

BNY Mellon Saudi Financial Company
(A Saudi Closed Joint Stock Company)

FINANCIAL STATEMENTS
For the year ended 31 December 2025
together with the
Independent Auditor's Report

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Contents	Pages
Independent auditor's report	1 - 2
Statement of financial position	3
Statement of profit or loss	4
Statement of other comprehensive income	5
Statement of changes in shareholder's equity	6
Statement of cash flows	7
Notes to the financial statements	8 – 26



KPMG Professional Services Company

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

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

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

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholder of BNY Mellon Saudi Financial Company

Opinion

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

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

Basis for Opinion

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

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

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

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

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



Independent Auditor's Report

To the Shareholder of BNY Mellon Saudi Financial Company (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **BNY Mellon Saudi Financial Company** (the "Company").

KPMG Professional Services Company

Abdulaziz Mohammed Alawad
License No: 712



Al Riyadh on: 31 March 2026
Corresponding to: 12 Shawwal 1447H

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025
(Amounts in Saudi Riyals)

	Notes	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Right-of-use-assets	5	8,686,441	-
Property and equipment	6	5,009,505	-
Deferred tax asset	7	-	133,367
Total non-current assets		13,695,946	133,367
Current assets			
Amounts due from a related party	19	6,771,858	601,757
Advances and other receivables	8	1,980,876	1,706,257
Cash and cash equivalents	9	69,289,669	76,045,764
Total current assets		78,042,403	78,353,778
Total assets		91,738,349	78,487,145
EQUITY AND LIABILITIES			
Equity			
Share capital	10	50,000,000	50,000,000
Additional capital	11	19,000,000	19,000,000
Statutory reserve	10	379,175	379,175
Retained earnings		7,232,487	5,981,292
Reserve pertaining to employees' end of service benefits	12	442,709	299,634
Share-based payment reserve	19.2	73,990	75,656
Total Equity		77,128,361	75,735,757
Non-current liabilities			
Employees' end of service benefits	12	411,598	666,834
Deferred tax liability	7	90,465	-
Lease liability	5	6,868,256	-
Total non-current liabilities		7,370,319	666,834
Current liabilities			
Income tax payable	7	492,541	862,454
Lease liability	5	1,034,414	-
Amounts due to a related party	19	454,013	42,726
Accounts payable and accruals	13	5,258,701	1,179,374
Total current liabilities		7,239,669	2,084,554
Total liabilities		14,609,988	2,751,388
Total equity and liabilities		91,738,349	78,487,145



Alaa AlMashhadi
Chief Executive Officer




Abdullah Alsuweilmy
Chairman of the Board

The accompanying notes 1 to 23 form part of these financial statements

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

	Notes	31 December 2025	31 December 2024
Revenue			
Revenue from service charges	14	15,469,308	8,135,451
Expenses			
Salaries and employee related expenses	15	(9,148,283)	(4,432,039)
Depreciation on property and equipment	6	(233,137)	-
Depreciation on right-of-use-asset	5	(662,034)	-
Interest expense on lease liability	5	(265,247)	-
Rent expense		(1,287,534)	(1,172,376)
Other expenses	16	(2,466,771)	(1,843,768)
Total expenses		(14,063,006)	(7,448,183)
Total operating profit		1,406,302	687,268
Special commission income		748,977	2,701,439
Foreign exchange loss		(36,308)	(41,362)
Profit before tax		2,118,971	3,347,345
Income tax expense	7	(867,776)	(778,633)
Profit after tax for the year		1,251,195	2,568,712



Alaa AlMashhadi
Chief Executive Officer




Abdullah Alsuweilmy
Chairman of the Board

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

	<i>Note</i> <u>31 December 2025</u>	<u>31 December 2024</u>
Profit after tax for the year	1,251,195	2,568,712
Other comprehensive income / (loss)		
<i>Items that will not be reclassified to the statement of profit or loss in subsequent years:</i>		
Remeasurement gain / (loss) on employees' end-of-service benefits	12 <u>141,049</u>	<u>(73,565)</u>
Total other comprehensive income / (loss) for the year	<u>141,049</u>	<u>(73,565)</u>
Total comprehensive income for the year	<u>1,392,244</u>	<u>2,495,147</u>



Alaa AlMashhadi
Chief Executive Officer




Abdullah Alsuweilmy
Chairman of the Board

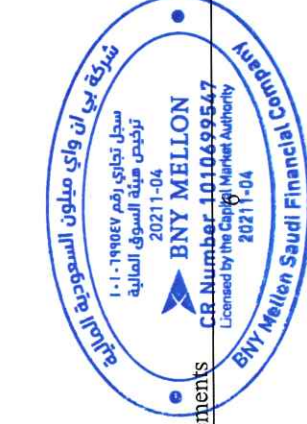
BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts in Saudi Riyals)

	Notes	Share capital	Additional capital	Statutory reserve	Retained earnings	Reserve pertaining to employees' end of service benefits	Share-based payment reserve	Total
As at 1 January 2025		50,000,000	19,000,000	379,175	5,981,292	299,634	75,656	75,735,757
Profit for the year		-	-	-	1,251,195	-	-	1,251,195
Other comprehensive income		-	-	-	-	141,049	-	141,049
Total comprehensive income		-	-	-	1,251,195	141,049	-	1,392,244
Adjustments related to employees' end-of-service benefits		-	-	-	-	2,026	-	2,026
Share-based payment vesting charge	19.2	-	-	-	-	-	(1,666)	(1,666)
As at 31 December 2025		50,000,000	19,000,000	379,175	7,232,487	442,709	73,990	77,128,361
As at 1 January 2024		50,000,000	19,000,000	379,175	3,412,580	373,199	34,437	73,199,391
Profit for the year		-	-	-	2,568,712	-	-	2,568,712
Other comprehensive loss		-	-	-	-	(73,565)	-	(73,565)
Total comprehensive income		-	-	-	2,568,712	(73,565)	-	2,495,147
Share-based payment vesting charge	19.2	-	-	-	-	-	41,219	41,219
As at 31 December 2024		50,000,000	19,000,000	379,175	5,981,292	299,634	75,656	75,735,757



Alaa AlMashhadi
Chief Executive Officer




Abdullah Alsuweilmy
Chairman of the Board

The accompanying notes 1 to 23 form part of these financial statements

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

	Notes	31 December 2025	31 December 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,118,971	3,347,345
<i>Adjustments for:</i>			
Depreciation on property and equipment	6	233,137	-
Depreciation on right-of-use-asset	5	662,034	-
Interest expense on lease liability	5	265,247	-
Employees' end of service benefits expense	12	234,201	223,707
Adjustments related to employees' end of service benefits expense		2,026	-
Share-based payment vesting charge	19.2	(1,666)	41,219
		<u>3,513,950</u>	<u>3,612,271</u>
<i>Changes in operating assets and liabilities:</i>			
Advances and other receivable		(887,419)	(1,263,607)
Accounts payable and accruals		4,079,327	(174,578)
Due to a related party		411,287	(49,389)
Due from a related party		(6,170,101)	603,898
		<u>(2,566,906)</u>	<u>(883,676)</u>
Income tax paid	7	(1,013,857)	(858,416)
Employees' end of service benefits paid	12	(348,388)	-
Net cash (used in) / generated from operating activities		<u>(415,201)</u>	<u>1,870,179</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability	5	(1,098,252)	-
Net cash used in financing activities		<u>(1,098,252)</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	6	(5,242,642)	-
Net cash used in investing activities		<u>(5,242,642)</u>	-
(Decrease) / increase in cash and cash equivalents		(6,756,095)	1,870,179
Cash and cash equivalents at beginning of the year	9	76,045,764	74,175,585
Cash and cash equivalents at end of the year	9	<u>69,289,669</u>	<u>76,045,764</u>

Supplemental non-cash information:

Remeasurement gain / (loss) on employees' end-of-service benefits	12	141,049	(73,565)
Right of use asset	5	9,348,475	-
Lease liability	5	8,735,675	-
Recognition of right-of-use asset using prepayment		612,800	-



Alaa AlMashhadi
Chief Executive Officer




Abdullah Alsuweilmy
Chairman of the Board

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

1 ACTIVITIES

BNY Mellon Saudi Financial Company (the “Company”) is a Saudi Closed Joint Stock Company incorporated in the Kingdom of Saudi Arabia. The Company operates under commercial registration No. 1010699547 issued in Riyadh on 7 September 2020, having unified no. 7022086701. The registered head office of the Company is P.O. Box 99936, Riyadh 11625, Kingdom of Saudi Arabia. The Company started its operations on 5 April 2021.

The Company is licensed by the Capital Market Authority (“CMA”) to engage in custody activity. The Company is a wholly owned subsidiary of BNY International Financing Corporation (“the Parent Company”) which is a wholly owned subsidiary of The Bank of New York Mellon Corporation (“the Ultimate Parent Company”).

2 BASIS OF PREPARATION

2.1 *Statement of compliance*

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

2.2 *Basis of measurement*

These financial statements have been prepared on a going concern basis under historical cost convention except for the defined benefit obligations which are measured at present value of future obligations using the Projected Unit Credit Method.

2.3 *Basis of measurement*

In making the going concern assessment, the Company has considered a wide range of information relating to present and future projections of profitability, cash flows and other capital resources etc.

2.4 *Functional and presentation currency*

These financial statements are prepared under the historical cost convention and are presented in Saudi Riyals (“SR”) which is the functional and presentation currency of the Company.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

3.1 *Change in accounting policies*

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

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Standards, interpretations and amendments effective

Following standards, interpretations and amendments are effective from the current year and are adopted by the Company. The Company has assessed that these amendments have no significant impact on the Company's financial statements.

Standards, interpretations and amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

3.3 Standards, interpretations, and amendments not yet effective

The International Accounting Standard Board (IASB) has issued the following accounting standards, interpretation and amendments, which become effective from periods starting on or after 1 January 2026. The Company has opted not to early adopt these pronouncements.

Standards, interpretations and amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
Annual improvements to IFRS Accounting – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Standards, interpretations, and amendments not yet effective (continued)

Standards, interpretations and amendments	Description	Effective date
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

The management of the Company is currently evaluating the impact of the adoption of these standards on the financial statements

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits, if any, with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions considered in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Adjustments arising from the final income tax assessments are recorded in the period in which such assessments are made. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted for the changes in deferred tax assets and liabilities attributable to the temporary differences and to the unused tax losses, if any.

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 *Taxation (continued)*

Deferred tax

Deferred income tax is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available and the credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in the statement of changes in shareholders' equity. In this case, the tax is also recognised.

3.6 *Employees' end of service benefits*

The Company operates a defined benefit plan for employees in accordance with Saudi Arabian Labor Law as defined by the conditions stated in the laws of the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements for actuarial gains and losses are recognised immediately in the statement of financial position with a corresponding adjustment to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to comprehensive income in subsequent periods.

Past service cost is recognised in the statement of profit or loss at the earlier of:

- The date of the plan amendment or curtailment, and
- The date the Company recognises related restructuring costs

Net special commission income is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation in the statement of profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements (under general and administrative expenses) in
- Net special commission expense or income (under borrowing facility cost and charges).

3.7 *Revenue recognition*

The Company recognizes revenue at a point in time once the performance obligation has been fulfilled and the amount of revenue can be reliably measured, regardless of when the payment is received and it is probable that future economic benefits will flow to the company. Revenue is recognized on an accrual basis in accordance with the terms of agreement with the Parent for the services provided.

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Financial instruments

Financial Assets

The Company initially recognises financial assets when it becomes party to the contractual provisions of the financial instrument into the following categories:

- Measured at amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

The Company have financial assets and liabilities as disclosed in note 21 which the company have categorized as financial instruments measured at amortized cost, the company do not have any instrument measures at FVOCI and FVPL as:

- The objective of the Company is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets.; and
- The contractual flows represent solely payment of principal and profit.

Subsequent measurement

Financial assets that are initially recognized at fair value are subsequently measured at amortized cost based on expected credit loss (ECL) described below:

- the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. These balances are assessed to have low credit risk as they are held with reputable and high credit rating institutions and hence the impact of expected credit loss is negligible and hence not disclosed in these financial statements.

Financial Liabilities

Financial liabilities include accrued expenses and other liabilities and are classified according to the substance of the respective contractual arrangement and are initially measured at their fair value, net of transaction costs.

Financial liabilities are subsequently carried at their amortized cost, with commission cost being recognised on an effective yield basis in the statement of profit or loss and other comprehensive income over the term of the instrument.

3.9 Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

The cost less estimated residual value of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets, effective from the date when it was available for use.

The Company applies the following annual rates of depreciation to its property and equipment:

Leasehold improvements	10%
Fixtures and fittings	10%
Computer equipment	25%
Office equipment	20%

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 *Property and equipment (continued)*

An item of property and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

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

3.10 *Leases*

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

Company as a lessee

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

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

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) that depend on a rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in interest-bearing liabilities.

3.11 *Value added tax*

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

4 ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA, requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

5 RIGHT-OF-USE-ASSET AND LEASE LIABILITY

The Company entered into a lease agreement for its office premises with King Abdullah Financial District (KAJD) in Riyadh. The lease term is ten (10) years, commencing on 30 September 2024 and ending on 29 September 2034.

Although the lease term commenced in the prior year, control over the leased premises was obtained during the current year. Accordingly, the Company recognized the right-of-use asset and the corresponding lease liability in the current year, in accordance with IFRS 16.

	31 December	31 December
	2025	2024
Right-of-use asset		
Cost:		-
Addition during the year	9,348,475	-
As of 31 December 2025	9,348,475	-
Accumulated depreciation:		
Depreciation for the year	662,034	-
As of 31 December 2025	662,034	-
Net book value as of 31 December 2025	8,686,441	-
	31 December	31 December
	2025	2024
Lease liability		
Addition during the year	8,735,675	-
Payments during the year	(1,098,252)	-
Interest expense on lease liability	265,247	-
As at 31 December 2025	7,902,670	-
	31 December	31 December
	2025	2024
Amount recognised in statement of financial position		
Current	1,034,414	-
Non-current	6,868,256	-
Total	7,902,670	-
	31 December	31 December
	2025	2024
Amount recognised in statement of profit or loss		
Depreciation expense of right-of-use asset	662,034	-
Interest expense on lease liability	265,247	-

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

6 PROPERTY AND EQUIPMENT

	<u>Fixtures and fittings</u>	<u>Computer equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost:					
Additions	689,616	537,551	144,550	3,870,925	5,242,642
As of 31 December 2025	<u>689,616</u>	<u>537,551</u>	<u>144,550</u>	<u>3,870,925</u>	<u>5,242,642</u>
Accumulated depreciation:					
Charge for the year	22,987	64,807	5,354	139,989	233,137
As of 31 December 2025	<u>22,987</u>	<u>64,807</u>	<u>5,354</u>	<u>139,989</u>	<u>233,137</u>
Net Book Value:					
As of 31 December 2025	<u>666,629</u>	<u>472,744</u>	<u>139,196</u>	<u>3,730,936</u>	<u>5,009,505</u>

7 TAXATION

The Company is 100% owned by non-Saudi shareholder and hence is subject to income tax. The income tax for the year 31 December 2025 has been calculated on the basis of the Income Tax Law in the Kingdom of Saudi Arabia.

7.1 Income Tax

7.2 Details of tax charge in the statement of profit or loss is given below:

	<i>Notes</i>	<u>31 December 2025</u>	<u>31 December 2024</u>
Current year income tax charge	7.3	492,541	862,454
Prior year income tax charge/ (reversal)		151,403	(24,366)
Deferred tax relating to origination of temporary differences	7.4	223,832	(59,455)
<i>Charged to the statement of profit or loss</i>		<u>867,776</u>	<u>778,633</u>

7.3 Movement in income tax payable is set out below:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance as at the beginning of the year	862,454	882,782
Charge for the year	492,541	862,454
Prior year income tax charge/ (reversal)	151,403	(24,366)
Payment made during the year	<u>(1,013,857)</u>	<u>(858,416)</u>
Balance as at the end of the year	<u>492,541</u>	<u>862,454</u>

7.4 Deferred tax asset / (liability)

The Company has recognized deferred tax asset / (liability) at the reporting date, in respect of timing differences due to disallowance of the right of use assets, lease liabilities, and employees' end-of-service benefits and differences in the basis of depreciation calculated at an income tax rate of 20%.

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

7 TAXATION (continued)

7.4 Deferred tax asset / (liability) (continued)

Movement in deferred tax asset / (liability) during the year is:

	31 December 2025	31 December <u>2024</u>
At the beginning of the year	133,367	73,912
Adjustment made during the year	<u>(223,832)</u>	<u>59,455</u>
At the end of the year	<u>(90,465)</u>	133,367
Comprising of temporary differences due to: Right-of-use-assets, lease liabilities and accelerated depreciation	(172,785)	-
Employees' end-of-service benefits	<u>82,320</u>	<u>133,367</u>
	<u>(90,465)</u>	<u>133,367</u>

7.5 Reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate:

	For the year 31 December 2025	For the year 31 December 2024
Accounting profit before income tax	2,118,970	3,347,345
Accounting profit related to non-Saudi shareholders @ 100%	<u>2,118,970</u>	<u>3,347,345</u>
At statutory income tax rate of 20%	423,794	669,469
Tax effect of other items	<u>68,747</u>	<u>192,985</u>
Effective income tax @ 20%	<u>492,541</u>	<u>862,454</u>

7.6 The Company has filed its income tax return up till the year 2024 with Zakat, Tax and Customs Authority (ZATCA). As of 31 December 2025, the Company has not received any assessment from the ZATCA.

8 ADVANCES AND OTHER RECEIVABLES

	31 December 2025	31 December 2024
Refundable security deposit and advance rent	178,385	791,185
Value added tax receivable	1,802,491	853,761
Others	-	61,311
	<u>1,980,876</u>	<u>1,706,257</u>

9 CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Bank balances – current accounts	<u>69,289,669</u>	<u>76,045,764</u>

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

9 CASH AND CASH EQUIVALENTS (continued)

All bank balances are assessed to have low credit risk as they are held with reputable and high credit rating banking institutions and there has been no history of default with any of the Company's bank balances. Accordingly, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

10 SHARE CAPITAL AND STATUTORY RESERVE

Share capital

The authorised, issued and fully paid share capital of the Company consists of 5,000,000 shares of SR 10 each. The shareholding of the Company is fully owned by BNY International Financing Corporation.

Statutory reserve

In accordance with the previous Regulations for Companies in Saudi Arabia, the Company was required to set aside a statutory reserve, after absorption of accumulated losses, if any, by the appropriation of at least 10% of the annual net income until the reserve equals 30% of the Company's share capital. This reserve was not available for distribution.

However, the Revised Regulations of the Company law has removed Statutory Reserve requirement. It is now at the discretion of the Company, through its By-laws, to establish a reserve for specific purposes. In line with this, the Company updated its By-laws during the prior year. As a result, there has been no transfer from the net income to the statutory reserve during the year.

11 ADDITIONAL CAPITAL

This represents long-term contribution by the shareholder of the Company. The said balance has been classified as an equity component as there are no financial charges / other returns attached to it and the Company has an unconditional right to avoid settlement of the balance.

12 EMPLOYEES' END OF SERVICE BENEFITS

The following tables summarise the components of employees' end of service benefits recognised in the statements of financial position, profit or loss and other comprehensive income.

a) Amount recognised in the statement of financial position:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Present value of defined benefit obligation	<u>411,598</u>	<u>666,834</u>

b) Benefit expense (recognised in statement of profit or loss):

	<u>31 December 2025</u>	<u>31 December 2024</u>
Current service cost	196,209	205,044
Special commission cost	<u>37,992</u>	<u>18,663</u>
Benefit expense	<u>234,201</u>	<u>223,707</u>

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

12 EMPLOYEES' END OF SERVICE BENEFITS (continued)

c) Movement in the present value of defined benefit obligation:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Present value of defined benefit obligation at beginning of the year	666,834	369,562
<i>Charge recognised in statement of profit or loss:</i>		
- Current service cost	196,209	205,044
- Special commission cost	37,992	18,663
	234,201	223,707
Actuarial (gain) / loss on defined benefit plan recognized in the statement of other comprehensive income	(141,049)	73,565
Payments made during the year	(348,388)	-
Present value of defined benefit obligation at end of the year	411,598	666,834

d) Principal actuarial assumptions:

	<i>Notes</i>	<u>31 December 2025</u>	<u>31 December 2024</u>
Discount rate	<i>(i)</i>	5.55%	5.70%
Salary increase rate	<i>(ii)</i>	4.50%	4.50%

(i) Discount rate

Discount rates are based on yields on US corporate bonds as the Saudi Riyal is pegged to the US Dollar. The actuarial has used spot rate of the Standard Buck AAA/AA US Corporate Bond Curve at a term equal to the average duration of the liabilities for determining discount rate.

(ii) Salary increase rate

The assumption for future salary increases has been determined by the Company based on its long term expectations, reflecting both inflationary and promotional increases.

e) Amount, timing and uncertainty of future cash flows

	<u>2025</u>	<u>2024</u>
Sensitivity 1 - Discount rate plus 0.5% - % Difference in DBO	-6.80%	-6.50%
Sensitivity 2 - Discount rate minus 0.5% - % Difference in DBO	7.40%	7.00%
Sensitivity 3 - Salary growth rate plus 0.5% - % Difference in DBO	7.20%	6.80%
Sensitivity 4 - Salary growth rate minus 0.5% - % Difference in DBO	-6.70%	-6.30%

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

12 EMPLOYEES' END OF SERVICE BENEFITS (continued)

f) Sensitivity analysis

The table below shows the change in end of service liability based on a reasonable possible change in the base assumption value for discount and salary increment rates:

2025 Base Scenario	Impact on defined benefit obligation – Increase / (Decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	+0.50%	(383,609)	-
	-0.50%	-	442,056
Expected rate of salary increase	+0.50%	441,233	-
	-0.50%	-	384,021
2024 Base Scenario	Impact on defined benefit obligation – Increase / (Decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	+0.50%	(623,490)	-
	-0.50%	-	713,512
Expected rate of salary increase	+0.50%	712,178	-
	-0.50%	-	624,824

13 ACCOUNTS PAYABLE AND ACCRUALS

	31 December 2025	31 December 2024
Employees' bonus	4,286,558	365,830
Payable to General Organization of Social insurance (GOSI)	65,768	29,025
Accrued expenses	906,375	784,519
	<u>5,258,701</u>	<u>1,179,374</u>

14 REVENUE FROM SERVICE CHARGES

This represents service charges for the provision of services provided by the Company in accordance with the Service Agreement signed between the Ultimate Parent Company and the Company at the rate of 'Reimbursable Costs' plus 10%. 'Reimbursable Costs' means all direct and indirect costs incurred by the Company solely in connection with the provision of services on behalf of the Ultimate Parent Company.

15 SALARIES AND EMPLOYEE RELATED EXPENSES

	31 December 2025	31 December 2024
Salaries and employment related benefits	3,534,919	2,626,182
Board of Directors fee	700,000	700,000
General organization for social insurance	439,662	192,465
Employees' end of service benefits expense	127,355	223,707
Employees' bonus	4,286,558	326,013
Other staff expenses	59,789	363,672
	<u>9,148,283</u>	<u>4,432,039</u>

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

16 OTHER EXPENSES

	<i>Notes</i>	31 December 2025	31 December 2024
Professional and consulting		977,292	1,060,648
Intragroup shared services cost	19	554,762	253,398
Bank charges		195,202	195,073
License fee		222,269	76,110
Equipment / furniture expense		131,411	-
Travel and entertainment		8,776	-
Others		377,059	258,539
		<u>2,466,771</u>	<u>1,843,768</u>

17 FINANCIAL INSTRUMENTS AND FAIR VALUE

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

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

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

Financial instruments comprise financial asset and financial liabilities. Financial assets consist of cash and cash equivalents, and due from a related party. Financial liabilities consist of accounts payable and accruals and amounts due to a related party.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

	31 December 2025	
	<u>Carrying value</u>	<u>Fair value</u>
<i>Financial assets</i>		
Cash and cash equivalents	69,289,669	69,289,669
Amounts due from a related party	6,771,858	4,804,279
Refundable security deposit	178,385	178,385
	<u>76,239,912</u>	<u>74,272,333</u>
<i>Financial liabilities</i>		
Accounts payable and accruals	5,192,933	3,370,591
Lease liability	7,902,670	7,902,670
Amounts due to a related party	454,013	454,013
	<u>13,549,616</u>	<u>11,727,274</u>

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

17 FINANCIAL INSTRUMENTS AND FAIR VALUE (continued)

	31 December 2024	
	Carrying value	Fair Value
<i>Financial assets</i>		
Cash and cash equivalents	76,045,764	76,045,764
Amounts due from a related party	601,757	601,757
Refundable security deposit	178,385	178,385
	<u>76,825,906</u>	<u>76,825,906</u>
<i>Financial liabilities</i>		
Accounts payable and accruals	1,150,349	1,150,349
Amounts due to a related party	42,726	42,726
	<u>1,193,075</u>	<u>1,193,075</u>

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Company's management determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement, such as assets held for distribution in a discontinued operation.

Due to the short-term nature of the financial assets and liabilities; the fair values of the financial assets and liabilities are not materially different from their carrying values. These would qualify for level 3 disclosure under IFRS except for Cash and cash equivalents which are classified under level 1. There have been no transfers to and from Level 3 during the year.

18 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Audit and Risk Management Committee, which has the responsibility to monitor the overall risk process within the Company.

The Audit and Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

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 Company is exposed to credit risk on cash and cash equivalents, and due from a related party as follows:

	31 December 2025	31 December 2024
Cash and cash equivalents	69,289,669	76,045,764
Amounts due from a related party	6,771,858	601,757
	<u>76,061,527</u>	<u>76,647,521</u>

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

18 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES
(continued)

Credit risk (continued)

Cash and cash equivalent and due from a related party are with counterparties that have investment grade credit ratings ranging from AA to A-. Investment grade refers to the quality of the counterparty's credit. In order to be considered investment grade, the counterparty must be rated at 'BBB' or higher by Standard and Poor's or Moody's. These balances are assessed to have low credit risk as they are held with reputable and high credit rating institutions and hence the impact of expected credit loss is negligible.

Amounts due from a related party are classified as short-term in nature and are expected to mature within three months.

Market risk

Market risk is measured, monitored and managed with a blend of quantitative and qualitative approach along with experienced talent and quantitative tools including sensitivity analysis and Value at Risk approach. In addition, exposure limits for individual transactions, concentration, maturities and other risk parameters captures the risk timely.

a) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars. Since Saudi Riyals is on a fixed parity to the US Dollar, management believes that the Company is not subject to any significant currency risk.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its net financing requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of financing to dry up immediately. Management monitors the maturity profile to ensure that adequate liquidity is maintained.

i) Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2025 based on contractual undiscounted repayment obligations. The contractual maturities of liabilities have been determined based on the remaining period at the statement of financial position date to the contractual maturity date.

2025	Fixed maturity				Total
	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Accounts payable and accrual	5,258,701	-	-	-	5,258,701
Amounts due to a related party	454,013	-	-	-	454,013
Lease liability	-	1,105,290	5,989,665	2,550,808	9,645,763
Total	5,712,714	1,105,290	5,989,665	2,550,808	15,358,477

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

18 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

i) Analysis of financial liabilities by remaining contractual maturities (continued)

2024	Fixed maturity				Total
	Within 3 months	3 months and above	1 to 5 years	Over 5 years	
Accounts payable and accrual	1,150,349	-	-	-	1,150,349
Amounts due to a related party	42,726	-	-	-	42,726
Total	1,193,075	-	-	-	1,193,075

19 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Company include the Ultimate Parent Company, the Parent Company, fellow subsidiaries of the Ultimate Parent Company, Directors and key management personnel of the Company. These transactions are carried out on mutually agreed terms and approved by the management of the Company.

During the year, the Company transacted with related parties in the normal course of business. The transactions with related parties and the related amounts other than those disclosed elsewhere in these financial statements are as follows:

a) Related party transactions during the year were as follows:

Related party	Relationship	Nature of transaction	31 December 2025	31 December 2024
The Bank of New York Mellon Corporation – London Branch	Fellow subsidiary	- Service charges (note 14)	15,469,308	8,135,451
The Bank of New York Mellon Corporation	Ultimate Parent Company	- Shared services (note 18.1 & 16)	(554,762)	(253,398)
		- Equity-settled share-based payment (note 18.2)	1,666	(41,219)
		- Other income	72,796	206,160
Board of Directors	Board members	- Board of directors fee	700,000	700,000

19.1 These represent various services received by the Company from the Ultimate Parent Company under a mutual agreement. These services include internal audit, human resource, information technology, bookkeeping and other services.

19.2 The Ultimate Parent Company has introduced the BK Shares program, granting Restricted Stock Units (“RSUs”) to key management personnels as part of their annual incentive award program. The program was unveiled on 13 February 2023.

Below is the information relevant to the Company for RSUs outstanding at year end.

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

19 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Grant dates: 13 February 2023, 1 February 2024 and 3 February 2025.
Vesting period: Immediate and one to four years from date of grant.
Vesting conditions: Employee to remain employed during the vesting period.
Method of settlement: Shares

Below is the movement of RSUs during the year.

RSUs	31 December 2025		31 December 2024	
	Number of RSUs	Weighted average fair value (US\$)	Number of RSUs	Weighted average fair value (US\$)
As at 1 January	438	53.83	306	51.92
Granted during the year	165	87.96	234	55.5
Vested during the year	(181)	(59.29)	(102)	(51.92)
Forfeited during the year	(360)	(61.33)	-	-
As at 31 December	62	85.19	438	53.83

Below is the movement of shared-based payment reserve during the year.

	31 December 2025	31 December 2024
As at 1 January	75,656	34,437
Share-based payment vesting charge	(1,666)	41,219
As at 31 December	73,990	75,656

- b) Key management personnel are those having authority and responsibility for planning, directing, and controlling the Company's activities either directly or indirectly. The compensation summary of key management personnel is set out below:

	31 December 2025	31 December 2024
Salaries and allowances	3,534,919	2,626,182
Employees' bonus	2,357,850	326,013
Employees' end of service benefits expense	127,355	223,707
Other staff expenses	59,789	363,672

- c) Balances of related parties as at statement of financial position date were as follows:

Related party	Relationship	Nature of transaction	31 December 2025	31 December 2024
<i>The Bank of New York Mellon Corporation</i>	Ultimate Parent Company	Due to related party	(454,013)	(42,726)
<i>The Bank of New York Mellon – London Branch</i>	Fellow subsidiary	Due from related party Current account	6,771,858 8,593,497	601,757 10,506,760
<i>Key management personnel</i>		Employees' end of service benefits Employee incentives payable	411,599 4,286,558	666,834 365,830

Amount due from related party as at the year-end is unsecured, interest free and settlement occurs in cash. The Company did not record any expected credit losses relating to amount due from the related party as it believes that such balance are fully collectible.

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

20 REGULATORY REQUIREMENTS FOR CAPITAL AND CAPITAL ADEQUACY

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

The CMA has issued Prudential Rules (the "Rules") dated 17 Safar 1434H (corresponding to 30 December 2012) amended by resolution of the Board of the Capital Market Authority Number 1-129-2022 dated 04 Jumada II 1444H (corresponding to 28 December 2022) and further amended by Board of the Capital Market Authority dated 10 Ramzan 1444H (corresponding to 1 April 2023). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required. Capital adequacy ratio are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Capital Base:		
Tier-1 Capital	<u>58,128,791</u>	<u>56,602,801</u>
Total Capital Base	<u>58,128,791</u>	<u>56,602,801</u>
Minimum Capital:		
Market Risk	<u>658,600</u>	-
Credit Risk	<u>24,388,889</u>	<u>2,952,588</u>
Operational Risk	<u>30,822,204</u>	<u>36,751,313</u>
Total Minimum Capital	<u>55,869,693</u>	<u>39,703,901</u>
Surplus Capital	<u>53,659,215</u>	<u>53,426,489</u>
Total Ratio	<u>104.04%</u>	<u>142.56%</u>

Capital Base of the Company comprises of:

Tier-1 Capital: Tier 1 capital consists of paid-up share capital, retained earnings, reserves excluding revaluation reserves and additional capital, with certain deductions as per the Rules.

Tier-2 Capital: There is no Tier 2 capital for the year ended 31 December 2025.

Credit Risk: Credit exposures from non-trading activities of the Company is from bank current accounts and due from a related party.

Operational Risk: Operational risk arises from inadequate internal processes, people and systems or from external events. The management has computed the operational risk based on the Basic Indicator approach.

Capital Adequacy Ratio: As per the CMA guidelines, the Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 8% of the minimum capital required in amended Rules and shall not be less than 1 time in previous Rules.

21 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments to be disclosed in the notes to the financial statements as at 31 December 2025 (31 December 2024: Nil).

BNY MELLON SAUDI FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts in Saudi Riyals)

22 SUBSEQUENT EVENTS

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 Company'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 Management has been closely monitoring the impact of the developments on the Company's operations. 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.

23 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors on 30 March 2026.

