

CITIGROUP SAUDI ARABIA
(A Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
For the year ended 31 December 2025
together with **Independent auditor's report**

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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KPMG Professional Services Company

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P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤
المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholder of Citigroup Saudi Arabia

Opinion

We have audited the financial statements of **Citigroup Saudi Arabia** (the "Company"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 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 ("IFRS") 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").

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 are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, the Company's By-laws and for such internal control as the management 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 management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, is responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report

To the Shareholder of Citigroup Saudi Arabia (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

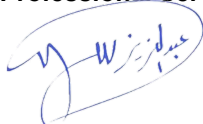
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance but is not a guarantee 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 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 judgement 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 management.
- Conclude on the appropriateness of the management's 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, then 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.

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 of **Citigroup Saudi Arabia** (the "Company").

KPMG Professional Services Company



Abdulaziz Mohammed Alawad
License No: 712




Al Riyadh on 5 April 2026
Corresponding to: 17 Shawwal 1447H

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025
(Amounts in SAR'000)

	<i>Notes</i>	31 December 2025	31 December 2024
<u>ASSETS</u>			
Cash and cash equivalents	5	246,948	264,302
Trade, other receivables and prepayments	7	39,065	6,936
Securities trading margin collateral	8	6,621	9,222
Deferred tax asset	9	1,135	1,471
Right-of-use asset	10	2,157	3,261
Property and equipment	12	2,879	3,111
Total assets		298,805	288,303
<u>LIABILITIES AND SHAREHOLDER'S EQUITY</u>			
Liabilities			
Bank overdraft	13	1,390	5,998
Accrued expenses and other liabilities	14	24,145	14,210
Accounts payables		-	2,278
Income tax payable	15	5,355	1,506
Lease liability	16	1,236	2,363
Employees' benefit obligations	17	1,686	4,060
Total liabilities		33,812	30,415
Shareholder's equity			
Share capital	18	187,500	187,500
Retained earnings		70,686	63,581
General reserve	19	6,807	6,807
Total equity		264,993	257,888
Total liabilities and shareholder's equity		298,805	288,303

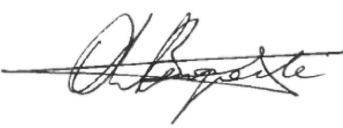
The accompanying notes from 1 to 30 form an integral part of these financial statements



Mutlaq Hamad Al-Morished
Chairman



Fahad Al Deweesh
Chief Executive Officer




Olukayode Bababunmi
Chief Financial Officer

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR'000)

	<i>Notes</i>	For the year ended 31 December	
		<u>2025</u>	<u>2024</u>
Revenue			
Arrangement fees		10,369	17,032
Financial advisory fees		32,670	6,587
Brokerage commission		24,220	26,215
Custody fees		19,630	14,199
Total revenue		86,889	64,033
Finance income	21	10,733	11,609
Total operating income		97,622	75,642
Salaries and employees related benefits		(25,307)	(26,372)
Depreciation	10 & 12	(2,325)	(2,523)
Premises related expenses		(1,015)	(763)
Other expenses	22	(26,722)	(25,894)
Total operating expenses		(55,369)	(55,552)
Operating profit		42,253	20,090
Finance cost	23	(910)	(1,075)
Profit before income tax		41,343	19,015
Income tax:			
- Current	15	(8,345)	(3,985)
- Deferred	9	83	(39)
Profit for the year		33,081	14,991
Other comprehensive gain / (loss) for the year			
Remeasurement gain / (loss) on employees' benefit obligations	17	2,097	(2,032)
Deferred tax (expense) / income	9	(419)	406
Total other comprehensive income / (loss)		1,678	(1,626)
Total comprehensive income for the year		34,759	13,365


The accompanying notes from 1 to 30 form an integral part of these financial statements



Mutlaq Hamad Al-Morished
Chairman



Fahad Al Deweesh
Chief Executive Officer




Olukayode Bababunmi
Chief Financial Officer

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
AS AT 31 DECEMBER 2025
(Amounts in SAR'000)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>General reserve</u>	<u>Total</u>
Balance as at 1 January 2025	187,500	63,581	6,807	257,888
Profit for the year	-	33,081	-	33,081
Other comprehensive income for the year	-	1,678	-	1,678
Total comprehensive income for the year	-	34,759	-	34,759
Dividend paid (note 20)	-	(27,654)	-	(27,654)
Balance as at 31 December 2025	187,500	70,686	6,807	264,993
Balance as at 1 January 2024	187,500	50,216	6,807	244,523
Profit for the year	-	14,991	-	14,991
Other comprehensive loss for the year	-	(1,626)	-	(1,626)
Total comprehensive income for the year	-	13,365	-	13,365
Balance as at 31 December 2024	187,500	63,581	6,807	257,888


The accompanying notes from 1 to 30 form an integral part of these financial statements



Mutlaq Hamad Al-Morished
Chairman



Fahad Al Deweesh
Chief Executive Officer




Olukayode Bababunmi
Chief Financial Officer


CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR'000)

		For the year ended 31 December	
	<i>Notes</i>	2025	2024
Cash flows from operating activities			
Profit before income tax		41,343	19,015
Adjustments for:			
Depreciation	10 & 12	2,325	2,523
Interest expense - lease liability	16	100	146
Interest expense - bank overdraft	23	810	929
Provision for employees' end of service benefits	17	958	761
		45,536	23,374
Changes in operating assets and liabilities			
Trade, other receivables and prepayments		(32,129)	1,964
Securities trading margin collateral		2,601	(2,565)
Accrued expenses and other liabilities		8,896	3,325
Accounts payable		(2,278)	1,669
Cash generated from operating activities		22,626	27,767
Employees' end of service benefits paid	17	(196)	(959)
Income tax paid	15	(4,496)	(5,784)
Net cash generated from operating activities		17,934	21,024
Cash flows from investing activities			
Purchase of property and equipment	12	(989)	(372)
Net cash used in investing activities		(989)	(372)
Cash flows from financing activities			
Interest on bank overdraft paid		(810)	(929)
Dividend paid		(27,654)	-
Lease rentals paid	16	(1,227)	(1,169)
Net cash used in financing activities		(29,691)	(2,098)
Net (decrease) / increase in cash and cash equivalents during the year			
		(12,746)	18,554
Cash and cash equivalents at the beginning of the year (net of bank overdraft)		258,304	239,750
Cash and cash equivalents at the end of the year (net of bank overdraft)	5	245,558	258,304

The accompanying notes from 1 to 30 form an integral part of these financial statements.



Mutlaq Hamad Al-Morished
Chairman



Fahad Al Deweesh
Chief Executive Officer



Olukayode Bababunmi
Chief Financial Officer

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR'000)

1. GENERAL INFORMATION

Citigroup Saudi Arabia (the “Company”) is a Saudi Closed Joint Stock Company incorporated in 2017 and registered in Riyadh, Kingdom of Saudi Arabia under commercial registration no. 1010612164 dated 25 Muharram 1439 (corresponding to 15 October 2017). The Company operates under Saudi Arabia General Investment Authority License No. 10211380876176 dated 21 Shaban 1438 (corresponding to 17 May 2017).

The principal activities of the Company include arranging transactions in debt and capital market, financial advisory, capital raising, merger advisory, capital restructuring, financial restructurings and underwriting, equity trading and custody.

The registered address of the Company, which is also its principal place of business, is at the 20th Floor, Kingdom Tower, P.O. Box 301700, Riyadh 11372, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

a) *Statement of compliance*

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) 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”).

b) *Basis of measurement*

These financial statements have been prepared on a going concern basis under historical cost convention except for the employee benefit obligation which is measured at present value of defined benefit obligation. The Company does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

c) *Functional and presentation currency*

These financial statements are presented in Saudi Arabian Riyals (“SAR”), which is the presentation and functional currency of the Company.

d) *Use of accounting judgments and estimates*

The preparation of these financial statements in conformity with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Refer note 4 for significant accounting judgements, estimates and assumptions.

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR'000)

2. BASIS OF PREPARATION (CONTINUED)

e) Application of new and revised standards

New standards, interpretations and amendments to accounting standards

Following standards, interpretation or amendment are effective from the annual reporting period beginning on 1 January 2025 and are adopted by the Company, however, these do not have any impact on the financial statements of the year unless otherwise stated below:

Standard, interpretation or amendments	Description	Effective date
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

Accounting standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods beginning on or after 1 January 2026. The Company has opted not to early adopt these pronouncements, and the management is currently evaluating the impact of the adoption of these standards on the financial statements of the Company.

Standard, interpretation or amendments	Description	Effective date
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
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

CITIGROUP SAUDI ARABIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR'000)

2. BASIS OF PREPARATION (CONTINUED)

f) Application of new and revised standards (continued)

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

Standard, interpretation or amendments	Description	Effective date
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	These amendments require disclosures to enhance the transparency of 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: 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
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
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

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR'000)

3. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the material accounting policies set out below to all periods presented in these financial statements, except if mentioned otherwise.

3.1 Financial instruments

a) Classification and measurement of financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

Debt instruments

Classification and subsequent measurement of debt instruments depend on:

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

Business model

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported by the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

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 realised 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.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

However, the Company does not have any financial assets classified as FVOCI or FVTPL as at 31 December 2025 and 31 December 2024

b) Classification of financial liabilities

The Company classifies its financial liabilities as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium to issue the funds, and other cost that are integral part of the effective profit rate.

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR'000)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)

c) Derecognition (continued)

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

d) Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

e) Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

f) Trade date accounting

All regular-way purchases and sales of financial assets are initially recognised and derecognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Regular-way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss (FVTPL) are initially recognised on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR'000)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Revenue

The Company recognizes revenue as and when the performance obligations are met. The Company has the following streams of revenue:

Revenue from arrangement fee and financial advisory fee

Revenue from arrangement fee and financial advisory fee assignments are recognized, when services are determined to be completed in accordance with the underlying agreement, agreed with the customer and invoiced, as generally set for under the terms of the engagement.

Revenue from brokerage commission

Revenue from brokerage commission is recognized when the related transactions are executed by 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 customer carries out the transaction, which triggers immediate recognition of the revenue, as the Company will have no further commitments.

Revenue from custody fee

Fees charged for providing custodial services are recognized as revenue when the service is provided. The performance obligation of the Company is satisfied when the Company carries out the service, which triggers immediate recognition of the revenue, as the Company will have no further commitments. Moreover, the interest is also earned on client money accounts.

Interest earned on time deposit

Interest earned on time deposit is accrued on the time proportionate basis.

3.3 Employees' benefit obligations

The Company operates a defined benefit plan for its employees in accordance with labour regulations applicable in the Kingdom of Saudi Arabia. The plan is not funded. The cost of providing the benefits under the defined benefit plan is determined by an independent actuary using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in the retained earnings and are not reclassified to profit or loss in subsequent periods.

The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR'000)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Taxation

Income tax is provided for in accordance with the regulations of the Zakat, Tax and Customs Authority (“ZATCA”) in the Kingdom of Saudi Arabia and charged to the profit or loss section of statement of profit or loss and other comprehensive income.

Income tax based on the applicable income tax rate is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred income tax is provided in full, if material, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

3.5 Leases

On initial recognition, at inception of the contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

Right-of-Use Asset (“ROUA”)

The Company apply cost model, and measure right-of-use asset at cost:

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any re-measurement of the lease liability for lease modifications

Generally, ROUA would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the ROUA’s value.

Lease liability

On initial recognition, the lease liability is the present value of the lease payments that are not paid at the commencement date discounted using the Company’s incremental borrowing rate.

After the commencement date, Company measures the lease liability at amortized cost using the effective interest method by:

1. Increasing the carrying amount to reflect interest on the lease liability.
2. Reducing the carrying amount to reflect the lease payments made; and
3. Re-measuring the carrying amount to reflect any re-assessment or lease modification.

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in SAR'000)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

4.1 Taxation

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognized liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which such determination is made.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5. CASH AND CASH EQUIVALENTS

	<i>Notes</i>	31 December 2025	31 December 2024
Cash at bank	5.1	151,671	139,154
Time deposits	5.2	95,277	125,148
Cash and cash equivalents balance as at 31 December 2025		246,948	264,302
Less: Bank overdraft		(1,390)	(5,998)
Cash and cash equivalent balance as at 31 December 2025 (net of bank overdraft)		245,558	258,304

5.1 This comprises of balances held with local and international banks in current accounts having reputable standing and having ratings of Aa3 as per Moody's as at 31 December 2025.

5.2 This represents time deposits with a local bank having rating of Aa3 as per Moody's earning profit rates ranging from 4.2% to 5.3% per annum (31 December 2024: 5.5% to 5.8% per annum) with a remaining maturity date of less than 3 months from the date of placement.

6. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Company include the Parent, ultimate parent, group entities, and the key management personnel. In ordinary course of activities, the Company transacts business with its related parties on mutually agreed terms. Key management personnel include directors, chief executive officer, chief financial officer, head of equity, head of trading, AML and compliance lead, compliance country officer and business enterprise head having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

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6. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Transactions with the related parties are as follows:

<u>Related Parties</u>	<u>Nature of transactions</u>	<u>For the year ended 31 December</u>	
		<u>2025</u>	<u>2024</u>
Group entities			
Citibank, N.A. UAE – DIFC Branch	Arrangement fee	(581)	(855)
	Expenses	(103)	-
Citibank NA, New York	Custody fee	9,815	7,392
Citibank NA, Hong Kong	Custody fee	568	465
Citigroup Global Markets Limited	Arrangement fee	(1,085)	(5,114)
	Advisory fee	4,219	6,587
	Brokerage fee *	24,255	26,215
	Custody fee	3,548	2,098
Citibank, N.A. London Branch	Arrangement fee	299	20
	Custody fee	2,647	2,564
Citigroup Global Markets Inc.	Financial advisory fee	15,812	-
Citigroup Global Markets Europe AG France Branch	Brokerage fee	(35)	-
	Arrangement fee	70	-
Citibank Europe Plc	Custody fee	454	438
Citigroup Global Markets Asia Ltd	Advisory fee	12,656	-
Citibank NA. Singapore	Custody fee	122	157
Citibank N.A. Jersey	Arrangement fee	-	414
Citibank N.A Pakistan Branch	Reimbursable expense	(32)	(34)
Citicorp Regional Headquarter Company	Reimbursable expense	(558)	-
Citibank N.A Kuwait Branch	Reimbursable expense	(39)	-
Key management personnel – including non-executive / independent board members	Salaries	5,653	5,490
	Allowances	3,229	2,516
	Periodic and annual remunerations	2,364	2,143
	Directors' remuneration	750	750

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6. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The balances as at the year end resulting from transactions with related parties are as follows:

	31 December	31 December
	<u>2025</u>	<u>2024</u>
Due to related parties		
Group entities		
Citigroup Global Markets Limited	569	2,010
Citibank, N.A UAE DIFC Branch	-	268
	<u>569</u>	<u>2,278</u>
Key management personnel – bonus payable	<u>2,807</u>	<u>2,184</u>
	31 December	31 December
	<u>2025</u>	<u>2024</u>
Due from related parties		
Group entities		
Citigroup Global Markets Asia Limited	12,656	-
Citigroup Global Markets Limited	355	-
Citicorp Regional Headquarter Company	4,756	-
	<u>17,767</u>	<u>-</u>

* Brokerage fees were earned from Citigroup Global Markets Limited (CGML) in respect of total equity trading transactions executed on its behalf amounting to SAR 19.7 billion during the year (31 December 2024: SAR 17.3 billion).

7. TRADE, OTHER RECEIVABLES AND PREPAYMENTS

	<i>Notes</i>	31 December	31 December
		<u>2025</u>	<u>2024</u>
Security deposit		115	115
VAT receivable		1,197	421
Custody fee receivables	7.1	2,412	1,377
Equity trading settlement	7.2	16,514	4,434
Due from related parties	6	17,767	-
Others – Advance to employees and prepayments		1,060	589
		<u>39,065</u>	<u>6,936</u>

7.1 These represent custody fee receivables and are usually settled within two months of the billing date.

7.2 This represents amounts receivable from Tadawul and Citigroup Global Markets Limited (a related party) arising from the Company's equity trading brokerage activities, settled on a T+2 basis. The balance was subsequently settled in full by 5 January 2026.

8. SECURITIES TRADING MARGIN COLLATERAL

Securities trading margin collateral represents collateral kept with Muqassa to facilitate the equity trading services.

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9. DEFERRED TAX ASSET

The deferred tax asset consists of the following items:

	31 December	31 December
	2025	2024
Unrealised loss / (gain) on foreign exchange revaluation	57	(56)
Provision for employee benefit obligation	337	812
Property and equipment	741	715
Deferred tax asset	1,135	1,471
Balance as at 1 January	1,471	1,104
Deferred tax income – effect on profit or loss	83	(39)
Deferred tax (expense) / income – effect on other comprehensive income	(419)	406
Balance as at 31 December	1,135	1,471

9.1 The movement in deferred tax asset is as follows:

Balance as at 1 January	1,471	1,104
Unrealised loss / (gain) on foreign exchange revaluation	113	(56)
Provision for employee benefit obligation	(475)	367
Property and equipment	26	56
Balance as at 31 December	1,135	1,471

10. RIGHT-OF-USE ASSET

The right-of-use asset represents office space rented by the Company.

	31 December	31 December
	2025	2024
Balance as at 1 January	3,261	4,319
Additions during the year	-	-
Depreciation charge for the year	(1,104)	(1,058)
Balance as at 31 December	2,157	3,261

11. INTANGIBLE ASSETS

	31 December	31 December
	2025	2024
Cost:		
Balance as at 1 January	4,479	4,479
Additions	-	-
Balance as at 31 December	4,479	4,479
Accumulated amortization:		
Balance as at 1 January	4,479	4,479
Charge for the year	-	-
Balance as at 31 December	4,479	4,479
Net book value as at 31 December	-	-

11.1 The above fully amortized intangible assets are still in use by the Company.

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12. PROPERTY AND EQUIPMENT

	Furniture, fixture and office equipment	Computer equipment	Leasehold improvements	Vehicles	Capital-work-in progress	Total
Cost:						
Balance as at 1 January 2024	2,950	2,342	6,533	391	42	12,258
Additions during the year	99	187	-	-	86	372
Transfers during the year	41	-	-	-	(41)	-
Balance as at 31 December 2024	<u>3,090</u>	<u>2,529</u>	<u>6,533</u>	<u>391</u>	<u>87</u>	<u>12,630</u>
Balance as at 1 January 2025	3,090	2,529	6,533	391	87	12,630
Additions during the year	289	573	127	-	-	989
Transfers during the year	73	14	-	-	(87)	-
Balance as at 31 December 2025	<u>3,452</u>	<u>3,116</u>	<u>6,660</u>	<u>391</u>	<u>-</u>	<u>13,619</u>
Accumulated depreciation:						
Balance as at 1 January 2024	2,120	1,995	3,808	131	-	8,054
Charge for the year	320	313	754	78	-	1,465
Balance as at 31 December 2024	<u>2,440</u>	<u>2,308</u>	<u>4,562</u>	<u>209</u>	<u>-</u>	<u>9,519</u>
Balance as at 1 January 2025	2,440	2,308	4,562	209	-	9,519
Charge for the year	304	124	715	78	-	1,221
Balance as at 31 December 2025	<u>2,744</u>	<u>2,432</u>	<u>5,277</u>	<u>287</u>	<u>-</u>	<u>10,740</u>
Net book value as at:						
31 December 2025	<u>708</u>	<u>684</u>	<u>1,383</u>	<u>104</u>	<u>-</u>	<u>2,879</u>
31 December 2024	<u>650</u>	<u>221</u>	<u>1,971</u>	<u>182</u>	<u>87</u>	<u>3,111</u>
			9 or lease term whichever is earlier			
Useful life (in years)	<u>5 – 10</u>	<u>3 – 5</u>		<u>5</u>	<u>-</u>	

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13. BANK OVERDRAFT

This relates to an overdraft facility that the Company has obtained for its brokerage business subject to an interest rate that approximates to prevailing market rate.

14. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 December 2025	31 December 2024
Accrued salaries and employee related benefits	5,179	6,672
Accrued premises related expense	151	184
Accrued technology expense	60	60
Accrued professional fees	851	506
Payable against equity trading settlement	16,384	3,604
Reimbursable deal expenses	-	2,457
Other payables	1,520	727
	<u>24,145</u>	<u>14,210</u>

15. INCOME TAX

The Company is subject to income taxes in accordance with the Regulation of ZATCA. The movement of income tax payable is as follows:

	For the year ended 31 December	
	2025	2024
Balance at the beginning of the year	1,506	3,305
Charge for the year	8,345	3,985
Payments made during the year	(4,496)	(5,784)
Balance at the end of the year	<u>5,355</u>	<u>1,506</u>

The Company has filed the tax returns with Zakat, Tax and Customs Authority (the "ZATCA") for the years up to 31 December 2024 and the Company has received the final zakat certificate until 2024. No assessment has been raised by ZATCA.

	For the year ended 31 December	
	2025	2024
Current Tax		
Tax on profit for the year	<u>8,345</u>	3,985
	8,345	3,985
Deferred tax		
Origination and reversal of timing differences	<u>(83)</u>	39
Total income tax expense	<u>8,262</u>	<u>4,024</u>

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15. INCOME TAX (CONTINUED)

15.1 Reconciliation of effective tax

	For the year ended 31 December	
	2025	2024
Profit for the year	41,343	19,015
Income tax expense	(8,262)	(4,024)
Profit after tax	33,081	14,991
Income tax at statutory rate of 20% (31 December 2024: 20%)	8,269	3,803
Reconciliation:		
Non-deductible expenses	293	449
Claims arising from tax depreciation	(217)	(267)
Deferred tax	(83)	39
	8,261	4,024

16. LEASE LIABILITY

	31 December 2025	31 December 2024
Balance as at 1 January	2,363	3,386
Interest for the year	100	146
Payment for lease liability	(1,227)	(1,169)
Balance as at 31 December	1,236	2,363

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date:

	31 December 2025	31 December 2024
Less than one year	1,286	1,227
One to two years	-	1,286
	1,286	2,513

17. EMPLOYEE BENEFIT OBLIGATIONS

The Company operates a defined benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligations are met when they fall due upon termination of employment.

The principal actuarial assumptions used in the actuarial valuation at the reporting date are as follows:

	31 December 2025	31 December 2024
Discount rate	4.80%	5.10%
Salary growth rate	4.00%	4.00%
Retirement age	60 Years	60 Years

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17. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

17.1 Movement in employees' end of service benefits

	For the year ended 31 December	
	2025	2024
Balance at the beginning of the year	4,060	2,226
Charge for the year	958	761
Benefits paid during the year	(196)	(959)
Transferred out	(1,039)	-
Remeasurement (gain) / loss	(2,097)	2,032
Balance at the end of the year	1,686	4,060

17.2 Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below.

Particulars	Decrease	Increase
Discount rate (-/+1%)	156	(136)
(% change compared to base due to sensitivity)	9.25%	(8.08%)
Salary growth rate (-/+1%)	(138)	156
(% change compared to base due to sensitivity)	(8.21%)	9.23%

18. SHARE CAPITAL

As at 31 December 2025, the authorized, issued and fully paid-up share capital of the Company was SAR 187.5 million (31 December 2024: SAR 187.5 million) divided into 18.75 million shares (31 December 2024: 18.75 million shares) of SAR 10 each and was fully subscribed by Citigroup Financial Products Inc. (the "Parent"), a Company incorporated in the United States of America. The ultimate parent and controlling entity of the Company is Citigroup Inc.

19. GENERAL RESERVE

In accordance with the previous Regulations for Companies in Saudi Arabia, the Company was required to set aside a statutory reserve, by the appropriation of at least 10% of net income for the year, after absorption of accumulated losses, until the reserve equaled 30% of the share capital. However, the requirement to maintain a statutory reserve was removed in the new Companies Law and the Company's By-laws were also updated accordingly. Hence, the Company is now maintaining a voluntary reserve by the name of general reserve. This reserve is not available for distribution.

20. DIVIDEND

Dividend of SAR 27.65 million was remitted to the shareholder during the year ended 31 December 2025 (31 December 2024: Nil) following necessary approvals from the Board of Directors, Shareholder and the Capital Markets Authority.

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21. FINANCE INCOME

	<u>31 December</u> <u>2025</u>	<u>31 December</u> <u>2024</u>
Interest earned on time deposits	5,219	7,725
Interest earned on client money accounts	5,538	3,379
Other income	(24)	505
	<u>10,733</u>	<u>11,609</u>

22. OTHER EXPENSES

	<u>31 December</u> <u>2025</u>	<u>31 December</u> <u>2024</u>
Equity trading related expenses	14,097	13,940
Technology and communication	7,160	5,044
Consultancy and professional fees	1,309	480
Directors' remuneration	750	750
Travel and entertainment	442	167
Reimbursable deal expenses	-	2,458
Others	2,964	3,055
	<u>26,722</u>	<u>25,894</u>

23. FINANCE COST

	<u>31 December</u> <u>2025</u>	<u>31 December</u> <u>2024</u>
Interest expense - lease liability	100	146
Interest expense - bank overdraft	810	929
	<u>910</u>	<u>1,075</u>

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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24. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

As at 31 December 2025, the Company's financial instruments comprised of cash and cash equivalents, trade and other receivables, securities trading margin collateral, accrued expenses and other liabilities and due to related parties, which are measured at amortised cost and their carrying amounts are a reasonable approximate of their fair value, as these financial instruments are short term in nature with a maturity profile of less than three months.

<u>31 December 2025</u>	<u>Carrying amount</u>	<u>Fair value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<u>Financial assets not measured at fair value</u>					
Trade and other receivables	36,808	-	-	36,808	36,808
Securities trading margin collateral	6,621	6,621	-	-	6,621
Cash and cash equivalents	246,948	246,948	-	-	246,948
Total	290,377	253,569	-	36,808	290,377

Financial liabilities not measured at fair value

Bank overdraft	1,390	1,390	-	-	1,390
Accrued expenses and other liabilities	24,145	-	-	24,145	24,145
Lease liability	1,236	-	-	1,236	1,236
Total	26,771	1,390	-	25,381	26,771

<u>31 December 2024</u>	<u>Carrying amount</u>	<u>Fair value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<u>Financial assets not measured at fair value</u>					
Trade and other receivables	6,515	-	-	6,515	6,515
Securities trading margin collateral	9,222	9,222	-	-	9,222
Cash and cash equivalents	264,302	264,302	-	-	264,302
Total	280,039	273,524	-	6,515	280,039

Financial liabilities not measured at fair value

Bank overdraft	5,998	5,998	-	-	5,998
Accrued expenses and other liabilities	14,210	-	-	14,210	14,210
Accounts payable	2,278	-	-	2,278	2,278
Lease liability	2,363	-	-	2,363	2,363
Total	24,849	5,998	-	18,851	24,849

25. FINANCIAL RISK MANAGEMENT

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. These risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Market risk
- Liquidity risk

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25. FINANCIAL RISK MANAGEMENT (CONTINUED)

25.1 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 schedule below shows the maximum exposure to credit risk for the components of the financial statements:

	31 December	31 December
	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	246,948	264,302
Trade and other receivables	36,808	6,515
Securities trading margin collateral	6,621	9,222
Total	<u>290,377</u>	<u>280,039</u>

Cash and cash equivalents

The current accounts and time deposits are held with local and international banks having credit ratings of Aa3 as per Moody's as at 31 December 2025.

Trade and other receivables

Trade and other receivables have short term maturity and receivable from institutions having sound credit ratings.

25.2 Market risk

a) Interest rate risk

Profit rate risk is the risk that the interest rate change is not commensurate with financing cost due to changes in the market interest rate. The Company has time deposits placed with the local bank, having maturity of three months. The Company has no floating rate financial instrument as of 31 December 2025, hence is not significantly exposed to any interest rate risk.

b) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is not subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Arabian Riyals and US Dollars during the year. As SAR is pegged to US Dollar, therefore, the Company is not exposed to currency risk.

c) 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. As at 31 December 2025, the Company had no financial instrument which was exposed to price risk.

25.3 Liquidity risk

Liquidity risk is the risk that the Company will 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 assets and liabilities of the Company appearing on the statement of financial position have a contractual maturity of within 1 year.

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26. COMMITMENTS AND CONTINGENCIES

As of 31 December 2025, the Company had no commitments and contingencies.

27. REGULATORY CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY RATIO

The Company's objectives when managing capital are to comply with the minimum capital requirements set by Capital Market Authority ("CMA") to safeguard the Company's ability to continue as a going concern and to maintain an adequate capital base throughout the year.

The CMA has issued Prudential Rules (the "Rules") dated 17 Safar 1434H (corresponding to 30 December 2012). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required and capital adequacy ratios as follows:

	31 December 2025	31 December 2024
Capital Base		
Tier 1 Capital	<u>263,858</u>	<u>256,417</u>
Minimum Capital Requirement		
Market Risk	4,057	2,930
Credit Risk	3,110	1,790
Operational Risk	<u>13,147</u>	<u>12,445</u>
Total Minimum Capital required	<u>20,314</u>	<u>17,165</u>
Capital Adequacy Ratio:		
Total Capital Ratio (%)	103.91%	119.50%
Surplus in Capital	243,544	239,252

a) Tier 1 capital consists of paid-up share capital, retained earnings, share premium (if any), reserves excluding revaluation reserves, with certain deductions as per the Rules.

b) There is no Tier 2 capital for the year ended 31 December 2025.

The Minimum Capital Requirements for market, credit & operational risk are calculated as per the requirements specified in Part 3 of the revised Rules which became effective in January 2023. The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 1.

28. CLIENT'S CASH ACCOUNTS

As at 31 December 2025, the Company was holding clients' cash balances in its client money accounts amounting to SAR 81.2 million (31 December 2024: SAR 73.8 million), 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 these are held by the Company in fiduciary capacity. Certain clients' cash balances held under brokerage accounts are placed with local banks with the prior consent of the customers.

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29. SUBSEQUENT EVENTS

Subsequent to the reporting date, geopolitical tensions in the Middle East have escalated, resulting in heightened instability and uncertainty in the region, including the Kingdom of Saudi Arabia. The Company has put in place a continuation of business plan for vital departments to continue to operate with no disruption. These events are considered non adjusting subsequent events under IAS 10 Events after the Reporting Period. The situation is fast-evolving and the effect of the escalations is subject to significant levels of uncertainty. Management is closely monitoring the situation and assessing the potential impact on the Company's operations, financial position and cash flow. As at the date of authorization of these financial statements, the Company is not able to reliably estimate the financial impact of these events.

30. APPROVAL OF THE FINANCIAL STATEMENTS

These financials statements were approved by the Board of Directors on 16 Shawwal 1447H, corresponding to 4 April 2026.