

The annual directors report for the fiscal period ending 31 December
2024

Description of the main activity

Credit Agricole CIB Arabia Financial (“CACIB Arabia” or the “Company”), a wholly owned subsidiary of Credit Agricole Corporate and Investment Bank (“CACIB”) with a paid-up share capital of SAR 50 million, was incorporated in Riyadh and licensed by the Saudi Capital Market Authority (the “CMA”) to carry out securities businesses of advising, arranging and dealing in the Kingdom of Saudi Arabia (“KSA”). CACIB Arabia started conducting its operations on 18 May 2022.

CACIB Arabia offers various financial services activities including Equity Capital Markets (“ECM”), Debt Capital Markets (“DCM”) and Mergers & Acquisitions (“M&A”).

CACIB, the Parent Company, is a leader in ECM activities in France and Europe focusing on the following:

- Primary offering of shares of a company in the stock exchange
- Secondary offering of shares of a company in a stock exchange

The Company’s objective is to reach the same leadership level in KSA in the near future.

The Company’s objective is to reach the same leadership level in KSA in foreseeable future. Under this context, in 2024, the company has engaged with Kapler Cheuvreux, a leading European independent research firm, based in the region, started publishing its research reports on the major local Saudi equities. The initiative is highly appreciated by our clients and investors. M&A, ECM and advisory activities are one of the key areas of development and is a core strategy for CACIB Arabia to grow further in KSA. The aim is to attract Group’s clients and investors from the region and internationally to the Kingdom taking participation in the growth of the economy.

Board members

The board of directors consists of six board members. Whereas three members are non-executive board members, two are independent board members, and one is executive board member.

1. Mr. Khalid Mohammed Albawardi, independent board member & the Chairman
2. Mr. Hatem Masmoudi, non-executive board member & the Vice-Chairman
3. Ms. Anne-Catherine Louise Mary Ropers, non-executive board member
4. Mr. Ehsan Amanallah A Makhdoum, independent board member
5. Ms. Danielle Baron; non-executive board member and
6. Mr. Mohammed Naeem Khan, executive board member



Board members Interests

Mr. Khalid Albawardi

No	Company name	Position	Company nationality	Legal form	The company listed	
					yes	no
1	CREDIT AGRICOLE CIB ARABIA FINANCIAL	Independent Chairman	Saudi Arabia	Closed Joint Stock Company		√
2	Albawardi Group Holding	Chairman	Saudi Arabia	Closed Joint Stock Company		√
3	Khaled M. Albawardi Holding Co. Ltd.;	Chairman	Saudi Arabia	Closed Joint Stock Company		√
4	Bena Steel Industries	Chairman	Saudi Arabia	Closed Joint Stock Company	√	
5	Eastern Gate Logistics Services Limited	Chairman	Saudi Arabia	Limited liability company		√
6	International Transport & Warehousing Co. Ltd	Chairman	Saudi Arabia	Limited liability company		√
7	Asheaq development Company	Vice-Chairman	Saudi Arabia	Closed Joint Stock Company		√

Mr. Hatem Masmoudi

No	Company name	Position	Company nationality	Legal form	The company listed	
					yes	no
1	CREDIT AGRICOLE CIB ARABIA FINANCIAL	Non-Executive Vice-Chairman	Saudi Arabia	Closed Joint Stock Company		√
2	CREDIT AGRICOLE EGYPT S.A.E	Non-Executive Director	Egypt	Joint Stock Company	√	

Ms. Anne-Catherine Ropers

No	Company name	Position	Company nationality	Legal form	The company listed	
					yes	no
1	CREDIT AGRICOLE CIB ARABIA FINANCIAL	Non-Executive Board Member	Saudi Arabia	Closed Joint Stock Company		√
2	IFCAM	Director	French	GIE		√
3	DIFCAM	Director	French	Association		√
4	DACEIS	Director	French	S.A		√

5	CACEIS BANK	Director	French	S.A		√
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Mr. Ehsan Makhdoum

No	Company name	Position	Company nationality	Legal form	The company listed	
					yes	no
1	CREDIT AGRICOLE CIB ARABIA FINANCIAL	Independent Board Member	Saudi Arabia	Closed Joint Stock Company		√

Ms. Danielle Baron

No	Company name	Position	Company nationality	Legal form	The company listed	
					yes	no
1	CREDIT AGRICOLE CIB ARABIA FINANCIAL	Non-Executive Board Member	Saudi Arabia	Closed Joint Stock Company		√

Mr. Mohammed Naeem Khan

No	Company name	Position	Company nationality	Legal form	The company listed	
					yes	no
1	CREDIT AGRICOLE CIB ARABIA FINANCIAL	Executive Board Member	Saudi Arabia	Closed Joint Stock Company		√

Company affiliated

The CACIB AF has no subsidiaries

CACIB Arabia plans

Year 2024 is marked as the 3rd year of the operation of Credit Agricole Arabia (CACIB Arabia) in the Kingdom of Saudi Arabia. Benefitting from its parent company, ranked 10th globally, CACIB Arabia will continue to position in the coming years as a leading investment bank, focusing on offering investment banking products to its diversified clientele base such as Sovereign Wealth Fund, Qasi-soverign entities, Large corporates and family groups and financial institutions. Responding to demand growth driven by our core clientele base, adequate resources are mobilized in sectorial advisory services, research through the engagement of Kappler Cheuvreux- a leading European Research firm- M&A activities, Equity Capital Market and Debt Capital Market in both conventional and Islamic banking space ensuring contribution of CACIB Arabia to achieve objectives set by the Govt of Saudi Arabia under Vision 2030 and beyond. Human development project launched at Credi Agricole's Group level, is also being implemented in the local franchise, to help the teams developing their soft and hard skills. Dedicated training sessions are arranged for the teams by the subject experts both on line and physically to help them upscaling the knowledge and practice.

Board of Directors' Meetings

The board of directors consists of six board members, whereas three members are non-executive board members, two are independent board members, and one is executive board member.

The board of directors has met four time in 2024 as shown in the table below.

Name	First meeting 19/05/2024	Second meeting 07/10/2024	Third meeting 09/12/2024	Fourth meeting 23/12/2024
Mr. Khalid Albawardi	√	√	√	√
Mr. Hatem Masmoudi	√	√	√	√
Ms. Anne-Catherine	√	√	√	√
Mr. Ehsan Makhdoum	√	√	√	√
Ms. Danielle Baron	√	√	√	√
Mr. Naeem Khan	√	√	√	√

Main Committees of the Board of Directors:

Audit Committee

Audit Committee is an independent committee which reports to the General Assembly to oversee and monitor the financial reporting process and CACIB Arabia's financial statements; the system of internal controls and the Company's activities. The responsibility of the Audit Committee include analyzing the financial statements of the Company before presenting them to the board of directors; raise recommendations regarding the appointment and dismissal of the external auditor, determine their fees and evaluate their performance; monitoring and supervising the performance and activities of the internal audit function, approving the audit plan.

Member name	18- 04- 2024	12- 12- 2024
Ehsan Makhdoum – Chairman	√	√
Francois Rameau	√	√
Caroline Chrestien de Poly	√	√
Celine Arnal	√	√
Other Invitees		
Kavish Sheth	√	√
Naeem Khan	√	√
Syed Gilani	√	*
Virginie Chauvel	√	√
Christophe Milluy (Secretary)	√	√
Abdullah Alobaidallah (MLRO CACIB Arabia)	√	√

Remuneration Committee

The purpose of the Remuneration Committee is to assist the board of directors in determining and agreeing the criteria on which CACIB Arabia's compensation structure shall be based and ensuring that the remuneration system is compiling and aligning with CACIB Arabia's strategy and the applicable regulations.

Therefore, the Remuneration Committee met on 25th June 2024.

Committee has been attended by the following members;

- Khalid Albawardi- Chairman
- Anne-Catherine Ropers
- Jackie Makhoul-Winn

Compliance Management Committee

The Compliance Management Committee (CMC): Mandated to ensure the compliance control systems in place are adequate and sufficient, the compliance control systems are actually implemented, the weaknesses identified through the compliance control systems and/or its implementation are promptly escalated and corrected; and it provides the company with adequate assurance as to non-compliance risks management.

Member names are as follows;

- Naeem Khan – Chairman
- Anji Aljaroudi FIG
- Mohammed Abalkhail CIB
- Mohammad Alhammadi GIB
- Syed Gilani Finance
- Abdullah Alobaidellah LCO

Permanent Invitee name are as follow;

- Kavish Sheth Audit
- Valerie Grall Carpentier CPL
- Virginie Chauvel ORM

Member name	19 March 2024	13 June 2024	18 September 2024	11 December 2024
Naeem Khan	√	√	√	√
Anji ALJAROUDI	√	√	√	√
Abdullah Mohammad	√	√	√	√
Mohammad Alhammadi	√	X	√	√
Syed GILANI	√	X	√	√
Abdullah Alobaidellah	√	√	√	√
Permanent Invitee				
Kavish Sheth	√	√	√	√
Valerie Grall Carpentier	√	√	√	√
Virginie Chauvel	√	√	√	√

Remunerations and Compensations paid to members of the board of directors and senior executives

Statement	Executive Board Members*	Non-Executive Board Members	Independent Board Members
Allowance for attendance of the board of directors'	-	-	650,000

sessions			
Allowance for attendance of the committees' sessions	-	-	-
Periodic and annual remunerations	-	-	-
incentive plans	-	-	-
Any compensations or other in-kind benefits paid monthly or annually	-	-	-
Total:	-	-	650,000

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	SAR 4,077,156
Allowances	SAR 994,288
Periodic and annual remunerations	-
Incentive plans	SAR 2,680,000
Commissions	
Any compensations or other in-kind benefits paid monthly or annually	SAR 934,850
Total	SAR 8,686,295

Waives for any remunerations and compensations

The Company does not pay any fees, salaries or bonuses to the executives in their capacity as members of the board of directors.

Violations

The Company did not receive any penalties or fines during the fiscal period ending 31 December 2024.

Audit report

- 1st independent internal audit review of CACIB Arabia Financial Company was completed in Q3 2023. All findings/recommendations (8) issued by the Inspection General and having a direct/indirect impact on CACIB Arabia Financial Company were followed up and closed during the year 2024. Implementation status of recommendations including reason for the potential delays if any, were presented and discussed in the Audit Committee meeting held on April 18, 2024, and December 12, 2024. The road map for the multiyear audit plan 2025-2029 of CACIB Arabia Financial Company was also presented and validated by the Audit Committee during the meeting held in April 2024. Accordingly, next internal audit review of the entity is scheduled in year 2026 per risk-based frequency, which will also include the review of books, accounts and other records related to securities business of the firm within its scope in compliance with the local regulatory requirement.
- During the year 2024, internal audit department in coordination with the Local Compliance Officer also submitted the responses to the Internal Audit Survey (questionnaire) received from

the Capital Market Authority (CMA) with no comments received from the regulator post submission.

Operational risks

With regards to the operational risks, the company has Internal Control Committee (“ICC”). The role of the ICC is to ensure the overall supervision of the risks of the Company. The ICC assists senior management to exercise supervision through the internal control function. The ICC monitors the resolution of material control weaknesses highlighted to it and ensures the maintenance of the common standard of best practice in internal control. Management of operational risk and internal control are reviewed/validated by the ICC. Matters relating to the internal control such as the review of operational incidents / errors / losses / breaches, validation of the risk and control self-assessment, monitoring of audit recommendations implementation, follow-up of the action plans, and any other matters as may be found appropriate or necessary, are carried out in the ICC. Considering the size and activities of the Company, holding of two ICC meetings per annum is considered adequate.

Summary of the assets and liabilities

Summarised form of statement of financial position and statement of profit and loss and other comprehensive income of CACIB Arabia as at 31 December 2024 are presented below:

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
SAR '000	2024	2023	2022
Revenue from transfer pricing	18,698	18,781	19,957
Arrangement fee	1,620	2,839	-
Other income	1,791	1,427	-
TOTAL INCOME	22,109	23,047	19,957
Salaries and employee related expenses	14,145	13,926	11,765
Other operating expenses	5,148	5,409	9,660
TOTAL OPERATING EXPENSES	19,293	19,335	21,425
PROFIT / (LOSS) BEFORE TAX	2,816	3,712	(1,468)
Current Income tax charge	(686)	(744)	-
Deferred Tax	112	204	-
PROFIT / (LOSS) FOR THE YEAR	2,242	3,172	(1,468)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to statement of income in subsequent years:			
Actuarial loss on remeasurement of employees' end-of service benefits	(76)	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	2,166	3,172	(1,468)

STATEMENT OF FINANCIAL POSITION			
SAR '000	2024	2023	2022
Cash and cash equivalents	39,868	27,090	27,843
Property and equipment	1,623	2,307	2,937
Right of use assets	1,017	441	1,058
Due from a related party	17,773	30,692	19,957
Other assets	1,146	1,029	955
TOTAL ASSETS	61,427	61,559	52,750
Due to related parties	79	4,016	36
Accruals and other liabilities	6,906	5,840	3,588
Lease liability	572	-	594
TOTAL LIABILITIES	7,557	9,856	4,218
Share capital	50,000	50,000	50,000
Retained earnings	3,404	1,386	(1,468)
Statutory reserves	542	317	-
Remeasurement reserve of employees' end of service benefits	(76)	-	-
TOTAL SHAREHOLDER'S EQUITY	53,870	51,703	48,532
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	61,427	61,559	52,750

Information related to any loans

The Company did not receive any loans for the fiscal period ending 31 December 2024.

Information related to any business or contracts

The Company did not have any business or contracts which it has an interest for one of the members of the board of directors or for senior executives or any person related to any of them.



Khalid Mohammed Albawardi

Chairman




Naeem Khan

Chief Executive Officer