



Deutsche Securities Saudi Arabia Board of Directors Annual Report for 2024



Table of Contents

1. Overview	3
2. The main activities of Deutsche Securities Saudi Arabia are as follows	3
3. Important Plans and Decisions of DSSA in 2024	3
4. Changes in the Operational results.....	4
5. Annual Audited Financials.....	4
6. Capital Adequacy Disclosures	6
7. Implemented Provisions of CMA Regulations	6
8. Formation of DSSA's Board of Directors	6
9. Outside Directorships and Managerial roles by DSSA Board Directors	6
10. Board meetings and Committees:	8
a. Audit Committee.....	8
b. Nomination & Remuneration Committee	8
c. Board attendance for the Board Meetings is as follows:	9
11. Remuneration	10
12. Penalties, Litigations and Provisions.....	10
13. Annual Audit: Internal Control Procedures.....	11
14. Additional disclosures as per CMA requirement	11
1) Risk Management	11
2) Operational Risks	11
3) Credit Risks.....	11
4) Market Risks.....	11
5) Loans	11
15. Disclosures by DSSA Board Directors:.....	12
a. Transactions between DSSA and its associate.....	12
b. Conflict of Interest	13
c. Business or contracts.....	13
d. DSSA ownership interests in other Companies:	13
e. Compensation waivers:.....	13



Deutsche Securities Saudi Arabia Board of Director's Annual Report 2024

1. Overview

Deutsche Securities Saudi Arabia (“DSSA”), licensed by the Capital Market Authority (“CMA”), is the chosen vehicle through which Deutsche Bank Group (“DB Group”) delivers securities and investment banking activities in the Kingdom of Saudi Arabia.

DSSA is a subsidiary of Deutsche Bank AG. DSSA has no further subsidiaries.

2. The main activities of Deutsche Securities Saudi Arabia are as follows

Deutsche Securities Saudi Arabia, as a fully owned subsidiary of Deutsche Bank AG, offers a full suite of world class offering across Custody, Investment Banking and Wealth Management catering to its client base composed of institutional groups, family groups, UHNWIs:

- **Custody** is actively engaged to offer new products to its client base in close coordination with internal stakeholders and regulators.
- **Investment Banking** delivers an entire suite of advisory, risk management, financing and treasury solutions through its global and local network
- **Wealth Management** provides its client base access to innovative and registered product offerings across asset classes through funds private placements and structured products in addition to listed equities on Tadawul, which differentiates our offering from international competitors to UHNWIs

Deutsche Securities Saudi Arabia is licensed by CMA to perform the following activities:

- Dealing – Excluding Margin Lending
- Custody
- Arranging
- Advising

3. Important Plans and Decisions of DSSA in 2024

On the financial front, the entity has made significant progress with regards to path to profitability over the past 3 years, which was achieved with new business attained from clients in the Kingdom of Saudi Arabia as well as cost optimization efforts, both of which the management have spearheaded.

DSSA also continues to invest in human capital, identifying and promoting talent in the Kingdom of Saudi Arabia. On the Wealth Management vertical, the business embarked on a strategy to expand the footprint by approving a plan to hire new senior relationship managers. and support officers in an effort to further develop the franchise of private banking in the Kingdom and lead the ambitious growth strategy in the Middle East.



4. Changes in the Operational results

Overall, DSSA's revenues for 2024 amounted to SAR 29.7 million as compared to SAR 30.3 million in 2023 for the year.

General and administrative expenses decline from SAR 47.5 million in 2023 to SAR 42.6 million in 2024.

5. Annual Audited Financials

EY conducted an external audit of DSSA's 2024 operations.

In the auditor's opinion, the accounts taken as a whole fairly present the position of the company in all material respects and comply with the requirements of regulations for companies. No significant or material matters were raised.

The auditor's report did not have any reservations on the annual financial statements.



Summarized results for years 2020 to 2024

Balance sheet	SAR (000's)				
	2024 (Audited)	2023 (Audited)	2022 (Audited)	2021 (Audited)	2020 (Audited)
Assets					
Current assets	378,169	395,393	366,817	378,070	404,213
Non-current assets	2,588	3,371	1,169	4,078	6,842
Total assets	380,757	398,764	367,986	382,148	411,055
Liabilities					
Current liabilities	58,234	74,750	44,817	47,303	46,692
Non-current liabilities	6,370	9,428	6,672	5,228	4,701
Total liabilities	64,604	84,178	51,489	52,531	51,393
Shareholders' equity	316,153	314,586	316,497	329,617	359,662
Total liabilities and Shareholders' equity	380,757	398,764	367,986	382,148	411,055

Income statement	SAR (000's)				
	2024 (Audited)	2023 (Audited)	2022 (Audited)	2021 (Audited)	2020 (Audited)
Total operating income	29,722	30,328	30,173	14,484	17,493
Expenses					
General and administration expenses	(42,631)	(47,554)	(48,060)	(47,142)	(52,096)
Total operating profit/(loss)	(12,909)	(17,226)	(17,887)	(32,658)	(34,603)
Net special commission	15,350	16,103	6,100	1,874	3,438
Exchange (Loss)/Gain	49	(743)	621	84	193
Net profit/(loss) before tax	2,490	(1,866)	(11,166)	(30,700)	(30,972)
Tax	(416)	-	(1,192)	1,459	(2,505)
Net profit/(loss) after tax	2,074	(1,866)	(12,358)	(29,241)	(33,477)



6. Capital Adequacy Disclosures

In line with the pillar three disclosures requirements under the prudential rules by CMA, detailed capital disclosures are included in the DSSA financial statements for 2024.

DSSA is capitalized with SAR 314.1 million of tier 1 capital.

The tier 1 ratio as at December 2024 was 191.68% on a capital base of SR 314.1 million (FY 23 SAR 314.6 million) and capital surplus of SAR 301 million (FY 23 SAR 301.3 million).

7. Implemented Provisions of CMA Regulations

As far as we are aware, there have been no departures from applicable regulatory requirements during 2024.

8. Formation of DSSA's Board of Directors

The board is currently composed of the following individuals:

Sameer Alhamidi	Chairman	Independent
Jamal Al-Kishi*	Member	Executive
Maha Alsudairi	Member	Independent
Loic Voide**	Member	Non-Executive
Hauke Burkhardt	Member	Non-Executive
Riaan Visser	Member	Non-Executive

* Appointment date – 7 October 2024

**Resignation date – 12 February 2025

9. Outside Directorships and Managerial roles by DSSA Board Directors

DSSA's Board Directors are on the boards or senior manager of the following companies:

Board Member	Company Name
Sameer Alhamidi	Al Hamidi Contracting Establishment Company
	Ace International
	Saco
Maha Alsudairi	CRO – STC Bank
	Saudi Tadawul Group – Governance, Risk and Compliance Committee member



	Insurance Authority - Governance, Risk and Compliance Committee member
	NUPCO - Board member, Risk Management Committee Member
	National Development Fund – Risk Management Committee Member.
Jamal Al-Kishi	DEUTSCHE BANK AG DOHA (QFC) BRANCH - Non-Executive Governance Function
Loic Voide	CO-CEO MIDDLE EAST & AFRICA - DB MEA
	DB HEAD OF INTERNATIONAL PRIVATE BANK MEA
	CHIEF COUNTRY OFFICER - DB UAE
	DB GENERAL MANAGER DUBAI DIFC
Hauke Burkhardt	Deutsche Bank - Global Head of Corporate Bank Lending
Riaan Visser	DB Chief Operating Officer Middle East & Africa
	DB Chief Financial Officer Middle East & Africa
	DB Chief Operating Officer UAE & Qatar
	DB General Manager Doha Branch



10. Board meetings and Committees:

a. Audit Committee

The Audit Committee is responsible for monitoring the integrity of the company's financial statements, reviewing significant financial reporting issues and evaluating whether the company has followed appropriate accounting standards. The Committee also assesses the effectiveness of DSSA's internal controls and risk management systems, as well as the internal audit function. The Committee oversees the relationship with the external auditor, which includes making recommendations about their appointment, re-appointment, removal and remuneration, assessing their independence, approving the audit plan and reviewing the findings.

The Audit Committee is composed of the following 3 persons.

	Designation
Maha Al Sudairi	Chair
Riaan Visser	Member
Hauke Burkhardt	Member

There were 2 meetings held for year 2024.

	Q1 2024	Q3 2024
	5th Mar 2024	17 th Sep 2024
Maha Al Sudairi	Yes	Yes
Riaan Visser	Yes	Yes
Hauke Burkhardt	No	No

b. Nomination & Remuneration Committee

The Nomination & Remuneration Committee ensures the suitability of the Board's structure, which includes nominating and re-appointing directors and committee members, formulating succession plans and reviewing the Board's performance. It keeps under review the company's leadership needs and any related strategic issues that may affect the company.

The committee is currently composed of the following board members:

Maha Al Sudairi	Chairperson	Independent Board Member
Riaan Visser	(Member)	Non-Executive Board Member
Hauke Burkhardt	(Member)	Non-Executive Board Member

There was one meeting held in 2024 and it was attended by the following:



	12 December 2024
Maha Alsudairi	Yes
Riaan Visser	Yes
Hauke Burkhardt	Yes

The committee remains satisfied by the structure and composition of the Board.

c. Board attendance for the Board Meetings is as follows:

There were 5 meetings held for year 2024.

	14 March 2024	6 May 2024	4 June 2024	16 September 2024	5 December 2024
Sameer Al Hamidi	Yes	Yes	Yes	Yes	Yes
Maha Alsudairi	Yes	Yes	Yes	Yes	Yes
Jamal Al-Kishi*	No	No	No	No	Yes
Loic Voide**	Yes	Yes	Yes	No	No
Riaan Visser	Yes	Yes	Yes	Yes	Yes
Hauke Burkhardt	No	Yes	Yes	Yes	Yes

* Appointment date – 7 October 2024

**Resignation date – 12 February 2025



11. Remuneration

Table of Disclosure of Compensations and Remunerations:

Statement	Executive Board Members*	Non-Executive	Independent Board Members
Allowance for attendance of the board of directors' sessions	-	-	-
Allowance for attendance of the committees' sessions	-	-	-
Periodic and annual Remunerations	-	-	300,000
Incentive plans	-	-	-
Any compensations or other in-kind benefits paid monthly or annually	-	-	-
Total	-	-	300,000

Figures are in Saudi Riyal

*As members of the board of directors.

* The executive and non-executive member does not receive any amounts under his membership in the board of directors

Statement	Five of Senior Executives who received the highest remunerations and compensations in addition to the CEO and CFO, if they are not among them
Salaries and Wages	5,303,285
Allowances	1,866,611
Periodic and annual remunerations	2,379,954
Incentives Plans	
Commissions	
Any compensations or other in-kind benefits paid monthly or annually*	
Total	9,549,850

*The amount Including end of service benefits

12. Penalties, Litigations and Provisions

DSSA was not a subject to any penalties, litigations, and disciplinary measures or provisions during 2024.



13. Annual Audit: Internal Control Procedures

The annual audit of DSSA was completed in 2024 per the Capital Market Authority (CMA)'s requirement. The audit report was published in December 2024. There were two findings and the report was graded "Needs Improvement".

Audit Committee is satisfied that the internal controls applied at DSSA are adequate and satisfactory.

14. Additional disclosures as per CMA requirement

1) Risk Management

As a Capital Market Institution operating in the Kingdom of Saudi Arabia, Deutsche Securities Saudi Arabia is exposed to credit and market risks. Detailed guidelines to manage these risks are in place and complied with as required.

2) Operational Risks

The company manages operational risks based on the framework adopted in Deutsche Bank Group to determine the operational risk profile compared to risk appetite and systematically identify appropriate risk mitigation measures and priorities. Information collected during the operational risk management process is used to identify demand on operational risk capital.

Operational risks are identified on daily basis in all operational risk management framework components, particularly via identifying internal losses and deriving scenarios to develop risk profiles based on triggers. The operational risk identification procedures include details of processes and requirements for identifying operational risks and roles and responsibilities.

3) Credit Risks

Deutsche Securities Saudi Arabia is exposed to a low credit risk in its business model.

4) Market Risks

Deutsche Securities Saudi Arabia is integrated in the Deutsche Bank Group global limit system, which is identified, controlled and monitored by Market Risk Management. Market risk measures are calculated centrally on a daily basis by the Market Risk Operations while exposures are monitored against established limits.

5) Loans

DSSA had a SR 33.8m intergroup loan in 2024. This was with a related party DB Riyadh to support the provision of liquidity to business units in DSSA.



15. Disclosures by DSSA Board Directors:

a. Transactions between DSSA and its associate

Within its ordinary course of business, the Company enters into commercial transactions with affiliates, including Deutsche Bank Group Head Office, regional offices and other branches including Deutsche AG, Riyadh Branch.

The company concluded agreements with Deutsche Bank AG and its branches (main shareholder) which set out the principles governing the sharing of revenues and the recovery of expenses incurred in generating such revenues.

Fees include revenues received by the company from Deutsche Bank AG and its affiliates under the agreements for sharing revenues.

Revenues and expenses related to transactions with affiliates and which are listed in the financial statements are as follows, the below are in Saudi Arabian Riyals in '000:

	<u>2024</u>	<u>2023</u>
Income		
Fee income – Deutsche Bank Group regional offices and other branches	10,765	9,499
DB London	-	(576)
DB Riyadh	10,609	10,075
DB New York	156	-
Service fee income – Deutsche Bank Group regional offices and other branches	11,734	12,873
Special commission income – Deutsche Bank Group regional offices and other branches	17,365	17,497
	<u>2024</u>	<u>2023</u>
Expenses		
Charges for support services		
Deutsche Bank Group regional offices and other branches:	7,071	12,317
DB Suisse	1,631	384
DB Riyadh	265	1,360
DB London	641	1,835
DB Frankfurt	3,388	4,337
Other DB entities	1,146	4,401



The balances at 31 December resulting from such transactions included in the financial statements are as follows:

	31 December 2024	<i>31 December 2023</i>
Due from Deutsche group regional offices and other branches	11,145	13,989
Due to Deutsche group regional offices and other branches	44,112	60,046
Cash at bank – Current accounts	38,324	52,378
Term deposit	300,000	300,000

DSSA had loans totaling SR 33.8 million with DB Riyadh AG as at 31 December 2024. These are included within the 'Due to Deutsche group regional offices and other branches' figure in the table above of 44.1 million. Of these a total of SR 29.9 million expired in January 2025 and an amount of SR 3.9 million expired in February 2025. A balance of SR 19.9 million were renewed to April 2025 and SR 10 million to May 2025. In the year SR 15 million was repaid of the opening loans.

b. Conflict of Interest

The Board confirms that during 2024, neither DSSA's Board of Directors nor DSSA's CFO or senior executives of DSSA or any associated or related person to them, held any interest, contractual securities, and subscription rights in the shares or debt instruments of DSSA.

DSSA did not have any deal with any associated person.

c. Business or contracts

The Board confirms that during 2024, neither DSSA's Board of Directors nor DSSA's CFO or senior executives of DSSA or any associated or related person to them, held any interest in business or contracts where DSSA is counterparty.

d. DSSA ownership interests in other Companies:

Deutsche Securities Saudi Arabia does not have any ownership interest in any company inside or outside the kingdom of Saudi Arabia

e. Compensation waivers:

None of the board members has waived any compensation, allowance or any type of remuneration.

Sameer Alhamidi
Chairman of the Board