

**Alawwal Invest
Company (SAB Invest)**
(A One-Person Closed Joint Stock Company)



**الأول للاستثمار
SAB Invest**

Financial Statements

For the Year Ended 31 December 2025
Together with the Independent Auditor's Report

ALAWWAL INVEST COMPANY (SAB INVEST)
(A ONE-PERSON CLOSED JOINT STOCK COMPANY)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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Independent auditor's report to the shareholder of Alawwal Invest Company (SAB Invest)

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alawwal Invest Company (SAB Invest) (the "Company") as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in shareholder's equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

PricewaterhouseCoopers Accountants (Professional Limited Liability Company)
Laysen Valley Tower 12 & 13, King Khaled Road
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Independent auditor's report to the shareholder of Alawwal Invest Company (SAB Invest) (continued)

Responsibilities of Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's Article of Association, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors and Audit Committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, 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 financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report to the shareholder of Alawwal Invest Company (SAB Invest) (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with those charged with governance 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.

PricewaterhouseCoopers



Mufaddal A. Ali
License number 447


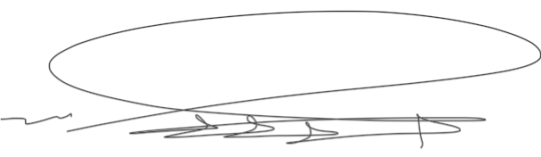

18 March 2026



ALAWWAL INVEST COMPANY (SAB INVEST)
(A ONE-PERSON CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025
(Amounts in SAR '000s')

	Note	As at 31 December 2025	As at 31 December 2024
ASSETS			
Cash and cash equivalents	4	27,369	30,007
Margin deposit with clearing house, net	5	36,292	60,148
Time deposits, net	6	-	137,440
Investments held at fair value through statement of income ("FVSI")	7	167,327	150,936
Receivables from asset management	8	49,239	51,273
Margin finance receivables, net	9	1,649,984	1,701,676
Investments held at fair value through statement of other comprehensive income ("FVOCI")	10	423,143	276,596
Receivables, prepayments and other assets, net	11	75,864	38,482
Investments held at amortized cost, net	12	188,466	187,990
Property and equipment and right of use asset		1,862	2,120
Intangible assets	14	184,146	185,607
TOTAL ASSETS		2,803,692	2,822,275
LIABILITIES AND SHAREHOLDER'S EQUITY			
LIABILITIES			
Short-term borrowings	15, 16	1,035,951	1,306,450
Due to a related party	16	128,625	91,663
Accrued expenses and other liabilities	17	149,333	111,414
Zakat and income tax payable	18	26,335	30,159
Employees' end of service benefits ("EOSB")	19	45,505	44,792
TOTAL LIABILITIES		1,385,749	1,584,478
SHAREHOLDER'S EQUITY			
Share capital	20	840,000	840,000
Other reserve		2,650	2,675
Retained earnings		575,293	395,122
TOTAL SHAREHOLDER'S EQUITY		1,417,943	1,237,797
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		2,803,692	2,822,275


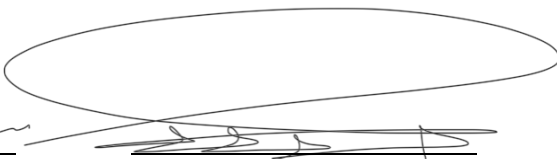

The accompanying notes from 1 to 31 form an integral part of these financial statements.

 _____ Head of Finance	 _____ Chairman	 _____ Managing Director & CEO
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ALAWWAL INVEST COMPANY (SAB INVEST)
(A ONE-PERSON CLOSED JOINT STOCK COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR '000s')

	Note	For the year ended	
		31 December 2025	31 December 2024
REVENUE			
Asset management fees	23	250,282	233,018
Brokerage fee income		48,326	58,722
Special commission income	24	136,707	141,961
Income from clients' money		107,179	116,844
(Loss) / gain on investments held at FVSI, net	25	(3,452)	4,053
Dividend income		22,240	8,470
Other income, net		3,381	3,433
TOTAL REVENUE		564,663	566,501
OPERATING EXPENSES			
Salaries and employee related expenses		(170,791)	(168,650)
Premises related expenses		(8,883)	(8,700)
Special commission expense on short-term borrowings	16	(76,982)	(76,407)
General and administrative expenses	26	(78,589)	(60,745)
Depreciation and amortization		(23,667)	(23,342)
Expected credit loss reversal / (charge) on financial assets	13	1,928	(634)
Finance charge	17.2	(8)	(18)
TOTAL OPERATING EXPENSES		(356,992)	(338,496)
INCOME BEFORE ZAKAT AND INCOME TAX		207,671	228,005
Zakat and income tax for the year	18.1	(27,500)	(24,157)
NET INCOME FOR THE YEAR		180,171	203,848
OTHER COMPREHENSIVE (LOSS) / INCOME			
<i>Items that will not be reclassified to statement of income in subsequent years:</i>			
Remeasurement (loss) / gain on EOSB		(1,821)	2,587
<i>Items that will be reclassified to statement of income in subsequent years:</i>			
Net changes in fair value of investments held at FVOCI		1,796	(1,518)
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME		(25)	1,069
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		180,146	204,917


The accompanying notes from 1 to 31 form an integral part of these financial statements.

 Head of Finance	 Chairman	 Managing Director & CEO
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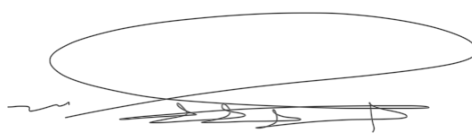
ALAWWAL INVEST COMPANY (SAB INVEST)
(A ONE-PERSON CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR '000s')

	Share capital	Other reserves	Retained earnings	Total
Balance as at 1 January 2025	840,000	2,675	395,122	1,237,797
Net income for the year	-	-	180,171	180,171
<i>Other comprehensive (loss) / income</i>				
Remeasurement loss on EOSB	-	(1,821)	-	(1,821)
Net changes in fair value of investments held at FVOCI	-	1,796	-	1,796
Total comprehensive (loss) / income	-	(25)	180,171	180,146
Balance as at 31 December 2025	840,000	2,650	575,293	1,417,943
<hr/>				
Balance as at 1 January 2024	840,000	1,606	191,274	1,032,880
Net income for the year	-	-	203,848	203,848
<i>Other comprehensive income / (loss)</i>				
Remeasurement gain on EOSB	-	2,587	-	2,587
Net changes in fair value of investments held at FVOCI	-	(1,518)	-	(1,518)
Total comprehensive income	-	1,069	203,848	204,917
Balance as at 31 December 2024	840,000	2,675	395,122	1,237,797

The accompanying notes 1 to 31 form an integral part of these financial statements.



Head of Finance



Chairman




Managing Director & CEO

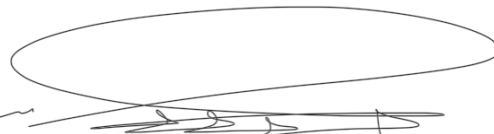
ALAWWAL INVEST COMPANY (SAB INVEST)
(A ONE-PERSON CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR '000s')

		For the year ended	
	Note	31 December 2025	31 December 2024
Cash flows from operating activities			
Net income before zakat and income tax for the year		207,671	228,005
<i>Adjustments for:</i>			
Loss / (gain) on investments held at FVSI, net		3,452	(4,053)
Dividend income		(22,240)	(8,470)
Depreciation and amortization		23,667	23,342
Finance charge	17.2	8	18
Provision for EOSB	19	6,241	4,989
Expected credit loss (reversal) / charge on financial assets		(1,928)	634
		216,871	244,465
<i>Changes in operating assets and liabilities:</i>			
Margin deposit with clearing house		23,887	(8,730)
Receivable from asset management		2,034	(2,537)
Margin finance receivables		53,545	(502,791)
Receivables, prepayments and other assets, net		(37,433)	(16,016)
Due to a related party		36,962	(27,517)
Accrued expenses and other liabilities		38,196	11,819
		334,062	(301,307)
EOSB paid	19	(7,349)	(5,091)
Zakat paid	18.1	(11,223)	(10,775)
Income tax paid	18.1	(20,101)	(6,816)
Net cash generated from / (used in) operating activities		295,389	(323,989)
Cash flows from investing activities			
Proceeds on maturity of time deposits		210,000	455,934
Purchase of investment in time deposits		(75,000)	(315,000)
Proceeds from sales of investment held at FVSI		47,740	35,908
Purchase of investment held at FVSI		(67,536)	(78,381)
Purchase of investment held at FVOCI		(144,751)	(147,479)
Purchase of investment held at amortized cost		-	(20,810)
Addition of intangible assets	14	(21,875)	(8,962)
Purchase of property and equipment		(339)	(1,725)
Dividend income received		22,240	8,470
Net cash used in investing activities		(29,521)	(72,045)
Cash flows from financing activities			
Payments for lease liability	17.2	(277)	(274)
Short-term borrowings, net	15.1	(268,229)	411,791
Net cash (used in) / generated from financing activities		(268,506)	411,517
Net change in cash and cash equivalents		(2,638)	15,483
Cash and cash equivalents at beginning of the year		30,007	14,524
Cash and cash equivalents at the end of the year	4	27,369	30,007
Supplemental non-cash information			
Remeasurement loss on EOSB	19	(1,821)	2,587
Net changes in fair value of investments held at FVOCI		1,796	(1,518)
Special commission received during the year		246,002	262,893
Special commission paid during the year		79,251	74,216

The accompanying notes from 1 to 31 form an integral part of these financial statements.



Head of Finance



Chairman



Managing Director & CEO

ALAWWAL INVEST COMPANY (SAB INVEST)
(A ONE-PERSON CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR '000s')

1. ORGANIZATION AND ACTIVITIES

Alawwal Invest Company (SAB Invest) ("the Company") is a One-Person Closed Joint Stock Company, a 100% owned subsidiary of the Saudi Awwal Bank ("SAB" or "the Parent"), operating in the Kingdom of Saudi Arabia under Commercial Registration No. 1010242378 dated 30 Dhul Hijjah 1428H (corresponding to 9 January 2008).

The principal activities of the Company are to provide a full range of financial services, which include brokerage services, asset management services and margin lending. The Company also provides arranging, advisory and custodial services to its clients pursuant to the Capital Market Authority ("CMA") resolution number 1-39-2007 dated 8 Rajab1428 corresponding to 22 July 2007.

The address of the Company's head office is as follows:

SAB Invest
Head Office
P.O. Box 7383
Riyadh 13325,
Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements of the Company have been prepared using accrual basis of accounting and in accordance with the International Financial Reporting Standards ("IFRS"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.2 Basis of measurement

These financial statements have been prepared on a going concern basis under historical cost convention except for the following items:

- Financial assets classified as "at fair value through statement of income" are measured at fair value;
- Financial assets classified as "at fair value through other comprehensive income" are measured at fair value; and
- Defined benefit obligations are measured at present value of future obligations using the Projected Unit Credit Method.

The line items on the statement of financial position are presented in the order of liquidity.

The following balances would generally be classified as non-current assets and liabilities: investment carried at amortized cost, property and equipment, intangibles and EOSB due more than one year. All other balances are classified as current.

2.3 Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals ("SAR") which is the functional and presentational currency of the Company. All amounts have been rounded to the nearest thousands.

2.4 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions have been reviewed on an ongoing basis.

ALAWWAL INVEST COMPANY (SAB INVEST)
(A ONE-PERSON CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR '000s')

2. BASIS OF PREPARATION (continued)

2.4 Critical accounting judgements, estimates and assumptions (continued)

Revisions to accounting estimates have been recognized in the year in which the estimates are revised or in the revision year and future years if the changed estimates affect both current and future years.

The key assumptions concerning the future and other key sources of estimates at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year include:

2.4.1 Employees' end of service benefits

Employee benefits represent obligations that will be settled in the future and require assumptions to project these obligations. The Company operates a defined benefit plan under the Saudi Arabian Labor Law based on employees' accumulated periods of service at the date of the statement of financial position. IFRS accounting standards require management to make further assumptions regarding variables such as discount rate, rate of compensation increases and return on assets, mortality rates, employment turnover and future healthcare costs. The management uses an external actuary for reviewing this calculation. Changes in key assumptions can have a significant impact on the projected benefit obligation and/or periodic employees' benefits incurred costs.

2.4.2 Useful life and amortization of intangible assets

The management determines the estimated useful life of its intangible for calculating amortization. This estimate is determined after considering the expected usage of the asset. The management periodically reviews the estimated useful lives, residual values and the amortization method to ensure that the method and years of amortization are consistent with the expected pattern of economic benefit of the assets.

2.4.3 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost using 'expected credit loss' model ("ECL") in accordance with IFRS 9. The allowance is based on the ECL associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination.

2.4.4 Classification of investments at amortised cost - (refer to note 3.2)

2.4.5 Zakat and income tax – (refer to note 3.14)

2.4.6 Business combination and valuation of customer relationship

The Company has exercised judgement in the relation to the business combination with HSBC Saudi Arabia and the acquired intangible asset, customer relationship, as disclosed in note 3.4 of these financial statements.

3. MATERIAL ACCOUNTING AND RISK MANAGEMENT POLICIES

The material accounting policies and risk management policies used in the preparation of these financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2024, unless otherwise stated.

New standards, interpretations and amendments adopted by the Company

The following standards, interpretations or amendments are effective from the annual periods beginning on or after 1 January 2025 and are adopted by the Company, however, these do not have any significant impact on the financial statements of the year:

ALAWWAL INVEST COMPANY (SAB INVEST)
(A ONE-PERSON CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR '000s')

3. MATERIAL ACCOUNTING AND RISK MANAGEMENT POLICIES (continued)

New standards, interpretations and amendments adopted by the Company (continued)

Accounting Standard / interpretation	Description	Effective from periods beginning on or after
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

New standards not yet effective and not early adopted

The listing of standards and interpretations issued which the Company reasonably expects to be applicable at a future date are as follows. The Company intends to adopt these standards when they become effective. These amendments and standards except IFRS 18 are not expected to have any significant impact on the financial statements of the Company.

Accounting Standard / interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	1 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: <ul style="list-style-type: none"> • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments; • Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; • and IAS 7 Statement of Cash Flows. 	1 January 2026
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027

ALAWWAL INVEST COMPANY (SAB INVEST)
(A ONE-PERSON CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR '000s')

3. MATERIAL ACCOUNTING AND RISK MANAGEMENT POLICIES (continued)

New standards not yet effective and not early adopted (continued)

Accounting Standard / interpretation	Description	Effective from periods beginning on or after
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and time deposits with original maturities of less than 3 months from the acquisition date, if any, which are subject to insignificant risk of fluctuation in their realisable value. Bank balances that are used to hold clients' funds are not reported as part of cash and cash equivalents.

3.2 Financial instruments

All financial assets and financial liabilities are initially recognized on the trade date i.e. the date on which the Company becomes party to the contractual provisions of the instrument.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through statement of income, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. For financial assets or financial liabilities held at fair value through statement of income, the transaction costs are expensed in the statement of income. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognized for debt financial assets measured at amortized cost, which results in an ECL charge being recognized in the statement of income.

Classification and measurement of financial assets

On initial recognition, the Company classifies its financial assets in the following measurement categories:

- Amortized cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through statement of income (FVSI)

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective. Classification and subsequent measurement of debt instruments depend on:

- The Company's business model for managing the asset; and
- The contractual cash flow characteristics of the asset.

ALAWWAL INVEST COMPANY (SAB INVEST)
(A ONE-PERSON CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR '000s')

3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 Financial instruments (continued)

Classification and measurement of financial assets (continued)

Debt instruments (continued)

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVSI.

Factors considered by the Company in determining the business model for a group of assets include:

- past experience on how the cash flows for these assets were collected.
- how the asset's performance is internally evaluated and reported to key management personnel.
- how risks are assessed and managed; and
- how managers are compensated.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Debt securities held for trading, if any, are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in 'other' business model and measured at FVSI.

SPPP: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payment of principal and profit (the "SPPP" test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., profit (or special commission income) includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the SPPP test does not pass, and the related financial asset is classified and measured at FVSI.

The SPPP assessment is performed on initial recognition of an asset, and it is not subsequently reassessed.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit ("SPPP"), and that are not designated at FVSI, are measured at amortized cost. The carrying amount of these assets is adjusted by any ECL allowance recognized and measured as described above. Profit earned from these financial assets is recognized in the statement of income using the effective commission rate method.

Fair value through statement of income ("FVSI"): If debt instrument's cash flows do not represent solely SPPP or if it is not held within the held to collect or the held to collect and sell business model, or if it is designated at FVSI, then it is measured at FVSI. A gain or loss on a debt investment measured at FVSI, where cashflows do not represents solely SPPP, is recognized in the statement of income, within "Net gain / (loss) on investments mandatorily measured at FVSI", in the period in which it arises. A gain or loss from debt instruments that were designated at fair value, or which are held for trading are presented separately from debt investments that are mandatorily measured at FVSI, within "Net gain / (loss) in investments designated at FVSI or held for trading".

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3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 Financial instruments (continued)

Classification and measurement of financial assets (continued)

Debt instruments (continued)

Fair value through other comprehensive income ("FVOCI"): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at FVSI, are measured at fair value through other comprehensive income ("FVOCI"). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in statement of income. When the debt financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the year.

Currently bank balances, margin lending financing receivables and other receivables are classified as held at amortized cost. There are also debts securities classified as FVSI.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at FVSI, except where the Company has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to the statement of income, including on disposal. On disposal, fair value gains / losses are transferred directly from fair value reserve to retained earnings. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in the statement of income when the Company's right to receive payments is established.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortized cost. The Company recognizes a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

IFRS 9 outlines a 'three stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- (i) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored.
- (ii) If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired.
- (iii) If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

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3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 Financial instruments (continued)

Impairment of financial assets (continued)

- (iv) Financial instrument in Stage 1 has their ECL measured at an amount equal to the portion of expected credit losses that result from the default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- (v) A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- (vi) Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Stage 1: (Initial recognition) 12-month expected credit losses

Stage 2: (Significant increase in credit risk since initial recognition) Lifetime expected credit losses

Stage 3: (Credit impaired assets) Lifetime expected credit losses

The financial assets of the Company, that are subjected to ECL review include time deposits, margin deposit with clearing house, margin finance receivables, investment held at amortised cost and other receivables.

The impact of ECL on the financial assets of the Company other than time deposits, margin deposit with clearing house, margin finance receivables from customers, investment held at amortised cost and other receivables is immaterial.

Stages of impairment under IFRS 9

The impairment approach of IFRS 9 provides a framework for Expected Credit Losses ("ECL") where in, the assets have to be segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial asset. The three stages differ in terms of recognition of expected credit losses and the presentation of special commission income.

Stage 1 - Performing financial assets

Stage 1 assets are assessed based on Company's existing credit risk management standards for acceptable credit quality. Overall, the financial assets falling under this category have the following characteristics at minimum:

- Adequate capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability to fulfil its obligations.

Stage 2 - Financial Assets with significant increase in credit risk

These are financial assets whose credit quality has deteriorated significantly since origination but do not have objective evidence of impairment.

Stage 3 - Credit impaired financial assets

Financial assets classified under this category have exceeded either the objective thresholds set by the Company i.e., have defaulted or have been subjectively considered as obligors which lack a capacity to repay their contractual obligations, on a timely basis.

The Company considers "Default" event when the obligor is unlikely to pay for its credit obligations in full, without recourse by the Company to the actions such as realizing security (if held).

3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 Financial instruments (continued)

Impairment of financial assets (continued)

Expected credit loss measurement

Margin finance receivables

Staging criteria:

Staging is done in accordance with above mentioned criteria.

Significant increase in credit risk:

A decrease in collateral percentage below 143% is considered as a significant increase in credit risk and such exposures are transferred to stage 2.

Definition of default:

For the purpose of default rate calculation, the Company has used the liquidation events as trigger for defaults. The default rate as at reporting date equals the number of accounts defaulting in the next 12 months from reporting date divided by the total number of performing accounts during the reporting month.

Measurement of ECL:

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described below.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors.

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. The Company has never suffered any loss on liquidations since incorporation by recovering the amounts fully. Given the nature and extent of the collateral held against the Company's margin finance exposures, the management considers the credit risk of the exposures to be minimal. In accordance with the policy of the Company, the margin finance facilities should be at a minimum 200% collateralized and the facility is liquidated if the collateral coverage ratio drops below the liquidation level of 143%. Therefore, generally, no exposure is classified as stage 2 as it is already liquidated at 143%. Hence, even though there might be small probability of default, the ECL would not be material, as the pledged collateral (in the form of cash or liquid securities) covers the exposure at a minimum to 143%.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

Other receivables

Staging criteria:

Staging is done in accordance with above mentioned criteria.

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3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 Financial instruments (continued)

Impairment of financial assets (continued)

Expected credit loss measurement (continued)

Other receivables (continued)

Significant increase in credit risk:

For each exposure any increase in past due days from 30 days is considered as a significant increase in credit risk and such exposures are transferred to stage 2.

Definition of default:

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

- the borrower is unlikely to pay its credit obligations to the Company in full; or
- the borrower is past due more than 90 days on any material credit obligation to the Company.

In assessing whether a borrower is in default, the Company considers indicators that are:

- qualitative - e.g., breaches of covenant,
- quantitative - e.g., overdue status and non-payment on another obligation of the same issuer to the Company; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Measurement of ECL:

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described below.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. PDs are estimated considering binomial distribution of total borrowers and total defaults.

The financial assets of the Company, which are subjected to ECL review include cash and cash equivalents, margin deposit with clearing house, time deposits, investment held at amortised cost, margin finance receivables and other receivables. Loss given default (LGD) is insignificant given the "insignificant risk of changes in value" criteria.

Immaterial ECL is concluded on these balances as a result of an insignificant PD and LGD.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount.

Financial liabilities

All financial liabilities are initially recognized at fair value less transaction costs except for financial liabilities measured at FVSI where transactions cost, if any, are not deducted from the fair value measurement at initial recognition and are included in the statement of income.

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3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 Financial instruments (continued)

Financial liabilities (continued)

Subsequently, all special commission bearing financial liabilities other than those held at FVSI are measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on settlement.

De-recognition of financial instruments

A financial asset is derecognized, when the contractual rights to the cash flows from the financial asset expire or the asset is transferred and the transfer qualifies for de-recognition. In instances where the Company is assessed to have transferred a financial asset, the asset is derecognized if the Company has transferred substantially all the risks and rewards of ownership.

Where the Company has neither transferred nor retained substantially all the risks and rewards of ownership, the financial asset is derecognized only if the Company has not retained control of the financial asset. The Company recognizes separately as assets or liabilities any rights and obligations created or retained in the process.

A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is either discharged, cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is an enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.3 Revenue from contracts with customers

The Company recognizes revenue as and when the performance obligations are met as per IFRS 15 (using the five-step model). The Company has the following streams of revenue:

Asset management fees

Asset management fees are recognized based on a fixed percentage of net assets under management ("asset-based"), or a percentage of returns from net assets ("returns-based") subject to applicable terms and conditions and service contracts with customers and funds. The Company attributes the revenue from management fees to the services provided during the year, because the fee relates specifically to the Company's efforts to transfer the services for that period. The asset management fees is not subject to any clawbacks.

Brokerage income

Brokerage income is recognized when the related transactions are executed on behalf of the customers at the price agreed in the contract with the customers, net of discounts and rebates. The performance obligation of the Company is satisfied when the Company carries out the transaction on behalf of the customers, which triggers immediate recognition of the revenue, as the Company will have no further commitments.

Special commission income

Income from margin finance receivables, sukuk interest, and time deposits within the bank is recognized on an accrual basis based on effective commission rate method.

Income from clients' money

Income from clients' money deposited within interest bearing account is recognized overtime as the services are rendered to client.

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3 MATERIAL ACCOUNTING POLICIES (continued)

3.3 Revenue from contracts with customers (continued)

Income on investments measured at FVSI

Income on investments measured at FVSI includes all realized and unrealized fair value changes and foreign exchange differences (if any) but excludes special commission and dividend income.

3.4 Intangible assets

Intangibles acquired separately are measured on initial recognition at cost. The cost of the intangibles acquired in a business acquisition is at fair value as at the date of acquisition. Following initial recognition, intangibles are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be finite and are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangibles may be impaired. The amortization period and amortization method for intangibles with finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in an accounting estimate. The amortization expense on intangibles with finite lives is recognized in the statement of income in the expense category consistent with the function of the intangibles.

Acquired intangibles are recognized at their 'fair value' upon initial recognition. The specific criteria which need to be satisfied for an intangible asset to be recognized separately from goodwill in an acquisition is that the intangible asset must be clearly identifiable, in that it either;

- be separable, that is, be capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset, or liability; or
- arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Intangible assets represent customer relationships recognized following the transaction. The estimated useful lives of the Company's intangible assets are as follows:

	Years
Software	7 - 10
Customer relationships related to asset management	10
Customer relationships related to retail brokerage	10

3.5 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost in the statement of income.

3.6 Employees' end of service benefits liability

The liability for employees' end of service benefits, being a defined benefit plan, is determined using the projected unit credit method with actuarial valuation being conducted at end of annual reporting period. The related liability recognized in the statement of financial position is the present value of the end of service benefits obligation at the end of the reporting period.

Current service cost and the commission expense arising on the end of service benefits liability are recorded in the statement of income. Re-measurement of defined benefit liability, which comprise of actuarial gains and losses, are recognized immediately in the other comprehensive income.

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3 MATERIAL ACCOUNTING POLICIES (continued)

3.7 Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.8 Foreign currencies transactions and balances

Transactions in foreign currencies are translated into Saudi Arabian Riyals at the exchange rates prevailing at the dates of the transaction. Assets and liabilities denominated in foreign currencies at the year-end are translated into Saudi Arabian Riyals at the exchange rates prevailing at the statement of financial position date. Realized and unrealized gains or losses on exchange are credited or charged to the statement of income.

3.9 Assets under management

The Company offers assets management services to its customers, which include management of certain mutual funds and discretionary portfolios management. Such assets are not treated as assets of the Company and accordingly are not included in the financial statements.

3.10 Margin finance receivables

Margin lending receivables are initially recognized when the underlying funds are disbursed to customers. They are derecognized when either customers repay their obligations, or the balance is written off, or substantially all the risks and rewards of ownership are transferred to another party.

3.11 Accrued expenses and other liabilities

Accrued expenses and other liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Company.

3.12 Clients' cash accounts

The Company holds cash in clients' cash accounts with SAB to be used for investments on their behalf. Such balances are not included in the financial statements.

3.13 Expenses

Salaries and other employee related expenses are those which specifically relate to employee costs. All other expenses other than employees' costs, premises related expenses, special commission expense on short-term borrowings, depreciation, financial charges and for ECL are classified as general and administrative expenses.

3.14 Zakat and income tax

Current income tax and zakat

The Company is subject to zakat and income tax in accordance with the regulations of the Zakat, Tax and Custom Authority ("ZATCA"). Zakat and income tax are charged to the statement of income. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which assessment is finalized and recognized in statement of income.

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3 MATERIAL ACCOUNTING POLICIES (continued)

3.15 Impairment of non-financial assets

Property and equipment and other non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ("CGU") fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

3.16 Contingent assets and liabilities

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of obligation cannot be measured with reasonable reliability. Contingent assets are not recognized but are disclosed where an inflow of economic benefits is probable.

4. CASH AND CASH EQUIVALENTS

	As at 31 December 2025	As at 31 December 2024
Cash in hand	15	15
Cash at bank – current account	27,354	29,992
Total	27,369	30,007

5. MARGIN DEPOSIT WITH CLEARING HOUSE, NET

This represents margin collateral deposited with Securities Clearing Center Company (Muqassa) for brokerage settlement activities, net of ECL. Margin collateral is determined by Muqassa for Capital Market Institutions based on average portfolio balances by applying Standard Portfolio Analysis of Risk (SPAN) methodology.

	<i>Note</i>	As at 31 December 2025	As at 31 December 2024
Gross margin deposit with clearing house		36,311	60,198
Less: allowance for expected credit loss	13	(19)	(50)
		36,292	60,148

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6. TIME DEPOSITS, NET

These included sharia compliant time deposits placed with Alrajhi Bank, net of ECL as disclosed in note 13 of these financial statements. These carried profit at commercial rates, with original maturity of more than 90 days.

7. INVESTMENTS HELD AT FAIR VALUE THROUGH STATEMENT OF INCOME (“FVSI”)

As at 31 December 2025, investments held at FVSI comprise of investment in the units of funds managed by the Company, shares of companies listed on Tadawul and sukuk of companies listed on foreign exchange markets, which are recorded at fair value.

	<i>Note</i>	As at 31 December 2025	As at 31 December 2024
Cost		171,521	145,867
Net unrealized (loss) / gain on investments held at FVSI		(4,194)	5,069
Total	7.1	167,327	150,936

7.1 Following is the breakdown of the investments in mutual funds and discretionary portfolio management (DPM) managed by the Company:

	<i>Note</i>	As at 31 December 2025	As at 31 December 2024
SAB Invest Sukuk & Murabaha Fund		21,227	20,110
SAB Invest Saudi Quant ETF		13,793	1,526
SAB Invest Enhanced Murabaha Fund		56,757	53,730
	16	91,777	75,366
Discretionary portfolio management (DPM – Shares)		27,381	32,440
Discretionary portfolio management (DPM – Sukuk)		48,169	43,130
		75,550	75,570
Total		167,327	150,936

8. RECEIVABLES FROM ASSET MANAGEMENT

This represents management fees receivable from customers and funds in relation to mutual funds and discretionary portfolio management services provided by the Company.

9. MARGIN FINANCE RECEIVABLES, NET

The Company extends margin / murabaha financing facilities on a selective basis to its customers for the purpose of investing in the Saudi Exchange (“Tadawul”). These facilities are extended up to a maximum period of one year and bear fixed / floating special commission rate based on benchmark rate and agreed spread except for murabaha facilities which are at fixed rates. The facilities are collateralized by underlying equities and cash held in the customers’ investment accounts. The facilities are reviewed at least on an annual basis.

	<i>Note</i>	As at 31 December 2025	As at 31 December 2024
Gross margin finance receivables		1,650,062	1,703,607
Less: allowance for expected credit losses	13	(78)	(1,931)
		1,649,984	1,701,676

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10. INVESTMENTS HELD AT FAIR VALUE THROUGH STATEMENT OF COMPREHENSIVE INCOME (“FVOCI”)

As at 31 December 2025 and 31 December 2024, investments held at FVOCI comprises of Tier 1 Sukuk issued by local commercial banks which are recorded at fair value:

	As at 31 December 2025	As at 31 December 2024
Cost	423,074	278,323
Net unrealized gain / (loss) on investments held at FVOCI	69	(1,727)
Total	423,143	276,596

11. RECEIVABLES, PREPAYMENTS AND OTHER ASSETS, NET

	<i>Note</i>	As at 31 December 2025	As at 31 December 2024
Receivable on loans	16	44,899	-
Receivables from international custodians		19,641	19,409
Prepaid expenses		4,932	6,275
Income from clients' money receivable from SAB	16	1,320	1,008
Financing to international brokerage		491	489
Other assets, net		4,581	11,301
Total		75,864	38,482

11.1 Other assets mainly include receivables relating to the funds' recoverable expenses of SAR 2.4 million (2024: NIL) and VAT receivable of NIL (2024: SAR 4.6 million), net off ECL allowance of SAR 29 thousands (2024: SAR 80 thousands).

12. INVESTMENTS HELD AT AMORTISED COST, NET

	As at 31 December 2025	As at 31 December 2024
Investments in sukuk carried at amortized cost	188,466	187,990

The following table represents the movement of investments in sukuk measured at amortized costs during the year:

	<i>Note</i>	2025	2024
Carrying amount as at 1 January		186,191	164,646
Additions during the year		-	20,811
Amortization during the year		697	734
Gross amount		186,888	186,191
Accrued income receivable		1,745	1,836
Less: allowance for expected credit losses	13	(167)	(37)
Carrying amount as at 31 December		188,466	187,990

12.1 As at 31 December 2025, SAR 27.9 million (2024: SAR 29.4 million) of investments in sukuk carried at amortised cost is pledged against Muqassa collateral.

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13. EXPECTED CREDIT LOSS ON FINANCIAL ASSETS

	Note	2025		
		ECL allowance as at 1 January	Charge / (reversal) during the year	ECL allowance as at 31 December
Margin deposit with clearing house	5	50	(31)	19
Time deposits	6	123	(123)	-
Margin finance receivables	9	1,931	(1,853)	78
Investments held at amortized cost	12	37	130	167
Other financial assets	11	80	(51)	29
Total		2,221	(1,928)	293

	Note	2024		
		ECL allowance as at 1 January	Charge during the year	ECL allowance as at 31 December
Margin deposit with clearing house	5	-	50	50
Time deposits	6	-	123	123
Margin finance receivables	9	1,470	461	1,931
Investments held at amortized cost	12	37	-	37
Other financial assets	11	80	-	80
Total		1,587	634	2,221

14. INTANGIBLE ASSETS

Intangible assets are comprised of the following:

	As at 31 December 2025	As at 31 December 2024
Software	3,590	645
Customer relationship – asset management	73,440	84,320
Customer relationship – retail brokerage (including margin finance)	80,865	92,845
Capital work in progress (software development)	26,251	7,797
Total	184,146	185,607

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14. INTANGIBLE ASSETS (continued)

	2025				Total
	Software	Customer relationship – asset management	Customer Relationship – retail brokerage	Capital work in progress	
Cost					
Balance as at 1 January	796	108,800	119,800	7,797	237,193
Additions during the year	-	-	-	21,875	21,875
Transfers from capital work in progress	3,421	-	-	(3,421)	-
Balance as at 31 December	4,217	108,800	119,800	26,251	259,068
Accumulated amortization					
Balance as at 1 January	151	24,480	26,955	-	51,586
Charge for the year	476	10,880	11,980	-	23,336
Balance as at 31 December	627	35,360	38,935	-	74,922
Net book value as at 31 December	3,590	73,440	80,865	26,251	184,146

	2024				Total
	Software	Customer relationship – asset management	Customer Relationship – retail brokerage	Capital work in progress	
Cost					
Balance as at 1 January	276	108,800	119,800	-	228,876
Additions	520	-	-	7,797	8,317
Balance as at 31 December	796	108,800	119,800	7,797	237,193
Accumulated amortization					
Balance as at 1 January	87	13,600	14,975	-	28,662
Charge for the year	64	10,880	11,980	-	22,924
Balance as at 31 December	151	24,480	26,955	-	51,586
Net book value as at 31 December	645	84,320	92,845	7,797	185,607

Customer relationship

Acquired customer relationships are recognized at their “fair value” upon initial recognition. Customer relationships are amortized using the straight-line method over the useful lives of the asset, which are estimated to be 10 years for asset management and for retail brokerage.

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15. SHORT-TERM BORROWINGS

The Company has an short-term credit facility of SAR 3,122 million (2024: SAR 3,100 million) from SAB to finance margin lending facilities. As at 31 December 2025, the amount of this facility utilized by the Company amounted to SAR 1,035.9 million (31 December 2024: SAR 1,306.5 million) and carries special commission rate of three months SAIBOR plus 1% per annum (31 December 2024: three months SAIBOR plus 1% per annum).

15.1 Reconciliation of movements of short-term borrowings to cash flows arising from financing activities:

	2025	2024
Balance as at 1 January	1,303,532	892,468
Proceeds from loan during the year	4,225,336	3,059,067
Repayments of loan during the year	(4,493,565)	(2,648,003)
	1,035,303	1,303,532
Accrued special commission expense	648	2,918
Balance as at 31 December	1,035,951	1,306,450

16. RELATED PARTY TRANSACTIONS AND BALANCES

In the ordinary course of business, the Company transacts with related parties on mutually agreed terms approved by the management. Related parties include the Parent, its group entities and the funds managed by the Company. The significant transactions with related parties and the related amounts other than those disclosed elsewhere in these financial statements are as follows:

Relationship	Nature of transaction	For the year ended	
		31 December 2025	31 December 2024
Parent	Special commission income on time deposits	240	1,398
	Special commission expense	76,982	76,407
	Income from client's money	104,495	116,844
	Dividend income	2,483	1,147
	Operating expenses charged by SAB under Service Level Agreement	25,467	15,360
	Premises rental expenses charged by SAB under Service Level Agreement	8,697	7,506
	Investments held at FVOCI	16,000	20,000
	Bank charges	2,799	2,979
Mutual funds managed by the Company	Special commission income	1,071	-
	Management fee from mutual funds	190,180	159,808
Associate to the group entity	Premises rental expense	-	927
Key Management personnel	Board of Directors and committee members	2,112	2,206
	Key management compensation	32,899	34,090

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16. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

SAB provides certain services to the Company as per Service Level Agreement (the "Agreement") signed between the Company and the Parent. These services include support for IT, finance, human resources, legal and other administrative functions. SAB collects and makes payments for and on behalf of the Company and maintains bank accounts of Company's brokerage customers.

The following balances are outstanding in respect of related parties:

Relationship	Nature of balance	Note	As at 31 December 2025	As at 31 December 2024	
Parent	Cash at Bank – current account		14,940	21,830	
	Investments held at FVOCI		51,000	35,000	
	Other assets – Income on clients' money receivable	16.2	1,320	1,008	
	Short-term borrowings	15.1	1,035,951	1,306,450	
	Due to a related party	16.1	128,625	91,663	
	<i>Off-balance sheet items:</i>				
	Contingent liability – promissory note	27	3,122,120	3,100,000	
Contingent liability – Letter of guarantee	27	-	20,000		
Affiliates	Other assets – international custodians		-	12,659	
Mutual funds managed by the Company	Investments held at FVSI	7.1	91,777	75,366	
	Management fees receivable		32,731	23,482	
	Other assets – funds structuring fee receivable		-	6,125	
	Other assets – receivable on loans	11	44,899	-	
	Other assets – recoverable expense		2,436	-	
	Other liabilities – Accrued rebate and redemption	17	7,798	5,732	

16.1 This mainly represents payable of net balance on intercompany transactions with SAB.

16.2 This mainly represents special commission receivable related to the client money accounts.

17. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	As at 31 December 2025	As at 31 December 2024
Accrued employees' benefits		108,636	83,446
Accrued rebate and redemption	16	7,798	5,732
Lease liability	17.2	61	330
Payable to broker		45	378
Other liabilities	17.1	32,793	21,528
Total		149,333	111,414

17.1 Other liabilities include VAT payables of SAR 4.9 million (2024: NIL) and other accruals for professional and consultancy charges, communication, software maintenance expenses and other general accruals of SAR 27 million (2024: SAR 22 million).

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17. ACCRUED EXPENSES AND OTHER LIABILITIES (continued)

17.2 Movement of the lease liability:

	2025	2024
Balance as at 1 January	330	586
Finance charge for the year	8	18
Payment for lease liability	(277)	(274)
Balance as at 31 December	61	330

18. ZAKAT AND INCOME TAX PAYABLE

	Note	For the year ended	
		31 December 2025	31 December 2024
Zakat expense for the year	18.1	27,500	24,157

18.1 The principal elements of the Company's zakat base are as follows:

	As at 31 December 2025	As at 31 December 2024
Share capital	579,600	579,600
Provisions and reserves	(36,477)	(99,013)
Zakat base	543,123	480,587
Zakat charge for the current year	14,000	12,388
Income tax charge for the year	13,500	11,769
	27,500	24,157

18.2 Movement in zakat and income tax provision:

	2025	2024
Balance as at 1 January	30,159	23,593
Zakat and income tax charge during the year	27,500	24,157
Payments / adjustments during the year for prior years	(31,324)	(17,591)
Balance as at 31 December	26,335	30,159

18.3 Status of assessment:

The Company has filed all zakat and tax returns up to the year ended 31 December 2024. The tax / zakat assessment of the Company is finalized up to the year ended 31 December 2018. There were no assessments received for the years 2019 until 2024.

19. EMPLOYEES' END OF SERVICE BNEFITS (EOSB)

Movement in EOSB for the year ended 31 December:

	2025	2024
Balance as at 1 January	44,792	47,481
EOSB cost charged to statement of income for the year	6,241	4,989
Re-measurement loss / (gain) recognized in other comprehensive income	1,821	(2,587)
Benefits paid during the year	(7,349)	(5,091)
Balance as at 31 December	45,505	44,792

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19. EMPLOYEES' END OF SERVICE BNEFITS (EOSB) (continued)

19.1 The breakdown of EOSB costs during the year ended 31 December is as follows:

	2025	2024
Current service cost	4,000	4,633
Interest cost	2,241	2,000
Past service cost	-	167
Reversal EOSB	-	(1,811)
EOSB cost charges to statement of income	6,241	4,989

19.2 Principal actuarial assumptions for the year ended 31 December are as follows:

Particulars

	2025	2024
Discount rate	4.90%	5.45%
Expected rate of salary increase – short term	2.00%	6.00%
Expected rate of salary increase – long term	5.00%	5.45%

Sensitivity of actuarial assumption

The table below illustrates the sensitivity of the defined benefit obligation valuation as at 31 December to the discount rate and salary escalation rate.

	Impact on defined benefit obligation – increase / (decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption
Base scenario 2025			
Discount rate	1%	(2,640)	2,957
Expected rate of increase	1%	3,052	(2,776)
Base scenario 2024			
Discount rate	1%	(3,572)	4,143
Expected rate of increase	1%	4,214	(3,700)

The above sensitivity analysis is based on a change in an assumption holding all other assumptions constant. The weighted average duration of the defined benefit obligation is 6.15 years (2024: 8.61 years).

Maturity profile

The maturity profile of the defined benefit obligation is as follows:

	2025	2024
Distribution of timing of benefits payments		
Year 1	5,718	4,359
Year 2	6,043	4,012
Year 3	4,045	4,037
Year 4	5,863	3,519
Year 5	3,341	3,218
Year 6 to Year 10	18,392	16,042
Year 11 and above	20,791	42,969

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20. SHARE CAPITAL

The authorized, issued and fully paid share capital of the Company as at 31 December 2025 is SAR 840 million (31 December 2024: SAR 840 million). As at 31 December 2025 the capital consists of 84 million shares SAR 10 each (31 December 2024: SAR 84 million), which are fully paid and owned by SAB.

21. CLIENTS' CASH ACCOUNTS

As at 31 December 2025, the Company holds clients' cash accounts amounting to SAR 3.25 billion (31 December 2024: SAR 3.93 billion), to be used for investments on the clients' behalf. Consistent with its accounting policy, such balances are not included in the Company's financial statements as the Company holds these in fiduciary capacity.

22. ASSETS UNDER MANAGEMENT

These represent the mutual funds' and discretionary portfolios' assets related to the funds of the investors managed by the Company, which amount to SAR 34.18 billion as at 31 December 2025 (31 December 2024: SAR 35.04 billion). Consistent with its accounting policy, such balances are not included in the Company's financial statements as these are held by the Company in fiduciary capacity.

23. ASSET MANAGEMENT FEES

	Note	For the year ended	
		31 December 2025	31 December 2024
Management fee from mutual funds	16	190,180	159,808
Management fee from discretionary portfolio management		60,102	73,210
Total		250,282	233,018

24. SPECIAL COMMISSION INCOME

	Note	For the year ended	
		31 December 2025	31 December 2024
Special commission income on:			
Margin finance		123,029	122,424
Time deposits		4,965	12,786
Investment held at amortized cost		7,642	6,751
Loan receivables	16	1,071	-
Total		136,707	141,961

25. (Loss) / gain on investments held at FVSI, net

	For the year ended	
	31 December 2025	31 December 2025
Net unrealized (loss) / gain on investment held at FVSI	(4,194)	5,069
Net realized gain / (loss) on investments held at FVSI	742	(1,016)
Total	(3,452)	4,053

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26. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	For the year ended	
		31 December 2025	31 December 2024
Expenses under Service Level Agreement	16	25,467	15,360
Outsourcing related expenses		13,655	11,361
Professional expenses		11,206	8,688
Communication expenses		7,374	5,679
Traveling		1,521	1,616
Other expenses	26.1	19,366	18,041
Total		78,589	60,745

26.1 Other expenses include Directors' fees, bank charges, advertising and others.

27. FAIR VALUE MEASUREMENTS

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. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of assets and liabilities measured at fair value, including their levels in the fair value hierarchy. All fair value measurements disclosed are recurring fair value measurements.

	As at 31 December 2025				
	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments held at FVSI	167,327	167,327	-	-	167,327
Investments held at FVOCI	423,143	115,008	308,135	-	423,143
Total	590,470	282,335	308,135	-	590,470

	As at 31 December 2024				
	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments held at FVSI	150,936	150,936	-	-	150,936
Investments held at FVOCI	276,596	65,150	211,446	-	276,596
Total	427,532	216,086	211,446	-	427,532

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27. FAIR VALUE MEASUREMENTS (continued)

The fair value of investments classified within Level 1 is based on the quoted price available on Tadawul / London Stock Exchange as at 31 December.

The fair value of investments classified within Level 2 was determined using a discounted cash flow valuation technique, applying observable market inputs such as recent rates for the similar sukuk issuance or yield offered on most recent issuance by the same issuer. The instruments are not traded in active markets, and therefore quoted prices (Level 1) were not available.

There were no transfers between fair value measurement categories.

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value since they are not significantly different from the carrying values included in the financial statements and are classified at level 3. The fair values of investment held at the amortized cost is classified at level 2 SAR 188.3 million (31 December 2024: SAR 187.9 million). The fair value of commission bearing deposits, margin finance receivables, cash and bank balances, accounts receivable, and other assets which are carried at amortized cost, are not significantly different from the carrying values included in the financial statements, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates, and due to the short duration of financial instrument. Similarly, financial liabilities carried at cost such as due to related party, short-term borrowing and other liabilities approximate fair values, being short-term in nature.

28. RISK MANAGEMENT

The Board of Directors of the Company are responsible for the overall risk management framework and for approving the risk management strategies and principles. The Company manages its business risks in the creation, optimization and protection of enterprise value as well as creation of value for its investors. Therefore, Risk management is an integral part of corporate strategy to ensure effectiveness and value addition. Risk management goal is to understand and manage the risks rather than to avoid it.

The Company has designed its risk management framework to identify measure, monitor, mitigate, insure and reassess its key risks based upon changes in internal and external environment.

The framework supports to achieve its strategic objective to optimize the risk return trade-off by either maximizing return for a given level of risk or reduce the risk for a given level of return. The Risk Management division, which is a vital link between business lines and management, develops and communicates risk appetite to risk owners and continuously monitors it to ensure risk exposures are within management's acceptable level.

Financial instruments carried on the statement of financial position include cash and cash equivalents, margin deposit with clearing house, time deposit, receivables from asset management, margin finance receivables, investments carried at FVSI and at FVOCI, investments carried at amortised cost, other receivables, short term borrowings, lease liability and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets and liabilities are offset, and net amounts are reported in the financial statements, when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

28.1 Credit risk

Credit risk is the risk that one party to a financial instrument may fail to discharge its contractual obligation and cause the other party to incur a financial loss. The Company has established procedures to manage credit risk including evaluation of customers' credit worthiness, formal credit approvals and obtaining collateral.

With respect to credit risk arising from other financial assets of the Company, including cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The table below shows the maximum exposure to credit risk for the components of the financial statements.

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28. RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

	As at 31 December 2025	As at 31 December 2024
Cash and cash equivalents	27,354	29,992
Margin deposit with clearing house	36,292	60,148
Time deposits, net	-	137,440
Receivable from asset management	49,239	51,273
Margin finance receivable, net	1,649,984	1,701,676
Investment held at amortised cost, net	188,466	187,990
Other financial assets	70,976	32,207
Total	2,022,311	2,200,726

Credit quality analysis

The following table sets out the credit analysis for financial assets:

As at 31 December 2025 Financial assets	Investment grade	Non-investment grade	Unrated	Total
Cash and cash equivalents	27,354	-	-	27,354
Margin deposit with clearing house, net	-	-	36,292	36,292
Receivable from asset management	-	-	49,239	49,239
Margin finance receivable, net	-	-	1,649,984	1,649,984
Investment held at amortised cost, net	188,466	-	-	188,466
Other financial assets, net	-	-	70,976	70,976
Total	215,820	-	1,806,491	2,022,311

As at 31 December 2024 Financial assets	Investment grade	Non-investment grade	Unrated	Total
Cash and cash equivalents	29,992	-	-	29,992
Margin deposit with clearing house, net	-	-	60,148	60,148
Time deposit, net	137,440	-	-	137,440
Receivable from asset management	-	-	51,273	51,273
Margin finance receivable, net	-	-	1,701,676	1,701,676
Investment held at amortised cost, net	187,990	-	-	187,990
Other financial assets, net	-	-	32,207	32,207
Total	355,422	-	1,845,304	2,200,726

Concentrations of credit risk arises when a number of counterparties are engaged in similar business activities, related group of counterparties, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of Company's performance to developments affecting these counterparties.

The Company seeks to mitigate its overall credit risk exposure through sound risk strategies, establish credit limits, segment diversification and ensures there are sound internal control.

Procedures for identifying and recording and monitoring all large exposures are managed as per thresholds defined by the regulator.

The Company has defined large exposures as an exposure to a counterparty or group of connected counterparties that exceeds 10% of the capital base.

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28. RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

Cash at bank and time deposits

The Company kept its surplus funds and placements with SAB and AIRajhi bank having stable credit rating. SAB's long-term debt and short-term debts are rated as Aa- and F1+ as per Fitch's and Aa3 and P-1 as per Moody's ratings. AIRajhi bank's long-term debt and short debts are rated as Aa- and F1+ as per Fitch's and Aa3 and P-1 as per Moody's ratings.

Margin finance receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and the country in which customers operate.

As at 31 December 2025, the margin finance receivables are neither past due nor credit impaired. The facilities are collateralized by underlying equities and cash held in the customers' investment accounts, that amounted to SAR 4,921 million (2024: SAR 5,571 million).

The Company applies the IFRS 9 to measuring expected credit losses for all financial assets. The Company did not recognize ECL on cash and cash equivalents, and receivable from asset management, because the ECL amount was immaterial.

28.2 Market risk

Currency risk

Currency risk is the risk that the value of a financial investment may fluctuate due to change in foreign exchange rates. Management closely monitors the exchange rate fluctuations and believes that there is a minimal risk of losses due to exchange rate fluctuations as the Company primarily deals with Saudi Arabian Riyals.

Commission rate risk

Special commission rate risk arises from the possibility that the changes in commission rates will affect either the fair values or the future cash flows of the financial instruments. The Company's commission rate risk arises mainly from margin lending receivables, short-term borrowings and time deposits with local banks. The Company has limited sensitivity of commission rate risk due to the fixed commission rates and short-term maturity of these financial instruments.

As at 31 December 2025	Within 3M	3-12M	Over 1 year	Non commission bearing	Total
Cash and cash equivalents	-	-	-	27,354	27,354
Margin deposit with clearing house, net	-	-	-	36,292	36,292
Margin finance receivable, net	161,403	1,488,581	-	-	1,649,984
Receivable from asset management	49,239	-	-	-	49,239
Investment held at FVSI	-	-	48,169	119,158	167,327
Investment held at FVOCI	-	-	-	423,143	423,143
Investment held at amortised cost, net	-	-	188,466	-	188,466
Other financial assets, net	-	-	44,899	26,077	70,976
Total financial assets	210,642	1,488,581	281,534	632,024	2,612,781
Short-term borrowings	-	1,035,951	-	-	1,035,951
Due to a related party	-	-	-	128,625	128,625
Total financial liabilities	-	1,035,951	-	128,625	1,164,576
Cumulative commission rate sensitivity gap	210,642	663,272	944,806	1,448,205	1,448,205

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28. RISK MANAGEMENT (continued)

28.2 Market risk (continued)

Commission rate risk (continued)

As at 31 December 2024	Within 3M	3-12M	Over 1 year	Non commission bearing	Total
Cash and cash equivalents	-	-	-	29,992	29,992
Margin deposit with clearing house, net	-	-	-	60,148	60,148
Time deposit, net	-	137,440	-	-	137,440
Margin finance receivable, net	255,571	1,446,105	-	-	1,701,676
Receivable from asset management	51,273	-	-	-	51,273
Investment held at FVSI	-	-	43,130	107,806	150,936
Investment held at FVOCI	-	-	-	276,596	276,596
Investment held at amortised cost, net	-	-	187,990	-	187,990
Other financial assets, net	-	-	-	32,207	32,207
Total financial assets	306,844	1,583,545	231,120	506,749	2,628,258
Short-term borrowings	-	1,306,450	-	-	1,306,450
Due to related party	-	-	-	91,663	91,663
Total financial liabilities	-	1,306,450	-	91,663	1,398,113
Cumulative commission rate sensitivity gap	306,844	583,939	815,059	1,230,145	1,230,145

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Company is exposed to market risk with respect to its investments in mutual funds and investment tier 1 sukuku held at FVIS.

Management's best estimate of the effect on statement of income due to a reasonably possible change in aggregate NAV of all the mutual funds invested in and change in price of investment in tier 1 sukuku, with all other variables held constant is indicated in the table below. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material.

Variable	Effect on statement of comprehensive income for the year ended		
	Change in %	31 December 2025	31 December 2024
Investment held at FVSI	+/- 5 %	+/- 4,589	+/- 4,571
Investment held at FVOCI	+/- 5 %	+/- 90	+/- 76

28.3 Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Company manages its liquidity risk by ensuring that sufficient funds are available to meet any commitment as they arise. All financial liabilities of the Company at the statement of financial position are having contractual maturity of within 1 year, hence the impact of undiscounting is not significant.

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28. RISK MANAGEMENT (continued)

28.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Company's activities either internally or externally at the Company's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements. The Company manages within acceptable levels through sound operational risk management practices that are part of the day-to-day responsibilities of management at all levels.

The Company's objectives when managing capital are, to comply with the capital requirements set by the CMA to safeguard the Company's ability to continue as a going concern and to maintain a strong capital base. As at 31 December 2025, the Company was in compliance with the externally imposed capital restrictions.

29. CONTINGENT LIABILITIES

As at 31 December 2025, the Company is subject to contingent liabilities of SAR 3,122 (2024: SAR 3,100 million) and (2024: SAR 20 million) represented by promissory note against the provided credit facilities, and letter of guarantee respectively.

30. SUBSEQUENT EVENTS

There was no subsequent event after the statement of financial position date which requires adjustment to / or disclosure in the financial statements.

31. APPROVAL OF FINANCIALS STATEMENTS

These financial statements were approved and authorized for issue by the Board of Directors on 11 March 2026.