

**ALINMA CAPITAL COMPANY**  
(A Saudi Closed Joint Stock Company)

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**AND INDEPENDENT AUDITOR'S REPORT**

Alinma Capital Company  
(A Saudi Closed Joint Stock Company)

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Consolidated financial statements  
For the year ended 31 December 2025

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Alinma Capital Company  
(A Saudi Closed Joint Stock Company)

### Opinion

We have audited the consolidated financial statements of Alinma Capital Company, a Saudi Closed Joint Stock Company (the "Company") and its subsidiary (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board ("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 ("SOCPA").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code"), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated 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 Information

Management is responsible for the other information. The other information comprises the information included in the Group's 2025 annual report other than the consolidated financial statements and our auditor's report thereon. The Group's 2025 annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Group's 2025 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 SOCPA and the provisions of Companies' Law and the Company's Bylaws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Directors are responsible for overseeing the Group's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**To the Shareholder of Alinma Capital Company**  
**(A Saudi Closed Joint Stock Company)**

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

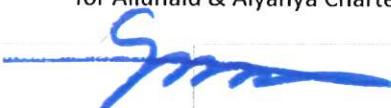
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not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

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

for Alluhaid & Alyahya Chartered Accountants



Saleh A. Alyahya  
Certified Public Accountant  
License number 473

Riyadh: 19 Ramadan 1447H  
(08 March 2026)



Alinma Capital Company  
(A Saudi Closed Joint Stock Company)

Consolidated statement of financial position  
As at 31 December 2025

	Notes	31 December 2025 SR'000	31 December 2024 SR'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	381,843	426,607
Trade and other receivables	5	1,938,328	2,040,272
Financial assets at fair value through profit or loss ("FVTPL")	6	410,192	114,436
Financial assets at amortised cost	8	68,184	115,223
<b>TOTAL CURRENT ASSETS</b>		<b>2,798,547</b>	<b>2,696,538</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets at FVTPL	6	1,618,627	1,176,376
Financial assets at fair value through other comprehensive income ("FVOCI")	7	7,233	7,233
Financial assets at amortised cost	8	154,225	131,055
Investment property	9	23,625	34,100
Property, equipment and right-of-use assets	10	6,358	5,869
Intangible assets	11	11,078	9,811
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,821,146</b>	<b>1,364,444</b>
<b>TOTAL ASSETS</b>		<b>4,619,693</b>	<b>4,060,982</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	82,304	298,389
Current portion of lease liabilities	14	1,599	1,337
Zakat payable	15	90,167	80,490
Amounts due to mutual fund's unitholders		4,605	4,535
Contract liabilities	13	117	25,637
<b>TOTAL CURRENT LIABILITIES</b>		<b>178,792</b>	<b>410,388</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefit obligations	16	47,226	40,802
Lease liabilities	14	1,933	3,019
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>49,159</b>	<b>43,821</b>
<b>TOTAL LIABILITIES</b>		<b>227,951</b>	<b>454,209</b>
<b>EQUITY</b>			
Share capital	18	500,000	500,000
Retained earnings		3,621,909	2,837,584
Other reserves	18	270,694	270,694
Fair value reserve for financial assets at FVOCI		(21)	(21)
Actuarial valuation reserve		(840)	(1,484)
<b>TOTAL EQUITY</b>		<b>4,391,742</b>	<b>3,606,773</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,619,693</b>	<b>4,060,982</b>

The attached notes 1 to 27 form an integral part of these consolidated financial statements.

Alinma Capital Company  
(A Saudi Closed Joint Stock Company)

Consolidated statement of profit or loss and other comprehensive income  
For the year ended 31 December 2025

	Notes	31 December 2025 SR'000	31 December 2024 SR'000
<b>OPERATING INCOME</b>			
Revenue	19	776,047	696,874
Special commission income	20	146,148	160,487
Income from financial assets at FVTPL	6	168,769	109,028
<b>TOTAL INCOME</b>		<b>1,090,964</b>	<b>966,389</b>
<b>OPERATING EXPENSES</b>			
Salaries and employees' related expenses		(159,016)	(143,271)
General and administrative expenses	21	(41,823)	(36,699)
Depreciation and amortisation expense	10,11	(8,675)	(7,178)
(Charge for) reversal of expected credit loss	5	(6,617)	1,724
<b>TOTAL OPERATING EXPENSES</b>		<b>(216,131)</b>	<b>(185,424)</b>
<b>OPERATING PROFIT</b>		<b>874,833</b>	<b>780,965</b>
Finance costs	14	(341)	(321)
<b>OPERATING PROFIT BEFORE ZAKAT</b>		<b>874,492</b>	<b>780,644</b>
Zakat expense	15	(90,167)	(80,490)
<b>NET PROFIT FOR THE YEAR</b>		<b>784,325</b>	<b>700,154</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Other comprehensive income that will not be reclassified subsequently to profit or loss:</i>			
Actuarial gain (loss) on re-measurement of employee benefit obligation	16	644	(689)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>784,969</b>	<b>699,465</b>

The attached notes 1 to 27 form an integral part of these consolidated financial statements.

Alimma Capital Company  
(A Saudi Closed Joint Stock Company)

Consolidated statement of changes in equity  
For the year ended 31 December 2025

	Share capital SR'000	Statutory reserves SR'000	Other reserve SR'000	Retained earnings SR'000	Fair value reserve of financial assets at FVOCI SR'000	Actuarial valuation reserve SR'000	Total SR'000
Balance as at 31 December 2023	500,000	270,694	-	2,137,430	(21)	(795)	2,907,308
<b>Comprehensive income:</b>							
Net profit for the year	-	-	-	700,154	-	-	700,154
Other comprehensive loss for the year	-	-	-	-	-	(689)	(689)
Total comprehensive income for the year	-	-	-	700,154	-	(689)	699,465
Transfer to other reserve (note 18)	-	(270,694)	270,694	-	-	-	-
Balance as at 31 December 2024	500,000	-	270,694	2,837,584	(21)	(1,484)	3,606,773
<b>Comprehensive income:</b>							
Net profit for the year	-	-	-	784,325	-	-	784,325
Other comprehensive income for the year	-	-	-	-	-	644	644
Total comprehensive income for the year	-	-	-	784,325	-	644	784,969
Balance as at 31 December 2025	500,000	-	270,694	3,621,909	(21)	(840)	4,391,742

The attached notes 1 to 27 form an integral part of these consolidated financial statements.

Alinma Capital Company  
(A Saudi Closed Joint Stock Company)

Consolidated statement of cash flows  
For the year end 31 December 2025

	Notes	31 December 2025 SR'000	31 December 2024 SR'000
<b>Operating activities</b>			
Net profit before zakat		874,492	780,644
<i>Adjustments to reconcile profit before zakat to net cashflows:</i>			
Special commission income	20	(146,148)	(160,487)
Income from financial assets at FVTPL	6	(168,769)	(109,028)
Charge for (reversal of) expected credit loss allowance	5	6,617	(1,724)
Employee benefit obligations provision	16	7,783	6,834
Depreciation and amortisation	10, 11	8,675	7,178
Financial cost	14	341	321
		<u>582,991</u>	<u>523,738</u>
<i>Working capital changes</i>			
Decrease (increase) in trade and other receivables		93,258	(455,964)
(Decrease) increase in trade and other payables		(216,085)	236,553
(Decrease) increase in contract liabilities		(25,520)	116
		<u>434,644</u>	<u>304,443</u>
Employee benefit obligations paid	16	(715)	(563)
Zakat paid	15	(80,490)	(65,368)
		<u>353,439</u>	<u>238,512</u>
<b>Investing activities</b>			
Purchase of financial assets at FVTPL		(683,229)	(494,661)
Purchase of financial assets at amortised cost		(127,177)	(131,252)
Purchase of investment property	9	(1,125)	(34,100)
Proceeds from sale of financial assets at FVTPL		81,140	401,394
Proceeds from maturity of financial assets at amortized cost		152,191	50,000
Dividends received		31,329	24,698
Special commission income received		148,594	159,350
Purchase of property and equipment and intangible assets	10, 11	(5,961)	(3,979)
Disposal proceeds from sale of investment property		11,600	-
		<u>(392,638)</u>	<u>(28,550)</u>
<b>Financing activities</b>			
Proceeds from subsidiary's other unitholders		70	414
Payment of lease liabilities	14	(5,635)	(4,218)
		<u>(5,565)</u>	<u>(3,804)</u>
<b>Net (Decrease) increase in cash and cash equivalents</b>			
		<u>(44,764)</u>	<u>206,158</u>
Cash and cash equivalents at beginning of the year		426,607	220,449
<b>Cash and cash equivalents at end of the year</b>		<u><u>381,843</u></u>	<u><u>426,607</u></u>
<b>Non-cash financial information transactions</b>			
Additions to right of use assets and lease liabilities	10	4,470	3,376
Remeasurement of employee benefit obligations	16	644	(689)

The attached notes 1 to 27 form an integral part of these consolidated financial statements.

# Alinma Capital Company (A Saudi Closed Joint Stock Company)

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Notes to the consolidated financial statements  
31 December 2025

## 1 INCORPORATION AND ACTIVITIES

Alinma Capital Company (the "Company") is a Saudi Closed Joint Stock Company established pursuant to ministerial resolution number 183 dated 7 Jumada Al-Thani 1430H (corresponding to 31 May 2009) and registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010269764 dated 23 Jumada Al-Thani 1430H (corresponding to 16 June 2009). The Company is a wholly owned subsidiary of Alinma Bank (the "Bank"), a Saudi Joint Stock Company, which is also the ultimate parent of the Company.

The Company is licensed to deal as principal, agent, managing, arranging, advising and custody by the Capital Market Authority ("CMA") under license number 09134-37 dated 23 Rabi Thani 1430H (corresponding to 19 April 2009). The Company commenced providing investment services pursuant to commencement letter issued by CMA dated 2 Safar 1431H (corresponding to 17 January 2010).

The Company's registered office is Al-Anoud Tower, Building 2, King Fahad Road, P.O. Box 66333, Riyadh 11576, Kingdom of Saudi Arabia.

These consolidated financial statements include the financial statements of the Company and its following subsidiary, as at 31 December 2025 (hereinafter collectively referred to as "Group").

### Alinma Private Equity Opportunities Fund

The Company has established Alinma Private Equity Opportunities Fund (the "Fund"), on 4 July 2023, as a closed-ended investment fund and holds 72.92% in Fund's units where the Company exercises its control. The Fund's objective is to achieve capital growth through direct investment in private or non-private equities, directly by investing in investment funds that have the same investment objective as the Fund, whether inside or outside of Kingdom of Saudi Arabia.

## 2 ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board that are endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA"), collectively hereafter referred to as "IFRS as endorsed in KSA".

The consolidated financial statements have been prepared under the historical cost convention on the accrual basis of accounting, except for financial assets measured at FVTPL, financial assets measured at FVOCI are measured at fair value and employee benefit obligations which are recognised at the present value of future obligation using the projected unit credit method.

The consolidated financial statements are presented in Saudi Riyals ("SR"), which is the Group's functional currency. All financial information has been rounded off to the nearest thousands, unless otherwise indicated.

### 2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

Alinma Capital Company  
(A Saudi Closed Joint Stock Company)

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Notes to the consolidated financial statements (continued)  
31 December 2025

**2 ACCOUNTING POLICIES (continued)**

**2.2 BASIS OF CONSOLIDATION (continued)**

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of a subsidiary to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The subsidiary's unitholders obligation represent the interest of other non-controlling unitholders in subsidiary fund and are classified as current liabilities. Changes in subsidiary's other non-controlling unitholders obligations are recorded in consolidated statement of profit or loss.

**2.3 MATERIAL ACCOUNTING POLICY INFORMATION**

The following are the material accounting policy applied by the Group in preparing its consolidated financial statements:

**2.3.1 Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

# Alinma Capital Company (A Saudi Closed Joint Stock Company)

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Notes to the consolidated financial statements (continued)

31 December 2025

## 2 ACCOUNTING POLICIES (continued)

### 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 2.3.2 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

#### 2.3.3 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash in hand, cash with banks and short-term deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

#### 2.3.4 Trade and other receivables

Trade and other receivables are initially recorded at fair value plus transaction costs. The fair value on acquisition is normally the transaction price. Subsequent to initial recognition these assets are measured at amortized cost using the effective interest method, less any impairment.

#### 2.3.5 Portfolio financing receivables

Portfolio financing mainly include Shariah compliant products in the form of Murabaha agreements which are stated at amortized cost less allowance for expected credit losses.

Portfolio financing receivables are initially recognized when underlying asset is transferred to customers. They are derecognized when customers repay their obligations. The Group in the ordinary course of business holds shares as collateral to mitigate credit risk on such receivables.

#### 2.3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### i. Recognition, classification and presentation

###### Trade date accounting

All regular way purchases and sales of financial assets are initially recognized and derecognized on the trade date (i.e., the date of on which the Group becomes a party to the contractual provision of the instrument). Regular way purchases or sales of the financial instruments require delivery of those assets within the time frame generally established by regulation or convention in the market-place.

All other financial assets and liabilities are also initially recognized on the trade date at which the Group becomes a party to the contractual provision in the market-place.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Alinma Capital Company  
(A Saudi Closed Joint Stock Company)

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Notes to the consolidated financial statements (continued)  
31 December 2025

2 ACCOUNTING POLICIES (continued)

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3.6 Financial instruments (continued)

ii. Financial assets

*Classification and initial measurement of financial assets*

The Group determines the classification of its financial assets at initial recognition. The Group classifies its financial assets in the following categories:

- a) Amortised cost;
- b) FVOCI – debt instrument
- c) FVOCI – equity instruments
- d) FVTPL

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL on initial recognition:

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

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL on initial recognition:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by investment basis.

**Measurement**

Financial assets are measured initially at fair value plus transaction costs that are directly attributable to the acquisition or disposal of financial assets or, where appropriate, deducted from them (Except for financial assets and liabilities measured at fair value where transaction costs directly attributable to the acquisition of financial assets or liabilities are recognized immediately in the consolidated statement of profit or loss as incurred).

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

**a) Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ("EIR") method. Interest income from these financial assets is included in finance income.

The Group's financial assets at amortised cost includes cash and cash equivalents, trade and other receivables and financial assets at amortised cost.

**b) Financial assets carried at fair value through profit or loss**

The financial assets measured at fair value through profit or loss ("FVTPL") are re-measured to fair value at each financial reporting date. The Group's financial assets at FVTPL includes investments in equity and debt instruments.

**c) Financial assets measured at fair value through other comprehensive income**

Financial assets measured at fair value through other comprehensive income ("FVOCI") are re-measured to fair value at each financial reporting date. The Group's financial assets at FVOCI includes investments in equity and debt instruments.

Alinma Capital Company  
(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements (continued)

31 December 2025

2 ACCOUNTING POLICIES (continued)

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3.6 Financial instruments (continued)

ii Financial assets (continued)

When the debt financial asset is derecognized (classified as FVOCI), the accumulated fair value adjustments that are recognised in OCI is reclassified to profit or loss. However, there is no subsequent reclassification of fair value gains and losses to profit or loss in case of equity instruments.

The recognition and presentation of gains and losses for each measurement category are as follows:

Measurement category	Recognition and presentation of gains and losses
Amortised cost	The following items are recognized in profit or loss: <ul style="list-style-type: none"> <li>• Special commission income using the effective interest method;</li> <li>• expected credit losses and reversals; and</li> <li>• foreign exchange gains and losses.</li> </ul> When the financial asset is derecognized, the gain or loss is recognized in profit or loss.
FVOCI – debt instrument	Gains and losses are recognized in OCI, except for the following items, which are recognized in statement of profit or loss in the same manner as for financial assets measured at amortised cost: <ul style="list-style-type: none"> <li>• Special commission income using the effective interest method;</li> <li>• expected credit losses and loss reversals; and</li> <li>• foreign exchange gains and losses.</li> </ul>
FVOCI – equity investments	Gains and losses are recognized in OCI. Dividends are recognized in profit or loss unless they clearly represent a repayment of part of the cost of the investment. The amounts recognized in OCI are not reclassified to profit or loss under any circumstances.
FVTPL	Gains and losses, both on subsequent measurement and derecognition, are recognized in profit or loss.

**Impairment of financial assets**

The Group applies expected credit loss (“ECL”) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments and are measured at amortized cost or financial assets held at FVOCI.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default (the financial asset that is overdue for 90 days or more is considered default) when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’. The maximum year considered when estimating ECLs is the maximum contractual year over which the Group is exposed to credit risk.

For debt instrument financial assets at FVOCI and amortised cost, the Group recognizes 12-month expected credit losses. As most of these instruments have a sound credit rating, the likelihood of default is deemed to be small. However, at each reporting date the Group assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Group relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Group only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Group would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

Credit loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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Notes to the consolidated financial statements (continued)

31 December 2025

**2 ACCOUNTING POLICIES (continued)**

**2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3.6 Financial instruments (continued)**

**ii Financial assets (continued)**

***Special commission income***

For financial instruments measured at amortized cost and debt instrument classified as FVOCI, special commission income is recognized using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter year, where appropriate, to the net carrying amount of the financial asset.

When a financial asset becomes credit-impaired and is therefore regarded as 'Stage 3', the Group calculates special commission income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis

**iii. Financial liabilities**

***Classification and initial measurement of financial liabilities***

The Group determines the classification of its financial liabilities at initial recognition. The financial liabilities are measured at amortized cost.

***Measurement***

All financial liabilities are recognized initially at fair value. Financial liabilities accounted at amortized cost are accounted at the fair value determined based on the effective interest rate method (EIR) after considering the directly attributable transaction costs.

The Group classifies all financial liabilities as subsequently measured at amortized cost.

The effective interest rate ("EIR") method calculates the amortized cost of a debt instrument by allocating interest charge over the relevant effective interest rate year. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

The Group's financial liabilities include trade and other payables and contract liabilities. The Group measures financial liabilities at amortized cost.

**iv. Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**2.3.7 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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Notes to the consolidated financial statements (continued)

31 December 2025

**2 ACCOUNTING POLICIES (continued)**

**2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3.7 Fair value measurement (continued)**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would utilise the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**2.3.8 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset including any other costs directly attributable to bringing the assets to a working condition for their intended use. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. Repairs and maintenance are charged to consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fixtures	5 years
Computer hardware	3 – 10 years
Office equipment	5 years

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment 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 consolidated statement of profit or loss and OCI when the asset is derecognised.

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Notes to the consolidated financial statements (continued)

31 December 2025

**2 ACCOUNTING POLICIES (continued)**

**2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3.9 Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

**2.3.10 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised on straight-line basis over the estimated useful life of 5-10 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and OCI in the expense category consistent with the function of the intangible asset.

**2.3.11 Investment property**

Investment property are non-current assets held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of operations, use of services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self - constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the consolidated statement of profit or loss.

Fair value of investment property, for disclosure purpose is determined by using evaluations prepared by independent valuator.

**2.3.12 Trade and other payables**

Trade and other payables are recognized for amounts to be paid in the future for goods or services when risks and rewards attributable to goods are transferred to the Group or services are received, whether or not billed to the Group.

**2.3.13 Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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Notes to the consolidated financial statements (continued)

31 December 2025

**2 ACCOUNTING POLICIES (continued)**

**2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3.13 Lease liabilities (continued)**

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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

The Group applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**2.3.14 Zakat**

Zakat is provided for in the consolidated financial statements in accordance with Zakat, Tax and Customs Authority ("ZATCA") laws and regulations. Zakat is charged to the consolidated statement of profit or loss. Additional zakat liabilities, if any, related to prior years' assessments arising from ZATCA are accounted for in the year in which the final assessments are finalized.

As the Group is a wholly owned subsidiary of Bank, and in accordance with Ministerial Resolution number 1005 dated 28 Rabi Al Thani 1428H (corresponding to 15 May 2007) a consolidated zakat declaration is being filed by the Bank from year ended 31 December 2011 with ZATCA and zakat charge is based on allocation from the Bank.

**2.3.15 Employee benefit obligations**

Liabilities for salaries and any other short-term benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. These liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

The Group has employee benefit obligations which qualify as defined benefit plans. The employees are entitled for benefits based on length of service and last drawn salary, and computed in accordance with the provisions of the Saudi Arabian Labor and Workmen Law and the Group policy. The liability for end of service benefits, being an unfunded plan, is determined using projected credit unit method with actuarial valuations being conducted at end of annual reporting years. The related liability recognized in consolidated statement of financial position is the present value of the end of service benefits obligation at the end of the reporting year.

The discount rate applied in arriving at the present value of the defined benefits obligation represents the yield on government bonds, by applying a single discount rate that approximately reflects the estimated timing and amount of benefit payments.

Employee benefit obligations costs are categorised as follows:

- i) current service cost (increase in the present value of end of service benefits obligation resulting from employee service in the current period)
- ii) interest expense (calculated by applying the discount rate at the beginning of the period to the end of service benefits liability); and
- iii) remeasurement

Current service cost and the interest expense arising on the employee benefit obligations are included in the same line items in the statement of profit or loss and OCI as employee-related costs.

Remeasurement, comprising actuarial gains and losses, is recognised in full in the period in which they occur, in OCI without recycling to the profit or loss in subsequent periods.

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Notes to the consolidated financial statements (continued)

31 December 2025

## 2 ACCOUNTING POLICIES (continued)

### 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 2.3.16 Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group provided services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group delivers the goods or services under the contract.

#### 2.3.17 Revenue recognition

The Group recognizes revenue when the amount of revenue can be reliably measured and it is probable that the future economic benefits will flow to the Group. The revenue is recognised when the Group transfers the services to customers at an amount that the Group expects to be entitled to in exchange for those services. The Group applies the following five-step approach to revenue recognition.

The revenue recognition policy for each revenue stream is as follows:

- Brokerage commission is recognized when the deal is executed. Brokerage commission on local shares is recognized net of Tadawul commission and rebates allowed to the customers.
- Fee from managing assets (including mutual funds) is recognized over time as the services are performed, net of related expenses.
- Subscription fee is recognized upon subscription to the fund managed by the Group. These fees are recognized net of related expenses.
- Fee from investment banking services is recognized when the related services have been fully provided to the client, net of relevant expenses.
- Underwriting fees are recognized when the Group has rendered all services to the issuer and is entitled to collect the fee from the issuer with no contingencies associated with the fees. Underwriting revenues are presented net of transaction-related expenses.
- Income from margin financing facilities is recognized over the year of contract using effective yield method.
- Custody fee is received upfront and amortized over the year of the service (deferred income).
- Dividend from investments is recognized when earned or declared by the investee, and is presented together with net gain or loss on investments at fair value through profit and loss.
- Finance lease income is recognized over the term of the lease using the effective yield method.
- Other income is recognized when the control of a certain service has been transferred to customers.

#### 2.3.18 Assets held under fiduciary capital

##### *Assets under management:*

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

##### *Clients' cash accounts:*

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

#### 2.3.19 Contingent assets and contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past event, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but is not probable that an outflow of the resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

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Notes to the consolidated financial statements (continued)

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**2.4 NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS**

In the current year, the Group has applied for the first time certain standards and amendments which are effective in the annual periods beginning on or after 1 January 2025.

IAS 21	Amendment	- Amendment to assess whether a currency is exchangeable and the determination of spot exchange rate when exchangeability is lacking.
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The adoption of this amendment to standard has no impact on the Group's consolidated financial statements.

**2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE**

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

IFRS 9 and IFRS 7	Amendment	- Amendments clarifies derecognition of financial liabilities on "Settlement date" and settled through electronic payment system before settlement date with certain conditions, clarifies contractual cash flows characteristic linked with environmental, social and governance (ESG) features ,clarifies treatment of non-recourse assets and contractually linked instruments, require additional disclosures financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), equity instruments classified at fair value through other comprehensive income and clarifies contracts referencing nature-dependent electricity. Applicable annual periods beginning on or after 1 January 2026.
Various IFRS	Annual Improvements	- Clarification and amendments relating to various IFRSs under annual improvement program IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. Applicable annual periods beginning on or after 1 January 2026.
IFRS 18	New Standard	- New requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. The Group is currently assessing the impact, if any, of the amendments on its primary consolidated financial statements and the notes thereto. Applicable annual periods beginning on or after 1 January 2027.
IFRS 19	New Standard	- New requirement on reduced disclosure requirements for eligible entities that are subsidiaries as defined in IFRS 10 and have a parent that prepares consolidated financial statements, available for public use, in compliance with IFRS Accounting Standards. Eligible entities continue to apply the recognition, measurement and presentation requirements of other IFRS Accounting Standards. Applicable annual periods beginning on or after 1 January 2027.
IFRS 9 and IFRS 7	New Standard	- The amendments address contracts referencing nature-dependent electricity by clarifying the own-use exception, amending hedge designation requirements for cash flow hedges, and introducing related disclosure requirements. They are effective for annual periods beginning on or after 1 January 2026, with early adoption permitted.

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Notes to the consolidated financial statements (continued)

31 December 2025

### 3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

#### *Impairment losses on trade and other receivables*

The measurement of ECL of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values for portfolio financing, when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- i) Determining criteria for significant increase in credit risk;
- ii) Choosing appropriate models and assumptions for the measurement of ECL;
- iii) Establishing the number and relative weights of forward-looking scenarios for each type of product/market and the associated ECL; and
- iv) Establishing groups of similar financial assets for the purposes of measuring ECL.
- v) Determining appropriate historical loss rates, adjusting such rates for forward-looking information.

#### *Leases*

The determination of lease term for some lease contracts in which the Group is a lessee, including whether the Group is reasonably certain to exercise lessee options and the determination of incremental borrowing rate used to measure the lease liabilities.

#### *Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including but not limited to the discounted cash flow model and market multiple-based approach. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See note 23 for further disclosures.

#### *Assumptions for employee benefit obligations provision*

The calculation of employee benefit obligations provision greatly depends on employees' estimated length of service and their estimated salary at end of service. Such estimates were based on the actuarial assumptions developed by management. Those actuarial assumptions were based on the Group's historical data, recent trends, and management plans and forecasts with respect to salary levels.

Life expectancy is not considered a principal actuarial assumption in measuring employee benefit obligations provision and therefore, possible changes in life expectancy are not expected to have a significant impact on the level of obligation, especially since only a few employees are assumed to serve until the retirement age. Moreover, changes in life expectancy will affect the estimates related to those employees only if life expectancy becomes less than retirement age and, in such cases, the impact is not expected to be significant.

The discount rate was estimated by reference to yields on the KSA government sukuk bonds, as management assessed that there is no deep market in high quality corporate bonds. The Group used a single discount rate that approximates the estimated timing and amount of benefit payments.

**3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)**

*Determination of Control*

Subsidiaries are all investees over which the Group has control. Management considers that it controls an investee when the Group is exposed to or has rights to the majority of the variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

The determination about whether the Group has power depends on the way decisions about the relevant activities are made and the rights the Group has in relation to the investees. In contrast, there could be certain cases where the Group owns less than 50% of voting rights but considers it has control by directing the relevant activities of the investee as it has de-facto control or there are contractual arrangements which allow the Group to exercise control.

*Useful lives of property and equipment and intangible assets*

The management determines the estimated useful lives of the Group's property and equipment and intangible assets for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods where the management believes the useful lives differ from previous estimates. The estimated useful lives of property and equipment and intangible assets are disclosed in note 2.3.8 and note 2.3.10, respectively.

*Impairment of investment property*

The Group assesses whether there are any indicators of impairment for investment property at each reporting date. The investment property is tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

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31 December 2025

**4 CASH AND CASH EQUIVALENTS**

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Cash at bank – current accounts	370,229	360,346
Cash at bank – investment accounts	11,614	66,261
	<u>381,843</u>	<u>426,607</u>

The management has conducted an assessment for ECL and has concluded that the allowance for ECL is not significant for cash and cash equivalents at the reporting date.

**5 TRADE AND OTHER RECEIVABLES**

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Portfolio financing receivables (note 5.1)	1,213,698	1,297,866
Asset management fees receivable	585,043	610,868
Other trade receivables (i)	101,652	88,996
	<u>1,900,393</u>	<u>1,997,730</u>
Trade receivable, gross	1,900,393	1,997,730
Less: Allowance for ECL (note 5.2)	(22,345)	(15,728)
	<u>1,878,048</u>	<u>1,982,002</u>
Trade receivables, net	1,878,048	1,982,002
Security deposit	50,613	50,251
Prepayments	4,020	3,677
Amounts due from related parties (note 17)	2,843	1,467
Employee receivables	2,804	2,875
	<u>1,938,328</u>	<u>2,040,272</u>

(i) The other trade receivables mainly include receivables related to custodian fees, administration fees and investment banking fees.

**5.1 Portfolio financing receivable**

The Group extends portfolio financing facilities to its customers to invest in the equities listed on Saudi Stock Exchange and investment funds. These facilities represent Shariah compliant Murabaha financing and Margin lending arrangement which are collateralized by underlying equities or units in the funds and cash held in customer investment account amounting to SR 3,032 million as at 31 December 2025 (2024: SR 2,455 million). These facilities have original maturity tenure ranging from 1 to 5 years (31 December 2024: 1 to 5 years) and bear fixed commission rates.

**5.2 Allowance for ECL**

The movement in allowance of ECL on trade and other receivables during the year is as follows:

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
At the beginning of the year	15,728	17,452
Charge (Reversal of) charge for ECL	6,617	(1,724)
	<u>22,345</u>	<u>15,728</u>

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Notes to the consolidated financial statements (continued)

31 December 2025

**6 FINANCIAL ASSETS AT FVTPL**

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Investment in mutual funds and equity instruments (note 6.1)	1,951,585	1,215,034
Investment in debt instrument (note 6.2)	77,234	75,778
	<u>2,028,819</u>	<u>1,290,812</u>

The above-mentioned financial assets at FVTPL have been presented in the consolidated statement of financial position as follows:

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Non-current assets	1,618,627	1,176,376
Current assets	410,192	114,436
	<u>2,028,819</u>	<u>1,290,812</u>

**6.1 Investment in mutual funds and equity instruments**

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Investments in private funds	1,185,951	878,264
Investments in public funds	497,221	111,873
Investment in listed equity shares	204,504	167,080
Investments in unquoted equity shares	63,909	57,817
<b>Total investment in mutual funds and equity instruments</b>	<u>1,951,585</u>	<u>1,215,034</u>

The geographical dispersion of above financial assets at FVTPL is within the Kingdom of Saudi Arabia except for SR 547 million (2024: SR 334 million) which are invested outside Kingdom of Saudi Arabia.

**6.2 Investment in debt instruments**

This represents Group's investment in a local corporate sukuk carrying a variable special commission income rate.

**6.3 Gain from financial assets at FVTPL**

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Gain from financial assets at FVTPL	135,918	84,330
Dividend income	32,851	24,698
	<u>168,769</u>	<u>109,028</u>

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**7 FINANCIAL ASSETS AT FVOCI**

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Investment in debt instrument (note 7.1)	7,231	7,231
Investment in equity instruments	2	2
	<u>7,233</u>	<u>7,233</u>

**7.1 Investment in debt instruments**

This represents Group's investment in a local corporate sukuk carrying a floating special commission rate with a maturity on 12 December 2038.

The management has conducted an assessment for ECL and has concluded that the allowance for ECL is not significant for investment in debt instruments at the reporting date.

**8 FINANCIAL ASSETS AT AMORTISED COST**

	<i>31 December</i> 2025 SR' 000	<i>31 December</i> 2024 SR' 000
<i>Current</i>		
Murabaha placements (note 8.1)	2,177	100,000
Investments in sukuk (note 8.2)	66,007	15,223
	<u>68,184</u>	<u>115,223</u>
<i>Non-current</i>		
Investments in sukuk (note 8.2)	154,225	131,055
<b>Total</b>	<u>222,409</u>	<u>246,278</u>

**8.1 Murabaha placements**

This represents Group's investment in a Murabaha placements with local counterparties. These counterparties with whom the Group has made placements have sound credit ratings as issued by rating agencies and carry a fixed special commission rate. These placements will be maturing within one year.

**8.2 Investments in sukuks**

This represents Group's investment in a sukuk with local and foreign counterparties. These counterparties with whom the Group has made sukuk investments have sound credit ratings as issued by rating agencies. Investments in sukuk are redeemable at par value at their maturity date. These investments carry a fixed special commission income rate.

The remaining maturity of these sukuk are as follows:

	<i>31 December</i> 2025 SR'000	<i>% of</i> <i>value</i>	<i>31 December</i> 2024 SR'000	<i>% of</i> <i>value</i>
Less than 1 year	66,007	30%	15,223	10%
Later than 1 year and no later than 5 years	62,475	28%	83,134	57%
Later than 5 years	91,750	42%	47,921	33%
	<u>220,232</u>	<u>100%</u>	<u>146,278</u>	<u>100.00%</u>

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**8 FINANCIAL ASSETS AT AMORTISED COST (continued)**

**8.3 Allowance for ECL**

The management has conducted an assessment for ECL and has concluded that the allowance for ECL is not significant for financial assets at amortised cost at the reporting date.

**9 INVESTMENT PROPERTY**

During 2024, the Group acquired a parcel of land measuring 10,430.50 square meters, located in Al-Fayhaa, Jeddah, within the Darb Al-Haramain Project, for a total consideration of SR 34.1 million. During the year ended 31 December 2025, the Group sold a portion of the land measuring 2,319.99 square meters. As at 31 December 2025, the title deeds for the remaining portion of land have not yet been transferred in the name of the Group. Management is in the process of completing the transfer of the title deeds, which is expected to be finalized subsequent to the year end.

	<i>Land</i> <i>SR'000</i>
<u>Cost:</u>	
Balance as at 1 January 2024	-
Additions during the year	34,100
As at 31 December 2024	34,100
Additions during the year	1,125
Disposal during the year	(11,600)
<b>As at 31 December 2025</b>	<b>23,625</b>

Fair value of the investment properties is estimated by a recognised independent valuation agency not related to the Group (Abaad & Partners, a licensed member of Saudi Authority of Accredited Valuers) in December 2025. The fair value of the investment property is determined using market comparable method. The per sqm are determined based on the nature and the highest and the best designated use of the asset using various external references for similar type of asset. Major assumptions and valuation technique are disclosed below:

Class of property	Fair Value		Valuation technique	Unobservable inputs	Range (weighted average)	Range (weighted average)
	2025	2024			2025	2024
Land	26,100,000	34,600,000	Market Comparable	Residential land value per square meter (SR)	4,950 - 5,510	4,627 - 5,088
				Commercial land value per square meter (SR)	2,519 - 4,580	3,850 - 4,080

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**10 PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSETS**

	<i>Furniture and fixtures SR'000</i>	<i>Computer hardware SR'000</i>	<i>Office equipment SR'000</i>	<i>Right-of-use assets SR'000</i>	<i>Total SR'000</i>
<b>Cost:</b>					
As at 1 January 2024	8,278	604	466	15,133	24,481
Additions during the year	953	32	-	3,376	4,361
As at 31 December 2024	9,231	636	466	18,509	28,842
Additions during the year	2,100	62	4	4,470	6,636
As at 31 December 2025	11,331	698	470	22,979	35,478
<b>Accumulated depreciation:</b>					
As at 1 January 2024	7,043	447	428	10,421	18,339
Charge for the year	665	70	23	3,876	4,634
As at 31 December 2024	7,708	517	451	14,297	22,973
Charge for the year	767	64	11	5,305	6,147
As at 31 December 2025	8,475	581	462	19,602	29,120
<b>Net book amounts:</b>					
At 31 December 2024	1,523	119	15	4,212	5,869
At 31 December 2025	2,856	117	8	3,377	6,358

**11 INTANGIBLE ASSETS**

	<i>Computer software SR'000</i>	<i>Capital work-in-progress SR'000</i>	<i>Total SR'000</i>
<b>Cost:</b>			
As at 1 January 2024	14,450	8,367	22,817
Additions during the year	177	2,817	2,994
Transfer to computer software	10,200	(10,200)	-
As at 31 December 2024	24,827	984	25,811
Additions during the year	1,935	1,860	3,795
As at 31 December 2025	26,762	2,844	29,606
<b>Accumulated amortisation:</b>			
As at 1 January 2024	13,456	-	13,456
Charge for the year	2,544	-	2,544
As at 31 December 2024	16,000	-	16,000
Charge for the year	2,528	-	2,528
As at 31 December 2025	18,528	-	18,528
<b>Net book amounts:</b>			
At 31 December 2024	8,827	984	9,811
At 31 December 2025	8,234	2,844	11,078

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**11 INTANGIBLE ASSETS (continued)**

The capital work in progress mainly represent the software implementation cost and enhancements in the existing software, which is under development phase at year end and will be moved to software category once ready for intended use.

**12 TRADE AND OTHER PAYABLES**

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Employees related accruals	58,262	48,659
Trade payables	8,793	41,266
Amounts due to shareholder (i) (note 17)	3,785	196,816
VAT payable	2,449	5,649
Accrued consultation fees	7,866	4,700
Other payables	1,149	1,299
	<u>82,304</u>	<u>298,389</u>

(i) Amounts due to shareholder also includes referral fee payable to the Bank on account of asset management fee income and brokerage commission income as detailed in note 17.

**13 CONTRACT LIABILITIES**

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Asset management fees	-	25,521
Others	117	116
	<u>117</u>	<u>25,637</u>

**14 LEASE LIABILITIES**

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Balance at the beginning of the year	4,356	4,877
Additions during the year	4,470	3,376
Add: Accretion of finance charges	341	321
Payments during the year	(5,635)	(4,218)
<b>Total lease liabilities</b>	<u>3,532</u>	<u>4,356</u>
Less: current portion of lease liabilities	(1,599)	(1,337)
<b>Non-current portion of lease liabilities</b>	<u>1,933</u>	<u>3,019</u>

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**15 ZAKAT**

**15.1 Zakat provision**

The movement in the provision for the year is as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>SR'000</i>	<i>SR'000</i>
Balance at the beginning of the year	80,490	65,368
Provision made during the year	90,167	80,490
Transferred to amounts due to shareholder	(80,490)	(65,368)
<b>Balance at the end of the year</b>	<b>90,167</b>	<b>80,490</b>

**15.2 Status of assessments**

The Group is a wholly owned subsidiary of the Bank, and in accordance with Ministerial Resolution number 1005 dated 28 Rabi Al Thani 1428H (corresponding to 15 May 2007) a consolidated zakat declaration is filed by the Bank from year ended 31 December 2011 with the Zakat, Tax and Customs Authority (the "ZATCA"). The Bank has filed the zakat returns for the years up to 31 December 2024.

**16 EMPLOYEE BENEFIT OBLIGATIONS**

The management has carried out an exercise to assess the present value of its defined benefit obligations at 31 December 2025 and 31 December 2024 in respect of employees benefit obligations payable under relevant local regulations and contractual arrangements. The main actuarial assumptions used to calculate the defined unfunded benefit obligation are as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Discount rate	5.55%	5.67%
Expected rate of salary increase	8.05%	9.95%

The employee benefit obligations typically expose the Group to actuarial risks such as interest risk, longevity risk and salary risk as follows:

**a) Interest risk**

As explained in note 2.3.15, the discount rate used to calculate the present value of the employee benefit obligations is estimated by reference to yields on the KSA government sukuk. A decrease in the sukuk commission will increase the employee benefit obligations.

**b) Longevity risk**

The present value of the employee benefit obligations is calculated by reference to the best estimate of the number of years of employment. An increase in the number of the remaining years of employment will increase the employee benefit obligations.

**c) Salary risk**

The employee benefit obligations is calculated by reference to the best estimate of future salaries of employees. An increase in the salary of employees will increase the employee benefit obligations.

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16 EMPLOYEE BENEFIT OBLIGATIONS (continued)

The changes in the present value of defined unfunded benefit obligation is as follows:

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
At beginning of the year	40,802	33,842
Net benefit expense	7,783	6,834
Benefits paid during the year	(715)	(563)
Actuarial (gain) loss included in other comprehensive income	(644)	689
	<u>47,226</u>	<u>40,802</u>

The breakdown of net benefit costs charged to the consolidated statement of profit or loss is as follows:

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Current service cost	5,489	5,236
Interest expense	2,294	1,598
	<u>7,783</u>	<u>6,834</u>

*Sensitivity analysis*

A quantitative sensitivity analysis for significant assumptions on the employee benefit obligations liability as at 31 December is shown below:

	<i>31 December</i> 2025 SR'000	<i>31 December</i> 2024 SR'000
Discount rate:		
1% increase	(43,771)	(37,839)
1% decrease	51,149	44,166
Salary increase rate:		
1% increase	51,300	44,279
1% decrease	(43,577)	(37,686)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the employees' terminal benefit liability as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the end of service benefit liability as it is unlikely that changes in assumptions would occur in isolation of one another.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the end of service benefit liability recognised in the consolidated statement of financial position.

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**16 EMPLOYEE BENEFIT OBLIGATIONS (continued)**

*Expected maturity*

Expected maturity analysis of undiscounted defined benefit obligation for the end of service benefit is as follows:

	<i>31 December 2025 SR'000</i>	<i>31 December 2024 SR'000</i>
Less than a year	3,746	3,370
1-2 years	4,066	3,327
2-5 years	11,331	10,464
Over 5 years	58,609	50,556
	<u>77,752</u>	<u>67,717</u>

**17 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties of the Group include the Bank, funds managed by the Group, executive members of Group's board of directors, key management personnel and companies of which these related parties are principal owners. Pricing policies and terms of these transactions are approved by the Group's Board of Directors.

**17.1 Related party transactions**

The following are the details of the significant transactions with related parties during the year:

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Nature of transaction</i>	<i>31 December 2025 SR'000</i>	<i>31 December 2024 SR'000</i>
Funds Managed by the Company	Affiliate	Asset management fees, gross	567,649	483,009
		Administration fees	7,522	7,560
		Gain on investments at FVTPL	56,933	63,916
Alinma Bank	Parent	Referral fee against brokerage income	(787)	(797)
		Referral fee against asset management income	(23,600)	(23,600)
		Board member remuneration	(3,180)	(2,439)
		Administrative and custodian service fees	978	1,062
		Discretionary portfolio management fees	1,270	1,631
		Transfer of share of zakat payable	(80,490)	(65,368)
		Margin deposit call account	130,017	143,196
Al Tanweer Real Estate Company	Affiliate	Purchase of investment property	-	34,100

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**17 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**17.2 Related party balances**

Year-end balances receivable (payable) arising from transactions with related parties are as follows:

<i>Name of related party</i>	<i>Nature of balances</i>	<i>31 December 2025 SR'000</i>	<i>31 December 2024 SR'000</i>
Alinma Bank	Accrued referral fees (note 12)	(3,000)	(23,785)
	Other payables (note 12)	(785)	(173,031)
	Zakat payable (note 15)	(90,167)	(80,490)
	Cash and cash equivalents	370,229	359,429
	Accrued special commission income and investment banking fee receivable	11,847	112,220
Funds Managed by the Group	Financial assets at FVTPL	818,247	583,934
	Accrued management fees receivable, gross	585,043	610,868
	Advance management fees (note 13)	-	(25,521)
	Administration fees receivable	32,861	30,266
	Other receivables	2,843	1,467
	Wakala deals	2,191	-

**17.3 Key management personnel compensation**

Compensation of key management personnel of the Group are as follows:

	<i>31 December 2025 SR'000</i>	<i>31 December 2024 SR'000</i>
Employee benefit obligations	4,611	3,633
Board remuneration	3,180	2,439
Short-term employee benefits	583	225
	<u>8,374</u>	<u>6,297</u>

**18 SHARE CAPITAL AND OTHER RESERVES**

The Company's authorized share capital consists of 100 million shares (31 December 2024: 100 million shares) of SR 10 each (31 December 2024: SR 10 each). As at 31 December 2025 and 2024, the paid-up capital consists of 50 million shares of SR10 each amounting to SR 500 million (2024: 500 million)

On 26 Thul-Qi'dah 1445 (corresponding to 3 June 2024), the shareholder of the Company, in their extraordinary general meeting resolved to transfer the statutory reserves amounting to SR 270 million to other reserve.

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19 REVENUE

19.1 Disaggregation of revenue by:

	31 December 2025 SR'000	31 December 2024 SR'000
<i>Types of services:</i>		
Asset management fees, net	543,153	453,057
Brokerage commission income	44,474	64,226
Investment banking fee income	42,339	43,586
Income from Murabaha and Wakala services	37,434	37,663
Custody fee income	17,239	12,994
Other income, net (i)	5,584	5,774
	<u>690,223</u>	<u>617,300</u>
Income from margin lending	85,824	79,574
	<u>776,047</u>	<u>696,874</u>
<i>Revenue by customer type:</i>		
Related parties	554,384	464,080
Corporates	84,173	81,784
Others	137,490	151,010
	<u>776,047</u>	<u>696,874</u>
<i>Timing of revenue recognition</i>		
Recognised over-time	689,234	589,062
Recognised at point in time	86,813	107,812
	<u>776,047</u>	<u>696,874</u>

(i) Other income majorly includes administration services related fees net of expenses related to zakat services and sharia fees.

20 SPECIAL COMMISSION INCOME

	31 December 2025 SR'000	31 December 2024 SR'000
Special commission income from financial assets at amortised cost	140,993	155,370
Special commission income from financial assets at FVTPL	4,684	4,599
Special commission income from financial assets at FVOCI	471	518
	<u>146,148</u>	<u>160,487</u>

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**21 GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>31 December</i> <b>2025</b> SR'000	<i>31 December</i> <b>2024</b> SR'000
Information technology maintenance and support expenses	<b>26,248</b>	23,307
Board remuneration (note 17.1)	<b>3,180</b>	2,439
Professional fees	<b>2,849</b>	1,378
Advertisements	<b>1,543</b>	2,185
Other expenses (i)	<b>8,003</b>	7,390
	<b>41,823</b>	36,699

(i) Other expenses majorly includes subscription fees and outsourcing services.

**22 ASSETS HELD UNDER FIDUCIARY CAPACITY**

**22.1 Assets under management**

These represent the mutual funds' assets and investments managed by the Group on behalf of its customers, which amounts to SR 104,607 million (31 December 2024: SR 90,103 million). Consistent with the Group's accounting policy and nature of arrangement, such balances are not included in the Group's consolidated financial statements.

**22.2 Clients' cash accounts**

Pursuant to the CMA's Capital Market Institutions ("CMA") Regulations requiring Client money segregation, the Company holds Clients' money in omnibus accounts at a local bank to carry out its dealing, managing and custody activities.

The Company is holding clients' cash accounts, which amounts to SR 2,342 million (31 December 2024: SR 3,547 million). Consistent with the CMA Regulations, Group's accounting policy and nature of arrangement, such balances are not included in the Group's consolidated financial statements.

**23 FAIR VALUES OF FINANCIAL INSTRUMENTS**

**Financial Assets**

Financial assets consist of cash and cash equivalents, financial assets at FVTPL, financial assets at FVOCI, financial assets at amortised cost, and trade and other receivables. Financial liabilities consist of trade and other payables and contract liabilities.

The following table shows the fair values of financial assets, including their levels in the fair value hierarchy:

	<i>Level 1</i> SR'000	<i>Level 2</i> SR'000	<i>Level 3</i> SR'000	<i>Total</i> SR'000
<i>As at 31 December 2025</i>				
Financial assets at FVTPL (note 6)	<b>391,358</b>	<b>387,601</b>	<b>1,249,860</b>	<b>2,028,819</b>
Financial assets at FVOCI (note 7)	-	7,233	-	7,233
Financial assets at amortised cost (note 8)	<b>29,666</b>	<b>190,566</b>	<b>2,177</b>	<b>222,409</b>
<i>Total</i>	<b>421,024</b>	<b>585,400</b>	<b>1,252,037</b>	<b>2,258,461</b>
<i>As at 31 December 2024</i>				
Financial assets at FVTPL (note 6)	281,366	73,366	936,080	1,290,812
Financial assets at FVOCI (note 7)	-	7,231	2	7,233
Financial assets at amortised cost (note 8)	113,278	33,000	100,000	246,278
<i>Total</i>	394,644	113,597	1,036,082	1,544,323

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**23 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**

Other than the financial assets disclosed above, the carrying amounts of the Group's remaining financial instruments approximate their fair values due to their short-term nature and are classified within Level 2 of the fair value hierarchy.

During the year ended 31 December 2025, the Group reassessed the fair value hierarchy classification of certain financial assets measured at fair value on a recurring basis. Transfers between Level 1 and Level 2 amounted to SR 116.6 million and SR 62 million from Level 2 to Level 1. The transfer from Level 3 to Level 2 amounted to SR 2,000. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period in which the change in circumstances giving rise to the transfer occurred.

***Non-financial Assets***

The fair value of investment property is classified within level 3 of the fair value hierarchy as at 31 December 2025 and 31 December 2024. Information about the fair value and valuation of investment property is disclosed in note 9.

***Significant unobservable inputs used in measuring fair value***

The Group uses valuation techniques incorporating significant unobservable inputs to measure certain financial instruments classified within Level 3 of the fair value hierarchy at 31 December 2025.

Private equity investments are valued using a discounted cash flow methodology. The valuation incorporates key unobservable inputs, including adjustments for lack of marketability, risk-adjusted discount rates, and terminal growth assumptions, reflecting the specific risk profile and expected future performance of the underlying investments.

Unlisted investment funds are measured using the net asset value of the underlying investments as reported by the respective fund managers. The valuation is based on the fair value of the underlying assets, which are not directly observable in active markets.

Murabaha instruments are measured at amortised cost, which is considered to approximate fair value due to their short-term nature. Accordingly, no significant unobservable inputs are applied in their valuation.

**24 FINANCIAL RISK MANAGEMENT**

The principal financial risks faced by the Group relate to market risk (including foreign currency risk, special commission rate risk and price risk), credit risk and liquidity risk.

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group'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 consolidated financial statements.

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

The Board has overall responsibility for setting the Group's risk management objectives and policies and the Group's finance function assist the Board in discharging its responsibility by designing and operating processes that ensure the effective implementation of the objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk to the minimum.

**24.1 Market risk**

***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group does not have any significant foreign currency exposure as transactions are principally carried out in Saudi Riyals or USD.

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24 FINANCIAL RISK MANAGEMENT (continued)

24.1 Market risk (continued)

*Special commission rate risk*

Special commission rate risk is the risk that the fair value or future cashflows of a financial instruments will fluctuate due to changes in the market special commission rates. The Group is subject to special commission rate risk on its special commission bearing assets.

The following table demonstrates the sensitivity to a reasonably possible change in special commission income on financial instruments affected with all other variables held constant. In practice, the actual trading results may differ from the below sensitivity analysis and the difference could be significant.

	<i>Impact on profit or loss</i>	
	<i>31 December 2025 SR'000</i>	<i>31 December 2024 SR'000</i>
Change in profit rate:		
1% increase	3,069	3,293
1% decrease	(3,069)	(3,293)

Management monitors the market changes in commission rates on regular basis to minimize commission rate risk.

*Price risk*

Price risk is the risk that the fair value of the Group's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of the financial assets at FVTPL that the Group holds. The management closely monitors the price movement of these financial assets. The Group manages the risk through diversification of its investment portfolio by investing in financial assets which does not have significant price movement considering the nature and size of the Group.

*Sensitivity analysis*

A change in the price of financial assets held at FVTPL, with all other variables held constant, would impact the consolidated statement of profit or loss and statement of changes in equity as set out below:

	<i>31 December 2025 SR'000</i>	<i>31 December 2024 SR'000</i>
5% increase	101,442	64,541
5% decrease	(101,442)	(64,541)

24.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may also result from the inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any current and future financial commitments as and when they fall due. As at 31 December 2025 and 2024, all financial liabilities were current in nature except for lease liabilities for which the liquidity profile is presented below:

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24 FINANCIAL RISK MANAGEMENT (continued)

24.2 Liquidity risk (continued)

31 December 2025	Up to 1 year SR'000	1 to 5 years SR'000	More than 5 years SR'000	Total SR'000
Lease liabilities	1,791	2,460	-	4,251

31 December 2024	Up to 1 year SR'000	1 to 5 years SR'000	More than 5 years SR'000	Total SR'000
Lease liabilities	1,471	3,348	-	4,819

24.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The Group is exposed to credit risk on its cash and cash equivalents, portfolio financing receivables, asset management fee receivables, investment banking fee receivables, other receivables, financial assets at FVOCI – debt instrument and financial assets at amortised cost. The credit risk against cash and cash equivalents is generally managed on the basis of external credit grading of the counter party. The Group's management seeks to limit its credit risk by monitoring credit exposures asset management fee receivables from the funds managed by it and does not consider itself exposed to significant credit risk in respect of these balances because of having a priority as creditor over the unit holders of the underlying fund.

The Group requires collateral from clients against portfolio financing receivable which is monitored for market value of the collateral held in customer accounts under fiduciary asset. For other financial assets credit risk is managed and controlled by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

The table below shows the Group's maximum exposure to credit risk for the components of the consolidated statement of financial position:

	31 December 2025 SR'000	31 December 2024 SR'000
<b>Rated A-</b>		
Cash and cash equivalents	381,843	426,607
<b>Unrated</b>		
<b>Secured</b>		
Portfolio financing receivable	1,213,698	1,297,866
Asset management fee receivable from funds managed by the Company	585,043	610,868
<b>Unsecured</b>		
Financial assets at amortised cost	222,409	246,278
Security deposits	50,613	50,251
Other trade receivables	101,652	88,996
Financial assets at FVTPL – debt instrument	77,234	75,778
Financial assets at FVOCI – debt instrument	7,231	7,231
Employee receivables	2,804	2,875
Amounts due from related parties	2,843	1,467
<b>Total exposure to credit risk</b>	<b>2,645,370</b>	<b>2,808,217</b>

Alinma Capital Company  
(A Saudi Closed Joint Stock Company)

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Notes to the consolidated financial statements (continued)

31 December 2025

**24 FINANCIAL RISK MANAGEMENT (continued)**

**24.3 Credit risk (continued)**

In order to access impairment, the Group has adopted the general approach. The management has conducted an impairment assessment based on the ECL, considering various assumptions (refer to note 5).

**25 COMMITMENT AND CONTINGENCIES**

**25.1 Commitments**

The Group has capital commitments for property and equipment as at 31 December 2025 amounting to SR 2.73 million (2024: SR 1.2 million).

**25.2 Contingencies**

There are lawsuits filed against the Company, in the normal course of business, and the Company is currently contesting against those lawsuits, but the final outcome of such case is not certain as of the reporting date. Management does not expect the outcome of such cases to be material to the consolidated financial statements of the Group.

**26 SUBSEQUENT EVENTS**

There were no events subsequent to the reporting date which require adjustments of or disclosure in the consolidated financial statements or notes thereto.

**27 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements were approved by the Board of Directors on 16 Ramadan 1447H (corresponding to 05 March 2026).