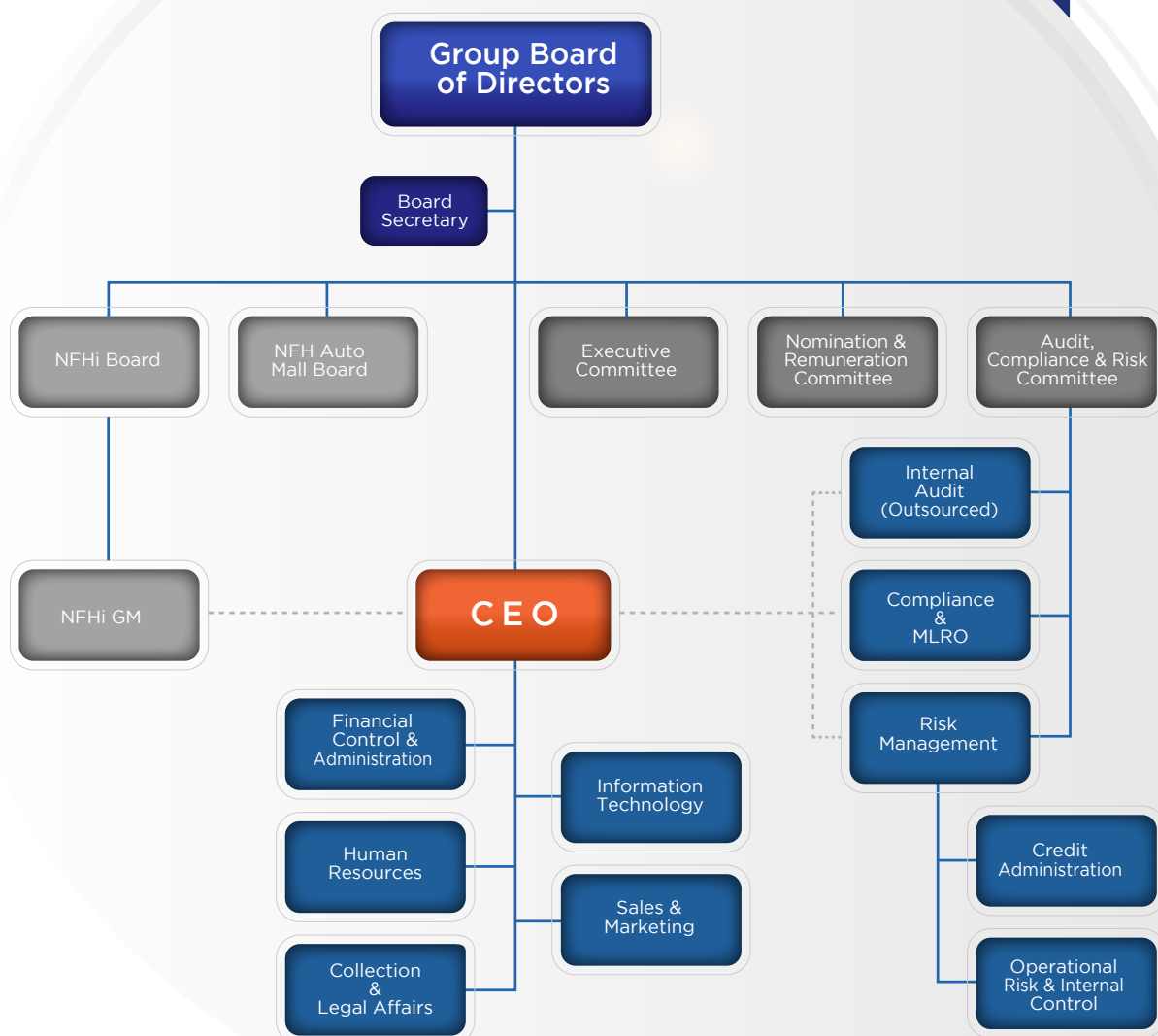
All Board members are required to comply with the Group's Code of Ethics & Business Conduct and Conflict of Interest Policy, which promote integrity, transparency and objectivity in decision-making and require the disclosure and appropriate management of any conflicts of interest. Mr. Kanoo's extensive experience in human capital management, corporate governance and remuneration matters provides valuable insight to the Committee, while the presence of Independent Directors ensures robust challenge and oversight. Together, these arrangements are designed to support balanced, well-informed decisions that align with the long-term interests of the Group and its stakeholders.

#### 12. Acknowledgment by the Board of Directors

- The Board confirms, to the best of its knowledge and belief, that:
- The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and other applicable regulatory requirements;
- The efficiency and adequacy of NFH's internal control systems have been reviewed and are, in all material respects, in compliance with the Group's internal policies, procedures and regulations; and
- The financial statements have been prepared on a going concern basis, and the Board is not aware of any material factors that would affect NFH's ability to continue its operations in the foreseeable future.



# GROUP GOVERNANCE AND ORGANISATION STRUCTURE





## EXECUTIVE MANAGEMENT

### MAY AL-MAHMOOD (CPA, MBA)

Chief Executive Officer  
Joined NFH in 2006

- More than three decades of financial industry experience, with three years of auditing sector experience.
- Certified Public Accountant (CPA), Colorado State Board of Accountancy, USA.
- MBA in Finance, University of Hull, UK.
- FinTech, Harvard University's Office of the Vice Provost for Advances in Learning, UK.
- BSc in Accounting, University of Bahrain.
- Member of American Institute of Certified Public Accountants (AICPA).

### AHMED MATAR AL-ALAWI (CMA)

Head of Financial Control  
Joined NFH in 2011

- Over 21 years' experience in banking, financial sector and external auditing.
- Certified Management Accountant (CMA), USA.
- BSc in Accounting, University of Yarmouk, Jordan.
- Diploma in Accounting, University of Bahrain.
- Member of The Institute of Management Accountants (IMA).

### ALI REDHA MOHAMMED (MBA)

Head of Retail  
Joined NFH in 2008

- Over 27 years' experience in retail banking and financial services.
- MBA in Finance, AMA International University, Bahrain.
- BSc in Banking & Finance, and a Diploma in Commercial Studies, University of Bahrain.
- Certification in Associate Professional Risk Manager (APRM).

### ESSA RAED BUHAMMOOD

Head of Risk, Compliance & MLRO  
Joined NFH in 2024

- Over 7 years of experience in field of regulatory compliance and auditing.
- BSC Business Accounting, Polytechnic Bahrain.
- Member of International Compliance Association (ICA), UK.
- Certified Cyber Risk Officer (ICTTF), UK.

### HUSSAIN EID (MBA, FinTech, Industry 4.0, CISM, ITIL, PMP, Odo, MCSA, MCSE)

Head of Enterprise PMO (EPMO) and IT  
Joined NFH in 2021

- Over 25 years' experience in IT Banking & Financial Services and Insurance (BFSI) business, Project Management Office (PMO), Implementation of Banking & Finance and Insurance core systems
- Master of Business Administration (MBA), University of Strathclyde, UK
- FinTech, The Hong Kong University of Science and Technology (HKUST)
- Industry 4.0, University at Buffalo and the State University of New York (SUNY)
- Certified Information Security Manager (CISM)
- Information Technology Infrastructure Library (ITIL)
- Project Management Professional (PMP)
- Certified On-Demand Open Object - Open ERP (Odo)
- Microsoft Certified Systems Administrator (MCSA)
- Microsoft Certified Systems Engineer (MCSE)
- Bachelor of Science in Information Technology, Birla Institute of Technology, India
- Diploma in Business Information System, University of Bahrain
- Diploma in Computer Engineering, University of Bahrain

### NOOF RAJAB ALMUSAWI

Human Resources Manager  
Joined NFH in 2024

- Over 11 years of human resources experience
- Master of Science in Human Resources, DePaul University
- Bachelor of Science in Business Management, University of Bahrain
- CIPD Level 5 in Human Resources Management
- Certified Professional in Human Resource Compliance (CPHRC), IHRME



<b>34-35</b>	Independent auditors' report to the shareholders
<b>36</b>	Consolidated statement of financial position
<b>37</b>	Consolidated statement of profit or loss and other comprehensive income
<b>38</b>	Consolidated statement of changes in equity
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<b>40-62</b>	Notes to the consolidated financial statements

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

### Opinion

We have audited the consolidated financial statements of National Finance House B.S.C (c) (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The board of directors is responsible for the other information. The other information obtained at the date of this auditors' report is the board of directors' report set out on pages 10-12.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information,

we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company/Bank /Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Regulatory Requirements

As required by the Commercial Companies Law 2001 (as amended) and Volume 5 of the Rule Book issued by the Central Bank of Bahrain (CBB), we report that:

- a) the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
- b) the financial information contained in the board of directors report is consistent with the consolidated financial statements;
- c) we are not aware of any violations during the year of the Commercial Companies Law 2001 (as amended), the CBB and Financial Institutions Law No. 64 of 2006 (as amended), the CBB Rule Book (Volume 5, applicable provisions of Volume 6 and CBB directives) or the terms of the Company's memorandum and articles of association that would have had a material adverse effect on the business of the Company or on its financial position; and
- d) satisfactory explanations and information have been provided to us by management in response to all our requests.

**KPMG Fakhro**

Partner Registration Number 100  
24 February 2026

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025 (Bahraini Dinars)

	Note	2025	2024
<b>ASSETS</b>			
Cash and bank balances	4	1,647,257	880,675
Loans to customers	5	43,947,483	45,179,175
Property and equipment	6	384,436	373,655
Right-of-use assets	7	153,270	229,089
Other assets		416,262	403,168
<b>Total assets</b>		<b>46,548,708</b>	47,065,762
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Bank borrowings	8	25,738,935	26,379,881
Other liabilities	9	2,227,293	2,804,247
Total liabilities		<b>27,966,228</b>	29,184,128
<b>Equity</b>			
Share capital	11	7,500,000	7,500,000
Share premium		112,500	112,500
Statutory reserve		1,838,704	1,706,799
Retained earnings		9,131,276	8,562,335
<b>Total equity</b>		<b>18,582,480</b>	17,881,634
<b>Total equity and liabilities</b>		<b>46,548,708</b>	47,065,762

The consolidated financial statements have been approved by the Board of Directors on 24 February 2026 and signed on its behalf by:



Talal Fuad Ebrahim Kanoo  
Chairman



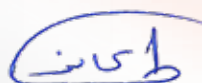
Raed Abdulla Fakhri  
Deputy Chairman

The accompanying notes 1 to 17 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025 (Bahraini Dinars)

	Note	2025	2024
Interest income	12	5,177,075	5,166,755
Interest expense		(2,153,178)	(2,593,006)
<b>Net interest income</b>		<b>3,023,897</b>	2,573,749
Automotive sales		3,617,162	3,196,159
Cost of sales		(3,392,261)	(2,987,863)
<b>Gross profit on automotive sales</b>		<b>224,901</b>	208,296
Fees and commission income		444,229	429,138
Fees and commission expense		(115,277)	(129,886)
<b>Net fee and commission income</b>		<b>328,952</b>	299,252
Other income	13	138,822	130,356
<b>Total income</b>		<b>3,716,572</b>	3,211,653
Salaries and related costs		934,774	914,209
Other operating expenses	14	718,215	690,672
Depreciation	6 & 7	124,448	143,541
Impairment losses on loans to customers	5	488,289	520,688
<b>Total expenses</b>		<b>2,265,726</b>	2,269,110
<b>Profit for the year</b>		<b>1,450,846</b>	942,543
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>1,450,846</b>	942,543
<b>Basic and diluted earnings per share</b>	11	<b>19.34</b>	12.57 fils



Talal Fuad Ebrahim Kanoo  
Chairman



Raed Abdulla Fakhri  
Deputy Chairman

The accompanying notes 1 to 17 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025 (Bahraini Dinars)

2025	Share capital	Share premium	Statutory reserve	Retained earnings	Total equity
Balance at 1 January 2025	7,500,000	112,500	1,706,799	8,562,335	17,881,634
Profit and total comprehensive income for the year	-	-	-	1,450,846	1,450,846
Dividend declared for 2024	-	-	-	(750,000)	(750,000)
Transfer to statutory reserve	-	-	131,905	(131,905)	-
<b>At 31 December 2025</b>	<b>7,500,000</b>	<b>112,500</b>	<b>1,838,704</b>	<b>9,131,276</b>	<b>18,582,480</b>

2024	Share capital	Share premium	Statutory reserve	Retained earnings	Total equity
Balance at 1 January 2024	7,500,000	112,500	1,612,545	7,714,046	16,939,091
Profit and total comprehensive income for the year	-	-	-	942,543	942,543
Transfer to statutory reserve	-	-	94,254	(94,254)	-
At 31 December 2024	7,500,000	112,500	1,706,799	8,562,335	17,881,634

The accompanying notes 1 to 17 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025 (Bahraini Dinars)

	Note	2025	2024
<b>Operating activities</b>			
Interest, fees and commission received		5,706,507	5,703,016
Fees and commission paid		(111,887)	(127,686)
Loans disbursed		(16,846,597)	(15,486,854)
Loan repayments		17,190,931	17,318,613
Receipt from sale of vehicles		3,617,162	3,196,159
Payment for purchase of vehicles		(3,662,898)	(2,897,320)
Payments for staff salaries and related costs		(845,304)	(875,464)
Payments for other operating expenses		(448,256)	(390,343)
Directors' remuneration and sitting fees paid		(144,200)	(116,175)
<b>Net cash generated from operating activities</b>		<b>4,455,458</b>	<b>6,323,946</b>
<b>Investing activities</b>			
Purchase of property and equipment		(9,250)	(137,600)
Statutory deposit placed	8	(7,500)	-
<b>Net cash used in investing activities</b>		<b>(16,750)</b>	<b>(137,600)</b>
<b>Financing activities</b>			
Drawdown of bank borrowings	8	8,378,000	6,134,000
Repayment of bank borrowings	8	(9,018,946)	(10,227,080)
Interest paid		(2,197,338)	(2,624,215)
Payment of lease liabilities		(92,688)	(92,688)
Dividends paid		(750,000)	-
<b>Net cash used in financing activities</b>		<b>(3,680,972)</b>	<b>(6,809,983)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>757,736</b>	<b>(623,637)</b>
Cash and cash equivalents at 1 January		882,168	1,505,805
<b>Cash and cash equivalents as at 31 December*</b>	4	<b>1,639,904</b>	<b>882,168</b>

\* Cash and cash equivalents as at 31 December 2025 is gross of the expected credit loss of BD 2,634 (2024: BD 2,634); and excluding restricted cash of BD 9,987 (2024: BD 1,141) (note 4).

The accompanying notes 1 to 17 are an integral part of these consolidated financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 1. REPORTING ENTITY

National Finance House B.S.C (c) (the “Company”) is a closed joint stock company incorporated and registered in the Kingdom of Bahrain on 4 December 2005 and operates as a financing company under a license issued by Central Bank of Bahrain. It provides consumer and corporate finance services in the form of motor vehicle financing and equipment financing.

The Company’s registered office is at Building 186, Road 66, Block 364, Bilad Al Qadeem, Kingdom of Bahrain. The Company operates through 2 branches (58880-01 and 58880-02) (2024: 2 branches 58880-01 and 58880-02) in the Kingdom of Bahrain.

The consolidated financial statements include the results of the Company and its subsidiaries (together the “Group”).

The Company has two wholly owned subsidiaries (together “the Group”) incorporated in the Kingdom of Bahrain as follow:

Name	Date of registration	Commercial registration no.	Activities
National Finance House Auto Mall W.L.L	19 March 2017	111539-1	sale/ trade of motor vehicles.
National Finance House Insurance Services Company W.L.L	25 December 2024	181224-1	Insurance Brokerage services.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

#### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention. The accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all the years presented.

#### (c) Functional and presentation currency

The consolidated financial statements are presented in Bahraini Dinars (“BD”), which is also the Group’s functional currency.

#### (d) New and amended standards and interpretations issued but not yet effective

A number of new standards, amendments and interpretations to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new standards, amendments and interpretations to standards that are relevant to the Group are not expected to have a significant impact on the Group’s consolidated financial statements:

- IFRS 18 – Presentation and disclosure of financial statements
- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.
- Annual Improvements to IFRS Accounting Standards – Amendments to:  
IFRS 9 Financial Instruments;  
IFRS 16 Leases.

#### (e) Use of judgments and estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation and critical judgements in applying accounting policies on the amounts recognised in the consolidated financial statements are described in the following notes:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 2. BASIS OF PREPARATION (continued)

#### (i) Judgments

- Note 15 (a): establishing the criteria for determining whether credit risk on financial assets has increased significantly since initial recognition, determining methodology for incorporating forward-looking information in the measurement of ECL and selection and approval of models used to measure ECL.
- Note 3 (e): classification of financial assets, assessment of business model based on which the assets are held and assessment of whether the contractual terms of the financial assets are SPPI and the principal amount outstanding.

#### (ii) Assumptions and estimation on uncertainties

- Note 3 (e) (iii) and 15 (a): impairment of financial instruments: Determination of inputs into the ECL measurement model, including key assumptions used in establishing recoverable cash flows and incorporation of forward-looking information.

### 3. MATERIAL ACCOUNTING POLICIES

#### (a) Basis of consolidation

Subsidiary is an enterprise controlled by the Group. Control is presumed to exist where more than one half of a subsidiary's voting power is controlled by the Group, or the Group is able to govern the financial and operating policies of a subsidiary so as to obtain benefit from its activities. The financial statements of the subsidiary is included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-group balances and transactions and any gains and losses arising from inter-group transactions are eliminated in preparing the consolidated financial statements.

#### (b) Interest income and expense

Interest income and expense are recognised in the consolidated statement of profit or loss and other comprehensive income using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently. The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

#### (c) Fees and commission income and expenses

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Origination fees received by the Group and the related direct costs relating to the creation or acquisition of a financial asset other than a financial asset classified at fair value through profit or loss, are deferred and recognised as an adjustment to the effective interest rate.

#### (d) Automotive sales

Revenue from sale of motor vehicles is recognised at a point in time when the control of the goods is transferred to the customer, i.e. when the goods have been delivered to and accepted by the customer.

#### (e) Financial assets and liabilities

##### Financial assets

##### *(i) Recognition and initial measurement*

The Group initially recognises loans to customers and borrowings from banks on the date that they are originated. All other financial assets and financial liabilities are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

##### *(ii) Classification*

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 3. MATERIAL ACCOUNTING POLICIES (continued)

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL. As at 31 December 2025 and 2024 the Group did not have any financial assets measured at FVOCI or FVTPL.

#### Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

#### Financial liabilities

The Group classifies its financial liabilities as measured at amortised cost.

#### Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (iii) Identification and measurement of impairment

The Group recognises loss allowances for ECL on loans to customers and balances with banks.

The Group applies a three-stage approach to measuring expected credit losses (ECL) on financial assets carried at amortised cost. Financial assets migrate through the following three stages based on the change in credit quality since initial recognition.

**Stage 1: 12-month ECL:** includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

**Stage 2: Life time ECL - not credit impaired:** includes financial assets that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial asset. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.

**Stage 3 Life time ECL - credit impaired:** includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). However, regulatory requirements for credit impaired accounts will continue to apply under Stage 3.

#### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD)
- loss given default (LGD)
- exposure at default (EAD)

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation.

The EAD of a financial asset is its gross carrying amount.

#### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

#### Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For retail customers, the gross carrying amount when the financial asset is 3 years past due is written off based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### (f) Loans to customers

Loans to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term.

Loans to customers are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, less any impairment losses.

#### (g) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment allowances. Payments made towards capital expenditure is classified as capital work in progress.

#### (h) Depreciation

Depreciation on furniture, fixtures and equipment is provided on the straight-line method over their estimated useful lives as follows:

Furniture, fixture, equipment, and computer software	5 years
Computer hardware	3 years

#### (i) Cash and bank balances

Cash and bank balances represent cash in hand, bank accounts and deposits with banks with original maturities of three months or less.

#### (j) Statutory reserve

The Commercial Companies Law requires 10% of net profit for the year to be transferred to a statutory reserve, which is not normally distributable except in the circumstances stipulated in the Commercial Companies Law. Such transfers may cease once the reserve reaches 50% of paid up share capital.

#### (k) Bank borrowings

Bank borrowings are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

#### (l) Employees' end of service benefits

##### (i) Bahraini employees

Pensions and other social benefits for Bahraini employees are covered by the Social Insurance Organisation scheme, which is a "defined contribution scheme" in nature, and to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis.

##### (ii) Expatriate employees

Pensions and other social Benefits for Bahraini employees are covered by the Social Insurance Organisation ("SIO") scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Group's contribution to this scheme, which represents a defined contribution scheme under International Accounting Standard 19 – Employee Benefits, is expensed as incurred.

Expatriate employees are entitled to leaving indemnities payable under the Bahraini Labour Law for the Private Sector, based on length of service and final remuneration. The provision for this unfunded commitment which represents a defined benefit plan under International Accounting Standard 19 – Employee benefits, is made by calculating the notional liability had all employees left at the reporting date. Effective 1 March 2024, all Bahrain based employers are required to make monthly contributions in relation to the expatriate indemnity to SIO, who would be responsible to settle leaving indemnities for expatriates at the time of end of service. Any indemnity liability prior to 1 March 2024 and pending transfer to the SIO in subsequent periods remains the obligation of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

4. CASH AND BANK BALANCES	2025	2024
Cash in hand	1,500	1,500
Balances with banks	1,638,404	880,668
<b>Cash and cash equivalents</b>	<b>1,639,904</b>	882,168
Restricted cash *	9,987	1,141
Less: expected credit loss **	(2,634)	(2,634)
<b>Cash and bank balances</b>	<b>1,647,257</b>	880,675

\* This comprise cash collected from customers as insurance premium on behalf of the insurance company of BD 2,487 and statutory deposit of BD 7,500, held in a bank in favour of the Central Bank of Bahrain by a subsidiary, which provides insurance brokerage services.

\*\* Represents 12-month ECL on stage 1 financial assets.

### 5. LOANS TO CUSTOMERS

#### (a) Exposure

31 December 2025	Stage 1	Stage 2	Stage 3	Total
Gross loans to customers	40,691,086	2,843,384	3,187,196	46,721,666
Less: expected credit loss	(408,313)	(568,610)	(1,797,260)	(2,774,183)
<b>Net loans</b>	<b>40,282,773</b>	<b>2,274,774</b>	<b>1,389,936</b>	<b>43,947,483</b>
31 December 2024	Stage 1	Stage 2	Stage 3	Total
Gross loans to customers	41,474,712	2,997,426	3,356,747	47,828,885
Less: expected credit loss	(413,143)	(524,607)	(1,711,960)	(2,649,710)
Net loans	41,061,569	2,472,819	1,644,787	45,179,175

#### (b) Expected credit loss movement

2025	Stage 1	Stage 2	Stage 3	Total
At 1 January 2025	413,143	524,607	1,711,960	2,649,710
Transfer to Stage 1	222,147	(92,793)	(129,354)	-
Transfer to Stage 2	(21,422)	165,858	(144,436)	-
Transfer to Stage 3	(12,307)	(141,675)	153,982	-
Net re-measurement of loss allowance	(193,248)	112,613	568,924	488,289
Write off	-	-	(363,816)	(363,816)
<b>At 31 December 2025</b>	<b>408,313</b>	<b>568,610</b>	<b>1,797,260</b>	<b>2,774,183</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 5. LOANS TO CUSTOMERS (continued)

2024	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	450,451	380,988	1,726,808	2,558,247
Transfer to Stage 1	132,495	(64,080)	(68,415)	-
Transfer to Stage 2	(33,339)	172,466	(139,127)	-
Transfer to Stage 3	(16,518)	(144,277)	160,795	-
Net re-measurement of loss allowance	(119,946)	179,510	461,124	520,688
Write off	-	-	(429,225)	(429,225)
At 31 December 2024	413,143	524,607	1,711,960	2,649,710

### 6. PROPERTY AND EQUIPMENT

	Furniture and equipment	Computer software	Computer hardware	Capital work in progress	2025 Total	2024 Total
<b>Cost</b>						
At 1 January	629,153	645,231	273,494	274,312	1,822,190	1,638,893
Additions	-	-	-	59,500	59,500	184,547
Disposals	(4,765)	(21,096)	(4,823)	-	(30,684)	(1,250)
Transfer from CWIP	15,200	13,900	6,050	(35,150)	-	-
<b>At 31 December</b>	<b>639,588</b>	<b>638,035</b>	<b>274,721</b>	<b>298,662</b>	<b>1,851,006</b>	<b>1,822,190</b>
<b>Depreciation</b>						
At 1 January	616,968	580,214	251,353	-	1,448,535	1,382,272
Charge for the year	5,824	21,746	21,059	-	48,629	67,513
Disposals	(4,675)	(21,096)	(4,823)	-	(30,594)	(1,250)
<b>At 31 December</b>	<b>618,117</b>	<b>580,864</b>	<b>267,589</b>	<b>-</b>	<b>1,466,570</b>	<b>1,448,535</b>
Net book value						
<b>At 31 December 2025</b>	<b>21,471</b>	<b>57,171</b>	<b>7,132</b>	<b>298,662</b>	<b>384,436</b>	
At 31 December 2024	12,185	65,017	22,141	274,312		373,655

### 7. RIGHT-OF-USE ASSETS

	2025	2024
Balance at 1 January	229,089	305,117
Additions during the year	-	-
Depreciation charge for the year	(75,819)	(76,028)
<b>Balance at 31 December</b>	<b>153,270</b>	229,089

Right-of-use asset relate to leased properties that do not meet the definition of investment property. The Group has on lease its main office premises, Sitra branch and showroom on lease. These leases are for a period of five years, with an option to renew the lease after that date subject to mutual agreement. Lease payments can be renegotiated every five years to reflect market rentals. Maturity analysis of contractual discounted cash flows of lease liability:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 7. RIGHT-OF-USE ASSETS (continued)

	2025	2024
Within one year	81,860	75,239
1-2 years	80,525	81,860
More than 2 years	10,426	90,951
	<b>172,811</b>	248,050

### 8. BANK BORROWINGS

	2025	2024
Repayable within one year	9,085,254	8,534,446
Repayable after one year	16,653,681	17,845,435
	<b>25,738,935</b>	26,379,881

These are term loans with floating interest rates, which are subject to re-pricing on a monthly, quarterly, or on half-yearly basis. The effective interest rate on borrowings was within the range of 6.62% to 8.48% p.a. (2024: of 7.42% to 9.67% p.a.). BD 17 million (2024: BD 18 million) of the total borrowings, is secured by assignment of customer loans of BD 29 million (2024: BD 33 million) and the Group is required to comply with certain financial covenants. The remaining balance of total borrowing is unsecured. Movement on bank borrowings is as follows:

	2025	2024
At 1 January	26,379,881	30,472,961
Drawdown bank borrowings	8,378,000	6,134,000
Repayment of bank borrowings	(9,018,946)	(10,227,080)
<b>At 31 December</b>	<b>25,738,935</b>	26,379,881

### 9. OTHER LIABILITIES

	2025	2024
Payable to agents for vehicles financed	812,874	1,404,496
Payable to insurance companies	746,713	684,141
Accrued expenses and other liabilities	418,375	346,880
Lease liability (note 7)	172,811	248,050
Interest payables	76,520	120,680
	<b>2,227,293</b>	2,804,247

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 10. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Following are transactions with shareholders and directors of the Group.

<b>Related party transactions</b>	<b>2025</b>	<b>2024</b>
<b>Capital expenditure</b>		
Furniture and equipment and capital work-in-progress (Shareholder)	44,817	24,527
<b>Operating income</b>		
Insurance commission - Motor vehicles (Shareholder)	11,370	31,546
<b>Operating expenses</b>		
Auto Mall purchases of vehicles (Shareholders)	2,199,477	1,295,994
Insurance premium charges (Entity under common control)*	72,214	228,837
Salaries and related costs (Entity under common control)*	3,356	16,533
Other operating expenses (Shareholders)	76,468	64,174

\* Salaries and related costs relates to NFH Group contribution of employees saving scheme and does not include employees contribution. The relationship between the Company and the entity under common control ceased to exist during the period due to the disposal of business by the Company's shareholder.

<b>Related party balances</b>	<b>2025</b>	<b>2024</b>
Payable for vehicles financed (Shareholders)	409,766	917,485
Payable for insurance premiums (Shareholder)	-	19,705
Prepaid expenses (Shareholders)	1,055	15,479
Payable for operating and capital expenditure (Shareholders)	8,113	27,498
Receivable of insurance agency commission (Shareholder)	-	3,072

#### Transactions with key management personnel

Key management personnel of the Group comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel compensation (including staff loan) is as follows:

	<b>2025</b>	<b>2024</b>
Key management compensation	342,043	266,620
Board of directors remuneration and attendance allowance	129,821	127,500

#### Balances with key management personnel

	<b>2025</b>	<b>2024</b>
Board of Directors remuneration and attendance allowance	41,771	45,750
Staff loan	-	300

Certain transactions were approved by the Board of Directors under Article189(b) of the Commercial Companies Law in the financial year ended 31 December 2025 where the chairman, directors or managers had a direct or indirect interest in the contracts or transactions which have been approved by the Board.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 11. SHARE CAPITAL

	2025	2024
<b>Authorised</b>		
500,000,000 ordinary shares of 100 fils each	50,000,000	50,000,000
<b>Issued capital</b>		
75,000,000 ordinary shares of 100 fils each	7,500,000	7,500,000
<b>Paid up capital</b>		
75,000,000 ordinary shares of 100 fils each	7,500,000	7,500,000
<b>Basic and diluted earnings per share</b>	<b>19.34 Fils</b>	12.57 Fils

The earning per share is calculated by dividing the net income of BD 1,450,846 (2024: BD 942,543) by the number of shares outstanding at the end of the year, 75 million shares (2024: 75 million shares). Diluted earnings per share is same as basic earnings per share as the Group does not have any potential dilutive instruments in issue. The Board of Directors proposed the following appropriations subject to the approval of the shareholders during the annual general meeting as follows:

	2025	2024
Dividend	1,125,000	750,000
Board of Directors' remuneration	41,771	45,750
Transfer to charity reserve	72,542	-
	<b>1,239,313</b>	795,750

### 12. INTEREST INCOME

	2025	2024
Interest on loans to customers	5,146,655	5,156,074
Interest on bank accounts	30,420	10,681
	<b>5,177,075</b>	5,166,755

### 13. OTHER INCOME

	2025	2024
Recoveries from loans previously written off	82,441	106,397
Other miscellaneous income	56,381	23,959
	<b>138,822</b>	130,356

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 14. OTHER OPERATING EXPENSES

	2025	2024
Legal and professional charges	144,246	175,755
Board of directors' remuneration and attendance allowance	139,200	129,925
Computer maintenance and support expenses	65,216	51,724
Utilities	49,534	49,553
VAT expenses	51,889	46,717
Communication expense	42,428	42,744
Bank charges	40,235	39,825
Advertising and publicity expense	33,323	30,031
Insurance expenses	19,591	19,191
Interest expense on lease liabilities	17,449	23,605
Printing and stationery expense	14,284	13,113
Parking	11,062	10,626
Others	89,758	57,863
	<b>718,215</b>	<b>690,672</b>

### 15. FINANCIAL RISK MANAGEMENT

#### *Risk management framework and overview*

The risks associated with the Group's business are credit risk, market risk, liquidity risk and operational risk. The Group has a risk management framework in place for managing these risks which is constantly evolving as the business activities change in response to credit, market, product and other developments. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Group consist of cash and bank balances, loans to customers and other assets. Financial liabilities of the Group consist of bank borrowings and other liabilities. Accounting policies in respect of financial assets and financial liabilities are set out in Note 3.

The Board of Directors of the Group has the overall responsibility for the establishment of and oversight over the Group's risk management framework. The Board has established an Audit, Compliance and Risk Committee, for developing and monitoring risk management policies. The Board of Directors set the Group's overall risk parameters and risk tolerances, and the significant risk management policies. The Board Audit, Compliance and Risk Committee reviews and reports to the Board of Directors on the Group's risk profile and risk-taking activities.

The Risk Management Committee has the primary responsibility for sanctioning risk-taking activities and defining risk management policies within the overall risk parameters and tolerances defined by the Board of Directors. The risk management control process is based on a detailed structure of policies, procedures and limits, and comprehensive risk measurement and management information systems for the control, monitoring and reporting of risks. The principal risks associated with the Group's businesses and the related risk management processes are set out below.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 15. FINANCIAL RISK MANAGEMENT (continued)

#### a) Credit risk

Credit risk is the risk that a customer fails to perform under its contractual payment obligations thus causing the Group to suffer a loss in terms of cash flow or market value. Credit risk is the predominant risk type faced by the Group in its financing activities. The Group is exposed to credit risk primarily on the loans to customers. Credit risk assessment and management is divided into personal and corporate loans.

The responsibility for the management of credit risk rest with management and the Credit Committee, comprising four members, Chief Executive Officer, Head of Financial Control, Head of Retail and Head of Risk Management.

The Credit Committee is responsible for oversight of the Group's credit risk, including:

- formulating credit policies, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements;
- establishing the authorisation structure for the approval and renewal of credit facilities. The authorisation limits are allocated to the Retail and Credit Administration Departments. Larger facilities require approval by Management Credit Committee or Board Credit Committee. Each business unit is required to implement Group's credit policies and procedures, with credit approval authorities delegated from the Group's Credit Committee;
- reviewing and assessing credit risk. Credit committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process;
- limiting concentrations of exposure to counterparties, and industries for loans;
- reviewing and monitoring credit exposures on an ongoing basis to identify, as early as possible, customers that may be experiencing declining credit worthiness or financial difficulty; and
- reviewing compliance of business units with agreed exposure limits. Regular reports are provided to the Chief Executive Officer and Board of Directors on the credit quality of local portfolios and appropriate corrective action is taken.

The Group's credit policy sets out the Group's sanctioning power for granting loans. Granting Loans less than the designated limits of the Group's Credit Committee are approved the business units.

The credit risk on loans is actively managed and rigorously monitored in accordance with well-defined credit policies and procedures. The creditworthiness of each borrower is evaluated prior to sanctioning of facilities. Credit review procedures are in place for corporate customers to identify at an early stage, exposures which require more detailed monitoring and review. Appropriate procedures for follow-up and recovery (including recourse to legal action) are in place to monitor the credit risk on loans.

The Group is not exposed to any significant concentration of credit risk arising from exposures to a single debtor or to group of debtors having similar characteristics such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions. The maximum credit risk exposure of the loans to customer is the carrying amount net of the unearned interest income and net of impairment allowance.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2025	2024
Balances with banks	1,645,757	879,175
Loans to customers	43,947,483	45,179,175
Other assets	18,536	28,850
	<b>45,611,776</b>	<b>46,087,200</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 15. FINANCIAL RISK MANAGEMENT (continued)

#### *Concentration of credit risk*

The Group monitors concentration of credit risk by sector. An analysis of concentrations of credit risk on financial assets at the reporting date is shown below:

	2025	2024
Corporate	9,772,215	10,411,961
Retail	34,175,268	34,767,214
Financial institutions	1,645,757	879,175
Government and others	18,536	28,850
	<b>45,611,776</b>	<b>46,087,200</b>

#### **Monitoring of credit risk**

##### *Generating the term structure of PD*

Ageing buckets based on days past due ("Ageing buckets") are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by ageing buckets.

The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default.

Based on consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Group then uses these forecasts to adjust its estimates of PDs. The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is equal or more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 15. FINANCIAL RISK MANAGEMENT (continued)

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the average time between the identification of a significant increase in credit risk and default appears to be reasonable;
- exposure are not generally transferred directly from 12-month ECL measurement to credit impaired;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy.

The Group renegotiates loans to customers in financial difficulties (referred to as “forbearance activities”) to maximise collection opportunities and minimise the risk of default. Under the Group’s forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms. The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. For financial assets modified as part of the Group’s forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Group’s ability to collect interest and principal and the Group’s previous experience of similar forbearance action. As part of this process, the Group evaluates the borrower’s payment performance against the modified contractual terms and considers various behavioral indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired. A customer needs to demonstrate consistently good payment behavior over a period of 3 months for individual and SMEs and a period of 6 months for corporate customers (“cooling-off period”) before the exposure is no longer considered to be credit-impaired/ in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on economic experts and consideration of a variety of external actual and forecast information.

The Group formulates a ‘base case’ view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

Key macro-economic indicators include: Oil price, Consumers purchase index (CPI), Real GDP growth, Real interest rate (RIR), Unemployment rate, Domestic credit growth, Central Government revenue as percentage of GDP and Central Government expenditure as percentage of GDP. The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes.

#### Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and expert credit assessment and including forward-looking information. All loans are domestic and are granted to borrowers within the Kingdom of Bahrain.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 15. FINANCIAL RISK MANAGEMENT (continued)

The Group's credit risk profile based on ageing by sector / counterparty is as follows:

#### A. Corporate loans

2025	Stage 1	Stage 2	Stage 3	Total
<b>Current</b>	9,252,483	53,121	120,189	9,425,791
<b>Past due loans:</b>				
1 to 29 days	104,463	-	5,015	109,478
30 to 59 days	-	160,476	18,113	178,588
60 to 89 days	-	94,376	57,744	152,120
90 days to 1 year	-	-	121,331	121,331
1 year to 3 years	-	-	328,256	328,256
More than 3 years	-	-	6,173	6,173
<b>Gross carrying value</b>	<b>9,356,946</b>	<b>307,973</b>	<b>656,821</b>	<b>10,321,740</b>
Expected credit loss	(118,130)	(93,676)	(431,912)	(643,718)
<b>Net carrying value</b>	<b>9,238,816</b>	<b>214,297</b>	<b>224,909</b>	<b>9,678,022</b>
2024	Stage 1	Stage 2	Stage 3	Total
<b>Current</b>	9,828,540	24,581	77,793	9,930,914
<b>Past due loans:</b>				
1 to 29 days	163,002	106,963	14,696	284,661
30 to 59 days	-	159,817	18,770	178,587
60 to 89 days	-	79,472	139,365	218,837
90 days to 1 year	-	-	156,367	156,367
1 year to 3 years	-	-	310,382	310,382
More than 3 years	-	-	3,765	3,765
Gross carrying value	9,991,542	370,833	721,138	11,083,513
Expected credit loss	(136,347)	(97,136)	(438,069)	(671,552)
Net carrying value	9,855,195	273,697	283,069	10,411,961

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 15. FINANCIAL RISK MANAGEMENT (continued)

#### B. Retail loans

2025	Stage 1	Stage 2	Stage 3	Total
Current	30,118,599	655,700	332,368	31,106,667
<b>Past due loans:</b>				
1 to 29 days	1,215,541	92,161	159,694	1,467,397
30 to 59 days	-	1,291,014	146,741	1,437,756
60 to 89 days	-	496,536	410,263	906,799
90 days to 1 year	-	-	589,587	589,587
1 year to 3 years	-	-	856,507	856,507
More than 3 years	-	-	35,215	35,215
<b>Gross carrying value</b>	<b>31,334,140</b>	<b>2,535,411</b>	<b>2,530,375</b>	<b>36,399,926</b>
Expected credit loss	(290,183)	(474,934)	(1,365,348)	(2,130,465)
<b>Net carrying value</b>	<b>31,043,957</b>	<b>2,060,477</b>	<b>1,165,027</b>	<b>34,269,461</b>

2024	Stage 1	Stage 2	Stage 3	Total
Current	30,395,835	872,894	249,394	31,518,123
<b>Past due loans:</b>				
1 to 29 days	1,087,335	208,852	74,495	1,370,682
30 to 59 days	-	1,003,196	216,554	1,219,750
60 to 89 days	-	541,651	618,327	1,159,978
90 days to 1 year	-	-	701,546	701,546
1 year to 3 years	-	-	763,710	763,710
More than 3 years	-	-	11,583	11,583
Gross carrying value	31,483,170	2,626,593	2,635,609	36,745,372
Expected credit loss	(276,796)	(427,471)	(1,273,891)	(1,978,158)
Net carrying value	31,206,374	2,199,122	1,361,718	34,767,214

Stage 2 includes exposures in the first two ageing buckets (i.e. Current to 1 to 29 days) which are not past due however continue to be classified as stage 2 until the completion of cooling-off period of 3 months for individuals and SMEs customers and 6 months for corporate customers.

Stage 3 includes exposures in the first four ageing buckets (i.e. Current to 60 to 89 days) which are not past due however continue to be classified as stage 3 until the completion of cooling-off period of 3 months for individuals and SMEs customers and 6 months for corporate customers.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 15. FINANCIAL RISK MANAGEMENT (continued)

#### Non-performing exposure:

The Group has systems and procedures in place to generate alerts in case of past dues in any account. A stringent classification process is followed for all accounts with past dues of over 90 days.

Loans that are “past due below 90 days but not impaired” are those for which contractual interest and principal payments are past due but the Group believes that they are not impaired on the basis of the level of security or collateral available and / or the stage of collection of amounts owed to the Group. As at reporting date, loans past due below 90 days but not impaired amounted to BD 3,454,567 (2024: BD 3,350,288).

During the year, loans amounting to BD nil (2024: BD nil) were restructured and due to the minor nature of the restructuring concession, there was no significant impact on the Group’s provisions on loans and advances impairment and present and future earnings. The Group renegotiates loans to customers in financial difficulties (referred to as ‘forbearance activities’) to maximise collection opportunities and minimise the risk of default.

Under the Group’s forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms. The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Group Audit, Compliance and Risk Committee regularly reviews reports on forbearance activities.

The Group writes off a loan balance (and any related allowances for impairment losses) when Group determines that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

The Group holds collateral against loans to customers in the form of mortgage interests over vehicles financed. In case of loans granted using hire purchase contracts, the vehicles financed are solely registered in the name of the Group and hence they are considered more secured. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. The principal type of collateral is the vehicle financed.

As at 31 December 2025, the net book value of collaterals represents 83% (2024: 82%) of the Company’s credit exposure (loans to customers). As of 31 December 2025, loans include hire purchase contracts of BD 30,453,994 (2024: BD 30,072,331) representing 69% (2024: 63%) of the total portfolio.

As at 31 December 2025 total non-performing loans were BD 1,937,070 (2024: BD 1,947,353) excluding BD 1,166,419 of non-performing loans in cooling-off period and those less than 90 days past due (2024: BD 1,409,394). Interest on non-performing loans is suspended and is not recognised in the profit and loss until the interest is recovered from the borrower or the loan is upgraded after restructuring. In accordance with the Central Bank of Bahrain guidelines, loans that have been classified as non-performing should remain classified as non-performing for a cooling off period of not less than 3 months for customers classified as SME and individuals and 6 months for corporate customers from the date of becoming performing.

#### b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

##### *Management of liquidity risk*

The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation. It manages its liquidity requirements mainly by collection of vehicle loans with varying maturities, borrowings from financial institutions and financial support from shareholders.

Liquidity management policies are designed to ensure that funds are available at all times to meet the funding requirements of the Group, even in adverse conditions. In normal conditions, the objective is to ensure that there are sufficient funds available not only to meet current financial commitments but also to facilitate business expansion. These objectives are met through the application of prudent liquidity controls. These controls provide security of access to funds without undue exposure to increased costs from the liquidation of assets or the aggressive bidding for deposits.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 15. FINANCIAL RISK MANAGEMENT (continued)

The liquidity position of the Group is monitored by the Chief Executive Officer and Financial Controller. Surplus and deficit of short- and long-term positions of the Group are managed as appropriate by the Finance Department. The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme. The contractual maturities of financial liabilities, including interest payments is set out below. This shows the undiscounted cash flows on the Group's financial liabilities on the basis of their earliest possible contractual maturity.

31 December 2025	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	More than 12 months
Bank borrowings	25,738,935	29,418,820	5,702,531	5,019,304	18,696,985
Other liabilities	2,227,293	2,227,293	2,094,596	41,746	90,951
	<b>27,966,228</b>	<b>31,646,113</b>	<b>7,797,127</b>	<b>5,061,050</b>	<b>18,787,936</b>
31 December 2024	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	More than 12 months
Bank borrowings	26,379,881	30,903,818	5,289,563	5,147,548	20,466,707
Other liabilities	2,804,247	2,836,313	2,602,541	46,344	187,428
	29,184,128	33,740,131	7,892,104	5,193,892	20,654,135

#### c) Market risks

Market risk is the risk that changes in market prices, such as interest rate and credit spreads (not relating to changes in the issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The principal market risk to which the Group is exposed is interest rate risk with its asset and liability management activities.

#### d) Interest rate risk

Interest rate risk is the risk that the Group's earnings will be affected as a result of movements in interest rates. The Group's interest rate exposures arise from its interest earning assets and interest-bearing liabilities i.e. balance with banks, deposits with bank, loans to customers and bank borrowings.

The distribution of financial instruments between interest rate categories is summarised below:

31 December 2025	Fixed rate	Floating rate	Non-interest bearing	Total
Cash and bank balances	1,647,257	-	-	1,647,257
Loans to customers	43,947,483	-	-	43,947,483
Other assets	-	-	18,536	18,536
	<b>45,594,740</b>	-	<b>18,536</b>	<b>45,613,276</b>
Bank borrowings	-	25,738,935	-	25,738,935
Other liabilities	-	-	2,227,293	2,227,293
	-	<b>25,738,935</b>	<b>2*,227,293</b>	<b>27,966,228</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 15. FINANCIAL RISK MANAGEMENT (continued)

31 December 2024	Fixed rate	Floating rate	Non-interest bearing	Total
Cash and bank balances	880,675	-	-	880,675
Loans to customers	45,179,175	-	-	45,179,175
Other assets	-	-	28,850	28,850
	46,059,850	-	28,850	46,088,700
Bank borrowings	-	26,379,881	-	26,379,881
Other liabilities	-	-	2,804,247	2,804,247
	-	26,379,881	2,804,247	29,184,128

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp Increase	100 bp decrease
<b>31 December 2025</b>				
Bank borrowings	<b>(262,464)</b>	<b>262,464</b>	<b>(262,464)</b>	<b>262,464</b>
<b>31 December 2024</b>				
Bank borrowings	(267,312)	267,312	(267,312)	267,312

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. The Group's loans to customers are predominantly of a fixed rate nature and the Group has the right under the terms of the agreement with customers to vary the rate at its discretion after giving the customer due notice.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 15. FINANCIAL RISK MANAGEMENT (continued)

A summary of the Group's interest rate gap position on non-trading portfolios is as follows:

31 December 2025	Carrying amount	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non- interest bearing
Cash and bank	1,647,257	1,647,257	-	-	-	-	-
Loans to customers	43,947,483	1,782,196	2,892,454	5,595,017	29,377,114	4,300,702	-
Other assets	18,536	-	-	-	-	-	18,536
	<b>45,613,276</b>	<b>3,429,453</b>	<b>2,892,454</b>	<b>5,595,017</b>	<b>29,377,114</b>	<b>4,300,702</b>	<b>18,536</b>
Bank borrowings	25,738,935	2,533,060	2,340,560	4,211,634	16,196,663	457,018	-
Other liabilities	2,227,293	19,864	20,249	41,746	90,952	-	2,054,482
	<b>27,966,228</b>	<b>2,552,924</b>	<b>2,360,809</b>	<b>4,253,380</b>	<b>16,287,615</b>	<b>457,018</b>	<b>2,054,482</b>
Interest rate gap	17,647,048	876,529	531,645	1,341,637	13,089,499	3,843,684	(2,035,946)
<b>Cumulative interest rate gap</b>	<b>17,647,048</b>	<b>876,529</b>	<b>1,408,174</b>	<b>2,749,811</b>	<b>15,839,310</b>	<b>19,682,994</b>	<b>17,647,048</b>
31 December 2024	Carrying amount	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non- interest bearing
Cash and bank	880,675	880,675	-	-	-	-	-
Loans to customers	45,179,174	1,590,180	3,058,773	5,821,981	30,492,671	4,215,569	-
Other assets	28,850	-	-	-	-	-	28,850
	46,088,699	2,470,855	3,058,773	5,821,981	30,492,671	4,215,569	28,850
Bank borrowings	26,379,881	2,092,453	2,161,898	4,280,096	16,570,141	1,275,293	-
Other liabilities	2,804,247	18,283	18,617	38,338	172,812	-	2,556,197
	29,184,128	2,110,736	2,180,515	4,318,434	16,742,953	1,275,293	2,556,197
Interest rate gap	16,904,571	360,119	878,258	1,503,547	13,749,718	2,940,276	(2,527,347)
Cumulative interest rate gap	16,904,571	360,119	1,238,377	2,741,924	16,491,642	19,431,918	16,904,571

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 15. FINANCIAL RISK MANAGEMENT (continued)

#### e) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's exposure to currency risk is not significant as a significant portion of the Group's transactions are in Bahraini Dinars.

#### f) Fair value

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 in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If an asset or a liability measured at fair value has a bid price and an ask price, the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Loans to customers are classified as level 3. The average interest rate of the loan portfolio is in line with current market rates for similar facilities and hence after consideration of adjustment for prepayment risk and impairment charges it is expected that the carrying value would not be materially different to fair value of these assets. Bank borrowings are at floating rate and are re-priced periodically hence the carrying value represents its approximate fair value and classified as level 2. The fair values of the Group's all other financial assets and financial liabilities approximate their carrying value due to their short-term nature.

#### g) Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations and are faced by all business units.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit.

This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective.

Compliance with Group's policies is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit, Compliance and Risk Committee and senior management of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 15. FINANCIAL RISK MANAGEMENT (continued)

#### h) Legal contingencies risk

Legal risk is the risk relating to losses due to legal or regulatory action that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements.

Due to the nature of its operations, the Group may be involved in litigations arising in the ordinary course of business. Provision for contingent liabilities arising from litigations is based on the probability of outflow of economic resources and reliability of estimating such outflow. Such matters are subject to many uncertainties and the outcome of individual matters is not predictable with assurance.

#### i) Capital management

The Central Bank of Bahrain sets and monitors capital requirements for the Group. According to the terms of the license granted by the Central Bank of Bahrain, the Group is required to maintain a minimum paid-up capital of BD 5,000,000 and the borrowings may not exceed five times the capital and reserves (shareholders' equity). As at 31 December 2025, Group's paid up share capital was BD 7,500,000 (2024: BD 7,500,000) and the borrowing to capital and reserves ratio was 1.39 (2024: 1.47).

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also recognised as well as the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group manages its capital structure and makes adjustments to the structure taking account of changes in economic conditions and strategic business plans.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars)

### 16. MATURITY PROFILE

The maturity profile of the Group's financial assets and liabilities based on the expected repayment arrangements is given below. The contractual maturities of assets and liabilities are not significantly different from the expected repayment dates.

31 December 2025	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	5 to 10 years	Total
<b>Assets</b>						
Cash and bank	1,647,257	-	-	-	-	1,647,257
Loans to customers	1,782,196	2,892,454	5,595,017	29,377,114	4,300,702	43,947,483
Other assets	18,536	-	-	-	-	18,536
	<b>3,447,989</b>	<b>2,892,454</b>	<b>5,595,017</b>	<b>29,377,114</b>	<b>4,300,702</b>	<b>45,613,276</b>
<b>Liabilities</b>						
Bank borrowings	2,533,060	2,340,560	4,211,634	16,196,663	457,018	25,738,935
Other liabilities	2,074,346	20,249	41,746	90,952	-	2,227,293
	<b>4,607,406</b>	<b>2,360,809</b>	<b>4,253,380</b>	<b>16,287,615</b>	<b>457,018</b>	<b>27,966,228</b>
31 December 2024	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	5 to 10 years	Total
<b>Assets</b>						
Cash and bank	880,675	-	-	-	-	880,675
Loans to customers	1,590,180	3,058,773	5,821,981	30,492,672	4,215,569	45,179,175
Other assets	28,850	-	-	-	-	28,850
	2,499,705	3,058,773	5,821,981	30,492,672	4,215,569	46,088,700
<b>Liabilities</b>						
Bank borrowings	2,092,453	2,161,898	4,280,096	16,570,141	1,275,293	26,379,881
Other liabilities	2,574,480	18,617	38,338	172,812	-	2,804,247
	4,666,933	2,180,515	4,318,434	16,742,953	1,275,293	29,184,128

The expected credit loss to the loans to customers of BD 2,774,183 (2024: BD 2,649,710) has been netted against the cash flows expected within 3 months.

### 17. COMPARATIVES

The comparative figures have been regrouped where necessary to conform with the current year's presentation. Such grouping did not affect previously reported profit for the year or total equity of the Group.

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