

**BlackRock**

**BlackRock Saudi Arabia  
Board of Directors Annual Report for 2025**

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## **1. A Description of the Main Activities of BlackRock Saudi Arabia “BSA” or “The Company”**

The principal activities of BlackRock Saudi Arabia, as authorised and regulated by the Capital Market Authority (“CMA”) are to conduct the following activities:

1. Advising in Securities Business; and
2. Managing Investment & Operation of Funds.

## **2. Overview of BSA-Affiliated Companies**

The immediate parent company of BSA is BlackRock Group Limited (BGL). BGL is the sole shareholder of BSA. The ultimate parent company of BSA is BlackRock Inc., a publicly listed company on the New York Stock Exchange.

## **3. Description of the Plans and Decisions of BSA in 2025**

In 2025, BSA continued to carry out its licensed activities as a Capital Market Institution licensed by the CMA in accordance with the applicable regulatory frameworks, undertaking several strategic initiatives to support the continued development of BlackRock business in Saudi Arabia and more broadly across the region.

Utilising its licence to manage investments and operate funds, BSA made significant progress in delivering its product roadmap, reinforcing its regional investment management capabilities under the BlackRock Riyadh Investment Management platform (“BRIM”). By the end of 2025, this product roadmap included investment sub-management mandates in relation to a number of investment funds managed by third-party asset managers, both affiliates and non-affiliates, within the Kingdom of Saudi Arabia and internationally. In this capacity, BSA activities include supporting portfolio management and the implementation of investment strategies in accordance with the relevant mandates and applicable regulatory requirements.

These mandates include the provision of investment management services in respect of the following funds managed by third-party asset managers:

- A Separately managed account, holding a Systematic Active Equity fund, launched in Saudi Arabia, in January 2025.
- The BGF Systematic Islamic GCC Fund, domiciled in Luxembourg, launched in October 2025.
- A Separately managed account, holding an Index Equity fund, domiciled in KSA, in November 2025.

Additionally, BlackRock continues to manage the BlackRock Middle East Infrastructure Fund (“BMIF” or the “fund”) which was launched by it in August 2023. The fund is a dedicated vehicle investing in critical infrastructure across the Gulf Cooperation Council (GCC) countries. BSA also manage BMIF Feeder fund (B), domiciled in KSA which enables KSA investors, primarily government institutions, to invest in the fund.

In parallel, during the year, BSA continued to carry out fund distribution activities in relation to investment funds, primarily involving foreign domiciled funds offered to eligible investors in accordance with the applicable regulatory frameworks.

During the year, BSA further undertook a number of advisory mandates supported by its investment advisory license. These include advising financial institutions (clients) on the delivery of Multi Asset Strategic Solutions (“MASS”) mandates, including asset allocation and model portfolio solutions, as well as advising institutional clients on a range of strategic and high level projects under the Financial Market Advisory (“FMA”) umbrella.

Overall, 2025 was a year of execution and scale, marked by successful sub-managed fund launches, continued talent build-out, and delivery of high-impact advisory engagements, positioning BSA for continued growth in the Kingdom and the wider region.

**4. Composition of BSA Board of Directors and Classification of Its Members**

	<b>Member's Name</b>	<b>Position</b>	<b>Membership Classification</b>
1	H. E. Mr. Suliman Algwaiz	Chairman of the Board	Independent
2	Mr. Tarek Mahmoud	Vice Chairman of the Board	Non-Executive
3	Mr. Mohammed Al Issa	Member	Independent
4	Mr. Charles Hatami*	Member	Non-Executive
5	Mr. Yazeed Almubarak	Managing Director	Executive

\* Resigned from his position and approved by the shareholder on 30 June 2025.

**5. Names of Companies Inside and Outside the Kingdom of Which a Member of the Board of Directors of BSA Is a Member of Its Boards of Directors or One of Its Executives**

<b>BSA Director</b>	<b>Additional Board Memberships</b>
H.E. Mr. Suliman Algwaiz	Saudi Industrial Investment Group
	Al Bawani
	Munajem Foods
	Saudi Awwal Bank
	Saudi Agriculture and livestock Investments Co. (Salic)
Mr. Tarek Mahmoud	BlackRock (Luxembourg) S.A.
	BlackRock Funds Management Company S.A.
Mr. Mohammed Al Issa	Savola Group
	International Medical Center (IMC)
	STC Bank
Mr. Charles Hatami	MIT Golub Center for Finance and Policy (Massachusetts Institute of Technology in MA)
	Lycee Francais de New York
	International Insurance Society
Mr. Yazeed Almubarak	Saudi Aramco Gas Pipeline Company*

\* The membership ended in March 2025.

**6. List of Board Meetings and Committees**

**a. Board Meetings**

In 2025, the Board of Directors convened five times. The following outlines the meeting dates and the corresponding attendance records for each Board member throughout the year:

	Member Name	Type of Membership	Date of Meetings					Eligible	Attended
			12 March 2025	20 March 2025	23 June 2025	30 September 2025	10 December 2025		
1	H.E. Mr. Suliman Algwaiz	Chair	✓	✓	✓	✓	✓	5	5
2	Mr. Tarek Mahmoud	Vice Chair	✓	-	✓	✓	✓	5	4
3	Mr. Mohammed Al Issa	Member	✓	✓	✓	✓	✓	5	5
4	Mr. Charles Hatami*	Member	✓	✓	-	-	-	3	2
5	Mr. Yazeed Almubarak	Managing Director	-	✓	✓	✓	✓	5	4

\* Resigned from his position and approved by the shareholder on 30 June 2025.

**b. BSA Audit Committee**

The Committee is composed of three members and is chaired by an independent member of the Board of Directors. In 2025, the Audit Committee convened twice. Below are the names of the Committee members, the dates of the meetings, and the attendance records for the year:

	Member Name	Membership Classification	Type of Membership	Date of Meetings		Eligible	Attended
				12 March 2025	03 September 2025		
1	Mr. Mohammed Alissa	Independent	Chair	✓	✓	2	2
2	Mr. Nicholas James Charrington*	Non-Executive	Member	✓	✓	2	2
3	Mr. Tarek Mahmoud	Non-Executive	Member	✓	✓	2	2

\* Resigned from his position on 04 December 2025.

The primary role of the BSA Audit Committee is to monitor the Company’s affairs and assist the Board with oversight of:

- (i) The integrity, effectiveness and accuracy of the Company’s financial statements and reports.
- (ii) The Company’s compliance with legal and regulatory requirements.
- (iii) The qualifications, independence and performance of the Company’s external auditor (the “Auditor”).
- (iv) The performance, soundness and effectiveness of the Company’s internal control, audit and financial reporting systems.
- (v) Reviewing assurance reports and monitoring the completion of management letter (“Management Letter”) points in respect of the Auditor’s audit of the Company.

**c. BSA Nomination Committee**

The Committee is composed of three members and is chaired by Non-Executive Director of the shareholder (BGL). In 2025, the Nomination Committee convened three times. Below are the names of the Committee members, the dates of the meetings, and the attendance records for the year:

	Member Name	Membership Classification	Type of Membership	Date of Meetings			Eligible	Attended
				12 March 2025	27 May 2025	26 November 2025		
1	Mr. Nicholas James Charrington*	Non-Executive	Chair	✓	✓	✓	3	3
2	H. E. Mr. Suliman Algwaiz	Independent	Member	✓	✓	✓	3	3
3	Mr. Mohammed Alissa	Independent	Member	✓	✓	✓	3	3

\* Resigned from his position on 04 December 2025.

The primary role of the BSA Nomination Committee is to:

- (i) Lead the process of nominating and evaluating the Directors and senior executives of the Company.
- (ii) Ensure the effectiveness and soundness of the Company’s Board and executive management structures and the relevant internal policies and procedures.

**d. BSA Remuneration Committee**

The Committee is composed of three members and is chaired by Non-Executive Director of the Shareholder (BGL). In 2025, the Remuneration Committee convened once during the year. Below are the names of the Committee members, the dates of the meeting, and the attendance records for the year:

	Member Name	Membership Classification	Type of Membership	Date of Meeting	Eligible	Attended
				12 March 2025		
1	Mr. Nicholas James Charrington*	Non-Executive	Chair	✓	1	1
2	H. E. Mr. Suliman Algwaiz	Independent	Member	✓	1	1
3	Mr. Mohammed Alissa	Independent	Member	✓	1	1

\* Resigned from his position on 04 December 2025.

The primary role of the Committee is to: in conjunction with the Management Development and Compensation Committee of BlackRock, Inc. (“MDCC”), assist the Board in the review and determination of the remuneration of Directors, members of the committees of the Board, and senior executives of the Company.

## 7. Remuneration Disclosure

Item	Executive Board Members	Non-Executive Board Members	Independent Board Members
	SAR	SAR	SAR
Allowance for attendance of the board of directors' sessions	-	-	-
Allowance for attendance of the committees' session			
Periodic and annual remunerations	-	-	-
Incentive plans	-	-	-
Any compensation or other in-kind benefits paid monthly or annually	-	-	-
Fees	-	-	1,425,000
<b>Total</b>		<b>1,425,000</b>	

**Note:**

Non-Executive Board Members are employees of BlackRock and as employees are not paid any specific fees for this role.

Item	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
	SAR
Wages and salaries <sup>1</sup>	5,141,700
Allowances	2,840,850
Periodic and annual remunerations <sup>2</sup>	24,119,000
Incentive plans <sup>3</sup>	106,286
Commissions	-
Any compensation or other in-kind benefits paid monthly or annually	-
<b>Total</b>	<b>32,207,836</b>

**Note:**

1The CEO is an Executive Member of the Board and is included in the top five Senior Executives. The CEO is an employee of BlackRock and as an employee he is not paid any fees for the role.

2 This includes annual bonuses (cash and shares) awarded in January 2026 in respect of the 2025 performance year.

3 This includes dividend equivalents paid on RSUs during the period.

## 8. Penalties, Litigations and Provisions

As at the date of this report, BSA is not party to any litigation, arbitration, or administrative proceedings, nor is it aware of any pending or threatening claims or investigations that may have a material adverse effect on its financial position or operations. BSA has not incurred any regulatory penalty or sanctions during the reporting period.

## 9. Internal Audit Control Procedures

The most recent audit of BSA was completed by BlackRock Internal Audit in Q3 2025, with five system and control issues identified. Action plans have been finalized by management, and remediation is expected to be complete by June 2026. The next planned audit of BSA is in 2028.

The Audit Committee's mandate includes overseeing the performance, soundness and effectiveness of the Company's internal control system, which includes reviewing, and considering the effectiveness of, the Company's internal control, financial, and risk management systems in addition, the committee performs roles related to the activities of internal control, audit, compliance and others that fall within the committee scope as per the approved terms of reference. Based on the aforementioned, the current control environment on the soundness and effectiveness of the Company's control systems, the Audit Committee believes that the controls and procedures that constitute the current Internal Control are **'sufficient'**.

## 10. Risk Management and Monitoring

BSA has implemented a Risk Management Framework (RMF), that addresses the management of significant and relevant risks which arise due to its business activities. Thus, the RMF of BSA differentiates between risks on company level ("Enterprise Risk") and those risks which are relevant to the asset under management ("Portfolio Risk") on an investment vehicle level. This includes the identification, the recording, the mitigation, the measurement, the management, the supervision of the relevant risks.

Policies and procedures or guidelines to manage these risks have been implemented in accordance to size, complexity and risk profile of BSA's business activities.

Enterprise Risk arises as the result of inadequate or failed internal processes, systems, people or business strategies, or external events, such as system failure or security breaches, regulatory compliance breaches including due to conduct risk, litigation, fraud, or the failure of key vendors or non-availability of business premises. It also includes risks arising from business decisions or improper implementation of business decisions.

These risks can impact the earnings or capital of the corporate entity directly, for instance through client reimbursement for operating errors, and may also impact BlackRock's reputation. Other enterprise risks include those that arise from market variables, such as asset prices and/or foreign exchange rates (which can have an adverse financial impact on BSA), liquidity risk (which arises from the inability of BSA to meet its obligations as they fall due), corporate credit risk and corporate tax risk. Within Enterprise Risk, Financial Risks, Operational Risks and Other Risks are defined as follows:

- Financial risks are associated with financial exposures and transactions of BSA. These risks typically have a financial impact, which can be positive or negative and are often the result of market-wide or systematic external events.
- Operational Risks are risks that arise from events or actions, other than financial transactions, that can negatively impact the operations, assets, or reputation of BSA. These risks may, but do not always have, an adverse financial impact, and are often the result of inadequate internal processes, controls, people or systems, or external events.
- Other Risks arise from business decisions or improper implementation of business decisions, employee behavior and external factors, for instance regulatory changes, structural industry changes, macro-economic conditions that can negatively impact operations, assets or reputation. These risks may, but do not always have, an adverse financial impact.

Portfolio Risk, depending on the business services provided through BSA, may arise from BSA's fiduciary responsibility to its clients and the risk of financial loss or adverse outcomes that the firm's clients could incur resulting from not meeting their expectations even if the portfolio positioning is in line with investment objectives, mandates and client guidelines. Portfolio risk is comprised of investment, fund liquidity, counterparty and valuation risks.

The management and oversight of related risks is aligned with the global RMF of BlackRock. A continuous oversight is aimed at identifying actual and potential risks for consideration in the actual risk profile.

Risk profiles of each of BSA’s key risks are assessed regularly. This considers whether the risk profile is ‘As Expected’, ‘Elevated’ or ‘High’. These are defined as follows:

- “As Expected”: Risks are tracking to expectations and risk tolerance, for instance the operating environment is likely to be stable and any emerging risks are well understood and not expected to be materially detrimental to the firm. No action is required by the risk owner.
- “Elevated”: Risks are above expectations and tolerance, for instance the operating environment is volatile and/or challenging, emerging risks are less well understood and may result in rapid changes. Risk owner should consider and/or undertake mitigating actions.
- “High”: Risks are significantly above expectations and tolerance, for instance the operating environment is very challenging, and emerging risks are expected to have a material and/or detrimental impact to the firm. Deliberate actions have been identified that need to be implemented to lower the firm’s potential exposure. Risk owner must and undertake mitigating actions.

The Board of Directors of BSA receives a regular Risk Profile Reporting providing an overview of the firm’s actual risk profile according to the key risk taxonomy.

**The table below contains an overview of the current BSA’s key risk categories:**

<b>Financial risks</b>	Market risk to operating margin
	Market risk to balance sheet (FX)
	Credit
	Capital Adequacy Risk
	Corporate liquidity
	Corporate tax
<b>Operational risks</b>	Internal Operations
	Third Party
	Technology Resilience
	Information Security
	Corporate Resilience
	Model
	Compliance
	Financial Crime
	People / Culture
	Financial Reporting
	Major Change
Product	
<b>Other risks</b>	Reputational
	Strategy / Business
	Conduct
	Public Policy
	Group
<b>Portfolio Risk</b>	Counterparty
	Fund Liquidity
	Investment
	Valuation

**11. BSA Annual Audited Financials**

Deloitte and Touche & Co. conducted an external audit of BSA's financial statements for the year ending 31 December 2025. The auditor's opinion concluded that the accounts presented fairly, in all material respects of the financial position of the Company. The auditor's report on BSA's annual financial statements did not include any reservations.

**a. Assets and Liabilities**

See Fig. 1 (Balance Sheet) and Fig. 2 (Income Statement) below. The information provided covers the period from 2021 of the entity and including the financial year ending 31 December 2025.

**b. Changes in Operational Results**

BSA's operating result moved to a loss of SAR 17.6 million for the year ended 31 December 2025, from a profit of SAR 9.3 million in 2024. This is primarily due to an increase in administrative expenses, mainly headcount related.

**12. Additional Disclosures****a. Loans**

BSA did not have any loans during the financial year ending 31 December 2025 (2024: Nil).

**b. Transactions between BSA and Its' Associates**

See Fig.3 (2025 Income and Expenses between BSA and its affiliates) and Fig. 4 (Related company transactions – Balance Sheet position) below.

**c. Business or Contracts**

During 2025, neither BSA's Board of Directors nor BSA's senior executives, or persons related to them, held an interest in any business or contracts to which BSA was a counterparty.

**d. Conflicts of Interest**

During 2025, neither BSA's Board of Directors nor BSA's senior executives, or persons related to them, have held any interest, contractual securities, or subscription rights in respect of BSA.

**e. Compensation Waivers**

Only independent directors receive compensation. Executive and non-independent members did not receive any amounts in consideration for their membership in the board of directors as these duties are seen to be part of their executive roles, for which they are already remunerated.

Fig. 1 Balance Sheet

Balance Sheet	SAR (000's)				
	31 Dec 2021 (Audited)	31 Dec 2022 (Audited)	31 Dec 2023 (Audited)	31 Dec 2024 (Audited)	31 Dec 2025 (Audited)
<b>Assets</b>					
Non-current assets	392	1,503	15,510	13,173	23,828
Current assets	69,425	81,611	99,592	121,472	160,343
<b>Total Assets</b>	<b>69,817</b>	<b>83,114</b>	<b>115,102</b>	<b>134,645</b>	<b>184,171</b>
<b>Liabilities</b>					
Non-current liabilities	730	378	5,948	5,829	8,340
Current liabilities	9,302	13,948	19,664	29,075	53,093
<b>Total Liabilities</b>	<b>10,032</b>	<b>14,326</b>	<b>25,612</b>	<b>34,904</b>	<b>61,433</b>
<b>Shareholders' Equity</b>	<b>59,785</b>	<b>68,788</b>	<b>89,490</b>	<b>99,741</b>	<b>122,738</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>69,817</b>	<b>83,114</b>	<b>115,102</b>	<b>134,645</b>	<b>184,171</b>

Fig. 2 Income Statement

Income Statement	SAR (000's)				
	2021 (Audited)	2022 (Audited)	2023 (Audited)	2024 (Audited)	2025 (Audited)
Total operating income/loss	9,342	11,363	25,313	11,642	(15,068)
Operating Expenses	(55)	(40)	(793)	(2,318)	(2,530)
<b>Operating Profit/(Loss)</b>	<b>9,287</b>	<b>11,323</b>	<b>24,520</b>	<b>9,324</b>	<b>(17,598)</b>
Finance costs	(17)	(30)	(330)	(285)	(280)
<b>Profit/(Loss) Before Tax</b>	<b>9,270</b>	<b>11,293</b>	<b>24,190</b>	<b>9,039</b>	<b>(17,878)</b>
Tax	(2,125)	(2,750)	(5,825)	(2,752)	2,096
<b>Profit/(Loss) After Tax</b>	<b>7,145</b>	<b>8,543</b>	<b>18,365</b>	<b>6,287</b>	<b>(15,782)</b>

**Fig. 3 Transactions Between BSA and Its Affiliates**

The Company and its related parties transact with each other in the ordinary course of business. Other group companies provide support in the discharge of certain investment management functions of the Company. The transactions with related parties are undertaken at mutually agreed terms which are approved by the management. Fee income and expenses relating to transactions with affiliates are reflected in the financial statements and are summarised below.

<b>Income</b>	<b>SAR (000's)</b>	
	<b>31 Dec 2024</b>	<b>31 Dec 2025</b>
<b>Fee Income</b>	<b>48,057</b>	<b>61,602</b>
BlackRock Investment Management (UK) Limited	31,344	37,119
BlackRock Financial Management, Inc.	3,865	11,923
BlackRock France SAS	10,037	7,807
BlackRock Alternatives Management, LLC	(566)	1,313
Global Energy and Power Infrastructure II Advisors, L.L.C	877	906
BlackRock Fund Managers Limited	440	905
BlackRock (Netherlands) B.V.	0	791
BlackRock International Limited	692	679
BlackRock Asset Management Ireland Limited	361	107
BlackRock Institutional Trust Company, N.A.	243	41
Global Infrastructure Management, LLC	0	11
BlackRock Asset Management Schweiz AG	754	0

<b>Expenses</b>	<b>SAR (000's)</b>	
	<b>31 Dec 2024</b>	<b>31 Dec 2025</b>
<b>Cost of Sales</b>	<b>17,231</b>	<b>33,665</b>
BlackRock Investment Management (UK) Limited	7,565	12,556
BlackRock Financial Management, Inc.	1,001	9,183
Prestadora de Servicios Integrales BlackRock Mexico, S.A. de C.V.	7,118	7,521
BlackRock Advisors (UK) Limited – Dubai Branch	0	1,363
BlackRock Asset Management North Asia Limited	0	1,351
BlackRock (Netherlands) B.V. – Frankfurt Branch	0	929
BlackRock Advisors (UK) Limited – Abu Dhabi Branch	0	682
BlackRock Advisors (UK) Limited	0	81

BlackRock Asset Management Schweiz AG	1,547	0
BlackRock (Netherlands) B.V.	0	(1)
<b>Administrative Expenses</b>	<b>10,313</b>	<b>19,689</b>
BlackRock Investment Management (UK) Limited	5,575	8,552
BlackRock Financial Management, Inc.	3,945	7,837
BlackRock Advisors (UK) Limited – Dubai Branch	49	1,469
BlackRock Institutional Trust Company, N.A.	224	908
BlackRock Regional Headquarters Company	0	418
BlackRock Advisors (UK) Limited – Abu Dhabi Branch	0	165
BlackRock France SAS	82	137
BlackRock Asset Management North Asia Limited	16	37
BlackRock Asset Management Schweiz AG	48	36
BlackRock (Netherlands) B.V. – Paris Branch	141	28
BlackRock Advisors (UK) Limited	0	28
BlackRock Investment Management, LLC	0	27
BlackRock Fund Advisors	212	18
BlackRock (Netherlands) B.V. – Copenhagen Branch	14	15
BlackRock International Limited	0	13
BlackRock (Netherlands) B.V. – Frankfurt Branch	0	1
BlackRock Fund Services Group, LLC	7	0

**Fig. 4 BSA Affiliate transactions – Balance Sheet Positions**

The Balance Sheet positions arising from transactions between BSA and its affiliates are reflected in the table below.

<b>BSA Affiliate Transactions – Balance Sheet Positions</b>	<b>SAR (000's)</b>	
	<b>31 Dec 2024</b>	<b>31 Dec 2025</b>
Amounts due <b>from</b> other BlackRock entities	12,459	15,347
Amounts due <b>to</b> other BlackRock entities	10,185	18,201