

**GIB CAPITAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**FINANCIAL STATEMENTS**  
together with  
**INDEPENDENT AUDITOR'S REPORT**  
**For the year ended 31 December 2025**

**GIB CAPITAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**FINANCIAL STATEMENTS**  
**For the year ended 31 December 2025**

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## KPMG Professional Services Company

Roshn Front, Airport Road  
P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No. 1010425494

Headquarters in Riyadh

## كأي بي إم جي للاستشارات المهنية مساهمة مهنية

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

المركز الرئيسي في الرياض

# Independent auditor's report

To the shareholder of GIB Capital Company

## Opinion

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

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

## Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, the Company's By-Laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



**GIB CAPITAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2025**  
(Amounts in Saudi Riyals in 000')

	<i>Notes</i>	<b>31 December 2025</b>	31 December <u>2024</u>
<b><u>ASSETS</u></b>			
Cash at bank	4	<b>25,149</b>	14,421
Accounts receivable	5	<b>5,639</b>	9,406
Receivables against margin lending	6	<b>254,938</b>	181,634
Investment held at amortized cost	7	<b>49,219</b>	83,474
Investment held at fair value through other comprehensive income ("FVOCI")	8	<b>16,267</b>	19,148
Investment held at fair value through profit and loss ("FVTPL")	9	<b>24,485</b>	48,354
Prepayments and other assets	10	<b>43,453</b>	27,214
Property and equipment	11	<b>2,753</b>	2,056
Right-of-use assets	12	<b>5,870</b>	8,442
<b>Total Assets</b>		<b><u>427,773</u></b>	<u>394,149</u>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Liabilities</b>			
Accrued expenses and other liabilities	13	<b>52,922</b>	54,071
Lease liabilities	12	<b>5,862</b>	8,335
Employees' end of service benefits	14	<b>11,580</b>	10,022
<b>Total Liabilities</b>		<b><u>70,364</u></b>	<u>72,428</u>
<b>Equity</b>			
Share capital	15	<b>200,000</b>	200,000
Statutory reserve		<b>19,339</b>	15,419
Fair value reserve		<b>(1,786)</b>	1,094
Actuarial reserve		<b>(82)</b>	551
Retained earnings		<b>139,938</b>	104,657
<b>Total Equity</b>		<b><u>357,409</u></b>	<u>321,721</u>
<b>Total Liabilities and Equity</b>		<b><u>427,773</u></b>	<u>394,149</u>

The accompanying notes from 1 to 29 form an integral part of these financial statements.

**GIB CAPITAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2025**  
(Amounts in Saudi Riyals in 000')

	<i>Notes</i>	<b>For the year ended</b>	
		<b>31 December</b>	
		<u><b>2025</b></u>	<u>2024</u>
<b><u>Operating income</u></b>			
Income from advisory services	16	<b>39,091</b>	32,442
Income from asset management services	16	<b>95,098</b>	74,861
Income from brokerage services	16	<b>5,248</b>	9,157
Special commission income	16	<b>18,023</b>	17,618
<b>Total revenue</b>		<b>157,460</b>	134,078
Dividend income	8	<b>904</b>	1,433
Unrealized (loss) / gain from investment held at FVTPL		<b>(1,451)</b>	2,200
Realized gain on disposal of investments held at FVTPL		<b>1,085</b>	217
<b>Total operating income</b>		<b>157,998</b>	137,928
<b><u>Operating expenses</u></b>			
Salaries and employee related benefits	17	<b>(90,668)</b>	(83,594)
General and administrative expenses	18	<b>(24,316)</b>	(18,777)
Depreciation	11 & 12	<b>(3,503)</b>	(3,229)
Premises-related expenses		<b>(318)</b>	(901)
<b>Total operating expenses before impairment charges</b>		<b>(118,805)</b>	(106,501)
Impairment reversal for expected credit losses ("ECL")	5	<b>8</b>	6
<b>Total operating expenses</b>		<b>(118,797)</b>	(106,495)
<b>Net profit for the year</b>		<b>39,201</b>	31,433
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit and loss in subsequent periods:</i>			
Investment held at FVOCI – net change in fair value		<b>(2,880)</b>	(3,869)
Remeasurement of employees' end of service benefits	14	<b>(633)</b>	(1,285)
<b>Total other comprehensive loss for the year</b>		<b>(3,513)</b>	(5,154)
<b>Total comprehensive income for the year</b>		<b>35,688</b>	26,279

The accompanying notes from 1 to 29 form an integral part of these financial statements.

**GIB CAPITAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2025**  
(Amounts in Saudi Riyals in 000')

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Fair value reserve</u>	<u>Actuarial reserve</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Balance as at 1 January 2025</b>	<b>200,000</b>	<b>15,419</b>	<b>1,094</b>	<b>551</b>	<b>104,657</b>	<b>321,721</b>
<i>Total comprehensive income</i>						
Profit for the year	--	--	--	--	39,201	39,201
Other comprehensive loss for the year	--	--	(2,880)	(633)	--	(3,513)
<b>Total comprehensive income for the year</b>	<b>--</b>	<b>--</b>	<b>(2,880)</b>	<b>(633)</b>	<b>39,201</b>	<b>35,688</b>
Realized gain from sale of FVOCI equity instruments	--	--	-	--	-	--
<b>Transfer to statutory reserve</b>	<b>--</b>	<b>3,920</b>	<b>--</b>	<b>--</b>	<b>(3,920)</b>	<b>--</b>
<b>Balance as at 31 December 2025</b>	<b>200,000</b>	<b>19,339</b>	<b>(1,786)</b>	<b>(82)</b>	<b>139,938</b>	<b>357,409</b>
	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Fair value reserve</u>	<u>Actuarial reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at 1 January 2024	200,000	12,276	5,275	1,836	76,055	295,442
<i>Total comprehensive income</i>						
Profit for the year	--	--	--	--	31,433	31,433
Other comprehensive loss for the year	--	--	(3,869)	(1,285)	--	(5,154)
<b>Total comprehensive income for the year</b>	<b>--</b>	<b>--</b>	<b>(3,869)</b>	<b>(1,285)</b>	<b>31,433</b>	<b>26,279</b>
Realized gain from sale of FVOCI equity instruments	--	--	(312)	--	312	--
<b>Transfer to statutory reserve</b>	<b>--</b>	<b>3,143</b>	<b>--</b>	<b>--</b>	<b>(3,143)</b>	<b>--</b>
<b>Balance as at 31 December 2024</b>	<b>200,000</b>	<b>15,419</b>	<b>1,094</b>	<b>551</b>	<b>104,657</b>	<b>321,721</b>

The accompanying notes from 1 to 29 form an integral part of these financial statements.

**GIB CAPITAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2025**  
(Amounts in Saudi Riyals in 000')

	<i>Notes</i>	<b>For the year ended</b>	
		<b>31 December</b>	
		<b><u>2025</u></b>	<b><u>2024</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the year		<b>39,201</b>	31,433
<i>Adjustments for:</i>			
Depreciation	<i>11&amp;12</i>	<b>3,503</b>	3,229
Provision for employees' end of service benefit	<i>14</i>	<b>2,541</b>	1,893
Impairment reversal for expected credit losses (ECL)	<i>5</i>	<b>(8)</b>	(6)
Finance cost on lease liability	<i>12</i>	<b>270</b>	460
Unrealized (gain)/ loss on investment held at FVTPL		<b>1,451</b>	(2,200)
Realized gain on investment held at FVOCI		<b>-</b>	(312)
Realized gain on investment held at FVTPL		<b>(1,085)</b>	(217)
<i>Changes in operating assets and liabilities:</i>			
Decrease in accounts receivable		<b>7,350</b>	1,797
Increase in receivables against margin lending		<b>(73,304)</b>	(68,789)
Increase in prepayments and other assets		<b>(15,387)</b>	(8,874)
(Decrease) / increase in accrued expenses and other liabilities		<b>(1,320)</b>	4,629
		<b><u>(36,788)</u></b>	<b><u>(36,957)</u></b>
Employees' end of service benefits paid	<i>14</i>	<b>(1,616)</b>	(317)
Lease liability paid	<i>12</i>	<b>(2,808)</b>	(5,503)
<b>Net cash used in from operating activities</b>		<b><u>(41,212)</u></b>	<b><u>(42,777)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment	<i>11</i>	<b>(1,563)</b>	(1,042)
Proceeds from maturity of investments at amortized cost		<b>467,500</b>	629,182
Acquisition of investments at amortized cost		<b>(426,500)</b>	(558,775)
Acquisition of investment at FVTPL		<b>(1,675)</b>	(25,000)
Proceeds from disposal of investment at FVTPL		<b>25,178</b>	5,204
Proceeds from disposal of investment at FVOCI		<b>-</b>	3,555
<b>Net cash generated from investing activities</b>		<b><u>62,940</u></b>	<b><u>53,124</u></b>
<b>Net increase in cash and cash equivalents</b>		<b>21,728</b>	10,347
Cash and cash equivalents at the beginning of the year		<b>28,421</b>	18,074
<b>Cash and cash equivalents at the end of the year</b>	<i>20</i>	<b><u>50,149</u></b>	<b><u>28,421</u></b>

The accompanying notes from 1 to 29 form an integral part of these financial statements.

**GIB CAPITAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2025**  
(Amounts in Saudi Riyals in 000')

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**1. GENERAL INFORMATION**

GIB Capital Company (“the Company”) is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia (“KSA”) under Commercial Registration No. 1010244294 dated 6 Safar 1429H (corresponding to 14 February 2008). The principal activities of the Company are dealing as a principal and agent, underwriting, managing, arranging, advising and acting as custodian of financial securities pursuant to the Capital Market Authority (“CMA”) License No. 07078-37 dated 08 Rajab 1428H (corresponding to 22 July 2007), in addition to the approval of the CMA to amend the list of the Company's approved activities under resolution No. 12-02-2011 dated 6 Jumada Alawwal 1432H (corresponding to 10 April 2011).

The registered office of the Company is located at the following address:

Granada Business and Residential Park  
Eastern Ring Road  
P.O. Box 89589  
Riyadh 11692  
Kingdom of Saudi Arabia

**2. BASIS OF PREPARATION**

**a) Statement of compliance**

The accompanying financial statements for the year ended 31 December 2025 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the IASB, as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants (“SOCPA”).

**b) Basis of measurement**

These financial statements have been prepared on a going concern basis under historical cost convention except for investments which are carried at fair value through other comprehensive income, investments held at fair value through profit or loss, and employee end of service benefits which are measured at present value of the defined benefit obligation. The Company does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

**c) Going concern**

In making the going concern assessment, the Company has considered a wide range of information relating to present and future projections of profitability, cash flows and other capital resources. These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business.

**d) Functional and presentation currency**

These financial statements are presented in Saudi Arabian Riyals (“SR”), which is both the presentation and functional currency of the Company. Except where indicated, the financial information presented in SR is rounded to the nearest thousand.

**GIB CAPITAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the year ended 31 December 2025**  
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**2. BASIS OF PREPARATION (continued)**

**e) Critical accounting estimates and judgements**

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Key areas where management has used estimates, assumptions or exercised judgements is as follows:

*Employees' end of service benefits*

The Company operates a defined benefit plan under the Saudi Arabian Labor Law based on employees' accumulated periods of service at the date of the statement of financial position. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method as per IAS 19 using actuarial assumptions based on market expectations at the date of statement of financial position.

*Determination of control over investee*

The Company performs an assessment and annually re-assesses its control over the Funds under IFRS 10 in its capacity as a fund manager. In making this assessment the Company focuses on the assessment of aggregate economic interest of the Company in the Funds and the unit holders right to remove the fund manager. On the basis of the assessment, the Company concludes as to whether it is acting as an agent for all the unit holders based on which it concludes whether or not to consolidate the financial results of the funds in its financial statements. As at the reporting date, the Company has concluded that it acts only as an agent to the unit holders and thus does not control the Funds nor consolidates them.

**f) Changes in accounting policies**

The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024.

*New standards, interpretations and amendments adopted by the Company*

Following standards, interpretation or amendments are effective from the current year, however, these did not have any impact on the financial statements of the year unless otherwise stated below:

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

**GIB CAPITAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the year ended 31 December 2025**  
(Amounts in Saudi Riyals in 000')

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**2. BASIS OF PREPARATION (continued)**

**f) Changes in accounting policies (continued)**

*Accounting standards issued but not yet effective*

Following new standards and amendments that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below:

<u>Standard/ interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after</u>
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.  The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026.
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027

**GIB CAPITAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the year ended 31 December 2025**  
(Amounts in Saudi Riyals in 000')

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**2. BASIS OF PREPARATION (continued)**

**f) Changes in accounting policies (continued)**

*Accounting standards issued but not yet effective (continued)*

<b>Standard/ interpretation</b>	<b>Description</b>	<b>Effective from periods beginning on or after</b>
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

The Company has not early adopted any standards, interpretations or amendments before their effective date. The management of the Company anticipates that the application of the above new standards and amendments other than IFRS 18 in the future will not have a significant impact on the amounts reported. However, the Company is currently evaluating the impact of adoption of IFRS 18 standard on the financial statements.

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The material accounting policies adopted in the preparation of these financial statements are set out below:

**3.1 Financial instruments**

**Financial assets**

*Initial recognition and measurement*

Financial assets at initial recognition, are measured at their fair values. Subsequent measurement of a financial asset is dependent on its classification and is either at amortized cost or fair value through other comprehensive income (OCI) or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

**GIB CAPITAL COMPANY**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the year ended 31 December 2025**  
(Amounts in Saudi Riyals in 000')

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.1 Financial instruments (continued)**

**Financial assets (continued)**

*Initial recognition and measurement (continued)*

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date, i.e., the date that the Company settles the purchase or sell the asset.

*Subsequent measurement*

**Financial assets at amortised cost (debt instruments)**

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to expected credit losses. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes accounts receivables, receivables against margin lending and short-term deposits.

**Financial assets designated at FVOCI (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other operating income in the statement of profit or loss and other comprehensive income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income.

**GIB CAPITAL COMPANY**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the year ended 31 December 2025**  
(Amounts in Saudi Riyals in 000')

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.1 Financial instruments (continued)**

**Financial assets (continued)**

***Derecognition***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

***ECL of financial assets***

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For accounts receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For margin lending receivables, the Company does not recognise an ECL as these receivables are backed by collaterals.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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**3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.1 Financial instruments (continued)**

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accounts payables, accrued expenses and other current liabilities.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- 1 Financial liabilities at fair value through profit or loss; and
- 2 Financial liabilities at amortised cost (loans and borrowings).

Out of the above, only the second category is applicable to the Company which is described hereunder:

**Financial liabilities at amortised cost**

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

Subsequently, all special commission bearing financial liabilities other than those held at FVPTL are measured at amortized cost.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

**3.2 Offsetting financial assets and liabilities**

Financial assets and liabilities are offset and reported net in the statement of financial position when there is a legally enforceable right to set off the recognised amounts, and when the Company intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**3.3 Expenses**

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

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.4 Assets held under fiduciary capacity**

The Company offers asset management services to its customers, which include management of certain investments on behalf of its customers. Investments held through such arrangements are not treated as assets of the Company and accordingly, are not included in the statement of financial position.

**3.5 Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash balances at banks and other short-term highly liquid investments with original maturities of three months or less, which are available to the Company without any restrictions.

**3.6 Short term deposits (Investments held at amortized cost)**

Short-term deposits include placements with banks and other short-term highly liquid investments with original maturities up to one year from the placement date.

**3.7 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Company as a lessee***

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

***Right-of-use assets***

The Company 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 amortisation 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 Company 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.

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. Right-of-use assets mainly relate to offices which has a lease period of 5 years.

***Lease liabilities***

On initial recognition, the lease liability is the present value of all remaining payments to the lessor.

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.7 Leases (continued)**

*Lease liabilities (continued)*

After the commencement date, the Company measures the lease liability by:

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

*Short-term and low values leases*

Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in the statement of income. Short-term leases are leases with a lease term of 12 months or less.

**3.8 Employees' end of service benefits**

The Company operates a non-funded employee terminal benefit plan, which is classified as defined benefit obligation under IAS 19 'Employee Benefits'. The liability recognised in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets at that date. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using market yields at the end of the reporting period of high-quality corporate bonds that have terms to maturity approximating to the estimated term of the post-employment benefit obligations. Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognised in equity through the statement of profit or loss and other comprehensive income in the period in which they arise.

**3.9 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 of an asset or a liability is measured using the assumption that market participants would use when pricing the asset or liability assuming that the market participant acts in their best economic interest.

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

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

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.9 Fair value measurement (continued)**

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

Level 1: Quoted (unadjusted) market price in an active market for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation technique 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 financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categories at the end of each reporting period.

**3.10 Taxes**

***Withholding tax***

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia, as required under Saudi Arabian Income Tax Law.

***Value added tax ("VAT")***

Assets and expenses are recognised net of amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the GAZT, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of VAT recoverable from, or payable to ZATCA is included as part of other assets or other liabilities.

**3.11 Statutory reserve**

As required by Companies' Law and the Company's by-laws, the Company must transfer 10% of its net income for the year to the statutory reserve, after deducting losses brought forward, till it has built up a reserve equal to one half of its capital. The Company may resolve to discontinue such transfers when the reserve totals 30% of its capital. The reserve is not available for distribution.

**3.12 Provisions**

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

**3.13 Revenue recognition**

IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It established a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, the Company recognises revenue at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.13 Revenue recognition (continued)**

The Company recognises revenue when the amount can be reliably measured and it is probable that future economic benefits will flow to the Company. The Company applies the following five-step approach of revenue recognition:

- Step 1: Identify the contract with the customer
- Step 2: Identify the separate performance obligations under the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to separate performance obligations
- Step 5: Recognise revenue when (or as) each performance obligation is satisfied

Based on the above five steps, the revenue recognition policy for the key revenue segments is as follows:

***Income from advisory service***

Advisory service fees are recognized based on the applicable service contract, usually on a time proportionate basis as the services are performed and performance obligations are met. Advisory services where the underlying significant act is completed or instances for which no further activities are required to be done are considered fully earned.

***Asset management fee income***

Asset management fee income from mutual funds and discretionary portfolio management are recognised based on a fixed percentage of net assets value under management, subject to applicable terms and conditions and service contracts with customers/investors and funds. The Company attributes the revenue from management fees to the services provided during the year, because the fee relates specifically to the Company efforts to transfer these services. As asset management fees are not subject to refunds, the management does not expect any reversal of revenue previously recognised.

***Brokerage income***

Income on brokerage transaction is recognized on accrual basis net of expenses. The moment the transaction is executed / concluded, the agent (in this case the Company) has satisfied its performance obligation, which is considered as a performance obligation satisfied **at a point in time and not over a period of time**. Thus, upon rendering of services the revenue from brokerage – is to be recognized. Brokerage income earned on a daily buy and sell transactions is recognized on the trade date.

***Income from margin lending***

Margin lending is a financing facility provided to existing customers to trade in the capital market. Interest income are recognised based on customer utilization of the margin lending financing facility at the applicable rates agreed in the contract with the customer. The income is accrued daily on the outstanding balance at the effective commission rate method.

***Income from alternative investments***

Income from alternative investment activities is recognized based on services rendered under the applicable service contracts using the five-step approach to revenue recognition.

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.12 Revenue recognition (continued)**

*Dividends*

Dividend income is recognised when the right to receive payment is established. This is the ex-dividend date for listed equity securities, and usually the date when shareholders approve the dividend for unlisted equity securities.

*Special commission income*

Special commission income on short term deposits is recognised on an accrual basis.

**4. CASH AT BANK**

	<b>31 December 2025</b>	31 December 2024
Cash at Bank – current accounts	<u>25,149</u>	<u>14,421</u>

This represents account maintained with the Parent. As at 31 December 2025, the Parent is rated A2, based on Moody's ratings. Accordingly, the ECL on these balances is immaterial, and therefore not disclosed separately.

**5. ACCOUNTS RECEIVABLE**

	<b>31 December 2025</b>	31 December 2024
Gross carrying amount	<b>6,345</b>	13,695
Less: Impairment allowance for ECL	<u>(706)</u>	<u>(4,289)</u>
	<u><b>5,639</b></u>	<u>9,406</u>

As at 31 December 2025 and 31 December 2024, the Company's majority gross outstanding accounts receivable balances relate to the investment banking (advisory fee income) transactions.

Set out below is the information about the credit risk exposure on the Company's accounts receivables using a provision matrix:

	<b>Current</b>	<b>90 – 180 days</b>	<b>181 – 365 days</b>	<b>More than 365 days</b>	<b>Total</b>
<b>31 December 2025</b>					
Gross carrying amount	4,655	1,000	-	690	6,345
Less: Impairment allowance for ECL	<u>(11)</u>	<u>(5)</u>	<u>-</u>	<u>(690)</u>	<u>(706)</u>
<b>31 December 2024</b>					
Gross carrying amount	9,431	-	-	4,264	13,695
Less: Impairment allowance for ECL	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>(4,264)</u>	<u>(4,289)</u>

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**5. ACCOUNTS RECEIVABLE (CONTINUED)**

**5.1** The movement in impairment allowance for ECL on accounts receivable is as follows:

	<b>For the year ended 31</b>	
	<b>December</b>	
	<u><b>2025</b></u>	<u><b>2024</b></u>
At the beginning of the year	<b>4,289</b>	4,295
Reversal for the year	<b>(8)</b>	(6)
Written-off during the year	<u><b>(3,575)</b></u>	-
At the end of the year	<u><b>706</b></u>	<u>4,289</u>

The Company applies the simplified approach in calculating ECL and has established a provision matrix that is based on its historical credit loss experience, adjusted for counter-party and forward-looking factors.

**6. RECEIVABLES AGAINST MARGIN LENDING**

The Company extends receivable against margin lending facilities to its customers to invest in the Saudi stock exchange. These facilities are backed by collaterals and extended up to a maximum period of one year and bear prevailing profit rates on the amount of receivable against margin lending. As at 31 December 2025, receivables against margin lending amounted to SAR 254.9 million (2024: SAR 181.6 million) and were secured against equity securities in Tadawul amounting to SAR 617.3 million (2024: SAR 250 million). The facilities are reviewed at least on an annual basis.

During the year, key management personnel of the Company have been granted margin lending facilities with authorized limits aggregating to SAR 21.3 million (2024: SAR 20.2 million).

All the balances of receivable against margin lending as of reporting date were classified as performing (stage 1). These facilities are fully collateralized and includes the cash and listed equities in Saudi Stock Exchange. Considering the nature of these receivables the Company has concluded that any impact of ECL allowance would be immaterial.

The Company has recognized special commission income from margin lending services amounting to SR 14.5 million during the year (2024: SAR 9.4 million).

**7. INVESTMENTS HELD AT AMORTIZED COST**

Investments held at amortized cost represent short term placements of SAR 49.2 million (31 December 2024 – SR 83.5 million) with Gulf International Bank – Saudi Arabia C.J.S.C. (“the Parent”). These deposits have original maturities above one month (2024: above one month) and carry mark-ups at rates ranging between 4.45% to 4.78% per annum (2024: 4.35% to 5.25%). These deposits are due to mature between January 2026 and March 2026 (January 2025 and November 2025). The Company uses rating model for assessment of expected credit losses on these short term placements. The impact of ECL is not significant and therefore not recognised in the financial statements.

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**8. INVESTMENT HELD AT FVOCI**

	<b>31 December 2025</b>	31 December 2024
Saudi Arabian Oil Company ("Saudi Aramco")	<u><b>16,267</b></u>	<u>19,148</u>

As at 31 December 2025, investment classified as fair value through other comprehensive income ("FVOCI") comprises of investment in shares of Saudi Arabian Oil Company ("Saudi Aramco"). The fair value is based on quoted market price at reporting date as per the Saudi Stock Exchange ("Tadawul"). During the year ended 31 December 2025, the Company has received dividend income amounting to SR 0.9 million (2024: SR 1.4 million) from Saudi Aramco.

**9. INVESTMENT HELD AT FVTPL**

	<b>31 December 2025</b>	31 December 2024
GIB Murabaha Fund	-	22,418
GIB Opportunistic Indian Equity Fund	<b>4,036</b>	4,454
GIB Saudi Small and Mid-Cap Equity	<b>14,099</b>	16,482
GIB Real Estate Fund 1	<b>6,350</b>	5,000
	<u><b>24,485</b></u>	<u>48,354</u>

During the year ended 31 December 2025, the Company disposed its investment in GIB Murabaha Fund, The fair value is based on the quoted market price, i.e. Net Assets Value (NAV), at reporting date as per the Saudi Stock Exchange ("Tadawul"). Real Estate Fund 1 a private fund, the fund is unlisted and is managed by the Company.

**10. PREPAYMENTS AND OTHER ASSETS**

	<b>31 December 2025</b>	31 December 2024
Accrued fees for		
- Asset management services – Funds	<b>29,943</b>	9,253
- Asset management services – Advisory	<b>8,637</b>	14,420
Prepayments	<b>3,961</b>	2,684
Muqassa interest receivable	<b>140</b>	176
Others	<b>772</b>	681
	<u><b>43,453</b></u>	<u>27,214</u>

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**11. PROPERTY AND EQUIPMENT**

	<u>Leasehold improvements</u>	<u>Office equipment</u>	<u>Capital work-in- progress</u>	<u>Total</u>
<b>Cost:</b>				
Balance as at 1 January 2024	5,999	9,345	186	15,530
Additions	<u>13</u>	<u>615</u>	<u>414</u>	<u>1,042</u>
Balance as at 31 December 2024	<u>6,012</u>	<u>9,960</u>	<u>600</u>	<u>16,572</u>
<b>Balance as at 1 January 2025</b>	<b>6,012</b>	<b>9,960</b>	<b>600</b>	<b>16,572</b>
Additions	46	1,517	-	1,563
Transfer to PPE	-	64	(64)	-
<b>Balance as at 31 December 2025</b>	<b><u>6,058</u></b>	<b><u>11,541</u></b>	<b><u>536</u></b>	<b><u>18,135</u></b>
<b>Accumulated depreciation:</b>				
Balance as at 1 January 2024	5,854	8,041	-	13,895
Charge for the year	<u>145</u>	<u>476</u>	<u>-</u>	<u>621</u>
Balance as at 31 December 2024	<u>5,999</u>	<u>8,517</u>	<u>-</u>	<u>14,516</u>
<b>Balance as at 1 January 2025</b>	<b>5,999</b>	<b>8,517</b>	<b>-</b>	<b>14,516</b>
<b>Charge for the year</b>	<b><u>13</u></b>	<b><u>853</u></b>	<b><u>-</u></b>	<b><u>866</u></b>
<b>Balance as at 31 December 2025</b>	<b><u>6,012</u></b>	<b><u>9,370</u></b>	<b><u>-</u></b>	<b><u>15,382</u></b>
<b>Net book value</b>				
Balance as at 31 December 2024	<u>13</u>	<u>1,443</u>	<u>600</u>	<u>2,056</u>
<b>Balance as at 31 December 2025</b>	<b><u>46</u></b>	<b><u>2,171</u></b>	<b><u>536</u></b>	<b><u>2,753</u></b>

As at 31 December 2025, included within Property and Equipment is Capital work-in-progress which pertains to certain software enhancements undertaken by the Company.

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**12. RIGHT OF USE ASSET**

<b>Cost:</b>	
Balance as at 1 January 2024	20,080
Additions	64
Balance as at 31 December 2024	<u>20,144</u>
<b>Balance as at 1 January 2025</b>	<b>20,144</b>
<b>Additions</b>	<b>65</b>
<b>Balance as at 31 December 2025</b>	<b><u>20,209</u></b>
<b>Accumulated depreciation:</b>	
Balance as at 1 January 2024	9,094
Charge for the year	2,608
Balance as at 31 December 2024	<u>11,702</u>
<b>Balance as at 1 January 2025</b>	<b>11,702</b>
<b>Charge for the year</b>	<b>2,637</b>
<b>Balance as at 31 December 2025</b>	<b><u>14,339</u></b>
<b>Net book value</b>	
Balance as at 31 December 2024	<u>8,442</u>
<b>Balance as at 31 December 2025</b>	<b><u>5,870</u></b>

The movement of corresponding lease liability is as follows:

	<b>31 December 2025</b>	31 December 2024
Lease liability at the beginning of the year	<b>8,335</b>	13,314
Additions	<b>65</b>	64
Finance cost	<b>270</b>	460
Payment during the year	<b>(2,808)</b>	(5,503)
<b>Lease liability at the end of the year</b>	<b><u>5,862</u></b>	<u>8,335</u>
<b>Maturity analysis</b>		
Less than one year	<b>2,931</b>	2,284
One year to five years	<b>2,931</b>	6,051
	<b><u>5,862</u></b>	<u>8,335</u>

**13. ACCRUED EXPENSES AND OTHER LIABILITIES**

	<b>31 December 2025</b>	31 December 2024
Accrued bonus	<b>39,419</b>	31,068
Due to related parties (note 23.2)	<b>2,458</b>	7,234
Accrued expenses	<b>5,201</b>	6,300
Accounts payable	<b>4,173</b>	5,218
VAT payable	<b>1,665</b>	3,530
Others	<b>6</b>	721
	<b><u>52,922</u></b>	<u>54,071</u>

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**14. EMPLOYEES' END OF SERVICE BENEFITS**

**14.1** The movement in employee benefits is as follows:

	<b>31 December 2025</b>	31 December 2024
Defined benefit obligation as at 1 January	10,022	7,161
<i>Included in profit or loss</i>		
- current service cost	1,988	1,539
- Past service cost	-	(28)
- financing cost	553	382
	2,541	1,893
<i>Included in OCI</i>		
Remeasurement: actuarial (gain) / loss arising from:		
- financial assumptions	13	744
- demographic assumptions	141	2
- experience adjustments	479	539
	633	1,285
Benefits paid	(1,616)	(317)
Defined benefit obligation as at 31 December	11,580	10,022

**14.2 Principal actuarial assumptions**

	<b>31 December 2025</b>	31 December 2024
Discount rate (%)	4.65	5.25
Future salary increases (%)	6.25	7.25
Withdrawal rate (%)	10.00	10.00
Mortality rate (%)	10.00	10.00

*Discount rate*

This rate was used to calculate the actuarial present value of the projected benefits. As per International Accounting Standard 19 "Employee Benefits", the rate used to discount employee benefits is determined by reference to the market yields on high quality corporate bonds at the end of the reporting period. In case of the Company, the discount rate was derived with reference to US dollar denominated Kingdom of Saudi Arabia government traded bonds with maturities consistent with the estimated term of the employee benefits. The average duration of the employment benefit obligation was 5.70 years (31 December 2024: 5.61 years).

*Salary increases*

The salary escalation of 6.65% (31 December 2024: 7.25%) has been assumed as the long-term salary escalation rate and is broadly consistent with the benchmark salary increment rate of the region.

**14.3** Reasonably possible changes to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the employee benefits as follows:

	<b>31 December 2025</b>	31 December 2024
<b>Discount rate</b>		
0.5% increase	(321)	(274)
0.5% decrease	340	289
<b>Future salary increases</b>		
0.5% increase	233	214
0.5% decrease	(223)	(205)

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**14 EMPLOYEES' END OF SERVICE BENEFITS (CONTINUED)**

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method used for calculating the employees' end of service benefit (present value of defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied.

**15. SHARE CAPITAL**

The authorized and issued share capital of the Company comprises 20 million shares of SAR 10 each. All issued shares are fully paid. At 31 December 2025 and 31 December 2024 the Company was fully owned by Gulf International Bank – Saudi Arabia C.J.S.C.

**16. REVENUE**

Set out below is the Company's revenue from operations:

	<u>2025</u>	<u>2024</u>
Advisory fee	39,091	32,442
Asset management income (refer note 16.1)	95,098	74,861
Brokerage income	5,248	9,157
Special commission income (refer note 16.2)	18,023	17,618
	<u>157,460</u>	<u>134,078</u>

*Timing of revenue recognition*

	<u>2025</u>	<u>2024</u>
Point in time	68,027	65,208
Over time	89,433	68,870
	<u>157,460</u>	<u>134,078</u>

**16.1** Income from asset management services consists of income from:

	<u>2025</u>	<u>2024</u>
Asset management services – Funds	71,010	51,252
Asset management services – Advisory	24,088	23,609
	<u>95,098</u>	<u>74,861</u>

**16.2** Special commission income consists of income from:

	<u>2025</u>	<u>2024</u>
Investments held at amortized cost	3,526	8,227
Margin lending	14,497	9,391
	<u>18,023</u>	<u>17,618</u>

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**17. SALARIES AND EMPLOYEE RELATED BENEFITS**

	<u>2025</u>	<u>2024</u>
Salaries	27,524	26,285
Bonus	38,995	35,438
Benefits and allowances	16,732	16,068
Employees' end of service benefits (refer Note 14)	2,541	1,893
Others	4,876	3,910
	<u>90,668</u>	<u>83,594</u>

**18. GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>2025</u>	<u>2024</u>
Legal and professional fees	9,556	6,807
IT related expenses	7,645	6,988
Directors' remuneration	1,215	1,230
Travel and transportation expenses	1,152	660
Insurance	352	362
Training	218	244
Repair and maintenance	319	124
Withholding tax	380	78
Marketing	1,422	1,831
Others	2,057	453
	<u>24,316</u>	<u>18,777</u>

**19. ZAKAT**

During 2016, the Company obtained an approval from the ZATCA for an exemption to pay Zakat. Accordingly, in line with this exemption the Company has not accrued zakat for the current and previous years.

*Status of assessments*

The zakat returns for the years from 2008 up to, and including 2024, have been submitted to the ZATCA. However, assessments for these years have not yet been finalised by ZATCA.

**20. CASH AND CASH EQUIVALENTS**

	<u>2025</u>	<u>2024</u>
Cash at Bank – current accounts	25,149	14,421
Investment held at amortized cost (Refer note 20.1)	25,000	14,000
	<u>50,149</u>	<u>28,421</u>

20.1 The investment held at amortized cost comprises of short-term placements, with original maturity of less than 3 months.

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**21. FINANCIAL INSTRUMENTS - FAIR VALUES**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**21.1 Fair value measurements of financial instruments**

	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<b><u>31 December 2025</u></b>					
<b>Financial assets</b>					
<i>Financial assets measured at fair value</i>					
Investment held at FVOCI	16,267	16,267	-	-	16,267
Investment held at FVSI	24,485	-	18,135	6,350	24,485
<i>Financial assets not measured at fair value</i>					
Accounts receivable	5,639	-	-	5,639	5,639
Receivables against margin lending	254,938	-	-	254,938	254,938
Investments held at amortized cost	49,219	-	-	49,219	49,219
	<b>350,548</b>	<b>16,267</b>	<b>18,135</b>	<b>316,146</b>	<b>350,548</b>
<b>Financial liabilities</b>					
<i>Financial liabilities not measured at fair value</i>					
Accrued expenses and other liabilities	52,922	-	-	52,922	52,922

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**21. FINANCIAL INSTRUMENTS - FAIR VALUES (CONTINUED)**

**21.1 Fair value measurements of financial instruments (continued)**

	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>31 December 2024</u>					
Financial assets					
<i>Financial assets measured at fair value</i>					
Investment held at FVOCI	19,148	19,148	-	-	19,148
Investment held at FVSI	48,354	-	43,354	5,000	48,354
<i>Financial assets not measured at fair value</i>					
Accounts receivable	9,406	-	-	9,406	9,406
Receivables against margin lending	181,634	-	-	181,634	181,634
Investments held at amortized cost	83,474	-	-	83,474	83,474
	<u>342,016</u>	<u>19,148</u>	<u>48,354</u>	<u>274,514</u>	<u>342,016</u>
Financial liabilities					
<i>Financial liabilities not measured at fair value</i>					
Accrued expenses and other liabilities	54,071	-	-	54,071	54,071

The fair values of accounts receivables, receivable against margin lending, investment held at amortized cost and other assets are classified as Level 3 as per the fair value hierarchy. These are carried at amortized cost, are not significantly different from the carrying values included in the financial statements, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates, and due to the short duration of financial instrument. An active market for these instruments is not available and the Company intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

**Valuation techniques and significant unobservable inputs**

The following table show the valuation techniques used in measuring Level 2 and Level 3 fair values.

Type	Fair value	Valuation Technique	Unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
GIB Opportunistic Indian Equity Fund	4,036	NAV published in Tadawul	-	-
GIB Saudi Small and Mid-Cap Equity	14,099	NAV published in Tadawul	-	-
GIB Real Estate Fund 1	6,350	Discounted cash flows and Market comparable prices.	Discount rates (10.5% - 11.75%) Occupancy rate - 60% Expected market rental growth (2.5% - 2.7%)	The estimated fair value would increase (decrease) if: expected market rental growth were higher (lower); the occupancy rate were higher (lower); the discount rate were lower (higher)

There have been no transfers between Level 1, Level 2 and Level 3 during the reporting periods.

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**22. FINANCIAL RISK MANAGEMENT**

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

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. These risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

- Credit risk
- Market risk
- Liquidity risk

**22.1 Credit risk**

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

The schedule below shows the maximum limit for exposure to credit risk of the statement of financial position elements:

	<b>31 December <u>2025</u></b>	31 December <u>2024</u>
Accounts receivable	5,639	9,406
Receivables against margin lending	254,938	181,634
Investments held at amortized cost	49,219	83,474
Other assets	39,492	27,214
Cash at Bank	25,149	14,421
	<b>374,437</b>	316,149

As at 31 December 2025 and 31 December 2024, the credit risk exposure for accounts receivable and receivables from margin lending by geographic region was limited to the Kingdom of Saudi Arabia only. Other assets are short-term in nature and are expected to recover within 3 months.

**22.2 Market risk**

**Special commission rate risk**

Profit rate risk is the risk that the profit rate changed is not commensurate with financing cost due to changes in the market commission rate. The Company has fixed rate receivables from margin lending and money market placements; hence, the Company is not exposed to any profit rate risk.

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**22. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**22.2 Market risk (continued)**

**Currency risk**

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

**Price risk**

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

The Company's equity price risk arises on its investments held at FVOCI and FVTPL. The Company seeks to manage this risk by exercising business judgment and management experience. The Company utilizes limit structures including those relating to positions, portfolios and maturities to manage its equity price risk exposures.

A change in the price of equity instruments with all other variables held constant, would impact the statement of comprehensive income as set out below:

<u>Change in price %</u>	<b>For the year ended 31 December</b>	
	<u>2025</u>	<u>2024</u>
+/- 1	<u>162.7</u>	<u>191.5</u>
+/- 2	<u>325.3</u>	<u>382.9</u>

A change in the NAV of investments in mutual funds, with all other variables held constant, would impact the statement of comprehensive income as set out below:

<u>Change in NAV %</u>	<b>For the year ended 31 December</b>	
	<u>2025</u>	<u>2024</u>
+/- 1	<u>244.8</u>	<u>483.5</u>
+/- 2	<u>489.7</u>	<u>967.1</u>

**22.3 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. All financial liabilities on the Company's statement of financial position are contractually payable on a current basis.

The Company's liquidity management process is as follows:

- a. Day-to-day funding, managed by the Finance department to ensure that requirements can be met and this includes replenishment of funds as they mature or are invested;
- b. Monitoring liquidity ratios against internal and regulatory requirements;
- c. Managing the concentration and profile of debt maturities; and
- d. Liquidity management and asset and liability mismatching.

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**22. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**22.3 Liquidity risk (continued)**

The below schedule shows an analysis of financial liabilities based on the expected date of collection or settlement:

<u>31 December 2025</u>	<u>Total</u>	<u>0 – 1 year</u>	<u>1 – 5 years</u>	<u>No fixed maturity</u>
<b>Financial liabilities</b>				
Accrued expenses and other liabilities	<u>51,257</u>	<u>51,257</u>	--	--
<u>31 December 2024 (SR'000)</u>				
Financial liabilities				
Accrued expenses and other liabilities	<u>54,071</u>	<u>54,071</u>	--	--

**23. RELATED PARTY TRANSACTIONS AND BALANCES**

In the ordinary course of business, the Company transacts with its related parties. The principal related parties of the Company are Gulf International Bank – Saudi Arabia C.J.S.C (the “Parent”), the Public Investment Fund (the “Ultimate Parent”) Gulf International Bank B.S.C., Gulf International Bank (UK) Limited, investment funds managed by the Company, Board of Directors, companies owned by members of the Board of Directors and key management personnel. Transactions with related parties are undertaken at mutually agreed terms and approved by the senior management. The Company avails the exemptions in respect of related parties’ disclosure for government-related entities in accordance with IAS 24 “Related Party Disclosures”. The details of transactions during the year ended 31 December 2025 and balances as at 31 December 2025 resulting from such transactions are as follows:

**23.1 Related party transactions**

The significant transactions with related parties in relation to the Company’s core activities are as follows:

<u>Related party</u>	<u>Nature of transaction</u>	<u>For the year ended 31</u>	
		<u>2025</u>	<u>2024</u>
Gulf International Bank – Saudi Arabia C.J.S.C (the “Shareholder”)	Special commission income	<b>3,526</b>	8,227
	Support services received	<b>(333)</b>	(333)
	Income from asset management	<b>60</b>	94
	Premises related expenses	<b>(3,112)</b>	(3,224)
	Purchase cost to supplier	<b>(2,248)</b>	(4,942)
The Public Investment Fund and related entities	Cost recharge	<b>(2,248)</b>	(1,969)
	Income from advisory services	<b>22,933</b>	15,983
Gulf International Bank B.S.C	Shared service costs	-	(113)
Board of Directors	Remuneration	<b>(1,214)</b>	(1,230)
Key management personnel*	Short term benefits	<b>(28,137)</b>	(30,702)
	Employees’ end of service benefits	<b>(5,031)</b>	(4,573)

\* Key management personnel include the top senior executives including the CEO, CFO and other heads of departments having authority and responsibility for planning, directing, and controlling the activities of the Company.

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**23. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**23.2 Related party balances**

Significant balances with related parties are as follows:

<u>Related party</u>	<u>Nature of balance</u>	<b>31 December 2025</b>	31 December 2024
Gulf International Bank	Cash at bank	<b>25,149</b>	14,421
– Saudi Arabia	Investments at amortized cost	<b>49,219</b>	83,474
C.J.S.C.	Due to related party supplier cost	-	(4,942)
	Due to related party cost recharge	<b>(2,248)</b>	(1,969)
The Public Investment Fund and related entities	Accounts receivable	-	8,625
Gulf International Bank B.S.C	Due to related party (refer note 13) - Shared service costs	-	(113)
Gulf International Bank (UK) Limited	Due to related party (refer note 13) - Shared service costs	<b>(210)</b>	(210)

**24. CAPITAL COMMITMENTS AND CONTINGENCIES**

Gulf International Bank (“the Parent”) has issued performance guarantee amounting to SAR 250 million (2024: SAR 250 million) on behalf of the Company, which is outstanding at the reporting date. This guarantee is issued to Edaa for settlement account.

**25. CLIENTS’ CASH ACCOUNTS**

As at 31 December 2025, cash balances amounting to SR 7.7 million (2024: SR 61 million) were maintained with the Parent. The Company does not hold any cash accounts for customers and hence requires customers to hold their cash balances in a designated securities cash account with the Parent in order to transact in the local securities market using services of the Company.

Since the accounts are opened by the Company in a fiduciary capacity in the name of the customer, consistent with its accounting policy, these are not included in the financial statements.

**26. ASSETS UNDER MANAGEMENT**

The Company manages investment portfolios and mutual funds on behalf of its customers, which amounts to SR 16.5 billion as at 31 December 2025 (31 December 2024: SR 7.5 billion). Consistent with its accounting policy, such balances are not included in the Company’s financial statements as these are held by the Company in fiduciary capacity.

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**27. CAPITAL ADEQUACY**

The CMA has issued Prudential Rules (the “Rules”) dated 17 Safar 1434H (corresponding to 30 December 2012) amended by resolution of the Board of the Capital Market Authority Number 1-129-2022 Dated 04 Jumada II 1444H (Corresponding to 28 December 2022). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required.

	<b>31 December 2025</b>	31 December 2024
<b>Capital base:</b>		
Tier 1 Capital	<u>357,409</u>	<u>321,721</u>
<b>Total capital base</b>	<u><b>357,409</b></u>	<u><b>321,721</b></u>
<b>Risk Weighted Asset:</b>		
Credit risk	<b>607,893</b>	492,453
Operational risk	<b>371,241</b>	332,797
Market risk	<u><b>269</b></u>	<u>297</u>
<b>Total Risk Weighted Asset</b>	<u><b>979,403</b></u>	<u><b>825,547</b></u>
<b>Total capital ratio</b>	<u><b>36.49%</b></u>	<u><b>38.97%</b></u>
<b>Surplus in capital</b>	<u><b>279,057</b></u>	<u><b>255,677</b></u>

Capital Base of the Company comprises of:

- Tier-1 capital consists of paid-up share capital, retained earnings, reserves excluding revaluation reserves as per Article 5 of amended Rules / Article 4 of the Rules.

The Minimum Capital Requirements for Market, Credit & Operational Risk are calculated as per the requirements specified in Part 3 of the Rules.

The Company’s business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard the Company’s ability to continue as a going concern, and to maintain a strong capital base.

**28. SUBSEQUENT EVENTS**

No events have occurred subsequent to the reporting date and before the issuance of these financial statements which requires adjustment to, or disclosure, in these financial statements.

**29. DATE OF AUTHORIZATION**

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