

Chairman's Report for the half year ended 30 June 2025

On behalf of the Board of Directors, I am pleased to present the condensed consolidated interim financial information of Finance House PJSC and its subsidiaries (FH Group) as at 30 June 2025 and the results of its operations for the half year ended 30 June 2025.

FH Group has registered a vastly improved financial performance in the first half year of 2025, by posting a Net Profit after Tax of AED 11.38 million, compared to a Net Loss of AED 4.68 million in the corresponding period of the previous year. It is gratifying to note that the Insurance Vertical of the FH Group has achieved a remarkable turnaround in its core operations, by registering a Net Insurance Income of AED 4.65 million in the first half year of 2025, compared to a Net Insurance Loss of AED 7.84 million in the corresponding period of the previous year.

In the Financing Vertical, Net Interest Income was higher at AED 61 million in the first half year of 2025 compared to AED 60.48 million in the same period last year. Consumer Lending (both in Secured and Unsecured Lending Segments) has picked up considerable momentum in the first half year of 2025. A robust Corporate & Commercial Lending pipeline as of 30 June 2025, augurs well for a sustained growth in the Corporate Lending book, in the second half of the year. Net Fee and Commission income earned during the first half year of 2025 was higher at AED 7.84 million compared to AED 7.68 million in the corresponding period of the prior year.

Net Investment Income earned during the first half of 2025 weighed in at AED 8.90 million, compared to AED 13.63 million in the corresponding period of the prior year. Other Operating Income in the first half year of 2025 was marginally lower at AED 9.79 million compared to AED 10.44 million in the corresponding period of the previous year. As a combined result of all the above factors, Net Operating Income at the FH Group Level for the first half year of 2025 was significantly higher at AED 75.80 million compared to AED 64.14 million in the corresponding period of the previous year.



Customers' Deposits & Margin Accounts as of 30 June 2025 have risen steadily to AED 2.13 billion, compared to AED 1.90 billion as of 31 December 2024. Consequently, the loan book of AED 1.98 billion as of 30 June 2025 is fully funded by the deposit book.

Total Operating Expenses at the FH Group level for the first half year of 2025 were lower at AED 64.98 million, compared to AED 69.93 million in the corresponding period of the previous year. We continue to spend prudently by supporting business segments that demonstrate potential for sustained profitable growth, whilst maintaining austerity in other support areas.

The FH Group's liquidity position as of 30 June 2025 continues to be solid, with Cash & Cash equivalents accounting for circa 20.3% of Total Assets. Balance Sheet leverage as of 30 June 2025 at the consolidated level continues to be conservative, providing a solid footing for sustained future growth in assets.

With our focused strategy execution abilities combined with substantial ongoing investments into strategic digital projects across key FH Group Verticals, we are well positioned to profitably leverage economic growth opportunities in targeted business sectors across the UAE.

On behalf of the Board of Directors,



Mohammed Abdulla Jumaa Alqubaisi
Vice Chairman

Abu Dhabi
13 August 2025