



Annual Reports 2025

التقرير السنوي ٢٠٢٥

SNB Capital Al Razeen SAR Liquidity
Fund

صندوق الأهلي الرزين بالريال

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A) Investment Fund Information**أ) معلومات صندوق الاستثمار**

| | |
|---|---|
| 1) Name of the Investment Fund | 1) اسم صندوق الاستثمار |
| SNB Capital Al Razeen SAR Liquidity Fund | صندوق الأهلي الرزين بالريال |
| 2) Investment Objectives and Policies | 2) أهداف وسياسات الاستثمار وممارساته |
| <ul style="list-style-type: none">Fund's Objectives and Investment Policies: The fund aims to provide liquidity and capital growth through investments in Money Market transactions and Sharia-compliant short-term financial instruments, such as Murabaha, Wakala, Mudaraba and Musharaka, Fixed Income Instruments, swaps, Repurchase Agreements (Repos), Reverse Repurchase Agreements, and Asset-Backed Securities. | <ul style="list-style-type: none">أهداف الصندوق وسياسات الاستثمار وممارساته: يهدف الصندوق إلى توفير السيولة وزيادة رأس المال من خلال الاستثمار في صفقات أسواق النقد والأدوات المالية قصيرة الأجل المتوافقة مع الضوابط الشرعية، مثل: صفقات المرابحة والوكالة والمضاربة والمشاركة، وأدوات الدخل الثابت، والبدائل الشرعية لاتفاقيات المبادلة واتفاقيات إعادة الشراء، واتفاقيات إعادة الشراء المعاكس، والأوراق المالية المدعومة بأصول. |
| 3) Distribution of Income & Gain Policy | 3) سياسة توزيع الدخل والأرباح |
| The Fund will make monthly distributions to the unitholders. | يقوم الصندوق بتوزيعات شهرية على مالكي الوحدات. |
| 4) The fund's reports are available upon request free of charge. | 4) تتاح تقارير الصندوق عند الطلب وبدون مقابل. |
| 5) The fund's benchmark and the service provider's website (if any) | 5) المؤشر الاسترشادي للصندوق، والموقع الإلكتروني لمزود الخدمة (إن وجد) |
| 30-day Rolling Average of the 1-Month SAIBID. For more information, please visit service provider website Reuters. | المعدل المتحرك لآخر (30) يوم لنسبة العوائد بين البنوك على الريال السعودي (سايبيد) لمدة شهر واحد. ولمزيد من المعلومات يرجى زيارة الموقع الإلكتروني لمزود الخدمة لوكالة رويترز. |

B) Fund Performance
ب) أداء الصندوق
1) A comparative table covering the last three financial years/or since inception, highlighting:
1) جدول مقارنة يغطي السنوات المالية الثلاث الأخيرة/ أو منذ التأسيس، يوضح:

| Year | 2025 | 2024 | 2023 | السنة |
|---|-------------|-------------|-------------|---|
| NAV* | 488,876,719 | 389,542,654 | 772,025,610 | صافي قيمة أصول الصندوق* |
| NAV per Unit* | 34.13 | 33.47 | 31.60 | صافي قيمة أصول الصندوق لكل وحدة* |
| ECL NAV* | 33.98 | 33.46 | 31.59 | سعر الوحدة مع الخسائر الائتمانية المتوقعة* |
| Highest Price per Unit* | 34.13 | 33.47 | 31.60 | أعلى سعر وحدة* |
| Lowest Price per Unit * | 33.47 | 31.60 | 29.95 | أقل سعر وحدة* |
| Number of Units | 14,323,863 | 11,639,603 | 24,438,296 | عدد الوحدات |
| Income Distribution Per Unit | 1.365 | N/A | N/A | قيمة الأرباح الموزعة لكل وحدة |
| Fees & Expense Ratio | 0.86% | 0.42% | 0.44% | نسبة الرسوم والمصروفات |
| Percentage of borrowed assets from the total asset value, the period of their exposure period and due date (if any) | N/A | N/A | N/A | نسبة الأصول المقرضة من إجمالي قيمة الأصول، ومدة انكشافها وتاريخ استحقاقها (إن وجدت) |

*In Saudi Riyal

*بالريال السعودي

2) A performance record that covers the following:
2) سجل أداء يغطي ما يلي:
a. The total return for the fund compared to the benchmark for 1 year, 3 years, 5 years and since inception:
أ. العائد الإجمالي للصندوق مقارنة بالمؤشر لسنة واحدة، ثلاث سنوات، خمس سنوات ومنذ التأسيس:

| Period | Since Inception منذ التأسيس | 5 Years 5 سنوات | 3 Years 3 سنوات | 1 Year سنة | الفترة |
|-------------|--------------------------------|--------------------|--------------------|---------------|----------------|
| Return % | 3.46 | 3.91 | 5.71 | 5.69 | عائد الصندوق % |
| Benchmark % | 3.13 | 4.02 | 5.68 | 5.5 | عائد المؤشر % |

b. The annual total return for the fund compared to the benchmark for the last 10 years/ or since inception:
ب. العائد الإجمالي السنوي للصندوق مقارنة بالمؤشر للعشر سنوات الماضية/ أو منذ التأسيس:

| Year | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | السنة |
|-------------|------|------|------|------|------|------|------|------|------|------|----------------|
| Return % | 5.69 | 5.92 | 5.54 | 2.00 | 0.51 | 0.86 | 2.28 | 1.91 | 1.92 | 2.42 | عائد الصندوق % |
| Benchmark % | 5.5 | 5.81 | 5.73 | 2.50 | 0.66 | 1.04 | 2.56 | 2.25 | 1.48 | 1.78 | عائد المؤشر % |

c. Actual fees and fund expenses paid by the investment fund during the year as a percentage of average Net Asset Value:

ج. مقابل الخدمات والعمولات والأتعاب التي دفعها الصندوق على مدار العام كنسبة مئوية من متوسط صافي قيمة أصول الصندوق:

| Fees and Expenses | ألف ريال SAR '000 | النسبة المئوية % | الرسوم والمصروفات |
|--------------------------------------|----------------------|---------------------|---|
| Management Fees | 1,429 | 0.30% | أتعاب الإدارة |
| VAT on Management Fees | 214 | 0.04% | ضريبة القيمة المضافة على أتعاب الإدارة |
| Custodian Fees | 66 | 0.01% | رسوم الحفظ |
| Auditor Fees | 59 | 0.01% | أتعاب مراجع الحسابات |
| Fund Admin Expenses | 154 | 0.03% | مصاريف العمليات الإدارية |
| CMA Fees | 8 | 0.00% | رسوم هيئة السوق المالية |
| Tadawul Fees | 6 | 0.00% | رسوم نشر معلومات الصندوق على موقع تداول |
| Other Fees | 2,114 | 0.44% | مصاريف أخرى |
| Shariah Committee Fees | 10 | 0.00% | أتعاب خدمات اللجنة الشرعية |
| Independent Fund Board Remunerations | 27 | 0.01% | مكافآت أعضاء مجلس إدارة الصندوق المستقلين |
| Total Fees and Expenses | 4,087 | 0.86% | مجموع الرسوم والمصاريف |

3) Material Changes

3) تغيرات جوهرية حدثت خلال الفترة

- During 2025, the U.S. Federal Open Market Committee (FOMC) maintained its loose monetary policy, responding to continued moderation in inflation and signs of cooling in the labor market. Over the course of the year, the Committee implemented a cumulative 75 basis-point reduction in policy rates, bringing the Federal Funds Rate down from 4.25% in December 2024 to 3.50% by December 2025. Despite the rate cuts, U.S. inflation remained contained, with the Consumer Price Index (CPI) increasing 2.7% year-over-year in December 2025—compared to 2.9% annual inflation rate recorded in December 2024.
 - Global monetary policy moved in a similar direction, prompting the Saudi Central Bank (SAMA) to cut its key policy rates by 75 basis points year-on-year. By December 2025, the Repo rate had decreased from 5.00% to 4.25%, while the Reverse Repo rate declined from 4.50% to 3.75%.
 - U.S. Treasury yields experienced a broad-based downward shift alongside a notable steepening of the yield curve. The spread between the 10-year and 2-year maturities widened from 33 basis points to 69 basis points over the year. The 2-year U.S. Treasury yield decreased by 77 basis points to 3.48%, the 5-year yield declined by 66 basis points to
- خلال عام 2025، حافظت اللجنة الفيدرالية للسوق المفتوحة (FOMC) على سياستها النقدية التيسيرية، وذلك في ظل استمرار تباطؤ معدلات التضخم وظهور مؤشرات على تباطؤ سوق العمل. وعلى مدار العام، قامت اللجنة بخفض أسعار الفائدة بإجمالي 75 نقطة أساس، لينخفض معدل الفائدة على الأموال الفيدرالية من 4.25% في ديسمبر 2024 إلى 3.50% في ديسمبر 2025. وعلى الرغم من هذه التخفيضات، ظل التضخم تحت السيطرة، حيث ارتفع مؤشر أسعار المستهلكين (CPI) بنسبة 2.7% على أساس سنوي في نوفمبر 2025، وهي نفس النسبة المسجلة في نوفمبر 2024.
 - شهدت السياسة النقدية عالمياً اتجاهًا مشابهًا، حيث قام البنك المركزي السعودي (ساما) بخفض معدلات سياسته النقدية بإجمالي 75 نقطة أساس على أساس سنوي. وبنهاية ديسمبر 2025، انخفض معدل اتفاقيات إعادة الشراء (الريبو) من 5.00% إلى 4.25%، كما تراجع معدل اتفاقيات إعادة الشراء العكسي (الريبو العكسي) من 4.50% إلى 3.75%.
 - كما شهد منحنى العائد على سندات الخزينة الأمريكية انخفاضًا واسع النطاق مصحوبًا بزيادة ملحوظة في انحدار المنحنى. فقد اتسع الفارق بين عوائد السندات لأجل 10 سنوات و2 سنة من 33 نقطة أساس إلى 69 نقطة أساس خلال العام. وانخفض عائد السندات لأجل سنتين بمقدار 77 نقطة أساس ليصل إلى 3.48%، وتراجع عائد السندات لأجل 5 سنوات بمقدار 66

3.73%, and the 10-year yield fell by 40 basis points to 4.17% compared to year-end 2024. These yield movements were consistent with weakening labor-market conditions, including a 52% year-over-year decline in Non-Farm Payroll growth for the twelve months ending November 2025.

- SAR denominated Saudi Arabian sovereign sukuk yields also trended lower across most maturities. The 2-year sukuk yield declined by 38 basis points from 5.30% to 4.92%, while the 5-year sukuk yield decreased by 37 basis points from 5.47% to 5.10%. The 10-year sukuk yield remained broadly stable, edging down by 2 basis points from 5.75% to 5.73%.
- Saudi Arabian Interbank Offered Rates (SAIBOR) declined across all major tenors during 2025. The 1-Month, 3-Month, and 12-Month SAIBOR rates decreased by 86 basis points, 68 basis points, and 17 basis points, reaching 5.62%, 5.54%, and 5.25% respectively as of 31 December 2025.
- Similarly, U.S. dollar Term SOFR rates recorded year-over-year declines. The 1-Month and 3-Month SOFR tenors each fell by 65 basis points, while the 12-Month tenor declined by 76 basis points, ending the year at 3.69%, 3.65%, and 3.42% respectively.
- Saudi sovereign debt issuance increased notably during the year, with issuances reaching SAR 401 billion in 2025, compared with SAR 245 billion for 2024. As a result, total outstanding government debt rose to SAR 1,519 billion as of December 2025, equivalent to 33% of GDP, up from 26% at the end of 2024.
- Excess Saudi Riyal liquidity in the banking sector—measured by the net daily average of reverse repo volumes—rose significantly, averaging SAR 41 billion for the year, an 88% increase from SAR 22 billion compared to 2024. Broad money supply (M3) continued to expand steadily, reaching SAR 3.19 trillion by 2025 year-end, representing year-over-year growth of 9.11%.
- Brent crude oil prices averaged USD 68 per barrel in 2025, approximately USD 12 per barrel (-15%) lower than the 2024 average of USD 80 per barrel.

نقطة أساس ليبلغ 3.73%، بينما انخفض عائد السندات لأجل 10 سنوات بمقدار 40 نقطة أساس ليصل إلى 4.17% مقارنة بنهاية عام 2024. وتعكس هذه التحركات ضعفًا في مؤشرات سوق العمل، بما في ذلك تراجع نمو الوظائف غير الزراعية بنسبة 52% على أساس سنوي خلال الاثني عشر شهرًا المنتهية في نوفمبر 2025.

أما منحى الصكوك السيادية السعودية المقومة بالريال السعودي، فقد شهد انخفاضًا عبر معظم الأجل. حيث تراجع عائد الصكوك لأجل سنتين بمقدار 38 نقطة أساس من 5.30% إلى 4.92%، وانخفض عائد الصكوك لأجل 5 سنوات بمقدار 37 نقطة أساس من 5.47% إلى 5.10%. بينما ظل عائد الصكوك لأجل 10 سنوات مستقرًا نسبيًا، مسجلًا انخفاضًا طفيفًا بمقدار نقطتين أساس من 5.75% إلى 5.73%.

انخفضت معدلات السايبور (SAIBOR) في المملكة العربية السعودية عبر جميع الأجل خلال عام 2025. حيث تراجع سايبور لشهر واحد وثلاثة أشهر واثنى عشر شهرًا بمقدار 86 و 68 و 17 نقطة أساس على التوالي، ليصل إلى 5.62% و 5.54% و 5.25% بنهاية 31 ديسمبر 2025.

وبالمثل، سجلت معدلات الـ Term SOFR المقومة بالدولار الأمريكي تراجعًا على أساس سنوي. فقد انخفض كلٌّ من أجل شهر واحد وثلاثة أشهر بمقدار 65 نقطة أساس، بينما تراجع أجل اثني عشر شهرًا بمقدار 76 نقطة أساس، لتنتهي السنة عند 3.69% و 3.65% و 3.42% على التوالي.

ارتفع إصدار الديون السيادية السعودية بشكل ملحوظ خلال العام، حيث بلغ إجمالي الإصدارات 401 مليار ريال سعودي في عام 2025، مقارنةً بـ 245 مليار ريال سعودي خلال عام 2024. ونتيجة لذلك، ارتفع إجمالي الدين الحكومي القائم إلى 1,519 مليار ريال سعودي بنهاية عام 2025، ما يعادل 33% من الناتج المحلي الإجمالي، مقارنةً بـ 26% في نهاية عام 2024.

ارتفع فائض السيولة بالريال السعودي في القطاع المصرفي—والمقاس بمتوسط صافي أحجام عمليات إعادة الشراء العكسية اليومية—بشكل ملحوظ، إذ بلغ متوسطه 41 مليار ريال سعودي خلال العام، بزيادة قدرها 88% مقارنةً بـ 22 مليار ريال سعودي خلال عام 2024. كما واصل عرض النقود الواسع (M3) نموه بوتيرة مستقرة، ليصل إلى 3.19 تريليون ريال سعودي حتى 27 ديسمبر، مسجلًا نموًا سنويًا بنسبة 9.11%. بلغ متوسط سعر خام برنت 68 دولارًا للبرميل في عام 2025، أي أقل بنحو 12 دولارًا للبرميل (-15%) مقارنةً بمتوسط عام 2024 البالغ 80 دولارًا للبرميل.

4) Exercising of Voting Rights

No voting rights were exercised during the year.

4) ممارسات التصويت السنوية

لم تتم أي ممارسات تصويت خلال العام.

5) Fund Board Annual Report

a. Names of Fund Board Members

- Ali Abdulaziz Al Hawas - Chairman - Dependent Member
- Feras Abdulrazaq Houhou - Dependent Member
- Naif Abdulaziz Al Degaither - Independent member
- Hamad Mohammad Alhammad - Independent member

5) تقرير مجلس إدارة الصندوق السنوي

أ. أسماء أعضاء مجلس إدارة الصندوق

- علي عبدالعزيز الحواس - رئيس مجلس إدارة الصندوق - عضو غير مستقل
- فراس عبدالرزاق حوحو - عضو غير مستقل

- نايف عبدالعزيز الدغيثر - عضو مستقل
- حمد محمد الحماد - عضو مستقل

b. A brief about of the fund board members' qualifications

Ali Al Hawas: Executive Vice President, and Head of Global Markets at Saudi National Bank. He joined Samba in 2008 and has over 24 years of Treasury business experience. He is member of Bank's Asset Liability Management Committee and responsible of managing the business under Samba Global Markets Ltd platform. He holds a diploma certificate from ACI University.

Feras Houhou: General Legal Counsel at Savvy Electronic Gaming Group ("Savvy"), a leading company aiming to drive long-term growth in the global gaming and eSports sector. In his position as general legal counsel, he oversees many tasks and responsibilities related to five main departments: legal affairs, risk management, compliance, governance, and board affairs. Mr. Feras also held the position of head at SNB Capital's Legal and Governance Division and the Sectary of the Board. In March 2015, Feras joined the Legal Division besides his role as a Board Secretary. His expertise covers a wide range of tasks such as working on various Equity Capital Market and Debt Capital Market transactions and handling all litigations in which the Company is involved. He also has worked extensively in Merger & Acquisition and all sorts of investment funds locally and internationally. His role in these transactions included negotiations, drafting and execution of its relevant agreements, documents and structure. Prior to joining SNB Capital, Feras worked at the Legal Division in the Capital Market Authority where he participated in drafting many of the Capital Market Regulations and advised in many policy matters. Mr. Feras holds an LLM specialized in Securities and Financial Regulations from Georgetown Law School and a law degree from King Abdulaziz University. He was appointed in July 2021 as member of the Middle East & North Africa (MENA) advisory Board at Georgetown Law Centre.

Naif Abdulaziz Al Degaiher: He has over 23 years of practical experience in strategy, business development, project management and banking. He is the Vice Chairman of the Capital Market Institutions Committee, Vice Chairman of the Financial Technology Committee and a Managing Partner at the Competitiveness Center for Consulting. He also served as the Deputy Authority for Strategic and International Affairs at the Capital Market Authority, and then worked as the Director of Strategy at Al Rajhi Capital. He also worked at the National Manufacturing Company, and was a member of many of its subsidiaries' boards of directors and committees. He also worked as a financial analyst at the Saudi Industrial Development Fund (SIDF). He holds a Master's degree in Business Administration, Finance, from Prince Sultan University, and a Bachelor's degree in Industrial Engineering from King Saud University.

Hamad Mohammad Alhammad: He has extensive and deep experience in financial markets through his work in several investment companies. He currently works as an executive member at Ajdar Fintech Company, where he played a fundamental role in establishing the company and developing its strategies. He also held the position of "Vice President" of Local Equities at Hassana Investment Company,

ب. نبذة عن مؤهلات أعضاء مجلس إدارة الصندوق

علي الحواس: نائب الرئيس التنفيذي، رئيس الأسواق العالمية في البنك الأهلي السعودي. انضم إلى مجموعة سامبا المالية في عام 2008 ولديه أكثر من 24 عاماً من الخبرة في مجال الخزينة. مسؤول عن الناحية التشغيلية من إدارة أعمال في منصة شركة الأسواق العالمية المحدودة لدى سامبا. عضو في لجنة إدارة الموجودات والمطلوبات في البنك. بالإضافة إلى ذلك، حصل على شهادة دبلوم من جامعة ACI

فراس حوحو: المستشار القانوني العام في مجموعة سافي للألعاب الإلكترونية ("سافي")، الشركة الرائدة التي تهدف إلى تعزيز النمو طويل المدى في قطاع الألعاب والرياضات الإلكترونية عالمياً. ويشرف في وظيفته كمستشار قانوني عام على العديد من المهام والمسؤوليات المعنية بخمسة أقسام رئيسية هي الشؤون القانونية وإدارة المخاطر والامتثال والحوكمة وشؤون مجلس الإدارة. أيضاً كان يشغل الأستاذ/ فراس منصب رئيس قسم الشؤون القانونية والحوكمة بشركة الأهلي المالية وأمين مجلس إدارة الشركة، حيث التحق بقسم الشؤون القانونية بشركة الأهلي المالية في مارس 2015 م إلى جانب دوره كأمين لمجلس الإدارة. تغطي خبرة الأستاذ فراس مجموعة واسعة من المهام مثل الصفقات المتعلقة بالأسهم (ECM) و الصفقات الإقراض (DCM) في السوق المالية، ومتابعة الدعاوى القضائية التي تخص الشركة. كما تمتد خبرته إلى العمل في صفقات الاندماج والاستحواذ والصناديق الاستثمارية محلياً ودولياً حيث عمل على المفاوضات وإعداد ومراجعة الاتفاقيات والوثائق ذات العلاقة بعدد من الصفقات في السوق المالية السعودية وعدد من الدول الأجنبية. قبل انضمامه إلى شركة الأهلي المالية، عمل الأستاذ فراس في الإدارة القانونية بهيئة السوق المالية حيث شارك في صياغة العديد من لوائح السوق المالية وقدم المشورة بخصوص العديد من المسائل المتعلقة بسياسات السوق. يحمل الأستاذ فراس شهادة ماجستير في القانون من جامعة جورجتاون في تخصص الأوراق المالية والتشريعات المالية وشهادة في القانون من جامعة الملك عبد العزيز. كما عُين في يوليو 2021 م في المجلس الاستشاري لشؤون الشرق.

نايف الدغيثر: يحمل خبرة عملية لأكثر من 23 عام في الشؤون الاستراتيجية وتطوير الأعمال وإدارة المشاريع والأعمال المصرفية. وهو نائب الرئيس في لجنة مؤسسات السوق المالية، ونائب رئيس لجنة التقنية المالية وهو شريك إداري في مركز التنافسية للاستشارات. كما شغل منصب وكيل الهيئة للشؤون الاستراتيجية والدولية في هيئة السوق المالية، كما عمل بعدها كمدير للاستراتيجية في شركة الراجحي المالية. كما عمل في شركة التصنيع الوطنية، وشغل عضوية العديد من مجالس إدارات شركاتها التابعة ولجانها. كما عمل كمحلل مالي في صندوق التنمية الصناعية السعودي (SIDF). يحمل درجة الماجستير في إدارة الأعمال، تخصص مالية، من جامعة الأمير سلطان، ودرجة البكالوريوس في الهندسة الصناعية من جامعة الملك سعود.

حمد الحماد: يتمتع بخبرة واسعة وعميقة في الأسواق المالية من خلال عمله في عدة شركات استثمارية. يعمل حالياً كعضو تنفيذي في

where he contributed to managing financial portfolios, and “Assistant Manager of Equity Research” at SNB Capital in the Asset Management Department. On the academic level, he obtained a Bachelor’s degree in Financial Management from Prince Sultan University, and he holds the professional Chartered Financial Analyst (CFA) certificate.

شركة أجرد للتقنية المالية حيث كان له دور جوهري في تأسيس الشركة وتطوير استراتيجياتها. كما شغل منصب "نائب رئيس" الأسهم المحلية في شركة حصانة الاستثمارية حيث ساهم في إدارة المحافظ المالية، و "مساعد مدير أبحاث الاستثمار" في الأهلي المالية في قسم إدارة الأصول. وعلى الصعيد العلمي، حصل على درجة البكالوريوس في الإدارة المالية من جامعة الأمير سلطان، وهو حاصل على شهادة محلل مالي معتمد (CFA) المهنية.

c. Roles and responsibilities of the Fund Board

The responsibilities of the members of the fund board shall include the following:

1. Approving material contracts, decisions and reports involving the fund.
2. Approve a written policy in regards to the voting rights related to the fund assets.
3. Overseeing and, where appropriate, approving or ratifying any conflicts of interest the fund manager has identified.
4. Meeting at least twice annually with the fund manager’s compliance committee or its compliance officer to review the fund manager’s compliance with all applicable rules, laws and regulations.
5. Approving all changes stipulated in Articles (64) and (65) of the Investment Funds Regulations “IFRs” before the fund manager obtains the approval or notification of the unitholders and the Authority (as applicable).
6. Confirming the completeness and accuracy (complete, clear, accurate, and not misleading), and compliance with the IFRs, of the Terms and Conditions and of any other document, contractual or otherwise.
7. Ensuring that the fund manager carries out its obligations in the best interests of the unitholders, in accordance with the IFRs and the Fund’s Terms and Conditions.
8. Reviewing the report that includes assessment of the performance and quality of services provided by the parties involved in providing significant services to the fund referred to in Paragraph (I) of Article (9) of IFRs, in order to ensure that the fund manager fulfils his responsibilities in the interest of unitholders in accordance with the Fund’s Terms and Conditions and the provisions stipulated in IFRs.
9. Assessing the mechanism of the fund manager’s handling of the risks related to the fund’s assets in accordance with the fund manager’s policies and procedures that detect the fund’s risks and how to treat such risks.
10. Have a fiduciary duty to unitholders, including a duty to act in good faith, a duty to act in the best interests of the unitholders and a duty to exercise all reasonable care and skill.
11. Approving the appointment of the external Auditor nominated by the Fund Manager.

ج. أدوار مجلس إدارة الصندوق ومسؤولياته

تشمل مسؤوليات أعضاء مجلس إدارة الصندوق، على سبيل المثال لا الحصر، الآتي:

1. الموافقة على جميع العقود والقرارات والتقارير الجوهرية التي يكون الصندوق طرفاً فيها.
2. اعتماد سياسة مكتوبة فيما يتعلق بحقوق التصويت المتعلقة بأصول الصندوق.
3. الإشراف، ومتى كان ذلك مناسباً، الموافقة أو المصادقة على أي تعارض مصالح يفصح عنه مدير الصندوق وفقاً لللائحة صناديق الاستثمار.
4. الاجتماع مرتين سنوياً على الأقل مع لجنة المطابقة والالتزام لدى مدير الصندوق أو مسؤول المطابقة والالتزام لديه، للتأكد من التزام مدير الصندوق بجميع اللوائح والأنظمة المتبعة.
5. الموافقة على جميع التغييرات المنصوص عليها في المادتين (64) و (65) من لائحة صناديق الاستثمار وذلك قبل حصول مدير الصندوق على موافقة مالكي الوحدات والهيئة أو إشعارهم (حيثما ينطبق).
6. التأكد من اكتمال ودقة شروط وأحكام الصندوق وأي مستند آخر (سواء أكان عقداً أم غيره) يتضمن إفصاحات تتعلق بالصندوق ومدير الصندوق وإدارته للصندوق، إضافةً إلى التأكد من توافق ما سبق مع أحكام لائحة صناديق الاستثمار.
7. التأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالكي الوحدات وفقاً لشروط وأحكام الصندوق، وأحكام لائحة صناديق الاستثمار.
8. الاطلاع على التقرير المتضمن تقييم أداء وجودة الخدمات المقدمة من الأطراف المعنية بتقديم الخدمات الجوهرية للصندوق المشار إليه في الفقرة (ل) من المادة (9) من لائحة صناديق الاستثمار؛ وذلك للتأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالك الوحدات وفقاً لشروط وأحكام الصندوق وما ورد في لائحة صناديق الاستثمار.
9. تقييم آلية تعامل مدير الصندوق مع المخاطر المتعلقة بأصول الصندوق وفقاً لسياسات وإجراءات مدير الصندوق حيال رصد المخاطر المتعلقة بالصندوق وكيفية التعامل معها.

12. Taking minutes of meetings that provide all deliberations and facts of the meetings and the decisions taken by the fund's board of director.
13. Review the report containing all complaints and the measures taken regarding them referred to in Paragraph (m) of Article (9) of IFRs, in order to ensure that the fund manager carries out his responsibilities in a way that serves the interest of unitholders in accordance with the Fund's Terms and Conditions and what contained in this Regulation.

d. Remuneration of fund board members

Independent Board members shall be remunerated by the Fund Manager in the case of attending two meetings per year, being the minimum amount of Board meetings, such remuneration to be paid to each independent Board member from the Fund's assets. It should be noted that this remuneration is allocated from the total expenses paid to public open-ended funds managed by the Fund Manager for a total amount of SR 80,000 per year to the independent board members collectively. The fees will be allocated based on the percentage of the Fund's NAV to the aggregate net asset value of these funds. In addition, independent Board members are compensated for travel allowances up to a maximum of SAR 7,500 to be paid from the Fund's assets. Non-independent Board members shall not be entitled to any remuneration from the Fund Manager in consideration to their roles as Board members of the Fund.

e. A statement of any conflict or potential conflict of interest between the interests of a fund board member and the interests of the fund

The Fund Board is composed of certain employees of the Fund Manager. However, the Fund Board members have fiduciary duties to Unitholders and will use their best efforts to resolve all conflicts by exercising their good faith judgement. Furthermore, Board members may hold Unit in the Fund, have a banking relationship with companies in which their shares are acquired, sold or maintained by the Fund or on its behalf, or with which the Fund has Murabaha deals. However, if any conflict of interests arises, such conflict shall be communicated to the Fund Board for approval in which case the conflicted Board member shall not be entitled to vote on any resolution taken by the Fund Board in respect of which the conflicted Board member has any direct or indirect interest.

f. A statement showing all the funds boards that the relevant board member is participating in

10. العمل بأمانة وحسن نية واهتمام ومهارة وعناية وحرص وبما يحقق مصلحة مالكي الوحدات.
11. الموافقة على تعيين مراجع الحسابات بعد ترشيحه من قبل مدير الصندوق.
12. تدوين محاضر الاجتماعات التي تشتمل على جميع وقائع الاجتماعات والقرارات التي اتخذها مجلس إدارة الصندوق.
13. الاطلاع على التقرير المتضمن جميع الشكاوى والإجراءات المتخذة حيالها المشار إليه في الفقرة (م) من المادة (9) من لائحة صناديق الاستثمار؛ وذلك للتأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالكي الوحدات وفقاً لشروط وأحكام الصندوق وما ورد في لائحة صناديق الاستثمار.

د. مكافآت أعضاء مجلس إدارة الصندوق

يتقاضى أعضاء المجلس المستقلين مكافأة من مدير الصندوق في حال حضور اجتماعين بالسنة وهو الحد الأدنى لعدد اجتماعات مجلس إدارة حيث يتقاضى كل عضو مستقل مكافأة تدفع من أصول الصندوق. وتجدر الإشارة إلى أن هذه المكافأة يتم تخصيصها من إجمالي المصاريف المدفوعة للصناديق العامة المفتوحة التي يديرها مدير الصندوق بمبلغ إجمالي 80,000 ريال سعودي سنوياً لأعضاء المجلس المستقلين مجتمعين. وسيتم تخصيص الرسوم بناء على نسبة قيمة صافي الأصول بالصندوق إلى إجمالي قيمة صافي الأصول في تلك الصناديق. كما تُدفع لأعضاء المجلس المستقلين مخصصات سفر بحد أقصى 7,500 ريال سعودي تدفع من أصول الصندوق. ولا يتقاضى أعضاء مجلس الإدارة غير المستقلين أي مكافأة من مدير الصندوق مقابل دورهم كأعضاء مجلس إدارة الصندوق.

هـ. تعارض المصالح بين مصالح عضو مجلس إدارة

الصندوق ومصالح الصندوق

يتألف مجلس إدارة الصندوق من بعض موظفي مدير الصندوق. ومع ذلك، فإن أعضاء المجلس لديهم واجبات وأمانة لمالكي الوحدات، وسوف يبذلون قصارى جهدهم لحل جميع حالات تعارض المصالح من خلال ممارسة الاجتهاد بنية حسنة. كما يمكن لأعضاء المجلس تملك وحدات في الصندوق أو أن يكون لديهم علاقات مصرفية مع الشركات التي يتم شراء أسهمها أو بيعها أو حفظها من قبل الصندوق أو نيابة عنه، أو التي يكون لدى الصندوق صفقات مربحة معها. ومع ذلك، في حالة نشوء أي تعارض في المصالح، يتم إبلاغ مجلس الصندوق بهذا التعارض للموافقة عليه وفي هذه الحالة لا يجوز للعضو الذي لديه تعارض في المصالح التصويت على أي قرار يتخذه مجلس إدارة الصندوق ويكون للعضو أي مصلحة مباشرة أو غير مباشرة فيه.

و. جدول يوضح جميع مجالس إدارة الصناديق التي

يشارك فيها عضو مجلس الصندوق

| Fund's/ Member's Name | حمد الحماد Hamad Alhammad | نايف الدغيثر Naif Al Degaither | فراس حوحو Naif Al-Saif | علي الحواس Ali Al Hawas | اسم الصندوق / العضو |
|---|------------------------------|-----------------------------------|---------------------------|----------------------------|---|
| SNB Capital Al Sunbullah USD | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي السنبله بالدولار |
| SNB Capital Al Sunbullah SAR | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي السنبله بالريال |
| SNB Capital Al Ataa GCC Equity Fund | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي العطاء للأسهم السعودية |
| SNB Capital Saudi Large-Mid Cap Equity Fund | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي لأسهم الشركات الكبيرة والمتوسطة السعودية |
| SNB Capital Al Razeen USD Liquidity Fund | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي الرزين بالدولار |
| SNB Capital Al Razeen SAR Liquidity Fund | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي الرزين بالريال |
| SNB Capital China Equity Fund | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي للأسهم الصينية |
| SNB Capital Global Equity Fund | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي للأسهم العالمية |
| SNB Capital Healthcare & Education Sectors Fund | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي لقطاعي الصحة والتعليم |
| SNB Capital Arab Markets Equity Fund | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي لأسواق الأسهم العربية |
| SNB Capital GCC Financial Sector Fund | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي للقطاع المالي الخليجي |
| SNB Capital Corporates Sukuk Fund | ✓ | ✓ | ✓ | ✓ | صندوق الأهلي لصكوك الشركات |
| SNB Capital Sovereign Sukuk Fund | ✓ | ✓ | | ✓ | صندوق الأهلي للصكوك السيادية |
| SNB Capital Real Estate Fund | | ✓ | | | صندوق الأهلي العقاري |
| AlAhli REIT 1 | | | ✓ | | صندوق الأهلي ريت |
| SNB Capital Private Real Estate Fund | | | ✓ | | صندوق الأهلي العقاري الخاص |

g. Topics discussed and issued resolutions, as well as the fund performance and fund achievement of its objectives

The Fund's Board of Directors held two meetings during 2025G. The following is a summary of the key decisions approved and the matters discussed by the Fund's Board of Directors:

- Fund's objectives achievement and performance review.
- Risks related to the funds; including: liquidity, market, and operational risks.
- Ensuring fund's compliance to all applicable rules and regulations.

ز. الموضوعات التي تمت مناقشتها والقرارات الصادرة بشأنها بما

في ذلك أداء الصندوق وتحقيق الصندوق لأهدافه

عقد مجلس إدارة الصندوق اجتماعين خلال العام 2025م، وفيما يلي ملخصاً لأهم القرارات التي تم إقرارها والمواضيع التي تمت مناقشتها من قبل مجلس إدارة الصندوق:

- مناقشة تحقيق الصندوق لأهدافه وأدائه خلال العام.
- المخاطر المتعلقة بالصندوق بما في ذلك مخاطر السيولة، السوق، والتشغيل.
- التزام الصناديق بلوائح هيئة السوق المالية مع مسؤول المطابقة والالتزام.

C) Fund Manager
ج) مدير الصندوق

| | | | | | | | | | | | | | |
|---|---|-------|--------------|--------------|-----------------------|------|------|-------------|--|--------------|-------|-------------|------|
| 1) Name and address of the Fund Manager SNB Capital Company King Saud Road, P.O. Box 22216, Riyadh 11495, Saudi Arabia Tel: +966 920000232 Website: www.alahlicapital.com | 1) اسم مدير الصندوق، وعنوانه شركة الأهلي المالية طريق الملك سعود، ص.ب. 22216، الرياض 11495، المملكة العربية السعودية هاتف: +966 920000232 الموقع الإلكتروني: www.alahlicapital.com | | | | | | | | | | | | |
| 2) Names and addresses of Sub-Manager / Investment Adviser None. | 2) اسم وعنوان مدير الصندوق من الباطن و/أو مستشارين الاستثمار (إن وجد) لا يوجد. | | | | | | | | | | | | |
| 3) Investment Activities during the period - During 2024, given the funds' investment objectives its' strategy continued to be conservative, focusing on Murabaha placements with local banks and investment-grade GCC Counterparties only. - The liquidity and maturity profile was managed in a way that enabled it to take advantage of periods of higher rates on deposits, and retaining its short- medium term maturity profile within the fund's guidelines and CMA regulations. | 3) أنشطة الاستثمار خلال الفترة - خلال العام 2024م، ركز الصندوق على صفقات المرابحة مع البنوك المحلية وبنوك دول مجلس التعاون الخليجي ذات التصنيف الائتماني العالي فقط وفقاً لاستراتيجية الصندوق المتحفظة وأهدافه الاستثمارية. - تدار سيولة ومدة استحقاق ودائع الصندوق باستراتيجية تمكن الصندوق من الاستفادة من فترات ارتفاع أسعار الفائدة، والمحافظة على المدى القصير- المتوسط لاستحقاقات ودائع الصندوق وفقاً لضوابط إدارة الصندوق ولوائح هيئة السوق المالية. | | | | | | | | | | | | |
| 4) Performance <table border="1"> <tr> <td>Fund Performance</td> <td>5.69%</td> <td>5.69%</td> <td>أداء الصندوق</td> </tr> <tr> <td>Benchmark Performance</td> <td>5.5%</td> <td>5.5%</td> <td>أداء المؤشر</td> </tr> </table> The fund outperformed the benchmark by 19 bps. | Fund Performance | 5.69% | 5.69% | أداء الصندوق | Benchmark Performance | 5.5% | 5.5% | أداء المؤشر | 4) تقرير الأداء خلال الفترة <table border="1"> <tr> <td>أداء الصندوق</td> <td>5.69%</td> </tr> <tr> <td>أداء المؤشر</td> <td>5.5%</td> </tr> </table> تفوق أداء الصندوق عن أداء المؤشر بفارق 19 نقطة أساس. | أداء الصندوق | 5.69% | أداء المؤشر | 5.5% |
| Fund Performance | 5.69% | 5.69% | أداء الصندوق | | | | | | | | | | |
| Benchmark Performance | 5.5% | 5.5% | أداء المؤشر | | | | | | | | | | |
| أداء الصندوق | 5.69% | | | | | | | | | | | | |
| أداء المؤشر | 5.5% | | | | | | | | | | | | |
| 5) Terms & Conditions Material Changes Non-fundamental Changes: as shown below: First: Introducing a monthly distribution feature. Second: Converting the fund into Shariah-Compliant Fund. Third: Updating the definitions table. Fourth: Updating the Fund's summary. Fifth: Updating subparagraphs (a, b, c, d) in paragraph (1) "Investment Fund." Sixth: Updating paragraph (2) "Governing Laws". Seventh: Updating subparagraphs (a, b, c, d, e, f, g, h, i, j, k, l, m, n, o, p) in paragraph (3) "Investment Policies and Practices". Eighth: Updating paragraph (4) "The Main Risks of Investing in the Fund". Ninth: Updating paragraph (6) "Targeted Class for Investing in the Fund". Tenth: Updating paragraph (7) "Investments Restrictions/Limitations". Eleventh: Updating paragraph (8) "Currency". Twelfth: Updating subparagraphs (a, b, c, d, e, g, h) in paragraph (9) "Fees, Charges and Expenses." Thirteenth: Updating subparagraphs (a, b, d, e) in paragraph (10) "Valuation and Pricing." | 5) تغييرات حدثت في شروط وأحكام الصندوق تغييرات غير أساسية: كما هو موضح أدناه: أولاً: إضافة ميزة التوزيعات الشهرية للصندوق. ثانياً: تحويل الصندوق إلى صندوق شرعي. ثالثاً: تحديث قائمة المصطلحات. رابعاً: تحديث ملخص الصندوق. خامساً: تحديث الفقرات الفرعية (أ، ب، ج، د) من الفقرة الرئيسية (1) "صندوق الاستثمار". سادساً: تحديث الفقرة الرئيسية (2) "النظام المطبق". سابعاً: تحديث الفقرات الفرعية (أ، ب، ج، د، هـ، و، ز، ح، ط، ي، ك، ل، م، ن، س، ع) من الفقرة الرئيسية (3) "سياسات الاستثمار وممارساته". ثامناً: تحديث الفقرة الرئيسية (4) "المخاطر الرئيسية للاستثمار في الصندوق". تاسعاً: تحديث الفقرة الرئيسية (6) "الفئة المستهدفة للاستثمار في الصندوق". عاشراً: تحديث الفقرة الرئيسية (7) "قيود/ حدود الاستثمار". الحادي عشر: تحديث الفقرة الرئيسية (8) "العملة". الثاني عشر: تحديث الفقرات الفرعية (أ، ب، ج، د، هـ، ز، ح) الرئيسية (9) "مقابل الخدمات والعمولات والأتعاب". الثالث عشر: تحديث الفقرات الفرعية (أ، ب، د، هـ) من الفقرة الرئيسية (10) "التقييم والتسعير". الرابع عشر: تحديث الفقرات الفرعية (أ، ب، ج، د، هـ، و، ز، ح، ط) من الفقرة الرئيسية (11) "التعاملات". الخامس عشر: تحديث الفقرات الفرعية (أ، ب، ج) من الفقرة الرئيسية (12) "سياسة التوزيع". | | | | | | | | | | | | |

Fourteenth: Updating subparagraphs (a, b, c, d, e, f, g, h, i) in paragraph (11) "Dealings."

Fifteenth: Updating subparagraphs (a, b, c) in paragraph (12) "Distribution Policy."

Sixteenth: Updating subparagraphs (a, b) in paragraph (16) "Unitholders' Rights."

Seventeenth: Updating paragraph (17) "Unitholders' Liability."

Eighteenth: Updating paragraph (18) "Units Characteristics."

Nineteenth: Updating subparagraphs (e, f, g, i) in paragraph (21) "Fund Manager"

Twentieth: Updating subparagraphs (d, e, f, g) in paragraph (21) "Custodian."

Twentieth - first: Updating subparagraphs (d, e, f) in paragraph (24) "Fund Board."

Twentieth - second: Updating subparagraphs (a, b, c, d, e) in paragraph (25) "Shariah Committee."

Twentieth - third: Updating subparagraph (b) in paragraph (28) "Auditor".

Twentieth -fourth: Updating subparagraph (f) in paragraph (31) "Other Information".

Twentieth - fifth: Updating paragraph (33) "Unitholder Declaration".

Twentieth - sixth: Updating paragraph (34) "Summary of Financial Disclosure".

السادس عشر: تحديث الفقرات الفرعية (أ، ب) من الفقرة الرئيسية (16) "حقوق مالكي الوحدات".

السابع عشر: تحديث الفقرة الرئيسية (17) "مسؤولية مالكي الوحدات".

الثامن عشر: تحديث الفقرة الرئيسية (18) "خصائص الوحدات".

التاسع عشر: تحديث الفقرات الفرعية (هـ، و، ح، ط) الفقرة الرئيسية (21) "مدير الصندوق".

العشرون: تحديث الفقرات الفرعية (د، هـ، و، ز) الفقرة الرئيسية (23) "أمين الحفظ".

الحادي والعشرون: تحديث الفقرات الفرعية (د، هـ، و) الفقرة الرئيسية (24) "مجلس إدارة الصندوق".

الثاني والعشرون: تحديث الفقرات الفرعية (أ، ب، ج، د، هـ) الفقرة الرئيسية (25) "اللجنة الشرعية".

الثالث والعشرون: تحديث الفقرة الفرعية (ب) الفقرة الرئيسية (28) "مراجع الحسابات".

الرابع والعشرون: تحديث الفقرة الفرعية (و) من الفقرة الرئيسية (31) "معلومات أخرى".

الخامس والعشرون: تحديث الفقرة الرئيسية (33) "إقرار من مالك الوحدات".

السادس والعشرون: تحديث الفقرة الرئيسية (34) "ملخص الإفصاح المالي".

6) Any other information that would enable unitholders to make an informed judgment about the fund's activities during the period

None.

6) أي معلومة أخرى من شأنها أن تُمكن مالكي الوحدات من اتخاذ قرار مدروس ومبني على معلومات كافية بشأن أنشطة الصندوق خلال الفترة

لا يوجد.

7) Investments in other Investment Funds

management fees charged by investments in the following funds have been rebated:

- SNB Capital Saudi Riyal Trade Fund.

7) الاستثمار في صناديق استثمارية أخرى

تم التنازل عن رسوم الإدارة للصناديق الاستثمارية التي يستثمر بها الصندوق الموضحة أدناه:

- صندوق الأهلي للمتاجرة بالريال السعودي.

8) Special commission received by the fund manager during the period

No special commissions were received during the period.

8) العمولات الخاصة التي حصل عليها مدير الصندوق خلال الفترة

لم يحصل مدير الصندوق على أي عمولات خاصة خلال الفترة.

9) Any other data and other information required by Investment Fund Regulations to be included in this report

a. Conflict of Interests

There is no conflict of interests.

b. Fund Distribution During The Year

The fund distributed SAR 1.365 per unit during the year.

c. Incorrect Valuation or Pricing

None.

d. Investment Limitation Breaches

9) أي بيانات ومعلومات أخرى أوجبت لائحة صناديق الاستثمار تضمينها بهذا التقرير

أ. تعارض في المصالح

لا يوجد تعارض مصالح.

ب. توزيعات الصندوق خلال العام

وزع الصندوق 1.365 ريال سعودي عن كل وحدة خلال العام.

ج. خطأ في التقويم والتسعير

لا يوجد.

د. مخالفة قيود الاستثمار

| | |
|--|--|
| None. | لا يوجد. |
| 10) Period for the management of the person registered as fund manager | 10) مدة إدارة الشخص المسجل كمدير للصندوق |
| Since August – 2021G. | منذ أغسطس – 2021م. |
| 11) A disclosure of the expense ratio of each underlying fund at end of year and the weighted average expense ratio of all underlying funds that invested in (where applicable) | 11) الإفصاح عن نسبة مصروفات كل صندوق بنهاية العام والمتوسط المرجح لنسبة مصروفات كل الصناديق الرئيسة المستثمر فيها (حيثما ينطبق) |
| As shown in the sub-paragraph (7) of paragraph (C) in this Annual Report. | كما هو موضح في الفقرة الفرعية (7) من الفقرة (ج) من هذا التقرير السنوي. |

D) Custodian (د) أمين الحفظ

| | |
|---|--|
| 1) Name and address of custodian | 1) اسم أمين الحفظ، وعنوانه |
| HSBC Saudi Arabia Olaya, P.O. Box 2255, Riyadh 12283, Saudi Arabia Tel: +966920005920 Website: www.hsbcSaudi.com | شركة اتش اس بي سي العربية السعودية (HSBC) العليا، ص.ب. 2255، الرياض 12283، المملكة العربية السعودية هاتف: +966920005920 الموقع الإلكتروني: www.hsbcSaudi.com |
| 2) Custodian's duties and responsibilities | 2) واجبات ومسؤوليات أمين الحفظ |
| <ul style="list-style-type: none"> - Notwithstanding the delegation by a custodian to one or more third parties under the provisions of Investment Funds Regulations or the Capital Market Institutions Regulations, the custodian shall remain fully responsible for compliance with its responsibilities in accordance to the provisions of Investment Funds Regulations. - The custodian shall be held responsible to the fund manager and unitholders for any losses caused to the investment fund due to the custodian fraud, negligence, misconduct or willful default. - The custodian shall be responsible for taking custody and protecting the fund's assets on behalf of unitholders, and taking all necessary administrative measures in relation to the custody of the fund's assets. | <ul style="list-style-type: none"> - يعد أمين الحفظ مسؤولاً عن التزاماته وفقاً لأحكام لائحة صناديق الاستثمار، سواء قام بتأدية مسؤولياته بشكل مباشر أم كلف بها طرفاً ثالثاً بموجب أحكام لائحة صناديق الاستثمار أو لائحة مؤسسات السوق المالية. - يعد أمين الحفظ مسؤولاً تجاه مدير الصندوق ومالكي الوحدات عن خسائر الصندوق الناجمة بسبب احتياله أو إهماله أو سوء تصرفه المتعمد أو تقصيره المتعمد. - يعد أمين الحفظ مسؤولاً عن حفظ أصول الصندوق وحمايتها لصالح مالكي الوحدات، وهو مسؤول كذلك عن اتخاذ جميع الإجراءات الإدارية اللازمة فيما يتعلق بحفظ أصول الصندوق. |

E) Fund Operator (ه) مشغل الصندوق

| | |
|--|---|
| 1) Name and address of fund operator | 1) اسم مشغل الصندوق، وعنوانه |
| SNB Capital Company King Saud Road, P.O. Box 22216, Riyadh 11495, Saudi Arabia Tel: +966 920000232 Website: www.alahlicapital.com | شركة الأهلي المالية طريق الملك سعود، ص.ب. 22216، الرياض 11495، المملكة العربية السعودية هاتف: +966 920000232 الموقع الإلكتروني: www.alahlicapital.com |
| 2) Operator's duties and responsibilities | 2) واجبات ومسؤوليات مشغل الصندوق |
| <ul style="list-style-type: none"> - In relation to investment funds, the fund operator shall be responsible for operating the investment fund. | <ul style="list-style-type: none"> - يكون مشغل الصندوق مسؤولاً عن تشغيل الصندوق. |

- The fund operator must maintain the books and records related to the operation of the fund it operates.
 - The fund operator must establish a register of unitholders and must maintain it in the Kingdom in accordance to the Investment Funds Regulations.
 - The fund operator shall be responsible for the process of dividends distribution (if available) to unitholders.
 - The fund operator must process requests for subscriptions, redemption and transfer according to the fund's Terms & Conditions.
 - The fund operator shall be responsible for calculating the price of the units and valuing the assets of the fund. In so doing, the fund operator shall conduct a full and fair valuation according to the fund's Terms & Conditions.
- يقوم مشغل الصندوق بالاحتفاظ بالدفاتر والسجلات ذات الصلة بتشغيل الصندوق.
 - يقوم مشغل الصندوق بإعداد وتحديث سجلّ بالكي الوحدات وحفظه في المملكة وفقاً لمتطلبات لائحة صناديق الاستثمار.
 - يُعدّ مشغل الصندوق مسؤولاً عن عملية توزيع الأرباح (إن وجدت) حسب سياسة التوزيع المنصوص عليها في شروط وأحكام الصندوق.
 - يقوم مشغل الصندوق بإجراءات الاشتراك والاسترداد والتحويل حسب المنصوص عليها في شروط وأحكام الصندوق.
 - يُعدّ مشغل الصندوق مسؤولاً عن تقييم أصول الصندوق تقيماً كاملاً وعادلاً وحساب سعر وحدات الصندوق حسب ما ورد في شروط وأحكام الصندوق.

F) Auditor

و) مراجع الحسابات

Name and Address of Auditor

KPMG Professional Services

Roshn Front – Airport Road P.O Box. 92876, Riyadh 11663, Saudi Arabia
Tel: +966118748500
Website: www.kpmg.com/sa

اسم مراجع الحسابات، عنوانه

كي بي ام جي للخدمات المهنية

واجهة روشن – طريق المطار ص.ب. 92876، الرياض 11663 المملكة العربية السعودية
هاتف: +966118748500
الموقع الإلكتروني: www.kpmg.com/sa

G) Financial Statements

ز) القوائم المالية

As shown below in the financial statements section.

كما هو موضح أدناه في قسم القوائم المالية.

H) Zakat Calculations

ح) حساب الزكاة

New regulations effective during the year

"The Minister of Finance via Ministerial Resolution No. (29791) dated 9 Jumada-al-Awwal 1444 H (corresponding to 3 December 2022) approved the Zakat Rules for Investment Funds permitted by the CMA .

The Rules are effective from 1 January 2023 requiring Investment Funds to register with Zakat, Tax and Customs Authority (ZATCA). The Rules also require the Investment Funds to submit an information declaration to ZATCA within 120 days from the end of their fiscal year, including audited financial statements, records of related party transactions and any other data requested by ZATCA. Under the Rules, Investment Funds are not subject to Zakat provided they do not engage in unstipulated economic or investment activities as per their CMA approved Terms and Conditions. Unitholders are obliged to pay due ZAKAT based on their unit owned.

اللوائح الجديدة سارية المفعول خلال العام

"وافق وزير المالية بموجب القرار الوزاري رقم (29791) وتاريخ 9 جمادى الأولى 1444 هـ (الموافق 3 ديسمبر 2022م) على قواعد الزكاة لصناديق الاستثمار المسموح بها من قبل هيئة السوق المالية.

تسري القواعد اعتباراً من 1 يناير 2023 وتتطلب من صناديق الاستثمار التسجيل لدى هيئة الزكاة والضرائب والجمارك (الهيئة). كما تلزم القواعد أيضاً من صناديق الاستثمار تقديم إقرار معلومات إلى (الهيئة) خلال 120 يوماً من نهاية سنتها المالية، بما في ذلك القوائم المالية المدققة وسجلات المعاملات الأطراف ذات العلاقة وأي بيانات أخرى تطلبها الهيئة بموجب القواعد، لا تخضع صناديق الاستثمار للزكاة بشرط ألا تمارس أنشطة اقتصادية أو استثمارية غير مشروطة وفقاً للشروط والأحكام المعتمدة من هيئة أسواق المال. سيتحمل كل مالك في حدود ملكيته سداد الزكاة عن تلك الوحدات.

خلال العام الحالي، أكمل مدير الصندوق عملية تسجيل الصندوق لدى الهيئة وتم تقديم إعلان المعلومات في الوقت المناسب وكان مبلغ الزكاة الواجب أدائه للعام المالي المنتهي في 31 ديسمبر 2025 عن وحدات الصندوق 0.87582 ريال سعودي عن كل وحدة".

During the current year, the Fund Manager has completed the registration of the Fund with ZATCA and submitted information declaration on time and the due ZAKAT amount for the year ended 31 December 2025 for the fund units was amounted to 0.87582 Saudi Riyal per unit”.

SNB CAPITAL AI RAZEEN SAR LIQUIDITY FUND
(Managed by the SNB Capital Company)
FINANCIAL STATEMENTS
For the year ended 31 December 2025
together with the
Independent Auditor's Report to the Unitholders



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

شركة كي بي إي 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 Unitholders of the SNB Capital AI Razeen SAR Liquidity Fund

Opinion

We have audited the financial statements of the **SNB Capital AI Razeen SAR Liquidity Fund** (the "Fund") managed by the SNB Capital Company (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in net assets attributable to the Unitholders 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 Fund as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

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

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and to comply with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority ("CMA"), the Fund's terms and conditions, and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent Auditor's Report

To the Unitholders of the SNB Capital Al Razeen SAR Liquidity Fund (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of the **SNB Capital Al Razeen SAR Liquidity Fund**.

KPMG Professional Services Company

Abdulaziz Mohammed Alawad
License No. 712



Riyadh: 29 Ramadan 1447 H
Corresponding to 18 March 2026

SNB CAPITAL AI RAZEEN SAR LIQUIDITY FUND
(Managed by the SNB Capital Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

| | <i>Notes</i> | <i>31 December</i> <u>2025</u> | <i>31 December</i> <u>2024</u> |
|---|--------------|---|---|
| ASSETS | | | |
| Cash and cash equivalents | 9 | 804 | 2,261 |
| Investments – net | 10 | 483,940 | 388,810 |
| Other receivables | | 8,039 | 31 |
| Total assets | | <u>492,783</u> | <u>391,102</u> |
| LIABILITIES | | | |
| Other payables | | <u>6,103</u> | <u>1,643</u> |
| Net assets attributable to the Unitholders | | <u>486,680</u> | <u>389,459</u> |
| Units in issue in thousands (number) | | <u>14,324</u> | <u>11,640</u> |
| Net assets value per unit (SAR) | | <u>33.9765</u> | <u>33.4587</u> |

The accompanying notes 1 to 19 form an integral part of these financial statements.

SNB CAPITAL AI RAZEEN SAR LIQUIDITY FUND
(Managed by the SNB Capital Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

| | <i>Notes</i> | <i>31 December</i> <u>2025</u> | <i>31 December</i> <u>2024</u> |
|--|--------------|-----------------------------------|-----------------------------------|
| Special commission income on Murabaha contracts | | 24,693 | 37,791 |
| Realised gain on fair value through profit or loss investments (FVTPL investments) – net | | 5,219 | 2,999 |
| Unrealised (loss) / gain on FVTPL investments – net | | (1,938) | 481 |
| Rebate income | | 297 | 439 |
| Other income | | 71 | -- |
| Total income | | 28,342 | 41,710 |
| Management fees | <i>12</i> | (1,429) | (2,022) |
| Value added tax expense | <i>12</i> | (214) | (303) |
| Administrative expenses | | (162) | (342) |
| Custody fees | | (66) | (100) |
| Auditors' remuneration | <i>13</i> | (51) | (59) |
| Fund board remuneration | | (27) | (31) |
| Shariah audit fee | | (10) | -- |
| Capital market authority fees | | (8) | (8) |
| Tadawul fee | | (6) | (6) |
| (Charge) / reversal for expected credit loss allowance – net | | (2,114) | 81 |
| Total operating expenses | | (4,087) | (2,790) |
| Profit for the year | | 24,255 | 38,920 |
| Other comprehensive income for the year | | -- | -- |
| Total comprehensive income for the year | | 24,255 | 38,920 |

The accompanying notes 1 to 19 form an integral part of these financial statements.

SNB CAPITAL AI RAZEEN SAR LIQUIDITY FUND
(Managed by the SNB Capital Company)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS

For the year ended 31 December 2025

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

| | <i>31 December</i> <u>2025</u> | <i>31 December</i> <u>2024</u> |
|---|-----------------------------------|-----------------------------------|
| Net assets attributable to the Unitholders at the beginning of the year | 389,459 | 772,026 |
| Total comprehensive income for the year | 24,255 | 38,920 |
| Net increase / (decrease) in net assets from unit transactions during the year | | |
| Proceeds from units issued | 586,261 | 358,641 |
| Value of units redeemed | (495,461) | (780,128) |
| | 90,800 | (421,487) |
| Dividend distribution | (17,834) | -- |
| Net assets attributable to the Unitholders at the end of the year | 486,680 | 389,459 |

UNITS TRANSACTIONS

Transactions in units during the year are summarized as follows:

| | <i>31 December</i> <u>2025</u> | <i>31 December</i> <u>2024</u> |
|---|-----------------------------------|-----------------------------------|
| | -----Units in '000s----- | |
| Units at the beginning of the year | 11,640 | 24,438 |
| Units issued | 17,282 | 11,004 |
| Units redeemed | (14,598) | (23,802) |
| Net increase / (decrease) in units | 2,684 | (12,798) |
| Units at the end of the year | 14,324 | 11,640 |

The accompanying notes 1 to 19 form an integral part of these financial statements.

SNB CAPITAL AI RAZEEN SAR LIQUIDITY FUND
(Managed by the SNB Capital Company)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

| | <i>Note</i> | <i>31 December</i> 2025 | <i>31 December</i> 2024 |
|---|-------------|-----------------------------------|-----------------------------------|
| Cash flows from operating activities | | | |
| Profit for the year | | 24,255 | 38,920 |
| <i>Adjustments for:</i> | | | |
| Realised gain on FVTPL investments | | (5,219) | (2,999) |
| Unrealised loss / (gain) on FVTPL investments | | 1,938 | (481) |
| Special commission income on Murabaha contracts | | (24,693) | (37,791) |
| Charge / (reversal) for expected credit loss allowance – net | | 2,114 | (81) |
| | | (1,605) | (2,432) |
| <i>Net changes in operating assets and liabilities:</i> | | | |
| Investments measured at amortised cost – net | | (19,200) | 329,150 |
| FVTPL investments | | (72,211) | 31,511 |
| Other receivables | | (8,008) | 11 |
| Other payables | | 4,460 | 819 |
| | | (96,564) | 359,059 |
| Special commission received | | 22,141 | 38,776 |
| Net cash (used in) / generated from operating activities | | (74,423) | 397,835 |
| Cash flows from financing activities | | | |
| Proceeds from units issued | | 586,261 | 358,641 |
| Value of units redeemed | | (495,461) | (780,128) |
| Dividend distribution | | (17,834) | -- |
| Net cash generated from / (used in) financing activities | | 72,966 | (421,487) |
| Net decrease in cash and cash equivalents | | (1,457) | (23,652) |
| Cash and cash equivalents at the beginning of the year | 9 | 2,261 | 25,913 |
| Cash and cash equivalents at the end of the year | 9 | 804 | 2,261 |

The accompanying notes 1 to 19 form an integral part of these financial statements.

SNB CAPITAL AI RAZEEN SAR LIQUIDITY FUND
(Managed by the SNB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Expressed in Saudi Arabian Riyals ‘000 (unless otherwise stated)

1. THE FUND AND ITS ACTIVITIES

SNB Capital Al Razeen SAR Liquidity Fund (the “Fund”) is an open-ended investment fund, established under article 32 of the Investment Funds Regulations (the “Regulations”) issued by the Capital Market Authority (“CMA”), managed by SNB Capital Company (the “Fund Manager”), a subsidiary of The Saudi National Bank (the “Bank”), for the benefit of the Fund's Unitholders.

During the year, the Fund was converted into a Shariah-compliant fund in accordance with the guidelines approved by the Shariah Board.

The objective of the Fund is to invest in short term money market instruments in SAR or USD and other funds that have similar objectives and risk.

The terms and conditions of the Fund were issued on 1 Rabi-ul-Awal 1409 H (corresponding to 13 October 1988). The Fund commenced its activities on 19 Rabi-ul-Awal 1409 H (corresponding to 31 October 1988).

2. REGULATING AUTHORITY

The Fund is governed by the Regulations published by the CMA’s Board Resolution no. 1-219-2006 dated 3 Dhul Hijja 1427 H (corresponding to 24 December 2006) thereafter amended pursuant to the CMA’s Board Resolution no. 1-135-2025 dated 3 Jumada Al Thani 1447 H (corresponding to 24 November 2025) detailing requirements for all funds within the Kingdom of Saudi Arabia.

3. BASIS OF ACCOUNTING

These financial statements of the Fund have been prepared in accordance with the International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board 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”) and comply with the applicable provisions of the Investment Funds Regulations issued by the CMA and the Fund’s terms and conditions.

4. BASIS OF MEASUREMENT AND PRESENTATION

These financial statements have been prepared on a historical cost convention using the accrual basis of accounting and going concern concept except for investments measured at fair value through profit or loss (“FVTPL”) which are recorded at fair value.

The Fund 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.

5. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These financial statements are presented in Saudi Arabian Riyals (“SAR”) which is the Fund’s functional and presentation currency and have been rounded off to the nearest thousand unless otherwise stated.

SNB CAPITAL AI RAZEEN SAR LIQUIDITY FUND
(Managed by the SNB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

6. CHANGES IN FUND'S TERMS AND CONDITIONS

During the year, there have been no significant changes to the terms and conditions of the Fund.

7. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires the Fund Manager to make judgments, 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 recognised in the year in which the estimates are revised and in any future years affected.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

a) Measurement of expected credit loss ('ECL') allowance

The measurement of ECL allowance for financial assets measured at amortised cost requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

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

- Choosing appropriate models and assumptions for the measurement of ECL allowance;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product / market; and
- Determining criteria for significant increase in credit risk.

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL allowance are further detailed in note 14.2 (a) of these financial statements.

8. MATERIAL ACCOUNTING POLICIES

The Fund has consistently applied the following accounting policies to all periods presented unless otherwise stated and the material accounting policies applied in the preparation of these financial statements are set out below.

8.1 *Cash and cash equivalents*

Cash and cash equivalents include cash at bank and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents include bank balances.

8.2 *Financial assets and liabilities*

Classification of financial assets

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

SNB CAPITAL AI RAZEEN SAR LIQUIDITY FUND
(Managed by the SNB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

8. MATERIAL ACCOUNTING POLICIES (CONTINUED)

8.2 *Financial assets and liabilities (continued)*

Classification of financial assets (continued)

Financial assets measured at amortised cost

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

- 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 / commission on the principal amount outstanding.

Financial assets measured at FVOCI

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

- 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 / commission on the principal amount outstanding.

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

Financial assets measured at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Fund Manager;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – for example, whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realized.

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

SNB CAPITAL AI RAZEEN SAR LIQUIDITY FUND
(Managed by the SNB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Expressed in Saudi Arabian Riyals ‘000 (unless otherwise stated)

8. MATERIAL ACCOUNTING POLICIES (CONTINUED)

8.2 *Financial assets and liabilities (continued)*

Classification of financial assets (continued)

Business model assessment (continued)

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

Assessment whether contractual cash flows are solely payments of principal and interest / commission

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. Interest or ‘commission’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (for example: liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest / commission, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund’s claim to cash flows from specified assets (for example, non-recourse asset arrangements); and
- features that modify consideration of the time value of money – for example, periodical reset of interest / commission rates.

Impairment of financial assets

The Fund assesses on a forward-looking basis the ECL associated with its financial assets carried at amortised cost. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. In case of significant increase in credit risk since origination, allowance at an amount equal to lifetime ECLs is recorded.

Classification of financial liabilities

The Fund classifies its financial liabilities at amortised cost unless it has designated liabilities at FVTPL.

Recognition and initial measurement

Financial assets and liabilities measured at FVTPL are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. The Fund shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

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

SNB CAPITAL AI RAZEEN SAR LIQUIDITY FUND
(Managed by the SNB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Expressed in Saudi Arabian Riyals ‘000 (unless otherwise stated)

8. MATERIAL ACCOUNTING POLICIES (CONTINUED)

8.2 *Financial assets and liabilities (continued)*

Subsequent measurement

Financial assets measured at FVTPL are subsequently measured at fair value. Net gain or losses including any foreign exchange gains and losses, are recognized in profit or loss in ‘realized and unrealized gains / (loss) on FVTPL investments – net’ in the statement of profit or loss and other comprehensive income.

Financial assets and financial liabilities measured at amortised cost are subsequently measured at amortised cost using the effective interest / commission method and is recognized in the statement of profit or loss and other comprehensive income. Any gain or loss on de-recognition is also recognized in the statement of profit or loss and other comprehensive income. The ‘amortised cost’ of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative commission using effective interest / commission method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Derecognition

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

On derecognition of the financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit or loss and other comprehensive income. Any interest in such transferred financial assets that is created or retained by the the Fund is recognized as a separate asset or liability.

The Fund enters into transactions whereby it transfers assets recognized on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risk and rewards are retained, then the transferred assets are not derecognized. The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Offsetting

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

Income and expenses are presented on a net basis for gain and losses from financial instruments measured at FVTPL and foreign exchange gains and losses.

8.3 *Net Assets Value per unit*

The net assets value per unit is calculated by dividing the net assets attributable to the Unitholders included in the statement of financial position by the number of units outstanding at the year end.

SNB CAPITAL AI RAZEEN SAR LIQUIDITY FUND
(Managed by the SNB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Expressed in Saudi Arabian Riyals ‘000 (unless otherwise stated)

8. MATERIAL ACCOUNTING POLICIES (CONTINUED)

8.4 *Units in issue*

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund has redeemable units in issue. On liquidation of the Fund, they entitle the holders to the residual net assets. They rank pari passu in all respects and have identical terms and conditions. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each redemption date as well as in the event of the Fund's liquidation.

Redeemable units are classified as equity as these meet all of the following conditions:

- they entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- they are in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that are subordinate to all other classes of instruments have identical features;
- the instruments do not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instruments over their life are based substantially on the profit or loss, the change in recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instruments.

Incremental costs directly attributable to the issue or redemption of redeemable units are recognized directly in net assets as a deduction from the proceeds or part of the acquisition cost.

8.5 *Special commission income*

Special commission income presented in the statement of comprehensive income comprises of commission on financial assets and financial liabilities measured at amortised cost calculated on an effective interest / commission.

The 'effective interest / commission rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument:

- to the carrying amount of the financial assets; or
- the amortised cost of the financial liability.

In calculating special commission income, the effective interest / commission rate is applied to the gross carrying amount of the asset (when the assets is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, special commission income is calculated by applying the effective interest / commission rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of special commission income reverts to the gross basis.

8.6 *Distribution to the Unitholders*

Distribution to the Unitholders is accounted for as a deduction from the net assets attributable to the Unitholders.

8.7 *Management fee expense*

Management fee expense is recognized in the statement of profit or loss and other comprehensive income as the related services are performed.

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(Managed by the SNB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

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8. MATERIAL ACCOUNTING POLICIES (CONTINUED)

8.8 *Standards, and amendments thereof, adopted by the Fund*

Below amendments to accounting standards, interpretations and amendments became applicable for annual reporting periods commencing on or after 1 January 2025. The Fund manager has assessed that the amendments have no significant impact on the Fund’s financial statements.

Amendments to IAS 21 - Lack of exchangeability

8.9 *Standards issued but not yet effective*

Standards, interpretations and amendments issued but not yet effective up to the date of issuance of the Fund's annual financial statements are listed below. The Fund intends to adopt these standards when they become effective.

| <u><i>Standards, interpretations and amendments</i></u> | <u><i>Description</i></u> | <u><i>Effective from periods beginning on or after the following date</i></u> |
|---|--|---|
| Amendments to IFRS 9 and IFRS 7 | Classification and Measurement of Financial Instruments | 1 January 2026 |
| IFRS Accounting Standards | Annual Improvements to IFRS Accounting Standards – Volume 11 | 1 January 2026 |
| IFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| IFRS 19 | Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to IFRS 10 and IAS 28 | Sale or contribution of assets between an investor and its associates or joint venture | Available for optional adoption / effective date deferred indefinitely |

The above standards, interpretations and amendments are not expected to have a significant impact on the Fund’s financial statements.

9. CASH AND CASH EQUIVALENTS

This comprises of balances held with custodian in a brokerage account having Moody’s credit rating of A2 which is in line with globally understood definition of investment grade.

10. INVESTMENTS – NET

| | <i>Notes</i> | <u><i>31 December 2025</i></u> | <u><i>31 December 2024</i></u> |
|--|--------------|--------------------------------|--------------------------------|
| Investments measured at amortised cost – net | <i>i)</i> | 370,596 | 350,958 |
| FVTPL investments | <i>ii)</i> | 113,344 | 37,852 |
| | | <u>483,940</u> | <u>388,810</u> |

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(Managed by the SNB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

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10. INVESTMENTS – NET (CONTINUED)

i) Investments measured at amortised cost – net

Investments measured at amortised cost include the following:

| | <i>Note</i> | <u>31 December 2025</u> | <u>31 December 2024</u> |
|--|-------------|-----------------------------|-----------------------------|
| Investments in Murabaha contracts | <i>a)</i> | 372,793 | 351,041 |
| Less: Expected credit loss allowance | | <u>(2,197)</u> | <u>(83)</u> |
| Net investments measured at amortised cost | | <u>370,596</u> | <u>350,958</u> |

- a) Murabaha placements are held with local and international banks. These carry profit rates ranging from 4.55% to 6.40% (2024: 5.60% to 6.70%) per annum with maturity up till September 2026 (2024: June 2024).

ii) FVTPL investments

Investments measured at fair value through profit or loss include the following:

| | <u>31 December 2025</u> | | <u>31 December 2024</u> | |
|--|-------------------------|-------------------|-------------------------|-------------------|
| | <u>Cost</u> | <u>Fair value</u> | <u>Cost</u> | <u>Fair value</u> |
| Units of SNB Capital Al Sunbullah SAR – a related party – note (a) | 95,375 | 97,030 | -- | -- |
| Units of SNB Capital Saudi Riyal Trade Fund – a related party – note (b) | 16,103 | 16,314 | 34,048 | 37,852 |
| | <u>111,478</u> | <u>113,344</u> | <u>34,048</u> | <u>37,852</u> |

The investee fund is managed by the Fund Manager.

- a) During the year, the Fund purchased 746,683 units (2024: Nil) of SNB Capital Al Sunbullah SAR Fund amounting to SAR 104,620,000 (2024: Nil) and sold 66,665 units (2024: Nil) amounting to SAR 9,350,000 (2024: Nil).
- b) During the year, the Fund purchased 12,523,592 units (2024: Nil) of SNB Capital Saudi Riyal Trade Fund amounting to SAR 28,000,000 (2024: Nil) and sold 22,865,576 units (2024: 14,671,537) amounting to SAR 51,060,048 (2024: 31,510,000).

11. RECONCILIATION OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS

As per the requirements of CMA circular dated 31 December 2017, the Fund calculates provision for impairment in respect of financial investments measured at amortized cost using the incurred loss model, whereas IFRS 9 requires provisions to be measured using the Expected Credit Loss (“ECL”) method. This results in a difference between net assets calculated as per the requirements of IFRS 9 (“reported net assets value”) and as per CMA circular (“trading net assets value”).

The following table shows the reconciliation between the Fund’s reported net assets and trading net assets:

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(Managed by the SNB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

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11. RECONCILIATION OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS (CONTINUED)

| | <i>31 December</i> <i>2025</i> | <i>31 December</i> <i>2024</i> |
|--|-----------------------------------|-----------------------------------|
| Reported net assets of the Fund | 486,680 | 389,459 |
| Add: Expected credit loss allowance | 2,197 | 83 |
| | <u>488,877</u> | <u>389,542</u> |
| Less: Provision for incurred credit losses | -- | -- |
| Traded net assets of the Fund | <u>488,877</u> | <u>389,542</u> |
| Units in issue in thousands (number) | <u>14,324</u> | <u>11,640</u> |
| Traded net assets value per unit (SAR) | <u>34.1299</u> | <u>33.4658</u> |

12. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Fund include Fund Manager, Fund Board, other funds managed by the Fund Manager, and the Saudi National Bank, being parent of the Fund Manager.

Transactions with key management personnel

The Fund is managed and administered by the Fund Manager. For these services, the Fund accrues daily, a management fee up to 0.5% (2024: 0.5%) per annum of the Fund's daily assets as set out in the Fund's terms and conditions. The Fund Manager may waive management fees to the extent of the Fund's investments in other Funds managed by the Fund Manager. This is included in rebate income in the statement of profit or loss and other comprehensive income.

The Fund Manager is entitled to recover expenses that are incurred to the Fund. These include costs resulting from unitholders' meeting, preparing and printing the Fund's reports and other legal and regulatory costs. The Fund shall be bound by any other expenses permitted by law, provided that these expenses do not exceed 0.1% (2024: 0.1%) per annum of the Fund's average net asset value at the respective valuation days. These expenses have been recovered by the Fund Manager on a pro-rata basis.

During the year, the Fund has not entered into any transactions, other than those disclosed elsewhere in the financial statements, with related parties in the ordinary course of business. These transactions were carried out on the basis of approved terms and conditions of the Fund.

Following are the details of transactions and outstanding balances with Fund Manager related to management fees and other expenses:

| <i>Name of related party</i> | <i>Nature of transaction</i> | <i>Amount of transactions for the year ended</i> | | <i>Net payable balance as at</i> | |
|------------------------------|---|--|-------------------------|----------------------------------|-------------------------|
| | | <i>31 December 2025</i> | <i>31 December 2024</i> | <i>31 December 2025</i> | <i>31 December 2024</i> |
| SNB Capital Company | Management fees (including value added tax) | 1,643 | 2,325 | | |
| | Expenses paid on behalf of the Fund | 172 | 373 | | |
| | Rebate income | 297 | 439 | 31 | 130 |

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NOTES TO THE FINANCIAL STATEMENTS

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12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Investment in units of funds

During the year, other funds managed by the Fund Manager invested in the units of the Fund in the ordinary course of business. These transactions were carried out on the basis of approved terms and conditions of the Fund. Following are the details of transactions and closing balance in the units of the Fund:

| <i>Name of related party</i> | <i>Nature of transaction</i> | <i>Amount of transactions for the year ended</i> | | <i>Closing investments as at</i> | |
|------------------------------------|------------------------------|--|-------------------------|----------------------------------|-------------------------|
| | | <i>31 December 2025</i> | <i>31 December 2024</i> | <i>31 December 2025</i> | <i>31 December 2024</i> |
| SNB Capital Saudi Riyal Trade Fund | Redemption of fund units | -- | 64,820 | -- | -- |

13. AUDITORS' REMUNERATION

| | <i>31 December 2025</i> | <i>31 December 2024</i> |
|-----------------|-------------------------|-------------------------|
| Fee for: | | |
| Statutory audit | 25 | 25 |
| Interim review | 10 | 10 |
| Zakat services | 16 | 24 |
| | 51 | 59 |

14. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks including market risks, credit risks, liquidity risk and operational risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall governance of the Fund.

Monitoring and controlling risks are primarily set up to be performed based on the limits established in the terms and conditions document which sets out the Fund's overall business strategies, tolerance of risks and general risk management philosophy. Compliance with the limits are monitored by the Fund Board on a quarterly basis. In instances where portfolio has diverged from limits prescribed in the terms and conditions of the Fund, the Fund Manager is obliged to take actions to re-balance the portfolio in line with the investment guidelines within prescribed timelines.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.1 *Market risks*

‘Market Risk’ is the risk that changes in market prices – such as currency risk, commission rate risk and other price risk – will affect the Fund’s income or the fair value of its holdings in financial instruments.

a) Currency risk

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in foreign currencies.

The Fund does not have any foreign exchange risk since all the transactions are carried out in SAR.

b) Commission rate risk

Commission rate risk is the risk that the value of the future cash flows of a financial instrument or fair values of fixed coupon financial instruments will fluctuate due to changes in market commission rates.

At 31 December 2025, the Fund is exposed to commission rate risk on its investments in Murabaha contracts. A reasonably possible change of 10 basis points in interest rates at the reporting date would have increased (decreased) net assets and profit or loss by SAR 370,596 (2024: SAR 350,958).

c) Other market price risk

Other market price risk is the risk that the value of the Fund’s financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements. This other market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. The Fund Manager daily monitors concentration of risk in securities and industries in line with defined limits while closely tracking the portfolio level volatilities.

The effect on the net assets value as a result of the change in the fair value of investments as at 31 December due to a reasonably possible notional change in market value of the Investee Fund by 10%, with all other variables held constants is as follows:

| | <u>31 December 2025</u> | <u>31 December 2024</u> |
|---|-------------------------|-------------------------|
| Effect on net assets attributable to the Unitholders. | <u>± 11,334</u> | <u>± 3,785</u> |

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.2 *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 Fund Manager seeks to manage credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

The Fund is exposed to credit risk from its investments measured at amortised cost and bank balances. The bank balance is held with a custodian in a brokerage account having Moody’s credit rating of A2 which is in line with globally understood definition of investment grade. The significant portion of other receivables represents funds paid to a counterparty which has been settled in equity securities subsequent to the reporting period. Accordingly, there is no significant impact of expected credit loss allowance on this balance.

a) *General approach for expected credit loss allowance*

The Fund measures loss allowance at an amount equal to lifetime ECL for Stage 2 & Stage 3 exposures while loss allowance for Stage 1 exposures is measured at 12-month ECL.

12-month ECLs are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

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

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

The Fund categorizes its financial assets into following three stages in accordance with the IFRS 9 methodology:

- Stage 1 – financial assets that are not significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on 12 months PD.
- Stage 2 – financial assets that has significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on lifetime ECL. The impairment allowance is recorded based on lifetime PD.
- Stage 3 – financial assets that are credit impaired, the Fund recognizes the impairment allowance based on lifetime PD.

The Fund also considers the forward-looking information in its assessment of significant deterioration in credit risk since origination as well as the measurement of ECLs.

ECL allowance represents probability-weighted estimates of credit losses. These are measured as follows:

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

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.2 Credit risk (continued)

b) Expected credit loss allowance measurement

The table below shows financial instruments subject to impairment:

| | <i>As at 31 December</i> | | | |
|--|--------------------------|----------------|----------------|----------------|
| | <i>2025</i> | | | |
| | <i>Stage 1</i> | <i>Stage 2</i> | <i>Stage 3</i> | <i>Total</i> |
| Investments measured at amortised cost | 372,793 | -- | -- | 372,793 |
| Expected credit loss allowance | (2,197) | -- | -- | (2,197) |
| Carrying amount | 370,596 | -- | -- | 370,596 |

| | <i>As at 31 December</i> | | | |
|--|--------------------------|----------------|----------------|----------------|
| | <i>2024</i> | | | |
| | <i>Stage 1</i> | <i>Stage 2</i> | <i>Stage 3</i> | <i>Total</i> |
| Investments measured at amortised cost | 351,041 | -- | -- | 351,041 |
| Expected credit loss allowance | (83) | -- | -- | (83) |
| Carrying amount | 350,958 | -- | -- | 350,958 |

- As IFRS 9 requires entities to adopt a futuristic outlook of the macroeconomic scenarios in their estimates of risk parameters, the usage of a scenario framework for the same is imperative. The Fund has adopted scenario weights for three scenarios – baseline, upturn and downturn in line with external economic outlook and industry practice.
- The risk estimates derived are used along with the cashflows to arrive at the probability weighted ECL allowance across different stages.

The Fund Manager reviews credit concentration of the investment portfolio based on counterparties. The credit quality of the financial assets is managed using the ratings from reputable credit ratings agencies.

As at 31 December 2025 and 31 December 2024, the Fund has investments measured at amortized cost with the following credit quality:

| <i>Credit ratings</i> | <i>31 December 2025</i> | <i>31 December 2024</i> |
|-----------------------|-------------------------|-------------------------|
| A+ | -- | 25% |
| A | 7% | -- |
| A- | 67% | 75% |
| BBB+ | 11% | -- |
| B- | 15% | -- |
| | 100% | 100% |

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.2 Credit risk (continued)

b) *Expected credit loss allowance measurement (continued)*

The Fund Manager also reviews the credit concentration of the investment portfolio based on counterparties’ geographical locations. Since all the investments measured at amortised cost of the Fund are in the Kingdom of Saudi Arabia and GCC markets, therefore the Fund is not exposed to credit risk related to geographical distribution.

Investments measured at amortised cost

The following table explains the changes in the expected credit loss allowance for Murabaha contracts:

| | <u>Stage 1</u> | <u>Stage 2</u> | <u>Stage 3</u> | <u>Total</u> |
|--|----------------|----------------|----------------|--------------|
| Expected credit loss allowance as at 1 January 2025 | 83 | -- | -- | 83 |
| Charge for expected credit loss allowance | 2,114 | -- | -- | 2,114 |
| Expected credit loss allowance as at 31 December 2025 | 2,197 | -- | -- | 2,197 |
| | <u>Stage 1</u> | <u>Stage 2</u> | <u>Stage 3</u> | <u>Total</u> |
| Expected credit loss allowance as at 1 January 2024 | 164 | -- | -- | 164 |
| Reversal for expected credit loss allowance | (81) | -- | -- | (81) |
| Expected credit loss allowance as at 31 December 2024 | <u>83</u> | <u>--</u> | <u>--</u> | <u>83</u> |

There was no movement in stages of financial instruments during the year.

14.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund’s terms and conditions provide for subscription and redemption of units on every Saudi business day and it is, therefore, exposed to the liquidity risk of not being able to meet Unitholders’ redemption requests on these days. The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions or liquidation of the investment portfolio.

14.4 Operational risk

Operational risk is the risk of direct or indirect losses arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund’s activities either internally or externally at the Fund’s service provider and from external factors other than credit, market and liquidity risks such as those arising from the legal and regulatory requirements.

The Fund’s objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of maximising returns to the Unitholders.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.4 *Operational risk (continued)*

The primary responsibility for the development and implementation of control over operational risks rests with the Risk Management Team. This responsibility is supported by the development of overall standard for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service level agreements with the service providers, in the following areas:

- documentation of controls and procedures;
- requirements for:
 - appropriate segregation of duties between various functions, roles and responsibilities;
 - reconciliation and monitoring of transactions; and
 - periodic assessment of operational risks faced.
- the adequacy of controls and procedures to address the risks identified;
- compliance with regulatory and other legal requirements;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation

15 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

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis. The Fund measures instruments quoted in an active market at a market price, because this price is assessed to be a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The Fund recognizes transfer between levels of fair value at the end of the reporting year during which the change has occurred.

The fair value hierarchy has the following levels:

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

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15 FAIR VALUE MEASUREMENT (CONTINUED)

Carrying amounts and fair value

The following table shows the carrying amounts and fair values of financial instruments, 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. All fair value measurements below are recurring.

| | <i>As at 31 December 2025</i> | | | | |
|---|-------------------------------|-------------------|----------------|----------------|----------------|
| | <i>Carrying amount</i> | <i>Fair value</i> | | | |
| | | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
| <u>Financial assets measured at fair value</u> | | | | | |
| FVTPL investments | <u>113,344</u> | <u>--</u> | <u>113,344</u> | <u>--</u> | <u>113,344</u> |
| <u>Financial assets not measured at fair value</u> | | | | | |
| Investments measured at amortised cost | <u>370,596</u> | <u>--</u> | <u>366,750</u> | <u>--</u> | <u>366,750</u> |
| <i>As at 31 December 2024</i> | | | | | |
| | <i>Carrying amount</i> | <i>Fair value</i> | | | |
| | | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
| <u>Financial assets measured at fair value</u> | | | | | |
| FVTPL investments | <u>37,852</u> | <u>--</u> | <u>37,852</u> | <u>--</u> | <u>37,852</u> |
| <u>Financial assets not measured at fair value</u> | | | | | |
| Investments measured at amortised cost | <u>350,958</u> | <u>--</u> | <u>348,271</u> | <u>--</u> | <u>348,271</u> |

The Fund determines fair value of investments in un-listed open-ended investment funds measured at FVTPL using unadjusted net assets value and classified them as level 2 as per the fair value hierarchy.

During the year, there has been no transfer in fair value hierarchy for any financial assets or liabilities. For other financial assets and liabilities such as cash and cash equivalents, investments measured at amortised cost, other receivables and other payables, the carrying values were determined to be a reasonable approximation of fair value due to their nature.

16. LAST VALUATION DAY

The last valuation of day for the year was 31 December 2025 (2024: 31 December 2024).

17. COMPARATIVE FIGURES

Figures have been rearranged or reclassified wherever necessary for the purposes of better presentation; however, no significant rearrangements or reclassifications have been made in these financial statements.

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18. EVENTS AFTER THE END OF THE REPORTING PERIOD

The recent regional military escalations have triggered a high-risk conflict environment across the Gulf. The situation is still very fluid, and scenarios can shift very quickly. The escalations have brought about additional uncertainties in the Fund's operating environment. With respect to financial statements for the year ended 31 December 2025, the potential financial reporting effects of the conflict are considered to be non-adjusting in nature.

The Fund Manager has been closely monitoring the impact of the developments on the Fund's investment. As the situation is fast evolving and fluid, the effect of the escalations is subject to significant levels of uncertainty, with the full range of possible effects unknown.

19. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Fund Board on 22 Ramadan 1447 H corresponding to 11 March 2026.