

**BNY Mellon Saudi Financial Company**  
(A Saudi Closed Joint Stock Company)  
**FINANCIAL STATEMENTS**  
**For the year ended 31 December 2024**  
together with the  
**Independent Auditor's Report**

**BNY MELLON SAUDI FINANCIAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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<b>Contents</b>	<b>Pages</b>
Independent auditor's report	1 – 2
Statement of financial position	3
Statement of profit or loss	4
Statement of other comprehensive income	5
Statement of changes in shareholders' equity	6
Statement of cash flows	7
Notes to the financial statements	8 – 23



## KPMG Professional Services Company

Roshn Front, Airport Road  
P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

# Independent Auditor's Report

To the Shareholder of BNY Mellon Saudi Financial Company

## Opinion

We have audited the financial statements of BNY Mellon Saudi Financial Company (the "Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss, other comprehensive income, changes in shareholder's equity and cash flows for the 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 ended 31 December 2024 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").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the "Code"), that is endorsed in the Kingdom of Saudi Arabia, 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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS 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 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

# Independent Auditor's Report

To the Shareholder of BNY Mellon Saudi Financial Company (continued)

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional 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 Company'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 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, then 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 BNY Mellon Saudi Financial Company (the "Company").

### KPMG Professional Services Company



**Saleh Mohammed S Mostafa**  
License No: 524



Riyadh: 25 Ramadan 1446 H  
Corresponding to 25 March 2025

**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

	<i>Notes</i>	<b><u>2024</u></b>	<b><u>2023</u></b>
<b><u>ASSETS</u></b>			
Deferred tax asset	6	<b>133,367</b>	73,912
<b>Non-current assets</b>		<b><u>133,367</u></b>	<u>73,912</u>
Amounts due from a related party	18	<b>601,757</b>	1,205,655
Advances and other receivables	7	<b>1,706,257</b>	442,650
Cash and cash equivalents	8	<b>76,045,764</b>	74,175,585
<b>Current assets</b>		<b><u>78,353,778</u></b>	<u>75,823,890</u>
<b>Total assets</b>		<b><u>78,487,145</u></b>	<u>75,897,802</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
Share capital	9	<b>50,000,000</b>	50,000,000
Additional capital	10	<b>19,000,000</b>	19,000,000
Statutory reserve	9	<b>379,175</b>	379,175
Retained earnings		<b>5,981,292</b>	3,412,580
Reserve pertaining to employees' end of service benefits		<b>299,634</b>	373,199
Share-based payment reserve	18.2	<b>75,656</b>	34,437
<b>Total equity</b>		<b><u>75,735,757</u></b>	<u>73,199,391</u>
<b><u>Liabilities</u></b>			
Employees' end of service benefits	11	<b>666,834</b>	369,562
<b>Non-current liabilities</b>		<b><u>666,834</u></b>	<u>369,562</u>
Income tax payable	6	<b>862,454</b>	882,782
Amounts due to a related party	18	<b>42,726</b>	92,115
Accounts payable and accruals	12	<b>1,179,374</b>	1,353,952
<b>Current liabilities</b>		<b><u>2,084,554</u></b>	<u>2,328,849</u>
<b>Total liabilities</b>		<b><u>2,751,388</u></b>	<u>2,698,411</u>
<b>Total equity and liabilities</b>		<b><u>78,487,145</u></b>	<u>75,897,802</u>



**Rasheed Alrasheed**  
Chief Financial Officer



**Abdullah Alsuweilmy**  
Chairman of the Board

The accompanying notes 1 to 22 form part of these financial statements

**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

	<i>Notes</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Revenue</b>			
Revenue from service charges	13	<b>8,135,451</b>	9,501,636
<b>Expenses</b>			
Salaries and employee related expenses	14	<b>(4,432,039)</b>	(6,475,601)
Rent expense		<b>(1,172,376)</b>	(737,203)
Depreciation on right of use asset	5	-	(410,700)
Other expenses	15	<b>(1,843,768)</b>	(1,137,445)
<b>Total operating profit</b>		<b>687,268</b>	740,687
<b>Other income / (expense)</b>			
Special commission income on cash and cash equivalents		<b>2,701,439</b>	2,653,744
Foreign exchange loss		<b>(41,362)</b>	(17,004)
<b>Net profit before tax</b>		<b>3,347,345</b>	3,377,427
Income tax expense	6	<b>(778,633)</b>	(880,483)
<b>Net profit after tax for the year</b>		<b>2,568,712</b>	2,496,944



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**Rasheed Alrasheed**  
Chief Financial Officer

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**Abdullah Alsuweilmy**  
Chairman of the Board

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The accompanying notes 1 to 22 form part of these financial statements

**BNY MELLON SAUDI FINANCIAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
(Amounts in Saudi Riyals)

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	<u>Note</u>	<b>31 December 2024</b>	31 December 2023
<b>Net profit after tax for the year</b>		<b>2,568,712</b>	2,496,944
<b>Other comprehensive income</b>			
<i>Items that cannot be reclassified to the statement of profit or loss in subsequent years:</i>			
Actuarial (loss) / gain	11	<u>(73,565)</u>	<u>208,952</u>
<b>Total other comprehensive (loss) / income</b>		<u>(73,565)</u>	<u>208,952</u>
<b>Total comprehensive income for the year</b>		<u><b>2,495,147</b></u>	<u>2,705,896</u>




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**Rasheed Alrasheed**  
Chief Financial Officer




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**Abdullah Alsuweilmy**  
Chairman of the Board

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The accompanying notes 1 to 22 form part of these financial statements

**BNY MELLON SAUDI FINANCIAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

	<i>Notes</i>	<u>Share capital</u>	<u>Additional capital</u>	<u>Statutory reserve</u>	<u>Retained earnings*</u>	<u>Reserve pertaining to employees' end of service benefits*</u>	<u>Share-based payment reserve*</u>	<u>Total</u>
Balance at 1 January 2024		50,000,000	19,000,000	379,175	3,412,580	373,199	34,437	73,199,391
Net profit for the year		-	-	-	2,568,712	-	-	2,568,712
Actuarial (loss)		-	-	-	-	(73,565)	-	(73,565)
Total comprehensive income		-	-	-	2,568,712	(73,565)	-	2,495,147
Transfer to statutory reserve	9	-	-	-	-	-	-	-
Share-based payment vesting charge	18.2	-	-	-	-	-	41,219	41,219
Balance at 31 December 2024		<u>50,000,000</u>	<u>19,000,000</u>	<u>379,175</u>	<u>5,981,292</u>	<u>299,634</u>	<u>75,656</u>	<u>75,735,757</u>
Balance at 1 January 2023		50,000,000	19,000,000	129,481	1,165,330	164,247	3,327	70,462,385
Net profit for the year		-	-	-	2,496,944	-	-	2,496,944
Actuarial gain		-	-	-	-	208,952	-	208,952
Total comprehensive income		-	-	-	2,496,944	208,952	-	2,705,896
Transfer to statutory reserve	9	-	-	249,694	(249,694)	-	-	-
Share-based payment vesting charge	18.2	-	-	-	-	-	31,110	31,110
Balance at 31 December 2023		<u>50,000,000</u>	<u>19,000,000</u>	<u>379,175</u>	<u>3,412,580</u>	<u>373,199</u>	<u>34,437</u>	<u>73,199,391</u>

\* For the better presentation, the Company has enhanced the disclosure and split the reserves into retained earnings, reserve pertaining to employees' end of service benefits and share-based payment reserve.



**Rasheed Alrasheed**  
Chief Financial Officer



**Abdullah Alsuweilmy**  
Chairman of the Board

The accompanying notes 1 to 22 form part of these financial statements



**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

	<i>Notes</i>	<b>31 December 2024</b>	31 December 2023
<b>Cash flows from operating activities</b>			
Net profit before tax		3,347,345	3,377,427
<i>Adjustments for:</i>			
Depreciation on right of use asset	5	-	410,700
Unwinding of special commission of lease liability	5	-	1,854
Employees' end of service benefits expense	11	223,707	274,063
Share-based payment vesting charge	18.2	41,219	31,110
		<b>3,612,271</b>	4,095,154
<b>Changes in operating assets and liabilities:</b>			
Advances and other receivable		(1,263,607)	(107,427)
Accounts payable and accruals		(174,578)	435,520
Amounts due to a related party		(49,389)	73,559
Amounts due from a related party		603,898	(483,606)
		<b>(883,676)</b>	(81,954)
Income tax paid	6	(858,416)	(480,162)
Employees' end of service benefits paid	11	-	(59,412)
<b>Net cash generated from operating activities</b>		<b>1,870,179</b>	3,473,626
<b>Cash flows from financing activities</b>			
Settlement of lease liability	5	-	(418,475)
Cash used in financing activities		-	(418,475)
<b>Increase in cash and cash equivalents</b>		<b>1,870,179</b>	3,055,151
Cash and cash equivalents at beginning of the year	8	74,175,585	71,120,434
<b>Cash and cash equivalents at end of the year</b>	8	<b>76,045,764</b>	74,175,585



**Rasheed Alrasheed**  
Chief Financial Officer



**Abdullah Alsuweilmy**  
Chairman of the Board

# **BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

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### **1 ACTIVITIES**

BNY Mellon Saudi Financial Company (the “Company”) is a Saudi Closed Joint Stock Company incorporated in the Kingdom of Saudi Arabia. The Company operates under commercial registration No. 1010699547 issued in Riyadh on 7 September 2020. The registered head office of the Company is P.O. Box 99936, Riyadh 11625, Kingdom of Saudi Arabia. The Company started its operations on 5 April 2021.

The Company is licensed by the Capital Market Authority (“CMA”) to engage in custody activity. The Company is a wholly owned subsidiary of BNY International Financing Corporation (“the Parent Company”) which is a wholly owned subsidiary of The Bank of New York Mellon Corporation (“the Ultimate Parent Company”).

### **2 BASIS OF PREPARATION**

#### **2.1 *Statement of compliance***

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and the By-laws of the Company.

#### **2.2 *Basis of measurement***

These financial statements have been prepared on a going concern basis under historical cost convention except for the defined benefit obligations which are measured at present value of future obligations using the Projected Unit Credit Method.

#### **2.3 *Functional and presentation currency***

These financial statements are prepared under the historical cost convention and are presented in Saudi Riyals (“SAR”) which is the functional and presentation currency of the Company.

### **3 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The material accounting policies adopted in the preparation of these financial statements are set out below.

#### **3.1 *Change in accounting policies***

The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023. Based on the adoption of the new standard and in consideration of current economic environment, the following accounting policies are applicable effective 1 January 2024 replacing, amending, or adding to the corresponding accounting policies set out in 2023 annual audited financial statements.

**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

**3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.2 Standards, interpretations and amendments effective**

Following standards, interpretations and amendments are effective from the current year and are adopted by the Company. The Company has assessed that these amendments have no significant impact on the Company's financial statements.

<b><u>Standards, interpretations and amendments</u></b>	<b><u>Description</u></b>	<b><u>Effective date</u></b>
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	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.	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.	Subject to endorsement from SOCPA

**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

**3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.3 Standards, interpretations, and amendments not yet effective**

The International Accounting Standard Board (IASB) has issued the following accounting standards, interpretation and amendments, which become effective from periods starting on or after 1 January 2024. The Company did not opt for early adoption of these pronouncements and do not expect the adoption to have a significant impact on the financial statements of the Company.

<b><u>Standards, interpretations &amp; amendments</u></b>	<b><u>Description</u></b>	<b><u>Effective date</u></b>
Amendment to IAS 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

# BNY MELLON SAUDI FINANCIAL COMPANY

(A Saudi Closed Joint Stock Company)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts in Saudi Riyals)

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### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 3.4 *Cash and cash equivalents*

For the purposes of the statement of cash flows, Cash and cash equivalents consists of bank balances, bank over drafts and short term investments with original maturities of three months or less, if any.

#### 3.5 *Income tax and deferred tax*

##### Income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions considered in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Adjustments arising from the final income tax assessments are recorded in the period in which such assessments are made. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted for the changes in deferred tax assets and liabilities attributable to the temporary differences and to the unused tax losses, if any.

##### Deferred tax

Deferred income tax is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available and the credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in the statement of changes in shareholders' equity. In this case, the tax is also recognised.

#### 3.6 *Employees' end of service benefits*

The Company operates a defined benefit plan for employees in accordance with Saudi Arabian Labor Law as defined by the conditions stated in the laws of the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements for actuarial gains and losses are recognised immediately in the statement of financial position with a corresponding adjustment to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to comprehensive income in subsequent periods.

Past service cost is recognised in the statement of profit or loss at the earlier of:

- The date of the plan amendment or curtailment, and
- The date the Company recognises related restructuring costs

**BNY MELLON SAUDI FINANCIAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
(Amounts in Saudi Riyals)

**3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.6 *Employees' end of service benefits (continued)***

Net special commission income is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation in the statement of profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements (under general and administrative expenses) in
- Net special commission expense or income (under borrowing facility cost and charges).

**3.7 *Revenue recognition***

The Company recognizes revenue at a point in time once the performance obligation has been fulfilled and the amount of revenue can be reliably measured, regardless of when the payment is received and it is probable that future economic benefits will flow to the company. Revenue is recognized on an accrual basis in accordance with the terms of agreement with the Parent for the services provided.

**4 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA, requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods. Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

- (i) Present value of employees' end of service benefits (note 3.6 and note 11)

**5 RIGHT OF USE ASSET AND LEASE LIABILITY**

The Company operates in a leased premises having a lease term of 12 months (2023: 12 months). During 2023, lease agreement was modified, granting the landlord the right to terminate the lease with 90 days' notice. As a result, the previously classified finance lease was reclassified as an operating lease in 2023.

**5.1 *Amounts recognized in profit and loss***

	<i>31 December 2024</i>	<i>31 December 2023</i>
Depreciation charge for the year	-	410,700
Special commission expense for the year	-	1,854

**5.2 *Amount recognized in statement of cashflows***

	<i>31 December 2024</i>	<i>31 December 2023</i>
Total cash outflow for leases	-	418,475

**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

**6 INCOME TAXES**

The Company is 100% owned by non-Saudi shareholder, and hence is subject to income tax. The income tax for the year 31 December 2024 has been calculated on the basis of the Income Tax Law in the Kingdom of Saudi Arabia.

**6.1 Details of tax charge in the statement of profit or loss is given below:**

	Notes	31 December 2024	31 December 2023
Current year income tax charge		<b>862,454</b>	857,231
Prior year income tax (reversal) / charge		<b>(24,366)</b>	20,635
Deferred tax relating to origination of temporary differences	6.3	<b>(59,455)</b>	2,617
<i>Charged to the statement of profit or loss</i>		<b>778,633</b>	880,483

**6.2 Movement in income tax payable is set out below:**

	31 December 2024	31 December 2023
Balance as at the beginning of the year	<b>882,782</b>	485,078
Charge for the year	<b>862,454</b>	857,231
Prior year income tax (reversal) / charge	<b>(24,366)</b>	20,635
Payment made during the year	<b>(858,416)</b>	(480,162)
Balance as at the end of the year	<b>862,454</b>	882,782

**6.3 Deferred tax asset**

	<i>For the year 31 December 2024</i>		
	Opening deferred tax asset	Recognized in profit or loss account	Closing deferred tax assets
Employees' end of services benefits	<b>73,912</b>	<b>59,455</b>	<b>133,367</b>
	<i>For the year 31 December 2023</i>		
	Opening deferred tax asset	Recognized in profit or loss account	Closing deferred tax assets
Employees' end of services benefits	72,774	1,138	73,912
Others	3,755	(3,755)	-
	<b>76,529</b>	<b>(2,617)</b>	<b>73,912</b>

**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

**6 INCOME TAXES (continued)****6.4 Reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate:**

	<i>For the year 31 December 2024</i>	<i>For the year 31 December 2023</i>
Accounting profit before income tax	<b>3,347,345</b>	3,377,427
Accounting profit related to non-Saudi shareholders @ 100%	<b>3,347,345</b>	3,377,427
At statutory income tax rate of 20%	<b>669,469</b>	675,485
Tax effect of other items	<b>192,985</b>	181,746
Effective income tax @ 20%	<b>862,454</b>	857,231

**6.5** The Company has filed its income tax return up till the year 2023 with Zakat, Tax and Customs Authority (ZATCA). As of 31 December 2024, the Company has not received any assessment from the ZATCA.

**7 ADVANCES AND OTHER RECEIVABLES**

	<i>Note</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
Advance rent	7.1	<b>791,185</b>	-
Value added tax receivable		<b>853,761</b>	442,650
Others		<b>61,311</b>	-
		<b>1,706,257</b>	442,650

**7.1** On 25 September 2024, the Company entered into a lease agreement with King Abdullah Financial District ("KAFD") for an office premises for a term of 10 Gregorian years. As part of the agreement, the Company paid an amount in advance, which covers one year's rent and a security deposit.

However, as of 31 December 2024, the Company had not been granted access to the leased property, even for construction or leasehold improvement purposes. Consequently, the underlying asset remains unavailable for the Company's use. Accordingly, the lease commencement has not occurred as of 31 December 2024 and the Company has not recognized a right-of-use asset and corresponding lease liability, since the asset is not yet available for use.

**8 CASH AND CASH EQUIVALENTS**

	<i>31 December 2024</i>	<i>31 December 2023</i>
Bank balances – current accounts	<b>76,045,764</b>	74,175,585

All bank balances are assessed to have low credit risk as they are held with reputable and high credit rating banking institutions and there has been no history of default with any of the Company's bank balances. Accordingly, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

**9 SHARE CAPITAL AND STATUTORY RESERVE**Share capital

The authorised, issued and fully paid share capital of the Company consists of 5,000,000 shares of SR 10 each. The shareholding of the Company is fully owned by BNY International Financing Corporation.



**BNY MELLON SAUDI FINANCIAL COMPANY**  
(A Saudi Closed Joint Stock Company)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
(Amounts in Saudi Riyals)

**9 SHARE CAPITAL AND STATUTORY RESERVE (continued)**

*Statutory reserve*

In accordance with the previous Regulations for Companies in Saudi Arabia, the Company was required to set aside a statutory reserve, after absorption of accumulated losses, if any, by the appropriation of at least 10% of the annual net income until the reserve equals 30% of the Company's share capital. This reserve was not available for distribution.

However, the Revised Regulations of the Company law has removed Statutory Reserve requirement. It is now at the discretion of the Company, through its By-laws, to establish a reserve for specific purposes. In line with this, the Company has updated its By-laws during the year. As a result, there has been no transfer from the net income to the statutory reserve during the year.

**10 ADDITIONAL CAPITAL**

This represents long-term contribution by the shareholder of the Company. The said balance has been classified as an equity component as there are no financial charges / other returns attached to it and the Company has an unconditional right to avoid settlement of the balance.

**11 EMPLOYEES' END OF SERVICE BENEFITS**

The following tables summarise the components of employees' end of service benefits recognised in the statements of financial position, profit or loss and other comprehensive income.

*a) Amount recognised in the statement of financial position:*

	<i>31 December 2024</i>	<i>31 December 2023</i>
Present value of defined benefit obligation	<b>666,834</b>	369,562

*b) Benefit expense (recognised in statement of profit or loss):*

	<i>31 December 2024</i>	<i>31 December 2023</i>
Current service cost	<b>205,044</b>	256,835
Special commission cost	<b>18,663</b>	17,228
Benefit expense	<b>223,707</b>	274,063

*c) Movement in the present value of defined benefit obligation:*

	<i>31 December 2024</i>	<i>31 December 2023</i>
Present value of defined benefit obligation at beginning of the year	<b>369,562</b>	363,863
<i>Charge recognised in statement of profit or loss:</i>		
- Current service cost	<b>205,044</b>	256,835
- Special commission cost	<b>18,663</b>	17,228
	<b>223,707</b>	274,063
Actuarial loss / (gain) on defined benefit plan recognized in the statement of other comprehensive income	<b>73,565</b>	(208,952)
Payments made during the year	-	(59,412)
Present value of defined benefit obligation at end of the year	<b>666,834</b>	369,562

# BNY MELLON SAUDI FINANCIAL COMPANY

(A Saudi Closed Joint Stock Company)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts in Saudi Riyals)

### 11 EMPLOYEES' END OF SERVICE BENEFITS (CONTINUED)

#### d) *Principal actuarial assumptions:*

	<i>Notes</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
Discount rate	(i)	5.70%	5.05%
Salary increase rate	(ii)	4.50%	4.50%

#### (i) *Discount rate*

Discount rates are based on yields on US corporate bonds as the Saudi Riyal is pegged to the US Dollar. The actuarial has used spot rate of the Standard Buck AAA/AA US Corporate Bond Curve at a term equal to the average duration of the liabilities for determining discount rate.

#### (ii) *Salary increase rate*

The assumption for future salary increases has been determined by the Company based on its long term expectations, reflecting both inflationary and promotional increases.

#### e) *Sensitivity analysis*

The table below shows the change in end of service liability based on a reasonable possible change in the base assumption value for discount and salary increment rates:

<u>2024</u>	<b>Impact on defined benefit obligation – Increase / (Decrease)</b>		
<u>Base Scenario</u>	<u>Change in assumption</u>	<u>Increase in assumption</u>	<u>Decrease in assumption</u>
Discount rate	+0.50%	(623,490)	-
	-0.50%	-	713,512
Expected rate of salary increase	+0.50%	712,178	-
	-0.50%	-	624,824

<u>2023</u>	<b>Impact on defined benefit obligation – Increase / (Decrease)</b>		
<u>Base Scenario</u>	<u>Change in assumption</u>	<u>Increase in assumption</u>	<u>Decrease in assumption</u>
Discount rate	+0.25%	(356,183)	-
	-0.25%	-	383,531
Expected rate of salary increase	+0.25%	383,120	-
	-0.25%	-	356,501

### 12 ACCOUNTS PAYABLE AND ACCRUALS

	<i>31 December 2024</i>	<i>31 December 2023</i>
Employee incentives payable	365,830	535,749
Payable to General organization of social insurance (GOSI)	29,025	26,910
Accrued expenses	784,519	791,294
	<b>1,179,374</b>	<b>1,353,953</b>

**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

**13 REVENUE FROM SERVICE CHARGES**

This represents service charges for the provision of services provided by the Company in accordance with the Service Agreement signed between the Ultimate Parent Company and the Company at the rate of 'Reimbursable Costs' plus 10%. 'Reimbursable Costs' means all direct and indirect costs incurred by the Company solely in connection with the provision of services on behalf of the Ultimate Parent Company.

**14 SALARIES AND EMPLOYEE RELATED EXPENSES**

	<i>31 December 2024</i>	<i>31 December 2023</i>
Salaries and employment related benefits	<b>2,626,182</b>	4,375,626
Board of directors fee	<b>700,000</b>	700,000
General organization for social insurance	<b>192,465</b>	219,556
Employees' end of service benefits expense	<b>223,707</b>	274,063
Employees' bonus	<b>326,013</b>	484,190
Other staff expenses	<b>363,672</b>	422,166
	<b><u>4,432,039</u></b>	<b><u>6,475,601</u></b>

**15 OTHER EXPENSES**

	<i>Notes</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
Professional and consulting		<b>1,060,648</b>	260,119
Intragroup shared services cost	18	<b>253,398</b>	301,266
Bank charges		<b>195,073</b>	194,799
License fee		<b>76,110</b>	146,716
Unwinding of special commission of lease liability	5	-	1,854
Others		<b>258,539</b>	232,691
		<b><u>1,843,768</u></b>	<b><u>1,137,445</u></b>

**16 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 cash and cash equivalents, and due from a related party. Financial liabilities consist of accounts payable and accruals and amounts due to a related party.

**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

**16 FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)*****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.

	<b>31 December 2024</b>	
	<b><i>Carrying value</i></b>	<b><i>Fair value</i></b>
<b><i>Financial assets</i></b>		
Cash and cash equivalents	<b>76,045,764</b>	<b>76,045,764</b>
Amounts due from a related party	<b>601,757</b>	<b>601,757</b>
	<b>76,647,521</b>	<b>76,647,521</b>
<b><i>Financial liabilities</i></b>		
Accounts payable and accruals	<b>1,150,349</b>	<b>1,150,349</b>
Amounts due to a related party	<b>42,726</b>	<b>42,726</b>
	<b>1,193,075</b>	<b>1,193,075</b>
	<b>31 December 2023</b>	
	<b><i>Carrying value</i></b>	<b><i>Carrying Value</i></b>
<b><i>Financial assets</i></b>		
Cash and cash equivalents	74,175,585	74,175,585
Amounts due from a related party	1,205,655	1,205,655
	75,381,240	75,381,240
<b><i>Financial liabilities</i></b>		
Accounts payable and accruals	1,327,042	1,327,042
Amounts due to a related party	92,115	92,115
	1,419,157	1,419,157

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.

**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

**16 FINANCIAL INSTRUMENTS AND FAIR VALUE (continued)**

Due to the short-term nature of the financial assets and liabilities; the fair values of the financial assets and liabilities are not materially different from their carrying values. These would qualify for level 3 disclosure under IFRS except for Cash and cash equivalents which are classified under level 1. There have been no transfers to and from Level 3 during the year.

**17 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Audit and Risk Management Committee, which has the responsibility to monitor the overall risk process within the Company.

The Audit and Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on cash and cash equivalents, and due from a related party as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Cash and cash equivalents	<b>76,045,764</b>	74,175,585
Amounts due from a related party	<b>601,757</b>	1,205,655
	<u><b>76,647,521</b></u>	<u>75,381,240</u>

Cash and cash equivalent and due from a related party are with counterparties that have investment grade credit ratings ranging from AA to A-. Investment grade refers to the quality of the counterparty's credit. In order to be considered investment grade, the counterparty must be rated at 'BBB' or higher by Standard and Poor's or Moody's. These balances are assessed to have low credit risk as they are held with reputable and high credit rating institutions and hence the impact of expected credit loss is negligible.

Amounts due from a related party are classified as short-term in nature and are expected to mature within three months.

***Market risk***

Market risk is measured, monitored and managed with a blend of quantitative and qualitative approach along with experienced talent and quantitative tools including sensitivity analysis and Value at Risk approach. In addition, exposure limits for individual transactions, concentration, maturities and other risk parameters captures the risk timely.

**a) *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 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 Riyals and US Dollars. Since Saudi Riyals is on a fixed parity to the US Dollar, management believes that the Company is not subject to any significant currency risk.

# BNY MELLON SAUDI FINANCIAL COMPANY

(A Saudi Closed Joint Stock Company)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts in Saudi Riyals)

### 17 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### *Market risk (continued)*

#### *b) Liquidity risk*

Liquidity risk is the risk that the Company will be unable to meet its net financing requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of financing to dry up immediately. Management monitors the maturity profile to ensure that adequate liquidity is maintained.

#### *i) Analysis of financial liabilities by remaining contractual maturities*

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2024 based on contractual undiscounted repayment obligations. The contractual maturities of liabilities have been determined based on the remaining period at the statement of financial position date to the contractual maturity date.

	<i>Fixed maturity</i>					<i>Total</i>
	<i>Within 3 months</i>	<i>3 months and above</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>No fixed maturity</i>	
<b><u>2024</u></b>						
Accounts payable and accrual	1,150,349	-	-	-	-	1,150,349
Amounts due to a related party	42,726	-	-	-	-	42,726
<b>Total</b>	<b>1,193,075</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,193,075</b>
	<i>Fixed maturity</i>					<i>Total</i>
	<i>Within 3 months</i>	<i>3 months and above</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>No fixed maturity</i>	
<b><u>2023</u></b>						
Accounts payable and accrual	1,327,042	-	-	-	-	1,327,042
Amounts due to a related party	92,115	-	-	-	-	92,115
<b>Total</b>	<b>1,419,157</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,419,157</b>

### 18 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Company include the Ultimate Parent Company, the Parent Company, fellow subsidiaries of the Ultimate Parent Company, directors and key management personnel of the Company. These transactions are carried out on mutually agreed terms and approved by the management of the Company.

# BNY MELLON SAUDI FINANCIAL COMPANY

(A Saudi Closed Joint Stock Company)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts in Saudi Riyals)

### 18 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

During the year, the Company transacted with related parties in the normal course of business. The transactions with related parties and the related amounts other than those disclosed elsewhere in these financial statements are as follows:

a) Related party transactions during the year were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
The Bank of New York Mellon Corporation – London Branch	Fellow subsidiary	- Service charges (note 13)	<b>8,135,451</b>	9,501,636
		- Shared services (note 18.1 & 15)	<b>(253,398)</b>	(301,266)
The Bank of New York Mellon Corporation	Ultimate Parent Company	- Equity-settled share-based payment (note 18.2)	<b>(41,219)</b>	(31,110)
		- Other income	<b>206,160</b>	306,452
Board of Directors	Board members	- Board of directors fee	<b>700,000</b>	700,000

**18.1** These represent various services received by the Company from the Ultimate Parent Company under a mutual agreement. These services include internal audit, human resource, information technology, bookkeeping and other services.

**18.2** The Ultimate Parent Company has introduced the BK Shares program, granting Restricted Stock Units (“RSUs”) to key management personnels as part of their annual incentive award program. The program was unveiled on 13 February 2023.

Below is the information relevant to the Company for RSUs outstanding at year end.

Grant dates: 13 February 2023 and 1 February 2024.

Vesting period: Immediate and one to four years from date of grant.

Vesting conditions: Employee to remain employed during the vesting period.

Method of settlement: Shares

Below is the movement of RSUs during the year.

<b>RSUs</b>	<b>Number of RSUs</b>	<b>Weighted average fair value (US\$) 2024</b>	<b>Number of RSUs</b>	<b>Weighted average fair value (US\$) 2023</b>
<b>Outstanding as at 1 January</b>	306	51.92	20	44.24
Granted during the year	234	55.5	820	51.92
Vested during the year	(102)	(51.92)	(20)	(44.24)
Forfeited during the year	-	-	(514)	(51.92)
<b>Outstanding as at 31 December</b>	<b>438</b>	<b>53.83</b>	<b>306</b>	<b>51.92</b>

Below is the movement of shared-based payment reserve during the year.

	<b>2024</b>	<b>2023</b>
Balance as at 1 January	<b>34,437</b>	3,327
Share-based payment vesting charge	<b>41,219</b>	31,110
Balance as at 31 December	<b>75,656</b>	34,437

**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

**18 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

- b) Key management personnel are those having authority and responsibility for planning, directing, and controlling the Company's activities either directly or indirectly. The compensation summary of key management personnel is set out below:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Salaries and allowances	<b>2,626,182</b>	3,709,943
Employees' bonus	<b>326,013</b>	484,190
Employees' end of service benefits expense	<b>223,707</b>	274,603
Other staff expenses	<b>363,672</b>	422,166

- c) Balances of related parties as at statement of financial position date were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
<i>The Bank of New York Mellon Corporation</i>	Ultimate Parent Company	Due to related party	<b>(42,726)</b>	(92,115)
<i>The Bank of New York Mellon – London Branch</i>	Fellow subsidiary	Due from related party	<b>601,757</b>	1,205,655
<i>Key management personnel</i>		Current account	<b>10,506,760</b>	18,348,886
		Employees' end of service benefits	<b>666,834</b>	369,562
		Employee incentives payable	<b>365,830</b>	535,749

Amount due from related party as at the year-end is unsecured, interest free and settlement occurs in cash. The Company did not record any expected credit losses relating to amount due from the related party as it believes that such balance are fully collectible.

**19 REGULATORY REQUIREMENTS FOR CAPITAL AND CAPITAL ADEQUACY**

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) amended by resolution of the Board of the Capital Market Authority Number 1-129-2022 dated 04 Jumada II 1444H (corresponding to 28 December 2022) and further amended by Board of the Capital Market Authority dated 10 Ramzan 1444H (corresponding to 1 April 2023). 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. Capital adequacy ratio are as follows:



**BNY MELLON SAUDI FINANCIAL COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in Saudi Riyals)

**19 REGULATORY REQUIREMENTS FOR CAPITAL AND CAPITAL ADEQUACY  
(CONTINUED)**

	<b>31 December 2024</b>	31 December 2023
<b>Capital Base:</b>		
Tier-1 Capital	<b>56,602,801</b>	54,125,479
<b>Total Capital Base</b>	<b>56,602,801</b>	54,125,479
<b>Minimum Capital:</b>		
Market Risk	-	-
Credit Risk	<b>2,952,588</b>	602,827
Operational Risk	<b>36,751,313</b>	36,483,960
<b>Total Minimum Capital</b>	<b>39,703,901</b>	37,086,787
<b>Surplus Capital</b>	<b>53,426,489</b>	51,158,586
<b>Total Ratio</b>	<b>142.56%</b>	145.94%

Capital Base of the Company comprises of:

**Tier-1 Capital:** Tier 1 capital consists of paid-up share capital, retained earnings,, reserves excluding revaluation reserves, with certain deductions as per the Rules.

**Tier-2 Capital:** There is no Tier 2 capital for the year ended 31 December 2023

**Credit Risk:** Credit exposures from non-trading activities of the Company is from bank current accounts and due from a related party.

**Operational Risk:** Operational risk arises from inadequate internal processes, people and systems or from external events. The management has computed the operational risk based on the Basic Indicator approach.

**Capital Adequacy Ratio:** As per the CMA guidelines, the Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 8% of the minimum capital required in amended Rules and shall not be less than 1 time in previous Rules.

**20 CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments to be disclosed in the notes to the financial statements as at 31 December 2024.

**21 SUBSEQUENT EVENTS**

There are no material events subsequent to the reporting date that requires adjustment or disclosure in these financial statements.

**22 APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements have been approved by the Board of Directors on 24 March 2025.