CITIGROUP SAUDI ARABIA
(A Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
For the year ended 31 December 2024
together with
Independent auditor's report

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

KPMG Professional Services Company
Roshn Front, Airport Road
P. O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No. 10104245494

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٤٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholder of Citigroup Saudi Arabia

Opinion

We have audited the financial statements of **Citigroup Saudi Arabia** (the "Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

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

Basis for Opinion

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

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

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

In preparing the financial statements, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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 misstatements, 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 ISA that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

KPMG Professional Services Company

Saleh Mohammed S Mostafa
License No: 524

Al Riyadh: 27 Ramadan 1446H
Corresponding to: 27 March 2025

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KPMG Professional Services

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024
(Amounts in SAR'000)

	Notes	**31 December 2024**	31 December 2023
ASSETS			
Cash and cash equivalents	*5*	**264,302**	239,750
Trade and other receivables	*7*	**6,936**	8,900
Securities trading margin collateral	*8*	**9,222**	6,657
Deferred tax asset	*9*	**1,471**	1,104
Right-of-use asset	*10*	**3,261**	4,319
Property and equipment	*12*	**3,111**	4,204
Total assets		**288,303**	264,934
LIABILITIES AND SHAREHOLDER'S EQUITY			
Liabilities			
Bank overdraft	*13*	**5,998**	-
Accrued expenses and other liabilities	*14*	**14,210**	10,885
Accounts payables	*6*	**2,278**	609
Income tax payable	*15*	**1,506**	3,305
Lease liability	*16*	**2,363**	3,386
Employees' benefit obligations	*17*	**4,060**	2,226
Total liabilities		**30,415**	20,411
Shareholder's equity			
Share capital	*18*	187,500	187,500
Retained earnings		63,581	50,216
Statutory reserve		6,807	6,807
Total equity		257,888	244,523
Total liabilities and shareholder's equity		288,303	264,934

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

Mutlaq Hamad Al-Morished
Chairman

Fahad Al Deweesh
Chief Executive Officer

Olulayode Balabunmi
Chief Financial Officer

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(Amounts in SAR '000)

	Notes	For the year ended 31 December 2024	For the year ended 31 December 2023
Revenue			
Arrangement fees		17,032	9,298
Financial advisory fees		6,587	20,955
Brokerage commission		26,215	17,330
Custody fees		14,199	10,773
Total revenue		64,033	58,356
Finance income	*19*	11,609	7,451
Total operating income		75,642	65,807
Salaries and employees related benefits		(26,372)	(21,378)
Depreciation	*10 & 12*	(2,522)	(2,788)
Premises related expenses		(764)	(561)
Other expenses	*20*	(25,894)	(19,957)
Total operating expenses		(55,552)	(44,684)
Operating Profit		20,090	21,123
Finance cost	*21*	(1,075)	(2,415)
Profit before income tax		19,015	18,708
Income tax:			
- Current	*15*	(3,985)	(3,305)
- Deferred	*9*	(39)	(1,333)
Profit for the year		14,991	14,070
Other comprehensive loss for the year			
Remeasurement loss on employees' benefit obligations	*17*	(2,032)	-
Related tax	*19*	406	-
Total other comprehensive loss		(1,626)	-
Total comprehensive income for the year		13,365	14,070

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

Mutlaq Hamad Al-Morished	Fahad Al Deweesh	Olukayode Bababunmi
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
AS AT 31 DECEMBER 2024
(Amounts in SAR '000)

	Share capital	Retained earnings	Statutory reserve	Total
Balance at 1 January 2024	187,500	50,216	6,807	244,523
Profit for the year	-	14,991	-	14,991
Other comprehensive income for the year	-	(1,626)	-	(1,626)
Total comprehensive income for the year	-	13,365	-	13,365
Transfer to statutory reserve	-	-	-	-
Balance at 31 December 2024	**187,500**	**63,581**	**6,807**	**257,888**
Balance at 1 January 2023	187,500	37,553	5,400	237,871
Profit for the year	-	14,070	-	14,116
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	14,070	-	14,070
Transfer to statutory reserve	-	(1,407)	1,407	-
Balance at 31 December 2023	187,500	50,216	6,807	244,523

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

Mutlaq Hamad Al-Morished	Fahad Al Deweesh	Olukayode Bababunmi
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

CITIGROUP SAUDI ARABIA
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Amounts in SAR '000)

	Notes	For the year ended 31 December 2024	2023
Cash flows from operating activities			
Profit before income tax		19,015	18,708
Adjustments for:			
Depreciation	*10 & 12*	2,522	2,788
Interest on lease liability	*16*	146	189
Interest on bank overdraft	*21*	929	2,226
Provision for employees' end of service benefits	*17*	761	388
		23,373	24,299
Increase / decrease in operating assets and liabilities			
Trade and other receivables		1,965	6,769
Securities trading margin collateral		(2,565)	131,310
Accrued expenses and other liabilities		3,325	(6,877)
Accounts payable		1,669	609
Cash generated from operating activities		27,767	156,110
Employees' end of service benefits paid	*17*	(959)	-
Income tax paid	*15*	(5,784)	-
Net cash generated from operating activities		21,024	156,110
Cash flows from investing activities			
Purchase of property and equipment	*12*	(372)	(178)
Net cash used in investing activities		(372)	(178)
Cash flows from financing activities			
Repayment of bank overdraft		-	(137,689)
Interest on bank overdraft paid		(929)	(2,226)
Lease rentals paid	*16*	(1,169)	(1,169)
Net cash used in from financing activities		(2,098)	(141,084)
Net increase in cash and cash equivalent during the year		18,554	14,848
Cash and cash equivalent at the beginning of the year		239,750	224,902
Cash and cash equivalent at the end of the year (net of bank overdraft)	*5*	258,304	239,750

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

Mutlaq Hamad Al-Morished
Chairman

Fahad Al Deweesh
Chief Executive Officer

Olukayode Bababunmi
Chief Financial Officer

1. GENERAL INFORMATION

Citigroup Saudi Arabia (the "Company") is a Saudi Closed Joint Stock Company incorporated in 2017 and registered in Riyadh, Kingdom of Saudi Arabia under commercial registration no. 1010612164 dated 25 Muharram 1439 (corresponding to 15 October 2017). The Company operates under Saudi Arabia General Investment Authority License No. 10211380876176 dated 21 Shaban 1438 (corresponding to 17 May 2017).

The principal activities of the Company include arranging transactions in debt and capital market, financial advisory, capital raising, merger advisory, capital restructuring, financial restructurings and underwriting, equity trading and custody.

The registered address of the Company, which is also its principal place of business, is at the 20th Floor, Kingdom Tower, P.O. Box 301700, Riyadh 11372, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

a) *Statement of compliance*

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

b) *Basis of measurement*

These financial statements have been prepared on a going concern basis under historical cost convention except for the employee benefit obligation which is measured at present value of defined benefit obligation. The Company does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

c) *Functional and presentation currency*

These financial statements are presented in Saudi Arabian Riyals ("SAR"), which is the presentation and functional currency of the Company.

d) *New Company Law*

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as the "Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance was required not later than two years from 26/6/1444H (corresponding to 19 January 2023). The By-Laws of the Company have been amended as well as approved internally and submitted to the Ministry of Commerce (MOCI) for its approval.

e) *Use of accounting judgments and estimates*

The preparation of these financial statements in conformity with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

There were no areas where significant assumptions, estimates and judgements were applied in preparation of these financial statements.

2. BASIS OF PREPARATION (CONTINUED)

f) Application of new and revised standards

New standards, interpretations and amendments to accounting standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 but they had no material impact on these financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standard/interpretation	Description	Effective from periods beginning on or after
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.	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.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants and Classification of liabilities as current or non-current	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.	1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early, and they do not have a significant impact on those financial statements.

The most significant of these are as follows:

(Amounts in SAR '000)

2. BASIS OF PREPARATION (CONTINUED)

f) Application of new and revised standards (continued)

New standards, interpretations and amendments not yet effective (continued)

Standard	**Description**	**Effective from periods beginning on or after**
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

3. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the material accounting policies set out below to all periods presented in these financial statements, except if mentioned otherwise.

3.1 Financial instruments

a) Classification and measurement of financial assets

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

Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

Debt instruments
Classification and subsequent measurement of debt instruments depend on:

- The Company's business model for managing the asset; and
- The cash flow characteristics of the asset

Business model
The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported by the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

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

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

However, the Company does not have any financial assets classified as FVOCI or FVTPL as at 31 December 2024 and 31 December 2023

b) Classification of financial liabilities

The Company classifies its financial liabilities as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium to issue the funds, and other cost that are integral part of the effective profit rate.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)

c) Derecognition (continued)

Financial assets

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in the statement of profit or loss.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

d) Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

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

e) Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Revenue

The Company recognizes revenue as and when the performance obligations are met. The Company has the following streams of revenue:

Revenue from arrangement fee and financial advisory fee
Revenue from arrangement fee and financial advisory fee assignments are recognized, when services are determined to be completed in accordance with the underlying agreement, agreed with the customer and invoiced, as generally set for under the terms of the engagement.

Revenue from brokerage commission
Revenue from brokerage commission is recognized when the related transactions are executed by 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 customer carries out the transaction, which triggers immediate recognition of the revenue, as the Company will have no further commitments.

Revenue from custody fee
Fees charged for providing custodial services are recognized as revenue when the service is being provided. The performance obligation of the Company is satisfied when the Company carries out the service, which triggers immediate recognition of the revenue, as the Company will have no further commitments. Moreover, the interest is also earned on client money accounts.

Profit on time deposit
Profit earned on time deposit is accrued on the time proportionate basis.

3.3 Employees' benefit obligations

The Company operates a defined benefit plan for its employees in accordance with labour regulations applicable in the Kingdom of Saudi Arabia. The plan is not funded. The cost of providing the benefits under the defined benefit plan is determined by an independent actuary using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in the retained earnings and are not reclassified to profit or loss in subsequent periods.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Employees' benefit obligations (continued)

The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

3.5 Taxation

Income tax is provided for in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia and charged to the profit or loss section of statement of profit or loss and other comprehensive income.

Income tax based on the applicable income tax rate is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred income tax is provided in full, if material, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

3.6 Leases

On initial recognition, at inception of the contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

<u>Right-of-Use Assets ("ROUA")</u>

The Company apply cost model, and measure right of use asset at cost:
a) less any accumulated depreciation and any accumulated impairment losses; and
b) adjusted for any re-measurement of the lease liability for lease modifications

Generally, ROUA would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the ROUA's value.

<u>Lease Liability</u>

On initial recognition, the lease liability is the present value of the lease payments that are not paid at the commencement date discounted using the Company's incremental borrowing rate.

After the commencement date, Company measures the lease liability at amortized cost using the effective interest method by:
1. Increasing the carrying amount to reflect interest on the lease liability.
2. Reducing the carrying amount to reflect the lease payments made and;
3. Re-measuring the carrying amount to reflect any re-assessment or lease modification.

(Amounts in SAR '000)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

4.1 Taxation

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognized liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which such determination is made.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.2 Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity specific estimates (such as the stand-alone credit rating).

5. CASH AND CASH EQUIVALENTS

	Notes	**31 December 2024**	31 December 2023
Cash at bank	*5.1*	**139,154**	86,091
Time deposits	*5.2*	**125,148**	153,659
		264,302	239,750

5.1 This comprises of balances held with local and international banks in current accounts having reputable standing and having ratings of A+ and A- by Fitch as at 31 December 2024.

5.2 This represents time deposits with a local bank having a rating of A- by Fitch earning profit rates ranging from 5.5% to 5.8% per annum (31 December 2023: 5% to 5.8% per annum) with a remaining maturity date of less than 3 months from the date of placement i.e. 4 March 2025.

6. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Company include the Parent and its group entities and certain key management personnel. In ordinary course of activities, the Company transacts business with its related parties on mutually agreed terms. Key management personnel include directors, chief executive officer, chief financial officer, head of equity, head of custody and head of operations having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

(Amounts in SAR '000)

6. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Transactions with the related parties are as follows:

Related Parties	Nature of transactions	For the year ended 31 December 2024	2023
Group entities			
Citibank, N.A. UAE – DIFC Branch	Arrangement fee	**(855)**	(597)
Citigroup Global Markets Ltd.	Arrangement fee	**(5,114)**	(2,399)
	Advisory fee	**6,587**	21,016
	Brokerage fee	**26,215**	17,330
Citibank, N.A. London Branch	Arrangement fee	**20**	(463)
Citibank Europe Plc. UK	Arrangement fee	**-**	7
Citibank N.A. Jersey	Arrangement fee	**414**	-
Citibank N.A Pakistan Branch	Reimbursable expense	**(34)**	-
Key management personnel including non-executive / independent board members	Salaries	**5,490**	6,167
	Allowances	**2,516**	2,826
	Periodic and annual remunerations	**2,143**	1,754
	Directors' remuneration	**750**	750

The balances as at the year end resulting from transactions with related parties are as follows:

	31 December 2024	31 December 2023
Due to related parties		
Group entities		
Citigroup Global Markets Limited	**2,010**	609
Citibank, N.A UAE DIFC Branch	**268**	-
	2,278	609

(Amounts in SAR '000)

7. TRADE AND OTHER RECEIVABLES

	Notes	**31 December 2024**	31 December 2023
Advance tax paid		**-**	4,679
Security deposit		**115**	115
VAT receivable		**421**	1,289
Custody fee receivables	*7.1*	**1,377**	1,038
Equity trading settlement	*7.2*	**4,434**	1,290
Others		**589**	489
		6,936	8,900

7.1 These represent custody fee receivables from clients and these usually have been settled subsequently within two months from billing date.

7.2 This represents the amount of equity trading settlement that is receivable from Tadawul on a T+2 settlement basis and has been received subsequently on 2 January 2025.

8. SECURITIES TRADING MARGIN COLLATERAL

Securities trading margin collateral represents collateral kept with Muqassa to facilitate the equity trading services.

9. DEFERRED TAX ASSET

Deferred tax asset consists of the following items:

	31 December 2024	31 December 2023
Unrealized gain on foreign exchange revaluation	**(56)**	-
Provision for employee benefit obligation	**812**	445
Property and equipment	**715**	659
Deferred tax asset	**1,471**	1,104
Balance at 1 January	**1,104**	2,437
Deferred tax income / (expense) – effect on profit or loss	**(39)**	(1,333)
Deferred tax income – effect on other comprehensive income	**406**	-
Balance at 31 December	**1,471**	1,104

9.1 Movement in deferred tax asset

Balance at 1 January	**1,104**	2,437
Carry forward losses	**-**	(1,481)
Unrealised foreign exchange revaluation gain	**56**	
Provision for End of Service benefits	**367**	77
Property and equipment	**(56)**	71
Balance at 31 December	**1,471**	1,104

(Amounts in SAR '000)

10. RIGHT-OF-USE ASSET

	31 December 2024	31 December 2023
Balance at 1 January	**4,319**	5,334
Additions during the year	**-**	-
Depreciation charge for the year	**(1,058)**	(1,015)
Balance at 31 December	**3,261**	4,319

11. INTANGIBLE ASSETS

	31 December 2024	31 December 2023
Cost:		
Balance at 1 January	**4,479**	4,479
Additions	**-**	-
Balance at 31 December	**4,479**	4,479
Accumulated amortization:		
Balance at 1 January	**4,479**	4,479
Charge for the year	**-**	-
Balance at 31 December	**4,479**	4,479
Net book value as at 31 December	**-**	-

11.1 The above fully amortized intangible assets are still in use of the Company.

(Amounts in SAR'000)

12. PROPERTY AND EQUIPMENT

	Furniture, fixture and office equipment	Computer equipment	Leasehold improvements	Vehicles	Capital-work-in progress	Total
Cost:						
Balance at 1 January 2023	2,735	2,264	6,533	391	157	12,080
Additions during the year	100	78	-	-	-	178
Transfers during the year	115	-	-	-	(115)	-
Balance at 31 December 2023	2,950	2,342	6,533	391	42	12,258
Balance at 1 January 2024	**2,950**	**2,342**	**6,533**	**391**	**42**	**12,258**
Additions during the year	**99**	**187**	-	-	**86**	**372**
Transfers during the year	**41**	-	-	-	**(41)**	-
Balance at 31 December 2024	**3,090**	**2,529**	**6,533**	**391**	**87**	**12,630**
Accumulated depreciation:						
Balance at 1 January 2023	1,626	1,578	3,031	46	-	6,281
Charge for the year	494	417	777	85	-	1,773
Balance at 31 December 2023	2,120	1,995	3,808	131	-	8,054
Balance at 1 January 2024	**2,120**	**1,995**	**3,808**	**131**	-	**8,054**
Charge for the year	**320**	**313**	**754**	**78**	-	**1,465**
Balance at 31 December 2024	**2,440**	**2,308**	**4,562**	**209**	-	**9,519**
Net book value as at:						
31 December 2024	**650**	**222**	**1,971**	**182**	**87**	**3,111**
31 December 2023	830	347	2,725	260	42	4,204
Useful life (in years)	**5 – 10**	**3 – 5**	**9 or lease term whichever is earlier**	**5**		

(Amounts in SAR '000)

13. BANK OVERDRAFT

This relates to an overdraft facility that the Company has obtained for its brokerage business subject to an interest rate of 6.54%.

14. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 December 2024	31 December 2023
Accrued salaries and employee related benefits	**6,672**	5,626
Accrued premises related expense	**184**	168
Accrued technology expense	**60**	60
Accrued professional fees	**506**	1,582
Payable against equity trading settlement	**3,604**	3,449
Reimbursable deal expenses	**2,457**	-
Other payables	**727**	-
	14,210	10,885

15. INCOME TAX

The Company is subject to income taxes in accordance with the Regulation of ZATCA. The movement of income tax payable is as follows:

	For the year ended 31 December	
	2024	2023
Balance at the beginning of the year	**3,305**	-
Charge for the year	**3,985**	3,305
Prior year adjustments	**-**	-
Payments made during the year	**(5,784)**	-
Balance at the end of the year	**1,506**	3,305

The Company has filed the tax returns with Zakat, Tax and Customs Authority (the "ZATCA") for the years up to 31 December 2023 and the Company has received the final zakat certificate until 2023. No assessment has been raised by ZATCA.

	For the year ended 31 December	
	2024	2023
Current Tax		
Tax on profit for the year	**3,985**	3,305
Prior year adjustments	**-**	-
	3,985	3,305
Deferred tax		
Origination and reversal of timing differences	**39**	1,333
Total income tax expense	**4,024**	4,638

(Amounts in SAR '000)

15. INCOME TAX (CONTINUED)

15.1 Reconciliation of effective tax

	For the year ended 31 December	
	2024	2023
Profit for the year	**19,015**	18,708
Income tax expense	**(4,024)**	(4,638)
Profit after tax	**14,991**	14,070
Income tax at statutory rate at 20% (2024: 20%)	**3,803**	3,741
Reconciliation:		
Non-deductible expenses	**449**	479
Prior year losses	**-**	(632)
Claims arising from tax depreciation	**(267)**	(283)
Deferred tax	**39**	1,333
	4,024	4,638

16. LEASE LIABILITY

	2024	2023
Balance at 1 January	**3,386**	4,366
Interest for the year	**146**	189
Payment for lease liability	**(1,169)**	(1,169)
Balance at 31 December	**2,363**	3,386

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date:

	2024	2023
Less than one year	**1,227**	1,169
One to two years	**1,286**	1,227
Two to three years	**-**	1,286
Three to four years	**-**	-
	2,513	3,682

17. EMPLOYEE BENEFIT OBLIGATIONS

The Company operates a defined benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligation are met when they fall due upon termination of employment.

(Amounts in SAR '000)

17. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

17.1 Movement in employees' end of service benefits

	For the year ended 31 December	
	2024	2023
Balance at the beginning of the year	**2,226**	1,838
Charge for the year	**761**	388
Benefits paid during the year	**(959)**	-
Remeasurement loss	**2,032**	-
Balance at the end of the year	**4,060**	2,226

17.2 Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis given below.

Particulars	**Decrease**	**Increase**
Discount rate (-/+1%)	(265)	298
(% change compared to base due to sensitivity)	(6.52%)	7.34%
Salary Growth Rate (-/+1%)	(270)	298
(% change compared to base due to sensitivity)	(6.65%)	7.35%

18. SHARE CAPITAL

As at 31 December 2024, the authorized, issued and fully paid-up share capital of the Company was SAR 187.5 million (31 December 2023: SAR 187.5 million) divided into 18.75 million shares (31 December 2023: 18.75 million shares) of SAR 10 each and was fully subscribed by Citigroup Financial Products Inc. (the "Parent"), a Company incorporated in the United States of America which is also the ultimate parent of the Company.

19. FINANCE INCOME

	31 December 2024	31 December 2023
Interest on time deposits	**7,725**	5,249
Interest on client money accounts	**3,379**	1,504
Other finance income	**505**	698
	11,609	7,451

20. OTHER EXPENSES

	31 December 2024	31 December 2023
Equity trading related expenses	**13,940**	7,289
Technology and communication	**5,044**	4,015
Consultancy and professional fees	**480**	2,139
Directors' fees	**750**	750
Travel and entertainment	**167**	401
Reimbursable deal expenses	**2,458**	-
Others	**3,055**	5,363
	25,894	19,957

(Amounts in SAR '000)

21. FINANCE COST

	31 December 2024	31 December 2023
Interest on lease liability	**146**	189
Interest on bank overdraft	**929**	2,226
	1,075	2,415

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

As at 31 December 2024, the Company's financial instruments comprised of cash and cash equivalents, trade and other receivables, securities trading margin collateral, accrued expenses and other liabilities and due to related parties, which are measured at amortised cost and their carrying amounts are a reasonable approximate of their fair value, as these financial instruments are short term in nature with a maturity profile of less than three months.

	Carrying	Fair value			Total
31 December 2024	**amount**	**Level 1**	**Level 2**	**Level 3**	
Financial assets not measured at fair value					
Trade and other receivables	**6,515**	**-**	**-**	**6,515**	**6,515**
Securities trading margin collateral	**9,222**	**-**	**-**	**9,222**	**9,222**
Cash and cash equivalents	**264,302**	**264,302**	**-**	**-**	**264,302**
	280,039	**264,302**	**-**	**15,737**	**280,039**
Financial liabilities not measured at fair value					
Bank overdraft	**5,998**	**-**	**-**	**5,998**	**5,998**
Accrued expenses and other liabilities	**14,210**	**-**	**-**	**14,210**	**14,210**
Accounts payable	**2,278**	**-**	**-**	**2,278**	**2,278**
Lease liability	**2,363**	**-**	**-**	**2,363**	**2,363**
Total	**24,849**	**-**	**-**	**24,849**	**24,849**

(Amounts in SAR '000)

22. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

31 December 2023	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Trade and other receivables	2,932	-	-	2,932	2,932
Securities trading margin collateral	6,657	-	-	6,657	6,657

31 December 2023	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Cash and cash equivalents	239,750	239,750	-	-	239,750
	249,339	239,750	-	9,589	249,339
Financial liabilities not measured at fair value					
Accrued expenses and other liabilities	10,839	-	-	10,839	10,839
Accounts payable	609	-	-	609	609
Lease liability	3,386	-	-	3,386	3,386
Total	14,834	-	-	14,834	14,834

23. FINANCIAL RISK MANAGEMENT

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

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. These risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

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

- Credit risk
- Market risk
- Liquidity risk

23.1 Credit risk

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

The schedule below shows the maximum exposure to credit risk for the components of the financial statements:

	31 December 2024	31 December 2023
Cash and cash equivalents	**264,302**	239,750
Trade and other receivables	**6,515**	2,932
Securities trading margin collateral	**9,222**	6,657
Total	**280,039**	249,339

Cash and cash equivalents
The current accounts and time deposits are held with local banks having reputable standing within the Kingdom of Saudi Arabia and having ratings of A+ and A- by Fitch as at 31 December 2024.

Trade and other receivables
Trade and other receivables are with short term maturity and held with institutions having reputable standing. The balances have a maturity of less than 1 month.

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

23.2 Market risk

a) Interest rate risk

Profit rate risk is the risk that the interest rate change is not commensurate with financing cost due to changes in the market interest rate. The Company has time deposits placed with the local bank, having maturity of three months. The Company has no floating rate financial instrument as of 31 December 2024, hence is not significantly exposed to any interest rate risk.

b) Currency risk

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

c) Price risk

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

As at 31 December 2024, the Company had no financial instrument which was exposed to price risk.

23.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Company manages its liquidity risk by ensuring that sufficient funds are available to meet any commitment as they arise. All financial assets and liabilities of the Company appearing on the statement of financial position have a contractual maturity of within 1 year.

24. COMMITMENTS AND CONTINGENCIES

As of 31 December 2024, the Company had no commitments and contingencies.

25. REGULATORY CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY RATIO

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

The CMA has issued Prudential Rules (the "Rules") dated 17 Safar 1434H (corresponding to 30 December 2012). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required and capital adequacy ratios as follows:

(Amounts in SAR '000)

25. REGULATORY CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY RATIO (CONTINUED)

The CMA has issued Prudential Rules (the "Rules") dated 17 Safar 1434H (corresponding to 30 December 2012). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required and capital adequacy ratios as follows:

	2024	2023
Capital Base		
Tier 1 Capital	**256,417**	243,419
Minimum Capital Requirement		
Market Risk	**2,930**	2,601
Credit Risk	**1,790**	3,581
Operational Risk	**12,445**	10,323
Total Minimum Capital required	**17,165**	16,505
Capital Adequacy Ratio:		
Total Capital Ratio (%)	**119.50%**	117.98%
Surplus in Capital	**239,252**	226,914

a) Tier 1 capital consists of paid-up share capital, retained earnings, share premium (if any), reserves excluding revaluation reserves, with certain deductions as per the Rules.

b) There is no Tier 2 capital for the year ended 31 December 2024.

The Minimum Capital Requirements for market, credit & operational risk are calculated as per the requirements specified in Part 3 of the revised Rules which became effective in January 2023. The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 1.

26. CLIENT'S CASH ACCOUNTS

As at 31 December 2024, the Company was holding clients' cash accounts amounting to SAR 73.8 million (31 December 2023: SAR 18.7 million), to be used for investments on the clients' behalf. Consistent with its accounting policy, such balances are not included in the Company's financial statements as these are held by the Company in fiduciary capacity. Certain of clients' cash balances held under brokerage accounts are placed with local banks with the prior consent of the customers.

27. SUBSEQUENT EVENTS

There are no subsequent events after the year-end until the date of approval of these financial statements, which require disclosure or adjustment in these financial statements.

(Amounts in SAR '000)

28. RECLASSIFICATION

During the year, the Company has reclassified interest income earned on client money and cash accounts from custody fees to finance income. Previously, interest earned on client money and cash accounts was included within custody revenue. The reclassification was done to conform to the current year's presentation and the impact to the overall financial statement's is not material. This reclassification does not have an impact on the opening and closing retained earnings.

The following table shows the impact on each financial statement caption affected by the reclassification:

Financial statement caption	31 December 2023 (before reclassification)	Reclassification	31 December 2023 (after reclassification)
Custody fees	12,277	(1,504)	10,773
Finance income	5,947	1,504	7,451

29. APPROVAL OF THE FINANCIAL STATEMENTS

These financials statements were approved by the Board of Directors on 26 Ramadan 1446H, corresponding to 26 March 2025.