

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

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

**FOR THE THREE AND NINE MONTH PERIODS ENDED
30 SEPTEMBER 2025**

American Express Saudi Arabia
(Saudi Closed Joint Stock Company)

Interim Condensed Financial Statements and Independent Auditor's Review Report
For The Three and Nine Month Periods Ended 30 September 2025

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Paid-up capital (٥,500,000 – Five million five hundred thousand Saudi Riyal)

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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 and nine-month periods ended 30 September 2025, and the related interim condensed statement of financial position as at 30 September 2025, and the related interim condensed statements of changes in shareholders’ equity and cash flows for the nine-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 interim condensed financial statements for the period ended 30 September 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 19 Rabi Al-Thani 1446H, corresponding to 22 October 2024, respectively.

for Ernst & Young Professional Services

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



Riyadh: 4 Jumada Al-Ula 1447
26 October 2025

American Express Saudi Arabia
(Saudi Closed Joint Stock Company)

INTERIM STATEMENT OF PROFIT OR LOSS

For the three and nine month periods ended 30 September 2025

	Notes	For the three month period ended (Unaudited)		For the nine month period ended (Unaudited)	
		30 September 2025	30 September 2024	30 September 2025	30 September 2024
		SR '000	SR '000	SR '000	SR '000
OPERATING INCOME					
<i>Revenue from merchants</i>					
Merchant transaction fees, net	5	73,197	77,148	207,268	206,674
<i>Revenue from card members</i>					
Special commission income on Tawarruq		40,438	31,746	116,906	88,584
Foreign exchange income		35,771	37,560	90,108	90,646
Card membership fees, net		21,160	18,603	61,737	54,199
Other income, net		4,411	3,250	11,427	8,970
TOTAL OPERATING INCOME		174,977	168,307	487,446	449,073
EXPENSES					
General and administration expenses		(67,840)	(64,314)	(210,601)	(186,874)
Selling and marketing expenses		(31,434)	(29,514)	(88,591)	(87,196)
Rebates		(6,728)	(7,310)	(19,239)	(17,756)
Impairment charge for card members' receivable, net of recoveries	6 (a)	2,415	(2,106)	(7,254)	(4,488)
Special commission expense		(10,514)	(9,548)	(28,493)	(25,468)
PROFIT BEFORE ZAKAT AND INCOME TAX		60,876	55,515	133,268	127,291
Zakat	8 (a)	(4,305)	(4,305)	(10,305)	(9,864)
Income tax, net of deferred tax	8 (a)	(3,130)	(2,826)	(7,006)	(6,880)
NET PROFIT FOR THE PERIOD		53,441	48,384	115,957	110,547

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 OTHER COMPREHENSIVE INCOME

For the three and nine month periods ended 30 September 2025

	<i>For the three month period ended (Unaudited)</i>		<i>For the nine month period ended (Unaudited)</i>	
	<i>30 September 2025</i>	<i>30 September 2024</i>	<i>30 September 2025</i>	<i>30 September 2024</i>
	<i>SR '000</i>	<i>SR '000</i>	<i>SR '000</i>	<i>SR '000</i>
NET PROFIT FOR THE PERIOD	53,441	48,384	115,957	110,547
OTHER COMPREHENSIVE INCOME				
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>				
Remeasurement gains on defined benefit plans	-	-	-	-
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	53,441	48,384	115,957	110,547

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 FINANCIAL POSITION

As at 30 September 2025

		30 September 2025	31 December 2024
	Notes	(Unaudited)	(Audited)
		SR '000	SR '000
ASSETS			
Cash and cash equivalents		35,151	15,781
Card members' receivable, net	6	1,482,679	1,336,921
Amounts due from a related party	10 (d)	174	4
Prepaid expenses and other assets	14	22,531	20,297
Deferred card acquisition costs		11,846	7,578
Deferred tax asset	8 (c)	5,388	4,948
Property and equipment, net		36,284	38,638
Intangible assets, net		47,881	38,005
Right of use assets, net		36,393	37,242
		<hr/>	<hr/>
TOTAL ASSETS		1,678,327	1,499,414
		<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Amounts due to a related party	10 (d)	4,245	17,490
Accounts payable and accruals	7	263,694	262,440
Lease liabilities		35,179	37,846
Zakat and income tax payable	8 (b)	13,197	19,132
Short term borrowings	9	589,149	429,335
Card members' margins		32,129	33,764
Membership rewards		53,518	56,246
Deferred card membership fees		35,477	32,239
Employees' terminal benefits		59,760	59,655
		<hr/>	<hr/>
TOTAL LIABILITIES		1,086,348	948,147
		<hr/>	<hr/>
SHAREHOLDERS' EQUITY			
Share capital		100,000	100,000
Statutory reserve		40,943	40,943
Retained earnings		451,036	410,324
		<hr/>	<hr/>
TOTAL SHAREHOLDERS' EQUITY		591,979	551,267
		<hr/>	<hr/>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,678,327	1,499,414
		<hr/> <hr/>	<hr/> <hr/>

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 nine month period ended 30 September 2025

<i>30 September 2025 (unaudited)</i>	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Total</i>
	<u>SR '000</u>	<u>SR '000</u>	<u>SR '000</u>	<u>SR '000</u>
Balance at 1 January 2025	100,000	40,943	410,324	551,267
Total comprehensive income	-	-	115,957	115,957
Dividend (note 12)	-	-	(75,245)	(75,245)
<i>Balance at 30 September 2025</i>	<u>100,000</u>	<u>40,943</u>	<u>451,036</u>	<u>591,979</u>
<i>30 September 2024 (unaudited)</i>	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Total</i>
	<u>SR '000</u>	<u>SR '000</u>	<u>SR '000</u>	<u>SR '000</u>
Balance at 1 January 2024	100,000	40,943	333,995	474,938
Total comprehensive income	-	-	110,547	110,547
Dividend (note 12)	-	-	(70,600)	(70,600)
<i>Balance at 30 September 2024</i>	<u>100,000</u>	<u>40,943</u>	<u>373,942</u>	<u>514,885</u>

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 CASH FLOWS

For the nine month period ended 30 September 2025

	<i>For the nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>
	<i>2025</i>	<i>2024</i>
<i>Notes</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR '000</i>	<i>SR '000</i>
OPERATING ACTIVITIES		
Profit before zakat and income tax	133,268	127,291
<i>Adjustments for:</i>		
Depreciation on property and equipment	10,861	10,490
Amortisation of intangible assets	8,444	7,459
Depreciation on right of use assets	6,541	5,978
Unwinding of special commission expense of lease liabilities	521	466
Impairment charge of card members' receivables	17,661	11,119
Provision for card membership fees	9,165	4,720
Provision for employees' terminal benefits	6,963	6,045
Gain on disposal of property and equipment	(150)	(116)
<i>Operating cash flows before working capital changes</i>	193,274	173,452
<i>Changes in operating assets and liabilities:</i>		
Card members' receivables	(172,584)	(297,966)
Prepaid expenses and other assets	(2,234)	(4,283)
Accounts payable and accruals	1,254	8,128
Amounts due to related parties, net	(13,415)	7,318
Card members' margins	(1,635)	324
Membership rewards	(2,728)	401
Deferred card membership fees, net	3,238	1,574
Deferred card acquisition costs, net	(4,268)	(261)
<i>Net cash from (used in) operations</i>	902	(111,313)
Employees' terminal benefits paid	(6,858)	(2,328)
Zakat and tax paid	(23,686)	(15,395)
<i>Net cash used in operating activities</i>	(29,642)	(129,036)
INVESTING ACTIVITIES		
Proceeds from disposal of property and equipment	150	116
Purchase of property and equipment	(8,507)	(4,129)
Purchase of intangible assets	(18,320)	(10,972)
<i>Net cash used in investing activities</i>	(26,677)	(14,985)
FINANCING ACTIVITIES		
Proceeds from short term borrowing facilities	4,376,743	4,453,434
Repayment of short term borrowing facilities	(4,216,929)	(4,230,750)
Dividend paid	(75,245)	(70,600)
Settlement of lease liabilities	(8,880)	(7,482)
<i>Net cash from financing activities</i>	75,689	144,602
INCREASE IN CASH AND CASH EQUIVALENTS	19,370	581
Cash and cash equivalents at beginning of the period	15,781	45,215
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	35,151	45,796

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 30 September 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 nine month period ended 30 September 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 30 September 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 30 September 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 (Unaudited)</i>		<i>For the nine month period ended (Unaudited)</i>	
	<i>30 September 2025</i>	<i>30 September 2024</i>	<i>30 September 2025</i>	<i>30 September 2024</i>
	<i>SR '000</i>	<i>SR '000</i>	<i>SR '000</i>	<i>SR '000</i>
Local card member transaction fees on 'out of Kingdom' spend (note 10 (a))	55,556	58,961	150,326	150,114
Transaction fees on 'in Kingdom' spend	21,436	22,489	70,483	70,095
Airline transaction fees (note 10 (a))	782	1,034	2,691	3,119
	77,774	82,484	223,500	223,328
Foreign card member transaction fees (note 10 (a))	(4,577)	(5,336)	(16,232)	(16,654)
	73,197	77,148	207,268	206,674

American Express Saudi Arabia
(Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2025

6 CARD MEMBERS' RECEIVABLE, NET

	30 September 2025 (Unaudited) SR'000	31 December 2024 (Audited) SR'000
Card members' receivable	1,503,683	1,353,084
Less: Impairment in card members' receivable (see note (a) below)	(19,534)	(15,811)
Less: Provision for card membership fees	(1,470)	(352)
	<u>1,482,679</u>	<u>1,336,921</u>

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

The ageing of card members' receivables is as follows:

	Total SR' 000	Neither past due nor impaired SR' 000	Past due but not impaired			Past due and impaired
			1 - 30 days SR' 000	31 - 60 days SR' 000	61 - 90 days SR' 000	91 - 180 days SR' 000
30 September 2025 (Unaudited)	<u>1,503,683</u>	<u>1,427,202</u>	<u>54,521</u>	<u>11,740</u>	<u>4,797</u>	<u>5,423</u>
31 December 2024 (Audited)	<u>1,353,084</u>	<u>1,263,448</u>	<u>64,505</u>	<u>13,080</u>	<u>5,042</u>	<u>7,009</u>

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

	For the three month period ended (Unaudited)		For the nine month period ended (Unaudited)	
	30 September 2025 SR'000	30 September 2024 SR'000	30 September 2025 SR'000	30 September 2024 SR'000
At beginning of the period	23,623	15,256	15,811	12,862
Charge for the period	971	3,667	17,661	11,119
Written off during the period	(5,060)	(2,920)	(13,938)	(7,978)
At end of the period	<u>19,534</u>	<u>16,003</u>	<u>19,534</u>	<u>16,003</u>

The impairment charge to the interim statement of profit or loss for the nine month period ended 30 September 2025 amounting to SR 7.25 million is net of recoveries during the period of SR 10.41 million (unaudited) (30 September 2024: charge of SR 4.49 million net of recoveries of SR 6.63 million) (unaudited)).

American Express Saudi Arabia
(Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2025

6 CARD MEMBERS' RECEIVABLE, NET (continued)

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

30 September 2025 (Unaudited)	12 month	Lifetime ECL	Lifetime	
<i>Impairment loss on card members' receivable</i>	<i>ECL</i>	<i>not credit</i>	<i>ECL credit</i>	<i>Total</i>
		<i>impaired</i>	<i>impaired</i>	
	SR'000			
Balance at 1 January 2025	7,996	3,005	4,810	15,811
Transfer to 12 month ECL	1,254	(724)	(530)	-
Transfer to lifetime ECL not credit impaired	(113)	772	(659)	-
Transfer to lifetime ECL credit impaired	(90)	(296)	386	-
Net impairment charge (reversal)	660	2,949	14,052	17,661
Write offs / settlements	(380)	(1,424)	(12,134)	(13,938)
<i>Balance at 30 September 2025</i>	<u>9,327</u>	<u>4,282</u>	<u>5,925</u>	<u>19,534</u>

30 September 2024 (Unaudited)	12 month	Lifetime ECL	Lifetime	
<i>Impairment loss on card members' receivable</i>	<i>ECL</i>	<i>not credit</i>	<i>ECL credit</i>	<i>Total</i>
		<i>impaired</i>	<i>impaired</i>	
	SR'000			
Balance at 1 January 2024	6,457	3,473	2,932	12,862
Transfer to 12 month ECL	1,903	(1,458)	(445)	-
Transfer to lifetime ECL not credit impaired	(78)	426	(348)	-
Transfer to lifetime ECL credit impaired	(57)	(666)	723	-
Net impairment charge (reversal)	(20)	2,506	8,633	11,119
Write offs / settlements	(250)	(869)	(6,859)	(7,978)
<i>Balance at 30 September 2024</i>	<u>7,955</u>	<u>3,412</u>	<u>4,636</u>	<u>16,003</u>

7 ACCOUNTS PAYABLE AND ACCRUALS

	30 September 2025	31 December 2024
	<i>(Unaudited)</i>	<i>(Audited)</i>
	SR'000	SR'000
Accrued expenses	121,884	111,527
Advance from card members	93,751	58,614
Payable to merchants	22,879	57,220
Employees' accrued compensation	20,217	29,306
Other payables	4,963	5,773
	<u>263,694</u>	<u>262,440</u>

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 nine month period ended 30 September 2025 amounting to SR 7.53 million and SR 10.31 million (30 September 2024: SR 7.36 million and SR 9.86 million) respectively, have been calculated on the basis of the Income Tax Law and the Zakat Regulations in the Kingdom of Saudi Arabia.

American Express Saudi Arabia
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2025

8 ZAKAT AND INCOME TAX PAYABLE (continued)

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

	For the three month period ended (Unaudited)		For the nine month period ended (Unaudited)	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	SR'000	SR'000	SR'000	SR'000
Zakat charge for current period (see note (b))	4,305	4,305	10,305	9,864
Income tax charge for current period (see note (b))	2,984	2,936	7,525	7,359
Prior year adjustments	-	-	(79)	-
Deferred tax reversal (origination) of temporary differences (note (c))	146	(110)	(440)	(479)
<i>Income tax charge, net of deferred tax</i>	3,130	2,826	7,006	6,880

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

For the nine month period ended 30 September 2025 (Unaudited)	Zakat SR '000	Income tax SR '000	Total SR '000
Balance payable at beginning of the period	13,837	5,295	19,132
Charge for the period	10,305	7,525	17,830
Prior year adjustments	-	(79)	(79)
Payments made during the period	(13,837)	(9,849)	(23,686)
Balance payable at end of the period	10,305	2,892	13,197
For the nine month period ended 30 September 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	9,864	7,359	17,223
Payments made during the period	(8,842)	(6,553)	(15,395)
Balance payable at end of the period	9,872	4,278	14,150
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	13,837	5,295	19,132

American Express Saudi Arabia
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2025

8 ZAKAT AND INCOME TAX PAYABLE (continued)

c) *Deferred tax asset (unaudited)*

Deferred tax asset as at 30 September 2025 amounting to SR 5.39 million (30 September 2024 : SR 4.91 million) includes deferred tax origination for the nine month period ended 30 September 2025 amounting to SR 0.44 million (30 September 2024: origination of SR 0.48 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:

	<i>For the nine month period ended (Unaudited)</i>		<i>For the year ended (Audited)</i>
	<i>30 September 2025</i>	<i>30 September 2024</i>	<i>31 December 2024</i>
	<i>SR '000</i>	<i>SR '000</i>	<i>SR '000</i>
Balance at beginning of the period / year	4,948	4,433	4,433
Origination of temporary differences	440	479	515
Balance at end of the period / year	5,388	4,912	4,948

d) *Status of assessments*

The Company has filed zakat and income tax returns (the 'Returns') for all years up till 31 December 2024 with the ZATCA. The ZATCA has provided zakat certificate, which is valid up till 30 April 2026. 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 years 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, during 2024 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 2024 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:

- a) Short term facilities from domestic banks amounting to USD 400 million (equivalent to SR 1,500 million) (31 December 2024: USD 300 million equivalent to SR 1,125 million) including USD 150 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 30 September 2025, the outstanding balance under these facilities aggregated USD 157.11 million equivalent to SR 589.15 million (31 December 2024: USD 114.49 million equivalent to SR 429.34 million). These facilities will be due for renewal during 2026. The outstanding balance with SAIB as at 30 September 2025 amounted to SAR 186.63 million (31 December 2024 : SAR 26.54 million).
- b) 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.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
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10 RELATED PARTY TRANSACTIONS AND BALANCES

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

Related party	Nature of transaction	For the three month period ended (Unaudited)		For the nine month period ended (Unaudited)	
		30 September 2025	30 September 2024	30 September 2025	30 September 2024
		SR'000	SR'000	SR'000	SR'000
<i>Shareholder</i>					
SAIB	- Data support services	263	273	931	874
	- Service and annual card fees	(51)	(216)	(417)	(750)
	- Co-brand fees	22	97	165	262
	- Short term loans received	670,359	188,559	1,409,109	188,559
	- Short term loans settled	(739,018)	-	(1,260,268)	-
	- Special commission expense	4,611	1,180	11,248	1,180
<i>Affiliate</i>					
AETRS	- Merchant and airline transaction fees earned (note 5)	(56,338)	(59,995)	(153,017)	(153,233)
	- Foreign card member transaction fees (note 5)	4,577	5,336	16,232	16,654
	- Support and other services	231	120	874	412
	- Royalty expense	99	124	476	354
AEOCC NV	- Special commission expense (note 9 (a))	-	3,975	-	12,057
	- Short term loans received	-	597,750	-	2,041,125
	- Short term loans settled	-	(933,000)	-	(2,088,750)

In addition to the above, most of the routine banking transactions of the Company are carried out with SAIB. Bank balances as at 30 September 2025 with SAIB amounted to SR 30.53 million (unaudited) and are included under cash and cash equivalents (31 December 2024 : 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 periods is set out below:

	For the three month period ended (Unaudited)		For the nine month period ended (Unaudited)	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	SR'000	SR'000	SR'000	SR'000
Short term benefits	4,156	4,348	12,789	12,122
Termination and other long term benefits	729	782	2,430	2,597
	4,885	5,130	15,219	14,719

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 30 September 2025 of SR 2.03 million (unaudited) (31 December 2024: SR 1.21 million (audited)).

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
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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:

Related party	Name	30 September 2025	31 December 2024
		(Unaudited)	(Audited)
		SR '000	SR '000
<i>Amounts due from / (to):</i>			
Shareholder	SAIB	<u>174</u>	<u>4</u>
Affiliate	AETRS	<u>(4,245)</u>	<u>(17,490)</u>

11 COMMITMENTS AND CONTINGENCIES

Capital commitments

Commitments in respect of capital expenditure outstanding as at 30 September 2025 amounted to SR 23.54 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 30 September 2025 amounted to SR 1,047.05 million (unaudited) (31 December 2024 : 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 30 September 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 75.25 million at SR 7.53 per share which was settled during the quarter ended 30 June 2025 (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.

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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 30 June 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 27 Rabi AlThani 1447H (corresponding to 19 October 2025).