

CREDIT SUISSE SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

CREDIT SUISSE SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

FINANCIAL STATEMENTS

For the year ended 31 December 2024

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF CREDIT SUISSE SAUDI ARABIA
(A CLOSED JOINT STOCK COMPANY)**

Opinion

We have audited the financial statements of Credit Suisse Saudi Arabia (the "Company"), which comprise of the statement of financial position as at 31 December 2024 and the statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and professional Accountants.

Basis for Opinion

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

Other matter

The financial statements of the Company for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 28 March 2024.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Company's By-laws, and for such internal control as the management determines is necessary to enable the preparation of the 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 are responsible for overseeing the Company's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF CREDIT SUISSE SAUDI ARABIA
(A CLOSED JOINT STOCK COMPANY) (continued)**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 the 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.

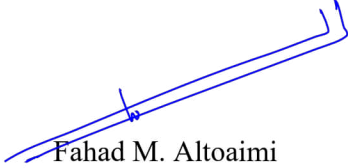
**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF CREDIT SUISSE SAUDI ARABIA
(A CLOSED JOINT STOCK COMPANY) (continued)**

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

for Ernst & Young Professional Services



Fahad M. Altoaimi
Certified Public Accountant
License No. 354



Riyadh: 28 Ramadan 1446H
(28 March 2025)

CREDIT SUISSE SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

STATEMENT OF STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Amounts in Saudi Arabian Riyals)

	Notes	31-Dec-24	31-Dec-23
ASSETS			
Current assets			
Cash and cash equivalents, net	4	345,552,465	190,150,491
Due from banks, net	5	-	209,785,008
Due from related parties, net	7a	2,972,435	2,830,087
Advances, prepayments and other receivables, net	6	57,242,196	8,985,385
Total current assets		405,767,096	411,750,971
Non-current assets			
Property, equipment, and intangibles, net	8.1	11,075,634	14,401,028
Right of use assets, net	8.2	3,662,781	4,928,031
Total non-current assets		14,738,415	19,329,059
Total assets		420,505,511	431,080,030
LIABILITIES AND SHAREHOLDER'S EQUITY			
LIABILITIES			
Current liabilities			
Accrued expenses and other liabilities	9	7,729,197	6,116,944
Lease liabilities	22	1,322,998	1,264,155
Due to related parties	7b	5,410,861	4,649,444
Total current liabilities		14,463,056	12,030,543
Non-current liabilities			
Group employee share plan	10	701,230	116,798
Employees' end of service benefits (EOSB)	11	3,171,893	3,663,184
Lease liabilities	22	2,541,770	3,864,768
Total non-current liabilities		6,414,893	7,644,750
Total liabilities		20,877,949	19,675,293
SHAREHOLDER'S EQUITY			
Share capital	12	737,500,000	737,500,000
Accumulated losses		(337,872,438)	(326,095,263)
Total shareholder's equity		399,627,562	411,404,737
Total liabilities and shareholder's equity		420,505,511	431,080,030

Chief Executive Officer



Wisam Alfreihi

Chairman



Dr. Walid S Abanumay

Chief Financial Officer



Manon Soukup-Gaeta
Ad-interim

The accompanying notes 1 through 27 form an integral part of these financial statements.

CREDIT SUISSE SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

STATEMENT OF INCOME

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

	Notes	31-Dec-24	31-Dec-23
Revenues			
Fee and commission income, net	14	7,891,881	12,188,810
Arranging and advisory services	15	11,078,624	670,229
Net loss from financial assets and liabilities		(1,428)	(1,121)
Total revenues		18,969,077	12,857,918
Operating expenses			
Salaries and employees related expenses	17	(20,245,192)	(20,860,729)
Rent and premises related expenses		(458,725)	(1,264,211)
Telecommunication and data service charges	18	(4,037,832)	(7,785,135)
Consultancy, legal charges and other fees		(4,051,772)	(2,945,893)
Service level agreement charges		(8,012,036)	(6,365,829)
Depreciation and amortisation	8.1/8.2	(4,942,691)	(4,387,808)
Impairment of intangible assets	8.1 (a)	-	(498,776)
Reversal for expected credit losses	16	8,908	126,265
Other general and administrative expenses	19	(5,304,221)	(7,610,482)
Total operating expenses		(47,043,561)	(51,592,598)
Operating loss for the year		(28,074,484)	(38,734,681)
Finance income from instruments at amortised cost	20	15,485,204	20,903,137
Interest on lease liabilities		(219,428)	(280,531)
Sub lease income		315,926	-
Foreign exchange loss		(170,895)	(116,209)
Loss before income tax		(12,663,677)	(18,228,283)
Income tax	21	-	(140,346)
Loss for the year after tax		(12,663,677)	(18,368,629)

Chief Executive Officer



Wisam Alfreihi

Chairman



Dr. Walid S Abanumay

Chief Financial Officer



Manon Soukup-Gaeta
Ad-interim

CREDIT SUISSE SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

	Note	31-Dec-24	31-Dec-23
Loss for the year after tax		<u>(12,663,677)</u>	<u>(18,368,629)</u>
Items that will not be reclassified subsequently to statement of income			
Remeasurement gain on EOSB	11	<u>886,502</u>	<u>550,814</u>
Other comprehensive gain for the year		<u>886,502</u>	<u>550,814</u>
Total comprehensive loss for the year		<u>(11,777,175)</u>	<u>(17,817,815)</u>

Chief Executive Officer



Wisam Alfreihi

Chairman



Dr. Walid S Abanumay

Chief Financial Officer



Manon Soukup-Gaeta
Ad-interim

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CREDIT SUISSE SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

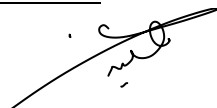
	Note	Share capital	Accumulated losses	Total
As at 1 January 2024		737,500,000	(326,095,263)	411,404,737
Net loss for the year		-	(12,663,677)	(12,663,677)
Other comprehensive income for the year		-	886,502	886,502
Total comprehensive loss for the year		-	(11,777,175)	(11,777,175)
As at 31 December 2024	12	737,500,000	(337,872,438)	399,627,562
As at 1 January 2023		737,500,000	(308,277,448)	429,222,552
Net loss for the year		-	(18,368,629)	(18,368,629)
Other comprehensive income for the year		-	550,814	550,814
Total comprehensive loss for the year		-	(17,817,815)	(17,817,815)
As at 31 December 2023	12	737,500,000	(326,095,263)	411,404,737

Chief Executive Officer



Wisam Alfreihi

Chairman



Dr. Walid S Abanumay

Chief Financial Officer



Manon Soukup-Gaeta
Ad-interim

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CREDIT SUISSE SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

STATEMENT OF CASHFLOW

As at 31 December 2024

(Amounts in Saudi Arabian Riyals)

	Notes	31-Dec-24	31-Dec-23
Cash flow from operating activities:			
Net loss for the year before tax		(12,663,677)	(18,228,283)
<i>Adjustments to reconcile net loss to net cash generated (used in) / from operating activities:</i>			
Depreciation	8.1	3,677,441	2,731,602
Impairment charge of intangible assets	8.1 (a)	-	498,776
Amortisation on right of use assets	8.2	1,265,250	1,656,206
Interest on lease liabilities		219,428	280,531
Employees' end of service benefit charge, net		671,135	147,306
Group employee share plan	10	584,432	(255,545)
Allowance for expected credit losses	16	(8,908)	(126,265)
		(6,254,899)	(13,295,672)
Changes in operating assets and liabilities:			
Cash collateral margins		(48,416,267)	46,289,319
Advances, prepayments and other receivables, net		203,058	14,145,634
Accrued expenses and other liabilities		1,612,253	2,783,464
Due from / to related parties		619,069	(957,059)
Cash (used in) / generated from operations		(52,236,786)	48,965,686
Income taxes paid		-	(2,913,617)
Employees' end of service benefits paid	11	(275,924)	(39,572)
Net cash (used in) / generated from operating activities		(52,512,710)	46,012,497
Cash flow from investing activities:			
Investment in time deposits	5	-	(209,793,098)
Redemption of time deposits		209,793,098	-
Additions to work in progress		(157,500)	-
Additions to property and equipment	8	(194,547)	(12,932,263)
Net cash generated from / (used in) investing activities		209,441,051	(222,725,361)
Cash flow from financing activities:			
Repayment of principal portion of lease liability		(1,480,829)	(1,580,684)
Net cash used in financing activities		(1,480,829)	(1,580,684)
Net change in cash and cash equivalents		155,447,512	(178,293,548)
Cash and cash equivalents at the beginning of the year		190,153,451	368,446,999
Cash and cash equivalents at the end of the year	4	345,600,963	190,153,451

Chief Executive Officer



Wisam Alfreihi

Chairman



Dr. Walid S Abanumay

Chief Financial Officer



Manon Soukup-Gaeta
Ad-interim

The accompanying notes 1 through 27 form an integral part of these financial statements.

CREDIT SUISSE SAUDI ARABIA (A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

1. ORGANIZATION AND ACTIVITIES

Credit Suisse Saudi Arabia (the “Company”) is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia. The Company operates under commercial registration number 1010228645 dated 1 Safar 1428H (corresponding to 19 February 2007).

The Company is engaged to act as agent and principal, underwriting, managing, arranging, advisory and custodial services of financial securities in accordance with the license issued by the Capital Market Authority (CMA) number 08104-37 dated 15 Rabi’ al-Thani 1432H (corresponding to 20 March 2011) and the license issued by the Saudi Arabian General Investment Authority numbered 102030093799 dated 17 Thul-Hijjah 1426H (corresponding to 17 January 2006).

The Company’s registered office is located at:
Floor 2, Building #6, Laysen Valley, King Khaled Road,
Building number 7732
Riyadh 2376-12329
Kingdom of Saudi Arabia

The share capital of the Company is held by the following shareholder:

	Domicile	31 December 2024		31 December 2023	
		Percentage	No. of shares	Percentage	No. of shares
UBS AG	Switzerland	100%	73,750,000	100%	73,750,000

On 12 June 2023, the ultimate parent of the Company which was Credit Suisse Group AG, completed a merger with UBS Group AG under Swiss law. As a result of this merger, all assets, liabilities, and contracts of Credit Suisse Group AG were transferred to UBS Group AG, and Credit Suisse Group AG ceased to exist. This made UBS Group AG the parent company of both Credit Suisse AG and UBS AG. Following this, on 31 May 2024, a further merger took place between Credit Suisse AG and UBS AG, (the subsidiaries of UBS AG) with UBS AG being the surviving entity. Through this process, all assets, liabilities, and obligations of Credit Suisse AG were automatically transferred to UBS AG. Accordingly, the parent and ultimate parent of the Company changed to UBS AG and UBS Group AG respectively.

UBS AG (Parent) of the Company, is considering consolidating its presence in KSA by merging its two entities, The Company and UBS Saudi Arabia. Both the entities are fully owned (100%) subsidiaries of UBS AG.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia (“KSA”) and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and professional Accountants (“SOCPA”) and in compliance with the provisions of the Regulations for Companies and the Company’s By-laws.

2.2 Basis of Measurement

These financial statements have been prepared on a going concern basis and under the historical cost convention except for the cash settled share based payment liabilities which are carried at their fair value and employee benefit obligation which is measured using present value of the defined benefit obligation using projected unit credit method. These financial statements are prepared using accrual basis of accounting.

2.3 Functional and presentational currency

These financial statements are presented in Saudi Arabian Riyals (SAR) which is the functional and presentation currency of the Company. All amounts have been rounded to the nearest SAR, unless otherwise stated.

CREDIT SUISSE SAUDI ARABIA (A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

2. BASIS OF PREPARATION (Continued)

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Such estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances.

Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

Measurement of the expected credit loss allowance

The measurement of impairment losses under IFRS 9 "Financial Instruments" across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades;
- The Company's quantitative and qualitative criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis;
- The segmentation of financial assets under the PD/LGD approach to estimate Stage 1 and Stage 2 ECLs;
- The development of ECL models, including the various formulas and the choice of inputs;
- The determination of the associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Useful lives of property and equipment

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the useful lives and residual value of the assets at least once per year and always at the end of each financial year and the future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Useful lives of intangible assets

The useful life starts at the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Useful lives are reviewed at each financial year-end and adjusted if appropriate.

Employees' End Of Service Benefits

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

CREDIT SUISSE SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

2. BASIS OF PREPARATION (Continued)

2.5 Going concern

The Company's going concern assessment is as follows:

- a) Company has an onshore presence and have valid licenses from regulators to carry out regulated activities in the Kingdom
- b) Company is compliant with all the regulatory, capital and liquidity requirements and debt covenants.
- c) Although the company has accumulated losses amounting to SAR 337,872,438 (31 December 2023: SAR 326,095,263), net loss of SAR 12,663,677 (net loss in 2023: SAR 18,368,629); the Company has sufficient cash and cash equivalents amounting to SAR 345,552,465 compared to total liabilities amounting to SAR 20,877,949. The available liquidity after deducting total liabilities will be sufficient to cover all the expenses of the Company for the next 12 months.
- d) UBS AG (Parent) of the company has committed to continuing its business activities in the Kingdom and is considering consolidating its presence by merging its two entities, UBS Saudi Arabia, and Credit Suisse Saudi Arabia. Both the entities are fully owned (100%) subsidiaries of UBS AG.

Considering above assessment, Board of Directors concluded that the going concern basis used for the preparation of these financial statement is appropriate. This conclusion involved significant judgements taken by management based on current available information.

2.6 New standards, amendments and interpretations adopted by the Company

The material accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2024 except for the adoption of the following new standards /amendments/interpretations to IFRSs explained below which became applicable for annual reporting periods commencing on or after January 1, 2024. The management has assessed that the below standards /amendments/interpretations have no significant impact on the financial statements.

Standard, interpretations and amendments	Description	Effective from periods beginning on or after the following date
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Annual periods beginning on or after 1 January 2024
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	Annual periods beginning on or after 1 January 2024

CREDIT SUISSE SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

2. BASIS OF PREPARATION (Continued)

Standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued following accounting standards and / or amendments, which will become effective from periods beginning on or after 1 January 2024. The Company has opted not to early adopt these pronouncements and they do not have a significant impact on the financial statements of the Company.

Standard, interpretation and amendments	Description	Effective from periods beginning on or after the following date
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	IASB amended to the requirements related to setting financial liabilities using an electronic payment system; assessing contractual cash flow characteristics of financial assets including those with environmental, social and governance (ESG)-linked features.	Annual periods beginning on or after 1 January 2026.
IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	Annual periods beginning on or after 1 January 2027.
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.	Available for optional adoption/effective date deferred indefinitely
Amendments to IAS 21	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.	Annual periods beginning on or after 1 January 2025

CREDIT SUISSE SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024
(Amounts in Saudi Arabian Riyals)

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements. These are as follows:

a) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash with banks having an original maturity of less than three months. Cash and cash equivalents are measured at amortized cost and are subject to impairment as per IFRS 9.

b) Property and equipment (including ROU)

Property and equipment are measured at cost and presented net of accumulated depreciation and accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the assets to a working condition for its intended use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment and will flow to the Company. All other expenditure including expenditure related to ongoing repairs and maintenance are expensed as incurred.

The cost less estimated residual value is depreciated on straight-line basis over the following estimated useful life of the assets:

Leasehold improvements	Shorter of the lease terms or 5 years
Furniture and fixture	5 years
Computer software and hardware	3-5 years
Motor vehicle	4 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Income.

The assets' residual values and useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

c) Impairment of non-financial assets

Property and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss, if any, is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

d) Financial Instruments

Financial instruments represent the Company's financial assets and liabilities. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Income) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Statement of Income are recognised immediately in Statement of Income. Financial assets include cash and cash equivalents, due from related parties and other receivables. Financial liabilities include due to related party liabilities, lease liabilities and certain other financial liabilities.

CREDIT SUISSE SAUDI ARABIA (A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

3 MATERIAL ACCOUNTING POLICIES (Continued)

d) Financial Instruments (Continued)

Classification of financial assets

The Company's financial assets are classified on the basis of two criteria: 1) the business model of why the financial assets are held and how they are managed and 2) the contractual cash flow characteristics of the financial asset. These factors determine whether the financial assets are measured at amortised Cost, Fair value through Other Comprehensive Income ('FVOCI') or Fair value through Statement of Income ('FVSI'). The accounting for financial liabilities remains largely unchanged.

The business model assessments are performed by considering the way in which the financial assets are managed to achieve a particular business objective as determined by management. The assessment is made at the level at which the group of financial assets are managed. These assessments are based on reasonable expectations.

All relevant and objective evidence are considered while performing the business model assessments, for example:

- How the performance of the financial assets are evaluated and reported to key management personnel;
- The risks that affect the performance of the financial assets and how those risks are managed;
- How managers of the business are compensated.

The 'Hold to Collect' business model is a model with the objective to hold a financial asset to collect contractual cash flows. Sales are incidental to the objective of this model. The 'Hold to Collect and Sell' business model is a model with the objective to both hold financial assets to collect contractual cash flows and to sell financial assets. This model has a greater frequency of sales than a 'Hold to Collect' business model. A 'Hold to Collect' financial asset is subsequently measured at amortised cost and is subject to impairment losses, recorded through Statement of Income.

A 'Hold to Collect and Sell' debt instrument is measured at fair value, with interest income, foreign currency gains and losses and impairment losses recorded through profit or loss, whilst all other gains and losses are reported in Other Comprehensive Income ("OCI"). Financial assets that are in neither a 'Hold to Collect' nor a 'Hold to collect and Sell' business model are FVSI.

The Company does not have any financial assets which are under the 'Hold to Collect and Sell' business model.

Impairment of financial assets

Impairment requirements as per IFRS 9 apply primarily to financial assets measured at amortized cost and fair value through other comprehensive income. The impairment requirements are based on a forward looking ECL model by incorporating reasonable and supportable forecasts of future economic conditions available at the reporting date. This requires considerable judgement over how changes in economic factors affect ECLs, which is determined on a probability-weighted basis.

All financial assets attract a 12 month ECL on origination (Stage 1) except for financial assets that are purchased or originated credit impaired. When the credit risk has increased significantly since initial recognition of the financial instrument, the impairment measurement is changed from 12-month ECL (Stage 1) to lifetime ECL (Stage 2).

The assessment of a significant increase in credit risk since initial recognition is based on different quantitative and qualitative factors that are relevant to the financial instrument in scope.

A financial asset moves into Stage 3 when it becomes credit-impaired. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- It may not be possible to identify a single discrete event-instead, the combined effect of several events may have caused financial assets to become credit-impaired.

CREDIT SUISSE SAUDI ARABIA (A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

3 MATERIAL ACCOUNTING POLICIES (Continued)

d) Financial Instruments (Continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses and measured as follows:

Financial assets that are not credit-impaired at the reporting date (Stage 1 or Stage 2), apply 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 Company expects to receive. The Company applies a PD/LGD approach under which term structures of point-in-time probability of defaults ('PDs'), point-in-time loss given defaults ('LGDs') and exposure at defaults ('EADs') are estimated;

Definition of default

The definition of default is based on 30 days past due and unlikely to pay on material obligation.

In assessing whether a borrower is in default, the Company considers indicators that are:

- Qualitative: e.g. breaches of covenants;
- Quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the Bank; and
- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Forward looking information

The estimation and application of forward-looking information require significant judgment. The Company's estimation of expected credit losses is based on a discounted probability-weighted estimate that considers three future macroeconomic scenarios to capture the point of non-linearity of losses: a base scenario, an upside scenario, and a downside scenario. The base case represents a most-likely outcome and be aligned with information used by the Company for other purposes, such as strategic planning and budgeting. Currently, the other scenarios represent more optimistic and more pessimistic outcomes with the downside scenario being more severe than the upside scenario.

Scenarios are probability-weighted according to the Company's best estimate of their relative likelihood based on historical frequency and current trends and conditions and macroeconomic factors such as interest rates, gross domestic product and unemployment rates. Probability weights are reviewed and updated (if required) on a quarterly basis.

Significant increases in credit risk ('SICR')

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions.

The Company has established a framework that incorporates both quantitative and qualitative information to determine whether the credit risk on a particular financial instrument has increased significantly since initial recognition. The framework aligns with Company's internal credit risk management process. The criteria for determining whether credit risk has increased significantly will vary by portfolio.

The assessment of significant increases in credit risk is generally based on two indicators: changes in probability-weighted forward-looking lifetime PD, using the same macroeconomic scenarios as the calculation of expected credit losses for newly originated financial instruments (forward book); or changes in credit rating for financial instruments originated prior to the effective date of IFRS 9 (back book), and credit watch list as specific qualitative information.

The rebuttable presumption of more than 30 days past due has not been used because financial instruments are considered credit-impaired and therefore transferred into Stage 3 earlier than 30 days past due, unless credit risk management determines the default to be operational in nature and it is rectified in a short period of time (normally within a week).

CREDIT SUISSE SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

3. MATERIAL ACCOUNTING POLICIES (Continued)

d) Financial Instruments (Continued)

Significant increases in credit risk ('SICR') (Continued)

The Company monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month ECL and lifetime ECL measurements.

A financial instrument in scope is transferred from Stage 2 to Stage 1, if it no longer meets the stage transition criteria. The stage transition criteria consider a probation period, either by the idiosyncratic nature of PDs or by the watchlist process.

A financial instrument in scope is transferred from Stage 3 to Stage 2 or Stage 1 after a probation period in line with the Company's credit risk management practices. If the financial instrument has not met the criteria to be considered credit-impaired for a minimum number of months, it will be returned to either Stage 2 or Stage 1 depending on the characteristics of the financial instrument.

The low credit risk exemption has not been used in the context of determining significant increases in credit risk.

Expected life

The maximum period to consider when measuring expected credit losses is the maximum contractual period (including borrower-only extension options) over which the Company is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice.

Write-off policy

When it is considered certain that there is no reasonable prospect of recovery and all collateral has been realized or transferred to the Company, the financial assets and any associated allowance is written off. If the amount of loss on write-off is greater than the accumulated loss allowance, the differences result in an additional impairment loss. The additional impairment loss is first recognized as an addition to the allowance that is then applied against the gross carrying amount. Any repossessed collateral is initially measured at fair value. The subsequent measurement depends on the nature of the collateral.

Offsetting

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

e) Employees benefits

Employee benefits are payable to all employees employed under the clauses of the Saudi Arabian Labor Laws and Regulations applicable to the Company on termination of their employment contracts. Company's obligation in respect of defined benefit plan is calculated by estimating the amount of future benefits that employees have earned in current and prior periods and discounting that amount to arrive at present value. Company sets the assumption used in determining the key elements of the costs of meeting such future obligations. These assumptions are set after consultation with Company's actuaries and include those used to determine regular service costs and the financing elements related to the liabilities. The calculation of end of service benefit obligation is performed by a qualified actuary using the projected unit credit method.

CREDIT SUISSE SAUDI ARABIA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

3. MATERIAL ACCOUNTING POLICIES (Continued)

e) Employees benefits

Re-measurement of defined benefit liability, which comprises of actuarial gain and losses are recognized immediately in statement of comprehensive income. The Company determines interest expense on the defined benefit obligation for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any change in net defined benefits obligation during the period as a result of contribution and benefits payments. Net interest expense and other expenses related to defined benefit are recognized in statement of income.

f) Finance income and finance cost

The Company's finance income and finance cost include:

- finance income
- finance expense

Finance income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating the finance income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset 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, finance income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income revert to the gross basis.

g) Share based incentive plans

The Company's share-based payments, which are an integral part of the Company's annual remuneration process, are an important part of the overall compensation package for key employees and senior executives and are designed to promote employee retention and align employee and shareholder interests.

The Company has no specific share-based compensation plan of its own and participates in UBS AG's Group master share plan. When an award of UBS AG's Group share is made to an employee of the Company, the Company has an obligation to transfer UBS AG's Group shares to the employee if the vesting conditions of the award are satisfied.

In accordance with IFRS 2 – *Share Based Payment*, the Company measures the services received and account for these transactions with its employees as cash-settled share based payments transactions.

This includes the recognition of a liability, incurred and related to share-based payment over the service life and in proportion to the service delivered at fair value. The fair value of the liability is re-measured until the liability is settled and changes in fair value are recognised in the statement of income.

Share awards and share based cash unit awards that contain market conditions are marked-to-market based on the latest share price information reflecting the terms of the award.

Share unit awards that contain earnings performance conditions are marked-to-market based on the shareholder's actual earnings performance to date and UBS AG's Group (parent company) internal earnings projections over the remaining vesting period of the award. In determining the final liability, the parent company also estimates the number of forfeitures over the life of the plan based on management's expectations for future periods, which also considers past experience.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

3. MATERIAL ACCOUNTING POLICIES (Continued)

h) Assets held in trust or in a fiduciary capacity

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company and accordingly are not included in the financial statements; these are treated as off-balance sheet items.

i) Revenue recognition

Under IFRS15 – *Revenue recognition*, Revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a contractual performance obligation. Variable consideration is only included in the transaction price once it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the amount of variable consideration is subsequently resolved.

Generally, no significant judgement is required with respect to recording variable consideration. If a fee is a fixed percentage of a variable account value at contract inception, recognition of the fee revenue is constrained as the contractual consideration is highly susceptible to change due to factors outside of the Company's influence. However, at each performance measurement period (e.g., daily, monthly, quarterly), recognition of the cumulative amount of the consideration to which the Company is entitled is no longer constrained because it is calculated based on a known account value and the fee revenue is no longer variable.

The performance obligations are typically satisfied as the services in the contract are rendered. The contract terms are generally such that they do not result in any contract assets. The contracts generally do not include a significant financing component or obligations for refunds or other similar obligations.

Based on the above the revenue recognition policy for each revenue stream is as follow:

Brokerage revenue

Brokerage income is recognised when the related transactions are executed on behalf of the customers at the price agreed in the contract with the customers, net of discounts and rebates. The performance obligation of the Company is satisfied when the Company carries out the transaction, which triggers immediate recognition of the revenue, as the Company will have no further commitments.

Swap commission

Swap commission income is recognised when the related transactions are executed on behalf of the related party customers at the price agreed in the contract with the customers, net of discounts and rebates. The performance obligation of the Company is satisfied when the Company carries out the transaction, which triggers immediate recognition of the revenue, as the Company will have no further commitments.

Custody fees

Performance obligation are generally satisfied periodically based on the custody agreements which triggers recognition of the revenue. No further performance obligation or commitment is required due to nature of revenue being providing of custody/safe keeping.

CREDIT SUISSE SAUDI ARABIA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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3. MATERIAL ACCOUNTING POLICIES (Continued)

Revenue share for arranging one off Investment Banking/Asset Management division deals

The Company earns revenue shared out of executed and booked deals by other Credit Suisse entities. The Company recognize revenue once performance obligations from it are completed towards the other group companies (Originating/executing).

j) Payable and accruals

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

k) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

l) Expenses

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

m) Income tax

Tax expense comprises current and deferred tax. Current tax is expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date by tax laws and regulations under the Zakat, Tax and Customs Authority (ZATCA) and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and on the accumulated tax losses of the Company.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are recognized in statement of statement of income, except when they relate to items that are recognized in other comprehensive income or directly in shareholder's equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in shareholder's equity respectively.

CREDIT SUISSE SAUDI ARABIA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

3. MATERIAL ACCOUNTING POLICIES (Continued)

n) Foreign currencies

Transactions in foreign currencies are translated into Saudi Arabian Riyals at the exchange rates prevailing at transaction dates. Monetary assets and liabilities at year-end, denominated in foreign currencies, are translated into Saudi Arabian Riyals at the exchange rates prevailing at the date of the financial position. Foreign exchange gains or losses on translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

o) Lease payments

The Company has entered into a property lease arrangement. A lease is identified when a contract (or a part of a contract) exists that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In determining whether a contract contains a lease, the Company has assessed whether there is an identifiable asset and whether it has the right to control the use of the identified asset.

The Company recognizes right-of-use (ROU) assets, which are reported as property and equipment, and lease liabilities, which are reported as debt in issuance. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent an obligation to make lease payments under the lease contract. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company enters into leases with fixed lease payments. The Company's incremental borrowing rate, which is used in determining the present value of lease payments, is derived from information available as at lease agreement date. Lease ROU assets are amortized on straight-line basis over the lease term. Amortization expense on RoU assets is recognized in general and administrative expenses. Interest expense on lease liabilities are recognized in interest expense.

p) Service level agreements

Costs are recharged to the Company by other Credit Suisse entities to reflect services provided by them to the Company. These services are charged in accordance with Service Level Agreements entered between the entities. These recharges are netted off against the related expenses for the year.

4. CASH AND CASH EQUIVALENTS

	Note	As at 31 December 2024	As at 31 December 2023
Cash in hand		5,000	59
Cash at local bank – current account		10,173,841	5,473,838
Cash at banks -held with related parties	7(c)	6,269,647	6,205,318
Cash at local bank – Time deposits	4.1	329,152,475	178,474,236
Total		345,600,963	190,153,451
Expected credit losses		(48,498)	(2,960)
		345,552,465	190,150,491

Cash at bank is placed with banks who have investment grade credit ratings. Time deposits are placed with local banks having original maturity of less than three months from the date of placements.

4.1 The interest rates on these deposits ranges from 4.85% - 6.27% per annum (2023: 5% - 6.1%).

CREDIT SUISSE SAUDI ARABIA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

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5. DUE FROM BANKS, net

	As at 31 December 2024	As at 31 December 2023
Cash at local bank – Term Deposits	-	209,793,098
Expected credit losses	-	(8,090)
	-	209,785,008

6. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES, NET

	As at 31 December 2024	As at 31 December 2023
Cash collateral margins	54,500,185	6,083,918
Custody fees receivable	242,283	350,928
Prepayments	2,019,029	2,151,584
Security deposits	91,998	154,404
Other miscellaneous assets	390,515	289,967
Total	57,244,010	9,030,801
Expected credit losses	(1,814)	(45,416)
	57,242,196	8,985,385

7. RELATED PARTY TRANSACTIONS AND BALANCES

The Company's shareholder and all its affiliates are considered as related parties of the Company. UBS AG (incorporated in Switzerland) is the shareholder of the Company. In the ordinary course of business, the Company enters into transactions with related parties, which are based on prices and contract terms approved by the Company's management.

The Company has entered into a Service Level Agreement (SLA) with UBS AG (the "shareholder"), which provides the basis for sharing revenues on jointly executed projects and allocation of common expenses incurred by or on behalf of the shareholder.

Further the shareholder also provides administrative and infrastructural support to the Company as and when required.

Core strategic decision related to the Company including deciding on its core business model, people strategy as well as new business is taken by the management of UBS AG. Local entity's management only follows group strategy and policies. However, no compensation is paid by the Company to any key management person (UBS's management) having authority and responsibility for planning, directing, and controlling the activities of the Company.

CREDIT SUISSE SAUDI ARABIA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

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7. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(a) The significant transactions during the year were as follows:

Revenue from jointly executed projects with agreed share of the Company as per SLA including custody fees, swap commission and advising and arranging of investment. Credit Suisse Riyadh Branch balance represents interest earned on time deposits.

		2024	2023
UBS AG – London Branch	Affiliate	10,261,003	-
UBS AG Riyadh Branch	Affiliate	8,209,124	4,678,098
UBS AG	Parent	2,441,035	9,617,379
UBS Saudi Arabia	Affiliate	315,926	-
Credit Suisse International	Affiliate	-	2,998,739
CS Europe Bank	Affiliate	-	553,238
		21,227,088	17,847,454

Service received / provided for management and support functions and custody services

		2024	2023
UBS Dubai Branch	Affiliate	(8,152,802)	(7,902,708)
UBS AG	Parent	(980,974)	(189)
UBS AG, Bahrain Branch	Affiliate	(814,532)	(787,807)
Credit Suisse (Schweiz) AG	Affiliate	-	(1,176,105)
CS Services AG, London Branch	Affiliate	-	(539)
CS Deutschland	Affiliate	-	526
Credit Suisse International	Affiliate	-	(1,766)
UBS AG Riyadh Branch	Affiliate	814,437	2,213,857
		(9,133,871)	(7,654,731)

Following balances pertain to related parties in the Statement of Financial Position:

Due from related parties:

		31 December 2024	31 December 2023
UBS AG Riyadh Branch	Affiliate	1,665,375	689,690
UBS AG	Parent	420,232	514,117
UBS Saudi Arabia	Affiliate	371,273	-
UBS AG, London Branch	Affiliate	298,804	19,350
Credit Suisse International	Affiliate	106,990	87,766
UBS AG, Dubai Branch	Affiliate	96,147	95,970
UBS AG, Bahrain Branch	Affiliate	12,535	1,401,228
CS Europe Bank	Affiliate	1,360	25,002
CS Deutschland	Affiliate	527	526
Total		2,973,243	2,833,649
Expected credit losses		(808)	(3,562)
		2,972,435	2,830,087

CREDIT SUISSE SAUDI ARABIA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

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7. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Due to related parties:

		31 December 2024	31 December 2023
UBS AG Dubai Branch	Affiliate	4,679,771	2,509,971
UBS AG Riyadh Branch	Affiliate	234,018	297,788
Credit Suisse International	Affiliate	231,345	221,208
UBS AG, Bahrain Branch	Affiliate	104,795	1,437,070
UBS AG London Branch	Affiliate	52,916	-
UBS Saudi Arabia	Affiliate	52,333	-
UBS Securities LLC.	Affiliate	17,205	96,100
UBS AG	Parent	16,516	78,852
UBS Group AG	Affiliate	13,516	-
UBS AG New York Branch	Affiliate	7,989	7,975
UBS Business Solutions US LLC.	Affiliate	293	303
Credit Suisse (UK) Limited	Affiliate	131	131
CS Europe Bank	Affiliate	18	18
Credit Suisse (Hong Kong) Limited	Affiliate	11	11
UBS AG, Singapore Branch	Affiliate	4	4
Credit Suisse Securities (Europe) Limited	Affiliate	-	13
		5,410,861	4,649,444

(c) Cash and cash equivalents with related parties

		31 December 2024	31 December 2023
UBS AG Riyadh Branch	Affiliate	5,267,843	4,037,133
UBS AG	Parent	1,001,804	2,168,185
		6,269,647	6,205,318

In addition to above, the shareholder has offered share-based incentive plans to certain employees of the Company (see note 9).

8. PROPERTY, EQUIPMENT AND INTANGIBLES

	Note	2024	2023
Property, equipment and intangibles	8.1	11,075,634	14,401,028
Right of use asset	8.2	3,662,781	4,928,031
Total		14,738,415	19,329,059

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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8. PROPERTY, EQUIPMENT AND INTANGIBLES (Continued)

8.1 Property, equipment and intangibles, net

	31-Dec-24						
	Leasehold improvements	Furniture & fixture and office equipment	Computer equipment	Computer software	Motor vehicles	Work in progress	Total
Cost							
Balance as at 1 January	12,360,521	736,294	8,008,026	531,113	401,200	-	22,037,154
Additions during the year	194,547	-	-	-	-	157,500	352,047
Impaired asset	-	-	-	-	-	-	-
Transfer from work in progress	-	-	-	-	-	-	-
Balance as at 31 December	12,555,068	736,294	8,008,026	531,113	401,200	157,500	22,389,201
Accumulated depreciation							
Balance as at 1 January	2,557,981	392,334	3,968,317	316,294	401,200	-	7,636,126
Depreciation during the year	2,153,400	146,439	1,225,835	151,767	-	-	3,677,441
Balance as at 31 December	4,711,381	538,773	5,194,182	468,061	401,200	-	11,313,567
Net book value as at 31 December 2024	7,843,687	197,521	2,813,874	63,052	-	157,500	11,075,634

CREDIT SUISSE SAUDI ARABIA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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8. PROPERTY, EQUIPMENT AND INTANGIBLES (Continued)

31 December 2023

	Leasehold improvements	Furniture & fixture and office equipment	Computer equipment	Computer software	Motor vehicles	Work in progress	Total
Cost:							
Balance as at 1 January	1,526,135	736,294	5,509,841	1,405,031	401,200	400,308	9,978,809
Additions during the year	10,434,078	-	2,498,185	-	-	-	12,932,263
Impaired asset (8.1 (a))	-	-	-	(873,918)	-	-	(873,918)
Transfer from work in progress	400,308	-	-	-	-	(400,308)	-
Balance as at 31 December	12,360,521	736,294	8,008,026	531,113	401,200	-	22,037,154
Accumulated depreciation							
Balance as at 1 January	1,405,714	245,409	2,808,087	451,026	369,430	-	5,279,666
Depreciation during the year	1,152,267	146,925	1,160,230	240,410	31,770	-	2,731,602
Impaired asset	-	-	-	(375,142)	-	-	(375,142)
Balance as at 31 December	2,557,981	392,334	3,968,317	316,294	401,200	-	7,636,126
Net book value as at 31 December 2023	9,802,540	343,960	4,039,709	214,819	-	-	14,401,028

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8 PROPERTY, EQUIPMENT AND INTANGIBLES (Continued)

8.2 RIGHT OF USE ASSETS, net

	2024	2023
Balance as at 1 January	4,928,031	6,513,701
Additions	-	70,536
Amortisation	(1,265,250)	(1,656,206)
Balance as at 31st December	3,662,781	4,928,031

9. ACCRUED EXPENSES AND OTHER LIABILITIES

	2024	2023
Accrual for performance bonus	1,189,349	2,172,760
Trade and other payables	5,918,946	3,002,980
Deferred cash awards	150,116	4,090
Payable to tax authorities	470,786	937,114
	7,729,197	6,116,944

Payable to tax authorities include both corporate direct and indirect tax.

10. GROUP EMPLOYEE SHARE PLAN

Total compensation expense/(income) for cash-settled share-based compensation plans recognised during 2024 and 2023 was SAR 725,354 and SAR(136,995) respectively. The total share-based cash unit award liability recorded as at 31 December 2024 was SAR 97,448 (2023: SAR 116,740). The fair value used to calculate the share-based cash unit award liability was the closing UBS Group AG share price as at 31 December 2024 CHF 27.73 (2023: CHF 26.10). The average weighted fair value of awards granted in 2024 was nil (2023: CHF 18.34). The intrinsic value of vested share-based cash unit awards outstanding as at year end was SAR 113 (2023: SAR 135).

A brief description of the UBS Group AG employee share award is summarized as follows:

Share-based Cash Unit awards

Share-based cash unit awards generally vest over three years with one third of the share-based cash unit awards vesting on each of the three anniversaries of the grant date (ratable vesting). Share-based cash unit awards are expensed over the service period of the awards. The value of the share-based cash unit awards is solely dependent on the UBS Group AG share price at the time of delivery.

Share-based cash unit awards include other awards, such as Strategic Delivery Plan cash unit (SDP), Performance Share Award cash unit (PSA), Transformation Award cash unit (TA) and special cash unit awards, which may be granted to new employees. These awards entitle the holder to receive one UBS Group AG share and are generally subject to continued employment with the Company, contain restrictive covenants and cancellation provisions and generally vest between zero and five years.

SDP cash unit was a one-off share-based cash unit award granted in February 2022. The SDP cash unit awards are subject to service conditions and performance-based metrics over the course of 2022-2024.

SDP cash unit awards are scheduled to vest on the third anniversary of the grant date. Prior to settlement, the principal amount of the SDP cash unit awards will be written down to zero and forfeited if the UBS Group's reported CET1 ratio falls below 7% as of December 31st of the calendar year 2024.

The majority of share-based cash unit awards granted include the right to receive dividend equivalents on vested shares.

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10. GROUP EMPLOYEE SHARE PLAN (continued)

Upfront cash awards

Upfront cash awards are subject to repayment (clawback) by the employee in the event of voluntary resignation, termination for cause or in connection with other specified events or conditions within three years of the award grant. The amount subject to repayment is reduced in equal monthly instalments during the three-year period following the grant date. The expense recognition will occur over the three-year vesting period subject to service conditions.

Total compensation expense recognised the year ended December 31, 2024 was **SAR 110,929** (2023: **SAR 293,973**).

Deferred cash awards

Deferred cash awards include special awards, merger retention cash awards (vested in 60 days after grant), transformation cash awards, Contingent Capital Awards (CCA), Deferred Contingent Cash Plan (DCCP), Fund Ownership Plan (FOP) cash awards, and employee investment plans. Compensation expense was primarily driven by their vesting schedule as well as mark to market adjustments, where applicable.

11. EMPLOYEES' END OF SERVICE BENEFITS

11.1 The amounts recognized in the statement of financial position and movement in the obligation during the year based on its present value are as follows:

	2024	2023
Balance at beginning of the year	3,663,184	4,106,262
Statement of Income		
Current service cost	671,135	592,432
Interest cost	-	186,978
	671,135	779,410
Statement of Comprehensive Income		
Actuarial gain	(886,502)	(550,814)
Cash and other movements		
Transfers	852,758	189,383
Benefits paid	(1,128,682)	(861,057)
Balance at end of the year	3,171,893	3,663,184

11.2 Principal actuarial assumptions (in respect of the employee benefit scheme):

	2024	2023
Discount rate	5.25%	4.75%
Expected rate of salary increase	2.00%	2.00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with the published statistics and experience in the region. Attrition rates have been determined using benchmarks and adjusted for Company's own experience.

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11 EMPLOYEES' END OF SERVICE BENEFITS (Continued)

11.3 Sensitivity of actuarial assumptions

The table below illustrates the sensitivity of the Defined Benefit Obligation valuation as at 31 December 2024 and 31 December 2023 to the key assumptions mentioned in 11.2 above.

	SAR'000		
	Impact on defined benefit obligation – Increase / (Decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption
31 December 2024			
Base Scenario			
Discount rate	1.00%	322	(372)
Expected rate of salary increase	1.00%	(332)	300
31 December 2023			
Base Scenario			
Discount rate	1.00%	(295)	339
Expected rate of salary increase	1.00%	345	(306)

The above sensitivity analysis are based on a change in an assumption holding all other assumptions constant.

12. SHARE CAPITAL

The Company's issued and fully paid share capital amounts to SAR 737,500,000 (31 December 2023: SAR 737,500,000) comprising 73,750,000 shares (31 December 2022: 73,750,000 shares) of SAR 10 each.

13. STATUTORY RESERVE

In accordance with the Company's By-Laws, the Company is required to transfer at least 10% of its net income each year to the statutory reserve until this reserve equals to 30% of the paid capital. The statutory reserve is not available for distribution to shareholders until liquidation of the Company. The Company has not transferred any amount to statutory reserve due to accumulated losses.

14. FEE AND COMMISSION INCOME, NET

	Notes	2024	2023
Shares brokerage, net		5,210,848	2,510,726
Custodian fee	14.1	2,579,919	9,444,423
Equity swap arrangements, net		-	102,142
Discretionary portfolio management		101,114	131,519
		7,891,881	12,188,810

14.1 Custodian fee includes an amount of SAR 2,175,100 (2023: SAR 8,809,062) representing net commission received from UBS AG (the Parent entity) for providing sub custody facilities by the Company.

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15. REVENUE FROM CONTRACT WITH CUSTOMERS

Nature of services

The following is a description of the principal activities from which the Company generates its revenues from contracts with customers.

UBS's wealth management businesses provide investment services and solutions for clients, including investment advisory and investment management, wealth planning. The Company receives for these services investment advisory and investment management fees which are generally reflected in the line item 'Investment and portfolio management' in the table "Contracts with customers and disaggregation of revenues" below. Generally, the fee for the service provided is recognized over the period of time the service is provided. Revenue also includes receiving of revenue share from other UBS locations for arranging these services by Credit Suisse Saudi Arabia.

The wealth management businesses also provide comprehensive advisory services and tailored investment and financing solutions to private, corporate and institutional clients. The nature of the services range from investment and wealth management activities, which are services rendered over a period of time according to the contract with the customer, to more transaction-specific services such as brokerage, sales and trading services and the offer of client-tailored financing products. The services are provided as requested by UBS's clients, and the fee for the service requested is recognized once the service is provided. Revenue also includes sharing of custody fees charged by UBS Group Companies as the Company is sub-custodian for shares listed with Saudi Tadawul and arranging & advisory service fee earned on Investment banking and capital market deals.

Contract with customers and disaggregation of revenue

	Note	2024	2023
Fee and commission income, net	<i>14</i>	7,891,881	12,188,810
Arranging and advisory services		11,078,624	670,229
		18,970,505	12,859,039
Contract balance		2024	2023
Contract receivables (gross)		2,973,243	2,833,636

This includes contract receivables amounting to SAR 2,973,243 (31 December 2023: SAR 2,833,649) from related party shown in 7(a).

Allowance for credit impairment of SAR 808 (31 December 2023: SAR 3,562) were recognized on contract receivables during the reporting period.

15. REVENUE FROM CONTRACT WITH CUSTOMERS (Continued)

Capitalized costs

The Company has not incurred costs in obtaining a contract nor costs to fulfill a contract that are eligible for capitalization.

Remaining performance obligations

IFRS 15's practical expedient allows the Company to exclude from its remaining performance obligations disclosure any performance obligations which are part of a contract with an original expected duration of one year or less. Additionally, any variable consideration, for which it is probable that a significant reversal in the amount of cumulative revenue recognized will occur when the uncertainty associated with the variable consideration is subsequently resolved, is not subject to the remaining performance obligations disclosure because such variable consideration is not included in the transaction price (e.g., investment management fees). Upon review, the Company determined that no material remaining performance obligations are in scope of the remaining performance obligations disclosure.

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16. EXPECTED CREDIT LOSSES

Expected credit losses

	As at 31 December 2024	As at 31 December 2023
Reversal / (charge) for expected credit losses on exposures	<u>(8,908)</u>	126,265
	<u>(8,908)</u>	126,265

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 3(d).

	31 December 2024	31 December 2023
Cash and cash equivalents		
Opening balance	(2,960)	(180,801)
Net remeasurement of loss allowances	<u>(45,538)</u>	177,841
Closing balance	<u>(48,498)</u>	(2,960)
Due from Banks		
Opening balance	(8,090)	-
Reversal of loss allowances	<u>8,090</u>	(8,090)
Closing balance	<u>-</u>	(8,090)
Due from related parties		
Opening balance	(3,562)	(3,852)
Net remeasurement of loss allowances	<u>2,755</u>	290
Closing balance	<u>(807)</u>	(3,562)
Advances and other receivable		
Opening balance	(45,416)	(1,640)
Net remeasurement of loss allowances	<u>43,601</u>	(43,776)
Closing balance	<u>(1,815)</u>	(45,416)
Total ECL		
Opening balance	(60,028)	(186,293)
Net remeasurement of loss allowances	<u>8,908</u>	126,265
Closing balance	<u>(51,120)</u>	(60,028)

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17. SALARIES AND EMPLOYEE RELATED EXPENSES

	31 December 2024	31 December 2023
Basic salaries	(9,645,511)	(10,698,082)
Allowances and other benefits	(8,520,973)	(7,876,972)
Performance based incentive bonus	(1,793,097)	(2,172,629)
Deferred compensation expense	(285,611)	(113,046)
	<u>(20,245,192)</u>	<u>(20,860,729)</u>

18. TELECOMMUNICATION AND DATA SERVICE CHARGES

	2024	2023
Telecommunication charges	(2,891,701)	(6,503,259)
Data service charges	(1,146,131)	(1,281,876)
	<u>(4,037,832)</u>	<u>(7,785,135)</u>

19. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Insurance	(1,086,784)	(1,471,170)
Repair and maintenance	(531,827)	(116,673)
Business travel	(58,590)	(172,906)
Office supplies	(296,185)	(1,033,528)
Non-claimable VAT	(2,084,769)	(3,293,388)
Staff training	-	(4,652)
Withholding tax	(132,523)	(253,355)
Bank charges	(906,356)	(1,176,105)
Others	(207,187)	(88,705)
	<u>(5,304,221)</u>	<u>(7,610,482)</u>

20. NET FINANCE INCOME

Finance income, if any, represents income earned on bank deposits and placements with commercial bank during the period.

	2024	2023
Finance Income on cash and cash equivalent	<u>15,485,204</u>	<u>20,903,137</u>

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21. INCOME TAX & ZAKAT

a. Income tax

	2024	2023
Current tax expense	-	-
Tax expense related to previous year	-	140,346
	<hr/>	<hr/>
Tax expense for the year	-	140,346
	<hr/>	<hr/>
Reconciliation of effective tax expense	2024	2023
Accounting loss before tax	-	(18,228,283)
Adjustments to accounting loss	-	1,749,648
Adjusted net loss	-	(16,478,635)
Brought forward losses	-	-
	<hr/>	<hr/>
Tax loss for the year	-	(16,478,635)
	<hr/>	<hr/>
Effective rate of applicable tax	20%	20%
Tax at applicable tax rate	-	2,773,271

During the year 2024, the Company has not incurred any zakat expenses (2023: Nil)

b. Status of assessments

For the Years 2007 to 2013

The assessment for the years 2007-2013 has been issued by ZATCA which resulted in an additional tax and zakat demand of SAR 7,094,222 due to disallowance of certain expenses and addition of certain amounts to zakat base. The Company has submitted an appeal to GSTC against the additional tax and zakat assessed by ZATCA.

GSTC Level I has ruled in Company's favor during the appeal hearing which took place in June 2021. During 2023, GSTC Level II has issued the final ruling which rejected the appeal submitted by ZATCA and uphold the ruling issued by GSTC Level I.

In lieu of the above, ZATCA has reversed the assessments for FY 2007-2013 taking into consideration the ruling issued by GSTC Level II.

Notwithstanding to the above, there are manual WHT assessments issued by ZATCA for FY 2008 amounting to SAR 33,589.40 which the Company has already settled.

For the Years 2014 to 2023

The Company has filed its tax/zakat declarations for the years ended 31 December 2014 to 2023 with ZATCA within the statutory deadline. The ZATCA has not issued any assessment for the above- mentioned years.

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22. LEASE COMMITMENTS

The Company is renting its main office premises through lease contract. The lease duration for the current office space was initially for five years; the lease contract was subsequently extended for three years up to end of February 2023. Company also entered a lease for a new office space for a period of six years up to end of September 2028. The future minimum lease payments under the lease is as follows:

	2024	2023
Lease Liability		
Maturity Analysis of lease liability		
Due within 1 year	1,476,508	1,476,508
Due between 1 and 2 years	1,331,150	1,476,508
Due between 2 and 3 years	895,078	1,331,150
Due between 3 and 4 years	447,538	895,078
Due between 4 and 5 years	-	447,539
Due after 5 years	-	-
Undiscounted amount of lease liability	4,150,274	5,626,783
Future interest	(285,506)	(497,860)
Discounted lease liabilities	3,864,768	5,128,923

CAPITAL COMMITMENTS

As at 31 December 2024 and 31 December 2023 the Company has no capital commitments.

23. ASSETS HELD IN FIDUCIARY CAPACITY

23.1 As at 31 December 2024 assets held under fiduciary capacity amounted to SAR 31 million (31 Dec 2023: SAR 32 million). These are kept with a local commercial bank and related parties in KSA and outside KSA. These amounts were kept in custody by the Company for its customers for the purpose of investment in the local and international market.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Introduction and overview

The Company has exposure to various risks from its use of financial instruments and from its operations. Financial instruments carried on the balance sheet include cash and cash equivalents, due from / to related parties, advance and other receivables and other liabilities. These risks can be broadly classified as:

- credit risk;
- liquidity risk;
- market risk; and
- operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

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24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially are subject to concentration of credit risk, consist principally of cash at bank, due from related parties, advance, other receivables and cash collateral. The Company's exposure to credit risk is indicated by the carrying amount of its financial assets which consist principally of demand and time deposits with banks, amount of due from related parties, advances, and other receivables and cash collateral.

Maximum exposure to credit risk	31 December 2024	31 December 2023
Demand and time deposits with banks	345,595,957	190,153,392
Due from banks	-	209,793,098
Due from related parties	2,973,243	2,833,649
Advance and other receivables	696,021	759,806
Cash collaterals	54,500,185	6,083,918
	403,765,406	409,623,863

Time deposits and due from banks

Credit risk on demand and time deposits with banks is not significant as these are held with local banks which have good credit rating assessed by international credit rating agencies. Credit risk on amounts due from banks is not significant as these are due from Credit Suisse counterparties which have good credit rating assessed by international credit rating agencies.

Due from related parties

Credit risk on amounts due from related parties is not significant as these are due from Credit Suisse counterparties which have good credit rating assessed by international credit rating agencies. Amount reported is gross before deducting expected credit loss.

None of the balances with banks, related parties and other financial assets, which are subject to credit risk, are past due. Amounts reported are gross before deducting expected credit loss.

Advances and other receivables

None of the advances and other receivables which are subject to credit risk are past due. Amount reported is gross before deducting expected credit loss.

Cash Collateral

Cash Collateral represents margin money placed with clearing house of Saudi Stock Exchange (Muqassa) through Saudi Awwal Bank (SAB), our designated General Clearing member at clearing house of Saudi Stock Exchange (Muqassa) as Credit Suisse Saudi Arabia is non-clearing member of Muqassa. Due to nature of this collateral, its maturity and the market regulation about the safety of collateral, the management has assessed that the credit risk associated with this collateral is not significant.

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24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

The maximum exposure to credit risk for financial assets at the reporting date by geographical region was:

As on 31 December 2024	Saudi Arabia	Eurozone (ex UK)	UK	Other	Total
Cash and cash equivalents	344,594,141	1,001,816			345,595,957
Due from banks					-
Due from related parties	2,036,649	420,759	405,793	110,042	2,973,243
Advance and other receivables	696,021				696,021
Cash Collaterals	54,500,185				54,500,185
	401,826,996	1,422,575	405,793	110,042	403,765,406
As on 31 December 2023					
Cash and cash equivalents	187,985,207	2,168,185	-	-	190,153,392
Due from banks	209,793,098				209,793,098
Due from related parties	689,690	514,643	107,116	1,522,200	2,833,649
Advance and other receivables	759,806	-	-	-	759,806
Cash Collaterals	6,083,918				6,083,918
	405,311,719	2,682,828	107,116	1,522,200	409,623,863

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amount.

Credit risk exposure by rating grades

		31 December 2024		
		Stage 1 – Gross Carrying amount	12-month ECL (Stage 1)	Stage 1 - Net carrying amount
Cash and cash equivalents	Rating A- to BBB	345,595,957	(48,492)	345,547,465
Due from banks	Rating A-	-	-	-
Due from related parties	Rating A- to BBB+	2,973,243	(808)	2,972,435
Advances and other receivables	Unrated	696,021	-	696,021
Cash collateral	Rating A-	54,500,185	(1,814)	54,498,371
Total		403,765,406	(51,114)	403,714,292
		31 December 2023		
		Stage 1 - Gross Carrying amount	12-month ECL (Stage 1)	Stage 1 - Net carrying amount
Cash and cash equivalents	Rating A- to BBB	190,153,392	(2,960)	190,150,432
Due from banks	Rating A-	209,793,098	(8,090)	209,785,008
Due from related parties	Rating A- to BBB+	2,833,649	(3,562)	2,830,087
Advances and other receivables	Unrated	759,806	-	759,806
Cash collateral	Rating A-	6,083,918	(45,416)	6,038,502
Total		409,623,863	(60,028)	409,563,835

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24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Furthermore, the Company has necessary support available from its shareholder.

Residual contractual maturities of financial assets and liabilities

The following table sets out the maturity profile of the Company's financial assets and financial liabilities. The contractual maturities of financial assets and financial liabilities have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. Management monitors the maturity profile to ensure that adequate liquidity is maintained. The Company's expected cash flows on these instruments do not vary significantly from this analysis.

Maturity profile

The maturity profile of the Company's financial assets and financial liabilities as at 31 December 2024 and 31 December 2023 is as follows:

31 December 2024	Demand	GROSS UNDISCOUNTED CASHFLOWS			Total
		Up to 3 months	3 months to 1 year	1 year and above	
Assets					
Cash and cash equivalents	16,443,489	185,802,318	143,355,150	-	345,600,975
Due from banks					
Due from related parties		2,973,243			2,973,243
Advances and other receivables		604,023		91,998	696,021
Cash collateral		54,500,185			54,500,185
	16,443,489	243,879,769	143,355,150	91,998	403,770,406
Liabilities					
Due to related parties		5,410,861	-	-	5,410,861
Accrued expenses and other financial liabilities		5,364,459	554,487	-	5,918,946
Lease liabilities		795,598	527,401	2,541,771	3,864,770
		11,570,918	1,081,888	2,541,771	15,194,577
Maturity gap	16,443,489	232,308,851	142,273,262	(2,449,773)	388,575,829

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24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

31 December 2023	Demand	GROSS UNDISCOUNTED CASHFLOWS			Total
		Up to 3 months	3 months to 1 Year year	1 year and above	
Assets					
Cash and cash equivalents	11,679,215	178,474,236	-	-	190,153,451
Due from banks	-	25,584,583	184,208,515	-	209,793,098
Due from related parties	-	2,833,649	-	-	2,833,649
Advances and other receivables	-	605,401	-	154,405	759,806
Cash collateral	-	6,083,918	-	-	6,083,918
	<u>11,679,215</u>	<u>213,581,787</u>	<u>184,208,515</u>	<u>154,405</u>	<u>409,623,922</u>
Liabilities					
Due to related parties	-	4,649,444	-	-	4,649,444
Accrued expenses and other financial liabilities	-	1,535,818	1,467,161	-	3,002,979
Lease liabilities	-	1,476,508	-	4,150,274	5,626,782
	<u>-</u>	<u>7,661,770</u>	<u>1,467,161</u>	<u>4,150,274</u>	<u>13,279,205</u>
Maturity gap	<u>11,679,215</u>	<u>205,920,017</u>	<u>182,741,354</u>	<u>(3,995,869)</u>	<u>396,344,717</u>

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 in the principal or, in absence, the most advantageous market to which the Company has access at that date. As the accompanying financial statements are prepared under the historical cost method, except for group employee share plan and employees' end of service benefits, differences may arise between the book values and the fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values since all of the financial instruments of the Company are short-term in nature.

The carrying value of the reported financial assets and liabilities approximates their fair value.

Market risk

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk for the Company has three main components:

- Currency risk;
- Interest rate risk; and
- Other price risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management believes that there is minimal risk of significant losses due to exchange rate fluctuation as the majority of monetary assets and liabilities are in currencies linked to the Saudi Riyal. In addition, as the Company's foreign currency transactions are primarily in US dollars which is pegged with the Saudi Riyal, foreign exchange gains and losses are not significant and have not been disclosed separately.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Interest rate risk

Interest rate risk reflects the risk of a change in interest rates, which might affect future earnings. As of 31 December 2024, the Company holds fixed rate interest bearing securities only.

Other price risk

Other price risk is the risk that the fair value of future cash flows of equity investments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company does not hold any equity instruments as on the reporting date and is not exposed to material other price risk.

25. CONTINGENCIES AND COMMITMENTS

Credit Suisse Saudi Arabia (CSSA) is defending against a civil lawsuit for approximately USD 1.1 million before the Saudi Committee for Resolution of Securities Disputes (CRSD). A former client claims that after opening an account with CSSA in 2020, she suffered losses amounting to 40% of her USD 2.8 million portfolio. She closed her CSSA account in 2021 and now disputes her classification as an experienced investor, alleging that the investments made were not suited to her risk profile.

The Plaintiff signed two versions of risk assessment forms, one unclear on risk profile and the other completed post-signing. The case outcome depends on which form CSSA uses. Despite appellate CRSD returning previous judgments favoring CSSA, it is likely the first level CRSD will maintain its stance supporting CSSA.

26. SUBSEQUENT EVENTS

Management believes that no events have occurred subsequent to the reporting date and before the issuance of these financial statements which require adjustment or disclosure in these financial statements.

27. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on March 28, 2025 (corresponding to Ramadan 28, 1446H).