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**Board of Directors' Report for the period ended 31 March 2026**

Dear Shareholders,

On behalf of the Board of Directors of Taageer Finance Company SAOG, I am pleased to present the un-audited financial statements for the period ended 31 March, 2026.

**Performance Summary**

The Company commenced the year with steady growth in its core business, reflected in an increase in expansion of its loan portfolio during the first quarter of 2026. The gross loan book of the Company reached 462.72 million as of March 31, 2026, representing a growth of 8% over March 2025 (426.55 million).

Total borrowings as of March 31, 2026 were 226.49 million in comparison with 217.0 million as of March 31, 2025. The Company's borrowings comprise bank loans, corporate deposits and unsecured non-convertible bonds. The corporate deposit portfolio stood at 75.11 million as of reporting date (Q1 2025: 64.22 million). The Tier 1 perpetual bond issued in 2024 was classified under equity.

Finance income for the first quarter of 2026 was 8.72 million (Q1 2025: 8.17 million), reflecting a growth of 7% due to increase in portfolio. Interest expense for the period was 3.48 million (Q1 2025: 3.54 million), a decrease of 2% due to decrease in interest rates.

Staff cost for the period was 1.36 million, 6.3% higher than similar period last year due to staff increments and higher staff numbers (Q1 2025: 1.28 million). Other overhead expenses at 0.53 million were 3.7% higher than last year (Q1 2025: 0.51 million).

The Company continued its prudent approach towards risk management by strengthening its provision coverage. The expected credit losses (ECL) charge increased by 45% during the period to 2.92 million as compared to 2.01 million in Q1 2025.

Operating profit for Q1 2026 stood at 3.92 million, an increase of 9% from the same period last year (Q1 2025: 3.59 million). Profit after tax for the period was 0.85 million as compared to 1.34 million in Q1 2025.

**Market Outlook**

The economic outlook for the Sultanate of Oman remains positive, supported by continued diversification efforts under Vision 2040. Growth in non-oil sectors, infrastructure investments, and improving business sentiment are expected to sustain credit demand across key segments.

The current geopolitical situation is expected to challenge the local business environment, however, the financial sector in Oman is expected to remain resilient. The Company is carefully evaluating the current business environment and is taking cautious approach in writing new business and focusing on risk management and portfolio quality.

**Acknowledgement**

On behalf of the Board of Directors, I wish to express sincere gratitude to His Majesty Sultan Haitham bin Tarik for his vision and wise leadership.

I would also like to take this opportunity to express our sincere appreciation and acknowledgement for the guidance and support from the Central Bank of Oman, Financial Services Authority and Muscat Stock Exchange. We are also grateful to our shareholders, bankers, dealers and customers for their continued trust, confidence and support. Finally, the Board would like to appreciate and thank the management and the staff for all their hard work and efforts.

On Behalf of the Board of Directors

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Issa Al Balushi

Chairman