



State Street Saudi Arabia Financial Solutions Company Annual Report for the Board of Directors for the Year 2024

Business Overview:

State Street Saudi Arabia Financial Solutions ("SSSAFS" or the "Company") is a non-banking financial services joint stock company with share capital SAR 108,750,000 regulated by the Capital Market Authority license number 19208-35 and commercial registration number 1010637423 authorized to provide client portfolio management (excluding real estate), custody, advisory and dealing as agent services to predominately Government (exempt), quasi-government, supranational, institutional clients and sophisticated investors. SSSAFS is ultimately owned and controlled by State Street Corporation ("SSC"), a Massachusetts-chartered bank holding company. State Street will deliver product and services of two main divisions via SSSAFS: Global Services and Global Advisors.

As part of the strategic direction to enhance local presence and expand the company's operations in the Kingdom of Saudi Arabia and the Kingdom of Bahrain, Mr. Majed Al Hassoun was appointed as Country Head for Saudi Arabia and Bahrain on 17 December 2024, to lead and execute the firm's Investment Services and Global Advisors strategy in the region.

Mr. Majed Al Hassoun brings over twenty years of experience in the financial services sector. His appointment represents a pivotal step in accelerating growth and strengthening relationships with regulatory bodies and financial institutions in the target markets. He also serves as the Chief Executive Officer of State Street Saudi Arabia Financial Solutions, overseeing the company's compliance with all legal and regulatory requirements.

Business Performance & Strategic Performance:

As a leading global financial institution with capabilities spanning the entire investment lifecycle, cutting edge financial services infrastructure and a long track record of successfully managing and servicing sovereign wealth and institutional pension assets, State Street is well placed to contribute to and benefit from the economic growth and liberalization, structural and social reforms arising under Vision 2030 and the Financial Sector Development program.

Job creation and training, knowledge transfer of State Street's global expertise and (together with other key financial market participants) assisting the Kingdom to become an internationally competitive financial centre are all areas where State Street is, and will continue to contribute to the Kingdom in a meaningful way. State Street sees growth potential across our custody, asset management, transition management and fund distribution products and services in line with the increase in available assets for both government and non-Government clients, the development of the local asset management market, increased foreign investment in local debt and equity markets and the inclusion of Saudi Arabia in both the FTSE and MSCI Emerging markets indices.

Our strategy is to leverage the strength of our broad, well established investment servicing, custody and asset management expertise, our products and services and a our local presence through our fast growing, Riyadh based affiliate State Street Saudi Arabia Financial Solutions to increase Saudi client engagement and local market participation and increase our profile in the Kingdom. Our strategy is to increase market share through increases in Assets under Custody and Assets under Management, respectively, for existing clients together with net new assets across both custody and asset management.

We are working with existing clients to increase the scope of the services we currently provide and to bundle complementary products and services to their existing mandates leveraging our local capabilities in the Kingdom as well

as our global, interoperable front-to-back platform to deliver greater efficiencies, superior analytics and actionable insights from portfolio construction to custody.

For portfolio management we are competing by applying our strong heritage in core indexing, active quant equity and investment solutions to identified local market needs ranging from Saudi equities and bonds to Sharia-compliant / Islamic-screened bespoke solutions. We complement these efforts by actively targeting institutional clients (private banks, wealth / asset managers) and sophisticated investors (OCIO and family offices) with our white-labelled / sub-advisory capabilities as well as identifying State Street's pooled funds to distribute directly and/or via a partnership with local Capital Market Institutions.

As we continue our commitment to the Kingdom, we have made significant transformational actions to our local presence. These commitments include:

- a) We have expanded our office size to include over 20 staff members in Riyadh, with ambitious growth plans ahead. This includes client-facing roles, portfolio managers, control functions, and subject matter experts.
- b) Launching local portfolio management to manage Saudi Equity portfolios
- c) Moved into a new office in Tadawul Building, King Abdullah Financial District
- d) Became a strategic sponsor of Future Investment Initiative for 8th edition
- e) We are in the process of launching a Regional Headquarter in Riyadh in 2025 to comply with the Government and Clients' requirements

Board of Directors' Membership in Other Companies:

#	Name	Classification	Membership in other companies
1	Khalid Al Yahya	<ul style="list-style-type: none"> Independent Non-Executive 	Advisory board member – IBM Board member – Saudi Management Consultants Association – non-profit association
2	Haifa Al Khaifi	<ul style="list-style-type: none"> Independent Non-Executive 	Omani British Society Board Vice-Chair and General Secretary
3	Majeed Al Abduljabbar	<ul style="list-style-type: none"> Independent Non-Executive 	Board Member National Financing Support Services
4	Emmanuel Laurina	<ul style="list-style-type: none"> Non-Independent Non-Executive 	
5	Stefan Gmuer	<ul style="list-style-type: none"> Non-Independent Non-Executive 	State Street Holdings Germany GmbH – Executive Directorship
6	Oliver Berger	<ul style="list-style-type: none"> Non-Independent Non-Executive 	

7	Abdullah Bakhrebah	<ul style="list-style-type: none"> • Non-Independent • Non-Executive 	Board Member Riyadh Al Sawalim, Casablanca, Morocco Board Member Asma Club, Casablanca, Morocco
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Board Meetings and Attendees:

During 2024, the Board conducted four meetings:

#	Name	Meeting No (1) 19 March 2024	Meeting No (2) 22 July 2024	Meeting No (3) 24 September 2024	Meeting No (4) 17 December 2024
1	Dr. Khalid Al Yahya	√	√	√	√
2	Haifa Al Khaifi	√	√	√	√
3	Majeed Al Abduljabbar	√	√	√	√
4	Emmanuel Laurina	√	√	√	√
5	Stefan Gmuer	√	√	√	√
6	Oliver Berger	√	√	√	√
7	Abdullah Bakhrebah	√	√	√	√

Board of Directors' Committees:

Audit Committee

During 2024, the Audit Committee conducted two meetings:

#	Name	Meeting No (1) 23-Mar-2024	Meeting No(2) 07-Dec-2024
1	Khalid Al Yahya ¹	√	√
2	Haifa Alkhaifi	√	√
3	Scott Sanderson	√	√

The responsibilities of the Committee shall be:

Information Classification: General

Information Classification: Limited Access

- Review the work of the independent external auditor, including the audit plan.
- Review practices designed to ensure the Company's environment provides adequate audit independence and freedom for the internal auditors to act.
- Review and recommend the annual internal audit work program and monitor its implementation.
- Review significant findings and recommendations of regulatory reports of examination, independent external auditor management letters, and internal audit reports and (where applicable) management's responses thereto.
- Review with the independent external auditor and where requested, the Company's internal auditor as well with financial and accounting personnel, the adequacy and effectiveness of the accounting policies and financial controls of the Company.
- Review the financial statements, including management's assertions on internal controls and the appropriateness of the going concern assertion with management and representatives from the independent external auditor to determine that the independent external auditor is satisfied with the content and disclosure of the financial statements.
- Provide appropriate regular reports to the Board of Directors.
- Investigate other matters that are brought to the attention of the Committee within the scope of its duties, and its judgement as appropriate.

Risk & Compliance Committee:

During 2024, Risk & Compliance Committee conducted four meetings:

#	Name	Meeting No (1) 13 March 2024	Meeting No (2) 16 July 2024	Meeting No (3) 16 September 2024	Meeting No (4) 12 December 2024
1	Majeed Al Abduljabbar (Chair)	√	√	√	√
2	Abdullah Bakhrebah ¹	√	√		
3	Gorges Hanna ²				
4	Karen Brooks	√	√	√	√
5	Bayan Bin Zarah	√	√	√	√
6	James Cameron	√			√
7	Björn Trundowski	√	√	√	√
8	Nour Al Faifi (Secretary)	√	√	√	√

¹ Resigned as Chief Executive Officer May 2024

² Appointed as Acting Chief Executive in October 2024

The responsibilities of the Committee shall be:

- Review and approve the Company's risk and compliance policies;
- Review and ratify State Street risk and compliance policies and guidelines to ensure applicability to Company;
- Review and ratify State Street policies or programs governing identification, analysis, and control of material risk and compliance issues;
- Review the annual MLRO report;
- Review the Company's overall current and future risk appetite and monitor its implementation by the Company's senior management;
- Review, direct action on, and monitor periodic reporting and management information on the Company's risk issues, trends, practices, loss events and indicators that have significant or cross business implications, as appropriate;
- Oversee and act on any matter which may raise potential legal, regulatory or conduct risks for the Company; Where relevant approve the liquidity risk guidelines and the Individual Liquidity Adequacy Assessment;
- Review and challenge outputs of risk programs (e.g., Integrated Non-financial Risk Assessment (INFRA), Material Risk Identification (MRIs), and communicate program timelines to ensure target deadline are met;

Information Classification: General

Information Classification: Limited Access

- Review the prices of liabilities and assets offered to clients take fully into account the Company's
- Where prices do not properly reflect risks in accordance with the Company's business model and risk strategy, prepare a remedy plan and present it to the Board for review;
- Examine whether incentives provided to Company employees take into consideration risk, capital, liquidity and the likelihood and timing of earnings, escalating to the Remuneration Committee as appropriate;
- Review any escalated item from the Remuneration Committee;
- Provide appropriate regular reports, and escalate significant matters, to the Board of Directors.
- Investigate other matters that are brought to the attention of the Committee within the scope of its duties, and its judgement as appropriate

Remuneration Committee:

During 2024, the Remuneration Committee conducted three meetings:

#	Name	Meeting No (1) 05 February 2024	No (2) 28 August 2024	Meeting No (3) 09 December 2024
1	Haifa Alkhaifi	√	√	√
2	Majeed Al Abduljabbar ¹	√	√	√
3	Paul Taylor	√	√	√

The responsibilities of the Committee shall be:

- to approve the remuneration policy (the "Remuneration Policy") applicable to the executive members of the Board and the Executive Management of the Company (the "Management") on an annual basis;
- to oversee the implementation and operation of the Remuneration Policy within the Company;
- to oversee compliance with any applicable remuneration regulatory requirements, including those that have implications for risk and risk management;
- to review and endorse the Management's fixed and variable compensation, as well as any benefits and special recruitment or lay-off programs; and
- to review and approve an annual report containing the remuneration information as and to the extent required under applicable laws and regulations.

Nomination Committee:

During 2024, 1 meeting was held.

#	Name	04 November 2024
1	Haifa Alkhaifi (Chair)	√
2	Dr Khalid Al Yahya	√
3	Oliver Berger	√
4	Nour Al Faifi (Secretary)	

The responsibilities of the Committee shall be:

- Engage a broad set of qualities and competences when recruiting members to each the Board;

- Prepare a description of the role and capabilities required for any Board vacancy and assess the level of time commitment required;
- Identify and recommend for approval by the relevant Board potential candidates for any intra-term Board vacancy, having evaluated the balance of knowledge, skills, diversity and experience of the existing Board members;
- Periodically and at least annually assess the knowledge, skills and experience of individual members of the Board and the Board collectively and provide a report to the relevant Board;
- Periodically review the policy for selection and appointment of senior management of the Company and make recommendations to each Board on the same;
- To the extent possible, take into account the need to ensure that each Board's decision making is not dominated by one individual or small group of individuals in a way that is detrimental to the Company; and
- Provide appropriate regular reports to the Board.

Board & Executive Remuneration for the Year 2024:

Statement	Executive Board Members	Non-Executive Board Members	Independent Board Members
Allowance for attendance of the board of directors' sessions			SAR 409,071
Allowance for attendance of the committees' sessions			SAR 172,018
Periodic and annual remunerations			
Incentive plans			
Any compensations or other in-kind benefits paid monthly or annually			
Total:			SAR 581,089

Statement	SSSAFS CEO, CFO and CCO
Salaries and wages	SAR 2,202,625
Allowances	SAR 746,000
Periodic and annual remunerations	
bonus	SAR 1,176,734
Commissions	
Any compensations or other in-kind benefits paid monthly or annually	
Total:	SAR 4,125,359

There are no arrangements or agreements whereby a State Street Saudi Arabia Financial Solutions board member or a senior executive waives any compensation or remuneration.

The Interests of Members of the Board of Directors and Senior Executives in State Street Saudi Arabia Financial Solutions

There is no interest and contractual securities and rights issue belonging to the board members and senior executives and their relatives in shares or debt instruments of State Street Saudi Arabia Financial Solutions during 2024.

Annual Audit Assessment of the Effectiveness of State Street Saudi Arabia Financial Solutions & The Opinion of the Audit and Risk and Compliance Committees:

The Audit Committee and Risk and Compliance Committee recognise that enhancements are required to the overall control environment of the entity, however, there are no material regulatory gaps or material weaknesses in the firm's activities during the fiscal year 2024. It is important to note, however, that any internal control system - regardless of its design compatibility and application effectiveness - cannot provide absolute assurance. One internal audit review was executed in 2024, which was rated as (Unsatisfactory).

Risk Management:

The Risk Management Framework ("RMF") enables identifying, managing, assessing, mitigating, monitoring and reporting of risks in compliance with applicable regulatory requirements and internal guidelines. In addition to general oversight, the risk governance process ensures all staff perform their duties in accordance with the RMF by defining roles, segregating duties, assigning authority to individuals/committees/Boards for approval of key risks, risk appetite and actions for risks outside of appetite. The RMF is aligned with the SSC corporate Risk Appetite Statement ("RAS") and where relevant, adapted to the specific needs and requirements of the Company, including compliance with its own risk policies as well as all applicable SSC corporate risk policies and guidelines.

The key purpose of the RMF is to ensure that the Company's risks are:

- Proactively identified: Risks cannot be managed unless they are first identified. The first step in identifying risks is to define the risk universe, which is done using the risk taxonomy;
- Well understood: Once the risks are identified, their nature needs to be understood in terms of underlying causes and how individual risks manifest themselves. The ability to measure risks in terms of likelihood and impact is a key part of being able to monitor the risk profile; and
- Prudently managed: Ultimately, the Company works to ensure that risk-taking falls within the Board approved appetite and conforms to applicable policies, limits and guidelines.

Credit risk

Credit Risk is the risk of loss arising from the default of a customer, client or counterparty. SSSAFS does not make use of credit risk mitigation arrangements. The Company does not hold credit risk provisions. No collateral or netting has been taken in support of any transaction as at 31st December

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, human error and systems or from external events. Operational risk also includes fiduciary risk and legal risk. Operational risk is recognized as a critical risk for Company's operations and receives Senior Management focus. The Company seeks to effectively manage Operational risk in support of achieving its objectives and to fully comply with all regulatory requirements. Included as part of Operational risk is the business conduct that encompasses the failure to meet regulatory and contractual obligations, fiduciary and other legal duties, policies and standards, corporate culture and standards of ethical business conduct. Information

Technology risk (including cyber security), compliance risk and model risk are also considered as sub sets of Operational risk for capital allocation purposes. Contracts and/or Service Level Agreements are in place with service providers.

The Company seeks to mitigate Operational risk by implementing a strong control environment and proactive risk management framework. The Company works within the framework of SSC's Operational

Risk Policy and Operational Risk Guidelines as adopted by SSSAFS and operational procedures adopted by the business units. These documents codify State Street's approach to Operational risk and describe the cycle to identify measure, monitor, evaluate and report Operational risks, which together support all decision-making processes.

Concentration risk

Concentration Risk may arise from exposures to each counterparty, including central counterparties, groups of connected counterparties and counterparties in the same economic sector, geographic region or from the same activity or commodity; the application of credit risk mitigation techniques; and risks associated with large indirect credit exposures, such as a single collateral issuer.

Given the size, scale and scope of SSSAFS's business lines, it is unlikely to experience concentration to a single customer or client type. Diversification across businesses, geographical sectors, and risk types is an important consideration in managing risk and reducing earnings volatility. SSSAFS also strives to avoid undue exposure and risk concentration in its activities in the ordinary course of business and in the event of geopolitical, macroeconomic and market shocks.

Concentration risk is more likely to occur in SSSAFS's exposure to financial institutions where funds are held on deposit. The risk from concentration of deposits with financial institutions is managed by monitoring

the percentage of aggregate cash balances held with a single counterparty and considering how this relates to the risk appetite of the Company.

Liquidity risk

Liquidity risk is defined as the inability to repay maturing liabilities, accommodate customers' transaction and cash management requirements as well as meet other funding commitments. The Company has adopted the Global Liquidity Policy, which sets out a broad structure for principal liquidity risk management for SSC entities to adhere.

SSSAFS holds cash representing its capital and retained earnings. This cash is held for SSSAFS's operational and business needs with local bank. The Company always aims to maintain sufficient liquidity to meet its operational and regulatory requirements in both business-as-usual and stress conditions.

Assets, Liabilities and Results of State Street Saudi Arabia Financial Solutions in the Last Four Fiscal Years:

There are no material differences in the operating results from the results of the previous financial year.

Amount in (SAR) '000	31 December 2020	31 December 2021	31 December 2022	31 December 2023	31 December 2024
Total Asset	111,554	112,040	114,751	127,485	137,235
Total Liabilities	2,217	1,878	2,324	9,264	11,754
Amount in (SAR) '000	For the period from 8 June to 31 December 2020	2021	2022	2023	2024
Total Income	8,071	8,454	12,942	23,727	46,690
Net Income	587	783	2,156	5,807	7,225

Independent Auditor's Opinion:

No reservation to the annual financial statements.

Loans to State Street Saudi Arabia Financial Solutions:

During 2024, there was no loan, no outstanding balance as of December 31, 2024 and no penalty or precautionary measure or reserve restriction imposed on SSSAFS by the CMA or any supervisory, regulatory or judicial body.

Subsidiary Companies:

State Street Saudi Arabia Financial Solutions have no Subsidiary Companies.

Board Acknowledgment :

The Board of Directors declares that there are no contracts or businesses during the financial year 2024 to which State Street Saudi Arabia Financial Solutions is a party and where there is an interest for a member of the Board of Directors, Chief Executive Officer, senior executives or any person related to any of them.



Dr. Khalid AlYahya
Chairman of the Board



Majed M. Al Hassoun
Chief Executive Officer