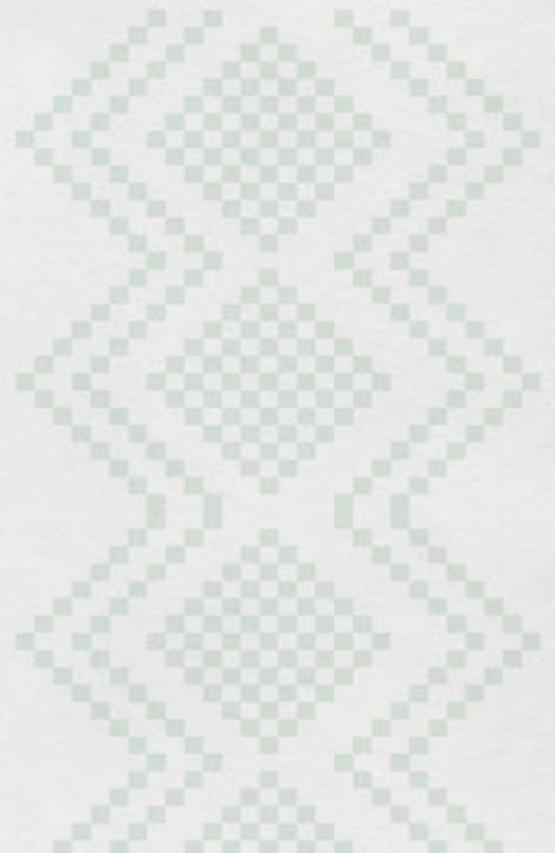


# Board of Directors' Report 2025



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## Chairman's Message

Respected Shareholders of FAB Capital Financial Company,

Praise be to Allah, Lord of the Worlds, and peace and blessings be upon the Seal of the Prophets and Messengers, our Master Muhammad, upon whom be the best prayer and most complete submission.

The Board of Directors of FAB Capital Financial Company is pleased to present to the Company's shareholders the annual report for the fiscal year ending December 31, 2025, which includes the audited financial statements of the Company, in addition to a review of the most prominent developments and achievements witnessed by the Company during the year.

During the year 2025, the Company continued to implement its strategy aimed at enhancing its presence in the Saudi capital market, where its activities focused on providing custody services, arranging structured loans, and debt market services, contributing to supporting the needs of institutional and corporate clients and providing financing solutions consistent with market requirements.

The Company also continued to work on developing the scope of its financial services and products, and studying the launch of additional services within its future strategic plans, enhancing its ability to diversify income sources and expand its customer base.

The Company was also keen to enhance its operational efficiency and develop its institutional capabilities, in addition to investing in the development of national talents and adopting best practices in the fields of governance, risk management, and compliance, in line with regulatory requirements and the aspirations of the financial sector in the Kingdom.

This comes within the framework of the Company's commitment to supporting the objectives of Saudi Arabia's Vision 2030 and the Financial Sector Development Program, by contributing to the development of the capital market and enhancing its role in supporting economic growth and diversifying income sources.

In conclusion, the Board of Directors extends its sincere thanks and appreciation to our valued customers and strategic partners for their continuous trust, and also values the great efforts made by the executive management and all employees of the Company during the year, looking forward to continuing to achieve further growth and success during the coming years.

**And Allah is the Granter of success.**

**Chairman of the Board**

## 1. Formation & Activity

"FAB Capital Financial" is a Saudi joint-stock company established in March 2018 and operates in the Kingdom under a Commercial Registration issued by the Ministry of Commerce No. 1010448608 dated 20/08/1439 AH corresponding to 13/02/2018 AD, and under Capital Market Authority license No. 30-18188 dated 27/05/1439 AH corresponding to 13/02/2018 AD, by which it was licensed to practice Advising and Arranging activities, while the Company obtained the approval of the Capital Market Authority to commence practicing the previous two activities on 12/06/2018 AD in securities management.

On October 8, 2020, the Company obtained the final approval of the Capital Market Authority to amend the list of business it is licensed to practice by adding the activities of Dealing as an Underwriter and Custody in securities business, after completing all necessary conditions to obtain the two additional licenses from the Capital Market Authority. On March 18, 2024, FAB Capital Financial Company obtained the final approval of the Capital Market Authority to amend the list of business it is licensed to practice by adding the activity of Investment Management and Operating Funds, after completing all necessary conditions to obtain the final license from the Capital Market Authority.

Accordingly, the Company practices the following activities in accordance with the Capital Market Authority's resolutions:

1. Dealing
2. Arranging
3. Custody
4. Advising
5. Investment Management and Operating Funds

FAB Capital Financial Company is a subsidiary and wholly owned by the founding partners "First Abu Dhabi Bank", and the registered office of the Company is located in Riyadh.

### Number of Branches / Subsidiaries

There are no branches or subsidiaries of FAB Capital Financial Company.

## 2. Financial Performance of the Company

The Company's results during the year 2025 witnessed a decline in total revenues by 11% compared to 2024, as total revenues reached 65 million Riyals against 73 million Riyals in the previous year. This decrease is mainly attributed to the decline in revenues from arranging activities in debt markets by 34% as a result of the decrease in the volume of operations executed in debt structuring markets during the year. On the other hand, some business lines continued to achieve stable performance, as custody services recorded a growth of 3%, and revenues from bank deposits increased by 30% supported by improved returns on deposits.

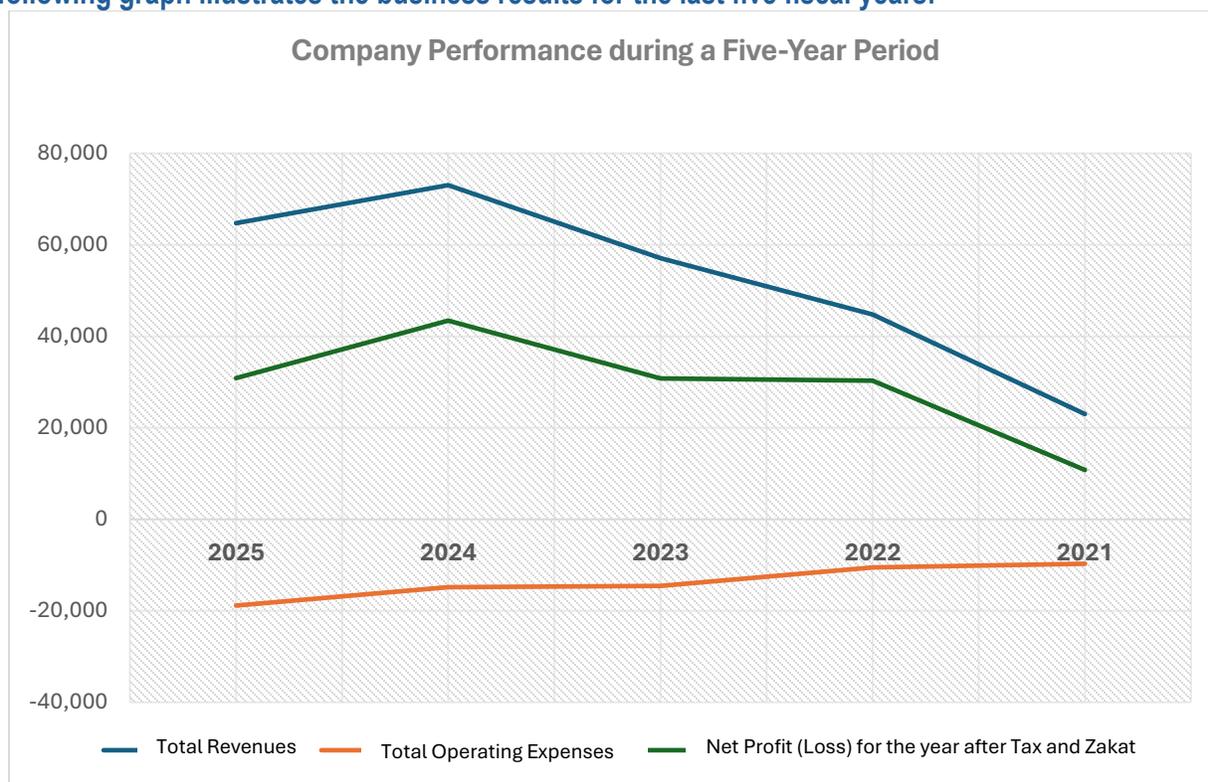
The cost of revenues during 2025 amounted to approximately 8.6 million Riyals compared to 8.5 million Riyals in 2024, recording a slight increase reflecting the increased activity of custody service operations. Total operating expenses also increased to reach approximately 18.9 million Riyals during 2025 compared to 14.8 million Riyals in 2024, an increase of 27%, mainly attributed to higher employment expenses along with some operating expenses related to enhancing operational capabilities and supporting the Company's activities.

As a result of the above, the Company's net profit before Zakat and tax provision reached 37.3 million Riyals during 2025 AD compared to 49.7 million Riyals in 2024 AD, recording a decrease of 25%, affected by the decline in revenues and the rise in operating expenses during the period.

### 2.1 Business Results of the Previous Five Years:

|   | 2025     | 2024     | 2023     | 2022     | 2021    |
|---|----------|----------|----------|----------|---------|
| <b>Activity Revenues</b>                      | 56,280   | 66,531   | 49,972   | 43,703   | 22,669  |
| <b>Other Revenues</b>                         | 8,475    | 6,510    | 7,116    | 2,237    | 335     |
| <b>Total Revenues</b>                         | 64,755   | 73,041   | 57,088   | 45,940   | 23,003  |
| <b>Cost of Revenues</b>                       | (8,635)  | (8,503)  | (7,160)  | (1,187)  | 0,00    |
| <b>Net Revenues</b>                           | 56,120   | 64,538   | 49,927   | 44,753   | 23,003  |
| <b>Total Operating Expenses</b>               | (18,863) | (14,838) | (14,544) | (10,510) | (9,721) |
| <b>Net Profit (Loss) before Zakat and Tax</b> | 37,256   | 49,700   | 35,383   | 34,243   | 13,282  |
| <b>Zakat and Tax</b>                          | (6,375)  | (6,269)  | (4,629)  | (3,926)  | (2,501) |
| <b>Net Profit (Loss) for the Year</b>         | 30,883   | 43,431   | 30,755   | 30,317   | 10,781  |

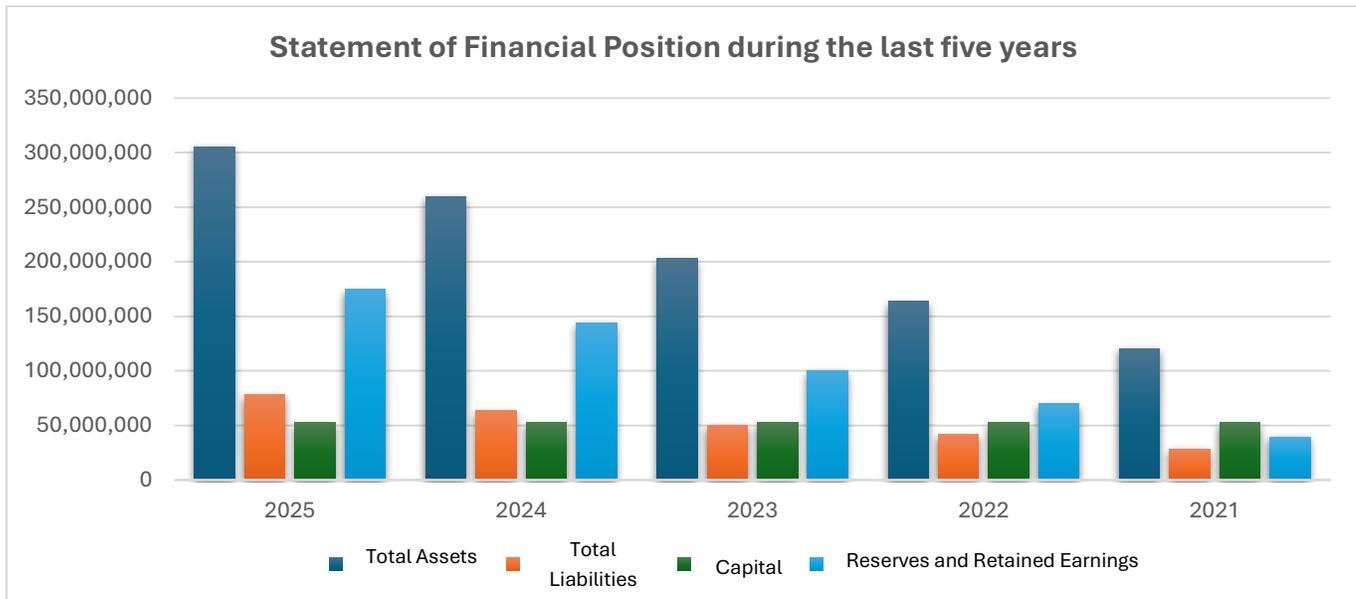
## 2.2 The following graph illustrates the business results for the last five fiscal years:



## 2.3 Statement of Financial Position for the Previous Five Years: (SAR Thousands)

|                                       | 2025    | 2024    | 2023    | 2022    | 2021    |
|---------------------------------------|---------|---------|---------|---------|---------|
| <b>Total Assets</b>                   | 305,485 | 259,861 | 202,769 | 163,715 | 120,464 |
| <b>Total Liabilities</b>              | 78,151  | 63,410  | 49,851  | 41,508  | 28,612  |
| <b>Capital</b>                        | 52,500  | 52,500  | 52,500  | 52,500  | 52,500  |
| <b>Reserves and Retained Earnings</b> | 174,834 | 143,951 | 100,418 | 69,706  | 39,352  |
| <b>Total Liabilities and Equity</b>   | 305,485 | 259,861 | 202,769 | 163,715 | 120,464 |

**2.4 The following graph illustrates the Statement of Financial Position for the last five fiscal years:**



The financial statements of FAB Capital Financial Company for the fiscal year ended December 31, 2025, were audited by PricewaterhouseCoopers (PwC), where the external auditor expressed an opinion stating that the Company's financial statements:

- Present fairly, in all material respects, the financial position of the Company as of December 31, 2025, as well as its business results and cash flows for the year ended on that date, in accordance with the accounting standards endorsed in the Kingdom of Saudi Arabia and appropriate to the Company's circumstances.
- Comply with the requirements of the Companies Law in the Kingdom of Saudi Arabia and the Company's Articles of Association regarding the preparation and presentation of financial statements.

### 3. Transactions with Related Parties

Related parties to the Company include the Parent Company and its branch in the Kingdom of Saudi Arabia. Transactions with related parties are conducted according to commercial terms agreed upon between the concerned parties, and these transactions are approved in accordance with the procedures adopted by the Company's senior management and its Board of Directors.

The following are the most important transactions conducted with related parties during the fiscal year, in addition to their associated balances:

**(SAR Thousand)**

|   | 2025   | 2024   |
|---|--------|--------|
| <b>Revenues (Profit Sharing)</b>                  | 45,713 | 66,531 |
| <b>Personnel Expenses and Service Support</b>     | 14,844 | 12,601 |
| <b>Rental Expenses</b>                            | 410    | 410    |
| <b>Other Special Commission Income (Deposits)</b> | 8,475  | 6,510  |

### 4. Risk Management Policy

First Abu Dhabi Bank (FAB) Group has a risk governance and management framework approved by the Board of Directors based on the "Three Lines of Defense" model, which outlines the roles and responsibilities related to risk management and control within the Group.

This model includes three main layers, senior management of business lines represents the first line of defense and is responsible for identifying and managing risks within their daily activities; Risk Management and Compliance represent the second line of defense by establishing frameworks and policies and monitoring compliance; while the independent Internal Audit function represents the third line of defense by providing independent assurance on the effectiveness of internal control systems and risk management. The Three Lines of Defense model is a globally widely recognized framework to support governance practices and enhance clarity of roles and responsibilities between business units and support and control functions. The main functions constituting the control system at FAB include Internal Audit, Risk Management, Compliance, Legal Department, and Corporate Governance. These functions are functionally linked to the Board of Directors or its sub-committees, while administratively linked to the CEO.

First Abu Dhabi Bank has established a strong risk governance and ownership structure that ensures oversight and accountability to guarantee effective risk management. The Board of Directors approves the risk management plans for FAB, its subsidiaries, and international offices, including representative offices and foreign branches, through the Board Committee responsible for Risk, Environmental, Social, and Governance (ESG) practices.

The Risk Management Committee formulates the high-level Enterprise Risk Management policy framework and exercises its authority in determining delegated risks and overseeing the implementation of the risk management framework and controls through the independent Group Risk Management Department led by the Group Risk Management team. This framework provides a comprehensive view of risks at all levels of the organization, enabling it to assess whether the overall portfolio risks align with the approved risk appetite level. Risks at FAB Capital Financial are supervised by the FAB Board of Directors and the Management Risk Committee.

The Company's business, financial position, and operating results may be materially affected by any of the risks described below. Although this list is not exhaustive of all potential risks, it illustrates the most prominent risks the Company may face. The Company establishes a comprehensive strategy to face risks it may encounter within the regular exercise of its business, which includes risk identification and implementing plans to mitigate them for all existing and new products, helping to determine the optimal risk ratio level, evaluate it, and monitor it periodically.

The Company follows an effective approach to capital assessment and planning, focusing on strengthening the capital base and ensuring capital allocation proportional to risks, contributing to achieving the optimal value of allocated capital. The Company also continues its risk management efforts to ensure business continuity by identifying and assessing potential risks, and developing necessary plans to respond to them when they occur, or to limit their negative impact, and restore operational processes as quickly as possible. There are several risks associated with the Company's activities, the most important of which are:

### **Credit Risk**

This represents the risks associated with counterparties that may result from the failure of the issuer of Sukuk, Murabaha, or other financial instruments to meet its obligations on time. The Company's management strives to keep credit risk low by dealing only with financial institutions that enjoy a strong financial position, as determined by any of the three international credit rating agencies, and investing in high-quality securities compliant with Sharia investment regulations.

### **Fair Value and Cash Flow Interest Rate Risk**

The risks faced by the Company regarding changes in market prevailing commission rates primarily relate to deposits and Murabaha. Management monitors changes in commission rates and believes that the impact of fair value and cash flow interest rate risks to which the Company is exposed is not material.

### Liquidity Risk

Liquidity risk arises when there is an inability to sell a financial asset within the agreed time period and for an amount close to its fair value. Liquidity risk is managed and monitored regularly to ensure sufficient liquidity is available to meet the Company's future obligations.

### Currency Risk

Currency risk represents the risk resulting from fluctuations in the value of financial instruments due to changes in foreign exchange rates. The Company's transactions are primarily in Saudi Riyals and US Dollars, and other transactions in foreign currencies are considered immaterial, if any. Since the exchange rate of the Saudi Riyal is pegged to the US Dollar, balances in US Dollars do not represent significant currency risk.

### Operational Risk

These are the risks of losses that may result from a deficiency or error in one of the internal procedures, employees, or technical systems of the Company, as well as those occurring due to external reasons. The Company's operational risks are managed by analyzing root causes, monitoring key risk indicators, and planning business continuity.

### Regulatory Risk

These are the risks arising from non-compliance with legislation and executive regulations issued by government agencies and competent authorities, such as, but not limited to, instructions from the Capital Market Authority, Ministry of Commerce and Investment, Ministry of Human Resources and Social Development, and the General Authority of Zakat and Income Tax. The Company continuously reviews all obligations and their requirements and submits what is necessary to the relevant authorities. Work is being done to adopt a culture and concepts of work based on compliance with laws and avoiding professional violations to prevent any repercussions.

### Reliance on Executive Managers and Other Key Persons

The Company relies on the efforts of its executive managers and a number of key persons. The loss of any of these persons or a number of them may negatively affect the marketing and sale of products, operational results, and cash flow in the Company.

As FAB Capital Financial Company is part of the UAE-based First Abu Dhabi Bank Group, which is considered one of the largest banks in the Middle East, the Company has robust policies to manage all types of risks.

## 5. Loans and Obligations

The Company has no loans or financing facilities until the end of 2025. In contrast, the Company's total liabilities amounted to approximately 63 million Saudi Riyals (net after deducting receivables from the counterparty), which represent amounts paid on behalf of the Company by the Head Office in Abu Dhabi and the Bank's branch in the Kingdom of Saudi Arabia. These liabilities primarily include personnel expenses, rental expenses, and service support costs as of December 31, 2025.

## 6. Dividend Distribution Policy

The Company has not distributed any cash dividends to shareholders since the start of its operations in 2018 until the end of the fiscal period ended December 31, 2025.

## 7. Composition of the Board and Classification of its Members

In application of the provisions of Article Thirteen of the Company's Articles of Association, the Board of Directors consists of six members as shown in the following table:

| Member Name                                   | Membership Classification<br>Executive/ Non-Executive/<br>Independent | Membership in<br>Boards of Other<br>Companies | Membership in Company<br>Committees       |
|---|---|---|---|
| <b>Dr. Sulaiman bin Abdulaziz Al-Tuwaijri</b> | Chairman of the Board /<br>Independent                                | Yes   | Nominations and<br>Remuneration Committee |
| <b>Mr. Martin Tricaud</b>                     | Vice Chairman / Non-Executive   | No  | Nominations and<br>Remuneration Committee |
| <b>Mr. Waleed Al-Othaimin</b>                 | Member / Independent  | Yes   | Internal Audit Committee                  |
| <b>Mr. Guy Smith</b>                          | Member / Non-Executive  | No  | -   |
| <b>Mr. Fahad bin Mishal Al-Juaidi</b>         | Member / Non-Executive  | No  | Nominations and<br>Remuneration Committee |
| <b>Mr. Subramanian Iyer</b>                   | Member / Non-Executive  | No  | Internal Audit Committee                  |

### **Dr. Sulaiman Al-Tuwaijri - Chairman of the Board of FAB Capital**



Dr. Sulaiman Al-Tuwaijri has held the position of Chairman of the Board of FAB Capital since October 1, 2021. He is also the CEO of the National Agricultural Development Company (NADEC), where he also served as Managing Director, after holding the position of CEO of Saudi Arabian Amiantit Company.

He is also Chairman and a board member of several companies inside and outside the Kingdom of Saudi Arabia, and has managed several companies specializing in the industrial, agricultural, and investment sectors. Dr. Al-Tuwaijri enjoys an experience spanning more than 25 years in the fields of investment and business development, having held several senior leadership positions throughout his illustrious professional career. Dr. Sulaiman Al-Tuwaijri holds a PhD from Case Western Reserve University in the United States, and a Master's degree in Accounting from the University of Illinois, in addition to a Bachelor's degree from King Fahd University of Petroleum and Minerals. He has also received many prestigious awards and honors during his career.

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### **Martin Tricaud - Vice Chairman and Member of the Nominations and Remuneration Committee**



Martin Tricaud holds the position of Head of Investment Banking for First Abu Dhabi Bank (FAB) Group, the largest bank in the United Arab Emirates. He is also a member of the Executive Committee of the Bank's Board and Chairman of FAB Switzerland. Martin has extensive experience exceeding 30 years in banking and corporate finance, during which he worked for a selection of global financial institutions. Through his position at FAB, Martin is responsible for managing and developing investment banking at the group level, and supervising coverage for global corporates, financial institutions, global corporate finance, and global markets.

Through his position, Martin focuses on business expansion at the regional level, where he led the development of FAB's products, offerings, and client coverage model. He contributes to consolidating FAB's position as a prestigious regional financial institution in investment banking, and played a key role in developing FAB's ESG report. Prior to joining FAB, Martin held several senior management positions at a group, including Vice Chairman and CEO of the bank in the MENAT region. He also served as Group General Manager in and served as CEO of the bank in Australia and Korea, alongside several senior positions over two decades in "SH CB Global Banking and Markets" in the Middle East, UK, and Europe. Martin currently serves as the Vice Chairman of FAB Capital Financial Company in the Kingdom of Saudi Arabia. He is a member of the Board of Trustees of the "Paris II Panthéon-Assas" Sorbonne University, and was appointed by special decree of the French Prime Minister as a counselor for French foreign trade in 2001. Martin graduated from the Institute of Political Studies in Paris, holds a Master's degree in Law from the Sorbonne University in Paris, and a Bachelor's in History from Paris Nanterre University. Martin has resided in the Middle East (UAE and Egypt) for about 12 years.

### Waleed bin Mohammed bin Ahmed Al-Othaimin - Independent Member and Member of the Internal Audit Committee



Waleed Al-Othaimin holds the position of Board Member and Chairman of the Audit Committee at FAB Capital and is also the CEO of Saudi Gas Cylinder Factory (ENAGAS). He has more than 33 years of experience in the financial and accounting field, which began at the Eastern Petrochemical Company (SHARQ), a SABIC subsidiary, and finally as CEO at the Saudi Gas Cylinder Factory, one of the largest factories in the region. He is also a board member and audit committee member in several companies in the fields of insurance, industry, real estate, and investment. Mr. Waleed holds a Bachelor's degree in Industrial Management, majoring in Accounting, from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia.

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### Guy Smith – Board Member



Guy Smith holds the position of Senior Managing Director and Head of Global Corporate Finance within the Investment Banking Group at First Abu Dhabi Bank. In his position, Smith oversees the origination, structuring, and distribution of deals in debt capital markets and loan capital markets, in addition to solutions and advice related to capital markets and securities services. His responsibilities also include the bank's syndicated loan portfolio. This department provides its services to FAB's investment banking clients globally. Smith has more than 25 years of experience in the corporate finance and global investment services sector. Before joining First Abu Dhabi Bank (FAB), he worked at "Nomura" Group in Hong Kong, where he led public and private capital markets and financing solutions as Head of Client Financing and Solutions in Asia (ex-Japan).

Prior to that, he managed debt arrangement operations, including debt capital markets, structured finance, M&A activities, and private credit. He was also a member of the Global Investment Banking Executive Committee. Before joining "Nomura," Smith held several leadership positions at Barclays Investment Bank in London, New York, and Hong Kong, including managing regional business activities in debt origination, financial sponsor coverage, loan capital markets, and leveraged finance. He previously worked at the Singaporean multinational technology company "Grab," gaining exceptional experience in fundraising, M&A, investor relations, and other vital sectors including operational finance, strategy, and business management.

### **Fahad Al-Juaidi - Board Member and Member of the Nomination and Remuneration Committee**



Fahad Al-Juaidi serves as the Regional Head in the Kingdom of Saudi Arabia for First Abu Dhabi Bank (FAB), the largest bank in the United Arab Emirates; he also chairs the Foreign Banks Committee of the Saudi Central Bank and is a member of the Board of Directors of FAB Capital. Al-Juaidi has more than 20 years of experience in the financial services and advisory services sector. His duties at FAB include leading and growing the Bank's operations in the Kingdom across corporate, retail, and investment banking sectors. In his work, Al-Juaidi focuses on accelerating the pace of the Bank's business growth and developing its operational activities in the Kingdom, in conjunction with his primary role in implementing regulatory compliance practices. Prior to joining FAB, Al-Juaidi held several senior management positions in prominent institutions such as the World Bank and Boston Consulting Group in both the USA and France, as well as Riyadh Bank and Al Rajhi Takaful. Al-Juaidi holds a degree from George Washington University and two degrees from the American University in Washington, D.C. He has participated in several executive management programs, including those at Harvard and Stanford Universities. Fahad Al-Juaidi spent more than 20 years of his life residing in the United States and Europe.

### **Subramanian Iyer - Board Member and Member of the Audit Committee**



Subramanian Iyer holds the position of Vice President of Risk Management at First Abu Dhabi Bank (FAB); he has more than 25 years of experience in the banking sector in the areas of risk management, treasury, asset management, and debt. In addition to financing operations in several banks, financial institutions, and leading companies in the United Arab Emirates and India. Iyer's current duties include developing precise practices consistent with the Enterprise Risk Management framework at FAB, including international branches and subsidiaries. He also leads various operations related to market and liquidity risk, funds transfer pricing, enterprise risk management, and business model development. He previously held several positions, including Acting Group Head of Compliance. In addition, he collaborates with various departments concerned with corporate banking services and solutions at the Bank to prepare strategies and set budgets. He is a member of several management committees within the Bank, including the Group Risk Committee, Asset and Liability Committee, Investment and Valuation Committee, Model Risk Management Committee, and the Board Audit Committee in the Kingdom of Saudi Arabia. He is consistently invited to the FAB Group Risk Committee and the ESG Committee. Before joining FAB, Subramanian Iyer worked in several positions in the areas of risk management and treasury within the banking sector, and served as Chief Financial Officer for several companies in India. Iyer holds a Bachelor's degree in Mathematics and Statistics from Mumbai University and an MBA in Finance. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India.

## 8. Board meetings and attendance records for each meeting

Four Board meetings were held during the year 2025. The table below shows the attendance record of Board members for the Board sessions held during 2025 (total of 4 meetings):

| Member Name                            | 1 <sup>st</sup> Meeting<br>14/03/2025 | 2 <sup>nd</sup> Meeting<br>25/06/2025 | 3 <sup>rd</sup> Meeting<br>30/09/2025 | 4 <sup>th</sup> Meeting<br>12/12/2025 | Total |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-------|
| Dr. Sulaiman bin Abdulaziz Al-Tuwaijri | ✓                                     | ✓                                     | ✓                                     | ✓                                     | 4/4   |
| Mr. Martin Tricaud                     | ✓                                     | ✓                                     | ✓                                     | ✓                                     | 4/4   |
| Mr. Waleed bin Mohammed Al-Othaimin    | ✓                                     | ✓                                     | ✓                                     | ✓                                     | 4/4   |
| Mr. Guy Smith                          | ✓                                     | ✓                                     | ✓                                     | ✓                                     | 4/4   |
| Mr. Fahad bin Mishal Al-Juaidi         | ✓                                     | ✓                                     | ✓                                     | ✓                                     | 4/4   |
| Mr. Subramanian Iyer                   | ✓                                     | ✓                                     | ✓                                     | ✓                                     | 4/4   |

## 9. Interests of Board Members or Related Persons

The Company did not enter into any contracts in which there was a material interest for any Board member, the Chairman, the CFO, or any person related to any of them.

## 10. Remunerations and Compensations of Board Members and Senior Executives

Remunerations paid to Board members and senior executives during the year 2025 are as follows:

### Board and Committee Members: (SAR Thousand)

| Statement  | Executive Board Members * | Non-Executive Board Members | Independent Board Members |
|--|---------------------------|-----------------------------|---------------------------|
| Board meeting attendance allowance                                   | 0.00                      | 0.00                        | 650                       |
| Committee meeting attendance allowance                               | 0.00                      | 0.00                        | 0.00                      |
| Periodic and annual bonuses  | 0.00                      | 0.00                        | 0.00                      |
| Incentive plans  | 0.00                      | 0.00                        | 0.00                      |
| Any other compensations or in-kind benefits paid monthly or annually | 0.00                      | 0.00                        | 0.00                      |
| <b>Total SAR</b>   | <b>0.00</b>               | <b>0.00</b>                 | <b>650</b>                |

In their capacity as Board members.\*

### Senior Executives: (SAR Thousand)

| Statement  | Five senior executives who received the highest remuneration and compensation, plus the CEO and CFO if not among them |
|--|---|
| Salaries and wages   | 4,429   |
| Allowances   | 2,779   |
| Periodic and annual bonuses  | 1,440   |
| Incentive plans  | 0   |
| Commissions  | 0   |
| Any other compensations or in-kind benefits paid monthly or annually | 0   |
| <b>Total SAR</b>   | <b>8,648</b>  |

Furthermore, there are no arrangements or agreements under which any Board member or senior executive waived any salary or compensation.

## 11. Board of Directors' Declarations

The Board of Directors declares the following:

1. That accounting records were correctly prepared.
2. That the internal control system was prepared on sound bases and has been effectively implemented.
3. That there is no significant doubt regarding the Company's ability to continue its activities.

## 12. Board Committees and Their Jurisdictions

First: Audit Committee, composed of the following members:

| Member Name            | Title              |
|------------------------|--------------------|
| Mr. Waleed Al-Othaimin | Committee Chairman |
| Mr. Frederic Serpol    | Committee Member   |
| Mr. Subramanian Iyer   | Committee Member   |

The committee performs its main tasks aimed at ensuring the soundness, integrity, transparency, and independence of all operations and business of the Company and its subsidiaries, in line with the requirements of the laws and regulations of the Ministry of Commerce and Investment, the laws and regulations of the Capital Market Authority, and related laws and regulations, as well as the requirements of relevant global professional standards, achieving and enabling the Board of Directors to carry out its entrusted responsibilities to safeguard shareholder rights.

The number of meetings of the committee during the year 2025 AD amounted to (3) meetings.

| Member Name            | 1 <sup>st</sup> Meeting 24/03/2025 | 2 <sup>nd</sup> Meeting 12/12/2025 | 3 <sup>rd</sup> Meeting 15/12/2025 | Total |
|------------------------|------------------------------------|------------------------------------|------------------------------------|-------|
| Mr. Waleed Al-Othaimin | ✓                                  | ✓                                  | ✓                                  | 3/3   |
| Mr. Frederic Serpol    | ✓                                  | ✓                                  | ✓                                  | 3/3   |
| Mr. Subramanian Iyer   | ✓                                  | ✓                                  | ✓                                  | 3/3   |

**The Audit Committee's duties are summarized as follows:**

- Supervising the Company's internal audit department to verify its effectiveness in executing the works and tasks defined by the Board of Directors.
- Studying the internal control system and preparing a written report on its opinion and recommendations regarding it.
- Studying internal audit reports and following up on the implementation of corrective actions for the observations contained in these reports.
- Recommending to the Board of Directors the appointment and dismissal of legal accountants and determining their fees, ensuring independence when recommending appointment.
- Following up on the work of legal accountants and approving any work outside the scope of the audit tasks assigned to them during their audit work.
- Studying the audit plan with the legal accountants and providing observations on this plan.
- Studying the chartered accountant's observations on the financial statements and following up on what was approved regarding them.
- Studying the interim and annual financial statements before presenting them to the Board of Directors and providing an opinion and recommendations regarding these statements.
- Studying the adopted accounting policies and providing an opinion and recommendation to the Board of Directors regarding them.
- Appointing, changing, or dismissing the Internal Audit Manager.
- Meeting separately with the Internal Audit Manager to discuss any matters binding for discussion according to the opinion of the Audit Committee or internal audit.
- Reviewing the effectiveness of the system for monitoring conformity and compliance with laws and regulations, the results of management investigation, and follow-up in any cases of non-compliance, including taking disciplinary actions.
- Reviewing the results and observations of regulators and auditors regarding all matters related to conformity and compliance.
- Periodically obtaining updates from senior management and the compliance department regarding matters related to commitment and compliance with laws and regulations.
- Reviewing and evaluating the committee charter, requesting Board approval for proposed amendments, and ensuring appropriate disclosure as may be required by law or regulations.

Audit Committee / The Committee Chairman is responsible for periodically evaluating whether the purpose, authority, and responsibility of internal audit activities, as defined in the charter, remain adequate to enable the Committee to achieve its objectives. It is also responsible for communicating annually with senior management and the Board regarding evaluation results (in the form of a written report). The Audit Committee has the authority to conduct or delegate special projects or investigations it deems necessary to perform its duties and responsibilities, as well as the authority to seek advice from independent external parties, accountants, and others to assist in conducting any investigation.

**Second:** Nomination and Remuneration Committee, composed of the following members:

| Member Name                            | Title                   |
|--|-------------------------|
| Dr. Sulaiman bin Abdulaziz Al-Tuwaijri | Committee Chairman      |
| Mr. Martin Tricaud                     | Committee Vice Chairman |
| Mr. Fahad bin Mishal Al-Juaidi         | Committee Member        |

The number of committee meetings during the year 2025 was (1) meeting:

| Member Name                            | 1 <sup>st</sup> Meeting 12/12/2025 AD | Total |
|--|---------------------------------------|-------|
| Dr. Sulaiman bin Abdulaziz Al-Tuwaijri | ✓                                     | 1/1   |
| Mr. Martin Tricaud                     | ✓                                     | 1/1   |
| Mr. Fahad bin Mishal Al-Juaidi         | ✓                                     | 1/1   |

**The Committee's duties are summarized as follows:**

- Recommending to the Board of Directors nominations for Board membership with candidates capable of enhancing the Board's ability to manage and direct the Company's affairs effectively according to approved policies and standards.
- Annual review of the requirements for appropriate skills for Board membership and preparing a description of the required capabilities and qualifications.

**For Board membership, including but not limited to:**

- Integrity, credibility, and responsibility.
- Successful experience in leadership.
- Administrative and practical acumen.
- Ability to allocate necessary time to perform the responsibilities dictated by Board membership.
- Reviewing the Board structure and submitting recommendations regarding changes that can be made.
- Identifying weaknesses and strengths in the Board and proposing remedies consistent with the Company's interest.
- Annually verifying the independence of independent members and the absence of any conflict of interest if the member holds a board membership in another company.
- Establishing clear policies for the compensation and remuneration of Board members and senior executives, ensuring that such policies use performance-related criteria.
- Approving the establishment and change of employee-related policies and incentive programs.
- Ensuring the existence of an introductory program on the Company's business for new Board members.
- Recommending the appointment of the Company's executive management (General Manager and above).
- The committee must perform other tasks or responsibilities assigned to it by the Board of Directors from time to time.

### 13. Penalties and Sanctions Imposed on the Company

There are no penalties, sanctions, precautionary measures, or preventive restrictions imposed on the Capital Market Institution.

## 14. Results of the Annual Review of the Effectiveness and Procedures of Internal Control

The Audit Committee of the Board of Directors of FAB Capital Financial (BAC) oversees the Bank's third line of defense, which is the internal audit department, including external auditors, to provide a reasonable level of assurance regarding general controls, compliance levels, and the governance of these processes. For the fiscal year 2025, the Audit Committee of the Board of Directors of FAB Capital Financial approved the risk-based audit plan for all company activities and its various departments, ensuring the accuracy and effectiveness of the company's performance. The Audit Committee also held periodic meetings with the external auditor to discuss all matters related to the quantitative and qualitative aspects of the Bank's financial results, including financial statement disclosures and other matters related to its work.

### Signatures

The Board of Directors' report has been signed.



(Chairman of the Board)