



Natixis Saudi Arabia Investment Company (NSAIC)
**Board of Directors Annual Report
for 2025**

NSAIC Board of Directors Annual Report for 2025

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Overview

Natixis Saudi Arabia Investment Company (“NSAIC” or “the Company”), is a closed joint stock company (single shareholder company) registered in the Kingdom of Saudi Arabia under Commercial Registration number 1010616683 dated 14 Rabi II 1441H corresponding to 12 December 2019.

NSAIC offers tailor-made capital markets products and investment banking services to our local clients, which include financial institutions, corporates, family offices and SWFs.

The Company obtained CMA license No. 19205-31 dated Muharram 25, 1441H (corresponding to September 24, 2019) and approval to commence business on Ramadan 13, 1441H (corresponding to 6 May 2020) to engage in Arranging, Advising and Dealing as Underwriter. In light of the revised strategy drawn up by the CEO, Executive Management and the Board concluded that the Advising license would no longer be necessary in pursuing the Company’s ambitions in the Kingdom. The Company therefore decided that an application for cancellation of the Advising license be made which the CMA approved on September 20, 2021.

NSAIC, with a paid-up share capital of SAR 50,000,000, is wholly owned subsidiary of Natixis Corporate & Investment Bank. Natixis CIB, a leading global financial institution that provides advisory, investment banking, financing, corporate banking and capital markets services to corporations, financial institutions, financial sponsors and sovereign and supranational organizations worldwide, is in turn the corporate & investment banking business line of Groupe BPCE – the 2nd largest banking group in France.

NSAIC is located on the 16th floor of the Al Faisaliah Tower on King Fahad Road, in Riyadh and its business is limited to the Kingdom of Saudi Arabia.

Statement of Board of Directors

2025 Retrospective: Global Financial Services

The global financial services sector in 2025 was defined by its navigation of a "polycrisis" environment, characterized by shifting trade regimes and persistent geopolitical friction. The implementation of significant **US trade tariffs** early in the year introduced a new era of protectionism, forcing financial institutions to rapidly adjust to reconfigured supply chains and fluctuating currency valuations.

Simultaneously, the protracted nature of **Russia's war in Ukraine** continued to weigh on European energy markets and global commodity prices, sustaining a "higher-for-longer" interest rate environment through much of the first half of the year. Despite these headwinds, the sector demonstrated remarkable adaptability, with the Kingdom's financial ecosystem remaining a relative haven of stability amidst the broader global fragmentation.

2026 Outlook: Geopolitics and Regional Impact

Looking ahead to 2026, the global economic horizon is shadowed by the escalation of the **US and Israel's military engagement with Iran**. This conflict has introduced acute tail risks to global energy markets, most notably through potential disruptions in the **Strait of Hormuz**, a critical artery for 20% of the world's oil and LNG. For global economies, this implies a period of heightened market volatility and a potential "energy tax" on global growth. However, for the **GCC economies**, and **Saudi Arabia** specifically, the impact is twofold: while regional security concerns necessitate vigilant risk management, the upward pressure on energy prices and the global flight to "energy security" reinforce the Kingdom's role as a vital stabilizer in the global economy, potentially accelerating fiscal inflows to support our domestic transformation.

IMF Global Inflation Forecast 2026

According to the **IMF's January 2026 Update**, global headline inflation is projected to decline to **3.8% in 2026** (down from 4.1% in 2025). However, it is important to note that this baseline assumes a "soft landing" and stabilizing energy prices. Given the **escalation of hostilities in early 2026**, the IMF has since clarified that these forecasts face significant "upside risks." Prolonged disruptions in the Strait of Hormuz and shifts in global shipping routes could reignite cost-push inflation, potentially delaying the anticipated transition to more accommodative monetary policies globally.

IMF Growth Forecast for Saudi Arabia (2026 & Beyond)

The IMF recently upgraded Saudi Arabia's 2026 growth forecast to **4.5%**, positioning the Kingdom as one of the top three fastest-growing G20 economies for the year. This growth is underpinned by the scheduled easing of OPEC+ production cuts and the continued double-digit momentum of the non-oil sector. While the IMF maintains a positive medium-term outlook—projecting growth to remain robust at **3.6% in 2027**—the Board recognizes that these figures are sensitive to the duration of the current regional conflict. The Kingdom's strong fiscal buffers and the strategic "recalibration" of Vision 2030 spending remain our primary defenses against these external volatilities.

Corporate & Investment Banking Opportunities (2026–2027)

In 2026 and 2027, we anticipate a surge in **Corporate & Investment Banking (CIB)** activity, driven by the Kingdom's "Mobilizing Global Capital" agenda. Key opportunities will emerge from the continued **privatization of state assets** and the increasing sophistication of the **local debt capital markets**, particularly in private credit and green finance. As mega-projects move from construction to

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operational phases, there will be significant demand for structured finance, M&A advisory, and IPO underwriting.

2026 Strategic Risk vs. Opportunity Heat Map

Category	Risk Level	Opportunity Level	Strategic Driver for 2026
Energy Markets	● High	● High	Supply Volatility: Heightened by regional conflict vs. Record Revenues: Strengthening Saudi fiscal reserves.
Capital Markets	● Med	● High	Market Jitters: Potential flight to safety vs. Equity Pipeline: Robust Saudi IPO & Debt Market expansion.
Trade & Logistics	● High	● Med	Maritime Security: Strait of Hormuz/Red Sea risks vs. Land-Link Projects: Development of GCC rail and trade hubs.
Tech & AI	● Low	● High	Implementation Gap: Competitive lag vs. Efficiency Gains: AI-driven cost reduction in banking operations.
Monetary Policy	● Med	● Med	Inflation Uncertainty: Delayed "pivot" due to conflict vs. Yield Management: Optimized NIM in a "higher-for-longer" era.

Closing Remarks

While the global macroeconomic environment in 2026 presents a complex tapestry of geopolitical headwinds and inflationary uncertainties, NSAIC remains anchored by the fundamental strength of the Saudi economy. The IMF's projected **4.5% growth** for the Kingdom is not merely a number; it represents a mandate for this Board to facilitate the capital flows that will define the next decade of the Kingdom's history.

Our targets for the coming year are intentionally ambitious. We aim to deepen our participation focusing on the opportunities envisaged while having a clear-eyed view of the risks and an unwavering confidence in our strategic trajectory.

Statement on Corporate Governance

The Board of Directors remains steadfast in its commitment to the highest standards of corporate governance, recognizing it as the bedrock of our institutional integrity and long-term value creation. In alignment with the **Saudi Companies Law** overseen by the **Ministry of Commerce** and the **Corporate Governance Regulations** issued by the **Capital Markets Authority (CMA)**, we have continued to refine our internal frameworks to ensure full compliance and transparency. Our governance model is designed not merely to meet minimum regulatory expectations but to proactively foster a culture of accountability and ethical leadership. By maintaining a robust structure and rigorous independent oversight, we ensure that our strategic ambitions are pursued within a controlled, sustainable, and legally sound environment that protects the interests of our shareholders and the broader financial ecosystem.

Corporate Governance changes

Pursuant to the New Companies Law and its Implementing Regulations, a review of NSAICs Bylaws and corporate governance setup was undertaken and a shareholder resolution passed to effect the following changes during 2025:

1. Amendment of the Bylaws to align with the New Companies Law.
2. Dissolution of the Audit & Risk Committee and the Nominations & Remunerations Committee with its duties being undertaken directly by the Board.
3. A reduction in the size of the Board from six (6) members to five (5) – noting that the minimum required by law is three (3).
4. A reduction in the number of Board meetings from four (4) to two (2) – considered commensurate with the nature, size and complexity (or lack thereof) of the Company’s business.

Furthermore, three (3) non-Executive members of the Board – **Simon Eedle, Guillaume de Saint-Seine and Barbara Riccardi** – representing the sole shareholder resigned during the year while one (1) new member – **Khalid Krim** – joined. All formalities vis-à-vis the CMA were completed in Q3 2025 while those vis-à-vis the Ministry of Commerce are in progress (to amend the Company’s Commercial License).

NSAIC’s Board as of date comprises the following members – two representing our shareholder, Natixis SA, and two independents.

- | | |
|-------------------------|----------------------------|
| 1. Mr. Khalid Algahtani | Independent Chairman |
| 2. Dr. Adnan Soufi | Independent Board Member |
| 3. Mr. Alain Gallois | Non-Executive Board Member |
| 4. Mr. Khalid Krim | Non-Executive Board Member |

Board and Committee meetings

Board meetings

Two (2) Board meetings were held in 2025 details of which are:

Members	N.1/2025 Meeting (Held on 22/5/2025)	N.2/2025 Meeting (Held on 03/09/2025)
Mr. Khalid Algahtani	attended	attended

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Mr. Alain Gallois	attended	Excused
Mrs. Barbara Riccardi (resigned)	attended	attended
Dr. Adnan Soufi	attended	attended

Audit & Risk Committee (ARC)

The ARC was dissolved during 2025 and no meetings held. Pertinent matters were presented and discussed at each Board meeting held.

Nomination & Remuneration Committee (NRC)

One (1) NRC meeting was held in 2025 (for 2024) details of which are:

Member	N.1/2025 Meeting (Held on 6/2/2025)
Mrs. Barbara Riccardi	attended
Mr. Simon Eedle	attended
Mr. Alain Gallois	attended

Thereafter the NRC was dissolved and no meetings held. Pertinent matters were discussed between relevant non-Exec members of the Board and shareholder representatives.

Directorships and Managerial roles held by Board members

Board Member	Company Name	Country	Director / Manager
Mr. Khalid Algahtani	Hassan Abdulkarim Al-Qatani Holding Group of Companies (HAKA GROUP)	KSA	Chairman
	Saudi Services and Re-Export Company	KSA	Board member
	Rikaz Properties	KSA	Chairman
	ZAYA Development	KSA	Chairman
	Fadeco	KSA	Chairman
	Salayel Arabia Group	KSA	Chairman
	Edutacs	KSA	Chairman
	Haka Investment	KSA	Chairman
	GIMA & GH	KSA	Chairman
	JMA	KSA	Chairman
	First Avenue	KSA	Chairman
	Asfar 3	KSA	Board member
	Nasseem Al Jebal	KSA	Board member
	Ajnadien Properties S.A.L	KSA	Chairman
Lebanese Investment Opportunités (LIO) Holding S.A.L.	Lebanon	Chairman	
Mr. Alain Gallois	Natixis	France	Global Head of Coverage and Head of EMEA
Mr. Khalid Krim	Natixis	France	Managing Director – Global Head of Banks, Asset Managers & International Public Sector

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Dr. Adnan Soufi	Ashmore Investments	KSA	Chairman and NRC member
	Saudia Airlines Group	KSA	Independent Member of the Nomination, Compensation and Governance Committee (NRGC)
	Fitaihi Group Holding Company	KSA	Independent Board Member and Chairman of the Audit Committee
	General Authority for Awqaf	KSA	Chairman of the Advisory Committee
	The Environment Fund	KSA	Member of the Investment Committee
	GCC BDI – Jeddah Chapter	KSA	Member of the Advisory Board

Remunerations

Board Members Remuneration in Saudi Riyals

Remunerations (continued)

Statement	Executive Board Members	Non-Executive Board Members	Independent Board Members
<i>Allowance for attendance of the board of directors' sessions</i>	-	-	-
<i>Allowance for attendance of the committees' sessions</i>	-	-	-
<i>Periodic and annual remunerations</i>	-	-	643,750
<i>Incentive plans</i>	-	-	-
<i>Any compensations or other in-kind benefits paid monthly or annually</i>	-	-	-
Total	-	-	643,750

5.2 Senior Executives remuneration in Saudi Riyals

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
<i>Salaries and wages</i>	3,205,392
<i>Allowances</i>	-
<i>Periodic and annual remunerations</i>	1,064,828
<i>Incentive plans</i>	-
<i>Commissions</i>	-
<i>Any compensation or other in-kind benefits paid monthly or annually</i>	-
Total	4,270,220

Annual Audited Financials

PricewaterhouseCoopers conducted an external audit of NSAIC's 2025 operations.

The financial statements present fairly, in all material respects, the financial position of NSAIC as of December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, 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).

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

**NATIXIS SAUDI ARABIA INVESTMENT COMPANY
(A SINGLE PERSON FOREIGN CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)**

	Note	As at December 31, 2025	As at December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	4	46,750,271	46,769,728
Due from a related party	15.2	5,397,427	4,113,728
Trade receivables		1,727,932	218,557
Prepayments and other receivables	5	215,138	834,100
Total current assets		54,090,768	51,936,113
Non-current assets			
Property and equipment, net	6	518,236	1,080,365
Right-of-use assets, net	7	-	425,675
Deferred tax assets	9.3	485,532	455,785
Total non-current assets		1,003,768	1,961,825
Total assets		55,094,536	53,897,938
Liabilities and shareholder's equity			
Liabilities			
Current liabilities			
Accrued and other liabilities	8	2,885,985	2,050,581
Due to a related party	15.2	4,232,429	4,426,300
Lease liabilities	7.1	-	430,445
Provision for income tax	9.1	262,994	43,379
Total current liabilities		7,381,408	6,950,705
Non-current liabilities			
Employees end of service benefits (EOSB)	10	400,211	138,290
Total non-current liabilities		400,211	138,290
Total liabilities		7,781,619	7,088,995
Shareholder's equity			
Share capital		50,000,000	50,000,000
Accumulated losses	11	(2,687,083)	(3,191,057)
Total shareholder's equity		47,312,917	46,808,943
Total liabilities and shareholder's equity		55,094,536	53,897,938
Contingencies and commitments	13		

The accompanying notes from 1 to 19 form an integral part of these financial statements.

NATIXIS SAUDI ARABIA INVESTMENT COMPANY
(A SINGLE PERSON FOREIGN CLOSED JOINT STOCK COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
 (All amounts in Saudi Riyals unless otherwise stated)

		For the year ended December 31,	
	Note	2025	2024
Revenue			
Income from service support fee	15.1	12,218,322	9,953,633
Income from arranging services	15.1	595,538	162,000
Income from underwriting activities	15.1	25,624	56,250
Total revenue		12,839,484	10,171,883
Operating expenses			
Salaries and employee related benefits		(8,263,914)	(6,169,723)
Expense related to Master Service Agreement	15.1	(1,366,500)	(1,366,500)
Other general and administrative expenses	14	(3,248,369)	(2,935,228)
Depreciation on property and equipment and right-of-use assets	6, 7	(994,185)	(1,077,789)
Total operating expenses		(13,872,968)	(11,549,240)
Operating loss		(1,033,484)	(1,377,357)
Other income			
Special commission income on term deposits		1,770,705	1,290,069
Income / (loss) before income tax		737,221	(87,288)
Income tax charge for the year	9.1	(262,994)	(43,379)
Deferred tax charge	9.3	29,747	455,785
Net income for the year		503,974	325,118
Other comprehensive income for the year		-	-
Total comprehensive income for the year		503,974	325,118

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Arranging and underwriting fees are recognized when the Company has rendered all services to the issues and is entitled to collect the fee from the issues with no contingencies associated with the fees. Arranging and underwriting revenues are presented net of transaction related expenses.

During 2025, the Company entered an Arranging transaction with Badeel and ITC which is got recognized during the same year, beside an Underwriting project with ACWAS Power.

Transactions between NSAIC, Natixis and Natixis Dubai Branch

The entity enters into transactions with another company that falls within the definition of a related party as contained in International Accounting Standard 24: Related Party Disclosures. Related parties comprise companies / entities under common ownership and / or common management control and key management personnel. The management decides on the terms and conditions of transactions and of services received/rendered from/to related parties as well as other charges.

Within its ordinary course of business, the Company may enter into commercial transactions with its parent Natixis.

NSAIC has agreements with its Parent Company's Dubai branch which sets out the principles governing the sharing of revenues, and the recovery of expenses incurred in generating such revenues.

The Company has entered into a Service Level Agreement with a related party, the conditions upon which it agrees to provide the related party client relationship management services in relation to Global Market activities. In consideration of services provided to the related party, the Company will recharge an amount equal to the total amount of costs and expenses incurred in the performance of service plus a 15% margin.

Additionally, the Company has outsourced certain support function services to a related party as per the master service agreement between the two entities. The outsourced services include finance, information technology, human resources, operations and other support services. The costs are agreed and allocated based on terms of the said agreements and are payable annually in arrears.

Penalty, Sanction and Precautionary Measures

No penalties were imposed on NSAIC in 2025.

Audit (Internal)

Natixis Internal Audit provides an independent assurance on the adequacy and effectiveness of the governance, process, controls, and risk management of the Company.

There was no audit of the Company undertaken in 2025 though one is expected in 2026.

The previous full scope audit in 2024 addressed corporate governance and strategy implementation, compliance, finance, taxation, regulatory reporting and outsourcing with all audit recommendations being fully implemented.

The Company's first and second lines of defence (framework) did not identify any material risks that required to be brought to the attention of the Board.

Risk Management

NSAIC continues to maintain a robust risk management framework ensuring the timely identification, assessment, mitigation, management and reporting of all relevant and potential risks the Company faces in the course of pursuing its business objectives.

There were no material risks identified during 2025 that required to be brought to the attention of the Board

Additional disclosures for 2025 as required by the Saudi Capital Markets Authority

The Board of Directors for NSAIC confirms that:

- a) Neither it nor the Company's employees including the Chief Executive Officer, Compliance and Money Laundering Reporting Officer, Chief Financial Officer, nor any associated or related person to them, held any interest in business or contracts where NSAIC is counterparty.
- b) Neither it nor the Company's employees, including the Chief Executive Officer, the Compliance and Money Laundering Reporting Officer, the Chief Financial Officer, nor any person associated or related to them, held any interest, contractual securities, or subscription rights in the shares or debt instruments of NSAIC or any of its affiliates.
- c) None of the board members waived any compensation, allowance or any type of remuneration.
- d) There was one General Assembly meeting held during 2025.
- e) NSAIC did not have any ownership interest in any company inside or outside the Kingdom of Saudi Arabia.
- f) There were no arrangements or agreements under which Natixis as shareholder of NSAIC waived any rights to dividends.
- g) There were no requests made by or of the Company in relation to shareholder's records.
- h) There were no outstanding statutory payments on account of any zakat, taxes, fees or any other charges for the fiscal year 2025.
- i) There were no investments made, or any reserves set up for the benefit of the employees of the Company.
- j) NSAIC did not have any loans in fiscal year 2025.

Implemented Provisions of CMA Regulations

As far as we are aware, there have been no departures from applicable regulatory requirements during 2025.