

Directors Report

On behalf of the Board of Directors, we are pleased to present to you the financial results of the Company for the nine-month period ended September 30, 2025.

During the third quarter of 2025, regional business sentiment remained cautious, amid ongoing geopolitical and economic uncertainties. Oman's steady fiscal management and progress on diversification under Oman Vision 2040 have provided a more stable domestic foundation. Within this environment, our focus remained on prudent growth, operational efficiency, and leveraging areas of resilience within our core business segments to ensure that resilience and innovation continue to define our competitive advantage.

With a well-diversified geographical presence across the Sultanate of Oman (23 branches), coupled with a broad product profile, your company is well positioned to provide innovative and financial solutions for both Retail and SME segments. Your Company continues to improve its technological capabilities to be aligned with the digital transformation happening across the world in order to provide solutions that deliver best in class customer experience.

National Finance continues to adopt a prudent approach to credit approvals keeping in view the overall macroeconomic scenario and perceived increase in credit risk. Within this policy, our approach has been to target customers who satisfy our credit risk appetite. We anticipate a reasonable growth to our asset base in the medium term.

National Finance's total regulatory capital of RO 147.93 million is the highest among Finance and Leasing Companies (FLCs) which gives us a strong base on which to build our business. Your company remains the largest Finance and Leasing Company in the Sultanate in terms of asset size, branch network, revenues and profit.

The operating profit (profit before provision and tax) was at RO 19.32 million (RO 13.48 million in September 2024), an increase of 43.33% during this period. The Net Investment in Lease was at RO 638.74 million (RO 578.87 million in December 2024), a growth of 10.34% during the period. Profit after tax was RO 11.01 million as compared to RO 8.75 million in September 2024 reflecting an increase of 25.77%.

The company remains committed to Omanisation and as of September 30, 2025, the number of Omani employees was 372 out of the total workforce of 405. The Omanisation percentage works out to 91.85% which is higher than the given target of 90%. Your Company continues to remain committed to providing career growth and development of Omani nationals through ongoing training programs in line with their job requirement. We remain committed to maintaining momentum through ongoing employee engagement initiatives, future skills development, and the enhancement of managerial and leadership capabilities to support our employees' professional growth.

Sustainability remains central to our long-term business strategy, guiding how we create value responsibly and ensuring our growth contributes positively to the economy, society, and the environment. During the Quarter, we continued advancing the implementation of our sustainability strategy, built around four pillars: Environment, Social, operations, and Governance. We remain focused on responsible lending through our sustainable finance offering, integrating ESG into our operations and continuously targeting segments that promote inclusive economic growth and long-term resilience. Our CSR initiatives remained active with key partnerships, reinforcing the social pillar by supporting SMEs, youth and children. In governance, we continued to strengthen our internal frameworks, policies and transparency practices to ensure accountability and alignment with evolving ESG standards. Our efforts are aimed at delivering long-term value to all stakeholders while advancing the broader goals of sustainable development.

This quarter also saw your company receive several industry recognitions and awards, namely as Best Performing Company 2025 in the Large Cap category at the Alam Al Iktisaad Awards, Excellence in Branding in the Banking, Financial services & Insurance sector at the Oman leadership awards 2025, Innovation in Digital Payments and Customer Experience Award at the Muscat Daily Cybersecurity and Cloud Solutions conference and Awards 2025, and Best Leasing and Financing Company in Oman 2025 by Global Business Outlook Award. These awards underscore our ongoing commitment to excellence, innovation, and leadership in the financial sector.

We extend our sincere gratitude to all stakeholders especially the regulators and customers for the support extended towards the growth of the Company. On behalf of the Board of Directors, we also thank the staff for their dedication and hard work which has enabled us to establish ourselves as the most trusted company in the sector.

Hani Muhammad Al Zubair

Chairman