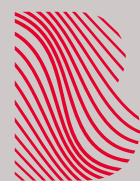


Enabling A Sustainable Digital Future

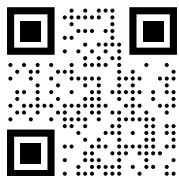


بنفٹ
benefit

2024 ANNUAL REPORT

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Scan the QR code to learn more on how we
are enabling a sustainable digital future

www.benefit.bh





His Majesty
King Hamad bin Isa
Al Khalifa

The King of
the Kingdom of Bahrain



His Royal Highness
Prince Salman bin Hamad
Al Khalifa

The Crown Prince and Prime
Minister of the Kingdom of Bahrain

Corporate profile

The BENEFIT Company was formed in November 1997 as the National ATM and Point of Sales Switch of Bahrain in November 1997 by 17 commercial banks, and today, more than a quarter century later has emerged as one of the key enablers of a digital economy.

The Central Bank of Bahrain (CBB) issued the company with a license to be 'the provider of ancillary services for the financial sector,' and it was later that the company expanded its reach to cover markets outside Bahrain. The BENEFIT Company's mandate was very simple – to improve, to enhance and to enable the local and regional financial industry to thrive on a global scale.

BENEFIT's range of services – supported by GCCNet in countries within the region – include operating of Automated Teller Machines (ATM), Point of Sale (POS), GCCNet, The GCCNet Dispute Management System, Bahrain Credit Reference Bureau (BCRB), Electronic Fund Transfer System (EFTS), Telecom Bill Payment (Tele BP), Payment Gateway (PG), Bahrain Cheque Truncation System (BCTS), and BenefitPay as a national e-wallet across Bahrain.

BENEFIT is administered by a Board of Directors representing important stakeholders besides the key shareholders. The company's paid-up capital is to the value of BD 3.1 million (US\$ 8.2 million approx.).

The original 17 shareholders have now become 11 because of mergers and acquisitions in the retail-banking sector.

- National Bank of Bahrain
- Bank of Bahrain and Kuwait
- Ahli United Bank
- Standard Chartered Bank
- HSBC Bank Middle East Limited
- Bahrain Islamic Bank
- Alsalam Bank
- Arab Bank
- Future Bank
- Habib Bank Limited
- United Bank Limited

1. Simplicity
 2. Creativity
 3. Empowerment
 4. Responsibility
-

Vision

To shape the future of society through innovative digital solutions.

Mission

With cutting-edge business and lifestyle solutions that are essential to everyday life, we inspire and energise individuals, institutions and society to unleash new opportunities.

Value proposition

We offer trusted and innovative financial and information solutions that make life easier, smarter and more efficient for businesses and consumers

Shaping futures in 2024

Many of the services introduced by BENEFIT are now part of the mainstream, and regarded as an integral component of the financial life of citizens and residents of Bahrain.

Car Park

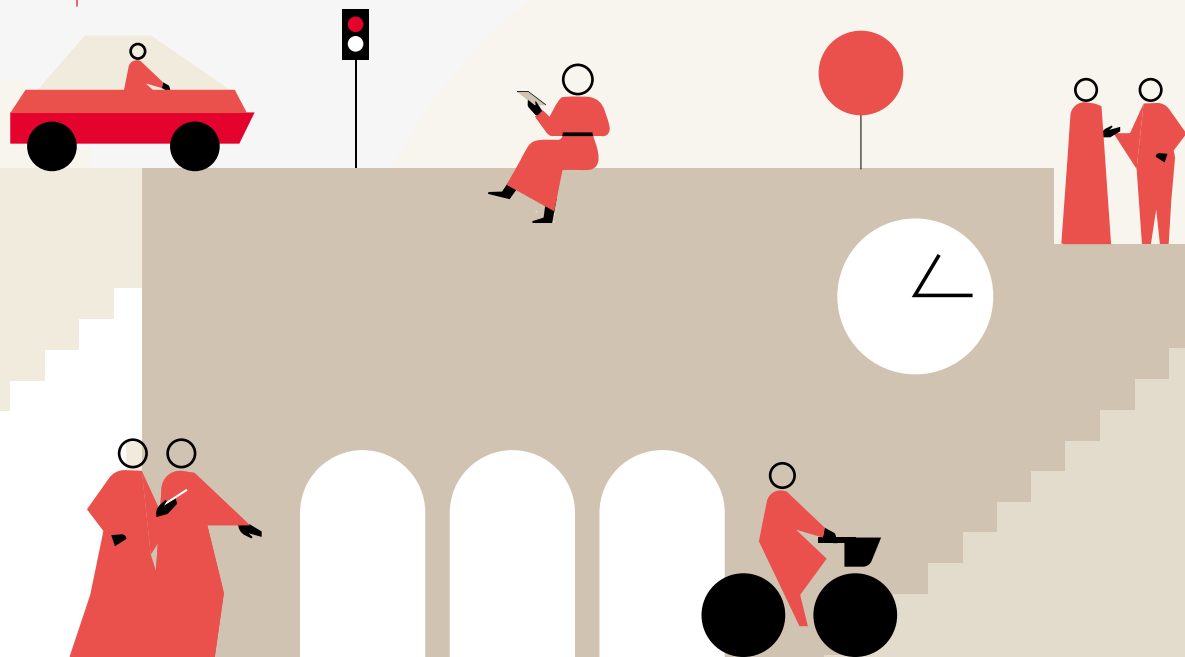
Enable payment of parking meters tariffs via BenefitPay in coordination with Ministry of works and General directorate of traffic.

Open Banking National Authenticator

A seamless service to enable the account verification to be utilized for OpenBanking applications to be redirect to BenefitPay to verify the user's account.

IDV

A new security feature embedded within BenefitPay application to verify the user upon logging to prevent fraud cases and profile hijacking.



VISA direct

A new cross boarder solution based on visa network to enable the user to transfer fund abroad within visa network is a speedy and cost-effective way

Digital Direct Debit

A way to enable approval of direct debit request initiated by the biller to be approved by the biller's customer over BenefitPay

Arabic Fawateer

A translation of the current Fawateer biller service to Arabic to enable user to utilize the service in Arabic language.

Clickable Ads

Enablement of redirection upon clicking on the advertisement banner to redirect the user to the advertisers' website or services.



Shaping futures by:

Empowering communities

Through dedicated financial literacy programs, Benefit is empowering Bahrain's citizens to make informed financial decisions.

The company's commitment to financial literacy is laying the foundation for a more informed and empowered society, where everyone has the tools to thrive financially. Through these efforts, Benefit is not just transforming individuals' lives, but also strengthening the fabric of the community as a whole, and foster a more financially literate and empowered Bahraini society.

BCRB

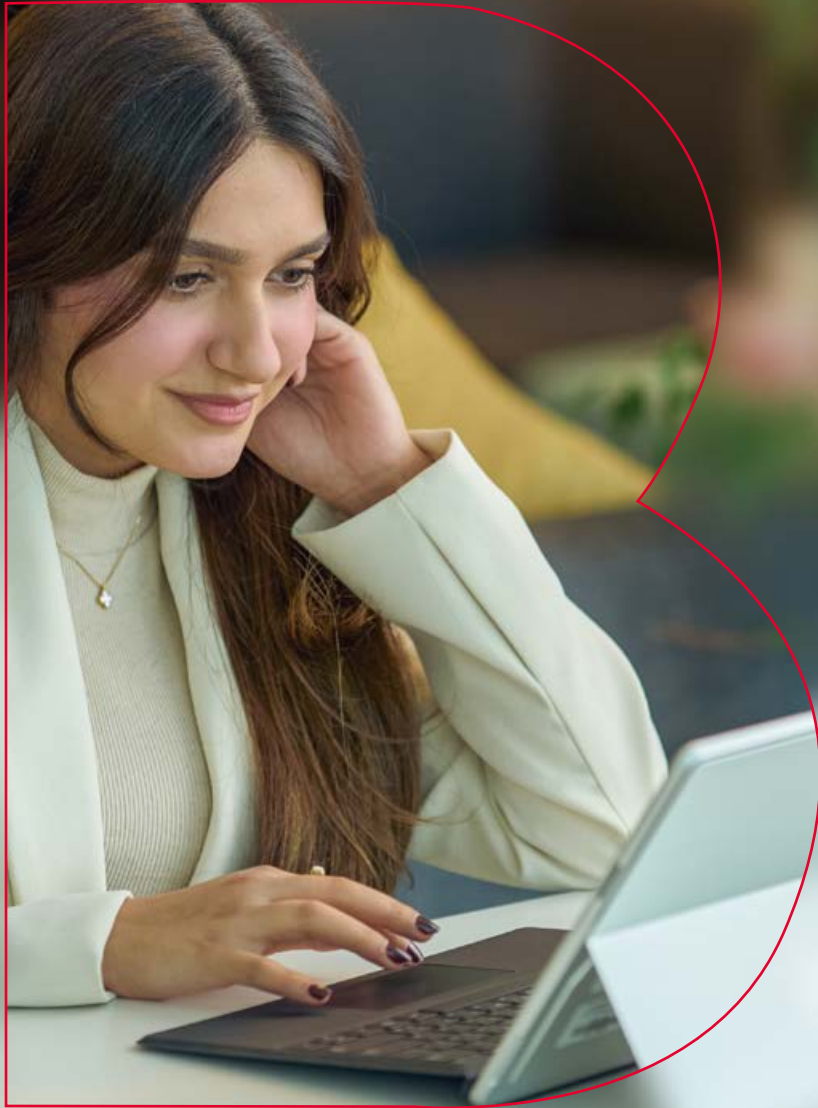
The BCRB awareness campaign is a cornerstone of BENEFIT's ongoing efforts to enhance financial literacy across the Kingdoms

BD 1.7m

Invested over BD 1.7 million to upgrade our electronic fund transfer system

1,500,253m

Benefitpay registered users



Shaping a smart society

The internationalization focus will continue and efforts will be made to tap global markets for a wider expansion into new territories.



Mohamed Ebrahim Albastaki
Chairman

Sustainability as a strategic imperative is all about investing in the long-term growth, safety and well-being of our community of stakeholders. It underlines our commitment to position the digital transformation of the economic landscape as a springboard for greater inclusion, empowerment and innovation.

For the BENEFIT Company, in particular, this shift towards sustainability has been a logical progression of our digital journey since our formation in 1997. The pioneering steps undertaken in providing many of the ancillary services for the financial sector were essentially conceived as the building blocks of a sustainability-driven digital infrastructure.

Even our foray into the Fintech space was guided by the same values, and demonstrates our willingness to turn technology as a pathway towards maintaining long-term competitiveness, and satisfying the demand for responsible and impact-driven financial solutions.

It is also a reflection on how the idea of building a lasting legacy is central to our organizational culture, and in ensuring that systems and processes are in place that support energy efficiency, eco-consciousness and zero-waste. We are preparing a culture that is rooted in our vision to shape the future in the same way it has done so in the past by transforming the world of today with innovative digital solutions.

The key to this renewed focus lies in ensuring sustainability remains an integral component of a new capital allocation framework where strategic priorities are steered by Environmental, Social and Governance (ESG) considerations.

In doing so, we are in alignment with Bahrain's Economic Vision 2030, Kingdom's Net-Zero 2060 ambitions, UN Sustainable Development Goals and the Central Bank of Bahrain's ESG Reporting Guidelines.

BD 2m

Net profit for the year
ended 2024

BD 17m

Total revenues for the year
ended 2024

These national and global benchmarks have shaped our sustainability strategy, and ensured that BENEFIT continues to remain a key player in Bahrain's Fintech ecosystem. We do believe that when Fintech is harnessed responsibly, it can serve as a catalyst for economic progress and social well-being,

Our ESG framework will certainly play an important role in making it happen. It is aligned with our organizational goals, prioritizes environmental responsibility, employee well-being, community impact, and ethical business practices.

While we are still in the early stages of integrating these principles, our focus is on building a strong foundation for our future ESG vision that goes hand in hand with national sustainability ambitions promoted by Bahrain's leadership. On our part, we have proactively instituted a robust ESG governance structure, established a comprehensive ESG policy and issued the inaugural Annual Sustainability Report 2024, ahead of any regulatory requirements. These actions demonstrate our commitment to responsible business practices and sustainability.

The Report is available from our website and also from our headquarters in Seef. It covers three pillars of ESG — the Environmental pillar focuses on our efforts to monitor and minimize our environmental footprint through sustainable practices; the Social pillar reflects upon our responsibility towards employees, clients, partners and the wider community; and lastly, the Governance pillar highlights our commitment to maintaining highest standards of corporate governance, ethics and compliance.

In terms of the financial results for 2024, I am also pleased to say that the year gone by has also been proved to be a success in delivering tangible results. Growth rate for 2024 was 19 per cent. Revenue for the year was BD 17 M (US\$ 45.3 M) and net profit was 2 Million (\$ 5.3 Million).

These results provide a clear indicator on how strong and robust the company is at the moment, and point to the fundamentals at the heart of our operations. We are confident that they will also set the stage for an accelerated growth plan for 2025.

The Board of Directors gave their approval for the new Three-Year-Strategy, which is expected to begin in 2025. The internationalization focus will continue and efforts will be made to tap global markets for a wider expansion into new territories. Internal processes will also be examined, revenue generation, long-term sustainability, digitalization, innovation and many other points will be looked at as part of the strategic plan.

Finally, I would like express my gratitude to the Central Bank of Bahrain, thank them for the continued support extended to us at all times. We appreciate the powerful regulatory environment that they have set up for the banking and financial services sector that has strengthened Bahrain's credentials as the financial hub of the region.

I am also thankful to each and every member banks and clients for their trust, and the continuing encouragement of our shareholders.

We are confident that the successes we experienced in 2024 will pave the way towards a more vibrant, energetic and prosperous 2025.

Mohamed Ebrahim Albastaki
Chairman

Shaping futures through:

Innovative solutions

Benefit is at the forefront of providing cutting-edge digital payment solutions that transform the financial landscape.

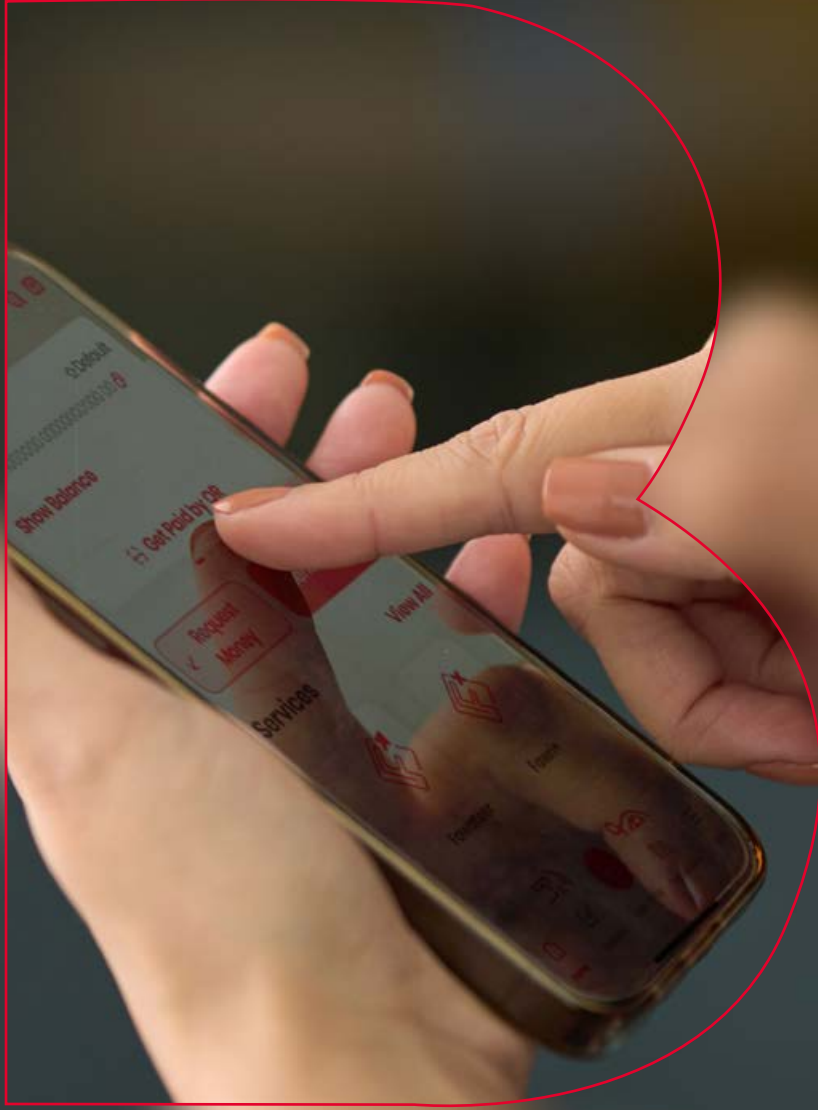
By leveraging innovative technology, Benefit enables seamless and efficient transactions that cater to the diverse needs of consumers and businesses alike. The suite of services includes mobile payment platforms, online banking solutions, and advanced security features that ensure safe and convenient financial interactions. With a user-friendly interface and robust functionality, Benefit empowers users to manage their finances with ease, fostering greater financial inclusion across the region.

13

Nationwide payment products

WITSA

Awarded the esteemed WITSA 2024 Global Innovation & Tech Excellence Award. This prestigious recognition underscores BENEFIT's commitment to driving technological advancements and transforming the financial landscape, in line with Central Bank of Bahrain (CBB) directions and national strategy.



Energising our fintech future

We are more than a fintech company; we are enablers of financial innovation, digital inclusion, and economic progress.



Abdulwahed AlJanahi
Chief Executive

Year 2024 marked another significant year for the BENEFIT Company as we made substantial progress in executing our digital strategy across varied market segments, and investing in long term growth for the financial and payment services sector.

We continued to focus on delivering results for our shareholders, our partners, and our customers, and ensuring that the commitment to promote digital economy across Bahrain continues with expanded offerings and value-added services.

We have built a strong and robust payments network connecting individuals and businesses in and across Bahrain. It has helped in further accelerating the adoption of new technology in the banking and finance sector, and shaping Bahrain's growing reputation as a hub for fintech development.

This achievement is the result of a long-term vision of building a powerful electronic payments ecosystem that contributes directly towards building a reliable infrastructure for powering digital economy

In 2024, we embarked on a new direction in our digital journey in response to our pledge to be a responsible corporate citizen. In doing so, we are simply following some of the key principles enshrined in Bahrain's Economic Vision 2030 reinforcing our commitment to transparency, responsible business practices, and sustainable digital transformation.

We have made significant progress in advancing sustainability across the three key pillars – Environmental Responsibility, Social Impact, and Corporate Governance – ensuring that our business growth is responsible, inclusive, and future-ready.

At BENEFIT, we are more than a fintech company; we are enablers of financial innovation, digital inclusion, and economic progress. Our mission is to shape the future of society powered by digital solutions that empower individuals, businesses, and institutions alike. As we deepen our commitment to sustainability, we remain focused on delivering secure, efficient, and customer-centric financial services while ensuring that our business practices contribute positively to society and the environment.

We are confident that sustainability as a driving force will prove to be a powerful incentive for future growth. Our digital infrastructure is built on reducing reliance on physical cash transactions, and thereby minimizing carbon footprints, cutting energy consumption, and promoting paperless banking. It will, no doubt, pave the way towards a greener fintech sector,

We are also excited by its social impact, and the possibilities that it brings in empowering communities through financial inclusion. We have also established a dedicated Environmental, Social, and Governance (ESG) Committee to ensure strategic oversight and accountability in embedding sustainability principles into our decision-making processes.

Finally, the new sustainability strategy is directly aligned with national and global priorities, and find their echo in Bahrain Economic Vision 2030, Bahrain Net Zero 2060 & UN Sustainable Development Goals, and Central Bank of Bahrain ESG Reporting Guidelines.

We remain committed to further expand on our ESG commitments, invest in green fintech solutions and forge strategic partnerships that bolster Bahrain's financial sector resilience and sustainability ambitions.

If you would like to know more about this new direction that we as an organization are undertaking, do take a look at our inaugural Annual Sustainability Report – 2024. It provides in-depth overview of our efforts to embed ESG considerations within our business strategy, governance, and operations. It will be available on our website and also at our Seef headquarters.

We are pleased to say that our products and services performed exceptionally well this year. In 2024, we were able to register significant growth in electronic financial transactions such as, Fawri, Fawri+ and Fawateer – that is, 170 million transactions in the first half of 2023 to 213 million transactions in the first half of 2024.

As far as Fawateer transactions were concerned, the first half of 2024 reported a value of BD 6.3 million showcasing a 1% increase from the first half of 2023. Fawateer transactions through BenefitPay increased by 55%, with a total value of BD195 million in the first half of 2024, up from BD126 million during the same period in 2023.

Other key developments from 2024 included the successful launch of Central Administration System (CAS), Open Banking Authenticator through BenefitPay, Identification and Verification service amongst others.

From the operational side, we began the process of implementing a business continuity plan for each of our products and services. We felt it was vital to do so since our business operates in a critical sector in which key digital infrastructure needs to kept secure at all times.

We are pleased to announce that the Board of Directors gave their approval to the new Three-Year-Strategic Plan, which will commence in 2025. The focus is on raising the company's profile globally and strengthen its leadership amongst industry peers. The plan will also look into studying the long term sustainability of the company and its subsidiaries, and ensuring that the focus on innovation and digitization continues at all levels.

BD 195 million

Fawateer transactions through BenefitPay in the first half of 2024

213 million

Electronic financial transactions increased from 170 million transactions to 213 million transactions.

We are aware that BENEFIT's stakeholders now include organizations and entities beyond its traditional banking fraternity, and thus, there will be another renewed focus to strengthen collaboration with these stakeholders. In addition, the plan will examine ways to generate revenue to help achieve the broader vision, improving payment access to enhance customer experience, build on expertise gained at the national level to tap into global markets. Finally, we will also be looking at how to leverage AI to develop advanced structured database.

As part of a broader strategic overhaul, we have now renamed the pillars that undergird our operations. They will now be known as: 1) Next Generation Infrastructure; 2) Digitalization Support of Government and Strategic Sectors; 3) BenefitPay; and finally, 4) Governance and Data Strategy.

We are confident that these initiatives will lay the groundwork for long term success for the company, and pave the way towards strengthening its profile across wider market segments.

Finally, I would like to express my gratitude to the Chairman and the Board of Directors for their continued support for the work we do. I am also thankful to each of our employees for their hard work and dedication. I would like to express my appreciation to all our shareholders and stakeholders as well as the Central Bank of Bahrain and other member banks.

Abdulwahed AlJanahi
Chief Executive

Shaping futures via:

Strategic partnerships

Strategic partnerships are central to Benefit's approach, driving innovation and enhancing the overall financial services ecosystem.

By collaborating with a diverse range of stakeholders, including banks, fintech companies, and regulatory bodies, Benefit is able to leverage complementary strengths and expertise. These partnerships enable the development of advanced payment solutions that meet the evolving needs of consumers and businesses, as well as foster knowledge sharing and best practices, which contribute to a more robust and resilient financial environment. By working together with key players in the industry, Benefit not only enhances its own offerings but also contributes to the overall growth and stability of the financial sector.

Partners

Introduced the first innovation-led, centralised open banking authentication solution in Bahrain with Tarabut. and FLOOSS

Amazon

Amazon Payment Services has expanded its services to Bahrain with the addition of the Benefit payment method to its network.



Board of Directors



1



2



3



4



5

1. Mohamed Ebrahim Albastaki
Chairman
(Independent Director)

2. Nabeel Kazim
Vice Chairman – Executive Director

3. Hassaan Mohamed Burshaid
Executive Director

4. Samih Abutaleb
Executive Director

5. Ameer Abdulghani
Executive Director



6



7



8



9



10



11

6.Hadyah Mohammed Fathalla
Independent Director

7.Sawsan Abulhassan
Independent Director

8.Muna Ali Alhashemi
Independent Director

9.Khaled Abi Khalil
Non-Executive Director

10. Abdulkarim Turki
Executive Director

11.Yousef Rashid Al Fadhel
Central Bank of Bahrain Observer

Innovative solutions

Automated Teller Machine (ATM)

BENEFIT is the national switch of Bahrain connecting all ATM terminals enabling bank customers to be able to use any ATMs located nationwide. The Benefit Company is also a member of the GCC-wide cross border ATM sharing arrangement known as GCCNet, thus allowing all GCC issued cards to be used in all ATM terminals across the GCC. Benefit also enables AMEX card holders to use BENEFIT switch to withdraw cash using any of the ATMs in Bahrain, Qatar, Oman, Kuwait and UAE.

Point of Sale (POS)

BENEFIT connects all of the Point of Sale (POS) terminals at major retail outlets in the Kingdom. Through The BENEFIT Company's national network, all bank customers are able to pay for their purchases using their debit cards without the need to carry cash.

Bahrain Credit Reference Bureau (BCRB)

Managing risk is becoming more and more important to financial institutions; whereas financial institutions needs to be more risk and cost aware to stay ahead in the market. The Bahrain Credit Reference Bureau helps financial institutions manage their risk by obtaining credit information and background of their customers. Possessing such critical information enables these institutions to make informed decisions before offering loans.

Bahrain Cheque Truncation System (BCTS)

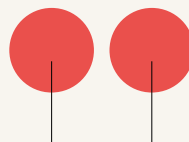
Bahrain Cheque Truncation System (BCTS) is another value adding service that the Company offers to the financial market in Bahrain. The BCTS is an electronic system that exchanges the electronic image of the cheques between the banks rather than the exchange of the physical cheques where it enables corporate and individuals of settling their clearing cheques in the same business day. Such service shall enhance the efficiency of the cash flow in the Kingdom and accordingly help in boosting the overall economy and businesses.

Electronic Fund Transfer System (EFTS) (Fawri+, Fawri & Fawateer)

The EFTS is an electronic system that interconnects all retail banks in Bahrain and is designed to enhance efficiency in fund transfers and bill payments; enabling banks, individuals, corporate and government entities to benefit from this vital and important service. The services are accessible through the banks' various channels such as branches, internet banking, and mobile banking. The EFTS enable Banks' customers to use and benefit from the EFTS three main services (Fawri+, Fawri, and Fawateer).

BenefitPay

BenefitPay is the National Electronic Wallet Payment System. It is a method to streamline payments in the Kingdom of Bahrain and allows consumers and merchants to transact without the use of cash or cards. Instead, they can download an app on their smartphones to either send or accept payments completely electronically, securely, and immediately.



Payment Gateway

BENEFIT's Payment Gateway is a secure online payment solution enabling merchants, corporations and government entities to process and settle online credit and debit card payments via any electronic channel. It provides secure and reliable realtime payment processing which can be integrated to other channels such as websites, IVR, kiosk, call center, mobile devices and batch processing. The payment gateway is a secure and protected environment and protects users from any fraud or misuse.

Tele Bill Payment

BENEFIT's Tele Bill Payment service provides both the telecom companies and their customers with a convenient mode of payment. With the support of BENEFIT's national network customers are now able to pay their bills using their debit cards at various kiosks as well as through online payments.

E-Cheque Service

E-Cheque converts the paper cheque to an electronic record for easier and faster transactions while maintaining all other features. It is much faster, simpler and secure than paper cheques.

Certificate Authority (CA)

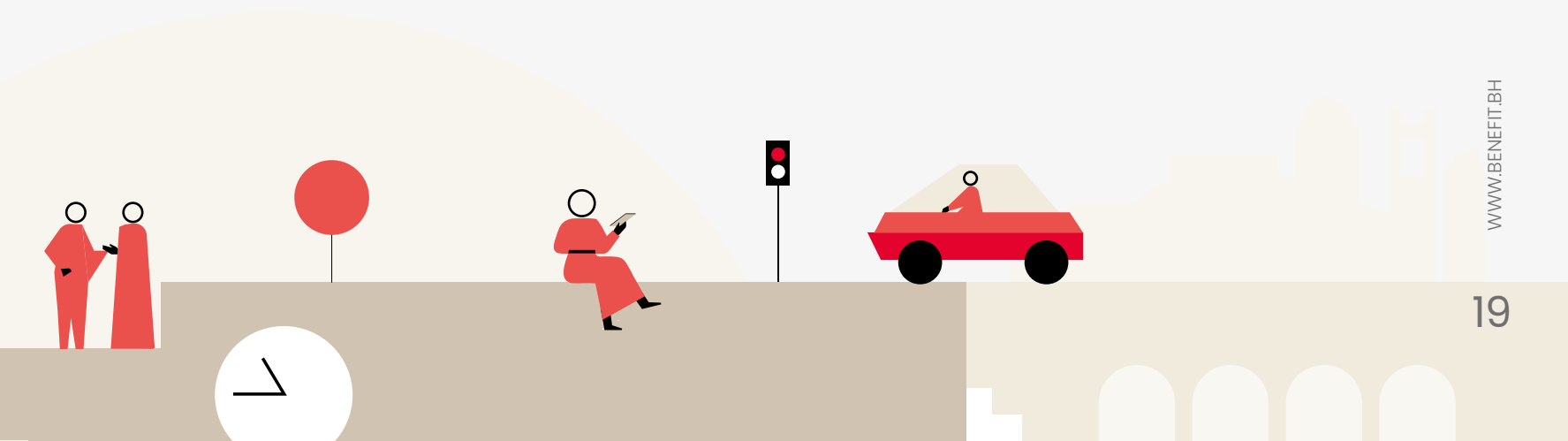
BENEFIT working as a Trust Service Provider for Certification Authority (CA) to issue Digital Certificates that enables e-Cheque & BenefitPay Subscribers to digitally sign electronic cheques using their digital signatures.

Know Your Customer (e-KYC)

In line with Bahrain digital transformation direction, the National eKYC (Know Your Customer Electronically) platform, the first of its kind in the region, was launched by BENEFIT in 2019 to enable Financial Institutions to digitally authenticate and verify the customer identity, retrieve and process the KYC data for both Individual and Corporate customers. The service facilitates data sharing among financial institutions over the blockchain for straight through processing and enhanced customer experience while complying with the regulatory due diligence requirement for onboarding and maintaining customer's KYC data. It is a successful partnership between the private and public sector deployed utilizing the latest cloud computing technology.

GCCNet Dispute Management System

BENEFIT plays a major role in the electronic transactions market locally and regionally and hence is considered to be the hub of the regional dispute claims via hosting the GCCNet Dispute Management System website. The GCCNet Dispute Management System enables interbank claims and settlements of the ATM cash withdrawals disputes between the GCC countries to be managed in an efficient effective manner assuring fast settlements of customers disputed claims.

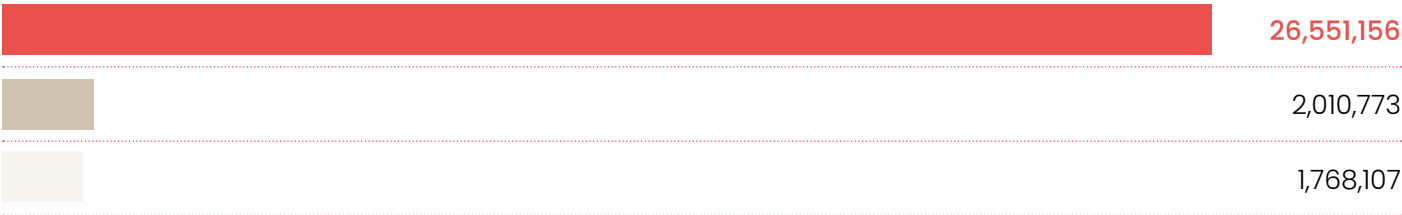


Five years of growth

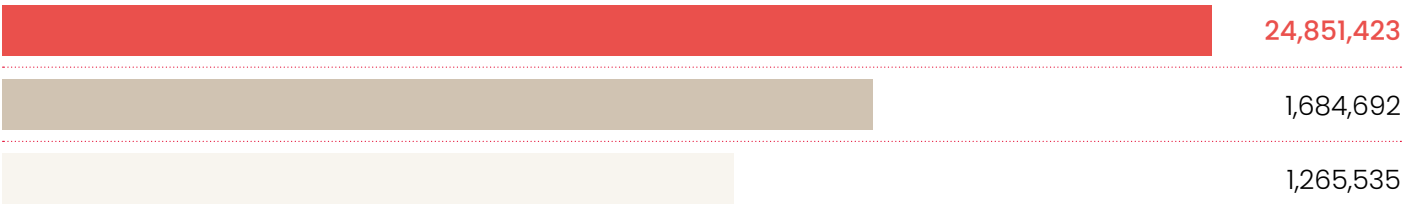
BENEFIT enjoyed a steady growth over the last five years through its leadership in electronic payments and fund transfer as well as business process outsourcing and risk management in the financial industry. By introducing and providing the latest technology, the company continued to maintain a powerful business support platform for all electronic payments.

	2024	2023	2022	2021	2020
Operating Profits	1,768,107	1,631,313	618,733	658,478	2,903,964
Profits for the Year	2,010,773	1,790,314	715,497	1,434,096	3,327,998
Net Assets	26,551,156	23,477,771	22,197,738	21,962,837	22,283,941

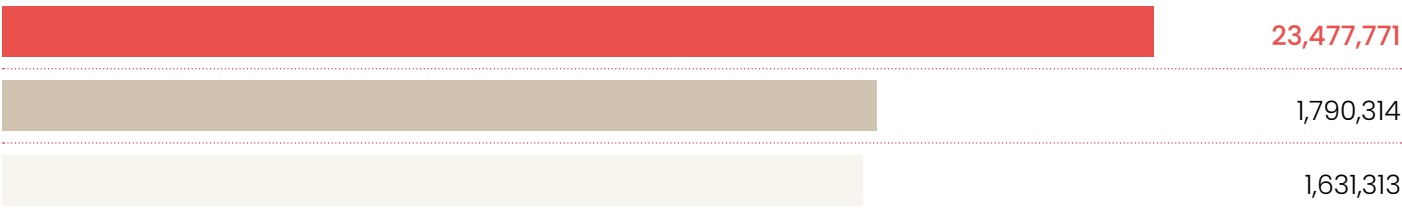
2024



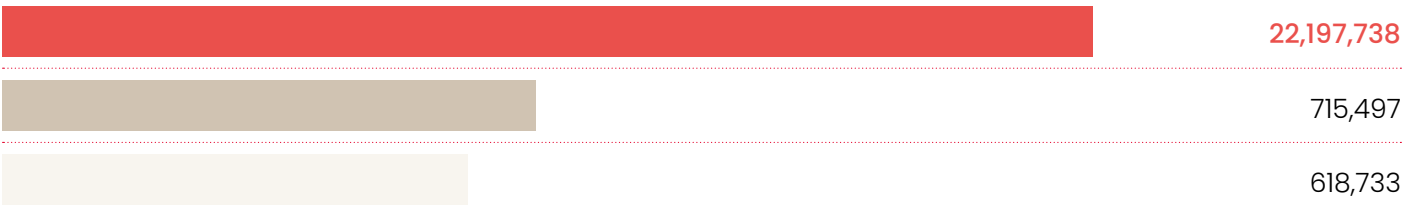
2023



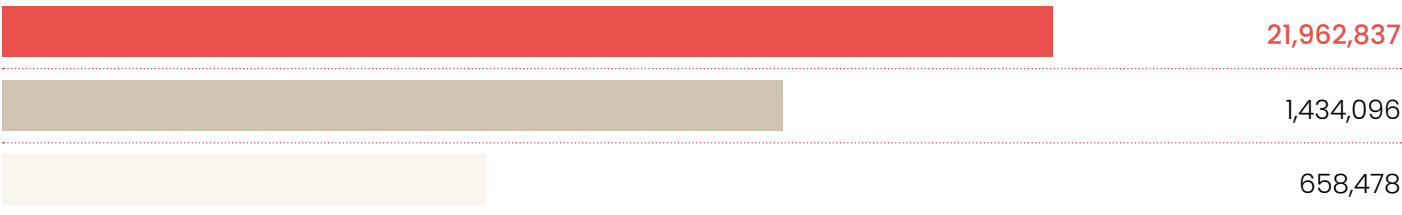
2022



2021



2020



Fintech future

Benefit is committed to advancing financial solutions that position Bahrain as a key player in the regional fintech landscape.

By fostering innovation and collaboration, Benefit aims to enhance the accessibility of financial services for both individuals and businesses. Furthermore, Benefit is keen on attracting foreign investments by offering incentives and creating a regulatory environment that supports fintech ventures, solidifying Bahrain's reputation as a hub for financial excellence in the Middle East.

Benefit is also focused on collaborating with educational institutions to equip the workforce with necessary skills, ensuring a knowledgeable and agile community ready to embrace the future.

BD 345m

Benefitpay transactions

30%

Overall percentage of women employees



Management Team



Abdulwahed AlJanahi
Chief Executive

Joined the BENEFIT Company in 2005 with BSc in Focus and Marketing from the St. Edward University in Austin, and a MBA from the University of Bahrain. Mr. AlJanahi brings to the Company a total of 37 years of experience in the financial industry field covering marketing, telecom, and business development.



Yousif AlNefaiei
Deputy Chief Executive – Business Development & Services

Joined the BENEFIT Company in 2006 with a BSc in Computer Science from the University of Bahrain and a MSc. Degree in Information Systems from the Brunel University of London in the United Kingdom. Mr. AlNefaiei has a total of 28 years of experience in the information technology and banking industries.



Hessa Hussain
AGM Bahrain Credit Reference Bureau

Joined the BENEFIT Company in 2005 with an MBA from DePaul University and a bachelor's degree in Computer Engineering from the American University of Sharjah. Ms. Hussain brings to BENEFIT a total of 20 years of experience in Credit Information & Data Services, eKYC, FinTech and Digital leadership.



Reyadh Almearaj
AGM Information Technology

Joined the BENEFIT Company in 2017 with a BSc in Business Information Systems from the University of Bahrain and a MBA from University of Glamorgan in the United Kingdom. Mr. Almearaj has over 29 years of experience in information technology and telecommunications in banking industry.



Nezar Maroof
AGM Marketing

Joined the BENEFIT Company in 2017. Holding a BSc in Computer Science and a MSc. in Information Technology from George Washington University in USA. Mr. Maroof has over 27 years of experience in Information Technology, Innovation, Business Process Re-Engineering & ICT Strategy Development.



Layla Alqassab
Chief Financial Officer

Joined the BENEFIT Company in 2018, Mrs. Alqassab is a Fellow Member of the Association for Chartered Certified Accountants (ACCA) – MBA equivalent and a holder of BSc Accounting from Cardiff University, United Kingdom (First Class Honors). Mrs. Layla brings to BENEFIT a total of over 19 years of experience in big 4 firms and international banks.



Salah Al Awadhi
Chief Human Resources & Administration

Joined the BENEFIT Company in 2015, with a CIPD level 5. Mr. Salah brings to BENEFIT a total of 14 years of experience in Human Resources and Administrations in addition to 2 years in information technology.



Mansoor AlAlwan
Chief Internal Auditor

Joined the BENEFIT Company in 2018 with BSc in Computer Engineering and MSc in Business Administration from Ahlia University in the Kingdom of Bahrain. Mr. AlAlwan has a total of 12 years of experience in internal and external audits, IT advisory / consultancy, and IT management belonging to various industries across Bahrain and GCC.



Shafaq Al Kooheji
AGM – Payment Services

Joined the BENEFIT Company in 2008. She holds an MBA from Strathclyde University in Scotland and a Bachelors in MIS and Marketing from American University of Sharjah. She has 21 years of experience in retail banking and operations along with a rich experience in payments, cheques, digital transformation, and Fintech services.



Ahmed AlMahri
AGM Business Development & Services

Joined the BENEFIT Company in 2009, has MBA from Ahlia University Bahrain. Ahmed has over 17 years of experience in Payments system and financial technology.

Management Team continued



Latifa Al Mutawa

Head – Bahrain Credit Reference Bureau

Joined the BENEFIT company in 2017 with BSc in Business Information Systems from the University of Bahrain and an Advanced Diploma in Islamic Banking from BIBF. Mrs. Latifa is a risk management professional holding a Professional Risk Manager (PRM) certification by PRIMIA. Mrs. Latifa has a total of 19 years of experience in risk management and banking industries.



Badran Bukamal

Head – Information Security & Risk Management

Joined the BENEFIT Company on April 2020, with BSc in Computer Engineering from the University of Bahrain and a MSc. Degree in Business Administration from University of Strathclyde in Glasgow United kingdom. Badran has over 15 years of experience in the field of IT project management, IT Infrastructure, and IT security.



Maryam Kamal

Senior Manager – Compliance & MLRO

Joined the BENEFIT Company in 2018, with M.Sc. in Finance from DePaul University, USA (First Class Honors). She is also a Certified Anti-Money Laundering Specialist and holds the ICA qualification in Governance, Risk & Compliance. Mrs. Maryam has a total of 12 years of experience in Compliance, AML & Corporate Governance.

Corporate Governance

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Corporate Governance

1. BENEFIT Corporate Governance Report 2024

The Corporate Governance Report for 2024 presents an overview of our commitment to maintaining the highest standards of corporate governance at the Benefit Company B.S.C. Our culture is built on integrity, efficiency, and accountability, setting the moral and ethical tone from the top.

2. Shareholders Information

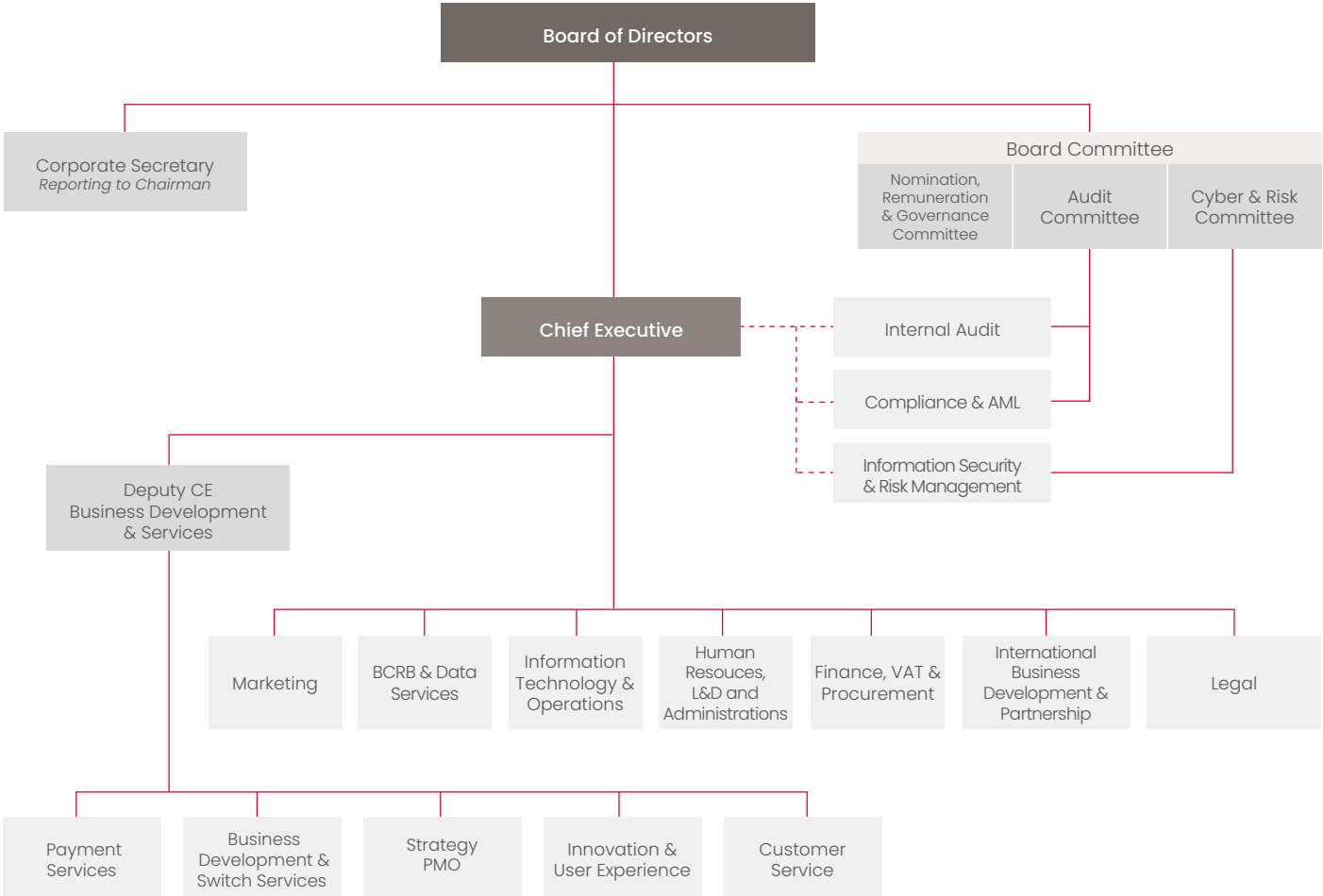
Ownership Structure as of 31 December 2024

No.	Bank/Institution	No. of Shares	% of Shares
1	National Bank of Bahrain B.S.C.	10,836	34.84%
2	Bank of Bahrain & Kuwait B.S.C.	6,843	22.00%
3	Ahli United Bank B.S.C	4,355	14.00%
4	Standard Chartered Bank	2,800	9.00%
5	HSBC Bank Middle East Limited	2,177	7.00%
6	Bahrain Islamic Bank B.S.C.	1,505	4.84%
7	Al Salam Bank	1,344	4.33%
8	Arab Bank Plc	311	1.00%
9	Future Bank B.S.C.	311	1.00%
10	Habib Bank Limited	311	1.00%
11	United Bank Limited	311	1.00%

Corporate Governance (continued)

3. Governance Structure

The organisational and governance structure of the Company is developed in a way to ensure transparency and segregation of duties.



Corporate Governance (continued)

4. Board of Directors Information

4.1 Directors' Roles and Responsibilities

The Company Board of Directors consists of three members appointed by major shareholders, three elected by remaining shareholders, four independent directors, and one observer from the Central Bank of Bahrain (CBB). This diverse mix of expertise in finance and information technology is crucial for effective governance.

No	Director Name	Position in the Board	Committee
01	Mohamed Ebrahim	Chairman – Independent Director	Chairman of NRGC
02	Nabeel Kazim	Vice Chairman – Executive Director	Member of NRGC
03	Hassaan Burshaid	Executive Director	Member of NRGC
04	Samih Abutaleb	Executive Director	Member of CRC
05	Ameer Abdulghani	Executive Director	Member of AC
06	Abdulkarim Turki	Executive Director	Member of AC
07	Khaled Abi Khalil	Non-Executive Director	Member of CRC
08	Sawsan Abulhassan	Independent Director	Chairperson of AC
09	Hadyah Fathalla	Independent Director	Chairperson of CRC
10	Muna AlHashemi	Independent Director	Member of CRC
11	Yousef AlFadhel	CBB Observer	Member of CRC

4.2 Board Term

The Board members are appointed and elected for a three-year term from February 2022 until the Annual General Meeting (AGM) 2025.

4.3 Board Responsibilities

The Board's primary responsibility is to establish effective governance, provide direction to the Company, and balance the interests of all stakeholders. They review and oversee the implementation of the Company's strategy, as well as approve the strategic plan.

The Board are ultimately responsible to ensure effective risk management framework, regulatory compliance, adequate internal controls and accurate financial statements. The Board may delegate certain responsibilities to various board committees to act on their behalf and report periodically to the Board.

4.4 Independence of Directors

An independent director, as defined in CBB Rulebook, is a director whom the board has specifically determined has no material relationship which could affect his/her independence of judgement. The directors' independence has been reviewed, meeting all the independence requirements.

As per CBB rules and guidelines, the chairperson of the Board, the audit committee and the nomination, remuneration and governance committee should be independent. The Board has elected independent members for those positions to ensure the highest level of dependency and effective decision-making.

Corporate Governance (continued)

4. Board of Directors Information (continued)

4.5 Board Profiles

Director Name	Current Employment	Other Boards
Mohamed Ebrahim	-	<ul style="list-style-type: none"> • Bahrain Marina • Fraiser Suites • Kingdom University • Osool Company • Seef Entertainments • Seef Properties • SINNAD
Hassaan Burshaid	Group Chief Human Resources & Administration Officer – Bank of Bahrain & Kuwait (BBK)	-
Nabeel Kazim	Group Chief Operating Officer – National Bank of Bahrain (NBB) as of Nov 2024	-
Samih Abutaleb	Deputy Group Chief Executive Officer, Technology & Operations – Ahli United Bank (AUB)	• UBCI (United Bank for Commerce & Investment) Subsidiary of Ahli United Bank in Libya
Ameer Abdulghani	Chief Financial & Strategy Officer – Bahrain Islamic Bank (BisB)	<ul style="list-style-type: none"> • Chairman in Abaad Real Estate • Liquidity Management Centre LMC • Waqf Fund
Abdulkarim Turki	Chief Operating Officer – AlSalam Bank (ASB)	-
Khaled Abi Khalil	Chief Technology & Operations Officer – Bahrain & MENA (Excluding UAE) Standard Chartered Bank (SCB)	• Standard Chartered Metropolitan Holding – Lebanon
Sawsan Abulhassan	Executive Director – Al Bustani Group	<ul style="list-style-type: none"> • Social Insurance Organization • Bahrain Chamber of Commerce and Industry • Omani Bahraini Investment Company • GARMCO
Hadyah Fathalla	Assistant Secretary General at SCYS until Dec 2024	<ul style="list-style-type: none"> • General Sports Authority • Bapco Energies • Chairperson – Audit & Governance Committee (ASRY)
Muna Alhashemi	President Advisor – Electricity & Water Authority (EWA)	<ul style="list-style-type: none"> • BKIC Bahrain Board of Director • British School Board of Trustees
Yousef AlFadhel	Executive Director Corporate Services – Central Bank of Bahrain	-

Corporate Governance (continued)

4. Board of Directors Information (continued)

4.6 Board and Committee Evaluation

The Board and Committees conduct an annual self-evaluation to assess their performance. The results of these evaluations, which were satisfactory, are reviewed by the NRCG and shared with the Board.

4.7 Board Meetings and Attendance in 2024

A total of 6 Board meetings were held in 2024

Director Name	21 Feb	14 May	03 Jun	29 Jul	31 Oct	11 Dec	Attendance %
Mohamed Ebrahim	✓	✓	✓	✓	✓	✓	100%
Nabeel Kazim	✓	✓	✓	✓	✓	✓	100%
Hassaan Burshaid	✓	✓	✓	✓	✓	✓	100%
Samih Abutaleb	✓	✓	✓	✓	✓	✓	100%
Ameer Abdulghani	✓	✓	✓	✓	✓	✓	100%
Abdulkarim Turki	✓	✓	✓	✓	✓	✓	100%
Khaled Abi Khalil	✓	✓	✓	✓	✓	✓	100%
Sawsan Abulhassan	✓	✓	✓	✓	✓	✓	100%
Hadyah Fathalla	✓	✓	✓	✓	✓	✓	100%
Muna AlHashemi	✓	✓	✓	✓	✓	✓	100%
Yousef AlFadhel	✓	✓	✓	✓	✓	✓	100%

Key: ✓ Attended X Absent O Was not a member during this period

4.8 Board Remuneration

The Board members remuneration is BHD 172,500 for the year 2024 subject to shareholders, Ministry of Industry & Commerce (MOIC) & CBB approval. In addition, the Board members received sitting fees for attending the meetings of the Board and committees for a total amount of BHD 65,100 for 2024.

4.9 Board Appointment

All Board members have signed the Board of Directors appointment letter upon joining.

4.10 Board Induction

New Board members undergo an induction session with the Chief Executive, including meetings with executive management and presentations on strategic plans, financial matters, accounting, and risk management.

Corporate Governance (continued)

5. Board Committees

Consistent with CBB and MOIC guidelines, the Company has three committees, each with clear terms of reference approved by the Board. These committees provide support to the Board in fulfilling its responsibilities..

5.1 The Audit Committee (AC)

The AC assists the Board in overseeing the financial reporting process, internal controls, audit process, and compliance with CBB and applicable laws and regulations.

Audit Committee attendance for the year 2024

Director Name	Position	07 Feb	09 May	04 Aug	29 Oct
Sawsan Abulhassan	Chairperson	✓	✓	✓	✓
Ameer Abdul Ghani	Member	✓	✓	✓	✓
Abdulkarim Turki	Member	✓	✓	✓	✓

Key: ✓ Attended X Absent O Was not a member during this period

5.2 The Cyber and Risk Committee (CRC)

The CRC assists the Board in overseeing cyber security and risk controls frameworks, current and future risk exposure, and the development of cyber security and risk strategy.

Cyber and Risk Committee attendance for the year 2024

Director Name	Position	24 Jan	20 May	07 Aug	13 Nov
Hadyah Fathalla	Chairperson	✓	✓	✓	✓
Khaled Abi Khalil	Member	✓	✓	✓	✓
Muna AlHashemi	Member	✓	✓	✓	✓
Yousef AlFadhel	Member	✓	✓	✓	✓
Samih Abutaleb	Member	✓	✓	✓	✓

Key: ✓ Attended X Absent O Was not a member during this period

5.3. The Nomination, Remuneration and Governance Committee (NRGC)

The NRGC assists the Board in matters related to the nomination and appointment of Board members and executive management, remuneration frameworks and policies, and governance practices.

Director Name	Position	30 Jan	12 Jun
Mohammed Ebrahim	Chairman	✓	✓
Nabeel Kazim	Member	✓	✓
Hassaan Burshaid	Member	✓	✓

Key: ✓ Attended X Absent O Was not a member during this period

Corporate Governance (continued)

6. Annual Ordinary & Extraordinary General Meeting

The Annual Ordinary General Meeting (AGM) and Extraordinary General Meeting (EGM) were held on 26th of March 2024. .

7. Internal Controls, Policies and Procedures

7.1 Code of Conduct

The Company code of conduct sets the minimum ethical standards of behaviour expected from the Company's employees and management. To ensure that all duties and responsibilities to the Company are performed with the utmost integrity and professionalism.

7.2 Whistleblower Policy

The Company encourages a culture where misconduct is not tolerated and is committed to integrity and ethical behaviour. To support this commitment, the Company has adopted a Whistleblower Policy. This policy encourages all employees to disclose, in good faith, any wrongdoing, unethical or improper practice, or adverse employment action that may unfavourably impact the company, its customers, shareholders, employees, or the public. The Policy provides sufficient protection for all employees who come forward with such information.

7.3 Conflicts of Interest

The Company has a well-documented policy for managing conflicts of interest and connected parties. In case any issue involved conflict of interest, decisions are taken by the full Board/Committees. The concerned Director shall leave the meeting room during the discussion of these issues. All such events are recorded in accordance with the established policy. Directors are required to inform the entire Board and the Board Secretary of any potential conflicts of interest that might arise and abstain from voting on the matter.

7.4 Performance Incentive

The Board has established the NRCG to evaluate the performance-linked incentive structure for key management personnel. For more detailed information, please refer to the audited financials under Note 21.

7.5. Related Party Transactions (IFRS)

The Company engages in transactions with several banks in Bahrain, some of which are also shareholders of the Company. These transactions involve services related to payment systems, card services, and credit reference bureau.

Additionally, Benefit's subsidiary, SINNAD, which is now fully owned by Benefit, has entered into contracts with certain shareholders of Benefit to provide services related to debit/credit card personalization and ATM acquiring services. The nature of Benefit's business is to serve the banking sector in Bahrain through various services such as ATM/POS, BCRB, BCTS, EFTS, PAYMENT GATEWAY, GCCNET DISPUTE SYSTEM, etc. SINNAD is also established as a third-party processing company to serve the banks. For further details, please refer to the audited financials under Note 19.

7.6 Communication

Although the Company is not publicly listed, the Company ensures transparency and effective communication with its shareholders. The Company's website is regularly updated including the Annual Report, and shareholders have access to any information they require through the Chief Executive. The annual report for 2024 will be published on the website after the Annual General Meeting (AGM).

7.7 Material Transactions for Board Approval

The Board approves the yearly budget and capital expenditures for projects in accordance with the Company's authority matrix, which is endorsed by the Board and defines the authority limits and thresholds of both the Board and Management.

7.8 Board Access to Advice and Counsel

The Board may seek advice and counsel through formal Board or Committee meetings or through informal contact directly with the Chief Executive. The necessary information for the Board's decision-making is readily available within the Company. The Board has full access to the Company's documents and records and may seek external independent expert advice if needed.

7.9 Internal Control

The Company's Internal Auditor reviews internal control processes and procedures, while Ernst & Young serves as the Company's External Auditor. The findings and correction plans identified by the Internal Auditor are presented to the Audit Committee.

Corporate Governance (continued)

7. Internal Controls, Policies and Procedures (continued)

7.10 Compliance

The Company developed a robust compliance framework that oversees adherence to applicable laws and regulations by promoting a healthy compliance culture within the Company.

7.11 Financial Preparation

The Audit Committee on a semi-annual basis review the audited financial with the external auditors and management and accordingly seek the Board approval.

7.12 Remuneration Policy for Board of Directors and Executive Management

The remuneration for Board members is approved by the shareholder, while sitting fees are recommended by the NRCG and subject to the Board's approval. The remuneration for Executive Management is approved by the NRCG. Remuneration details for Executive Management are available to eligible shareholders upon specific request.

7.13 Customer Complaints

The Compliance Department is responsible for managing customer complaints. All complaints are logged, monitored, and reported to the CBB. A user-friendly guide is made available to customers on the company's website

8. Other Information

Ernst & Young serves as the Company's external auditors. The audit fees for 2024 amount to BHD 20,700, and non-audit services fees total BHD 14,500.

9. Status of Compliance with Corporate Governance Guidelines

The Company consistently strives to uphold the highest standards of governance practices, continually improving its policies and procedures to ensure full compliance with the High-Level Controls (HC) Module issued by CBB. The module follows a 'comply or explain' approach, where the Company is required to provide an explanation and valid justification in case of non-compliance.

In line with our commitment to adhere to CBB regulations, the Company would like to provide the following explanations regarding the guidance items:

- HC-1.3.2 states that the Board should consist of a minimum of three members and no more than five members. The Benefit Board currently comprises ten directors, including three appointed by major shareholders, three elected by the remaining shareholders, four independent directors, and one CBB Observer. This exceeds the maximum number of directors (five) allowed under the CBB rulebook. However, this expanded structure is necessary due to the complexity and nature of our business and as advised by the CBB.
- HC-3.2.2 states that the majority of the Audit Committee directors should be independent, including the Chairman. Our Audit Committee consists of an independent chairperson and two executive directors. Given the members' experience, financial literacy, and knowledge, they were deemed to be the most suitable directors to serve on the Committee. It is important to note that the Committee has effectively fulfilled its responsibilities with full independence

General Assembly Meeting and Extraordinary
General Assembly Meeting Minutes

General Assembly Meeting and Extraordinary General Assembly Meeting Minutes (continued)

MINUTES	26 MARCH 2024 11:00 AM
MEETING CALLED BY	THE BENEFIT COMPANY B.S.C ©
TYPE OF MEETING	General Assembly Meeting for 2023
ATTENDEES	As per attendees list

The Chairman Mr. Mohamed Ebrahim AlBastaki chaired the meeting and welcomes the Shareholder representative and the Central Bank of Bahrain representatives and confirmed a quorum of 98%.

Agenda topics

1. Approve the Minutes of the previous Annual General Meeting of the Company held on 21st March 2023.

The Chairman advised the Shareholders that the minutes of the previous meeting held on 21st March 2023 was distributed along with the agenda for their reference.

Resolution 1 –The minutes of the Annual General Meeting dated 21st March 2023 were approved by the Shareholders.

2. Discuss and approve the Report of the Board of Directors on the Company’s business for the financial year ended 31st December 2023.

The Chairman gave a brief update on the Board of Directors report on the Company’s business for the financial year ended 31st December 2023.

Resolution 2 – The report of the Directors for the financial year ended 31st December 2023 was approved by the Shareholders.

3. Review the External Auditor’s Report on the Company’s Consolidated Financial Statements for the financial year ended 31st December 2023.

EY Representative read the External Auditors Report on the Company’s consolidated Financial Statements for the financial year ended 31st December 2023.

Resolution 3 – the External Auditors report for the financial year ended 31st December 2023 was approved by the Shareholder.

4. Discuss and approve the Company’s Consolidated Financial Statements for the financial year ended 31st December 2023.

The Chairman briefed the Shareholders on the Company’s Consolidated Financial Statement for the financial year ended 31st December 2023 and advised that a copy of the financial statement was distributed for reference.

Resolution 4 – The Consolidated Financial Statement for the year ended 31st December 2023 was approved by the Shareholders.

5. Discuss and approve the Board of Directors recommendation for the following appropriations of the year 2023 net profit, subject to the approval of the Competent Authorities.

The Chairman advised the Shareholders; that the Board of Directors have recommended the following appropriation of the net profit for the year 2023 after obtaining the approval of the Competent Authorities:

1. Distribution of cash dividends to the Shareholders amounting to BD 311,040 at 10% of the paid-up capital.
2. Transfer of 1,370,762 to Retained Earnings.

Resolution 5 –The recommended appropriation of the Net Profit for 2023 was approved by the Shareholders.

General Assembly Meeting and Extraordinary General Assembly Meeting Minutes (continued)

6. Approval of the recommendation to allocate BD 165,185 as remuneration for the members of the Board of Directors for 2023, subject to the approval of the Competent Authorities.

The Chairman advised the Shareholders of the recommendation to allocate BD 165,185 as remuneration for the Board of Directors for 2023.

Resolution 6 - The Shareholders approved the Directors remuneration in the sum of BD165,185 for the year 2023.

7. Approve the election of Mr. Abdulkarim Turki as an Executive Director representing the minority shareholders in accordance with the provision of Article 179 of the Commercial Companies Law, and the appointment of Mr. Hassaan Burshaid as an Executive Director representing Bank of Bahrain and Kuwait B.S.C for the remaining Board term ending March 2025, as approved by the Central Bank of Bahrain:

The Chairman announced the election of Mr. Abdulkarim Turki as an Executive Director representing the minority shareholders in accordance with the provision of Article 179 of the Commercial Companies Law and the appointment of Mr. Hassaan Burshaid as an Executive Director representing Bank of Bahrain and Kuwait B.S.C for the remaining Board term ending March 2025. The Chairman further informed the shareholders that this was approved by the Central Bank of Bahrain.

Resolution 7- The Shareholders approved the Board of Directors election of Mr. Abdulkarim Turki and the appointment of Mr. Hassaan Burshaid.

8. Discuss and approve the Corporate Governance Report for the year ended 31st December 2023 and the Company's compliance as per the requirements of the Central Bank of Bahrain and the Ministry of Industry and Commerce.

The Chairman informed the shareholders that the Corporate Governance Report for the year ended 31st December 2023 was prepare and uploaded on the Company's website and is also a part of the Annual report. The Chairman further added that we have ensured that all the Corporate Governance standards were met throughout our practices during the year.

Resolution 8 - The Shareholders approved the Corporate Governance report for the year ended 31st December 2023.

9. Discharge the members of the Board of Directors of the Company from any liability resulting from all actions taken during the financial year ended 31st December 2023.

The Shareholders were requested to discharge the Board of Directors from any liability related to their conduct during the year ended 31st December 2023.

Resolution 9- The Shareholders approved the discharge of the Board of Directors from any liability during the year ended 31st December 2023.

10. Approve the Board of Directors' recommendation on the re-appointment of EY as External Auditors for the Company and their subsidiaries Sinnad Company W.L.L and Bahrain Fintech Bay W.L.L for the year 2024, subject to the approval of the Central Bank of Bahrain and authorize the Board of Directors to determine their remuneration.

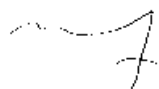
The Chairman advised the Shareholders that the Board of Directors recommended the reappointment of Ernst and Young [EY] as external auditors of the Company and its subsidiaries [Sinnad] and [Bahrain Fintech Bay] for the year 2024, subject to the approval of the Central Bank of Bahrain, and to authorize the Board of Directors to determine their fees.

Resolution 10- The Shareholders approved the appointment of Ernst and Young [EY] as External Auditors of the Company and its subsidiaries [Sinnad] and [Bahrain Fintech Bay] for the year 2024 and authorized the Board of Directors to determine their fees.

11. Any other matters in accordance with Article 207 of the Commercial Companies Law.

There were no other matters raised by the Shareholders.

There were no further discussions, and the Chairman concluded the meeting at 11:15 am.



Mohamed Ebrahim Albastaki
Chairman of the Board of Directors



Abdulwahed AlJanahi
Chief Executive

General Assembly Meeting and Extraordinary General Assembly Meeting Minutes (continued)

Extraordinary General Assembly Meeting Minutes

MINUTES	26 MARCH 2024 11:15 AM
MEETING CALLED BY	THE BENEFIT COMPANY B.S.C ©
TYPE OF MEETING	EXTRAORDINARY General Assembly Meeting for 2023
ATTENDEES	As per attendees list

The Chairman Mr. Mohamed Ebrahim AlBastaki chaired the meeting and welcomes the Shareholder representative and the Central Bank of Bahrain representatives and confirmed a quorum of 98%.

Agenda topics

1. Approve the Minutes of the previous Extraordinary General Meeting of the Company held on 25th October 2022.

The Chairman advised the Shareholders that the minutes of the previous meeting held on 21st March 2023 was distributed along with the agenda for their reference.

Resolution 1 –The minutes of the Extraordinary General Meeting dated 25th October 2022 were approved by the Shareholders.

2. Approval of the necessary amendments and consolidation of the Memorandum and Article of Association of the Company to reflect the previously made changes, subject to the Central Bank of Bahrain’s approval and any other competent authority.

The Chairman advised the Shareholders that the Memorandum and Articles of Association will be amended to include the following:

- Consolidate and incorporate all the previously amendments approved by the Shareholders.
- Include under the “Objects of the Company” the AISP License – to authorize other activities auxiliary to financial service activities – Account Information Service Provider (AISP).
- Ensure conformity with the provisions of the Commercial Companies Law and The Central Bank of Bahrain and Financial Institutions law.
- Alignment of the Arabic and English wording.

There were no comments or questions raised.

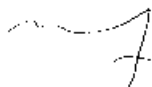
Resolution 2 – The amendments to the Memorandum and Articles of Association were approved by the Shareholders.

3. Authorizing and delegating powers to the Chairman, Mr. Mohamed Ebrahim Albastaki and/or the CE of the Company, Mr. Abdulwahed Abdulrahman AlJanahi to sign the amended Memorandum and Articles of Association on behalf of the shareholders before the Notary Public.

The Chairman requested the Shareholders to authorize and delegate powers to the Chairman, Mr. Mohamed Ebrahim Al Bastaki and the Chief Executive of the Company, Mr. Abdulwahed Abdulrahman AlJanahi to sign the amended and restated Memorandum and Articles of Association on behalf of the Shareholders before the Notary Public.

Resolution 3 – The authorization and delegation of powers were approved by the Shareholders.

There were no further discussions, and the Chairman concluded the meeting at 11:17 am.



Mohamed Ebrahim Albastaki
Chairman of the Board of Directors



Abdulwahed AlJanahi
Chief Executive

Report of the Directors

The Directors are pleased to submit their report about the activities of The Benefit Company ("BENEFIT" or "the Group") for the year ended 31 December 2024, together with the audited consolidated financial statements for the year then ended..

Business Review

BENEFIT focused during 2024 on the completion of its previous 3-year strategy and commenced work on the upcoming 3 years. It has strengthened its focus on data analytics, ensuring that insights and trends derived from its vast datasets are leveraged to drive strategic products and services. By utilizing advanced analytics tools, the Group was able to provide predictive market trends models, enhanced risk management tools, and tailor its offerings to meet the dynamic needs of the financial sectors.

In terms of its services, BenefitPay had a very successful year with the introduction of many key services that enhanced customer experience and security, including ID verification service, impact fraud, public card park payment through the app, as well as Open Banking authentication through BenefitPay, which provides all stakeholders with a smoother experience. The service also initiated the development of Digital Direct Debit, Visa Direct Service which are planned to rollout beginning of 2025. Cashless transactions ranging from domestic and international fund transfers, witnessed growth of 16% in values compared to 2023 amounting to BD 9.3 billion.

EFTS transactions experienced significant growth in 2024 with over 420 million transactions recorded in Fawri+ service in comparison to 334 million transactions in 2023, which is a growth of 26%. Further, around 13.2 million transactions were carried out on Fawri with a growth rate of 6% as compared to 2023. Fawateer service reached to a total of 12.6 million transactions with a value over 1 billion BHD in 2024 which is 17% growth compared to 2023.

It is worth mentioning that BENEFIT extended its EFTS service to support stored value accounts, also known as prepaid wallets, issued by Payment Service Providers thus providing seamless payments and transfer among IBANs and stored value accounts in Bahrain. Tejari is under development as well and it is an important consumer to business and business to business scheme that enriches and standardizes the payment information and data for Fawri+ and Fawri. Moreover, BENEFIT have already started migrating all its EFTS member banks and billers to a fully ISO 20022 integration which is targeted to be completed by end of 2025.

The Group also partnered in 2024 with leading vendors to enhance the Bahrain Credit Reference Bureau (BCRB) services. The revamp of the Credit Report, including the introduction of a scorecard to the public, was a major focus of awareness and marketing campaigns throughout the year, aimed at increasing understanding and usage of credit scores. The BCRB expanded its service offerings to provide credit reports of Saudi-registered companies through its integration with the Saudi Credit Bureau (SIMAH) and completed its integration with the Kuwait Credit Bureau (Ci-net) to enable the exchange of credit reports of Kuwaiti-registered companies with BCRB members.

Consolidated financial position and results

The consolidated financial position of the Group as of 31 December 2024, together with the consolidated results for the year ended is set out in the accompanying consolidated financial statements. The Group has reported a net profit of BD 2.01 million for the year ended 31 December 2024 attributable to the equity shareholders of the Group, as compared to a net profit of BD 1.68 million for 2023. Total equity at 31 December 2024 amounted to BD 26.5 million (31 December 2023: BD 24.8 million).

Report of the Directors (continued)

Recommended Appropriations and Remuneration for 2024

Based on the results, the Board of Directors is recommending for the approval by the shareholders the following appropriations from the profit of the year:

	2024 (BD)	2023 (BD)
Dividends	311,040	311,040
Total appropriations	311,040	311,040

The appropriations above are subject to approvals of the Central Bank of Bahrain and the shareholders.

• Board of directors' remuneration details:

Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others*	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others**	Total			
First: Independent Directors:													
Mohammed Ebrahim	22,500	6,300	-	-	28,800	-	-	-	-	-	-	28,800	-
Hadyah Fathalla	15,000	7,200	-	-	22,200	-	-	-	-	-	-	22,200	-
Sawsan Abu Al Hassan	15,000	7,200	-	-	22,200	-	-	-	-	-	-	22,200	-
Muna AlHashimi	15,000	6,000	-	-	21,000	-	-	-	-	-	-	21,000	-
Second: Non-Executive Directors:													
Khalid Abi Khalil	15,000	6,000	-	-	21,000	-	-	-	-	-	-	21,000	-
Abdulkarim Turki	15,000	6,000	-	-	21,000	-	-	-	-	-	-	21,000	-
Yousif AlFadhel – CBB observer	15,000	6,000	-	-	21,000	-	-	-	-	-	-	21,000	-
Third: Executive Directors:													
Nabeel Kazim – NBB	15,000	4,200	-	-	19,200	-	-	-	-	-	-	19,200	-
Samih Abutaleb – AUB	15,000	6,000	-	-	21,000	-	-	-	-	-	-	21,000	-
Hassaan Burshaid – BBK	15,000	4,200	-	-	19,200	-	-	-	-	-	-	19,200	-
Ameer A. Ghani	15,000	6,000	-	-	21,000	-	-	-	-	-	-	21,000	-
Total	172,500	65,100	-	-	237,600	-	-	-	-	-	-	237,600	-
Note: All amounts must be stated in Bahraini Dinars.													
Other remunerations:													
* It includes in-kind benefits – specific amount – remuneration for technical, administrative and advisory works (if any).													
** It includes the board member’s share of the profits – Granted shares (insert the value) (if any).													

* Other disclosures required in the template issued by the MOICT such as fixed salaries, variable remunerations and expense allowances amounted to nil during 2024.

Report of the Directors (continued)

• Top 6 executives remuneration including CE and CFO:

Executive Management	Total salaries and allowances (BD)	Total paid remuneration (Bonus) in 2024 (BD)	Any other cash/ in kind remuneration for 2024 (BD)	Aggregate amount (BD)
Top 6 remunerations for executives, including CE and CFO	881,454	261,147	-	1,142,601

Outlook for 2025

BENEFIT has outlined its strategic vision for 2025 to 2027, focusing on four key dimensions: NextGen Infrastructure as the foundation of Benefit's capabilities, utilizing this infrastructure to support the digitization of government and strategic sectors, creating a Benefit Super App to offer convenience for consumers and merchants while promoting financial services and beyond, and developing a Governance & Data Strategy to build insights from the previous three layers to provide value to the country. Additionally, BENEFIT plans to embed these strategic initiatives and explore potential investments for international growth through inorganic expansion.

The planned introduction of key service such as Digital Direct debit, Visa Direct, Hadiya will provide BenefitPay users a better service and user experience and provide faster and better options for fund collection. VISA direct will give a new perspective to international remittances by allowing users to transfer money by mobile number. Gifting will not be the same with the introduction of Hadiyah, as customers can send gifts with personalized cards for season greetings or personal celebrations through BenefitPay.

In the upcoming year, BENEFIT will continue to actively explore and seek potential instant payment system (IPS) interoperability initiatives. Currently BENEFIT has entered into discussions and agreements with BUNA for the Arab region and NPCI of India. Moreover, in 2025 it will further explore the opportunity of interoperability with Nexus as the first of its kind global multilateral IPS interoperability network.

From IBAN and instant payment perspective, BENEFIT will revamp its entire Fawateer offering to extend its services and provide more agile services to billers and potential partners of Fawateer. Such is in addition to continue its strategy with central bank of Bahrain on the request to pay, e-commerce IBAN checkout, and over the counter IBAN payment.

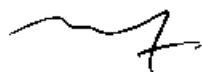
BENEFIT, in collaboration with the Ministry of Industry and Commerce, will initiate a project in 2025 to develop, market, implement, and maintain a credit scoring model system. This system is designed to be upgraded to a credit rating model and facilitate digital onboarding for businesses seeking financial services in Bahrain. The platform will aggregate data on SMEs, enabling banks and financial institutions to make accurate and effective credit lending decisions. Additionally, it will provide SME credit ratings and support digital onboarding processes.

Another significant upcoming service in 2025 is the launch of a consumer financing marketplace on Benefitpay. This platform will provide a competitive space for various credit providers to offer their products, enabling customers to compare and choose the best financial options to suit their needs.

Acknowledgements

The Board of Directors of BENEFIT would like to reassure its Shareholders that the Group will continue playing its strategic role in the Kingdom of Bahrain and will introduce more innovative solutions in line with the Group's vision.

The Board of Directors takes this opportunity to express their gratitude and sincere appreciation to His Majesty King Hamad bin Isa Al Khalifa, the King of Bahrain; to His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince, Prime Minister, and Deputy Supreme Commander; to Government ministries and institutions, the Central Bank of Bahrain and the Bahrain Economic Development Board, for their guidance and support to the Group throughout its journey to position Kingdom of Bahrain to be among the advanced countries in the financial services sector, digital payments and fintech services. The Board also expresses its thanks to its stakeholders and customers, for their trust and confidence, to the Shareholders for their support, and to its management and employees for their hard work, dedication and contribution to the success of the Group.



Mohammed Ebrahim Albastaki
Chairman



Sawsan Abulhassan Mohamed
Director



About the Report

Commitment to driving positive change

The release of our first Sustainability Report is a milestone that reflects our deep commitment to transparency, sustainability, and responsible business practices as we embark on our journey to integrate ESG principles in our business operations.

As a fintech company working at the frontiers of technological innovation, we understand the significant role we play in shaping the future of financial services in the Kingdom of Bahrain and the wider region, and this report marks an important step in aligning our values with the expectations of our customers, investors, regulators and other stakeholders.

In this report, we provide an in-depth overview of our efforts to embed Environmental, Social and Governance (ESG) considerations within our business strategy, governance, and operations. By sharing our achievements, ongoing initiatives, and future goals, we aim to demonstrate our commitment to driving positive change through responsible practices, long-term value creation and social impact.

The report broadly covers the three pillars of Environment, Social & Community Impact, and Governance. This Environment pillar focuses on our efforts to monitor and minimize our environmental footprint through sustainable practices. We are committed to responsible energy consumption, waste management, and ensuring that our business operations contribute to the protection and preservation of the environment. Our Social pillar of ESG reflects our responsibility towards our employees, clients, and communities. It showcases the initiatives that promote the

well-being of our workforce, as well as our efforts to enhance the well-being of the communities we serve. We believe in fostering a positive social impact by promoting financial inclusion, supporting employee welfare, and engaging with local communities to develop human capital and drive collective growth. The Governance pillar is critical for healthy management of any business. This section highlights our commitment to maintaining the highest standards of corporate governance, ethics, and compliance. This includes ensuring transparency in decision-making, maintaining strong internal controls, managing risks and upholding responsible management practices. Our governance framework is designed to promote accountability, fairness, and ethical behavior, helping build trust with our stakeholders and ensure the long-term success of our business.

This inaugural Sustainability Report is not just a reflection of our current efforts but also an expression of our vision for the future. It demonstrates our dedication to creating a resilient, inclusive, and sustainable business model while adhering to the highest standards of governance and compliance with local and international regulations, including those established by the Central Bank of Bahrain.

Throughout this report, we highlight the key initiatives and performance metrics we are using to measure our progress toward our ESG objectives. This document serves as a transparent account of our journey, and we are excited to share our continued commitment to ESG excellence with our stakeholders and the broader community.

The scope of this report covers the operations of The Benefit Company B.S.C.(c) in the Kingdom of Bahrain for the period from January 2024 to December 2024.

Our Approach to ESG

Commitment to responsible business

Fintech & ESG

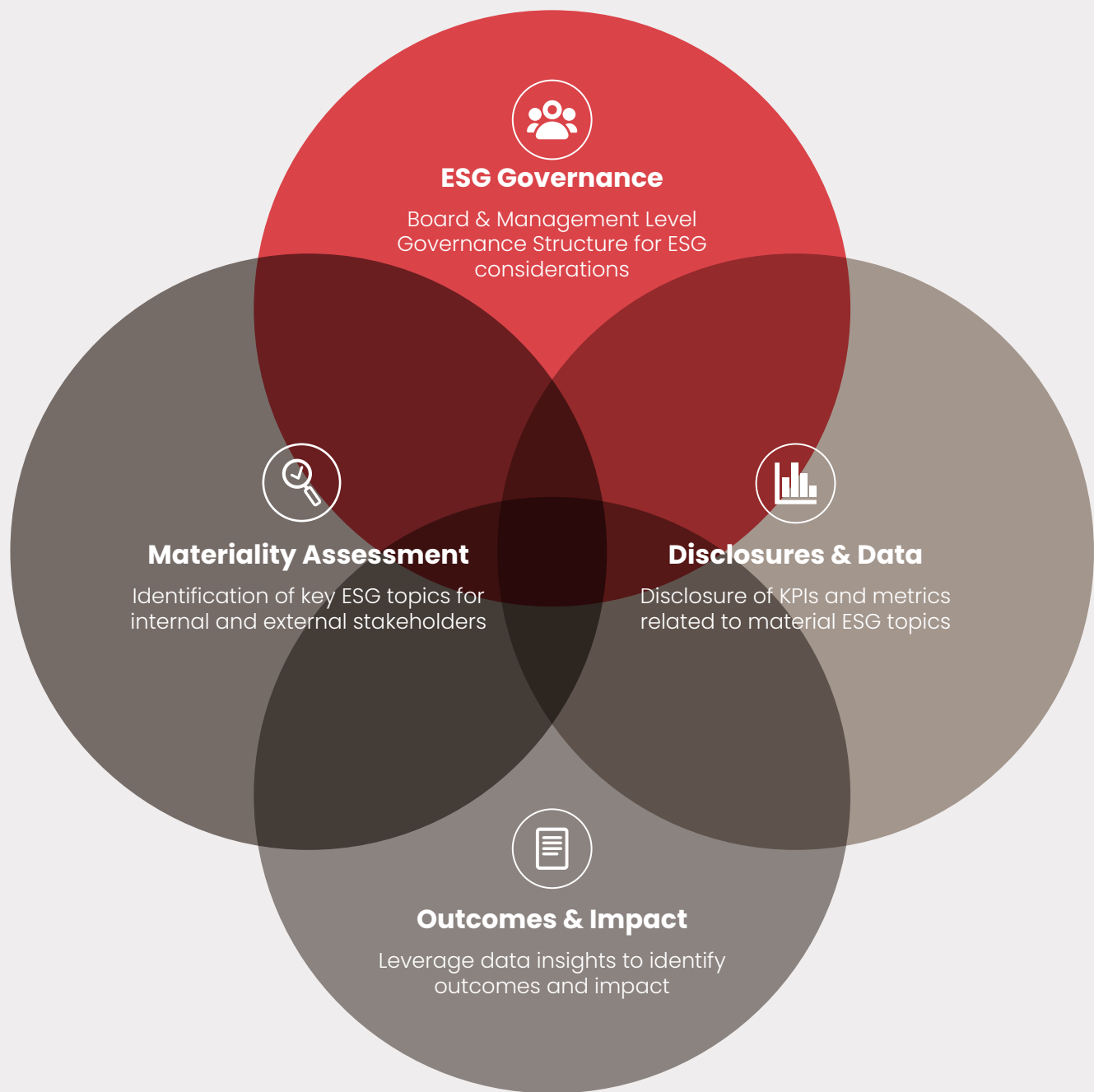
The rapid rise of Financial Technology (Fintech) is transforming the Financial Services sector, offering greater transparency, security, and efficiency while driving positive social and environmental impact. By leveraging digital tools such as artificial intelligence, blockchain, and IoT, Fintech companies are uniquely positioned to integrate ESG considerations into their business models, from improving financial inclusion to fostering digital and engineering skills in the marketplace. As regulatory bodies, investors, customers, and talent increasingly prioritize sustainability, Fintech businesses are beginning to align their operations and reporting requirements with leading global ESG standards. The integration of ESG is essential for maintaining long-term competitiveness and meeting the growing demand for responsible and impact-driven financial solutions.

Integrating ESG at Benefit

At Benefit, we focus on innovative digital solutions in the fintech and payments ecosystem, driving economic and social progress. Our vision as a company is to transform the way people manage their money, making daily financial transactions effortless and secure. Furthermore, by embedding ESG considerations into our operations, we aim to enhance our sustainability efforts to deliver a greater impact. As a leader in fintech space, Benefit's ESG strategy aligns with regional goals and global frameworks, including the United Nations Sustainable Development Goals (SDGs) and Bahrain's Economic Vision 2030, recognizing the country's role as a key financial and investment hub.

Specifically, Benefit's ESG framework is aligned with our organizational goals, prioritizing environmental responsibility, employee well-being, community impact, and ethical business practices. While we are in the early stages of integrating these principles, our focus is on building a strong foundation for our future ESG vision, in alignment with national sustainability ambitions. We have proactively instituted a robust ESG governance structure, established a comprehensive ESG policy and issued this report, ahead of any regulatory requirements, demonstrating our commitment to responsible business practices and sustainability.

As we embark on our ESG journey, we have developed a robust approach centered on four key pillars to ensure meaningful and measurable progress. ESG Governance lies at the heart of our strategy, with dedicated leadership and clear accountability to integrate the different ESG aspects into the decision-making processes across all levels of the organization. Our Materiality Assessment helps identify the most critical sustainability issues that matter to our stakeholders and align with our business priorities. We are committed to transparency through accurate Data and Disclosures, enabling stakeholders to track our progress. Ultimately, our efforts are driven by a focus on Outcomes and Impact, ensuring that our ESG initiatives deliver tangible benefits to our stakeholders, the environment, and the communities we serve.



ESG Governance & Materiality Assessment

1.0 ESG GOVERNANCE

ESG Governance Structure

A robust ESG governance structure is vital for guiding the organization's operations in a manner that promotes sustainable and ethical practices while ensuring the principles of transparency and accountability are upheld. It provides a structured framework to ensure decisions are made through informed consultations, aligning the company's strategic objectives with ESG priorities.

For our Board and Management, integrating ESG into our overall business strategy and risk management is critical in identifying emerging risks, capitalizing on opportunities, and future-proofing our operations. By embedding ESG considerations into decision-making processes, we aim to drive ESG-linked performance across all functions, setting measurable goals and targets that align with our business priorities and stakeholder expectations. Enhanced stakeholder engagement is another key element to this process, ensuring we remain responsive to evolving societal, regulatory, and market demands. Ultimately, this approach strengthens trust with our stakeholders by demonstrating our commitment to responsible, ethical business practices that deliver positive environmental and social impact alongside financial performance.

In the initial stages, Benefit has established a governance structure that is purpose-built to incorporate these principles into our organizational priorities and ensure that there is appropriate flexibility to adapt to any changes related to ESG considerations. Benefit's governance structure shall be led by an executive-level Committee, composed of senior executives and other key management personnel, with oversight provided by a Board-level Committee.

Board-Level Governance

At the Board level, the Nomination, Remuneration, and Governance Committee (NRGC) is responsible for the overall oversight and monitoring of the company's ESG policies, practices, and performance. The NRGC is also tasked with the approval of ESG-related Key Performance Indicators (KPIs) and the Company's annual sustainability report.

Management-Level Governance

At the management level, the ESG Committee, led by the Chief Human Resources Officer, reports to the Chief Executive (CE). This Committee ensures the implementation of ESG initiatives in alignment with the company's strategic goals and operational standards. This governance structure ensures a clear delegation of responsibilities, accountability, and a comprehensive approach to ESG implementation within Benefit's operations.

ESG Governance & Materiality Assessment (continued)



Disclosure Table E.1: Environmental Oversight

MATERIALITY ASSESSMENT

Materiality assessment is an effective process to understand which environmental, social, and governance (ESG) factors are most significant to a company's performance and stakeholder interests. The process Benefit has adopted to perform its materiality assessment has been summarized below into 4 distinct steps:

01

Identify
Create a long-list of potential material topics based on industry trends, peer-benchmark and relevant regional guidelines. Identify stakeholder groups (internal and external) to engage with.

02

Engage
Benefit developed materiality survey forms that sent out to key internal and external stakeholders soliciting their opinion on multiple sustainability-related issues.

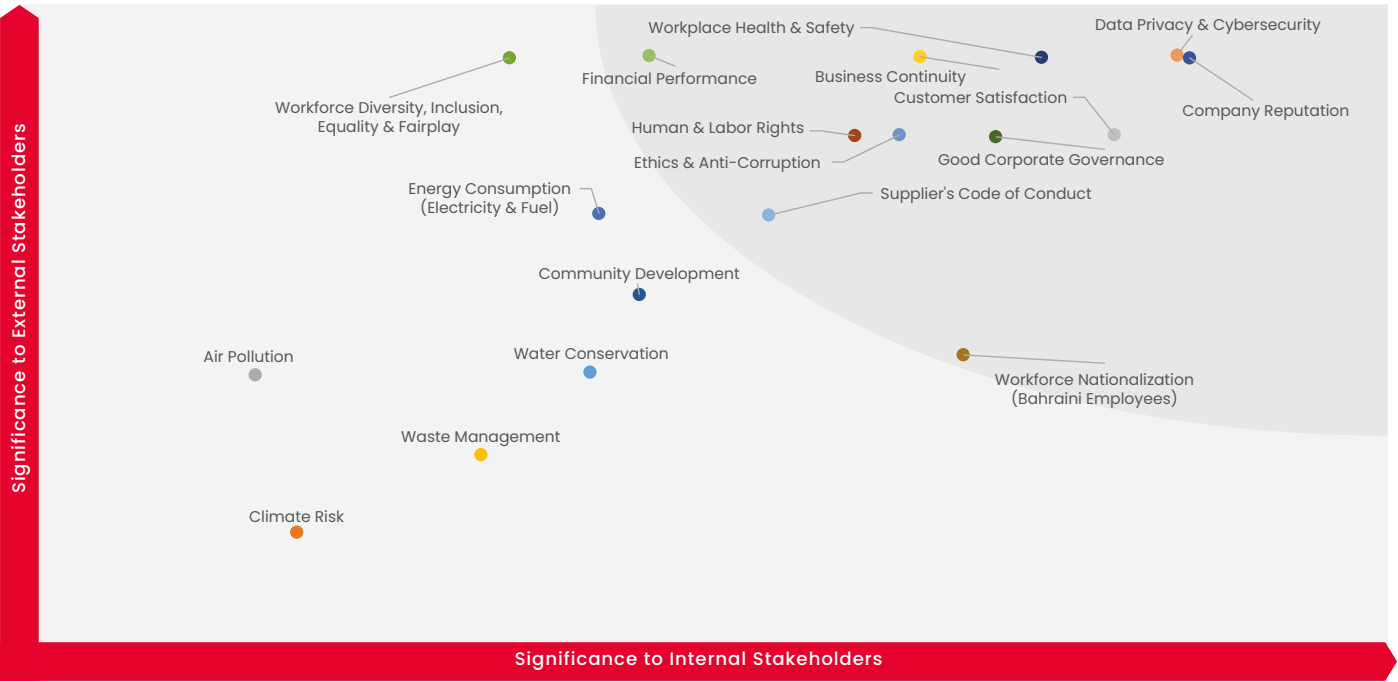
03

Collate
The results of the materiality assessment were consolidated and presented to the Board and Management for review and approval.

04

Finalize
The final list of material topics was then sense checked that was fed into a materiality assessment matrix. The topics were then be ranked and visualized to showcase the topics which are of most importance to the Company.

Based on the materiality assessment and the topic's relevance to Benefit's initiatives, material topics were selected based on interlinking priorities in the 2024 reporting cycle.



ESG Governance & Materiality Assessment (continued)

MATERIALITY ASSESSMENT (CONTINUED)

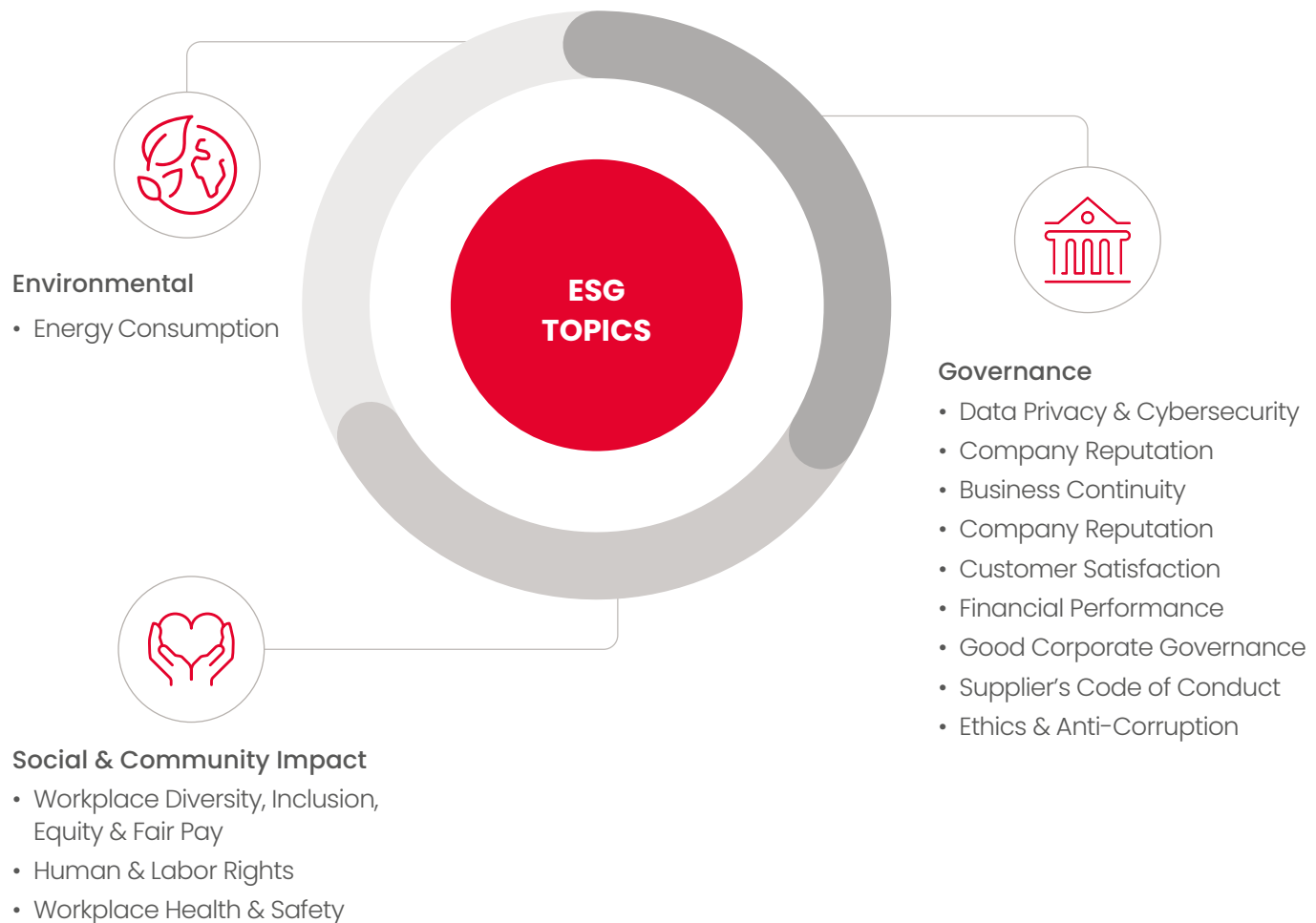
Identifying Material Topics

Materiality assessment is critical to identify and prioritize the most significant environmental, social, and governance (ESG) factors that impact our operations and stakeholders. By engaging with key stakeholders, including employees, customers, investors, and regulators, we assess which ESG issues are most relevant to our business and align them with our long-term strategic objectives. This process ensures that we focus our efforts on the areas that create the greatest value, manage potential risks, and drive meaningful impact, all while enhancing transparency and accountability. Our materiality assessment serves as the foundation for shaping our ESG strategy and reporting, ensuring that we address the most pressing issues effectively and responsibly.

The result of the materiality analysis were leveraged and topics that form part of the top right quadrant are deemed material.

As per the assessment, stakeholders (internal and external) placed a higher emphasis on governance related topics. There are thirteen topics that are considered material for Benefit. The subsequent sections cover each topic under the Environmental, Social and Governance pillar in further detail along with the relevant data and outcomes.

Material Topics



Environmental Impact -Detailed Disclosures

ENVIRONMENTAL IMPACT

Energy & Resource Consumption

The energy and resource consumption footprint of an organization is a critical element of its environmental impact, encompassing factors such as energy use, water consumption, and material waste. Responsible consumption of these resources not only contributes to preservation of crucial natural resources but also enhances an organization’s operational efficiency with long-term impact. Therefore, effective management and responsible consumption of key natural resources are essential for establishing sustainable practices and potentially minimizing any adverse impact on the environment..

Our Business Context	Fintech Sector Considerations	Supporting National Net-Zero Goals
<ul style="list-style-type: none">At the Benefit Company, we recognize that our environmental footprint, while smaller than traditional manufacturing or industrial sectors, still has a measurable impact. Our resource consumption footprint is primarily attributable to our routine business operations, involving energy use (electricity & fuel), water consumption, and waste generation.Our nergy use primarily occurs from electricity consumption for our digital infrastructure, including data centers, office equipment, and IT systems. In addition to electricity consumption, our routine operations also involve fuel consumption for routine business travel, and water consumption at out office premises/ facilities. We also have a limited waste footprint generated as part of our office operations.	<ul style="list-style-type: none">Fintech, as a sector that sits at the intersection of finance and technology, faces emerging environmental risks that are rooted in energy intensive data centers requiring electricity and e-waste management.With digital businesses relying heavily on such energy-intensive products, Benefit is committed on reducing its carbon footprint, optimizing its energy use, and ensuring that technological developments are aligned with broader sustainability goals.Similarly, the rapid pace of technological advancement has also led to an increase in electronic waste, creating urgent requirements to establish sustainable recycling and disposal practices.	<ul style="list-style-type: none">The Kingdom of Bahrain has committed to a net-zero emissions target by 2060 with an interim target of thirty percent emission reduction by 2035. Monitoring energy consumption and progressively adopting initiatives for energy consumption reduction, is an imperative for all the organizations to support the national targets.In addition to the Bahrain net-zero target, the Bahrain Economic Vision 2030 also envisages economic growth integrated with the principles of environmental preservation and sustainability. Responsible resource consumption is also critical to advance the UN Sustainable Development Goals related to Affordable & Clean Energy (UN SDG 7) and Sustainable Cities & Communities (UN SDG 11).

Key Action Areas

- Benefit is committed to measuring and monitoring its energy and resource footprint, by ensuring periodic disclosure of key metrics related to consumption of electricity, fuel, water, and other resources as part of our routine business operations, along with the associated GHG emissions – particularly Scope 1 and Scope 2, wherever applicable.
- Periodic disclosures serve as a critical base for data-driven decision-making, whereby these disclosures drive a more informed approach to identifying opportunities for energy reduction and resource optimization. In the long term, this commitment to transparent reporting shall also facilitate the development of targeted strategies and initiatives aimed at reducing our environmental impact.
- Our ESG policy has also been established with a view to ensure regular reporting of sustainability metrics and evaluation of appropriate energy reduction initiatives within the organization to drive responsible consumption of critical resources.

Environmental Impact –Detailed Disclosures (continued)

ENVIRONMENTAL IMPACT (CONTINUED)

Energy & Resource Consumption – Data & Outcomes (1/3)

Energy Consumption

Electricity and fuel are the primary contributors to our carbon footprint. Our current electricity usage is mainly driven by daily office operations and is supplied by the Electricity & Water Authority (EWA). Likewise, fuel consumption is primarily attributed to our vehicle fleet, which supports business travel. At present, petrol is the main fuel used by our fleet. Currently, we do not consume any direct energy attributable to renewable sources.

Energy Consumption	2022	2023	2024
Electricity(kWh)	1,198,000	1,216,000	1,278,000
Fuel (Petrol in Liters)	6,200	6,550	7,100

Disclosure E.2: Energy Consumption

Energy Intensity

Energy Intensity reflects our energy consumption relative to the scale of our operations. Electricity Intensity is measured in terms of total electricity consumption (Disclosure Table E.2.) per unit of revenue (in BHD '000). Similarly, fuel intensity is measured in terms of total fuel consumption (Disclosure Table E.2) per unit of revenue (BHD '000).

During the last three years, our energy intensity has been consistently decreasing on a year-on-year basis. This is indicative of responsible energy consumption, even with an increasing scale of our business operations.

Energy Intensity (Absolute)	2022	2023	2024
Electricity Intensity	86.80	82.47	74.99
Fuel Intensity	0.4492	0.4442	0.4166

Energy Intensity (GJ)	2022	2023	2024
Energy – Electricity (GJ)	4312.80	4377.60	4600.80
Energy – Fuel (GJ)	235.85	249.16	270.08
Total Energy (GJ)	4548.65	4626.76	4870.88
Energy Intensity	0.33	0.31	0.29

Disclosure E.3: Energy Intensity

Energy Mix

Electricity, consumed as part of our total energy consumption is fully sourced from Electricity & Water Authority (EWA). There are no sources of renewable energy as part of our energy consumption.

Energy Mix	2022	2023	2024
Electricity	95%	95%	94%
Fuel	5%	5%	6%

Disclosure E.4: Energy Mix

CBB ESG Reporting Guidelines

- E.2. Energy Consumption
- E.3. Energy Intensity
- E.4. Energy Mix

UN SDGs



ENVIRONMENTAL IMPACT (CONTINUED)

Energy & Resource Consumption – Data & Outcomes (2/3)

Greenhouse Gas Emissions

As part of our operations, fuel consumption of our vehicular fleet for local travel contributes to greenhouse gas (GHG) emissions. Additionally, the electricity we use, which is sourced from gas-powered plants, is a direct source of GHG emissions linked to our activities. Accordingly, we report data for Scope 1 and Scope 2 emissions.

Currently, we have calculated Scope 3 emissions specifically for business travel only, which includes emissions from air travel associated with employee activities for work-related purposes. We acknowledge that Scope 3 emissions can arise from various other sources, such as the supply chain and product use, but for the time being, our reporting is limited to the business travel category. This targeted approach allows us to begin addressing our broader environmental footprint and provides us with a foundation for expanding our Scope 3 emissions calculations in the future as we work to improve our emission reporting practices.

GHG emissions are calculated by multiplying absolute consumption by appropriate emissions factors. The calculation of GHG emissions are in line with the GHG Protocol and the emission factors are sourced from IEA (2024) Factors.

GHG Emissions*	2022	2023	2024
Scope 1 Emissions (mtCO2-eq)	14.9	15.8	17.1
Scope 2 Emissions (mtCO2-eq)	836.9	849.5	892.8
Scope 2 Emissions (mtCO2-eq)	N/A	N/A	4.5
Total Emissions (mtCO2-eq)	851.8	865.3	914.4**

Disclosure Table E.5: GHG Emissions

*GHG emissions, reported in CO2 equivalent terms, include the following Greenhouse Gases – Carbon-dioxide (CO2), Methane (CH4) and Nitrous Oxide (N2O).

**Total Emissions for 2024 include Scope 3 emissions (Corresponding number excluding Scope 3 is 909.91 mtCO2-eq.)

Emission Intensity

Emissions Intensity is calculated using our total emissions relative to the size of our workforce. Emissions intensity enables standardization and comparability of GHG emissions across peers and other comparators.

During the last three reporting periods, the emission intensity has shown a downward trend, with year-on-year decrease on a per FTE basis.

GHG Emissions Intensity	2022	2023	2024
Total Emissions (mtCO2-eq)	851.82	865.3	914.4
Total FTEs	124	140	155
Emissions Intensity	6.9	6.2	5.9

Disclosure Table E.6: Emission Intensity

CBB ESG Reporting Guidelines

- E.5. GHG Emissions
- E.6. Emissions Intensity

UN SDGs



Environmental Impact –Detailed Disclosures (continued)

ENVIRONMENTAL IMPACT (CONTINUED)

Energy & Resource Consumption – Data & Outcomes (3/3)

Climate Risk Mitigation

Currently, the climate risk mitigation strategies at Benefit are a part of the wider ESG considerations. These ESG considerations currently fall under the scope of the ESG Committee. In the previous reporting period (FY 2024), Benefit has not identified, assessed, or managed any climate-related risks (including physical and transition risks). During the reporting period, nil amount was spent/ invested on climate issues.

Disclosure Table E.7: Climate Risk Mitigation

CBB ESG Reporting Guidelines

- E.7. Climate Risk Mitigation

UN SDGs



Water Usage

Water consumed as part of regular operations at our office facilities is supplied by the Electricity and Water Authority (EWA).

We do not have any water recycling provisions. Consequently, our water consumption equals water withdrawal.

Water Usage (cubic meters)	2022	2023	2024
Water Consumed	2,050	2,400	2,160
Water Withdrawal	2,050	2,400	2,160
Water Recycled	0	0	0

Disclosure Table E.8: Water Usage

CBB ESG Reporting Guidelines

- E.8. Water Usage

UN SDGs



Waste Generation

During our regular operations, waste is generated from the office facilities/ premises of the organization. Currently, waste is disposed off daily to waste collection agencies operational in our local area. We do not track the amount of waste generated

* Note: While we do not track the waste generated as part of our routine operations, we do track the amount of paper waste which is shredded through third-party service providers. In 2024, we shredded a total of 2,060 kgs of paper waste..

Energy Mix	2022	2023	2024
Total Waste Generated (kgs)	N/A	N/A	*2,060
Total Hazardous Waste Generated (kgs)	N/A	N/A	N/A

Disclosure Table E.9: Waste Generation

CBB ESG Reporting Guidelines

- E.9. Waste Generation

UN SDGs



Social & Community Impact – Detailed Disclosures

SOCIAL & COMMUNITY IMPACT

Our People

Our people, with their diverse talents and expertise, are the force behind our continued growth and success. An inclusive and empowering environment where all individuals can succeed and contribute to the Benefit’s shared goals is therefore critical to our success. Investing in our staff through continuous learning and development initiatives enhances our knowledge capital and ensures that we are equipped to respond to emerging challenges and opportunities in a fast-evolving tech landscape. Our commitment to nurturing human capital aligns with our broader commitment to human rights and ethical labor practices, which we uphold in our interactions with both, our staff and the communities we serve.

Employee Well-Being	Learning and Development	Human Rights and Ethical Labor Practices
<ul style="list-style-type: none">• At The Benefit Company, we recognize the importance of nurturing talent and providing them with an environment that recognizes excellence and an opportunity for professional advancement. Our Human Resources Policy is aligned with the Bahrain Labour Law and provides comprehensive guidance in relation to an employee’s overall career journey with Benefit. The policy mandates fair and transparent recruitment and onboarding practices, provides guidance for performance management system, and establishes a training and development process for all the employees.• The policy also includes an employee code of conduct, details about standard working hours, leave policies (sick leaves, maternity/ paternity leaves, and pilgrimage leaves), health and safety provisions, grievance redressal mechanisms, indemnity/ retinals, and performance recognition rewards, thereby providing a holistic framework for managing our human capital.	<ul style="list-style-type: none">• Learning and Development is a key lever to ensure an engaged workforce. Beyond strengthening Benefit’s organizational knowledge capacity, L&D programs also ensure a more fulfilling experience for our employees by providing them avenues for career advancement and professional growth.• Our Human Resources Policy includes creation of dedicated support to identify training and development solutions for our employees. We also facilitate external trainings relevant to an employee’s current roles and responsibilities. In addition to training, we also focus on coaching and mentoring, job shadowing, and on the job training to ensure a full range of development activities for our employees.• Our comprehensive training offerings include specific topics such as Anti-Money Laundering (AML), KYC, Whistleblowing in addition to thematic topics such as digital transformation, agile audits, data science, and interpersonal competencies for professional development.	<ul style="list-style-type: none">• As a leading fintech company in Bahrain, our success is driven by innovation and technological progress. We recognize our responsibility to ensure that these advancements are rooted in ethical labor practices and respect for human rights. To this end, Benefit is committed to upholding human rights principles, promoting anti-discrimination policies and practices, and ensuring that our operations do not, directly or indirectly, support employment practices linked to child labor or forced labor.• At Benefit, we remain in full compliance with the provisions of the Bahrain Labor Law for the Private Sector (Law No. 36 of 2012 – “The Labor Law”), and other applicable rules and regulations of the Central Bank of Bahrain. Our commitment to human rights and ethical labor practices is demonstrated by our strong track record of compliance.

Key Action Areas

- Benefit remains focused on the overall well-being and professional advancement of its employees, guided by a comprehensive clear set of policies for Human Resources Management, Recruitment & Selection, Employment Contracts & Conditions, Induction & On-boarding, and Probation & Confirmation. Benefit is committed to review and update its Human Resources Policy to ensure that it remains responsive to the needs of its employees and serves as a positive framework for managing the organization’s human capital.
- Benefit also remains committed to principles of diversity, equity and non-discrimination by ensuring that we regularly monitor and report the composition of our workforce (by gender, age, and seniority), leverage insights from the workforce composition data, and socialize these findings to our wider stakeholders through periodic disclosures.
- Benefit is also committed to ensuring effective and targeted training and development programs that strengthen learning outcomes and drive professional advancement of our workforce.

Social & Community Impact – Detailed Disclosures (continued)

SOCIAL & COMMUNITY IMPACT (CONTINUED)

Our People – Data & Outcomes (1/6)

Total Workforce Composition

Workforce composition provides a comprehensive understanding of the diverse backgrounds that shape our human capital. Our workforce composition disclosures include details about our employees by gender, age and employment-type.

Our workforce is characterized by a healthy gender representation with significant representation of female employees. Our workforce is also driven by the youth and early career professionals as demonstrated through a substantial proportion of workforce in the under fifty age category.

Numbers in the parenthesis represent the data as a percentage of the total.

Workforce Composition	2022	2023	2024
Total Employees	124 (100%)	140 (100%)	155 (100%)
By Gender			
Male	83 (67%)	98 (70%)	102 (66%)
Female	41 (33%)	42 (30%)	53 (34%)
By Age			
Under 30 years	44 (35%)	56 (40%)	75 (48%)
30 – 50 years	70 (56%)	74 (53%)	70 (45%)
Over 50 years	10 (8%)	10 (7%)	10 (6%)
By Employment Type			
Full-Time Employee	122 (98%)	139 (99%)	154 (99%)
Part-Time Employee	0 (0%)	0 (0%)	0 (0%)
Interns	2 (2%)	1 (1%)	1 (1%)

Disclosure S.1: Total Workforce Composition

Child & Forced Labour

Benefit is committed to preventing any child or forced labor practices, directly or indirectly, as part of its routine operations. While we do not have a standalone policy dealing with Anti-Child & Forced Labor practices, the Human Resources Policy explicitly mentions our adherence to the Bahrain Labor Law, thereby demonstrating our commitment and compliance with anti-child labor and forced labor regulations in the Kingdom of Bahrain. The policy is reviewed by the Nomination, Remuneration and Governance Committee, on a regular basis, ensuring adequate Board-level oversight. The Human Resources department, at the management level, is responsible for implementing this policy.

Disclosure S.2: Child & Forced Labour

CBB ESG Reporting Guidelines

- S.1. Total Workforce Composition (By Gender, Age-Group, and Employment Type)

UN SDGs



CBB ESG Reporting Guidelines

- S.2. Child & Forced Labor

UN SDGs



Social & Community Impact – Detailed Disclosures (continued)

SOCIAL & COMMUNITY IMPACT (CONTINUED)

Our People – Data & Outcomes (2/6)

Employee Turnover

Employee Turnover includes voluntary and involuntary separation of full-time employees from Benefit. The turnover data is reported with further breakdown by gender and age-group.

Numbers in parenthesis for total turnover represent the data as a percentage of the total workforce. Numbers in the parenthesis for total turnover by gender and age represent the data as a percentage of total turnover.

Employee Turnover	2022	2023	2024
Total Turnover	17 (14%)	9 (6%)	8 (5%)
By Gender			
Male	13 (76%)	8 (89%)	7 (88%)
Female	4 (24%)	1 (11%)	1 (13%)
By Age			
Under 30 years	15 (88%)	7 (78%)	5 (63%)
30 – 50 years	2 (12%)	2 (22%)	3 (38%)
Over 50 years	0 (0%)	0 (0%)	0 (0%)

Disclosure S.3: Employee Turnover Ratio

Health & Safety

Occupational Health & Safety is critical for ensuring the overall well-being of our workforce. Our organization is not engaged in labor-intensive, mechanical, or process-heavy operations, and therefore, we do not face significant associated risks. Our health and safety considerations are primarily focused on maintaining a safe and comfortable working environment within our office building/ premises, ensuring the well-being of our employees and visitors. This includes attention to building safety, fire prevention, ergonomics, and general office-related safety protocols. Regular fire safety trainings are also conducted by engaging with third-party training providers.

We comply with the General Directorate of Civil Defense at the Ministry of Interior and their guidelines related to safety conditions for building, fire safety, and other occupational safety considerations.

Health & Safety	2022	2023	2024
Number of injuries and fatalities	0	0	0
Lost days due to work injury	0	0	0

Disclosure S.5: Health & Safety

CBB ESG Reporting Guidelines

- S.3. Employee Turnover

UN SDGs



CBB ESG Reporting Guidelines

- S.5. Health & Safety

UN SDGs



Social & Community Impact – Detailed Disclosures (continued)

SOCIAL & COMMUNITY IMPACT (CONTINUED)

Our People – Data & Outcomes (3/6)

Non-Discrimination

Non-discrimination refers to prohibition of workplace discrimination on the grounds of age, gender, ethnicity, or any other protected characteristics. Similarly, anti-harassment policies include prevention and redressal mechanisms for harassment incidents at workplace. While we do not have an explicit policy dealing with Non-Discrimination/ Harassment, the Code of Conduct states a zero-tolerance policy for harassment of any employee by another employee on grounds of gender, race, ethnicity, or religion. The Human Resources Policy aligns with the Bahrain Labor Law, thereby ensuring alignment with the applicable legal regulations related to non-discrimination. The Human Resources policy also includes provisions related to non-discriminatory selection and hiring practices at Benefit. The policy also enables grievances redressal which enables employees to raise any potential concerns. The redressal mechanism for these grievances includes three stages, each representing a successively senior authority of resolution.

The Human Resources Policy is reviewed by the Nomination, Remuneration and the Governance Committee on a regular basis, ensuring board level oversight. The Human Resources department is the management level function that handles matters related to non-discrimination under the Human Resources Policy.

We comply with all provisions of the Bahrain Labor Law, which is the applicable framework in relation to Non-discrimination and Anti-harassment policies. During the reporting period (i.e., FY 2024), no instances related to workplace discrimination or harassment were reported.

Disclosure S.6: Non-Discrimination

Nationalization

Nationalization refers to the number of Bahraini nationals as a proportion of the total workforce. Nationalization reflects our commitment to supporting local talent and nurturing Bahraini youth, particularly in their early years of professional development.

We remain committed to the Bahrainization initiative at the national level and comply with all the relevant regulations (i.e. Bahrainization target rate by economic activity and size of economic unit) from the Labor Market Regulatory Authority (LMRA).

Health & Safety	2022	2023	2024
Number of Bahraini nationals	115	131	145
Proportion of Bahraini nationals in the total workforce	93%	94%	94%

Disclosure S.7: Nationalization

CBB ESG Reporting Guidelines

- S.6. Non-Discrimination

UN SDGs



CBB ESG Reporting Guidelines

- S.7. Nationalization

UN SDGs



Social & Community Impact – Detailed Disclosures (continued)

SOCIAL & COMMUNITY IMPACT (CONTINUED)

Our People – Data & Outcomes (4/6)

Human Rights

Given the nature of our operations, which are not labor-intensive or prone to high-risk processes, we are not exposed to risks typically associated with human rights violations. We prioritize ethical practices and compliance with all relevant laws and standards to ensure a fair and respectful working environment. While we do not have a standalone policy addressing Human Rights considerations, our Human Resource policy and procedures are fully aligned with the Bahrain Labor Law and other regulations from the Central Bank of Bahrain. Our Human Resources Policy also includes provision related to non-discriminatory practices and includes grievance redressal mechanisms for employees to report any human rights violations. Currently, the scope of policies and procedures related to Human Rights considerations does not cover our suppliers and vendors.

Our policies are reviewed and revised on a regular basis by the Nomination, Remuneration & Governance Committee, ensuring Board-level oversight. The Human Resources department is the management level function that handles matters related to non-discrimination under the Human Resources Policy.

Disclosure S.9: Human Rights

CBB ESG Reporting Guidelines

- S.9. Human Rights

UN SDGs



Management Composition/ Diversity

Management composition and diversity refers to distribution of Benefit’s workforce by seniority and gender.

This breakdown reflects our ongoing efforts to create a balanced and supportive work environment for all employees, regardless of gender. We continue to prioritize gender diversity at every career stage, with a focus on creating opportunities for growth and advancement for early career professionals.

Management Composition/ Diversity	2024
Total Employees	155
Entry Level	
Male	75
Female	35
Mid Level	
Male	18
Female	11
Senior Level	
Male	12
Female	4

Disclosure S.10: Management Composition/ Diversity

CBB ESG Reporting Guidelines

- S.10. Management Composition/ Diversity

UN SDGs



Social & Community Impact – Detailed Disclosures (continued)

SOCIAL & COMMUNITY IMPACT (CONTINUED)

Our People – Data & Outcomes (5/6)

Development & Training

Benefit’s current learning and development modules include trainings related to key compliance policies and procedures such as Anti-Money Laundering, Know Your Customer & Customer Due Diligence, Gifts & Entertainment, Ethics and Whistleblowing..

Health & Safety	2024
Male	14.5
Female	13
Total	27.5

Disclosure S.11: Development & Training

In addition to standard learning modules, Benefit also facilitates trainings from external skill development and learning providers. In 2024, topical trainings related to digital transformation, fintech, data science, analytics, personal data privacy, robotic process automation, and blockchain were conducted for our employees. Trainings related to interpersonal skills and professional development such as effective employee management, building high performance teams, emotional intelligence, and managing stakeholder relationships were also part of the training cycle. Below are some of the major thematic focus areas for our training programs:

Data Privacy	Strategy & Leadership Skills	Finance & Taxation
Software Development	Communication & Interpersonal Skills	Fintech

CBB ESG Reporting Guidelines

- S.11. Development & Training

UN SDGs



Social & Community Impact – Detailed Disclosures (continued)

SOCIAL & COMMUNITY IMPACT (CONTINUED)

Our Community

At Benefit, we recognize that our success is driven not only by financial performance but also by the positive impact we make on society. As a leading player in the fintech sector, we are deeply committed to fostering sustainable and inclusive growth within the communities we serve. Our corporate responsibility extends beyond our products and services, aiming to create meaningful change in the lives of individuals and organizations. Central to this commitment is our focus on two key pillars: Corporate Social Responsibility (CSR) initiatives and our Industry Outreach and Awareness initiatives. Through these initiatives, we strive to build stronger, more resilient community while advancing the values of innovation, inclusion, and empowerment that are core to the business operations.

Corporate Social Responsibility

At Benefit, we believe that the success of our business extends beyond financial performance to making a tangible difference in the communities we serve. As part of our CSR efforts, we focus on delivering social impacts that align with our values and community needs.

- Primarily, we achieve this through corporate donations, sponsorships, and charity reserves, strategically supporting initiatives that promote education, gender equality, and the women empowerment. We also focus on improving healthcare, supporting the elderly, and fostering youth development through sports and educational programs. By contributing to national events and charitable societies, we enhance community engagement and support the national priorities linked to the Kingdom of Bahrain's commitment to United Nations Sustainable Development Goals (SDGs).

Outreach and Awareness

At Benefit, we care about advancing the fintech ecosystem in Bahrain and beyond through strategic outreach and awareness initiatives. We recognize the transformative potential of fintech in driving economic growth and social progress, and our outreach programs are designed to inform, inspire, and engage key stakeholders across various sectors.

- Our awareness and outreach programs focus on raising general awareness related to financial topics. We work closely with community groups that involve the youth and women to enhance their economic participation in the marketplace. We also engage with university students through targeted programs aimed at enhancing their technological skills and capabilities.
- We play an active role in industry forums and discussions, bringing together thought leaders, policymakers, and innovators to foster collaboration and address emerging challenges and opportunities in the fintech space. These events provide a platform that encourage collaboration and tap into innovation that can significantly contribute to the overall growth and development of the fintech sector in Bahrain.

Key Action Areas

- At Benefit, our community engagement initiatives are focused on key priorities areas such as education, community support, cultural initiatives, and youth engagement programs. We actively support strategic partnerships with educational initiatives, universities, professional groups and industrial associations. We also actively engage with charitable societies and support them through donations and monetary considerations.
- Our community engagement includes supporting organizations involved in education and development of the youth, through academy sponsorships and collaborations. We also support organizations focused on women's empowerment and upliftment through sponsorships and support programs. Benefit has also supported cultural organizations as part of its corporate social responsibility donations.

Social & Community Impact – Detailed Disclosures (continued)

SOCIAL & COMMUNITY IMPACT (CONTINUED)

Community Investments

Community Investments refer to programs, awareness events, and donations as part of our corporate social responsibility.

During the reporting period, we engaged with a diverse mix of stakeholders to drive our CSR initiatives. This included strategic partnerships with Bahrain Fintech Bay, and academy sponsorship programs with INJAZ. We also collaborated with the University of Bahrain under the Benefit Lab. We also engaged with public institutions including the Ministry of Justice and Islamic Affairs, Supreme Council of Women, and General Directorate of Traffic. As part of our collaboration with professional bodies, we supported initiatives at the Bahrain Investment Professionals Society, Bahrain Association of Banks, and Bahrain Society of Engineers.

In 2024, our monetary contributions towards social programs, donations and charities stood at BHD 89,254, accounting for 0.01% of our total revenues.

Community Investments	2024
Amount Invested (BHD)	89,254.8

Disclosure S.8: Community Investments

CBB ESG Reporting Guidelines

- S.8. Community Investments

UN SDGs



Social Initiatives	
Blood Donation Camp	Benefit, in partnership with the Bahrain Defence Force (BDF) Hospital, held a blood donation camp at its headquarters. Coinciding with the global men's health awareness month (November), the campaign focused on the importance of proactive health initiatives and community engagement, contributing to blood supply and helping patients in urgent need by aiding the healthcare resources available to the wider community.
Supporting Royal Humanitarian Foundation (RFH)	Benefit participated in Diabetes Day Race 2024, organized by the Royal Humanitarian Foundation (RFH) and Foulath Holding. The race was held with the objective to raise funds for essential insulin pumps to children with Type 1 diabetes, given the significant burden of diabetes in the MENA region. The initiative is aligned with Benefit's commitment to social initiatives related to health and well-being of the youth.
Fintech Internship Program (Masar)	Benefit conducted the third edition of its flagship Fintech internship Program 'Masar'. The program is focused on empowering Bahraini youth by providing them with hands-on experience and skill development in the Fintech sector. 30 trainees were engaged in numerous aspects of financial sector, innovation thinking, and problem-solving approaches. The trainees were particularly made aware of Bahrain's growing digital footprint.
Supporting Architecture, Art & Design	Benefit, along with the University of Bahrain supported the Art Piece Competition – a unique initiative aimed at fostering creativity and innovation among Bahraini students pursuing degrees in Art & Architecture. The purpose of the initiative was to provide the students with an opportunity to explore the convergence between art and technology. The initiative is a part of BENEFIT Fintech Award, instituted to support local talent and encourage innovation.

Social & Community Impact – Detailed Disclosures (continued)

SOCIAL & COMMUNITY IMPACT (CONTINUED)

Social Initiatives (continued)	
Fintech Drivers Program	Benefit launched its six-month Fintech Drivers Program for Bahraini youth with ambition to professionally advance in the fintech sector. The initiative, along with Reboot Coding Institute (Reboot01) and General Assembly, demonstrates Benefit's commitment towards nurturing talent and innovation. The program aims to create a steady pipeline of talent with advanced skills related to digital transformation and other advances in the fintech sector.
Innovate for Bahrain	In 2023, Benefit in collaboration with Supreme Council for Women and Tamkeen Labor Fund, announced its Innovate for Bahrain (I4B) center to be operated by Bahrain FinTech Bay (BFB) at the Riyadat Centre in A'ali. I4B is a skills development center to equip Bahrainis to excel in technical roles in leading technological companies. The center also conducts its ideation programs (Acceleration) to nurture and develop new tech ideas.
Credits Report Awareness Campaign	Benefit launched a nationwide awareness campaign through Bahrain Credit Reference Bureau (BCRB) as part of its annual commitment to elevating financial literacy among Bahraini citizens and residents. The initiative aims to provide essential insights into credit information and credit reports, to drive a culture of responsible financial decision-making. The campaign focuses on raising awareness about credit history and scores, and practical advice on managing debt and financial obligations.
Fraud Resilience & Awareness	Benefit supported Network International, in hosting Fraud Resilience Forum to raise awareness about managing fraud and financial crime efficiently through enterprise fraud prevention. The event was aligned with Benefit's vision to enhance Bahrain's position as a regional finance hub and align with the strategic objectives of the Bahrain Economic Vision 2030. The forum facilitated discussion on fraud resilience and security, fraud trends, and the role of technology in real time fraud prevention.
Industry Outreach & Collaboration	
Collaboration with UAE Etihad's Credit Bureau	Benefit hosted a delegation from UAE's Etihad Credit Bureau as part of its industry collaboration efforts to exchange expertise, explore strategic opportunities and reinforce collaboration among the participants of the regional fintech sector. The collaboration also included signing of an understanding to establish a framework for exchange of credit bureau information, marking an important milestone in strengthening GCC's financial ecosystem.
Supporting Sustainability Forum Middle East	Benefit announced its support for the Sustainability Forum Middle East as a Forum Partner, in line with Benefit's commitment to supporting sustainability innovation, and pioneering efficient, eco-friendly solutions across financial transactions. The forum to be conducted in 2025 is expected to cover a range of themes central to net-zero targets, decarbonization financing, innovation strategies, and climate/ energy resilience.
International Fintech Collaboration	Benefit joined a host of global fintech leaders at the Singapore Fintech Festival (SFF), which served as a platform for the global fintech community, bringing together central bankers, regulators, industry leaders, investors and innovators. The event highlighted the impact of transformative technologies such as Artificial Intelligence (AI), and quantum computing in revolutionizing financial services sector. The event also showcased Bahrain's capability and potential for future fintech innovations.
International Monetary Fund Consultation	Benefit hosted a pivotal meeting with the International Monetary Fund (IMF) Article IV Consultation Mission to discuss Bahrain's digital payments landscape. The consultations provided recommendations on a broad range of economic challenges including fiscal, monetary and exchange rate policies. The discussion also focused on Benefit's role in advancing the digital payments infrastructure in Bahrain.

Governance & Management – Detailed Disclosures

GOVERNANCE & MANAGEMENT

Corporate Governance & Ethical Business Conduct

A strong management framework is essential to ensure effective corporate governance, particularly in addressing ESG-related matters. At Benefit, our robust management practices enable us to identify and address risks and opportunities, maintain compliance with regulations and standards, and promote greater transparency and accountability. This involves engaging key stakeholders, ensuring that decision-making processes are clear and well-documented, and implementing adequate internal controls and risk management frameworks.

By embedding these practices into our governance structures, we aim to not only reduce ESG-related risks but also unlock opportunities to drive long-term value creation and generate positive impacts for stakeholders. Our commitment to good corporate governance is deeply rooted in our values and aligned with Bahrain's national priorities, including the principles of fairness, sustainability, and competitiveness outlined in Bahrain Vision 2030.

Our Regulators

We are fully committed to adhering to all relevant regulations and standards that govern our industry. We ensure that we operate within the prescribed legal and ethical boundaries by the regulatory entities. We are subject to oversight of the following regulatory bodies:

- Central Bank of Bahrain (CBB):**
Benefit is licensed by the Central Bank of Bahrain under the 'Ancillary Service Providers' category, providing strong guidance for our operational considerations and regulatory oversight for the wider banking and financial services sector. Benefit remains compliant with the regulatory requirements of the CBB including approval of Board appointments, approval of external auditors and their remuneration, dividends and charity reserve appropriations, and other compliance/ disclosure requirements.
- Ministry of Industry & Commerce (MOIC):**
Benefit is registered with the Ministry of Industry & Commerce under a Commercial Registration. The MOIC is also relevant for other considerations within Benefit such as Board remuneration, and disclosures in the Corporate Governance Report. Benefit remains compliant with the applicable requirements of the Bahrain Commercial Companies Law and other disclosure requirements.

Industry Outreach & Collaboration

At Benefit, we believe that the foundation of sustainable growth and long-term success lies in operating with integrity, transparency, and accountability. To guide our actions, we adhere to a set of key pillars that ensure our operations are conducted responsibly and ethically, both internally and externally. These pillars serve as the cornerstone of our corporate culture and are integral to fostering trust with our stakeholders.

Board Composition & Structure	Benefit's Board composition and structure is established to effectively guide the strategic direction of the organization and ensure robust oversight over management activities. The Board and the Board-level committees are responsible for effective risk management framework, regulatory compliance, and adequate internal controls.
Policies, Procedures and Controls	Benefit's policies, procedures and internal controls provide an operational framework to ensure that principles of transparency, integrity, and ethical conduct are embedded in our routine operations. The comprehensive set of policies, constituting a robust framework for risk management and mitigation includes Code of Conduct, Whistleblower Policy, Conflicts of Interest, Related Party Transactions, Internal Audit, and Remuneration Policy.
Risk Management	Benefit's risk management practices are a critical component of its operational resilience. These policies and procedures provide an effective strategy to respond to major risks including credit and liquidity risk, market risk, and operational risks. Risk management principles are also included in the responsibilities of the Board, senior management and other stakeholders within Benefit.

GOVERNANCE & MANAGEMENT (CONTINUED)

Corporate Governance & Ethical Business Conduct – Data & Outcomes (1/3)

Board Composition

Benefit’s current learning and development modules include trainings related to key compliance policies and procedures such as Anti-Money Laundering, Know Your Customer & Customer Due Diligence, Gifts & Entertainment, Ethics and Whistleblowing.

Board Composition	2024
Total Members	11*
Female Members	3
Executive	5
Non-Executive	1
Independent	4**
Appointed	4*
Elected	3

*Including 1 CBB Observer **Including Board Chairman

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Disclosure G.1: Board Composition

CBB ESG Reporting Guidelines

- G.1. Board Composition

UN SDGs



GOVERNANCE & MANAGEMENT (CONTINUED)

Corporate Governance & Ethical Business Conduct – Data & Outcomes (2/3)

Collective Bargaining

At Benefit, the terms of employment including compensation, benefits, working hours, leave policies are covered under the Human Resources Policy. Employees have full visibility to their terms of employment before entering an employment contract with Benefit. Additionally, the Human Resources Policy includes grievances redressal mechanism available for all the employees to address concerns related to their terms of contract. As a registered entity within the Kingdom of Bahrain, our Human Resources policy and procedures are full aligned with the Bahrain Labor Law that reserves the right for employees to be represented by employee unions have the right to negotiate with employers regarding employment conditions, wages, benefits, and other work-related matters without fear of discrimination, or employee interference.

Currently, no employee has chosen to be covered under collective bargaining agreement or associated with an employee unions.

Disclosure G.2: Collective Bargaining

CBB ESG Reporting Guidelines

- G.2. Collective Bargaining

UN SDGs



Whistleblowing

Benefit's Whistleblowing Policy has been established with an objective to ensure that any individual who reports a case of suspected criminal or unethical conduct will be protected from disclosure/ revelation of their identity and potential retaliations, even if their suspicion is ultimately proven to be unfounded and to prohibit managerial personnel from taking adverse actions against employees for doing so. In accordance with the regulatory requirements, Benefit has appointed a Whistleblower Reporting Officer, who is also responsible for ensuring that whistleblowers understand their rights and obligations. The Whistleblowing Policy is made available to all the employees of the organization through appropriate communication channels. A dedicated training program – 'Becoming a Whistleblower' is assigned to all the employees to ensure awareness and knowledge of the Whistleblowing policy and its key provisions.

Whistleblowing	2022	2023	2024
Instances reported under whistleblowing policy	0	0	0

Disclosure G.3: Whistleblowing

CBB ESG Reporting Guidelines

- G.3. Whistleblowing

UN SDGs



GOVERNANCE & MANAGEMENT (CONTINUED)

Corporate Governance & Ethical Business Conduct – Data & Outcomes (3/3)

Conflict of Interest

Benefit's Conflict of Interest policy has been established with a view to manage conflicts of interest of the members of the Board and related parties. Decisions related to Conflict-of-Interest issue(s) are taken by the full Board/ Committee and in the absence of the concerned Director to whom the matter under consideration relates to. Directors are required to inform the entire Board and the Board Secretary of any potential conflicts of interest that may arise when a particular matter is under consideration and accordingly abstain from voting on that matter. Details pertaining to cross-board membership and external employment are disclosed as part of the Annual Corporate Governance Report.

Disclosure G.6: Conflict of Interest

CBB ESG Reporting Guidelines

- G.6. Conflict of Interest

UN SDGs



Supplier Code of Conduct

Currently, Benefit does not have a standalone Supplier Code of Conduct outlining expectations of responsible business practices from its suppliers. However, all our interactions with our suppliers/ vendors are governed by Purchases & Payments Procedures. All purchases are made from approved suppliers/ vendors. An updated list of approved suppliers/ vendors is maintained. It is required that each supplier/ vendor on the list has a valid KYC form maintained by the Compliance department. Any new vendor is required to be added to the list prior to entering a relationship with the company.

During the reporting period (FY 2024), all suppliers/ vendors were in compliance with the assessment mechanism and included in the approved list of suppliers/ vendors.

Disclosure G.7: Supplier Code of Conduct

CBB ESG Reporting Guidelines

- G.7. Supplier Code of Conduct

UN SDGs



Ethics & Anti-Corruption

At Benefit, Ethics & Anti-Corruption considerations are covered under the Code of Conduct, which provides a framework for maintaining the highest standards of professional conduct in compliance with applicable laws and regulations. The Code of Conduct applies to the Board, Executive Management and all the employees of Benefit. The Code of Conduct requires all the covered individuals to ensure fair dealings in their conduct with Benefit's clients, competitors, business partners, regulators, and employees. The policy prohibits any form or manipulation, concealment, abuse of privileged information, or misrepresentation of material facts.

Benefit has also established policies, procedures, and internal controls to ensure compliance with CBB and other international laws and regulations regarding money laundering and terrorist financing. Additionally, in line with the laws of the Kingdom of Bahrain, bribes, remunerations or similar considerations to any person, to attract or retain business or to influence any government decisions or actions are strictly prohibited. The Code of Conduct also mandates all the covered individuals to avoid any personal, financial, or other interests that might hinder their capability to perform their job duties. 100 per cent of our employees are compliant with Benefit's Code of Conduct.

Disclosure G.9: Ethics & Anti-Corruption

CBB ESG Reporting Guidelines

- G.9. Ethics & Anti-Corruption

UN SDGs



GOVERNANCE & MANAGEMENT (CONTINUED)

Digital Innovation & Data Privacy

At Benefit, we are committed to driving digital innovation as a core element of our product strategy and customer experience. By embracing continuous innovation and product capabilities, we aim to enhance customer experiences, while simultaneously ensuring the highest standards of data privacy and cybersecurity. Customer-centric digital solutions are at the heart of our efforts, empowering us to deliver personalized, seamless interactions across all touchpoints. Digital innovations are also closely interlinked to the environmental footprint of users and provide a scalable solution to influence user behavior towards sustainable practices.

We recognize that in a digitally enabled world, data privacy is an equally important consideration. We recognize the credibility of our products and services and the resulting responsibility on our part towards our customers. We strictly adhere to the Kingdom of Bahrain’s Personal Data Protection Law (PDPL), as well as international standards related to data privacy, cybersecurity, and safeguarding personal information. Through the responsible use of technology and robust data protection measures, we remain committed to fostering trust, delivering value, and ensuring the credibility of Bahrain’s digital economy.

Digital Innovation	Digital Innovations & Avoided Emissions	Data Privacy & Cybersecurity
<ul style="list-style-type: none">At Benefit, digital innovation is a core pillar of our business strategy, strengthening our commitment to financial inclusion, and regulatory compliance. We leverage cutting-edge technologies to provide secure, efficient, and customer-focused financial services.By embracing open data ecosystems, we enable seamless integration across financial institutions, ensuring access to personalized and affordable services. Our efforts in digital assets and decentralized technologies are aimed at enhancing the efficiency and security of financial transactions while staying ahead of regulatory trends. Through advanced collaborations between regulatory compliance and technology fields (RegTech), we optimize our compliance frameworks, reducing risks and improving operational transparency.Additionally, we employ state-of-the-art identity verification methods to safeguard our customers’ data, protecting them from fraud and ensuring a seamless digital experience. These innovations contribute to a more inclusive and resilient financial ecosystem, supporting Bahrain’s growing fintech landscape.	<ul style="list-style-type: none">At Benefit, we believe that our products and services have a wider environmental impact. Although there are challenges related to data availability and calculation methodologies prevent us from isolating the impacts of our technologies, we believe that our services directly supports low-carbon banking practices such as digital payments, reducing the need for physical bank branches, paperwork, thereby resulting in lower energy consumption/ emissions as compared to in-person banking activities, transportation and office resources.Benefit will remain committed to driving innovation and adopting technologies that align our business objectives with broader environmental and social commitments.	<ul style="list-style-type: none">Given the nature of our operations, data privacy and cybersecurity are central to the integrity of our product offerings. This is also validated from the findings of the Materiality Assessment, where Data Privacy and Cybersecurity was ranked among the most significant topics for Benefit.Cybersecurity is accorded the highest priority within Benefit, with the Board-level Cyber & Risk Committee overseeing cybersecurity & risk controls frameworks and policies, current and future risk exposures and evolving cybersecurity considerations for the future. The Committee also oversees the compliance of Benefit with the provisions of Bahrain’s Personal Data Protection Law (PDPL). At the management level, information security, cybersecurity and risk management are the key functions at the frontline of our cybersecurity risk controls.Benefit has established a comprehensive Information Security Policy covering information security risk management, cyber security, human resources security, asset management and information classification, outsourcing & third-party, and business continuity planning and disaster recovery considerations.

GOVERNANCE & MANAGEMENT (CONTINUED)

Digital Innovation & Data Privacy – Data & Outcomes

Data Privacy

Given the nature of our operations, information and information processing assets are critical to our routine operations. Data privacy considerations are covered under the organization’s Information Security Policy. The purpose of the policy is to ensure that due care is exercised in protecting information and information assets created, used, and maintained by Benefit. The policy applies to all the employees and non-employees who have been granted access to Benefit’s information or information assets. This policy also applies to all information owned, and information assets operated by Benefit or its service providers. The policy also fulfills the requirements of ISO 27001:2013 related to information security management systems and Payment Card Industry Data Security Standards. In addition to the internal policy, Benefit’s Compliance department also ensures that the organization complies with the applicable regulatory compliance requirements including Personal Data Protection Law (PDPL) rules.

Disclosure G.4: Data Privacy

CBB ESG Reporting Guidelines

- G.4. Data Privacy

UN SDGs



Digital Innovation Initiatives

Open Banking Initiative	Benefit collaborated with Tarabut to introduce a centralized open banking authentication solution. This technology enables consumers to access financial services through a seamless app-to-app experience, thereby eliminating the need for multiple authentication steps. The initiative simplifies the connection between the consumers and their banks, delivering a unified and secure experience. FLOOS, Bahrain’s digital financing service providers were among the first to leverage this innovation, empowering users with faster and more secure loan approvals driven by Benefit’s centralized authenticator platform.
Digital Assets	Benefit and Crypto.com signed a Memorandum of Understanding (MoU) at the Fintech Forward event in Bahrain. Benefit demonstrated its commitment to leverage its knowledge base as Bahrain’s electronic network for financial transactions and explore opportunities in the payment integration and prepaid card capabilities space. The collaborations serves as a critical opportunity to strengthen the digital asset ecosystem in Bahrain and support the emerging financial trends in the realm of cryptocurrency.
Consumer Lending & Insurance Marketplace	Benefit signed a strategic partnership with Zphin, the technology arm of PB Fintech Limited, to develop a groundbreaking online platform for consumer lending, car insurance, credit cards, and travel insurance. This marked the launch of Bahrain’s first-ever Consumer Lending & Insurance Marketplace, leveraging open banking infrastructure to create and advanced open finance ecosystem. The initiative is expected to empower credit providers of all types to reach the entire bankable population while extending financial services to the underbanked. The initiative is also expected to provide customers access to new-age underwriting methods during their credit evaluation.
RegTech Initiatives	Benefit announced a landmark agreement with Swiss GRC to implement their comprehensive RegTech platform, the Governance, Risk, and Compliance (GRC) toolbox. The toolbox is expected to support Benefit to track GRC-related matters efficiently across al departments. The tool shall be leveraged to establish a unified risk taxonomy, ensuring consistency and alignment across Internal Audit, Risk Management, Information Security, Legal, & Compliance departments with a shared framework and approach.

Financial Statements

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Independent Auditor's Report to the Shareholders of the Benefit Company B.S.C.(c)

Opinion

We have audited the accompanying consolidated financial statements of The Benefit Company B.S.C. (c) (the "Company") and its subsidiaries (together "the Group"), which comprise of the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information consists of Report of the Board of Directors, set out on page 1 to 3 other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report to the Shareholders of the Benefit Company B.S.C.(c) (continued)

Auditors' Responsibilities for the Audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Group's Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Bahrain Commercial Companies Law and Volume 5 of the Central Bank of Bahrain Rule Book, we report that:

- a) the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
- b) the financial information contained in report of the Board of Directors is consistent with the consolidated financial statements;
- c) we are not aware of any violations during the year of Bahrain Commercial Companies Law, the CBB and Financial Institutions Law No. 64 of 2006 (as amended), the CBB Rule Book (Volume 5, applicable provisions of Volume 6) and CBB directives or the terms of the Company's memorandum and articles of association that would have had a material adverse effect on the business of the Company or on its consolidated financial position; and
- d) satisfactory explanations and information have been provided to us by management in response to all our requests.



Partner's registration no. 115
12 February 2025
Manama, Kingdom of Bahrain

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	31 December 2024 BD	31 December 2023 BD
ASSETS			
Furniture and equipment	6	2,324,195	2,702,759
System software	7	1,174,261	1,559,167
Building	8	4,791,411	4,970,529
Capital work-in-progress	9	919,374	427,321
Right-of-use assets	11	868,315	1,047,122
Security deposits		139,168	139,168
Total non-current assets		10,216,724	10,846,066
Cash and bank balances	5	1,611,519	1,512,382
Balances with Central Bank of Bahrain	5	8,575,053	3,476,037
Balances with GCC central banks	5	2,232,650	5,847,227
Deposits with banks	5	5,544,973	5,186,326
Short term sukuk		918,352	-
Trade receivables	10	1,713,756	1,602,455
Prepaid expenses and other receivables		1,080,156	628,246
Total current assets		21,676,459	18,252,673
TOTAL ASSETS		31,893,183	29,098,739
LIABILITIES AND EQUITY			
Liabilities			
Non-current portion of lease liabilities	11	475,287	722,904
Non-current portion of deferred income	14	200,489	91,259
Provision for employees' leaving indemnities	12	566,935	456,560
Non-current portion of term loan		66,455	-
Total non-current liabilities		1,309,166	1,270,723
Trade payables and accrued expenses	13	3,164,635	2,178,766
Current portion of lease liabilities	11	451,569	434,981
Current portion of deferred income	14	383,112	362,846
Current portion of term loan		33,545	-
Total current liabilities		4,032,861	2,976,593
Equity			
Share capital	15	3,110,400	3,110,400
Statutory reserve		1,612,138	1,612,138
General reserve		1,555,200	1,555,200
Charity reserve		142,949	142,949
Retained earnings		20,130,469	18,430,736
Total equity		26,551,156	24,851,423
TOTAL LIABILITIES AND EQUITY		31,893,183	29,098,739

Mohamed Ebrahim Al Bastaki
Chairman

Abdulwahed AlJanahi
Chief Executive

Sawsan Abulhassan Mohamed
Director

The attached notes 1 to 25 form part of these consolidated financial statements

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended 31 December 2024

	Note	31 December 2024 BD	31 December 2023 BD
Revenue			
Switch	16	8,778,173	7,946,170
BCRB		1,293,934	1,121,261
BCTS		442,038	470,869
EFTS		3,013,013	2,174,890
eKYC		530,363	529,239
PKI-CA		254,970	260,610
WPS		144,600	149,250
FinTech services and partnerships		372,467	149,803
Card services	16	2,211,974	1,942,376
Total operating revenue		17,041,532	14,744,468
Staff cost	19	(7,059,726)	(6,101,382)
Cost of provision of services	18	(3,672,250)	(3,343,073)
Depreciation and amortisation		(2,054,970)	(2,032,102)
Other operating expenses	20	(2,486,479)	(1,852,573)
Total operating expenses		(15,273,425)	(13,329,130)
Operating profit		1,768,107	1,415,338
Interest income	17	234,935	235,644
Interest expense on lease liabilities	11	(76,701)	(91,324)
Other income		84,432	125,034
NET PROFIT FOR THE YEAR		2,010,773	1,684,692
Other comprehensive income for the year		-	-
NET PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,010,773	1,684,692

Mohamed Ebrahim Al Bastaki
Chairman

Abdulwahed AlJanahi
Chief Executive

Sawsan Abulhassan Mohamed
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital BD	Statutory reserve BD	General reserve BD	Charity reserve BD	Retained earnings BD	Total Equity BD
Balance at 1 January 2024	3,110,400	1,612,138	1,555,200	142,949	18,430,736	24,851,423
Net profit and total comprehensive income for the year	-	-	-	-	2,010,773	2,010,773
Dividend declared in 2023	-	-	-	-	(311,040)	(311,040)
Balance at 31 December 2024	3,110,400	1,612,138	1,555,200	142,949	20,130,469	26,551,156

	Share capital BD	Statutory reserve BD	General reserve BD	Charity reserve BD	Retained earnings BD	Total Equity BD
Balance at 1 January 2023	3,110,400	1,612,138	1,555,200	102,949	17,097,084	23,477,771
Net profit and total comprehensive income for the year	-	-	-	-	1,684,692	1,684,692
Dividend declared in 2022	-	-	-	-	(311,040)	(311,040)
Transfer to charity reserve	-	-	-	40,000	(40,000)	-
Balance at 31 December 2023	3,110,400	1,612,138	1,555,200	142,949	18,430,736	24,851,423

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	31 December 2024 BD	31 December 2023 BD
OPERATING ACTIVITIES			
Cash received from switch operations		8,672,586	7,851,796
Cash received from BCRB operations		1,265,868	1,140,095
Cash received from card services		2,269,607	558,752
Cash received from BCTS operations		440,068	472,863
Cash received from EFTS operations		3,079,244	1,983,565
Cash received from eKYC operations		561,399	261,692
Cash received from PKI-CA operations		253,888	131,595
Cash received from WPS operations		175,590	2,550,548
Cash received from FinTech services and partnerships		110,384	-
Payments for operating expenses		(12,820,995)	(12,411,416)
Payment for directors' remuneration		(165,185)	(168,102)
Other receipts		271,995	35,427
Net cash generated from operating activities		4,114,449	2,406,815
INVESTING ACTIVITIES			
Purchase of furniture and equipment		(300,829)	(166,954)
Purchase of system software		(306,653)	(193,091)
Payments for capital work-in-progress		(201,267)	(220,881)
Purchase of short term sukuk		(918,352)	-
Interest received		189,501	159,891
Acquisition of a subsidiary, cash acquired	25	-	10,434
Net cash used in investing activities		(1,537,600)	(410,601)
FINANCING ACTIVITIES			
Dividend paid		(311,040)	(311,040)
Charity paid		(45,932)	(138,784)
Term loan		100,000	-
Lease liabilities paid		(377,654)	(344,650)
Net cash used in financing activities		(634,626)	(794,474)
NET CHANGE IN CASH AND CASH EQUIVALENTS		1,942,223	1,201,740
Cash and cash equivalents at 1 January		16,021,972	14,820,232
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5	17,964,195	16,021,972

The attached notes 1 to 25 form part of these consolidated financial statements

Notes to the Consolidated Financial Statements

31 December 2024

1. CORPORATE INFORMATION

The Benefit Company B.S.C. (c) (the “Company”) is a closed bahraini shareholding company registered with the Ministry of Industry and Commerce (“MOIC”) since 29 October 1997 under Commercial Registration (“CR”) number 39403. The address of the Company’s registered office is P.O. Box 2546, Seef District, Kingdom of Bahrain.

The Company has been granted with a license for ancillary services from the Central Bank of Bahrain (“CBB”) to provide services relating to payment system and other related financial services for the benefit of the commercial banks and their customers in the Kingdom of Bahrain. The Bahrain Credit Reference Bureau (“BCRB”) operations commenced in Bahrain in August 2005. The Company launched the Bahrain Cheques Truncation System (the “BCTS”) on 13 May 2012, Electronic Fund Transfer System (the “EFTS”) on 5 November 2015 and Electronic Know Your Customer (eKYC) in 30 April 2019.

The consolidated financial statements for the year ended 31 December 2024 were authorized for issue in accordance with a resolution of the Board of Directors of the Company on 12 February 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) issued by International Accounting Standards Board (IASB) and in conformity with the Bahrain Commercial Companies Law and the Central Bank of Bahrain, the CBB Rule Book and directories, and the terms at the Company’s memorandum and articles of association.

2.2 Accounting convention

The consolidated financial statements have been prepared on a historical cost basis, except where otherwise described in the accounting policies below.

2.3 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates (the ‘functional’ currency). The consolidated financial statements are presented in Bahraini Dinars, which is the Group’s functional and presentation currency.

2.4 Basis of consolidation

Subsidiary is an investee controlled by the Group. The Group ‘controls’ an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (the “Group”), all of which have 31 December as their year end and are incorporated in the Kingdom of Bahrain. The Company has the following principal subsidiaries:

Held by the Company	Ownership		Country of incorporation	Activity
	2024	2023		
Sinnad W.L.L.	100%	100%	Kingdom of Bahrain	Debit and credit cards hosting and cards personalisation services.
Bahrain FinTech Bay W.L.L.*	100%	100%	Kingdom of Bahrain	Office administrative and support activities, Management consultancy activities and Organization of conventions, events, and trade shows.

*On 1 October 2023, the Company acquired Bahrain FinTech Bay W.L.L. a non-listed company domiciled in the Kingdom of Bahrain. Refer note 25 for details.

i. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Notes to the Consolidated Financial Statements

31 December 2024

2. BASIS OF PREPARATION *(continued)*

2.4 Basis of consolidation *(continued)*

ii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transactions gains and losses) arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.5 New standards, interpretations and amendments issued and effective

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards or amendments to existing standards that have become applicable effective from 1 January 2024, which are disclosed below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.5.1 Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

2.5.2 Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments had no impact on the classification of the Group's liabilities.

2.5.3 Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify 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.

The amendments had no impact on the Group's consolidated financial statements.

2.6 New standards, interpretations and amendments issued but not yet effective

New and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statement are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

2.6.1 Lack of Exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

31 December 2024

2. BASIS OF PREPARATION *(continued)*

2.6 New standards, interpretations and amendments issued but not yet effective *(continued)*

2.6.2 IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify impact of above amendments on the primary consolidated financial statements and notes to the consolidated financial statements.

2.6.3 IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The new standard is not expected to have a material impact on the Group's consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

3.1 Financial instruments

(i) Classification of financial assets and financial liabilities

Financial assets are classified into three principal classification categories: measured at Amortised Cost (AC), Fair Value Through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL). The classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. Financial liabilities are classified into Amortized Cost or at Fair Value Through Profit or Loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, 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.

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

(ii) Initial recognition, measurement and subsequent measurement

The financial assets and liabilities are initially recognised on trade date when the Group becomes party to the contract. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Financial assets and liabilities are subsequently remeasured at amortised cost.

(iii) Impairment of financial assets

The Group measures expected credit loss on financial assets carried at amortised cost using simplified approach as allowed by the standard to determine impairment of financial assets.

Notes to the Consolidated Financial Statements

31 December 2024

3. MATERIAL ACCOUNTING POLICIES *(continued)*

3.1 Financial instruments *(continued)*

(iv) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

(v) Derecognition

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the statement of consolidated profit or loss and other comprehensive income.

A financial asset (in whole or in part) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of ownership or (b) when it has neither transferred or retained substantially all the risks and rewards and when it no longer has control over the financial asset, but has transferred control of the asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

(vi) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

(vii) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

3.2 Revenue recognition

(i) Services

Revenue arises mainly from provision of services relating to:

Switch;

Bahrain Credit Reference Bureau (BCRB);

Bahrain Cheque Truncation System (BCTS);

Public Key Infrastructure (PKI-CA);

Wage Protection System (WPS);

The Electronic Fund Transfer System (EFTS), and;

Electronic Know Your Customer (eKYC).

Revenue also arises from the provision of services relating to debit and credit card personalisation and hosting and ATM acquiring services ("card services"). In addition, the Group's revenue includes sale of plastic cards, stationery, FinTech services and partnerships.

Notes to the Consolidated Financial Statements

31 December 2024

3. MATERIAL ACCOUNTING POLICIES *(continued)*

3.2 Revenue recognition *(continued)*

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into transactions involving a range of the Group's services and products. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations and customer obtain control of goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgment.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations or if the Group has a right to an amount of consideration that is unconditional before the Group transfers a good or service to the customers and reports these amounts as deferred income in the consolidated statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its consolidated statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

(ii) Interest Income

Interest income is recognised using the Effective Interest Rate (EIR) method.

3.3 Building, furniture and equipment, system software and capital work-in-progress

Owned assets

Building, furniture and equipment and system software are stated at cost less accumulated depreciation, accumulated amortization and impairment losses, if any. The cost of the assets includes the cost of bringing them to their present location and condition. Intangible assets are recorded at the consideration paid for obtaining right to use the assets. Capital work-in-progress (CWIP) comprises the direct cost incurred for hardware, software and equipment that are not yet ready for their intended use on the reporting date. The cost of additions and major improvements are capitalised.

Subsequent measurement

Expenditure incurred to replace a component of an asset that is accounted for separately, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the asset. All other expenditure is recognised in consolidated statement profit or loss as an expense as incurred.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. When an asset is sold or discarded, the respective cost and accumulated depreciation relating thereto are eliminated from the consolidated statement of financial position. The resulting gain or loss, if any, is recognised in consolidated statement of profit or loss.

Depreciation and amortisation

Depreciation is applied on a straight-line basis over the useful life of assets estimated by the management. Depreciation for assets purchased / sold during a period is proportionately charged.

Notes to the Consolidated Financial Statements

31 December 2024

3. MATERIAL ACCOUNTING POLICIES *(continued)*

3.3 Building, furniture and equipment, system software and capital work-in-progress *(continued)*

Intangible assets are amortised over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Group for its use. The Management estimates the useful lives for the various fixed assets as follows:

System hardware	1 – 7 years
System software	3–10 years
Computer equipment	2– 5 years
Furniture, fixtures and equipment	3– 8 years
Vehicles	5 years
Building	30 years

All depreciation and amortisation are charged to the consolidated statement of profit or loss and other comprehensive income.

3.4 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, bank balances, balance with the Central Bank of Bahrain and other central banks, and bank deposits maturing within 3 months or less from the acquisition date, which are subject to insignificant risk of changes in fair value.

3.5 Provisions

A provision is recognised in the consolidated statement of financial position when the Group 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 and a reliable estimate can be made of the amount of the obligation.

3.6 Dividends

Dividends are recognised as a liability in the period in which they are declared.

3.7 Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the asset.

Government grants that have been received as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they become receivable or received.

3.8 Employees' benefits

Pensions and other social benefits for Bahraini employees are covered by the Social Insurance Organisation ("SIO") scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Group's contribution to this scheme, which represents a defined contribution scheme under International Accounting Standard 19 – Employee Benefits, is expensed as incurred.

Expatriate employees are entitled to leaving indemnities payable under the Bahraini Labour Law for the Private Sector, based on length of service and final remuneration. Provision for this unfunded commitment which represents a defined benefit plan under International Accounting Standard 19 – Employee Benefits, has been made by calculating the notional liability had all employees left at the reporting date.

Employee savings scheme:

The Group has a voluntary employees saving scheme. The employees and employers contribute monthly on a fixed-percentage-of-salaries-basis to the scheme.

Notes to the Consolidated Financial Statements

31 December 2024

3. MATERIAL ACCOUNTING POLICIES *(continued)*

3.9 Foreign currency transactions

Transactions in foreign currencies are translated to Bahraini Dinars, at the foreign exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Bahraini dinars at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated into Bahraini dinars at the foreign exchange rates ruling at the date of the transaction. Foreign exchange differences arising on translation are recognised in the consolidated statement of profit or loss.

3.10 Statutory reserve

The Bahrain Commercial Companies Law requires 10 percent of the annual net profit to be appropriated to a statutory reserve, which is not normally distributable except in circumstances as described in Bahrain Commercial Companies Law with Article 224. Appropriations may cease when the reserve reaches 50 percent of the paid-up share capital.

3.11 Board members' remuneration

Board members' remuneration is recognised in the consolidated statement of profit or loss and other comprehensive income on an accrual basis.

3.12 Right-of-use assets and lease liabilities

3.12.1 Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date (the date on which the underlying assets is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

3.12.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.12.3 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements

31 December 2024

3. MATERIAL ACCOUNTING POLICIES *(continued)*

3.12 Right-of-use assets and lease liabilities *(continued)*

3.12.4 Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.13 Value Added Tax (VAT)

Expenses and assets are recognised net of the amount of VAT; except, incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of VAT included, the gross amount of VAT receivable from, or payable to the taxation authority are included as part of receivables and payables in the consolidated statement of financial position.

3.14 Domestic minimum top-up tax

The OCED Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules') apply to multinational enterprise (MNE) groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

In line with the requirements of GloBE rules, the Kingdom of Bahrain has issued and enacted decree Law No. (11) of 2024 ('Bahrain DMTT law') on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident entities of the Group for fiscal years commencing on or after 1 January 2025.

As per the Group's preliminary assessment, it has concluded that it is not in scope for the Bahrain law or the GloBE rules as:

- It is not an MNE group as it only operates in Bahrain; and/or
- It does not have total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

Accordingly, the Group does not expect to be subject to the Bahrain DMTT law and GloBE rules for the next fiscal year.

4. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS Accounting Standards require management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

4.1 Judgements

4.1.1 Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, these consolidated financial statements continue to be prepared on a going concern basis.

4.2 Estimates and assumptions

4.2.1 Expected Credit Loss (ECL)

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

Notes to the Consolidated Financial Statements

31 December 2024

4. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

4.2 Estimates and assumptions *(continued)*

4.2.2 Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4.2.3 Useful lives of building, furniture and equipment, system software and right-of-use assets

The Group's management determines the estimated useful lives of furniture and equipment, system software and right-of-use assets for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual values and useful lives annually and future depreciation charges would be adjusted when the useful lives differ from previous estimates.

5. CASH AND CASH EQUIVALENTS

	31 December 2024 BD	31 December 2023 BD
Cash and bank balances	1,611,519	1,512,382
Balances with Central Bank of Bahrain	8,575,053	3,476,037
Balances with GCC central banks	2,232,650	5,847,227
Deposits with banks with original maturity less than 90 days	5,544,973	5,186,326
	17,964,195	16,021,972

6. FURNITURE AND EQUIPMENT

	System hardware BD	Computers BD	Furniture, fixtures, office equipment & vehicle BD	Total BD
Cost:				
As at 1 January 2024	5,370,115	248,186	566,847	6,185,148
Additions	98,204	74,205	108,714	281,122
Transferred from CWIP (note 9)	166,695	-	-	166,695
Disposals	-	-	(4,542)	(4,542)
As at 31 December 2024	5,635,014	322,391	671,019	6,628,423
Depreciation:				
As at 1 January 2024	3,056,859	186,608	238,922	3,482,389
Charge for the year	699,827	39,514	83,399	822,741
Relating to disposals	-	-	(902)	(902)
As at 31 December 2024	3,756,686	226,122	321,419	4,304,228
Net book value:				
As at 31 December 2024	1,878,327	96,268	349,600	2,324,195

Notes to the Consolidated Financial Statements

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6. FURNITURE AND EQUIPMENT (continued)

	System hardware BD	Computers BD	Furniture, fixtures, office equipment & vehicle BD	Total BD
Cost:				
As at 1 January 2023	6,808,910	351,400	665,332	7,825,642
Additions	108,421	35,112	48,126	191,659
Transferred from CWIP (note 9)	254,157	-	760	254,917
Disposals	(1,801,373)	(138,326)	(200,070)	(2,139,769)
Transferred from Building (note 8)	-	-	32,474	32,474
Additions through acquisition of a subsidiary	-	-	20,225	20,225
As at 31 December 2023	5,370,115	248,186	566,847	6,185,148
Depreciation:				
As at 1 January 2023	4,142,577	271,041	328,632	4,742,250
Charge for the year	715,975	46,666	79,139	841,780
Accumulated depreciation through acquisition of a subsidiary	-	-	19,828	19,828
Relating to disposals	(1,801,693)	(131,099)	(188,677)	(2,121,469)
As at 31 December 2023	3,056,859	186,608	238,922	3,482,389
Net book value:				
As at 31 December 2023	2,313,256	61,578	327,925	2,702,759

7. SYSTEM SOFTWARE

	31 December 2024 BD	31 December 2023 BD
At 1 January	1,559,167	1,999,369
Transferred from CWIP (note 9)	326,158	183,802
Additions during the year	-	117,827
Amortisation charge for the year	(711,064)	(741,831)
	1,174,261	1,559,167

8. BUILDING

	31 December 2024 BD	31 December 2023 BD
At 1 January	4,970,529	5,258,021
Transfer to furniture and equipment (note 6)	-	(32,474)
Disposals during the year	-	(75,900)
Depreciation charge for the year	(179,118)	(179,118)
	4,791,411	4,970,529

Notes to the Consolidated Financial Statements

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9. CAPITAL WORK-IN-PROGRESS

	31 December 2024 BD	31 December 2023 BD
At 1 January	427,321	697,228
Additions during the year	984,906	266,350
Transferred to furniture and equipment (note 6)	(166,695)	(254,917)
Transferred to system software (note 7)	(326,158)	(183,802)
Written-off during the year	-	(97,538)
At 31 December	919,374	427,321

10. TRADE RECEIVABLES

	31 December 2024 BD	31 December 2023 BD
Gross receivables	1,743,500	1,621,914
Less: expected credit losses	(29,744)	(19,459)
	1,713,756	1,602,455

The movement on allowance for ECL is as follows:

	31 December 2024 BD	31 December 2023 BD
At 1 January	19,459	19,486
Charge during the year	10,285	-
Reversal during the year	-	(27)
At 31 December	29,744	19,459

Information about the credit risk exposure on the Group's accounts receivable is disclosed in note 24.

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for two rental spaces. The below table illustrates the right-of-use assets and related liabilities recognised by the Group:

	Right of use assets BD	Lease liabilities BD
At 1 January 2024	1,047,122	1,157,885
Additions during the year	163,240	90,927
Amortisation charge for the year	(342,047)	-
Interest expense on lease liabilities	-	76,701
Payments released during the year *	-	(398,657)
At 31 December 2024	868,315	926,856

Notes to the Consolidated Financial Statements

31 December 2024

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

	Right of use assets BD	Lease liabilities BD
At 1 January 2023	1,163,667	1,179,681
Additions during the year	38,499	38,499
Amortisation charge for the year	(269,373)	-
Addition through acquisition of a subsidiary	114,329	180,356
Interest expense on lease liabilities	-	91,324
Payments released during the year *	-	(331,975)
At 31 December 2023	1,047,122	1,157,885

* This represent instalment payments accrued during the year based on signed agreements. The balance is released from lease liabilities and classified under trade payables and accrued expenses account until such payment is made, upon receipt of invoice. Effective interest rate on lease liabilities ranged from 7.5% to 8.5% (2023: 7.5% to 8.5%).

The classification of lease liabilities between current and non-current liabilities is as follows:

	31 December 2024 BD	31 December 2023 BD
Current portion	451,569	434,981
Non-current portion	475,287	722,904
Total discounted lease liabilities	926,856	1,157,885
Maturity analysis – contractual undiscounted cash flow		
Less than one year	353,138	504,996
One to five years	667,654	820,340
Total undiscounted lease liabilities	1,020,792	1,325,336

12. PROVISION FOR EMPLOYEES LEAVING INDEMNITIES

The movement in the provision is as follows:

	31 December 2024 BD	31 December 2023 BD
At 1 January	456,560	372,285
Provided during the year (note 19)	127,320	97,468
Less: Payments made during the year to employees	(3,010)	(13,193)
Less: Payments made during the year to SIO	(13,935)	-
At 31 December	566,935	456,560
Total number of employees at 31 December:	2024	2023
Bahrainis	204	181
Expatriates	15	14
	219	195

Effective 1 March 2024, pursuant to an Edict number 109 of 2023 issued by His Royal Highness the Prime Minister of the Kingdom of Bahrain, certain portion of the end of service benefits' liability has been transferred to the Social Insurance Organization (SIO), representing the amounts paid by the Company to SIO on a monthly basis starting March 2024. Such portion of liability would be settled directly by the SIO when the relevant employees leave the Company.

For the year ended 31 December 2024, the Group's contribution for employees under SIO scheme amounted to BD 574,147 (2023: BD 427,271). The Group also has an employees' saving scheme, in accordance with which the participating employees and the Group contribute monthly on a fixed percentage of relating basis. The Group's contribution to the employees' saving scheme amounted to BD 242,286 (2023: BD 268,492). All contributions are deposited to a separate bank account, and does not form part of the operating bank balances of the Group in the consolidated statement of financial position. As at 31 December 2024, these amounted to BD 2,725,920 (2023: BD 2,125,851).

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13. TRADE PAYABLES AND ACCRUED EXPENSES

	31 December 2024 BD	31 December 2023 BD
Staff related payables	958,531	849,798
Trade payables	469,747	326,724
Accrual for cost of provision of services	414,756	385,942
Accrual for capital expenditure	524,136	41,582
Accrual for directors' remuneration	180,000	165,185
VAT Payable (net)	152,331	108,694
Accrual for professional and consultancy services	111,552	28,519
Payables for card processing	15,863	9,055
Other accrued expenses	337,719	263,267
	3,164,635	2,178,766

14. DEFERRED INCOME

This represents income from annual subscriptions of services, fintech services and partnership contracts, income from development and customisations of card services and call center operations.

	31 December 2024 BD	31 December 2023 BD
At 1 January	454,105	458,440
Additions during the year	1,152,010	1,067,216
Released during the year	(1,022,514)	(1,071,551)
At 31 December	583,601	454,105

	31 December 2024 BD	31 December 2023 BD
Non-current portion of deferred income	200,489	91,259
Current portion of deferred income	383,112	362,846
	583,601	454,105

15. SHARE CAPITAL

	31 December 2024 BD	31 December 2023 BD
Authorized:		
54,000 (2023: 54,000) shares of BD 100 each	5,400,000	5,400,000
Issued and fully paid-up:		
31,104 (2023: 31,104) shares of BD 100 each	3,110,400	3,110,400

Notes to the Consolidated Financial Statements

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16. REVENUE

A. Disaggregation of revenue

In the following table, Switch revenue is disaggregated by major service lines:

	31 December 2024 BD	31 December 2023 BD
Bahrain ATM	1,825,370	2,159,067
Bahrain POS	2,924,806	2,829,652
GCC POS	2,158,067	1,242,635
Payment gateway	566,608	666,800
GCC ATM	559,030	569,003
Benefit pay	624,535	346,706
BenefitPay Marketing Ads	62,340	62,112
Telecom bill payment	42,784	51,936
AMEX	14,633	18,259
	8,778,173	7,946,170

In the following table, card service revenue is disaggregated by major products and service lines:

Revenue by major products and service line:

	31 December 2024 BD	31 December 2023 BD
Income from card processing	1,678,168	1,368,225
Income from card procurements and fulfilment	332,552	337,976
Income from development and customisations	159,868	192,889
Income from call center operation	41,386	43,286
	2,211,974	1,942,376

Contract balances

The following table provides information about contract liabilities from contracts with customers relating to card service revenue:

	31 December 2024 BD	31 December 2023 BD
Contract liabilities (included in current portion of deferred income)	93,090	77,344

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed as at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised over time as the related performance obligations are fulfilled, or when the rights of the receipt becomes unconditional. For the year ended 31 December 2024, card services income BD 61,370 (2023: BD 66,891) was included in the contract liability balance at the beginning of the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

31 December 2024

16. REVENUE (continued)

B. Disaggregation of revenue by timing of recognition

	31 December 2024 BD	31 December 2023 BD
Services rendered at a point in time	14,443,393	12,765,958
Services rendered over time	2,598,139	1,978,510
	17,041,532	14,744,468

C. Disaggregation of revenue by jurisdiction

	31 December 2024 BD	31 December 2023 BD
Kingdom of Bahrain	15,961,764	13,758,545
Gulf Cooperation Council	543,346	529,504
Yemen	256,039	216,023
Rest of the world	280,383	240,396
	17,041,532	14,744,468

17. INTEREST INCOME

	31 December 2024 BD	31 December 2023 BD
Interest on bank deposits and sukuk	229,841	232,888
Interest on current accounts	5,094	2,756
	234,935	235,644

18. COST OF PROVISION OF SERVICES

	31 December 2024 BD	31 December 2023 BD
License and support	1,175,362	1,161,519
Maintenance cost	1,011,657	851,817
Communication lines	524,078	479,511
Cost of card services*	354,472	343,946
GCC NET telecom charges	23,456	25,058
Other processing costs	583,225	481,222
	3,672,250	3,343,073

*Cost of card services includes direct cost relating to debit card, credit card personalisation and hosting services.

Notes to the Consolidated Financial Statements

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19. STAFF COSTS

	31 December 2024 BD	31 December 2023 BD
Salaries and other employees' benefits	5,875,387	5,154,917
Social Insurance Organization	594,111	453,446
Saving Scheme Contribution	242,286	268,492
Employees end of service benefits (note 12)	127,320	97,468
Others	220,622	127,059
	7,059,726	6,101,382

20. OTHER OPERATING EXPENSES

	31 December 2024 BD	31 December 2023 BD
Legal and professional expenses	1,043,172	687,239
Public relation and marketing	337,735	253,057
Directors' remuneration	193,500	180,185
Occupancy costs	174,031	168,288
Travel and conferences	142,629	78,570
Directors' sitting fees	80,000	64,300
Entertainment expenses	76,812	45,265
Corporate social responsibility expenses	45,932	138,784
Insurance expenses	13,932	13,372
Other expenses	378,736	223,513
	2,486,479	1,852,573

21. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent the shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

21.1 Transactions and balances with key management personnel

Key management personnel comprise the board of directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel compensation is as follows:

	Note	31 December 2024 BD	31 December 2023 BD
Salaries and short-term employee benefits		1,982,999	1,410,810
Long term employee benefits		235,772	171,213
Directors' remuneration	20	193,500	180,185
Directors' sitting fees	20	80,000	64,300
Provision for employees' leaving indemnities		142,601	383,565

Notes to the Consolidated Financial Statements

31 December 2024

21. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

21.2 Transactions and balances with and from related parties

		31 December 2024 BD	31 December 2023 BD
Balance with and from shareholders	Note		
Bank balances	(i)	1,555,376	1,513,231
Deposits with banks	(i) (ii)	6,463,325	5,186,326
Trade receivables	(i)	570,249	602,368
Other assets	(ii)	123,407	119,881
Right of use asset	(iv)	16,041	35,291
Lease liability	(iv)	16,837	35,534
Deferred income	(iii)	138,881	108,232
Interest income	(i)	212,060	229,639
Card service income	(ii)	460,144	549,128
Bank charges	(i)	2,696	1,784
Occupancy costs	(iv)	4,200	4,550

(i) The Group has dealings with several banks in the Kingdom of Bahrain who are also shareholders of the Company. These transactions are in the nature of provision of services in relation to payment systems, internet banking, card services and Credit Reference Bureau. Bank balances, fixed deposits and security deposits are kept with four major shareholders of the Group.

(ii) The Subsidiary has entered into contracts with certain shareholders of the parent entity (The Benefit Company) for the provision of services related to debit / credit card personalisation and ATM acquiring services.

(iii) Deferred income represents advance billing to shareholders where the services are yet to be provided by the Group. It is recognised as income when the related services are performed / performance obligation is satisfied.

(iv) Up to Q3 2021, the Group, in the normal course of business occupied offices on various floors of NBB Tower, which were owned by a shareholder of the Group. Subsequently, the Group has relocated to its new headquarter building, except for certain floors that continue to be rented in NBB Tower, in the foreseeable future.

22. CAPITAL COMMITMENTS AND CONTINGENCIES

Capital commitments and contingencies as on 31 December 2024 by the Group are BD 600,986 (2023: BD 676,762).

23. APPROPRIATIONS AND BOARD REMUNERATIONS

	31 December 2024 BD	31 December 2023 BD
Cash dividends	311,040	311,040
Charity reserve	-	-
	311,040	311,040

The Board of Directors proposed cash dividends of BD 311,040 (2023: BD 311,040) from the retained earnings. Further, the Board has also recommended BD 172,500 as the directors remuneration for the year 2024 (2023: BD 165,185). The appropriations will be submitted for approval at the forthcoming Annual General Assembly of the shareholders. The payment of final cash dividend is subject to the approval of the Central Bank of Bahrain (CBB).

Notes to the Consolidated Financial Statements

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24. FINANCIAL RISK MANAGEMENT

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial instruments consist of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, deposits with banks, balance with the Central Bank of Bahrain, balances with other central banks, trade receivables, and other receivables. Financial liabilities consist of payables and accrued expenses.

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's capital management. Further, quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has appointed the Chief Executive who is responsible for developing and monitoring the risk management policies for the Group.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

24.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk on its bank balances, deposits with banks, balance with the Central Bank of Bahrain, balance with other central banks, trade and other receivables.

The Group considers a financial asset to be in default when:

- the Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectations of recovering the contractual cashflows or;
- the trade receivables is more than 90 days past due from the due date.

The Group seeks to limit its credit risk with respect to customers by means of the following policies:

- Credit risk is actively managed and rigorously monitored in accordance with well-defined credit policies and procedures laid down by the Group.
- Cash is placed with banks with good credit ratings.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure credit risk at the reporting date was:

	31 December 2024 BD	31 December 2023 BD
Balance with and from shareholders		
Bank balance	1,611,519	1,512,382
Balance with Central Bank of Bahrain	8,575,053	3,476,037
Balance with GCC central banks	2,232,650	5,847,227
Deposits with banks	5,544,973	5,186,326
Short term sukuk	918,352	-
Trade receivables	1,713,756	1,602,455

The Group's credit risk on bank balances, deposits with banks and sukuk and trade receivables are limited since these are maintained either with reputed banks having high credit ratings or sovereign. The Group's credit risk on the remaining exposures is minimal as all switch fee income is received from financial institutions and other central banks, which are transferred to the Group's account with the Central Bank of Bahrain within a week of rendering the service.

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31 December 2024

24. FINANCIAL RISK MANAGEMENT (continued)

24.1 Credit risk (continued)

Aging of trade receivables is as follows:

	31 December 2024 BD	31 December 2023 BD
0-30 days	1,019,259	623,018
31 - 90 days	319,887	274,074
91 - 180 days	101,540	456,591
181 - 365 days	115,125	176,096
More than 365 days	187,689	92,135
Gross receivables	1,743,500	1,621,914
Expected credit losses	(29,744)	(19,459)
Net trade receivables	1,713,756	1,602,455

The Group does not hold any collateral against the above receivables.

The Group believes that amounts past due by 90 days and above amounting to BD 404,354 (2023: BD 724,822) are collectible in full, based on historic payment behaviour and since these amounts are due from reputed banks in the Kingdom of Bahrain and other countries.

The Group's exposure to credit risk is influenced mainly by the individual credit characteristics of each customer.

24.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the Group's operations and investments.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

2024	Carrying Amount	Contractual cash flows	Less than 6 months	More than 6 months
Trade payables and accrued expenses	3,164,635	3,164,635	3,164,635	-
Provision for employees' leaving indemnities	566,935	566,935	-	566,935
Lease liabilities	926,856	1,020,792	181,239	839,553
Term loan	100,000	100,000	16,397	83,603
	4,658,426	4,752,362	3,345,874	1,406,488

2023	Carrying Amount	Contractual cash flows	Less than 6 months	More than 6 months
Trade payables and accrued expenses	2,178,766	2,178,766	2,178,766	-
Provision for employees' leaving indemnities	456,560	456,560	-	456,560
Lease liabilities	1,157,885	1,325,336	344,426	980,910
	3,793,211	3,960,662	2,523,192	1,437,470

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24. FINANCIAL RISK MANAGEMENT (continued)

24.3 Market risk

Market risk is the risk that changes in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads – will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Group's solvency while optimising the return on risk.

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. The majority of Group's switch transactions are in other GCC currencies. Except for the Kuwaiti Dinar, the other GCC currencies are pegged to the US Dollar; hence there is no significant movement in the exchange rates between the GCC currencies. The Group is charging a mark-up on GCC switch transaction in order to cover up the currency losses. Such mark-up is classified as operational revenue.

Change in market foreign exchange rates is not expected to have a significant impact on the operations of the Group.

(ii) Interest rate risk

Interest rate risk is the risk that the value limited of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to limited interest rate risks on its short-term deposit. Effective interest rate on short-term deposit (BD) is 5.78% (2023: 5.88%).

Change in market interest rate will not have a significant impact on the carrying value of the deposits due to the short term characteristics of the deposit.

24.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risk-e.g. those arising from legal and regulatory requirements and generally accepted standards of the corporate behavior. Operational risks arise from all the Group's operations.

The Group's objective to manage operational risk so as to balance the avoidance of financial losses and damages to the Group's reputation with overall cost effectiveness and innovation. In all cases, Group policy requires compliance with all applicable legal and regulatory requirements.

24.5 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity. The Group's consolidated return on equity was 7.6 percent in 2024 (2023: 6.8 percent).

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

24.6 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. Differences may therefore arise between book values under the historical cost method and fair value estimates.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

The fair value of the Group's financial assets and liabilities are not materially different from their carrying amounts due to their short-term nature.

At 31 December 2024 and 2023, all the Group's financial assets and financial liabilities have been classified and measured at amortised cost.

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25. BUSINESS COMBINATION

On 1 October 2023, the Group acquired 100% of the voting shares of Bahrain FinTech Bay W.L.L., a company based in the Kingdom of Bahrain and specialising in delivering management consultancy activities, office administrative and support activities and organization of conventions, events, and trade shows. The Group acquired this business to enlarge its fintech services.

The acquisition has been accounted for using the acquisition method in accordance with IFRS 3-Business Combinations. During the year ended 31 December 2024, the Group finalised the accounting for the acquisition of Bahrain FinTech Bay W.L.L., which was initially accounted for on a provisional basis in the year of acquisition. These provisional value adjustments have been recognised in the consolidated financial statements for the year ended 31 December 2024.

Assets acquired and liabilities assumed

The final fair values of the identifiable assets and liabilities of Bahrain FinTech Bay W.L.L. as at the date of acquisition were:

	Fair value recognised on acquisition BD
Assets	
Bank balance	10,434
Accounts receivable and other assets	280,986
Right-of-use asset	92,021
Property and equipment	524
	383,965
Liabilities	
Accounts payable and other liabilities	(300,398)
Lease liability	(83,567)
	(383,965)
Total identifiable net assets at fair value	-
Less: Purchase consideration transferred	-
Net bargain purchase gain	-
	Cash flow on acquisition BD
Net cash acquired with the subsidiary	10,434
Cash paid	-
Net cash flow on acquisition	10,434

Effect of business combination

If the combination had taken place at 1 January 2023, the consolidated total operating revenue would have been BD 15,134,371 and the consolidated net profit would have been BD 1,745,696.