

Dear Shareholders,

We present the unaudited financial results of The Financial Corporation Co. SAOG (FINCORP) for the period ended on 30th June 2025.

FINANCIAL RESULTS

The Company achieved a total income of OMR 485,325 during the period ended 30th June 2025 compared to a total income of OMR 406,968 during the period ended 30th June 2024 and operating income of OMR 232,120 however a net loss of OMR 928,257 was recorded after taking the provisions of OMR 1,106,377 and change in fair value of investment property of OMR 54,000 during the period ended 30th June 2025 compared to a net profit of OMR 173,420 during the previous period.

A summary of the financial results is tabulated below.

DETAILS	30-June-25 OMR	30-June-24 OMR	Variance %
Total Income	485,325	406,968	19%
Total Expense	(253,205)	(233,548)	8%
Provision for claims	(499,641)	--	100%
Allowance for expected credit losses	(606,736)	--	100%
Change in fair value of investment property	(54,000)	--	100%
Net Profit/ (Loss)	(928,257)	173,420	-635%
Profit / (Loss) per share (RO)	(0.013)	0.002	-635%

MARKET OUTLOOK

Oman’s economy is expected to grow by 2.2% in real terms by the end of 2025, up from 1.7% in 2024 whereas Inflation is projected to reach around 1.3%, on account of government subsidies and stable global commodity prices. The GDP at constant prices is forecast to rise from RO 38.3 billion in 2024 to RO 39.2 billion by the end of this year, supported by a 1.3% rebound in oil activities. Further, Oil sectors’ GDP contribution is expected to edge up to RO 12 billion, while non-oil sectors are projected to grow by 2.7%, contributing RO 28.6 billion according to the Ministry of Economy’s report.

Parallely, GCC economies are set for stronger-than-expected growth this year, despite rising global trade tensions and subdued oil prices, according to the latest ICAEW Economic Insight report for the second quarter, prepared by Oxford Economics.

Non-oil sectors in the GCC are forecast to grow 4.1% this year, supported by strong domestic demand, investment momentum, and diversification initiatives. The region is also well positioned to absorb any trade rebalancing resulting from tariff pressures and geopolitical tensions, as per the report statements.

COMPANY'S ACTIVITIES

At the EGM held on 29 June 2025 the shareholders approved the Board of Directors proposal to cancel all the licences issued by FSA to Fincorp and to change the Company's activity to investment.



CONTINGENCIES

During the period, the Company continued the work initiated in 2023 following the appointment of an independent consultant to review and assess the impact of discrepancies in brokerage accounts. Significant progress was made by the board of directors, the management, the independent consultant and the legal advisor to substantiate the accuracy of account balance and minimize the impact of the discrepancies in the brokerage accounts. A provision for claims of OMR 600K has been taken based on the report of the independent financial consultant against any potential claims in year 2024 and additional provision of OMR 499,641 and provision for expected credit losses of OMR 606,736 have taken during the first half of 2025.

ACKNOWLEDGEMENTS

We express our gratitude to His Majesty Sultan Haitham Bin Tariq for his wise leadership and progressive vision as he continues to lead the country on the path of growth and prosperity. We also extend our appreciation to Muscat Securities Exchange, Financial Services Authority and Muscat Clearing and Depository Company for their valuable co-operation and support. Finally, we are grateful to all our staff, shareholders for their faith and our esteemed clients for the confidence, trust and support extended to FINCORP.

Dr. Abdullah Masoud Al Harthy

Chairman of the Board

29.07.2025