

BNP Paribas Investment Company KSA

Board of Directors – Corporate Governance Report 2025



BNP PARIBAS

The bank
for a changing
world



Our vision and mission

We strive to be the foremost Capital Market institution with a global presence, the trusted long-term partner to our clients, and a catalyst for responsible and sustainable growth.

We aim to make a meaningful impact on our stakeholders and society.

Our dedicated teams are committed to providing exceptional service and innovative solutions to our clients through an integrated business model.

We endeavor to create an engaging and motivating work environment. We aspire to be a benchmark of trust within our industry, reinforcing our values and ethics in everything we do.

Stability

We strengthen our foundation through robust long-term strategies, a diversified and integrated business model, and a broad international presence.

Expertise

We rely on the extensive expertise and professional skills of our teams, continuously enhancing our knowledge to deliver innovative and effective solutions.

Responsibility

Our culture of responsibility and integrity ensures we consistently act in the best interests of our customers.

Good place to work

We promote a vibrant and respectful workplace where everyone is treated with fairness and respect.



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Section 1: About

BNP Paribas Investment Company KSA

BNP Paribas Investment Company KSA is a Closed Joint Stock Company (“BIC” or the “Company”) registered and existing under the laws of the Kingdom of Saudi Arabia under Commercial Registration number 1010270533. BIC’s office is located in King Abdullah Financial District (KAFD), Building 5.05, 5th Floor, Al Aqeeq District. The postal address is P.O Box 18771, Riyadh 11425, Kingdom of Saudi Arabia. BIC was incorporated in the Riyadh Kingdom of Saudi Arabia and registered on 26th June 2009. BIC operates as a wholly owned subsidiary of BNP Paribas S.A (“Group” or “Parent”) and licensed and regulated by the Capital Market Authority (“CMA”) since 28th August 2010. BIC is licensed to conduct securities business by way of Dealing as Principle, Agent and Underwriter, Arranging, Custody and Advising.

The Company has a share capital of SAR 87,500,000, registered with the Ministry of Commerce under Commercial Registration Number 1010270533 and its CMA License Number is and 13173-37.

BIC is a subsidiary of BNP Paribas Group S.A.

Subsidiaries:

BIC has no further subsidiaries.

Section 2: CMA Licenses

BIC is authorized and licensed to conduct the following activities:

Arranging:

BIC's corporate and institutional team, in conjunction with the relevant specialist teams within the Group based outside of Saudi Arabia, participate in originating and/or arranging permissible transactions within the scope of the license including on debt & equity capital markets.

Custody:

BIC is licensed to provide custody services to its clients using BNP Paribas's Global Custody platform supported by its network of affiliates and sub custodians to provide local capabilities in Saudi Arabia.

Dealing as Agent:

BIC is licensed to provide brokerage services on local exchange in Saudi Arabia as well as marketing financial instruments and securities, including those linked to fixed income instruments, foreign exchange, interest rates and over the counter derivative transactions.

Advisory:

BIC provides a full suite of financial advisory services and providing advice on public and private projects, joint ventures and privatization. Those advisory services also cover debt & equity capital markets including capital raising, structuring and restructuring.

Section 3: Financials

Financial Position:

As at 31st December 2025, total assets of BNP Paribas Investment Company KSA stood at SAR 120,695,886. Cash and Cash equivalents added to SAR 87,052,633.

Income Statement:

For the year ended 31 December 2025, BNP Paribas Investment Company KSA has reported a net income of SAR 7,523,108. Total Revenues earned during this period were SAR 25,478,585.

During the year, there were operating income amounting to SAR 5,888,706 compared to operating income of SAR 7,385,994 for the period ended 31 December 2024.

Shareholders' Equity:

Total equity as at 31st December 2025 was SAR 99,138,536. During the year the shareholders approved dividend distribution of SAR 7,818,125.

Loans Payable:

As at 31 December 2025, BNP Paribas Investment Company KSA does not have any outstanding loans payable.

Auditor:

Ernst and Young (E&Y) were appointed as external auditor of the company until the end of 31 December 2025

The Auditor's Report:

There were no reservations placed by E&Y on the annual financial statements of BIC for the year ending 2025.

Diagram of Assets, Liabilities and Equity over five (5) years for BIC:

Details	SAR'000				
	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024	31 Dec 2025
Total Assets	94,903	96,272	128,814	117,798	120,695
Total Liabilities	10,830	4,898	22,001	18,064	21,557
Share Capital	87,500	87,500	87,500	87,500	87,500
Reserves	612	1,702	3,591	4,417	4,116
Retained earnings/(Accumulated losses)	(4,039)	2,173	15,721	7,818	7,523
Total Shareholder's Equity	84,073	91,375	106,812	99,735	99,139
Net income/(loss)	8,476	6,902	17,468	8,687	7,523

Explanation of material differences in operating results from the previous financial year report in relation to BIC:

2025 saw a strong increase in business revenues, driven primary from advisory services, against a decline in interest income due to the lower interest rate environment. The cost side was driven higher by senior hires in the team putting pressure on the operating results and leading to a decrease versus the previous year.

Deals Which Need to be Disclosed:

None of BIC's transactions or deals have a conflict of interest with any of its associates or related persons. BIC did not enter into any deals or contracts where any of the members of the Board of Directors, nor senior executives, nor any person related to them, have any personal interest in.

Section 4: BIC Strategy and Updates for 2025

Corporate & Institutional Banking

As in previous years, BNP Paribas Investment Company KSA ('BIC') continues to operate under the bank's Corporate & Institutional Banking ('CIB') vertical with a focus on the core client segments spanning large Saudi strategic corporates as well as the Financial Institutions Group ('FIG') segment covering public sector and private sector institutions. BNPP prides itself in being the dominant European bank in the market and is gaining market share with its core clients proving itself as the partner of choice across various business lines. 2025 marked a particularly strong year for the Global Markets franchise, both on the trading and execution side as well as on the debt capital markets primary issuances. The advisory franchise also continues to grow with several landmark transactions closed during the year in addition to ongoing mandates and a healthy pipeline leading into 2026. Active coverage and discussions with our clients has been the key to unlocking opportunities and will continue to be the strategy for the years ahead.

The Kingdom of Saudi Arabia remains a key market for the bank and resources are being allocated to contribute to the growth of the franchise. One of the key initiatives, and in line with Vision 2030, is to have more local content, and less dependency on external teams, to originate and execute business on the ground; this strategy is very well perceived by our clients as it creates more proximity, connectivity and knowledge of the market. As such, the ambitions for 2026 remain consistent and aligned with the bank's long-term strategy of being the dominant European bank and support our clients through a best in class partnership model.

Section 5: Compliance, AML & 2LoD Controls

Compliance Overview

The Compliance Function operates as an independent control function within the Company and is responsible for ensuring adherence to all applicable laws, regulations, and standards issued by the Capital Market Authority (CMA) in the Kingdom of Saudi Arabia, as well as the Company's internal policies and procedures.

BNP Paribas Investment Company KSA aligns its compliance framework with internal standards based on recognized international best practices. This supports the consistent application of sound compliance principles while ensuring full compliance with local regulatory requirements.

Compliance Framework and Activities

During the reporting year, the Company maintained compliance with applicable CMA regulations and implemented a risk-based approach to its activities, including monitoring and testing of key processes and controls across relevant business areas. This included oversight of client onboarding, AML/CTF controls, professional ethics, and regulatory reporting obligations.

Policies and procedures were reviewed periodically and updated, where required, to reflect regulatory developments and evolving best practices. A compliance risk assessment was also conducted to identify key risk areas and support the ongoing enhancement of controls and monitoring activities.

The Compliance Function continued to promote a strong compliance culture through periodic training and awareness initiatives covering key regulatory requirements, internal policies, and expected standards of conduct. In addition, the function provided ongoing advisory support to business to ensure that regulatory requirements were appropriately understood and embedded in day-to-day activities.

Compliance Controls and Risk Management

Compliance monitoring activities were performed during the year, and the outcomes were reported to senior management. No major issues/finding were identified, and all recommendations were addressed through agreed remedial actions, which were tracked to completion.

Overall

The Company has maintained an appropriate compliance framework during the reporting period, with controls and processes designed to support compliance with applicable regulatory requirements and internal standards. The Company remains committed to maintaining and enhancing its compliance environment in line with regulatory expectations and evolving best practices.

Section 6: Risk Disclosures

Risk management is central to the banking business and is one of the cornerstones of operations for the BNP Paribas Group including BIC. BNP Paribas has an internal control system covering all types of RISKS to which the Group may be exposed, organized around three lines of defense.

first line of defense:

as the first line of defense, internal control is the business of every employee, and the heads of the operational activities are responsible for establishing and running a system for identifying, assessing and managing risks according to the standards defined by the functions exercising an independent

Second line of defense:

The main control functions within BNP Paribas ensuring the second line of defense are the Compliance, Risk and Legal functions. Their Heads report directly to Chief Executive Officer and account for the performance of their missions to the Board of Directors via its specialized committees;

Third level of defense:

General Inspection provides a third level of defense. It is responsible for the periodic control.

Responsibility for managing risks primarily lies with the divisions and business lines that are at the origin of the underlying transactions. RISK continuously performs a second-line control over the Group's credit, market, banking book interest rate, liquidity, operational risks, including technological and cybersecurity risks, over data protection, social and environmental responsibility risks and insurance risks. As part of this role, it must ascertain the soundness and sustainability of the business developments and their overall alignment with the risk appetite target set by the Group.

RISK's remit includes formulating recommendations on risk policies, analyzing the risk portfolio on a forward-looking basis and trading limits, guaranteeing the quality and effectiveness of monitoring procedures and defining or validating risk measurement methods. RISK is also responsible for ensuring that all the risk implications of new businesses or products have been adequately assessed.



Compliance has identical responsibilities as regards compliance and reputation risks. It plays an important oversight and reporting role in the process of validating new products, new business activities and exceptional transactions.

Credit Risk:

BIC does not extend credit as part of its current strategy and so did not need to employ any credit risk mitigation techniques to cover any credit risk exposure.

Counterparty Credit Risk:

Counterparty risk is the translation of the credit risk embedded in the market, investment and/or payment transactions. Those transactions include bilateral contracts which potentially expose the Bank to the risk of default of the counterparty faced.

Counterparty risk identification is governed in BNP Paribas, including BIC, according to the principles and practices that underlie classical credit risk identification. In particular, it shall be noted that concentration risks are jointly analyzed for credit and counterparty risks when monitoring countries, industries or single names.

BIC places its excess cash position on short term deposits with the BNP Paribas branch in Riyadh and is not involved in any activity from which external Counterparty credit risk may arise. This type of risk is thus not material for BIC.

Risk Management:

Details about strategies, processes and organization of risk management within BNP Paribas Group as well as its capital adequacy can be found in its [Pillar III](#) disclosure.

Operational Risks:

Operational risk is defined as the risk due to inadequate or failed internal processes or due to external events, whether deliberate, accidental or natural occurrences.

Internal processes giving rise to operational risk may, for instance, involve employees and/or IT systems. External events include, but are not limited to floods, fire, earthquakes and terrorist attacks. Credit or market events such as default or fluctuations in value do not fall within the scope of operational risk.

Operational risk encompasses fraud, human resources risks, legal risks, non-compliance risks, tax risks, information system risks, the risk of providing inappropriate financial services, the risks of failed operational processes as well as the possible financial implications resulting from the management of reputation risks.

Under BIC's SLA with the regional HQ in Bahrain, operational risk has been strictly covered under full compliance with the BNP Paribas Group policies and in line with local regulation of the Kingdom. There were no operational risk incidents reported in 2024.

Market Risks:

Market risk is the risk of incurring a loss of value due to adverse trends in market prices or parameters, whether directly observable or not. Observable market parameters include, but are not limited to exchange rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives, and other parameters that can be directly inferred from them, such as interest rates, credit spreads, volatilities and implied correlations or other similar parameters.

Non-observable factors are those based on working assumptions such as parameters contained in models or based on statistical or economic analyses, non-ascertainable in the market.

BIC is currently not involved in any trading activity from which Market Risk may arise; this type of risk is thus not material for the entity. BIC maintains its cash capital base on short-term deposits with BNP Paribas branch Riyadh and the deposits are rolled on a monthly basis earning the current market rate.



Liquidity Risks:

Liquidity risk is the risk of the Group being unable to fulfil current or future foreseen or unforeseen cash or collateral requirements, across all time horizons, from the short to the long term. This risk may stem from the reduction in funding sources, draw down of funding commitments, a reduction in the liquidity of certain assets, or an increase in cash or collateral margin calls. It may be related to the bank itself (reputation risk) or to external factors (risks in some markets).

BIC currently faces no liquidity risk and maintains a high capital adequacy ratio at all times. There are currently no further identified risks to the license due to the strict and structured processes, controls as well as ongoing oversight by BNP Paribas Group.

Penalties, Fines and/or Violations:

There were no penalties, fines or violations imposed by the CMA or any other regulatory, supervisory or judicial authority against BIC during the reported financial year ending 31 December 2024.

Results and effectiveness of Internal Control Procedures in BIC:

BNP Paribas undergoes regular reviews of BIC's internal controls and procedures to assure compliance with group policies as well adherence to local laws and regulations. There are currently no findings, pending recommendations or outstanding points of attention for BIC. The Audit Committee of BIC was satisfied with the overall adequacy, effectiveness and robustness of its internal controls and did not raise any concerns.



Conflicts of Interest:

There were no interests, contractual securities or subscription rights belonging to the members of the Board of Directors, nor for any senior executive nor their relatives, in the shares or instruments of the capital markets institution (CMI) during the financial year ending 31 December 2024.

Additionally, no loans were provided to BIC for the financial year ending 31 December 2024. None of BIC's transactions have a conflict of interest with any of its associated or related persons for the financial year ending 31 December 2024.

No declarations were made in the financial year ending 31 December 2024, with information relating to any business or contract to which the CMI is a party, in which there is an interest of a member of the Board of Directors, senior executives or any person related thereto.

Section 7: Structure and Composition of the Board of Directors

The Board of Directors of BIC ("Board") is currently comprised of six (6) members; two (2) of which are independent members.

Members of the Board:

1. Dr. Abdullah EL-Kuwaiz (Chairman) – Independent Non- Executive Member
2. Elham Hassan – Independent Non-Executive Member
3. Laurent Leveque – Non-Executive Member
4. Blagoy Botchev – Non-Executive Member
5. Reema Alasmari – Non-Executive Member
6. Ammar Pharaon – CEO & Executive Member

Names of other companies in which the existing Board act as board members:

Member	Other Companies
Dr. Abdulla El-Kuwaiz	<ul style="list-style-type: none"> • Vice Chairman of Oxford Institute for Energy Studies – Oxford, United Kingdom • Board member of the Gulf Development Forum • Member of the General Assembly of Good Neighborhood Society • Member of the General Assembly of The Saudi Olympic Committee • Chairman of The Saudi Society of Hiking Trails and Trekking
Elham Hassan	<ul style="list-style-type: none"> • Ithmaar Bank B.S.C. (Closed) – Board Member • Ithmaar – Dilmunia General Partner Company – Board Member • Ithmaar Holding B.S.C. (Closed) – Board Member • Bahrain Mumtalakat Holding Company B.S.C. (Closed) – Board Member • Alanzoor Physiotherapy Company – Board Member • IB Capital B.S.C. (Closed) – Board Member
Reema Alasmari	Nil
Laurent Leveque	Nil
Blagoy Botchev	<ul style="list-style-type: none"> • Chairman of BNPP Bank JSC, Russia • Chairman of BNPP Holding Ireland • Member of RSC South Africa, fully owned subsidiary of BNPP.
Ammar Pharaon	Nil

Board meetings:

The Board convened four (4) meetings in 2025, details of which is as per the table below:

Dates in 2025

Board members	19 March	25 June	29 September	03 December
Dr. Abdulla El Kuwaiz	√	√	√	√
Reema Alasmari	√	√	√	√
Amine Bel Hadj Soulami (Member until Apr 2025)	√	-	-	-
Ammar Pharaon	√	√	√	√
Elham Hassan	√	√	√	√
Maan ALSamahiji (Member until Apr 2025)	√	-	-	-
Laurent Leveque (Member Since June 2025)	-	√	√	X (Excused)
Blagoy Botchev (Member Since June 2025)	-	√	√	√
Attendance Rate (%)	100%	100%	100%	83%

Interests and Rights:

Four (4) members of the Board are executive employees within the BNP Paribas group. These executive employees did not receive any compensation for their roles as members of the Board of BIC.

There are no contractual interests, securities or subscription rights for any of BIC's shares and/or debt instruments and that belong to any of: (1) the members of the Board or any of their relatives, and (2) senior executives of BIC or any of their relatives.

Remuneration:

The remuneration of the members of the Board and the executive managers of BIC; including the managing director ("MD") and the finance manager ("FM"), is provided as per the table below (amounts provided are in Saudi Riyals):

Statement	Executive Board Members	Non-Executive Board Members	Independent Board Members
Allowance for attendance of the board of directors' sessions	-	-	-
Allowance for attendance of the committees' sessions	-	-	-
Periodic and annual remunerations	-	-	440,000
Incentive plans	-	-	-
Any compensations or other in-kind benefits paid monthly or annually	-	-	-
Total:	-	-	440,000

Note: no bonuses were paid to the members of the Board for the year of 2025.



Statement	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	5,699,508
Allowances	1,127,000
Periodic and annual remunerations	1,876,098
Incentive plans	-
Commissions	-
Any compensations or other in-kind benefits paid monthly or annually	-
Total	8,702,606

Committees of the Board:

The Board has established the following committees:

Audit Committee:

The Audit Committee's duties and specialty is to supervise BIC's business, it is entitled to review BIC's books and records and may request any clarification or report from the Board and from the executive management. The Audit Committee also reviews BIC's financial statements, reports and the auditor's comments, provide feedback on them, if any, and prepare a report on its opinion on the adequacy of the BIC's internal control system on its other activities that fall within its jurisdiction.

Nomination and Remuneration Committee:

The principal of the nomination and remuneration committee is to ensure that the remuneration and benefits awarded to the executives of the senior management of the company are reasonable and aligned with the performance of the company. In addition to the above, to consider succession planning for the senior executives, the skills and expertise needed within the senior executive management.

BNP Paribas group apply a local governance framework for CRP (nomination and remuneration) which consists of Heads of Territory and senior executive management as contributors.