



بنفت
benefit

The Power Of Connection

Advancing Bahrain's Digital Financial Ecosystem

2025 Annual Report

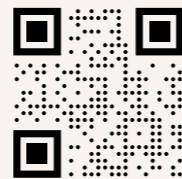
In a year defined by **accelerated digital transformation** across the region, Benefit continued to **serve as the connective force** at the heart of Bahrain's financial ecosystem.

By linking institutions, data sources, consumers and markets, we advanced a unified financial infrastructure that strengthens trust, increases access and drives national economic resilience. From enabling SMEs to access fair financing, to expanding cross-border data partnerships, to supporting FinTech innovators through open integration, Benefit's role as a national connector has never been more vital. Our progress this year demonstrates how connection — of systems, of insight, of stakeholders — creates meaningful impact at scale.

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Scan the QR code to learn more on how we harness the power of connection.



**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

Brand values

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.

Highlights

Many services introduced by BENEFIT are now part of the mainstream, and regarded as integral in connecting citizens and residents of Bahrain with secure financial futures.

Best-in-class insights

Advanced analytical capabilities, statistical analysis, benchmarks and insights to the financial sector and regulators on market data to empower decision making

Open APIs and Data integration

To support Fintech, digital access to financial services and elevate the financial sector through secure and compliant data exchange framework

Recognition

First company in the gulf region to successfully get certified in both ISO 15489-1 Records Management and ISO 16175-1 Information and Documentation standards on e-Cheque service.

Achieved other compliance with 7 latest versions of security standards and frameworks (ISO 27001, ISO 23301, PCI-DSS, PCI-TSP, ETSI Standards for PKI system, NIST CFS 2.0, BenefitPay app EMVco compliance).

Safe and secure

Minimizing fraud through advanced authentication services with the sources of truth

Empowering Tomorrow.

Robust scoring models

Our role is enabling SMEs access to finance through launching a robust credit scoring model to assess the creditworthiness of SMEs to repay debts and enhance financial inclusion

Data-driven services

The consumer lending marketplace, another vertical marketplace in Benefit Pay, matching customers financial needs with credit offerings in the market and streamlining access to lending

Emerging technologies

Our core focus on DATA by scaling up our infrastructure and utilizing emerging technologies on AI, Cloud and Blockchain

Cross border sharing

Cross boarder data sharing by connecting with other credit bureaus in KSA and Kuwait

Payments

- Visa+ cross boarder remittance service.
- Adding business accounts to BenefitPay
- Open banking authentication via BenefitPay

Transport

Enabling parking meter payment via BenefitPay in coordination with the traffic directory and ministry of works.

Gifting

Hadiyah on BenefitPay. A Gift voucher that people can give as a gift for many occasions such as birthday, Eid and other festive occasions.

Integrated

financial futures

“Every relationship we build strengthens the financial future of the Kingdom.”



Muna Ali AlHashemi
Chairperson

We pioneer seamless financial connectivity, shaping a future where innovation and trust empower Bahrain's economy and global financial progress.

For more than two decades, the BENEFIT Company has been guided by a set of clearly defined priorities that have provided well-structured pathways for growth, innovation, and sustainability. These priorities, centered around accelerating the digital transformation of the banking and financial sector, have helped place Bahrain in a position of strength as an attractive business destination.

It has also created powerful and robust platforms for more meaningful interactions with individuals and businesses in their financial decision-making. As a result, our technological focus has always been “customer first” to ensure a more satisfying experience for those using our products and services.

This focus underlines the importance given to personalization in developing innovative digital solutions that make life easier, smarter, and more efficient for both businesses and consumers.

In doing so, we remain committed to continuing to uphold our singular purpose to deliver long-term value to the diversity of our stakeholders – unleashing new opportunities that capitalize on our capabilities and leveraging decades of expertise in shaping the foundations of the digital economy across Bahrain.

We take great pride in playing a key part in the growth and development of the Kingdom's FinTech sector. Our involvement has been driven by our commitment to be customer-centric and solutions-driven – a twin-pronged approach that has shaped the trajectory of innovations within the sector and helped steer the industry towards greater automation, digitalization of services, and building a paperless environment.

Innovation remains one of the key highlights of our Three-Year Strategy that began in 2025, and continues to provide the BENEFIT Company with the necessary catalyst for growth. In many ways, our innovation journey also serves as a tangible response to some of the incredible technology trends in the world today – from AI-driven enterprise systems, digitization of payment tools to the wider adoption of mobile devices for financial transition and so much more.

Sustainability as a policy initiative remains central to our plans to be future-ready without neglecting our responsibilities as a corporate citizen. There is no doubt that the challenges ahead are existential in nature, and therefore require bold solutions in addressing operational efficiency, cost competitiveness, eco-consciousness, and zero waste.

We remain committed to reducing our carbon footprint but more than that, we are here to develop an organizational culture that treats sustainability practices as a way of life. We are thankful for each of our colleagues at the Environmental, Social, and Governance (ESG) committee for spearheading these initiatives.

2025 was significant in other ways, too.

After having established ourselves as a technology leader in the financial and banking sector across Bahrain, we decided to go global. We have already consolidated our presence nationally through smart business practices, and it was only natural that we would want to extend our expertise and capabilities to international markets.

Towards this end, a new Global Development Committee was formed this year to serve as a sub-committee under the Board of Directors. The committee's main task would be to explore new markets, understand what international clients are looking for, and develop tailor-made products and services that address market needs in external territories.

We have already received positive feedback through interactions with potential clients in Africa, Far-East Asia, and other markets, including Italy, which we are evaluating as a potential market for expansion. We are optimistic about these prospects and remain committed to delivering sustained growth in this area in the coming years.

In terms of the financial results for 2025, I am pleased to say that the year gone by has also been proven to be a success in delivering tangible results. These results provide a clear indicator of the strong fundamentals at the heart of our business operations. We are confident that they will also set the stage for an accelerated growth plan for 2026.

On a personal note, I am honored to have been appointed as the new Chairperson of the Board of Directors at this pivotal stage in the Company's journey. As we build on strong foundations and pursue new opportunities, I look forward to working closely with my fellow Board members, the executive leadership, to ensure our strategies and plans are translated into clear priorities, effective execution, and measurable results.

I would also like to thank Mohammed Ebrahim Al Bastaki, the former chairman, for his thoughtful leadership for the past seven years, and wish him all the best in his future pursuits.

Finally, I would like to express my gratitude to the Central Bank of Bahrain for their continued support and for the powerful regulatory environment that they have set up for the banking and financial services sector.

I am also thankful to each and every member bank and client for their trust, and for the continuing encouragement of our shareholders. I would also like to express my sincere appreciation to our management team for their leadership, dedication, and steadfast commitment to delivering on our strategic priorities.

We are confident that the successes we experienced in 2025 will pave the way towards a more prosperous 2026

**Muna Ali AlHashemi
Chairperson**

The power of connection...

Access

to

Fair Financing

Connecting SMEs to fair and transparent financial access.

Fair financing is achieved through innovative digital platforms like BenefitPay and the open banking initiative, which create streamlined and secure lending processes.

Simple

Customers can apply for financing products directly through apps like FLOOSS, using BenefitPay for secure authentication to quickly verify their salary account information.

Secure

The open banking approach allows for instant lending without manual processes, enhancing security and efficiency for both customers and financial institutions.

Trusted

This new, streamlined approach enhances consumer trust by providing a fast, secure, and transparent digital journey for financing products.

Intelligent Building connections



Abdulwahed AlJanahi
Chief Executive

2025 marked a year where data moved faster than ever – shaping decisions, powering services and unlocking new capabilities for Bahrain’s financial ecosystem, and BENEFIT were at the forefront.

A year of meaningful progress for BENEFIT was marked by our continued efforts to consolidate our role as a technology leader supporting the Kingdom of Bahrain’s digital economy. Our priorities remained aligned with the national agenda, underpinned by solid financial performance, operational strength, and continued innovation that combines advanced technology with customer-focused service.

Our purpose is clear. We are here to strengthen Bahrain’s credentials as a regional financial center and bolster the Kingdom’s reputation as a business-friendly destination. Guided by this purpose, we translated strategy into measurable outcomes by promoting trust and transparency, enhancing the competitiveness of our products and services, and expanding opportunities across the financial and payments ecosystem.

This approach enabled us to deliver enhancements across our services while maintaining a strong focus on reliability and personalized customer experience.

Our confidence in the future is grounded in strategic initiatives that continue to accelerate digital transformation across the banking and finance industry while reinforcing the three core pillars of our operations: financial transactions, business process outsourcing, and

10.2b
BenefitPay recorded electronic funds transfer transactions totaling BD 10.2 billion in value.

Fawri+
Total value of Fawri+ transactions increased from BD 8.6 billion to BD 9.7 billion in 2025, reflecting growth of 13.6%.

BenefitPay
recorded an 11.1% increase, reaching 455.3 million transactions with a total value of BD 8.7 billion.

the customer information depository. We remain focused on delivering secure, high-performance platforms that drive efficiency and productivity, safeguard our customers, and support our sustainability objectives.

Security remains paramount. During the year, we invested in resilient infrastructure to safeguard customer data and payment transactions while enhancing efficiency. Technologies such as biometrics, facial recognition, and digital identity verification further strengthened our risk controls and supported our pursuit of the highest safety standards and certifications.

On the products front, we expanded BenefitPay’s capabilities through the launch of VisaPlus and Hadiyah, increasing its appeal to a broader customer base. The Loan Marketplace, developed in cooperation with participating banks, is expected to go live in 2026.

Wage Protection Service (WPS), delivered in partnership with the Central Bank of Bahrain and LMRA, continued to support secure salary payments for employees. During the year, the instant payment limit increased to BD 3,000 from BD 1,000.

BenefitPay recorded electronic funds transfer transactions totaling BD 10.2 billion in value, up from BD 9.3 billion last year, with volume reaching BD 465 million. Across the wider electronic funds transfer system, total transaction value reached BD 37.4 billion compared to BD 33.3 billion in 2024. The total volume was 392 million compared to 446 million.

A key milestone was the decision to expand operations beyond Bahrain. A Global Development Committee was formed under the supervision of the Board of Directors to assess new markets, product opportunities, and expansion pathways internationally.

As part of our strategy to expand into global markets, last year’s international outreach across Europe, the Middle East, and the Far East has already yielded positive engagement. We are focused on identifying opportunities to support developing digital economies, unlock untapped markets, and complement existing services to drive sustainable growth.

This global focus is supported by SINAD, our wholly owned subsidiary serving clients across Africa, MENA, and Bahrain in banking solutions, card management, and fraud monitoring. International expansion remains central to our Three-Year Strategy, alongside innovation, sustainability, and payment digitization.

Our investment in the Bahrain FinTech Bay placed us in a stronger position when a large contingent of BENEFIT employees attended the Singapore FinTech Festival. Here, we were able to share our experiences in developing new and innovative FinTech technologies, cultivate innovation as an integral component of the company culture, and discuss how our research and development efforts have impacted the wider FinTech community in Bahrain and beyond.

We strengthened organizational capability through continued investment in infrastructure, talent, and leadership development. This strategic approach is supported by structured workforce development and succession-focused training initiatives—C-Suite Excellence for senior executives, MEDA for middle management, while MESAR is available for employees at all levels.

Sustainability is a core pillar of our Three-Year Strategy. This year, we implemented an enhanced ESG framework with stronger governance, clearer priorities, and defined accountability. A dedicated committee now oversees execution, performance monitoring, and strategic alignment.

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. As we look ahead, we remain focused on delivering secure, future-ready solutions that reinforce trust, enable innovation, and support Bahrain’s digital economy

Abdulwahed AlJanahi
Chief Executive

The power of connection...

Data

Sharing

Cross-Border

Building a regional data ecosystem with KSA and Kuwait.

Cross-border data sharing through our partnership with India, allows us to link Fawri+ for secure, real-time money transfers.

This enables users in both countries to send and receive money instantly, with the initiative also enhancing financial integration between our two nations.



Visa+

This allows customers of certain Bahraini banks, like Bahrain Islamic Bank (BisB) and Khaleeji Bank, to send money to Visa debit and prepaid cardholders across the GCC.

Alias

Transactions use a mobile number as an alias, eliminating the need to share sensitive card or bank account details.

Purpose

This is part of a broader effort to build a cross-border payment network in the region.

Innovation

to power

Progress

Benefit pioneers transformative solutions that advance financial inclusion, elevate service quality, and inspire continuous national progress.

Automated Teller Machine

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 boarder 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.

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.

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.

The power of connection...

Open API's

& FinTech

Integration

Powering innovation and secure digital services.

Cross-border data sharing through our partnership with India, allows us to link Fawri+ for secure, real-time money transfers.

This enables users in both countries to send and receive money instantly, with the initiative also enhancing financial integration between our two nations.

Safe

Benefit is integrating AI-driven security protocols to improve fraud detection systems.

Personal

The company is integrating AI more deeply to provide smarter and more personalized financial recommendations to users.

Efficient

AI is being used to enhance security and optimize processes within the financial sector.



Governance that Strengthens Trust & Performance



Muna Ali ALHashemi
Chairperson Independent



Nabeel Ahmed Mustafa
Vice Chairman – Executive Director



Sh. Salman bin Isa Al Khalifa
Independent Director



Ahmed Abdulqader Taqi
Executive Director



Samih Rajab Abutaleb
Executive Director



Khaled Elias Abi Khalil
NON-Executive Director



Yousef Rashid Al Fadhel
Independent Director



Alaa Jaafar Bushehri
Independent Director



Mohamed Yaqoob Buhejji
Executive Director



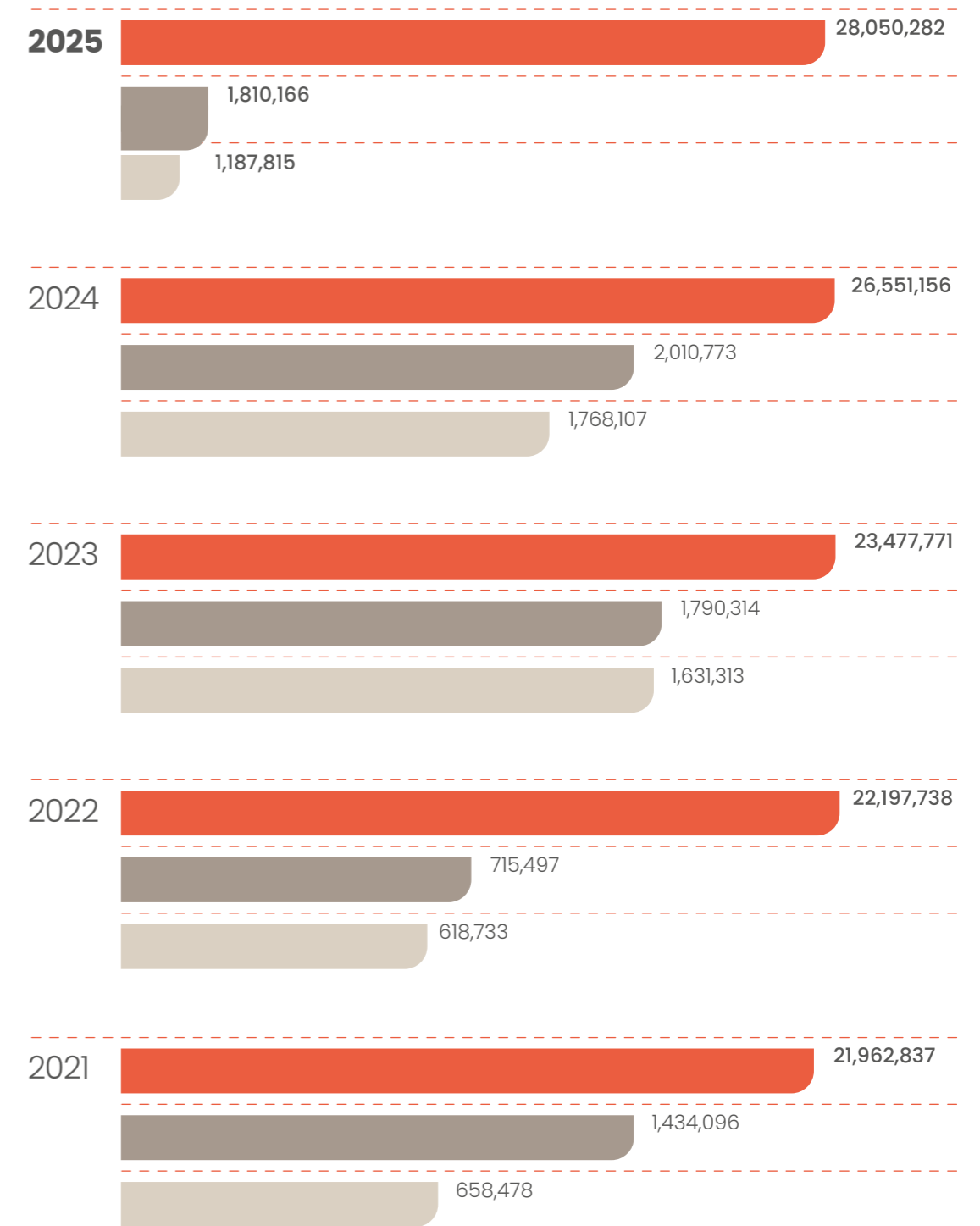
Samir Majed Rabadi
NON-Executive Director

Continued steady 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.

	2025	2024	2023	2022	2021
Operating Profit	1,187,815	1,768,107	1,631,313	618,733	658,478
Profit for the Year	1,810,166	2,010,773	1,790,314	715,497	1,434,096
Net Assets	28,050,282	26,551,156	23,477,771	22,197,738	21,962,837

- Net assets
- Profits for the year
- Operating profits



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
Deputy Chief Executive Bahrain Credit
Reference Bureau and Data Services

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.



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
Officer

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 Audit Officer

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.



Reyadh Almearaj
Chief Information Officer

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
Chief Marketing & Corporate
Communication Officer

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.



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.

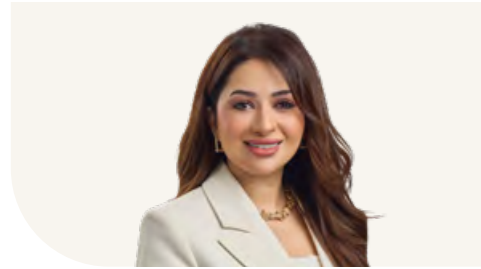


Ahmed AlMahri
AGM Business Development & Services

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
AGM 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
Head - Compliance and AML

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.

At the heart of our success story is the contribution of our highly qualified staff – majority of whom are Bahraini. Once again, highlighting the triumph of the Company's Bahrainization policies and the world class talent available amongst young Bahrainis.

Corporate Governance

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Corporate Governance

1. BENEFIT Corporate Governance Report 2025

The Corporate Governance Report for 2025 presents an overview of our commitment to maintaining the highest standards of corporate governance at the Benefit Company B.S.C.(C). Our culture is built on integrity, efficiency, and accountability, setting the moral and ethical tone from the top.

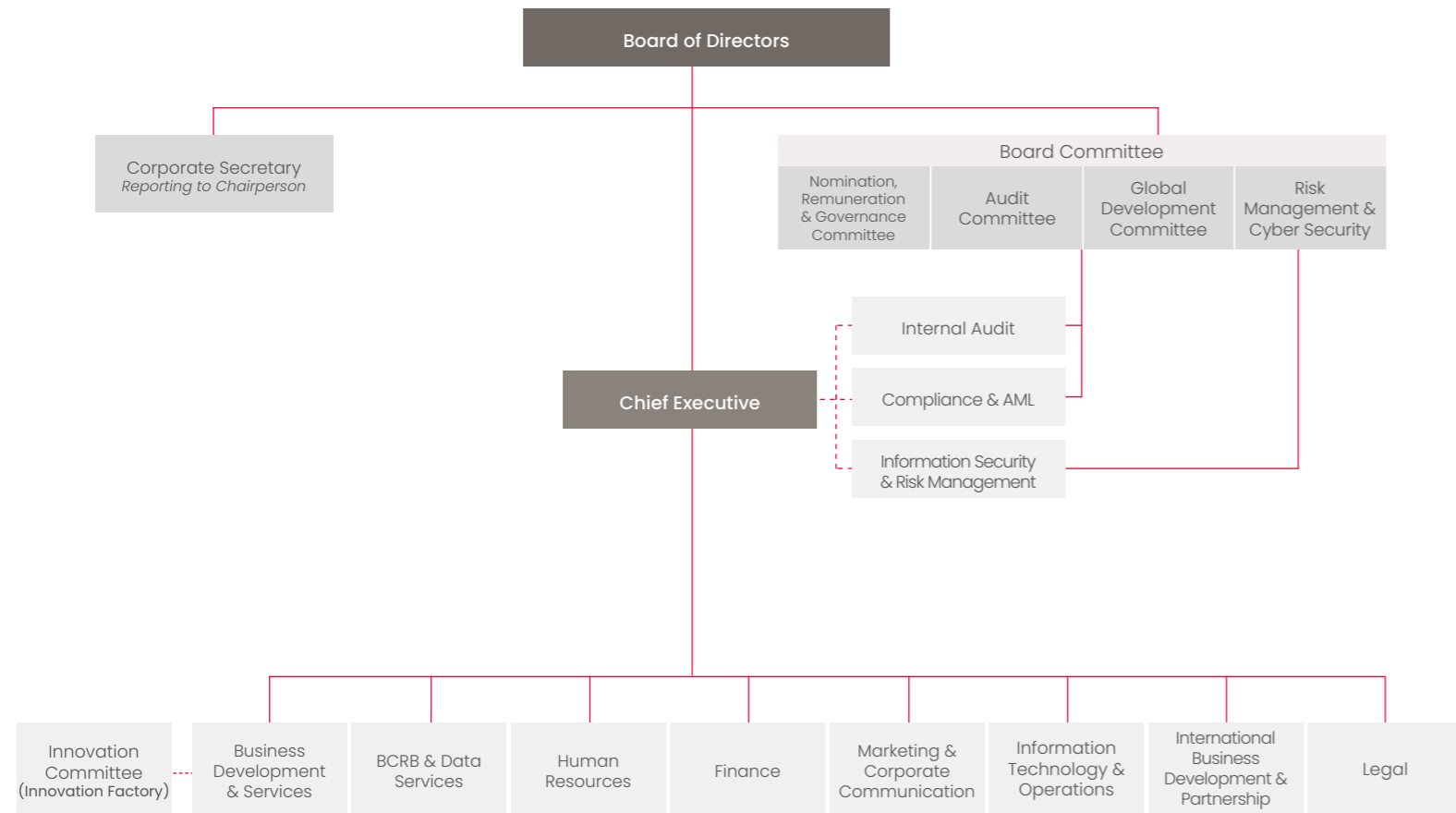
2. Shareholders Information

Ownership Structure as of 31 December 2025

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	Kuwait Finance House B.S.C. (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 B.S.C.	1,344	4.32%
8	Arab Bank Plc	311	1.00%
9	Future Bank B.S.C. (C)	311	1.00%
10	Habib Bank Limited	311	1.00%
11	United Bank Limited	311	1.00%

3. Governance Structure

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



4. Board of Directors Information

4.1 Board Composition

The Company Board of Directors consists of three members appointed by major shareholders, three elected by remaining shareholders, and four independent directors. This diverse mix of expertise in finance and information technology is crucial for effective governance.

No	Director Name	Position in the Board	Committee
1	Muna AlHashemi	Chairperson – Independent Director	Chairperson of NRGC
2	Nabeel Mustafa	Vice Chairperson – Executive Director	Member of NRGC
3	Ahmed Taqi	Executive Director	Member of NRGC
4	Samih Abutaleb	Executive Director	Member of AC & GDC
5	Mohamed Buhejji	Executive Director	Member of CRC & GDC
6	Samir Rabadi	Non-Executive Director	Member of CRC
7	Khaled Abi Khalil	Non-Executive Director	Member of CRC
8	Sh. Salman Alkhalifa	Independent Director	Chairperson of CRC & GDC
9	Yusuf AlFadhel	Independent Director	Chairperson of AC
10	Alaa Bushehri	Independent Director	Member of AC & GDC

4.2 Board Term

The Board members are appointed and elected for a term of three years until the Ordinary General Meeting (OGM) 2028.

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. The Board reviews and oversees the implementation of the Company’s strategy, as well as approves the strategic plan.

The Board is 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 independence and effective decision-making.

4. Board of Directors Information (continued)

4.5 Board Profiles

Director Name	Current Employment	Other Boards
Muna AlHashemi	President Advisor – Electricity & Water Authority (EWA)	<ul style="list-style-type: none"> Board Member– Bahrain Kuwait Insurance CO. Board Member – British School of Bahrain
Nabeel Mustafa	Group Chief Operating Officer – National Bank of Bahrain (NBB)	-
Ahmed Taqi	General Manager –Retail Banking Bank of Bahrain and Kuwait (BBK)	<ul style="list-style-type: none"> Board Member– Naseej B.S.C. (C) Board Member– Sharaka for Housing Projects B.S.C. (C) Board Member– CrediMax (till Oct 2025)
Samih Abutaleb	Deputy Group Chief Executive Officer –Technology & Operation (KFH)	<ul style="list-style-type: none"> Board Member– United Bank for Commerce & Investment
Mohamed Buhejji	Chief Retail Banking Officer – Al Salam Bank	-
Samir Rabadi	Chief Operating Officer – HSBC (Bahrain)	-
Khaled Abi Khalil	Chief Technology & Operation Officer – Standard Chartered Bank	-
Sh. Salman Alkhalifa	-	<ul style="list-style-type: none"> Board Member– Bahrain Commercial Facilities Company Board Member– Singapore Gulf Bank
Alaa Bushehri	Head of Emerging Market Debt – BNP Paribas	-

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 evaluation covers Board composition, effectiveness, strategic oversight, committee performance and individual director contribution. 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 2025

A total of 7 Board meetings were held in 2025. Board meetings attendance for the members during 2025:

Director Name	12 Feb	6 May	02 Jul	9 Sep	30 Sep	27 Oct	19 Nov	Attendance %
Muna AlHashemi	✓	✓	✓	✓	✓	✓	✓	100%
Nabeel Mustafa	○	✓	✓	✓	✓	✓	✓	100%
Ahmed Taqi	○	○	○	○	✓	✓	✓	100%
Samih Abutaleb	✓	✓	✓	✓	✓	✓	✓	100%
Khaled Abi Khalil	✓	✓	✓	✓	✓	✓	✓	100%
Samir Rabadi	○	○	○	○	✓	✓	✓	100%
Mohamed Buhejji	○	○	○	○	✓	✓	✓	100%
Sh. Salman Alkhalifa	○	○	○	○	✓	✓	X	80%
Yousef AlFadhel	✓	✓	✓	✓	✓	✓	✓	100%
Alaa Bushehri	○	○	○	○	✓	✓	✓	100%
Previous Board (till Spetember 2025)								
Mohamed Ebrahim	✓	✓	✓	✓	○	○	○	100%
Nabeel Kazim	✓	○	○	○	○	○	○	100%
Hassaan Burshaid	✓	✓	X	✓	○	○	○	83%
Abdulkarim Turki	✓	✓	X	✓	○	○	○	86%
Ameer Abdulghani	✓	✓	✓	✓	○	○	○	100%
Sawsan Abulhassan	✓	✓	✓	✓	○	○	○	100%
Hadyah Fathalla	✓	✓	X	✓	○	○	○	88%

✓ Attended X Absent ○ Was not a member during this period

4.8 Board Remuneration

The Board members remuneration is BHD 311,040 for the year 2025 subject to the Shareholders approval. In addition, the Board members received sitting fees for attending the meetings of the Board and committees for a total amount of BHD 84,000 for 2025.

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 four 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 2025.

Director Name	Position	9 Feb	24 April	3 Aug	17 Nov
Yusuf Alfadhel	Chairperson	○	○	○	✓
Samih Abutaleb	Member	○	○	○	✓
Alaa Bushehri	Member	○	○	○	✓
Sawsan Abulhassan	Chairperson (till Sep 2025)	✓	✓	✓	○
Ameer Abdulghani	Member (till Sep 2025)	✓	✓	✓	○
Abdulkarim Turki	Member (till Sep 2025)	✓	✓	✓	○

✓ 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.

Director Name	Position	4 Feb	25 Feb	7 May	24 Jun	28 Oct
Sh. Salman Alkhalifa	Chairperson	○	○	○	○	✓
Mohamed Buhejji	Member	○	○	○	○	✓
Samir Rabadi	Member	○	○	○	○	✓
Khaled Abi Khalil	Member	✓	✓	✓	✓	✓
Hadyah Fathalla	Chairperson (till Sep 2025)	✓	✓	✓	✓	○
Samih Abutaleb	Member (till Sep 2025)	✓	✓	✓	✓	○
Yusuf Alfadhel	Member (till Sep 2025)	✓	✓	✓	✓	○
Muna AlHashemi	Member (till Sep 2025)	✓	✓	✓	✓	○

✓ 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	27 Jan	18 Aug	26 Oct	3 Dec
Muna AlHashemi	Chairperson	○	○	✓	✓
Ahmed Taqi	Member	○	○	✓	✓
Nabeel Mustafa	Member	○	✓	✓	✓
Mohamed Ebrahim	Chairperson (till Sep 2025)	✓	✓	○	○
Nabeel Kazim	Member (till Mar 2025)	✓	○	○	○
Hassaan Burshaid	Member (till Sep 2025)	✓	✓	○	○

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

5.4. The Global Development Committee (GDC)

The GDC would assist the Board in matters related to international expansion, global strategic and growth opportunities, thereby ensuring alignment with the Company's long-term strategic objectives.

Director Name	Position	02 Dec
Sh. Salman Alkhalifa	Chairperson	✓
Alaa Bushehri	Member	✓
Samih Abutaleb	Member	✓
Mohamed Buhejji	Member	✓

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

6. Annual Ordinary & Extraordinary General Meeting

The Annual General Meeting was held on 26 March 2025, while the Ordinary General Meeting (OGM) and Extraordinary General Meeting (EGM) were held on 24 September 2025.

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 NRGC 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 21.

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 2025 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.

Corporate Governance

continued

7. Internal Controls, Policies and Procedures (continued)

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.

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 2025 amount to BHD 21,712, and non-audit services fees total BHD 62,506.

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, and four independent directors. This exceeds the maximum number of directors (five) allowed under the CBB rulebook. The Board composition has been reviewed with the Central Bank of Bahrain, and the current structure has been maintained with regulatory awareness given the systemic role of BENEFIT. The Board commits to reassessing its size periodically to ensure continued proportionality and effectiveness.
- HC-3.2.2 states that the majority of the Audit Committee directors should be independent, including the Chairperson. Our Audit Committee consists of an independent chairperson, one independent member and one executive director. 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 Minutes

General Assembly Meeting Minutes

MINUTES	26 MARCH 2025 11:02 AM
MEETING CALLED BY	THE BENEFIT COMPANY B.S.C ©
TYPE OF MEETING	General Assembly Meeting for 2024
ATTENDEES	As per attendees list

The Chairman Mr. Mohamed Ebrahim Al Bastaki chaired the meeting and welcomed the Shareholder representatives and the Central Bank of Bahrain representatives, and confirmed we have a quorum of 99% at the meeting%.

Agenda topics

1. Approve the Minutes of the previous Annual General Meeting of the Company held on 26TH March 2024.

The Chairman advised the Shareholders that the minutes of the previous meeting held on 26th March 2024 was distributed along with the agenda for their reference. There were no comments or questions raised and the minutes were approved.

Resolution 1 –The minutes of the Annual General Meeting dated 26th March 2024 was 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 2024.

The Chairman gave a brief update on the Board of Director's report on the company's business for the financial year ended 31st December 2024.

Resolution 2 – The Directors Report for the Financial year ended 31st December 2024 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 2024.

EY read the external auditor's report on the company's consolidated financial statement for the financial year ended 31st December 2024. There were no comments or questions raised and the External Auditor's report was approved.

Resolution 3 – The External Auditors Report for the Financial year ended 31st December 2024 was approved by the Shareholders.

4. Discuss and approve the Company's Consolidated Financial Statements for the financial year ended 31st December 2024.

The Chairman briefed the shareholders on the company's consolidated financial statement for the financial year ended 31st December 2024 and advised that a copy of the financial statement was distributed for reference.

The Chairman further announced that as required by Article 189 of the Companies Commercial Law, the Board of Directors have reviewed the transactions relating to Directors of the company or its managers, whether direct or indirect, and such transactions have been approved by the Board of Directors and summarized in note 19 of the consolidated financial statement under related party transactions. Including the external auditors report to this effect. There were no further comments or questions raised and the financial statement were approved

Resolution 4 – The Shareholders approved the consolidated Financial Statement for the Financial Year Ended 31st December 2024.

Resolution 5 – The Shareholders approved the Related Party Transactions as required by Article 189 of the Commercial Companies Law.

5. Discuss and approve the Board of Directors recommendation for the following appropriations of the year 2024 net profit, subject to the approval of the Competent Authorities.

Chairman advised the Shareholders; that the Board of Directors have recommended the following appropriation of the net profit of the year 2024 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 1,553,839 to Retained Earnings.

Resolution 6 –The above recommended appropriation of the Net Profit for 2024 was approved by the Shareholders.

6. Approval of recommendation to allocate BD 172,500 as remuneration for the members of the Board of Directors for 2024.

The Chairman advised the shareholders of the recommendation to allocate BD 172,500 as remuneration for the Board of Directors for 2024. There were no comments or questions raised and the allocation was approved.

Resolution 7 – The Shareholders approved the Directors remuneration in the sum of BD172,500 for the year 2024.

General Assembly Meeting Minutes

7. Approve the extension of the term of the current ten Board of Directors and one CBB Observer for an additional period of six months, ending in September 2025, as approved by the Central Bank of Bahrain.

The Chairman advised the shareholders of the recommendation to extend the term of the current Board of Directors and one CBB observer for an additional period of six months, ending in September 2025, after obtaining the approval of the Central Bank of Bahrain.

HSBC representative inquired about the benefits of extending the Board of Directors' term for an additional six months. ME reassured shareholders that both the Board and management are committed to continuously working in the best interests of the Company. AJ elaborated, stating that the Commercial Companies Law permits the Company to apply for an extension and based on the Company's requirements, an extension request was submitted in coordination with the Central Bank of Bahrain.

Resolution 8- The Shareholders approved the extension of the current Board of Directors term for an additional 6 months, ending in September 2025.

8. Approve the appointment of Mr. Nabeel Mustafa as an Executive Director representing National Bank of Bahrain B.S.C to replace Mr. Nabeel Kazim for the remaining Board term, subject to the approval of the Central Bank of Bahrain.

The Chairman requested the approval of the shareholders on the appointment of Mr. Nabeel Mustafa as an Executive Director representing National Bank of Bahrain B.S.C to replace Mr. Nabeel Kazim for the remaining Board term, after obtaining the approval of the Central Bank of Bahrain.

Resolution 9 – The Shareholders approved the appointment of Mr. Nabeel Mustafa as an Executive Director to replace Mr. Nabeel Kazim for the remaining Board term.

9. Discuss and approve the Corporate Governance report for the year ended 31st December 2024 and the Company's compliance as per the requirements of the Central Bank of Bahrain and the Ministry of Industry and Commerce.

The Chairman advised the Corporate Governance report for the year ended 31st December 2024 was prepared and has ensured that all the Corporate Governance and standards were met. There were no comments or questions raised by the Shareholders. The Corporate Governance report is part of the Annual Report which will be available on the Company's Website.

Resolution 10- The Shareholders approved the Corporate Governance report for the year ended 31st December 2024.

10. 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 2024.

The Shareholders were asked to absolve the Board of Directors from any liability related to their conduct during the year ended 31st December 2024. There was no question raised by the Shareholders.

Resolution 11- The Shareholders absolved the Board of Directors from their any liability during the year ended 31st December 2024.

11. 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 2025, subject to the approval of the Central Bank of Bahrain and authorize the Board of Directors to determine their remuneration..

The Board of Directors recommended to appoint Ernst and Young [EY] as external auditors of the Company and its subsidiaries Sinnad Company W.L.L and Bahrain Fintech Bay W.L.L for the year 2025, subject to the approval of the Central Bank of Bahrain, and to authorize the Board of Directors to determine their fees. There were no comments or questions raised by the Shareholders There were no further discussions, and the Chairman concluded the meeting at 11:15 am.

Resolution 12- The Shareholders approved the recommendation appoint Ernst and Young [EY] as external auditors for the Company and its subsidiaries Sinnad Company W.L.L and Bahrain Fintech Bay W.L.L for the year 2025 and authorized the Board of Directors to determine their fees.

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

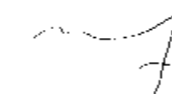
There were no other matters raised by the Shareholders.

The Chairman concluded the Annual General Meeting by thanking His Majesty King Hamad bin Isa Al Khalifa, and His Royal Highness Prince Salman bin Hamad Al Khalifa Crown Prince and Prime Minister for their guidance and support.

The Chairman also thanked all the Shareholders, Central Bank of Bahrain for their attendance and participation.

The Chairman also welcomed the new Director and thanked Management and Staff for their achievements during the year.

There being no other issues for discussion the meeting was closed at 11:20am.



Mohamed Ebrahim Albastaki
Chairman of the Board of Directors



Abdulwahed AlJanahi
Chief Executive

Financial Statements

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

Report on the Audit of the Consolidated Financial Statements

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 2025, 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 2025, 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 4 to 6 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:

- the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
- the financial information contained in report of the Board of Directors is consistent with the consolidated financial statements;
- 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
- satisfactory explanations and information have been provided to us by management in response to all our requests.



Partner's registration no. 115
16 February 2026
Manama, Kingdom of Bahrain

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	31 December 2025 BD	31 December 2024 BD
ASSETS			
Furniture and equipment	6	1,709,771	2,324,195
System software	7	1,050,110	1,174,261
Building	8	4,612,292	4,791,411
Capital work-in-progress	9	952,979	919,374
Right-of-use assets	11	941,517	868,315
Security deposits		157,972	139,168
Total non-current assets		9,424,641	10,216,724
Cash and bank balances	5	1,835,325	1,611,519
Balances with Central Bank of Bahrain	5	2,130,866	8,575,053
Balances with GCC central banks	5	5,467,515	2,232,650
Deposits with banks	5	7,593,488	5,544,973
Sukuk		3,723,352	918,352
Trade receivables	10	1,639,439	1,713,756
Prepaid expenses and other receivables		1,314,374	1,080,156
Total current assets		23,704,359	21,676,459
TOTAL ASSETS		33,129,000	31,893,183
LIABILITIES AND EQUITY			
Liabilities			
Non-current portion of lease liabilities	11	396,454	475,287
Non-current portion of deferred income	14	89,834	200,489
Provision for employees' leaving indemnities	12	725,713	566,935
Non-current portion of term loan		29,763	66,455
Total non-current liabilities		1,241,764	1,309,166
Trade payables and accrued expenses	13	2,816,110	3,164,635
Current portion of lease liabilities	11	589,911	451,569
Current portion of deferred income	14	392,178	383,112
Current portion of term loan		38,755	33,545
Total current liabilities		3,836,954	4,032,861
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		21,629,595	20,130,469
Total equity		28,050,282	26,551,156
TOTAL LIABILITIES AND EQUITY		33,129,000	31,893,183

Muna Ali Al Hashemi
Chairperson

Abdulwahed AlJanahi
Chief Executive

Yusuf Rashed Al Fadhel
Director

The attached notes 1 to 24 form part of these consolidated financial statements

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended 31 December 2025

	Note	31 December 2025 BD	31 December 2024 BD
Revenue			
Switch	16	8,157,628	8,084,098
BCRB		1,398,652	1,293,934
BCTS		426,157	442,038
EFTS		3,219,328	3,013,013
BenefitPay		920,980	694,075
eKYC		587,321	530,363
PKI-CA		243,560	254,970
WPS		141,900	144,600
FinTech services and partnerships		557,986	372,467
Card services revenue	16	2,801,928	2,211,974
Total operating revenue		18,455,440	17,041,532
Staff cost	19	(8,107,520)	(7,059,726)
Cost of provision of services	18	(4,377,160)	(3,672,250)
Depreciation and amortisation		(2,289,610)	(2,054,970)
Other operating expenses	20	(2,493,335)	(2,486,479)
Total operating expenses		(17,267,625)	(15,273,425)
Operating profit		1,187,815	1,768,107
Interest income	17	420,292	234,935
Interest expense on lease liabilities	11	(110,150)	(76,701)
Other income		312,209	84,432
NET PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,810,166	2,010,773

Muna Ali Al Hashemi
Chairperson

Abdulwahed AlJanahi
Chief Executive

Yusuf Rashed Al Fadhel
Director

The attached notes 1 to 24 form part of these consolidated financial statements

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital BD	Statutory reserve BD	General reserve BD	Charity reserve BD	Retained earnings BD	Total Equity BD
Balance at 1 January 2025	3,110,400	1,612,138	1,555,200	142,949	20,130,469	26,551,156
Net profit and total comprehensive income for the year	-	-	-	-	1,810,166	1,810,166
Dividend declared in 2024	-	-	-	-	(311,040)	(311,040)
Balance at 31 December 2025	3,110,400	1,612,138	1,555,200	142,949	21,629,595	28,050,282

	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

The attached notes 1 to 24 form part of these consolidated financial statements

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	31 December 2025 BD	31 December 2024 BD
OPERATING ACTIVITIES			
Cash received from switch operations		8,227,424	8,139,714
Cash received from BenefitPay operations		828,587	532,872
Cash received from BCRB operations		1,348,730	1,265,868
Cash received from card services		3,030,124	2,269,607
Cash received from BCTS operations		427,483	440,068
Cash received from EFTS operations		3,319,625	3,079,244
Cash received from eKYC operations		529,204	561,399
Cash received from PKI-CA operations		243,560	253,888
Cash received from WPS operations		115,885	175,590
Cash received from FinTech services and partnerships		583,286	110,384
Payments for operating expenses		(15,271,698)	(12,820,995)
Payment for directors' remuneration		(172,500)	(165,185)
Other receipts		252,388	271,995
Net cash generated from operating activities		3,462,098	4,114,449
INVESTING ACTIVITIES			
Purchase of furniture and equipment		(252,359)	(300,829)
Purchase of system software		(236,874)	(306,653)
Payments for capital work-in-progress		(677,425)	(201,267)
Purchase of sukuk		(2,805,000)	(918,352)
Interest received		413,023	189,501
Net cash used in investing activities		(3,558,635)	(1,537,600)
FINANCING ACTIVITIES			
Dividend paid		(311,040)	(311,040)
Corporate social responsibility expenses paid		(62,136)	(45,932)
Term loan		(31,482)	100,000
Lease liabilities paid		(435,806)	(377,654)
Net cash used in financing activities		(840,464)	(634,626)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(937,001)	1,942,223
Cash and cash equivalents at 1 January		17,964,195	16,021,972
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5	17,027,194	17,964,195

The attached notes 1 to 24 form part of these consolidated financial statements

Notes to the Consolidated Financial Statements

31 December 2025

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 2025 were authorized for issue in accordance with a resolution of the Board of Directors of the Company on 16 February 2026.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements are prepared in accordance with 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.

Certain corresponding figures have been reclassified in order to conform to the presentation of the consolidated financial statements for the current year. Such reclassifications did not affect previously reported net profit, total assets, total liabilities or total equity of the Group.

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
	2025	2024		
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.

Notes to the Consolidated Financial Statements

31 December 2025

2. BASIS OF PREPARATION (continued)

2.4 Basis of consolidation (continued)

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 the consolidated statement of profit or loss and other comprehensive income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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 2024, except for the adoption of new standards or amendments to existing standards that have become applicable effective from 1 January 2025, 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 Lack of Exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies 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 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 IFRS 18 Presentation and Disclosure in Financial Statements

In April 2025, 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.

Notes to the Consolidated Financial Statements

31 December 2025

2. BASIS OF PREPARATION (continued)

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

2.6.2 IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2025, 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.

As the Group's consolidated financial statements are prepared in accordance with IFRS Accounting Standards and are publicly disclosed through the Group's website, the Group is not eligible to elect to apply IFRS 19.

2.6.3 Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on its consolidated financial statements.

2.6.4 Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

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

2.6.5 Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts; and
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its consolidated financial statements.

Notes to the Consolidated Financial Statements

31 December 2025

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.

(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 consolidated statement of 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.

Notes to the Consolidated Financial Statements

31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

3.1 Financial instruments (continued)

(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.

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.

Notes to the Consolidated Financial Statements

31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

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 of 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 and other comprehensive income 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 and other comprehensive income.

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.

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 of 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.

Notes to the Consolidated Financial Statements

31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

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.

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.

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.

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 the consolidated statement of profit or loss and other comprehensive income.

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 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.

Notes to the Consolidated Financial Statements

31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

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

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 in the consolidated statement of profit and loss a straight-line basis over the lease term.

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 2025 ('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.

Notes to the Consolidated Financial Statements

31 December 2025

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.

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 2025 BD	31 December 2024 BD
Cash and bank balances	1,835,325	1,611,519
Balances with Central Bank of Bahrain	2,130,866	8,575,053
Balances with GCC central banks	5,467,515	2,232,650
Deposits with banks with original maturity less than 90 days	7,593,488	5,544,973
	17,027,194	17,964,195

Notes to the Consolidated Financial Statements

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6. FURNITURE AND EQUIPMENT

	System hardware BD	Computers BD	Furniture, fixtures, office equipment & vehicle BD	Total BD
Cost:				
As at 1 January 2025	5,635,013	322,390	671,019	6,628,422
Additions	160	36,066	34,321	70,547
Transferred from CWIP (note 9)	165,571	-	12,736	178,307
As at 31 December 2025	5,800,744	358,456	718,076	6,877,276
Depreciation:				
As at 1 January 2025	3,756,686	226,122	321,419	4,304,227
Charge for the year	724,520	46,676	92,082	863,278
As at 31 December 2025	4,481,206	272,798	413,501	5,167,505
Net book value:				
As at 31 December 2025	1,319,538	85,658	304,575	1,709,771

	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	98,203	74,204	108,714	281,121
Transferred from CWIP (note 9)	166,695	-	-	166,695
Disposals	-	-	(4,542)	(4,542)
As at 31 December 2024	5,635,013	322,390	671,019	6,628,422
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	822,740
Relating to disposals	-	-	(902)	(902)
As at 31 December 2024	3,756,686	226,122	321,419	4,304,227
Net book value:				
As at 31 December 2024	1,878,327	96,268	349,600	2,324,195

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31 December 2025

7. SYSTEM SOFTWARE

	31 December 2025 BD	31 December 2024 BD
At 1 January	1,174,261	1,559,167
Transferred from CWIP (note 9)	615,125	326,158
Additions during the year	394	-
Amortisation charge for the year	(739,670)	(711,064)
	1,050,110	1,174,261

8. BUILDING

	31 December 2025 BD	31 December 2024 BD
At 1 January	4,791,411	4,970,529
Depreciation charge for the year	(179,119)	(179,118)
	4,612,292	4,791,411

9. CAPITAL WORK-IN-PROGRESS

	31 December 2025 BD	31 December 2024 BD
At 1 January	919,374	427,321
Additions during the year	942,808	984,906
Transferred to furniture and equipment (note 6)	(12,736)	(166,695)
Transferred to system software (note 7)	(615,125)	(326,158)
Transferred to system software (note 6)	(165,571)	-
Written-off during the year	(115,771)	-
At 31 December	952,979	919,374

10. TRADE RECEIVABLES

	31 December 2025 BD	31 December 2024 BD
Gross receivables	1,681,763	1,743,500
Less: expected credit losses	(42,324)	(29,744)
	1,639,439	1,713,756

The movement on allowance for ECL is as follows:

	31 December 2025 BD	31 December 2024 BD
At 1 January	29,744	19,459
Charge during the year	12,580	10,285
At 31 December	42,324	29,744

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

Notes to the Consolidated Financial Statements

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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 2025	868,315	926,856
Additions during the year	431,591	431,591
Amortisation charge for the year	(507,543)	-
Lease modification	149,154	91,408
Interest expense on lease liabilities	-	110,150
Payments released during the year *	-	(573,640)
At 31 December 2025	941,517	986,365

	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

* 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 9.0% (2024: 7.5% to 8.5%).

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

	31 December 2025 BD	31 December 2024 BD
Current portion	589,911	451,569
Non-current portion	396,454	475,287
Total discounted lease liabilities	986,365	926,856
Maturity analysis – contractual undiscounted cash flow		
Less than one year	553,628	353,138
One to five years	509,417	667,654
Total undiscounted lease liabilities	1,063,045	1,020,792

Notes to the Consolidated Financial Statements

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12. PROVISION FOR EMPLOYEES LEAVING INDEMNITIES

The movement in the provision is as follows:

	31 December 2025 BD	31 December 2024 BD
At 1 January	566,935	456,560
Provided during the year (note 19)	177,642	127,320
Less: Payments made during the year to employees	-	(3,010)
Less: Payments made during the year to SIO	(18,864)	(13,935)
At 31 December	725,713	566,935
Total number of employees at 31 December:	2025	2024
Bahrainis	238	204
Non-Bahrainis	17	15
	255	195

For the year ended 31 December 2025, the Group's contribution for employees under SIO scheme amounted to BD 860,719 (2024: BD 574,147). 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 279,102 (2024: BD 242,286). 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 2025, these amounted to BD 3,203,373 (2024: BD 2,725,920).

13. TRADE PAYABLES AND ACCRUED EXPENSES

	31 December 2025 BD	31 December 2024 BD
Staff related payables	1,106,364	958,531
Trade payables	803,722	469,747
Accrual for cost of provision of services	178,469	414,756
Accrual for capital expenditure	111,317	524,136
Accrual for directors' remuneration	168,432	180,000
VAT Payable (net)	57,176	152,331
Accrual for professional and consultancy services	51,736	111,552
Payables for card processing	103,505	15,863
Other accrued expenses	235,389	337,719
	2,816,110	3,164,635

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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 2025 BD	31 December 2024 BD
At 1 January	583,601	454,105
Additions during the year	1,200,633	1,152,010
Released during the year	(1,302,222)	(1,022,514)
At 31 December	482,012	583,601

	31 December 2025 BD	31 December 2024 BD
Non-current portion of deferred income	89,834	200,489
Current portion of deferred income	392,178	383,112
	482,012	583,601

15. SHARE CAPITAL

	31 December 2025 BD	31 December 2024 BD
Authorized:		
54,000 (2024: 54,000) shares of BD 100 each	5,400,000	5,400,000
Issued and fully paid-up:		
31,104 (2024: 31,104) shares of BD 100 each	3,110,400	3,110,400

16. REVENUE

A. Disaggregation of revenue

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

	31 December 2025 BD	31 December 2024 BD
Bahrain POS	3,091,269	2,924,806
GCC POS	2,376,929	2,158,067
Bahrain ATM	1,610,641	1,818,170
Payment gateway	566,939	566,608
GCC ATM	491,315	559,030
Telecom bill payment	20,535	42,784
AMEX	-	14,633
	8,157,628	8,084,098

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16. REVENUE (continued)

A. Disaggregation of revenue (continued)

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

	31 December 2025 BD	31 December 2024 BD
Income from card processing	1,889,146	1,678,168
Income from card procurements and fulfilment	438,548	332,552
Income from development and customisations	419,486	159,868
Income from call center operation	54,748	41,386
	2,801,928	2,211,974

Contract balances relating to card service revenue

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

	31 December 2025 BD	31 December 2024 BD
Contract liabilities (included in current portion of deferred income)	86,844	93,090

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 2025, card services income BD 79,994 (2024: BD 61,370) was included in the contract liability balance at the beginning of the year ended 31 December 2025.

B. Disaggregation of revenue by timing of recognition

	31 December 2025 BD	31 December 2024 BD
Services rendered at a point in time	14,307,556	14,443,393
Services rendered over time	4,147,884	2,598,139
	18,455,440	17,041,532

C. Disaggregation of revenue by jurisdiction

	31 December 2025 BD	31 December 2024 BD
Kingdom of Bahrain	16,964,737	15,961,764
Gulf Cooperation Council	571,589	543,346
Yemen & Algeria	744,020	256,039
Rest of the world	175,094	280,383
	18,455,440	17,041,532

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17. INTEREST INCOME

	31 December 2025 BD	31 December 2024 BD
Interest on bank deposits and sukuk	418,609	229,841
Interest on current accounts	1,683	5,094
	420,292	234,935

18. COST OF PROVISION OF SERVICES

	31 December 2025 BD	31 December 2024 BD
License and support	1,469,663	1,175,362
Maintenance cost	958,824	1,011,657
Communication lines	418,340	524,078
Cost of card services*	743,555	354,472
GCC NET telecom charges	21,884	23,456
Other processing costs	764,894	583,225
	4,377,160	3,672,250

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

19. STAFF COSTS

	31 December 2025 BD	31 December 2024 BD
Salaries and other employees' benefits	6,688,932	5,875,387
Social Insurance Organization	721,320	594,111
Saving Scheme Contribution	262,577	242,286
Employees end of service benefits (note 12)	177,642	127,320
Training	161,089	143,487
Others	95,960	77,135
	8,107,520	7,059,726

20. OTHER OPERATING EXPENSES

	31 December 2025 BD	31 December 2024 BD
Legal and professional expenses	1,032,514	1,043,172
Public relation and marketing	342,252	337,735
Directors' remuneration	192,929	193,500
Occupancy costs	201,977	174,031
Travel and conferences	207,739	142,629
Directors' sitting fees	96,700	80,000
Entertainment expenses	81,454	76,812
Corporate social responsibility expenses	62,136	45,932
Insurance expenses	44,365	13,932
Other expenses	231,269	378,736
	2,493,335	2,486,479

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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 of 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 2025 BD	31 December 2024 BD
Salaries and short-term employee benefits		2,077,854	1,982,999
Long term employee benefits		258,954	235,772
Directors' remuneration	20	192,929	193,500
Directors' sitting fees	20	96,700	80,000
Provision for employees' leaving indemnities		201,843	142,601

21.2 Transactions and balances with and from related parties

	Note	31 December 2025 BD	31 December 2024 BD
Balance with and from shareholders			
Bank balances	(i)	1,541,894	1,555,376
Deposits with banks	(i)	7,593,488	6,463,325
Trade receivables	(i)	763,740	570,249
Other assets	(ii)	126,766	123,407
Right of use asset		37,922	16,041
Lease liability		38,199	16,837
Deferred income	(iii)	74,028	138,881
Interest income	(i)	249,965	212,060
Card service income	(ii)	342,835	460,144
Bank charges	(i)	10,361	2,696
Occupancy costs		4,256	4,200

- (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.

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22. CAPITAL COMMITMENTS AND CONTINGENCIES

Capital commitments and contingencies as on 31 December 2025 by the Group are BD 1,280,298 (2024: BD 600,986).

23. APPROPRIATIONS AND BOARD REMUNERATIONS

	31 December 2025 BD	31 December 2024 BD
Cash dividends	311,040	311,040
	311,040	311,040

The Board of Directors proposed cash dividends of BD 311,040 (2024: BD 311,040) from the retained earnings. Further, the Board has also recommended BD 172,500 as the directors remuneration for the year 2025 (2024: BD 172,500). 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).

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.

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24. FINANCIAL RISK MANAGEMENT (continued)

24.1 Credit risk (continued)

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

	31 December 2025 BD	31 December 2024 BD
Balance with and from shareholders		
Bank balance	1,835,325	1,611,519
Balance with Central Bank of Bahrain	2,130,866	8,575,053
Balance with GCC central banks	5,467,515	2,232,650
Deposits with banks	7,593,488	5,544,973
sukuk	3,723,352	918,352

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.

Aging of trade receivables is as follows:

	31 December 2025 BD	31 December 2024 BD
0-30 days	759,216	1,019,259
31 - 90 days	322,868	319,887
91 - 180 days	241,927	101,540
181 - 365 days	304,451	115,125
More than 365 days	53,301	187,689
Gross receivables	1,681,763	1,743,500
Expected credit losses	(42,324)	(29,744)
Net trade receivables	1,639,439	1,713,756

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 599,679 (2024: BD 404,354) 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.

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24. FINANCIAL RISK MANAGEMENT (continued)

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:

2025	Carrying Amount	Contractual cash flows	Less than 6 months	More than 6 months
Trade payables and accrued expenses	2,816,110	2,816,110	2,816,110	-
Provision for employees' leaving indemnities	725,713	725,713	-	725,713
Lease liabilities	986,365	1,063,045	280,245	782,800
Term loan	68,518	72,072	20,592	51,480
	4,596,706	4,676,940	3,116,947	1,559,993

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
	4,758,426	4,852,362	3,362,271	1,490,091

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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 5.47% (2024: 5.78%).

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 6.6% in 2025 (2024: 7.6 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 2025 and 2024, all the Group's financial assets and financial liabilities have been classified and measured at amortised cost.