CREDIT SUISSE SAUDI ARABIA
P.O.Box 5000,
King Khaled RoadRiyadh
12329-2376 Saudi Arabia

Phone	+966 1 203 9700
Fax	+966 1 203 9794
CMA Lic. #	08104-37
CR. No.	1010228645
VAT No.	3000035774

Credit Suisse Saudi Arabia (CSSA)
Board of Directors Report
31 December 2023

CREDIT SUISSE SAUDI ARABIA
P.O.Box 5000,
King Khaled RoadRiyadh
12329-2376 Saudi Arabia

Phone	+966 1 203 9700
Fax	+966 1 203 9794
CMA Lic. #	08104-37
CR. No.	1010228645
VAT No.	3000035774

CSSA Board of Directors Report for FY 2023

The Board of Credit Suisse Saudi Arabia is pleased to present the company's Board of Directors Report, in line with the requirements of Annex 6.1 of the Capital Market Institutions Regulations.

On 19th Mar 2023, UBS Group AG, the publicly listed holding company of the UBS banking group with registered office in Zurich, Switzerland, and Credit Suisse Group AG, the publicly listed holding company of the Credit Suisse banking group with registered office in Zurich, Switzerland, entered into a merger agreement whereby UBS Group AG was the absorbing, surviving entity and Credit Suisse Group AG was the absorbed entity ceasing to exist upon completion of the merger (the "HoldCo Merger"). The HoldCo Merger was closed on 12th June 2023.

Pursuant to the above, in December 2023, UBS announced that following the HoldCo Merger, the Board of Directors of UBS Group AG approved the merger of UBS AG and Credit Suisse AG (the "Parent Bank Merger"), whereby UBS AG will be the surviving entity and Credit Suisse AG will cease to exist. UBS AG and Credit Suisse AG have entered into a definitive merger agreement and the completion of the Parent Bank Merger is subject to regulatory approvals and is expected to occur within 2nd quarter of 2024. By merging Credit Suisse AG with UBS AG, Credit Suisse AG's businesses will be transferred to UBS AG. Pursuant to the merger, and the consolidation of operational processes and systems into UBS is expected to be executed over a period of time and will result in a transitional period during which there will be two sets of operational infrastructure and processes.

As of the date of publication of this Board of Directors report, it is expected that Credit Suisse Saudi Arabia will continue to conduct its business in the usual way for the foreseeable future

Chairman of the Board

CREDIT SUISSE SAUDI ARABIA
P.O.Box 5000,
King Khaled RoadRiyadh
12329-2376 Saudi Arabia

Phone	+966 1 203 9700
Fax	+966 1 203 9794
CMA Lic. #	08104-37
CR. No.	1010228645
VAT No.	3000035774

Table of Contents

Statement of the Board of Directors 4

1. CSSA Overview 5

Company Profile 5

2. Principal Activities and Business Strategy 6

Wealth Management 6

Investment Banking 6

Brokerage Services 6

3. Corporate Governance and Management 6

Board of Directors 7

CSSA Committees with Independent Members 8

Audit Committee ("AC") 8

4. Risk Management 8

5. Financial Performance and the Statutory Auditor's Report 10

6. Audit Report(s) and Audit Committee's Opinion 13

7. Sanctions and Statutory Penalties 14

8. Remunerations for Board Members and Senior Executives: 14

9. Further Acknowledgements 15

CREDIT SUISSE
CREDIT SUISSE SAUDI ARABIA
P.O.Box 5000,
King Khaled RoadRiyadh
12329-2376 Saudi Arabia
Phone +966 1 203 9700
Fax +966 1 203 9794
CMA Lic. # 08104-37
CR. No. 1010228645
VAT No. 3000035774

Statement of the Board of Directors

Credit Suisse Saudi Arabia (**"CSSA"**) witnessed a challenging FY 2023 as a consequence of the events leading to the merger with UBS AG in March 2023. However, the incoming UBS management has expressed confidence in the execution of CSSA's original business strategy and is keen to steer this in the right direction to ensure the execution of its long-term vision. CSSA is working on aligning its Wealth Management, Equity Brokerage, and Investment Banking strategies with UBS' local, regional and global strategies to ensure that post implementation of related actions, CSSA will get back on track to the growth and profitability witnessed in FY 2021 and 2022.

Wealth management operations continue to be the main component of CSSA's business strategy. Efforts are focused to continue to leverage on the world-class expertise of the combined CS/UBS wealth management business and bring such capabilities to Saudi Arabia for the benefit of our clients. WM is exploring plans to capitalize on the offshore booking capabilities of UBS Saudi Arabia, to provide maximum flexibility and the best possible investment solutions to our individual and corporate clients.

CSSA had successfully relaunched its local Equities business that caters for Qualified Foreign Investors ("QFIs") and institutional clients in 2019. This business had completed three successful years of operations in FY 2022 and achieved encouraging milestones both in terms of market share and revenues. This business came to a halt in Q2 2023 as a result of the announced merger with UBS AG. However, actions are going to re-initiate activities which involve reconnecting the trade flow set-up. Business is expected to resume in Q2 2024 via UBS.

On the Investment Banking side, CSSA witnessed a continuing pace of activities with positive market sentiment and generally favorable business environment with results expected in the first half of 2024.

The CSSA governance and control framework continues to remain robust and function effectively. Governance committees have continued to function as designed, were attended by the concerned participants, and operate in alignment with the international standards of the Credit Suisse Group.

Notwithstanding our progress and achievements in 2022 and changes driven by external factors for 2023 including the merger with UBS Group AG, we are determined to take each of our business lines to the next level during the upcoming year. Our comprehensive business offerings for Saudi and foreign investors enable CSSA to actively partake in the development of the Saudi capital markets, allowing us to emerge as a trusted partner towards the implementation of the Saudi Vision 2030.

Finally, post the execution of the Parent Bank Merger, the necessary steps will be taken to change the CSSA shareholding from CS AG to UBS AG.

CREDIT SUISSE SAUDI ARABIA
P.O.Box 5000,
King Khaled RoadRiyadh
12329-2376 Saudi Arabia
Phone +966 1 203 9700
Fax +966 1 203 9794
CMA Lic. # 08104-37
CR. No. 1010228645
VAT No. 3000035774

1. CSSA Overview

Company Profile

Credit Suisse Saudi Arabia ("**CSSA**" or the "**Company**") is a closed joint stock company (single shareholder company) registered in the Kingdom of Saudi Arabia under Commercial Registration number 1010228645 dated 1 Safar 1428H (corresponding to 19 February 2007).

CSSA offers various innovative products and services designed to meet the investment and financial needs of its clients and is authorized by the Capital Markets Authority to conduct the following activities in or from the Kingdom:

- Dealing
- Managing Investments and Operating Funds
- Arranging
- Advisory
- Custody

CSSA holds license number 08104-37 dated 15/04/1432H (corresponding to 20 March 2011) issued by the Capital Market Authority ("**CMA**") - previously license number 08100-37 dated 21/09/1429H (corresponding to 21 October 2008).

The share capital of the Company is and was held by the following shareholder during 2021, 2022 and 2023:

	31 December 2023		31 December 2022		31 December 2021	
	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares
Credit Suisse AG	100%	73,750,000	100%	73,750,000	100%	73,750,000

CSSA does not have any branches or subsidiaries and its affiliates include other Credit Suisse Group entities.

2. Principal Activities and Business Strategy

Wealth Management:

The wealth management clientele includes individuals as well as corporates. The current platform enables the wealth management team to provide advisory services that conform to Credit Suisse's investment vision. We offer investment recommendations and investment plans that are tailored to each clients' risk profile and appetite.

CSSA's offering to its clients incorporates around 86 CMA registered investment products. These investment products include structured products and investment funds managed by Credit Suisse and third parties. The focus from here is on building on that offering and enhancing our service offering to differentiate CSSA from the competition, towards which multiple initiatives are ongoing.

CSSA also offers discretionary portfolio management with one Investment Manager and one deputy on the ground supported by Credit Suisse global research and analytics.

Investment Banking:

Investment banking activities continues to witness a health pipeline due to the general improvement in business conditions and market sentiment with the result in execution of multiple deals within the Kingdom. The management plans to expand the local team to capitalize on positive business sentiments, drive forward the CSSA strategy locally while continuing to collaborate with specialists from different CS locations / entities and provide unique and tailor-made solutions suited to clients based in the Kingdom. CSSA aims to continue to effectively contribute to the ambitious expansion of the capital markets in KSA.

Brokerage Services:

The Brokerage business focuses on augmenting execution capabilities and market knowledge in order to serve QFIs and investment enterprises and to support their requirements to access the domestic stock markets. The current platform aims at serving investment enterprises and providing the best execution capabilities and direct access to KSA markets.

The business came to a halt in Q2, 2023 as a result of the announced merger with UBS AG. However, actions are ongoing to re-initiate activities which involve reconnecting the trade flow setup. Business is expected to resume in Q2 2024 via UBS.

The introduction of a Central Clearing Counterparty (Muqqasa) was an important and positive step towards the ongoing evolution of the Saudi Capital Markets and CSSA has successfully changed the technology and operational setup for this new requirement with further improvements being introduced as part of industry-wide changes. The management remains firmly committed to invest in the necessary technology to implement market driven change requirements and ensure the best experience for CSSA clients.

3. Corporate Governance and Management

CSSA's Board of Directors believes that a strong corporate governance framework consistent with the Capital Market Authority and Credit Suisse Global Standards is essential for effective corporate management and oversight. To ensure this, it pays utmost attention to corporate governance standards and best practices as it strives to enhance transparency and protect the interests of all stakeholders including its shareholder and its clients.

CREDIT SUISSE SAUDI ARABIA
P.O.Box 5000,
King Khaled RoadRiyadh
12329-2376 Saudi Arabia
Phone +966 1 203 9700
Fax +966 1 203 9794
CMA Lic. # 08104-37
CR. No. 1010228645
VAT No. 3000035774

Board of Directors

The company's Board of Directors ("**BoD**") comprises of 5 members including 3 representing Credit Suisse AG. All members received CMA registration approval in January 2022. The profile of the BoD as of 31 December 2023 is the following:

Name	Title	Other Membership(s) / Directorship(s)
Dr. Walid S Abanumay	Chairman of the Board INDEPENDENT	Chairman of "Saudi Center for Commercial Arbitration" and the following: • Rawafed Al Joud, KSA • Abanumay Industrial Co., KSA • Arabian Waterproofing Co., KSA Member of Board of: • Solidere International, Dubai. • Beltone Gems Equity, Egypt
Bruno Daher	Vice Chairman of the Board NON- EXECUTIVE	CEO Wealth Management Middle East & Turkey Credit Suisse, Dubai Member of Board of: • Credit Suisse Lebanon • Credit Suisse Qatar
Mohammed Hijazi	Member of the Board NON-EXECUTIVE	COO Middle East & Turkey Credit Suisse, Dubai Member of Board of: • Credit Suisse Qatar • Credit Suisse Turkey • Aventicum Capital Management, Qatar
Dr. Tariq Al Naeem	Member of the Board INDEPENDENT	- Chairman of Liva Insurance (previously AlAlamiya) - Vice Chairman of (Edaa, Bayan, Perfect Presentation)
Majid A Al-Gwaiz	Member of the Board NON-EXECUTIVE	CEO - Credit Suisse AG Riyadh Branch Saudi Country Head – UBS Group

During 2023, Gerhard Lohmann resigned by amicable and mutual consent.

Furthermore, the BoD held 1 meeting in 2023. The attendance report for this meeting is as follows:

Members	Meeting Date: March 14th 2023
Dr. Walid S Abanumay	✓
Bruno Daher	✓
Mohammed Hijazi	✓
Dr. Tariq Al Naeem	✓
Majid A Al-Gwaiz	✓
Gerhard Lohmann	✓

CREDIT SUISSE SAUDI ARABIA
P.O.Box 5000,
King Khaled RoadRiyadh
12329-2376 Saudi Arabia
Phone +966 1 203 9700
Fax +966 1 203 9794
CMA Lic. # 08104-37
CR. No. 1010228645
VAT No. 3000035774

The second meeting for 2023 was postponed until January 2024 due to scheduling conflicts and ongoing CS/UBS Group integration efforts.

CSSA Committees with Independent Members

Audit Committee ("AC")

The AC reports directly to the BoD and meets a minimum of two (2) times during the year. The AC consists of at least three members including 2 Non- Executive Board Members.

The AC's primary function is to assist the BoD in fulfilling its oversight responsibilities defined by law, company bylaws and internal regulations. It does so by:

- Monitoring and assessing the overall integrity of the financial statements and disclosures of the financial condition, results of operations and cash flows of the company
- Monitoring processes designed to ensure compliance by the company in all significant respects with legal and regulatory requirements, including disclosure controls and procedures, and the impact (or potential impact) of developments related thereto
- Monitoring the qualifications, independence, and performance of the External Auditors
- Monitoring the adequacy of financial reporting processes and systems of internal accounting and financial controls in the context of the consolidated financial statements taken as a whole.

The AC has the power to conduct or authorize investigations into any matter within the committee's scope of responsibilities. The AC is authorized to obtain any information from any employee of the company, and it shall be empowered to obtain advice and assistance, at the company's expense, from independent legal, accounting or other professional advisors without seeking BoD approval to assist in carrying out its responsibilities as set forth in its charter.

The profile of the AC as of 31 December 2023 is the following:

- Dr. Tariq Al Naeem, Chairman
- Mr. Mohammed Hijazi, Member
- Mr. Ahmed El Sarha, Member

During 2023, the Audit Committee held two meetings. The attendance report for these meetings is as follows:

Committee Members	Meeting Date: 9th Mar 2023	Meeting Date: 22nd Nov 2023
Dr. Tariq Al Naeem	✓	✓
Mr. Mohammed Hijazi	✓	✓
Mr. Ahmed El Sarha	✓	✓

4. Risk Management

CSSA defines its Risk Appetite to be consistent with the General Principles set out in the CS Group Risk Appetite Framework Policy GP-00089). CSSA also has, its own Risk Appetite Framework Policy which CSSA implemented locally from a legal entity perspective, with additional Guiding Principles which are specific to Wealth Management and CSSA business.

The CSSA's Risk Appetite is set with reference to the following top-down strategic risk objectives (SRO):

- Stability of Earnings

- Maintain stable earnings and limit our potential losses from identified and accepted risks (even during potential stress events)
- Actively monitor the elements and concentration of our portfolio most vulnerable to earnings shocks, and proactively respond to changes in drivers of those shocks.

- Funding and Liquidity Adequacy
  - CSSA has limited or insignificant liabilities, and liquidity is managed at group level. Currently, this is mitigated due to the fact that CSSA does not take deposits from third parties so potential liquidity outflows do not need to be considered. Group provides funding, and net cash on balance sheet deposit back with CSRB or Local bank.
- Capital Adequacy
  - We continue to hold adequate capital to be able to withstand a severe macro-economic stress by ensuring that:
    - ✓ Net Capital / Min. Capital required at an acceptable level (always above 1x).
    - ✓ Loss / Share Capital ratio is always below 50%.
    - ✓ We manage our risk within internally defined stress thresholds.

In further details, the CSSA Risk Appetite Statement ("**RAS**") outlines the general risk principles, the key responsibilities, the major risks deriving from the business strategy, as well as the risk framework in order to manage risk. Additionally, the CSSA RAS provides an overview on the concepts both of risk appetite and risk bearing capacity.

Risk appetite is an expression of the level of risk that CSSA is prepared to accept in order to achieve the strategic objectives and business plan. CSSA's risk appetite statement links the business strategy to measurable short-term and medium-term risk tolerances across material risk categories and enables ongoing monitoring and management of those risks. The risk appetite expresses the willingness to accept financial risk.

However, such risk appetite needs to be set at a level within the risk capacity limits (i.e. capital). As such the risk capacity expresses the maximum amount of financial risk the bank is able to take on, in terms of risk bearing ability.

The Risk profile is a point-in-time assessment of the net risk exposures aggregated within and across each relevant risk category and is expressed in a variety of different quantitative risk metrics and qualitative risk observations. The size of the risk profile is restricted to the planned level of the risk appetite through the use of risk-constraints, such as limits and tolerances.

The risk appetite defines the willingness of CSSA to take on risk (i.e., risk appetite) given the ability to absorb risk (i.e. capacity). Additionally, the risk appetite framework serves as a controlling instrument.

The CSSA BoD reviews and approves the RAS on an annual basis. Risk tolerance levels are set at different trigger levels, with clearly defined escalation requirements to ensure appropriate actions are implemented as necessary.

In the event that risk tolerances are breached, it is the responsibility of each member of CSSA's management to escalate to the local CARMC for further decision. Additionally, independent internal control functions may directly escalate to the CARMC (if deemed necessary).

Recommendations for amendments to the risk strategy must be proposed by the CARMC and agreed by the BoD.

CSSA's managed and monitored risks for year-end 2023 include:

CREDIT SUISSE SAUDI ARABIA
P.O.Box 5000,
King Khaled RoadRiyadh
12329-2376 Saudi Arabia
Phone +966 1 203 9700
Fax +966 1 203 9794
CMA Lic. # 08104-37
CR. No. 1010228645
VAT No. 3000035774

- Credit Risk from Brokerage Services (Margin Limits and Unsettled Trades)
- Capital (Minimum Capital Requirements and Loss to Capital Ratio)
- Operational Risk (Incidents, Fraud, Complaints, Controls past due)
- Market Risk (FX Sensitivity)
- Liquidity Risk (Operating Expenses)
- Conduct Risk
- Regulatory Reporting Risk
- Reputational Risk
- Climate Risk

5. Financial Performance and the Statutory Auditor's Report

A summary of the assets, liabilities and business results of CSSA over the past five (5) financial years as well as a comparison of key line items of the operating results of CSSA between 2023 and 2022 (with materiality qualification and clarification for material items) are listed below.

Item (in Million SAR)	(Audited) Fiscal Year **2019**	(Audited) Fiscal Year **2020**	(Audited) Fiscal Year **2021**	**(Audited) Fiscal Year 2022**	**(Draft) Fiscal Year 2023**
Current assets	509.5	574.4	428.1	444.9	411.8
Non-current assets	6.8	4.6	5.0	11.2	19.3
Total assets	**516.3**	**579.0**	**433.1**	**456.1**	**431.1**
Current liabilities	85.1	173.1	14.2	17.2	12.0
Non-current liabilities	8.1	7.5	3.9	9.7	7.7
Total liabilities	**93.2**	**180.6**	**18.1**	**26.9**	**19.7**
Shareholders' equity	423.1	398.4	415.0	429.2	411.4
Total liabilities and Shareholders' equities	**516.3**	**579.0**	**433.1**	**456.1**	**431.1**
Total revenues	31.2	34.0	62.5	60.1	12.9
Operating expenses	59.0	58.6	44.9	49.1	51.6
Profit/(Loss) before tax	**(27.8)**	**(24.6)**	**20.0**	**17.3**	**(18.2)**
Net profits/(losses) after tax	**(27.8)**	**(24.6)**	**16.3**	**15.1**	**(18.4)**

CREDIT SUISSE SAUDI ARABIA
P.O.Box 5000,
King Khaled RoadRiyadh
12329-2376 Saudi Arabia
Phone +966 1 203 9700
Fax +966 1 203 9794
CMA Lic. # 08104-37
CR. No. 1010228645
VAT No. 3000035774

Item (in Million SAR)	(Draft) Fiscal Year 2023	(Audited) Fiscal Year 2022	Variance (%)	Material? (>15%)	Clarification for Material Variance
Fee and commission income, net	12.2	47.2	-74%	Yes	Reduction in revenues across all business lines (Custody Fee & Brokerage Commission and IB Revenue)
Arranging and advisory services	0.7	12.8	-95%	Yes	
Total revenues	**12.9**	**60.1**	-79%	Yes	
Salaries and employees related expenses	20.9	19.8	6%	No	
Telecommunication and data service charges	7.8	3.7	111%	Yes	Due to the relocation to the new office
Consultancy, legal charges and other fees	2.9	4.7	-38%	Yes	Lower bank charges due to low volume of the equity brokerage business
Service level agreement charges	6.4	8.6	-26%	Yes	Higher recharges to CSRB
Depreciation and amortization	4.4	3.4	29%	Yes	Addition to the property and right of use assets due to the office relocation
Other general and administrative expenses, Premises and expected credit loss	9.2	8.9	3%	No	
Total operating expenses	**51.6**	**49.1**	5%	No	
Net finance income from instruments at amortized cost	20.6	6.4	222%	Yes	Higher invested money in term deposits with interest rates ranges from 5% to 6.27%
Profit / (loss) before income tax	**(18.2)**	**17.3**	-205%	Yes	
Profit / (loss) for the year after tax	**(18.4)**	**15.1**	-222%	Yes	

2023 Auditor's Report from PwC

The auditor's report for 2023 does not include any reservations to the annual financial statements. However, auditors have included a note in the audit report highlighting material uncertainty related to going concern as follow:

"Material uncertainty related to going concern".

We draw attention to Note 2.5 to the accompanying financial statements, which describes the merger between Credit Suisse Group AG (the ultimate parent of the Company) and UBS Group AG (the "Group") on 12th June

CREDIT SUISSE SAUDI ARABIA
P.O.Box 5000,
King Khaled RoadRiyadh
12329-2376 Saudi Arabia
Phone +966 1 203 9700
Fax +966 1 203 9794
CMA Lic. # 08104-37
CR. No. 1010228645
VAT No. 3000035774

2023. Following the merger, the Board of Directors of the Group has approved a merger of Credit Suisse AG (the parent of the Company) and UBS AG the completion of which is subject to regulatory approvals and is expected to occur by the end of the second quarter of 2024. As the merger is not fully implemented as of the date of our audit report, it is uncertain whether the Company will itself become liquidated or otherwise be merged with another UBS Group AG subsidiary. These events and conditions of the aforementioned merger indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Director's statement:

On 19 March 2023, UBS announced the planned acquisition of Credit Suisse Group AG which was completed on 12 June 2023 and formed a single entity i.e. UBS Group AG. Credit Suisse Saudi Arabia is a consolidated subsidiary of Credit Suisse Group AG, and as such the future operations and financial performance of the Company may be impacted as a result of the merger. In anticipation of the merger in second quarter 2024, the Company has obtained the regulatory approval from Capital Market Authority for change in the ownership from Credit Suisse AG to UBS AG. As a result of the aforementioned merger it is uncertain whether the Company will itself become liquidated or otherwise be merged with another UBS Group AG subsidiary.

Other than the facts stated above, the Company's going concern assessment is as follows:

a) The Company has an onshore presence and have valid licenses from regulators to operate;

b) Based on current available license, Company has expansion plans to strengthen the Wealth Management and Investment Banking business by deploying additional workforce. Management is confident about the existence and continuity prospects of the Company;

c) Following the completion of the acquisition by UBS, Credit Suisse became part of the overall UBS liquidity and funding management and, therefore, Credit Suisse AG is reliant on funding from UBS Group AG, which has provided a letter of support that confirms it's intent to keep Credit Suisse AG in good standing and in compliance with its regulatory capital, liquidity requirements and debt covenants and to fully support its operating, investing and financing activities. Consequently, management is confident to meet its operating expenses and liabilities as they fall due in the next 12 months from the date of approval of financial statements.

d) Although the company has accumulated losses amounting to SAR 326,095,263 (31 December 2022: SAR 308,277,448), net loss of SAR 18,368,629 (profit in 2022 SAR 15,074,690); the Company has cash and cash equivalents and bank balances amounting to SAR 399,946,549 compared to total liabilities amounting to SAR 19,675,293. The available liquidity after deducting total liabilities will be sufficient to cover all the expenses of the Company for the next 12 months.

e) The Company and its parent Credit Suisse AG, which is a consolidated subsidiary of UBS Group, Credit Suisse AG have committed to continue its business activities in the ordinary course along with the integration with UBS Group AG.

Considering above assessment, Board of Directors concluded that the going concern basis used for the preparation of these financial statement is appropriate. This conclusion involved significant judgements taken by management based on current available information.

CREDIT SUISSE SAUDI ARABIA
P.O.Box 5000,
King Khaled RoadRiyadh
12329-2376 Saudi Arabia
Phone +966 1 203 9700
Fax +966 1 203 9794
CMA Lic. # 08104-37
CR. No. 1010228645
VAT No. 3000035774

6. Audit Report(s) and Audit Committee's Opinion

In 2020, the Capital Markets Authority ("**CMA**") changed its regulations governing Capital Markets Institutions and the requirements to conduct internal audit reviews wherein the frequency was changed from annual to once every three years (see Article 62a).

In line with these directions, Credit Suisse Saudi Arabia (CSSA) and CS Group Internal Audit (IA) agreed to change the frequency of the internal audit of CSSA to once every three (3) years or more frequently based on the outcome of the risk assessment prepared by Internal Audit. This has been reflected in the Service Level Agreement, which has been revised, and the amended agreement has been signed-off by both parties.

The Internal Audit team conducted its regular audit review in October/November 2023 (CS-2023-121) and focused on Financial Crime Risk, Suitability and Appropriateness Risk and Governance. Their conclusion was as follows:

CSSA has designed adequate controls to ensure quality of transaction surveillance, Know Your Client (KYC) process, adherence to UBS Financial Crime Redlines, and inclusion of the local names of sanctions parties into CS Group Surveillance solutions. Moreover, CSSA existent governance forums and management information allow Senior Management to exercise effective supervision across the three lines of business (i.e., Private Banking, Investment Banking, Equity Brokerage). While CSSA has implemented an adequate local control to monitor the suitability and appropriateness (S&A) for advised and non-advised trades, controls weaknesses identified through pre-existing new and repeat issues, require management attention.

CSSA's Management Risk and Control Culture was rated as adequate based on Management's overall satisfactory risk and control consciousness and awareness, with the need to address outstanding self-identified and 2LoD detected issues and sustain the achieved culture during the process of integration with UBS. Steps taken by Management to establish a control framework that addresses local regulatory requirements and CS Group-wide standards were acknowledged. The control framework is supported by a matured governance platform with coverage across the three lines of business CSSA is engaged into. Positive behaviour by Management was also noted in challenging existing controls to ensure an efficient control landscape which avoids duplicates and focuses on key risk areas relevant to CSSA.

Furthermore, and in line with the results of the Risk and Control Self-Assessment performed on the Business Unit Global Wealth Management EMEA ("**BU GWM EMEA**") for 2023, the Audit Committee agrees with the following conclusion:

BU EMEA is inherently exposed to a total of 88 out of 91 risks, of which 73 are inherently 'high' or 'very high'. Due to the broader scope of business activities in terms of specificities and geographical coverage, and due to the higher volatility in business developments resulting from the difficult environment CS was confronted to during the past year, the number of high and very high inherent risks for BU EMEA is slightly higher than in the corresponding previous units last year. 11 of these risks are centrally assessed (i.e., evaluated by a corporate function from a global perspective). Typically, Risk taxonomies such as Recruitment, Hiring and Onboarding, Employee Development, Wellbeing, Best Execution, Pricing and Client Order Handling, and Client Advisory and Sales were rated as inherently Medium last year whereas rated high this year because of the CS /UBS Transaction and its impact on the organization.

The BU control landscape is overall Adequate only when 80% of the high and very high inherent risks are mitigated by Adequate individual control landscapes. In total, Adequate individual control landscapes mitigating high and very high inherent risks have reached 73% and thus the overall BU control landscape remains Vulnerable. This figure has materially improved from 58% in the previous year. Control landscapes that have remained effective despite staff attrition were rated adequate.

BU EMEA is exposed to 6 residually 'high' operational risks including 3 carried over from last year which are Suitability & Appropriateness, AML and Payments Process Risk. CSSA however is only exposed to the remaining 3 residually 'high' operational risks namely External Data Theft and Cybersecurity Events, Business Disruption and IT Infrastructure and System Unavailability. These 3 residually 'high' operational risks are centrally assessed risks which are remediated by a corporate function from a global perspective.

7. Sanctions and Statutory Penalties

No penalties, sanctions or precautionary measures were imposed on CSSA in 2023.

8. Remunerations for Board Members and Senior Executives:

Statement -Figures in SAR-	Executive Board Members	Non-Executive Board Members	Independent Board Members
Allowances for attendance of Board of Directors Meetings	-	-	10,000
Allowances for attendance of Committees Meetings	-	-	10,000
Periodic and Annual Renumeration	-	-	200,000
Incentive plans	-	-	
Any compensations or other in-kind benefits paid monthly or annually	-	-	
Total	-	-	**220,000**

Executive and non-executive board members, being employees of Credit Suisse Saudi Arabia or Credit Suisse Group, do not receive any allowances or additional compensation/benefits.

Statement -Figures in SAR-	Five of the 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	4,256,744.38
Allowances	1,828,414.37
Periodic and annual remunerations	362,618.61
Incentive plans	
Commissions	
Any compensations or other in-kind benefits paid monthly or annually	
Total	**6,447,777.36**

No CSSA member of the BoD or senior executive waived any remuneration or compensation in 2023.

9. Further Acknowledgements

- None of the members of the BoD, Senior Executives or their relatives are beneficial owners of any interest, contractual securities or rights issue in the shares or debt instruments of Credit Suisse Saudi Arabia or any of its affiliates. For the avoidance of doubt, this does not include CSSA's parent company in which the BoD, Senior Executives or their relatives may hold interest, contractual securities or rights in the shares or debt instruments.
- As of 31 December 2023, CSSA did not have any loans.
- As of 31 December 2023, there is no business or contract to which Credit Suisse Saudi Arabia is a party, or in which it has an interest for one of the members of the board of directors of the company or for senior executives or for any person related to any of them.
- Transactions concluded between CSSA and connected parties are detailed under section 7 of the Notes to the Audited Financial Statements which are to be read in conjunction with this Board Report (related party transactions and balance details).