

**MIZUHO SAUDI ARABIA COMPANY**  
(A Saudi Closed Joint Stock Company)  
**Financial Statements and**  
**Independent Auditor's Report**  
**For the year ended**  
**31 December 2024**

**MIZUHO SAUDI ARABIA COMPANY**

(A Saudi Closed Joint Stock Company)

**For the year ended 31 December 2024**

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## 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 shareholders of Mizuho Saudi Arabia Company

## Opinion

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

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

## Basis for Opinion

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

## Responsibilities of 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 SOCPA, the applicable requirements of the Regulations for Companies, 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 (continued)

To the Shareholders of Mizuho Saudi Arabia 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 ISA that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA 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 **Mizuho Saudi Arabia Company** (the "Company").

### KPMG Professional Services Company

  
**Hani Hamzah Bedairi**  
License Number 460

Riyadh: 25 Ramadan 1446H  
Corresponding to: 25 March 2025



**MIZUHO SAUDI ARABIA COMPANY**

(A Saudi Closed Joint Stock Company)

**Statement of Financial Position****As at 31 December 2024**

(All amounts in Saudi Riyals unless otherwise stated)

	<i>Notes</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Right-of-use asset	5	<b>10,906,114</b>	1,194,616
Property and equipment	6	<b>289,054</b>	4,320
Deferred tax asset	7	<b>45,578</b>	308,834
<b>Total non-current assets</b>		<b>11,240,746</b>	1,507,770
<b>Current assets</b>			
Prepayments and other assets	8	<b>1,704,464</b>	471,637
Term deposits	9	<b>72,745,315</b>	72,921,525
Cash and cash equivalents	10	<b>7,269,327</b>	2,632,755
<b>Total current assets</b>		<b>81,719,106</b>	76,025,917
<b>Total assets</b>		<b>92,959,852</b>	77,533,687
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
Share capital	11	<b>75,000,000</b>	75,000,000
Retained earnings / (Accumulated losses)		<b>2,616,800</b>	(2,211,160)
Actuarial valuation reserve	12	<b>1,016,300</b>	1,026,797
<b>Total equity</b>		<b>78,633,100</b>	73,815,637
<b>Non-current liabilities</b>			
Employees' end-of-service benefits	12	<b>102,453</b>	88,477
Lease liability	5	<b>8,974,363</b>	-
<b>Total non-current liabilities</b>		<b>9,076,816</b>	88,477
<b>Current liabilities</b>			
Accrued expenses and other payables	13	<b>4,088,893</b>	2,571,293
Lease liability	5	<b>921,362</b>	818,608
Contract liabilities	14	<b>239,681</b>	239,672
<b>Total current liabilities</b>		<b>5,249,936</b>	3,629,573
<b>Total liabilities</b>		<b>14,326,752</b>	3,718,050
<b>Total equity and liabilities</b>		<b>92,959,852</b>	77,533,687

The accompanying notes from 1 to 22 form an integral part of these financial statements.

**MIZUHO SAUDI ARABIA COMPANY**  
(A Saudi Closed Joint Stock Company)  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2024**  
(All amounts in Saudi Riyals unless otherwise stated)

	<i>Notes</i>	<b>31 December 2024</b>	31 December 2023
Advisory revenue		<b>8,660,973</b>	7,784,616
Secondment revenue		<b>52,000</b>	73,500
<b>Total revenue</b>		<b>8,712,973</b>	7,858,116
Salaries and employee related expenses	15	<b>(3,602,609)</b>	(4,405,834)
Depreciation of property and equipment	6	<b>(5,136)</b>	(2,760)
Depreciation of right-of-use asset	5	<b>(1,084,508)</b>	(754,386)
Finance cost on lease liability	5	<b>(225,836)</b>	(62,627)
Other expenses	16	<b>(2,167,321)</b>	(1,175,652)
<b>Total expenses</b>		<b>(7,085,410)</b>	(6,401,259)
<b>Total operating profit</b>		<b>1,627,563</b>	1,456,857
Special commission income		<b>4,221,876</b>	3,814,383
Other income		<b>17,049</b>	-
<b>Profit before tax</b>		<b>5,866,488</b>	5,271,240
Income tax expenses	7	<b>(1,038,528)</b>	(810,089)
<b>Profit for the year</b>		<b>4,827,960</b>	4,461,151
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement (loss) / gain on employees' end-of-service benefits	12	<b>(10,497)</b>	39,864
<b>Total comprehensive income for the year</b>		<b>4,817,463</b>	4,501,015

The accompanying notes from 1 to 22 form an integral part of these financial statements.

**MIZUHO SAUDI ARABIA COMPANY**

(A Saudi Closed Joint Stock Company)

**Statement of Changes in Equity****For the year ended 31 December 2024**

(All amounts in Saudi Riyals unless otherwise stated)

	<b>Share capital</b>	<b>(Accumulated losses) / Retained Earnings</b>	<b>Actuarial valuation reserve (Note 12)</b>	<b>Total</b>
As at 1 January 2023	75,000,000	(6,672,311)	986,933	69,314,622
Profit for the year	-	4,461,151	-	4,461,151
Other comprehensive income	-	-	39,864	39,864
Total comprehensive income	-	4,461,151	39,864	4,501,015
As at 31 December 2023	75,000,000	(2,211,160)	1,026,797	73,815,637
Profit for the year	-	<b>4,827,960</b>	-	<b>4,827,960</b>
Other comprehensive income	-	-	<b>(10,497)</b>	<b>(10,497)</b>
Total comprehensive income	-	<b>4,827,960</b>	<b>(10,497)</b>	<b>4,817,463</b>
<b>As at 31 December 2024</b>	<b>75,000,000</b>	<b>2,616,800</b>	<b>1,016,300</b>	<b>78,633,100</b>

The accompanying notes from 1 to 22 form an integral part of these financial statements.

**MIZUHO SAUDI ARABIA COMPANY**

(A Saudi Closed Joint Stock Company)

**Statement of Cash Flows****For the year ended 31 December 2024**

(All amounts in Saudi Riyals unless otherwise stated)

	<i>Notes</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>5,866,488</b>	5,271,240
<i>Adjustments for:</i>			
Gain on disposal of right-of-use asset		<b>(17,049)</b>	-
Depreciation of right-of-use asset	5	<b>1,084,508</b>	754,386
Depreciation of property and equipment	6	<b>5,136</b>	2,760
Finance cost on lease liability	5	<b>225,836</b>	62,627
Provision for employees' end-of-service benefits	12	<b>74,097</b>	59,566
Special commission income		<b>(4,221,876)</b>	(3,814,383)
		<b>3,017,140</b>	2,336,196
<b>Changes in operating assets and liabilities:</b>			
Prepayments and other assets		<b>(1,284,299)</b>	(63,857)
Accrued expenses and other payables		<b>1,544,038</b>	353,754
Contract liability		<b>9</b>	(13)
		<b>3,276,888</b>	2,626,080
Special commission income received		<b>4,398,086</b>	3,391,983
Payment of finance cost on lease liability	5	<b>(16,704)</b>	(135,115)
Payment of employees' end-of-service benefits	12	<b>(19,147)</b>	(32,528)
Income tax paid	7	<b>(801,710)</b>	(601,650)
<b>Net cash generated from operating activities</b>		<b>6,837,413</b>	5,248,770
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Placement in term deposit		<b>(153,000,000)</b>	(221,000,000)
Encashment of term deposit		<b>153,000,000</b>	214,000,000
Purchase of property and equipment		<b>(289,870)</b>	-
<b>Net cash used in investing activities</b>		<b>(289,870)</b>	(7,000,000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of principal portion of lease liability	5	<b>(1,910,971)</b>	(707,251)
<b>Net cash used in financing activities</b>		<b>(1,910,971)</b>	(707,251)
Increase / (decrease) in cash and cash equivalents		<b>4,636,572</b>	(2,458,481)
Cash and cash equivalents at the beginning of the year	10	<b>2,632,755</b>	5,091,236
<b>Cash and cash equivalents at the end of the year</b>	10	<b>7,269,327</b>	2,632,755
<b>Non-cash information:</b>			
Remeasurement (loss) / gain on employees' end-of-service benefits	12	<b>(10,497)</b>	39,864
Transfer of employees' end-of-service benefits	12	<b>(51,471)</b>	-

The accompanying notes from 1 to 22 form an integral part of these financial statements.



# **MIZUHO SAUDI ARABIA COMPANY**

(A Saudi Closed Joint Stock Company)

## **Notes to the Financial Statements**

**For the year ended 31 December 2024**

(All amounts in Saudi Riyals unless otherwise stated)

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### **1. INCORPORATION AND ACTIVITIES**

Mizuho Saudi Arabia Company (the “Company”) is a Saudi closed joint stock company incorporated based on Ministerial Resolution number 51 dated 20 Safar 1430H (corresponding to 15 February 2009). The Company is registered with the Capital Market Authority (“CMA”) under license numbered 11158-30. It operates in the Kingdom of Saudi Arabia under commercial registration number 1010263572 dated 6 Rabi Awal 1430H (corresponding to 3 March 2009). Further the Company has also obtained a license from the Saudi Arabian General Investment Authority (license number 1398/1 dated 23 Dhul Hijjah 1429H) (corresponding to 21 December 2008). The registered office is located at North lobby 1st floor, Al Faisaliah Tower, King Fahad Road, Riyadh 11544, KSA.

The Company is solely authorized by CMA to conduct the activities of arranging and advising in securities business. The Company is owned 85% by Mizuho Bank Limited (“the Ultimate Parent Company”) and 15% by Mizuho Securities Co. Limited.

The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to June 30, 2022) (hereinafter referred as the “New Law”) came into force on 26/06/1444H (corresponding to January 19, 2023). In this regard, during the year, the Company approved the amendment of certain provisions of the Company’s By-laws to ensure compliance with the requirements of the new Companies’ Law.

### **2. BASIS OF PREPARATION**

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

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

#### **2.2 Basis of measurement and presentation**

These financial statements have been prepared on a going concern basis under the historical cost basis of accounting and the going concern concept, except for the employee’s end of service benefit measured at present value of future obligations using projected unit credit method.

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

These financial statements are presented in Saudi Arabian Riyals (SR), which is the Company’s functional currency. Except as otherwise indicated, financial information presented in SR has been rounded off to the nearest thousand.

#### **2.4 Use of estimates and Judgments**

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

# MIZUHO SAUDI ARABIA COMPANY

(A Saudi Closed Joint Stock Company)

## Notes to the Financial Statements

For the year ended 31 December 2024

(All amounts in Saudi Riyals unless otherwise stated)

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### 2. BASIS OF PREPARATION (CONTINUED)

#### (a) Employees' end-of-service benefits

The liabilities relating to employees' end-of-service benefits are determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of annual reporting year. The method involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long-term nature of these benefits, such estimates are subject to certain uncertainties. Significant assumptions used to carry out the actuarial valuation have been disclosed in note 12 to these financial statements.

#### (b) Fair value measurement

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 by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing an asset or a liability, if market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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 based on the nature, characteristics and risks of an asset or a liability and level of the fair value hierarchy as explained above.

### 3. NEW AMENDMENTS TO EXISTING STANDARDS ADOPTED BY THE COMPANY

#### (a) New standards and amendments adopted by the Company

The following amendments to the existing standards, which were issued by the International Accounting Standards Board ("IASB") have been effective from 1 January 2024 and accordingly adopted by the Company, as applicable. The Company has assessed that these amendments have no significant impact on the Company's financial statements.

# MIZUHO SAUDI ARABIA COMPANY

(A Saudi Closed Joint Stock Company)

## Notes to the Financial Statements

For the year ended 31 December 2024

(All amounts in Saudi Riyals unless otherwise stated)

### 3. NEW AMENDMENTS TO EXISTING STANDARDS ADOPTED BY THE COMPANY (CONTINUED)

#### (a) New standards, interpretations and amendments adopted by the Company (continued)

Standard/ interpretation	Description
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.
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.
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.

#### (b) New standards not yet effective and not early adopted

The International Accounting Standard Board (IASB) has issued the following accounting standards, interpretation and amendments, which were effective from periods 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. Standards, interpretations, and amendments issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt these standards when they become effective.

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026

**MIZUHO SAUDI ARABIA COMPANY**

(A Saudi Closed Joint Stock Company)

**Notes to the Financial Statements****For the year ended 31 December 2024**

(All amounts in Saudi Riyals unless otherwise stated)

**3. NEW AMENDMENTS TO EXISTING STANDARDS ADOPTED BY THE COMPANY (CONTINUED)****(b) New standards not yet effective and not early adopted (continued)**

<b>Standard/ interpretation</b>	<b>Description</b>	<b>Effective from periods beginning on or after</b>
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 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.	1 January 2027

**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The material accounting policies adopted in the preparation of the financial statements are set out below. The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the Company's financial statements for the year ended 31 December 2023

**4.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

**4.2 Term deposits**

Term deposits consist of deposits with a local bank with a maturity of more than three months from the date of the acquisition.

**4.3 Financial instruments****(a) Financial Assets**

The Company initially recognises financial assets when it becomes party to the contractual provisions of the financial instrument into the following categories:

- Measured at amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

# MIZUHO SAUDI ARABIA COMPANY

(A Saudi Closed Joint Stock Company)

## Notes to the Financial Statements

For the year ended 31 December 2024

(All amounts in Saudi Riyals unless otherwise stated)

### 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 4.3 Financial instruments (continued)

The Company have financial assets and liabilities as disclosed in note 21 which the company have categorised as financial instruments measured at amortised cost, the company do not have any instrument measures at FVOCI and FVPL as:

- The objective of the Company is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets.; and
- The contractual flows represent solely payment of principal and profit.

#### *Subsequent measurement*

Financial assets that are initially recognized at fair value are subsequently measured at amortized cost based on expected credit loss (ECL) described below:

- the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. 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 and hence not disclosed in these financial statements.

#### (b) *Financial Liabilities*

Financial liabilities include accrued expenses and other liabilities and are classified according to the substance of the respective contractual arrangement and are initially measured at their fair value, net of transaction costs.

Financial liabilities are subsequently carried at their amortised cost, with commission cost being recognised on an effective yield basis in the statement of profit or loss and other comprehensive income over the term of the instrument.

#### 4.4 Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

The cost less estimated residual value of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets, effective from the date when it was available for use.

The Company applies the following annual rates of depreciation to its property and equipment:

Leasehold improvements	10%
Furniture and fixtures	20%
Computer hardware	20%
Motor vehicles	20%

An item of property and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

##### **4.5 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### *i) Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Buildings are depreciated over the lease term of 5 years.

##### *ii) Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) that depend on a rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in interest-bearing liabilities.

##### **4.6 Revenue from contracts with customers**

The Company recognises revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contract with customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify the performance obligations	A performance obligation is a promise in a contract with a customer to render services to the customer.
Step 3: Determine the transaction price	The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer.
Step 4: Allocate the transaction price	For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue	The Company recognises revenue (or as) it satisfies a performance obligation by transferring a promised service to the customer under a contract.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

##### **4.6 Revenue from contracts with customers (continued)**

Based on the above five steps the revenue recognition policy for each revenue stream is as follow:

###### ***Advisory and secondment revenue***

Fee from advisory services is recognised overtime when the services are delivered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has concluded that it is the principal in its revenue arrangements.

When the Company satisfies a performance obligation by delivering the promised services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

When the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer it give rise to a refund liability which is measured at the amount of consideration received (or receivable) for which the Company does not expect to be entitled.

###### ***Special commission income***

Special commission income and commission expense are recognized in the statement of comprehensive income using the effective commission rate method. The ‘effective commission rate’ is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

When calculating the effective commission rate for financial instruments other than purchase or originated credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument but excluding expected credit losses. For purchase or originated credit-impaired financial assets, a credit adjusted effective commission rate is calculated using estimated future cash flows including expected credit loss (“ECL”) allowance.

The calculation of the effective commission rate includes transaction costs and fees that are an integral part of the effective commission rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Other income is recognised when earned.

##### **4.7 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

###### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income.

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### 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 4.7 Taxation (continued)

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in statement of comprehensive income ("OCI") or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and the Company intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### 4.8 Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.



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**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****4.9 Statutory reserve**

In accordance with the Company's by-laws, the Company may set aside certain percentage of its profits each year as statutory reserves, subject to the Board approval. During the year, the Company has not transferred any amount from its net income to the statutory reserves.

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

<b><u>Right-of-use asset</u></b>	<b>31 December 2024</b>	<b>31 December 2023</b>
As at 1 January	1,194,616	1,949,002
Additions*	11,028,322	-
Early termination of the lease	(232,316)	-
Depreciation expense of right-of-use assets	(1,084,508)	(754,386)
<b>Closing balance</b>	<b>10,906,114</b>	<b>1,194,616</b>

  

<b><u>Lease Liability</u></b>	<b>31 December 2024</b>	<b>31 December 2023</b>
As at 1 January	818,608	1,598,347
Additions*	11,028,322	-
Early termination of the lease	(249,366)	-
Payment of principal portion of lease liabilities	(1,910,971)	(707,251)
Payment of interest portion of lease liabilities	(16,704)	(135,115)
Finance cost on lease liability	225,836	62,627
<b>Closing balance</b>	<b>9,895,725</b>	<b>818,608</b>

  

<b>Amount recognised in statement of financial position</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Current	921,362	818,608
Non-current	8,974,363	-
<b>Total</b>	<b>9,895,725</b>	<b>818,608</b>

\*It includes a lease contract amounting to 10,100,647 entered by the Company, which is commencing from 1 September 2024, this lease having a maturity date of 31 August 2034, the lease rental for the first year is agreed at SAR 896,087. The rent for the second year is agreed at SAR 1,280,461 and each year the rent amount increase by on average rate of 0.6%.

When measuring the lease liability, the Company discounted the lease payments using the incremental borrowing rate at the commencement date of the lease contract

<b>Amount recognised in statement of profit or loss and other comprehensive income</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Depreciation expense of right-of-use asset	1,084,508	754,386
Finance cost on lease liability	225,836	62,627
<b>Total</b>	<b>1,310,344</b>	<b>817,013</b>

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**6. PROPERTY AND EQUIPMENT**

	<b>Leasehold improvements</b>	<b>Furniture and fixtures</b>	<b>Computer hardware</b>	<b>Vehicles</b>	<b>Total</b>
<b><u>Cost:</u></b>					
At 1 January 2024	1,583,099	287,697	446,234	225,550	2,542,580
Disposals	-	-	-	-	-
Addition	-	-	-	289,870	289,870
At 31 December 2024	1,583,099	287,697	446,234	515,420	2,832,450
<b><u>Accumulated depreciation:</u></b>					
At 1 January 2024	1,583,099	287,697	441,914	225,550	2,538,260
Charge for the year	-	-	2,760	2,376	5,136
Disposals	-	-	-	-	-
At 31 December 2024	1,583,099	287,697	444,674	227,926	2,543,396
<b><u>Net book value:</u></b>					
At 31 December 2024	-	-	1,560	287,494	289,054

	<b>Leasehold improvements</b>	<b>Furniture and fixtures</b>	<b>Computer hardware</b>	<b>Vehicles</b>	<b>Total</b>
<b><u>Cost:</u></b>					
At 1 January 2023	1,583,099	312,482	446,234	225,550	2,567,365
Disposals	-	(24,785)	-	-	(24,785)
At 31 December 2023	1,583,099	287,697	446,234	225,550	2,542,580
<b><u>Accumulated depreciation:</u></b>					
At 1 January 2023	1,583,099	312,482	439,154	225,550	2,560,285
Charge for the year	-	-	2,760	-	2,760
Disposals	-	(24,785)	-	-	(24,785)
At 31 December 2023	1,583,099	287,697	441,914	225,550	2,538,260
<b><u>Net book value:</u></b>					
At 31 December 2023	-	-	4,320	-	4,320

**7. TAXATION**

**7.1 Income Tax**

	<b>31 December 2024</b>	31 December 2023
Current taxation-current year	775,272	792,468
Deferred tax adjustment for the year (see note (7.2))	263,256	17,621
	<b>1,038,528</b>	<b>810,089</b>

The current year provision is based on 20% of the adjusted taxable profit. Differences between the financial and taxable profit are mainly due to provisions and certain expenses which are disallowed for tax purposes.

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**7. TAXATION (CONTINUED)****7.1 Income Tax (continued)**

The movement in income tax payable is as follows:

	<b>31 December 2024</b>	31 December 2023
Balance at beginning of the year	792,468	601,650
Charged to profit or loss	775,272	792,468
Paid during the year	<u>(801,710)</u>	<u>(601,650)</u>
Balance at end of the year	<u><b>766,030</b></u>	<u><b>792,468</b></u>

Reconciliation of tax expense and the accounting profit multiplied by KSA's domestic tax rate for 2022 and 2023:

	<b>31 December 2024</b>	31 December 2023
Accounting gain / (loss) before income tax	5,576,907	5,271,240
Add: Non-deductible expenses for tax purposes	1,447,148	977,263
Less: Claims	<u>(1,858,111)</u>	<u>(965,381)</u>
Less: Utilisation of previously unrecognised tax losses	<u>(1,289,585)</u>	<u>(1,320,780)</u>
Adjusted (loss) profit for Income Tax Calculation	<u><b>3,876,359</b></u>	<u><b>3,962,342</b></u>
Income tax expense at 20% reported in the statement of profit or loss	<u><b>775,272</b></u>	<u><b>792,468</b></u>

**7.2 Deferred Tax**

The Company has recognized deferred tax at the reporting date, in respect of timing differences due to disallowance of the employees' end-of-service benefits and differences in the basis of depreciation calculated at an income tax rate of 20%.

Movement in deferred tax asset during the year is:

	<b>31 December 2024</b>	31 December 2023
At the beginning of the year	308,834	326,455
Adjustment made during the year	<u>(263,256)</u>	<u>(17,621)</u>
At the end of the year	<u><b>45,578</b></u>	<u><b>308,834</b></u>
Comprising of:		
Temporary differences due to lease and depreciation	<u>(122,486)</u>	141,466
Employees' end-of-service benefits	<u><b>168,064</b></u>	<u>167,368</u>
	<u><b>45,578</b></u>	<u><b>308,834</b></u>

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

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**7. TAXATION (CONTINUED)****7.2 Deferred Tax (continued)**

The Company has SR 12,466,812 (2023: SR 12,741,467) of tax losses carried forward and actuarial gains or loss. These losses relate to prior years' results.

If the Company was able to recognize all unrecognized deferred tax assets, profit and equity would have increased by SR 2,493,362 (2023: SR 2,753,653) and SR 147,573 (2023: SR 149,672) respectively.

**Status of assessments**

The Company has filed its tax declarations with the Zakat, Tax and Customs Authority ("ZATCA") up to the year ended 31 December 2023. No assessment has been raised by the ZATCA as yet.

**8. PREPAYMENTS AND OTHER ASSETS**

	<b>31 December 2024</b>	31 December 2023
Advance paid to contractor*	<b>600,000</b>	-
Prepayments	<b>446,295</b>	344,908
Security deposits	<b>212,373</b>	80,315
Other receivables	<b>445,796</b>	46,414
	<b><u>1,704,464</u></b>	<u>471,637</u>

\*This represents advance paid to the contractor for the leasehold improvements, the work has not yet commenced till the reporting date.

**9. TERM DEPOSITS**

	<b>31 December 2024</b>	31 December 2023
Term deposits	<b>72,000,000</b>	72,000,000
Accrued income on term deposit	<b>745,315</b>	921,525
	<b><u>72,745,315</u></b>	<u>72,921,525</u>

As at 31 December 2024, the Company has term deposits with a local bank having credit rating of A1 (2023: A1) by Moody's. The average effective commission rate on these term deposits as at 31 December 2024 is 5.71% (2023: 6.0%), and having a latest maturity of April 2025. These term deposits have an original maturity of more than 3 months and are denominated in Saudi Riyals.

**10. CASH AND CASH EQUIVALENTS**

	<b>31 December 2024</b>	31 December 2023
Cash at bank	<b>7,266,554</b>	2,632,225
Cash in hand	<b>2,773</b>	530
	<b><u>7,269,327</u></b>	<u>2,632,755</u>

The bank balances are carried at a local bank having credit rating of A1 (2023: A1) by Moody's.

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**11. SHARE CAPITAL**

The authorized, issued and paid-up share capital consists of 7.5 million shares (2023: 7.5 million shares) of SR 10 each.

**12. EMPLOYEES' END-OF-SERVICE BENEFITS**

	<b>31 December 2024</b>	31 December <u>2023</u>
Balance at the beginning of the year	88,477	101,303
Current service cost	68,107	54,596
Interest cost	5,990	4,970
Actuarial loss / (gain)	10,497	(39,864)
Benefits transferred to sister Company	(51,471)	-
Benefits paid	(19,147)	(32,528)
<b>Balance at the end of the year</b>	<b><u>102,453</u></b>	<b><u>88,477</u></b>

The most recent actuarial valuation was performed by an independent, qualified actuary using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	<b>31 December 2024</b>	31 December <u>2023</u>
Discount rate	5.9%	5.35%
Rate of salary increases	3.75%	2.5%

All movements in the employees' end-of-service benefits are recognized in profit or loss except for the actuarial gain (loss), which is recognized in other comprehensive income.

Movements in actuarial gains recognized in OCI are as follows:

	<b>31 December 2024</b>	31 December <u>2023</u>
At the beginning of the year	1,026,797	986,933
Remeasurement gain – effect of experience adjustments	(10,497)	39,864
At the end of the year	<b><u>1,016,300</u></b>	<b><u>1,026,797</u></b>

**Sensitivity analysis**

The sensitivity analysis presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. A positive amount represents an increase in the liability whilst a negative amount represents a decrease in the liability. The sensitivity analyses may not be representative of an actual change in the employees' end-of-service benefits as it is unlikely that changes in assumptions would occur in isolation from one another.

	<b>31 December 2024</b>	31 December 2023
Increase in discount rate of 1%	84,139	(75,426)
Decrease in discount rate of 1%	125,855	104,625
Increase in rate of salary increase of 1%	126,146	104,947
Decrease in rate of salary increase of 1%	<b><u>(83,644)</u></b>	<b><u>(74,982)</u></b>

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**12. EMPLOYEES' END-OF-SERVICE BENEFITS (CONTINUED)**

The following are the expected payments to the employees' end-of-service benefit in future years:

	<b>31 December 2024</b>	31 December <u>2023</u>
Within the next 12 months	1,223	1,646
Between 2 and 5 years	31,711	26,157
Beyond 5 years	<u>146,740</u>	<u>101,242</u>

**13. ACCRUED EXPENSES AND OTHER PAYABLES**

	<b>31 December 2024</b>	31 December <u>2023</u>
Accrued expenses	1,489,916	1,756,264
Refund Liability*	1,802,631	-
Tax payable	766,030	792,468
Other payables	<u>30,316</u>	<u>22,561</u>
	<u>4,088,893</u>	<u>2,571,293</u>
<b>Analyzed between:</b>		
Current liabilities	4,088,893	2,571,293
Non-Current Liabilities	-	-
<b>Current accrued expenses and other payables</b>	<u><b>4,088,893</b></u>	<u><b>2,571,293</b></u>

\*This represents the excess consideration received from the Mizuho Bank Limited (a related party) which the Company expect to refund by adjusting the subsequent invoice of Mizuho Bank Limited in the subsequent year.

**14. CONTRACT LIABILITIES**

	<b>31 December 2024</b>	31 December <u>2023</u>
<b>Contract liabilities</b>		
Current	239,681	239,672
<b>Total contract liabilities</b>	<u><b>239,681</b></u>	<u><b>239,672</b></u>

A contract liability is recognized if a payment is received, or a payment is due (whichever is earlier) from a customer before the Company transfers the related services. Contract liabilities are recognized as revenue when the Company performs under the contract. Revenue earned from the contract during the year is SR 958,694 (2023: SR 958,694).

**15. SALARIES AND EMPLOYEE RELATED EXPENSES**

	<b>31 December 2024</b>	31 December <u>2023</u>
Salaries and employment related benefits	3,084,387	2,964,530
Employees' bonus	-	1,312,500
Employees' end of service benefits	74,097	59,566
Other staff expenses	<u>444,125</u>	<u>69,238</u>
	<u><b>3,602,609</b></u>	<u><b>4,405,834</b></u>

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**16. OTHER EXPENSES**

	<b>31 December 2024</b>	31 December <u>2023</u>
Professional fees	<b>1,146,506</b>	447,113
Information technology	<b>330,085</b>	357,369
Membership fee	<b>149,685</b>	109,144
Withholding tax	<b>83,525</b>	84,280
Travelling and related costs	<b>83,724</b>	46,388
Other	<b>373,796</b>	131,358
	<b><u>2,167,321</u></b>	<u>1,175,652</u>

**17. FINANCIAL INSTRUMENTS AND FAIR VALUE**

	<b>31 December 2024</b>	
	<b>Carrying value</b>	<b>Fair value</b>
<b>Financial assets</b>		
Cash and cash equivalents	<b>7,269,327</b>	<b>7,269,327</b>
Term deposits	<b>72,745,315</b>	<b>72,745,315</b>
Other receivables	<b>76,031</b>	<b>76,031</b>
	<b><u>80,090,673</u></b>	<u>80,090,673</u>

	31 December 2023	
	Carrying value	Fair Value
<b>Financial assets</b>		
Cash and cash equivalents	2,632,755	2,632,755
Term deposits	72,921,525	72,921,525
Other receivables	-	-
	<u>75,554,280</u>	<u>75,554,280</u>

The carrying value of all financial assets and liabilities reflected in the financial statements approximates their fair value due to their short term in nature. An active market for these instruments is not available and the Company intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities and accordingly these are considered as Level 3 financial assets 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.

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**18. RELATED PARTY INFORMATION**

Related parties of the Company include the shareholders of the Company, related companies, directors and key management personnel. Terms and conditions of these transactions are approved by the Company's management. The related parties' transactions for the years ended 31 December 2024 and balances arising there from are described as under:

***Transactions made during the period with related parties:***

The following are the details of the significant transactions with related parties during the year:

<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Mizuho Bank Limited	Shareholder	Advisory revenue*	<b>7,702,279</b>	6,825,921
		Expenses and salaries paid on behalf of the Company	<b>(388,965)</b>	(501,770)
		IT Fees	<b>(9,764)</b>	(10,701)
Mizuho Securities Co Limited	Shareholder	Advisory revenue	<b>958,694</b>	958,694
Mizuho Gulf Capital Partners Ltd	Fellow Subsidiary	Secondment revenue	<b>52,000</b>	73,500
Mizuho MEA Regional Headquarters Company	Fellow Subsidiary	Rent paid on behalf of Company	<b>159,120</b>	-
		Employee Benefits transferred	<b>(83,089)</b>	-
Key management personnel	Key management personnel	Salaries and employee related benefits	<b>884,117</b>	(748,380)

\*The Company entered into a Service Level Agreement ("SLA") with the Mizuho Bank Limited whereby it pays the Company an agreed consideration for advisory services computed based on expected cost plus 10% less revenue earned from Mizuho Securities and Company's own licensed activities.

***Outstanding balances with related parties:***

The following balances arose as a result of transactions with related parties:

<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Mizuho Securities Co. Limited	Shareholder	Contract liabilities	<b>(239,681)</b>	(239,672)
Mizuho Bank Limited	Shareholder	Refund liability	<b>(1,802,631)</b>	-
Mizuho Bank Limited	Shareholder	Other payable (IT fees)	<b>(6,282)</b>	(9,452)
Mizuho Gulf Capital Partners Limited	Fellow Subsidiary	Other receivable (Director services)	-	12,500
Mizuho MEA Regional Headquarters Company	Fellow Subsidiary	Other receivable, net	<b>76,031</b>	-



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**19. CONTINGENT LIABILITIES**

The Company had no contingent liabilities in existence at the reporting date.

**20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

**20.1** The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	<b>31 December 2024</b>	31 December 2023
<b>Financial assets at amortised cost:</b>		
Cash and cash equivalents	7,269,327	2,632,755
Term deposits	72,745,315	72,921,525
Other assets	445,796	46,414
	<u>80,460,438</u>	<u>75,600,694</u>
	<b>31 December 2024</b>	31 December 2023
<b>Financial liabilities at amortised cost:</b>		
Lease liabilities	921,362	818,609
Refund liability	1,802,631	-
Other payables	30,316	22,561
	<u>2,754,309</u>	<u>841,170</u>

Management has conducted a review as required by IFRS 9. Based on such assessment, there is no need for any significant impairment against the carrying values of cash and cash equivalents and term deposits.

All above financial assets are expected to be settled within one year from the reporting date. Therefore, carrying amount approximates the fair value as at the reporting date.

**20.1 Financial risk management**

The Company's financial liabilities comprise other payables and lease liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include cash and cash equivalents, term deposits, security deposits and other assets. The Company is exposed to market risk and credit risk. The Company's management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to two types of risk: interest rate risk, and currency risk. Financial instruments affected by market risk

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's lease liabilities. The Company does not have any exposure to movements in interest rates on its lease liability at the current or prior reporting date. Consequently, no interest rate sensitivity analysis has been presented.

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**20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)****20.1 Financial risk management (continued)****Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company did not have any significant foreign currency denominated monetary assets or liabilities at the reporting date for which it was exposed to foreign currency fluctuations. Consequently, no foreign currency sensitivity analysis has been presented.

**Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its cash at bank, deposits with banks and accrued income.

The table below shows the Company's maximum exposure to credit risk for components of the statement of financial position.

	<b>31 December 2024</b>	31 December 2023
Term deposits with a local bank	<b>72,745,315</b>	72,921,525
Cash at bank	<b>7,266,554</b>	2,632,225
Other assets	<b>445,796</b>	46,414
	<b><u>80,457,665</u></b>	<u>75,600,164</u>

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	<b>Within 3 Months</b>	<b>3 months to 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>31 December 2024</b>					
Lease liabilities	-	1,545,461	5,634,718	6,032,967	13,213,214
Refund liability	-	1,802,631	-	-	1,802,631
Other payables	30,316	-	-	-	30,316
	<b><u>30,316</u></b>	<b><u>3348092</u></b>	<b><u>5,634,718</u></b>	<b><u>6,032,967</u></b>	<b><u>15,046,161</u></b>
<b>31 December 2023</b>					
Lease liabilities	-	842,365	-	-	842,365
Refund liability	-	-	-	-	-
Other payables	22,561	-	-	-	22,561
	<b><u>22,561</u></b>	<b><u>842,365</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>864,926</u></b>

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**21. SUBSEQUENT EVENTS**

There were no subsequent events after the statement of financial position date which require adjustments to / or disclosure in the financial statements.

**22. APPROVALS OF THE FINANCIAL STATEMENTS**

These financial statements were approved and authorized to issue by the Board of Directors on 24 March 2025 (corresponding to 24 Ramadan 1446 H).