

**American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)**

**INTERIM CONDENSED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025**

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

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Interim Condensed Financial Statements and Independent Auditor's Review Report  
For The Three Month Period Ended 31 March 2025

<b>Contents</b>	<b>Pages</b>
Independent Auditor's Review Report	1
Interim Statement of Profit or Loss	2
Interim Statement of Other Comprehensive Income	3
Interim Statement of Financial Position	4
Interim Statement of Changes in Shareholders' Equity	5
Interim Statement of Cash Flows	6
Notes to the Interim Condensed Financial Statements	7 – 15

## **INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AMERICAN EXPRESS SAUDI ARABIA (Saudi Closed Joint Stock Company)**

### **Introduction**

We have reviewed the accompanying interim condensed statements of profit or loss and other comprehensive income, of American Express Saudi Arabia – a Saudi Closed Joint Stock Company (“the Company”) for the three month period ended 31 March 2025, and the related interim condensed statement of financial position as at 31 March 2025, and statements of changes in shareholders' equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

### **Other Matter**

The financial statements for the year ended 31 December 2024 and the condensed interim financial statements for the period ended 31 March 2024 were audited and reviewed, respectively, by another independent auditor, who expressed an unmodified opinion and review conclusion on 25 Sha'ban 1446H, corresponding to 24 February 2025 and 23 Shawwal 1445H, corresponding to 2 May 2024, respectively.

for Ernst & Young Professional Services



Layla K. Al Khalefah  
Certified Public Accountant  
License No. 592



Riyadh: 30 Shawwal 1446H  
28 April 2025

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

INTERIM STATEMENT OF PROFIT OR LOSS

For the three month period ended 31 March 2025

		For the three month period ended (Unaudited)	
	Notes	31 March 2025	31 March 2024
		SR '000	SR '000
<b>OPERATING INCOME</b>			
<i>Revenue from merchants</i>			
Merchant transaction fees, net	5	64,166	62,778
<i>Revenue from card members</i>			
Special commission income on Tawarruq		38,519	28,255
Foreign exchange income		23,484	24,513
Card membership fees, net		20,124	17,673
Other income, net		2,419	2,926
<b>TOTAL OPERATING INCOME</b>		<b>148,712</b>	136,145
<b>EXPENSES</b>			
General and administration expenses		(74,706)	(60,373)
Selling and marketing expenses		(26,933)	(28,572)
Special commission expense		(8,295)	(7,336)
Rebates		(5,867)	(4,660)
Impairment charge for card members' receivable, net of recoveries	6 (a)	(1,518)	(2,099)
<b>PROFIT BEFORE ZAKAT AND INCOME TAX</b>		<b>31,393</b>	33,105
Zakat	8 (a)	(3,000)	(2,567)
Income tax, net of deferred tax	8 (a)	(1,811)	(1,817)
<b>NET PROFIT FOR THE PERIOD</b>		<b>26,582</b>	28,721

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

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INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

For the three month period ended 31 March 2025

	<i>For the three month period ended</i>	
	<i>(Unaudited)</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	<i>SR '000</i>	<i>SR '000</i>
<b>NET PROFIT FOR THE PERIOD</b>	<b>26,582</b>	28,721
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gains on defined benefit plans	-	-
<b>Total other comprehensive income</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>26,582</b>	28,721

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

		<b>31 March 2025 (Unaudited) SR '000</b>	<b>31 December 2024 (Audited) SR '000</b>
	<i>Notes</i>		
<b>ASSETS</b>			
Cash and cash equivalents		<b>116,848</b>	15,781
Card members' receivable, net	6	<b>1,278,923</b>	1,336,921
Amounts due from a related party	10 (d)	<b>68</b>	4
Prepaid expenses and other assets	14	<b>19,761</b>	20,297
Deferred card acquisition costs		<b>7,862</b>	7,578
Deferred tax asset	8 (c)	<b>5,241</b>	4,948
Property and equipment, net		<b>37,395</b>	38,638
Intangible assets, net		<b>41,062</b>	38,005
Right of use assets, net		<b>39,342</b>	37,242
<b>TOTAL ASSETS</b>		<b>1,546,502</b>	1,499,414
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Amounts due to a related party	10 (d)	<b>17,833</b>	17,490
Bank overdraft		<b>24,019</b>	-
Accounts payable and accruals	7	<b>233,744</b>	262,440
Lease liabilities		<b>34,939</b>	37,846
Zakat and income tax payable	8 (b)	<b>24,236</b>	19,132
Short term borrowings	9	<b>452,619</b>	429,335
Card members' margins		<b>32,470</b>	33,764
Membership rewards		<b>52,749</b>	56,246
Deferred card membership fees		<b>33,533</b>	32,239
Employees' terminal benefits		<b>62,511</b>	59,655
<b>TOTAL LIABILITIES</b>		<b>968,653</b>	948,147
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		<b>100,000</b>	100,000
Statutory reserve		<b>40,943</b>	40,943
Retained earnings		<b>436,906</b>	410,324
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>577,849</b>	551,267
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,546,502</b>	1,499,414

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three month period ended 31 March 2025

<i>31 March 2025 (unaudited)</i>	<i>Share capital</i> <i>SR '000</i>	<i>Statutory reserve</i> <i>SR '000</i>	<i>Retained earnings</i> <i>SR '000</i>	<i>Total</i> <i>SR '000</i>
Balance at 1 January 2025	100,000	40,943	410,324	<b>551,267</b>
Total comprehensive income	-	-	26,582	<b>26,582</b>
<b><i>Balance at 31 March 2025</i></b>	<b>100,000</b>	<b>40,943</b>	<b>436,906</b>	<b>577,849</b>

  

<i>31 March 2024 (unaudited)</i>	<i>Share capital</i> <i>SR '000</i>	<i>Statutory reserve</i> <i>SR '000</i>	<i>Retained earnings</i> <i>SR '000</i>	<i>Total</i> <i>SR '000</i>
Balance at 1 January 2024	100,000	40,943	333,995	474,938
Total comprehensive income	-	-	28,721	28,721
Dividend (note 12)	-	-	(70,600)	(70,600)
<b><i>Balance at 31 March 2024</i></b>	<b>100,000</b>	<b>40,943</b>	<b>292,116</b>	<b>433,059</b>

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

INTERIM STATEMENT OF CASH FLOWS

For the three month period ended 31 March 2025

	Notes	<i>For the three month period ended</i>	
		<i>31 March 2025</i>	<i>31 March 2024</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>SR '000</i>	<i>SR '000</i>
<b>OPERATING ACTIVITIES</b>			
Profit before zakat and income tax		<b>31,393</b>	33,105
<i>Adjustments for:</i>			
Depreciation on property and equipment		<b>3,608</b>	3,451
Amortisation of intangible assets		<b>2,705</b>	2,537
Depreciation on right of use assets		<b>2,082</b>	1,987
Unwinding of special commission expense of lease liabilities		<b>150</b>	156
Impairment charge of card members' receivables	6 (a)	<b>6,341</b>	3,785
Provision for card membership fees		<b>2,699</b>	1,447
Provision for employees' terminal benefits		<b>4,098</b>	3,324
<i>Operating cash flows before working capital changes</i>		<b>53,076</b>	49,792
<i>Changes in operating assets and liabilities:</i>			
Card members' receivables		<b>48,958</b>	(18,057)
Prepaid expenses and other assets		<b>536</b>	850
Accounts payable and accruals		<b>(28,696)</b>	(27,715)
Amounts due to related parties, net		<b>279</b>	10,985
Card members' margins		<b>(1,294)</b>	380
Membership rewards		<b>(3,497)</b>	115
Deferred card membership fees, net		<b>1,294</b>	462
Deferred card acquisition costs, net		<b>(284)</b>	163
<i>Net cash from operations</i>		<b>70,372</b>	16,975
Employees' terminal benefits paid		<b>(1,242)</b>	(658)
<i>Net cash from operating activities</i>		<b>69,130</b>	16,317
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		<b>(2,365)</b>	(1,021)
Purchase of intangible assets		<b>(5,762)</b>	(1,998)
<i>Net cash used in investing activities</i>		<b>(8,127)</b>	(3,019)
<b>FINANCING ACTIVITIES</b>			
Proceeds from short term borrowing facilities		<b>1,017,034</b>	1,441,500
Repayment of short term borrowing facilities		<b>(993,750)</b>	(1,350,375)
Proceeds from bank overdraft		<b>24,019</b>	-
Dividend paid	12	<b>-</b>	(70,600)
Settlement of lease liabilities		<b>(7,239)</b>	(6,345)
<i>Net cash from financing activities</i>		<b>40,064</b>	14,180
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>101,067</b>	27,478
Cash and cash equivalents at beginning of the period		<b>15,781</b>	45,215
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<b>116,848</b>	72,693

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements



# American Express Saudi Arabia (Saudi Closed Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2025

### 1 ACTIVITIES

American Express Saudi Arabia (the “Company” or “AESA”) is a Saudi Closed Joint Stock Company incorporated in the Kingdom of Saudi Arabia (‘KSA’). The Company operates under commercial registration No. 1010183222 issued in Riyadh on 27 Shawwal 1423H (corresponding to 31 December 2002); and reissued on 28 Muhurram 1437H (corresponding to 10 November 2015), Service License No. 110/1 dated 13 Muhurram 1423H (corresponding to 12 April 2002) issued by the Saudi Arabian General Investment Authority (“SAGIA”) and License No. 40/ASH/201512 dated 28 Safar 1437H (corresponding to 10 December 2015) issued by the Saudi Central Bank (“SAMA”).

The registered head office of the Company is P. O. Box 6624, Riyadh 11652, Kingdom of Saudi Arabia. The Company has the following branches:

<i>Branch Commercial Registration Number</i>	<i>Date of registration</i>	<i>Location</i>
2051041721	2 Safar 1431H	Khobar
4030189461	11 Jumada Awal 1430H	Jeddah
JLT-69544	23 December 2013	Dubai, United Arab Emirates

The Company is licensed by American Express Travel Related Services (“AETRS”) to operate card and merchant establishment business in KSA.

### 2 BASIS OF PREPARATION

The interim condensed financial statements of the Company as at and for the three month period ended 31 March 2025 have been prepared in compliance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” as endorsed in KSA, other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and with the provisions of the Regulations for Companies in KSA and the By-laws of the Company. The interim condensed financial statements should be read in conjunction with the Company's annual audited financial statements as at and for the year ended 31 December 2024.

These interim condensed financial statements have been presented in Saudi Riyals, as it is the functional currency of the Company and are rounded off to the nearest thousands.

Assets and liabilities in the interim statement of financial position are presented in the order of liquidity.

### 3 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of interim condensed financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates and judgments are based on management’s best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements for the year ended 31 December 2024.

### 4 MATERIAL ACCOUNTING POLICIES

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared 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 (‘SOCPA’). The results for the period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025. The material accounting policies used in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2024.

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
At 31 March 2025

**4A NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS**

*Significant standards issued but not yet effective*

The standards applied in these financial statements are those in issue as at the reporting date and are effective for annual periods beginning on or after 1 January 2025.

Following new standards and amendments that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below:

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures Amendments to IFRS 10 and IAS 28 – Sale and contribution of Assets between the investors and its associates or Joint ventures
- IFRS 18 – Presentation and disclosure in the financial statements

The Company has not early adopted any standards, interpretations or amendments before their effective date.

*New standards, interpretations and amendments adopted by the Company*

Following standard, interpretation or amendments are effective from the current year and are adopted by the Company. However, these did not have any impact on the financial statements of the period.

- Amendment to IAS 21 – Lack of exchangeability

**5 MERCHANT TRANSACTION FEES, NET**

	<i>For the three month period ended</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR'000</i>	<i>SR'000</i>
Local card member transaction fees on 'out of Kingdom' spend (note 10 (a))	<b>44,414</b>	42,734
Transaction fees on 'in Kingdom' spend	<b>25,569</b>	25,598
Airline transaction fees (note 10 (a))	<b>985</b>	1,004
	<b>70,968</b>	69,336
Foreign card member transaction fees (note 10 (a))	<b>(6,802)</b>	(6,558)
	<b>64,166</b>	62,778

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
At 31 March 2025

**6 CARD MEMBERS' RECEIVABLE, NET**

	<b>31 March 2025 (Unaudited) SR'000</b>	<b>31 December 2024 (Audited) SR'000</b>
Card members' receivable	<b>1,297,036</b>	1,353,084
Less: Impairment in card members' receivable (see note (a) below)	<b>(17,236)</b>	(15,811)
Less: Provision for card membership fees	<b>(877)</b>	(352)
	<b><u>1,278,923</u></b>	<b><u>1,336,921</u></b>

AESA's card products are Shariah approved. Accordingly, card members' receivable are unconventional in nature.

The ageing of card members' receivables is as follows:

	<i>Total</i> <i>SR' 000</i>	<i>Neither past due nor impaired</i> <i>SR' 000</i>	<i>Past due but not impaired</i>			<i>Past due and impaired</i> <i>SR' 000</i>
			<i>1 - 30 days</i> <i>SR' 000</i>	<i>31 - 60 days</i> <i>SR' 000</i>	<i>61 - 90 days</i> <i>SR' 000</i>	<i>91 - 180 days</i> <i>SR' 000</i>
<b>31 March 2025 (Unaudited)</b>	<b><u>1,297,036</u></b>	<b><u>1,213,752</u></b>	<b><u>41,982</u></b>	<b><u>29,084</u></b>	<b><u>6,211</u></b>	<b><u>6,007</u></b>
<b>31 December 2024 (Audited)</b>	<b><u>1,353,084</u></b>	<b><u>1,263,448</u></b>	<b><u>64,505</u></b>	<b><u>13,080</u></b>	<b><u>5,042</u></b>	<b><u>7,009</u></b>

a) *Movement in impairment in respect of card members' receivables:*

	<i>For the three month period ended</i>	
	<b>31 March 2025 (Unaudited) SR'000</b>	<b>31 March 2024 (Unaudited) SR'000</b>
At beginning of the period	<b>15,811</b>	12,862
Charge for the period	<b>6,341</b>	3,785
Written off during the period	<b>(4,916)</b>	(2,554)
At end of the period	<b><u>17,236</u></b>	<b><u>14,093</u></b>

The impairment charge to the interim statement of profit or loss for the three month period ended 31 March 2025 amounting to SR 1.52 million is net of recoveries during the period of SR 4.82 million (unaudited) (31 March 2024: charge of SR 2.10 million net of recoveries of SR 1.69 million) (unaudited)).

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
At 31 March 2025

**6 CARD MEMBERS' RECEIVABLE, NET (continued)**

b) The following table shows reconciliation from the opening to the closing balance of the loss allowance

31 March 2025 (Unaudited)

<i>Impairment loss on card members' receivable</i>	<i>12 month ECL</i>	<i>Lifetime ECL not credit impaired</i>	<i>Lifetime ECL credit impaired</i>	<i>Total</i>
<b>SR'000</b>				
Balance at 1 January 2025	<b>7,996</b>	<b>3,005</b>	<b>4,810</b>	<b>15,811</b>
Transfer to 12 month ECL	837	(773)	(64)	-
Transfer to lifetime ECL not credit impaired	(119)	354	(235)	-
Transfer to lifetime ECL credit impaired	(17)	(1,095)	1,112	-
Net impairment charge (reversal)	(981)	4,241	3,081	6,341
Write offs / settlements	(93)	(515)	(4,308)	(4,916)
<i>Balance at 31 March 2025</i>	<b>7,623</b>	<b>5,217</b>	<b>4,396</b>	<b>17,236</b>

31 March 2024 (Unaudited)

<i>Impairment loss on card members' receivable</i>	<i>12 month ECL</i>	<i>Lifetime ECL not credit impaired</i>	<i>Lifetime ECL credit impaired</i>	<i>Total</i>
<b>SR'000</b>				
Balance at 1 January 2024	6,457	3,473	2,932	12,862
Transfer to 12 month ECL	1,253	(1,249)	(4)	-
Transfer to lifetime ECL not credit impaired	(68)	274	(206)	-
Transfer to lifetime ECL credit impaired	(16)	(1,330)	1,346	-
Net impairment charge	(832)	2,137	2,480	3,785
Write offs / settlements	(70)	(207)	(2,277)	(2,554)
<i>Balance at 31 March 2024</i>	<b>6,724</b>	<b>3,098</b>	<b>4,271</b>	<b>14,093</b>

**7 ACCOUNTS PAYABLE AND ACCRUALS**

	<i>31 March 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
	<b>SR'000</b>	<b>SR'000</b>
Accrued expenses	<b>111,233</b>	111,527
Advance from card members	<b>75,515</b>	58,614
Payable to merchants	<b>29,565</b>	57,220
Employees' accrued compensation	<b>13,006</b>	29,306
Other payables	<b>4,425</b>	5,773
	<b>233,744</b>	262,440

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
At 31 March 2025

**8 ZAKAT AND INCOME TAX PAYABLE**

The Company is owned by Saudi and Non-Saudi shareholders, and hence is subject to zakat (on Saudi shareholder's share) and income tax (on Non-Saudi shareholder's share). The income tax and zakat charge, for the three month period ended 31 March 2025 amounting to SR 2.10 million and SR 3.00 million (31 March 2024: SR 2.03 million and SR 2.57 million) respectively, have been calculated on the basis of the Income Tax Law and the Zakat Regulations in the Kingdom of Saudi Arabia.

**a) Charge for the period (interim statement of profit or loss)**

	For the three month period ended (Unaudited)	
	31 March 2025	31 March 2024
	SR'000	SR'000
Zakat charge for current period (see note (b))	<b>3,000</b>	2,567
Income tax charge for current period (see note (b))	<b>2,104</b>	2,030
Deferred tax origination of temporary differences (note (c))	<b>(293)</b>	(213)
Income tax charge, net of deferred tax	<b>1,811</b>	1,817

**b) Movement in provision for zakat and income tax is set out below:**

For the three month period ended 31 March 2025 (Unaudited)	Zakat SR '000	Income tax SR '000	Total SR '000
Balance payable at beginning of the period	<b>13,837</b>	<b>5,295</b>	<b>19,132</b>
Charge for the period	<b>3,000</b>	<b>2,104</b>	<b>5,104</b>
Balance payable at end of the period	<b>16,837</b>	<b>7,399</b>	<b>24,236</b>
For the three month period ended 31 March 2024 (Unaudited)	Zakat SR '000	Income tax SR '000	Total SR '000
Balance payable at beginning of the period	8,850	3,472	12,322
Charge for the period	2,567	2,030	4,597
Balance payable at end of the period	<b>11,417</b>	<b>5,502</b>	<b>16,919</b>
For the year ended 31 December 2024 (Audited)	Zakat SR '000	Income tax SR '000	Total SR '000
Balance payable at beginning of the year	8,850	3,472	12,322
Charge for the year	13,837	9,744	23,581
Prior year adjustments	4,767	115	4,882
Payments made during the year	(13,617)	(8,036)	(21,653)
Balance payable at end of the year	<b>13,837</b>	<b>5,295</b>	<b>19,132</b>

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
At 31 March 2025

**8 ZAKAT AND INCOME TAX PAYABLE (continued)**

**c) Deferred tax asset (unaudited)**

Deferred tax asset as at 31 March 2025 amounting to SR 5.24 million (31 March 2024 : SR 4.65 million) includes deferred tax origination for the three month period ended 31 March 2025 amounting to SR 0.29 million (31 March 2024: origination of SR 0.21 million) (see note 8 (a)). The tax impact is calculated based on the income tax rate of 20%.

*Movement in deferred tax asset is set out below:*

	For the three month period ended (Unaudited)		For the year ended (Audited)
	31 March 2025	31 March 2024	31 December 2024
	SR '000	SR '000	SR '000
Balance at beginning of the period / year	<b>4,948</b>	4,433	4,433
Origination of temporary differences	<b>293</b>	213	515
	<b>5,241</b>	4,646	4,948

**d) Status of assessments**

The Company has filed zakat and income tax returns (the 'Returns') for all years up till 31 December 2023 with the ZATCA. The ZATCA has provided zakat certificate, which is valid up till 30 April 2025. The ZATCA has finalized the Company's position up till the year ended 31 December 2011.

During 2022 and 2023, the ZATCA issued assessments for the year 2016 and 2017 with additional zakat due aggregating SR 3.79 million and SR 0.98 million, respectively. The Company submitted appeals against the zakat assessment with the General Secretariat of Tax Committee ("GSTC") Level 1 and Level 2 and the Alternative Dispute Resolution Committee ('ADRC') which were rejected. Accordingly, the Company has settled the additional zakat for both years aggregating SR 4.77 million.

Assessments for the years from 2012 to 2015 and 2018 to 2023 have not yet been raised by the ZATCA.

**9 SHORT TERM BORROWINGS**

Short term borrowings represent the following conventional loan / facilities obtained by the Company:

- Short term facilities from domestic banks amounting to USD 300.00 million (equivalent to SR 1,125 million) (31 December 2024: USD 300 million equivalent to SR 1,125 million) including USD 100 million facility from The Saudi Investment Bank ("SAIB") (note 10 (a)) to finance the working capital requirements of the Company. These loans are secured by promissory notes signed by the Company. As of 31 March 2025, the outstanding balance under these facilities aggregated USD 120.70 million equivalent to SR 452.62 million (31 December 2024: USD 114.49 million equivalent to SR 429.34 million). These facilities will be due for renewal during 2025. The outstanding balance with SAIB as at 31 March 2025 amounted to SAR 209.20 million (31 December 2024 : SAR 26.54 million).
- Credit facility from American Express Overseas Credit Corporation NV ("AEOCC NV") aggregating USD 95 million (equivalent to SR 356.25 million) to finance the working capital requirements of the Company matured during 2024, was repaid in full and was not renewed. Accordingly, the balance as at 31 December 2024 was nil.

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
At 31 March 2025

**10 RELATED PARTY TRANSACTIONS AND BALANCES**

a) Significant transactions arising from transactions with related parties are as follows:

<i>Related party</i>	<i>Nature of transaction</i>	<i>For the three month period ended (Unaudited)</i>	
		<i>31 March 2025</i>	<i>31 March 2024</i>
		<i>SR'000</i>	<i>SR'000</i>
<i>Shareholder</i>			
The Saudi Investment Bank ("SAIB")	- Data support services	<b>336</b>	289
	- Service and annual card fees	<b>(163)</b>	(465)
	- Co-brand fees	<b>132</b>	122
	- Short term loans received	<b>303,750</b>	-
	- Short term loans settled	<b>(123,750)</b>	-
	- Special commission expense	<b>2,658</b>	-
<i>Affiliate</i>			
AETRS	- Merchant and airline transaction fees earned (note 5)	<b>(45,399)</b>	(43,738)
	- Foreign card member transaction fees (note 5)	<b>6,802</b>	6,558
	- Support and other services	<b>174</b>	184
	- Royalty expense	<b>145</b>	111
AEOCC NV	- Special commission expense (note 9 (a))	-	2,586
	- Short term loans received	-	618,000
	- Short term loans settled	-	(526,875)

In addition to the above, most of the routine banking transactions of the Company are carried out with SAIB. Bank balances / (overdraft) as at 31 March 2025 with SAIB amounted to SR 7.64 million / (SR 23.99 million) (unaudited) and are included under cash and cash equivalents / (bank overdraft), respectively (31 December 2024 : cash and cash equivalents amounting to SR 9.34 million (audited)).

Transactions with related parties are on terms and conditions, as approved by the Board of Directors of the Company.

b) The compensation summary of key management personnel for the reporting period is set out below:

	<i>For the three month period ended (Unaudited)</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	<i>SR'000</i>	<i>SR'000</i>
Short term benefits	<b>4,543</b>	3,743
Termination and other long term benefits	<b>906</b>	942
	<b>5,449</b>	4,685

c) Card members' receivable include outstanding balances of the Board of Directors and key management personnel of the Company, arising out of credit card related transactions, as at 31 March 2025 of SR 0.86 million (unaudited) (31 December 2024: SR 1.21 million (audited)).

American Express Saudi Arabia  
(Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
At 31 March 2025

**10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

- d) In addition to the balances disclosed elsewhere in the interim condensed financial statements, the following receivable / (payable) balances arose as a result of transactions with related parties:

		31 March 2025 (Unaudited)	31 December 2024 (Audited)
Related party	Name	SR '000	SR '000
<i>Amounts due from / (to):</i>			
Shareholder	SAIB	68	4
Affiliate	AETRS	(17,833)	(17,490)

**11 COMMITMENTS AND CONTINGENCIES**

*Capital commitments*

Commitments in respect of capital expenditure outstanding as at 31 March 2025 amounted to SR 20.24 million (unaudited) (31 December 2024 : SR 17.74 million (audited)).

*Undrawn commitments*

The undrawn credit commitments in respect of revolve credit cards issued by the Company as at 31 March 2025 amounted to SR 949.11 million (unaudited) (31 December 2023 : SR 872.62 million (audited)).

*Letter of guarantee*

Letter of guarantee amounting to SR 7.50 million has been issued by the Company to AETRS in the normal course of business in respect of performance obligation of the Company's merchant as at 31 March 2025 (unaudited) (31 December 2024 : SR 7.50 million (audited)).

**12 DIVIDEND**

The shareholders in their Annual General Meeting held on 21 March 2025 approved the distribution of dividend amounting to SR 70.25 million at SR 7.03 per share subject to approval from SAMA (31 December 2024 : dividend approved and settled SR 70.60 million at SR 7.06 per share (audited)).

**13 FINANCIAL INSTRUMENTS AND FAIR VALUE**

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

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

The principal or the most advantageous market must be accessible to by the Company. Financial instruments comprise financial asset and financial liabilities. Financial assets consist of bank balances and receivables. Financial liabilities consist of borrowings, payables, card members' margins and membership rewards.

*Fair value hierarchy*

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



### **13 FINANCIAL INSTRUMENTS AND FAIR VALUE (continued)**

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

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

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

Due to the short term nature of the financial assets and liabilities, the management believes that the fair values of the financial assets and liabilities are not materially different from their carrying values. These are all classified within Level 3 of the fair value hierarchy except for cash and cash equivalents which are classified under level 1. There have been no transfers to and from Level 3 during the current period or prior year.

### **14 SAMA PROGRAMS AND INITIATIVES THAT WERE LAUNCHED**

In response to COVID-19, SAMA launched the Private Sector Financing Support Program ("PSFSP") in March 2020 to provide the necessary support to the SME sector through empowering and facilitating the financing community. The PSFSP mainly encompasses the following programs:

- Deferred payments program;
- Funding for lending program;
- Loan guarantee program; and
- Point of sale ("POS") and e-commerce service fee support program.

As part of the Point of sale ("POS") and e-commerce service fee support program, SAMA bore the fees for two services on the stores and private sector establishments for a period of 6 months starting 14 March 2020 with the purpose of the program being to support the participants in the payments ecosystem in the Kingdom of Saudi Arabia, as well as ensuring the continuity of growth and continuous expansion in providing payment services safely and effectively to consumers under the current conditions. The total fees for the 6 months starting from 14 March 2020 to 14 September 2020 borne by SAMA was SR 20.08 million out of which SR 1.81 million is receivable from SAMA as at 31 March 2025 (SR 16.67 million was received during the year 2021) and is included in and presented under "prepaid expenses and other assets".

### **15 APPROVAL OF THE FINANCIAL STATEMENTS**

The interim condensed financial statements have been approved by the Board of Directors on 24 Shawwal 1446H (corresponding to 22 April 2025).