

STANDARD CHARTERED CAPITAL SAUDI ARABIA
Annual Report of the Director
As of 31 December 2024

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On behalf of the Board of Directors of Standard Chartered Capital Saudi Arabia (“the Company”), I am pleased to present the Annual Report of the Director along with the audited financial statements and the auditor’s report thereon for the fiscal year ended 31 December 2024.

Description of all major activities, plans and important decisions

Standard Chartered Capital Saudi Arabia is licensed on 01/10/1431 AH corresponding to 12/27/2009 AD to undertake the activities of Dealing, Arranging, Advisory, and Custody in the securities business. The Company practiced its business on 02/25/1431 AH corresponding to 01/29/2011 AD.

In 2024, the Company’s total revenues amounted thirty-three million three thousand seven hundred thirty-three Saudi Riyals (SAR 33,003,733), resulting in net income before deduction and tax calculation equivalent to eight million two hundred fifty-three thousand three hundred thirty-eight Saudi Riyals (SAR 8,253,338). After deducting and calculating taxes, the net profits amounted six million seven hundred ninety-seven thousand five hundred fifty-nine Saudi Riyals (SAR 6,797,559) Earnings per share amounted to 0.68 Saudi Riyals.

The year 2024 saw Saudi Arabia’s GDP growth has been increasing; at the same time, inflation remained manageable. Thus, increasing the opportunity to invest, the Company has been able to attract new clientele and strengthen its relationships with its existing customers. Debt capital markets saw a ground-breaking year with being the only international bank to be involved on all Saudi deals in 2024. The issuance cements Standard Chartered's market-leading capital markets franchise in delivering Saudi credits and, more importantly, exemplifies the confidence clients have in Standard Chartered for holistic and strategic transaction structuring and execution. With that, the Company expanded its team by attracting skilled and qualified Saudi employees to accommodate the increase in business.

The Company’s activities have added more financial services such as Shipping Finance advisory, Custody services, and during Q4 Standard Chartered Capital Saudi Arabia’s Board of Directors approved the addition of Fund Administration services. With the increased financial services we provide, we look forward to strengthening our operations in the kingdom and making it the place to go for financial services.

The economic scene for the year 2024 witnessed a significant increase in investment in non-oil sectors. As Vision 2030 approaches, and Saudi Arabia winning the rights to host the EXPO 2030 and the FIFA World Cup 2034, it makes Saudi Arabia an attractive place to increase foreign and local investment. With the constant expansion of more financial services, we look forward to capturing remunerative opportunities for Standard Chartered Capital Saudi Arabia.

1.1 The financial results of the Company and notes of the chartered accountant

In 2024, the Company achieved a net profit after tax of six million seven hundred ninety-seven thousand five hundred fifty-nine Saudi Riyals (SAR 6,797,559) resulting in a net profit per share of 0.68 Saudi Riyals.

| | 2023 SAR | 2024 SAR |
|--------------------------------------|---------------------|---------------------|
| Revenue | | |
| Arranging, Service, and Custody fees | <u>30,522,870</u> | <u>33,003,733</u> |
| Total Revenue | <u>30,522,870</u> | <u>33,003,733</u> |
| Expenses | | |
| Operating expenses | <u>(28,322,032)</u> | <u>(28,353,359)</u> |
| Total Expenses | <u>(28,322,032)</u> | <u>(28,353,359)</u> |
| Operating Profit | 2,200,838 | 4,650,374 |
| Other investment income | <u>2,597,911</u> | <u>3,602,964</u> |
| Net profit before tax | <u>4,798,749</u> | <u>8,253,338</u> |
| Income tax | | |
| Deferred | 218,303 | 184,304 |
| Current | <u>828,047</u> | <u>1,271,475</u> |
| Net profit for the year | <u>3,752,399</u> | <u>6,797,559</u> |
| Earnings per share | 0.38 | 0.68 |

1.2 The external auditor's report

The financial statements of SCCSA have been audited by the auditors Ernst & Young Professional Services.

Board of Directors

As of December 31, 2024, the Board consisted of the following members:

| Name | Designation | Classification | Other Directorships |
|-------------------------|---------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Tahir Al Dabbagh | Chairman | Independent Non-Executive | Mohamed Yousuf Naghi & Brothers Group – Group Board Member Mulaga Investment Ltd. UAE – Board Member Mudaraba Al Maliya Co. Ltd. – Partner/Co-Founder Rabya Trading & Agriculture Co., Ltd. – Chairman, Audit Committee United Tri-Generation Co. (UTG) – Board Member Roots Group Arabia – Chairman, Board of Directors Tamwilly Int'l. (Previously Aqsat Int'l. Trdg. Co.) – Chairman, Audit Committee, Vice-Chairman and Board member Bayt Al Qoot UK LTD. – Board Member Mudaraba Financial Company – Chairman, Board of Directors |
| Mr. Abdulelah Al Shaikh | Vice Chairman | Independent Non-Executive | Atta Education Company – Chairman, Audit Committee, and Board member Care Shield Holding Company – Member, Governance, Remuneration, and Nomination Committee SAMAMA Holding Co. – Board member SHL Finance Co. – Member, Risk Committee, Board member |
| Mr. Saqib Ahmad | Member | Executive | |
| Dr. Boutros Klink | Member | Non- Executive | - |
| Mrs. Hind Hissem | Member | Non- Executive | - |

2.1 Board of Directors meetings

| Board of Directors | Q1 14 Mar 2024 | Q2 28 May 2024 | Q3 30 Sep 2024 | Q4 25 Nov 2024 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| Mr. Tahir Al Dabbagh | ✓ | ✓ | ✓ | ✓ |
| Mr. Abdulelah Al Shaikh | ✓ | ✓ | ✓ | ✓ |
| Dr. Boutros Klink | ✓ | ✓ | ✓ | ✓ |
| Mr. Saqib Ahmad | ✓ | ✓ | ✓ | ✓ |
| Mrs. Hind Hissem | ✓ | ✓ | ✓ | ✓ |

Board Committees

3.1 Board Audit Committee

The Committee reviews, on behalf of the Board, the Company's internal financial controls to identify, assess, manage, and monitor risks and to review the Company's internal control environment.

The details of the membership and meeting attendance of the Audit Committee are given below:

| Board of Directors | Q1 14 Mar 2024 | Q2 28 May 2024 | Q3 30 Sep 2024 | Q4 25 Nov 2024 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| Mr. Abdulelah Al Shaikh | ✓ | ✓ | ✓ | ✓ |
| Ms. Hind Hissem | ✓ | ✓ | ✓ | ✓ |
| Mr. Saqib Ahmad | ✓ | ✓ | ✓ | ✓ |

3.2 Board Nomination and Remuneration Committee

The Committee reviews, on behalf of the Board, the structure, size and composition of the Board and the requisites for its membership.

The details of the membership and meeting attendance of the Nomination and Remuneration Committee are given below:

| Nomination and Remuneration Committee | Q4 25 Nov 2024 |
|---------------------------------------|-------------------|
| Mr. Abdulelah Al Shaikh | ✓ |
| Dr. Boutros Klink | ✓ |
| Mrs. Hind Hissem | ✓ |

Compensation and remuneration of Board members and senior executives

Directors of the Board (other than the Independent Board Directors) were not paid any compensation, remuneration or fees in relation to their services as Board members of Standard Chartered Capital Saudi Arabia. Full details of the remuneration, fees and compensation paid to the Independent Non-Executive Board members in the year 2024 are provided in Appendix 1 (such payment represents their attendance fees of the Board and Committee meetings). Appendix 1 also provides details of compensation and bonuses for senior executives who were employed for the year ending December 31, 2024. There are no arrangements or waivers by the members of the Board or senior executives of any remuneration and compensation.

Penalties or Fines

Standard Chartered Capital Saudi Arabia received one fine imposed by the Ministry of Commerce on the Company for the year ending on December 31, 2024, due to not submitting its Annual Financial Statement for 2023 in its designated portal ("Qawaem") within the stipulated timeframe. Standard Chartered Capital Saudi Arabia has taken all necessary corrective measures to address this violation and prevent its occurrence in the future.

Results of the Annual Review of the Effectiveness of Internal Control Procedures and the Audit Committee's Opinion on the Efficiency of the Internal Control System

An Audit Committee meeting was held on Tuesday March 11, 2025, in the presence of all its members. The committee discussed and reviewed the level of internal controls and governance

based on the results of the annual review of the company's systems and control procedures for the year 2024, in addition to the administrative reports throughout the year. The committee has provided its opinion on these results and the level of internal controls and governance to the Board of Directors.

The company has established effective internal controls and governance mechanisms to monitor and support its current activities and manage emerging risks. The Country Executive Risk Committee ("ERC") provided adequate levels of governance oversight for key business risks and operates according to its approved terms of reference.

Management has established control monitoring activities and any concerns identified from these monitoring activities are escalated at the ERC and supervised till closure.

Currently there are no open issues. Information and cyber security, people and capacity, data sovereignty and operations and technology are key themes that are closely monitored by the Company.

Management has a good understanding of the current risks as well as any emerging risks and has implemented the Standard Chartered Group's enterprise risk management framework. In general, the current control environment is considered "Satisfactory" for the current business activities undertaken by the company.

Information related to any risks faced by the Capital Market Institution and the policy for managing and monitoring these risks.

Operational risks:

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people, and systems, or from external events. Given the activity conducted by the Company is fee based under the Arranging License and Custody License, the framework and controls in place, the operational risks remain low. Risk events embraced during the year were all tabled in Operational Risk system and discussed in Executive Risk Committee ("ERC").

Credit risks:

Given the activity conducted by the Company is fee based under the Arranging License and Custody License, the Company's credit risk is minimal.

Market risk:

Market risk is the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. For the Company, the market risk arises from the investment of the capital. This risk is minimal as the capital is invested in short term liquid deposits.

Company's business results in the last five financial years

| | 2020 SAR | 2021 SAR | 2022 SAR | 2023 SAR | 2024 SAR |
|---------------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Revenues | | | | | |
| <i>Arranging, Service, and Custody fees</i> | <u>20,362,844</u> | <u>19,050,515</u> | <u>22,705,123</u> | <u>30,522,870</u> | <u>33,003,733</u> |
| Total operating income | <u>20,362,844</u> | <u>19,050,515</u> | <u>22,705,123</u> | <u>30,522,870</u> | <u>33,003,733</u> |
| Expenses | | | | | |
| <i>Operating expenses</i> | <u>(18,070,169)</u> | <u>(17,638,883)</u> | <u>(20,755,727)</u> | <u>(28,322,032)</u> | <u>28,353,359</u> |
| Total cost | <u>(18,070,169)</u> | <u>(17,638,883)</u> | <u>(20,755,727)</u> | <u>(28,322,032)</u> | <u>28,353,359</u> |
| Operating profits | 2,292,675 | 1,411,632 | 1,949,396 | 2,200,838 | 4,650,374 |

Names and information of Subsidiaries and affiliates of the Capital Market Institution

There is no subsidiary of Standard Chartered Capital Saudi Arabia.

Interests, contractual securities, and subscription rights of Board members, senior executives, and their relatives

There are no interests, contractual securities, and subscription rights of the members of the company's Board of Directors, senior executives, and their relatives in the shares or debt instruments of Standard Chartered Capital Saudi Arabia.

Clarification of any material differences in the operation results from the previous financial year made by the Capital Market Institution

The Company confirms that there are no material differences in the operating results from the previous year to declare or announce.

Information related to any loans made by the Capital Market Institution

The Company confirms that no loans have been made during the fiscal year 2024.

Transactions between the Company and any related person

The majority of the transactions carried out by the company are with Standard Chartered Bank ("the Bank"), as the company's role is limited to arranging these transactions between the Bank and its clients.

Information related to any business or contracts in which the Capital Market Institution is a party or in which a member of the Board or for its senior executives, or for any person related to any of them has an interest.

The company declares that there are no transactions or contracts between the company and any other party in which any of the members of the Board or for its senior executives, or for any person related to any of them has an interest or in which any of the members of the Board is a party.

Appreciation and gratitude

We are pleased to take this opportunity to express our thanks and gratitude to our business partners for their support and trust. We also extend our sincere appreciation to the Capital Market Authority for its continued guidance and cooperation with the Company. In conclusion, we extend our thanks to our partners, colleagues, and employees for their utmost commitment.

On behalf of the Board of Directors

**Mr. Tahir AlDabbagh
Chairman
March 2025**

Appendix 1

Table of disclosure of remunerations and compensations for the fiscal year 2024

| Statement | Executive Board Members | Non-Executive Board Members | Independent Board Members |
|---------------------------------------------------------------------|-------------------------|-----------------------------|---------------------------|
| Allowance for attendance of the board of directors' sessions | - | - | 675,218 |
| Allowance for attendance of the committees' sessions | - | - | - |
| Periodic and annual remunerations | - | - | - |
| Incentive plans | - | - | - |
| Any compensation or other in-kind benefits paid monthly or annually | - | - | - |
| Total | - | - | 675,218 |

| Statement | Five senior executives who received the highest remuneration and compensation, in addition to the CEO and the CFO if they were not among them |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Salaries and wages | 3,143,636.01 |
| Allowances | 1,609,217.45 |
| Periodic and annual remunerations* | 5,325,032.00 |
| Incentive plans | |
| Commissions | |
| Any compensation or other in-kind benefits paid monthly or annually | |
| Total | 10,077,885.46 |

*This entitlement is against the bonuses for the year 2024, to be paid at the end of March 2025

Appendix 2

Table of the company's assets, liabilities, and business results for the last five years

| | 2020 SAR* | 2021 SAR* | 2022 SAR* | 2023 SAR* | 2024 SAR* |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total assets | 323,447,543 | 130,891,055 | 140,551,956 | 150,162,487 | 152,402,162 |
| Total liabilities | 215,791,481 | 24,074,484 | 32,444,680 | 40,589,237 | 40,075,632 |
| Total operational revenue | 20,362,844 | 19,050,515 | 22,705,123 | 30,522,870 | 33,003,733 |
| Net profit after Tax deduction | 2,603,435 | 1,411,934 | 2,482,584 | 3,752,399 | 6,797,559 |

**The financial statements for 2020, 2021, 2022, 2023, and 2024 have been prepared in accordance with International Financial Reporting Standards*