

**EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2025

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
TABLE OF CONTENTS

INDEX	PAGES
Independent auditor's report	1 – 3
Statement of financial position	4
Statement of comprehensive income	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8 – 38



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (ﷲ5,500,000 – Five million five hundred thousand Saudi Riyal)

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INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF EMIRATES NBD CAPITAL KSA (A Saudi Closed Joint Stock Company)

Opinion

We have audited the financial statements of Emirates NBD Capital KSA (A Saudi Closed Joint Stock Company) (the “Company”), which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy 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 IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants.

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 that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended 31 December 2024 were audited by another independent auditor, who expressed an unmodified opinion on 27 Ramadan 1446H, corresponding to 27 March 2025.

Responsibilities of 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 Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Company’s By - laws, and for such internal control as 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, 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 management 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 Audit Committee is responsible for overseeing the Company’s financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMIRATES NBD CAPITAL KSA (A Saudi Closed Joint Stock Company) (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 skepticism 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 management.
- Conclude on the appropriateness of 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, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMIRATES NBD CAPITAL KSA (A Saudi Closed Joint Stock Company) (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

for Ernst & Young Professional Services

Hesham A. Alatiqi
Certified Public Accountant
License No. (523)



Riyadh: 17 Shawwal 1447H
(05 April 2026)

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note s	December 31,2025 ﷲ	December 31,2024 ﷲ
ASSETS			
Non-current assets			
Investment held at fair value through profit or loss (FVTPL)	8	10,671,182	10,671,182
Right-of-use assets, net	7	-	209,380
Intangible assets, net	6	366,368	511,716
Property and equipment, net	4	465,592	483,063
Total non-current assets		11,503,142	11,875,341
Current assets			
Cash and cash equivalents	12	278,447,993	106,593,405
Term deposit	11	206,981,175	87,330,000
Due from related parties	9	4,307,420	3,697,893
Trade and other receivables	10	88,750,135	19,636,658
Total current assets		578,486,723	217,257,956
TOTAL ASSETS		589,989,865	229,133,297
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	300,000,000	100,000,000
Reserve	14	11,970,607	11,970,607
Retained earnings		245,878,534	98,941,196
Total equity		557,849,141	210,911,803
LIABILITIES			
Non-current liabilities			
Defined benefit obligations	15	3,757,595	3,112,004
Total non-current liabilities		3,757,595	3,112,004
Current liabilities			
Zakat payable	16	14,632,077	5,378,058
Due to related parties	9	8,638,261	2,930,297
Trade and other payables	17	5,112,791	6,801,135
Total current liabilities		28,383,129	15,109,490
TOTAL LIABILITIES		32,140,724	18,221,494
TOTAL EQUITY AND LIABILITIES		589,989,865	229,133,297

The accompanying notes (1) through (29) form an integral part of these financial statements.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Notes	December 31,2025 ﷲ	December 31,2024 ﷲ
Revenues	18	195,541,738	111,668,111
Dividend income		350,000	300,000
Special commission income	21	3,601,881	2,380,685
Other income		-	896,116
Total operating income		199,493,619	115,244,912
Finance cost		(120,657)	(123,640)
General and Administrative Expense	19	(31,626,583)	(26,236,937)
Other expenses, net	20	(5,715,843)	(376,045)
Total operating expenses		(37,463,083)	(26,736,622)
Net operating income before zakat		162,030,536	88,508,290
Zakat expense	16	(14,992,297)	(5,057,120)
Net income for the year		147,038,239	83,451,170
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified subsequently to statement of income</i>			
Re-measurement on defined benefit obligation	15	(100,901)	(331,095)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		146,937,338	83,120,075

The accompanying notes (1) through (29) form an integral part of these financial statements.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

	Share capital ﷲ	Reserve ﷲ	Retained earnings ﷲ	Total ﷲ
Balance at January 1, 2024	100,000,000	3,625,490	24,166,238	127,791,728
Income for the year	-	8,345,117	75,106,053	83,451,170
Other comprehensive loss for the year	-	-	(331,095)	(331,095)
Total comprehensive income for the year	-	8,345,117	74,774,958	83,120,075
Balance at December 31, 2024	100,000,000	11,970,607	98,941,196	210,911,803
Share issued during the year (note 13)	200,000,000	-	-	200,000,000
Income for the year	-	-	147,038,239	147,038,239
Other comprehensive loss for the year	-	-	(100,901)	(100,901)
Total comprehensive income for the year	-	-	146,937,338	146,937,338
Balance at December 31, 2025	300,000,000	11,970,607	245,878,534	557,849,141

The accompanying notes (1) through (29) form an integral part of these financial statements.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Notes	December 31,2025 S	December 31,2024 S
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before zakat	Note	162,030,536	88,508,290
<i>Adjustments for:</i>			
Depreciation of right-of-use assets	7	209,380	578,965
Depreciation and amortisation	4,6	287,619	214,473
Unrealised gain on investment carried at FVTPL		-	(671,182)
Gain on written off lease liability		-	(224,934)
Defined benefit obligations		630,958	346,722
Finance cost		-	119,939
Operating income before changes in operating assets and liabilities		163,158,493	88,872,273
<i>Net changes in operating capital</i>			
Trade and other receivables		(69,113,477)	(7,339,356)
Due from related parties		(609,526)	(2,246,652)
Trade and other payables		(1,688,345)	2,306,727
Due to related parties		5,707,964	383,113
Net cash generated from operations		97,455,109	81,976,105
Zakat paid	16	(5,738,277)	(3,422,462)
Defined benefit obligations paid	15	(85,969)	(4,959)
Net cash generated from operating activities		91,630,863	78,548,684
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(124,800)	(438,620)
Purchase of intangible assets		(0)	(513,844)
Investment in deposit		(100,000,000)	-
Net cash used in investing activities		(100,124,800)	(952,464)
CASH FLOWS FROM FINANCING ACTIVITY			
Proceed from share issuance		200,000,000	-
Repayment of principal portion of lease liability		-	(633,600)
Net cash generated from /used in from financing activity		200,000,000	(633,600)
Net change in cash and cash equivalents		191,506,063	76,962,620
Cash and cash equivalents at the beginning of the year	12	128,923,105	51,960,785
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12	320,429,168	128,923,405

The accompanying notes (1) through (29) form an integral part of these financial statements.

EMIRATES NBD CAPITAL KSA (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

1. GENERAL

Emirates NBD Capital KSA (the “Company”) is a Saudi Closed Joint Stock Company, registered in Riyadh, Kingdom of Saudi Arabia. The Company operates under commercial registration number 1010248476 dated 13 Rabi Thani 1429H (corresponding to April 19, 2008) and unified identification number 7001553473.

The Company is owned 95% by Emirates NBD Bank (the “Bank”), registered in the United Arab Emirates and 5% by Emirates Financial Services, a subsidiary of the Bank.

The principal activities of the Company are trading as principle, agent and underwriting, managing, arranging, advising and custodial services in accordance with license number 07086-37 dated 8 Shaba’an 1428H (corresponding to August 21, 2007) from the Capital Market Authority (“CMA”).

The registered address of the Company is as follows:

Emirates NBD Capital KSA
P.O. Box 34177
Prince Turki Al Awwal Road
Riyadh 11333, Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively hereafter referred to as “IFRS as endorsed in KSA”) and in compliance with the applicable requirements of the Regulations of Companies in the Kingdom of Saudi Arabia and the By-laws of the Company.

Basis of measurement and presentation

The financial statements have been prepared on a going concern basis under conventional historical cost, except for investment measured at fair value through profit or loss and the defined benefit obligations which are measured at present value of future obligations using projected unit cost method

Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyal (SR) which is functional and presentation currency of the Company. All financial information has been rounded off to nearest SR, unless otherwise stated.

Critical accounting judgments, estimates and assumptions

The preparation of these financial statements in accordance with IFRS as endorsed in the KSA, requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and the assessment of the recoverable amount of non-financial assets.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

2. BASIS OF PREPARATION (continued)

Critical accounting judgments, estimates and assumptions (continued)

Going concern

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

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks, and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relates to the Company's core operations.

Business model assessment

Classification and measurement of financial assets depend on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised 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 and liabilities.
- Level 2: inputs other than quoted priced 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).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between the levels of the fair value hierarchy at the end of the reporting year during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 22 of these financial statements.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

2. BASIS OF PREPARATION (continued)

Critical accounting judgments, estimates and assumptions (continued)

Allowance for expected credit loss

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and Expected Credit Loss (ECLs) is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Useful lives of property and equipment and intangible assets

The Company's management determines the estimated useful lives of its property and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the residual value and useful lives annually and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Assumptions used to determine the actuarial value of the defined benefit obligations

The Company makes various estimates in determining the actuarial value of the defined benefit obligations. These estimates are disclosed in note 15.

Impairment of non-financial assets

The carrying amounts of the non-financial assets are reviewed at the end of each reporting date or more frequently to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using the pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. The fair value less cost to sell is based on observable market prices or, if no observable market prices exist, estimated prices for similar assets or if no estimated prices for similar assets are available, then based on discounted future cash flow calculations.

Provision for zakat

The calculation of the Company's zakat charge necessarily involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits or losses and/or cash flows.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The Material accounting policies adopted in the preparation of these (consolidated) financial statements are set out below:

New standards, interpretations and amendments adopted by the company

Following are the standards and amendments effective on 1 January 2025 or after (unless otherwise stated) and do not have a material impact on the Company's financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS (1): Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the Board issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

Lack of exchangeability - Amendments to IAS 21

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Company's financial statements.

New and amended IFRS Standards issued but not yet effective

The new amended, issued standards and interpretations, which are not effective yet have not been adopted early by the Company and will be adopted on their effective date as applicable. The adoption of these standards and interpretations is not expected to have any material impact on the Company on the effective date

<i>Standard, Amendment or Interpretation</i>	<i>Effective date</i>
- Amendments to IFRS (9) and IFRS (7): Classification and Measurement of Financial Instruments	1 January 2026
- Volume (11): Annual Improvements to IFRS Accounting Standards.	1 January 2026
- Amendments to IFRS (9) and IFRS (7): Power Purchase Agreements.	1 January 2026
- IFRS (18): Presentation and Disclosure in Financial Statements – Replaces IAS (1) Presentation of Financial Statements.	1 January 2027
- IFRS (19) – Subsidiaries without Public Accountability: Disclosures	1 January 2027
- Amendments to IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of this amendment is postponed indefinitely.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of income.

Financial assets

The Company recognizes financial assets on trade date basis at which the Company becomes a part to the contracted provisions of the investment.

All recognised financial assets are subsequently measured in their entirety at amortized cost using the effective profit rate (“EPR”) method (if the impact of discounting or any transaction costs is significant). Income from these financial assets is included in special commission income. Any gain or loss arising on derecognition is recognised directly in the statement of income and presented in other income / expenses.

Classification of financial assets

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. The Company’s accounting policy for each category is as follows:

Amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Fair value through profit or loss (FVTPL)

Financial assets fair valued through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of income. These are initially recognised at fair value and transaction costs are charged to expenses in the statement of comprehensive income.

Fair value through other comprehensive income (FVTOCI)

Financial assets fair valued through other comprehensive income are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings / accumulated losses and is not reclassified to the statement of income. Dividends are recognised in the statement of income unless the dividend represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Fair value through other comprehensive income (FVTOCI) (continued)

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

The Company does not have any financial asset that meets the criteria to be classified as subsequently measured at 'fair value through other comprehensive income' nor it has elected to irrevocably designate its financial assets to be subsequently measured at 'fair value through other comprehensive income'.

Effective profit method

The effective profit method is a method of calculating the amortized cost of a debt instrument and of allocating profit income over the relevant period. For financial instruments other than purchased or originated credit-impaired financial assets, the effective profit rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective profit rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative Amortisation using the effective profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Profit income is recognised using the EIR method for debt instruments measured subsequently at amortized cost. Profit income is calculated by applying the EIR to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, profit income is recognised by applying the EIR to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, profit income is recognised by applying the EIR to the gross carrying amount of the financial asset.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on cash and cash equivalent and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

The Company recognizes lifetime Expected Credit Loss ("ECL") for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the

loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective profit rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following bases:

- Nature of financial instruments
- Past-due status; and
- Nature, size and industry of debtors

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Company recognizes an impairment gain or loss in the statement of income for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- significant deterioration in external market indicators of credit risk for a particular financial instrument
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- an actual or expected significant deterioration in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on the financial assets has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Company considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' in accordance with the globally understood definition.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

1. When there is a long outstanding debt and a similar past experience exists; or
2. Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company)

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than one year past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1. significant financial difficulty of the issuer or the borrower
2. a breach of contract, such as a default or past due event
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider
4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; and
5. the disappearance of an active market for that financial asset because of financial difficulties.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner and when there is a past similar experience of default for such transaction. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of income

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained profit in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of income.

Financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are subsequently measured at amortized cost.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of income.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank current accounts and short term deposits.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Expenditure on maintenance and repairs is expensed, while expenditure for improvement is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method to allocate the costs of the related assets over the estimated useful lives as shown in note 5.

The Company applies the following useful lives to its property and equipment:

Furniture and fixtures	4 years
Office equipment and computers	4 years

Leasehold improvements are depreciated over the shorter of their useful lives or the lease term.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Property and equipment (continued)

An item of property and equipment and any significant part is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end with any changes recognised on a prospective basis.

Impairment of non-financial assets

The Company assesses at the audit of each reporting period whether there is any indication that non-financial assets may be impaired.

Non-financial assets other than goodwill, if any, are tested for impairment when events or change in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amount, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units 'CGU'). Recoverable amount is the higher for which of an asset's fair value less cost of disposals and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management). When the carrying amount of an assets or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Such impairment loss is recognised in the statement of income in the period it has occurred.

The Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill, if any, may no longer exists or may have decreased. A previously recognised impairment loss is reversed only if there has been change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Such reversal is recognised in the statement of income. Impairment losses on goodwill, if any, are not reversible.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of income when the asset is derecognised.

Zakat

The Company is subject to the Regulations of Zakat, Tax and Customs Authority ("ZACTA") in the Kingdom of Saudi Arabia. Zakat is provided on an accrual basis. The zakat charge is computed on the zakat base. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognised as a profit expense.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the suppliers or not.

Employee benefit

Defined benefit obligation

Defined benefit obligations are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting year. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Remeasurements recognised in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to the statement of income in subsequent years.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of income as past service costs. Profit expense is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- finance cost; and
- remeasurement gain/loss

The Company presents the first two components of defined benefit costs in the statement of income in relevant line items.

The discount rate used is determined based on the Company's external actuary's rate model which is based on high quality corporate bonds that have terms to maturity approximating to the estimated term of the post-employment benefit obligations.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Employee benefit (continued)

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised 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.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Leases

The Company assesses whether contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect profit on the lease liability (using effective profit method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating profit rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under International Accounting Standard (“IAS”) 37 – Provisions, Contingent Liabilities and Contingent Assets. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 – Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the statement of income.

As a practical expedient, IFRS 16 – Leases permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Revenue recognition

The Company uses the five-step model of revenue recognition as described in IFRS 15 – Revenue from Contracts with Customers. In particular, the Company has the following policies with respect to identification of performance obligations, allocation of the transaction price and recognition of revenue allocated to each performance obligation.

Identification of performance obligations:

At the inception of each contract entered into with a customer, the Company identifies the services promised in the contract and assesses whether the same are 'distinct' and, hence, are separate performance obligations.

Services promised to be transferred to the customer are deemed to be distinct when the customer can benefit from the service either on its own or together with other resources that are readily available to the customer and the Company’s promise to transfer the service to the customer is separately identifiable from other promises in the contract.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Allocation of the transaction price:

The Company determines the transaction price in accordance with the requirements of IFRS 15 and allocates it to each of the performance obligations identified in the contract based on the relative stand-alone selling prices of the services (whether directly observable or estimable).

Recognition of revenue allocated to each performance obligation:

The Company recognizes the revenue from each performance obligation over time based on the measure of progress towards complete satisfaction of the performance obligation. This is based on the Company's assessment that the customer simultaneously receives, and consumes the benefit embodied in, the services.

The Company's approach to assessment of measure of progress towards complete satisfaction of each performance obligation varies depending upon the nature of the promised services.

The Company is in the business of providing arranging, dealing, asset management and custody services. Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those or services. Specific details for each type of revenue are set out below:

a) Arranging services fees

Arranging services represent the services performed to the customers for arranging securities market advice and obtaining approval from the legal authorities for treatment of such advices. The Company is usually acting as an agent in these arrangements. The Company's revenue is in the form of fixed commission.

When another party is involved in providing services to its customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Company is a principal and records revenue on a gross basis if it controls the promised services before transferring them to the customer. However, if the Company's role is only to arrange for another entity to provide the services, then the Company is an agent and will need to record revenue at the net amount that it retains for its agency services.

Revenue from arranging services is recognised at a point in time when it satisfies its promise to facilitate the service.

b) Dealing fees

The Company carries out activity under its license as principal as well as an agent. Dealing service is extended to customers for trading in Tadawul in KSA as well as UAE markets.

The Company's performance obligations represent the execution of the trades requested by the customers. Transaction price for each performance obligation is pre-agreed. Revenue is recognised at a point in time when the deals are executed by the Company.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

c) Custody services fees

Securities custody activity is the regular source of income for the Company. The Company is providing service relating to equity custody as well as real estate custody. Customers appoint the Company to be the custodian of assets pledged as collateral or being the custodian of the real-estate properties for real estate funds.

Agreements by the Company are entered into either on a fixed fee or based on a percentage of asset values. The fees are defined in the agreement and there is no variable consideration identified in the agreements. The Company's obligations are defined to be being the custodian of the assets. The services are performed over time and revenue is recognised on a straight-line basis distributed over the length of the contract on the contract value.

d) Asset management services fees

Asset management services involve managing securities belonging to other parties in circumstances involving the exercise of discretion. Asset management fees is charged to the funds under the management of the Company and other discretionary portfolios. The Company's performance obligation as per these agreements is to manage the assets under these funds and trading in the market for value maximization.

The Company's performance obligation is satisfied over time as asset management services is a continuous supply of services to the customer. Revenue is recognised on a straight-line basis distributed over the length of the contract on the contract value.

Expenses

Expenses are measured and recognised as a period cost at the time when they are incurred. Expenses related to more than one financial period are allocated over such periods proportionately.

Fiduciary assets

Assets held in trust or fiduciary capacity are not treated as assets of the Company and accordingly are not included in the accompanying financial statements. Such assets are recorded as off-balance sheet items and disclosed in the accompanying notes to the financial statements. The fees earned by the Company from managing those assets are included in the statement of comprehensive income.

Assets under management:

The Company offers asset management services to funds. The assets of such funds are not treated as assets of the Company and accordingly are not included in the financial statements.

Clients' cash accounts and assets:

Clients' cash accounts and assets are not treated as assets of the Company and accordingly are not included in the financial statements.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

4. PROPERTY AND EQUIPMENT, NET

	Leasehold improvements	Furniture and fixtures	Vehicle	Office Equipment and computers	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Cost					
January 1, 2025	5,758,682	2,469,603	221,090	2,846,465	11,295,840
Additions	-	63,600	-	61,200	124,800
December 31, 2025	5,758,682	2,533,203	221,090	2,907,665	11,420,640
Accumulated depreciation					
January 1, 2025	5,752,423	2,457,084	14,739	2,588,531	10,812,777
Charge for the year	-	4,895	44,218	93,158	142,271
December 31, 2025	5,752,423	2,461,979	58,957	2,681,689	10,955,048
Net book value					
December 31, 2025	6,259	71,224	162,133	225,976	465,592

	Leasehold improvements	Furniture and fixtures	Vehicle	Office Equipment and computers	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Cost					
January 1, 2024	5,758,682	2,456,803	-	2,641,735	10,857,220
Additions	-	12,800	221,090	204,730	438,620
December 31, 2024	5,758,682	2,469,603	221,090	2,846,465	11,295,840
Accumulated depreciation					
January 1, 2024	5,722,408	2,380,837	-	2,533,344	10,636,589
Charge for the year	30,015	76,247	14,739	55,187	176,188
December 31, 2024	5,752,423	2,457,084	14,739	2,588,531	10,812,777
Net book value					
December 31, 2024	6,259	12,519	206,351	257,934	483,063

5. CASH AND BANK BALANCES

	December 31, 2025	December 31, 2024
	ﷲ	ﷲ
Bank balances	278,447,983	106,593,395
Cash in hand	10	10
	278,447,993	106,593,405

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

6. INTANGIBLE ASSETS, NET

Intangible assets comprise of computer software. The cost of intangible assets is amortised on a straight-line basis over the estimated useful life of 4 years.

	Note	December 31, 2025 S	December 31, 2024 S
Cost			
Balance at the beginning of the year		1,154,037	640,193
Additions		-	513,844
At end of the year		<u>1,154,037</u>	<u>1,154,037</u>
Accumulated amortisation			
Balance at the beginning of the year		642,321	604,036
Charge for the year	19	145,348	38,285
At end of the year		<u>787,669</u>	<u>642,321</u>
Net book value			
At end of the year		<u>366,368</u>	<u>511,716</u>

7. LEASES

Right-of-use assets, net

The Company had a lease contract for its office space for a period of 5 years. During the year company has entered a short term agreement for period of 9 months starting from 11 November 2025. The short term lease is accounted for in accordance with the accounting policy mentioned in note 3.

	Note	December 31, 2025 S	December 31, 2024 S
Cost			
Balance at the beginning of the year		2,942,386	3,096,001
Write off		-	(153,615)
At end of the year		<u>2,942,386</u>	<u>2,942,386</u>
Accumulated depreciation			
Balance at the beginning of the year		2,733,006	2,214,607
Write off		-	(60,566)
Charge for the year	19	209,380	578,965
At end of the year		<u>2,942,386</u>	<u>2,733,006</u>
Net book value			
At end of the year		<u>-</u>	<u>209,380</u>

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

7. LEASES (continued)

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year.

	December 31, 2025	December 31, 2024
	ﷲ	ﷲ
Balance at the beginning of the year	-	1,204,192
Additions during the year	-	-
Payments made during the year	-	(633,600)
Write off	-	(581,983)
Finance cost on lease liabilities	-	11,391
At end of the year	<u>-</u>	<u>-</u>

The following are the amounts recognised in the statement of comprehensive income:

	Note	December 31, 2025	December 31, 2024
		ﷲ	ﷲ
Depreciation of right-of-use asset	19	209,380	578,965
Finance cost on lease liabilities		-	11,391
Total amount recognised in the statement of income		<u>209,380</u>	<u>590,356</u>

8. INVESTMENT HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	December 31, 2025	December 31, 2024
	ﷲ	ﷲ
ENBD KSA Logistic Fund	<u>10,671,182</u>	10,671,182
	<u>10,671,182</u>	10,671,182
	Fair Value	Cost
December 31, 2025	<u>10,671,182</u>	<u>10,000,000</u>
December 31, 2024	<u>10,671,182</u>	<u>10,000,000</u>
		Unrealized Gain
		<u>671,182</u>
		<u>671,182</u>

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

9. RELATED PARTY TRANSACTIONS AND BALANCES

The Company is a member of group of companies which are directly or indirectly controlled by the ultimate parent undertaking, Emirates NDB Bank, a bank registered in – United Arab Emirates, which is also the Company’s immediate parent entity.

<u>Name of related parties with which the Company transacts usually</u>	<u>Relationship</u>
Emirates NBD (the “Bank”)	Shareholder
Emirates NBD Capital PSC Dubai	Shareholder
Emirates NBD Bank – KSA Branch (the “Branch”)	Affiliate
Emirates NBD Capital – Dubai	Affiliate
Emirates NBD Bank – Private Banking Dubai	Affiliate
Emirates NBD Asset Management Limited	Affiliate
ENBD Securities	Affiliate

Following are the significant transactions with related parties during the year:

Related party	Nature of transactions	December 31, 2025	December 31, 2024
		₹	₹
Emirates NBD Bank – KSA Branch (“Branch”)	Custody fees	9,501,744	3,620,442
Emirates NBD Bank –Dubai	Recharge of expenses, net	(5,697,282)	(380,514)
Board members	Independent Board members’ fee	(230,000)	(240,000)
Key management personnel	Salaries and wages	(8,146,000)	(5,904,000)
	End-of-service benefits	-	(659,570)

The Company’s related parties include its shareholders and their affiliated companies. The Company transacts with its related parties in the ordinary course of business. Transactions with related parties are undertaken at mutually agreed terms, which are approved by the management or board of directors.

a) Significant transactions with the Bank / the Branch:

i) Banking services

The Bank through its Riyadh branch (the “Branch”) acts as the banker of the Company. An amount of SR 278.45 million (2024: SR 106.59 million) is held in current account with the Branch at the statement of financial position date (note 12).

ii) Custody fees

As per the agreement with the Private Banking Group of the Branch and Emirates NBD Dubai, the Company charges custody fees on shares held on Branch’s behalf. The income for the year amounted to SR 9.5 million (2024: SR 3.62 million).

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

b) Amounts due from and to related parties

Amounts due from related parties is as follows:

	December 31, 2025 ﷲ	December 31, 2024 ﷲ
Emirates NBD Bank – KSA Branch	4,307,420	3,697,893
	<u>4,307,420</u>	<u>3,697,893</u>

Amounts due to related parties are as follows:

	December 31, 2025 ﷲ	December 31, 2024 ﷲ
Emirates NBD – PJSC (the “Bank”)	8,638,261	2,930,297
	<u>8,638,261</u>	<u>2,930,297</u>

10. TRADE AND OTHER RECEIVABLES

	December 31, 2025 ﷲ	December 31, 2024 ﷲ
Trade receivables, net	77,317,655	12,008,583
Management fee receivable	10,509,398	6,757,582
Prepaid expenses	536,813	611,040
VAT receivable	386,269	259,453
	<u>88,750,135</u>	<u>19,636,658</u>

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over accounts receivables and the vast majority is, therefore, unsecured.

11. TERM DEPOSIT

	December 31, 2025 ﷲ	December 31, 2024 ﷲ
Term deposit	206,981,175	87,330,000
	<u>206,981,175</u>	<u>87,330,000</u>

Based on the Tadawul Exchange (Muqassa) requirements upon implementation of PTPP (Post Trade and Technology Project), collateral amount of SR 165 million deposited with General Clearing Member (GCM), Arab National Bank, Riyadh. The subject collateral deposit with GCM and Tadawul Exchange started earning profit from March 2023 onwards. This also include SR 41.9 million of term deposits with different banks and financial institution.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

12. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
	S	S
Bank balances	278,447,983	106,593,395
Short term deposit	41,981,175	22,330,000
Cash in hand	10	10
	320,429,168	128,923,405

The Company's balance with the bank is held in current account with Emirates NBD Bank – KSA Branch and does not earn profit.

13. SHARE CAPITAL

The share capital of the Company, amounting to SR 300,000,000, is divided into 30,000,000 shares of SR 10 each (2024: 10,000,000 shares of SR 10 each). During the year, the Company issued 20,000,000 shares of SR 10 each amounting to SR 200,000,000 to the existing shareholders. The transfer of shares was completed on 2 February 2025.

Name	December 31, 2025		December 31, 2024	
	Number of shares	%	Number of shares	%
Emirates NBD Bank	28,500,000	95%	9,500,000	95%
Emirates Financial Services – Dubai	1,500,000	5%	500,000	5%
	30,000,000	100%	10,000,000	100%

14. RESERVE

As at the 31 December 2025, the reserve remains unchanged. The Board of Directors has not yet resolved on the utilization of this reserve, and no transfers or appropriations have been made during the year.

15. DEFINED BENEFIT OBLIGATIONS

	December 31, 2025	December 31, 2024
	S	S
Balance at the beginning of the year	3,112,004	2,330,598
Current service cost – recognised in statement of comprehensive income	510,225	346,722
Finance cost – recognised in statement of comprehensive income	120,434	108,548
Paid during the year	(85,969)	(4,959)
Actuarial loss – recognised in statement of comprehensive income	100,901	331,095
Balance at the end of the year	3,757,595	3,112,004

For the year ended December 31, 2025 actuarial valuation was performed by an independent, qualified actuary using the projected unit credit method. The principal assumptions used for the purposes of the actuarial valuation were as follows:

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

15. DEFINED BENEFIT OBLIGATIONS (continued)

	December 31, 2025	December 31, 2024
Discount rate	5.00%	4.50%
Rate of salary increases	4.50%	4.50%

All movements in the defined benefit obligations are recognised in the statement of income except for the actuarial loss which is recognised in other comprehensive income.

Sensitivity analysis

The sensitivity analyses presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting periods, while holding all other assumptions constant. A positive amount represents an increase in the liability whilst a negative amount represents a decrease in the liability.

	December 31, 2025	December 31, 2024
	S	S
Increase in discount rate by 0.5%	(93,327)	(59,696)
Decrease in discount rate by 0.5%	98,143	62,231
Increase in rate of salary increase by 0.5%	98,515	62,234
Decrease in rate of salary increase by 0.5%	(94,545)	(60,261)

The expected maturity analysis of the undiscounted defined benefit obligation for the end of service plan is as follows:

December 31, 2025				
Less than a year	1-2 years	2-5 years	Over 5 years	Total
830,834	452,133	1,727,539	4,393,207	7,403,713

December 31, 2024				
Less than a year	1-2 years	2-5 years	Over 5 years	Total
861,710	979,153	1,062,236	2,956,560	5,859,659

The weighted average duration of the defined benefit obligation is 5.2 years.

Actuarial gains / (losses)

	December 31, 2025	December 31, 2024
	S	S
Arising from experience	(3,059)	(214,099)
Arising from changes in financial assumptions	(98,143)	(116,996)
Arising from changes in demographic assumptions	202,103	-
	100,901	(331,095)

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

16. ZAKAT PAYABLE

The charge for the year is as follows:

	December 31, 2025	December 31, 2024
	S	S
Current year	(14,992,297)	(5,378,058)
Prior years	-	320,938
	<u>(14,992,297)</u>	<u>(5,057,120)</u>

The significant components of the zakat base of the Company as per the filed zakat declarations, which are subject to adjustments under the zakat regulations, are as follows:

	December 31, 2025	December 31, 2024
	S	S
Equity	577,696,466	216,289,860
Additions to zakat base	3,757,813	3,112,004
Deduction from zakat base	<u>(11,503,142)</u>	<u>(11,875,340)</u>
	<u>569,951,137</u>	<u>207,526,524</u>
Zakat base	<u>569,951,137</u>	<u>207,526,524</u>
Zakat charge for the year	<u>14,992,297</u>	<u>5,378,058</u>

Movement in provision is as follows:

	December 31, 2025	December 31, 2024
	S	S
At the beginning of year	5,378,058	3,743,400
Charge for the year	14,992,297	5,057,120
Payments during the year	<u>(5,738,278)</u>	<u>(3,422,462)</u>
At the end of the year	<u>14,632,077</u>	<u>5,378,058</u>

The differences between the financial and adjusted Zakat table is mainly due to disallowed provisions.

Status of assessments

The assessments up to the year ended December 31, 2021 have been finalized. The years from FY2022 to FY2024 are under ZATCA's review and no final assessment has been issued.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

17. TRADE AND OTHER PAYABLES

	December 31, 2025	December 31, 2024
	S	S
Bonus provision	2,966,000	4,243,117
Accrued expenses	1,800,252	2,126,149
Accrued Board of Directors' remuneration	260,000	240,000
Withholding tax	86,539	191,869
	<u>5,112,791</u>	<u>6,801,135</u>

18. REVENUE

Set out below is the disaggregation of the Company's revenue from its contracts with customers:

a) Disaggregation by type of service

	December 31, 2025	December 31, 2024
	S	S
Asset management fees	163,466,033	90,483,588
Arrangement fees	17,393,628	14,075,743
Custody fees	10,708,227	5,192,891
Dealing fees, net	3,973,850	1,915,889
	<u>195,541,738</u>	<u>111,668,111</u>

b) Disaggregation by customer type

	Notes	December 31, 2025	December 31, 2024
		S	S
Non-related party		186,039,994	108,047,669
Related party	9	9,501,744	3,620,442
		<u>195,541,738</u>	<u>111,668,111</u>

c) Disaggregation of revenue by recognition principle

	December 31, 2025	December 31, 2024
	S	S
Performance obligation satisfied at point in time	193,618,450	102,222,190
Performance obligation satisfied over time	1,923,288	9,445,921
	<u>195,541,738</u>	<u>111,668,111</u>

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

19. GENERAL AND ADMINISTRATIVE EXPENSES

	Notes	December 31, 2025 S	December 31, 2024 S
Salaries and employee-related expenses		23,761,553	20,577,099
Legal and professional fees		2,920,910	1,599,898
Communication expense		1,379,826	952,363
Repairs and maintenance		1,017,003	1,101,200
Travel expenses		400,217	295,967
Depreciation and amortisation	4 & 6	287,619	214,473
Stationery and subscription fees		265,228	427,162
Independent board members remuneration		230,000	240,000
Depreciation of right-of-use asset	7	209,380	578,965
Security charges		156,000	143,000
Utilities		44,764	71,593
Other		954,083	35,217
		31,626,583	26,236,937

20. OTHER EXPENSES, NET

	December 31, 2025 S	December 31, 2024 S
Recharge from related parties, net	5,697,282	380,514
Foreign exchange loss / (gain), net	18,561	(4,469)
	5,715,843	376,045

21. SPECIAL COMMISSION INCOME

	December 31, 2025 S	December 31, 2024 S
Special commission income on term deposits	3,601,881	2,380,685
	3,601,881	2,380,685

The Company earn 3% - 5.45% (2024: 2.8% -5%) profit on these deposits.

22. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

22. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

The table below presents the financial instruments at their fair value as at 31 December, based on the fair value hierarchy:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Investment carried at FVTPL	-	-	10,671,182	10,671,182
Total	-	-	10,671,182	10,671,182

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Investment carried at FVTPL	-	-	10,671,182	10,671,182
Total	-	-	10,671,182	10,671,182

Financial assets consist of cash and cash equivalents, Investment held at FVTPL, due from related parties and other receivables. Financial liabilities consist of due to related parties and other payables. Except the Investment held at FVTPL, the fair values of financial assets and financial liabilities of the Company at the reporting date approximates their carrying values.

The fair value of financial instruments that are not quoted in an active market is determined using valuation methods. These valuation methods maximize the use of observable market data and rely as little as possible on the entity's own estimates. If all significant inputs required to measure the fair value of an instrument are observable, then the instrument is classified within Level 2. If one or more significant inputs are not based on observable market data, then the instrument classified within Level 3. Changes in assumptions of these inputs can affect the reported fair value of items in these financial statements and the level within which items are disclosed in the fair value hierarchy.

Financial assets at fair value through profit or loss that are classified under level 3 include investments in private un-listed mutual fund, whose fair value is determined based on the last recorded fair value of net asset value as of the reporting date.

There were no transfers between the different levels of the fair value hierarchy during the current or previous year.

23. FINANCIAL RISK MANAGEMENT

The principal financial risks faced by the Company relate to market risk (including foreign currency risk and profit rate risk), credit risk and liquidity risk.

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no significant changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous period.

The Board has overall responsibility for setting the Company's risk management objectives and policies and the Company's finance function assist the Board in discharging its responsibility by designing and operating processes that ensure effective implementation of objectives and policies.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

23. FINANCIAL RISK MANAGEMENT (continued)

The overall objective of the Board is to set policies that seek to reduce risk to the minimum.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of profit rate risk and currency risk.

Profit rate risk

Profit rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing profit rates on the Company's financial position and cash flows. The Company's term deposits are placed with the Bank with fixed profit rate. The Company does not have any significant exposure to special commission rate risk as it does not have any floating special commission rate bearing financial assets or liabilities as at the reporting date and does not carry any fixed special commission bearing financial instruments at fair value.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue and expense are denominated in a foreign currency). The Company did not undertake any significant transactions in currencies other than Saudi Riyals, UAE Dirhams and US Dollars during the year. As Saudi Riyal is

pegged to the US Dollar, balances in US Dollar are not considered to represent significant currency risk. The Company manages currency risk exposure to other currencies by continuously monitoring the currency fluctuations. As at the reporting date, the Company's exposure to foreign currency balances was not significant.

Equity price risk

Equity price risk is the risk that the value of financial instruments will fluctuate because of changes in market prices. As at the reporting date the Company has no such financial instruments which are exposed to equity market risk.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Cash is placed with banks having sound credit ratings and usually with the parent entity. The Company seeks to limit its credit risk with respect to counterparties by setting credit limits for individual counterparties and by monitoring outstanding receivables.

Company's maximum exposure to credit risk for the components of the statement of financial position:

	Note	December 31, 2025 S	December 31, 2024 S
Bank balances	5	278,447,983	106,593,395
Term deposit	11	206,981,175	87,330,000
Due from related parties	9	4,307,420	3,697,893
Trade and other receivables*	10	88,213,323	19,025,618
		<u>577,949,901</u>	<u>216,646,906</u>

* excluding prepaid expenses

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

23. FINANCIAL RISK MANAGEMENT (continued)

b) Credit risk (continued)

The Company applies IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for receivables. In respect of profit-bearing financial assets which comprises of term deposits, the Company applies IFRS 9 general approach to measure expected credit losses. As of December 31, 2025, the Company has calculated the ECL on the above exposures, however, except for trade and other receivables, due to the amount being minimum it is not recorded in the financial statements.

c) 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 realize financial assets quickly at an amount close to its fair value. The Company manages its liquidity

risk by monitoring working capital and cash flow requirements on regular basis. The Company limits its liquidity risk by ensuring that sufficient funds are available from its shareholders and from bank facilities. The table below shows an analysis of financial assets and liabilities analysed according to when they are expected to be recovered or settled.

2025	Within 3 months	3-12 months	More than 1 year	No fixed maturity	Total
Assets					
Bank balances	278,447,983	-	-	-	278,447,983
Trade and other receivables	88,750,135	-	-	-	88,750,135
Investments at FVTPL	-	-	-	10,671,182	10,671,182
Term deposit	-	41,981,175	-	165,000,000	206,981,175
Due from related parties	4,307,420	-	-	-	4,307,420
Total assets	371,505,538	41,981,175	-	175,671,182	589,157,895
2025					
Liabilities					
Current portion of lease liabilities	-	-	-	-	-
Due to related parties	8,638,261	-	-	-	8,638,261
Trade and other payables	5,112,791	-	-	-	5,112,790
Defined benefit obligations	-	-	3,757,595	-	3,757,595
Total liabilities	13,751,052	-	3,757,595	-	17,508,646
Liquidity gap arising from financial Instruments	357,754,487	41,981,175	(3,757,595)	175,671,182	571,649,249

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

23. FINANCIAL RISK MANAGEMENT (continued)

c) Liquidity risk (continued)

2024	Within 3 months	3-12 months	More than 1 year	No fixed maturity	Total
Assets					
Bank balances	106,593,395	-	-	-	106,593,395
Trade and other receivables	19,025,618	-	-	-	19,025,618
Investments at FVTPL	-	-	-	10,671,182	10,671,182
Term deposit	-	22,330,000	-	65,000,000	87,330,000
Due from related parties	3,697,893	-	-	-	3,697,893
Total assets	129,316,906	22,330,000	-	75,671,182	227,318,088

2024	Within 3 months	3-12 months	More than 1 year	No fixed maturity	Total
Liabilities					
Current portion of lease liabilities	-	-	-	-	-
Due to related parties	2,930,297	-	-	-	2,930,297
Trade and other payables	6,801,135	-	-	-	6,801,135
Defined benefit obligations	-	-	3,112,004	-	3,112,004
Total liabilities	9,731,432	-	3,112,004	-	12,843,436
Liquidity gap arising from financial Instruments	119,585,474	22,330,000	(3,112,004)	75,671,182	214,474,652

24. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximise the returns to the shareholders. It is the Company's policy to maintain a strong capital base and to sustain future development of the business. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the shareholders of the Company.

Management monitors the return on capital and the level of dividends paid to shareholders and seeks to maintain a balance between the higher returns (which could be enhanced by higher levels of borrowing) and the benefit and security provided by a sound capital position.

The Company manages its capital structure and make adjustments in light of changes in economic conditions and its financial needs.

25. ASSETS HELD IN FIDUCIARY CAPACITY

As at December 31, 2025, client money held under fiduciary capacity amounted to SR 216 million (2024: SR 27 million), and the assets under management held under fiduciary capacity amounted to SR 38.951 billion (2024: SR 16.153 billion). These amounts were maintained with the Company by its customers for the purpose of investment, on their behalf, in the local and UAE equity market denominated in SR, AED and USD. As the Company acts in a fiduciary capacity, these are not included in the financial statements of the Company.

EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

26. REGULATORY REQUIREMENT FOR CAPITAL AND CAPITAL ADEQUACY

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.

The capital base, minimum capital requirement and capital adequacy ratio of the Company as per the CMA’s Prudential Rules are as follows:

	December 31, 2025	December 31, 2024
	SR ‘000	SR ‘000
<u>Capital Base</u>		
Tier 1 Capital	561,240	212,362
Tier 2 Capital	-	-
Total capital base	<u>561,240</u>	<u>212,362</u>
<u>Minimum capital requirements</u>		
Market risk	469,000	1,000,000
Credit risk	63,265	84,106
Operational risk	182,986	122,828
Total minimum capital required (see note (d) below)	<u>715,251</u>	<u>1,206,934</u>
<u>Capital Adequacy ratio</u>		
Total capital ratio (times)	<u>0.78</u>	0.176
Tier 1 Capital ratio	<u>0.78</u>	0.176

- a) The capital base consists of Tier 1 capital (which includes share capital, statutory reserve and audited retained earnings) and Tier 2 capital. The minimum capital requirements for market, credit and operational risk are calculated as per the requirements specified in part 3 of the Prudential Rules.
- b) The Company manages its capital base in light of Pillar I and Pillar II of the Prudential Rules and the capital base should not be less than the minimum capital requirement.
- c) The Company’s business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard the Company’s ability to continue as a going concern, and to maintain a strong capital base.

**EMIRATES NBD CAPITAL KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025**

27. CONTINGENCIES AND COMMITMENTS

There were no contingent liabilities and commitments of the Company as at December 31, 2025 (2024: nil) except for outstanding zakat assessment explained in note 16 to the financial statements.

28. SUBSEQUENT EVENTS

There have been no significant subsequent events since the year-ended December 31, 2025, that would require additional disclosure or adjustment in these financial statements.

29. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 17 Shawwal 1447 H (corresponding to 5 April 2026).