

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

1 ACTIVITIES

The Financial Corporation Company SAOG ("Fincorp") / ("the Company") was formed in 2003 and is registered in the Sultanate of Oman as a public joint stock company. The Company engaged in securities brokerage, portfolio management, fund management, margin financing and investment related activities. At the company's EGM on June 29, 2025, the assembly unanimously approved the cancellation of all of the company's activities licensed by the Financial Services Authority, and the company's activity was changed to investment.

The Company is the investment manager of Fincorp Al Amal Fund, an open-ended investment fund registered under the Financial Services Authority Law of the Sultanate of Oman.

2 BASIS OF PREPARATION AND ADOPTION OF NEW AND AMENDED IFRS

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), the relevant disclosure requirements of the Financial Service Authority and the requirements of the Commercial Companies Law of the Sultanate of Oman.

The financial statements are presented in Omani Rials (RO).

2.2 New and amended IFRS adopted by the Company

The financial statements have been drawn up based on accounting standards, interpretations and amendments effective at 1 January 2025. The Company has adopted the following new and revised Standards and Interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee, which were effective for the current accounting year:

- Amendments to IAS 1 'Presentation of Financial Statements' clarify the requirements for classification of liabilities as current or non-current and non-current liabilities with covenants. The amendments clarify that if liability is subject to covenants, the Company may only classify a liability as non-current if it meets the covenant tests as at the reporting date, even if the lender does not test compliance until a later date. The meaning of settlement of a liability is also clarified.
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' clarifies the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
- Amendments to IFRS 16 (Lease liability in a sale and leaseback) clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

The Management believes the adoption of the above amendments has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for the current accounting year.

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

2 BASIS OF PREPARATION AND ADOPTION OF NEW AND AMENDED IFRS (Continued)

2.3 New and amended IFRS which are in issue but not yet effective

At the end of the reporting period, the following significant new and revised standards were in issue but not yet effective:

- Amendments to IAS 21 'The effects of changes in foreign exchange rates' (Lack of exchangeability)
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' (Classification and Measurement requirements of financial instruments)
- Annual amendments to IFRS - Volume 11 amend the following:
 - IFRS 1 'First time adoption of IFRS' - Hedge accounting by a first-time adopter.
 - IFRS 7 'Financial instruments: Disclosures' - Gain or loss on derecognition.
 - Guidance on implementing IFRS 7 - Credit risk disclosures and disclosures of deferred difference between fair value and transaction price.
 - IFRS 9 'Financial instruments' - Derecognition of lease liabilities and transaction price
 - IFRS 10 'Consolidated financial statements' - Determination of a 'de facto agent'
 - IAS 7 'Statement of cash flows' - Cost method
- IFRS 18 'Presentation and Disclosure in Financial Statements' replaces IAS 1 'Presentation of Financial Statements'. The new requirements on presentation and disclosure will provide information to better understand the Company's financial performance, improve labelling, aggregation and disaggregation of information and disclosure of management-defined performance measures in the financial statements.
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (Reduced disclosures for eligible entities)

Except for the adoption of IFRS 18, the Management believes the adoption of the other amendments is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the Management is required to make estimates and assumptions which affect reported income and expenses, assets, liabilities and related disclosures. The use of available information and application of judgement based on historical experience and other factors are inherent in the formation of estimates that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected. In particular, estimates that involve uncertainties and judgements which have significant effect on the financial statements include:

- *Provision for claims*

Pursuant to irregularities detected during the previous year in the Company's brokerage division, the Company had appointed a consultant to report on the nature and extent of the irregularities, which had allegedly occurred during the years from 2017 to 2023.

The consultant's initial findings indicated instances of unauthorised and incorrect trade transactions undertaken in the client accounts, which may have resulted in misstatement of trade receivables, trade payables and any other related account balances. Based on the consultant's initial findings, a provision of RO 700,000 has been recognised for claims arising from irregularities. The provision represents Management's best estimate of the financial impact based on currently available information (note 25).

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

- *Allowance for expected credit losses (ECLs)*

The Company uses a single rate valuation method to calculate ECLs for trade receivables. The default rates are based on those provided by external credit rating agencies for industry and country wise default rates and adjusted for forward-looking factors specific to the economic environment in the Sultanate of Oman.

At every reporting date, the default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between default rates, forecast economic conditions and ECLs require the use of estimates. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of client's actual default in the future.

ECL on bank balances is determined using credit rating information supplied by independent rating agencies, where available. ECL on other receivables is provided if the amount is deemed material.

- *Fair value of investment property*

The estimation of fair value of investment property is based on independent valuer's assessment of the property. If it is not practicable to obtain an independent valuation, the Management estimates are used to determine the fair value based on their knowledge and experience of the present value of future expected cash flows to be generated from the investment property.

- *Fair value of unquoted investments*

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) method and the adjusted net asset method.

The inputs to these methods are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions could affect the reported fair value of those investments. However, when sufficient more recent information is not available to measure fair value or when there is a wide range of possible fair value measurements, and cost represents the best estimate of fair value in the range, the non-quoted investments are carried at cost.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The following accounting policies have been consistently applied in dealing with items considered material to the Company's financial statements.

a) Accounting convention

These financial statements have been prepared under the historical cost convention except for investments at fair value through profit and loss and investment property which are re-measured at fair values.

b) Income recognition

Commission and fee income is accounted on the completion of contracts and deals net of commission paid to stock exchanges.

Management fees on funds under Management are recognised over the period of management. Interest receivable and payable are recognised on a time proportion basis. Other fees receivable are recognised when earned or accrued.

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

c) Investment property

Property, which is held for rental or capital appreciation, is classified as investment property. The carrying amount of investment property is the fair value of the property as determined on a recurring basis by a registered independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Changes in the fair value and any gain or loss arising on disposal are recognised in the statement of income.

d) Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses. Following initial recognition at cost, expenditure incurred to replace a component of an item of property and equipment which increases the future economic benefits embodied in the item of property and equipment is capitalised. All other expenditures are recognised in the statement of income as an expense as incurred.

Items of property and equipment are derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset is included in the statement of income in the year the item is de-recognized.

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of other items of property and equipment, which are as follows:

	Years
Furniture and office equipment	4 to 6
Motor vehicles	4

e) Investment in associate

An entity over which the Company exercises significant influence but not control is classified as an associate and is accounted for using the equity method. Investment in associate is initially recorded at cost and the carrying amount is increased or decreased to recognise the Company's share of the profits or losses of the associate after acquisition.

At the date of acquisition, any excess of the cost of acquisition over the Company's share of the fair values of the identifiable net assets of the associate is recognized as goodwill and included in the carrying amount of the associate. The carrying amount of these investments is reduced to recognise any impairment of the value of the individual investment. If the Company's share of losses exceeds its interest in the investment, the carrying value of that investment is reduced to nil and the recognition of any further losses is discontinued unless the Company has an obligation to make further funding contributions to that associate.

The Company's share of post-acquisition profits or losses is recognised in the statement of income and the share of post-acquisition movements in other comprehensive income is recognised within other comprehensive income.

The dividend received is reduced from the carrying value of the investment in the associates in the year in which the dividend is received.

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

f) Financial assets

Initial recognition

The Company's financial assets comprise investments at fair value through profit or loss, trade and other receivables and bank balances and cash.

These financial assets are classified, at initial recognition, as subsequently measured at fair value through profit or loss ('FVTPL') and amortised cost. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

The subsequent measurement of financial assets across the various categories are analyzed as follows:

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income from financial assets, if any, is included in finance income using the effective interest rate method. Impairment losses are presented as separate line items in the statement of income.

Financial assets at FVTPL

The Company classifies the following financial assets at fair value through profit or loss (FVTPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI;
- financial assets that are held for trading; and
- equity investments for which the Company has not elected to recognise fair value gains and losses through OCI.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of income. Dividends on investments are recognised in the statement of income when the right of payment has been established.

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

f) Financial assets (Continued)

Fair value measurement:

The Company has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair values of quoted investments are determined with reference to the closing prices in organized financial markets at the end of the reporting period.

The fair values of the non-quoted equity investments have been estimated using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis making maximum use of market inputs and relying as little as possible on entity – specific inputs. Where it is impractical to use discounted cash flow analysis, the Company uses the net asset value or par value of the investments, as appropriate.

g) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. The Company measures the impairment using the expected credit loss (ECL) model for different categories of financial assets.

Trade receivables

The Company uses a single rate valuation method to calculate expected credit losses (ECLs) for trade receivable since the historical data is not representative of credit losses as there have been insignificant credit losses in the past. The default rates are based on external credit rating agencies for industry and country wise default rates, adjusted for forward-looking factors specific to the economic environment in the Sultanate of Oman.

Other financial assets

For other financial assets, which are subject to impairment, the ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a lifetime ECL is recognised for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For term deposits, bank balances and cash and other receivables, the ECL adjustments are made only if they are material.

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

g) Impairment (Continued)

Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company 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 Company's procedures for recovery of amounts due.

Non-financial assets

At the end of each reporting period, the Management assesses if there is any indication of impairment of non-financial assets (property and equipment, investment property and investment in an associate). If an indication exists, the Management estimates the recoverable amount of the asset or cash generating unit (CGU) and recognises an impairment loss in the statement of income.

The recoverable amount is assessed as higher of asset's or CGU's value in use (VIU) and fair value less costs to sell. In assessing the VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and other asset specific risks. The Management also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss reversals are recognised immediately in the statement of income.

h) Trade and other receivables

Trade receivables are amounts due from trades and brokers for services performed in the ordinary course of business and represent the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). They are generally due for settlement within 30 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain a significant financing component, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

i) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and bank balances with an original maturity of less than three months, net of trade payables (amounts held on behalf of clients).

j) Trade and other payables

Trade and other payables are recognised for amounts to be paid in future for services received whether or not billed to the Company.

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

k) Employees' end of service and other benefits

Payment is made to the Government of the Sultanate of Oman's Social Protection Fund (SPF) as per Royal Decree number 52 / 2023 for Omani employees for retirement benefits and other contingencies. Effective July 2024, payment is also made to SPF for maternity leave benefit for employees.

Provision is made for amounts payable under the Sultanate of Oman's Labour Law as per Royal Decree number 53 / 2023 applicable to expatriate employees' accumulated years of service at the end of the reporting period.

l) Taxation

Taxation expense includes both current and deferred taxes, which are recognised in the statement of income. The tax associated with an item recognised in other comprehensive income or equity is recognised in other comprehensive income or equity respectively.

Current tax

Current tax is the expected tax payable in accordance with Sultanate of Oman's fiscal regulations based on the taxable income for the year using the rate that is applicable as at the reporting date. Current tax also includes any adjustments to the tax payable in respect of prior years.

Deferred tax

Deferred tax is recognized for all temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured using the tax rates expected to apply in the year when the asset is realized or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available for which the losses can be utilised in the future. This assumption is reviewed at the end of each reporting period. Deferred tax assets are reduced to the extent it is no longer probable that future taxable profits will occur.

m) Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

n) Financial liabilities

Financial liabilities are initially measured at fair value and are subsequently measured at amortised cost.

o) Foreign currency transactions

Transactions denominated in foreign currencies are translated to Rial Omani at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to Rial Omani at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

p) Leases

Payments associated with short-term leases and of low-value assets are recognised on a straight-line basis as an expense in the statement of income.

q) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components whose operating results are reviewed regularly by the Company's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

r) Directors' remuneration and meeting attendance fees

The Company follows the Commercial Companies Law of the Sultanate of Oman, and other latest relevant directives issued by FSA, in regard to determination of the amount to be paid as Directors' remuneration and meeting attendance fees. Directors' remuneration and meeting attendance fees are charged to the statement of income in the year to which they relate.

5 BANK BALANCES AND CASH

	30.09.2025 RO	31.12.2024 RO
Bank balances (see note below)	923,411	1,628,496
Cash in hand	500	500
	<u>923,911</u>	<u>1,628,996</u>

The following further note applies:

Bank balances are maintained in current and call deposit accounts with local and overseas commercial banks. Balances placed in call deposit accounts earn interest ranges from 0.12% to 1% (2024 – 0.12% to 1%) per annum.

6 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

- a) The movement in investments at fair value through profit or loss (FVTPL) during the period/year is as follows:

	30.09.2024 RO	31.12.2024 RO
At the beginning of the period/year	3,839,403	4,355,544
Purchases during the period/year	164,453	983,360
Sales during the period/year	(390,843)	(1,712,628)
Net realised gain on sales during the period/year	2,739	138,347
Fair value changes during the period/year	276,619	74,779
At the end of the period/year	<u>3,892,371</u>	<u>3,839,402</u>

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

6 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

b) The analysis of investments at fair value profit or loss is as follows:

	Cost RO	30.09.2025 Fair value RO	Cost RO	31.12.2024 Fair value RO
Quoted investments – local				
Banking	224,141	274,924	208,630	213,168
Services	240,695	262,865	270,658	240,695
	464,836	537,789	479,288	453,863
Quoted investments – foreign				
Industrial	954,550	956,072	1,229,458	1,079,592
Banking	849,159	1,007,856	884,522	940,249
Services	735,697	779,144	591,716	749,988
	2,539,406	2,743,072	2,705,696	2,769,829
Unquoted investments				
Muscat Clearing and Depository Company SAOC	333,209	333,209	303,459	333,209
Settlement Guarantee Fund	277,627	277,627	271,006	277,627
Others	674	674	5,174	4,874
	611,510	611,510	579,639	615,710
	3,615,752	3,892,371	3,764,623	3,839,402

c) The geographical analysis of the overall investment portfolio is as follows:

	30.09.2025 RO	31.12.2024 RO
Oman	1,148,625	1,069,573
USA	1,101,770	1,029,205
UAE	906,072	723,144
Saudi Arabia	651,158	642,607
Qatar	--	295,832
London	84,745	79,040
Kuwait	1	1
	3,892,371	3,839,402

- d) At the end of the reporting period, none of the investments at FVTPL represent 10% or more of the market value of the Company's investment portfolio (2024 – none).
- e) At the end of the reporting period, certain investments amounting to RO 2,202,798 (2024 – RO 1,788,710) are pledged with a commercial bank as security for short-term facilities availed by the Company.
- f) Foreign investments are held by overseas custodians for the beneficial interest of the Company (2024 – same).

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

6 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

g) The net realised gain on investments at fair value through profit or loss is as follows:

	30.09.2025 RO	30.09.2024 RO
Net realised gain on foreign investments	(1,147)	73,197
Net realised gain on local investments	3,886	12,489
	<u>2,739</u>	<u>85,686</u>

h) The fair value changes in investments at fair value through profit or loss are as follows:

	30.09.2025 RO	30.09.2024 RO
Fair value changes on local quoted investments	72,953	13,142
Fair value changes on foreign quoted investments	203,666	69,450
Fair value changes on unquoted investments	-	-
	<u>276,619</u>	<u>82,592</u>

i) The fair value hierarchy of the investments at fair value through profit or loss is as follows:

	30.09.2025 RO	31.12.2024 RO
Level 1	3,280,861	3,223,692
Level 3	611,510	615,710
	<u>3,892,371</u>	<u>3,839,402</u>

7 TRADE AND OTHER RECEIVABLES

	30.09.2025 RO	31.12.2024 RO
Trade receivables	682,929	880,813
Less: Allowance for expected credit losses (see note below)	(682,929)	(76,193)
	--	804,620
Amounts due from related parties [note 19 c) and e)]	10,577	15,359
Accrued income	--	13,895
Prepayments	11,840	23,917
Dividend receivables	41,254	--
Other receivables	1,704,278	44,260
	<u>1,767,949</u>	<u>902,051</u>

The following further notes apply:

a) A significant proportion of trade receivables are secured against the customers' investments from whom the balances are due (2024 – same terms).

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

7 TRADE AND OTHER RECEIVABLES (Continued)

b) The movement in allowance for expected credit losses against trade receivables is as below:

	30.09.2025 RO	31.12.2024 RO
At the beginning of the period/year	76,193	77,963
Charged during the period/year	606,736	--
Written back during the period/year (note 16)	--	(1,770)
	<u>682,929</u>	<u>76,193</u>

c) The information about the credit exposure for trade receivables is detailed in note 24 b).

8 INVESTMENT IN ASSOCIATE

	30.09.2025 RO	31.12.2024 RO
At the beginning of the period/year	1,808,402	1,833,172
Add: share of results for the period/year	211,445	102,584
Less: dividend income	(93,392)	(127,353)
At the end of the period/year	<u>1,926,455</u>	<u>1,808,403</u>

The following further notes apply:

- a) The Company holds a 45.63% (2024 – 39.87%) stake in Fincorp Al Amal Fund, an open-ended fund registered in the Sultanate of Oman.
- b) The results of the associate and its assets and liabilities, not adjusted for proportion of ownership, are summarized as follows:

	30.09.2025 RO	31.12.2024 RO
<u>Assets</u>	<u>4,234,488</u>	<u>3,996,348</u>
<u>Liabilities</u>	<u>15,472</u>	<u>32,714</u>
<u>Net assets</u>	<u>4,219,016</u>	<u>3,963,634</u>
<u>Net (Loss) / profit for the period/year</u>	<u>463,219</u>	<u>236,639</u>

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

9 PROPERTY AND EQUIPMENT

30.09.2025	Furniture and office equipment RO	Motor vehicles RO	Total RO
Cost			
At 31 December 2024	493,145	16,500	509,645
Additions during the period	1,180	--	1,180
At 30 September 2025	494,325	16,500	510,825
Depreciation			
At 31 December 2024	489,797	16,500	506,297
Charge for the period	1,142	--	1,142
At 30 September 2025	490,939	16,500	507,439
Net book values			
At 30 September 2025	3,386	--	3,386
At 31 December 2024	3,348	--	3,348
31.12. 2024	Furniture and office equipment RO	Motor vehicles RO	Total RO
Cost			
At 31 December 2023	492,150	16,500	508,650
Additions during the year	995	--	995
At 31 December 2024	493,145	16,500	509,645
Depreciation			
At 31 December 2023	487,851	16,500	504,351
Charge for the year	1,946	--	1,946
At 31 December 2024	489,797	16,500	506,297
Net book values			
At 31 December 2024	3,348	--	3,348
At 31 December 2023	4,299	--	4,299

10 INVESTMENT PROPERTY

- a) Investment property consists of land and a building located in Wadi Kabir, Muscat.
- b) The fair value of the investment property has been determined at RO 216,000 based on an independent valuation undertaken on January 2025, after a reduction in the current period to estimated forced sale.
 - a) The fair value measurement for the investment property is measured on a recurring basis and falls within level 2 of the fair value hierarchy.

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

11 SHARE CAPITAL

- a) The Company's authorised share capital is 120,000,000 shares of RO 0.100 each (2024 – 120,000,000 shares of RO 0.100 each).
- b) The issued and fully paid-up share capital of the Company is RO 7,002,996 (2024 – RO 7,002,996) comprising of 70,029,960 (2024 – 70,029,960) shares of RO 0.100 each (2024 – RO 0.100 each).
- c) At the end of the reporting period, Shareholders of the Company who own 10% or more of the Company's shares, and the number of shares they hold are as follows:

	Number of shares	2025 and 2024 % of holding
Oman & Emirates Investment Holding Company SAOG	35,854,310	51.20%
Dhofar International Development & Investment Holding Co.	15,309,643	21.86%
Al Khonji Holdings LLC	8,089,893	11.55%
Mr Samih Onsi Sawaris	6,994,640	9.99%

12 LEGAL RESERVE

In accordance with Article 132 of the Commercial Companies Law of Oman, annual appropriation of 10% of the net profit for the year has been made to the legal reserve until the reserve equals one third of the Company's share capital. The reserve is not available for distribution but can be utilized to set off against any accumulated losses and increasing the Company's share capital. No transfer has been made in the current year as the Company has incurred a loss for the year.

13 TRADE AND OTHER PAYABLES

	30.09.2025 RO	31.12.2024 RO
Trade payables	1,239,691	647,507
Amounts due to related parties [notes 19 d) and e)]	2,373	3,000
Directors' remuneration (note 16)	--	--
Accruals and other payables	82,896	120,628
	<u>1,324,960</u>	<u>771,135</u>

14 TAXATION

	30.09.2025 RO	31.12.2024 RO
Statement of income		
Deferred tax charge [note d)]	--	14,564
Statement of financial position		
<i>Non-current assets</i>		
Deferred tax asset	46,507	46,507
<i>Current liabilities</i>		
Prior year	7,614	7,614

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

14 TAXATION (Continued)

The following further notes apply:

- a) The Company is subject to income tax at 15% (2024 – 15%) of the profits for the year adjusted for tax purposes. No provision for current taxation has been made since the Company has carried forward tax losses to set-off against the taxable profits for the year (2024 – tax loss).
- b) The tax assessments for the years 2022, 2023 and 2024 have not been finalised by the Tax Authority. The Management considers that the amount of additional taxes, if any, that may become payable on finalisation of the assessments for the above tax years would not be material to the financial position at the end of the reporting period.

15 FEES AND COMMISSION INCOME

	30.09.2025 RO	30.09.2024 RO
Commission income and other fees	7,007	47,472
Portfolio management and performance fees	49,662	64,567
	<u>56,669</u>	<u>112,039</u>

16 OTHER INCOME

	30.09.2025 RO	30.09.2024 RO
Provision for directors' remuneration written back (note 13)	--	30,000
Interest income on bonds and deposits	--	62
Write back of allowance for expected credit losses [note 7 b)]	--	1,171
Miscellaneous	1,750	5,249
	<u>1,750</u>	<u>37,082</u>

17 SALARIES AND EMPLOYEE RELATED COSTS

- a) Salaries and employee related costs comprise:

	30.09.2025 RO	30.09.2024 RO
Salaries and wages	175,667	175,918
Contributions to defined employee benefits scheme	8,277	10,954
Cost of end of service benefits for expatriate employees	7,546	(770)
Other related costs	2,657	3,537
	<u>194,147</u>	<u>189,639</u>

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

17 SALARIES AND EMPLOYEE RELATED COSTS (Continued)

- b) The movement in expatriate employees' end of service benefits liability recognised during the year is as follows:

	30.09.2025 RO	31.12.2024 RO
At the beginning of the period/ year	29,205	43,194
Expense for the year (see below note)	7,547	(770)
Settled during the period/ year	(20,777)	(14,560)
At the end of the period/year	15,975	27,864

The following further note applies:

18 OPERATING EXPENSES

	30.09.2025 RO	30.09.2024 RO
Legal and professional fees	27,504	28,789
Subscriptions and fees	25,633	33,392
Directors' meeting attendance fees [note 19 b)]	33,800	38,500
Repairs and maintenance	18,841	16,582
Communication	11,868	12,702
Insurance	4,828	9,374
Rent	9,800	9,000
Utilities	3,150	3,000
Vehicle expenses	1,199	1,730
Depreciation on property and equipment (note 9)	1,142	1,531
Bank charges	1,307	1,241
Printing and stationery	304	858
Advertisement and business promotion	723	650
Miscellaneous	5,485	56,417
	145,584	213,766

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

19 RELATED PARTY TRANSACTIONS AND BALANCES

The Company enters into transactions in the ordinary course of business with key management personnel (including Board of Directors), and entities in which the key management personnel / significant Shareholders of the Company have significant influence or control. These transactions are entered into on terms and conditions approved by the Management and Board of Directors and subject to Shareholders' approval at the Annual General Meeting.

a) The nature and volume of significant related party transactions were as follows:

	30.09.2025 RO	30.09.2024 RO
<i>Brokerage commission:</i>		
From associate	26	1,587
From other related parties	--	2,842
	<u>26</u>	<u>4,429</u>
<i>Management and performance fees:</i>		
From associate	42,959	45,924
	<u>42,959</u>	<u>45,924</u>
<i>Purchase of securities:</i>		
By associate	10,285	197,402
By other related parties	-	10,436
	<u>10,285</u>	<u>207,838</u>
<i>Sale of securities</i>		
By associate	--	437,329
By other related parties	--	1,126,296
	<u>--</u>	<u>1,563,625</u>
<i>Dividend</i>		
From associate (Al Amal Fund)	93,393	127,353
	<u>93,393</u>	<u>127,353</u>

b) The key management personnel compensation for the period comprises:

	30.09.2025 RO	30.09.2024 RO
<i>Key management personnel remuneration:</i>		
Salaries and other related costs	88,235	84,101
End of service benefits	4,731	4,243
	<u>92,966</u>	<u>88,344</u>
<i>Compensation to Directors:</i>		
Directors' meeting attendance fees (note 18)	33,800	38,500
	<u>33,800</u>	<u>38,500</u>

c) Amounts due from related parties comprise:

	30.09.2025 RO	30.09.2024 RO
Due from an Associate	10,577	15,390
	<u>10,577</u>	<u>15,390</u>

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

19 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

d) Amounts due to related parties comprise:

	30.09.2025 RO	31.12.2024 RO
Oman Investment & Finance Company SAOG	2,373	3,000
	<u>2,373</u>	<u>3,000</u>

e) Amounts due from and due to related parties are unsecured, not subject to interest and payable on demand (2024 – similar terms).

20 OPERATING SEGMENTS

Management has determined the Company's operating segments based on the reports reviewed by those in governance, that are used to make strategic decisions. The following summary describes the operations in the Company's reportable segments:

- Brokerage division which deals in shares at the Muscat Securities Market and other overseas markets.
- Portfolio management and investment advisory services for client portfolios.
- Investment in Muscat Stock Exchange (MSX) and overseas markets.

The information regarding the results of each reportable segment is set out on pages 29 and 30.

21 BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net (loss) / profit for the year/period by the weighted average number of shares outstanding during the year as follows:

	30.09.2025	30.09.2024
Net (loss) / profit for the year (in RO)	(762,367)	31,354
Weighted average number of shares in issue during the year	70,029,960	70,029,960
Basic earnings per share (in RO)	(0.011)	0.0004

22 NET ASSETS PER SHARE

Net assets per share is calculated by dividing the net assets at the end of the reporting period by the number of shares outstanding as follows:

	30.09.2025	31.12.2024
Net assets (in RO)	6,328,387	7,090,754
Number of shares outstanding	70,029,960	70,029,960
Net assets per share (in RO)	0.090	0.101

As there are no dilutive potential shares, the diluted earnings per share is identical to the basic earnings per share.

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

23 ASSETS UNDER PORTFOLIO MANAGEMENT AND HELD IN TRUST

	30.09.2025 RO	31.12.2024 RO
Assets held under portfolio management agreements		
Cash	-	489,876
Securities:		
- Non-discretionary accounts	-	6,224,149
- Discretionary accounts	4,914,469	5,007,921
	4,914,469	11,721,946
Assets held under brokerage agreements		
Securities and cash held in trust	213,129	1,899,401
	5,127,598	13,621,347

24 FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company's activities expose it to various financial risks, primarily being, market risk (including currency risk and market price risk), credit risk and liquidity risk. The risk management is carried out internally in accordance with the approval of the Board of Directors.

a) Market risk

Currency risk

Foreign currency risk arises as the value of recognized assets and liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The Company invests in foreign markets and holds investments denominated in currencies other than the Omani Rials. The Company's assets and liabilities are not materially impacted by currency risk, since the Omani Rial and most GCC currencies in which the Company invests are pegged to the US Dollar.

Price risk

The Company's investments at FVTPL are subject to price risk arising from uncertainties about future price of equities. Price risk is managed through the diversification of investments. The Company's investments are publicly traded in Oman, GCC and US markets.

The table below summarises the impact of increases / decreases of the country-wise indices on the Company's results for the period/year. The analysis is based on the assumption that the equity indexes had increased / decreased by 5% with all other variables held constant and all the Company's investments at fair value through profit or loss moved according to the historical correlation with the index.

	30.09.2025 RO	31.12.2024 RO
USA	55,089	51,473
Saudi Arabia	32,558	32,130
UAE	45,304	36,157
Oman	57,431	22,693
Qatar	--	14,792
UK	4,237	3,952
	194,619	161,197

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

24 FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

b) Credit risk

Credit risk primarily arises from credit exposure to clients, including outstanding receivables and committed transactions. The Company monitors the credit to the clients on an ongoing basis. The carrying value of trade and other receivables approximate their fair values due to the short-term nature of these receivables.

Expected credit losses (ECL)

An amount of RO 682,929 (2024 – RO 77,193) has been recognised as a provision to fully write down the trade receivables.

Amounts due from related parties

Amounts due from related parties are expected to have low credit risk. Accordingly, ECL on such dues have not been provided.

Bank balances

Credit risk from bank balances maintained in current accounts with local commercial banks is managed by ensuring balances are maintained with reputed banks only. The ECL on bank balances are not expected to be material to the Company's financial position at the end of the reporting period and have accordingly not been provided.

c) Liquidity risk

The Company maintains sufficient bank balances to meet its obligations as they fall due for payment and is therefore not subject to significant liquidity risk. Based on the contractual maturity date, all current financial liabilities are expected to be repaid within three to six months from the end of the reporting period.

d) Capital management

The Company's objectives when managing capital is to enable the entity to continue as a going concern, so that it can continue to provide adequate returns to the Shareholders. The Company is required to monitor its exposure so as to ensure that it maintains capital adequacy equal to at least 100% in accordance with the FSA's capital adequacy model.

The Company sets capital in proportion to risk and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the Shareholders, return capital to Shareholders or raise additional capital.

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

25 FRAUD INVESTIGATION

- a) In 2023, prompted by an internal whistle blower, the Company identified potentially fraudulent activities.
- b) Subsequently, the Company appointed an external fraud specialist to undertake a review to identify what went wrong and what actions would be necessary to rectify the situation. Although significant progress has been made, however due to complexity of the scope and interlinked transactions, lack of documentary evidence and lack of complete positive confirmations from affected clients, the fraud specialist's report is not conclusive in some areas and discussion with clients to agree settlements are ongoing.
- c) Consequently, simply due to the ongoing nature of the exercise, it is not possible for the Company to conclude with complete certainty on the final financial impact to the Company, which they have made efforts to quantify with additional RO 1.1 million Provisions for Claims (December 2024 : RO 0.6 million and March 2024 : RO nil).
- d) In one instance, from 2017, the employees opened a proprietary trading account with a US broker without obtaining the requisite board approvals and subsequently began to undertake complex and highly risky leverage trades. These trades incurred considerable losses, some of which were duly recognized in the Income Statements of the Company, albeit potentially in the wrong periods as they were concealed for an extended period of time.
- e) As a result of the losses and the attempts to conceal them, the Company experienced liquidity issues when clients submitted security sales and cash withdrawal requests.
- f) In another instance, the employees performed unauthorized trading activities to benefit from directly or through related party.

26 OTHER CONTINGENCIES

In the normal course of its business, the Company has provided a bank guarantee amounting to RO 15,000 (2024 – RO 15,000) at the end of the reporting period. The bank guarantee and the related margin included in other receivables cannot be recalled, realised or cancelled so long as the Company is engaged in brokerage activities at the MSX.

27 COMPARATIVES

Comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in these financial statements for the current period.

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

20 OPERATING SEGMENTS (Continued)

30.09.2025	Brokerage RO	Portfolio management RO	Investment activities RO	Total RO
Income				
Commission income and other fees	7,007	--	--	7,007
Management fees	--	49,662	--	49,662
Net realised gain on investments at fair value through profit or loss	--	--	2,739	2,739
Fair value changes in investments at fair value through profit or loss	--	--	276,619	276,619
Dividend income	--	--	185,013	185,013
Share of results of associate	--	--	211,445	211,445
Finance Income	--	--	3,506	3,506
Other income	--	--	1,750	1,750
	7,007	49,662	681,072	737,741
Expenses				
Overheads	(419,628)	(211,536)	(315,303)	(946,467)
Provision for claims	(499,641)	--	--	(499,641)
Allowance for expected credit losses	--	--	--	--
Change in Fair Value of Investment property	-	--	(54,000)	(54,000)
	(919,269)	(211,536)	(369,303)	(1,500,108)
Segment results	(912,262)	(161,874)	311,769	(762,367)
Taxation				--
Net losses for the period				(762,367)

The Financial Corporation Company SAOG

Financial statements for the period ended 30 September 2025

Notes to the financial statements

20 OPERATING SEGMENTS (Continued)

30.09.2024	Brokerage RO	Portfolio management RO	Investment activities RO	Total RO
Income				
Commission income and other fees	41,988	--	--	41,988
Management fees	--	64,568	--	64,568
Net realised gain on investments at fair value through profit or loss	--	--	85,686	85,686
Fair value changes in investments at fair value through profit or loss	--	--	82,592	82,592
Dividend income	--	--	309,143	309,143
Share of results of associate	--	--	17,365	17,365
Other income	--	--	37,082	37,082
Margin Finance interest	5,484	--	--	5,484
Finance income	--	--	1,260	1,260
	47,472	64,568	533,128	645,168
Expenses				
Overheads	(178,855)	(90,161)	(134,389)	(403,405)
Provision for Claims	(210,409)	--	--	(210,409)
	(389,264)	(90,161)	(134,389)	(613,814)
Segment results	(341,792)	(25,593)	398,739	31,354
Taxation				--
Net losses for the period				31,354