

Rights Issue Prospectus of Wala Cooperative Insurance Company

Wala Cooperative Insurance Company is a Saudi public joint-stock Company, incorporated pursuant to Ministerial Resolution No. (233) dated 16/09/1427H (corresponding to 09/10/2006G) and the Royal Decree No. (M/60) dated 18/09/1427H (corresponding to 11/10/2006G) and the Investment License No. (12031026535) dated 26/01/1426H (corresponding to 07/03/2005G) and the Saudi Central Bank License No. (TMN/16/20087) dated 28/06/1429H (corresponding to 02/07/2008G) to conduct insurance and reinsurance activities in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations. The Company is registered under Commercial Registration No. (2051034982) and dated 19/06/1428H (corresponding 04/07/2007G).

Offering forty-two million five hundred thousand (42,500,000) ordinary shares at an Offer Price of eleven (11) Saudi Riyals per share with a nominal value of (10) Saudi Riyals per share through a Rights Issue representing an increase by approximately (49.97%) of the Company's current capital, bringing the Company's capital after the Rights Issue to one billion two hundred and seventy-five million five hundred and eighty-three thousand two hundred and fifty (1,275,583,250) Saudi Riyals, increasing the number of shares from eighty-five million and fifty-eight thousand three hundred and twenty-five (85,058,325) ordinary shares to one hundred and twenty-seven million five hundred and fifty-eight thousand three hundred and twenty-five (127,558,325) ordinary shares.

Trading Period: starting on Monday 01/06/1446H (corresponding to 02/12/2024G) and ending on Monday 08/06/1446H (corresponding to 09/12/2024G)

Subscription Period: starting on Monday 01/06/1446H (corresponding to 02/12/2024G) and ending on Thursday 11/06/1446H (corresponding to 12/12/2024G)

Wala Cooperative Insurance Company (hereinafter referred to as «the Company» or «Wala»), is a Saudi public joint stock Company incorporated pursuant to Ministerial Resolution No. (233) dated 16/09/1427H (corresponding to 09/10/2006G) and the Royal Decree No. (M/60) dated 18/09/1427H (corresponding to 11/10/2006G) and the Investment License No. (12031026535) dated 26/01/1426H (corresponding to 07/03/2005G) and the Saudi Central Bank License No. (TMN/16/20087) dated 28/06/1429H (corresponding to 02/07/2008G) to conduct insurance and reinsurance activities in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations. It is registered under Commercial Registration No. (2051034982) and dated 19/06/1428H (corresponding 04/07/2007G). The Company has been incorporated under commercial name «Saudi United Cooperative Insurance Company» (Wala), which was amended to «Wala Cooperative Insurance Company» pursuant to the decision of the Extraordinary General Assembly held on 25/08/1438H (corresponding to 21/05/2017G) and the approval of the Saudi Central Bank on 03/06/1438H (corresponding to 02/03/2017G). The Company's capital upon incorporation amounted to two hundred million (200,000,000) Saudi Riyals, divided into twenty million (20,000,000) shares at a nominal price of ten (10) Saudi Riyals per share. The Company's head office is located in Al-Khobar, 4513 Custodian of the Two Holy Mosques Road - Postal Code 34621 - additional number 8615.

The current Share Capital of the Company is eight hundred fifty million five hundred eighty-three thousand two hundred fifty (850,583,250) Saudi Riyals divided into eight-five million fifty-eight thousand three hundred twenty-five (85,058,325) ordinary shares at a nominal price of ten (10) Saudi Riyals per share, all of which are fully paid shares (hereinafter referred to as the «Existing Shares»). The Substantial Shareholders who own more than 5% of the Company's shares, are represented by one shareholder which is Saudi Awwal Bank (a Saudi joint stock company listed on the main market) that owns (15.604%) of the Company's shares. On 02/03/1445H (corresponding to 17/09/2023G), the Board of Directors recommended to increase the Company's capital through a Rights Issue with a total value of four hundred twenty-five million (425,000,000) Saudi Riyals to support the Company's future plans, and the financial solvency margin and maintain the Company's credit rating upon the approvals of the Saudi Central Bank's approval, the Capital Market Authority (hereinafter referred to as the «Authority») and the Saudi Tadawul Group, in addition to the approval of the Extraordinary General Assembly («EGA»). The Company had obtained the non-objection of the Saudi Central Bank regarding the capital increase on 06/05/1445H (corresponding to 20/11/2023G) valid for one year from its date to complete the capital increase process, noting that on 02/11/1446H (corresponding to 08/15/2024G), the Company received an extension of the non-objection of the capital increase from the Insurance Authority for an additional three months, provided that all requirements are met. On 15/08/1445H (corresponding to 25/02/2024G), the Board of Directors recommended setting the value of the issue premium at forty-two million five hundred thousand (42,500,000) Saudi Riyals, so that the offer price would be eleven (11) Saudi Riyals, and the value of the total proceeds from the offering of Rights Issue shares would be four hundred and sixty-seven million and five hundred thousand (467,500,000) Saudi Riyals.

On 24/05/1446H (corresponding to 26/11/2024G), the Extraordinary General Assembly approved the Company's capital increase through a Rights Issue provided that it consists of offering forty-two million five hundred thousand (42,500,000) new ordinary shares (hereinafter referred to as «Rights Issue Shares» or «New Shares») at an offer price of eleven (11) Saudi Riyals per share (hereinafter referred to as the «Offer Price») and with a nominal value of ten (10) Saudi Riyals, in order to increase the Company's capital after the completion of the offering process from eight hundred fifty million five hundred eighty-three thousand two hundred fifty (850,583,250) Saudi Riyals to one billion two hundred and seventy-five million five hundred and eighty-three thousand two hundred and fifty (1,275,583,250) Saudi Riyals, i.e., an increase of about (49.97%) of the Company's current capital.

The Rights Issue will be issued as tradable securities (collectively referred to as «Rights Issue») and individually as «Right Issue») to shareholders who own the shares at the end of trading on the day of the Extraordinary General Assembly for the capital increase and who are registered in the Company's shareholder register at a deposit center at the end of the second trading day following the day of the Extraordinary General Assembly's meeting approving the capital increase on 24/05/1446H (corresponding to 26/11/2024G) («Eligibility Date») (collectively referred to as the «Registered Shareholders») and individually as the «Registered Shareholder»), provided that such rights will be deposited into the registered shareholders' portfolios following the day of the Extraordinary General Assembly meeting approving the capital increase and taking into account the settlement procedures with about (0.4997) right for each (1) share of the Company's shares, and each right entitles its holder to subscribe for one (1) new share at the Offer Price.

Registered Shareholders and other investors («New Investors») who may trade in Rights and subscribe for New Shares will be able to trade and subscribe for the Rights Issue in the Saudi Stock Exchange (hereinafter referred to as «Tadawul» or «The Exchange») or they may not take action regarding their shares. The Trading Period and Subscription Period start (3) working days after the EGA's approval of the capital increase on Monday 01/06/1446H (corresponding to 02/12/2024G), provided that the Trading Period ends on Monday 08/06/1446H (corresponding to 09/12/2024G) (the «Trading Period») while the subscription period continues until Thursday 11/06/1446H (corresponding to 12/12/2024G) («Subscription Period»).

It should be noted that the Trading Period and Subscription Period will start on the same day. While the Trading Period continues until the end of the sixth day from the beginning of the period, the Subscription Period continues until the end of the ninth day from the beginning of the same period.

Registered Shareholders will be able to trade the Rights Issue during the Trading Period, by selling the acquired Rights or part thereof, or purchasing additional Rights through the Saudi Stock Exchange («Tadawul»). They have the right not to take action regarding their shares. Also, New Investors will be able, during the Trading Period, to purchase Rights through the Saudi Stock Exchange («Tadawul») and sell the purchased Rights during the Trading Period. Registered Shareholders and New Investors may trade rights from (10:00) am to (3:00) pm during the Trading Period. Registered Shareholders and New Investors can subscribe to the Offer Shares between (10:00) am and (2:00) pm every day during the Subscription Period.

Subscription to New Shares during the Subscription Period will be allowed at one phase according to the following:

- 1- During such period, all Registered Shareholders and New Investors are entitled to subscribe to the New Shares.
- 2- The Registered Shareholder may during the Subscription Period directly subscribe for the New Shares prorated to its own shares. In case the Registered Shareholder purchases new rights, he or she will be allowed to subscribe for them after the end of the settlement period (two business days).
- 3- The New Investors are entitled to subscribe for the New Shares after the end of the settlement period (two business days).
- 4- Subscription will be available electronically through the investment portfolio on the trading platforms and applications through which sale and purchase orders are entered, in addition to subscription through other channels and means available to the agent.

In the event that Shares remain unsubscribed for after the end of the Subscription Period (the «Rump Shares»), they will be offered to a number of institutional investors (hereinafter referred to as «Institutional Investors») (this Offering is referred to as the «Rump Offering») and the price at which these shares are offered as «Rump Offer Price»). These institutional investors submit purchase offers for the Rump Shares provided that the quoted price by any of the Institutional Investors doesn't fall below the Offer Price. Offers will be accepted starting (10:00) am on Tuesday 16/06/1446H (corresponding to 17/12/2024G) until (5:00) pm on Wednesday 17/06/1446H (corresponding to 18/12/2024G) («Rump Offering Period»). Rump shares will be allocated to the Institutional Investors with the highest bid, to the lowest allocated (provided that the price isn't below the Offer Price) provided that Rump Shares are proportionally allocated among Institutional Investors that tendered offers at the same price. As for fractional shares (if any), they will be added to the Rump Shares and treated the same way. All proceeds resulting from the Rump Offering shall be allocated to the Company and the rest of the proceeds and fractional shares (if any) will be distributed (in excess of the

Offer Price, if any) without any fees or deductions, among the eligible persons who have not exercised their right to subscribe in whole or in part, as well as those entitled to fractional shares, each according to what he is entitled to no later than Thursday 02/07/1446H (corresponding to 02/01/2025G). In the event that Institutional Investors have not subscribed for all the Rump Shares and fractional shares (if any), then such shares shall be allocated to the Underwriter who will purchase them at the Offer Price (for more information, kindly refer to Section 12 «Information Related to the Shares and Offering Terms and Conditions»). The final allocation process will be announced no later than Sunday 21/06/1446H (corresponding to 22/12/2024G) (Allocation Date) (for more information, please refer to Section (12) «Information Related to the Shares and Offering Terms and Conditions»).

Upon the completion of the Offering and Subscription processes, the Company's share capital becomes one billion two hundred and seventy-five million five hundred and eighty-three thousand two hundred and fifty (1,275,583,250) Saudi Riyals divided into one hundred and twenty-seven million five hundred and fifty-eight thousand three hundred and twenty-five (127,558,325) ordinary shares. The net proceeds from the Subscription will be mainly used to support the Company's future plans, to enhance the solvency margin, and to maintain the Company's credit rating (for more information, kindly refer to Section (6) «Use of Offering Proceeds»).

The Company has only one class of shares and no share gives its holder any preferential right. The New Shares will be fully paid and rank identically with the Existing Shares. Each share entitles its holder to one vote, and each shareholder (the «Shareholder») has the right to attend the General Assembly's meetings (referred to as the «General Assembly») (whether ordinary or extraordinary) and vote in them. Holders of the New Shares will be entitled to receive their portion of any dividends, (if any), declared by the Company after their issuance date.

On 02/07/1428H (corresponding to 17/07/2007G), all of the Company's shares were registered and listed on the Saudi Exchange amounting to twenty million (20,000,000) shares at a nominal price of ten (10) Saudi Riyals per share with a total value of two hundred million (200,000,000) Saudi Riyals, whereby the founding shareholders subscribed for (60%) of the capital, and (40%) of the capital was offered for subscription by the public. On 08/07/1436H (corresponding to 27/04/2015G), the EGA approved the increase of the Company's capital from two hundred million (200,000,000) Saudi Riyals divided into twenty million (20,000,000) ordinary shares to four hundred million (400,000,000) Saudi Riyals divided into forty million (40,000,000) ordinary shares, through the issuance of Rights Issue shares in accordance with the recommendation of the Board of Directors given on 01/07/1435H (corresponding to 30/04/2014G) and the approval of the Saudi Central Bank on 23/06/1435H (corresponding to 23/04/2014G). On 14/09/1439H (corresponding to 29/05/2018G) the EGA approved the increase of the Company's capital from four hundred million (400,000,000) Saudi Riyals divided into forty million (40,000,000) ordinary shares to four hundred and forty million (440,000,000) Saudi Riyals by granting one (1) free share for every ten (10) outstanding shares provided that the capital increase is made by capitalizing the amount of forty million (40,000,000) Saudi Riyals from the retained earnings account based on the recommendation of the Board of Directors on 09/02/1439H (corresponding to 29/10/2017G) and after the approval of the Saudi Central Bank on 09/02/1439H (corresponding to 29/10/2017G). On 16/09/1440H (corresponding to 21/05/2019G), the Extraordinary General Assembly approved an increase in the Company's capital from four hundred and forty million (440,000,000) Saudi Riyals divided into forty-four million (44,000,000) ordinary shares to five hundred and twenty-eight million (528,000,000) Saudi Riyals divided into fifty-two million eight hundred thousand (52,800,000) ordinary shares by granting (1) free share for every five (5) shares owned, provided that the capital increase is accomplished by capitalizing the amount of eighty-eight million (88,000,000) Saudi Riyals from the retained earnings account, based on the recommendation of the Board of Directors on 03/08/1440H (corresponding to 08/04/2019G) and after the approval of the Saudi Central Bank on 03/08/1440H (corresponding to 08/04/2019G). On 02/06/1441H (corresponding to 27/01/2020G), the Extraordinary General Assembly approved an increase in the Company's capital from five hundred and twenty-eight million (528,000,000) Saudi Riyals divided into fifty-two million eight hundred thousand (52,800,000) ordinary shares to six hundred and forty-six million, three hundred and ninety-seven thousand and sixty (646,397,060) Saudi Riyals, divided into sixty-four million six hundred and thirty-nine thousand and seven hundred and six (64,639,706) ordinary shares pursuant to the approval of the merger of MetLife AIG ANB Company into the Company through the issuance of (0.6577614444444444) shares in the Company for every share owned in MetLife AIG ANB Company, after the approval of the extraordinary general assembly of MetLife AIG ANB Company on the merger on 02/06/1441H (corresponding to 27/01/2020G) and the approval of the General Authority for Competition on 25/04/1441H (corresponding to 22/12/2019G) and the approval of the Saudi Central Bank on 27/04/1441H (corresponding to 24/12/2019G) and the approval of Capital Market Authority on 04/05/1441H (corresponding to 30/12/2019G). On 19/02/1444H (corresponding to 15/09/2022G), the Extraordinary General Assembly approved an increase in the Company's capital from six hundred and forty-six million, three hundred and ninety-seven thousand and sixty (646,397,060) Saudi Riyals, divided into sixty-four million six hundred and thirty-nine thousand and seven hundred and six (64,639,706) ordinary shares to eight hundred and fifty million five hundred and eighty-three thousand and two hundred and fifty (850,583,250) Saudi Riyals divided into eighty-five million and fifty-eight thousand three hundred and twenty-five (85,058,325) ordinary shares, pursuant to the approval of the merger of SABB Takaful Company into the company through the issuance of (0.6005476176470590) new shares in the company for every share owned in SABB Takaful Company after the approval of the Extraordinary General Assembly of SABB Takaful Company on 19/02/1444H (corresponding to 15/09/2022G), the approval of the General Authority for Competition on 18/08/1443H (corresponding to 21/03/2022G), and the approval of the Saudi Central Bank on 02/01/1444 H (corresponding to 31/07/2022G) and the approval of the Capital Market Authority on 12/01/1444 H (corresponding to 10/08/2022G).

The Company's existing shares are currently traded on the Saudi Stock Exchange («Saudi Tadawul» or «the Market») and the Company has submitted a request to the Capital Market Authority of the Kingdom of Saudi Arabia («The Authority») to register and offer the new shares subject to this prospectus and has also submitted a request to Saudi Stock Exchange Group «Tadawul» to accept the listing of such shares. The Company has submitted all required documents, and has filled all requirements requested by the relevant authorities. It has also obtained all approvals related to the offering and listing processes including the present Prospectus. Trading in New Shares on Tadawul is expected to start upon the final allocation of the New Shares and the refunding of the surplus (for more information, kindly refer to page (5) «Key Dates and Subscription Procedures»). Trading in the New Shares will be permitted, upon their registration and listing, to Saudi citizens, non-Saudi nationals holding valid residence permits, GCC nationals (the Cooperation Council), as well as Saudi and GCC companies, banks, institutions, investment funds, and to Foreign Investors that are qualified as per the rules regulating foreign investment in securities. Furthermore, other categories of foreign investors will be entitled to acquire the economic benefits associated with the new shares by entering into swap agreements with persons authorized by the CMA (the «Authorized Persons»), knowing that in such case, the Authorized Person is the legal owner who registers the Shares.

The present Prospectus has to be read in its entirety and the «Important Notice» section on page (A) and Section (2) «Risk Factors» as provided herein has to be considered carefully before making any investment decision regarding the Rights or New Shares.

Financial Advisor, Lead Manager and Underwriter

الجزيرة كابيتال
ALJAZIRA CAPITAL
الجزيرة للأسواق المالية



This prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the «Authority») and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange. The directors, whose names appear in this prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts that omission of which would make any statement herein misleading. The Authority and the Saudi Stock Exchange do not take any responsibility for the contents of this prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus.

This Prospectus was issued on 01/02/1446H (corresponding to 05/08/2024G)





Important Notice

This Prospectus (the «**Prospectus**») provides detailed information pertaining to Walaa Cooperative Insurance Company and the Rights Issue shares offered for subscription. When applying to subscribe for New Shares, investors will be treated on the basis that their applications are based on the information provided in this Prospectus, a copy of which can be obtained from the Company's headquarters and from the Lead Manager, or by visiting the websites of the Company (www.walaa.com), the Financial Advisor (www.aljaziracapital.com.sa), and the Capital Market Authority (www.cma.org.sa).

This Prospectus will be published and made available to the public within a period not less than (14) days prior to the date of the EGA's meeting for the capital increase. In the event that EGA does not approve the capital increase within six (6) months from the date of CMA's approval on registering and offering the Rights Issue, such approval will be deemed void.

The Company has appointed «**Aljazira Capital**» as the financial advisor («**Financial Advisor**»), lead manager («**Lead Manager**»), and underwriter (the «**Underwriter**»), for the Rights Issue shares' offering aiming to increase the Company's capital pursuant to this Prospectus.

This Prospectus contains information provided according to the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the CMA's Board pursuant to Resolution No. (3-123-2017), dated 09/04/1439H (corresponding to 27/12/2017G), based on the Capital Market Law issued by Royal Decree No. (M/30), dated 02/06/1424H (corresponding to 31/07/2003G), amended by CMA Board Resolution No. (3-6-2024) dated 05/07/1445H (corresponding to 17/01/2024G). The Directors, whose names appear on page (E) of this Prospectus, collectively and individually, accept full responsibility for the accuracy of the information provided in this Prospectus, and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, that there are no other facts, the omission of which would make any statement herein misleading. Neither the CMA nor the Exchange (Tadawul) takes any responsibility for the content of this Prospectus, and they do not provide any confirmation on its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

While the Company has made all reasonable enquiries to ensure the accuracy of information provided in this Prospectus as at its issuance date, a part of such information is derived from external sources. Whereas none of the Company, its Managers, its Board members, Financial Advisor or any of its Advisors whose names appear on pages (H) and (I) of this Prospectus have an evident reason to doubt the accuracy of this information, however such information has not been independently verified, and no representation is made with respect to the accuracy and completeness of any of this information.

The information provided in the Prospectus as at the date hereof is subject to amendment. In particular, the actual financial status of the Company and the value of the Offer Shares may be adversely affected by future developments such as inflation, interest rates, taxes, or other economic and political factors or other factors beyond the Company's control (kindly refer to



Section 2 «**Risk Factors**» of this Prospectus). Neither the delivery of this Prospectus nor any oral, written information or printed interaction in relation to the Offer Shares is intended to be, nor should be construed as or relied upon in any way as, a promise or a confirmation on future earnings, results or events.

This Prospectus may not be considered as a recommendation given by the Company or its Board members or any of the Company's Advisors in the subscription of rights issue shares. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or special investment needs. Each recipient of this Prospectus, before making an investment decision, has to obtain professional advice from a financial advisor licensed by the CMA regarding the Subscription in order to assess the suitability of this investment and the information provided in this Prospectus with respect to his objectives, conditions and financial needs.

The registered shareholders and other investors («**New Investors**») who may trade in the Rights and subscribe to New Shares, will be able to trade and subscribe to the Rights Issue on the Saudi Tadawul («**Tadawul**» or «**Exchange**»). The Trading Period and the Subscription Period shall commence after three (3) days from the approval of the Extraordinary General Assembly on the capital increase, on Monday 01/06/1446H (corresponding to 02/12/2024G), and the trading period ends on Monday 08/06/1446H (corresponding to 09/12/2024G) «**Trading Period**», while the subscription period continues until the end of Thursday 11/06/1446H (corresponding to 12/12/2024G) «**Subscription Period**».

It should be noted that the trading period and the subscription period will begin on the same day. While the trading period will continue until the end of the sixth day from the beginning of the period, the subscription period will continue until the end of the ninth day from the beginning of the same period.

Registered Shareholders will be able to trade Rights Issue during the Trading Period by selling the acquired Rights or part of them or purchasing additional Rights through the Exchange. New Investors will also be able to buy the Rights and sell them in the Market during the Trading Period or subscribe for them during the subscription period. Registered Shareholders and New Investors may trade priority rights from (10:00) am to (2:00) pm during the Trading Period. Registered Shareholders and New Investors can subscribe to the offering shares between 1 am and 3:05 pm every day during the Subscription Period.

Subscription to the New Shares will be available during the Subscription Period at one phase according to the following:

- 1- During this period, all Registered Shareholders and New Investors will be entitled to subscribe to the New Shares.
- 2- Registered Shareholders will be entitled to subscribe directly to the number of their shares or less during the Subscription Period, and if they acquire new Rights, they will be able to subscribe to them after the end of the settlement period (two business days after buying the new rights).
- 3- The New Investors will be entitled to subscribe to the New Shares after the end of settlement period (two business days).



4- Subscription will be available electronically through the investment portfolios in the trading platforms and applications through which sale and purchase orders are entered, in addition to subscription through other means and channels available to the broker.

If any Shares remain unsubscribed to during the Subscription Period (the «**Rump Shares**»), they will be offered to a number of institutional investors («**Institutional Investors**»); such offering is referred to as (the «**Rump offering**»).

Institutional Investors have to submit their offers to purchase Rump Shares and receipt of such offers will start at [10] AM on Tuesday 16/06/1446H (corresponding to 17/12/2024G) until [5] PM on Wednesday 17/06/1446H (corresponding to 18/12/2024G) (the «**Rump Offering Period**»). Rump Shares will be allocated to the Institutional Investors with the highest bid, to the lowest (provided that it is not less than the Offer Price). These shares will be allocated on a pro rata basis (proportionally) to the Institutional Investors who tendered offers at the same price.

As for fractional shares, they will be added to the Rump Shares and be treated similarly, and the total Offer Price of the Rump Shares will be paid to the Company and the rest of the proceeds from the sale of those Rump Shares (exceeding the Offer Price, if any) will be distributed, without calculating or deducting any fees, to the eligible persons, each according to what he may be entitled to no later than Thursday 02/07/1446H (corresponding to 02/01/2025G), note that the investor who did not subscribe or sell his rights, and the holders of fractional shares, may not receive any compensation if the sale is made during the Rump Offering Period at the Offer Price. In the event that Institutional Investors have not subscribed to all the Rump Shares and Fractional Shares, Rump Shares will be allocated to the Underwriter who will purchase them at the Offer Price (for more information, kindly refer to Section 12 «**Information Related to the Shares and Offering Terms and Conditions**»). The final allocation of the New Shares will be announced no later than Sunday 21/06/1446H (corresponding to 22/12/2024G) (the «**Allocation Date**») (for more information, kindly refer to Section 12 «**Information Related to the Shares and Offering Terms and Conditions**»).

The offering of Rights Issue Shares under this Prospectus is subject to the approval of shareholders, and the issuance of such shares has been approved by the EGA of the Company held on 24/05/1446H (corresponding to 26/11/2024G).

An EGA meeting is deemed valid only if attended by shareholders who represent at least half of the Company's capital. Failure to achieve the required quorum leads to either of the following: (1) An invitation is sent for a second meeting and the invitation for the General Assembly is published twenty-one (21) days prior the meeting date. The invitation has to include the agenda. It may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters only; Or (2) the second meeting is held one hour after the end of the period specified for convening the first meeting, provided that the invitation for the first meeting includes the possibility of holding this meeting. The second meeting will be valid if only attended by a number of shareholders representing at least a quarter of the capital. If the quorum is not achieved in the second meeting, an invitation will be sent for a third meeting to be held in the same abovementioned conditions. The third meeting will be valid despite the number of shares represented therein, upon the approval of competent authorities. Recipients of this Prospectus



have to review and abide by all legal and regulatory restrictions related to this Subscription and sale of New Shares.

Sector and Market information

The information and data related to Saudi economy, the insurance sector, and market data have been obtained from various sources. While there is no evident reason to doubt the accuracy of this information, it is important to note that the Board members, Shareholders and advisors have not independently verified the accuracy of such information and data. Consequently, no representation is made with respect to the accuracy and completeness of any of this information.

Financial Information

The financial statements for the fiscal years ending on December 31, 2021G, 2022G, and 2023G, were audited by Crowe Solutions for Professional Consulting Company - member of Crowe Global, and El Sayed El Ayouty & Co. Certified Public Accountants. The financial statements for the fiscal years 2021G, 2022G, and 2023G, and the accompanying notes thereto, have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable in the Kingdom of Saudi Arabia and other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The Company issues its financial statements in Saudi Riyals. Some financial and statistical information provided in this Prospectus has been subjected to rounding adjustments. Therefore, total figures in certain tables may not equal the addition of the individual items.

Forecasts and Forward-Looking Statements

The forecasts set forth in this Prospectus have been prepared on the basis of specific and announced assumptions. The Company's future conditions may differ from the assumptions used therefore, no affirmation or guarantee can be made with respect to the accuracy or completeness of any of these forecasts. The Company affirms that professional due diligence was considered in the statements included herein.

Some forecasts in this Prospectus constitute «**forward-looking statements.**» Such statements can generally be identified by the use of forward-looking words such as «**plans,**» «**determines,**» «**intends,**» «**estimates,**» «**expects,**» «**is expected,**» «**may,**» «**possibly,**» «**will,**» «**would be**» or the negative thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company with respect to future events but are not a guarantee of future performance. Many factors can cause the performance, the achievements or the results of the Company to be significantly different from any future results, performance, or achievements that may be expressed or implied. Some of the risks and factors that could have such an effect are described in more detail in other sections of this Prospectus (kindly refer to Section 2 «**Risk Factors**» of this Prospectus). Should any one or more of these factors or risks materialize or any underlying assumptions prove to be inaccurate or incorrect, the Company's actual results may vary substantially from those described in this Prospectus.



In compliance with the requirements of article (49) of Rules on the Offer of Securities and Continuing Obligations, the Company has to submit a supplementary Prospectus to the Capital Market Authority if at any time after the publication of this Prospectus and before the completion of the offering, the Company becomes that: (1) there has been a significant change in material matters contained in the Prospectus or; (2) additional significant matters have become known which would have been required to be included in the Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or amend any information provided in this Prospectus, pertaining to the industry, market, forward-looking statements whether as a result of new information, future events or otherwise. As a result of the foregoing and other risks, uncertainties and assumptions, expectations for future events and circumstances set out in this Prospectus may not occur as expected by the Company or may not occur at all. Eligible Persons should examine all forward-looking statements in the light of these explanations and not rely primarily on these forward-looking statements.

Company's Directory

Board of Directors (BOD) - Current Session*												
#	Name	Position	Nationality	Age	Membership Status		Date of Appointment	Representation	Direct Ownership		Indirect Ownership	
					Independent / non-independent	Executive / non-executive			Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
1	Sulaiman Bin Abdullah Bin Hamad Al Kadi	Chairman of the Board	Saudi	86	Non-independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022 G)	Himself	2,719	0.00320%	-	-
2	Khalifah Bin Abdullatif Bin Abdullah Al Mulhiem **	Vice Chairman of the Board	Saudi	70	Non-independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,381,729	1.62445%	383,616	0.45100%
3	Wasef Salem Abdulrahman Al Jebshah***	Board Member	Jordanian	81	Non-Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	-	-	311,560	0.36629%
4	Sulaiman Abdulaziz Saleh Al Towaijri	Board member	Saudi	58	Non-Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	-	-	-	-
5	Waleed Mohammed Abdullah Al Jaafari	Board Member	Saudi	63	Non-Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	233,600	0.27464%	-	-
6	Hatem Fahad Bin Sulaiman Balghonaim	Board Member	Saudi	40	Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	4,224	0.00497%	-	-
7	Jameel Abdullah Bin Abdulaziz Al Mulhiem****	Board Member	Saudi	52	Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,200	0.00141 %	146	0.00017 %
8	Hesham Bin Abdullatif Bin Hamad Al Jabr *****	Board Member	Saudi	49	Non-Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	-	-	54,878	0.056384%



Board of Directors (BOD) - Current Session*												
#	Name	Position	Nationality	Age	Membership Status		Date of Appointment	Repre- sentation	Direct Ownership		Indirect Ownership	
					Independent / non-independent	Executive / non-executive			Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
9	Abdullatif Khalifah Bin Abdullatif Al Mulhiem *****	Board Member	Saudi	34	Non- Independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,010,949	1.18854 %	47,952	0.0564 %
10	Ahmed Ali Zaid AlQuraishi *****	Board Member	Saudi	48	Independent	Non- Executive	19/01/1446H (corresponding to	Himself	--	--	30,536	0.0359%
11	Osama Bin Mirza Bin Saleh Al Khunaizi	Board Member	Saudi	46	Independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,000	0.00118 %	--	--

Source: The Company.

*On 22/10/1443H (corresponding to 23/05/2022G), the Ordinary General Assembly approved the election of the Board members for the current session, starting from 25/10/1443H (corresponding to 26/05/2022G) for a period of three (3) years ending on 28/11/1446H (corresponding to 25/05/2025G). On 29/10/1443H (corresponding to 30/05/2022G), the Board of Directors decided to appoint Mr. Sulaiman Bin Abdullah Al Kadi as Chairman of the Board of Directors and Mr. Khalifah Bin Abdullatif Al Mulhiem as Vice-Chairman of the Board of Directors, in accordance with no objection of the Saudi Central Bank on 26/12/1443H (corresponding to 25/07/2022G).

The Company is in compliance with the Companies Law and the Corporate Governance Regulations issued by the Board of the Capital Market Authority and the Insurance Corporate Governance Regulations issued by the Saudi Central Bank with regard to the Board composition, as the Company's Bylaws state that the Company shall be managed by eleven (11) Board members elected by the Ordinary General Assembly for a period not exceeding three (3) years. The Company is also in compliance with provisions of Article (16) of the Corporate Governance Regulations, which states that the majority of the Board members shall be of non-executive directors and that the number of independent directors shall not be less than two or one-third of the Board members (whichever is greater). Therefore, the Company is in compliance with Clause (54) of the Insurance Companies Governance Regulations, so its Board of Directors currently consists of eleven (11) members, including four (4) independent members. It should be noted that the issues affecting the independence according to the Insurance Corporate Governance Regulations, include the following:

- 1- Being a significant shareholder in the Company or in a related company, working for or representing a significant shareholder.
- 2- Being a member of the Board in a related company or one of its subsidiaries, or having been one during the past two years.
- 3- Being a member of the Board of the Company for more than nine years.
- 4- Holding Senior Management position in the Company, or in a related company, or having held one during the past two years.
- 5- Being an employee with the Company, with a related company, or with a company that provides services to the Company (e.g., external auditors, consulting firms, etc.), or having worked with anyone of the above during the past two years.
- 6- Being a related person of a member of the Board or senior management of the Company or of a related company.
- 7- Having a contractual or business relationship with the Company (either directly or through an entity in which he or she is a significant shareholder, a board member, or a manager) which resulted in paying to, or receiving from, the Company the equivalent of two hundred and fifty thousand (250,000) Saudi riyal or more (other than his remuneration as a director of the Board and amounts related to insurance contracts) during the past two (2) years.
- 8- Being under any financial obligation towards the Company or any members of its Board or senior management that might limit the exercise of independence in judgment and decision making.

Issues affecting the independence mentioned in the Corporate Governance Regulations issued by the Board of the Capital Market Authority are also enumerated for example:

- 1- if he holds (5%) or more of the shares of the Company or any other company within its group; or is a relative of who owns such percentages.
- 2- if he is a relative of any member of the Board of the Company, or any other company within the Company's group.
- 3- if he is a relative of any Senior Executive of the Company, or of any other company within the Company's group.



- 4- if he is a Board member of any company within the group of the Company for which he is nominated to be a board member.
- 5- if he is an employee or used to be an employee, during the preceding two years, of the Company or a company within its group, or if he held a controlling interest in the Company or any party dealing with the Company or any company within its group, such as external auditors or main suppliers during the preceding two years.
- 6- if he has a direct or indirect interest in the businesses and contracts executed for the Company's account.
- 7- if the member of the Board receives financial consideration from the Company in addition to the remuneration for his membership of the Board or any of its committees exceeding an amount of (SAR 200,000) or (50%) of his remuneration of the last year for the membership of the board or any of its committees, whichever is less.
- 8- if he engages in a business where he competes with the Company, or conducting businesses in any of the company's activities.
- 9- if he served for more than nine years, consecutive or inconsecutive, as a Board member of the Company (such became mandatory starting from the session of the Board of Directors of the listed joint-stock company that will be after 01/01/2019 G).

**The indirect ownership of Board Member Khalifah Abdullatif Abdullah Al Mulhiem - Vice Chairman of the Board of Directors - results from his direct ownership in Khalifah Abdullatif Al Mulhiem Company Limited of (64%), and Khalifah Abdullatif Al Mulhiem Company Limited owns a percentage of (0.7047%) of the Issuer's capital.

***The indirect ownership of Board Member Wasef Salem Abdulrahman Al Jebshah - results from his direct ownership of (100%) in Wasef Al Jebshah for Investment Company, which owns (30.9%) of IGI Holding Bermuda, which owns (100%) of IGI Holding Limited (DIFC), which owns (100%) of IGI Underwriting Company, and IGI Underwriting owns a percentage of (1.1854%) of the Issuer's capital.

****The indirect ownership of Board Member Jameel Abdullah Bin Abdulaziz Al Mulhiem results from his direct ownership in Sadi Awwal Bank of (0.0011%), and Saudi Awwal Bank owns (15.60%) of the Issuer's capital.

*****The indirect ownership of Board Member Hesham Abdullatif Hamad Al Jabr results from:

his direct ownership in Al Jabr Investment Company of (4.57%), and Al Jabr Investment Company owns a percentage of (1.1758%) of the Issuer's capital.

his direct ownership in Al Jabr Investment Company of (4.57%), and Al Jabr Investment Company owns a percentage of (5.654%) of ANB, as ANB owns (4.1759%) of the Issuer's capital.

*****The indirect ownership of Board Member Abdullatif Khalifah Abdullatif Al Mulhiem results from his direct ownership in Khalifah Abdullatif Al Mulhiem Company Limited of (8.00%), and Khalifah Abdullatif Al Mulhiem Company Limited owns a percentage of (0.7047%) of the Issuer's capital.

*****On 12/03/1445 H (corresponding to 06/09/2024 G), the Board of Directors approved the resignation of Mr. Abdulaziz bin Saud Al-Shabibi from membership of the Company's Board of Directors and the Investment Committee, which will take effect as of 12/03/1445 H (corresponding to 06/09/2024G) due to his personal circumstances. On 12/27/1445H (corresponding to 07/03/2024G), the Board of Directors decided to appoint Mr. Ahmed Ali Al-Quraishi as a member of the Board of Directors and the Investment Committee to complete the current term that ends on 11/28/1446H (corresponding to 05/25/2025G), provided that this appointment will be presented to the General Assembly at its first meeting, noting that the Insurance Authority's non-objection to this appointment was obtained on 01/19/1446H (corresponding to 07/25/2024G). It is worth noting that the indirect ownership of Board Member Ahmed Ali Al-Quraishi results from:

- His direct ownership in Sons of Ali Zaid Al-Quraishi Company of (40%), and Sons of Ali Zaid Al-Quraishi Company owns a percentage of (0.70%) of the Issuer's capital.

- His direct ownership of Ajda Company for Industrial and Technical Services Company of (9.6%), and Ajda Company for Industrial and Technical Services owns (0.82%) of the Issuer's capital.



Company's Address and Representatives

Company's Address

Walaa Cooperative Insurance Company

4513 Custodian of the Two Holy Mosques Road

Postal Code 34621 - extension 86-15

Al Khobar - Kingdom of Saudi Arabia

Phone Number: 8001199222

Fax Number: 966138652200

Website: www.walaa.com

E-mail: walaa@walaa.com



Company's First Authorized Representative

Name: Jameel Bin Abdullah Bin Abdulaziz Al Mulhiem

Position: Board member

Address: Riyadh - Kingdom of Saudi Arabia

Facsimile number: +966 13 865 2255

Phone number: +966 11 829 1143

E-mail: jameel.almolhem@walaa.com

Website: www.walaa.com

Company's Second Authorized Representative

Name: Mohannad Bin Mahmoud Ibrahim Al Desouki

Position: Chief Financial Officer

Address: Al Khobar - Kingdom of Saudi Arabia

Facsimile number: +966 13 865 2255

Phone number: +966138299333

E-mail: mohannad.d@walaa.com

Stock Market

Saudi Exchange (Tadawul)

King Fahd Road - Olaya 6897

Unit No.: 15

Riyadh: 12211-3388

Kingdom of Saudi Arabia

Phone: +966 (11) 920001919

Fax: +966 (11) 2189133

Website: www.saudiexchange.sa

E-mail: csc@saudiexchange.sa





Advisors

Financial Advisor, Lead Manager and Underwriter

Al Jazira Capital

King Fahd Road - Al Rahmaniya
 P.O. Box 20438 - Riyadh 11455
 Riyadh, Kingdom of Saudi Arabia
 Phone Number: +966 11 225 6000
 Fax: +966 11 225 6182
 Website: www.aljaziracapital.com.sa
 E-mail: AJC_IB@Aljaziracapital.com.sa



Legal Advisor

Khaligyoun Legal Advisors (KLA)

M7 Tower - 8th Floor
 As Sahafah- King Fahd Road
 P.O. Box 6118 - Riyadh 13321
 Riyadh, Kingdom of Saudi Arabia
 Phone Number: +966 11 2637458
 E-mail: info@klafirm.com
 Website: www.klafirm.com



Auditors

The Company's Auditor for the fiscal years ending on December 31, 2020G, 2021G and 2022G, and the financial period ending on September 30, 2023G

Crowe Solutions for Professional Consulting - Member of Crowe Global

P.O. Box 10504 - Riyadh 11443
 Riyadh, Kingdom of Saudi Arabia
 Phone Number: +966112175000
 Fax: +966112175000
 Website: www.crowe.com/sa
 E-mail: info@crowe.sa



El Sayed El Ayouty & Co. Certified Public Accountants

58 - Al Watan Al Arabi Street
 Al Hamra District - Jeddah 21421
 Jeddah, Kingdom of Saudi Arabia
 Phone Number: +966126693478
 Fax: +966126602432
 Website: www.elayouty.com
 E-mail: Danish.ashraf@elayouty.com



Note: All of the aforementioned Advisors and auditors have provided, and have not withdrawn, as of the date of this Prospectus, their written consent to the publication of their names, logos and statements as set forth in this Prospectus. Neither the Advisors nor the auditors or any of their employees or relatives hold any shares or any interest of any kind in the Company as of the date of this Prospectus.



Offer Summary

This offer summary is intended to provide a brief overview of the information contained in this Prospectus. Therefore, this summary does not contain all information that may be of interest to shareholders and other institutional and individual investors, therefore the offer summary information is not sufficient to make an investment decision. Accordingly, recipients of this Prospectus will have to entirely read it before making their decision whether to subscribe to shares or trade in rights issue shares. On a special note, it is deemed necessary to consider Section (2) «**Risk Factors**» of this Prospectus. Below is a summary of the Offering:

Issuer's Name, Description and Incorporation Information	<p>Walaa Cooperative Insurance Company is a Saudi public joint-stock Company, incorporated pursuant to Ministerial Resolution No. (233) dated 16/09/1427H (corresponding to 09/10/2006G) and the Royal Decree No. (M/60) dated 18/09/1427H (corresponding to 11/10/2006G) and the Investment License No. (12031026535) dated 26/01/1426H (corresponding to 07/03/2005G) and the Saudi Central Bank License No. (TMN/16/20087) dated 28/06/1429H (corresponding to 02/07/2008G) to conduct insurance and reinsurance activities in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations. The Company is registered under Commercial Registration No. (2051034982) and dated 19/06/1428H (corresponding 04/07/2007G) (for further information about the Company, and its establishment kindly refer to Section (3) «Company Overview and Nature of Business»).</p> <p>The Company's capital upon incorporation amounted to two hundred million (200,000,000) Saudi Riyals, divided into twenty million (20,000,000) shares with a nominal value of ten (10) Saudi Riyals per share. While the Company's current capital amounts to eight hundred and fifty million, five hundred and eighty-three thousand, two hundred and fifty (850,583,250) Saudi Riyals, divided into eighty-five million and fifty-eight thousand, three hundred and twenty-five (85,058,325) ordinary shares with a nominal value of ten (10) Saudi Riyals per fully paid share.</p>				
Issuer's Activities	<p>The Company's activities, according to the Commercial Registration Certificate are: protection and savings insurance, health insurance, general insurance, and reinsurance. According to Article (3) of the Bylaws, the Company's activities are: to transact cooperative insurance and re-insurance business in the classes of general and health insurance, and protection and savings insurance. The Company may undertake all the measures that deem necessary to carry out its activities in accordance with the Cooperative Insurance Companies Control Law and its Implementing Regulations, the provisions issued by the Central Bank, and the regulations and rules in force in the Kingdom of Saudi Arabia and after obtaining the necessary approvals from the competent authorities, if any.</p>				
Founding Shareholders	Founding Shareholders	Nationality	Number of Shares	Value of shares (SAR)	Ownership Percentage
	International General Insurance Company	Jordanian	2,100,000	21,000,000	10.5%
	Yousef Ahmed Al Gosaibi & Partners Co Ltd for Trading & Contracting	Saudi	600,000	6,000,000	3%
	Mohammed Abdallah Sharbatly Co. Ltd	Saudi	600,000	6,000,000	3%
	Mohammed Abdullah Al Othman & Sons Co.	Saudi	600,000	6,000,000	3%
	Suhayl Abdul Mohsen Al Shoaibi & Sons Holding Co.	Saudi	600,000	6,000,000	3%
	Al Rashed & Partners Development Co. Ltd	Saudi	600,000	6,000,000	3%
	Abdulrahman Saleh Alrajih & Partners Co.	Saudi	600,000	6,000,000	3%
	Mohsen Hasan Al Jashi & Partners Co.	Saudi	600,000	6,000,000	3%
	Nassir Bin Hazza Al-Subai & Brothers Co.	Saudi	462,000	4,620,000	2.31%
	Khalid Ali Al Turki Co. (Trading and Development Company)	Saudi	420,000	4,200,000	2.1%
	Khalid & Ahmed Abdullah Al Hammoud Al Shouair & Partners Co.	Saudi	402,000	4,020,000	2.01%
	Ahmed Naser Albinali & Sons Co. For Trading & Contracting Co. Ltd.	Saudi	402,000	4,020,000	2.01%



	Founding Shareholders	Nationality	Number of Shares	Value of shares (SAR)	Ownership Percentage
Founding Shareholders	Abdullatif & Mohammed Alfozan Development Co.	Saudi	322,000	3,220,000	1.61%
	Khalid & Abdulaziz Abdulrahman Alomran Co.	Saudi	260,000	2,600,000	1.3%
	Abdullah Fouad Holding Co.	Saudi	242,000	2,420,000	1.21%
	Abdulmohsen Ahmed Hamad Algozaibi	Saudi	240,000	2,400,000	1.2%
	Rashed Saad Abdulrahman Alrashed	Saudi	240,000	2,400,000	1.2%
	Abdullatif Mohammed Salem Albarrak	Saudi	240,000	2,400,000	1.2%
	Khalifah Abdullatif Abdullah Almolhiem	Saudi	240,000	2,400,000	1.2%
	Khalid Omar Jasir Albaltan	Saudi	240,000	2,400,000	1.2%
	Walid Mohammed Abdullah Aljafari	Saudi	240,000	2,400,000	1.2%
	Alyosr Thousand & Bottom Co. Ltd.	Saudi	200,000	2,000,000	1%
	Jarir Company for Commercial Investments	Saudi	200,000	2,000,000	1%
	Khalid Ibrahim Sulaiman Abunyan	Saudi	180,000	1,800,000	0.9%
	Mazin Mohammed Abdulrahman Alsaeed	Saudi	150,000	1,500,000	0.75%
	Khalid Hasan Alqahtani Co.	Saudi	120,000	1,200,000	0.6%
	Abdullah Ibrahim Abdullah Alboaijan	Saudi	120,000	1,200,000	0.6%
	Ali Abdulrahman Saleh Khalaf	Saudi	120,000	1,200,000	0.6%
	Salah Mohammed Hamad Albassam	Saudi	120,000	1,200,000	0.6%
	Mohammed Khalid Ibrahim Al Hindi Alnoaimi	Saudi	120,000	1,200,000	0.6%
	Saleh Hussain Saleh Kaki	Saudi	120,000	1,200,000	0.6%
	Ahmed Saleh Ibrahim Alhumaid	Saudi	120,000	1,200,000	0.6%
	Abdulaziz Hamad Abdulrahman Bin Zira'	Saudi	120,000	1,200,000	0.6%
Ibrahim Hasan Mohammed Srour Alsebban	Saudi	60,000	600,000	0.3%	
Total Founding Shareholders			12,000,000	120,000,000	60%
The Public			8,000,000	80,000,000	40%
Total			20,000,000	200,000,000	100%
Substantial Shareholders, the number of their shares and their ownership percentages before the offering	Shareholders holding (5%) or more of the class of shares of the Company. As of the date of this Prospectus, the Company has one substantial shareholder and it is the Saudi Awwal Bank with an ownership of thirteen million two hundred and seventy-two thousand and one hundred (13,272,100) shares representing a percentage of (15.604 %) of the Company's total shares.				



Public	Means in the Rules of the Offering of Securities and Continuing Obligations, persons other than the following: 1. Affiliates of the issuer; 2. Substantial shareholders of the issuer; 3. Directors and senior executives of the issuer; 4. Directors and senior executives of the issuer's affiliates; 5. Directors and senior executives of substantial shareholders of the issuer; 6. Any relatives of persons described at (1), (2), (3), (4) or (5) above; 7. Any company controlled by any persons described at (1), (2), (3), (5) or (6) above. 8. Persons acting in concert, with a collective shareholding of (5%) or more of the class of shares to be listed.																		
Nature of the Offer	Capital increase through the issuance of Rights Shares.																		
Purpose of the Issuance of the Proposed Rights Shares	The net proceeds from the Subscription will be mainly used to support the growth and expansion plans of the Company's activity, enhance the solvency margin, and maintain the Company's credit rating. It will be used in the financial investments and the increase of the statutory deposit as required by the Saudi Central Bank due to the increase in the Company's capital (for more information, kindly refer to Section (6) «Use of Offer Proceeds»).																		
Total Proceeds Expected to be Raised and a Detailed Breakdown and Description of the Proposed Use of the Proceeds	<p>It is expected that the total proceeds from the Subscription in the Rights Shares will reach four hundred sixty-seven million five hundred thousand (467,500,000) Saudi Riyals. After deducting the Offering expenses, the Net Offering Proceeds will be used to support the growth and expansion plans of the Company's activity, enhance the margin of financial solvency, and maintain the Company's credit rating. Shareholders will not receive any of the Offering Proceeds (for more information, kindly refer to Section (6) «Use of Offer Proceeds»).</p> <p>The following table outlines the suggested use of the Offering Proceeds:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Value (Saudi Riyals)</th> <th>Percentage of the Total Offering Proceeds (%)</th> </tr> </thead> <tbody> <tr> <td>Increase of Statutory Deposit according to the requirements of the Saudi Central Bank</td> <td>42,500,000</td> <td>9.09%</td> </tr> <tr> <td>Long-term investments such as bonds and other fixed income investments, bank deposits, mutual and real estate funds, and investments in private companies</td> <td>345,000,000</td> <td>73.80%</td> </tr> <tr> <td>Investing in shares of companies listed in the Saudi capital market</td> <td>70,900,000</td> <td>15.17%</td> </tr> <tr> <td>Estimated Offering Expenses</td> <td>9,100,000</td> <td>1.95%</td> </tr> <tr> <td>Total Offering Proceeds</td> <td>467,500,000</td> <td>100.0%</td> </tr> </tbody> </table> <p>Source: The Company</p>	Description	Value (Saudi Riyals)	Percentage of the Total Offering Proceeds (%)	Increase of Statutory Deposit according to the requirements of the Saudi Central Bank	42,500,000	9.09%	Long-term investments such as bonds and other fixed income investments, bank deposits, mutual and real estate funds, and investments in private companies	345,000,000	73.80%	Investing in shares of companies listed in the Saudi capital market	70,900,000	15.17%	Estimated Offering Expenses	9,100,000	1.95%	Total Offering Proceeds	467,500,000	100.0%
Description	Value (Saudi Riyals)	Percentage of the Total Offering Proceeds (%)																	
Increase of Statutory Deposit according to the requirements of the Saudi Central Bank	42,500,000	9.09%																	
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Total Offering Proceeds	467,500,000	100.0%																	
Offering Expenses	It is expected that the Offering Expenses will amount to approximately nine million one hundred thousand (9,100,000) Saudi Riyals covering the expenses of: the financial advisor, lead manager, underwriter, legal advisor, auditors, media and public relations advisor, in addition to the underwriting expenses, marketing, printing, distribution and other expenses related to the Subscription (for more information, kindly refer to Section (6) «Use of Offer Proceeds»).																		
Net Proceeds from the Offering After Deducting the Offering Expenses	The net proceeds of the Offering are expected to amount to approximately four hundred and fifty-eight million four hundred thousand (458,400,000) Saudi Riyals (for more information, kindly refer to Section (6) «Use of Offer Proceeds»).																		



<p>Total Proceeds Raised on the Most Recent Rights Issue, Its Breakdown and Description as Well as the Use or the Expected Use of Such Proceeds Not Yet Utilized</p>	<p>The total proceeds raised by the Company on the most recent rights issue amounted to two hundred and forty million (240,000,000) Saudi Riyals, as the extraordinary general assembly held on 08/07/1436H (corresponding to 27/04/2015G) approved an increase in the Company's capital from two hundred million (200,000,000) Saudi Riyals to four hundred million (400,000,000) Saudi Riyals through the issuance of rights issue shares in the number of twenty million (20,000,000) new shares with a nominal value of ten (10) Saudi Riyals per share and a nominal value of two hundred million (200,000,000) Saudi Riyals, in order to meet the requirements of financial solvency, to maintain an amount of twenty million (20,000,000) Saudi Riyals as a statutory deposit, to improve the credit rating of the Company, and to increase and support the Company's investments. It is to be noted that the offer price reached (12) Saudi Riyals per share, and subsequently the issue premium amounted to forty million (40,000,000) Saudi Riyals, bringing the total actual proceeds of the offering to two hundred and forty million (240,000,000) Saudi Riyals.</p> <p>The below table outlines the use of the offering proceeds and future projects as disclosed in the relevant prospectus:</p>																								
	<table border="1"> <thead> <tr> <th data-bbox="387 651 820 763">Provision</th> <th data-bbox="820 651 1034 763">Planned usage (Saudi Riyals)</th> <th data-bbox="1034 651 1246 763">Effective Usage (Saudi Riyals)</th> <th data-bbox="1246 651 1453 763">Ratio of effective spending to planned spending (%)*</th> </tr> </thead> <tbody> <tr> <td data-bbox="387 763 820 813">Statutory deposit</td> <td data-bbox="820 763 1034 813">20,000,000</td> <td data-bbox="1034 763 1246 813">20,000,000</td> <td data-bbox="1246 763 1453 813">100%</td> </tr> <tr> <td data-bbox="387 813 820 862">Cash and cash equivalent investment</td> <td data-bbox="820 813 1034 862">105,000,000</td> <td data-bbox="1034 813 1246 862">210,107,690</td> <td data-bbox="1246 813 1453 862">200.10%</td> </tr> <tr> <td data-bbox="387 862 820 936">Long-term investments in bonds and other fixed income investments</td> <td data-bbox="820 862 1034 936">73,500,000</td> <td data-bbox="1034 862 1246 936">0</td> <td data-bbox="1246 862 1453 936">0%</td> </tr> <tr> <td data-bbox="387 936 820 1010">Investing in shares of companies listed in the Saudi financial market</td> <td data-bbox="820 936 1034 1010">31,500,000</td> <td data-bbox="1034 936 1246 1010">0</td> <td data-bbox="1246 936 1453 1010">0%</td> </tr> <tr> <td data-bbox="387 1010 820 1064">Offering expenses</td> <td data-bbox="820 1010 1034 1064">10,000,000</td> <td data-bbox="1034 1010 1246 1064">9,892,310</td> <td data-bbox="1246 1010 1453 1064">98.9231%</td> </tr> </tbody> </table> <p data-bbox="387 1064 1453 1108">Source: The Company</p> <p data-bbox="387 1108 1453 1176">*The deviations in the actual use of proceeds from what was disclosed in the prospectus for Rights Issue and the reasons and justifications for the deviations represent:</p> <p data-bbox="387 1176 1453 1288">First: A difference in the amount of (107,690) Saudi Riyals in the expenses related to the capital increase, as the estimated cost of the expenses related to the capital increase was an amount of (10,000,000) Saudi Riyals as stated in the prospectus, and this difference is due to the fact that the actual amounts of expenses were less than the initial estimates.</p> <p data-bbox="387 1288 1453 1489">Second: A difference in the amount of (105,107,690) Saudi Riyals in a cash and semi-cash investment, as the estimated amount for this investment was (105,000,000) Saudi Riyals as stated in the prospectus. This difference is due to reinvesting the saved amount in capital increase expenses, in addition to an additional cash and cash-like investment in the amount of (105,000,000) Saudi Riyals, which the Company intended to invest later in long-term investments in bonds and other fixed income investments in the amount of (73,500,000) Saudi Riyals, and the investment in shares of companies listed on the Saudi financial market at an amount of (31,500,000) Saudi Riyals, as stated in the prospectus, given the market conditions at that time.</p> <p data-bbox="387 1489 1453 1556">The Company is in compliance to announcing these developments in the use of proceeds by announcing it on its page on the Tadawul website on 02/18/1439H (corresponding to 11/07/2017G).</p>	Provision	Planned usage (Saudi Riyals)	Effective Usage (Saudi Riyals)	Ratio of effective spending to planned spending (%)*	Statutory deposit	20,000,000	20,000,000	100%	Cash and cash equivalent investment	105,000,000	210,107,690	200.10%	Long-term investments in bonds and other fixed income investments	73,500,000	0	0%	Investing in shares of companies listed in the Saudi financial market	31,500,000	0	0%	Offering expenses	10,000,000	9,892,310	98.9231%
Provision	Planned usage (Saudi Riyals)	Effective Usage (Saudi Riyals)	Ratio of effective spending to planned spending (%)*																						
Statutory deposit	20,000,000	20,000,000	100%																						
Cash and cash equivalent investment	105,000,000	210,107,690	200.10%																						
Long-term investments in bonds and other fixed income investments	73,500,000	0	0%																						
Investing in shares of companies listed in the Saudi financial market	31,500,000	0	0%																						
Offering expenses	10,000,000	9,892,310	98.9231%																						
<p>Material Changes to the Information Disclosed in the Most Recent Prospectus</p>	<p>The most recent prospectus was published on 11/05/1436H (corresponding to 02/03/2015G). In order to identify the material changes made to the information provided in the most recent prospectus, kindly refer to Paragraph No. (9.14) «Material Information that Changed since the CMA's Approval on the Last Prospectus» of Section No. (9) «Legal Information»).</p>																								
<p>Issuer's Capital Before Offering</p>	<p>Eight hundred and fifty million five hundred and eighty-three thousand two hundred and fifty (850,583,250) Saudi Riyals.</p>																								
<p>Total Number of Issuer's Shares Before the Offering</p>	<p>Eighty-five million fifty-eight thousand three hundred and twenty-five (85,058,325) fully-paid Ordinary Shares.</p>																								
<p>Nominal Value of Share</p>	<p>Ten (10) Saudi Riyals per share.</p>																								
<p>Capital Increase</p>	<p>The increase in the Company's capital will be from Eight hundred and fifty million five hundred and eighty-three thousand two hundred and fifty (850,583,250) Saudi Riyals to one billion two hundred and seventy-five million five hundred and eighty-three thousand two hundred and fifty (1,275,583,250) Saudi Riyals.</p>																								



Total Number of Offered Shares	Forty-two million five hundred thousand (42,500,000) ordinary shares.
Percentage of Offered Shares to the Capital of the Issuer	About (49.97%) of the current capital.
Offer Price	Eleven (11) Saudi Riyals per share.
Total Value of Offer	Four hundred and sixty-seven million five hundred thousand (467,500,000) Saudi Riyals.
Number of Offer Shares Underwritten	Forty-two million five hundred thousand (42,500,000) common shares.
Total Value of the Offer Shares Underwritten	Four hundred and sixty-seven million five hundred thousand (467,500,000) Saudi Riyals.
Total Number of Shares Issued after Capital Increase	One hundred and twenty-seven million five hundred and fifty-eight thousand three hundred and twenty-five (127,558,325) ordinary shares.
Issuer's Capital after Capital Increase	One billion two hundred and seventy-five million five hundred and eighty-three thousand two hundred and fifty (1,275,583,250) Saudi Riyals.
Types of Targeted Investors	Registered Shareholders and New Investors.
Eligible Shareholders	Shareholders who own shares at the end of trading on the day of the EGA's meeting for the capital increase and who are registered in the Company's Shareholders Register at the Depository Center at the end of trading on the second Trading Day following the EGA's meeting on 24/05/1446H (corresponding to 26/11/2024G).
New Investors	All investors whether individual or institutional investors - other than Registered Shareholders - who have purchased Rights Issue during the Trading Period.
Rights Issue	Rights Issue are tradable securities giving their holder the right to subscribe to the New Shares offered, after approval of the capital increase. These securities are considered as acquired rights to all Registered Shareholders. These Rights may be traded during the Trading Period. Each Right grants its holder the eligibility to subscribe to one New Share at the Offer Price. The Rights Issue will be deposited in the portfolio of Registered Shareholders following the meeting of the EGA related to the capital increase. Said Rights will appear in the portfolios of the Registered Shareholders under a new symbol designated for the Rights Issue. Registered Shareholders will be notified of the deposit of rights in their portfolios.
Number of Rights Issue issued	Forty-two million five hundred thousand (42,500,000) Rights.
Eligibility Ratio	Each Registered Shareholder is granted with (0.4997) rights for each (1) share he owns, and this factor results from dividing the number of New Shares by the number of the Company's current shares.
Eligibility Date	Shareholders at the end of the trading day of the EGA approving the Capital Increase who are registered in the Company's shareholders register at the Depository Center at the end of the second Trading Day following the EGA approving the Capital Increase on 24/05/1446H (corresponding to 26/11/2024G).
Allocation Method and Refund of Excess Funds	Shares will be allocated to each investor based on the number of Rights properly and fully exercised. Fractional shares (if any) will be added together and offered to Institutional Investors during the Rump Offering Period. The Company will receive the total offering price of the sale of the Rump Shares. The rest of the proceeds (if any) will be distributed, without calculating any fees or deductions, (the amount exceeding the Offer Price), to those who have not fully or partially subscribed for the New Shares and to the persons entitled to Fractional Shares knowing that the investor who hasn't subscribe or hasn't sell his rights, and the holders of fractional shares may not receive any compensation if the sale has occurred during the Rump Offering Period at the Offer Price. (For further information, kindly refer to section (12) « Terms, Conditions and Subscription Instructions »). The Subscription Surplus (if any) will be refunded to the subscribers without any commissions or deductions from the Lead Manager.



Date of Refund of Surplus Subscription	The Surplus of Subscription (if any) will be refunded without any commissions or deductions from the Lead Manager no later than Thursday 02/07/1446H (corresponding to 02/01/2025G.)
Offer Period	<p>The Offer Period starts on Monday 01/06/1446H (corresponding to 02/12/2024G) and continues until the end of Monday 08/06/1446H (corresponding to 09/12/2024G). It is permissible during this period for all Rights Issue holders - whether they are Registered Investors or New Investors - to trade Rights issue. It is to be noted that the Subscription Period starts on Monday 01/06/1446H (corresponding to 02/12/2024G) and continues until the end of Thursday 11/06/1446H (corresponding to 12/12/2024G). It is permissible during this period for all Rights Issue holders - whether they are Registered Investors or New Investors - to subscribe for Rights issue.</p> <p>It is to be noted that the Subscription and Trading Periods will begin on the same day (3) three working days after the approval of the extraordinary general assembly including approval of the capital increase. While the Trading Period continues until the end of the sixth day from the beginning of the period, the Subscription Period continues until the end of the ninth day from the beginning of the same period. Registered Shareholders and New Investors can trade priority rights from (10:00) am to (3:00) pm during the Trading Period. Registered Shareholders and New Investors can subscribe to the offering shares between (1:00) am and (2:00) pm every day during the subscription period.</p>
Rump Shares	The Shares that have not been subscribed for during the subscription period.
Subscription Method	Subscription applications are submitted electronically through the websites and platforms of electronic brokers that offer such services to subscribers or through any other means provided by brokers.
Rights Subscription Exercise	<p>Eligible Persons are entitled to subscribe for Rights Issue Shares electronically through the electronic websites and platforms of brokers that offer such services to subscribers or through any other means provided by brokers. Eligible Persons can also exercise their Rights as follows:</p> <ol style="list-style-type: none"> 1- Registered Shareholders are entitled during the Subscription Period to exercise the Rights granted to them on the Eligibility Date and any additional Rights they have purchased immediately after the rights purchase process is settled (two business days) during the Trading Period while subscribing for New Shares. They have also the right not to take action regarding their shares. 2- During the Subscription Period, New Investors have the right to exercise the Rights they have purchased immediately after the rights purchase process is settled (two business days) during the Trading Period while subscribing for New Shares. They have also the right not to take action regarding their shares. <p>In the event that neither Registered Shareholders nor New Investors exercise their rights to subscribe for the New Shares during the Subscription Period, then, shares associated with such rights will be offered during the Rump Offering Period.</p>
Indicative Value of the Right	<p>The indicative value of the Right reflects the difference between the market value of the Company's shares during the Trading Period and the Offer Price.</p> <p>Tadawul will calculate and publish the Right's indicative value during the Trading Period on its website, five (5) minutes late. Market information providers will also publish this information, in order for investors to see the Right's indicative value when entering orders.</p>
Right Trading Price	It is the price at which the Right is traded. This price is determined through the market offer and demand mechanism, therefore it may differ from the indicative value of the Right.
Rump Offering	In the event that any shares remain unsubscribed for at the end of the Subscription Period (Rump Shares), those shares will be offered to a number of Institutional Investors (Institutional Investors), and such Institutional Investors have to submit offers to purchase the Rump Shares. Offers will be accepted starting (10) am on Tuesday 16/06/1446H (corresponding to 17/12/2024G) until (5) pm on Wednesday 17/06/1446H (corresponding to 18/12/2024G) (Rump Offering Period). Rump Shares will be allocated to Institutional Investors with the highest bid, to the lowest (provided that it is not less than the Offer Price). The shares will be proportionately allocated among the Institutional Investors that tendered offers at the same price. As for Fractional Shares (if any), they will be added to the Rump Shares and treated similarly.
Allocation Date	Shares will be allocated no later than Sunday 21/06/1446H (corresponding to 22/12/2024G).



Payment of Compensation (if any)	Cash compensation will be paid to Eligible Persons who have not subscribed wholly or partially for the New Shares and to those who are entitled to fractional shares, without any deductions, at the latest on Thursday 02/07/1446H (corresponding to 02/01/2025G). It is to be noted that the amounts of compensation represent the remaining proceeds of the sale of the Rump Shares and fractional shares.
Adjusted Price	The Company's share price on the Saudi Stock Exchange (Tadawul) has been adjusted to 18.10 Saudi Riyals per share, by the end of trading day following the Extraordinary General Assembly's meeting approving the Capital Increase. This represents a decrease in the share price by 16.4% Saudi Riyals per share.
Trading of New Shares	The New Shares will start being traded in Tadawul upon completion of all procedures related to the registration, allocation and listing the New Shares.
Listing and Trading of Rights	<p>Right Issue are traded in Tadawul and their trading occurs during the Trading Period of Rights Issue. a separate Rights symbol will be designated, distinct from the symbol used for the Company's existing shares on Tadawul's interface. During the Trading Period, the shareholders have several options, including selling the Rights or any part thereof in the Exchange, purchasing additional Rights through the Exchange or abstaining from taking any action regarding the Rights Issue Shares either by selling them or purchasing additional Rights. During the Trading Period, New Investors will have the right to buy Rights in the Exchange, or sell them all or in part, or take no action regarding the Rights acquired during the Trading Period.</p> <p>«Tadawul» system will void the Company's Rights symbol of the on the Trading Screen upon the end of the Trading Period. Hence, trading of Rights will cease upon the end of this period.</p>
New Shares Dividends	Holders of the New Shares will be entitled to any dividends announced by the Company after the date their issuance.
Voting Rights	All Company's shares are of one class, and no share gives its holder preferential rights. New shares will be fully paid and equal to the existing shares. Each share gives its holder the right to one vote, and every Shareholder in the Company has the right to attend the meeting of the General Assembly of Shareholders (whether Ordinary or Extraordinary) and vote in it.
Restrictions Imposed on the Shares or Rights	<p>With the exception of regulatory restrictions that are in general imposed on the listing of shares, no restrictions are imposed on the trading of the Company's shares. It is to be noted that the Company's shares were listed in Tadawul on 02/07/1428 H (corresponding to 17/07/2007 G), and therefore the lock-up period, which lasts three full financial years, each of which is not less than twelve months, have been expired for the Founding Shareholders. With the exception of the shares of some shareholders subject to the lock-up period, all shares are tradable in accordance with the rules, regulations and instructions issued by the CMA. However, the Company's Founding Shareholders have to obtain the approval of the Insurance Authority.</p> <p>It should be noted that a lock-up period has been imposed on selling shares to some shareholders, namely: American Life Insurance (owns 3,551,911 shares), Arab National Bank (owns 3,551,910 shares) and Saudi Awwal Bank (owns 13,272,100 shares), as they are classified as strategic shareholders. They may not trade in these shares except after obtaining prior approval from the Insurance Authority, without restricting their right to participate in the current capital increase and to dispose of the rights shares that will be deposited in their portfolios.</p>
Restrictions Imposed on the Trading of Rights	There are no restrictions imposed on the trading of Rights.
Restriction Imposed on the New Shares as a result of Capital Increase	There are no restrictions imposed on the Shareholders in general and the Founding Shareholders after the Subscription process resulting from the Capital increase.



<p>Previously Listed Shares</p>	<p>On 08/07/1436 H (corresponding to 27/04/2015 G), the EGA approved an increase in the Company's capital from two hundred million (200,000,000) Saudi Riyals divided into twenty million (20,000,000) ordinary shares to four hundred million (400,000,000) Saudi Riyals divided into forty million (40,000,000) ordinary shares, by issuing priority rights shares based on the recommendation of the Board of Directors dated 01/07/1435 H (corresponding to 30/04/2014 G) and after obtaining the non-objection of the Saudi Central Bank on 23/06/1445 H (corresponding to 23/04/2014 G). On 14/09/1439 H (corresponding to 29/05/2018 G), the EGA approved an increase in the Company's capital from four hundred million (400,000,000) Saudi Riyals divided into forty million (40,000,000) ordinary shares to four hundred and forty million (440,000,000) Saudi Riyals by granting one (1) free share for every ten (10) outstanding shares. The capital increase will be made by capitalizing an amount of forty million (40,000,000) Saudi Riyals from the retained earnings account, based on the recommendation of the Board of Directors on 09/02/1439 H (corresponding to 29/10/2017 G) and after the approval of the Saudi Central Bank on 09/02/1439 H (corresponding to 29/10/2017 G). On 16/09/1440 H (corresponding to 21/05/2019 G), the Extraordinary General Assembly approved an increase in the company's capital from four hundred and forty million (440,000,000) Saudi Riyals divided into forty-four million (44,000,000) ordinary shares to five hundred and twenty-eight million (528,000,000) Saudi Riyals divided into fifty-two million eight hundred thousand (52,800,000) ordinary shares by granting (1) free share for every five (5) shares owned, provided that the capital increase is accomplished by capitalizing the amount of eighty-eight million (88,000,000) Saudi Riyals from the retained earnings account, based on the recommendation of the Board of Directors on 03/08/1440 H (corresponding to 08/04/2019 G) and after the approval of the Saudi Central Bank on 08/03/1440 AH (corresponding to 08/04/2019 G). On 02/06/1441 H (corresponding to 27/01/2020 G), the Extraordinary General Assembly approved an increase in the company's capital from five hundred and twenty-eight million (528,000,000) Saudi Riyals divided into fifty-two million eight hundred thousand (52,800,000) ordinary shares to six hundred and forty-six million three hundred and ninety-seven thousand and sixty-seven (646,397,060) Saudi Riyals divided into four Sixty million six hundred and thirty-nine thousand seven hundred and six (64,639,706) ordinary shares, pursuant to the approval to merge MetLife AIG ANB into the Company through the issuance of (0.6577614444444444) shares in the company for every share owned in MetLife AIG ANB, this is after the extraordinary general assembly of MetLife AIG ANB approved the merger on 02/06/1441 H (corresponding to 27/01/2020 G) and the approval of the General Authority for Competition on 25/04/1441H (corresponding to 22/12/2019 G) and the bank's approval. The Saudi Central Bank dated 27/04/1441 H (corresponding to 24/12/2019 G) and the approval of the Capital Market Authority on 04/05/1441H (corresponding to 30/12/2019 G). On 19/02/1444H (corresponding to 15/09/2022G), the Extraordinary General Assembly approved an increase in the Company's capital from six hundred and forty-six million, three hundred and ninety-seven thousand and sixty (646,397,060) Saudi Riyals, divided into sixty-four million six hundred and thirty-nine thousand and seven hundred and six (64,639,706) ordinary shares to eight hundred and fifty million five hundred and eighty-three thousand and two hundred and fifty (850,583,250) Saudi Riyals divided into eighty-five million and fifty-eight thousand three hundred and twenty-five (85,058,325) ordinary shares, pursuant to the approval of the merger of SABB Takaful Company into the company through the issuance of (0.6005476176470590) new shares in the company for every share owned in SABB Takaful Company after the approval of the Extraordinary General Assembly of SABB Takaful Company on 19/02/1444H (corresponding to 15/09/2022G), the approval of the General Authority for Competition on 18/08/1443H (corresponding to 21/03/2022G), and the approval of the Saudi Central Bank on 02/01/1444 H (corresponding to 31/07/2022G) and the approval of the Capital Market Authority on 12/01/1444 H (corresponding to 10/08/2022G)</p>
<p>Terms of Subscription for Rights Issue Shares</p>	<p>Eligible Persons wishing to subscribe for New Shares have to meet the relevant subscription requirements. To review the Subscription's terms, conditions, and instructions, (and for more information, kindly refer to section (12) «Information Related to the Shares and Offering Terms and Conditions» of this Prospectus.</p>
<p>Risk Factors</p>	<p>Investment in the Rights Issue Shares involves certain risks that can be classified into: (1) Risks Related to the Company's Activities; (2) Risks Related to the Market and Industry; and (3) Risks Related to the New shares.</p> <p>These risks are described in Section (2) «Risk Factors» of this Prospectus, that should be carefully reviewed before making any investment decision in the Rights Issue Shares.</p>

Note: The «**Important Notice**» section and section (2) «**Risk Factors**» of this Prospectus should be carefully considered prior to making a decision to invest in this Rights Issue Shares in accordance with this Prospectus.



Key Dates and Subscription Procedures

Event	Date
Date of the EGA's meeting approving the Capital Increase and setting the Eligibility Date and Eligible Shareholders, noting that Eligible Shareholders are the Shareholders who own shares at the end of the trading day of the EGA's meeting for the Capital Increase and are registered in the Company's shareholders register at the Depository Center at the end of the second trading day following the EGA's meeting for the Capital Increase.	24/05/1446H (corresponding to 26/11/2024G)
Trading Period	The Trading Period starts on Monday 01/06/1446H (corresponding to 02/12/2024G) and ends on Monday 08/06/1446H (corresponding to 09/12/2024G). During this period, all Rights holders - whether they are Registered Shareholders or New Investors - are entitled to trade in the Rights. Registered Shareholders and New Investors can trade rights from (10:00) am to (3:00) pm during the Trading Period.
Subscription Period	The Subscription Period starts on day Monday 01/06/1446H (corresponding to 02/12/2024G) and lasts until the end of day Thursday 11/06/1446H (corresponding to 12/12/2024G). During this period, all Rights holders - whether they are Registered Shareholders or New Investors - are entitled to subscribe for New Shares. Registered Shareholders and New Investors can subscribe to the offering shares between (10:00) am and (2:00) pm every day during the Subscription Period.
End of Subscription Period	The Subscription Period and the receipt of subscription requests and applications ends on Thursday 11/06/1446H (corresponding to 12/12/2024G).
Rump Offering Period	The Rump Offering Period starts at 10:00 am on Tuesday 16/06/1446H (corresponding to 17/12/2024G) and continues until 5pm on Wednesday 17/06/1446H (corresponding to 18/12/2024G).
Final Allocation Notice	On Sunday 21/06/1446H (corresponding to 22/12/2024G).
Payment of Compensation (if any) for Eligible Person who did not participate in the subscription in whole or in part and for those who are eligible for fractional shares (if any)	On Thursday 02/07/1446H (corresponding to 02/01/2025G).
Trading Date of the New Shares	The shares offered for subscription will be traded upon completion of all relevant regulatory procedures. It will be announced later on Tadawul website. The period between the end of subscription for rights and the deposit of shares in shareholders' portfolios shall be (9) working days.

Note: All dates mentioned in the above table are approximate. Actual dates will be announced on the website of the Saudi Stock Exchange (Tadawul) (www.saudiexchange.sa).



Key Announcement Dates

Announcement	Announcing Party	Date
Announcement regarding the invitation of the Extraordinary General Assembly for the capital increase	The Company	On Sunday 01/05/1446H (corresponding to 03/11/2024G)
Announcement of the Extraordinary General Assembly's meeting result regarding the Capital Increase	The Company	On Wednesday 25/05/1446H (corresponding to 27/11/2024G)
Announcement of the amendment of the Company's share price, the deposit of Rights and the right's indicative value.	Tadawul	On Wednesday 25/05/1446H (corresponding to 27/11/2024G)
Announcement on adding the Rights.	Edaa	On Sunday 29/05/1446H (corresponding to 01/12/2024G)
Announcement of the Trading Period and Subscription Period for the New Shares	The Company	On Wednesday 25/05/1446H (corresponding to 27/11/2024G))
Announcement of the commencement of the Rights' Trading Period and the New Shares' Subscription Period	Tadawul	On Sunday 29/05/1446H (corresponding to 01/12/2024G)
Reminder about the commencement of the Rights' Trading Period and the New Shares' Subscription Period	The Company	On Monday 01/06/1446H (corresponding to 02/12/2024G)
Reminder about the last day for Rights Trading and the importance of selling Rights for those who do not wish to subscribe	The Company	On Monday 08/06/1446H (corresponding to 09/12/2024G)
Announcement of the: - subscription results - details of the Rump Shares sale (if any) and the commencement of the Rump Offering Period	The Company	On Sunday 14/05/1446H (corresponding to 15/12/2024G)
Announcement of the result of the Rump Offering and notification of final allocation	The Company	On Sunday 21/06/1446H (corresponding to 22/12/2024G)
Announcement of the deposit of the New Shares in the investors' portfolios*	Edaa	On Wednesday 24/06/1446H (corresponding to 25/12/2024G)
Announcement of the distribution of the compensation amounts (if any)	The Company	On Thursday 02/07/1446H (corresponding to 02/01/2025G)

Note: All dates mentioned in the above table are approximate, and the actual dates will be announced on the Saudi Tadawul website (www.saudiexchange.sa), in coordination with the Securities Depository Center Company (Edaa) to determine the date of depositing the shares.

*It should be noted that the time period between the end of subscription for Rights Issue and the deposit of shares in the Shareholders' portfolios is nine (9) working days.



It should also be noted, as per the provisions of Article 51 of the Rules on the Offer of Securities and Continuing Obligations, that if a disclosure related to the offering is published in a local newspaper after the publication of the Prospectus, the announcement must include the following:

- 1- The name and commercial registration certificate of the Issuer.
- 2- The securities that are subject of the relevant application for registration and offer and their value, type and class.
- 3- The addresses and locations where the public may obtain the Prospectus.
- 4- The date of publication of the Prospectus.
- 5- A statement that the disclosure is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.
- 6- The names of the lead manager, the underwriter, the financial and legal advisors.
- 7- A disclaimer as follows: «**The Capital Market Authority and the Saudi Stock Exchange Company take no responsibility for the contents of this disclosure, make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this disclosure.**»

How to Apply for Subscription

Subscription to the Rights Issue Shares is limited to Eligible Persons, whether they are Registered Shareholders or New Investors. In the event that the Rights of Eligible Persons are not exercised, any Rump Shares that were not subscribed for by Eligible Persons shall be offered to Institutional Investors during the Rump Offering Period.

Eligible Persons wishing to subscribe for New Shares can either use trading platforms through which buy and sell orders are entered, or submit their subscription application through the means and services dispensed by the broker to the investors, provided that they have an investment account with one of the brokers who provide these services and that their data have been updated, and that no changes have occurred to their personal information since they subscribed to a recent offering unless these amendments have been communicated to brokers and approved by them.

The Company reserves the right to reject any application for the New Shares subscription in whole or in part if it does not fulfill any of the conditions or requirements of the subscription. It is not permitted to amend or withdraw the subscription application after its submission. The subscription application, upon its submission, constitutes a binding contract between the Company and the Eligible Person (for more information, kindly refer to Section (12) «**Information Related to Shares and Offering Terms and Conditions**»).



FAQs about the Rights Issue Mechanism

What is a Rights Issue?

Rights Issue are tradable securities that give their holder the right to subscribe for the New Shares offered, upon approval of the EGA on the capital increase by issuing new shares. All shareholders registered in the Company's shareholders register at the Depository Center at the end of the second trading day following the date the EGA's meeting approving the capital increase will be entitled to receive said Rights. Each Right grants its holder the eligibility to subscribe for one New Share at the Offer Price.

Who is granted the Rights?

All shareholders registered in the Company's register at the Depository Center at the end of the second trading day following the EGA's meeting approving the capital increase.

When are the Rights deposited?

After the EGA convenes and upon its approval on the capital increase through the offering of Right Issue Shares, the Rights are deposited as securities in the shareholders' portfolios in the Company's shareholders' register at the Depository Center at the end of the second trading day after the EGA's meeting; and the Rights Issue will be listed in the shareholders' portfolios under a new symbol. These rights will only be traded or subscribed for at the beginning of the Trading and Subscription Periods.

How are investors notified of the Rights being deposited in their portfolios?

The notification is made through announcement on the Tadawul website, as well as through the (Tadawulaty) service provided by the Securities Depository Center Company (Edaa), and short text messages (SMS) are also sent through brokerage companies.

How many Rights Issue can be acquired by a Registered Shareholder?

The number is subject to the Rights Issue ratio and the number of the current Shares held by the shareholder in the capital as well as in the Company shareholders' register at the Securities Depository Center Company (Edaa) at the end of the second trading day following the Extraordinary General Assembly's meeting approving the capital increase.

What is the Subscription Eligibility Ratio?

It is the ratio that enables the Registered Shareholder to know how many Rights he/she is entitled to in relation to the current shares that he/she already owns at the end of the second trading day following the EGA's meeting approving the capital increase. This ratio is calculated by dividing the number of New Shares by the number of the current shares of the Company, and accordingly, the eligibility ratio is (0.4997) rights approximately for every (1) share owned by the Registered Shareholder on the Eligibility Date. Thus, if a Registered Shareholder owns (1,000) shares on the eligibility date, then he/she will be allocated (499) Rights in exchange for the shares he/she owns.



Will the name and trading symbol of the Rights vary from the name and symbol of the Company's shares?

Yes, the acquired Rights will be deposited in the investors' portfolios under the original name, adding the Rights Issue term as well as a new symbol for these rights.

What is the value of the Rights at the beginning of trading?

The opening price of the Right will be the difference between the closing price of the Company's share on the day prior to the inclusion of the Rights and the Offer Price (the indicative value of the Right). For example, if the closing price of a share on the previous day is fifteen (15) Saudi Riyals and the Offer Price is eleven (11) Saudi Riyals, the opening price of the Rights upon the commencement of trading will be four (4) Saudi Riyals.

Who is a Registered Shareholder?

Any shareholder owning shares at the end of the trading day of the EGA's meeting approving the capital increase, and registered in the Company's Shareholders Register at the Depository Center at the end of the second trading day following the EGA's meeting held to approve the capital increase.

Can Registered Shareholders subscribe for additional shares?

Yes, Registered Shareholders can subscribe for additional shares by purchasing new Rights during the Trading Period and then subscribe to them during the Subscription Period after completing the purchase and settlement of Rights.

Is it possible for a shareholder to lose his/her eligibility to subscribe even if he/she has the right to attend the Extraordinary General Assembly's meeting and vote on the capital increase through a Rights Issue?

Yes, the Shareholder loses his/her eligibility to subscribe if he/she sells his/her shares on the day of the EGA's meeting approving the capital increase or one business day prior to said meeting.

How is the Subscription process implemented?

The Subscription process is implemented, as is currently being done, through submitting Subscription Applications during the Subscription Period through the investment portfolio on the trading platforms through which the purchase and sell orders are filed. In addition to the possibility of subscription through any other means provided by the broker and the custodian of shares.

What are the Trading and Subscription periods?

Trading and Subscription of rights begin at the same time after (3) three business days from the approval of the EGA on the Capital Increase, until the end of trading of the sixth day while the



subscription continues until the ninth day, according to what is mentioned in this Prospectus and the Company's announcements.

Can an Eligible Person subscribe to more shares than the Rights owned by him/her?

An Eligible Person cannot subscribe to more shares than the Rights owned by him/her.

Is it possible to Subscribe more than once and through more than one broker?

Yes, it is possible and the number of New Shares that can be subscribed through each broker will depend on the number of Rights available in the investment portfolio of the relevant broker. In all cases, it must be taken into consideration that the quantity of new subscribed shares does not exceed the number of Rights Issue owned at the end of the Rights Issue's Trading Period, as such will result in cancellation of the Subscription Application.

If the Company shares are acquired through more than one investment portfolio, in which portfolio will the Rights Issue be deposited?

Rights will be deposited in the same portfolio where the Company's rights-related shares are deposited. For example, if a shareholder holds one thousand (1,000) shares in the Company: (800) shares in portfolio (A) and (200) shares in portfolio (B), then the total Rights amounting to (499) Rights, as each share is eligible for (0.4997) Rights. Therefore, (400) Rights will be deposited in portfolio (A) and (99) Rights will be deposited in portfolio (B). Any fractional shares will be added to the remaining shares and sold during the remaining offering period, and the total proceeds from the Rump Offering (if any) shall be distributed to the Eligible Persons, without deducting any fees or deductions, according to their entitlements.

Are share certificate holders allowed to subscribe and trade?

Yes, holders of share certificates are allowed to subscribe. However, they will not be able to trade unless share certificates are deposited in investment portfolios through the brokers or Depository Center of the Saudi Exchange (Edaa) and submitting the required documents, before the end of Subscription Period.

What happens if New Shares are subscribed and Rights are subsequently sold?

If a Registered Shareholder subscribed for New Shares and then sells the Rights without purchasing a number of Rights equal to the number of exercised Rights, he/she subscribed in before the end of the Trading Period, then the subscription application will be rejected entirely, if all the rights have been sold, or partially in an amount equal to the number of sold rights. The Registered Shareholder will be notified and refunded the rejected subscription amount by the broker.

Are additional Rights purchasers entitled to trade them once again?

Yes, purchaser of additional Rights may sell them and purchase other Rights during the Trading Period, only.

**Is it possible to sell a part of the Rights Issue?**

Yes, the investor can sell a part of these Rights and subscribe for the remaining part.

When can a shareholder subscribe for the Rights Issue, he/she purchased during the Trading Period?

After settlement of the purchase of Rights (which is two business days), provided that the subscription for Rights Issue is completed during the Subscription Period.

Can the Eligible Person sell or assign the Rights after the end of the Trading Period?

No, it is not possible. After the expiry of the Trading Period, the Eligible Person may only exercise the right to subscribe for the Rights Issue Shares or not. In case the Right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio.

What happens to Rights Issue that are unsold or unsubscribed for during the Trading and Subscription Periods?

If the New Shares are not fully subscribed for during the Subscription Period, the remaining New Shares will be offered for subscription through an offering to be organized by the Lead Manager. The amount of compensation (if any) to the Rights holder will be calculated after deducting the subscription value. The investor may not receive any consideration if the sale occurs during the Rump Offering Period at the Offer Price.

Who has the right to attend the Extraordinary General Assembly and vote on increasing the Issuer's capital through offering Rights issue shares?

Any shareholder registered in the Company's Shareholders Register at the Depository Center at the end of the trading session, on the date of the EGA's meeting related to the capital increase, shall have the right to attend the EGA's meeting and vote on increasing the Issuer's share capital through Rights Issue.

When is the share price adjusted as a result of increasing the Issuer's share capital through a Rights Issue?

The share price is adjusted by Tadawul before the start of trading on the day, following the EGA's meeting.

If an investor purchases securities on the date of the EGA, will he/she be eligible for the Rights resulting from the increase of the Issuer's share capital?

Yes, as the investor will be registered in the Company Shareholders Register two business days after the date of the purchase of shares (i.e., at the end of the second trading day following the day of the EGA), bearing in mind that Rights Issue will be granted to all shareholders registered in the



Company Shareholders Register at the end of trading session on the second trading day following the date of the EGA. However, he/she may not attend or vote in the EGA for the capital increase.

If an investor has more than one portfolio with more than one broker, how will their Rights be calculated?

The investor's shares will be distributed to their portfolios according to the percentage of ownership in each portfolio. In the event of share fractions, these fractions will be aggregated. If the outcome is an integer or more, the integer number will be added to the portfolio in which the investor has the largest number of Rights.

Will any other fees be added for Rights Trade?

The same commissions will be applied to purchase and sale transactions as they are for shares, but without a minimum commission payment provided that it does not exceed fifteen and a half basis points (0.155%) of the total transaction's value.

Is it possible to subscribe during the weekend?

No, it is not possible.

Can investors, other than registered shareholders, subscribe for Rights Shares?

Yes, upon full purchase of Rights through Tadawul during the Trading Period.

Additional Help

For any inquiries, please contact the Company at walaa@walaa.com. For legal reasons, the Company will only be able to provide the information contained in this prospectus and will not be able to advise on the merits of the rights issue or provide financial, tax or Legal or investment. (For more information, kindly refer to section 12 «**Information Related to the Shares and Offering Terms and Conditions**»)



Summary of Key Information

Notice

This summary provides a brief overview of the basic information included in this Prospectus. Since it is a summary, it does not include all information that may be of interest to Shareholders and other institutional and individual investors. Recipients of this Prospectus should read it in full before taking any investment decision related to the New Rights or Shares, without solely relying on the definitions and terms section or the summary of this Prospectus.

Company Overview

Walaa Cooperative Insurance Company is a Saudi public joint-stock Company, incorporated pursuant to Ministerial Resolution No. (233) dated 16/09/1427H (corresponding to 09/10/2006G) and the Royal Decree No. (M/60) dated 18/09/1427H (corresponding to 11/10/2006G) and the Investment License No. (12031026535) dated 26/01/1426H (corresponding to 07/03/2005G) and the Saudi Central Bank License No. (TMN/16/20087) dated 28/06/1429H (corresponding to 02/07/2008G) to conduct insurance and reinsurance activities in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations. The Company is registered before the Commercial Registrar in Al-Khobar under certificate No. (2051034982) and dated 19/06/1428H (corresponding 04/07/2007G).

The current Capital of the Company is eight hundred and fifty million five hundred and eighty-three thousand two hundred and fifty (850,583,250) Saudi Riyals divided into eighty-five million fifty-eight thousand three hundred and twenty-five (85,058,325) ordinary shares.

As of the date of this Prospectus, the substantial Shareholder, holding (5%) or more of the class of shares of the Company, is the Saudi Awwal Bank who owns (15.604%) of the Company's total shares

Developments in the Company's capital structure

- On 07/02/1428 H (corresponding to 07/17/2007 G), all of the Company's shares were registered and listed on the main market, amounting to twenty million (20,000,000) shares, each worth ten (10) Saudi Riyals, with a total value of two hundred million (200,000,000) Saudi Riyals, where the founding shareholders subscribed for (60%) of the capital, and (40%) of the capital was offered for public subscription by the public.
- On 07/08/1436 H (corresponding to 04/27/2015 G), the Extraordinary General Assembly approved an increase in the Company's capital from two hundred million (200,000,000) Saudi Riyals divided into twenty million (20,000,000) ordinary shares to four hundred million (400,000,000) Saudi Riyals, divided into forty million (40,000,000) ordinary shares, through the issuance of priority rights shares, based on the recommendation of the Board of Directors on 01/07/1435 H (corresponding to 04/30/2014 G) and after the approval of the Saudi Central Bank on 06/23/1435 H (corresponding to 04/23/2014 G).



- On 09/14/1439 H (corresponding to 05/29/2018 G), the Extraordinary General Assembly approved an increase in the Company's capital from four hundred million (400,000,000) Saudi Riyals divided into forty million (40,000,000) ordinary shares to four hundred and forty million (440,000,000) Saudi Riyals, by granting one (1) free share for every ten (10) outstanding shares, provided that the capital increase is accomplished by capitalizing an amount of forty million (40,000,000) Saudi Riyals from the retained earnings account, based on the recommendation of the Board of Directors dated 09/ 02/1439 H (corresponding to 10/29/2017 G) and after the approval of the Saudi Central Bank on 02/09/1439 H (corresponding to 10/29/2017 G).
- On 09/16/1440 H (corresponding to 05/21/2019 G), the Extraordinary General Assembly approved an increase in the Company's capital from four hundred and forty million (440,000,000) Saudi Riyals divided into forty-four million (44,000,000) ordinary shares to five hundred and twenty-eight million (528,000,000) Saudi Riyals divided into fifty-two million eight hundred thousand (52,800,000) ordinary shares by granting (1) free share for every five (5) shares owned, provided that the capital increase is accomplished by capitalizing the amount of eighty-eight One million (88,000,000) Saudi Riyals from the retained earnings account, based on the recommendation of the Board of Directors on 03/08/1440 H (corresponding to 04/08/2019 G) and after the approval of the Saudi Central Bank on 03/08/1440 H (corresponding to 04/08/2019 G) .
- On 06/02/1441 H (corresponding to 01/27/2020 G), the Extraordinary General Assembly approved an increase in the Company's capital from five hundred and twenty-eight million (528,000,000) Saudi Riyals divided into fifty-two million and eight hundred thousand (52,800,000) ordinary shares to six hundred. Forty-six million three hundred and ninety-seven thousand and sixty (646,397,060) Saudi Riyals divided into sixty-four million six hundred and thirty-nine thousand seven hundred and six (64,639,706) ordinary shares, pursuant to the approval of the merger of MetLife AIG Al Arabi Company into the Company through the issuance of (0.6577614444444444) shares in the Company for every share owned in MetLife AIG Al Arabi Company, This is after the extraordinary general assembly of MetLife AIG Al Arabi approved the merger on 02/06/1441 H (corresponding to 01/27/2020 G) and the approval of the General Authority for Competition on 04/25/1441 H (corresponding to 12/22/2019 G) and the bank's approval. The Saudi Central Bank dated 04/27/1441 H (corresponding to 12/24/2019 G) and the approval of the Capital Market Authority on 05/04/1441 H (corresponding to 12/30/2019 G).
- On 02/19/1444 H (corresponding to 09/15/2022 G), the Extraordinary General Assembly approved an increase in the Company's capital from six hundred and forty-six million, three hundred and ninety-seven thousand and sixty (646,397,060) Saudi Riyals, divided into sixty-four million, six hundred and thirty-nine thousand Seven hundred and six (64,639,706) ordinary shares to eight hundred and fifty million five hundred and eighty-three thousand and two hundred and fifty (850,583,250) Saudi Riyals divided into eighty-five million and fifty-eight thousand three hundred and twenty-five (85,058,325) ordinary shares, according to the approval to merge SABB Takaful Company into the Company through the issuance of (0.6005476176470590) new shares in the Company for every share owned in SABB Takaful



Company, after the approval of the General Assembly. The extraordinary meeting of SABB Takaful Company on 02/19/1444 AH (corresponding to 09/15/2022 AD), the approval of the General Authority for Competition on 08/18/1443 H (corresponding to 03/21/2022 G), and the approval of the Saudi Central Bank on 01/02/1444 H (corresponding to 31/07/2022 G) and the approval of the Capital Market Authority on 01/12/1444 H (corresponding to 08/10/2022 G).

Company's Main Activities

The Company's activities, according to the commercial registry certificate, are: protection and savings insurance, health insurance, general insurance, and reinsurance. According to Article (3) of the Bylaws, the Company's activities are: to transact cooperative insurance and re-insurance business in the classes of general and health insurance, and protection and savings insurance. The Company may undertake all the measures that deem necessary to carry out its activities in accordance with the Cooperative Insurance Companies Control Law and its Implementing Regulations, the provisions issued by the Central Bank, and the regulations and rules in force in the Kingdom of Saudi Arabia and after obtaining the necessary approvals from the competent authorities, if any.

The main activity of the Company is insurance and reinsurance, and the most important insurance services provided by the Company are distributed between individuals' insurance and businesses insurance as follows:

First: Individuals Insurance

- Motor (Walaa Motor Insurance)
- Rahhal (Walaa Travel Insurance)
- Medical Malpractice (Walaa Medical Malpractice Insurance)
- Wealth management

Second: Businesses Insurance

- Thiqah Motor Insurance
- Vehicle Comprehensive Insurance for Corporate
- Third Party Liabilities for Corporate
- Medical Insurance
- Shops Insurance (Dukan Insurance)
- Protection & Savings Insurance
- Property Insurance
- Engineering Insurance



- Marine and Aviation Insurance
- Accident and Liability Insurance
- Specialized Insurance

Company's Vision

To be one of the leading companies in the field of insurance and reinsurance in the Saudi market and to provide all insurance products compatible with Islamic Sharia in all sectors and at all levels of society.

Company's Mission

We are committed to providing high quality services and competitive insurance products through qualified, professional and committed employees to meet the expectations of our policyholders and stakeholders by instilling core values in our business and in our daily operations.

We strive to achieve this through:

- Our customers are our partners, not just customers.
- Keenness to remain the preferred insurance company for our customers.
- Maintaining the highest standards of professional integrity, transparency and corporate governance.
- Developing the service environment to meet the highest international standards.
- Ensuring profitability in basic insurance operations.
- Providing and maintaining the highest standards of quality.
- Offer comprehensive risk management solutions.

Company's Strategy

- It aims to be one of the largest (3) insurance companies in the insurance market in the Kingdom of Saudi Arabia.
- It aims to reach all segments of society by providing high-quality risk management products, supported by strong technical and support teams.
- It intends to secure job opportunities across a wide geographical scope in the Kingdom and is in a position to support its valued clients by addressing their insurance requirements. Focuses on all business areas, focusing on growing its medical, protection and savings market share while continuing its strong position in the motor and general insurance space.
- Increase their risk-taking capacity to obtain a higher retention rate.



- To become an active reinsurance company in the Kingdom of Saudi Arabia.
- Build an internal medical claims department to support our medical growth plan.
- Develop all digital systems and solutions to improve customer and stakeholder experiences.
- Focus on achieving higher investment returns to increase policyholders' and shareholders' funds.

Company's Strengths and Competitive Advantages

- Board members with good reputation and diverse experience.
- Firmness and stability of the senior management structure.
- A leading Company in the field of insurance and reinsurance with a fully paid capital of eight hundred and fifty million five hundred and eighty-three thousand two hundred and fifty (850,583,250) Saudi Riyals.
- The Company has been characterized by rapid growth since its establishment.
- The Company obtained an (A-) Insurance Financial Strength Rating (IFSR) from S&P Global Ratings and (gcAAA) to rank the regional financial strength of the GCC countries, both have a «**stable**» outlook. Moody's Investors Service rated Walaa Company with a financial strength rating of (A3).
- Headquartered in Al Khobar - the Eastern Province, the oil hub of the Kingdom, the Company serves its customers throughout the Kingdom through three regional offices and more than 60 retail offices spread throughout the Kingdom in more than 30 cities throughout the Kingdom.
- The Company sells all insurance products (motor, medical, general, protection and savings) as well as holds a reinsurance license and a diversified insurance product portfolio structure.
- Experience in mergers and acquisitions, being the first company to complete two successful mergers in the insurance industry.
- The Company holds 7 ISO certificates.
- Building the best digital transformation systems.
- It has more than 550 employees with a localization rate of more than 78%, serving clients, whether companies or individuals.
- A reliable insurance company for many major companies within the Kingdom of Saudi Arabia.
- It has several banking partners.
- It has an actuary appointed as a full-time employee of the Company with a very strong actuarial team.



Brief Overview of the Saudi Arabian Insurance Industry

The insurance sector is one of the most important financial services sectors in any economy. It keeps pace with all other economic activities and contributes to supporting them and maintaining their stability. The large and growing population base in Saudi Arabia, increasing awareness of the importance of insurance and the increasing number of vehicles and projects have supported the growth of overall insurance premiums. Motor insurance and health insurance were one of the most important main lines of insurance over the past years. Competition in the insurance market is growing, so companies must provide technology-based insurance solutions, consumer-centered strategies and the diversification of its products would achieve greater growth for the sector in addition to benefiting from the opportunities available for insurance lines, such as protection and savings insurance, which is almost absent in the individual sector and we find it primarily for protection on groups in international companies or personal and real estate loans in Some banks. While the penetration of general insurance has increased over the years in line with the rise in the motor and health insurance business, there is still plenty of room for growth.

The insurance sector is affected by risk factors that differ from other sectors depending on its nature. Mandatory insurance products are considered one of the market drivers for growth, such as health insurance and vehicle insurance. Accordingly, the factor of great competition in the market and the large number of competitors is considered one of the most important risks facing insurance companies in mandatory products. The Council of Health Insurance is considered one of the main drivers of health insurance growth and demand, as the regulations it issues are mandatory, such as insurance coverage for various segments of Saudi and non-Saudi workers in the private sector, which in turn drives the growth of demand in the market (Noting that the authorities of the Council of Health Insurance were transferred to the Insurance Authority as of the date of drafting this Prospectus). It is also worth noting that the rise in interest rates on the dollar supports the investment returns of insurance companies, as it has contributed to an increase in additional profits for the sector and thus the growth of the sector coinciding with that rise. The Insurance Authority is the regulatory body in the Kingdom of Saudi Arabia with regard to insurance business.



Gross Written Premiums (GWP)

Source: Saudi Insurance Market Report 2023G -the Insurance Authority.

	2019 G		2020 G		2021 G		2022 G		2023G		Percentage of change 2022-2023
	Million Saudi Riyals	Total %	Million Saudi Riyals	Total %	Million Saudi Riyals	Total %	Million Saudi Riyals	Total %	Million Saudi Riyals	Total %	
Health insurance	22,475	59.3%	22,837	58.9%	25,109	59.7%	31,830	59.7%	38,626	59.0%	21.4%
General insurance	14,281	37.7%	14,678	37.9%	15,214	36.2%	19,653	36.8%	24,268	37.1%	23.5%
Protection and savings insurance	1,135	3.0%	1,264	3.3%	1,707	4.1%	1,873	3.5%	2,566	3.9%	36.9%
Total	37,891	100%	38,779	100%	42,030	100%	53,356	100%	65,460	100%	22.7%

The total insurance written premiums increased to 65,460 billion Riyals in 2023G, compared to 53,356 billion Riyals for 2022G, therefore by an increase of 22.7%. And health insurance maintained its position as the largest insurance activity in 2023G, as the health insurance share of the total insurance written premiums amounted to a percentage 59.0% for 2023G, compared to 59.7% in 2022. The protection and savings insurance activity also maintained its rank in terms of being the smallest insurance activity in size, as its share in the total insurance premiums subscribed reached 3.9% for 2023 G, compared to 3.5% in 2022 G.

Depth of the Insurance Market

Insurance depth is defined as the ratio of total insurance written premiums to GDP, and the compound annual growth rate of insurance depth reached 6.60% during the period between 2019 G and 2023 G. In 2023 G, the insurance depth of the GDP witnessed an increase to reach 1.64%, compared to 1.28% in 2022 G. General insurance, health insurance and protection and savings insurance increased in 2023G compared to 2022G, from 0.47% to 0.61% of GDP for general insurance, and from 0.77% to 0.96% of GDP for health insurance, and from 0.05% to 0.06% of GDP for protection and savings insurance. The depth of non-oil insurance is defined as the ratio of total insurance premiums subscribed to the non-oil domestic product. The depth of insurance from non-oil GDP increased to 2.38% in 2023G, compared to 2.09% in 2022. The compound annual growth rate of insurance depth out of non-oil GDP reached 6.50% during the period between 2019G and 2023G. In addition, the depth of general insurance in the non-oil GDP increased from 0.77% to 0.88% in 2023G compared to the year 2022, and the depth of health insurance in the non-oil GDP increased from 1.25% to 1.41% in 2023G compared to the year 2022G. The depth of protection and savings insurance in the non-oil GDP increased from 0.07% to 0.09% in 2023G compared to the year 2022G.



Insurance Market Depth to GDP

Insurance type	2019G	2020G	2021G	2022G	2023G	Annual growth rate (2019 - 2023G)
General insurance	0.48%	0.56%	0.49%	0.47%	0.61%	6.17%
Health insurance	0.76%	0.87%	0.80%	0.77%	0.96%	6.01%
Protection and savings insurance	0.04%	0.05%	0.05%	0.05%	0.06%	10.67%
Total	1.27%	1.48%	1.34%	1.28%	1.64%	6.60%

Source: Saudi Insurance Market Report 2023 - the Insurance Authority, and analysis by Al Jazira Capital

The depth of the insurance sector in the non-oil GDP

Insurance type	2019G	2020G	2021G	2022G	2023G	Annual growth rate (2019G - 2023G)
General insurance	0.70%	0.73%	0.69%	0.77%	0.88%	5.89%
Health insurance	1.10%	1.13%	1.14%	1.25%	1.41%	6.40%
Protection and savings insurance	0.06%	0.06%	0.08%	0.07%	0.09%	10.67%
Total	1.85%	1.92%	1.91%	2.09%	2.38%	6.50%

Source: Saudi Insurance Market Report 2023G - the Insurance Authority, and analysis by Al Jazira Capital

Insurance Market Density

Insurance density is defined as the rate of per capita spending on insurance (total written premiums divided by population). Insurance density increased from 1,564 Riyals per capita in 2022G to 2,034 Riyals per capita in 2023G, an increase of 30.0%. The compound annual growth rate of insurance market density reached 16.43% during the period from 2019G to 2023G.

Insurance sector density

Insurance type	2019G (Saudi Riyals)	2020G (Saudi Riyals)	2021G (Saudi Riyals)	2022 G (Saudi Riyals)	2023G (Saudi Riyals)	Annual Growth Rate (2019G - 2023G)
General insurance	417	414	435	576	754	15.96%
Health insurance	657	645	717	933	1,200	16.25%
Protection and savings insurance	33	36	49	55	80	24.78%
Total	1,107	1,095	1,200	1,564	2,034	16.43%

Source: Saudi Insurance Market Report 2023- the Insurance Authority, and analysis by Al Jazira Capital



Insurance Sector Workforce in the Kingdom of Saudi Arabia

The total number of employees working in insurance companies in the Kingdom of Saudi Arabia reached 10,623 male and female employees in the year 2023 G, compared to 10,428 male and female employees in the year 2022 G. The percentage of Saudi citizens working in insurance companies also increased to 79% in 2023G.

Details of the workforce in the insurance sector in the Kingdom of Saudi Arabia

Number of employees	2019G	2020G	2021G	2022G	2023G	Annual Growth Rate (2018 - 2022G)
Non-Saudi	2,879	2,703	2,455	2,192	2,186	(6.65%)
Saudi	8,334	8,321	8,447	8,236	8,437	(0.31%)
Total	11,213	11,015	10,902	10,428	10,623	(1.34%)
Saudization percentage	%74	%75	%77	%79	%79	1.65%

Source: Saudi Insurance Market Reports for the years 2020G, and 2021G - Saudi Central Bank, Saudi Insurance Market Report 2023 and the Insurance Authority

Insurance Market Trends in the Kingdom of Saudi Arabia

The insurance sector is one of the most important financial services sectors that keeps pace with all other economic activities and contributes to supporting them and maintaining their stability, as there is a direct link and mutual influence between the development of insurance on the one hand and the development of the economy in general on the other hand. The contribution of the insurance sector in emerging economies is considered effective in the growth of the gross domestic product, and according to the Financial Sector Development Program document (one of the Vision 2030 programs), it is targeted that the total written insurance premiums as a percentage of the non-oil gross domestic product reach 2.4% by the year 2025 and 4.3% by 2030 (compared to 1.9% recorded in 2019), it is targeted that the percentage of health insurance coverage of the cost of medical care reach 45% by the year 2025 G (compared to the 33% recorded in 2019 G), and the percentage of insured vehicles is targeted to reach 77% by the year 2025 G (compared to the 39.6% recorded in Year 2019 G).

The fourth pivotal initiative of the Financial Sector Development Program focuses on ensuring the imposition of compulsory insurance on health insurance to reduce fraudulent practices and continue developing the existing insurance sector. For example: increasing gross written premiums, increasing volume, reducing the cost-to-income ratio.

By the end of 2023, the Saudi Council of Ministers approved the establishment of an insurance authority to be the authority concerned with regulating and supervising the insurance sector. The Insurance Authority will work to increase the insurance sector's contribution to the gross domestic product, which aims to regulate and supervise the insurance sector to enhance its performance, achieve the goals of the financial sector development program, and achieve the goals of Vision 2030 in general.



Summary of Financial Information

The summary financial information below is based on the audited financial statements for the fiscal years ended December 31, 2021G, and 2022G, and 2023G, and the accompanying notes, and should therefore be read in conjunction with them.

The financial statements for the fiscal years ended on December 31, 2021G, and 2022G, and 2023 G, were audited by Crowe Solutions for Professional Consulting - member of Crowe International, and El-Sayed El-Ayouti & Co., Certified Public Accountants.

The financial statements for the fiscal years 2021G, and 2022G, and 2023G, and the accompanying notes thereto, have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Key Performance Indicators

Key indicators	The fiscal year ended on 31/12/2021G	The fiscal year ended on 31/12/2022G	The fiscal year ended on 31/12/2023G
Reinsurance percentage	50.8	49.8%	
Net written premiums as a percentage of gross written premiums	0.2%	2.2%	
Unearned premiums/total written premiums	45.9%	44.7%	These provisions were determined in accordance with the International Financial Reporting Standards (IFRS 4), which will no longer apply as of the year 2023G due to the transition to standards (IFRS 17)
Net claims outstanding / net claims and other benefits incurred	14.6%	21.9%	
Net claims outstanding / net claims and other benefits incurred/Reinsurer's share of outstanding claims and unreported claims incurred/unreported outstanding claims and unreported claims incurred	65.4%	54.7%	
Reinsurers' share of unearned premiums/unearned premiums	50.1%	52.2%	
Total Assets/Total Liabilities	130.7%	127.7%	144.68%
Return on assets	(3.5%)	(0.6%)	3.60%
Return on shareholders' rights	(15.1%)	(2.6%)	11.63%

Source: The Company

Key indicators	The fiscal year ended on 2022G	The fiscal year ended on 2023G
Loss ratio	64.9%	58.2%
Margin of insurance services result	(4.7%)	1.0%
Net margin on insurance and investments results	(1.9%)	6.5%
Net income margin	(2.6%)	5.1%

Source: The Company



Statement of Financial Position

Summary of Financial Position Statement (SAR'000)	Financial year ended December 31, 2021G (Reviewed)	Financial year ended December 31, 2022G (Reviewed)	Financial year ended December 31, 2023G (Reviewed)
Total investments	773,236	910,202	1,972,583
Total assets	3,447,181	4,882,428	4,107,249
Total liabilities	2,636,555	3,822,978	2,838,794
Net property rights	810,626	1,059,450	1,268,455
Total liabilities and property rights	3,447,181	4,882,428	4,107,249

Source: The Company's audited financial statements for the financial years ending on December 31, 2021G, and December 31, 2022G, and December 31, 2023G.

Income Statement

Summary of Income Statement (SAR'000)	Financial year ended December 31, 2021G (audited)	Financial year ended December 31, 2022G (audited)	Financial year ended December 31, 2023G (audited)
Gross Written Premiums	2,338,834	2,641,932	3,346,161
Net Premiums Written	1,150,561	1,327,426	
Net Premiums Earned	1,041,530	1,303,350	These provisions were determined in accordance with the International Financial Reporting Standards (IFRS 4), which will no longer apply as of the year 2023G due to the transition to standards (IFRS 17)
Total Revenue	1,121,326	1,423,928	
Total premiums written Costs & Expenses	(1,117,339)	(1,364,518)	
Net Subscription Loss	3,987	59,410	
Total of Other Operations Expenses	(116,784)	(75,135)	
Total Loss Attributable to Shareholders	(112,797)	(15,725)	
Total Comprehensive Loss for the Year/Period	(122,054)	(27,364)	

Source: The Company's audited financial statements for the financial years ended on December 31, 2021G, December 31, 2022G and December 31, 2023G.

Summary of Income Statement (SAR'000)	Financial year ended on December 31, 2022G (Edited)	Financial year ended on December 31, 2023G (Edited)
Result of Insurance Service	(119,996)	28,121
Net Investment Income	78,366	164,983
Net Insurance Finance Income	(6,479)	(4,353)
Net Result of Insurance & Investment	(48,109)	188,751
Net Income/(loss) for the Period Attributable to Shareholders	(68,080)	147,977

Source: The Company's audited financial statements for the fiscal year ended on December 31, 2023G and the revised comparative figures for the fiscal year ending on December 31, 2022G.



Statement of Cash Flow

Summary of Cash Flow Statement (SAR'000)	Financial year ended December 31, 2021G	Financial year ended December 31, 2022G	Financial year ended December 31, 2023G
Net Cash Used in Operating Activities	(100,571)	75,392	422,928
Net Cash Generated from Investing Activities	(258,337)	123,456	(440,574)
Net Cash Used in Financing Activities	(3,334)	10,318	(4,153)

Source: The Company's audited financial statements for the financial years ended on December 31, 2021G, December 31, 2022G and December 31, 2023G.

Summary of Risk Factors

Potential investors who wish to subscribe for New Shares have to carefully consider all the information in this Prospectus, including in particular the risk factors detailed in Section 2, «**Risk Factors**», before making any investment decision regarding the subscription or trading for the Rights Issue.

1) Risks Related to the Company's Activity and Operations

- Risks related to insufficient capital and minimum capital requirements
- Risks related to insufficient provisions and reserves
- Risks related to sanctions and penalties and suspension of business by the competent authorities
- Risks related to failure to obtain and renew the required licenses, permits and certificates
- Risks related to the inability to implement the strategy
- Risks related to credit
- Risks related to credit rating
- Risks related to contingent liabilities
- Risks related to the claims management process
- Risks related to amendments to international accounting standards or the application of new international standards in the future
- Risks related to contracts with others
- Risks related to reinsurance
- Risks related to reinsurance concentration
- Risks related to reliance on insurance intermediaries/brokers and agents



- Risks related to investment
- Risks related to the concentration of the Company's revenues
- Risks related to non-compliance with the quality standards and specifications required by customers
- Risks of risk management policies
- Risks related to miscalculation of risks
- Risks related to cancellation or non-renewal of insurance policies
- Risks related to translation of insurance policies
- Risks related to the increase in the Company's liabilities
- Risks related to transactions with related parties
- Risks related to operating systems and information technology
- Risks related to lease contracts
- Risks related to lawsuits, claims, arbitration and administrative proceedings
- Risks related to trademarks and intellectual property rights
- Risks related to Zakat differences and contingent Zakat liabilities
- Risks related to insufficient insurance coverage
- Risks related to corporate governance
- Risks related to natural disasters
- Risks related to foreign employees and maintaining the required Saudization rate
- Risks related to reliance on key employees and attracting talent
- Risks related to employees' misconduct
- Risks related to providing financing in the future
- Risks related to false insurance claims and other fraudulent activities
- Risks related to failure to apply loss limits or exclusions in insurance policies
- Risks related to the Company's reputation
- Risks related to anti-money laundering and counter-terrorism financing regulations



- Risks related to the outbreak of the COVID-19 pandemic
- Risks related to financial performance
- Risks related to internal control procedures
- Expected future risks

2) Risks Related to the Market and Industry/Sector

- Risks related to withdrawal of license to undertake insurance activities
- Risks related to not obtaining necessary approvals for the launching of new products or renewal of existing ones
- Risks related to non-compliance with existing laws and regulations and/or the new laws and regulations
- Risks related to non-compliance with the Council of Health Insurance regulations
- Risks related to the regulatory environment
- Risks related to the application of the Companies Law
- Risks related to economic and insurance sector conditions
- Risks related to the Kingdom's economic performance
- Risks related to political and economic instability in the Middle East
- Risks related to restrictions imposed on ownership of insurance companies
- Risks related to competition
- Risks related to the growth of the insurance market
- Risks related to the lack of cultural awareness of insurance and its importance
- Risks related to required reports
- Risks related to the obtainment of necessary approvals to launch new products or renew existing products
- Risks related to the decline of clients' trust
- Risks related to lack of control over prices
- Risks related to the insurance business cycle
- Risks related to adjustments to accounting for Zakat and income tax by the Saudi Central Bank



- Risks related to Value-added Tax (VAT)
- Risks related to the imposition of new fees or taxes
- Risks related to compliance with Saudization and GOSI requirements
- Risks related to government fees applicable to the employment of non-Saudi employees
- Risks related to the lack of qualified local personnel
- Risks related to currency exchange rates

3) Risks Related to Offered Securities

- Risks related to potential fluctuations in the price of the Rights Issue
- Risks related to potential volatility in share price
- Risks related to unprofitability or sale of Rights Issue
- Risks related to future data
- Risks related to potential issuance of New Shares
- Risks related to lack of demand for the Company's Shares and Rights Issue
- Risks related to decrease of ownership
- Risks related to failure to exercise the Rights Issue in a timely manner
- Risks related to the distribution of dividends to shareholders
- Risks related to speculation in Rights Issue
- Risks related to shareholders' lack of awareness of the trading mechanism and exercise of Rights Issue
- Risks related to suspension of trading or cancellation of the Company's shares due to not publishing the financial statements within the statutory period

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Terms and Definitions | 01



1- Terms and Definitions

Term	Definition
«Walaa» or the «Company» or the «Issuer»	Walaa Cooperative Insurance Company.
Actuarial Expert	A consultant who prepares statistical theories and various possibilities on the basis of which services are priced, obligations are evaluated, and s are calculated.
Business Day	A business day means any day except any Friday, any Saturday, or any day which is a federal legal holiday in KSA or any day on which banking institutions are authorized or required by law or other governmental action to close.
Bylaws	The Company's Bylaws approved by the constitutional General Assembly and their subsequent amendments. The last amendment has been made according to the EGA's Resolution dated 19/02/1444H (corresponding to 15/09/2022G). The Bylaws can be reviewed at the Company's headquarters or the electronic copy by visiting the Tadawul website (the Company's profile page).
Capital Market Authority or Authority	The Capital Market Authority in the Kingdom of Saudi Arabia.
Capital Market Law	The Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H (corresponding to 31/07/2003G).
Ceded Premiums	The premiums ceded to reinsurance companies within the context of reinsurance operations.
Companies Law	The Companies Law in the Kingdom of Saudi Arabia issued pursuant to Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G) and Cabinet Resolution No. (678) dated 29/11/1443H (corresponding to 28/06/2022G).
Corporate Governance Regulations	The Corporate Governance Regulations in KSA issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017G) dated 16/05/1438H (Corresponding to 13/02/2017G) based on the Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437H and amended by Resolution of the Board of the Capital Market Authority No. (8-5-2023G) dated 25/06/1444H (corresponding to 18/01/2023G), based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H.
Council of Health Insurance	A government body established pursuant to Council of Ministers Resolution No. (71) dated 27/04/1420H (corresponding to 11/08/1999G) oversee the implementation of the Cooperative Health Insurance Law. Authorities related to the health insurance sector were transferred to the Insurance Authority as of 23/08/1445 H (corresponding to 05/03/2024 G).
Current Shares	The Company's current shares amount to eighty-five million fifty-eight thousand three hundred and twenty-five (85,058,325) ordinary shares, with a nominal value of ten (10) Saudi Riyals per share with a total value of eight hundred and fifty million five hundred and eighty-three thousand two hundred and fifty (850,583,250) Saudi Riyals.
Eligibility Ratio	Result of dividing the number of new shares by the number of the Company's current shares
Eligible Persons	All holders of Rights, whether Registered Shareholders or persons who purchased Rights during the trading period.
Eligible Shareholders	Shareholders registered in the Company's Shareholder Register at the end of the trading day following the Eligibility Date.
Financial Advisor	Al Jazira Capital, which was appointed by the Company as Financial Advisor and Lead Manager in relation to the Rights Issue as tradable securities.
Financial Statements	In this Prospectus, it means the audited financial statements for the fiscal years ended on December 31, 2021G, and 2022G, and 2023G
Financial Year(s)	It is the period set to submit the result of the establishment's activity. Its beginning and ending are specified in the incorporation contract or the Company's Bylaws, noting that the Company's fiscal year ends on December 31 of each Gregorian calendar year.



Founding shareholders	They are the Company's Founding Shareholders whose names appear in Table No. (6) .
G	Gregorian calendar
General Assembly	The General Assembly held in the presence of the Company's Shareholders in accordance with the provisions of the Companies Law and the Company's Bylaws. It may be ordinary or extraordinary.
General Organization for Social Insurance	The General Organization for Social Insurance in the Kingdom of Saudi Arabia.
Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority	The Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued by the Board of the CMA pursuant to its Resolution No. (4-11-2004) dated 20/08/1425H (corresponding to 04/10/2004G) based on the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H, amended by Resolution of the Board of the CMA No. (3-6-2024) dated 05/07/1445H (corresponding to 17/01/2024 G).
H	Hijri calendar
Head Office/Headquarters	The Company's Head Office is located in the city of Al-Khobar - 4513 Custodian of the Two Holy Mosques Road - postal code 34621 - additional number 8615.
Implementing Regulations of the Companies Law for Listed Joint Stock Companies	Issued by the Board of Capital Market Authority pursuant to its Resolution No. (8-127-2016) dated 16/01/1438H (corresponding to 17/10/2016G) based on the Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437H amended by Resolution of the Board of the Capital Market Authority No. (2-26-2023) dated 05/09/1444H (corresponding to 27/03/2023G) based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G).
Institutional Investors	<p>It includes a group of institutions, which are as follows:</p> <ul style="list-style-type: none"> a- the Government of the Kingdom or any supranational authority recognised by the CMA or the depository center (Edaa); b- companies fully owned by the government or any government entity, either directly or through a portfolio managed by a Capital Market Institution authorised to carry on managing business; c- institutional companies acting on their own account; d- Capital Market Institution authorised to deal in securities as principal; e- clients of a Capital Market Institution by the Authority to conduct managing activities provided that the offering is made to that capital market institution and that all relevant communications are made through it. The Capital Market Institution must have been appointed on terms which enable it to make decisions concerning the acceptance of an offer of securities on the client's behalf without obtaining prior approval from the client; f- public and private funds that invest in securities listed on the Exchange; g- any legal persons allowed to open an investment account in the Kingdom and an account at the depository center (Edaa); h- companies owned by the government either directly or through a portfolio privately managed; i- Gulf companies and funds if allowed by the terms and conditions of the fund; j- any registered person with the Capital Market Institution if the offering is made by the capital market institution itself; k- qualified investors; and <p>any other persons prescribed by the CMA.</p>
Instructions for Companies' Announcements	Issued by the Board of CMA pursuant to its Resolution No. (1-199-2006) dated 18/07/1427H (corresponding to 12/08/2006G) and amended by resolution No. (3-79-2023) dated 19/02/1445H (corresponding to 04/09/2023G).



Insurance Agency	A legal person who, in return for a commission, represents the insurer to attract, negotiate and conclude insurance contracts.
Insurance Authority	The Insurance Authority established pursuant to Ministerial Resolution No. (85) dated 28/01/1445H (corresponding to 15/08/2023G) and officially began its work on 09/05/1445H (corresponding to 23/11/2023G) to regulate, supervise and control the insurance sector in KSA. The Insurance Authority assumes the powers related to the insurance sector that were exercised before the implementation of the decision of its establishment by the Saudi Central Bank and the Council of Health Insurance according to a transitional plan, provided that the laws, regulations, rules and instructions issued by the Saudi Central Bank and the Council of Health Insurance related to regulating the insurance sector will remain valid until further instructions are issued to modify or copy them.
Insurance Brokers	A legal person who, in return for a certain fee, represents existing or potential insured in attracting and negotiating insurance contracts.
Insurance Claims Settlement Expert	A legal entity that studies and evaluates losses and negotiates settlements on behalf of the insurance company.
Insurance Corporate Governance Regulation	Insurance Corporate Governance Regulation issued by the Saudi Central Bank on 08/01/1437H (corresponding to 21/10/2015G).
Insurance Density	Per capita spending on insurance.
Insurance Depth	The ratio of total insurance premiums written to the gross domestic product.
Insurance Policy	A legal document or contract issued by the Company to the insured stating the contract's terms regarding loss and damage covered by the policy, in exchange for a premium paid by the insured.
Insurance Policy	A legal document or contract issued by the Company to the insured stating the terms of the contract to compensate the insured for the loss and damage covered by the policy in exchange for a premium paid by the insured.
Insurance Policy holders	The person who concludes an insurance contract and is entitled to financial compensation for certain damages.
Insurance premium deficiency reserve	It is an estimated provision determined by the actuary and is based on the expected loss ratio for the remaining part of the risks and usually arises when the actuary believes that the prices of the policies are insufficient to cover future claims related to them.
Insured	The natural or legal person who concludes an insurance contract.
Insurer	The insurance company that accepts insurance contracts directly from the insured and undertakes compensation for the risks to which the insured is exposed.
Intermediaries/Brokers	Capital Market Institutions licensed by the CMA to engage in the activity of dealing in securities as agents.
International Financial Reporting Standards (IFRS)	International Financial Reporting Standards adopted in the KSA, and other standards and issuances issued by the Saudi Organization for Auditors and Accountants (International Financial Reporting Standards).
Labor Law	The Saudi Labor Law pursuant to Royal Decree No. (M/51) dated 23/08/1426H (corresponding to 27/09/2005G), and any amendments thereto and the decisions and regulations issued in implementation of its provisions.
Law of Commercial Register	The Law of Commercial Register issued by Royal Decree No. (M/1) dated 21/02/1416H (19/07/1995G), and its regulations issued pursuant to Ministerial Decree No. (1003) dated 21/09/1416H (corresponding to 11/02/1996G).



Listing Rules	Listing rules issued by the Saudi Stock Exchange (Tadawul) and approved by CMA Board Resolution No. (3-123-2017), dated 09/04/1439H (corresponding to 27/12/2017G), amended by Resolution No. (1-104-2019), dated 01/02/1441H (corresponding to 30/09/2019G), amended by Resolution No. (01/22/2021) dated 12/07/1442H (corresponding to 24/02/2021G), amended by Resolution No. (1-19-2022) On 12/07/1443H (corresponding to 13/02/2022G), amended by Resolution No. (1-52-2022) dated 12/09/1443H (corresponding to 13/04/2022G), amended by Resolution No. (3-96-2022) dated 10/02/1444H (corresponding to 06/09/2022G), and amended by Resolution No. (1-108-2022) dated 23/03/1444H (corresponding to 19/10/2022G).
Litigation	Recourse to courts or judicial committees to reach a settlement of a dispute.
Ministry of Commerce	The Ministry of Commerce in the Kingdom of Saudi Arabia (formerly the Ministry of Commerce and Investment).
Ministry of Human Resources and Social Development	The Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia (Formerly the Ministry of Labor and Social Development).
Ministry of Interior	The Ministry of Interior in the Kingdom of Saudi Arabia.
Ministry of Municipal, Rural Affairs & Housing	The Ministry of Municipal and Rural Affairs and Housing in the Kingdom of Saudi Arabia. On 11/06/1442H and 24/01/2021G, pursuant to Royal Decree No. (A/322) that stipulated the combination of the « Housing Ministry » and the « Ministry of Municipal and Rural Affairs », and modification of its name to become the « Ministry of Municipal, Rural Affairs and Housing ».
Nationalization/ Saudization	Saudization requirements applied in the KSA regarding the labor market.
Net Offering Proceeds	The net proceeds of the offering, after deducting the offering expenses, will amount to four hundred and fifty-eight million and four hundred thousand (458,400,000) Saudi Riyals.
New Shares	Forty-two million five hundred thousand (42,500,000) ordinary shares, which will be issued to increase the Company's capital.
Nitaqat	The Saudization program (Nitaqat) was approved pursuant to Resolution No. (4040) of His Excellency the Minister of Labor dated 12/10/1432H (corresponding to 10/09/2011G) based on Ministerial Resolution No. (50) dated 21/04/1415H (corresponding to 27/09/1994G). The Ministry of Human Resources and Social Development in the Kingdom launched the program to provide incentives for establishments to employ Saudis. The program evaluates the performance of the facility on the basis of specific ranges (Platinum, Green, and Red) according to the activity and sector under which the Company falls. On 11/10/1442H (corresponding to 23/05/2021 G), the Ministry of Human Resources and Social Development launched the developed « Nitaqat » program (a Saudi nationalization scheme), which offers three main advantages: The first: a clear vision and transparent Saudization plan for the next three years in order to increase organizational stability in the private sector. The second: the direct relationship between the number of workforce and the required Saudization percentages for each facility is based on a linear equation that is proportionally related to the number the facility's workforce, instead of the current Saudization percentage system, based on the classification of establishments into specific and fixed sizes. The third: simplifying the design of the program and improving the customer experience by integrating the categories of activities with common characteristics, to be 32 instead of 85 activities in « Nitaqat ». This program will also contribute to providing more than (340,000) jobs until 2024G.
Offer / Subscription Price	Eleven (11) SR Saudi Riyals per share.
Offering Period	The period starting from Monday 01/06/1446H (corresponding to 02/12/2024G) and ended Thursday 11/06/1446H (corresponding to 12/12/2024G).
Optional Reinsurance	An optional, case-by-case method of reinsurance in which the reinsurer has the option to accept or reject the risks offered to him.



Ordinary General Assembly	The Ordinary General Assembly of the Company's Shareholders (OGA).
Outsourcing Regulation for Insurance and Reinsurance Companies and Insurance Service Providers	Issued by the Saudi Central Bank on 03/01/1434H (corresponding to 17/11/2012G).
Person	A natural or legal person
Portfolios	An investment instrument that includes a number of assets.
Pro rata Reinsurance	The method of distributing insurance amounts (whether premiums or claims) between the Company and the reinsurer at a specific and agreed upon percentage.
Prospectus	This document prepared by the Company concerning the Offering of Rights Shares.
Registered Shareholder	The investor registered in the Issuer's securities ownership registry.
Regulations for Branches and Points of Sale Annual Expansion for Insurance and/or Reinsurance Companies, Brokerage Companies and Agency Companies	Regulations for the branches and points of sale annual expansion for insurance and/or reinsurance companies, brokerage and agency companies, issued by the Saudi Central Bank on 25/07/1437H (corresponding to 02/05/2016G).
Reinsurance	The process by which the insurance company or reinsurer insures or reinsures another insurer or reinsurer (the ceding company) against all or part of the insurance or reinsurance risks that the ceding company undertakes to cover, under one or more insurance policies.
Reinsurance Commissions	The commission received as a result of reinsurance of another insured against all or part of the risks of insurance or reinsurance.
Reinsurer	It is the insurance and/or reinsurance company that accepts reinsurance from another insurance company for all or some of the risks it bears.
Related Parties	<p>According to the Rules of the Offer of Securities and Continuing Obligations, and the Glossary of Defined Terms Used in The Regulations and Rules of the CMA, Related Parties are considered as the following:</p> <ol style="list-style-type: none"> 1- affiliates of the Issuer except for wholly-owned companies; 2- substantial shareholders of the Issuer; 3- directors and senior executives of the Issuer; 4- directors of affiliates of the Issuer; 5- directors and senior executives of substantial shareholders of the Issuer; 6- any relatives of persons described at (1), (2), (3) or (5) above; 7- any company controlled by any person described at (1), (2), (3), (5) or (6) above.
Right Indicative Value	The indicative value of a Right reflects the difference between the market value of the Company's share during the Trading Period and the Offer Price.
Right Trading Price	It is the price at which the Right is traded, noting that such price is set through the offer and demand mechanism; therefore, it may differ from the Indicative Value of the Right.
Rights Issue	Rights are issued as tradable securities that grant their holders the priority to subscribe to the New Shares offered, upon approval of the capital increase. All Shareholders registered in the Company's Register are entitled to receive such Rights, noting that the Rights Issue may be traded during the trading period. Each right grants its holder eligibility to subscribe to one New Share at the Offer Price. Rights Issue will be deposited within two days from the date of the EGA's meeting approving the capital increase. The Rights will appear in the Registered Shareholders portfolios under a new symbol specifying the Rights Issue. Registered Shareholders will be notified of the deposit of Rights in their portfolios.



Riyal, Saudi Riyal or the Riyal	The official currency of the Kingdom of Saudi Arabia.
Rules on the Offer of Securities and Continuing Obligations	Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority, pursuant to its Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G), based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H, (corresponding to 31/07/2003G), amended by Resolution of the Board of the CMA No. (3-6-2024) dated 05/07/1445H (corresponding to 17/01/2024G).
Rump Offering Period	The period from 10:00 a.m. on Tuesday 16/06/1446H (corresponding to 17/12/2024G) to 5:00 p.m. on Wednesday 17/06/1446H (corresponding to 18/12/2024G).
Rump Shares	The shares which were not subscribed for during the Subscription Period.
Saudi Central Bank License	The license issued by the Saudi Central Bank No. (TMN/16/20087) dated 28/06/1429H (corresponding to 02/07/2008G) to carry out insurance and reinsurance activities in the following classes: reinsurance, general insurance, health insurance, and protection and savings insurance.
Saudi Central Bank or SAMA	The Saudi Central Bank (formerly the Saudi Arabian Monetary Agency) is the responsible entity for supervising the financial sectors authorized to operate in the KSA, such as banks, insurance companies, finance companies, exchange institutions, and credit information companies.
Security Depository Center Company («Edaa»)	A closed joint stock Company wholly owned by the Saudi Tadawul Group (Tadawul), established in 2016 under the Saudi Companies Law issued by Royal Decree No. M/3 on 28/01/1437H (corresponding to 11/11/2015G).
Senior Management (or Company's Management)	The executive management team or senior executives of Walaa Cooperative Insurance Company includes, without limitation, the Chief Executive Officer, Chief Financial Officer, Appointed Actuary, Chief Medical Insurance Officer, Chief Life Insurance Officer, Chief Motor Insurance Officer, Chief General Insurance Officer, Chief Commercial Officer, Chief Corporate Sale Officer, Chief Operation Officer, in addition to the Internal Audit Manager, Compliance Manager, Senior Risk Manager, AVP Customer Service, Corporate Governance Manager, Cyber Security Manager, and occupants of any other approved positions in other administrations or departments as indicated in the organizational chart (for more details, please see Section 4 « Organizational and Administrative Structure »).
Social Insurance Certificate	Certificate issued by the General Organization for Social Insurance in the Kingdom of Saudi Arabia.
Solvency Margin	The extent to which the Company's assets convertible into cash exceed its liabilities.
Subscriber	Any eligible shareholder who subscribes or submits an application to subscribe for the Rights Issue in accordance with the terms and conditions of the Company's issue of shares.
Substantial Shareholders	Shareholders who own (5%) or more of the Company's shares. As of the date of publication of this prospectus, the Company has one substantial shareholder, Saudi Awwal Bank, which owns (15.604%) of the Company's total shares. Saudi Awwal Bank Company is a listed joint stock company incorporated in accordance with the regulations of the Kingdom of Saudi Arabia under Commercial Registration No. (1010025779) issued in the city of Riyadh, with a paid-up capital of twenty billion five hundred and forty-seven million nine hundred and forty-five thousand two hundred and twenty (20,547,945,220) Saudi Riyals. Saudi Awwal Bank carries out its business in accordance with Cabinet Resolution No. (198) dated 06/02/1398H (corresponding to 15/01/1978G) and Royal Decree No. (M/4) dated 12/08/1398H (corresponding to 18/07/1978G), and is subject to the control and supervision of the Saudi Central Bank.
Tadawul System	The automated system for trading of securities on the Saudi Stock Exchange
Technical Reserve	These are the amounts allocated by the Company to cover expected losses resulting from policies for a type of insurance and the resulting financial obligations.



Technical Provisions	Technical provisions are calculated in accordance with the requirements of the Saudi Central Bank and applicable accounting standards, after being approved and adopted by the actuary, in addition to the Company's obligations.
The Board, The Board of Directors or The Board Members	The Company's Board of Directors elected by the General Assembly of Shareholders in accordance with the provisions of the Company's Bylaws and the requirements of the competent authorities related to the membership of the BOD of joint stock companies (JSC) (in particular the requirements of the CMA and the Saudi Central Bank) recognized under the regulations in force in the KSA, and whose names appear on page (h).
The Cooperative Health Insurance Law	The Cooperative Health Insurance Law No. (71) dated 27/04/1420H (corresponding to 11/08/1999G) issued by Royal Decree No. (M/10) dated 01/05/1420H (corresponding to 13/08/1999G).
The Cooperative Insurance Companies Control Law and its Implementing Regulations	The Cooperative Insurance Companies Control Law issued by Royal Decree No. (M/32) dated 02/06/1424H (corresponding to 31/07/2003G), amended by Royal Decree No. (M/30) dated 27/05/1434H (corresponding to 08/04/2013G), amended by Royal Decree No. (M/12) dated 23/01/1443H (corresponding to 01/09/2021G) and its implementing regulations issued by the Minister of Finance Resolution No. (1/569) dated 01/03/1425H (corresponding to 20/04/2004G).
The Extraordinary General Assembly	The Extraordinary General Assembly of the Company's Shareholders (EGA).
The Government	The Government of the Kingdom of Saudi Arabia, and the word «Governmental» shall be interpreted accordingly.
The Kingdom, or Saudi Arabia	The Kingdom of Saudi Arabia
The Public	As per the Glossary of Defined Terms Used in The Regulations and Rules of the CMA, the Public are persons other than the following: <ol style="list-style-type: none"> 1- Affiliates of the Issuer. 2- Substantial Shareholders of the Issuer. 3- Board members and senior executives of the Issuer. 4- Board members and senior executives of affiliates of the Issuer. 5- Board members and senior executives of substantial shareholders of the Issuer. 6- Any relatives of the persons described at (1, 2, 3, 4 or 5) above. 7- Any Company controlled by any persons described at (1, 2, 3, 4, 5 or 6) above. 8- Persons acting in concert, with a collective shareholding of (5%) or more of the class of shares to be listed.
The Saudi Organization for Chartered and Professional Accountants (SOCPA)	The Saudi Organization for Chartered and Professional Accountants in the Kingdom of Saudi Arabia (Formerly the Saudi Organization for Certified Public Accountants).
The Saudi Stock Exchange Market, the Financial Market or the Stock Market or the Market	The Saudi Stock Exchange for shares trading.
The Unified Compulsory Motor Insurance Policy	Issued by the Saudi Central Bank pursuant to Governor's Resolution No. (2/S/444) dated 23/06/1444H (corresponding to 16/01/2023G) based on the powers granted to the Saudi Central Bank under the Cooperative Insurance Companies Control Law.
Total written premiums	The total insurance contract premiums written during a specific period (whether ceded or not) without deducting the ceded premiums.
Underwriter and Lead Manager	Al Jazira Capital.



Underwriting Agreement	Underwriting agreement between the Company and the underwriter
Unearned Premiums	The portion of written premiums that covers risks relating to subsequent financial periods.
Value-added Tax (VAT)	On 02/05/1438H (corresponding to 30/01/2017G), the Council of Ministers decided to approve the unified agreement for value-added tax for the countries of the Gulf Cooperation Council, which came into effect starting from January 1, 2018G, as a new tax added to the system of taxes and other fees that must be implemented by specific sectors in the Kingdom and in the Gulf Cooperation Council countries. The amount of this tax is (5%), and a number of products have been excluded from it (such as basic foods and services related to health care and education). The Board of Directors of the Zakat, Tax and Customs Authority No. (20-3-2) dated 17/10/1441H (corresponding to 09/06/2020G) decided to amend the Value-added Tax Law to become (15%) starting from July 1, 2020G, according to this his powers based on Article Five (5) of the Zakat, Tax and Customs Authority issued by Ministerial Resolution No. (465) dated 20/07/1438H (corresponding to 17/04/2017G) and after reviewing Royal Order No. (A/638) dated 15/10/1441H (corresponding to 07/06/2020G) issued regarding amending Value-added Tax Law to allow the increase of the basic tax rate to (15%) starting July 1, 2020G.
Vision 2030	The National Strategic Economic Program, which aims to reduce dependence on oil and the petrochemical industry, diversify the Saudi economy, and develop services.
Zakat Certificate	Certificate issued by the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.
Zakat, Tax and Customs Authority	The Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia (The General Authority for Zakat and Tax (GAZT) or the Department of Zakat, and Tax formerly) is one of the government agencies that are organizationally linked to the Minister of Finance, and it is the body entrusted with the work of levying zakat and tax collection. On 22/09/1442H (corresponding to 04/05/2021G), the Council of Ministers approved the merging of the General Authority of Zakat and Tax (GAZT) and the General Authority of Customs ((GAC) to form the « Zakat, Tax and Customs Authority (ZATCA) ».

Risk Factors | 02



2- Risk Factors

In addition to the other information included in this Prospectus, all prospective investors in the shares offered for subscription should carefully consider the information in this Prospectus, in particular the risk factors described below, prior to making any decision of purchasing the shares offered for subscription. However, the risks described below are not inclusive of all the risks that the Company may encounter; there could be other risks currently unknown to the Company, that may affect its operations. The Board Members declare that they are not aware of any other material risks than those set out below that may have an adverse effect on the Company's activity and its financial performance, as of the date of this Prospectus.

An investment in the Rights of the Company is only suitable for investors who are able to assess the risks and benefits of such an investment and who have sufficient resources to bear any loss that may result from such an investment. A prospective investor who is doubtful about investing in the New Shares should seek advice about investing in the offered shares from a financial advisor licensed by the CMA.

The BOD's Members also acknowledge, to the best of their knowledge and belief, that there are no material risks that may affect the investors' decision as of the date of this Prospectus. In the event that any of the risks that the Company currently believes to be material do occur, or if any other risks that the Company does not currently consider to be material do occur, the Company's activity, its financial position, business results, cash flow and future expectations may be adversely and substantially affected. The occurrence of one or some of these risks may lead to a decrease of the market price of the Shares, and investors could lose all or part of their investments in the New Shares.

The risks described below are presented in an order that does not reflect their importance. Additional risks and uncertainties, including those unknown or deemed immaterial now, may have the impacts described above.

2-1 Risks Related to the Company's Activity and Operations

2-1-1 Risks Related to Insufficient Capital and Minimum Capital Requirements

According to Articles (66) and (68) of the Implementing Regulations of the Cooperative Insurance Companies Control Law issued by the Saudi Central Bank, insurance companies must maintain certain margins of solvency for various types of business.

According to Clause (1) of Article (66) of the Implementing Regulation for Cooperative Insurance Law, the company, in respect to its general and health insurance business, shall maintain a margin of solvency equivalent to the highest of the following three amounts:

- a- Minimum Capital Requirement.
- b- Total Subscribed Premiums.
- c- Claims



Clause (2) of Article (66) of the Implementing Regulation for Cooperative Insurance Law, stipulates the method for calculating the actual solvency margin for insurance companies.

According to Article (66) of the Implementing Regulation for Cooperative Insurance Law, the minimum solvency margin required for the company on the basis of premiums is 339 million Saudi riyals, 381 million Saudi riyals, and 472 million Saudi riyals as of December 31, 2021 G, 2022 G, and 2023 G.

According to Paragraph (a) of Clause (2) of Article (68) of the Implementing Regulations, if the solvency margin falls between (75%) and (100%) of the required solvency margin, the Company will have to amend this percentage to become at least (100%) during the next quarter.

The Saudi Central Bank imposes on insurance companies that do not comply with solvency levels according to the Clause (2) of Article (68) of the Implementing Regulations of the Cooperative Insurance Companies Control Law stipulates a series of measures to rectify the insurance companies' situation as follows:

- 1- Increase of the Company's capital.
- 2- Adjustment insurance premiums.
- 3- Reduce costs.
- 4- Stop underwriting business.
- 5- Assets liquidation.
- 6- Any other measures deemed appropriate by the Company and approved by the Central Bank.

The Company's solvency margin reached (121%), (141%) and (172%) as of 2021G and 2022G, and 2023G, respectively.

On 02/03/1445H (corresponding to 17/09/2023G), the Board of Directors recommended to increase the Company's capital by offering Rights Issue Shares at a value of four hundred and twenty-five million (425,000,000) Saudi Riyals, subject to obtaining all necessary statutory approvals and the approval of the EGA. The Company obtained the non-objection of the Saudi Central Bank to increase its capital on 06/05/1445H (corresponding to 20/11/2023G) valid for one year from its date to complete the capital increase process, noting that on 02/11/1446H (corresponding to 08/15/2024G), the Company received an extension of the non-objection of the capital increase from the Insurance Authority for an additional three months, provided that all requirements are met.

On 15/08/1445H (corresponding to 25/02/2024G), the Board of Directors recommended setting the value of the issue premium at the amount of forty-two million five hundred thousand (42,500,000) Saudi Riyals, so that the offering price would be eleven (11) Saudi Riyals, and the value of the total proceeds from the offering of Rights Issue shares are four hundred and sixty-seven million five hundred thousand (467,500,000) Saudi Riyals.



The Company aims to increase its capital by offering Rights Issue shares to support its activities' growth and expansion plans, enhance the solvency margin, and maintain its credit rating (for more information, please refer to Section (6) «**Use of Offering Proceeds**» of this prospectus).

In the event that the Company is unable to meet the required solvency requirements, the Central Bank will require it to appoint an advisor (to provide advice as deemed necessary) or withdraw its license and prevent it from selling its insurance products if it does not improve its business's financial status within a period specified by the Saudi Central Bank, which will negatively and materially affect the Company's business, results of operations, financial status and future prospects.

2-1-2 Risks Related to Insufficient Provisions and Reserves

The Company maintains provisions to meet and cover financial obligations, in accordance with Article (69) of the Implementing Regulations of the Cooperative Insurance Companies Control Law. These provisions include the following:

- Unearned premium reserves.
- Unpaid claims reserves.
- Claims expense reserves.
- Incurred but not reported claims reserves.
- Unexpired risks reserves.
- Catastrophe risk reserves.
- General expense reserves.
- Reserves related to protection and savings insurance, such as disability, old age, health, death, medical expenses.

The size of the reserves is estimated based on expected trends in the volume and frequency of claims according to the data available at the time. Establishing an appropriate level of claims reserves is an inherently uncertain process due to the difficulty and complexity of making the necessary assumptions. Taking into account that, starting from the beginning of the year 2023G, the method of presenting and measuring technical provisions has been changed according to the International Financial Reporting Standard IFRS 17, and therefore provisions cannot be shown in the previous way according to the IFRS 4 standard, to note that according to the International Financial Reporting Standard IFRS 17 for the year 2023G, the value of the allocations amounted to (2,554,671) thousand Saudi Riyals. Therefore, to obtain more details about the change in the method of measurement and presentation, please refer to Note No. (3) of the financial statements for the fiscal year ending on December 31, 2023G. The table below outlines the amounts of these allocations as of December 31, , 2021G, and 2022G:

**Table No. 1: Financial Reserves**

Allocations (SAR'000)	Financial Year Ended on 31/12/2020G	Financial Year Ended on 31/12/2021G	Financial Year Ended on 31/12/2022G
Unearned premium reserves	789,964	1,074,103	1,182,003
Unpaid claim reserves	233,498	480,616	546,399
Claims expense reserves	8,642	7,701	7,120
Incurred but not reported claims reserves	170,977	266,202	317,579
Reserves related to protection and savings insurance	138,959	123,696	89,123
Insurance premium deficiency reserves	26,010	9,054	7,763

Source: The Company

Since the size of reserves depends on future estimations, it is possible that the Company's reserves may be insufficient in any period. If actual claims exceed the claims' reserve, the Company will have to increase its reserves, such will have a negative and material impact on its business, financial condition and results of operations.

2-1-3 Risks Related to Sanctions, Penalties and Business Suspension by Competent Authorities

Considering that the Company's business is subject to several laws and instructions issued by the Saudi Central Bank, CMA, the Council of Health Insurance and other government entities, it will be subject to inspection visits, which may expose it to sanctions and penalties if it fails to comply with any of these laws, regulations, and instructions, or delays in complying with any of them. The Company may also be exposed to a number of penalties and sanctions by the Saudi Central Bank, CMA and other entities, including suspending all or some of its activities and its share trading which would have a material adverse impact on its business, financial status and future prospects.

It should be noted that the Company has been subject to a number of fines during the past three years until the preparation date of this Prospectus according to the below table:

Table No. 2: Sanctions and Penalties

Competent Authority	Violation/Offense	Violation Date	Type of Penalty	Fine Amount	Violation Status
The Year 2021G					
General Organization for Social Insurance	Specifying an exclusion reason that does not match the actual reason for exclusion	25/06/1442H (corresponding to 07/02/2021G)	Fine	SAR (10,000)	Payment was made.
Saudi Central Bank	Violating the supervisory and regulatory instructions of the Saudi Central Bank	27/07/1442H (corresponding to 11/03/2021G)	Fine	SAR (200,000)	Payment was made.



Competent Authority	Violation/Offense	Violation Date	Type of Penalty	Fine Amount	Violation Status
Council of Health Insurance	Violating the implementing regulations of the Council of Health Insurance	29/10/1442H (corresponding to 10/06/2021G)	Fine	SAR (4,000)	Payment was made.
Saudi Central Bank	Violating the supervisory and regulatory instructions of the Saudi Central Bank	14/11/1442H (corresponding to 24/06/2021G)	Fine	SAR (40,000)	Payment was made.
The Year 2022G					
Saudi Central Bank	Violating the supervisory and regulatory instructions of the Saudi Central Bank	27/09/1443H (corresponding to 28/04/2022G)	Warning and Fine	SAR (320,000)	Payment was made.
Zakat, Tax and Customs Authority	Late payment penalty	13/11/1443H (corresponding to 12/06/2022G)	Withholding tax	SAR (13,935.17)	Payment was made.
Saudi Central Bank	Violating Central Bank instructions regarding customer protection	17/11/1443H (corresponding to 16/06/2022G)	Warning and Fine	SAR (50,000)	Payment was made.
The Year 2023G					
CMA	Violating Corporate Governance Regulations	23/06/1444 H (corresponding to 16/01/2023 G)	Notice and confirmation that the violation will not be repeated	Do not apply	Do not apply
Council of Health Insurance	Violating Article (98) of the Implementing Regulations of the Cooperative Health Insurance Law	12/11/1444H (corresponding to 01/06/2023G)	Fine	SAR (429,400)	Payment was made.
Zakat, Tax and Customs Authority	Late payment fine	22/01/1445H (corresponding to 09/08/2023G)	Withholding tax	SAR (12,710.30)	Payment was made.
Saudi Central Bank	Violating the supervisory and regulatory instructions of the Saudi Central Bank	22/01/1445H (corresponding to 09/08/2023G)	Warning and Fine	SAR (60,000)	Payment was made.
General Organization for Social Insurance	Specifying an exclusion reason that does not match the actual reason for exclusion	05/05/1445H (corresponding to 19/11/2023G)	Fine	SAR (12,000)	Payment was made.

Source: The Company



Incurred violations and fines will affect the Company's operating expenses and have a negative and material impact on its business and financial status.

2-1-4 Risks Related to Failure to Obtain or Renew the Required Licenses, Permits and Certificates

The Company is subject to a set of rules and regulations that require it to obtain necessary licenses, permits and approvals from the competent regulatory authorities in the Kingdom in order to carry out its activity in the insurance sector. The Company has obtained the necessary licenses, certificates and approvals, which include: the Commercial Register and Chamber of Commerce and Industry Certificates, the Zakat Certificate, the Value Added Tax Registration Certificate, employment-related certificates (Social Insurance Contribution Certificate - Wage Protection Commitment Certificate - Saudization Certificate - Nitaqat Evaluation Certificate) in addition to a license from the Saudi Central Bank and the Council of Health Insurance (which their authority with regard to insurance and health insurance was transferred to the Insurance Authority as of the date of preparing this prospectus).

The Company, as license holder, must adhere to the terms and conditions of each license and certificate it has obtained otherwise, it may not be able to renew these licenses and certificates or obtain new required ones for the purposes of expanding its activities.

As of the date of this Prospectus, the Company has not obtained various required certificates, licenses and approvals, as follows:

- Salamah certificates have expired for the Company's branch in the city of Dammam (commercial registration number 2050099588) and number (44-001033895-1). It should also be noted that the Company did not issue the Salamah certificate for its branch in Jeddah (commercial registration number 4030194597). Failure to renew or obtain salamah certificates is a violation of the Civil Defense Law issued by Royal Decree No. (M/10) dated 10/05/1406H (corresponding to 21/01/1986G) and amended by Royal Decree No. (M/66) dated 02/10/1424H (corresponding to 26/11/2003G) and amended by Royal Decree No. (M/63) dated 13/09/1436H (corresponding to 02/04/2015G), which obliges the Company to adhere to security and safety requirements. Failure to comply will expose the company to the penalties and fines stipulated in Article (30), which may include the imposition of a penalty on the violator of any provision of this law, its regulations, or the resolutions issued based on it, with imprisonment for a period not exceeding six months, or a fine not exceeding (30,000) Saudi Riyals or both. The Company's failure to obtain civil defense licenses or renew expired ones will also result in its inability to obtain new municipal licenses or renew existing ones which may lead to the closure of the branch until the regular procedures for obtaining civil defense licenses are completed. The Company is also considered not in compliance with the Saudi Central Bank Circular No. (44094620) dated 22/12/1444H (corresponding to 07/10/2023G), which obliges insurance companies to implement the provisions of civil defense with regard to preventive procedures and measures for fire protection, including issuing a civil defense electronically license. Noting that the Company has never committed any violations during the previous three years for not renewing its Salamah certificates.



- The Company did not obtain a municipal license for its branch in the city of Jeddah, which is registered in the commercial registry under the number (4030194597). The Company's failure to comply with the requirements of the Ministry of Municipal and Rural Affairs regarding renewing and issuing municipal licenses for the branch through which it carries out its commercial activity is considered a violation of the Law of Municipal Licensing Procedures issued by Royal Decree No. (M/59) dated 23/09/1435H (corresponding to 20/07/2014G). The Company may be exposed to the penalties stipulated in the Schedule of Regulations of Municipal Violations Penalties issued by Cabinet Resolution No. (92) dated 05/02/1442H (corresponding to 22/09/2020G), and its implementing rules issued by Ministerial Resolution No. (4300204526) dated 12/03/1443H (corresponding to 18/10/2021G), which may reach five hundred thousand (500,000) Saudi Riyals, and the penalty may reach the penalty of closing the violating branch, which may negatively affect the Company's operations, the results of its operations, and its financial position.
- Failure to obtain or renew required certificates and licenses to practice business activity may result in business interruption or faltering, or the imposition of financial fines by government agencies. Thus, the Company's business, financial condition, results of its operations, and future prospects will be negatively and substantially affected. Noting that the Company has never committed any violations during the previous three years for not renewing its Municipal certificates.

2-1-5 Risks Related to Inability to Implement Strategy

The Company's ability to increase its revenues and improve its profitability depends on the extent to which it effectively implements its business plans and successfully achieves its strategy, including, but not limited to, improving the current activities or starting new activities. The Company's ability to expand its business in the future depends on its ability to continue implementing and improving operational, financial and administrative information systems in an efficient and timely manner, as well as on its capacity to increase, train, motivate and maintain its workforce. Furthermore, any business expansion plans that the Company intends to undertake in the future will be subject to estimated costs, specified implementation schedule, and additional financing. If the Company fails to implement the expansion plans according to its specified schedule and in accordance with the estimated costs, or if the desired profitability is not achieved due to various reasons, including a change in the market situation at the time of implementing its projects or a defect in the feasibility study, this will negatively affect its competitive position, its business results, and profitability. The Company's ability to implement its current strategy is subject to various factors, some of which are beyond its control, and there are no guarantees that any defect, failure, or sudden interruption in the work of production lines will not occur during the expansion process, or that appointed employees or adopted systems, procedures, and controls will be sufficient to support future growth, expansion, and successful achievement of its strategy. If the Company fails to implement any part of its strategy for any reason, this will have a negative and material impact on its business, results of operations, financial position and future prospects.



2-1-6 Credit Risks

Credit risks arise when a party fails to fulfill a certain financial obligation of the other party. The Company may face credit risks in several temporary or permanent cases, including reinsurers' inability to fulfill their obligations with respect to settlements, the existence of receivables from customers, the failure of other creditors to fulfill their obligations to the Company, and others. The Table below shows the provision of doubtful debts for the years 2021G, 2022G, 2023G.

Table No. 3: Provision of Doubtful Debts

Data (thousand Saudi riyals)	2021G	2022G	2023G
Provision of Doubtful Debts	50,643	61,282	61,109
The of doubtful debts out of customer's debtor's balances	25.18%	13.79%	9.8%

Source: The Company

The Company may face credit risks in several temporary or permanent cases, including reinsurers' inability to fulfill their obligations with respect to settlements and the existence of receivables from customers. If the Company does not take sufficient provisions, the failure of customers to pay may result in risks that affect the its profits and business in a fundamental way (for more information, please review paragraphs (5.5.2 and 5.6.2) «**Statement of Financial Position**» from Section No. (5) «**Financial Information and Management's Discussion and Analysis**»).

Pursuant to Article (5) of the Unified Compulsory Motor Insurance Policy issued by the Saudi Central Bank, insurance companies are required to indemnify third party/parties (other than the insured) for the consequences of accidents covered under the insurance policy against third parties. Insurance companies have the right to seek recovery from the insured, the driver or the person causing the accident to recover the amount it had paid to the third party. Therefore, recovery from the insured, the driver or the person causing the accident to recover the paid amounts results in risks of procrastination and failure by some people to repay the amounts due from them, which will adversely affect the Company's business, results of operations and financial position.

2-1-7 Risks Related to Credit Rating

On 13/07/1445H (corresponding to 25/01/2024G), the Company obtained a credit rating from Standard & Poor's (S&P) with a continuing credit rating of «**A-**» for financial strength according to international standards and «**gcAAA**» for financial strength according to Gulf standards, as well as «**ksaAAA**» financial strength according to the standards of the Kingdom of Saudi Arabia, with a stable future outlook according to international and local standards. The Company had also previously obtained confirmation of the continuity of the credit rating of (A3) from Moody's on 25/12/1444H (corresponding to 13/07/2023G) with a stable outlook. However, there is no guarantee that the rating agencies Standard & Poor's and Moody's will not reduce the Company's credit rating below the limit recognized in the insurance market, which may significantly affect customer confidence in it and the shift of insurance applicants to conclude their insurance policies with other insurance companies. Any decrease in the Company's credit rating may also affect its



ability to conduct its business and maintain its profit margins, which will have a negative and material impact on its financial condition, the results of its operations and its future expectations.

2-1-8 Risks Related to Contingent Liabilities

Some contingent liabilities may arise for the Company that may result from any other obligations or costs related to the company's activity. The company has potential commitments and commitments represented by bank guarantees, and the value of these commitments and potential commitments amounted to (8,125) thousand Saudi Riyals, and (13,640) thousand Saudi Riyals and (16,507) thousand Saudi Riyals as of December 31, 2021G, and 2022G and 2023G, respectively. The Company also operates in the insurance sector and is subject to legal procedures in the normal course of its business. It is also not possible to predict or determine the final results of all legal procedures that may result in potential liabilities for the company. If these obligations are fulfilled, this will have a negative and material impact on the company's business, financial condition and results of operations.

2-1-9 Risks Related to Claims Management Process

Pricing of the Company's insurance products, as well as reserves for claims, is dependent on the period and efficiency of notification of claims, processing of claims, and compensation of policyholders. Efficient and effective claims management depend, among other things, on having well-trained personnel who make accurate and timely decisions regarding claims processing. Inefficiencies in the administration and payment of claims can lead to incorrect compensation decisions, wrong decisions about the creation of the claim's reserves and/or payment, increased fraud, incorrect management information about the reserve and pricing. This leads to additional claims and related costs and expenses for processing claims, as well as increase of risks involved in unsuitable technical claims and/or pricing models. These risks increase when the period between the claim and its payment increases.

If the Company's administrative handling of claims proves to be inefficient or ineffective, or is exposed to costs or expenses that exceed expected rates, the Company may have to change pricing models and/or increase prices, which may result in loss of the Company's business and increase in technical claims reserves. These additional costs or the effects of inflation may harm the Company's profitability, which will have a negative and material impact on the Company's business, results of operations, financial position and future prospects.

2-1-10 Risks Related to Amendments to International Accounting Standards or the Application of New International Standards in the Future

Changing generally accepted international accounting standards (IFRS) to amended or new international accounting standards may lead to difficulty in comparing the Company's previous financial statement. . In particular, the Company's financial statements for fiscal years beginning after December 31, 2023, which may be prepared and presented under amended or new international accounting standards, may not be readily comparable to those for previous fiscal years or periods mentioned in this Prospectus and which were prepared and presented in



accordance with the currently accepted international accounting standards, IFRS. The Company is obligated to implement the amendments or changes that occur in the adopted standards from time to time. Therefore, any changes in these standards or the mandatory application of some new standards will have a significant and negative impact on the Company's business, results of its operations and financial position.

2-1-11 Risks Related to Contracts with Third Parties

The Company has concluded contracts and agreements with third parties operating in the insurance field, such as insurance brokerage contracts and reinsurance contracts, in addition to other service contracts such as information technology contracts and consulting contracts (for more information, kindly refer to Paragraph (9.7) «**Summary of Material Agreements**» from Section (9) «**Legal Information**» of this Prospectus), and the Company relies on the capacity and ability of those parties to fulfill their obligations under the terms and conditions of those contracts and agreements.

Most of the agreements with third parties is subject to the Outsourcing Regulations for Insurance and Reinsurance Companies and Insurance Service Providers issued by the Saudi Central Bank and other regulations of the Insurance Authority which requires insurance companies and insurance service providers to obtain the approval of the Saudi Central Bank (previously) and the Insurance Authority (currently) before assigning any essential task. any material outsourcing.

The Company relies on the ability of these parties to provide services continuously and reliably, especially concerning information technology services, claims settlement, and actuarial consultancy services. The Company's ability to grow and meet the needs of its customer depends on its ability to rely on efficient and experienced outsources to perform various specialized functions or services. However, it cannot be confirmed that these parties will meet the Company's expectations in providing its services. The Company does not have direct operational or financial control over its main service providers or outsourcing partners, and it cannot predict with certainty unexpected terminations of any of its outsourcing contracts.

In the event the Company or contracted parties are unable to comply with the terms of these contracts, or in case of future disputes or lawsuits and such disputes are lost, this could have a negative and substantial impact on the Company's business, results of operations, financial status, and future prospects.

2-1-12 Risks Related to Reinsurance

In the context of its risk mitigation and capital management strategy, the Company needs to reinsure its insurance portfolio to reduce certain risks it may be exposed to with respect to motor insurance and other insurance products. Under these reinsurance arrangements, the Company transfers the risks covered in the insurance documents to the reinsurer or such risks are born by the insurer which require insurance premiums for providing reinsurance.

Based on its activities, the Company must reinsure its insurance portfolio in accordance with the provisions of Article (40) of the Implementing Regulations of the Cooperative Insurance Companies Control Law, as follows:



- 1- Retain at least thirty percent (30%) of its total insurance premium. The Company currently adheres to this condition.
- 2- Reinsure thirty percent (30%) of its total premium in the Kingdom. According to the Company, it seeks to fulfill this condition as much as possible, given the difficulty of complying with it due to the risks that may result for reinsurance companies in the event that (30%) of the insurance subscriptions subscribed by local insurance companies are accepted.

According to the provisions of Article (21) of the Cooperative Insurance Companies Control Law, the Saudi Central Bank may impose a fine that may reach SAR (2,000,000) on companies that do not adhere to the above-mentioned ratios. Therefore, if the Company does not adhere to these ratios, it may be subject to that fine, which will negatively affect its business, operations' results, financial status and future prospects.

The Company's ability to contract with reinsurance companies at suitable expenses is subject to several factors often beyond the Company's control, such as market circumstances that are beyond the Company's control which determine the availability of suitable reinsurance and its costs, as well as the receipt of due amounts from reinsurers in the future, and the financial strength of reinsurers. Similar to the insurance sector, the reinsurance sector is a periodic sector and exposed to significant losses in the market, which could adversely affect reinsurance prices, which could lead to changes in prices or the desire for reinsurance of some future risks. Additional regulatory changes in reinsurance may lead to incompatibility between the regulatory requirements for insurance companies and coverage available with the reinsurers. If the event of any of these incidents or any substantial changes in reinsurance prices, the Company may have to bear additional reinsurance expenses or to obtain re-insurance under unsuitable terms, or may not be able to obtain appropriate re-insurance coverage, thereby increasing the retained risks and the potential increased losses. Knowing that transactions with reinsurers outside the Kingdom involve additional risks related to political and economic conditions, and regulatory changes in the insurance sector in the regions to which they belong to, and if these factors affect the ability of these companies to settle their shares of future claims, this will have a negative and material impact on the company's business, operations' results, financial position and future prospects.

2-1-13 Risks Related to Reinsurance Concentration

The Company deals with a number of reinsurers to secure its insurance portfolio, which may expose it to the risk of the other party's default. The value of reinsured premiums with the five main reinsurers amounted (666,935) thousand Saudi Riyals, representing a percentage of (56.13%) of the total reinsured premiums, which amounted to (1,188,273) thousand Saudi Riyals as of December 31, 2021.

While the value of reinsured premiums with the five main reinsurers amounted to SAR (740,915), accounting for (56.36%) of the total reinsured premiums, which amounted to (1,314,506) thousand Saudi Riyals as of December 31, 2022 G, compared to the value of (783,860) thousand Saudi Riyals, representing a percentage of (52.95%) of the total reinsured premiums, which amounted to (1,480,313) thousand Saudi Riyals as of December 31, 2023 G. (for more information, kindly refer



to Paragraph (5.5.1) «**Income Statement**» from Section (5) «**Financial Information and Management Discussion and Analysis**» of this Prospectus)

In the event of insolvency or bankruptcy of one of the reinsurers, this will have a negative impact on the company's business, financial position, results of its operations and future prospects.

2-1-14 Risks Related to Reliance on Brokers and Agents

The company relies on brokers and agents as major distributors for marketing its products, as the value of the insurance policies concluded by the Company through brokers and agents amounted to (1,440,936) thousand Saudi Riyals representing (62%) of the Gross Premiums Written as of December 31, 2021 G, and (1,612,719) thousand Saudi Riyals representing (61%) of the Gross Premiums Written as of December 31, 2022 G, compared to (1,629,996) thousand Saudi Riyals representing of (49%) of Gross Premiums Written as of December 31, 2023G. (for more information, kindly refer to Paragraph (9.7.4) «**Insurance Brokerage Contracts**» from Section (9) «**Legal Information**» of this Prospectus)

Due to reliance on brokers and agents, any interruption or termination of such arrangements with Intermediaries would have a significant negative impact on the sales of the Company's products, leading to substantial negative impact on the Company's business, financial status, and operations' results.

It may also not be able to renew its contracts with current insurance brokers and agents if the Central Bank prohibits one or a number of brokers from providing brokerage services or for any other reason, which will prompt it to appoint other new brokers or it may not be able to renew its current contracts under the same terms and conditions which could negatively affect its operations and business and thus be reflected in its financial results.

2-1-15 Risks Related to Investment

The Company's operational results partially depend on the performance of its investment portfolio. Investment results are subject to many investment risks, including risks associated with general economic conditions, market fluctuations, volatility of interest rates, liquidity and credit risks. The value of investments amounted to SAR (773,236) as of December 31, 2021G, compared to SAR (910,202) as of December 31, 2022G, compared to SAR (1,111,620) as of December 31, 2023G (for more information, kindly refer to Paragraph (5.5.2) «**Statement of Financial Position**» from Section (5) «**Financial Information and Management Discussion and Analysis**» of this Prospectus).

If the Company fails to balance its investment portfolio and solvency with its liabilities, it may be forced to liquidate its investments at unfavorable times or prices. Management of such investments requires an effective management system and a heightened ability to select diverse investments of good quality. If the Company's returns resulting from investments decrease, the Company will incur financial losses that may substantially and negatively affect the Company's business, operations 'results, financial status, and future prospects.



2-1-16 Risks Related to Concentration of Company's Revenues

In terms of insurance sectors, the Company's revenues were mainly concentrated from the vehicle insurance sector during the year 2021G, so that the value of written premiums from this sector amounted to (610,554) thousand Saudi Riyals. Saudi represents 26% of the total written premiums for the year 2021. As for the year 2022G, revenues were concentrated from the medical insurance sector with a value of written premiums in this sector amounting to (656,842) thousand Saudi Riyals, representing (25%) of the total revenues. Insurance revenues for the year 2022 were also concentrated from the energy insurance sector, in which the value of written premiums amounted to (640,702) thousand Saudi Riyals, representing (24%) of total revenues. As for the year 2023 G, as the company's revenues were concentrated again, as in 2021 G, from the vehicle insurance sector., so that the value of written premiums reached (795,215) thousand Saudi Riyals, representing (24%) of the total written premiums. In terms of the distribution of revenues according to the regions, the Company's revenues are mainly concentrated in the Eastern Region, so that revenues from this region amounted to (1,790,873) thousand Saudi Riyals, representing (77%) % of the total revenues for the year 2021G, and (1,946,950) thousand Saudi Riyals, representing (74%) of the total revenues for the year 2022 G, compared to (2,515,037) thousand Saudi Riyals, also representing (75%) of the total revenues as of 2023 G. The company's revenues also witness a concentration in terms of the category of insured customers, as the value of premiums written by large establishments reached (1,326,377) thousand Saudi Riyals, representing a percentage of (57%) of the total revenues for the year 2021 G, compared to (1,559,454) thousand Saudi Riyals, representing a percentage of (59%) of the total revenues for the year 2022G, and (1,694,294) thousand Saudi Riyals representing a percentage of (51%) of the total revenues as of 2023G.

In the event of any factors occurring that would affect the Company's revenues from the medical insurance and vehicle/motor insurance sectors, or its revenues from the Eastern Region, such as the entry of competitors or customers resorting to other insurance companies that offer products and services at lower prices, the Company's market share and thus its revenues will be adversely affected, and it may incur expenses for marketing its products and attracting new customers, which will have a negative impact on its financial status, operations 'results and future prospects.

2-1-17 Risks Related to Non-compliance with Quality Standards and Specifications Required by Customers

The Company seeks to maintain the satisfaction of its customers by continuing to provide the same level of quality of its products. However, the Company's inability to continue providing its products with the same level of quality will adversely affect its reputation, and thus make customers reluctant to deal with it. This will negatively affect the Company's sales and accordingly the results of operational and financial operations.

2-1-18 Risks of Risk Management Policies

The Company follows certain policies to manage, measure, and control risks in line with the Implementing Regulations of the Cooperative Insurance Companies Law and the Risk Management



in Insurance Companies Regulations issued by the Saudi Central Bank, which are periodically assessed and updated. Failure to properly implement and update the policies, or the inability of the management to identify risks and evaluate them in a timely manner will expose the Company to various risks, including but not limited to, non-compliance with the Cooperative Insurance Companies Control Law and its regulations, which may expose the Company to various measures as provided in Law, including the withdrawal of the Company's license, which will substantially and negatively affect the Company's business, financial position, and future prospects.

2-1-19 Risks Related to Miscalculation of Risks

The Company conducts a detailed risk assessment before issuing insurance documents for the submitted applications. This assessment is carried out by experts who use specific programs to estimate potential losses and risks, with the help of an independent actuary, who studies risk development patterns and future prospects based on historical performance. Inaccurate estimation of potential risks may lead to financial losses for the Company that affect its future performance.

2-1-20 Risks Related to Cancellation or Non-renewal of Insurance Policies

The Company operates in a competitive insurance market. As the duration of insurance policies issued by the Company are generally short in their terms, the Company may not be able to continue renewing insurance policies issued or to be issued in the future as expected. In case of non-renewal or cancellation of policies by policyholders, the level of written premiums of the Company in the coming years would be negatively and substantially affected, which would affect the Company's business results.

2-1-21 Risks Related to Translation of Insurance Documents

Some of the Company's insurance policies are written in Arabic and translated from English. However, the translation of some provisions in the insurance policies provided by the Company may be inaccurate in terms of clarifying some terms included in the policy, leading to a different interpretation of meanings between the parties. This is especially significant since the Courts in the KSA rely on the Arabic text in the event of any dispute arising between the Company and any of its clients, which may expose the Company to entering into disputes with customers, which will have a substantial and negative impact on the Company's business, operations' results, financial status and future prospects.

2-1-22 Risks Related to Increasing the Company's Liabilities

The increase in the Company's liabilities may pose a risk to the general financial position of the Company and its financial solvency. The table below shows the percentage of liabilities and accumulated surplus out of total assets, liquidity rate and cash rate for the years 2021, 2022 and 2023:

**Table No. 4: Data related to the increase in the company's liabilities**

Data	2021G	2022G	2023G
The percentage of liabilities and accumulated surplus to total assets	76%	78%	69%
Liquidity rate	159%	135%	105%
Cash rate	36%	36%	33%

Source: The Company

Accordingly, the increase of the Company's liabilities will adversely affect its financial status, and will thus make it difficult for the Company to fulfill its obligations, and will have a negative impact on the Company's business, financial status, operations' results and future prospects.

2-1-23 Risks Related to Transactions with Related Parties

The Company has transactions with related parties as outlined in the below table:

Table No. 5: Transactions with Related Parties

Transactions with Related Parties for the Financial Year Ending on December 31, 2021G								
Related Party	Nature of Relationship	Nature of Transactions	Details of the concluded contract	Value of Transactions (SAR)	Balance as of December 31, 2021G (SAR)		Percentage of Total Value of Contracts and transactions (%)	Percentage of Total Value of Revenues (%)
					Debtor	Creditor		
Sulaiman Abdullah Al Kadi	Chairman of Board of Directors	Vehicle insurance premiums	Yearly	20,483	1,447	-	0,04 %	0,00 %
Khalifa Abdullatif Al Mulhim	Vice Chairman of Board of Directors	Multiple insurance premiums	Yearly	2,266,286	-	1,486,963	4,22 %	0,10 %
Hatem Fahad Balghoneim	Board member	Multiple insurance premiums	Yearly	199,520	-	44,183	0,37 %	0,01 %
Abdel Rahman Bin Abed el Mouhsen Balghoneim	Board member	Vehicle insurance premiums	Yearly	3,043	-	-	0,01 %	0,00 %
Khalid Bin Abdulrahman Al Omran	Board member	Vehicle insurance premiums	Yearly	19,525	196	-	0,04 %	0,00 %
Waleed Bin Mohammed Al Jaafari	Board member	Multiple insurance premiums	Yearly	2,522,796	6,713	-	4,70 %	0,11 %
Sulaiman Abdulaziz Saleh Al Towajiri	Board member	Multiple insurance premiums	Yearly	29,993	53,194 %	-	0,06 %	0,00 %
Hesham Bin Abdullatif Bin Hamad Al Jabr	Board member	Multiple insurance premiums	Yearly	45,678,843	236,999	-	85,15 %	1,95 %



Wasef Salem Abdulrahman Al Jebshah	Board member	--	Yearly	--	39,766	-	0,00 %	0,00 %
Jameel Abdullah Bin Abdulaziz Al Mulhiem	Board member	Multiple insurance premiums	Yearly	2,904,961	-	2,334,425	5,42 %	0,12 %
Total				53,645,451	338,317	3,865,570	99,96 %	2,29 %
Transactions with Related Parties for the Financial Year Ending on December 31, 2021G								
Related Party	Nature of Relationship	Nature of Transactions	Details of the concluded contract	Value of Transactions (SAR)	Balance as of December 31, 2021G (SAR)		Percentage of Total Value of Contracts and transactions (%)	Percentage of Total Value of Revenues (%)
					Debtor	Creditor		
Sulaiman Bin Abdullah Bin Hamad Al Kadi	Chairman of Board of Directors	Vehicle insurance premiums	Yearly	22,575	1,447	--	0,05 %	0,00 %
Khalifa Bin Abdullatif Bin Abdullah Al Mulhim	Vice Chairman of Board of Directors	Multiple insurance premiums	Yearly	2,375,236	-	1,619,408	5,08 %	0,09 %
Hatem Fahad Balghoneim	Board member	Multiple insurance premiums	Yearly	848,102	-	12,657	1,81%	0,03 %
Hesham Bin Abdulatife Bin Hamad Jaber	Board member	Vehicle insurance premiums	Yearly	9,669 333	-	1,837 160	20,67 %	0,37 %
Waleed Mohammad Aljafaari	Board member	Vehicle insurance premiums	Yearly	6,314,980	-	785,479	13,50 %	0,24 %
Wasef Salem Abdulrahman Jebshah	Board member	-	Yearly	-	12,613	-	0,00 %	0,00 %
Jameel Abdullah Bin Abdulaziz Al Molhem	Board member	Multiple insurance premiums	Yearly	1,497,413	-	180,418	3,20 %	0,06 %
Osama Bin Mirza Bin Saleh Alkhunaizi	Board member	Multiple insurance premiums	Yearly	128,971	-	17,073	0,28 %	0,00 %
Abdulaziz Saud Abdelzaziz Alshabeebi	Board member	Multiple insurance premiums	Yearly	1,545,386	189,655	-	3,30 %	0,06 %
Solaiman Abdulaziz Saleh Altwaijri	Board member	Multiple insurance premiums	Yearly	24,374,439	-	17,292,702	52,09 %	0,92 %
Abdullatif Khalifah Bin Abdulatif Almulhem	Board member	Multiple insurance premiums	Yearly	12,729	-	-	0,03 %	0,00 %
Total				46,789,164	203,715	21,744,897	100%	1,77%



Transactions with Related Parties for the Financial Year Ending on December 31, 2021G								
Related Party	Nature of Relationship	Nature of Transactions	Details of the concluded contract	Value of Transactions (SAR)	Balance as of December 31, 2021G (SAR)		Percentage of Total Value of Contracts and transactions (%)	Percentage of Total Value of Revenues (%)
					Debtor	Creditor		
Hatem Fahad Bin Sulaiman Balghoneim	Board member	Multiple insurance premiums	Yearly	0.38	0.000	-0.004	0.39%	0.00 %
Hesham Bin Abdulatif Abdulatife Al Jabr	Board member	Vehicle insurance premiums	Yearly	61.70	0.142	0.000	62.53%	0.02%
Waleed Mohammad Abdullah Al Aljafaari	Board member	Vehicle insurance premiums	Yearly	10.04	2.843	0.000	10.18 %	0.00 %
Jameel Abdullah Bin Abdulaziz Al Molhem	Board member	Multiple insurance premiums	Yearly	23.78	0.324	0.000	24.10 %	0.01 %
Osama Bin Mirza Bin Saleh Alkhunaizi	Board member	Multiple insurance premiums	Yearly	0.04	0.000	-0.002	0,05 %	0,00 %
Abdulaziz Saud Abdulaziz Alshabeebi	Board member	Multiple insurance premiums	Yearly	1.58	0.000	-0.008	1,60%	0,00%
Solaiman Abdulaziz Saleh Altawaijri	Board member	Multiple insurance premiums	Yearly	0.04	0.000	-0.148	0,05 %	0,00 %
Abdullatif Khalifah Bin Abdulatif Almulhem	Board member	Multiple insurance premiums	Yearly	0.68	0.110	0.000	0,69 %	0,00 %
Total					3.47	-0.16	100%	0.03%

Source: The Company

**The company has transactions with shareholders representing insurance premiums amounting to (37,081,000) Saudi Riyals as of December 31, 2022 G, compared to (20,676,000) Saudi Riyals as of December 31, 2023 G. The Company was committed to presenting its transactions with related parties to the General Assembly for a vote. The Ordinary General Assembly, held on 11/24/1444 H (corresponding to 06/13/2023 G), approved the transactions that took place with related parties for the year 2022 G, and the Company's Ordinary General Assembly, which was held on 10/22/1443 H (corresponding to 23/ 05/20232 G) on transactions conducted with related parties for the year 2021 G (For more details about dealings with related parties, please refer to subparagraph (9.7.1) «The Company's Agreements and Transactions with Related Parties» of Paragraph (9.7) «Summary of Material Contracts» of Section (9) «Legal Information»). There is no guarantee that contracts with related parties will be renewed in the future upon expire, as it is possible that the Company's Board of Directors or the General Assembly will not agree to renew those contracts, or that the related parties will not agree to renew them in accordance with the terms of the insurance documents specified by the company. In view of this, non-renewal of these contracts may have a negative impact on the company's profitability and thus on its business, prospects, financial condition and results of its operations.



2-1-24 Risks related to Operating Systems and Information Technology

The Company's information technology systems support all of its operations and include: (Oracle), (eBaoTech), (Microsoft Dynamics 365), (In-house Solution), (Incorta), (KGiSL), and (Covergo), which are necessary to provide services to its customers. Since the insurance sector heavily on electronic systems, this increases the exposure of insurance companies - including the Company - to risks such as hacking and cyber-attacks, as well as intentional breaches of data, networks and software. Moreover, the increased use of cloud services to store data may lead to an increase the risk of IT failure. For example, a cyberattack on the insurance network may result in a company being unable to provide services to its customers, which could damage its reputation, cause loss of revenue, or expose it to financial penalties. Therefore, any failure to protect or use data properly may result in loss of or unauthorized access to customer data.

The Company's IT systems are also subject to external and internal risks, such as harmful programs, code defects and attempts of penetrating the Company's networks and lack of required updates and modifications, data breaches and human errors. All that pose a direct risk to the Company's services and data. Other threats include equipment malfunction, physical attacks, stealing customer information, fire, explosion, floods, severe weather conditions, power outages and other problems that may occur during network upgrades or making other major changes as well as the failure of the suppliers in fulfilling their obligations. In the event of a partial or total collapse occurs in any of the IT or communications systems, the Company's business activities may stop or get severely affected, and any system failure, accident or penetration can cause an interruption of the Company's operations or affect its capacity to provide services to the customers, and thus will negatively affect its revenues and operations. These disturbances may also affect the Company's image and reputation and reduce its customer's trust, which may result in loss of some of its customers. In addition, the Company may have to bear additional costs to repair any damage caused by these disturbances, and in all cases, this will have a negative and substantial impact on the Company's business, operations' results, financial position, and future prospects.

2-1-25 Risks Related to Lease Contracts

The Company concluded (41) lease contracts as a lessee (for additional information, please refer to Sub-paragraph (9.7.2) «**Lease Agreements**» from Paragraph (9.7) «**Summary of Key Agreements**» from Section (9) «**Legal Information**» of this Prospectus). The inability of the Company to maintain the continuity of the lease contracts related to these sites and to renew them in the same current terms or preferential terms, or its inability to use the leased premises for its intended purpose for any reason, will force it to vacate the leased premises and find other more suitable places to carry out its activity, with no guarantee of similar favorable lease terms. In the event of the occurrence of any of the aforementioned risks associated with lease contracts for the leased premises, it may affect the Company's expected business results, and its operational and financial statements.

It is worth noting the issuance of the Council of Minister's Resolution No. (292) dated 16/05/1438 H (corresponding to 13/02/2017 G), stating that an undocumented lease contract on the electronic network shall not be considered a valid contract, producing its administrative and judicial effects, and since the electronic network for services has been launched. Rent in cooperation between



the Ministries of Justice and Housing on 17/05/1439 H (corresponding to 03/02/2018 G), and the Ministry of Justice issued a circular approving the application of this to all contracts concluded after the date of 05/05/1440H (corresponding to 11/01/2019 G), noting that the electronic lease contract is considered an executive document and both parties can request its direct enforcement, even by court enforcement force, without the need to file a lawsuit in the event that either party breaches its fundamental obligations arising from the contract. It should be noted that on 19/12/1443 H (corresponding to 18/07/2022 G), the Ministry of Justice issued Circular No. (13/T/8843) to confirm that lawsuits arising from rental contracts undocumented on the network will not be considered unless the parties fulfill the conditions. The contract and registration conditions outlined in the circular.

As of the date of this Prospectus, the Company has one undocumented contract on the Ejar platform, which may deprive the Company of the benefits prescribed for contracts documented on the platform referred to above. In the event that any lease contracts are concluded without electronically documenting them on the Ejar network, and in the event that any dispute arises between the Company and any of the lessors regarding lease contracts that are not documented electronically, they may not be considered by the Saudi courts, and therefore the Company, as a plaintiff, may not be able to protect its rights in the event that any of the lessors breach their contractual obligations, and this will negatively and fundamentally affect the company's business and future prospects.

2-1-26 Risks Related to Litigation (Lawsuits, Claims, Arbitration and Administrative Proceedings)

As of the date of this Prospectus, the Company is a party to a number of ongoing legal cases, the value of the cases filed by the company in its capacity as the plaintiff amounts to (66,282) thousand Saudi Riyals and with a total of (6,267) cases. As for the cases filed against the Company as the defendant, their value reached (156,413) thousand Saudi Riyals, with a total of (350) cases (For more information, kindly refer to Paragraph (9.13) «**Disputes and Lawsuits**» from Section (9) «**Legal Information**» of this Prospectus). Also, in the course of conducting its business, the Company may be exposed to issues and lawsuits related to its insurance operations and disputes and claims related to insurance coverage, and the Company does not guarantee that a dispute will not occur between some policyholders, which may lead to filing lawsuits with the competent judicial authorities, whether by or against the Company. As a result, the Company may be subject legal to claims from government bodies and departments and investigations in the context of new controls on the insurance sector in the Kingdom. Naturally, the Company cannot predict the results of existing claims or future claims if they occur, nor does the Company guarantee that these claims will not have a material impact on its business, financial condition and results of operations. Also, the company cannot accurately predict the cost of lawsuits or judicial procedures that may be filed or instituted against it, or the outcome of such lawsuits or judgments that are issued in them, and the compensation and penalties they imply, and therefore any negative outcomes from such cases will negatively affect the Company's business.

2-1-27 Risks Related to the Protection of Trademarks

The Company's ability to market its insurance products and develop its business depends on the use of its name and logo. The Company registered its logo as a trademark with the Saudi



Authority for Intellectual Property, in addition to two other trademarks (for more information, please see paragraph (9.11) «**Trademark and Intellectual Property Rights**» from Section (9) «**Legal Information**») while the website is not registered, which expose it to violations by others. The risks of not protecting the Company's website include the possibility of it being stolen or breached by others and leading to unauthorized use of the Company's data and in unlawful activities, which negatively affects the company and halts its business, even temporarily, especially the sales of the Company's products that directly through the website and other services provided to customers through electronic channels. Risks related to trademarks arise when the Company does not register any of its logo as a trademark, which leads to its inability to prevent violation of its rights in this regard, which will negatively affect its logo and will make conducting its work more expensive and thus affecting the Company's operating results. The Company's work will be further affected if it has competed with similar trademarks within the key markets in which it operates and in which it does not have registered equity.

Failure to register the trademark will expose its related interests to risks, which will have a negative and material impact on the Company's business, financial position and results of operations. Note that to defend its trademark, the Company may be forced to defend its trademark through costly legal proceedings, potentially substantial damage to the brand's reputation, which will have a negative impact on the Company's ability to attract new customers, leading to a decline in the Company's revenues, which will negatively and significantly affect the Company's business, financial condition, results of its operations, and future prospects.

2-1-28 Risks related to zakat differences, tax assessments and potential zakat liabilities

The Company is committed to submitting its Zakat returns for the fiscal year ending on December 31, 2023 G, and obtained the final Zakat certificate from the Zakat, Tax and Customs Authority under the number (1112041776) dated 21/10/1445 H (corresponding to 30/03/2024 G), valid until 02/11/1446 H (corresponding to 30/04/2025 G). It should be noted that during the year 2020 G, the Company received an order to assess zakat and additional Zakat obligation for the year 2014 G in the amount of (5,900) thousand Saudi Riyals.

In 2019G, the Company received Zakat assessment and additional obligation for the year 2016 G with a value for zakat and tax amounting to (20,000) thousand Saudi Riyals. The Company successfully objected against most of the terms of this assessment and paid (1,900) thousand Saudi Riyals as a full and final settlement. Also, during the year 2020 G, the Company received assessment orders for the years 2015 G, 2017 G, and 2018g in exchange for an additional zakat and tax obligation of (9,300) thousand Saudi Riyals, and the Company objected these assessments.

In 2023 G, the internal settlement committee offered an amount of (9,213) thousand Saudi Riyals for the years 2014 G, 2017G, and 2018G, and the Company accepted the settlement committee's offer and was paid in 2024G. Regarding the objection of 2015G, the General Secretariat of the Zakat, Tax and Customs Committees rejected the Company's objection and demanded that it pay the initial assessment amount of (2,589) thousand Saudi Riyals. The Company submitted a petition but it was rejected. The amount was paid and the case was closed in 2024 G.



During the year 2022G, the Company received an assessment for the years 2019G and 2020G of an additional zakat and tax obligation amounting to (8,800) thousand Saudi Riyals. The Company objected this assessment, noting that in order for this objection to be accepted, the Company paid part of the estimated amount (10%) and agreed to pay the full amount of the tax. During the year 2023G, the internal settlement committee offered an amount of (5,586) thousand Saudi Riyals for the years 2019 G and 2020 G, and the company accepted the settlement committee's offer, paid the settlement amount, and ended the dispute.

The financial statements for the year ending on December 2023 indicate that the Company received assessments related to the value-added tax for the period 2018 -to- 2020 G, resulting in an additional obligation of (27,000) thousand Saudi Riyals. Discussions are underway between the Company and the Zakat, Tax and Customs Authority regarding these assessments. On 11/11/1444H (corresponding to 31/05/2023G), the Company settled its value-added tax liability for the years 2018 G, 2019G, and 2020G, for a value of (9,700) thousand Saudi Riyals, to benefit from an amnesty on late fines. The Company has filed an appeal regarding these years. In November 2023G, the Zakat, Tax and Customs Authority issued revised review results, reducing the outstanding obligation to (9,543) thousand Saudi Riyals, and thus the Company is entitled to a credit balance as it had its previous paid (9,700) thousand Saudi Riyals.

It should be noted that the balance of Zakat and Tax obligations amounted to (15,000) thousand Saudi Riyals, and the Company has set an allocation for these obligations in the amount of (46,283) thousand Saudi Riyals as of December 31, 2023 G.

The risks of the zakat and tax position include the tax and zakat issues of the merged companies, as the Company will pay the zakat and tax dues resulting from the assessments of the merged companies, MetLife and SABB Takaful. Regarding the indirect tax issues of SABB Takaful, in 2020, the Zakat, Tax and Customs Authority issued an assessment to SABB Takaful based on the tax audit conducted in relation to value added tax. The Zakat, Tax and Customs Authority resolved to apply (5%) VAT on premium for life insurance policies provided by SABB Takaful Company in the family Takaful sector for individuals from January 1, 2018 G until November 30, 2019 G, in addition to fines for late payment in a total amount of (1,680) One thousand Saudi Riyals During the year 2020 G, SABB Takaful Company used the initiative of the Zakat, Tax and Customs Authority and paid the basic value-added tax amount of (970) thousand Saudi Riyals under protest. Upon payment, the Zakat, Tax and Customs Authority waived late payment fines amounting to (710) thousand Saudi Riyals. Moreover, the management of SABB Takaful Company reviewed the assessments and responded to them within the specified time period. As for MetLife's indirect tax, the Company has obtained value-added tax assessments for the year 2020 G, and submitted the requirements to the Zakat, Tax and Customs Authority after receiving the initial assessment. The Company paid an amount of (95) thousand Saudi Riyals and the case was closed.

Accordingly, the Company cannot predict whether the Zakat, Tax and Customs Authority will accept its zakat estimates for the years 2021 and 2022 or will require it to pay any zakat differences in the future. If the Zakat, Tax and Customs Authority requires the Company to pay such differences, this will have a negative and material impact on the company's profits, the results of its operations, its financial position and its future prospects.



2-1-29 Risks Related to Insufficient Insurance Coverage

The Company has provided necessary insurance coverage by concluding a number of insurance policies to ward off some risks and preserve its assets and property, (for more information on insurance coverage, please refer to subparagraph (9.12) «**Insurance**» of Section (9) «**Legal Information**» of this Prospectus).

The concluded insurance contracts include deductible amounts and factors excluded from the insurance coverage, in addition to other restrictions related to the insurance coverage to be negotiated with insurance companies. The Company's ability to obtain the compensation due to it by the relevant insurance company depends on its financial solvency and ability to meet the value of this compensation. Hence, insurance may not cover all the losses incurred by the Company, and no guarantee is given to the Company that it will not incur losses that exceed the limits of insurance policies or that are outside the scope of coverage included in such policies. It is possible that situations may arise in which the value of the claim exceeds the value of the insurance maintained by the Company, or that the compensation claim submitted by the Company to the relevant insurance company will be rejected, or that the claim and compensation period may be prolonged. The Company's inability to renew the aforementioned insurance policies may lead to the lack of adequate insurance coverage for an accident, and thus the Company may lose the capital invested in any of these properties that are damaged or destroyed, and it may also lose the future revenues expected from them, which will negatively affect the Company's business, its future prospects, operations' results and financial condition.

2-1-30 Risks related to corporate governance

The Corporate Governance Regulations was issued pursuant to the board of the Capital Market Authority Resolution No. (8-16-2017) dated 16/05/1438 H (corresponding to 13/02/2017G) based on the Companies Law issued by Royal Decree No. (M/3) dated 28/01/ 1437 H (corresponding to 10/11/2015G) and amended by Capital Market Authority Board Resolution No. (8-5-2023) dated 25/06/1444 H (corresponding to 18/01/2023 G) based on the Companies Law issued by Royal Decree No. (M/132) dated is 01/12/1443 H (corresponding to 30/06/2022 G). It is noted that the Company has adopted its corporate governance manual by the Board of Directors at its meeting held on 15/05/1442 AH (corresponding to 27/12/2020 G) and approved by the (ordinary) General Assembly held on 13/11/1442 H (corresponding to 23/06/2021 G) Therefore, its corporate governance manual is not updated in accordance with the amendments that occurred in the Corporate Governance Regulations issued by the Capital Market Authority following the issuance of the new Companies law.

In return, the Company is subject to the corporate governance regulations issued by the Central Bank in conducting its insurance and reinsurance activities. As of the date of preparing this Prospectus, the Company's Board of Directors and senior management have not adopted the Outsourcing regulations and the Anti-Fraud regulations, and therefore the Company is not committed to the provisions of Article (14) of the Anti-Fraud regulations for the insurance companies and Insurance Service Providers in the Kingdom of Saudi Arabia regarding the Board of Directors' approval of the anti-fraud strategy, in addition to not complying with Article (20) of the Outsourcing Regulations for Insurance and Reinsurance Companies and Insurance Service



Providers with regard to the Board of Directors' preparation and implementation of suitable policies within the framework of appropriate risk management for task outsourcing. It should be noted that the Company has never violated during the previous three years the compliance with the provisions of the Anti-Fraud Regulations and the provisions of the Attribution Regulations.

The Company's failure to comply with the provisions of Corporate Governance Regulations, issued either by the Capital Market Authority or the Saudi Central Bank, may expose it to penalties that may be imposed by regulatory authorities, which may have a negative and material impact on the Company's business, results of its operations, financial condition, and future prospects.

2-1-31 Risks Related to Natural Disasters

All insurance companies are exposed to losses resulting from unpredictable events that may affect many risks covered by the Company, in particular wide-scale weather events with regard to vehicle insurance or epidemics in case of health insurance. Other events that can affect the Company and insurance policies include natural and unnatural events, including, but no limited to, snow or sand and storms, floods, winds, fires, explosions, earthquakes, industrial accidents and terrorist actions.

The size of the Company's losses as a result of these disaster events depends on the frequency and severity of each event and reinsurance arrangements made by the Company. Despite the Company's efforts to reduce its exposure to these events, determine appropriate price for them, or establish appropriate conditions for risk insurance, these efforts may not always succeed. In addition, any disaster that may affect the Company's offices or any other sites will negatively affect the Company's business, financial position, and future prospects.

2-1-32 Risks related to foreign labor and maintaining the required Saudization percentage

The total number of the Company's employees is (607), including (476) Saudi employees and (131) non-Saudi employees according to the social insurance certificate issued in July 2024G, with a Saudization rate of (79%) for the year 2023G, noting that the Saudization rate reached (77%) for the year 2021 G and (81%) for the year 2022 G. The Company is classified as a large facility that practices (business services) activity, and the Company currently falls under the «**Platinum**» category of the Nitaqat Mutawar Program.

It may be challenging for the Company to maintain and retain the same percentage of Saudi employees in the future, and thus it will not meet the requirements of the «**Nitaqat Mutawar Program**». If the Company is unable to continue to comply with the requirements of the «**Nitaqat**» program, it may be classified under the red category. In that case, the company may be exposed to a number of penalties, including:

- Disallow the change of expatriate employees' occupations.
- Disallow the transfer of expatriate employees services.
- Disallow the issuance of new visas.



- Disallow the issuance of work permits for expatriate employees.
- Disallow the renewal of work permits for current expatriate employees.

In addition, the government is taking measures to regulate the employment of non-Saudi employees in the Kingdom in accordance with the Labor and Residency Regulations in the Kingdom of Saudi Arabia. These measures include taking strict measures against non-Saudi employees who do not work for their sponsor and whose work's nature does not match their job requirements (as stated in their work permit), especially after the abolition of the sponsor system (starting from the second quarter of 2021G), which will allow the foreign employee upon the expiration of his employment contract to move from one entity to another without the employer's approval, as part of the «**Improving the Contractual Relationship**» initiative for employees in private sector establishments. The initiative also limits transfer mechanisms during the validity of the contract, provided that the notice period and specified controls are adhered to it. The exit and return service allows the expatriate employee to travel outside the Kingdom upon submitting the request and notifying the employer electronically, while the final exit service enables the expatriate employee to leave immediately after the end of the contract, by electronically notifying the employer without requiring his approval, in addition to the possibility of leaving the Kingdom and bearing all the consequences of the termination of the contract. It should be noted that all of these services are available through the «**Absher**» platform and the «**Qiwa**» platform of the Ministry of Human Resources and Social Development since the entry into force of this initiative in March 2021.

It should be noted that a decision was issued by the Insurance Authority in December 2023 G, stipulating the localization of all insurance product sales positions as of April 15, 2024 G, from the standpoint of supporting and enhancing the effectiveness of the insurance sector and in an effort to support and empower national competencies and capabilities in the insurance sector. Therefore, there is no guarantee that the Company will be able to secure the necessary national labor force or employ the required number of foreign employees under favorable conditions to the Company. The Company may also face challenges in retaining its Saudi national employees, if the number of Saudi employees decreases, this will lead to a decrease in its overall Saudization rate. The occurrence or realization of any of the events referred to above will have a significant negative impact on the Company's business, financial condition, results of its operations and future prospects.

2-1-33 Risks Related to Dependence on Key Personnel and Attraction of Competencies

The Company depends on the experiences and capacities of leading personnel. Therefore, the Company's success may depend on its ability to ensure the continuity of such competencies and to find alternatives if they leave the Company. The Company's success relies on maintaining its relationships with brokers by ensuring long-term retention of staff and on its ability to attract and retain new qualified employees.

There is no guarantee that the Company can retain the services of its employees or improve the level of their skills, as it depends on the expertise and capabilities of the leading employees. Therefore, the Company's success may depend on the extent of its ability to ensure the continuity



of these competencies, and on finding alternatives if they leave the Company. The Company's success depends on services provided to its customers, maintaining them, and working to develop the quality of customers' service, which can be achieved by applying continuous organizational and development plans for the Company's operations in all administrative sectors under the supervision of leading employees at the level of the Senior Executives, which requires working to maintain employees and ensure their continuity, attracting new qualified employees, and ensuring their continuity.

In order to ensure the continuity of leading employees who have expertise and qualifications, the Company has approved a succession plan for Senior Executives to ensure that these positions remain vacant. The plan includes enrolling employees in training and development programs that lead to acquiring the required functional skills to fill these positions and raising the level of their skills. The Company may also need to increase salaries to ensure long-term retention of its personnel and attract new well-qualified staff which will negatively affect the company's financial position. All of this may make it difficult for the Company to retain some employees, and the Company's loss of services of one or more members of its senior management or divisions and departments may hinder the implementation of its business strategy, and this will have a negative impact on its business, financial condition, and results of its operations.

2-1-34 Risks Related to Employee Misconduct

Although the Company has an internal work organization approved by the Ministry of Human Resources and Social Development No. (420144) dated 01/04/1442 H (corresponding to 16/11/2020 G), the Company cannot guarantee that employees' misconduct or mistakes will be avoided. Such as fraud, intentional errors, embezzlement, fraud, theft, forgery, misuse of its property, and acting on its behalf without obtaining the required administrative authorizations. Consequently, these actions may result in consequences and responsibilities for the Company, or regulatory penalties, or financial liability, which will negatively affect the company's reputation, operations, and financial position.

2-1-35 Risks Related to Access to Adequate Financing

The Company's ability to obtain sources of financing for its business depends on several factors, including factors related to its ability to obtain the regulatory approvals in addition to its financial condition and creditworthiness. In the future, if the Company needs to inject a large amount to finance the expansion of its activities and products or improve its solvency, it will encounter challenges in obtaining financing sources and, if obtained, they may be at unfavorable costs and conditions. If the Company needs to increase its capital to obtain additional financing, the ownership percentages of the current Shareholders may decrease. The difficulty of obtaining appropriate financing in the future may negatively affect the Company, its financial performance and business plan.

2-1-36 Risks Related to False Insurance Claims and Other Fraudulent Activities

The Company is vulnerable to fraud and deception from various sources, such as suppliers, intermediaries/brokers, customers and other parties. Sources include customers who may provide incorrect statements or fail to fully disclose covered risks before purchasing insurance coverage,



and policyholders who submit fraudulent or exaggerated claims. It should be noted that the technical methods applied to practice fraud and deception are constantly evolving, which makes it difficult to detect these practices.

The occurrence or presence of fraud or deception in any aspect of the Company's business will have a negative impact on its business, operations' results, financial position and future prospects, and will also harm its reputation and trademark.

2-1-37 Risks Related to Failure to Apply Loss Limits or Exclusions in Insurance Policies

The Company may not be able to apply, as deemed appropriate, different provisions of its insurance policies, such as limits on losses or exclusions from coverage that have been negotiated to limit the risks of these policies. As the practices of the sector change, and the legal, social and other conditions alter, unexpected and unintended problems related to claims and coverage may arise, which may negatively affect the Company's business either by expanding coverage beyond its prospects, or by increasing the size or number of claims. It is very difficult to predict the effects of claims and coverage problems and this may harm the Company's business.

The insurance policies issued by the Company also include conditions requiring immediate notification of claims and the Company's right to refuse coverage in case of violation of that condition, in addition to restrictions that reduce the period during which the policy holder may file a claim against the Company for breach of contract or any other claim. A court or regulatory authority may cancel or invalidate any exception, and legislation may be issued to limit the use of insurance policy's supplements and limits on losses in a way that negatively affects the Company's losses, which may have a negative and material impact on the Company's business, financial position or results its operations. In some cases, these changes may not become apparent until the Company issues the insurance policies that are affected by those changes. Subsequently, the full scope of liability under the Company's insurance contracts may not be known for many years after the contract is issued.

2-1-38 Risks Related to the Company's Reputation

The reputation of the Company is of utmost important for attracting and retain new clients and establishing strong relationship with counterparties. The Company's reputation can be harmed in future as a result of several factors, including but not limited to, a decrease or adjustment of its financial results, legal or regulatory actions against the Company, or behavior of any of its employees that may cause the Company to violate the applicable legal requirements. Any damage to the Company's reputation will adversely affect its business, financial condition, operations' results, profitability of share and future prospects.

2-1-39 Risks Related to Anti-money Laundering and Counter-terrorism Financing Regulations

The Company is currently complying with Anti-Money Laundering and Counter - Terrorism regulations issued by the Saudi Central Bank, the Anti-Money Laundering Law and its Implementing Regulations, and the Law of Combating Terrorism and its Implementing Regulations These



regulations clarify the procedures that must be taken upon accepting any client (whether an individual or a company), and clarify the due diligence procedures that must be followed as well as the procedures for reporting suspicious transactions and other procedures.

Failure to comply with Anti-Money laundering and Combating Terrorist Financing Regulations renders the Company subject to legal accountability and thus leads to the imposition of fines and/or penalties that the Company shall bear, and consequently, will have a negative material impact on the Company's business, financial condition, operations' results, and future prospects.

2-1-40 Risks Related to the Outbreak of infectious or malignant diseases, epidemics, or pandemics in general

Outbreaks of infectious or deadly diseases, epidemics or pandemics, such as previously known as COVID-19, or the emergence of other public health concerns, whether in the Kingdom of Saudi Arabia or elsewhere, may have a material adverse effect on the economy, financial markets, and business activities locally and globally. In the event of an outbreak of any of these diseases, the Company will have to take preventive measures imposed by the World Health Organization and the Government, which may lead to disruptions in the conduct of its business and commercial activity. The spread of the Coronavirus (COVID-19) which started in December 2019G, negatively affects global economies, financial markets, global demand for oil and its prices, and the general environment in which the Company operates due to preventive measures that have been taken to curb the spread of the virus. It imposed strict decisions in this regard, resulting in, but not limited to, imposing a partial or total curfew in some cities and governorates of the Kingdom during the year 2020G, closing airports and malls and all activities within them, with the exception of grocery stores and pharmacies, and reducing the number of working hours for some sectors and forcing some of them to work remotely. All of these restrictions have caused damage to all economic sectors, hence the need for insurance or the occurrence of insurance claims for the damages resulting from these measures.

Given that there is no guarantee that this virus or its variants will not spread again, or the spread of any other disease or epidemic, the Company cannot estimate the number of losses resulting from that if it occurs. The Company does not guarantee that there will be no consequences in the future that will negatively and materially affect the Company's business, financial condition, operations' results and future prospects.

2-1-41 Risks related to financial performance

The Company received the Saudi Central Bank's letter No. (45030193) dated 05/06/1445 H (corresponding to 11/20/2023 G) containing its approval to increase the Company's Capital by an amount of four hundred and twenty-five million (425,000,000) Saudi Riyals through the offering of priority rights shares. The approval is valid for a period one year from the date of completing the capital increase process, provided that the Company provides a quarterly update regarding the measures taken for the capital increase process, noting that on 02/11/1446H (corresponding to 08/15/2024G), the Company received an extension of the non-objection of the capital increase from the Insurance Authority for an additional three months, provided that all requirements are met.

There is no guarantee that the Company will implement the entire business plan presented, which is based on assumptions, the most important of which are digital transformation, the use of



the latest technologies, and the development of customer experience, in addition to reducing operational costs, gradual growth in written insurance premiums, and improvement in the technical performance of the main sectors. If the Company is unable to implement it according to the expected assumptions, this will have a negative and material impact on the Company's business, the results of its operations, its financial position and its future expectations.

2-1-42 Risks related to internal control procedures

The Company's control procedures are continuously reviewed by the Internal Audit Department, which maintains its independence by referring them to the Audit Committee. The Audit Committee directly supervises the work of the Company's internal audit department and reviews the governance and risk systems and financial reports and disclosures. The Company's internal control procedures are also expanding to include the role of the Company's Compliance and Anti-Money Laundering Department in supporting the Audit Committee to verify the Company's management, board of directors, and employees' compliance with all relevant regulations and requirements, in addition to the guidelines and instructions issued by the Insurance Authority, the Capital Market Authority, and other regulatory bodies in the Kingdom. The Audit Committee and the Board of Directors receive periodic reports on the audit results, which are discussed with the executive management and followed up on correcting the observations contained therein.

Although the Company's internal control system is effective in terms of risk assessment, the internal audit management plan, and the internal audit management reports submitted to the audit committee, in addition to the auditing process carried out by the external auditor on a quarterly and annual basis, any weakness or decline in the level of internal control may lead to breach the integrity and security of the Company's information and to breach its commitment to laws, regulations and internal policies, which will affect the effectiveness and efficiency of the Company's decisions, and this will have a fundamental negative impact on the Company's business, financial condition, results of its operations and future expectations.

2-1-43 Expected future risks

The Company anticipates several risks that may occur in the future and affect its business and the results of its operations. The Company has considered that it is exposed to the following risks:

- a- Underwriting Risks: refers to the potential challenges that the Company may face, including, but not limited to: inadequate pricing, adverse selection, and inaccurate assessment in the process of evaluating and insurance policies. The risks may further elevate by concentration on specific elements within the Company's portfolio, such as focusing heavily on a few large clients, specific industries, limited risk factors, particular geographic regions, or specific insurance products that may create single point of failure and exposes the Company to potential catastrophic losses.
- b- Operational Risk: This involves the potential risk of comprising a portion of shareholder value due to failed internal processes, personnel system, or external events. This encompasses both manual and computerized internal processes, including IT, communications and legal.



Key categories include but are not limited to the following:

- Financial integrity: This encompasses internal fraud (misappropriation, misreporting, bribery) and external fraud such as hacking and financial crimes.
 - People and Work Environment: Risks associated with employee practices, including discrimination, workplace safety, and training.
 - Client and Business Conduct: Potential market manipulation, antitrust violations, product liability, and unfair practices.
 - Physical Assets and Disruption: Threats from natural disasters, vandalism and damage to facilities, as well as business disruption caused by utility outages and system failure of the Company's IT system.
 - Operational Efficiency: Ensuring accuracy and adherence to processes and addressing data entry errors, accounting errors and potential negligence in management of client assets.
- c- Market risk: Market risk pertains for the potential for the fair value or future cash flows of a financial instruments (like stocks, bonds, or currency) to change significantly due to fluctuations in market prices. This encompasses three main categories:
- Foreign exchange rates (currency risk): Changes in the relative value of currencies can impact the value of investments made in other countries.
 - Market interest rates (interest-rate risk): Fluctuations in prevailing interest rates can affect the value of fixed-income investments, like bonds.
 - Market prices (price risk): Changes in the market prices of specific assets, like stocks or real estate, can lead to gains or losses.
- d- Cyber Security risks: Cyber Security risks arise from the potential for unauthorized access, manipulation, or destruction of the Company's information assets, whether digital or physical.
- e- Regulatory and Anti-Money Laundering risks:
- Regulatory risks arise from misinterpretation, ambiguity or misapplication of laws and regulations governing the Company's activities. These potential pitfalls encompass the Company's relationships, process, products and services.
 - AML risk presented by criminals seeking to exploit insurance products for unlawful purposes. This includes methods like premium laundering, fraudulent claims and investment-based concealment.
- f- Liquidity risk: This involves the risk of inability to promptly convert assets into cash to meet financial obligations without incurring significant losses. It arises from a mismatch between readily available resources and upcoming liabilities, which affects the Company's solvency and operational stability.



- g- Strategic risk: This pertains to the risk of experiencing loss in earnings, capital or franchise value due to decisions linked to the business plan and strategic objectives. This encompasses the process of definite strategic goals and a business plan objective, specifying how to achieve them, and implementing those plans, with a focus on responding effectively to changing conditions. This encompasses three main categories:
- Regulatory Shifts: Changes in regulation, legal landscape, or customer behavior can impact the sales volume, profitability, and business practices.
 - Competitive Landscape: A dynamic competitor landscape, including their pricing strategies or product offerings, requires constant vigilance and adjustments to maintain the Company's edge.
 - Distribution Risk: Underperforming distribution channels can impact stock value through new sales, renewals and existing business profitability.
 - Concentration risks: Overreliance on specific industries or regions can pose major threats.
- h- Conduct of Business risks: Encompasses inappropriate behavior by the Company or its employees, that could lead to financial losses, damage to its reputation, or incur regulatory sanctions. This includes:
- Unsuitable behavior: Employee or representative conduct that is unprofessional, discriminatory, or harassing can erode trust and damage client relationships.
 - Product misalignment: Offering products that do not match customer needs, due to inadequate understanding or targeting errors, leads to dissatisfaction, complaints and potential regulatory intervention.
 - Transparency Gaps: Inaccurate or incomplete information shared with customers or the public, including unclear communication, lack of transparency, or deliberate misrepresentation, erodes trust in the Company and damages its reputation.
 - Ineffective claims management: Lack of control over claims handling can result in errors, delays and customer dissatisfaction, leading to financial losses and reputational damage through legal disputes or negative online reviews.
 - Post sale service: In a highly competitive level with high expectation inadequate after-sales support, unresponsive personnel, or unresolved complaints can create long-term loyalty issues. Mis-selling: Intentionally misrepresenting products to boost sales, regardless of customer needs, is unethical and carries serious consequences, including regulatory penalties, financial penalties, and reputational damage.
- i- Actuarial risks: Encompass potential errors in models and calculations used in various insurance functions. These include determining premiums, setting reserves, implementing reinsurance strategies, and managing assets and liabilities. Inaccuracies in these critical areas could impact our financial stability, create misleading information to stakeholders, and undetermined trust in the Company's operations. Actuarial risks arise from several factors, including:



- Data limitations: Insufficient or inaccurate data used in calculations can lead to misinterpretations and biased results.
- Assumptions uncertainties: Utilizing unrealistic or outdated assumptions can distort risk assessments and financial projections.
- Methodological shortcomings: Employing antiquated or inappropriate methods can generate flawed calculations and inaccurate conclusions.
- Systemic weaknesses: Insufficient data management systems and analytical tools can increase the risk of human error inconsistencies.

2-2 Risks Related to the Market and Industry

2-2-1 Risks Related to Withdrawal of License to Undertake Insurance Activities

The Company obtained a license from the Saudi Central Bank No. (T M N/16/20087) dated 28/06/1429 H (corresponding to 02/07/2008 G) to carry out insurance and reinsurance activity in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations in the branches: Reinsurance General insurance, health insurance, protection insurance with savings, this license expires on 06/25/1447 H (corresponding to 02/16/2025 G).

Article 76 of the Implementing Regulations of the Insurance Companies Control Law states that the Saudi Central Bank has the right to withdraw the license of the Company in the following cases:

- 1- no business activities for a period of six months from the issuance date of the license.
- 2- None compliance with the law and these implementing regulations.
- 3- Providing SAMA with false information in its licensing application.
- 4- Conducting its business and affairs in a manner that threatens to make it insolvent or that it is hazardous to its policyholders, stockholders, or the public.
- 5- Insolvency, or its assets are not sufficient for carrying on its business.
- 6- The business is fraudulently conducted.
- 7- The paid-up capital falls below the prescribed minimum limit or failure to fulfill the provisions of article 68.
- 8- The business or volume of activities falls to a limit that SAMA finds unviable to operate number.
- 9- Refusal or delay of payments due to beneficiaries without cause.
- 10- Refusal to be examined or to produce its accounts, records, or files for examination by SAMA.

If the license is withdrawn from the Company, it will not be able to continue its operation in the KSA, which will have a negative impact on its business and will thus adversely affect its business,



operations' results, financial condition, future prospects, and its share price in the market. Accordingly, the shareholders may lose part or all of their investment in the Company.

2-2-2 Risks Related to Approvals for New Products or Renewal of Existing Ones

Based on the Cooperative Insurance Companies Control Law and Implementing Regulations for offering new insurance products, the Company is required to obtain the Saudi Central Bank's approval (previously) and the Insurance Authority (currently) (the authorities of the Saudi Central Bank were transferred to the Insurance Authority as of the date of this Prospectus) (final or temporary) before marketing or offering any new product, noting that the approval process for the Company's insurance products takes place in three stages, which are: (1) submitting a request for approval of the product (2) reviewing the form (3) granting final or temporary approval for the product or reject it.

The Company obtained a license from the Saudi Central Bank to carry out insurance activity in the insurance and reinsurance branch in the branches: reinsurance, general insurance, health insurance, and protection insurance with savings. It currently provides various types of insurance coverage to its customers.

Any delay related to obtaining approvals for new products or renewal of approvals for current products will negatively affect the Company's business and profitability in the future.

With regard to offering any insurance products, the Company must obtain the approval of the Saudi Central Bank (previously) and the Insurance Authority (currently) before marketing and offering them in accordance with the Cooperative Insurance Companies Control System and its executive regulations. As of the date of this prospectus, the Company has obtained approvals from the Saudi Central Bank to sell (88) products.

Any delay in obtaining approvals for new products or renewing approvals for existing products will have a material negative impact on the Company's business, results of operations, financial position and future prospects.

2-2-3 Risks Related to Non-compliance with Existing Laws and Regulations and/or Issuance of New Laws and Regulations

The Company is subject to the applicable laws and regulations in the Kingdom, particularly those related to the insurance sector, including the Companies Law and the Cooperative Insurance Companies Control Law and its Implementing Regulations. It is also subject to the supervision of the Saudi Central Bank, which is responsible for regulating the insurance sector in the Kingdom, including policies, rules, licensing, competition, investment allocations, service standards, technical standards, and settlement arrangements.

In order to organize, regulate and supervise the insurance sector in the Kingdom in a way that supports and enhances its effectiveness, and to develop insurance awareness, protect the rights of the insured and beneficiaries, stabilize the insurance sector, contribute to financial stability, strengthen, develop the insurance sector, and work to consolidate the principles of the insurance contractual relationship, the Insurance Authority was established under Ministerial Resolution



No. (85) dated 28/01/1445H (corresponding to 15/08/2023G), which officially began its work on 09/05/1445H (corresponding to 23/11/2023G). It is expected that changes will occur in terms of unifying the regulatory procedures for the insurance sector under one entity that acts as a regulator for the sector, so that this sector is currently regulated by the Central Bank and the Council of Health Insurance, in addition to the transfer of all communication channels related to regulation and compliance to the Insurance Authority. Although laws, regulations, rules and instructions issued by the Central Bank and the Council of Health Insurance related to regulating the insurance sector are still in effect, new instructions may be issued by the Insurance Authority to amend applicable laws, regulations, rules and instructions.

Since the Saudi insurance market is considered an emerging market that is constantly evolving, this may limit the Company's ability to respond to market opportunities, and may force it to bear significant annual expenses to comply with the regulatory laws and regulations. Therefore, there can be no guarantee that the applicable laws or regulatory framework will not undergo further changes or be interpreted in a manner that may materially or negatively impact the Company's business, financial condition, or operations' results. Failure to comply with the applicable laws, regulations and instructions will subject the Company to regulatory penalties including fines, suspension of operations, and withdrawal of its license to carry out insurance activities, which would negatively impact the Company's business, financial position, and future prospects.

As a listed company, the Company is also subject to the laws, rules, and requirements of the CMA and the Saudi Exchange (Tadawul). The CMA requires listed companies to comply with the Rules on the Offer of Securities and Continuing Obligations and special instructions issued by the CMA and the Listing Rules issued by Tadawul. In particular, listed companies are required to periodically disclose significant and financial developments and the Board of Directors report. Insurance companies shall also be committed to announcing their financial results in accordance with templates approved by the CMA, which shall include clear data on the surplus (deficit) of insurance operations minus the returns of policyholder's investments, the total written insurance premiums, net insurance premiums, net claims incurred, the net profits (losses) of policyholder's investments, and net profits (losses) of shareholders investments, and compare this data with the corresponding quarterly or annual period. In accordance with the Continuing Obligations of Listed Companies Manual, the annual financial results published on Tadawul website must be derived from the audited financial statements approved by the Company's external auditor designated by the Assembly and approved by the Board. Announcements must be made using the announcement templates given in the Instructions of Companies' Announcement of their Financial Results. Furthermore, the Company must also submit a statement of all the reasons and factors related to the change in the financial results of the current fiscal year along with the comparison period, and the reasons must include all items of the financial results announcement.

It should be noted that with regard to the solvency of public joint stock companies, on 23/01/1438 H (corresponding to 24/10/2016 G) the Authority's Board issued a resolution No. (1-130-2016) amending the procedures and instructions for companies whose shares are listed on the market and whose accumulated losses amounted to (50%) or more of its capital in light of the Companies Law, and its name was amended to become «**Procedures and instructions for companies whose shares are listed on the market whose accumulated losses amount to (20%) or more of their capital,**» which came into force



on 25/07/1438 H. (corresponding to 22/04/2017 G), and amended by the resolution of the Capital Market Authority Board No. (8-5-2023) dated 25/06/1444 H (corresponding to 18/01/2023 G).

The Authority also obligated companies listed on the financial market to follow the «**Instructions for Listed Company Announcements**» issued by the Authority's Board pursuant to Resolution No. (1-199-2006) dated 18/07/1427 H (corresponding to 12/08/2016 G) and amended pursuant to its Resolution No. (3-79-2023) and dated 19/02/1445 H (corresponding to 04/09/2023 G). The Company's failure to comply with these regulations, rules and requirements will expose it to penalties, including fines, suspension of stock trading and delisting of the Company's shares on the Saudi Exchange (Tadawul), which will negatively and fundamentally affect the Company's business, financial condition, results of its operations and future prospects.

Based on what was mentioned previously, the Company is subject to the supervision of a number of government agencies in the Kingdom, including not limited to the Insurance Authority, the Council of Health Insurance, the Capital Market Authority, the Ministry of Commerce, and others. Therefore, the Company is subject to the risks of amendments to the current laws, regulations, circulars and policies in the Kingdom. The legislative and regulatory environment in the Kingdom is witnessing the issuance of many laws and regulations, which are continuously developed and improved. In addition, compliance costs for these regulations are considered high, however, any change made to the current laws or regulations or the issuance of new laws or regulations, would result in unexpected additional financial expenses for the purposes of complying with these regulations and meeting the requirements of these laws, or it may be subject to penalties and fines imposed by the competent supervisory authorities in the event of its failure to comply with these rules and regulations on an ongoing basis, which will negatively affect its business, the results of its operations, its financial position, and its future prospects.

2-2-4 Risks Related to Non-compliance with the Council of Health Insurance Regulations

After the approval of the Saudi Central Bank, the health insurance products provided by the Company are subject to supervision by the Council of Health Insurance. Cooperative health insurance requirements require the Company to comply with special requirements for providing health products, including providing a specialized medical team to give approvals within a period not exceeding (60) minutes. These requirements also oblige insurance companies to pay amounts owed to health service providers such as hospitals, clinics and other medical service providers within a period not exceeding (45) days. If the Company does not comply with the requirements of the Council of Health Insurance, which was transferred to the Insurance Authority as of 23/08/1445 H (corresponding to 05/03/2024 G), it will be subject to regulatory penalties, including withdrawal of the license to provide health services products, which will negatively affect the company's operations. Its financial position and future prospects.

2-2-5 Risks Related to the Regulatory Environment

The Company's work is subject to applicable Laws in the Kingdom. The regulatory environment in which the Company operates is subject to change. Regulatory changes resulting from political, economic, technical and environmental factors may have a significant impact on the Company's



operations by restricting the development of the Company and the increase of its customers, reducing the Company operations and sales of its services or creating additional competition. The Company may consider necessary or appropriate to modify its operations in accordance with these Laws and may bear additional costs in this regard, which would have a substantial negative impact on the Company's operations, financial position, and future prospects.

2-2-6 Risks related to the application of the Companies Law

The Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443 H (corresponding to 30/06/2022 G), which entered into force on 26/06/1444 H (corresponding to 19/01/2023 G), imposes some legal requirements that imposes certain regulatory requirements that the Company must comply with, and this requires the Company to take the necessary actions and measures to implement these requirements, including amend its Bylaws to align with the Companies' law. The Companies Law also imposes strict penalties for violating its provisions, reaching up to five hundred thousand (500,000) Saudi Riyals, according to Article (262). Furthermore, Article (263) of the Companies Law also stipulates that the penalties will be doubled in the event of repeated violations. Note that the requirements of the Companies Law have never been violated during the previous three years, but the Company may be subject to such penalties in the event of non-compliance with these rules and provisions, which would have the effect It negatively and materially affected the company's business, financial condition and results of operations.

2-2-7 Risks related to economic conditions and insurance sector conditions

The financial performance of insurance companies depends largely on the local economic conditions within the Kingdom as well as the global economic conditions that affect its economy. The unstable global economic conditions and the significant drop in oil prices may be a factor affecting the Kingdom's economy. Since the Company's economic performance is linked to some extent with the economic situation in the Kingdom and in the world, then its financial results will be affected by the changes that may occur that result in a decrease in the demand for its products and services. In addition, the trends of premiums and claims in the insurance markets are volatile in nature, and unexpected events such as natural disasters, high inflation rates and competition may affect the size of future claims, which will negatively affect the profits and returns of insurance companies. The decrease of oil prices will significantly affect the local income, economic activity and the income of individuals, and consequently the ability of individuals and companies to obtain insurance products such as those offered by the Company. Hence, there will be a decrease in the Company's sales which will negatively impact the Company's financial position. In addition, the rise in leases, which are hugely affected by economic changes in the Kingdom, will lead to higher costs incurred by the Company, which may change the location of its branches, and the transition period to other branches will lead to a slowdown in its business until the completion of the transfer process, thus negatively affecting its sales and business results.

2-2-8 Risks Related to the Economic Performance of the Kingdom

The Company's future performance depends on a number of factors related to the economic conditions in the Kingdom in general, including, but not limited to, inflation factors, GDP growth,



average per capita income, and more. The overall and partial economy in the Kingdom depends mainly on oil and oil industries, which still dominate a large share of the GDP. Accordingly, any unfavorable fluctuations that occur in oil prices will have a direct and substantial impact on the plans and growth of the Kingdom's economy in general and on government spending rates, which would adversely affect the Company's financial performance as it operates within the Kingdom's economic system and is dependence on y government spending rates. Furthermore, the continued growth of the Kingdom's economy also depends on several other factors, including the continued growth of the population and investments of the public and private sectors in the infrastructure. Therefore, any negative change in any of these factors will have a significant impact on the economy and thus will adversely and substantially affect the Company's business, financial results and future prospects.

2-2-9 Risks Related to Political and Economic Instability in the Middle East

Some countries in the Middle East are currently suffering from economic, political or security instability, which may negatively affect the Kingdom's economy and consequently the ability of the Company's customers to renew their relationship with it and its inability to attract new customers and thus negatively affect its revenues, profits and results of operations. There is no guarantee that the negative developments in relations with the countries which are witnessing unstable political conditions, or economic and political conditions in those countries, or in other countries that will not negatively affect the Kingdom's economy or foreign direct investment therein or the financial markets in the Kingdom in general, and these factors may negatively and significantly affect the company's business and the results of its operations. Its financial position and future prospects.

Any major unexpected changes in the political, economic, or legal environment in the Kingdom and/or any other country in the Middle East, including, but limited to, normal market fluctuations, economic stagnation, insolvency, high unemployment rates, technological transformations, and other developments, may negatively and substantially affect the Company's business, results of operations, financial condition, and future prospects.

2-2-10 Risks Related to Restrictions on Insurance Companies Ownership

Ownership of shares in insurance companies is subject to some restrictions imposed by the Cooperative Insurance Companies Control Law and its Implementing Regulations. Pursuant to Article (9) of the Cooperative Insurance Companies Control Law and Article (39) of its Implementing Regulations, Saudi Central Banks (previously) and the Insurance Authority's (currently) written approval is required for any mergers, acquisition, transfer of ownership, and opening new branches by any company or reinsurance services. In compliance with Article (38) of the Implementing Regulations, the Company must inform the Saudi Central Bank the ownership percentage of any person who owns (5%) or more of the Company's shares, through a quarterly report prepared by the Company in this regard. Said person shall notify the Central Bank in writing of his ownership percentage or any change therein within five working days from the date of such event.

These restrictions will reduce the Company's chances of attracting financial or strategic investors in the event of the Central Bank's refusal or delay in issuing the required approval or imposing



conditions that the Company is not able to fulfill, which will result in a fundamental negative impact on the Company's operations and future prospects.

2-2-11 Risks Related to Competition

The insurance sector's environment is an increasingly competitive one as the number of licensed insurance companies, as of the date of this Prospectus, has reached (26) companies that are competing to increase their shares in the market. The Company's share represents (5%) of the insurance market for the year 2023G. The competitive position of the Company will depend on many factors, including its financial position, the geographical scope of its business, business relations with customers, the volume of written insurance premiums, insurance's terms and conditions, provided services and products, ability to design insurance programs according to the requirements of the market, quick payment of claims, Company's reputation, experience and efficiency of the employee and their presence in the local market.

It cannot be guaranteed that the Company will be able to achieve or maintain any particular level of premiums in this competitive environment. Therefore, it is likely that the intense competition will have a material negative impact on the Company's business, prospects and financial condition through:

- Decrease margins and profitability.
- Hindering the growth of the Company's customer base.
- Decrease market share.
- Increasing in turnover of senior management members and sales personnel.
- Elevating operating expenses, such as sales and marketing expenses
- Increasing the costs of obtaining insurance policies.

There is no guarantee that the Company will consistently be able to compete with other companies, potentially leading to reduction of the Company's share in the market and thus negatively affect the Company's profits and financial results.

2-2-12 Risks Related to the Insurance Market Growth

The growth of the insurance market in the Kingdom is influenced by several factors or events and the Company expects that the growth will be high or at least stable at a minimum, especially considering that the main impact on the insurance industry in the Kingdom is a result of an increase in the number of insured, in line with economic and population growth in the Kingdom of Saudi Arabia, as well as the ongoing development in the field of social care, demographic changes, and new decisions regarding the opening of the insurance market in the Kingdom for foreign companies, and allowing them to open branches in the Kingdom upon the obtainment of the approval of the Central Bank. The overall sector growth is generally considered hypothetical based on uncertain future expectations and beyond the Company's control. If the insurance sector or the various insurance categories do not witness the expected growth according to the



Company's prospects, this will negatively affect the company's revenues, returns, and business results.

2-2-13 Risks Related to the Lack of Cultural Awareness of Insurance and Its Importance

The society's perception of the insurance sector is a key factor for the success of this sector. However, there are risks of such perception in general; as society sees that this sector does not play a fundamental role or operates in a range of services that are not compliant with the principles of solidarity and Shariah. Society may lose confidence in the sector, which may negatively affect the Company's business, financial position, and future prospects.

2-2-14 Risks Related to the required reports

The Insurance Companies Control Law and its Implementing Regulations require the Company to submit financial statements and annual reports to the Saudi Central Bank prepared on specific statutory accounting principles, and other information including information about the Company's general business operations, capital structure, ownership and financial position of the Company, including an annual statement of total urgent commissions paid. The Company will be subject to regulatory actions, sanctions and fines if the Saudi Central Bank believes that the Company has failed to comply with any applicable laws, regulations and instructions. Hence, any failure to comply with such laws, regulations and instructions results in imposing significant restrictions on the Company's ability to conduct its business or significant penalties that could negatively affect the Company's results of operations and financial condition.

The Company could also be subject to penalties and fines if it fails to meet the requirements of the Capital Market Authority, the Rules on the Offer of Securities and Continuing Obligations and the disclosures required by the Saudi Exchange. This may negatively and substantially affect the Company's business, financial position and future prospects.

2-2-15 Risks Related to the impact of Client trust's decrease

Client trust in the insurance sector around the world is of great importance in enhancing the strength of this sector. On the other hand, any decrease in the client's trust in the insurance industry in general, or in the Company in particular, may result in an increase of insurance policy cancellations and refunds, which will negatively affect the Company's sales, and thus its financial conditions.

2-2-16 Risks Related to Lack of Control Over Prices

The Company is committed to follow the recommendations of the Saudi Central Bank and the actuarial advisor regarding the pricing of insurance policies. The Company annually submits (based on the pricing adequacy report issued by the actuarial consultant) quotations to the Saudi Central Bank.

Actuarial consultants issue pricing adequacy reports by studying the insurance portfolio owned by the Company, and based on actuarial data that takes into account the performance of these insurance policies (while taking into account the performance of the insurance portfolio in



general). The recommendations of the actuarial consultant at that time may require changing the prices of the insurance policies for the Company's portfolio, and such for the possible change of the insurance portfolio's performance. The increase of prices of one of the Company's products will lead the Company being unable to attract new clients, and losing its current clients which will negatively affect the Company's share in the market, business, financial condition, operations' results, profitability of its shares and its future prospects.

2-2-17 Risks Related to the Insurance Business Cycle

The global insurance industry has witnessed periodic changes with significant fluctuations in operating results due to competition, catastrophic events, economic and social conditions and other factors beyond the control of Companies working in the insurance industry. That may result in periods of price competition due to the excess of supply, and other periods during which companies can receive better premiums. In addition, the increase in the frequency and severity of losses that affect the insured may have a significant impact on the aforementioned business cycle. It is expected that the Company's insurance business cycles will be negatively affected as a result of these factors, resulting in a negative impact on the Company.

2-2-18 Risks Related to Adjustments to Accounting for Zakat and Income Tax by the Saudi Central Bank

The financial statements for the fiscal years ending on December 31, 2021G, 2022G, and 2023G along with the notes attached thereto included in this Prospectus, have been prepared in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Auditors and Accountants (SOCPA) based on the instructions issued by the Central Bank on 20/11/1440H (corresponding to 23/07/2019G) which provide for updating the accounting policies for accounting for Zakat and income tax in the income statement, instead of previously calculating them on a quarterly basis through shareholders' equity in previously retained earnings. The Company has retrospectively adjusted the effect in line with International Financial Reporting Standards (IFRS) (for additional information please refer to Section No. (5) «**Financial Information and Management Discussion and Analysis**»).

The Company is required in this case to apply any amendments or changes that occur to these standards from time to time. Consequently, any changes in these standards or the mandatory application of some new standards may negatively affect the financial statements and thus the Company's financial results and financial position.

2-2-19 Risks Related to Value Added-Tax (VAT)

On 02/05/1438H (corresponding to 30/01/2017G), the Council of Ministers approved the Unified Agreement for Value Added Tax for the GCC, which came into force as of January 1, 2018G. This Law imposes an added value of (5%) on some products and services as a new tax added to other taxes and other fees on specific sectors in the Kingdom, including the insurance sector in which the Company operates. On 25/09/1441H (corresponding to 18/05/2020G), an increase in the value-



added tax rate was approved from (5%) to (15%), and it took effect on 10/11/1441H (corresponding to 01/07 /2020G).

Accordingly, the Company has to adapt to the changes resulting from the implementation of VAT, which includes its collection and delivery. Any violation or incorrect application of the Tax Law by the Company's management will expose it to fines or penalties or may lead to damage to its reputation. This will also increase costs and operating expenses, which could compromise the Company's competitive position and the level of demand for its products, which will have a negative and material impact on the results of the Company's operations and future prospects.

2-2-20 Risks Related to the Imposition of New Fees or Taxes

Although the Company is not currently subject to any kind of taxes other than the income tax, Zakat and VAT at a rate of (15%) on the services fees provided by the Company, other fees or may be imposed on companies by the government in the future. Accordingly, if new corporate taxes or fees are imposed other than those currently applied, this will negatively affect the Company's net profits.

2-2-21 Risks Related to Compliance with Saudization and GOSI Requirements

The Ministry of Human Resources and Social Development has implemented the «**Nitara**» program, which is designed to encourage companies to employ Saudi citizens and increase their percentage of total employees working for the Company. According to this program, the Company's compliance with Saudization requirements is measured against the percentage of Saudi citizens working for the Company compared to the average percentage of Saudization rate in companies operating in the same sector.

Although the Company has reached a Saudization percentage of (79%) as of January 2024 G, it is currently placed under the «**Platinum**» category of the «**Nitaqat Mutawar Program**». However, there can be no guarantee, that the Company will continue to maintain the required Saudization percentage within the legally prescribed levels, which could expose the Company to penalties for non-compliance with the resolution issued in this regard. These penalties include the suspension of issuing work visas for foreign employees needed by the Company, stopping the transfers of sponsorships for non-Saudi employees, and/or excluding the Company from participating in government tenders, which would negatively affect the Company's business and operations' results.

2-2-22 Risks Related to Government Fees Applicable to Non-Saudi Employees

During 2016G, the government approved a series of decision aimed to implement comprehensive reforms in the labor market in the KSA, including the approval of imposing additional charges for every non-Saudi employee working for Saudi entity as of 01/01/2018G at the rate of four hundred (400) Saudi Riyals per month for each non-Saudi employee in 2018G, increased to six hundred (600) Saudi Riyals per month in 2019G, and then to eight hundred (800) Saudi Riyals per month



in 2020G. Such increase has led to an increase in the Company's costs which will negatively and substantially affect its operation, financial performance, and operations' results.

In addition, the government has imposed «**lqama**» (residency) issuance and renewal fees for dependents and companions of non-Saudi employees (accompanying fees), which became effective as of 01/07/2017G, noting that they gradually increased from one hundred SAR (100) per month for each dependent in 2017G, until it reached SAR (400) per month for each dependent in 2020G. Consequently, the total fees that the non-Saudi employee will bear on behalf of his family will lead to an increase in his cost of living and will push him to seek work in other countries where the cost of living is lower. In such case, the Company will face difficulty in maintaining its non-Saudis employees and will be forced to directly or indirectly bear these costs or part of them by raising non-Saudis' employees and salaries, which will result in an increase in its costs and will negatively affect the results of its operations.

It is worth mentioning that on 18/03/1442H (corresponding to 04/11/2020G), the Ministry of Human Resources and Social Development in the KSA has launched initiative to improve the contractual relationship which came on effect on 29/07/1442H (corresponding to 14/03/2021G). This initiative aims to support the vision of the Ministry of Human Resources and Social Development in building an attractive labor market, empowering and developing human competencies as well as work environment, and abolishing the sponsorship system. The initiative provides three main services: the job mobility service, the improvement of exit, return and final exit mechanisms, The initiative's services cover all foreign employees in private sector establishments within specific guidelines that take into account the rights of both parties to the contractual relationship and the terms of the contract between the employer and the foreign employee. The job mobility service allows the foreign employee to move to another job upon the termination of his employment contract without the need for the employer's approval. Accordingly, when this initiative enters into force, the Company does not guarantee that it will retain its non-Saudi employees and renew their contracts on satisfactory conditions to them, which will encourage them to move to another job according to the above-mentioned mechanisms. If the Company fails to retain its of non-Saudi employees or find replacements for them with the same skills and experience required, such will lead to an increase in its financial cost, which would negatively and substantially affect the Company's business, financial results and future prospects.

2-2-23 Risks Related to the Lack of Qualified Local Cadres in the Insurance Sector

The cadres available in the local market may not meet the Company's needs of experienced employees. In the event that the Company fails to attract qualified cadres from the local market, it will have to recruit employees from outside the Kingdom. However, the Company cannot guarantee that it will be able to obtain a sufficient number of necessary work visas from the Ministry of Human Resources and Social Development, especially in light of the requirements of Saudization. This situation will create a high competition between insurance Companies to train and qualify their employees, ensure their retention and attract talent from the local market, which may result in an increase in wages that could pose an additional burden on the Company. Moreover, the Company's inability to attract and retain qualified employees will hinder the



implementation of its business strategy, which will negatively affect the results of its operations and financial position.

2-2-24 Risks Related to Currency Exchange Rates

Risks related to currency exchange rates are attributed to fluctuations in financial investments due to changes in exchange rates. Companies that are exposed to such risks often have dealings with parties outside the Kingdom in the currency of those parties knowing that most of the Company's transactions are conducted in Saudi Riyals and all of its revenues are generated from clients in the local market and currency. However, if the Company receives any amounts from sales of its products or conducts any transactions in a foreign currency, it may be exposed to risks related to currency exchange rates. In the event of any significant fluctuations in exchange rates, this could have negatively affected the Company's financial performance.

2-3 Risks Related to the Offered Securities

2-3-1 Risks Related to Potential Fluctuation in the Price of Rights Issue

The Rights' market price may be subject to significant fluctuations due to the change in factors affecting the Company's Shares. These fluctuations may be significant due to the difference between the permissible daily fluctuation rate (which is 10% increase or decrease from the closing price of the previous day) In addition, the trading price of Rights depends on the trading price of the Company's Shares and the market's perception of the fair price of the Rights. These factors may negatively affect the trading price of the Rights.

2-3-2 Risks Related to Potential Fluctuations in Share Price

The market price of the Company's Rights during the Offering period may not be indicative of the market price of the Company's Shares after the Offering. In addition, the Company's share price may not be stable and could be significantly affected by fluctuations resulting from a change of market conditions in connection with the Rights Issue or the Company's existing Shares. These fluctuations may also result from several factors including, but not limited to: market conditions related to shares, poor performance of the Company, inability to implement future plans, entry of new competitors into the market, announcements by the Company or its competitors concerning mergers, acquisitions or strategic alliances changes made in the vision or estimations of experts and securities analysts concerning the market.

There is no guarantee that the market price of the Company's Shares will not fall below the Offer Price. If this occur after the investors subscribe for New Shares, such subscription may not be canceled nor amended; subsequently, the investors may immediately incur losses. Moreover, there is no guarantee that a Shareholder will be able to sell his Shares at a price equal or higher than the Offer Price after subscribing for the New Shares. Moreover, selling substantial quantities of Shares by the shareholders after the offering, or the expectation that these sales will occur, may negatively affect the share price in the market. In addition, investors may not be able to sell their Shares in the market without such negatively adversely affecting the share's price.



2-3-3 Risks Related to Unprofitability or Sale of Rights

There is no guarantee of profitability of the share by trading it at a higher price. In addition, there is no guarantee that it will be sold at all, which indicates that there is no guarantee of sufficient demand in the market to exercise the Rights Issue or receive compensation from the Company.

2-3-4 Risks Related to Future Data

The future results and performance data of the Company cannot be actually predicted and may differ from those contained in this Prospectus. As for the Company's achievements and ability to improve determine the actual results, which can't be expected or determined. The inaccuracy of the data and results is one of the risks that the shareholder must be aware of so that it doesn't impact his investment decision. In the event that future results and performance data are substantially different from the information included in this Prospectus, such will lead to shareholders losing part or all of their investments in the Company's shares.

2-3-5 Risks Related to the Issuance of New Shares

The issuance of any new shares (other than the Rights Issue mentioned in this Prospectus) by the Company depends on the approval of the EGA of shareholders. In the event that the Company decides to issue New Shares as Rights Issue to increase its capital, and the EGA of shareholders approves this decision, and shareholders do not exercise their rights of subscribing to the New Shares, the ownership of shares will proportionately decrease, along to their associated voting rights and entitlement to dividends which will affect the market price of the share.

2-3-6 Risks Related to a Decrease in the Demand for Rights Issue and Company Shares

There is no guarantee that there will be sufficient demand for the Rights Issue during the Trading Period to enable the Rights Issue holder (whether it is a Registered Shareholder or a new investor) to sell Rights and make a profit, or to sell the Rights in general. Moreover, there is no guarantee that there will be sufficient demand for the Company's shares by institutional investors during the Rump Offering Period. If institutional investors do not submit purchase offers for the Rump Shares at a high price, there may not be sufficient compensation to be distributed to Rights Issue holders who did not exercise their right to subscribe or to holders of fractional shares. Furthermore, there is no guarantee that there will be sufficient demand in the market for the shares obtained by a subscriber either through the exercise of the Rights Issue, the Rump Offering or through the open market.

2-3-7 Risks Related to Ownership Percentage Decline

If the holders of the Rights Issue do not fully subscribe for the New Shares, their ownership percentage and voting rights will be reduced. In the event that the registered holder of the Rights Issue wishes to sell its Rights during the trading period, there can be no guarantee that the returns he receives will be sufficient to fully compensate him for the decrease of its ownership percentage in the Company's capital as a result of its capital increase. There is also no guarantee that there will be a compensation amount distributed to eligible shareholders who did not exercise their



right to subscribe or to holders of fractional shares in the event that the investment institutions during the remaining offering period did not submit offers for the remaining shares at a high price, or if the compensation amount (if any) is sufficient to compensate for the decrease in the percentage of ownership in the Company's capital.

2-3-8 Risks Related to Not Exercising Subscription to Rights Issue in a Timely Manner

The subscription phase starts on Monday 01/06/1446 H (corresponding to 02/12/2024G) and ends on Thursday 11/06/1446H (corresponding to 12/12/2024G). Right owners and financial intermediaries shall take appropriate measures to follow all necessary instructions before the end of the Subscription Period. If Eligible Persons are not able to properly exercise their subscription rights by the end of the Subscription Period according to the Rights Issue they hold, there can be no guarantee that a compensation amount will be allocated to Eligible Persons who have not participated or who did not carry out the procedures to exercise the subscription properly nor to the owners of fractional shares.

2-3-9 Risks Related to Dividend Distribution to Shareholders

Future dividends depend on several factors, including the Company's profitability, maintaining its strong financial position, capital needs, distributable reserves, the credit strength available to the Company and general economic conditions. Moreover, increasing the Company's capital -may lead to a decrease in earnings per share in the future on the grounds that the Company's profits will be distributed among a larger number of shares as a result of the increase in its capital.

The Company does not guarantee any dividends distribution on the shares will actually be made, nor does it guarantee the amount that will be distributed in any given year. The distribution of dividends is also subject to some conditions and restrictions stipulated in the Company's By-laws.

2-3-10 Risks Related to Speculation in Rights Issue

Speculation in Rights Issue is subject to risks that could cause substantial losses. The permissible daily fluctuation range for Rights Issue trading price exceeds the permissible daily fluctuation range for the market price (which represents in 10% increase and decrease of the closing price of the previous day). There is a direct relationship between the Company's share price and the Right's indicative value. Accordingly, the indicative value of rights reflects the difference between the market value of the Company's share during the trading period and the Offer Price. If the shareholder doesn't sell, he will have two options, either to exercise these Rights to subscribe for the New Shares before the end of the Subscription Period, or to refrain from exercising these Rights. In the event of not exercising the Rights, the investor may be subject to a loss or decrease in the value of his investment portfolio, or profit if he sells shares during the Rump Offering Period at a price higher than the Offer Price. Therefore, investors must review the full details of the mechanism of listing and trading new Rights and Shares and their method of operation, and become familiar with all the factors affecting them, in order to ensure that any investment decision is based on full awareness, (for additional information, please refer to Section No. (12) «**Information Related to Shares and Terms and Conditions of the Offering**» of this Prospectus).



2-3-11 Risks Related to the Lack of Shareholders' Awareness of the Trading Mechanism and Exercise of Rights Issue

Trading Rights Issue is a new market for some investors in Tadawul, and as a result, many investors may not be familiar with the trading mechanism in it, which reflects negatively on their desire to invest in and trade rights. If this happens, their percentage of ownership in the Company will decrease, which will lead to a negative impact on those who did not exercise their subscription rights, especially if no compensation is distributed to them, particularly when the investment institutions do not submit their offers at a price higher than the Offer Price of eleven (11) Saudi Riyals during the remaining offering period.

2-3-12 Risks related to Suspending Trading or Cancelling the Company's Shares as a Result of Not Publishing Its Financial Statements within the Statutory Period

In the event that the Company fails to publish its financial information within the statutory period (thirty days from the end of the financial period for the initial financial statements, and three months from the end of the financial period for the annual financial statements), the procedures for suspending the listed securities will be applied in accordance with the listing rules which states that the Market suspends the trading of securities for a period of one trading session following the end of the statutory period. If the financial information is not published within twenty trading sessions following the first suspended trading session, Saudi Stock Exchange (Tadawul) will announce the re-suspension of the Company's securities until it announces its financial results. In case the suspension of trading the Company's shares continues for a period of six months, and the Company didn't take the appropriate measures to rectify the suspension, the Authority may cancel the listing of the Company's securities. The Saudi Stock Exchange (Tadawul) will lift the suspension after one trading session has passed following the announcement of the Company's financial results. However, if the Company delays or fails to announce its financial results, or if it fails to publish them within the abovementioned statutory period, the Company's shares will be suspended or the listing of its shares will be cancelled. Such will negatively and substantially affect the interest of the Company's shareholders and reputation and the operations' results.

In addition, the Authority may cancel the offering of the Company's Rights Issue Shares if it deems that the offering may not be in the interest of the shareholders.

Company Overview and Nature of Business

03



3- Company Overview and Nature of Business

3-1 Company Overview

Walaa Cooperative Insurance Company is a Saudi public joint stock company, incorporated pursuant to Ministerial Resolution No. (233) dated 16/09/1427 H (corresponding to 09/10/2006 G) and Royal Decree No. (M/60) dated 18/09/1427 H (corresponding to 11 /10/2006 G) and the investment license No. (12031026535) dated 26/01/1426 H (corresponding to 07/03/2005 G) and a Saudi Central Bank license No. (TMN/16/20087) dated 28/06/1429 H (corresponding to 02/07/2008 G) to conduct insurance and reinsurance activity in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations. It is registered in the commercial registry in the city of Khobar under Certificate No. (2051034982) dated 19/06/1428 H (corresponding to 04/07/2007 G).

3-2 Major Changes in the Company's Capital

- On 02/07/1428 H (corresponding to 17/07/2007 G), all of the Company's shares were registered and listed on the main market, amounting to twenty million (20,000,000) shares, each worth ten (10) Saudi Riyals, with a total value of two hundred million (200,000,000) Riyals. Saudi, whereby the founding shareholders subscribed for (60%) of the capital, and (40%) of the capital was offered for public subscription by the public.
- On 08/07/1436 H (corresponding to 27/04/2015 G), the Extraordinary General Assembly approved an increase in the Company's capital from two hundred million (200,000,000) Saudi Riyals divided into twenty million (20,000,000) ordinary shares to four hundred million (400,000,000) Riyals. Saudi, divided into forty million (40,000,000) ordinary shares, through the issuance of Rights Issue shares, based on the recommendation of the Board of Directors on 01/07/1435 H (corresponding to 30/04/2014 G) and after the approval of the Saudi Central Bank on 23/06/1435 H (corresponding to 23/04/2014 G).
- On 14/09/1439 H (corresponding to 29/05/2018 G), the Extraordinary General Assembly approved an increase in the Company's capital from four hundred million (400,000,000) Saudi Riyals divided into forty million (40,000,000) ordinary shares to four hundred and forty million (440,000,000) shares. Saudi Riyals by granting one (1) free share for every ten (10) outstanding shares, provided that the capital increase is made by capitalizing an amount of forty million (40,000,000) Saudi Riyals from the retained earnings account, based on the recommendation of the Board of Directors dated 09/02/1439 H (corresponding to 29/10/2017 G) and after the approval of the Saudi Central Bank on 09/02/1439 H (corresponding to 29/10/2017 G).
- On 16/09/1440 H (corresponding to 21/05/2019 G), the Extraordinary General Assembly approved an increase in the Company's capital from four hundred and forty million (440,000,000) Saudi Riyals divided into forty-four million (44,000,000) ordinary shares to five hundred and twenty-eight million. (528,000,000) Saudi Riyals divided into fifty-two million eight hundred thousand (52,800,000) ordinary shares by granting (1) free share for every five (5) shares owned, provided that the capital increase is made by capitalizing



the amount of eighty-eight. One million (88,000,000) Saudi Riyals from the retained earnings account, based on the recommendation of the Board of Directors on 03/08/1440 H (corresponding to 08/04/2019 G) and after the approval of the Saudi Central Bank on 03/08/1440 H (corresponding to 08/04/2019 G).

- On 02/06/1441 H (corresponding to 27/01/2020 G), the Extraordinary General Assembly approved an increase in the Company's capital from five hundred and twenty-eight million (528,000,000) Saudi Riyals divided into fifty-two million and eight hundred thousand (52,800,000) ordinary shares to six hundred And forty-six million three hundred and ninety-seven thousand (646,397,060) Saudi Riyals, divided into sixty-four million six hundred and thirty-nine thousand seven hundred and six (64,639,706) ordinary shares, pursuant to the approval of the merge of MetLife AIG ANB into the Company through the issuance of (0.6577614444444444) shares in the Company for every share owned in MetLife AIG ANB, after the approval of the extraordinary general assembly of MetLife AIG ANB on the merger on 02/06/1441H (corresponding to 27/01/2020G) and the approval of the General Authority for Competition on 25/04/1441 H (corresponding to 22/12/2019G) and the Saudi Central Bank approval on 27/04/1441H (corresponding to 24/12/2019G) and the approval of the Capital Market Authority on 04/05/1441H (corresponding to 30/12/2019G).
- On 19/02/1444 H (corresponding to 15/09/2022 G), the Extraordinary General Assembly approved an increase in the Company's capital from six hundred and forty-six million, three hundred and ninety-seven thousand and sixty (646,397,060) Saudi Riyals, divided into sixty-four million, six hundred and thirty-nine thousand seven hundred and six (64,639,706) ordinary shares to eight hundred and fifty million five hundred and eighty-three thousand and two hundred and fifty (850,583,250) Saudi Riyals divided into eighty-five million and fifty-eight thousand and three hundred and twenty-five (85,058,325) ordinary shares, pursuant to the approval to merge SABB Takaful Company into the Company through the issuance of (0.6005476176470590) new shares in the Company for every share owned in SABB Takaful Company, after the approval of the Extraordinary General Assembly of SABB Takaful Company on 19/02/1444 H (corresponding to 15/09/ 022G), the approval of the General Authority for Competition on 18/08/1443 H (corresponding to 21/03/2022 G), the approval of the Saudi Central Bank on 02/01/1444 H (corresponding to 31/07/2022 G), and the approval of the Capital Market Authority on 12/01/1444 H (corresponding to 10/08/2022 G).

3-3 Company's Main Activities

The Company carries out its activities under the Commercial Registry Certificate No. (2051034982) dated 19/06/1428 H (corresponding to 04/07/2007G), so that the Company's activities, according to the commercial registry data, are: protection and savings, health insurance, general insurance, and reinsurance. According to Article (3) of the Bylaws, the Company's activities are: to transact cooperative insurance and reinsurance insurance business in the classes of general and health insurance, and protection and savings insurance. The Company may undertake all the measures that deem necessary to carry out its activities in accordance with the Cooperative Insurance Companies Control Law and its Implementing Regulations, the provisions issued by the Central



Bank, and the regulations and rules in force in the Kingdom of Saudi Arabia and after obtaining the necessary approvals from the competent authorities, if any.

The Company also carries out its activities under the license of the Saudi Central Bank No. (TNM/16/20087) dated 28/06/1429 H (corresponding to 02/07/2008 G), which was renewed on 27/04/1444 H (corresponding to 21/11/2022 G). For a period of three years starting from 26/06/1444 H (corresponding to 19/01/2023 G) and ending on 25/06/1447 H (corresponding to 16/12/2025 G), in order to practice insurance and reinsurance activity in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations. In the branches: reinsurance, general insurance, health insurance, protection with savings.

The most important insurance services provided by the Company are insurance services for individuals and insurance services for businesses according to the following:

First: Individuals Insurance Motors (Walaa Motor Insurance)

- Rahhal (Walaa Travel Insurance)
- Medical Malpractice (Walaa Medical Malpractice Insurance))
- Wealth management

Second: Businesses Insurance

- Thiqah Motor Insurance
- Vehicle Comprehensive Insurance for Corporate
- Third party Liabilities for Corporate
- Medical insurance
- Shops insurance (Dukan Insurance)
- Protection & savings Insurance
- Property Insurance
- Engineering Insurance
- Marine and Aviation insurance
- Accident and Liability Insurance
- Specialized Insurance

Below are additional details about Walaa's insurance solutions:

- Motor Insurance:



- **Vehicle Comprehensive Insurance for Corporate:** This policy provides comprehensive insurance coverage for commercial vehicles against material damage to the vehicle and liability towards third parties.
- **Third-party Liability insurance for vehicles:** This policy provides insurance coverage for the insured against losses against third parties, which include damage to third-party property and bodily injuries.
- **Medical insurance:** Walaa, as a licensed insurance company, is committed to providing the best Sharia-compliant protection programs to meet the insurance needs of its customers for greater peace of mind. According to the Cooperative Council of Health Insurance, Walaa covers medical expenses associated with illness or any unexpected accident. Health care is also provided through a wide network of highly qualified medical service providers, including hospitals, clinics and medical centers accredited by the Council of Health Insurance, spread throughout the Kingdom.
- **Medical Malpractice Insurance:** It is an insurance program designed to protect medical professionals and their liability towards others during the practice of work, while bearing the cost of defending claims related to these claims. As for the duration of insurance coverage, there are several options available, including: one year, two years, 3 years and 5 years.
- **Protection & Savings Insurance:** As part of the employee benefits package, Walaa Company offers a Protection & Savings Insurance program that can be provided as part of the benefits package. In the event of death or disability of one of the insured, the program will pay the beneficiary the coverage amount, which is either a fixed amount or a multiple of the employee's salary.

There are many other benefits that can be added to the program, as it can be designed in a manner compatible with the facility's needs by adding one or more of the following additional benefits to the contract coverage:

- Death benefit for any reason with accelerated benefit
- Accidental death benefit (double coverage)
- Permanent total disability benefit resulting from an accident or illness
- Permanent partial disability benefit resulting from an accident or illness
- Temporary total disability benefit resulting from an accident or illness
- Allowances for compensation for medical expenses due to accidents
- Covering the repatriation of remains
- Covering negative war risks



The Protection and Savings Insurance Program is flexible as it gives the employer complete control over the level of coverage and the type of benefits it wants to provide to its employees.

- **Property insurance:**

- Property risks: Walaa provides insurance solutions that fully absorb risks through risk management and providing a diverse range of insurance products.
- Fire policy: covers the insured against accidental material losses or damage to property caused by fire, lightning, explosions, natural damage, disasters, etc. that can be added by agreement of both parties.
- Home insurance: The policy provides coverage for homes and property against the risks of fire, lightning, earthquakes, explosions, riots, labor strikes, attacks by annoying people, risks resulting from aircraft collisions or any of them falling on the house, etc., water deposits, burglary, and other risks that involve the homeowner or the tenant of the house (for example: loss The right to rent to the property owner.
- Consequential loss insurance: The policy provides coverage against successive accidental losses such as loss of profits and increase in the cost of work resulting from losses resulting from fire and similar dangers.
- Property insurance against terrorism: Terrorism insurance is insurance to cover potential losses and liabilities that may occur due to terrorist activities on insured property.

- **Engineering insurance:**

- Contractors' Risks: Provides comprehensive coverage against material losses and property damage during and during construction work, including contractors' facilities and equipment, in addition to the liability towards third parties that arise during construction work.
- Installation risks: Provides comprehensive coverage against material losses and damage to machinery during installation, in addition to liability towards third parties that arise during the installation period.
- Automated bumper: Provides comprehensive coverage against mechanical or electrical malfunctions that affect the equipment while working, resting, or during the maintenance period.
- Electronic Equipment: Coverage against sudden and unexpected losses and damage to computers, communication equipment, medical equipment and other electronic equipment.
- Contractors' equipment and machinery insurance: Provides comprehensive coverage against loss and damage to machinery and equipment used in construction and project installation.



- Insurance for damage to inventory in refrigeration units resulting from machinery malfunction: Provides comprehensive coverage against losses and damages resulting from damage to inventory due to machinery malfunction or malfunction, as stipulated in the insurance policy, provided that it is the main cause (for example: machinery malfunction) and the damages are covered in the policy.

- **Marine and aviation insurance:**

- Cargo insurance: cargo insurance covers different risks depending on the type of coverage the customer seeks. The policy provides protection against (all risks) losses and damages to goods during the process of transportation by sea, air, land and railway, while it provides (limited coverage) on the need of other customers from all risks in order to transport, import or export by sea, air, road and railway. There are also solutions available through the open policy system that cover all shipments for the insured, or on the basis of declaring each shipment, or on the basis of insuring a single shipment.
- Ship Hull Insurance: Provides coverage against loss or damage to the ship and machinery resulting from marine hazards.
- Aviation Liability: Aviation insurance provides coverage for damage to the aircraft structure as well as liability for passenger injuries and third-party damages resulting from aircraft accidents.
- Aircraft hull insurance: This insurance provides coverage for physical damage to the aircraft, whether the damage occurs on the ground or during flight. Coverage includes all equipment used to fly the aircraft.

- **Accidents and liability:**

- Medical Malpractice and General Liability Insurance: Medical malpractice is professional liability insurance that protects doctors and other licensed health care professionals (such as dentists and nurses) from liability associated with wrongful practices resulting from bodily injury and medical expenses, as well as lawsuits.
- Professional indemnity for financial institutions: Professional indemnity insurance for financial institutions provides solutions arising from liability towards the insured and/or the insured's employees. It covers defense costs, damages, compensation and costs awarded in a judgment, and settlement approved by the insurance company.
- Directors and officers Liability: This policy provides coverage for the liability of company managers to protect them from claims that may occur due to making decisions and carrying out actions within their usual responsibility.
- Pollution Liability: A pollution and liability insurance policy enables companies to protect themselves and their operations against clean-up costs, bodily injury and damage to third party property that arise after any accidental pollution incident caused by the company.



- Comprehensive General Liability Insurance: Coverage provides protection against bodily injury and property damage claims arising from a contractor's or lessee's operations. This type of policy provides coverage for buildings and operations, use of independent contractors and completed products and operations.
- Professional compensation policy for engineers, architects and various professions: The policy provides compensation for legal expenses for loss resulting from negligence, oversight or error in tasks by the insurer during the period covered by the insurance policy.
- **Specialized insurance:**
 - Privacy and Security Protection Policy: Electronic risks include first- and third-party IT users in addition to the responsibility for data loss.
 - Fidelity Insurance / Fidelity Guarantee Insurance: This insurance policy provides coverage against financial loss incurred by the insured as a result of acts of fraud or dishonesty committed by the insured's employees during their work. This policy is suitable to cover deception of employees in the positions of cashiers, accountants, storekeepers, etc. who handle cash/stock of the insured.
 - Bank Card Insurance: This insurance policy provides coverage for the unauthorized use of lost or stolen bank cards by any unauthorized person, fraudulent/unauthorized use of bank cards by merchants, and online use/e-commerce transactions of plastic cards by any unauthorized person. authorized, legal fees and court costs.
 - Commercial credit insurance: Provides coverage for businesses if customers who owe money for products or services do not pay their debts, or pay them later than the payment terms dictate. It gives businesses the confidence to extend credit to new customers and improves access to finance, often at more competitive rates.
 - Energy Insurance - Downstream Operations: This insurance covers businesses in the field of power generation, electricity supply, renewable energy, oil refining and petrochemical processing, against all risks of direct physical loss or damage to property including business interruption arising.
- **Group Takaful:** A policy that protects the group's debts from the employees of an institution or company or all of its employees. It is an insurance contract between the policyholder and Walaa Insurance Company that manages the policyholders' account, in which the policyholders' account manager commits to paying the coverage benefit that is estimated in the group's debt protection policy certificate, and is due. Payment is made in the cases stipulated in the program's terms and conditions prospectus, in exchange for the subscription, the time and amount of which are specified in the group's debt protection document certificate.

If the policy expires during the coverage period, the policyholder is not entitled to the aforementioned benefit from the policyholders' account. This document governs the relationship



between the policyholder and Walaa Insurance Company, including the terms, conditions, guarantees and exceptions mentioned explicitly or implicitly or included in the approved appendices attached to it.

The main purpose of this policy is to provide financial coverage for the debt in the event of death or total permanent disability if the customer chooses additional coverage during the policy period in accordance with what was stated in the group's debt protection policy certificate. The purpose of the subscriptions is to obtain the benefits of coverage as described in the group's debt protection policy certificate by submitting them to the policyholders' account, through which insurance is provided to eligible members (subscribers) along with other subscribers.

When preparing this document, the Company relied on the information and statements that were provided to the Company when submitting the application for this policy.

- **Group Care:** The group care policy for the employees of an institution or company or all of its employees is an insurance contract between the policyholder and Walaa Insurance Company that manages the policyholders' account, in which the policyholders' account manager commits to pay the coverage benefit for the group's care that is estimated in the policy certificate for the group's care, and is due. Payment is due in cases stipulated in the terms and conditions of the program in exchange for the subscription, the time and amount of which are specified in the group's sponsorship policy certificate.

If the policy expires during the coverage period, the policyholder is not entitled to the aforementioned benefit from the policyholders' account. This policy governs the relationship between the policyholder and Walaa Insurance Company, including the terms, conditions, guarantees and exceptions mentioned explicitly or implicitly or included in the approved appendices attached to it.

The main purpose of this policy is to provide financial coverage against some risks of illness or injury during the policy period or against death according to what is stated in the group care policy certificate.

When preparing this document, the company relied on the information and statements that were provided to the company when submitting the application for this document.

3-4 Founding Shareholders

The Company's capital upon incorporation was set at two hundred million (200,000,000) Saudi Riyals, divided into twenty million (20,000,000) shares of equal value, each of which is worth ten (10) Saudi Riyals. The founding shareholders subscribed for two million and four hundred thousand (2,400,000) shares, representing (60%) of the capital, and one million six hundred thousand (1,600,000) shares, representing (40%) of the capital, were offered for public subscription by the public. It should be noted that founding shareholders must obtain prior approval from the Insurance Authority when trading their shares.

The table below outlines the ownership of the company upon incorporation:



Table No. 6: Ownership Structure Upon Incorporation

Founding Shareholders	Nationality	Number of Shares	Value of shares (SAR)	Ownership Percentage
International General Insurance Company	Jordanian	2,100,000	21,000,000	10.5%
Yousef Ahmed Al Gosaibi & Partners Co Ltd for Trading & Contracting	Saudi	600,000	6,000,000	3%
Mohammed Abdallah Sharbatly Co. Ltd	Saudi	600,000	6,000,000	3%
Mohammed Abdullah Al Othman & Sons Co.	Saudi	600,000	6,000,000	3%
Suhayl Abdul Mohsen Al Shoaibi & Sons Holding Co.	Saudi	600,000	6,000,000	3%
Al Rashed & Partners Development Co. Ltd	Saudi	600,000	6,000,000	3%
Abdulrahman Saleh Alrajhi & Partners Co.	Saudi	600,000	6,000,000	3%
Mohsen Hasan Al Jashi & Partners Co.	Saudi	600,000	6,000,000	3%
Nassir Bin Hazza Al-Subai & Brothers Co.	Saudi	462,000	4,620,000	2.31%
Khalid Ali Al Turki Co. (Trading and Development Company)	Saudi	420,000	4,200,000	2.1%
Khalid & Ahmed Abdullah Al Hammoud Al Shouair & Partners Co.	Saudi	402,000	4,020,000	2.01%
Ahmed Naser Albinali & Sons Co. For Trading & Contracting Co. Ltd.	Saudi	402,000	4,020,000	2.01%
Abdullatif & Mohammed Alfozan Development Co.	Saudi	322,000	3,220,000	1.61%
Khalid & Abdulaziz Abdulrahman Alomran Co.	Saudi	260,000	2,600,000	1.3%
Abdullah Fouad Holding Co.	Saudi	242,000	2,420,000	1.21%
Abdulmohsen Ahmed Hamad Algosaibi	Saudi	240,000	2,400,000	1.2%
Rashed Saad Abdulrahman Alrashed	Saudi	240,000	2,400,000	1.2%
Abdullatif Mohammed Salem Albarrak	Saudi	240,000	2,400,000	1.2%
Khalifah Abdullatif Abdullah Almolhiem	Saudi	240,000	2,400,000	1.2%
Khalid Omar Jasir Albaltan	Saudi	240,000	2,400,000	1.2%
Walid Mohammed Abdullah Aljafari	Saudi	240,000	2,400,000	1.2%
Alyosr Thousand & Bottom Co. Ltd.	Saudi	200,000	2,000,000	1%
Jarir Company for Commercial Investments	Saudi	200,000	2,000,000	1%
Khalid Ibrahim Sulaiman Abunyan	Saudi	180,000	1,800,000	0.9%
Mazin Mohammed Abdulrahman Alsaeed	Saudi	150,000	1,500,000	0.75%
Khalid Hasan Alqahtani Co.	Saudi	120,000	1,200,000	0.6%
Abdullah Ibrahim Abdullah Alboaijan	Saudi	120,000	1,200,000	0.6%
Ali Abdulrahman Saleh Khalaf	Saudi	120,000	1,200,000	0.6%
Salah Mohammed Hamad Albassam	Saudi	120,000	1,200,000	0.6%
Mohammed Khalid Ibrahim Al Hindi Alnoaimi	Saudi	120,000	1,200,000	0.6%
Saleh Hussain Saleh Kaki	Saudi	120,000	1,200,000	0.6%
Ahmed Saleh Ibrahim Alhumaid	Saudi	120,000	1,200,000	0.6%
Abdulaziz Hamad Abdulrahman Bin Zira'	Saudi	120,000	1,200,000	0.6%
Ibrahim Hasan Mohammed Srouer Alsebban	Saudi	60,000	600,000	0.3%
Total Founding Shareholders		12,000,000	120,000,000	60%
The Public		8,000,000	80,000,000	40%
Total		20,000,000	200,000,000	100%

Source: The Company



3-5 Substantial Shareholders

As of the date of this Prospectus, the Company has one of the substantial shareholders (who own 5% or more of the capital), which is the Saudi Awwal Bank (a listed joint stock company), which owns (15.604%) of the company's total shares.

3-6 Company's Vision

To be one of the leading companies in the field of insurance and reinsurance in the Saudi market and to provide all insurance products compatible with Islamic Sharia in all sectors and at all levels in society.

3-7 Company's Mission

We are committed to providing high quality services and competitive insurance products through qualified, professional and committed employees to meet the expectations of our policyholders and stakeholders by instilling core values in our business and in our daily operations. We strive to achieve this through:

- Our customers are our partners, not just customers.
- Keeness to remain the preferred insurance company for our customers.
- Maintaining the highest standards of professional integrity, transparency and corporate governance.
- Developing the service environment to meet the highest international standards.
- Ensuring profitability in basic insurance operations.
- Providing and maintaining the highest standards of quality.
- Offer comprehensive risk management solutions.

3-8 Company's Strategy

- It aims to be one of the largest (3) insurance companies in the insurance market in the Kingdom of Saudi Arabia.
- It aims to reach all segments of society by providing high-quality risk management products, supported by strong technical and support teams.
- It intends to secure job opportunities across a wide geographical scope in the Kingdom and is in a position to support its valued clients by addressing their insurance requirements.
- Focuses on all business areas, focusing on growing its medical, protection and savings market share while continuing its strong position in the motor and general insurance space.



- Increase their risk-taking capacity to obtain a higher retention rate.
- To become an active reinsurance company in the Kingdom of Saudi Arabia.
- Build an internal medical claims department to support our medical growth plan.
- Develop all digital systems and solutions to improve customer and stakeholder experiences.
- Focus on achieving higher investment returns to increase policyholders' and shareholders' funds.

3-9 Company's Strengths and Competitive Advantages

- Board members with good reputation and diverse experience.
- Firmness and stability of the senior management structure.
- A leading Company in the field of insurance and reinsurance with a fully paid capital of eight hundred and fifty million five hundred and eighty-three thousand two hundred and fifty (850,583,250) Saudi Riyals.
- The Company has been characterized by rapid growth since its incorporation.
- The Company obtained an (A-) Insurance Financial Strength Rating (IFSR) from S&P Global Ratings and (gcAAA) to rank the regional financial strength of the GCC countries, both have a «**stable**» outlook. Moody's Investors Service rated Walaa Company with a financial strength rating of (A3).
- Headquartered in Al Khobar - the Eastern Province, the oil hub of the Kingdom, the Company serves its customers throughout the Kingdom through three regional offices and more than 60 retail offices spread throughout the Kingdom in more than 30 cities throughout the Kingdom.
- The Company sells all insurance products (motor, medical, general, protection and savings) as well as holds a reinsurance license and a diversified insurance product portfolio structure.
- Experience in mergers and acquisitions, being the first company to complete two successful mergers in the insurance industry.
- The Company holds 7 ISO certificates.
- Building the best digital transformation systems.
- It has more than 550 employees with a localization rate of more than 78%, serving clients, whether companies or individuals.
- A reliable insurance Company for many major companies within the Kingdom of Saudi Arabia.
- It has several banking partners.



- It has an actuary appointed as a full-time employee of the Company with a very strong actuarial team.

3-10 Products and Services

The Company provides insurance and reinsurance services in accordance with the Central Bank license granted to it, and related activities in the Kingdom of Saudi Arabia. Its activity includes the following branches: reinsurance, general insurance, health insurance, and protection insurance with savings. It should be noted that the company offers its products through (88) insurance policies divided into (12) insurance sectors, including: Accidents & Liability, Medical, Engineering, Motor, Property, Marine, Aviation, Energy Risk, Extended Warranty, Protection & Savings (Life), General SME, Special Products and other general insurance sectors.

The company has obtained final approvals from the Saudi Central Bank (this authority has been transferred to the Insurance Authority as of the date of preparing this prospectus) for all of these products as outlined in the table below:

Table No. 7: Products and Services

No.	Product name	Product identification number	No. of Central Bank's approval letter for the product	Date of Central Bank approval of the product	Insurance sector
1-	Workmen's Compensation	A-WALA-1-C-09-009	341000061651	20/01/1430 H (corresponding to 17/01/2009 G)	Accident and liability insurance
2-	Medical insurance	A-WALA-2-C-09-010	632/IS/22897	03/05/1430 H (corresponding to 28/04/2009 G)	Medical insurance
3-	Group Personal Accident	A-WALA-1-C-10-011	77/IS/2921	16/01/1431 H (corresponding to 02/01/2010 G)	Accident and liability insurance
4-	Medical Malpractice	A-WALA-1-B-10-012	1480/IS/40761	12/08/1431 H (corresponding to 24/07/2010 G)	Accident and liability insurance
5-	Money Insurance	A-WALA-1-C-13-013	884/IS/18846	07/04/1433 H (corresponding to 29/02/2012 G)	Other general insurances
6-	Contractors All Risk (CAR)	A-WALA-1-C-13-014	341000061651	15/05/1434 H (corresponding to 27/03/2013 G)	Engineering insurance
7-	Contractors Plant and Machinery (CPM)	A-WALA-1-C-13-015	341000061651	15/05/1434 H (corresponding to 27/03/2013 G)	Engineering insurance
8-	Deterioration of stock in cold storage following machinery breakdown (DOS)	A-WALA-1-C-13-016	341000061651	15/05/1434 H (corresponding to 27/03/2013 G)	Engineering insurance



No.	Product name	Product identification number	No. of Central Bank's approval letter for the product	Date of Central Bank approval of the product	Insurance sector
9-	Erection all risk (EAR)	A-WALA-1-C-13-017	341000061651	15/05/1434 H (corresponding to 27/03/2013 G)	Engineering insurance
10-	Loss of profit following machinery breakdown (LoPM)	A-WALA-1-C-13-018	341000061651	15/05/1434 H (corresponding to 27/03/2013 G)	Engineering insurance
11-	Machinery Breakdown (MB)	A-WALA-1-C-13-019	341000061651	15/05/1434 H (corresponding to 27/03/2013 G)	Engineering insurance
12-	Motor Comprehensive-Commercial	A-WALA-1-B-13-020	341000062964	19/05/1434 H (corresponding to 31/03/2013 G)	Vehicle insurance
13-	Motor Comprehensive-Private	A-WALA-1-B-16-021	341000062964	19/05/1434 H (corresponding to 31/03/2013 G)	Vehicle insurance
14-	Motor Third Party Liability	A-WALA-1-B-16-022	341000062964	19/05/1434 H (corresponding to 31/03/2013 G)	Vehicle insurance
15-	Directors and Officers Liability	A-WALA-1-C-16-023	371000067775	15/06/1437 H (corresponding to 24/03/2016 G)	Accident and liability insurance
16-	Security and Privacy Protection (CYBER)	A-WALA-1-C-16-024	371000075769	06/07/1437 H (corresponding to 13/04/2016 G)	Accident and liability insurance
17-	Electronic Equipment	A-WALA-1-C-16-025	381000004434	10/01/1438 H (corresponding to 11/10/2016 G)	Engineering insurance
18-	Fire and Specified Perils	A-WALA-1-C-16-026	381000004444	10/01/1438 H (corresponding to 11/10/2016 G)	Properties Insurance
19-	Marine Open Cover	A-WALA-1-C-16-027	381000004448	10/01/1438 H (corresponding to 11/10/2016 G)	Marine insurance
20-	Goods in Transit	A-WALA-1-C-16-028	381000004451	10/01/1438 H (corresponding to 11/10/2016 G)	Marine insurance
21-	Marine Pleasure Craft	A-WALA-1-C-16-029	381000004452	10/01/1438 H (corresponding to 11/10/2016 G)	Marine insurance
22-	Professional Indemnity Architects and Civil Engineer Insurance Policy	A-WALA-1-C-16-030	381000004453	10/01/1438 H (corresponding to 11/10/2016 G)	Accident and liability insurance
23-	Property All Risk	A-WALA-1-C-16-031	381000004456	10/01/1438 H (corresponding to 11/10/2016 G)	Properties Insurance



No.	Product name	Product identification number	No. of Central Bank's approval letter for the product	Date of Central Bank approval of the product	Insurance sector
24-	Home Insurance	A-WALA-1-B-16-032	381000004458	10/01/1438 H (corresponding to 11/10/2016 G)	Properties Insurance
25-	Fidelity Guarantee	A-WALA-1-C-16-033	381000021187	23/02/1438 H (corresponding to 23/11/2016 G)	Other general insurances
26-	Loss of Profit	A-WALA-1-C-16-034	381000021186	23/02/1438 H (corresponding to 23/11/2016 G)	Other general insurances
27-	Comprehensive General Liability	A-WALA-1-C-16-035	381000021189	23/02/1438 H (corresponding to 23/11/2016 G)	Accident and liability insurance
28-	Marine Cargo	A-WALA-1-C-16-036	381000021192	23/02/1438 H (corresponding to 23/11/2016 G)	Marine insurance
29-	Travel Insurance	A-WALA-1-I-16-037	381000021194	23/02/1438 H (corresponding to 23/11/2016 G)	Accident and liability insurance
30-	Professional Indemnity-Miscellaneous	A-WALA-1-C-17-038	381000056900	26/05/1438 H (corresponding to 23/02/2017 G)	Accident and liability insurance
31-	Aviation Hull	A-WALA-1-C-17-039	391000016287	11/02/1439 H (corresponding to 31/10/2017 G)	Aviation insurance
32-	Energy Downstream	A-WALA-1-C-15-040	15366/41	25/12/1439 H (05/09/2018 G)	Energy risk insurance
33-	Extended Warranty-Motor	A-WALA-1-C-15-041	15365/41	25/12/1439 H (05/09/2018 G)	Extended warranty insurance
34-	Aviation Liability	A-WALA-1-C-20-042	E-mail	09/11/1441 H (corresponding to 30/06/2020 G)	Aviation insurance
35-	Dishonesty, Disappearance and Destruction (3D Crime) (3D Crime)	A-WALA-1-C-16-043	371000051809	05/05/1437 H (corresponding to 14/02/2016 G)	Other general insurances
36-	Single Project Professional Indemnity	A-WALA-1-C-17-044	381000056898	26/05/1438 H (corresponding to 23/02/2017 G)	Accident and liability insurance
37-	Financial Institutions Professional Indemnity	A-WALA-1-C-16-045	371000067131	14/06/1437 H (corresponding to 23/03/2016 G)	Accident and liability insurance
38-	Pollution Legal Liability	A-WALA-1-C-16-046	371000119962	19/11/1437 H (corresponding to 22/08/2016 G)	Accident and liability insurance
39-	Plastic Card Insurance	A-WALA-1-C-16-047	371000067118	14/06/1437 H (corresponding to 23/03/2016 G)	Other general insurances



No.	Product name	Product identification number	No. of Central Bank's approval letter for the product	Date of Central Bank approval of the product	Insurance sector
40-	Extended Warranty (Electronic and Electrical Goods and Appliances)	A-WALA-1-C-16-048	381000021214	21/02/1438 H (corresponding to 21/11/2016 G)	Extended warranty insurance
41-	Group Travel	A-WALA-1-C-16-049	371000067126	14/06/1437 H (corresponding to 23/03/2016 G)	Accident and liability insurance
42-	Travel Guard Airline	A-WALA-1-C-16-050	381000022544	28/02/1438 H (corresponding to 28/11/2016 G)	Accident and liability insurance
43-	Personal Lines Plus	A-WALA-1-I-16-051	371000067122	14/06/1437 H (corresponding to 23/03/2016 G)	Other general insurances
44-	No-fault Accident Coverage Group Personal Accident (Tele-money)	A-WALA-1-C-18-052	41/15340	25/12/1439 H (corresponding to 05/09/2018 G)	Accident and liability insurance
45-	Property Terrorism	A-WALA-1-C-15-053	371000028904	09/03/1437 H (corresponding to 20/12/2015 G)	Properties Insurance
46-	Trade credit	A-WALA-1-C-17-054	391000027883	10/09/1439 H (corresponding to 25/05/2018 G)	Other general insurances
47-	SME CLINICARE	A-WALA-1-C-17-054	361000152244	04/12/1436 H (corresponding to 17/09/2015 G)	General insurance for small and medium enterprises
48-	SME EDUCARE	A-WALA-1-B-15-057	36100152256	04/12/1436 H (corresponding to 17/09/2015 G)	General insurance for small and medium enterprises
49-	SME FOOD & BEVERAGES	A-WALA-1-B-16-058	361000152266	14/06/1437 H (corresponding to 23/03/2016 G)	General insurance for small and medium enterprises
50-	SME OFFICE	A-WALA-1-B-15-059	361000152262	04/12/1436 H (corresponding to 17/09/2015 G)	General insurance for small and medium enterprises
51-	SME RETAIL	A-WALA-1-B-15-060	361000152242	04/12/1436 H (corresponding to 17/09/2015 G)	General insurance for small and medium enterprises
52-	SME PERSONAL CARE	A-WALA-1-B-15-061	361000152269	04/12/1436 H (corresponding to 17/09/2015 G)	General insurance for small and medium enterprises
53-	Wealth Plus and supplementary benefits	A-WALA-3-I-17-001	381000079226	26/07/1438 H (corresponding to 23/04/2017 G)	Protection and savings insurance (life)



No.	Product name	Product identification number	No. of Central Bank's approval letter for the product	Date of Central Bank approval of the product	Insurance sector
54-	Level Term	A-WALA-3-I-16-003	371000124356	03/12/1437 H (corresponding to 04/09/2016 G)	Protection and savings insurance (life)
55-	Insta Protect	A-WALA-3-I-16-004	371000125901	07/12/1437 H (corresponding to 08/09/2016 G)	Protection and savings insurance (life)
56-	Circles of Protection	A-WALA-3-I-15-005	371000012427	29/01/1437 H (corresponding to 11/11/2015 G)	Protection and savings insurance (life)
57-	Group Credit Life	A-WALA-3-C-15-006	371000013745	03/02/1437 H (corresponding to 15/11/2015 G)	Protection and savings insurance (life)
58-	Group Life	A-WALA-3-C-14-007	351000140932	16/01/1436 H (corresponding to 09/11/2014 G)	Protection and savings insurance (life)
59-	Group Personal Accident (No Additional Cost)	A-WALA-1-C-18-008	15340/41	25/12/1439 H (corresponding to 05/09/2018 G)	Protection and savings insurance (life)
60-	FREIGHT FORWARDERS SERVICES LIABILITY	F-WALA-1-C-21-064	E-mail	06/11/1442 H (corresponding to 16/06/2021 G)	Other general insurances
61-	Event Cancellation & Liability	F-WALA-1-C-21-065	E-mail	16/12/1442 H (corresponding to 26/07/2021 G)	Accident and liability insurance
62-	Self-Driven Motor Product	P-WALA-1-B-20-066	E-mail	27/02/1443 H (corresponding to 04/10/2021 G)	Vehicle insurance
63-	Craftsman Liability Insurance Product - Corporate	F-WALA-1-C-21-067	E-mail	22/03/1444 H (corresponding to 18/10/2022 G)	Other general insurances
64-	Travel Insurance Including Covid-19 Quarantine (for Saudis and Non-Saudis)	A-WALA-1-I-16-037	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Other general insurances
65-	Shipment Value Protection DHL Global Forwarding	P-WALA-1-B-20-069	E-mail	03/08/1443 H (corresponding to 06/03/2022 G)	Insurance for specialized products
66-	Medical Malpractice (corporate & individual)	A-WALA-1-B-10-012	E-mail	03/08/1443 H (corresponding to 06/03/2022 G)	Medical insurance
67-	Domestic Worker Contracts Insurance - Individual	P-WALA-1-I-22-070	E-mail	21/10/1443 H (corresponding to 22/05/2022 G)	Other general insurances
68-	Construction Warranty Insurance - Corporate	F-WALA-1-C-22-071	E-mail	07/11/1443 H (corresponding to 06/06/2022 G)	Other general insurances



No.	Product name	Product identification number	No. of Central Bank's approval letter for the product	Date of Central Bank approval of the product	Insurance sector
69-	Professional Indemnity for Auditors of the Entities Supervised the Capital Market Authority - Corporate	F-WALA-1-C-22-072	E-mail	25/01/1444 H (corresponding to 23/08/2022 G)	Other general insurances
70-	Group Care Takaful Plan	A-WALA-3-C-07-073	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Protection and savings insurance (life)
71-	Group Creditors Plan	A-WALA-3-C-08-074	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Protection and savings insurance (life)
72-	Takaful Plan Education	A-WALA-3-I-07-075	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Protection and savings insurance (life)
73-	Takaful Plan Retirement	A-WALA-3-I-07-076	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Protection and savings insurance (life)
74-	Savings Takaful Plan	A-WALA-3-I-07-077	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Protection and savings insurance (life)
75-	Simple Savings Takaful Plan	A-WALA-3-I-07-078	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Protection and savings insurance (life)
76-	Takaful Plan Investment	A-WALA-3-I-07-079	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Protection and savings insurance (life)
77-	Care Takaful Plan	A-WALA-3-C-07-080	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Protection and savings insurance (life)
78-	Illness Cover Critical	A-WALA-3-C-20-081	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Protection and savings insurance (life)
79-	Group Saving	F-WALA-3-C-21-082	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Protection and savings insurance (life)
80-	Purchase Protection Takaful Plan	A-WALA-1-C-16-084	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Protection and savings insurance (life)
81-	Marine Terminal Operators Insurance Policy	A-WALA-1-C-13-083	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Marine insurance
82-	Trade Credit Insurance Policy	A-WALA-1-C-17-085	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Other general insurances
83-	Machinery Insurance Policy	A-WALA-1-C-20-086	E-mail	24/03/1444 H (corresponding to 20/10/2022 G)	Engineering insurance



No.	Product name	Product identification number	No. of Central Bank's approval letter for the product	Date of Central Bank approval of the product	Insurance sector
84-	Comprehensive Motor Insurance Policy - Corporate	F-WALA-1-C-23-088	E-mail	25/06/1444 H (corresponding to 18/01/2023 G)	Vehicle insurance
85-	Comprehensive Motor Insurance Policy - Individual	P-WALA-1-I-23-089	E-mail	25/06/1444 H (corresponding to 18/01/2023 G)	Vehicle insurance
86-	THIQAH MOTOR INSURANCE Product	F-WALA-1-C-23-090	E-mail	09/08/1444 H (corresponding to 01/03/2023 G)	Vehicle insurance
87-	GROUP DOMESTIC WORKERS INSURANCE Product	F-WALA-1-C-23-091	E-mail	15/08/1444 H (corresponding to 07/03/2023 G)	Other general insurances
88-	PUBLIC OFFERING OF SECURITIES INSURANCE	F-WALA-1-C-23-092	E-mail	10/11/1444 H (corresponding to 30/05/2023 G)	Insurance for specialized products

Source: The company

3-11 Future Products

The Company continuously evaluates opportunities to provide new products, whether individual, commercial, family, or general, to meet the requirements of individual, corporate, and institutional customers, in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations. As of the date of this Prospectus, the Company is studying potential insurance products to offer in the future.

3-12 Reinsurers

The Company deals with several reinsurance companies classified by Standard & Poor's (S&P) whose rating is not less than the stable level, and they are companies approved by the Saudi Central Bank under the scope of classified local and international reinsurance companies that Saudi insurance companies can deal with. The Saudi Central Bank also accredits reinsurers rated by Moody's Investor Service and Fitch Ratings. If the Company wants to deal with reinsurers that are not accredited by the Central Bank, it must obtain written approval from it. The ratings indicate the strength of the reinsurance Company's financial position and its efficiency in covering claims, in addition to the quality of its service and the strength of its reinsurance programs. The Company has contracted with several global reinsurance companies to reduce the risks of insurance business and ensure the stability of operations and sources of capital, in addition to reducing the risk of losses and stabilizing profitability.

The table below outlines a list of the most important reinsurers that the company dealt with for the year 2023:



Table No.8 Reinsurers

Name	Nationality	Rating	Rating Agency
2023G			
Everest Reinsurance Company	United States of America	A+	Standard & Poor's (S&P)
Chaucer Syndicate	United Kingdom	A+	Standard & Poor's (S&P)
CCR Reinsurance	France	A-	Standard & Poor's (S&P)
Echo Reinsurance	Switzerland	A+	Standard & Poor's (S&P)
Aspen Reinsurance	United Kingdom	A-	Standard & Poor's (S&P)
SCOR	Germany	AA-	Standard & Poor's (S&P)
Helvetia Reinsurance Group	Switzerland	A+	Standard & Poor's (S&P)
Korean Reinsurance	South Korea	A	Standard & Poor's (S&P)
China Re	China	A	Standard & Poor's (S&P)
Active Re	United States of America	A-	Standard & Poor's (S&P)
Saudi Reinsurance, Saudi	Kingdom of Saudi Arabia	A-	Standard & Poor's (S&P)
R+V Versicherung AG	Germany	A+	Standard & Poor's (S&P)
Kuwait Reinsurance	Kuwait	A-	Standard & Poor's (S&P)
Barents Reinsurance	United Kingdom	A	Standard & Poor's (S&P)
Liberty	The United Arab Emirates	A	Standard & Poor's (S&P)
ADNIC	The United Arab Emirates	A	Standard & Poor's (S&P)
Santam	Switzerland	AA-	Standard & Poor's (S&P)
RAK	The United Arab Emirates	AAA	Standard & Poor's (S&P)
Tunis Re	Tunisia	B+	Standard & Poor's (S&P)

Source: The Company

3-13 Marketing and Distribution

The Company markets its products within the framework of supporting the Company's vision and objectives and developing the value of its products and services to current and potential customers. It aims to increase sales volume through its geographic expansion in the Kingdom of Saudi Arabia, as it offers its products and services from its main headquarters in the city of Al-Khobar, in addition to (36) branches and (10) points of sale distributed in various cities of the Kingdom.

The table below shows the business records extracted by the company:

Table No. 9: The Company's Commercial Records

Nu	Trade Name	Certificate Number	Issue Date	Expiry Date	Issuer
1.	Walaa Cooperative Insurance Company	2051034982	19/06/1428 H (corresponding to 04/07/2007 G)	19/06/1447 H (corresponding to 10/12/2025 G)	Ministry of Commerce - Commercial Registry Office in Al-Khobar



Nu	Trade Name	Certificate Number	Issue Date	Expiry Date	Issuer
Company's branches					
2.	Walaa Cooperative Insurance Company	1010274780	18/10/1430 H (corresponding to 07/10/2009 G)	18/10/1447 H (corresponding to 06/04/2026 G)	Ministry of Commerce - Commercial Registry Office in Riyadh
3.	MetLife, American International Group, and Arab National Bank for Cooperative Insurance	1010391438	22/12/1434 H (corresponding to 27/10/2013 G)	22/12/1447 H (corresponding to 08/06/2026 G)	Ministry of Commerce - Commercial Registry Office in Riyadh
4.	Walaa Cooperative Insurance Company	1116622543	24/11/1439 H (corresponding to 07/08/2018 G)	25/11/1447 H (corresponding to 12/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Dawadmi City
5.	Walaa Cooperative Insurance Company	1117101566	18/11/1439 H (corresponding to 31/07/2018 G)	18/11/1447 H (corresponding to 05/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Al Quway'iyah City
6.	Walaa Cooperative Insurance Company	1122101715	18/11/1439 H (corresponding to 31/07/2018 G)	18/11/1447 H (corresponding to 05/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Al Majma'ah City
7.	Walaa Cooperative Insurance Company	1123101529	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Zulfi City
8.	Walaa Cooperative Insurance Company	1128180953	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Unaizaj
9.	Walaa Cooperative Insurance Company	1131049274	15/08/1434 H (corresponding to 24/06/2013 G)	15/08/1450 H (corresponding to 31/12/2028 G)	Ministry of Commerce - Commercial Registry Office in Buraidah
10.	Walaa Cooperative Insurance Company	1131292919	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Buraidah
11.	Walaa Cooperative Insurance Company	1131292920	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Buraidah
12.	Walaa Cooperative Insurance Company	1131292922	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Buraidah
13.	Walaa Cooperative Insurance Company	1132107769	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Al-Rass City
14.	Walaa Cooperative Insurance Company	2031100213	01/12/1439 H (corresponding to 12/08/2018 G)	01/12/1445 H (corresponding to 07/06/2024 G)	Ministry of Commerce - Commercial Registry Office in Al-Ahsa



Nu	Trade Name	Certificate Number	Issue Date	Expiry Date	Issuer
15.	Walaa Cooperative Insurance Company	2050074746	17/03/1432 H (corresponding to 20/02/2011 G)	17/03/1446 H (corresponding to 20/09/2024 G)	Ministry of Commerce - Commercial Registry Office in Dammam
16.	Walaa Cooperative Insurance Company	2050099588	17/06/1435 H (corresponding to 17/04/2014 G)	17/06/1446 H (corresponding to 18/12/2024 G)	Ministry of Commerce - Commercial Registry Office in Dammam
17.	Walaa Cooperative Insurance Company	2051050976	26/01/1434 H (corresponding to 10/12/2012 G)	25/01/1448 H (corresponding to 10/07/2026 G)	Ministry of Commerce - Commercial Registry Office in Al-Khobar
18.	Walaa Cooperative Insurance Company	2051053645	15/08/1434 H (corresponding to 24/06/2013 G)	15/08/1447 H (corresponding to 03/02/2026 G)	Ministry of Commerce - Commercial Registry Office in Al-Khobar
19.	Walaa Cooperative Insurance Company	2053022695	17/03/1432 H (corresponding to 20/02/2011 G)	17/03/1447 H (corresponding to 09/09/2025 G)	Ministry of Commerce - Commercial Registry Office in Qatif
20.	Walaa Cooperative Insurance Company	2055018058	27/01/1434 H (corresponding to 11/12/2012 G)	26/01/1446 H (corresponding to 01/08/2024 G)	Ministry of Commerce - Commercial Registry Office in Jubail
21.	Walaa Cooperative Insurance Company	2055123692	24/11/1439 H (corresponding to 06/08/2018 G)	24/11/1447 H (corresponding to 11/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Jubail
22.	Walaa Cooperative Insurance Company	2063033395	04/07/1437 H (corresponding to 11/04/2016 G)	03/07/1448 H (corresponding to 12/12/2026 G)	Ministry of Commerce - Commercial Registry Office in Safwa City
23.	Walaa Cooperative Insurance Company	2250057356	17/06/1435 H (corresponding to 17/04/2014 G)	17/06/1450 H (04/11/2028 G)	Ministry of Commerce - Commercial Registry Office in Al-Ahsa villages
24.	Walaa Cooperative Insurance Company	2252049135	28/11/1433 H (corresponding to 14/10/2012 G)	12/01/1450 H (corresponding to 05/06/2028 G)	Ministry of Commerce - Commercial Registry Office in Mubarraz
25.	Walaa Cooperative Insurance Company	2511109152	25/11/1439 H (corresponding to 07/08/2018 G)	25/11/1447 H (corresponding to 12/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Hafr Al-Batin
26.	Walaa Cooperative Insurance Company	3350140303	23/11/1439 H (corresponding to 05/08/2018 G)	23/11/1447 H (corresponding to 10/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Ha'il



Nu	Trade Name	Certificate Number	Issue Date	Expiry Date	Issuer
27.	Walaa Cooperative Insurance Company	3550123935	25/11/1439 H (corresponding to 07/08/2018 G)	25/11/1447 H (corresponding to 12/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Tabuk
28.	Walaa Cooperative Insurance Company	4030194597	19/11/1430 H (corresponding to 07/11/2009 G)	19/11/1447 H (corresponding to 06/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Jeddah
29.	Walaa Cooperative Insurance Company	4030286755	12/03/1437 H (corresponding to 23/12/2015 G)	11/03/1446 H (corresponding to 26/09/2023 G)	Ministry of Commerce - Commercial Registry Office in Jeddah
30.	Walaa Cooperative Insurance Company	4030306498	12/11/1439 H (corresponding to 25/07/2018 G)	12/11/1447 H (corresponding to 29/04/2026 G)	Ministry of Commerce - Commercial Registry Office in Jeddah
31.	Walaa Cooperative Insurance Company	4032229151	18/11/1439 H (corresponding to 31/07/2018 G)	18/11/1447 H (corresponding to 05/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Taif
32.	Walaa Cooperative Insurance Company	4650078456	03/07/1436 H (corresponding to 22/04/2015 G)	02/07/1448 H (corresponding to 11/12/2026 G)	Ministry of Commerce - Commercial Registry Office in Al Medinah Al Munawarah
33.	Walaa Cooperative Insurance Company	4650201750	13/11/1439 H (corresponding to 26/07/2018 G)	13/11/1447 H (corresponding to 30/04/2026 G)	Ministry of Commerce - Commercial Registry Office in Al Medinah Al Munawarah
34.	Walaa Cooperative Insurance Company	4700107136	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Yanbu
35.	Walaa Cooperative Insurance Company	5855345049	10/01/1441 H (corresponding to 09/09/2019 G)	10/01/1450 H (corresponding to 03/06/2028 G)	Ministry of Commerce - Commercial Registry Office in Khamis Mushait
36.	Walaa Cooperative Insurance Company	5900113898	26/11/1439 H (corresponding to 08/08/2018 G)	26/11/1447 H (corresponding to 13/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Jizan City
37.	Walaa Cooperative Insurance Company	5950112677	23/11/1439 H (corresponding to 05/08/2018 G)	23/11/1447 H (corresponding to 10/05/2026 G)	Ministry of Commerce - Commercial Registry Office in Najran

Source: The Company



3-14 Distribution of Company's Revenues

The Company's revenues are distributed as shown in the tables below:

Table No. 10 Distribution of Revenues According to Insurance Types

Insurance Types	December 31, 2021G		December 31, 2022G		December 30, 2023 G	
	Revenues (SAR)	Percentage (%)	Revenues (SAR)	Percentage (%)	Revenues (SAR)	Percentage (%)
Medical Insurance	362,397	15%	656,842	25%	680,120	20%
Vehicle Insurance	610,554	26%	440,645	17%	795,215	24%
Engineering Insurance	89,394	4%	173,002	7%	244,900	7%
Energy insurance	508,695	22%	640,702	24%	577,751	17%
Properties insurance	306,011	13%	207,197	8%	298,806	9%
Protection and savings insurance	154,894	7%	213,076	8%	293,885	8%
Others*	306,889	13%	310,468	12%	465,484	14%
Total	2,338,834	100%	2,641,932	100%	3,346,161	100%

Source: The Company

*Other insurance sectors include: accident and liability insurance, marine insurance, aviation insurance, extended warranty insurance, general insurance for small and medium enterprises, special products insurance and other general insurance sectors.

Table No. 11: Revenues Distribution According to Geographic Regions

Regions	December 31, 2021G		December 31, 2022G		December 31, 2023 G	
	Revenues (SAR)	Percentage (%)	Revenues (SAR)	Percentage (%)	Revenues (SAR)	Percentage (%)
Central Region	316,978	14%	556,986	21%	662,935	19.8%
Eastern Region	1,790,873	77%	1,946,950	74%	2,515,037	75.2%
Western Region	145,990	6%	92,998	4%	123,207	3.7%
The northern region	67,995	3%	38,999	1%	39,603	1%.2
The Southern region	16,999	1%	6,000	0%	5,377	0%.2
Total	2,338,834	100%	2,641,932	100%	3,346,159	100%

Source: The Company

Table No. 12: Distribution of Revenues According to Classification of Insurance Classes

Classification of Insurance Classes	December 31, 2021G		December 31, 2022G		December 31, 2023 G	
	Revenues (SAR)	Percentage (%)	Revenues (SAR)	Percentage (%)	Revenues (SAR)	Percentage (%)
Individuals	546,604	2,3%	478,736	18%	930,141	28%
Enterprises and Companies						
Micro-enterprises	109,013	109,013	187,191	7%	236,860	7%
Small-sized Enterprises	184,082	184,082	215,673	8%	193,511	6%



Classification of Insurance Classes	December 31, 2021G		December 31, 2022G		December 31, 2023 G	
	Revenues (SAR)	Percentage (%)	Revenues (SAR)	Percentage (%)	Revenues (SAR)	Percentage (%)
Medium-sized Enterprises	172,758	172,758	200,878	8%	291,355	9%
Large Enterprises	1,326,377	1,326,377	1,559,454	59%	1,694,294	51%
Total	2,338,834	2,338,834	2,641,932	100%	3,346,161	100%

Source: The Company

3-15 Business Interruption

There was no interruption in the Company's business that could have had or would have had a material impact on the financial position during the last twelve (12) months.

3-16 Employees and Saudization

The number of employees reached (607) employees, including (476) Saudi employees and (131) non-Saudi employees, according to the Social Insurance Certificate issued in July 2024G. According to the Saudization certificate, the Saudization rate is (79%). The Company is classified as a large facility practicing (business services) activity, and the company currently falls under the (platinum) range of the Nitaqat Mutawar Program.

Organizational and Manage- ment Structure

04

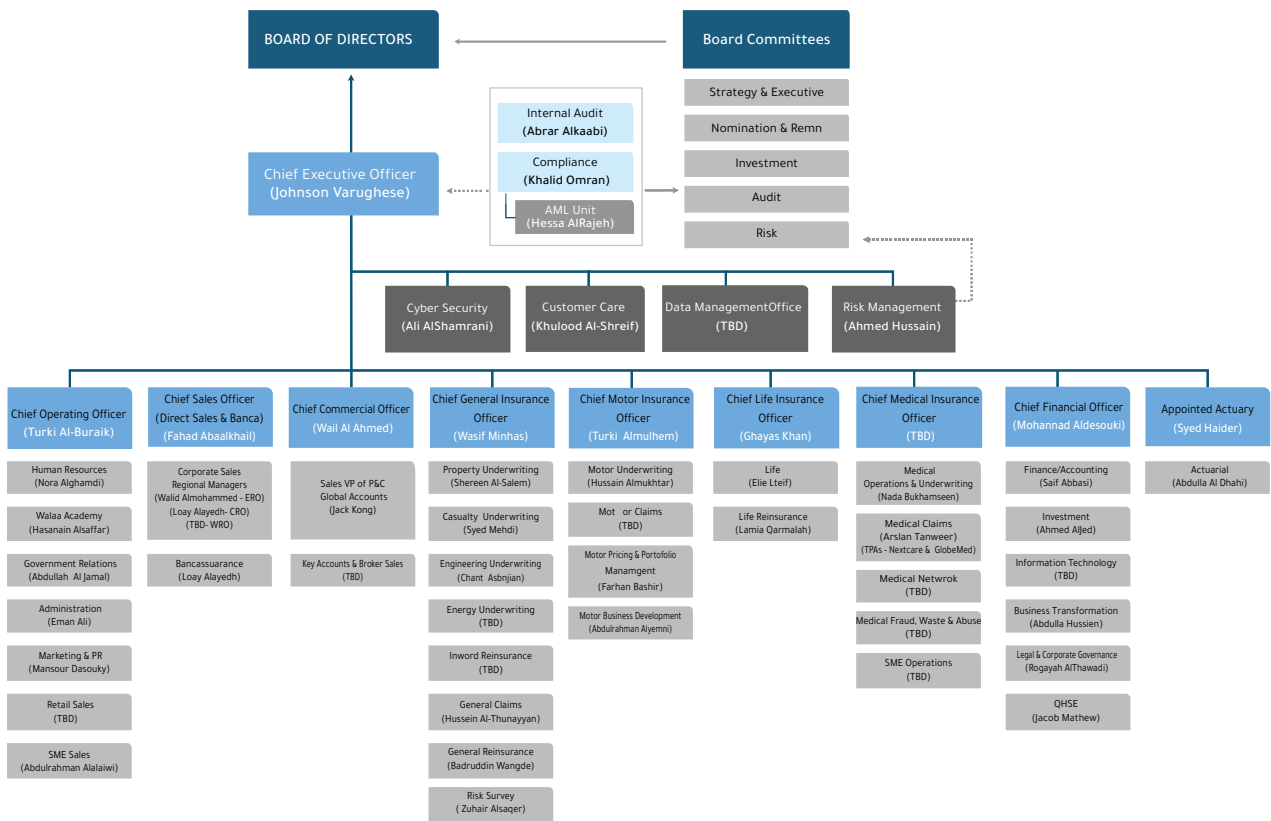
4- Organizational and Management Structure

4-1 Company’s Organizational Structure

The Company has an organizational structure that determines the division of departments and the distribution of authorities and duties among its departments. The Company’s main administrative structure consists of the Board of Directors and a team of executive senior executive (executive management). The organizational structure is headed by a Board of Directors and assisted by the executive management, which is responsible for supervising the Company’s daily activities. The Board is also responsible for setting comprehensive plans and strategies and their main objectives, and directing and monitoring the performance of the Company’s executive management, proposing appropriate decisions on topics and actions that are within the jurisdiction of the General Assembly of Shareholders, and providing general guidance, supervision, and oversight of the Company. The Board has delegated responsibility for implementing the strategic plans and managing the Company’s daily business to the executive management, which is headed by the Managing Director. It also directly supervises the development of the necessary policies and procedures to ensure the efficiency and effectiveness of the Company’s management and internal control system and to prevent risks to the maximum extent possible. In addition to the Audit Committee, the Company has a Nominations and Remuneration Committee, a Risk Committee, an Executive and Strategic Committee, and an Investment Committee, the task of which is to report to the Board of Directors. The Board of Directors is responsible for managing the Company’s daily operations and has specific authorities delegated to them.

The following is an illustration showing the current organizational structure of the Company that was approved by the Board of Directors on 04/06/1445 H (corresponding to 17/12/2023 G):

Figure No. (1): The Company’s Organizational Structure



Source: The Company



4-2 Board of Directors

In accordance with Article (15) of the Bylaws, the Company is managed by a Board of Directors consisting of eleven (11) members elected by the Ordinary General Assembly for a period not exceeding three (3) years, provided that the number of its members is not less than five (5) and not more than Eleven (11) members, and the composition of the Board of Directors must reflect an appropriate representation of independent members and in all cases, the number of independent Board members may not be less than two or one-third of the Board members, whichever is more. As an exception to this, the Constituent Assembly appoints the members of the first Board of Directors for a period not exceeding three (3) years starting from the date of issuance of the Ministry of Commerce's decision to establish the Company.

On 22/10/1443 H (corresponding to 23/05/2022 G), the Ordinary General Assembly approved the election of the Board of Directors for the term that begins on 25/10/1443 H (corresponding to 26/05/2022 G) and for a period of three (3) years ending on 28/11/1446 H (corresponding to 25/05/2025 G). On 10/29/1443 AH (corresponding to 05/30/2022 AD), the Board of Directors resolved to appoint Mr. Sulmain Abdullah Al Kadi as Chairman of the Board of Directors and Mr. Khalifah Abdullatif Almulhem as Vice-Chairman of the Board of Directors. The approval of the Saudi Central Bank was obtained with regards to this appointment on 26/12/1443 H (corresponding to 25/07/2022 G). The table below shows the current composition of the Board of Directors:

Table No. 13: Composition of the Board of Directors

Board of Directors (BOD) - Current Session*											
Name	Position	Nationality	Age	Membership Status		Date of Appointment	Representation	Direct Ownership		Indirect Ownership	
				Independent / non-Independent	Executive / non-executive			Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
Sulaiman Bin Abdullah Bin Hamad Al Kadi	Chairman of the Board	Saudi	86	Non-independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022 G)	Himself	2,719	0.00320%	-	-
Khalifah Bin Abdullatif Bin Abdullah Al Mulhiem *	Vice Chairman of the Board	Saudi	70	Non-independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,381,729	1.62445%	383,616	0.45100%
Wasef Salem Abdulrahman Al Jebshah**	Board Member	Jordanian	81	Non-Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	-	-	311,560	0.36629%
Sulaiman Abdulaziz Saleh Al Towaijri	Board member	Saudi	58	Non-Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	-	-	-	-
Waleed Mohammed Abdullah Al Jaafari	Board Member	Saudi	63	Non-Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	233,600	0.27464%	-	-



Board of Directors (BOD) - Current Session*											
Name	Position	Nationality	Age	Membership Status		Date of Appointment	Representation	Direct Ownership		Indirect Ownership	
				Independent / non-independent	Executive / non-executive			Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
Hatem Fahad Bin Sulaiman Balghonaim	Board Member	Saudi	40	Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	4,224	0.00497%	-	-
Jameel Abdullah Bin Abdulaziz Al Mulhiem***	Board Member	Saudi	52	Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,200	0.00141 %	146	0.00017 %
Hesham Bin Abdullatif Bin Hamad Al Jabr****	Board Member	Saudi	49	Non-Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	-	-	54,878	0.056384%
Abdullatif Khalifah Bin Abdullatif Al Mulhiem*****	Board Member	Saudi	34	Non-Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,010,949	1.18854 %	47,952	0.0564 %
Ahmed Ali Zaid AlQuraishi*****	Board Member	Saudi	48	Independent	Non-Executive	19/01/1446H (corresponding to 26/05/2022G)	Himself	--	--	30,536	0.0359%
Osama Bin Mirza Bin Saleh Al Khunaizi	Board Member	Saudi	46	Independent	Non-Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,000	0.00118 %	--	--

Source: The Company

*The indirect ownership of Board Member Khalifah Abdullatif Abdullah Al Mulhiem - Vice Chairman of the Board of Directors - results from his direct ownership in Khalifah Abdullatif Al Mulhiem Company Limited of (64%), and Khalifah Abdullatif Al Mulhiem Company Limited owns a percentage of (0.7047%) of the Issuer's capital.

**The indirect ownership of Board Member Wasef Salem Abdulrahman Al Jebshah - results from his direct ownership of (100%) in Wasef Al Jebshah for Investment Company, which owns (30.9%) of IGI Holding Bermuda, which owns (100%) of IGI Holding Limited (DIFC), which owns (100%) of IGI Underwriting Company, and IGI Underwriting owns a percentage of (1.1854%) of the Issuer's capital.

***The indirect ownership of Board Member Jameel Abdullah Bin Abdulaziz Al Mulhiem results from his direct ownership in Sadi Awwal Bank of (0.0011%), and Saudi Awwal Bank owns (15.60%) of the Issuer's capital.

****The indirect ownership of Board Member Hesham Abdullatif Hamad Al Jabr results from:

his direct ownership in Al Jabr Investment Company of (4.57%), and Al Jabr Investment Company owns a percentage of (1.1758%) of the Issuer's capital.

his direct ownership in Al Jabr Investment Company of (4.57%), and Al Jabr Investment Company owns a percentage of (5.654%) of ANB, as ANB owns (4.1759%) of the Issuer's capital.

*****The indirect ownership of Board Member Abdullatif Khalifah Abdullatif Al Mulhiem results from his direct ownership in Khalifah Abdullatif Al Mulhiem Company Limited of (8.00%), and Khalifah Abdullatif Al Mulhiem Company Limited owns a percentage of (0.7047%) of the Issuer's capital.

***** On 12/03/1445 H (corresponding to 06/09/2024 G), the Board of Directors approved the resignation of Mr. Abdulaziz bin Saud Al-Shabibi from membership in the Company's Board of Directors and the Investment Committee, which will take effect as of 12/03/1445 H (corresponding to 06/09 /2024 G) due to his personal circumstances. On 12/27/1445H (corresponding to 07/03/2024G), the Board of Directors decided to appoint Mr. Ahmed Ali Al-Quraishi as a member of the Board of Directors and the Investment Committee to complete the current term that ends on 11/28/1446H (corresponding to 05/25/2025G), provided that this appointment will be presented to the General Assembly at its first meeting, noting that the Insurance Authority's non-objection to this appointment was obtained on 01/19/1446H (corresponding to 07/25/2024G). It is worth noting that the indirect ownership of Board Member Ahmed Ali Al-Quraishi results from:

- His direct ownership in Sons of Ali Zaid Al-Quraishi Company of (40%), and Sons of Ali Zaid Al-Quraishi Company owns a percentage of (0.70%) of the Issuer's capital.



- His direct ownership of Ajda Company for Industrial and Technical Services Company of (9.6%), and Ajda Company for Industrial and Technical Services owns (0.82%) of the Issuer's capital.

4-3 Board Committees

Five (5) committees emerge from the Board of Directors, which are: (1) Audit Committee, (2) Nominations and Remuneration Committee, (3) the Risk Committee, (4) the Executive and Strategic Committee, and (5) the Investment Committee. These committees assist the Board of Directors to perform its duties and responsibilities and raise the level of supervision, control and decision-making controls within the corporate governance framework.

4-3-1 Audit Committee

The Ordinary General Assembly held on 22/10/1443 H (corresponding to 23/05/2022 G) approved the formation of the Audit Committee for the session that begins on 25/10/1443 H (corresponding to 26/05/2022 G) and for three (3) years ending on 27 /11/1446 H (corresponding to 25/05/2025 G) as shown in the below table:

Table No. 14: Members of the Audit Committee

Name	Position	Membership Status
Jameel Abdullah AlMolhem	Chairman of the Committee	Independent - Board member
Dr. Sleiman Bin Abdallah Al Sakran	Committee Member	Independent- not a Board member
Adib Bin Sleiman Al Fahid	Committee Member	Independent- not a Board member

Source: The Company

- **Duties, powers and competencies of the Audit Committee**

According to Article (12) of the Company's Audit Committee work policy, the tasks of the Audit Committee are as follows:

First: General responsibilities

The Committee shall perform all its duties in accordance with this business policy, and shall work in good faith to support the Company's achievement of success for the benefit of its members as a whole. In order to do so, the Committee shall consider, but not be limited to:

- The potential long-term consequences of any decision. The interests of the Company's employees.
- The need to enhance the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on society and the environment.
- The Company's desire to maintain the highest standards of business conduct.
- Acting fairly between members and employees of the Company.
- Discussing the preliminary annual and quarterly financial statements with the external auditors and the Company's senior management before issuing them.



- Studying the observations of the Saudi Central Bank and the relevant supervisory and regulatory authorities regarding any regulatory violation or request for corrective measures and submitting recommendations thereon to the Board of Directors.
- Study the actuarial expert reports and submit recommendations thereon to the Board of Directors.
- Ensuring the Company's commitment to implementing the actuary's proposals and recommendations when they are mandatory in accordance with the regulations and instructions issued by the Saudi Central Bank and the relevant supervisory and regulatory authorities.
- Studying operations among group entities and operations with related parties.
- Developing a detailed annual work plan issued by a decision of the Board of Directors, which includes the main topics that it will discuss during the year and the dates of its meetings.
- Ensuring that the Company protects the legitimate rights of shareholders and informing all shareholders of all major developments occurring in the Company.
- Reviewing the internal and external auditors' evaluation of internal control operations.
- Ensuring that the quarterly and periodic performance and financial reports to shareholders reflect a true and fair performance of the Company's performance and position.
- Ensuring that the Company's activities are in its best interests and ensuring the independence and objectivity of the Company in its work activities and decisions.
- A comprehensive overview of financial reports and public disclosures, ensuring the quality, timeliness, and validity of all disclosures, ensuring that they are complete, fairly representing material information, and adhering to the related rules and regulations.
- Coordination between the internal auditor's department and the external auditors.

Second: Internal audit

- Recommending to the Board of Directors to appoint or dismiss the head of the Internal Audit Department after obtaining the Bank's the written non-objection from the Saudi Central Bank (SAMA).

If there is a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, or if the Board rejects the Committee's recommendation regarding the appointment of the internal auditor, this must be included in the Board of Directors' report in which the Board explains the reasons for the rejection.

- Ensuring the independence of the Internal Audit Department in performing its duties and ensuring that there are no restrictions on the scope of work or any obstacles that negatively affect its work.



- Supervising the internal audit department by verifying the adequacy of its resources, reviewing its organizational structure, verifying the independence of its employees, and evaluating its effectiveness.
- Ensuring that the Internal Audit Department is not linked to any other department and that it enjoys complete independence.
- Ensuring that all employees of the Internal Audit Department have the sufficient training necessary to carry out their work, especially with regard to risk management and financial and technical affairs.
- The audit committee shall investigate the adequacy of the staff capacity in the Internal Audit Department and submits its recommendations in this regard to the Council and Executive Management.
- Reviewing the periodic reports provided by the Internal Audit Department to the Committee, and taking the necessary procedures when required.
- Reviewing and approving the internal auditor's plan.
- Reviewing and approving the work policy of the Internal Audit Department.
- Reviewing reports issued by the Internal Audit Department and submitting related recommendations to the Council.
- Reviewing any reports or notes issued by the Internal Audit Department regarding any violations of acceptable risk limits as stated in the Company's risk acceptance regulations.
- Evaluating the level of efficiency, effectiveness and objectivity of the internal audit department.
- Determining the monthly salary, incentive bonus and other rewards for the Internal Audit Department or the Internal Auditor in line with the Company's internal regulations approved by the Board.

Third: Compliance management

- Appointing and dismissing the compliance officer after obtaining the bank's written non-objection from the Saudi Central Bank (SAMA).
- Ensuring the independence of the Compliance Department in performing its duties and ensuring that there are no restrictions on the scope of its work or any obstacles that could negatively affect its work.
- Study the compliance plan, approve it, and follow up on its implementation.
- Reviewing reports issued by the Compliance Department and submitting recommendations thereon to the Board.



- Reviewing the observations and results recorded by the organizers and submitting related recommendations to the Board.
- Evaluating the level of efficiency, effectiveness and objectivity of the Compliance Department.
- Follow up on important legal cases filed by or against the Company and submit periodic reports related to them to the Board.
- Reviewing the contracts and transactions proposed to be conducted by the Company with related parties, and providing feedback to the Board of Directors if required.
- Determine the monthly salary, incentive bonus and other rewards for the Compliance Department or the Compliance Officer in line with the Company's internal regulations approved by the Board.

Fourth: The external auditor

- The Committee considers and makes recommendations to the Board to be presented to the shareholders for approval at the Annual General Assembly, regarding the appointment and reappointment of the Company's external auditor in addition to any issues related to his resignation or dismissal.

If there is a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, or if the Board rejects the Committee's recommendation regarding the appointment of the external auditor, this must be included in the Board of Directors' report in which the Board explains the reasons for the rejection.

- The committee also monitors the process of selecting new auditors, and in the event the auditor resigns, the committee investigates the matter and decides whether there is a procedure that requires this.

The committee monitors the relationship with the external auditor, including but not limited to:

- Approving their remuneration, whether audit fees or non-audit services, and ensuring that the level of fees is commensurate with conducting an adequate audit. Approving the terms of their appointment, including any appointment letter issued at the beginning of each audit and the scope of the audit.
- Evaluating their independence annually and its effects, taking into account the professional and regulatory requirements related to this in the Kingdom and the relationship with the auditor as a whole, including the provision of any services that are not related to the audit.
- Monitoring the external auditor's compliance with the ethical and professional standards of the auditors and the level of fees paid to them by the Company compared to the entity's income from total fees, office fees, partner fees, and other requirements.



- Agreeing with the Board on the policy of employing former employees of the Company's external auditors and implementing that policy.
- Ensure that there are no relationships (family, employment, investment, financial or business) between the external auditor and the Company (except for what falls within the normal course of business).
- Evaluating their qualifications, knowledge, resources, and the effectiveness of the audit process annually, which includes a report by the external auditor regarding the feasibility of the internal procedures they carry out.
- Seeking to ensure coordination with the activities of the internal auditor and external auditor tasks.
- Considering the risks of the Company's current auditor withdrawing from the market.
- The committee meets with the external auditor on a regular basis, including once in the planning stage before the audit and once after the audit in the report submission stage. The committee meets with the external auditor at least once a year without the presence of management to discuss its transfers and any issues arising from the audit.
- The committee reviews and approves the annual audit plan and ensures its agreement with the scope of the audit process.
- The committee reviews the audit results with the external auditor. This includes, for example, discussing any other major issues arising from the audit, accounting and audit opinion, the level of errors identified during the audit, and discussing the adequacy of the technical provisions and precautions approved by the actuary. The committee also reviews the effectiveness and impact of the audit.
- The committee also reviews any request for letters of commitment from the external auditor before they are signed by management, reviews the management letter and management's response to the investigations and recommendations, takes responsibility for the decision of disagreement between management and the external auditor, and verifies that the external auditor has not submitted any technical or administrative work that results. About the scope of the audit work.
- The committee shall develop and implement a policy relating to the supply of non-audit services by the external auditor, taking into account any ethical guidance related to an issue and submitting it to the Board, identifying any matters regarding which the committee deems that action or improvement is required and making recommendations on the steps to be taken.



Fifth: Financial reports

- The Committee must review the summary of financial statements, significant financial returns to legislators, and any financial information contained in certain other documents, such as price announcements of a sensitive nature.
- The committee reviews and discusses the preliminary annual and quarterly financial statements with the external auditors and senior management of the company and recommends them to the Board of Directors before issuing them.
- The committee reviews and objects to compliance and changes in accounting policies on an annual basis and through the company.

The committee reviews and objects, when necessary, to:

- Alignment and changes in accounting policies on an annual basis and across the Company.
- Methods used in accounting for important and unusual transactions when there is a possibility of using other methods.
- Whether the Company has followed appropriate accounting standards, appropriate estimates and judgments, taking into account the use of external auditors.
- Clarity of disclosure in the Company's financial reports and the context within which the statements were made.
- All material information provided with the financial statements, such as the operational and financial review and the Company's governance disclosure.
- The committee should carefully research any issue raised by the financial director, whoever assumes his duties, the compliance officer, or the external auditor.
- The Committee reviews the annual financial statements of any pension fund that the Board has not reviewed as a whole.

4-3-2 Nomination and Remuneration Committee

The Board of Directors, held on 29/10/1443 H (corresponding to 30/05/2022 G), appointed the Nominations and Remuneration Committee as shown in the table below:

Table No. 15 Members of the Nominations and Remuneration Committee

Name	Position	Membership Status
Hatem Fahad Balghoneim	Chairman of the Committee	Independent - Board member
Sulaiman Abdullah Al Kadi	Committee Member	Non- Independent - Board member
Osama Mirza Alkhunaizi	Committee Member	Independent - Board member
Abdullatif Khalifah Almulhem	Committee Member	Non- Independent - Board member

Source: The Company



Duties of the Nominations and Remuneration Committee

In accordance with the Nominations and Remuneration Committee's work policy included in the Company's governance policy, the Nominations and Remuneration Committee, in carrying out all its duties in accordance with this business policy, the Committee shall, works in good faith for the success of the Company for the interest of its members and stakeholders as a whole. In order to do so, the Committee shall take into account the following (with other matters):

- Recommend to the Board of Directors to nominate the membership of the Board of Directors and its committees in accordance with statutory requirements.
- Evaluate the structure of the Board and its committees, identify the weaknesses periodically and propose steps to address them.
- Evaluate and monitor the independence of the Board members and committees and ensuring that there are no conflicts of interest, including make sure annually the independence of the independent members.
- Establish the clear compensation and remuneration policies for the members of the Board, committees and senior management.
- Evaluate the performance of the members of the Board, committees and senior management.
- Recommend regarding the appointment and exemption of senior management members,
- Set the succession policy and procedures for the CEO and senior management and monitor the implementation of succession plans and procedures for them.
- Review the compensation plans for senior management members.
- Recommend to the Board on matters related to the nominations and remunerations
- Determine the time when a member shall allocate the work of the Board of Directors.
- Review the structure of executive management and provide feedback regarding the possible changes to be done.
- Develop the functional description for executive members, non-executive members, independent members and senior executives.
- Establish the special procedures in the event that there is a vacant position in the Board of Directors or senior executives.
- The nomination and remuneration committee report to the Board
- The competences of the nomination committee shall include suggesting clear policies and standards of membership of the Board and the Executive Management.



- Preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions.
- When nominating a Board member, the nomination committee shall take into consideration the provisions of these Regulations and the requirements set by the Authorities.

4-3-3 Risk Committee

The Board of Directors, held on 29/10/1443 H (corresponding to 30/05/2022 G), appointed the Risk Management Committee as shown in the table below:

Table No. 16 Members of the Risk Management Committee

Name	Position	Membership Status
Solaiman Abdulaziz Altwaijri	Chairman of the Committee	Non-Independent - Board member
Hesham Abdullatife Al Jabr	Committee Member	Non-independent- Board member
Osama Mirza Alkhunaizi	Committee Member	Independent - Board member

Source: The Company

Tasks of the Risk Management Committee

In accordance with the work policy of the Risk Management Committee included in the Company's governance policy, the Risk Management Committee, in performing all its duties in accordance with this business policy, works in good faith for the success of the Company for the interest of its members and stakeholders as a whole. In order to do so, the Committee shall take into account the following (with other matters):

- Set Risk Management strategy, policy and procedures in line with the Company's capacity. The committee shall also supervise on its implementation, review and update, whenever required.
- Identify the Company's risk and maintain an acceptable risk profile and appetite, the Company shall not exceed.
- Ensure internal processes for identifying and measuring key risks are appropriate and regularly review the process and tools, with particular reference data quality and integrity, aggregation risks, risk correlation monitoring, identification of emerging risks.
- Ensure an adequate risk register is maintained which identifies the risks of the Company and its operations and assesses the likelihood and severity of their occurrence.
- Supervise the Company's Risk Management Function and that is by, ensuring the availability of adequate resources and systems, review its organizational chart and evaluate its effectiveness.
- Ensure that Risk Management function is not related to any other function and has the required independency to conduct its duties.



- Conduct a review on the human resources of Risk Management function and has the required independency to conduct its duties.
- Conduct a review on the human resources of Risk Management function and report to the Board of Directors and Executive Management.
- Overseeing Company's risk management system and assess its effectiveness continuously.
- Submit detailed reports to the Board about risk exposures and remedial actions.
- Share recommendation to the Board in regards of the Company's Risk appetite and risk exposure, and the committee's continuous monitor mechanism for such risk, and any material changes.
- Re-evaluating the Company's tolerance and exposure to risk, on a regular basis (e.g. stress testing exercise)
- Review the management's process to monitor and manage the risk accumulation
- Supervise, review, and monitor all controls, policies and procedures related to all types of risks and sub risks:
 - a. Market Risks
 - b. Liquidity Risks
 - c. Counterparty Default Risks
 - d. Non-Life Underwriting Risks
 - e. Strategic Risks
 - f. Operational Risks
 - g. Conduct of Business Risks
 - h. Cyber Security Risks
 - i. Regulatory and AML Risks
 - j. Actuarial Risks
 - k. Oversight Risks
 - l. Life Underwriting Risks
- Review internal communication and control systems to encourage the timely flow of risk-related to all types of risk and sub risks.



- Review and approve Risk Management Framework, Risk Strategy and Risk Appetite Framework to include all types of risk and its sub-risks, and also ensure that Risk Management Function is working in line with the framework.
- Review the risk treatment and mitigation policies and procedures developed by management, including procedures for periodic and critical reporting of matters to the Risk Management Committee.
- Review Risk Management Function Reports, in regards of any identified control gaps, and supervise on the implementation plans and take the necessary actions whenever required.
- Review reports from management, external auditors, internal auditors, regulators, and consultants as appropriate or any matters escalated by Audit Committee, regarding risks the Company faces and the Company's Management of those risks.
- Review Company's strategic plans, contingency plan, capital planning and decision; and recommend the necessary actions to the Board.
- Review Company's risk strategy and Risk Appetite Framework.
- Develop and promote a risk corporate culture among Walaa employees and raise awareness on Risk Management.
- The competences of the risk management committee shall include developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors;
- The Committee shall assist in monitoring the risk of Insurance Product effectively.

4-3-4 Executive and Strategic Committee

The Board of Directors, held on 29/10/1443 H (corresponding to 30/05/2022 G), formed the Executive and Strategic Committee as outlined in the table below:

Table No. 17 Members of the Executive and Strategic Committee

Name	Position	Membership Status
Solaiman Abdulaziz Altwajri	Chairman of the Committee	Non- Independent - Board member
Jameel Abdullah Al Molhem	Committee Member	Independent- Board member
Hatem Fahad Balghoneim	Committee Member	Independent - Board member
Abdullatif Khalifah Almulhem	Committee Member	Non-independent - Board member

Source: The Company



Tasks of the Executive and Strategic Committee

In accordance with the business policy of the Executive Committee included in the Company's governance policy, the Executive Committee, in performing all its duties in accordance with this business policy, works in good faith for the success of the Company for the interest of its members and stakeholders as a whole. In order to do so, the Committee shall take into account the following (with other matters):

- Supervise the Executive Management and ensure they are in compliance with Walaa's strategy, policies and framework.
- Review the Company's strategic plans and decisions and recommend the necessary to the Board.
- Review Company's business strategy, and capital planning.
- Convene periodic meetings with the Executive Management to explore the work progress and any obstacles and problems in connection therewith.
- Review and evaluate the performance of the Executive Management, and share their recommendation with the Board.
- Review the principal and interim business plans, annual budget, expansion plans, strategic initiatives and other short/ long term objectives of the Company.
- Ensure applying financial and accounting procedures and capital expenditures, as per the Company's financial objectives and business strategy.

4-3-5 Investment Committee

The Board of Directors, held on 29/10/1443 H (corresponding to 30/05/2022 G), appointed the Investment Committee members, Khalifah Abdullatif Almulhem as Chairman of the Committee, and Sulaiman Abdullah Al Kadi, Wasef S. Jebshehand Waleed Mohammad Aljafaarias members. On 02/03/1445 H (corresponding to 17/09/2023 G), the Board of Directors resolved to reconstitute the Investment Committee for the current term, starting from 25/10/1443 H (corresponding to 26/05/2022 G) and for three (3) years ending on 27/11 /1446 H (corresponding to 25/05/2025 G). The Committee was expanded to include of Abdulaziz Saud Alshabeebias an independent member and Johnson Varugheseas an executive member, in accordance with the regulations and regulations authorities, so that the Investment Committee will be in accordance with the following table:

Table No. 18: Members of the Investment Committee

Name	Position	Membership Status
Khalifah Abdullatif Almulhem	Chairman of the Board	Non-independent - Board member
Sulaiman Abdullah Al Kadi	Committee Member	Non-independent - Board member
Wasef S. Jebsheh	Committee Member	Non-independent - Board member



Name	Position	Membership Status
Waleed Mohammad Aljafaari	Committee Member	Non-independent - Board member
Ahmed Ali Al-Quraishi	Committee Member	Independent- Board member
Johnson Varughese	Committee Member	Executive- Not a board member

Source: The Company

* On 12/03/1445 H (corresponding to 06/09/2024 G), the Board of Directors approved the resignation of Mr. Abdulaziz bin Saud Al-Shabibi from membership in the Company's Board of Directors and the Investment Committee, which will take effect as of 12/03/1445 H (corresponding to 06/09 /2024 G) due to his personal circumstances. On 12/27/1445H (corresponding to 07/03/2024G), the Board of Directors decided to appoint Mr. Ahmed Ali Al-Quraishi as a member of the Board of Directors and the Investment Committee to complete the current term that ends on 11/28/1446H (corresponding to 05/25/2025G), noting that the Insurance Authority's non-objection to this appointment was obtained on 01/19/1446H (corresponding to 07/25/2024G).

Tasks of the Investment Committee

In accordance with the Investment Committee's business policy included in the Company's governance policy, the Investment Committee, in performing its duties in accordance with this business policy, shall work in good faith. The Committee, in performing all its duties in accordance with this work policy, shall work in good faith for the success of the Company for the interests of its members as a whole. In order to do so, the Committee shall take into account the following (with other matters):

Set Investment Management Strategy and policy, according to the Company's capacity, and include;

- a. Risk Limits
- b. Delegated authority
- c. Criteria for selecting external investment manager
- d. Selection of partners and brokers
- e. Nature of custodial arrangements
- f. Investment risk monitoring measurement and analysis.

The Committee shall also supervise on its implementation, review and update, whenever required.

- Reviewing the performance of each asset class.
- Review Investment portfolio performance, and submit a review report to the Board of Directors.
- Review the Company's investment activities, and ensure they are in compliance with SAMA's Investment Regulations, and any other relevant regulations, The Committee shall share its recommendation with the Board.



- All risk limits and exposures in the investment activities should be reviewed on a regular basis in order to verify their suitability for current market conditions and the Company's overall risk tolerance.
- Monitor and review market risk and its sub-risks processes on a regular basis.
- Review the management's report on Market risks, and share its recommendations to the Board.
- Review and supervise policies, process, activities and systems related to Market Risks.
- Review report from Risk Management Function, or any other relevant function, in regards of any identified control gaps, and supervise on the implementation plans,
- Review the Company's strategic plans, decisions, strategic risks, and recommend the necessary to the Board.

4-4 Executive Management

The executive management of the Company is led by the Chief Executive Officer, currently held by Johnson Vargas as of the date of this Prospectus. Additionally, the position of Chief Financial Officer is held by Muhannad bin Mahmoud Al-Desouki. The table below outlines the members of the executive management:

Table No. 19 Members of Executive Management

Name	Position	Nationality	Age	Ownership			
				Direct Ownership		Indirect Ownership	
				Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
Johnson Varughese	Chief executive officer	Indian	61	62,500	0.07348%	--	--
Mohannad Al Desouki	Chief Financial Officer	Saudi	37	16,025	0.01884%	--	--
Wasif F. Minhas	Chief General Insurance Officer	Pakistani	51	--	--	--	--
Turki Al-Buraik	Chief Operating Officer	Saudi	48	--	--	--	--
Khulood Al Shreif	Assistant Vice President-Customer Care	Saudi	49	--	--	--	--
Ghayas Khan	Chief Life Insurance Officer	Pakistani	43	--	--	--	--
Sukumara Prakash	Chief - Medical Insurance officer	Hindi	51	--	--	--	--
Abrar Alkaabi	Internal Audit Manager	Saudi	30	--	--	--	--
Fahad Aba Alkhail	Chief Corporate Sales Officer	Saudi	45	--	--	--	--
Khalid Omran	Compliance & AML Manager	Saudi	48	--	--	--	--



Name	Position	Nationality	Age	Ownership			
				Direct Ownership		Indirect Ownership	
				Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
Syed Raza Haider	Appointed actuary	Pakistani	44	--	--	--	--
Turki Al Mulhem	Technical Head (Motor Insurance)	Saudi	41	--	--	--	--
Rogayah AlThawadi	Legal and Corporate Governance Manager	Saudi	33	--	--	--	--
Wail Alahmed	Chief Commercial Officer	Saudi	39	--	--	--	--
Noura Saeed Abdullah Al-Ghamdi	Human Resources Director	Saudi	43	--	--	--	--
Ali Al Shamrani	Cybersecurity Manager	Saudi	32	--	--	--	--
Ahmed Alhusaini	Senior Risk Manager	Bahraini	38	--	--	--	--

Source: The Company

4-5 Compensation and Remuneration of Board members and Senior Executives

Rewards are distributed to members of the Board of Directors in accordance with the guidelines stipulated in Article (19) of the Company's Bylaws, such that the remuneration for members of the Board of Directors are distributed according to specific criteria including a specific amount, attendance allowance for meetings, in kind benefits, or a specific percentage of net profits. It is permissible to combine two or more of these benefits. If the reward is a certain percentage of the Company's profits, this percentage may not exceed (10%) of the net profits, after deducting the reserves resolved by the General Assembly in accordance of the provisions of the Cooperative Insurance Companies Control Law, the Companies Law, and the Company's Bylaws, and after distributing a profit to the shareholders. It shall not be less than (5%) of the Company's paid-up capital, provided that the entitlement to this reward is proportional to the number of sessions attended by the member, and any assessment contrary to this shall be invalid.

According to this Article of the Bylaws, under no circumstances, the total amount received by a member of the Board of Directors in terms of financial or in-kind rewards and benefits does not exceed the amount of five hundred thousand Riyals annually, with the exception of members of the Audit Committee, in accordance with the guidelines set by the Capital Market Authority.

The Board of Directors' report to the General Assembly must also include a comprehensive statement of all the bonuses, expense allowances, and other benefits received by members of the Board of Directors during the financial year. It should also include a statement of the value received by the Boards members in their capacity as employees or administrators, or what they received in exchange for technical or administrative work or consultations. It should also include



a statement on the number of Board meetings and the number of meetings attended by each member from the date of the last meeting of the General Assembly.

The table below shows the value of compensation and bonuses received by senior executive members of the Board of Directors during the years 2020 G, 2021 G and 2022 G:

Table No. 20 Compensation and rewards for members of the Board of Directors, senior executives, and members of the Audit Committee

Distributions	2021G	2022G	2023 G
Board Members	3,920	4,757	4,328
Senior Executives	5,738	9,794	10,150
Members of the audit committee	243	254	211
Total	9,901	14,805	14,689

Source: The Company

4-6 Employees

4-6-1 Employee share schemes in place prior to the application for registration and offer of securities that are subject to this Prospectus

The Company currently does not have any stock allocation program for its employees.

4-6-2 Arrangements that involve employees in the Company's capital

There are no arrangements involving employees in the Company's capital as of the date of this Prospectus.

Financial Information and Management Discussion and Analysis

05



5- Financial Information and Management Discussion and Analysis

5-1 Introduction

The «**Management Discussion and Analysis of the Financial Status and Results of Operations**» Section includes an analytical review of the operational performance and financial position of Walaa Cooperative Insurance Company (a Saudi Joint-Stock Company) during the financial years ending on December 31, 2021G and 2022G, and 2023G.

The Company's financial statements for the financial years ending on December 31, 2021G, 2022G and 2023 were audited by Crowe Solutions for Professional Consulting and El Sayed El Ayouty & Co. - Certified Public Accountants (Member Moore Global). Crowe Solutions for Professional Consulting and El Sayed El Ayouty & Co. - Certified Public Accountants (Member Moore Global), their affiliates or any of their sister companies, do not own any shares or interest of any kind in the Company that may affect their independence. The auditors provided their written consent to the use of their names, logos, and list, which has not been withdrawn as of the date of the report.

All amounts listed below are presented in Saudi Riyals, and all percentages are rounded to the nearest decimal point. Therefore, calculating the percentage increase / (decrease) based on the amounts presented in the tables in the report (appear in millions of Saudi Riyals and rounded to the nearest whole number) it may not be completely equivalent to the corresponding percentages as mentioned in the tables.

This report may include forward-looking statements about the Company's plans based on the management's plans and current prospects for the Company's growth, results of operations and financial condition. Therefore, it may involve risks and uncertainties. The Company's actual results may differ materially from those expressed or implied in such forward-looking statements due to numerous factors and future events, including those discussed in the report.

5-2 Walaa Cooperative Insurance Company Directors' Declarations on the Financial Statements

The Board of Directors Members acknowledge that the financial information contained in this section has been extracted without material changes and presented on a consolidated basis consistent with the audited financial statements for the financial years ended on December 31, 2021G, 2022G and 2023G, which were prepared in accordance with IFRS as approved in the Kingdom of Saudi Arabia by SOCPA, and other standards and statements issued by the Saudi Organization for Auditors and Accountants and the Companies Law, , extracted without material amendments from the audited financial statements and it includes financial information presented on a consolidated basis in a manner consistent with the format followed in the Issuer's annual financial statements.

- The Company does not have any issued or outstanding debt instruments, approved but not issued and any term loans, or term loans, whether loans covered by a personal guarantee, or



secured by a mortgage, whether provided by the issuer or by a third party, or not secured by a mortgage.

- The Company has no loans, or other receivables, including bank account overdrafts, any liabilities under acceptance, any acceptance credit or any hire purchase commitments, or term loans, whether loans covered by a personal guarantee, or secured by a mortgage, whether provided by the issuer or by a third party, or not secured by a mortgage.
- The Issuer does not have any share capital covered by an option right.
- The Company has sufficient financial resources to meet the requirements of working capital for a period of 12 months immediately following the date of the prospectus.
- The Company does not have any shares subject to option contracts as at the date of this prospectus.
- There are no seasonal factors or economic cycles related to the activity that may have an impact on the business and the financial position of the Company
- There is no information on any governmental, economic, financial, monetary, or political policies or any other factors that have affected or could materially affect, directly or indirectly, the operations of the Company.
- There are no mortgages, rights, or burdens on the Company's property as at the date of this prospectus.
- Except for what was disclosed in subsection (5.1) «**Income Statement**» of Section No. 5 «**Financial information and management analysis and discussion**», there has been no material negative change in the financial and commercial position of the Company during the three years before the preceding the date of submitting the application for registration, and the offering of the securities related to this Prospectus this applied to the end of the period covered by the chartered accountant's report until the issuance of the prospectus.
- The Company does not own any contractual securities or other assets whose value is subject to fluctuations or whose value is difficult to ascertain, and which may significantly affect the assessment of the financial position of the Company.
- No commissions, discounts, brokerage fees or non-cash compensation were granted within the three years immediately preceding the application for registration and offer of securities that are subject to this prospectus in connection with the issue or offer of any securities by the Issuer to any of its directors, proposed directors, senior executives, persons offering or placing the securities or experts who received any such payment or benefit.
- The material information in this Prospectus has been disclosed according to the available information.



- The Company does not have any contingent liabilities, guarantees, or any important fixed assets that it intends to buy or lease as at the date of this Prospectus, there are no Subsidiaries of the company.

5-3 Company Overview

Walaa Cooperative Insurance Company (a Joint Stock Company incorporated in Kingdom of Saudi Arabia), «**the Company**», was formed pursuant to Royal Decree No. (S/114) dated 02/05/1428H. The Company operates under UNN 7001526578 (formerly Commercial Registration no. 2051034982) dated Jumada II 19, 1428H corresponding to July 4, 2007.

The Company transacts in cooperative insurance operations and all related activities including reinsurance and agency activities. Its principal lines of business include medical, motor, marine, fire, engineering, energy, aviation, casualty insurance and protection & savings both linked and non-linked.

The registered address of the Company's head office is as follows:

Walaa Cooperative Insurance Company

Head Office

4513, Adh Dhahran Al Khubar Al Janubiyah

Unit No: 8, Al-Khobar 34621-8615

Kingdom of Saudi Arabia

The share capital of the Company as of December 31, 2023, amounted to SAR 850,583,250 comprising of 85,058,325 shares of SAR 10 each (December 31, 2022: SAR 850,583,250 comprising of 85,058,325 shares of SAR 10 each).

In the year 2015G, the Company had increased its share capital from SAR 200 million to SAR 400 million, by issuing priority rights of 20 million right shares to its existing shareholders, which were offered at an exercise price of SAR 12 per share. This resulted in a share premium less issuance cost amounting to SAR 30.1 million after deducting the issue cost. This increase was approved by the Saudi Central Bank on Jumada II 23, 1435H, corresponding to April 23, 2014G. The Capital Market Authority also approved this increase on Jumada al-Ula 11, 1436 H corresponding to March 2, 2015 G.

The Capital Market Authority had approved an increase in the Company's capital from 400 million Saudi Riyals to 440 million Saudi Riyals by issuing a bonus share for every ten shares owned by the shareholder. The capital was increased through retained earnings draw of 40 million Saudi Riyals. This increase was approved by the Capital Market Authority on Sha'ban 2, 1439H corresponding to April 18, 2018G. The Saudi Central Bank also approved this increase on Safar 9, 1439H, (corresponding to October 29, 2017G).

The Company's Board of Directors in their meeting held on 3 Sha'aban 1440H corresponding to April 8, 2019G, recommended to the Extraordinary General Assembly to increase share capital of the Company. The Extraordinary General Assembly approved to increase share capital of the



Company from SAR 440 million to SAR 528 million by issuing one bonus share for every five existing shares owned by the shareholder. The increase in share capital is through capitalization of retained earnings of SAR 88 million. The Extraordinary General Assembly approved this increase in the Company's capital at their meeting held on Ramadan 16, 1440H (corresponding to May 21, 2019G). This increase was approved by the Saudi Central Bank and the Capital Market Authority on Sha'ban 3, 1440H (corresponding to April 8, 2019G), and Sha'ban 20, 1440H (corresponding to April 25, 2019G), respectively.

On Jumada II 2, 1441H (corresponding to January 27, 2020G), the Extraordinary General Assembly held agreed to increase the Company's capital from 528,000,000 Saudi riyals to 646,397,060 Saudi riyals to increase the share capital from SAR 528,000,000 to SAR 646,397,060 by issuing 11,839,706 ordinary shares to merge MetLife AIG ANB Cooperative Insurance Company «**MAA**» into the Company and transferring all MAA's assets and liabilities to the Company through a securities exchange offer. The merger was successfully completed and shares issued accordingly during 2020G. The fair value of 11,839,706 shares of the Company was determined based on the closing market price of the Company's ordinary shares of SAR 16.18 per share on the Tadawul on the last trading date prior to the acquisition date of February 29, 2020G. Issue costs directly attributable to the share issue were not material. As a result, there was an increase in share capital and share premium amounting to SAR 118,397 thousand and SAR 73,169 thousand, respectively. This increase was approved by the Saudi Central Bank and the Capital Market Authority on 27 Rabi' al-Thani 1441 H and 4 Jumada al-Awwal 1441 H (corresponding to 24 December 2019 G and 30 December 2019 G), respectively.

The shareholders in the EGM held on September 15, 2022G corresponding to 19 Safar 1444H approved on increasing the Company's Capital from 646,397,060 Riyals to 850,583,250 Riyals for the purpose of merging SABB Takaful Company into the Company in accordance with the provisions of Articles (191), (192) and (193) of the Companies Law by issuing (0.6005476176470590) new shares in the Company against each share in SABB Takaful Company («**SABB Takaful**») («**Merger Transaction**»), in accordance with the terms and conditions of the merger agreement. This increase was approved by the Saudi Central Bank and the Capital Market Authority on the dates of Muharram 2, 1444 H, corresponding to July 31, 2022 G, and Muharram 12, 1444 H, corresponding to August 10, 2022 G, respectively.

The purchase consideration was determined to be SAR 294,028 thousand which was settled by issuing 20,418,619 new shares of the Company to the shareholders of SABB Takaful at the Company's market price of SAR 14.4 per share at the effective date of merger. As a result, there was an increase in share capital and share premium amounting to SAR 204.2 million and SAR 89.8 million, respectively.

Proposed Right Issue

The Board of Directors in their meeting held on 02 Rabi Al Awwal 1445H (corresponding to September 17, 2023G) recommended to increase share capital by offering right issue with an additional capital of SAR 425 million to support growth plan of the company and maintain its solvency margin. On Sha'ban 15, 1445H (corresponding to February 25, 2024G), the Board of



Directors recommended setting the value of the issue premium at 42.5 million Saudi riyals, so that the offering price would be (11) Saudi riyals, and the value of the total proceeds from the offering of rights shares would be 467.5 million Saudi riyals. However, this is subject to the Saudi Central Bank, Capital Market Authority, and other regulatory authorities' approvals in addition to Extraordinary General Assembly approval.

5-4 Basis of Preparation and Significant Accounting Policies

Basis of preparation for the financial year ending December 31, 2022G

(i) Basis of presentation and measurement

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants («SOCPA») and the Regulations for Companies in the Kingdom of Saudi Arabia.

On July 23, 2019G, SAMA instructed the insurance companies in the Kingdom of Saudi Arabia to account for the zakat and income taxes in the statement of income. This aligns with the IFRS, and its interpretations as issued by the International Accounting Standards Board («IASB») and as endorsed in the Kingdom of Saudi Arabia.

These financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement at fair value of certain available-for-sale, held to maturity investments and end of service benefits. The Company's statement of financial position is not presented using a current / non-current classification. Except for property and equipment, intangible assets, goodwill, long term deposits, statutory deposit, held to maturity and available for sale investments (included in investments), lease liabilities (included in accrued other liabilities), unit-linked reserves and end-of-service benefits all other assets and liabilities are of short-term nature, unless, stated otherwise.

The Company presents its statement of financial position in order of liquidity. As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and presents the financial statements accordingly. Assets, liabilities, revenues, and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of the allocation of expenses from joint operations is determined and approved by the management and the Board of Directors.

SAMA implementing regulations require the clear segregation of the assets, liabilities, income, and expenses of the insurance and shareholders' operations. Accordingly, the statement of financial position, statements of income, statement of comprehensive income and cash flows of the insurance operations and shareholders' operations are presented as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations.



In preparing the Company-level financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for transactions and events in similar circumstances.

(ii) Functional and presentation currency

These financial statements have been presented in Saudi Arabian Riyals (SAR), which is also the functional currency of the Company. All financial information presented in Saudi Arabian Riyal has been rounded to the nearest thousands, except where otherwise indicated.

(iii) Fiscal year

The Company follows a fiscal year ending December 31.

(iv) Critical accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates and judgments are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including prospects of future events that are believed to be reasonable under the circumstances.

Following are the accounting judgments and estimates that are critical in preparation of these financial statements:

a) The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will pay for such claims. Estimates are made at the end of the reporting period both for the expected ultimate cost of claim reported and for the expected ultimate costs of claims incurred but not reported («IBNR»). Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Company. At the end of each reporting year, prior year claims estimates are reassessed for adequacy and changes are made to the provision. The provision for outstanding claims, as of December 31, is certified by the Appointed Actuary and also verified by an independent actuary appointed by the auditors.

The provision for claims incurred but not reported (IBNR) is an estimation of claims which are expected to be reported after the date of statement of financial position, for which the insured event has occurred prior to the date of statement of financial position. The primary technique



adopted by management in estimating the cost of notified and IBNR claims is that of using the past claims settlement trends to predict future claims settlement trends. A range of methods such as Chain Ladder Method, Bornhuetter-Ferguson Method and Expected Loss Ratio Method are used by the actuaries to determine these provisions. The actuary had also used a segmentation approach including analyzing cost per member per year for medical line of business. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.

b) Impairment of financial assets

The Company determines that financial assets are impaired when there has been a significant or prolonged decline in the fair value of the financial assets below its cost. The determination of what is significant or prolonged requires judgment. A period of twelve months or longer is prolonged and a decline of 30% from the original cost is considered significant as per Company policy. In making this judgment, the Company evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

c) Impairment of receivables

A provision for impairment of receivables and reinsurance receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired.

d) Fair value of financial instruments

Fair values of available-for-sale and held for trading investments are based on quoted prices for marketable securities or estimated fair values. The fair value of commission-bearing items is estimated based on discounted cash flows using commission for items with similar terms and risk characteristics. The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data with respect to similar financial instruments or using models. Where market observable inputs are not available, they are estimated if required, based on appropriate assumptions. If required to estimate, certain valuation techniques are applied. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those who sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities, and correlations require management to make estimates.

e) Impact of Covid-19

On March 11, 2020G, the World Health Organization («WHO») declared the Coronavirus («COVID-19») outbreak as a pandemic in recognition of its rapid spread across the globe. The major impact of Covid-19 pandemic was seen in medical and motor line of business. As with any estimate, the



projections and likelihoods of occurrence are underpinned by significant judgment and rapidly evolving situation and uncertainties surrounding the duration and severity of the pandemic, and therefore, the actual outcomes may be different to those projected.

The management of the Company believes that any potential lockdown measures being reintroduced will not materially affect the underlying demand for the Company's insurance products and forecast. Further, the Company continues to monitor the surge of the new variant closely, although management is not aware of any factors expected to change the pandemic's impact on the Company's operations during 2022G or beyond.

However, the Company's management believes that the Covid-19 pandemic has had no material effects on Company's reported results for the year ended December 31, 2022G.

Basis of preparation for the fiscal year ended December 31, 2023G

(i) Basis of presentation

The financial statements of the Company for December 31, 2023G have been prepared in accordance the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia, and other standards and issuances approved by the Saudi Organization for Auditors and Accountants (collectively referred to as «**International Financial Reporting Standards approved in the Kingdom of Saudi Arabia**»). In accordance with the corporate law in the Kingdom of Saudi Arabia and the Company's bylaws.

On July 23, 2019G, SAMA instructed the insurance companies in the Kingdom of Saudi Arabia to account for the zakat and income taxes in the statement of income. This aligns with the IFRS, and its interpretations as issued by the International Accounting Standards Board («**IASB**») and as endorsed in the Kingdom of Saudi Arabia.

The financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit and loss (FVTPL) and fair value through other comprehensive income (FVOCI) and liabilities for defined benefit obligations. Except for property and equipment, intangible assets, statutory deposit, accrued income on statutory deposit, investments measured at amortized cost, long-term deposits, goodwill, end-of-service indemnities, and accrued income payable to SAMA, all other assets and liabilities are of short-term nature, unless, stated otherwise.

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and presents the financial information accordingly. Assets, liabilities, revenues, and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of the allocation of expenses from joint operations is determined and approved by the management and the Board of Directors.

In preparing the Company-level financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealized gains or losses,



if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for transactions and events in similar circumstances.

The financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements as of and for the year ended December 31, 2022G, except as disclosed in note 3 the change in policies due to first time adoption of IFRS 17 and IFRS 9.

Amounts in the financial statements are expressed in Saudi Arabian Riyals (SAR) and are rounded off to the nearest thousands.

(ii) Seasonality of operations

There are no seasonal changes that may affect the insurance operations of the Company.

(iii) Critical accounting judgments, estimates and assumptions

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing these condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2022G except those as mentioned in below note no 3 after the implementation of IFRS 17 and IFRS 9.

Significant accounting policies financial year ending December 31, 2022G

The significant accounting policies applied in the preparation of these financial statements are summarized below. These policies have been consistently applied to each of the years presented.

Standards issued but not yet effective

Several new standards are effective for annual periods beginning after January 1, 2023G, and earlier application is permitted. However, the Company has not adopted the new standards in preparing these financial statements early.

The Company applied IFRS 17 and IFRS 9 for the first time on January 1, 2023G. These standards brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments and had a material impact on the Company's financial statements in the period of initial application.



i) IFRS 17 Insurance Contracts

IFRS 17 replaced IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after January 1, 2023G, with early adoption permitted. The Company expected to first apply IFRS 17 on that date. IFRS 17 established principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features («DPF»).

1) Structure and status of the Implementation project

The Company has completed its implementation process which was managed internally by a dedicated IFRS 17 team and governed by a steering committee. The preparation for IFRS 17 has required significant changes to the Company's reporting system. The company has been complying and reporting from January 1, 2023G onwards. As part of the four-phase approach for the transition from IFRS 4 to IFRS 17 mandated by SAMA (currently; Insurance Authority) and concluded during the year ended December 31, 2022G, the Company has submitted the operational gap assessment, financial impact assessment, implementation plan and multiple dry runs for the year ended December 31, 2020G, 2021G and the period ended June 30, 2022G to SAMA.

2) Significant Judgements and Accounting Policy Choices

The Company has been applying the following significant accounting policies in the preparation of financial statement effective from January 1, 2023G:

a) Contracts within/outside the scope of IFRS 17

The Company issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Cash flows from insurance contracts are split into Liability for Incurred Claims («LIC») and Liability for Remaining Coverage («LRC»). All the contracts and products are considered by the Company and based on the eligibility testing, classified under the Premium Allocation Approach («PAA»), the General Measurement Model («GMM»), and the Variable Fee Approach («VFA») categories.

b) Combination/Unbundling of Contracts and Level of Aggregation

The process of defining the level of aggregation under IFRS17 is split into three phases:

- Portfolios

Contracts which have similar risks are managed and allocated to the same IFRS 17 portfolio.

- Groups

Portfolios of insurance contracts are segmented, based on the level of profitability at initial recognition, into a minimum of three groups of contracts: (1) onerous contracts, (2) contracts



which do not have significant possibility to become onerous («**resilient**» contracts) and (3) «**other**» contracts.

- Cohorts

Since contracts which were issued more than a year apart cannot be grouped together under IFRS17, groups are further segmented based on the date on which the underlying policies were issued.

The Company has decided to aggregate the contracts into the following portfolios for the purpose of IFRS17 for Gross as well as for Re-insurance: Medical, Motor Comprehensive, Motor TPL, Property, Energy, Engineering, Protection & Savings non-linked & linked and Others.

c) Measurement - Overview

The table below shows the list of products with their measurement model as initially determined. The application of a measurement model is subject to the application of eligibility testing hence, might be changed if certain products fail/ pass the PAA eligibility testing:

S. No	Product Name	Measurement Model
1	Comprehensive Commercial Motor Insurance	PAA
2	Comprehensive Private Motor Insurance	PAA
3	Motor Third Party Liability	PAA
4	Cooperative Health Insurance Policy	PAA
5	Group Life Insurance (written by MetLife)	PAA
6	Medical Corporate /Retail	PAA
7	Aviation Hull	PAA
8	Contractors all risk	GMM
9	Contractors Plant and Machinery	PAA
10	Deterioration of Stock in cold storage	PAA
11	Erection All Risks	GMM
12	Electronic Equipment Insurance Policy	PAA
13	Machinery breakdown insurance policy schedule	PAA
14	Machinery all risk	PAA
15	Fire specified Peril	PAA
16	Home Insurance	PAA
17	Loss of profits	PAA
18	Property all risk	PAA
19	Fire and allied Perils	PAA
20	Computer All Risk - Fire and allied Perils	PAA
21	Comprehensive General Liability	PAA
22	Directors and Officers Liability Insurance	PAA



S. No	Product Name	Measurement Model
23	Medical Malpractice and Public liability	PAA
24	Professional Indemnity Insurance - Miscellaneous	PAA
25	Professional Indemnity Insurance - Architects and engineers.	PAA
26	Security and Privacy Protection Policy	PAA
27	Terrorism Liability Insurance	PAA
28	Cyber Crime Liability	PAA
29	Marine open cover	PAA
30	Marine Pleasure Craft	PAA
31	Goods in transit	PAA
32	Marine cargo	PAA
33	Travel Insurance Policy	PAA
34	Fidelity Guarantee Policy	PAA
35	Workmen's Compensation Insurance Policy	PAA
36	Money	PAA
37	Workmen's Compensation Insurance & Employer Liability (endorsement)	PAA
38	Personal Accident Group Policy	PAA
39	Medical Malpractice	PAA
40	Energy - Downstream Operations	PAA
41	Property all risk & Business interruption	PAA
42	Inherent Defect Insurance (IDI)	PAA
43	Education	VFA
44	Investment	VFA
45	Retirement	VFA
46	Saving Takaful	VFA
47	Simple Saving	VFA
48	Takaful Care	GMM
49	Critical Illness	GMM

i) PAA eligibility assessment approach

Most of the insurance portfolio of the Company is of a tenor one year or less, hence will be eligible for Premium Allocation Approach (PAA), however, certain products in the Engineering, Casualty and Motor (Manafeth policies) together with Risk attaching reinsurance contracts have tenor which is greater than a year. For certain long-term (re) insurance contracts, the management met the eligibility criteria for the PAA approach as the Liability for remaining coverage of these contracts does not differ materially under both measurement methods. The application of measurement model is subject to application of eligibility testing hence, measurement model might be changed if certain products fail/ pass the PAA eligibility testing.



ii) Discounting methodology

All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The company determines the risk-free rates using European Insurance and Occupational Pensions Authority («**EIOPA**») rates denominated in USD and adjusted for the country risk premium. The yield curve is interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation prospects.

Cash flows that vary based on the returns on any financial underlying items are adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity.

When the present value of future cash flows is estimated by stochastic modelling, the cashflows are discounted at scenario-specific rates calibrated, on average, to be the risk-free rates as adjusted for illiquidity.

iii) Risk Adjustment methodology

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, separately for the non-life and other contracts, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique. The risk adjustments for non-financial risk are determined using confidence level technique.

Applying a confidence level technique, the company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

iv) CSM release pattern

The amount of the CSM of a group of insurance contracts that is recognized as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognizing in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.



v) Onerosity

The Company issues some contracts before the coverage period starts and the first premium becomes due. Therefore, the Company has determined whether any contracts issued form a group of onerous contracts before the beginning of the earlier of the coverage period and the date when the first payment from a policyholder in the group is due. The Company looks at facts and circumstances to identify if a group of contracts are onerous based on pricing factors, results of similar contracts it has recognized, environmental factors (e.g., changes in market experience or regulations)

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognizes a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.

vi) Provision for Doubtful Debts

The company has developed impairment methodology for Premium receivable and Reinsurance receivable and recoverable based on the methodology as provided by IFRS 9 (Simplified Approach).

d) Accounting Policy Choices

Comparability of the financials across insurance industry would be affected due to management choices in adoption of accounting policies specifically pertaining to the following areas:

- a. Length of Cohorts
- b. Use of Other comprehensive income («**OCI**») for Insurance Finance Income & Expense («**IFIE**»)
- c. Unwinding of Discount on Risk Adjustment
- d. Expense Attribution
- e. Deferral of Acquisition Cost
- f. Policyholder Surplus accounting

e) Presentation and Disclosure

i) Presentation

The new standard also introduced extended disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Company's disclosures about its insurance contracts, particularly in the year of the adoption of the new standard.



In the statement of financial position, technical accounts like deferred acquisition costs and insurance related receivables will no longer be presented separately but as part of the insurance liabilities. This change in presentation will lead to changes in total assets, offset by changes in total liabilities and equity. A similar change will result in the income statement where in new format would require the Company to present the amounts as insurance service result, consisting of insurance revenue less insurance service expenses, and insurance finance income and expenses. Income or expenses from reinsurance contracts held will be presented separately from the expenses or income from insurance contracts issued.

ii) Disclosures

Following is a list of additional submissions / disclosures which would be required to be provided by the Company to regulators / shareholders as applicable:

- i. Reconciliations for changes in Liability for Remaining Coverage, Liability for Incurred Claims, and Loss Components for Insurance Contracts and for Reinsurance Held pertaining to all measurement models
- ii. Reconciliation of the measurement components of Insurance/ Reinsurance Held contract balances pertaining to GMM/VFA model
- iii. Analysis of Insurance Revenue pertaining to GMM/VFA model
- iv. Effect of new business on the financial statement for Insurance Contracts and for Reinsurance Held pertaining to GMM/VFA model
- v. Updated Risk Framework modified basis adoption of IFRS 17 and IFRS 9
- vi. Sensitivity analysis pertaining to all measurement models

3) Transition Impact

The Company has revised its IFRS-17 and IFRS-9 transition impact assessments. Please refer to transition note to IFRS-17 and IFRS-9 under caption 1-4-4.

ii) IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after January 1, 2018G, with early adoption permitted. However, the Company has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before January 1, 2023G. Consequently, the Company will apply IFRS 9 for the first time on January 1, 2023G.

1) Financial assets - Classification

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).



Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- The asset is held within a business model whose objective is achieved by collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding («SPPI»).

Financial assets at FVOCI

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in Other Comprehensive Income (OCI). Interest income and foreign exchange gains and losses are recognized in the Statement of Income.

For an equity investment that is not held for trading, the company may irrecoverably elect to present subsequent changes in fair value in OCI. This election is made on an instrument-by-instrument basis on initial recognition.

Financial assets at FVTPL

All other financial assets are classified measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets are not reclassified after their initial recognition, except after the Company changes its business model for managing financial assets.

The Company expects certain term deposits and sukuks to be classified as financial assets at amortized cost while the remaining to be classified as fair value through income statement as a result of the adoption of IFRS 9.

The Company also expects certain equities and mutual funds to be classified as fair value through the income statement while the remaining to be classified as fair value through other comprehensive income.



Business model assessment

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. Whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales in prior periods, the reasons for such sales and its prospects about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

For the purpose of the assessment of whether contractual cash flows are solely payments of principal and interest, 'principal' is the fair value of the financial asset on initial recognition. 'Interest' is the consideration for the time value of money, the credit and other basic lending risks associated with the principal amount outstanding during a particular period and other basic lending costs (e.g., liquidity risk and administrative costs), along with profit margin.

2) Financial assets - Impairment

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The Company will apply the expected credit losses ('ECL') on its financial assets measured at amortized cost, Premium & reinsurance receivables as rights and obligations under insurance and reinsurance contracts are accounted for under IFRS 17 because the policyholder transfers to the insurer significant insurance rather than financial risk, and FVOCI, which are in the scope of IFRS 9 for impairment. The Company will recognize a loss allowance for such losses at each reporting date in compliance with IFRS 9 requirements.

3) Financial liabilities

IFRS 9 largely retains the requirements in IAS 39 for the classification and measurement of financial liabilities. However, under IAS 39 all fair value changes of financial liabilities designated as at FVTPL are recognized in the statement of income, whereas under IFRS 9 these fair value changes will generally be presented as follows:



- The amount of the change in the fair value that is attributable to changes in the credit risk of the liability will be presented in OCI;
- The remaining amount of the change in the fair value will be presented in the statement of income.

4) Transition

The Company has assessed the estimated impact of the initial application of IFRS 9 on its financial statements. Based on valuations performed to this date, the total adjustment to the Company's total equity balance is estimated to decrease by 0.754 to 0.922 million Saudi Riyals in January 1, 2022G, as shown below. The impact on equity is currently estimated in January 1, 2023G, and will be disclosed in the financial report for the period from January 1, 2023G to March 31, 2023G.

Factors of changes in equity	Transition impact in January 1, 2023G
Decrease in the value of financial assets	A decrease of 0.754 to 0.922 million Saudi Riyals

The overall impact on the Company's equity due to the transition to IFRS 17 and IFRS 9

The Company estimates that upon initial application of IFRS 17 and IFRS 9, the impact of these changes (after Zakat) on the Company's total equity balance will decrease by 3,469 to 4,242 million on 1 January 2022G, as shown below. The impact on equity as of January 1, 2023G is currently being estimated and will be disclosed in the financial reports for the period from January 1, 2023G to March 31, 2023G.

Transition to	Transition impact in January 1, 2023G
IFRS 17	Decrease of 2,715 to 3,320 million Saudi Riyals
IFRS 9	Decrease of 0.754 to 0.922 million Saudi Riyals
Total impact on equity	Decrease of 3,469 to 4,242 million Saudi Riyals

The above change will affect the Company's equity and solvency ratio, which will be estimated and disclosed in the financial statements.

5) Najm Valuation

The Company has equity investment amounting to SAR 5.10 million in Najm for Insurance Services Company commonly known as «**Najm.**» Najm is the company providing insurance related services particularly for Motor segment to all the insurance companies dealing in Motor. This investment has not been remeasured at fair value as Najm is under the process of conducting fair valuation on behalf of the industry. Once completed, each company will record valuation equivalent to its investment share.

iii) Insurance contracts

The Company issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by



agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

(iv) Revenue Recognition

Recognition of premium and commission revenue

Premiums and commission are recorded in the statement of income based on 365 days pro rata method except for long term policies (construction and engineering) and marine cargo. Unearned premiums are calculated on a straight-line method over the insurance policy coverage except for:

- Last three months premium at a reporting date is considered as unearned in respect of marine cargo;
- Pre-defined calculation for Engineering class of business for risks undertaken that extend beyond a single year. In accordance with this calculation, lower premiums are earned in the first year which gradually increases towards the end of the tenure of the policy; and

Unearned premiums represent the portion of premiums written relating to the unexpired period of coverage. The change in the provision for unearned premium is taken to the statement of income in the same order that revenue is recognized over the risk period.

Reinsurance assumed

The Company also assumes reinsurance risk in the normal course of business. Premiums and claims on assumed reinsurance are recognized as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to insurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position. These are deposit assets or financial liabilities recognized based on the consideration paid or received less any explicitly identified premiums or fees retained by the reinsured.

Commission income on investments

Commission income on time deposits and held-to-maturity investments is recognized on a time proportion basis using the effective interest rate method.

Dividend income on investments

Dividend income on equity instruments classified under available for sale and held for trading investments is recognized when the right to receive payment is established.



(v) Claims

Claims consist of amounts payable to policyholders and third parties and related loss adjustment expenses, net of salvage and other recoveries.

Gross outstanding claims comprise the gross estimated cost of claims incurred but not settled at the statement of financial position date together with related claims handling costs, whether reported by the insured or not. Provisions for reported claims not paid as of the financial position date are made on the basis of individual case estimates. In addition, a provision based on the management's judgment and the Company's prior experience is maintained for the cost of settling claims incurred but not reported including related claims handling costs at the statement of financial position date.

The outstanding claims are shown on a gross basis and the related share of the reinsurers is shown separately. Further, the Company does not discount its liability for unpaid claims as substantially all claims are expected to be paid within one year of the statement of financial position date.

(vi) Salvage and subrogation reimbursement

Some insurance contracts permit the Company to sell (usually damaged) assets acquired in settling a claim (for example, salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included as an allowance in the measurement of the outstanding claims and IBNR liability. The allowance is the amount that can reasonably be recovered from the disposal of the asset.

Subrogation reimbursements are also considered as an allowance in the measurement of the outstanding claims liability. The allowance is the assessment of the amount that can be recovered from the third party.

(vii) Reinsurance contracts held

Reinsurance is distributed between treaty, facultative, stop loss and excess of loss reinsurance contracts. Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts in Note 3(iii) are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included in insurance contracts. An asset or liability is recorded in the statement of financial position - insurance operations' representing payments due from reinsurers, the share of losses recoverable from reinsurers and premiums due to reinsurers. Amounts receivable from reinsurance are estimated in a manner consistent with the claim liability associated with the insured parties. Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.



An impairment review is performed at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when objective evidence exists that the Company may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Company will receive from the reinsurer can be measured reliably. The impairment loss is recorded in the statement of income as incurred. For details, please refer to 3(xvii).

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders. Premiums and claims on assumed reinsurance are recognized as income and expenses the same way as if the reinsurance were considered direct business, considering the product classification of the reinsured business.

(viii) Deferred policy acquisition costs

Commissions and other costs directly related to the acquisition and renewal of insurance contracts are deferred and amortized over the terms of the insurance contracts to which they relate, similar to premiums earned. All other acquisition costs are recognized as an expense when incurred. Amortization is recorded in the «**Policy acquisition costs**» in the statement of income.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as a change in accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. If the assumptions relating to future profitability of these policies are not realized, the amortization of these costs could be accelerated, and this may also require additional impairment write-offs in the statement of income. Deferred policy acquisition costs are also considered in the liability adequacy test at each reporting date.

(ix) Liability adequacy test

At each statement of financial position date, liability adequacy tests are performed to ensure the adequacy of the insurance contracts liabilities net of related deferred policy acquisition costs. In performing these tests, management uses current best estimates of future contractual cash flows and claims handling and administration expenses. Any deficiency in the carrying amounts is immediately charged to the statement of income by establishing a provision for losses arising from liability adequacy tests accordingly.

(x) Receivables

Premiums receivables are stated at gross written premiums receivable from insurance contracts, less an allowance for any uncollectible amounts. Premiums and reinsurance balances receivable are recognized when due and measured on initial recognition at the fair value of the consideration received or receivable. The carrying value of receivable is reviewed for impairment and whenever events or circumstances indicate that the carrying amount may not be recoverable, the impairment loss is recorded in «**Other operating expenses**» in the statement of income. Receivable



balances are derecognized when the Company no longer controls the contractual rights that comprise the receivable balance, which is normally the case when the receivable balance is sold, settled or all the cash flows attributable to the balance are passed through to an independent third party. Receivables disclosed in note 10 fall under the scope of IFRS 4 «**Insurance contracts**».

(xi) Investments

a) Available for sale

Available-for-sale financial assets are those non-derivative financial assets that are neither classified as held for trading or held to maturity or loans and receivables, nor are designated at fair value through profit or loss. Such investments are initially recorded at cost, being the fair value of the consideration given including transaction costs directly attributable to the acquisition of the investment and subsequently measured at fair value. Cumulative changes in fair value of such investments are recognized in other comprehensive income in the statement of comprehensive income under «**Net change in fair value - Available for sale investments.**» Realized gains or losses on sale of these investments are reported in the related statements of income under «**Realized gain / (loss) on investments available for sale investments.**»

Dividend, commission income and foreign currency gain / (loss) on available-for-sale investments are recognized in the related statements of income or statement of comprehensive income, as part of the net investment income / loss.

Any significant or prolonged decline in fair value of available-for-sale investments is adjusted for and reported in the statement of income, as an impairment charge.

Fair values of available-for-sale investments are based on quoted prices for marketable securities or estimated fair values. The fair value of commission-bearing items is estimated based on discounted cash flows using commission for items with similar terms and risk characteristics.

For unquoted investments, fair value is determined by reference to the market value of a similar investment or where the fair values cannot be derived from active markets, they are determined using a variety of valuation techniques. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Reclassification:

The Company evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets, the Company may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables, and management has the intention and ability to hold these assets for the foreseeable future or until maturity. The reclassification to HTM is permitted only when the entity can hold the financial asset until maturity. For a financial asset reclassified out of the available-for-sale category, the fair value at the date of reclassification becomes its



new amortized cost and any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using the Effective Interest Rate «EIR.» If the asset is later determined to be impaired, the amount recorded in equity is reclassified to the income statement.

b) Held to maturity

Held to maturity investments are investment having fixed or determinable payments and fixed maturity that the management has the positive intention and ability to hold to maturity are classified as held to maturity. Investments are initially recognized at fair value including direct and incremental transaction cost. After initial measurement, these are measured at amortized cost less impairment losses, if any.

c) Held for trading

Investments are classified as at fair value through statement of income if they are classified as held-for-trading or are designated as such on initial recognition. The investments classified as held for trading may include sukuks, equities and mutual funds and accordingly are classified as FVSI. Directly attributable transaction costs are recognized in the statement of income as incurred. Subsequently, such investments are re-measured at fair value, with all changes in fair value being recorded in the statement of income.

(xii) De-recognition of financial instruments

The derecognition of a financial instrument takes place when the Company no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party and the Company has also transferred substantially all risks and rewards of ownership.

(xiii) Offsetting

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position only when there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense are not offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation.

(xiv) Trade date accounting

All regular way purchases and sales of financial assets are recognized/derecognized on the trade date (i.e., the date that the Company commits to purchase or sell the assets). Regular way purchases or sales are purchases or sales of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the marketplace.



(xv) Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becomes probable that the issuer or debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company, including:
 - adverse changes in the payment status of issuers or debtors in the Company; or
 - national or local economic conditions in the country of the issuers that correlate with defaults on the assets.

If there is objective evidence that an impairment loss on a financial asset exists, the impairment is determined as follows:

- For assets carried at fair value, impairment is the significant or prolonged decline in the fair value of the financial asset.
- For assets carried at amortized cost, impairment is based on estimated future cash flows that are discounted at the original effective commission rate.

For available-for-sale financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

For equity investments held as available-for-sale, a significant or prolonged decline in fair value below its cost represents objective evidence of impairment. The determination of what is significant or prolonged requires judgment. The impairment loss cannot be reversed through statement of income as long as the asset continues to be recognized, i.e., any increase in fair value after impairment has been recorded can only be recognized in other comprehensive income. On



derecognition, any cumulative gain or loss previously recognized in other comprehensive income is included in the statement of income under «Gain / (loss) on available for sale investments».

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Company evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

(xvi) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial year in which they are incurred. The cost of other items of property and equipment is depreciated on the straight-line method to allocate the cost over estimated useful lives, as follows:

	No of years
Furniture, fixture, and office equipment	5
Computer equipment	4
Vehicles	4

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying values of these assets are reviewed for impairment when an event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in «**Other income, net**» in the statement of income.

(xvii) Intangible assets

Separately acquired intangible assets (computer software) are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses. The Company amortizes intangible assets with a limited useful life using straight-line method over the period of 4 years.

(xviii) Goodwill

Goodwill represents the fair value of the consideration paid in excess of the fair value of net assets or liabilities acquired. Goodwill is tested for impairment by management at least once at the end of each financial year. Impairment for goodwill is determined by assessing the recoverable amount of the cash generating unit (or a group of cash generating units) to which the goodwill is related. When the recoverable amount of the cash-generating unit (or a group of cash generating units) is less than the carrying amount of the cash generating unit (or a group of cash generating



units) to which goodwill has been allocated, an impairment loss is recognized. Impairment losses, if any, relating to goodwill cannot be reversed in future periods.

Impairment testing of goodwill: The Company's management tests, on an annual basis, whether goodwill arising on merger has suffered any impairment. This requires an estimation of the recoverable amount of the CGU to which goodwill has been allocated. The key assumptions used in determining the recoverable amounts are set out in Note 5.

(xix) Impairment of non-financial assets

Assets that have an indefinite useful life - for example, land - are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

(xx) Provisions, accrued expenses and other liabilities

Provisions are recognized when the Company has an obligation (legal or constructive) arising from past events, and the costs of settling the obligation are both probable and may be measured reliably. Provisions are not recognized for future operating losses. Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

(xxi) Employees' end-of-service benefits

The Company operates an end of service benefit plan for its employees based on the prevailing Saudi Labor Laws. Accruals are made at the present value of expected future payments in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Consideration is given to the expected future wages and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds like dollar denominated KSA Sovereign Bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. The benefit payments obligation is discharged as and when it falls due. Re-measurements (actuarial gains/ losses) as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of comprehensive income.

(xxii) Leases

The details of accounting policies under both IAS 17 and IFRS 16 are presented separately below.



Policies applicable prior to January 1, 2019G

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Policies applicable from January 1, 2019G

The Company assesses whether the contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these short-term leases and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.



The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(xxii) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

(xxiii) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with banks including certain time deposits with less than three months maturity from the date of acquisition.



(xxiv) Cash flow statement

The Company's main cash flows are from insurance operations which are classified as cash flow from operating activities. Cash flows generated from investing and financing activities are classified accordingly.

(xxv) Foreign currencies

Transactions in foreign currencies are recorded in Saudi Riyals at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to Saudi Arabian Riyals at the rate of exchange prevailing at the statement of financial position date. All differences are taken to the statements of income and comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Foreign exchange gains or losses on available-for-sale investments are recognized in «**Other income, net**» in the statement of income and statement of comprehensive income. As the Company's foreign currency transactions are primarily in US dollars, foreign exchange gains and losses are not significant.

(xxvi) Zakat and taxes

Zakat and income tax are provided in accordance with the Regulations of the Zakat, Tax and Customs Authority (ZATCA) known previously as the General Authority of Zakat and Tax («**the GAZT**») in the Kingdom of Saudi Arabia. Zakat provision is charged to the statement of income. Zakat is computed on the Saudi shareholder's share of the zakat base, while income tax is calculated on the foreign shareholder's share of adjusted net income. Income tax is charged to the statement of income. The Company is settling the zakat and income tax annually to ZATCA.

Withholding tax

The Company withholds taxes on certain transactions with non-resident parties in the KSA, including dividend payments to the non-resident shareholders, as required under Saudi Arabian Income Tax Law.

Value added tax

Expenses and assets are recognized net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**Deferred income tax:**

Deferred income tax is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available, and the credits can be utilized. The deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(xxvii) Statutory reserve

In accordance with the Company's by-laws, the Company shall allocate 20% of its annual net income from shareholders' operations each year to the statutory reserve until it has built up a reserve equal to the share capital. The reserve is not available for distribution.

(xxviii) Operating segments

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment), which is subject to risk and rewards different from those of other segments. For management purposes, the Company is organized into business units based on their products and services and has the following reportable segments:

- Medical insurance provides coverage for health insurance.
- Motor insurance provides coverage for vehicles' insurance.
- Property insurance provides coverage for property insurance.
- Engineering insurance provides coverage for engineering and contract works.
- Energy insurance provides coverage to energy projects
- Protection and savings insurance both linked and non-linked provides coverage for life insurance
- Other insurance provides coverage for marine and other general insurance.

Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the financial statements.

No inter-segment transactions occurred during the year. If any transaction was to occur, transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties.

Shareholders' income is a non-operating segment. Income earned from time deposits and investments is the only revenue generating activity. Certain direct operating expenses and other overhead expenses are allocated to this segment on an appropriate basis.



Operating segments are reported in line with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the chief executive officer that makes strategic decisions.

(xxix) Unearned reinsurance commission

Commission income on outwards reinsurance contracts are deferred and amortized over the terms of the insurance contracts to which they relate, similar to premiums earned. Amortization is recorded in the statement of income.

(xxx) Short-term deposits

Short-term deposits comprise of time deposits with banks with maturity periods of more than three months and less than one year from the date of acquisition

Fair values

The fair value of financial assets is based on quoted prices for marketable securities or estimated fair values. The fair value of commission-bearing items is estimated based on discounted cash flow using commission for items with similar terms and risk characteristics.

For financial assets where there is no active market, fair value is determined by reference to the market value of a similar financial assets or where the fair values cannot be derived from active market, they are determined using a variety of valuation techniques if required. The inputs of these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

4. Business Mergers

Acquisition of SABB Takaful

The Company signed a non-binding memorandum of understanding («**MOU**») with SABB Takaful Company («**SABB Takaful**») on 12/05/1442 H (corresponding to 07/15/2021 G). This is for the purpose of evaluating a possible merger between the two companies. Later, the Company announced on the Tadawul website on 06/07/1443 H (corresponding to 1/10/2022 G) the extension of the memorandum of understanding for a period of 45 days, ending on 2/24/2022 G. On 7/26/1443 H (corresponding to 02/27/2022 G), it announced that it had signed a binding merger agreement with SABB Takaful. On 07/23/1443 H (corresponding to 02/24/2022 G), it signed the («**Merger Agreement**») showing the agreement of both companies to merge through a share exchange transaction, whereby Walaa issues / 0.6005476176470590 / nominal shares in Walaa for every share issued in SABB Takaful («**the exchange rate**»), for the benefit of eligible shareholders in SABB Takaful (shareholders who own shares issued in SABB Takaful on the effective date of the merger deal). They own the shares issued in SABB Takaful on the date of the Extraordinary General Assembly's decision to approve the merger offer), in exchange for transferring the assets and liabilities of SABB Takaful and without paying any additional cash consideration («**merger deal**» or «**merger**»). This is done in accordance with the Companies Law issued by the Ministry



of Commerce, the regulations of the Capital Market Authority («**CMA**»), including the Merger and Acquisition Regulations, the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules issued by the Saudi Stock Exchange (Tadawul) and the relevant regulations issued by the Bank. Saudi Central Bank («**SAMA**»).

The Company obtained the approval of the Saudi Central Bank regarding the merger deal on 1/2/1444 H (corresponding to 7/31/2022 G) and other complementary matters.

At the extraordinary general assembly meeting held on Safar 19, 1444 H (corresponding to September 15, 2022 G), the shareholders approved the merger of SABB Takaful into Walaa in accordance with the provisions of Articles (191), (192) and (193) of the Companies Law by issuing (0.6005476176470590) shares. New loyalty in exchange for every share in SABB Takaful Company («**SABB Takaful**») (the «**Merger Transaction**») in accordance with the terms and conditions of the Merger Agreement. Formal procedures for updating legal documents are still underway.

The merger was accounted for using the acquisition method under IFRS 3 - Business Combinations, where the Company is the acquirer and SABB Takaful is the acquirer. The Company calculated the acquisition based on the provisional fair values of the assets acquired and liabilities assumed as of the acquisition date. Adjustment of provisional values may be completed if deemed necessary within twelve months from the date of acquisition as permitted by the standard.

Significant accounting policies for the fiscal year ended December 31, 2023G

The significant accounting policies applied in preparation of these financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2022G prepared on the basis of IFRS 4 except for the adoption of new standards.

The Company has applied IFRS 17 and 9 including any consequential amendments to other standards, from January 1, 2023G. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments.

The nature and effects of the key changes in the Company's accounting policies prepared for IFRS 17 and 9 are summarised below:

IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after January 1, 2023G. The Company has restated comparative information for 2022G applying the transitional provisions in to IFRS 17. The nature of the changes in accounting policies can be summarized, as follows:

Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts. IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.



Under IFRS 17, the Company's insurance contracts issued, and reinsurance contracts held are all eligible to be measured by applying the «**Premium Allocation Approach**» (PAA) except individual life products on which «**Variable Fees Approach**» (VFA) has been applied. The PAA simplifies the measurement of insurance contracts in comparison with the «**General Measurement Model**» (GMM) in IFRS 17.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognized in revenue for insurance services provided.
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision)
- Measurement of the liability for incurred claims (previously claims outstanding, incurred-but-not-reported (IBNR) claims and other technical reserves) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

The Company capitalizes insurance acquisition cash flows for all other product lines. The Company allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognized applying another IFRS standard) before the related group of insurance contracts is recognized, an asset for insurance acquisition cash flows is recognized. When insurance contracts are recognized, the related portion of the asset for insurance acquisition cash flows is derecognized and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group of contracts.

Changes to presentation and disclosure

For presentation in the statement of financial position, the Company aggregates the following line items as presented in previous statement of financial positions:



- Premiums and reinsurers' receivable - net
- Reinsurers' share of unearned premiums
- Reinsurers' share of outstanding claims
- Reinsurers' share of claims incurred but not reported
- Reinsurers' share of mathematical reserves
- Deferred policy acquisition costs
- Certain balances from Prepaid and other assets
- Policyholders claims payable Reinsurers' balances payable
- Unearned premiums
- Unearned reinsurance commission
- Outstanding claims
- Claims incurred but not reported
- Gross mathematical reserves
- Additional premium reserves
- Other technical reserves
- Certain balances from Accrued and other liabilities

The above-mentioned line items have been merged into insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately as follows:

- Portfolios of insurance and reinsurance contracts issued that are assets
- Portfolios of insurance and reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line-item descriptions in the statement of profit or loss and other comprehensive income have changed significantly compared with last year. Previously, the Company reported the following line items:



- Gross written premiums
- Net written premiums
- Changes in premium reserves
- Gross insurance claims
- Net insurance claims

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognized in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

Transition

On transition date, January 1, 2022G, the Company:

- Has identified, recognized, and measured each group of insurance contracts as if IFRS 17 had always applied
- Has identified, recognized, and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed, and no impairment loss was identified
- Derecognized any existing balances that would not exist had IFRS 17 always applied
- Recognized any resulting net difference in equity

Definition and classification

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgment to assess whether a contract transfers insurance risk



(i.e., if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. Some investment contracts without discretionary participation feature (DPF) issued by the Company fall under this category.

Some investment contracts issued by the Company contain discretionary participation feature (DPF), whereby the investor has the right and is expected to receive, as a supplement to the amount not subject to the Company's discretion, potentially significant additional benefits based on the return of specified pools of investment assets. The Company accounts for these contracts under IFRS 17

The Company issues certain insurance contracts that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders. The Company's policy is to hold such investment assets.

An insurance contract with direct participation features is defined by the Company as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholders participate in a share of a clearly identified pool of underlying items;
- the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Investment components in Savings and Participating products comprise policyholder account values less applicable surrender fees.

The Company uses judgment to assess whether the amounts expected to be paid to the policyholders constitute a substantial share of the fair value returns on the underlying items.

Insurance contracts with direct participation features are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the Company's share of the fair value of the underlying items, which is based on a fixed percentage of investment management fees (withdrawn annually from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders) less the FCF that do not vary based on the returns on underlying items. The measurement approach for insurance contracts with direct participation features is referred to as the VFA.



The VFA modifies the accounting model in IFRS 17 (referred to as the GMM) to reflect that the consideration an entity receives for the contracts is a variable fee.

Direct participating contracts issued by the Company are contracts with direct participation features where the Company holds the pool of underlying assets and accounts for these groups of contracts under the VFA.

All other insurance contracts originated by the Company are without direct participation features.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these consolidated financial statements apply to insurance contracts issued or acquired, reinsurance contracts held and investment contracts with DPF, unless specifically stated otherwise.

Unit of account

The Company manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Company determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Company uses significant judgment to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

For Life Risk and Savings product lines, sets of contracts usually correspond to policyholder pricing groups that the Company determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Company monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of these pricing groups with no information available at a more granular level.

Contracts issued within Participating product lines are always priced with high expected profitability margins, and thus, such contracts are allocated to groups of contracts that have no significant possibility of becoming onerous as at initial recognition.



For all contracts measured using the PAA, the Company assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones.

For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. Similar to Life Risk and Savings contracts, this assessment is performed at a policyholder pricing at group of contract level.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Company tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

Transition approaches that were applied by the Company on adoption of IFRS 17 with respect to contracts aggregation requirements is as follows:

Contract measured under PAA - Full retrospective approach (FRA) from inception

Contract not measured under PAA - Full retrospective approach (FRA) from 2018G onwards

- Modified retrospective approach (MRA) from 2016G to 2018G
- Fair value approach (FVA) over contracts issues before 2016G

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct non-insurance services.

The Company applies IFRS 17 to all remaining components of the contract. The Company does not have any contracts that require further separation or combination of insurance contracts.



Recognition and derecognition

Groups of insurance contracts issued are initially recognized from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous.

Insurance contracts acquired in a business combination, or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

Investment contracts with DPF are initially recognized at the date the Company becomes a party to the contract.

A group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) is recognized at the later of:

- the beginning of the coverage period of the group of contracts; or
- the initial recognition of any underlying insurance contract.

The Company does not recognize a group of quota share reinsurance contracts held until it has recognized at least one of the underlying insurance contracts.

A group of reinsurance contracts held that covers aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) is recognized at the beginning of the coverage period of that group.

Only contracts that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

Accounting for contract modification and derecognition

An insurance contract is derecognized when it is:

- Extinguished (i.e., when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- The contract is modified, and certain additional criteria are met.

When an insurance contract is modified by the Company because of an agreement with the counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the



derecognition of the original contract are met. The Company derecognizes the original contract and recognizes the modified contract as a new contract if any of the following conditions are present:

a. if the modified terms had been included at contract inception and the Company would have concluded that the modified contract:

- i. is not in scope of IFRS 17;
- ii. results in different separable components;
- iii. results in a different contract boundary; or
- iv. belongs to a different group of contracts;

b. the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or

c. the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When an insurance contract not accounted for under the PAA is derecognized from within a group of insurance contracts, the Company:

- a- Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group of contracts.
- b- Adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:
 - i. If the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service.
 - ii. If the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party.
 - iii. If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in a. adjusted for the premium the Company would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognizing the new contract in this case, the Company assumes such a hypothetical premium as actually received.
- c- Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognized, adjustments to the FCF to remove relating rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:



- a- if the contract is extinguished, any net difference between the derecognized part of the LRC of the original contract and any other cash flows arising from extinguishment;
- b- if the contract is transferred to the third party, any net difference between the derecognized part of the LRC of the original contract and the premium charged by the third party;
- c- if the original contract is modified resulting in its derecognition, any net difference between the derecognized part of the LRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

Measurement

Fulfilment cash flows

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits, and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- a- are based on a probability weighted mean of the full range of possible outcomes.
- b- are determined from the perspective of the group of contracts, provided the estimates are consistent with observable market prices for market variables; and
- c- reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency, and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgment and estimation.

The risk of the Company's non-performance is not included in the measurement of groups of insurance contracts issued.

In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.



The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. This assessment is reviewed every reporting period.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Company has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

- a- the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b- both of the following criteria are satisfied:
 - i. The Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - ii. The pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all the cash flows within its boundary.

Some insurance contracts issued by the Company provide policyholders with an option to buy an annuity upon the initially issued policies maturity. The Company assesses its practical ability to reprice such insurance contracts in their entirety to determine if annuity-related cash flows are within or outside of the insurance contract boundary. As a result of this assessment, non-guaranteed annuity options are not measured by the Company until they are exercised.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognized when those contracts meet the recognition criteria.

Cash flows are within the boundaries of investment contracts with DPF if they result from a substantive obligation of the Company to deliver cash at a present or future date.



For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive services from the reinsurer.

The Company's quota share life reinsurance agreements held have an unlimited duration but are cancellable for new underlying business with a one-year notice period by either party. Thus, the Company treats such reinsurance contracts as a series of annual contracts that cover underlying business issued within a year. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within the one-year boundary are included in each of the reinsurance contracts' measurement.

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts may include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognized in General and administrative expenses as incurred.

Insurance acquisition costs

The Company includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting, and starting a group of insurance contracts and that are:

- c- costs directly attributable to individual contracts and groups of contracts; and
- d- costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

Before a group of insurance contracts is recognized, the Company could pay directly attributable acquisition costs to originate them. When such prepaid costs are refundable in case of insurance contracts termination, they are recorded as a prepaid insurance acquisition cash flows asset within other assets and allocated to the carrying amount of a group of insurance contracts when the insurance contracts are subsequently recognized.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.



For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Initial measurement - groups of contracts not measured under the PAA

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognize as it provides coverage in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- a- the initial recognition of the FCF;
- b- the derecognition at the date of initial recognition of any asset or liability recognized for insurance acquisition cash flows; and
- c- cash flows arising from the contracts in the group at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognized in profit or loss immediately with no CSM recognized on the balance sheet on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognized as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognizes the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognize as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

- a- the initial recognition of the FCF; and
- b- cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

No contracts acquired were assessed as onerous at initial recognition.

Subsequent measurement - groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

- a. the LRC, comprising:
 - i. the FCF related to future service allocated to the group of contracts at that date; and



- ii. the CSM of the group at that date; and
- b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

- a. the remaining coverage, comprising:
 - i. the FCF related to future service allocated to the group of contracts at that date; and
 - ii. the CSM of the group at that date; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Company for current assumptions at the end of every reporting period, using the current estimates of the amount, timing, and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- a- changes that relate to current or past service are recognized in profit or loss; and
- b- changes that relate to future service are recognized by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- a- experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- b- changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
- c- differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
- d- changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments a.-c. are measured using the locked-in discount rates as described in the section Interest accretion on the CSM below.



For insurance contracts under the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:

- a- changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- b- changes in the FCF relating to the LIC; and
- c- experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

For investment contracts with DPF that are measured under the GMM and provide the Company with discretion as to the timing and amount of the cash flows to be paid to the policyholders, a change in discretionary cash flows is regarded as relating to future service and accordingly adjusts the CSM. At inception of such contracts, the Company specifies its commitment as crediting interest to the policyholder's account balance based on the return on a pool of assets less a spread. The effect of discretionary changes in the spread on the FCF adjusts the CSM while the effect of changes in assumptions that relate to financial risk on this commitment are reflected in insurance finance income or expenses.

When no commitment is specified, the effect of all changes in assumptions that relate to financial risk and changes thereof on the FCF is recognized in insurance finance expenses.

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

- a- changes in the share of the fair value of the underlying items; and
- b- changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
 - ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
 - iii. changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
 - iv. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
 - v. changes in the risk adjustment for non-financial risk that relate to future service. Adjustments ii.-v. are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:



- a- changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- b- changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the FCF relating to the LIC; and
 - ii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

The Company does not have any products with complex guarantees and does not use derivatives to economically hedge the risks.

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period (which the Company defines as three-month interim), the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- a- The effect of any new contracts added to the group of contracts.
- b- For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- c- Changes in the FCF relating to future service are recognized by adjusting the CSM. Changes in the FCF are recognized in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognized in insurance service expenses and a loss component is recognized within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- d- The effect of any currency exchange differences.
- e- The amount recognized as insurance revenue for services provided during the period determined after all other adjustments above.

For a group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognized in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognized in the insurance service result.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of



underlying items (locked-in discount rates). If more contracts are added to the existing groups in the subsequent reporting periods, the Company revises the locked-in discount curves by calculating weighted-average discount curves over the period that contracts in the group are issued. The weighted-average discount curves are determined by multiplying the new CSM added to the group and their corresponding discount curves over the total CSM.

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF measured applying the discount rates as specified above in the Changes in fulfilment cash flows section.

Release of the CSM to profit or loss

The amount of the CSM recognized in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

For contracts issued, the Company determines the coverage period for the CSM recognition as follows:

- a- for term life and universal life insurance contracts, the coverage period corresponds to the policy coverage for mortality risk; and
- b- for direct participating contracts and for investment contracts with DPF, the coverage period corresponds to the period in which insurance or investment management services are expected to be provided.

The total number of coverage units in a group of contracts is the quantity of coverage provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

- a- the quantity of benefits provided by contracts in the group;
- b- the expected coverage duration of contracts in the group; and
- c- the likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the group.

The Company uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits.

The Company determines coverage units as follows:

- a- for term life and universal life insurance contracts, coverage units are determined based on the policies' face values that are equal to the fixed death benefit amounts;



- b- for direct participating contracts, coverage units are based on the fixed death benefits amounts (during the insurance coverage period) plus policyholders' account values;
- c- for investment contracts with DPF, coverage units are based on policyholders' account values

The Company reflects the time value of money in the allocation of the CSM to coverage units.

For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period.

Coverage units for the proportionate term life reinsurance contracts are based on the insurance coverage provided by the reinsurer and are determined by the ceded policies' fixed face values taking into account new business projected within the reinsurance contract boundary.

The coverage period for these contracts is determined based on the coverage of all underlying contracts whose cash flows are included in the reinsurance contract boundary. Refer to the Contract boundary section in the note.

Onerous contracts - Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous, and the Company recognizes the excess in insurance service expenses and records it as a loss component of the LRC.

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- a- expected incurred claims and expenses for the period;
- b- changes in the risk adjustment for non-financial risk for the risk expired; and
- c- finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in a. and b. above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Initial and subsequent measurement - groups of contracts measured under the PAA

The Company uses the PAA for measuring contracts with a coverage period of one year or less. The respective group of acquired contracts do not meet the PAA eligibility criteria and have been measured under the GMM.

The excess of loss reinsurance contracts provide coverage on the insurance contracts originated for claims incurred during a period of one year or less and are accounted for under the PAA.



For insurance contracts issued, insurance acquisition cash flows are deferred and recognized over the coverage period of contracts in a group.

For insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the prepaid acquisition cash flows asset.

For reinsurance contracts held on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a- the LRC; and
- b- the LIC, comprising the FCF related to past service allocated to the group of contracts at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- a- the remaining coverage; and
- b- the incurred claims comprising the FCF related to past service allocated to the group of contracts at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a- increased for premiums received in the period;
- b- decreased for insurance acquisition cash flows paid in the period;
- c- decreased for the amounts of expected premiums received recognized as insurance revenue for the services provided in the period; and
- d- increased for the amortization of insurance acquisition cash flows in the period recognized as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- a- increased for ceding premiums paid in the period; and
- b- decreased for the amounts of ceding premiums recognized as reinsurance expenses for the services received in the period.

The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.



For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. Future cash flows are adjusted for the time value of money since insurance contracts issued by the Company and measured under the PAA typically have a settlement period of over one year.

If a group of contracts becomes onerous, the Company increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognized in insurance service expenses. Subsequently, the Company amortizes the amount of the loss component within the LRC by decreasing insurance service expenses. The loss component amortization is based on the passage of time over the remaining coverage period of contracts within an onerous group. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Company remeasures the FCF by applying the GMM and reflects changes in the FCF by adjusting the loss component as required until the loss component is reduced to zero.

Amounts recognized in comprehensive income

Insurance service result from insurance contracts issued

Insurance revenue

As the Company provides services under the group of insurance contracts, it reduces the LRC and recognizes insurance revenue. The amount of insurance revenue recognized in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Company expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

Amounts relating to the changes in the LRC:

- a- insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - i. amounts related to the loss component;
 - ii. repayments of investment components;
 - iii. amounts of transaction-based taxes collected in a fiduciary capacity; and
 - iv. insurance acquisition expenses;
- b- changes in the risk adjustment for non-financial risk, excluding:
 - i. changes included in insurance finance income (expenses);
 - ii. changes that relate to future coverage (which adjust the CSM); and
 - iii. amounts allocated to the loss component;



- c- amounts of the CSM recognized in profit or loss for the services provided in the period; and
- d- experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.
- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

For groups of insurance contracts measured under the PAA, the Company recognizes insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

- a- incurred claims and benefits excluding investment components;
- b- other incurred directly attributable insurance service expenses;
- c- amortization of insurance acquisition cash flows;
- d- changes that relate to past service (i.e., changes in the FCF relating to the LIC); and
- e- changes that relate to future service (i.e., losses/reversals on onerous groups of contracts from changes in the loss components).

For contracts not measured under the PAA, amortization of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue as described above.

For contracts measured under the PAA, amortization of insurance acquisition cash flow is based on the passage of time.

Other expenses not meeting the above categories are included in General and administrative expenses in the statement of income.

Insurance service result from reinsurance contracts held

Net income (expenses) from reinsurance contracts held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

- a- reinsurance expenses;
- b- incurred claims recovery;



- c- other incurred directly attributable insurance service expenses;
- d- effect of changes in risk of reinsurer non-performance;
- e- for contracts measured under the GMM, changes that relate to future service (i.e., changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts); and
- f- changes relating to past service (i.e., adjustments to incurred claims).

Reinsurance expenses are recognized similarly to insurance revenue. The amount of reinsurance expenses recognized in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Company expects to pay in exchange for those services.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

- a- insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
- b- changes in the risk adjustment for non-financial risk, excluding:
 - changes included in finance income (expenses) from reinsurance contracts held; and
 - changes that relate to future coverage (which adjust the CSM);
- c- amounts of the CSM recognized in profit or loss for the services received in the period; and
- d- ceded premium experience adjustments relating to past and current service.

For groups of reinsurance contracts held measured under the PAA, the Company recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- a- the effect of the time value of money and changes in the time value of money; and
- b- the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:



- c- interest accreted on the FCF and the CSM;
- d- the effect of changes in interest rates and other financial assumptions; and
- e- foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the VFA, the main amounts within insurance finance income or expenses are:

- a- changes in the fair value of underlying items;
- b- interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
- c- the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

- a- interest accreted on the LIC; and
- b- the effect of changes in interest rates and other financial assumptions.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

For the contracts measured under the GMM and the PAA, the Company includes all insurance finance income or expenses for the period in profit or loss (i.e., the profit or loss option (the PL option) is applied).

For the contracts measured using the VFA, the P&L option is applied. As the Company holds the underlying items for these contracts, the use of the P&L option results in the elimination of accounting mismatches with income or expenses included in profit or loss on the underlying assets held. This is applied because the amounts of income or expenses for the underlying assets are recognized in profit or loss.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items.

IFRS 9 Financial Instruments

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The classification of financial assets are:

- a. Financial assets carried at amortized cost;



- b. Financial assets carried at fair value through other comprehensive income (FVOCI); and
- c. Financial assets carried at fair value through profit or loss (FVTPL)

a) Financial assets at amortized cost:

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- (i) The asset is held within a «**business model**» whose objective is to hold assets to collect contractual cash flows;
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below. Further, financial assets carried at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Financing income, foreign exchange gains and losses and impairment are recognized in the profit or loss. Any gain or loss on derecognition is recognized in the profit or loss.

(i) Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original prospects, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

(ii) SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of profit within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not



give rise to contractual cash flows that are solely payments of principal and profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

b) Financial assets at fair value through other comprehensive income (FVOCI):

Debt instruments at FVOCI

The Company applies the category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets;
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Financing income and foreign exchange gains and losses and impairment losses are recognized in the statement of profit or loss. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss.

This category only includes debt instruments, which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to so classify upon initial recognition or transition. Debt instruments at FVOCI are subject to an impairment assessment under IFRS 9.

Equity instruments at FVOCI

Upon initial recognition, the Company may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.



Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

For debt instruments measured at amortized cost, FVTPL and FVOCI, the interest income, foreign currency gains or losses and impairment gains or losses are recognized in profit and loss. For debt instruments classified as FVTPL, unrealized and realized fair value changes are recognized in profit and loss. For debt instruments measured at FVOCI, the fair value gains or losses are recognized in other comprehensive income until derecognition, when the cumulative gains or losses recognized in other comprehensive income are reclassified to profit or loss.

The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognized in the statement of profit or loss. The unrealized and realized fair value gains and losses on equity investments that are held for trading are recognized in profit or loss. Where the Company has made an irrevocable election at initial recognition to classify the equity investments through other comprehensive income, the changes in fair value are recognized in other comprehensive income. For all equity investments at FVOCI, there is no subsequent recycling of fair value gains and losses to profit or loss at derecognition.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost and debt investments measured at FVOCI.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except in the following cases, for which the amount recognized is 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) for which credit risk has not increased significantly since initial recognition.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument, whereas 12-month expected credit losses are the portion of expected credit losses that results from default events that are possible within the 12 months after the reporting date. In all cases, the maximum period considered when



estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses and are measured as follows:

- For financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive; and
- For financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows.

Credit impaired financial assets:

At each reporting date, the Company assesses whether financial assets measured at amortized cost and debt investments at FVOCI are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset (either partially or in full), the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease is related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed in profit or loss.

Presentation of loss allowances in the statement of financial position

Loss allowances for expected credit losses are presented as follows:

- financial assets measured at amortized cost: the loss allowance is deducted from the gross carrying amount of the assets; and
- debt investments measured at FVOCI: the loss allowance is recognized in other comprehensive income.



Transition Note to IFRS 17 and IFRS 9

Reconciliation of statement of financial position as of December 31, 2022:

December 31, 2022						
Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9	
	Re-classification	Re-measurement	Re-classification	Re-measurement		
SAR «000»						
Assets						
Cash and cash equivalents	534,221	-	-	-	(11)	534,210
Short term deposits	355,000	-	-	-	(1)	354,999
Long term deposits	50,000	-	-	-	(3)	49,997
Premiums and reinsurers' receivable - net	727,862	(727,862)	-	-	-	-
Reinsurers' share of unearned premiums	616,806	(616,806)	-	-	-	-
Reinsurers' share of outstanding claims	291,813	(291,813)	-	-	-	-
Reinsurers' share of claims incurred but not reported	180,995	(180,995)	-	-	-	-
Reinsurers' share of mathematical reserves	89,123	(89,123)	-	-	-	-
Deferred policy acquisition costs	51,236	(51,236)	-	-	-	-
Investments	910,202	-	-	-	45,330	955,532
Unit linked investments	483,741	-	-	-	-	483,741
Due from shareholders' operations	10,827	(7,547)	-	-	-	3,280
Prepaid expenses and other assets	311,797	(188,752)	-	-	(35)	123,010
Property and equipment, net	32,061	-	-	-	-	32,061
Intangible assets	92,857	4,118	-	-	-	96,975
Goodwill	24,415	-	-	-	-	24,415
Statutory deposit	85,058	-	-	-	-	85,058
Accrued income on statutory deposit	17,246	-	-	-	-	17,246
Accrued commission income	17,168	-	-	-	-	17,168
Insurance contract assets	-	8,793	-	-	-	8,793
Reinsurance contract assets	-	798,136	3,251	-	-	801,387
Total assets	4,882,428	(1,343,087)	3,251	-	45,280	3,587,872



December 31, 2022						
Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9	
	Re-classification	Re-measurement	Re-classification	Re-measurement		
SAR «000»						
Liabilities						
Policyholders claims payable	270,519	(270,519)	-	-	-	-
Accrued and other liabilities	309,693	(54,892)	-	-	-	254,801
Reinsurers' balances payable	452,929	(452,929)	-	-	-	-
Unearned premiums	1,182,003	(1,182,003)	-	-	-	-
Unearned reinsurance commission	46,085	(46,085)	-	-	-	-
Outstanding claims	546,399	(546,399)	-	-	-	-
Claims incurred but not reported	317,579	(317,579)	-	-	-	-
Gross mathematical reserves	89,795	(89,795)	-	-	-	-
Additional premium reserves	7,763	(7,763)	-	-	-	-
Other technical reserves	7,120	(7,120)	-	-	-	-
Unit-linked reserves	483,741	(483,741)	-	-	-	-
Due to insurance operations	10,827	(7,547)	-	-	-	3,280
End-of-service indemnities	26,948	-	-	-	-	26,948
Zakat and income tax	45,231	-	-	-	-	45,231
Accrued commission income payable to IA (SAMA)	17,246	-	-	-	-	17,246
Surplus distribution payable	9,100	(9,100)	-	-	-	-
Insurance contract liabilities	-	2,129,127	(8,455)	-	-	2,120,672
Reinsurance contract liabilities	-	3,258	-	-	-	3,258
Total liabilities	3,822,978	(1,343,087)	(8,455)	-	-	2,471,436
Equity						
Share capital	850,583	-	-	-	-	850,583
Share premium	193,119	-	-	-	-	193,119
Statutory reserve	63,327	-	-	-	-	63,327
Accumulated losses	(68,114)	-	11,706	20,398	(29,028)	(65,038)
Fair value reserve on investments - available-for-sale/ FVOCI	20,398	-	-	(20,398)	74,308	74,308
Re-measurements reserve for end of service indemnities - related to insurance operations	137	-	-	-	-	137
Total equities	1,059,450	-	11,706	-	45,280	1,116,436
Total liabilities and equities	4,882,428	(1,343,087)	3,251	-	45,280	3,587,872



Reconciliation of statement of income for the year ended December 31, 2022:

December 31, 2022	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Re-classification	Re-measurement	Re-classification	Re-measurement	
SAR «000»						
REVENUE						
Insurance revenue	-	2,592,823	(20,488)	-	-	2,572,335
Allocation of reinsurance premiums	-	(1,174,012)	(821)	-	-	(1,174,833)
Gross premiums written	2,641,932	(2,641,932)	-	-	-	-
Reinsurance premiums ceded	(1,305,922)	1,305,922	-	-	-	-
Excess of loss expenses	(8,584)	8,584	-	-	-	-
Changes in unearned premiums	(85,518)	85,518	-	-	-	-
Changes in reinsurers' share of unearned premiums	61,442	(61,442)	-	-	-	-
Reinsurance commissions	79,052	(79,052)	-	-	-	-
Other underwriting income	41,526	(41,526)	-	-	-	-
Total revenues	1,423,928	(5,117)	(21,309)	-	-	1,397,502
O UNDERWRITING COSTS AND EXPENSES						
Insurance service expenses	-	(1,697,498)	27,974	-	-	(1,669,524)
Amounts recoverable from reinsurers	-	176,644	(24,618)	-	-	152,026
Gross claims paid	(1,277,071)	1,277,071	-	-	-	-
Surrenders and maturities	(43,658)	43,658	-	-	-	-
Expenses incurred related to claims	(41,320)	41,320	-	-	-	-
Reinsurers' share of claims paid	299,094	(299,094)	-	-	-	-
Changes in outstanding claims	25,020	(25,020)	-	-	-	-
Changes in reinsurance share of outstanding claims	(114,722)	114,722	-	-	-	-
Changes in claims incurred but not reported	(1,240)	1,240	-	-	-	-



Changes in reinsurance share of claims incurred but not reported	(7,728)	7,728	-	-	-	-
Additional premium reserves	1,336	(1,336)	-	-	-	-
Other technical reserves	1,298	(1,298)	-	-	-	-
Change in mathematical reserves, net	(672)	672	-	-	-	-
Changes in unit-linked reserves	14,899	(14,899)	-	-	-	-
Policy acquisition costs	(87,401)	87,401	-	-	-	-
Other underwriting expenses	(132,353)	132,353	-	-	-	-
Total underwriting costs and expenses	(1,364,518)	(156,336)	3,356	-	-	(1,517,498)
Net underwriting income / Insurance service result	59,410	(161,453)	(17,953)	-	-	(119,996)

Reconciliation of statement of cash flow for the year ended December 31, 2022:

December 31, 2022	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Re-classification	Re-measurement	Re-classification	Re-measurement	
SAR «000»						
OTHER OPERATING (EXPENSES) / INCOME						
Allowance for doubtful debts	(5,033)	5,033	-	-	-	-
General and administrative expenses	(177,265)	156,336	-	-	(9)	(20,938)
Commission income	23,995	-	-	-	-	23,995
Dividend income on investments	12,308	-	-	-	-	12,308
Impairment on available for sale investments	(800)	-	-	-	-	(800)
Realized gain on available for sale investments	30,564	-	-	(30,564)	-	-
Realized gain on held for trading investments	6,878	-	-	(6,878)	-	-
Realized gain on FVTPL investments	-	-	-	37,442	-	37,442
Un-realized loss on held for trading investments / FVTPL	(2,567)	-	-	(23,465)	(18,224)	(44,256)
Change in fair value of PH unit-linked investments	(12,892)	12,892	-	-	-	-



Bargain Purchase Gain	49,677	-	-	-	-	49,677
Finance expenses from insurance contracts issued	-	(12,892)	(7,459)	-	-	(20,351)
Finance income from reinsurance contracts held	-	-	13,872	-	-	13,872
Other income	-	84	12,522	-	-	12,606
Total other operating (expenses) / income	(75,135)	161,453	18,935	(23,465)	(18,233)	63,555
Total loss for the year before zakat & income tax and surplus attribution	(15,725)	-	982	(23,465)	(18,233)	(56,441)
Zakat	(11,153)	-	-	-	-	(11,153)
Income tax	(486)	-	-	-	-	(486)
Net loss for the year attributable to the shareholders	(27,364)	-	982	(23,465)	(18,233)	(68,080)
Net change in fair value	12,440	-	-	(7,099)	-	5,341
Net amounts transferred to statement of income	(30,564)	-	-	30,564	-	-
Actuarial gain for end-of-service indemnities (defined benefit obligation)	284	-	-	-	-	284
Total comprehensive loss for the year	(45,204)	-	982	-	(18,233)	(62,455)

December 31, 2022	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Re-classification	Re-measurement	Re-classification	Re-measurement	
SAR «000»						
Net loss for the year before zakat and income tax	(15,725)	-	982	(23,465)	(18,233)	(56,441)
Adjustments for non-cash items:						
Depreciation of property and equipment	6,611	-	-	-	-	6,611
Amortization of intangible assets	3,010	-	-	-	-	3,010
Allowance for doubtful debts	5,033	(5,033)	-	-	-	-
Dividend income	(12,308)	-	-	-	-	(12,308)
Gain on disposal of available for sale investments	(30,564)	-	-	30,564	-	-
Gain on disposal of held for trading investments	(6,878)	-	-	6,878	-	-
Gain on disposal of FVTPL investments	-	-	-	(37,442)	-	(37,442)
Commission income on deposits	(23,995)	-	-	-	-	(23,995)



Amortization of held to maturity investments/ Amortized costs	22	-	-	-	-	22
Unrealized loss on held for trading investments / FVTPL	2,567	-	-	23,465	18,224	44,256
Provision for end-of-service indemnities	4,134	-	-	-	-	4,134
Finance cost	694	(694)	-	-	-	-
Impairment on available for sale investments	800	-	-	-	4	804
Exchange differences on investments	6,453			(6,453)		-
Bargain purchase gain	(49,677)	-	-	-	-	(49,677)
Changes in operating assets and liabilities:						
Premiums and reinsurers' receivable - net	(55,703)	55,703	-	-	-	-
Reinsurers' share of unearned premiums	(61,442)	61,442	-	-	-	-
Reinsurers' share of outstanding claims	114,722	(114,722)	-	-	-	-
Reinsurers' share of claims incurred but not reported	7,728	(7,728)	-	-	-	-
Reinsurers' share of mathematical reserves	34,573	(34,573)	-	-	-	-
Deferred policy acquisition costs	(12,772)	12,772	-	-	-	-
Prepaid expenses and other assets	(209,200)	176,857	-	-	-	(32,343)
Policyholders claims payable	222,861	(222,861)	-	-	-	-
Accrued and other liabilities	88,641	(23,123)	-	-	-	65,518
Reinsurers' balances payable	26,469	(26,469)	-	-	-	-
Unearned premiums	85,518	(85,518)	-	-	-	-
Unearned reinsurance commission	11,232	(11,232)	-	-	-	-
Outstanding claims	(25,020)	25,020	-	-	-	-
Claims incurred but not reported	1,240	(1,240)	-	-	-	-
Gross mathematical reserves	(33,901)	33,901	-	-	-	-
Additional premium reserves	(1,336)	1,336	-	-	-	-
Other technical reserves	(1,298)	1,298	-	-	-	-
Surplus distribution payable	(1,283)	1,283	-	-	-	-
Insurance contract assets	-	(8,793)	-	-	-	(8,793)
Insurance contract liabilities	-	211,413	(12,549)	(9,569)	-	189,295
Reinsurance contract assets	-	(33,861)	11,567	-	-	(22,294)



Reinsurance contract liabilities	-	(5,178)	-	-	-	(5,178)
	81,206	-	-	(16,022)	(5)	65,179
End-of-service indemnities paid	(2,476)	-	-	-	-	(2,476)
Zakat and income tax paid	(3,338)	-	-	-	-	(3,338)
Net cash (used in)/ generated from operating activities	75,392	-	-	(16,022)	(5)	59,365

December 31, 2022	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Re-classification	Re-measurement	Re-classification	Re-measurement	
SAR «000»						
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of available for sale investments	(59,896)	-	-	59,896	-	-
Disposals of available for sale investments	126,924	-	-	(126,924)	-	-
Movement in held for trading Investments	10,754	-	-	(10,754)	-	-
Investments measured at FVTPL, net	-	-	-	79,903	-	79,903
Purchase of investments held at amortized cost	(102,318)	-	-	-	-	(102,318)
Financial assets for unit linked insurance contracts, net	-	-	-	14,899	-	14,899
Additions in intangible assets	(2,491)	-	-	-	-	(2,491)
Commission income received on investments	15,897	-	-	(1,652)	-	14,245
Dividend received on investments	12,308	-	-	-	-	12,308
Disposals of short-term deposits	31,712	-	-	654	2	32,368
Disposals of long-term deposits	50,000	-	-	-	-	50,000
Additions in property and equipment	(4,807)	-	-	-	-	(4,807)
Cash and cash equivalents acquired through business combination	45,373	-	-	-	(1)	45,372
Net cash generated from investing activities	123,456	-	-	16,022	1	139,479
CASH FLOWS FROM FINANCING ACTIVITIES						
Net change in statutory deposits	13,582	-	-	-	-	13,582
Lease liability paid	(3,264)	-	-	-	-	(3,264)
Net cash generated from financing activities	10,318	-	-	-	-	10,318
Net change in cash and cash equivalents	209,166	-	-	-	(4)	209,162
Cash and cash equivalents, beginning of the year	325,055	-	-	-	(7)	325,048
Cash and cash equivalents, end of the year	534,221	-	-	-	(11)	534,210

Reconciliation of statement of financial position as of December 31, 2021 (opening balance of 2022):



December 31, 2021 (opening balance of 2022)						
Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9	
	Re-classification	Re-measurement	Re-classification	Re-measurement		
SAR «000»						
Assets						
Cash and cash equivalents	325,055	-	-	-	(7)	325,048
Short term deposits	201,659	-	-	-	(1)	201,658
Long term deposits	100,000	-	-	-	(7)	99,993
Premiums and reinsurers' receivable - net	582,129	(582,129)	-	-	-	-
Reinsurers' share of unearned premiums	538,598	(538,598)	-	-	-	-
Reinsurers' share of outstanding claims	338,919	(338,919)	-	-	-	-
Reinsurers' share of claims incurred but not reported	149,655	(149,655)	-	-	-	-
Reinsurers' share of mathematical reserves	123,696	(123,696)	-	-	-	-
Deferred policy acquisition costs	36,476	(36,476)	-	-	-	-
Investments	773,236	-	-	-	58,311	831,547
Due from shareholders' operations	4,437	23,581	-	-	-	28,018
Prepaid expenses and other assets	97,401	(17,895)	-	-	(24)	79,482
Property and equipment, net	30,969	-	-	-	-	30,969
Intangible assets	37,713	-	-	-	-	37,713
Goodwill	24,415	-	-	-	-	24,415
Statutory deposit	64,640	-	-	-	-	64,640
Accrued income on statutory deposit	10,764	-	-	-	-	10,764
Accrued commission income	7,419	-	-	-	-	7,419
Insurance contract assets	-	-	-	-	-	-
Reinsurance contract assets	-	681,154	(10,341)	-	-	670,813
Total assets	3,447,181	(1,082,633)	(10,341)	-	58,272	2,412,479

December 31, 2021 (opening balance of 2022)



Pre-adoption of IFRS 17 & IFRS 9		IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Re-classification	Re-measurement	Re-classification	Re-measurement	
SAR «000»						
Liabilities						
Policyholders claims payable	47,658	(47,658)	-	-	-	-
Accrued and other liabilities	190,702	(48,540)	-	-	-	142,162
Reinsurers' balances payable	335,026	(335,026)	-	-	-	-
Unearned premiums	1,074,103	(1,074,103)	-	-	-	-
Unearned reinsurance commission	31,258	(31,258)	-	-	-	-
Outstanding claims	480,616	(480,616)	-	-	-	-
Claims incurred but not reported	266,202	(266,202)	-	-	-	-
Gross mathematical reserves	123,696	(123,696)	-	-	-	-
Additional premium reserves	9,054	(9,054)	-	-	-	-
Other technical reserves	7,701	(7,701)	-	-	-	-
Due to insurance operations	4,437	23,581	-	-	-	28,018
End-of-service indemnities	21,982	-	-	-	-	21,982
Zakat and income tax	31,208	-	-	-	-	31,208
Accrued commission income payable to IA(SAMA)	10,764	-	-	-	-	10,764
Surplus distribution payable	2,148	(2,148)	-	-	-	-
Insurance contract liabilities	-	1,316,318	(26,306)	-	-	1,290,012
Reinsurance contract liabilities	-	3,470	-	-	-	3,470
Total liabilities	2,636,555	(1,082,633)	(26,306)	-	-	1,527,616



Equity						
Share capital	646,397	-	-	-	-	646,397
Share premium	103,277	-	-	-	-	103,277
Statutory reserve	63,327	-	-	-	-	63,327
(Accumulated losses)/ retained earnings	(40,750)	-	15,965	38,522	(10,695)	3,042
Fair value reserve on investments - available-for-sale/ FVOCI	38,522	-	-	(38,522)	68,967	68,967
Remeasurements of defined benefit obligation	(147)	-	-	-	-	(147)
Total equities	810,626	-	15,965	-	58,272	884,863
Total Liabilities and Equities	3,447,181	(1,082,633)	(10,341)	-	58,272	2,412,479

Reconciliation of statement of income for the year ended December 31, 2021:

December 31, 2021	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Re-classification	Re-measurement	Re-classification	Re-measurement	
SAR «000»						
REVENUE						
Insurance revenue	-	2,037,497	(37,565)	-	-	1,999,932
Allocation of reinsurance premiums	-	(937,003)	(3,163)	-	-	(940,166)
Gross premiums written	2,338,834	(2,338,834)	-	-	-	-
Reinsurance premiums ceded	(1,183,129)	1,183,129	-	-	-	-
Excess of loss expenses	(5,144)	5,144	-	-	-	-
Changes in unearned premiums	(284,139)	284,139	-	-	-	-
Changes in reinsurers' share of unearned premiums	175,108	(175,108)	-	-	-	-
Reinsurance commissions	76,162	(76,162)	-	-	-	-
Other underwriting income	3,634	(3,634)	-	-	-	-
Total revenues	1,121,326	(20,832)	(40,728)	-	-	1,059,766
UNDERWRITING COSTS AND EXPENSES						
Insurance service expenses	-	(1,580,186)	(81,545)	-	-	(1,661,731)
Amounts recoverable from reinsurers	-	415,888	33,635	-	-	449,523
Gross claims paid	(1,005,078)	1,005,078	-	-	-	-
Surrenders and maturities	(17,447)	17,447	-	-	-	-
Expenses incurred related to claims	(20,175)	20,175	-	-	-	-



Reinsurers' share of claims paid	147,905	(147,905)	-	-	-	-
Changes in outstanding claims	(247,118)	247,118	-	-	-	-
Changes in reinsurance share of outstanding claims	176,028	(176,028)	-	-	-	-
Changes in claims incurred but not reported	(95,225)	95,225	-	-	-	-
Changes in reinsurance share of claims incurred but not reported	91,955	(91,955)	-	-	-	-
Additional premium reserves	16,956	(16,956)	-	-	-	-
Other technical reserves	941	(941)	-	-	-	-
Policy acquisition costs	(60,119)	60,119	-	-	-	-
Other underwriting expenses	(105,962)	105,962	-	-	-	-
Total underwriting costs and expenses	(1,117,339)	(46,959)	(47,910)	-	-	(1,212,208)
Net underwriting income /	3,987	(67,791)	(88,638)	-	-	(152,442)
Insurance service result						

December 31, 2021	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Re-classification	Re-measurement	Re-classification	Re-measurement	
SAR «000»						
INVESTMENT(EXPENSES) INCOME, INSURANCE FINANCE INCOME						
Allowance for doubtful debts	(17,198)	17,198	-	-	-	-
General and administrative expenses	(150,898)	46,959	-	-	347	(103,592)
Commission income	23,812	-	-	-	-	23,812
Dividend income on investments	9,601	-	-	-	-	9,601
Impairment on available for sale investments	(6,765)	-	-	-	(11)	(6,776)
Realized gain on available for sale	15,074	-	-	(15,074)	-	-
Realized gain on held for trading investments	8,018	-	-	(8,018)	-	-
Realized gain on FVTPL investments	-	-	-	23,092	-	23,092
Un-realized gain on held for trading investments / FVTPL	1,572	-	-	16,533	-	18,105
Finance expenses from insurance contracts issued	-	-	(4,517)	-	-	(4,517)
Finance income from reinsurance contracts held	-	-	7,962	-	-	7,962
Other income	-	3,634	-	-	-	3,634
Total other operating expenses	(116,784)	67,791	3,445	16,533	336	(28,679)



Total loss for the year before zakat & income tax and surplus attribution	(112,797)	-	(85,193)	16,533	336	(181,121)
Zakat	(9,257)	-	-	-	-	(9,257)
Net loss for the year attributable to the shareholders	(122,054)	-	(85,193)	16,533	336	(190,378)
Net change in fair value	31,607	-	-	(31,607)	-	-
Net amounts transferred to statement of income	(15,074)	-	-	15,074	-	-
Actuarial gain for end-of-service indemnities (Defined benefit obligation)	913	-	-	-	-	913
Total comprehensive loss for the year	(104,608)	-	(85,193)	-	336	(189,465)

Reconciliation of statement of cash flow for the year ended December 31, 2021:

December 31, 2021	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Re-classification	Re-measurement	Re-classification	Re-measurement	
SAR «000»						
Net loss for the year before zakat and income tax	(112,797)	-	(85,193)	16,533	336	(181,121)
Adjustments for non-cash items:						
Depreciation of property and equipment	8,676	-	-	-	-	8,676
Amortization of intangible assets	1,904	-	-	-	-	1,904
Allowance for doubtful debts	17,198	(17,198)	-	-	-	-
Dividend income	(9,601)	-	-	-	-	(9,601)
Gain on disposal of available for sale investments	(15,074)	-	-	15,074	-	-
Gain on disposal of held for trading investments	(8,018)	-	-	8,018	-	-
Gain on disposal of FVTPL investments	-	-	-	(23,092)	-	(23,092)
Commission income on deposits	(23,812)	-	-	-	-	(23,812)
Amortization of held to maturity investments/Amortized costs	258	-	-	-	(258)	-
Unrealized gain on held for trading investments / FVTPL	(1,572)	-	-	(16,533)	-	(18,105)
Provision for end-of-service indemnities	3,728	-	-	-	-	3,728
Finance cost	76	-	-	-	-	76
Impairment on available for sale investments/ FVTPL	6,765	-	-	-	11	6,776



Changes in operating assets and liabilities:						
Premiums and reinsurers' receivable - net	(269,022)	269,022	-	-	-	-
Reinsurers' share of unearned premiums	(175,108)	175,108	-	-	-	-
Reinsurers' share of outstanding claims	(176,028)	176,028	-	-	-	-
Reinsurers' share of claims incurred but not reported	(91,955)	91,955	-	-	-	-
Reinsurers' share of mathematical reserves	15,263	(15,263)	-	-	-	-
Deferred policy acquisition costs	(11,121)	11,121	-	-	-	-
Prepaid expenses and other assets	(7,158)	21,800	-	-	-	14,642
Policyholders claims payable	12,864	(12,864)	-	-	-	-
Accrued and other liabilities	37,113	(46,475)	-	-	-	(9,362)
Reinsurers' balances payable	102,212	(102,212)	-	-	-	-
Unearned premiums	284,139	(284,139)	-	-	-	-
Unearned reinsurance commission	10,786	(10,786)	-	-	-	-
Outstanding claims	247,118	(247,118)	-	-	-	-
Claims incurred but not reported	95,225	(95,225)	-	-	-	-
Gross mathematical reserves	(15,263)	15,263	-	-	-	-
Additional premium reserves	(16,956)	16,956	-	-	-	-
Other technical reserves	(941)	941	-	-	-	-
Surplus distribution payable	-	-	-	-	-	-
Insurance contract assets	-	-	-	-	-	-
Insurance contract liabilities	-	377,098	123,627	-	-	500,725
Reinsurance contract assets	-	(327,482)	(38,434)	-	-	(365,916)
Reinsurance contract liabilities	-	3,470	-	-	-	3,470
	(91,101)	-	-	-	89	(91,012)
End-of-service indemnities paid	(2,557)	-	-	-	-	(2,557)
Zakat and income tax paid	(6,913)	-	-	-	-	(6,913)
Net cash used in operating activities	(100,571)	-	-	-	89	(100,482)



December 31, 2021	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Re-classification	Re-measurement	Re-classification	Re-measurement	
SAR «000»						
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of available for sale investments	(178,048)	-	-	178,048	-	-
Disposals of available for sale investments	119,726	-	-	(119,726)	-	-
Movement in held for trading Investments	(76,778)	-	-	76,778	-	-
Investments measured at FVTPL, net	-	-	-	(135,100)	-	(135,100)
Purchase of investments held at amortized cost	(88,172)	-	-	-	-	(88,172)
Additions in intangible assets	(4,077)	-	-	-	-	(4,077)
Commission income received on investments	20,275	-	-	-	-	20,275
Dividend received on investments	9,601	-	-	-	-	9,601
Disposals of short-term deposits	15,615	-	-	-	-	15,615
Addition of long-term deposits	(50,000)	-	-	-	-	(50,000)
Additions in property and equipment	(26,479)	-	-	-	-	(26,479)
Net cash used in investing activities	(258,337)	-	-	-	-	(258,337)
CASH FLOWS FROM FINANCING ACTIVITIES						
Lease liability paid	(3,334)	-	-	-	-	(3,334)
Net cash used in financing activities	(3,334)	-	-	-	-	(3,334)
Net change in cash and cash equivalents	(362,242)	-	-	-	89	(362,153)
Cash and cash equivalents, beginning of the year	687,297	-	-	-	(96)	687,201
Cash and cash equivalents, end of the year	325,055	-	-	-	(7)	325,048



5-5 Operating Results for the financial years ending 2021G, and 2022G

5-5-1 Income Statement

The following table presents the Company's statement of income for the financial years ending on December 31, 2021G, and 2022G:

Table No. 21 Income statement

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
- Direct	2,233,486	2,536,611	13.6%
- Reinsurance	105,348	105,321	(0.0%)
Total gross premiums written	2,338,834	2,641,932	13.0%
- Local ceded	(16,519)	(24,402)	47.7%
- Foreign ceded	(1,166,610)	(1,281,520)	9.8%
Total reinsurance premiums ceded	(1,183,129)	(1,305,922)	10.4%
Excess of loss expenses	(5,144)	(8,584)	66.9%
Net premiums written	1,150,561	1,327,426	15.4%
Changes in unearned premiums	(284,139)	(85,518)	(69.9%)
Changes in reinsurers share of unearned premiums	175,108	61,442	(64.9%)
Net premiums earned	1,041,530	1,303,350	25.1%
Reinsurance commissions	76,162	79,052	3.8%
Other underwriting income	3,634	41,526	1042.7%
Total revenues	1,121,326	1,423,928	27.0%
Gross claims paid	(1,005,078)	(1,277,071)	27.1%
Surrenders and maturities	(17,447)	(43,658)	150.2%
Expenses incurred related to claims	(20,175)	(41,320)	104.8%
Reinsurers share of claims paid	147,905	299,094	102.2%
Net claims and other benefits paid	(894,795)	(1,062,955)	18.8%
Changes in outstanding claims	(247,118)	25,020	(110.1%)
Changes in reinsurance share of outstanding claims	176,028	(114,722)	(165.2%)
Changes in claims incurred but not reported	(95,225)	(1,240)	(98.7%)
Changes in reinsurance share of claims incurred but not reported	91,955	(7,728)	(108.4%)
Net claims and other benefits incurred	(969,155)	(1,161,625)	19.9%
Additional premium reserves	16,956	1,336	(92.1%)
Other technical reserves	941	1,298	37.9%



In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Change in mathematical reserves, net	-	(672)	na
Changes in unit-linked reserves	-	14,899	na
Policy acquisition costs	(60,119)	(87,401)	45.4%
Other underwriting expenses	(105,962)	(132,353)	24.9%
Total underwriting costs and expenses	(1,117,339)	(1,364,518)	22.1%
Net underwriting income	3,987	59,410	1390.1%
Allowance for doubtful debts	(17,198)	(5,033)	(70.7%)
General and administrative expenses	(150,898)	(177,265)	17.5%
Commission income	23,812	23,995	0.8%
Dividend income on investments	9,601	12,308	28.2%
Impairment on available for sale investments	(6,765)	(800)	(88.2%)
Realized gain on available for sale investments	15,074	30,564	102.8%
Realized gain on held for trading investments	8,018	6,878	(14.2%)
Unrealized gain/(loss) on held for trading investments	1,572	(2,567)	(263.3%)
Change in fair value of PH Unit-linked investments	-	(12,892)	na
Bargain Purchase gain	-	49,677	na
Total other operating expenses	(116,784)	(75,135)	(35.7%)
Net income / (loss) before income tax	(112,797)	(15,725)	(86.1%)
Zakat	(9,257)	(11,153)	20.5%
Income tax	-	(486)	na
Net income / (loss)	(122,054)	(27,364)	(77.6%)

Source: Audited financial statements for the financial years ending December 31, 2021G, and 2022G

The following table presents the Company's key performance indicators for the financial years ending on December 31, 2021G, and 2022G.

Table No. 22 Key Performance Indicators

In SAR thousands	Financial year 2021G	Financial year 2022G	Annual growth 2021G-2022G
KPIs			Ppt.
Cession ratio	50.8%	49.8%	(1.1)
Net loss ratio	93.1%	89.1%	(3.9)
Policy acquisition costs as a % of GWP	2.6%	3.3%	0.7
Net commission ratio	(1.5%)	0.6%	2.2



Expense ratio - Underwriting	10.2%	10.2%	(0.0)
Expense ratio - Administrative	16.1%	14.0%	(2.2)
Net underwriting results as a % of GWP	0.2%	2.2%	2.1
Combined ratio	117.8%	113.9%	(3.9)

Source: Management information

The Company maintains a diversified underwriting portfolio across lines of business, with major contributors being Medical, Motor, Protection and Savings, Property, Engineering, and Energy amongst other lines of business.

Total revenues increased by 27.0% from 1,121.3 million Saudi Riyals in fiscal year 2021 to 1,423.9 million Saudi Riyals in fiscal year 2022G. This was mainly driven by the Company's continued focus on further increasing its medical sector portfolio, as total medical sector revenues increased by 327.1 million Saudi Riyals in the fiscal year 2022G. This was mainly the result of the acquisition of a number of new large accounts, the increase in the individual selling sector, in addition to the Company's ability to renew the accounts of major large companies at higher installment rates. The increase in total revenues in the fiscal year 2022G was also affected by the increase in total revenues for the protection and savings sector by 31.9 million Saudi Riyals during the period, after the Company merged with SABB Takaful, as the Company acquired through this process the individual, group and credit life insurance portfolio. This came alongside significant growth in the Company's two key life credit accounts.

The Company's net loss ratio saw a slight improvement, decreasing from 93.1% in the fiscal year 2021G to 89.1% in the fiscal year 2022G. This was mainly a result of the medical sector and the protection and savings sector. The percentage of net losses for the medical sector decreased from 99.0% in 2021 to 89.4% in fiscal year 2022G, as a result of the Company choosing a more selective underwriting approach, in terms of size and type of clients, in addition to renewing a number of key corporate accounts at higher premium prices. The percentage of net losses for the protection and savings sector decreased from 91.8% in 2021G to 87.4% in fiscal year 2022G, this sector continued to grow, which led to an increase in the number and diversity of customers, which in turn led to greater stability in the percentage of losses compared to previous periods. In addition, the loss ratio for the largest life credit account was relatively low in fiscal year 2022G, which also affected the improvement in the net loss ratio for this sector in fiscal year 2022G. It is worth noting that the Company implemented several measures to reduce underwriting costs and significantly improve productivity and efficiency for the medical and automotive sectors, which additionally affected the improvement of the net loss ratio in the second half of the fiscal year 2022G.

Net underwriting income increased from 4.0 million Saudi Riyals in fiscal year 2021G to 59.4 million Saudi Riyals in fiscal year 2022G, largely due to the improvement in the net loss ratio for the period, which decreased from 93.1% in fiscal year 2021G to 89.1% in the year. Finance 2022G. This was the result of the improvement in the profitability of the medical sector underwriting portfolio as part of management's efforts aimed at purifying the portfolio. This also came in addition to the continued growth in the protection and savings sector portfolio, where the net loss ratio remained relatively stable.



Net loss decreased from 122.1 million Saudi Riyals in fiscal year 2021G to 27.4 million Saudi Riyals in fiscal year 2022G. Net loss margin decreased from 10.9% in fiscal year 2021G to 1.9% in fiscal year 2022G. This was in line with the decrease in the consolidated ratio during the period, as it decreased from 117.8% in fiscal year 2021G to 113.9% in fiscal year 2022G.

Revenues

Table No. 23 Total revenues for the financial years ending December 31, 2021G, and 2022G.

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Gross premiums written:			
- Direct	2,233,486	2,536,611	13.6%
- Reinsurance	105,348	105,321	(0.0%)
Total gross premiums written	2,338,834	2,641,932	13.0%
Reinsurance premiums ceded:			
- Local ceded	(16,519)	(24,402)	47.7%
- Foreign ceded	(1,166,610)	(1,281,520)	9.8%
Total reinsurance premiums ceded	(1,183,129)	(1,305,922)	10.4%
Excess of loss expenses	(5,144)	(8,584)	66.9%
Net premiums written	1,150,561	1,327,426	15.4%
Changes in unearned premiums	(284,139)	(85,518)	(69.9%)
Changes in reinsurers share of unearned premiums	175,108	61,442	(64.9%)
Net premiums earned	1,041,530	1,303,350	25.1%
Reinsurance commissions	76,162	79,052	3.8%
Other underwriting income	3,634	41,526	1042.7%
Total revenues	1,121,326	1,423,928	27.0%

Source: Audited financial statements for the financial years ending December 31, 2021G, and 2022G

Gross premiums written

The Company maintains a diversified gross premiums written portfolio, which includes a diversification by line of business and customer segments. The Company's main contributors to the overall underwriting portfolio includes the following lines of business: Medical, Motor, Protection and Savings, Property, Engineering, and Energy amongst other lines of business.

The Company's strategy is mainly focused around growing the Medical, Protection and Savings and Property portfolios, while adopting a more selective underwriting approach and achieving better pricing margins. The Company additionally aims to cleanse its Motor portfolio, with a focus on retaining good performing accounts coupled with implementing specific controls in pricing, supported by operational enhancements.

Table No. 24 Gross premiums written by line of business for the financial years ending December 31, 2020G, 2021G, and 2022G.



In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Medical	362,397	656,842	81.2%
Motor	610,554	440,645	(27.8%)
Property	306,011	207,197	(32.3%)
Energy	508,695	640,702	26.0%
Engineering	89,394	173,002	93.5%
Protection & Savings	154,894	213,076	37.6%
Others	306,889	310,468	1.2%
Total	2,338,834	2,641,932	13.0%
Medical	15.5%	24.9%	9.4
Motor	26.1%	16.7%	(9.4)
Property	13.1%	7.8%	(5.2)
Energy	21.7%	24.3%	2.5
Engineering	3.8%	6.5%	2.7
Protection & Savings	6.6%	8.1%	1.4
Others	13.1%	11.8%	(1.4)

Source: Audited financial statements for the financial years ending December 31, 2021G, and 2022G

Medical

Medical gross premiums written increased by 81.2% from 362.4 million Saudi Riyals in the fiscal year 2021G to 656.8 million Saudi Riyals in the fiscal year 2022G, mainly driven by the growth in the medical underwriting portfolio, notably by the continued increase in large corporate accounts from 222.2 million Saudi Riyals in the fiscal year 2021G to 394.6 million Saudi Riyals in the fiscal year 2022G, coupled with the growth in the medical individual segment with the corresponding gross premiums subscribed increasing from 27.6 million Saudi Riyals to 72.9 million Saudi Riyals during the same period. The increase in large corporate accounts was mainly due to securing 4 key large corporate accounts with a corresponding new business gross premiums written totaling 37.5 million Saudi Riyals in 2021G, coupled with the growth in gross premiums written for 4 key large exciting corporate accounts by 27.1 million Saudi Riyals in 2022G through renewing contracts at higher premium rates.

Motor

Motor gross premiums written decreased by 27.8% from 699.4 million Saudi Riyals in 2021G to 440.6 million Saudi Riyals in 2022G, this is mainly with the Company's efforts aimed at purifying the motor segment portfolio. Gross premiums subscribed under the individual segment decreased from 513.8 million Saudi Riyals in 2021G to 367.1 million Saudi Riyals in 2022G. This was mainly caused by the significant decrease in the Motor online aggregator sales whereby gross premiums written decreased from SAR 70.6 million in 2021G to SAR 8.6 million in 2022G. This was mainly due to the strategic increase in prices, after incurring considerable losses in the retail segment from aggregators.



Property

Property gross premiums written decreased by 32.3% to from 306.0 million Saudi Riyals in 2021G to 207.2 million Saudi Riyals in 2022G, mainly due to the decrease in gross premiums written from the small corporate segment from 110.6 million Saudi Riyals in 2021G to 21.0 million Saudi Riyals in 2022G. This was mainly driven by a key account with corresponding gross premium written amounting to 80.4 million Saudi Riyals in 2021G which was renewed under the Energy line of business in 2022G, following a change in systems during the period.

Property gross premiums written remained relatively stable in 2021G, increasing by 1.4% from SAR 301.8 million in 2020G to SAR 306.0 million in 2021G. This was mainly due to an increase in gross written premiums for a key existing group account which increased by SAR 3.1 million in 2021G.

Property gross premiums written decreased by 32.3% to 207.2 million in 2022G, mainly due to the decrease in gross premiums written from the small corporate segment from SAR 110.6 million in 2021G to SAR 21.0 million in 2022G. This was mainly driven by a key account with corresponding gross premium written amounting to SAR 80.4 million in 2021G which was renewed under the Energy line of business in 2022G, following a change in systems during the period.

Energy

The Energy line of business was newly introduced in the financial year 2021G. Energy gross premiums written increased by 26.0% from SAR 508.7 million in 2021G to SAR 640.7 million in 2022G, mainly driven by the increase in the large corporate segment from SAR 486.0 million in 2021G to SAR 538.2 million in 2022G. This was on the back of securing a new key account with corresponding new business gross premiums written amounting to SAR 79.2 million in 2022G, coupled with the increase in gross premiums written for an existing large corporate account by SAR 28.4 million during the same period.

Engineering

Engineering gross premiums written increased by 93.5% from 89.4 million Saudi Riyals in 2021G to 173.0 million Saudi Riyals in 2022G, mainly driven by the increase in large corporate accounts from 58.7 million Saudi Riyals in 2021G to 129.5 million Saudi Riyals in 2022G. This was mainly on the back of securing 3 key group accounts, with respective new business gross premiums subscribed amounting to 78.2 million Saudi Riyals in 2022G.

Protection & Savings

Protection and Savings gross premiums written further increased by 37.6% from 154.9 million Saudi Riyals in 2021G to 213.1 million Saudi Riyals in 2022G, following the Company's merger with SABB Takaful whereby in the process, the Company acquired the individual, group, and credit life portfolio. This was coupled with considerable growth in the Company's two main credit life accounts.

Others

The lines of business clubbed under «Others» mainly include Liability insurance, Marine, and Aviation, amongst other lines of business.



Gross premiums written for lines of business clubbed under «Others» remained relatively stable in 2022G, slightly increasing by 1.2% from 306.9 million Saudi Riyals in 2021G to 310.5 million Saudi Riyals in 2022G. This was largely driven by the increase in the Aviation gross premiums written by 3.6 million Saudi Riyals during the period.

Reinsurance premiums ceded, including excess of loss expenses

The main lines of business ceded by the Company are the Property, Engineering and Energy lines of business. The Property and Engineering lines of business are covered by quota share and surplus reinsurance agreements, as well as being covered by excess of loss treaties. The cession ratios for these lines of business stood at 94.4% and 93.4% respectively, during 2022G. The Energy line of business is reinsured through a quota share reinsurance agreement at a cession ratio of 99.8%. The Company's reinsurance strategy is to increase retentions for these lines of business gradually over time, as the Company's capacity to retain increases.

The Medical portfolio is fully retained by the Company with the exception of 3 specific multinational accounts, which were inherited from the merger with MetLife, and the same reinsurance arrangement continued with the Company. Additionally, the Motor portfolio is covered by excess of loss treaties.

Table No. 25 Reinsurance premiums ceded, including excess of loss expenses, and cession ratio by line of business for the financial years ending December 31, 2021G, and 2022G.

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Reinsurance premiums ceded including excess of loss expenses			
Medical	7,309	3,684	(49.6%)
Motor	2,121	2,941	38.7%
Property	295,804	195,513	(33.9%)
Energy	507,409	639,220	26.0%
Engineering	83,672	161,545	93.1%
Protection & Savings	33,387	59,002	76.7%
Others	258,571	252,601	(2.3%)
Total	1,188,273	1,314,506	10.6%
Medical	2.0%	0.6%	(1.5)
Motor	0.3%	0.7%	0.3
Property	96.7%	94.4%	(2.3)
Energy	99.7%	99.8%	0.0
Engineering	93.6%	93.4%	(0.2)
Protection & Savings	21.6%	27.7%	6.1
Others	84.3%	81.4%	(2.9)
Total	50.8%	49.8%	(1.1)

Source: Audited financial statements for the financial years ending December 31, 2021G, and 2022G, Management information, PwC analysis



Medical

The Group Medical portfolio is fully retained by the Company, except for 3 specific multinational accounts, which were inherited from the merger with MetLife, and the same reinsurance arrangement continued with the Company.

The Medical cession ratio decreased from 2.0% in 2021G to 0.6% in 2022G, since the count of reinsured accounts remained the same for this period, while the overall medical portfolio continued to grow, which led to the gradual decrease in medical cession ratio.

Motor

Insurance premiums for the Motor line of business are covered by excess of loss insurance treaties. Therefore, the cession ratio amounted to 0.3%, and 0.7% in the years 2021G and 2022G, respectively. There were no significant changes in the cession ratio for the Motor line of business during this period.

Property

Property cession ratio amounted to 96.7%, and 94.4% in the years 2021G and 2022G, respectively.

The Property line of business is reinsured through a quota share and surplus reinsurance agreement, as well as being covered by excess of loss policies. There were no major changes in the reinsurance arrangements for the Property line of business during this period. The slight decrease in the Property cession ratio is mainly attributable to the increase in treaty capacity over the period. This is in line with the Company's strategy to gradually increase retention for this line of business.

Energy

Energy cession ratio stood at 99.7% and 99.8% in the years 2021G and 2022G, respectively.

The Energy line of business is reinsured through a quota share agreement. The high cession ratio for this line of business is due to the large sums insured, which pertain to large Energy and Petro chemical risks. Given the treaty capacity for this line of business, the retention remains low.

Considering the high exposure of this line, the Energy Treaty capacity cannot be increased significantly. However, it is worth noting that the Company's management has agreed to increase retention capacity through deployments from its own capital, up to SAR 50 million for increased retention on good Energy Risks.

Engineering

Engineering cession ratio stood at 93.6% and 93.4% in the years 2021G and 2022G, respectively.

The Engineering line of business is reinsured through a quota share and surplus reinsurance agreement, and through excess loss policy coverage. There were no major changes in the reinsurance arrangements for this line of business. The gradual decrease in cession ratio for this line of business is in line with the Company's strategy to increase retention over time, through



an increase in capacity. This could also be attributable to the diversity of risks wherein the reinsurance placements differ from account to account.

Protection & Savings

The Protection and Savings cession ratio then increased from 21.6% in 2021G to 27.7% in 2022G. This is mainly due to the Merger with SABB Takaful, whereby the Company inherited their individual, group, and credit life portfolio. This portfolio was reinsured based on the reinsurance program of SABB Takaful. The acquisition of this insurance portfolio has increased the cession ratio in 2022G.

Others

The cession ratio for the lines of business clubbed under others amounted to 84.3% and 81.4% in the years 2021G and 2022G, respectively.

The Marine line of business is reinsured through a quota share agreement, in addition to excess of loss policy coverage. The remaining lines of business under others are only covered by excess of loss policies. There were no major changes in the reinsurance arrangements for all lines of business clubbed under others for this period, however the capacity (limits) increased which led to the gradual decrease in cession ratio over the period. This was in line with the Company's strategy to increase retention.

Net premiums earned

Table No. 26 Net earned premiums for the financial years ending December 31, 2021G, and 2022G.

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Medical	231,498	549,284	137.3%
Motor	640,918	532,527	(16.9%)
Property	7,026	13,508	92.3%
Energy	700	1,272	81.7%
Engineering	4,590	7,281	58.6%
Protection & Savings	119,537	150,721	26.1%
Others	37,261	48,757	30.9%
Total	1,041,530	1,303,350	25.1%
	<i>As a % of total</i>		<i>ppt.</i>
Medical	22.2%	42.1%	19.9
Motor	61.5%	40.9%	(20.7)
Property	0.7%	1.0%	0.4
Energy	0.1%	0.1%	0.0
Engineering	0.4%	0.6%	0.1
Protection & Savings	11.5%	11.6%	0.1
Others	3.6%	3.7%	0.2

Source: Audited financial statements for the financial years ending December 31, 2021G, and 2022G



Total net premiums earned increased by 25.1% to 1,303.4 million Saudi Riyals in 2022G mainly driven by the increase in medical net earned premiums by 317.8 million Saudi Riyals, mainly with the growth of the medical segment portfolio with an increase in protection and savings net earned premiums by 31.2 million Saudi Riyals in 2022G, following the acquisition of SABB Takaful. This was partially offset by a decrease in net earned premiums for the motor sector by 108.4 million Saudi Riyals during the same period, as part of the Company's efforts to clean up its portfolio belonging to the motor sector, by not renewing large loss-making accounts.

Reinsurance commissions

Table No. 27 Reinsurance commissions for the financial years ending December 31, 2021G, and 2022G.

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Medical	901	807	(10.4%)
Motor	37	18	(51.4%)
Property	22,156	17,166	(22.5%)
Energy	17,584	26,779	52.3%
Engineering	17,435	14,557	(16.5%)
Protection & Savings	1,238	1,517	22.5%
Others	16,811	18,208	8.3%
Total	76,162	79,052	3.8%
Reinsurance commissions received as a % of reinsurance premiums ceded			ppt.
Medical	22.6%	29.7%	7.2
Motor	10.6%	11.6%	1.1
Property	8.6%	9.2%	0.5
Energy	5.4%	4.3%	(1.1)
Engineering	20.4%	16.2%	(4.2)
Protection & Savings	3.4%	2.7%	(0.7)
Others	5.7%	8.3%	2.6
Total	7.3%	7.2%	(0.2)

Source: Audited financial statements for the financial years ending December 31, 2021G, and 2022G

Medical

Medical reinsurance commissions decreased by 10.4% from 901 thousand Saudi Riyals in 2021G to SAR 807 thousand Saudi Riyals in 2022G, largely due to the decrease in the medical cession ratio from 2.0% in 2021G to 0.6% during the same period.

Motor

Motor reinsurance commissions stood at negligible amounts of 37 thousand Saudi Riyals in 2021G, 18 thousand Saudi Riyals in 2022G, as the Motor line of business is covered by excess of loss policies.



Property

Property reinsurance commissions decreased by 22.5% from 22.2 million Saudi Riyals in 2021G to 17.2 million Saudi Riyals in 2022G, in line with the decrease in property cession ratio from 96.7% in 2021G to 94.4% in 2022G.

Energy

Energy reinsurance commissions increased by 52.3% from SAR 17.6 million in 2021G to SAR 26.8 million in 2022G in line with the increase in the Energy reinsurance premiums ceded from 507.4 million Saudi Riyals in 2021G to 639.2 million Saudi Riyals in 2022G.

Engineering

Engineering reinsurance commissions decreased by 16.5% to SAR 14.6 million in 2022G, in line with the reduction in ceded earned premiums from SAR 105.5 million in 2021G to SAR 84.8 million in 2022G. Noting that the Company recorded SAR 3.4 million sliding commission related to prior periods in 2022G. This was in line with the decrease in RI commission received as a % of ceded premiums from 20.4% in 2021G to 16.2% in 2022G.

Protection and savings

Protection and savings reinsurance commissions increased by 22.5 % from 1.2 million Saudi Riyals in 2021G to 1.5 million Saudi Riyals in 2022G in line with the increase in reinsurance premiums ceded from 33.4 million Saudi Riyals in 2021G to 59.0 million in 2022G.

Others

Others reinsurance commissions increased by 8.3% from 16.8 million Saudi Riyals in 2021G to 18.2 million Saudi Riyals in 2022G, in line with the movement in reinsurance premiums ceded during the period, mainly relating to the Marine Cargo line of business.

Other underwriting income

Other underwriting income increased from 3.6 million Saudi Riyals in 2021G to 41.5 million Saudi Riyals in 2022G driven by the increase in ministry of Hajj & Umrah profit to 23.5 million Saudi Riyals, following recovery to post Covid-19 levels. Further positive impact was registered due to the acquisition of SABB Takaful, whereby the Company was entitled to more shares for the General Accident segment.

Underwriting Costs and Expenses

Table No. 28 Underwriting costs and expenses for the financial years ending December 31, 2020G, 2021G, and 2022G.

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Gross claims paid	1,005,078	1,277,071	27.1%
Surrenders and maturities	17,447	43,658	150.2%



Expenses incurred related to claims	20,175	41,320	104.8%
Reinsurers share of claims paid	(147,905)	(299,094)	102.2%
Net claims and other benefits paid	894,795	1,062,955	18.8%
Changes in outstanding claims	247,118	(25,020)	(110.1%)
Changes in reinsurance share of outstanding claims	(176,028)	114,722	(165.2%)
Changes in claims incurred but not reported	95,225	1,240	(98.7%)
Changes in reinsurance share of claims incurred but not reported	(91,955)	7,728	(108.4%)
Net claims and other benefits incurred	969,155	1,161,625	19.9%
Additional premium reserves	(16,956)	(1,336)	(92.1%)
Other technical reserves	(941)	(1,298)	37.9%
Change in mathematical reserves, net	-	672	na
Changes in unit-linked reserves	-	(14,899)	na
Policy acquisition costs	60,119	87,401	45.4%
Other underwriting expenses	105,962	132,353	24.9%
Total underwriting costs and expenses	1,117,339	1,364,518	22.1%

Source: Audited financial statements for the financial years ending December 31, 2020G, 2021G, and 2022G

Net claims incurred and net loss ratio

The Company's net loss ratio increased from 93.1% in 2021G to 89.1% in 2022G, mainly caused by the decrease in medical net loss ratio due to more selective underwriting, coupled with renewing several key accounts at higher premiums, which led to notable improvements in the performance of the medical line of business. This was further impacted by several cost containment measures and process optimization initiatives, notably related to claims handling, which further drove the improvement in net loss ratio in the last quarter of 2022G.

Table No. 29 Net claims and other benefits incurred and net loss ratio for the financial years ending December 31, 2021G, and 2022G

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Net claims and other benefits incurred			
Medical	229,247	491,177	114.3%
Motor	611,495	512,968	(16.1%)
Property	3,353	15,482	361.7%
Energy	122	257	110.7%
Engineering	947	1,840	94.3%
Protection & Savings	109,773	131,760	20.0%
Others	14,218	8,141	(42.7%)
Total	969,155	1,161,625	19.9%
Net loss ratio			ppt.



Medical	99.0%	89.4%	(9.6)
Motor	95.4%	96.3%	0.9
Property	47.7%	114.6%	66.9
Energy	17.4%	20.2%	2.8
Engineering	20.6%	25.3%	4.6
Protection & Savings	91.8%	87.4%	(4.4)
Others	38.2%	16.7%	(21.5)
Total	93.1%	89.1%	(3.9)

Source: Audited financial statements for the financial years ending December 31, 2021G, 2022G

Medical

Medical net loss ratio then decreased from 99.00% in 2021G to 89.4% in 2022G, mainly driven by the increase in medical net earned premiums by 137.3% from 231.5 million Saudi Riyals in 2021G to 549.3 million Saudi Riyals in 2022G, while medical net claims and other benefits incurred increased at a lesser rate by 114.3% from 229.2 million Saudi Riyals to 491.2 million Saudi Riyals during the same period. This was mainly impacted by the Company being more selective in its underwriting, in terms of size and type of clients. This was coupled with the fact that the Company could renew key accounts at higher premium rates.

Motor

Motor net loss ratio increased from 95.4% in 2021G to 96.3% in 2022G, mainly driven by the decrease in Motor net earned premiums by 16.9% from SAR 640.9 million in 2021G to SAR 532.5 million in 2022G, while Motor net claims and other benefits incurred decreased at a lesser rate by 16.1% from SAR 611.5 million to SAR 513.0 million during the same period. In 2022G, the Company focused on technical and operational remediation, which resulted in an improvement in the last quarter of 2022G. The Company's main corrective actions revolved around cleansing the Motor portfolio, with a focus on retaining top performing accounts, implementing controls in pricing, improved sophistication in claims processes, and more vigilant business monitoring. This limited the increase in Motor net loss ratio in 2022G.

Property

Property net loss ratio further increased from 47.7% in 2021G to 114.6% in 2022G, mainly driven by the increase in Property net claims and other benefits incurred by 361.7% from 3.4 million Saudi Riyals in 2021G to 15.5 million Saudi Riyals in 2022G, while net earned premiums increased at a lesser rate by 92.3% from 7.0 million Saudi Riyals to 13.5 million Saudi Riyals during the same period.

Given the Property line of business is highly reinsured, fluctuations in net loss ratio have minimal impact and contribution to the profitability of the overall underwriting portfolio.

Energy

Energy net loss ratio stood at 17.4% in 2021G and 20.2% in 2022G. Given that the Energy line of business is highly reinsured, the increase in net loss ratio had a minimal contribution to the



profitability of the overall underwriting portfolio. The slight increase in the net loss ratio is mainly caused by slight fluctuations in net claims incurred and net earned premiums.

Engineering

Engineering net loss ratio stood at 20.6%, and 25.3% in 2021G and 2022G. Given that the Engineering line of business is highly reinsured, the increase in net loss ratio had a minimal contribution to the profitability of the overall underwriting portfolio. The slight increase in net loss ratio is mainly caused by slight fluctuations in net claims incurred at a higher rate than fluctuations in net earned premiums in 2021G and 2022G.

Protection and Savings

Protection and Savings net loss ratio decreased from 91.8% in 2021G to 87.4% in 2022G, mainly driven by the increase in net earned premiums by 26.1% from SAR 119.5 million in 2021G to SAR 150.7 million in 2022G, while Protection and Savings net claims and other benefits incurred increased at a lesser rate by 20.0% from SAR 109.8 million to SAR 131.8 million during the same period.

The Protection and Savings portfolio continued to grow gradually, which resulted in a bigger and more diversified population and resulted in a more stabilized loss ratio in 2022G as compared to prior period. Furthermore, the loss ratio of the biggest Credit Life account was favorable in 2022G which also has supported the improvement of net loss ratio for the Protection and Savings line of business in 2022G compared to 2021G.

Others

Net loss ratio for the lines of business clubbed under «**Others**» stood at 38.2%, and 16.7% in 2021G, and 2022G, respectively.

The increase in net loss ratio in 2021G is mainly attributable to the witnessed volatility in the Marine net loss ratio during the period.

Changes in reserves

Table No. 30 Changes in reserves for the financial years ending December 31, 2020G, 2021G, and 2022G.

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Additional premium reserves	(16,956)	(1,336)	(92.1%)
Other technical reserves	(941)	(1,298)	37.9%
Change in mathematical reserves, net	-	672	na
Changes in unit-linked reserves	-	(14,899)	na
Total change in technical reserves	(17,897)	(16,861)	(5.8%)

Source: Audited financial statements for the financial years ending December 31, 2021G, 2022G

Total change in technical reserves slightly decreased by 5.8% to SAR 16.9 million in 2022G on the back of a decrease in the changes in unit-linked reserves from nil in 2021G to -SAR 14.9 million in



2022G, in relation to the merger with SABB Takaful. Noting that in 2022G, due to an improvement in the Motor book of business, the additional premium reserve registered a continued decline.

Policy acquisition costs and commission expense ratio

Table No. 31 Policy acquisition costs and commission expense ratio for the financial years ending December 31, 2020G, 2021G, and 2022G

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Policy acquisition costs and commissions expense			
Medical	13,531	30,321	124.1%
Motor	25,312	29,052	14.8%
Property	5,393	8,120	50.6%
Energy	19	53	178.9%
Engineering	5,969	6,061	1.5%
Protection & Savings	261	1,146	339.1%
Others	9,634	12,648	31.3%
Total	60,119	87,401	45.4%
Commission paid as a % of gross written premiums			ppt.
Medical	5.6%	5.3%	(0.3)
Motor	4.3%	6.0%	1.7
Property	2.2%	4.9%	2.6
Energy	0.0%	0.0%	(0.0)
Engineering	6.7%	8.3%	1.7
Protection & Savings	0.2%	0.5%	0.4
Others	3.7%	4.8%	1.1
Total	3.0%	3.9%	0.8

Source: Audited financial statements for the financial years ending December 31, 2021G, and 2022G

Medical

Medical policy acquisition costs further increased by 124.1% from 13.5 million Saudi Riyals in 2021G to 30.3 million Saudi Riyals in 2022G, despite a slight decrease in policy acquisition costs paid as a % of gross written premiums to 5.3% in 2022G. This was driven by the considerable increase in medical gross premiums written in 2022G. This was in line with the Company's strategy to grow its medical portfolio.

Motor

Motor policy acquisition costs increased by 14.8% from 25.3 million Saudi Riyals to 29.1 million Saudi Riyals in 2022G, in line with the increase in policy acquisition costs paid as a % of gross written premiums from 4.3% in 2021G to 6.0% in 2022G, mainly driven by a considerable increase in corporate leasing and rental business, which carries significantly higher commission rates.



Property

Property policy acquisition costs further increased by 50.6% from 5.4 million Saudi Riyals to 8.1 million Saudi Riyals in 2022G, in line with the increase in policy acquisition costs paid as a % of gross written premiums from 2.2% in 2021G to 4.9% in 2022G.

Energy

Energy policy acquisition costs remained minimal amounts of 19 thousand Saudi Riyals in 2021 and 53 thousand Saudi Riyals in 2022G, respectively. As the Energy portfolio policy acquisition costs was already existing under the Property and Fire portfolios in 2020G.

Engineering

Engineering policy acquisition costs slightly increased by 1.5% from 6.0 million Saudi Riyals in 2021G to 6.1 million Saudi Riyals in 2022G in line with the increase in commissions paid as a % of gross premiums written from 6.7% in 2021G to 8.3% in 2022G, despite a decrease in engineering gross premiums written during the period.

Protection & savings

Protection and Savings policy acquisition costs increased from 261 thousand Saudi Riyals to 1.1 million Saudi Riyals in 2022G, driven by the organic growth of this portfolio, in line with Management's strategy to grow the Protection and Savings line of business.

Others

Others policy acquisition costs increased by 31.3% from 9.6 million Saudi Riyals in 2021G to 12.6 million Saudi Riyals in 2022G. This was in line with the increase in commissions paid as a % of gross premiums written from 3.7% in 2021G to 4.8% in 2022G, and the increase in Others gross written premiums during the period.

Other underwriting expenses

Other underwriting expenses further increased by 24.9% from 106.0 million Saudi Riyals to 132.4 million Saudi Riyals in 2022G mainly driven by an increase in marketing expenses by SAR 21.2 million, mainly relating to securing tourist medical policies. This was coupled with a further increase in withholding tax expenses by SAR 11.5 million in 2022G. This expense pertains to a specific Energy policy which is reinsured out of KSA. As per the reinsurance arrangement for this Energy policy, the Company bears the withholding tax expense under other underwriting expenses.



Other operating expenses / (income)

Table No. 32 Other operating expenses / (income) for the financial years ending December 31, 2021G, and 2022G

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Allowance for doubtful debts	17,198	5,033	(70.7%)
General and administrative expenses	150,898	177,265	17.5%
Commission income	(23,812)	(23,995)	0.8%
Dividend income on investments	(9,601)	(12,308)	28.2%
Impairment on available for sale investments	6,765	800	(88.2%)
Realized gain on available for sale investments	(15,074)	(30,564)	102.8%
Realized gain on held for trading investments	(8,018)	(6,878)	(14.2%)
Unrealized gain/(loss) on held for trading investments	(1,572)	2,567	(263.3%)
Change in fair value of PH Unit-linked investments	-	12,892	na
Bargain Purchase gain	-	(49,677)	na
Total operating expenses / (income)	116,784	75,135	(35.7%)

Source: Audited financial statements for the financial years ending December 31, 2021G, and 2022G

Allowance for doubtful debts

Allowance for doubtful debts decreased from 17.2 million Saudi Riyals in 2021G to 5.0 million Saudi Riyals in 2022G, on the back of a lower movement in the receivables aging brackets subject to provision during 2022G in comparison to 2021G, which led to a significantly lower provision expense during the period. This was in line with the Company's efforts to improve the credit collection process.

General administrative expenses

Table No. 33 General and administrative expenses for the financial years ending December 31, 2021G, and 2022G

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Salaries, benefits, and remunerations	88,014	109,411	24.3%
Advertising, marketing, and branch development expenses	654	889	35.9%
Rent	4,524	4,878	7.8%
Insurance, utilities, and maintenance	2,543	2,213	(13.0%)
Depreciation and amortization	10,580	9,621	(9.1%)
Communications and technology	15,898	15,323	(3.6%)
Office supplies and printing	490	458	(6.5%)
Training and education	1,283	1,409	9.8%
Professional	10,786	14,711	36.4%
Others	16,126	18,352	13.8%
Total	150,898	177,265	17.5%

Source: Audited financial statements for the financial years ending December 31, 2021G, and 2022G.



Total general administrative expenses increased further from 150.9 million Saudi Riyals in 2021G to 177.3 million Saudi Riyals in 2022G, mainly resulting from the increase in salaries, benefits, and remunerations by SAR 21.4 million during the period. The increase in benefits and remuneration is mainly attributable to the increase in headcount from 452 in 2021G to 553 in 2022G, including 2 additional months payroll costs following the merger with SABB Takaful, and further impacted by a bonus provision taken in 2022G, while there was no bonus provision in 2021G. This was coupled with the increase in professional expenses by SAR 3.9 million mainly pertaining to a medical strategy consultation project in 2022G and IFRS 17 implementation costs.

Net investment income

Table No. 34 Net investment income for the financial years ending December 31, 2021G, and 2022G

In SAR thousands	Financial year 2021G (Audited)	Financial year 2022G (Audited)	Annual growth 2021G-2022G
Commission income	23,812	23,995	0.8%
Dividend income on investments	9,601	12,308	28.2%
Impairment on available for sale investments	(6,765)	(800)	(88.2%)
Realized gain on available for sale investments	15,074	30,564	102.8%
Realized gain on held for trading investments	8,018	6,878	(14.2%)
Unrealized gain/(loss) on held for trading investments	1,572	(2,567)	(263.3%)
Total	51,312	70,378	37.2%

Source: Audited financial statements for the financial years ending December 31, 2021G, and 2022G.

Total net investment income further increased from 51.3 million Saudi Riyals in 2021G to 70.4 million Saudi Riyals in 2022G on the back of a further increase in realized gain on available for sale investments by SAR 15.5 million mainly pertaining to investments in new IPO shares, notably one major IPO which generated SAR 22.0 million in realized gains in 2022G. This was coupled with the slight increase in dividend income on available for sale investments of SAR 2.7 million in 2022G, in line with a slight recovery in the equity portfolio yield during the period.

Change in fair value of PH unit-linked investments

The Company recorded a change in fair value for policyholder's unit-linked investments amounting to -12.9 million Saudi Riyals in 2022G. This mainly pertains to the unit linked Protection and Savings portfolio which was acquired as part of the merger with SABB Takaful in the last quarter of 2022G.

Bargain purchase gain

Bargain purchase gain changed from a zero balance in 2021G to -49.7 million Saudi Riyals in 2022G resulting from undertaking the purchase price allocation methodology in connection with the merger with SABB Takaful.

Net income / (loss)

Net loss decreased from 122.1 million Saudi Riyals in 2021G to 27.4 million Saudi Riyals in 2022G, mainly due to the increase in the net underwriting income from SAR 4.0 million in 2021G to SAR



59.4 million in 2022G, in line with the improvement in net loss ratio from 93.1% to 89.1% during the period. This was coupled with the decrease in other operating expenses / (income) by SAR 41.6 million in 2022G, which further impacted the decrease in combined ratio from 117.8% in 2021G to 113.9% in 2022G.

5-5-2 Statement of Financial Position

Table No. 35 Statement of Financial Position as of December 31, 2021G, and 2022G.

In SAR thousands	December 31, 2021G (audited)	December 31, 2022G (audited)
Total Assets	3,447,181	4,882,428
Total Liabilities	2,636,555	3,822,978
Total Equity	810,626	1,059,450
Total Liabilities and Equity	3,447,181	4,882,428

Source: Audited financial statements analysis for the financial years ending 31 December, 2021G and 2022G.

Table No. 36 Statement of Financial Position Key Performance Indicators as of December 31, 2021G, and 2022G.

In SAR thousands	31 December 2021G (audited)	31 December 2022G (audited)
Unearned premiums / Gross premiums written	45.9%	44.7%
Net Outstanding claims / Net claims and other benefits incurred	14.6%	21.9%
Reinsurers' share of Outstanding claims and IBNR / Outstanding claims and IBNR	65.4%	54.7%
Reinsurers' share of unearned premiums / Unearned premiums	50.1%	52.2%
Total assets / Total liabilities	130.7%	127.7%
ROA	(3.5%)	(0.6%)
ROE	(15.1%)	(2.6%)

Source: Audited financial statements analysis for the financial years ending 31 December, 2021G and 2022G.

Total Assets

Total of assets increased from 3,447.2 million Saudi Riyals in as in December 31, 2021G to 4,882.4 million Saudi Riyals as in December 31, 2022G, mainly stemming from adding the unit-linked investment portfolio amounting to SAR 483.7 million at December 31, 2022G, as part of the merger with SABB Takaful. This unit linked investment portfolio is fully offset by a unit linked reserves as presented on liabilities. In addition, prepaid expenses and other assets increased by 214.4 million Saudi Riyals at December 31, 2022G, due reinsurance receivables. Reinsurance receivables increased mainly due to one large claim from property line which was receivable from reinsurer as at December 31, 2022G. In addition to this, prepaid and other assets increased due to increase in Hajj, Umrah and Manafeth profit share by 26.7 million Saudi Riyals during the same period, impacted by the merger with SABB Takaful. Furthermore, the increase in assets at December 31, 2022G was also driven by the increase in cash and cash equivalents by 209.2 million Saudi Riyals



during the mentioned period, driven by additions to time deposits amounting to 173.9 million Saudi Riyals in 2022G.

Total Liabilities

Total liabilities further increased from 2,636.6 million Saudi Riyals as in December 31, 2021G to 3,823.0 million Saudi Riyals as in December 31, 2022G, mainly driven by the addition in the unit-linked reserves 483.7 million Saudi Riyals, fully offsetting the unit linked investment portfolio asset account. This was coupled with the increase in policyholders claims payable by 222.9 million Saudi Riyals during the period, due to the settlement of a long outstanding claim with a specific client, whereby the claim was moved from outstanding claims and credited to the client statement of account under policyholders claims payable.

Total Equity

Total equity increased from 810.6 million Saudi Riyals as in 31 December 31, 2021G to 1,059.5 million Saudi Riyals as in 31 December, 2022G mainly stemming from the increase in share capital by 204.2 million Saudi Riyals to reach 850.6 million Saudi Riyals as at December 31, 2022G, and the increase in share premium by 89.8 million Saudi Riyals, following the acquisition of SABB Takaful. This was partially offset by the increase in accumulated losses by 27.4 million Saudi Riyals, in line with the net loss recorded in 2022G.

Assets

Table No. 37 Assets as of December 31, 2021G, and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Cash and Cash equivalents	325,055	534,221
Short term deposits	201,659	355,000
Long term deposits	100,000	50,000
Premiums and reinsurer's receivables, net	582,129	727,862
Reinsurers' share of unearned premiums	538,598	616,806
Reinsurers' share of outstanding claims	338,919	291,813
Reinsurers' share of claims incurred but not reported	149,655	180,995
Reinsurers' share of mathematical reserves	123,696	89,123
Deferred policy acquisition costs	36,476	51,236
Investments	773,236	910,202
Unit linked investments	-	483,741
Due from Insurance/Shareholders operations	4,437	10,827
Prepaid expenses and other assets	97,401	311,797
Plant and equipment, net	30,969	32,061
Intangible assets	37,713	92,857
Goodwill	24,415	24,415
Statutory deposit	64,640	85,058



In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Accrued income on statutory deposit	10,764	17,246
Accrued commission income	7,419	17,168
Total assets	3,447,181	4,882,428

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G.

Cash and cash equivalents

Table No. 38 Cash and cash equivalents as of December 31, 2021G, and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Cash and cash equivalents	322,883	300,240
Time deposits (having maturity up to 90 days)	-	123,888
Total insurance operations	322,883	424,128
Cash and cash equivalents	2,172	60,093
Time deposits (having maturity up to 90 days)	-	50,000
Total shareholders' operations	2,172	110,093
Total cash and cash equivalents	325,055	534,221

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G.

Total cash and cash equivalents increased from 325.1 million Saudi Riyals as in December 31, 2021G to 534.2 million Saudi Riyals as in December 31, 2022G, mainly driven by the increase in cash from shareholder's operations and insurance operations by 107.9 million Saudi Riyals and 101.2 million Saudi Riyals, respectively.

Cash and cash equivalents from insurance operations increased from 322.9 million Saudi Riyals as in December 31, 2021G to 424.1 million Saudi Riyals as in 31 December 2022G mainly driven by the placement of short-term time deposits with original maturity of less than 90 days amounted to 123.9 million Saudi Riyals.

Cash and cash equivalents from shareholder's operations increased from 2.2 million Saudi Riyals as in December 31, 2021G to 110.1 million Saudi Riyals as in December 31, 2022G mainly driven by the increase in cash and cash equivalents by 57.9 million Saudi Riyals across 2021G-2022G period coupled with the placement of short term time deposits with original maturity of less than 90 days amounted to 50.0 million Saudi Riyals during 2022G.

Short term deposits

Short term deposits are placed with counterparties that have credit ratings equivalent to «**BBB**» to «**BBB+**» ratings under Standard and Poor's, Fitch, and Moody's rating Methodology. The average commission rate stood at 1.64% and 4.2% per annum in 2021G and 2022G, respectively.



Short term deposits increased from 201.7 million Saudi Riyals as in December 31, 2021G to 355.0 million Saudi Riyals as in December 31, 2022G, driven by additions amounting to 153.3 million Saudi Riyals during the period.

Long term deposits

Long term deposits decreased from 100.0 million Saudi Riyals as in December 31, 2021G to 50.0 million Saudi Riyals as at December 31, 2022G, due to the maturity of MetLife deposits.

Premiums and reinsurers' receivables premium receivables

Table No. 39 Net premiums and reinsurers' receivables as of December 31, 2021G, and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Policyholders	201,080	444,208
Brokers and agents	393,052	224,165
Related parties	5,938	68,523
Receivables from reinsurers	32,702	52,248
Gross premiums and reinsurers' receivables	632,772	789,144
Less: provision for doubtful debts	(50,643)	(61,282)
Net premiums and reinsurers' receivables	582,129	727,862

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G

Table No. 40 Movement in provision for doubtful debts as of December 31, 2020G, 2021G, and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Balance, January 1	39,321	50,643
Addition from merger	-	5,606
Provision for the year	17,198	5,033
Provision written off	(5,876)	-
Balance, December 31	50,643	61,282

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G

Net Premiums and reinsurer's receivables increased from 582.1 million Saudi Riyals as in December 31, 2021G, to SAR 727.9 million as at December 31, 2022G on the back of a further increase in policyholders' receivables in line with the growth in gross premiums written during the period, coupled with the increase in related parties receivables by 62.6 million Saudi Riyals mainly related to related party receivables balances which were added as part of the merge with SABB Takaful. This was partially offset by a decrease in brokers and agents' receivables from 393.1 million Saudi Riyals as in December 31, 2021G to 224.2 million Saudi Riyals as in December 31, 2022G



driven by processing a large claim for one major client that turned into payable and classified as Policyholders claims payables. This caused decrease in brokers and agents receivables as of 31 December 2022G, comparing with the balances as in 31 December 2021G.

Table No. 41 Ageing of gross premiums and reinsurers' receivables as of December 31, 2021G, and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Au- dited)
Policyholders, Brokers, and agents		
Neither impaired nor past due	433,969	493,948
91-80 days	77,937	71,134
181-360 days	25,132	35,663
More than 360 days	6,878	8,778
Total policyholders	543,916	609,523
Due from related parties		
Neither impaired nor past due	5,749	63,010
91-80 days	8	2,525
181-360 days	32	1,313
More than 360 days	34	198
Total due from related parties	5,823	67,046
Receivable from reinsurers		
Neither impaired nor past due	27,110	15,316
91-80 days	3,710	21,039
181-360 days	1,466	13,453
More than 360 days	104	1,485
Total receivable from reinsurers	32,390	51,293
Total net premium and reinsurance receivables	582,129	727,862

Source: Audited financial statements for the financial years ending December 31, 2021G and 2022G

Net receivables aged between 181 and 360 days represented 6.9% of total net receivables as in December 31, 2022G, while net receivables aged over 360 days represented only 1.4% of total net receivables as in December 31, 2022G. The Company enters into insurance and reinsurance contracts with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables are monitored on an ongoing basis to reduce the Company's exposure to bad debts. The Company achieved notable improvements in its credit control and collection procedures in 2022G, as evidenced by the decrease in provisions for the year from 17.2 million Saudi Riyals as in December 31, 2021G to 5.0 million Saudi Riyals as in December 31, 2022G despite the continued growth in business (GWP).

The five largest customers accounted for 35.0% of the gross premium receivables as in December 31, 2021G, and decreased to 28.0% as in December 31, 2022G, highlighting a notable improvement in receivables concentration.



Reinsurers' share of reserves

Table No. 42 Reinsurers' share of reserves as of December 31, 2020G, 2021G, and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Reinsurer's share of unearned premiums	538,598	616,806
Reinsurer's share of outstanding claims	338,919	291,813
Reinsurer's share of claims incurred but not reported	149,655	180,995
Reinsurer's share of mathematical reserves	123,696	89,123
Total reinsurers' share of reserves	1,150,868	1,178,737

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G

Total reinsurers' share of reserves increased 1,150.9 million Saudi Riyals as in December 31, 2021G to 1,178.7 million Saudi Riyals as in December 31, 2022G primarily due to the increase in reinsurers' share of unearned premiums to 616.8 million Saudi Riyals on the back of a further increase in gross unearned premiums reserves, offset by the continued decrease in reinsurers' share of mathematical reserves to 89.1 million Saudi Riyals during the same period.

Deferred policy acquisition costs

Table No. 43 Deferred policy acquisition costs as of December 31, 2021G, and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Balance, January 1	25,355	36,476
Acquired from business combination	-	2,703
Additions from merger	-	-
Incurred during the year	71,240	99,458
Amortized / earned during the year	(60,119)	(87,401)
Balance, December 31	36,476	51,236

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G

Deferred policy acquisition costs increased 36.5 million Saudi Riyals as in December 31, 2021G to 51.2 million Saudi Riyals as in December 31, 2022. This increase in deferred acquisition costs is in line with the increase in gross unearned premium from 1,074.1 million Saudi Riyals as in December 31, 2022G and to 1,182.0 million Saudi Riyals as in December 31, 2022G.



Investments

Table No. 44 Investments as of December 31, 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Shareholders' operations		
Available for sale	374,554	320,529
Held for trading	86,367	79,924
Held to maturity	249,367	298,456
Available for sale	-	-
Held for trading	-	-
Held to maturity	62,948	211,293
Total investments	773,236	910,202

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G

Total investments increased from 773.2 million Saudi Riyals as in December 31, 2021G to 910.2 million Saudi Riyals as in December 31, 2022G on the back of an additional increase in held to maturity investments. With an increase of 197.4 million Saudi Riyals the held to maturity investments increased to 509.7 million Saudi Riyals as in December 31, 2022G. This increase was partially offset by a decrease in available for sale investments to 320.5 million Saudi Riyals as in December 31, 2022G driven by disposals of quoted and unquoted equity securities amounting to 126.9 million Saudi Riyals during 2022G.

Unit linked investments

The Company acquired a unit linked Protection and Savings investment portfolio as part of the merger with SABB Takaful which took full effect on October 19, 2022G. The investment portfolio amounted to 483.7 million Saudi Riyals as at December 31, 2022G. These investments have an equivalent amount of unit linked reserves as presented under liabilities.

Due from Insurance / shareholders' operations

As per Insurance implementing regulations, the policyholders and shareholders' books are to be maintained separately. The balance from one side is equivalent and off set with the balance from another side. Transactions that are reflected in these accounts mainly comprise of fund movements for making investments and paying zakat, transfer of profit or loss from insurance operations to shareholders operations. This account is meant to offset dues from shareholders' operations on the asset side to clearly reflect transactions between shareholders and policyholders.

As in December 31, 2022G, in shareholders books, the balance turned into payable to insurance operations gain mainly due to the losses from insurance operations amounting to 104.6 million Saudi Riyals. This has been offset with fund transferred from shareholders operations to insurance operations.

Prepaid expenses and other assets

Prepaid expenses and other assets increased significantly from 97.4 million Saudi Riyals as in December 31, 2021G to 311.8 million Saudi Riyals as in December 31, 2022G on the back of a significant increase in reinsurer receivables due to one large claim coupled with an increase in Hajj & Umrah and Manafeth profit share by SAR 26.7 million during the period.



Property and equipment

Table No. 45 Net book value of property and equipment as of December 31, 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Land	16,400	16,400
Furniture and fixtures	3,605	3,883
Computer equipment	4,459	5,308
Vehicles	55	115
Right of use assets	6,450	6,355
Total net book value	30,969	32,061

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G

Table No. 46 Cost of property and equipment for the financial years ending 31 December 2021G, and 2022G

In SAR thousands	31 December 2021G(Audited)	31 December 2022G (Audited)
Land	16,400	16,400
Furniture and fixtures	19,893	21,691
Computer equipment	21,626	24,549
Vehicles	714	1,197
Right of use assets	18,155	12,976
Total	76,788	76,813

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G

Table No. 47 Accumulated depreciation for the financial years ending 31 December 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Furniture and fixtures	16,288	17,808
Computer equipment	17,167	19,241
Vehicles	659	1,082
Right of use assets	11,705	6,621
Total	45,819	44,752

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G

Land

During 2021G, the company purchased Land amounting to SAR 16.4 million aiming to construct and to move its head office to this new location. However, it is worth noting that no construction has started on this land.

Furniture and fixtures

Furniture and fixtures net book value slightly increased from 3.6 million Saudi Riyals as in December 31, 2021G to 3.8 million Saudi Riyals as in December 31, 2022G on the back of additions amounting



to 1.8 million Saudi Riyals, partially offset by depreciation charges amounting to 1.5 million Saudi Riyals during the same period.

Computer equipment

Computer equipment net book value increased from 4.5 million Saudi Riyals as in December 31, 2021G to 5.3 million Saudi Riyals as in December 31, 2022G largely driven by additions amounting to 2.9 million Saudi Riyals, partially offset by depreciation charges amounting to 2.1 million Saudi Riyals during the same period.

Vehicles

Vehicles net book value further increased from 55 thousand Saudi Riyals as in December 31, 2021G to 115 thousand Saudi Riyals as in December 31, 2022G due to additions amounting to 86 thousand Saudi Riyals partially offset by depreciation charges amounting to 26 thousand Saudi Riyals.

Right of use assets

Remaining right of use assets net book value is stable and slightly increased from 6.5 million Saudi Riyals as in December 31, 2021G to 6.4 million Saudi Riyals as in December 31, 2022G.

Intangible assets

Table No. 48 Net book value of intangible assets as of December 31, 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Software and Licenses	5,182	7,418
Customer Contract (MetLife ALICO) - Addition from MetLife merger	5,324	5,322
Customer Relations (ANB) - Addition from MetLife merger	2,360	1,886
Life License - Addition from MetLife merger	24,847	24,847
Individual life - Addition from SABB Takaful merger	-	48,899
General Takaful - Addition from SABB Takaful merger	-	4,485
Total net book value	37,713	92,857

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G

Table No. 49 Cost of intangible assets for the financial years ending 31 December, 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Software and Licenses	16,546	34,255
Customer Contract (MetLife ALICO) - Addition from MetLife merger	5,454	5,454
Customer Relations (ANB) - Addition from MetLife merger	2,832	2,832
Life License - Addition from MetLife merger	24,847	24,847
Individual life - Addition from SABB Takaful merger	-	48,899
General Takaful - Addition from SABB Takaful merger	-	4,485
Total	49,679	120,772

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G



Amortization

Table No. 50 Accumulated amortization for the financial years ending 31 December 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Software and Licenses	11,364	26,837
Customer Contract (MetLife ALICO) - Addition from MetLife merger	130	132
Customer Relations (ANB) - Addition from MetLife merger	472	946
Life License - Addition from MetLife merger	-	-
Individual life - Addition from SABB Takaful merger	-	-
General Takaful - Addition from SABB Takaful merger	-	-
Total Accumulated Amortization	11,966	27,915

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G

Total intangible assets net book value increased from 37.7 million Saudi Riyals as in December 31, 2021G to 92.9 million Saudi Riyals as in December 31, 2022G primarily related to the increase in individual life net book value by 48.9 million Saudi Riyals. This individual life intangible resulted from the purchase price allocation (PPA) exercise conducted by an independent consultant post-acquisition of SABB Takaful during the same period.

Goodwill

The Company recorded a goodwill amounting to SAR 24.4 million as at December 31, 2021G and 2022G. This related to the Company's merger with MetLife AIG ANB, and represents the fair value of the consideration paid in excess of the fair value of net assets or liabilities acquired.

Statutory deposit

Statutory deposit pertains to the deposited amount with a local bank (rated «A» by Standard & Poor), as required by the implementing regulations of the «**Law on Supervision of Cooperative Insurance Companies**» issued by Insurance Authority (IA) previously known as «**SAMA**». This statutory deposit cannot be withdrawn without the consent of The Insurance Authority.

Statutory deposit increased from 64.6 million Saudi Riyals as in December 31, 2021G to 85.1 million Saudi Riyals as in December 31, 2022G in line with the increase in share capital during the period.

Accrued income on statutory deposit

Accrued income on statutory deposit increased at an average of 10.5 million Saudi Riyals as in December 31, 2021G, to 17.2 million Saudi Riyals as in December 31, 2022G in line with the increase in the statutory deposit over the same period which has increased from 64.6 million Saudi Riyals as in December 2021G to 85.1 million Saudi Riyals as in December 31, 2022G. This accrued income on statutory deposit does not form part of the Company's income hence, an equivalent amount is presented as payable to Insurance Authority in liabilities section.



Accrued commission income

Accrued commission income is related to the commission income earned on short-term deposits, long term deposits and sukuks which have been placed with local and licensed foreign banks' branches in KSA within a maturity greater than three months.

Accrued commission income increased from 7.4 million Saudi Riyals as in December 31, 2021G to 17.2 million Saudi Riyals as in December 31, 2022G, in line with the gradual increase in the domestic Sukuks investment portfolio by 39.0% in 2021G and 63.0% in 2022G. Similarly, short term deposits portfolio increased by 76% in 2022G as compared to 2021G.

Liabilities

Table No. 51 Total liabilities as of December 31, 2021G, and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Policyholders claims payable	47,658	270,519
Accrued and other liabilities	190,702	309,693
Reinsurer's balance payable	335,026	452,929
Unearned premiums	1,074,103	1,182,003
Unearned reinsurance commission	31,258	46,085
Outstanding claims	480,616	546,399
Claims incurred but not reported	266,202	317,579
Gross mathematical reserves	123,696	89,795
Additional premium reserves	9,054	7,763
Other technical reserves	7,701	7,120
Unit-linked reserves	-	483,741
Due to Insurance / shareholders operations	4,437	10,827
End of service indemnities	21,982	26,948
Zakat and income tax	31,208	45,231
Accrued commission income payable to SAMA	10,764	17,246
Surplus distribution payable	2,148	9,100
Total liabilities	2,636,555	3,822,978

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G

Policyholders claims payable

Policyholders claims payable increased significantly from 47.7 million Saudi Riyals as in December 31, 2021G to 270.5 million Saudi Riyals as in December 31, 2022G, largely pertaining to a large claim from one specific policy amounting to 194.5 million Saudi Riyals, which was outstanding as at December 31, 2021G and was settled in 2022G. The settlement in this case means that the claim was moved from outstanding claims and credited to the client statement of account, under policyholders claims payable.



Accrued and other liabilities

Table No. 52 Accrued and other liabilities as of December 31, 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Accrued expenses	7,889	23,474
Marketing representative commissions	41,236	41,236
VAT payable to Zakat, Tax, and Customs Authority, net	27,881	30,180
Contribution payable to GOSI	673	874
Payable to suppliers and service provider	85,138	129,283
Lease rental	5,567	5,893
Other liabilities	22,318	78,753
Total accrued and other liabilities	190,702	309,693

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G

Accrued and other liabilities increased from SAR 190.7 million as at December 31, 2021G to SAR 309.7 million as at December 31, 2022G driven by the increase in payable to suppliers and service provider by SAR 44.2 million driven by:

- The increase in payables to Globemed by SAR 20.4 million, a new TPA provider for the Company
- The increase in payable balances to Al Elm information company by SAR 4.9 million
- The increase in payables to NextCare by SAR 3.4 million on account of a TPA fee increase

This was coupled with the increase in other liabilities by SAR 56.5 million coming from:

- Payables on account of surrenders and maturities for life policyholders increased by SAR 24 million. in 2022G, while the amount stood at a zero balance as SABB takaful was acquired in October 2022G.
- The increase in provision for Najm fees by SAR 7.7 million
- The increase in Inherent Defects Insurance (IDI) balance by SAR 22.3 million at December 31, 2022G, while in 2021G, the IDI payable balance was at minimal levels.

Reinsurers' balances payables

Reinsurers' balances payable increased from SAR 335.0 million as at December 31, 2021G to SAR 452.9 million as at December 31, 2022G, driven by further growth in the business, notably the increase in Energy gross premiums written to SAR 640.7 million in 2022G from SAR 508.7 million in 2021G, with a corresponding cession ratio of 99.8% in 2022G.



Unearned premiums

Table No. 53 Gross Unearned premiums as of December 31, 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Gross unearned premiums		
Balance as at the beginning of the year	789,964	1,074,103
Acquired from business combination	-	22,382
Premiums written / (ceded) during the year	2,338,834	2,641,932
Premiums (earned) / ceded during the year	(2,054,695)	(2,556,414)
Balance as at the end of the year	1,074,103	1,182,003

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G

Table No. 54 Reinsurers' share of unearned premiums as of December 31, 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Reinsurers' share of unearned premiums		
Balance as at the beginning of the year	(363,490)	(538,598)
Acquired from business combination	-	(16,766)
Premiums written / (ceded) during the year	(1,188,273)	(1,314,506)
Premiums (earned) / ceded during the year	1,013,165	1,253,064
Balance as at the end of the year	(538,598)	(616,806)
Net unearned premiums	535,505	565,197

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G

Gross unearned premiums increased from 1,074.1 million Saudi Riyals as in December 31, 2021G to 1,182.0 million Saudi Riyals as at December 31, 2022G, in line with the increase in the Medical, Engineering, and Energy lines of business by SAR 101.2 million, SAR 82.4 million and SAR 69.7 million, respectively. This was partially offset by the decrease in Motor and Property lines of business by SAR 94.8 million and SAR 89.0 million, respectively. The movement in unearned premiums was in line with the growth in the Company's underwriting portfolio over the period.

Unearned reinsurance commission

Table No. 55 Movement unearned reinsurance commission as of December 31, 2021G, and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Opening balance	20,472	31,258
Acquired from business combination	-	4,289
Incurred during the year	86,948	89,590
Amortized/ earned during the year	(76,162)	(79,052)
Closing balance	31,258	46,085

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G



Unearned reinsurance commission increased from 31.3 million Saudi Riyals as in December 31, 2021G to 46.1 million Saudi Riyals as in 31 December, 2022G due to the increase in the acquired from business combination by 4.3 million Saudi Riyals, relating to the merger with SABB Takaful and the increase in incurred during the year by 2.6 million Saudi Riyals.

The gradual increase in unearned reinsurance commission is in line with the increase in the Company's underwriting portfolio and the increase in reinsurance premiums ceded during the period.

Outstanding claims

Table No. 56 Outstanding claims reserve by line of business as of December 31, 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Outstanding claims		
Medical	45,290	102,873
Motor	46,500	56,110
Property	233,827	121,442
Energy	-	-
Engineering	35,033	47,091
Protection & Savings	47,588	118,027
Others	72,378	100,856
Total	480,616	546,399

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G

Outstanding claims reserve increased from 480.6 million Saudi Riyals as in December 31, 2021G to 546.4 million Saudi Riyals as in December 31, 2022G mainly driven by

- The increase in outstanding claims of the Protection & Savings line of business by SAR 70.4 million, out of which 49.6 million Saudi Riyals was added through the merger with SABB Takaful books, and 20.8 million Saudi Riyals pertaining to the movement in the Company's books, which is in line with the growth in business during the period
- The increase in outstanding claims of the medical line of business by 57.6 million Saudi Riyals, impacted by the significant increase in the medical gross premiums written by 294.4 million Saudi Riyals in 2022G, in line with Management's strategy to grow the medical portfolio.
- The increase in outstanding claims of the engineering line of business by 12.1 million Saudi Riyals, as a result of the increase in gross premiums written from 89.4 million Saudi Riyals in 2021G to 173.0 million Saudi Riyals in 2022G

The increase in outstanding claims reserve was partially offset by the decrease in outstanding claims of the Property line of business of 112.4 million Saudi Riyals, mainly driven by one large claim amounting to 206 million Saudi Riyals payable to a key account. It was outstanding as



in December 31, 2021G and was settled in 2022G. The decrease was further impacted by the decrease in Property gross premiums written by 98.8 million Saudi Riyals in 2022G.

Claims incurred but not reported

Table No. 57 Claims incurred but not reported as of December 31, 2021G, and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Gross Claims incurred but not reported	283,457	332,944
Less: Net realizable value of salvage	(17,255)	(15,365)
Claims incurred but not reported	266,202	317,579

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G

Table No. 58 Claims incurred but not reported by LoB as of December 31, 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Claims incurred but not reported		
Medical	29,675	28,930
Motor	68,348	68,581
Property	34,273	36,118
Energy	63,339	75,963
Engineering	35,431	20,799
Protection & Savings	18,872	61,863
Others	16,264	25,325
Total	266,202	317,579

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G

Claims incurred but not reported increased from 266.2 million Saudi Riyals as in December 31, 2021G to 317.6 million Saudi Riyals as in December 31, 2022G mainly driven by the increase in Protection & Savings claims incurred but not reported by 43.0 million Saudi Riyals and the increase in Energy claims incurred but not reported by 12.6 million Saudi Riyals. This increase in IBNR under Energy and Protection & Savings lines are in line with the growth in in gross written premiums for the same lines.

The gradual increase in claims incurred but not reported for all lines of business is in line with the growth in business over the period and is based on the actuary's recommendation.

Gross mathematical reserves

Gross mathematical reserves decreased from 123.7 million Saudi Riyals as in December 31, 2021G to 89.8 million Saudi Riyals as in December 31, 2022G. The mathematical reserves account pertains to a run-off life portfolio acquired from MetLife. As this is run-off portfolio decreases with time, the reserves for this account decrease too. Further, it is worth noting that this life portfolio is 100% reinsured.



Additional premium reserves

Additional premium reserves represent the premium deficiency reserve and decreased from 9.1 million Saudi Riyals as in December 31, 2021G, to 7.8 million Saudi Riyals as in December 31, 2022G. This was in line with the improvement in the motor business sector leading to a decrease in premium deficiency reserves decreased in 2022G.

Other technical reserves

Other technical reserves represent the non-proportional reinsurance accrual reserve and remained relatively stable across the period, decreasing from 7.7 million Saudi Riyals as in December 31, 2021G, and further to 7.1 million Saudi Riyals as in December 31, 2022G.

Unit-linked reserves

As part of the Company's merger with SABB Takaful effective on October 19, 2022G, the Company inherited a unit linked Protection and Savings portfolio. As per regulatory requirements, the Company maintains a unit linked reserve on the liability side to offset the unit linked investment portfolio asset as amounts gained from investment in unit linked assets belong to the policyholders. The reserve of SAR 483.7 million equals the Unit linked investments on the asset side.

Due to Insurance / shareholders operations

As per Insurance implementing regulations, the policyholders and shareholders' books are to be maintained separately. The balance from one side is equivalent and off set with the balance from another side. The transactions appearing in these accounts consist mainly of movements of funds for investments, payment of zakat and transfer of profits or losses from insurance operations to shareholders' operations. This account is intended to offset receivables from shareholder operations by assets to clearly reflect transactions between shareholders and policyholders.

As of December 31, 2022G, the balance on shareholders' books had become due to gains from insurance operations, mainly due to losses from insurance operations amounting to 104.6 million Saudi riyals. This was offset by transferring funds from shareholder operations to insurance operations.

End-of-service indemnities

Table No. 59 Provision for end of service indemnities as of December 31,2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Opening balance	21,724	21,982
Additions from merger	-	-
Liability assumed from business combination	-	3,592
Charge to statement of income	3,728	4,134
Charge to statement of comprehensive income	(913)	(284)
Payments of benefits during the year	(2,557)	(2,476)
Closing balance	21,982	26,948

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G.



End-of-service indemnities increased from 22.0 million Saudi Riyals as of December 31, 2021G, before further increasing to 26.9 million Saudi Riyals as of December 31, 2022G, mainly driven by the liability assumed from business combination which amounting to SAR 3.6 million, stemming from the merger with SABB Takaful. This was coupled with the slight increase in charge to statement of income from 3.7 million Saudi Riyals in 2021G to 4.1 million Saudi Riyals in 2022G.

Provision for zakat and income tax

The Company has filed Zakat and income tax returns with Zakat, Tax, and Customs Authority («ZATCA») up to the year ended December 31, 2022G and obtained the required certificate from Zakat, Tax, and Customs Authority that is valid up to April 30, 2024G.

During 2019G, the Company has received an assessment order for the year 2016G for an additional zakat and tax liability amounting to SAR 20.0 million. The Company successfully appealed against most of the items in this assessment and paid an amount of SAR 1.9 million as a full and final settlement.

During 2020G, the Company received an assessment order for the year 2014G for an additional zakat and tax liability amounting to SAR 5.9 million. Further, during 2020G, the Company has received assessment orders for the years 2015G, 2017G and 2018G for an additional zakat and tax liability amounting to SAR 9.3 million. The Company has appealed against these assessments, which are under review and consideration by the General Secretariat of Tax Committees («GSTC»).

During 2022G, the Company received an assessment for the years 2019G and 2020G for an additional zakat and tax liability amounting to SAR 8.8 million. The Company has appealed against these assessments and in order for the objection to be accepted, the Company has partially paid Ten percent (10%) of assessed amount. These appeals are currently under ZATCA review.

In addition to above, the Company has received VAT assessments for 2018-2020G for an additional liability amounting to SAR 27 million. The Company is in discussions with ZATCA over these assessments and expecting a favourable response.

Accrued commission income payable to SAMA

Accrued commission income payable to SAMA increased from 10.8 million Saudi Riyals as in December 31, 2021G, to 17.4 million Saudi Riyals as in December 31, 2022G, in line with the increase in the statutory deposit over the same period.

Surplus distribution payable

Table No. 60 Surplus distribution payable as of December 31, 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Opening surplus distribution payable as at January 1	9,774	2,148
Additions from merger		6,952
Total income attributed to the insurance operations during the year	-	-
Transfer for payments	(7,626)	-
Closing surplus distribution payable as at December 31	2,148	9,100

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G.



Surplus distribution payable increased from SAR 2.2 million as at December 31, 2021G to SAR 9.1 million as at December 31, 2022G, driven by additions from SABB Takaful merger during the year amounting to SAR 7.0 million. Furthermore, no surplus was also attributed to the Insurance Operations during 2022G due to losses in Insurance operations.

Financing structure

Table No. 61: Financing structure as of December 31, 2021G and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Debt	0	0
Cash and its equivalent	325,055	534,221
Share Capital	646,397	850,583
Share Premium	103,277	193,119
Statutory reserve	63,327	63,327
Accumulated losses/retained earnings	(40,750)	(68,114)
Fair value reserves on available-for-sale investments	38,522	20,398
Defined benefit obligation remeasurement reserve - related to insurance operations	(147)	137
Total Equity	810,626	1,059,450
Financing structure (Total debt/equity rights)	0	0
Borrowing Rate % = (Total Debt / Financing Structure)	0%	0%

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G.

Shareholders' Equity

Table No. 62 Shareholders' equity as of December 31, 2020G, 2021G, and 2022G

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Share capital	646,397	850,583
Share premium	103,277	193,119
Statutory reserve	63,327	63,327
Accumulated Profit / (losses)	(40,750)	(68,114)
Fair value reserves on investments - available for sale	38,522	20,398
Remeasurement of reserve for end of service indemnities- related to insurance operations	(147)	137
Total Shareholders' equity	810,626	1,059,450

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G.

Share capital

The authorized, issued, and paid-up capital of the Company at December 31, 2022G amounted to SAR 850.6



million comprising 85.06 million shares of SAR 10 each. This increased from SAR 646.4 million December 31, 2020G and 2021G, consisting of 64.64 million shares of SAR 10 each.

The Company's merger with SABB Takaful was approved in 2022G, by issuing new shares in the Company against each share in SABB Takaful Company, in accordance with the terms and conditions of the merger agreement. The purchase consideration was determined to be SAR 294.0 million, which was settled by issuing 20,418,619 new shares of the Company to the shareholders of SABB Takaful at the Company's market price of SAR 14.4 per share at the effective date of merger. This increased share capital by SAR 204.2 million and share premium by SAR 89.8 million

Share premium

The company increased its share premiums from SAR 103.3 million as at December 31, 2021G to SAR 193.1 million as at 31 December, 2022G coming from the above-mentioned increase in share premium by SAR 89.8million, stemming from the merger with SABB Takaful.

Statutory reserve

The company's statutory reserve remained stable at SAR 63.3 million as at December 31, 2021G and 2022G since no profits were declared for both year 2021G and 2022G.

Accumulated losses

Accumulated losses increased from SAR 40.8 million as of December 2021 G to SAR 68.1 million as of December 31, 2022G, as a result of the net loss of SAR 27.4 million in 2022G.

Fair value reserves on investments - available for sale

Fair value reserves on available for sale investments decreased from SAR 38.5 million as of December 31,2021G to SAR 20.4 million as at 31 December, 2022G, in line with the decrease in available for sale investments to SAR 320.5 million as at December 31, 2022G.

5-5-3 Statements of Cash Flows

Table No. 63 Statements of Cash Flows for the Financial Years Ending December 31, 2021G and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Cash beginning of the year	687,297	325,055
Net cash (used in) generated from operating activities	(100,571)	75,392
Net cash generated from (used in) investing activities	(258,337)	123,456
Net cash generated from (used in) financing activities	(3,334)	10,318
Increase / (decrease) in cash and cash equivalents	(362,242)	209,166
Cash at the end of the year	325,055	534,221

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G.



Cash at the end of the year increased from SAR 325.1 million as of December 31, 2021G to SAR 534.2 million as of December 31, 2022G due inflows generated from net cash from investing activities and operating activities. Net cash from investing activities increased from an outflow of SAR 258.3 million in 2021G to an inflow of SAR 123.5 million in 2022G. This was coupled with net cash from operating activities increasing from an outflow of SAR 100.6 million in 2021G to an inflow of SAR 75.4 million in 2022G.

Cash Flows used in Operating Activities

Table No. 64 Cash Flows from Operating Activities for the Financial Years Ending December 31, 2021G and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Net (loss)/income before zakat and income tax	(112,797)	(15,725)
Adjustments for non-cash items:		
Depreciation of property and equipment	8,676	6,611
Amortization of intangibles	1,904	3,010
Allowance for doubtful debts	17,198	5,033
Dividend income	(9,601)	(12,308)
Gain on disposal of available for sale investments	(15,074)	(30,564)
Gain on disposal of held for trading investments	(8,018)	(6,878)
Commission income on deposits	(23,812)	(23,995)
Amortization of held to maturity investments	258	22
Unrealized loss on held for trading investments	(1,572)	2,567
Provision for end of service indemnities	3,728	4,134
Finance costs	76	694
Impairment on available for sale investments	6,765	800
Exchange differences on investments	-	6,453
Bargain purchase gain	-	(49,677)
Changes in operating assets and liabilities:		
Premiums and reinsurance receivables	(269,022)	(55,703)
Reinsurer's share of unearned premiums	(175,108)	(61,442)
Reinsurer's share of outstanding claims	(176,028)	114,722
Reinsurer's share of claims incurred but not reported	(91,955)	7,728
Reinsurer's share of mathematical reserves	15,263	34,573
Deferred policy acquisition costs	(11,121)	(12,772)
Prepaid expenses and other assets	(7,158)	(209,200)
Policyholders claims payable	12,864	222,861
Accrued and other liabilities	37,113	88,641
Reinsurer's balance payable	102,212	26,469
Unearned premiums	284,139	85,518
Unearned reinsurance commission	10,786	11,232



In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Outstanding claims	247,118	(25,020)
Claims incurred but not reported	95,225	1,240
Gross mathematical reserves	(15,263)	(33,901)
Additional premium reserves	(16,956)	(1,336)
Other technical reserves	(941)	(1,298)
Surplus distribution payable	-	(1,283)
Total	(91,101)	81,206
End of service indemnities paid	(2,557)	(2,476)
Zakat and income tax paid	(6,913)	(3,338)
Net cash (used in)/generated from operating activities	(100,571)	75,392

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G.

In 2022G the company generated cash from operating activities amounting to SAR 75.4 million (compared to a net cash used in operating activities of SAR 100.6 million for the year 2021G) due to the increase in the change in reinsurers' share of outstanding claims by SAR 290.8 million in addition to the increase in the change in policyholders claims payable by SAR 210.0 million, mainly relating to a large claim which was moved from outstanding claims to policyholders claims payable.

Cash Flows generated from (used in) Investing Activities

Table No. 65 Cash Flows from Investing Activities for the Financial Years Ending December 31, 2021G and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Purchase of available for sale investments	(178,048)	(59,896)
Disposal of available for sale investments	119,726	126,924
Movement in held for trading investments, net	(76,778)	10,754
Purchase of investments held at amortized cost	(88,172)	(102,318)
Additions in intangible assets	(4,077)	(2,491)
Commission income received on investments	20,275	15,897
Dividend received on investments	9,601	12,308
Disposal of short-term investments	15,615	31,712
Disposals/(additions) in long term deposits	(50,000)	50,000
Additions in property and equipment	(26,479)	(4,807)
Cash and cash equivalents acquired through business combination	-	45,373
Net cash flow generated from / (used in) investing activities	(258,337)	123,456

Source: Audited financial statements for the financial years ending 31 December 2021G and 2022G.



Net cash generated from / (used in) investing activities increased from a net outflow of SAR 258.3 million as of December 31, 2021 to a net inflow of SAR 123.5 million as of December 31, 2022G due to the decrease in the purchase of available for sale investments by SAR 118.2 million as well as disposals of long-term deposits amounting to SAR 50.0 million in 2022G. This was further impacted by the decrease in the movement in held for trading investments from an outflow of SAR 76.8 million in 2021G to an inflow of SAR 10.8 million in 2022G.

Cash Flows generated from (used in) Financing Activities

Table No. 66 Cash Flows from Financing Activities for the Financial Years Ending December 31, 2021G and 2022G.

In SAR thousands	31 December 2021G (Audited)	31 December 2022G (Audited)
Statutory deposits	-	13,582
Lease liabilities paid	(3,334)	(3,264)
Net cash flow generated from/ (used in) financing activities	(3,334)	10,318

Source: Audited financial statements for the financial years ending 31 December, 2021G and 2022G.

Net cash used in financing activities increased to a net cash generated of SAR 3.3 million as of December 31, 2021G to a net cash generated from financing activities of SAR 10.3 million as at December 31, 2022G due to the increase in statutory deposits by SAR 13.6 million, in line with the increase in share capital during the period.

5-6 Operating Results for the nine months periods ending 2022G and 2023G

5-6-1 Income statement

The following table presents the Company's statement of income for the nine-months period ending on September 30, 2022G and 2023G:

Table No. 67 Income statement

In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (Audited)	Changes 2022G-2023G
Insurance revenue	2,572,335	2,887,642	12.3%
Insurance service expenses	(1,669,524)	(1,679,206)	0.6%
Insurance service result before reinsurance contracts held	902,811	1,208,436	33.9%
Allocation of reinsurance premiums	(1,174,833)	(1,321,613)	12.5%
Amounts recoverable from reinsurers for incurred claims	152,026	141,298	(7.1%)
Net expense from reinsurance contracts held	(1,022,807)	(1,180,315)	15.4%
Insurance service result	(119,996)	28,121	(123.4%)



In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (Audited)	Changes 2022G-2023G
Commission income on investments and deposits	23,995	58,399	143,4%
Dividends on investments	12,308	16,791	36,4%
Gains realized on investments measured at FVTPL	37,442	9,202	(75,4%)
Un-realized gain/ (loss) on investments measured at FVTPL	(44,256)	80,696	(282,3%)
Expected credit losses and impairment of financial assets	(800)	(105)	(86,9%)
Deal buying gains	49,677	-	(100,0%)
Net investment income	78,366	164,983	110,5%
Finance expenses from insurance contracts issued	(20,351)	(6,285)	(69,1%)
Finance income from reinsurance contracts held	13,872	1,932	(86,1%)
Net insurance finance income/ (expenses)	(6,479)	(4,353)	(32,8%)
Net insurance and investment result	(48,109)	188,751	(492,3%)
Other income	12,606	11,265	(10,6%)
Other operating expenses	(20,938)	(37,039)	76,9%
Net income/ (loss) for the period attributable to shareholders before zakat & tax	(56,441)	162,977	(388,8%)
Provision for zakat & tax	(11,639)	(15,000)	28,9%
Net income/ (loss) for the period attributable to shareholders after zakat & tax	(68,080)	147,977	(31,4%)

Source: Financial statements for the years 2022G and 2023G

Table No. 68 Key Performance Indicators

In SAR thousands	Fiscal year 2022G (Restated)	Fiscal year 2023G (Audited)	Changes 2022G-2023G
KPIs			Ppt.
Underwriting loss ratio ¹	64,9%	58,2%	(6.8)
Insurance service result margin ²	(4,7%)	1.0%	5,6
Net insurance and investment result margin ³	(1,9%)	6,5%	8,4
Net income margin ⁴	(2,6%)	5,1%	7,8

1 Underwriting loss ratio = Insurance service expenses / Insurance revenue

2 Insurance service result margin = Insurance service result / Insurance revenue

3 Net insurance and investment result margin = Net insurance and investment result / Insurance revenue

4 Net income margin = Net income / Insurance revenue

Source: Management information

The Company's net income increased significantly from a net loss of SAR 68.1 million in 2022G to a net profit of SAR148.0 million in 2023G. This was mainly caused by the increase in insurance service result by SAR 148.1 million during the year, as the Company's underwriting loss ratio improved



from 64.9% in 2022G to 58.2% in 2023G. This was coupled with the significant increase in net investment income by SAR 86.6 million in 2023G. This was mainly on the back of a considerable increase in unrealized gains on investments measured at FVTPL by SAR 125.0 million, and the increase in commission income on investments and deposits by SAR 34.4 million, in line with the growth in the investment portfolio.

Insurance service results

Table No. 69 Insurance service results for the nine-months period ending on September 30, 2022G and 2023G:

In SAR thousands	Fiscal year 2022G (Restated)	Fiscal Year 2023G (Audited)	Changes 2022G-2023G
Insurance revenue	2,572,335	2,887,642	12.3%
Insurance service expenses	(1,669,524)	(1,679,206)	0.6%
Insurance service result before reinsurance contracts awarded	902,811	1,208,436	33.9%
Allocation of reinsurance premiums	(1,174,833)	(1,321,613)	12.5%
Amounts recoverable from reinsurers for incurred claims	152,026	141,298	(7.1%)
Net expense from reinsurance contracts awarded	(1,022,807)	(1,180,315)	15.4%
Insurance service result	(119,966)	28,121	(123.4%)

Source: Financial statements for the years 2022G and 2023G

Insurance revenue

Insurance revenue increased by 12.5% from SAR 2,572.3 million in 2022G to SAR 2,887.6 million in 2023G mainly driven by the increase in the medical line of business by SAR 110.0 million, and the increase in Engineering insurance by 85.5 million, and the increase in Energy insurance revenue by SAR 64.4 million during this year. Noting that gross premiums written slightly decreased for these lines of business, as the increase in insurance revenue was mainly impacted by high changes in unearned premiums decreasing insurance revenue in 2022G mainly due to the timing of underwriting. The increase in insurance revenue was additionally driven by the increase in marine insurance sector revenues included under «others» by SAR 68.7 million, in line with the increase in Protection and Savings insurance revenue by SAR 32.9 million, mainly stemming from the merger with SABB Takaful, which took effect in the last quarter of 2022G.

Table No. 70 Insurance revenue by line of business for the years ending on December 31, 2022G and 2023G:

In SAR thousands	Year 2022G (Restated)	Year 2023G (Audited)	Changes 2022G-2023G
Medical	557,962	667,999	19.7%
Motor	532,688	512,526	(3.8%)
Property	305,920	223,437	(27.0%)
Energy	569,978	634,409	11.3%



In SAR thousands	Year 2022G (Restated)	Year 2023G (Audited)	Changes 2022G-2023G
Engineering	92,164	177,669	92,8%
Protection and Savings	193,683	226,670	17,0%
Others	319,940	444,932	39,1%
Total	2,572,335	2,887,642	12,3%
As a % of total			Ppt.
Medical	21,7%	23,1%	1,4
Motor	20,7%	17,7%	(3,0)
Property	11,9%	7,7%	(4,2)
Energy	22,2%	22,0%	(0,2)
Engineering	3,6%	6,2%	2,6
Protection and Savings	7,5%	7,8%	0,3
Others	12,4%	15,4%	3,0

Source: Financial statements for 2022G and 2023G

Medical

Medical insurance revenue increased by 19.7% from SAR 558.0 million in 2022G to SAR 668.0 million in 2023G, mainly caused by changes in unearned premiums during the period. Medical changes in unearned premiums under LRC decreased insurance revenue by SAR 101.7 million in 2022G, while the change in unearned premiums decreased insurance revenue by SAR 22.7 million during the period.

Motor

Motor insurance revenue decreased by 3.8% from SAR 532.7 million in 2022G to SAR 512.5 million in 2023G mainly caused by the decrease in Motor comprehensive insurance revenue from SAR 326.7 million to SAR 182.8 million during this period. This was mainly impacted by changes in unearned premiums, whereby Motor comprehensive unearned premiums under LRC increased insurance revenue by SAR 84.2 million in 2022G, while the changes in unearned premiums decreased insurance revenue by SAR 30.9 million in 2023G, noting that Motor gross premiums written increased by SAR 354.6 million during the period.

Property

Property insurance revenue decreased by 27.0% from SAR 305.9 million in 2022G to SAR 223.4 million in 2023G, mainly driven by changes in unearned premium reserves under the LRC. Property changes in unearned premiums reserves increased insurance revenue by SAR 97.9 million in 2023G. Noting that Property gross premiums written increased by SAR 91.9 million during the period.

Energy

Energy insurance revenue increased by 11.3% from SAR 570.0 million in 2022G to SAR 634.4 million in 2023G, mainly driven by changes in unearned premium reserves under the LRC. Noting that Energy gross premiums written decreased by SAR 62.9 million during the period.



Engineering

Engineering insurance revenue increased by 92.2% from SAR 92.2 million in 2022G to SAR 177.7 million in 2023G, mainly driven by an increase in Engineering gross premiums written from SAR 173.0 million to SAR 244.9 million during the same period. In line with the growth in the engineering insurance sector portfolio.

Protection and Savings

Protection and Savings insurance revenue increased by 17.0% from SAR 193 million in 2022G to SAR 226.7 million in 2023G, mainly driven by an increase in Protection and Savings gross premiums written from SAR 196.0 million to SAR 206.7 million during this period, in line with the continued growth in the Protection and Savings underwriting portfolio during the period. This was also affected by the unearned premiums of the Group's life insurance portfolio, which resulted in a decrease in insurance revenues by SAR 6.2 million in 2022G, while unearned premiums resulted in an increase in insurance revenues by SAR 8.8 million in 2023G.

Others

Others insurance revenue increased by 39.1% from SAR 319.9 million in 2022G to SAR 444.9 million in 2023G, mainly driven by the increase in Marine Cargo insurance revenue from SAR 53.9 million in 2022G to SAR 122.6 million in 2023G in line with the increase of gross premiums written for the Marine insurance from SAR 58.2 million to SAR 111.9 million during this period. This was coupled with the increase in Accident and Liability insurance revenue from SAR 225.1 million in 2022G to SAR 232.2 million in 2023G, in line with the growth in gross premiums written for these lines of business.

Insurance service expenses

Insurance service expenses slightly increased from SAR 1,669.5 million in 2022G to SAR 1,679.2 million in 2023G, while the underwriting loss ratio improved from 64.9% to 58.2% during the period. This improvement in underwriting loss ratio was mainly attributable to a more selective underwriting approach, renewing key accounts at higher premium rates, a cleansing of the Motor portfolio, and several cost containment and process optimization initiatives whereby the effect was more noticeable in 2023G.

Table No. 71 Insurance service expenses and underwriting loss ratio by line of business for 2022G and 2023G:

In SAR thousands	Fiscal year 2022G (Restated)	Fiscal year 2023G (Audited)	Changes 2022G-2023G
Medical	615,643	726,346	18,0%
Motor	659,178	526,797	(20,1%)
Property	75,011	38,608	(48,5%)
Energy	51,555	34,278	(33,5%)
Engineering	15,006	61,477	309,7%



In SAR thousands	Fiscal year 2022G (Restated)	Fiscal year 2023G (Audited)	Changes 2022G-2023G
Protection and Savings	184,271	167,270	(9.2%)
Others	68,860	124,430	80.7%
Total	1,669,524	1,679,206	0.6%
Underwriting loss ratio¹			ppt.
Medical	110.3%	108.7%	(1.6)
Motor	123.7%	102.8%	(21.0)
Property	24.5%	17.3%	(7.2)
Energy	9.0%	5.4%	(3.6)
Engineering	16.3%	34.6%	18.3
Protection and Savings	95.1%	73.8%	(21.3)
Others	21.5%	28.0%	6.4
Total	64.9%	58.2%	(6.8)

¹ Underwriting loss ratio = Insurance service expenses / Insurance revenue

Source financial statements (audited) for December 31, 2022 and 2023G

Medical

Medical insurance service expenses increased from SAR 615.6 million in 2022G to SAR 726.3 million in 2023G, mainly driven by the increase in incurred claims and other expenses from SAR 5271 million in 2022G to SAR 613.9 million in 2023G. This has been coupled with increased acquisition costs for Medical insurance from SAR 80.2 million in 2022G to SAR 100.8 million in 2023G, in line with the growth in gross premiums written for Medical insurance.

Medical insurance service expenses increased by 18.0% in 2023G, this led to the decrease in the underwriting loss ratio from 110.3% in 2022G to 108.7% in 2023G. The improvement in profitability for this line of business was affected by the Company's strategy to adopt a more selective underwriting approach, in terms of size and type of clients. Additionally, the Company was able to renew accounts at higher premium rates, which further impacted the improvement in the performance of the medical portfolio.

Motor

Motor insurance service expenses decreased from SAR 659.2 million in 2022G to SAR 526.8 million in the 2023G, mainly driven by the decrease in Motor comprehensive incurred claims and other expenses from SAR 370.3 million to SAR 229.3 million during 2023G.

Motor insurance service expenses decreased by 20.1% in 2023G, while Motor insurance revenue decreased at a lesser rate by 3.8% during the period. This led to the decrease in the underwriting loss ratio from 123.7% in 2022G to 102.8% in 2023G. The improvement in profitability for this line of business was mainly on the back of the Company's continued efforts to cleanse the Motor portfolio through the non-renewal of key loss-making accounts and increasing the motor third-party insurance premiums for individuals. This was coupled with cost and operational efficiency



improvements, notably in relation to claims handling which further drove the improvement in the Motor loss ratio.

Property

Property insurance service expenses decreased from SAR 75.0 million in 2022G to SAR 38.6 million in the 2023G, mainly driven by the decrease in Property incurred claims and other expenses from SAR 153.5 million to SAR 78.8 million in 2023G. This also affected the improvement in the underwriting loss ratio from 24.5% in 2022G to 17.3% in 2023G.

Energy

Energy insurance service expenses increased from SAR 51.6 million in 2022G to SAR 34.3 million in 2023G, This is mainly due to increased variability in past service reserve. The change in the incurred claims reserve related to previous service contributed to a decrease in insurance services expenses by SAR 66.8 million in 2022G, while the change in the incurred claims reserve contributed to a decrease in insurance services expenses by an amount of SAR 79.2 million in 2023G. The energy underwriting loss ratio decreased from 9.0% to 5.4% during this period

Engineering

Engineering insurance service expenses increased from SAR 15.0 million in 2022G to SAR 61.5 million in 2023G, mainly driven by the increase in Engineering incurred claims and other expenses from SAR 34.6 million in 2022G to SAR 74.4 million in 2023G. This was coupled with a change in past service reserve amounting to SAR 28.0, which drove down insurance service expenses during this period. This mainly related to changes in IBNR reserves and contributed to the increase in Engineering underwriting loss ratio from 16.3% to 34.6% during the period.

Protection and Savings

Protection and Savings insurance service expenses increased from SAR 184.3 million in 2022G to SAR 167.3 million in 2023G, mainly driven by the decrease in Protection and savings incurred claims and other expenses from SAR 235.3 million to SAR 207.4 million during the period. Insurance revenue for the Protection and Savings line of business increased by 17.0%, at a higher rate than the increase in insurance service expenses. This led to the improvement in the underwriting loss ratio from 95.1% in 2022G to 73.8% in 2023G.

Others

Others insurance service expenses increased by 80.7% from SAR 68.9 million in 2022G to SAR 123.2 million in 2023G, while others underwriting loss ratio increased by less than 21.5% in 2022G to 28.0% in 2023G.

Net expense from reinsurance contracts held

There were no changes to the Company's reinsurance arrangements in 2023G across all lines of business. Net expense from reinsurance contracts held as a percentage of insurance revenue remained relatively stable at 39.8% and 40.9% in 2022G and 2023G, respectively.



Table No. 72 Net expense from reinsurance contracts held by line of business for 2022G and 2023G:

In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (Audited)	Changes 2022G-2023G
Medical	6,462	(571)	(108,8%)
Motor	2,934	(5,676)	(293,5%)
Property	205,417	185,274	(9,8%)
Energy	530,539	605,686	14,2%
Engineering	73,254	98,267	34,1%
Protection and Savings	9,205	32,901	257,4%
Others	194,996	264,434	35,6%
Total	1,022,807	1,180,315	15,4%
	As a % of total		ppt.
Medical	0.6%	(0.0%)	(0.7)
Motor	0.3%	(0.5%)	(0.8)
Property	20,1%	15.7%	(4.4)
Energy	51,9%	51.3%	(0,6)
Engineering	7.2%	8.3%	1,2
Protection and Savings	0.9%	2.8%	1,9
Others	19,1%	22.4%	3,3

Source: Financial statements (audited) for 2022G and 2023G

Medical

The Medical line of business is fully retained by the Company, with the exception for a few specific multinational accounts which were inherited from the merge between Walaa Cooperative Insurance Company and MetLife AIG ANB Cooperative Insurance Company. The reinsurance agreements generated net expenses of SAR 6.5 million in 2022G and SAR 571 thousand in 2023G. The relative increase in net reinsurance expenses in 2022G is mainly due to changes in reinsurers' share of unearned premium reserves, along with changes in claims liabilities incurred related to past service.

Motor

The Motor portfolio is reinsured through excess of loss policy coverage. Motor net expense from reinsurance contracts amounted to SAR 2.9 million 2022G and increased to an income of SAR 5.7 million in the 2023G, mainly driven by the increase in amounts recoverable from reinsurance for incurred claims from SAR 0 in 2022G to SAR 7.7 million in 2023G.

Property

The Property line of business is reinsured through a quota share and surplus reinsurance agreement, as well as being covered by excess of loss policies. There were no major changes in the reinsurance arrangements for the Property line of business during this period.



Property net expense from reinsurance contracts held decreased from SAR 205.4 million in 2022G to SAR 185.3 million in 2023G. This was mainly driven by the change in reinsurers' share of unearned premium reserves. This was partially offset by a decrease in the amounts recoverable from reinsurers related to claims incurred from SAR 68.0 million to -SAR 792 thousand during the period.

Energy

The Energy line of business is highly reinsured through a quota share agreement. Energy net expenses from reinsurance contracts held increased from SAR 530.5 million in 2022G to SAR 605.7 million in 2023G. This is mainly due to an increase in the allocation of reinsurance premiums from SAR 543.0 million in 2022G Driven by changes in the reinsurer's share of unearned premiums. to SAR 623.5 million in 2023G.

Engineering

The Engineering line of business is reinsured through a quota share and surplus reinsurance agreement, and through excess of loss policy coverage. There were no major changes in the reinsurance arrangements for this line of business.

Engineering net expenses from reinsurance contracts held increased from SAR 73.3 million in 2022G to SAR 98.3 million in 2023G. This was mainly driven by the increase in ceded premiums from SAR 72.2 million in 2022G to SAR 136.4 million in 2023G, This is mainly due to the increase in premiums assigned from SAR 160.2 million to SAR 229.5 million during the period, in line with the increase in Engineering gross premiums written by SAR 71.9 million during the period.

Protection and Savings

Protection and Savings net expenses from reinsurance contracts held increased from SAR 9.2 million in 2022G to SAR 32.9 million in 2023G, This was mainly due to a decrease in the recoverable amounts of reinsurance for claims incurred on the Protection and Savings segment - unrelated from SAR 44.0 million to SAR 30.2 million during the period, mainly relating to changes in outstanding claims and IBNR reserves. This was accompanied by an increase in reinsurance premium allocations for the unlinked Protection and Savings portfolio from SAR 53.4 million in 2022G to SAR 63.3 million in 2023, mainly affected by changes in reinsurers' share of unearned premiums. This was in line with the increase in total non-linked protection and savings premiums of SAR 10.6 million during the period.

Others

Others net expenses from reinsurance contracts held increased from SAR 195.0 million in 2022G to SAR 265.1 million in 2023G. This was largely driven by the increase in Marine Cargo net expenses from reinsurance contracts from SAR 18.4 million in 2022G to SAR 70.7 million in 2023G. This was in line with the increase in gross written premiums SAR of 53.7 million.



Net investment income

Table No. 73 Net investment income for the nine-months period ending on September 30, 2022G and 2023G:

In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (Audited)	Changes for, 2022G-2023G
Commission income on investments and deposits	23,995	58,399	143,4%
Dividends on investments	12,308	16,791	36,4%
Realized gain/ (loss) on investments measured at FVTPL	37,442	9,202	(75,4%)
Un-realized gain/ (loss) on investments measured at FVTPL	(44,256)	80,696	(282,3%)
Expected credit losses and impairment of financial assets	(800)	(105)	(86,9%)
Deal buying gains	49,677	-	(100,0%)
Net investment income	78,366	164,983	110,5%

Source: financial statements (audited) for 2022G and 2023G

Net investment income significantly increased from SAR 78.4 million in 2022G to SAR 165.0 million in the 2023G, mainly driven by the unrealized gain on investments measured at FVTPL which increased from a loss of SAR 44.3 million in 2022G to a gain of SAR 80.7 million in 2023G. This was mainly due to better market performance, as the return on FVTPL investments managed increased significantly during the period. The increase in investment income was additionally driven by the increase in commission income on investments and deposits from SAR 24.0 million in 2022G to SAR 58.4 million in 2023G, in line with the growth in the Company's investment portfolio and deposits.

This was partially offset by the decrease in realized gain on investments measured at FVTPL from SAR 37.4 million in 2022G to SAR 9.2 million in 2023G, largely as a result of large profits made from selling IPO shares at a profit in 2022G.

Net insurance finance income/ (expenses)

Table No. 74 Net insurance finance income/ (expenses) for the nine-months period ending on September 30, 2022G and 2023G:

In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (Audited)	Changes for, 2022G-2023G
Finance income/ (expenses) from insurance contracts issued	(20,351)	(6,285)	(69.1%)
Finance income/ (expenses) from reinsurance contracts held	13,872	1,932	(86.1%)
Net insurance finance expenses	(6,479)	(4,353)	(32.8%)

Source: Financial statements (audited) for 2022G and 2023G

Net insurance income / (expense) decreased from an expense of SAR 6.5 million in 2022G to an expense of SAR 4.4 million in 2023G.



The finance expense on insurance contracts mainly pertains to the unwinding of the discounting on Liabilities for incurred claims (LIC). Given the discount rates increased in 2023G, the unwinding expense decrease during the period.

The finance income from reinsurance contracts mainly represents the unwinding of the discounting on Assets for incurred claims (AIC) in the past. Since the discount rates increased in 2023, the unwinding income decreased.

Other income

Other income decreased from SAR 12.6 million in 2022G to SAR 11.3 million in 2023G, mainly driven by the IFRS 17 transitional impact of net assets acquired from SABB takaful as at October 2023G, noting that in October 2022G, these net assets were computed based on IFRS 4. This remeasurement of net assets under IFRS 17 produced a gain of SAR 4.1 million in 2023G, which was accounted for under other income.

Other operating expenses

Table No. 75 Financial position as of December 31, 2022G and December 31, 2023G

In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (Audited)	Changes for, 2022G-2023G
Salaries and employee recompensation	6,937	9,829	41,7%
IT costs	341	806	136,4%
Lease	248	296	19,4%
Consumption	407	1,120	175,2%
Marketing advertising and promotion	402	1,074	167,2%
Telecommunications	371	508	36,9%
Travel expenses	1,227	2,181	77,8%
Expenses related to the insurance industry complex	-	11,299	na
Other	11,005	9,926	(9,8%)
Total	20,938	37,039	76,9%

Other operating expenses increased from SAR 20.9 million in 2022G to SAR 37.0 million in 2023G mainly driven by an increase in insurance complex expenses from zero in 2022G to SAR 11.3 million in 2023G and increasing salaries and employee costs from SAR 6.9 million in 2022G to SAR 9.8 million in 2023G, in line with the growth in the number of employees and operational requirements.

5-6-2 Statement of Financial Position

Table No. 76 Statement of financial position as of December 31, 2022G, and September 30, 2023G.

In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (audited)
Cash and cash equivalents	534,210	599,153
Short term deposits	354,999	399,406
Accrued income on investment and deposits	17,169	11,583



In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (audited)
Prepaid expenses and other assets	123,009	53,686
Insurance contract assets	8,793	-
Reinsurance contract assets	534,210	-
Financial assets for unit linked insurance contracts	354,999	789,878
Due from insurance/shareholders' operations	17,168	543,235
Statutory deposit	123,010	29,876
Accrued income on statutory deposit	8,793	85,058
Investments	801,387	4,347
Long term deposits	483,741	1,111,620
Plant and equipment, net	3,280	354,989
Intangible assets	85,058	35,484
Goodwill	17,246	121,566
Total assets	955,532	24,415
Insurance contract liabilities	49,997	4,107,249
Reinsurance contract liabilities	32,061	2,554,671
Accrued expenses and other liabilities	96,975	-
Accrued commission income payable to Insurance Authority	24,415	170,295
Due to insurance/shareholders' operations	3,587,872	4,347
Provision for zakat and income tax	2,120,672	29,876
Provision for end of service indemnities	3,258	46,283
Total liabilities	254,801	33,322
Share capital	17,246	2,838,794
Share premium	3,280	850,583
Statutory reserve	45,231	193,119
Retained earnings / (accumulated losses)	26,948	79,915
Total shareholders' equity	2,471,436	66,351
Fair value reserves on investments classified as FVTOCI	850,583	81,827
Total equity	63,327	(3,340)
Total Liabilities and equity	(65,038)	1,268,455

Source: Financial statements (audited) for 2022G and 2023G

Net assets increased from SAR 1,116.4 million as at December 31, 2022G to SAR 11,268.5 million as at September 30, 2023G, mainly driven by the increase in total assets by SAR 519.4 million, while total liabilities increased by SAR 367.4 million during the period. This was mainly driven by the increase in long term deposits from SAR 50.0 million at December 31, 2022G to SAR 354.9 million as of December 31, 2023G, coupled with the increase in the investment portfolio by SAR 156 million, and the increase in short term deposits by SAR 66.0 million during the period. The increase in net assets was further impacted by the decrease in accrued expenses and other liabilities from SAR 254.8 million at December 31, 2022G to SAR 170.3 million as of December 31, 2023G, mainly driven



by the decrease in vendor balances by SAR 19.4 million during the period, coupled with a provision amounting to SAR 15.7 million during this period, pertaining to a VAT assessment payment.

Total equity increased to SAR 1,268.5 million, mainly driven by the net profit recorded in in 2023G amounting to SAR 148.0 million.

Insurance and reinsurance contract assets and liabilities

Table No. 77 Analysis by remaining coverage and claims incurred as of December 31, 2022G and 2023G

In SAR thousands	Measurement approach	December 31, 2022G		December 31, 2023G	
		Liabilities	Assets	Liabilities	Assets
Insurance contract assets and liabilities					
Medical	Allocation of instalments	(6,148)	304,854	-	306,853
Motor	Allocation of instalments	-	301,868	-	547,750
Property	Allocation of instalments	-	291,068	-	219,864
Energy	Allocation of instalments	-	276,212	-	239,388
Engineering	Allocation of instalments	-	80,326	-	251,320
Protection and Savings- unrelated	Allocation of instalments	-	143,928	-	96,655
Other	Allocation of instalments	(2,645)	231,890	-	306,017
Total - premium allocation		(8,793)	1,630,146	-	1,967,847
Protection and Savings- unrelated	General Measurements	-	261	-	572
Protection and Savings- related	Variable fees	-	490,265	-	552,247
Property and accidents - other	General Measurements	-	-	-	34,005
Total - overall measurement approach and premium allocation approach		-	490,526	-	586,824
Total assets and liabilities of insurance contracts		(8,793)	2,120,672	-	2,554,671
Insurance contract assets and liabilities					



In SAR thousands	Measurement approach	December 31, 2022G		December 31, 2023G	
		Liabilities	Assets	Liabilities	Assets
Medical	Allocation of instalments	11	(2,372)	392	-
Motor	Allocation of instalments	-	(314)	8,111	-
Property	Allocation of instalments	325,931	-	141,722	-
Energy	Allocation of instalments	169,745	-	228,465	-
Engineering	Allocation of instalments	78,631	-	167,396	-
Protection and Savings- unrelated	Allocation of instalments	76,271	-	63,596	-
Property and accidents - other	Allocation of instalments	150,798	(3)	157,543	-
Total - premium allocation		801,387	(2,689)	767,224	-
Protection and Savings- unrelated	General Measurements	-	-	-	-
Protection and Savings- related	General Measurements	-	(569)	111	-
Property and accidents - other	General Measurements	-	-	22,543	-
Total - overall measurement approach and premium allocation approach		-	(569)	22,654	-
Total assets and liabilities of insurance contracts		801,387	(3,258)	789,878	-

Source: Financial statements (audited) for 2022G and 2023G

Table No. 78 Analysis of Insurance and Reinsurance contract assets and liabilities by PAA / GMM / VFA Approach as of December 31, 2023G

In SAR thousands	Liability for remaining coverage (LFRC)		Liability for incurred claims (LIC)		Total
	LFRC excluding Loss component	Loss component	LIC excluding risk adjustment	Risk adjustment	
Premium allocation approach - Insurance contract assets					
December 31, 2022G					
The opening balance of liabilities as of December 31, 2021G	446,607	16,625	795,586	31,194	1,290,012
The opening balance of assets as of December 31, 2021G	-	-	-	-	-



In SAR thousands	Liability for remaining coverage (LFRC)		Liability for incurred claims (LIC)		Total
	LFRC excluding Loss component	Loss component	LIC excluding risk adjustment	Risk adjustment	
Net opening balance of insurance contract liabilities as of December 31, 2021G	446,607	16,625	795,586	31,194	1,290,012
Insurance Revenues	(2,568,528)	-	-	-	(2,568,528)
Insurance services expenses	239,782	(981)	1,414,954	14,388	1,668,143
Claims incurred and other expenses	-	-	1,645,622	35,892	1,681,514
Future service: losses (reverse losses) resulting from losing contracts	-	(981)	-	-	(981)
Past Service: Change in claims liabilities incurred	-	-	(230,668)	(21,504)	(252,172)
Costs of acquiring insurance policies	239,782	-	-	-	239,782
Changes in the distribution of surplus payable	-	-	-	-	-
The result of the insurance service before awarding reinsurance contracts	(2,328,746)	(981)	1,414,954	14,388	(900,385)
Financing expenses from insurance contracts	-	-	20,091	-	20,091
Total changes in the income statement	(2,328,746)	(981)	1,435,045	14,388	(880,294)
Other movements - portfolio acquired through merger	(20,508)	-	134,572	3,435	117,499
Cash Flows	2,322,074	-	(1,227,938)	-	1,094,136
Premiums received	2,562,230	-	-	-	2,562,230
Claims and directly attributable costs paid	-	-	(1,227,938)	-	(1,227,938)
Cash flows for insurance acquisitions	(240,156)	-	-	-	(240,156)
Net ending balance of insurance contract liabilities as of December 31, 2022	419,427	15,644	1,137,265	49,017	1,621,353
Net ending balance of insurance contract liabilities as of December 31, 2023	458,719	15,644	1,109,965	45,818	1,630,146
The net ending balance of insurance contract assets as of December 31, 2022	(39,292)	-	27,300	3,199	(8,793)

Source: Financial statements (audited) for the 2022G and 2023G

Insurance contract liabilities increased from SAR 2,120.7 million as of December 31, 2022G to SAR 2,554.7 million at December 31, 2023G. This was mainly driven by the increase in insurance contract liabilities accounted for under the PAA model from SAR 1,630.1 million at December 31, 2022G to SAR 1,976.9 million at December 31, 2023G, while insurance contract liabilities under GMM/VFA model increased to a lesser extent from SAR 490.5 million to SAR 586.8 million during the period.

The increase in insurance contract liabilities accounted for under the PAA model was mainly driven by the increase in the Liability for Remaining Coverage (LFRC) from SAR 458.7 million



at December 31, 2022G to SAR 949.4 million at December 31, 2023G. This was mainly driven by the increase in «**Engineering insurance**» portfolio segment insurance contract liabilities from SAR 80.3 million to SAR 250.3 million during the period, this is mainly due to an increase in liabilities related to the remaining coverage, excluding the loss component, from SAR 8.2 million as of December 31, 2022G to SAR 150.4 million as of December 31, 2023G. This was mainly affected by the increase in Engineering insurance segment premiums received, which resulted in an increase in the remaining coverage liabilities by SAR 322.0 million as at December 31, 2023G compared to SAR 84.0 million as at December 31, 2022G.

This was accompanied by an increase in liabilities for Motor insurance contracts from SAR 301.9 million as of December 31, 2022G to SAR 547.8 million as of December 31, 2023G. This is mainly due to an increase in liabilities related to the remaining coverage, excluding the loss component, from SAR 124.7 million as of December 31, 2022G to SAR 394.7 million as of December 31, 2023G. This was mainly affected by the increase in Motor insurance premiums received, which resulted in an increase in the remaining coverage liabilities by SAR 800.2 million as of December 31, 2023G compared to SAR 445.9 million as of December 31, 2022G.

Reinsurance contract assets remained relatively stable over the period, slightly decreasing from SAR 801.4 million as at December 31, 2022G to SAR 789.9 million as at December 31, 2023G, mainly driven by the decrease in the Liability for Incurred Claims (LIC) under PAA from SAR 778.8 million to SAR 632.9 million during the period. This was partially offset by the increase in the Liability for Remaining Coverage (LFRC) from SAR 3.1 million to SAR 111.1 million during the same period.

The decrease in reinsurance contract assets under the PAA model was mainly driven by the decrease in the Property portfolio segment reinsurance contract assets from SAR 325.9 million at December 31, 2022G to SAR 141.7 million at December 31, 2023G. This was mainly in line with the decrease in claims assets incurred excluding the risk adjustment component from SAR 375.7 million to SAR 172.7 million during the same period as a result of an increase in recoveries from claims received from reinsurers, which led to a decrease in Property reinsurance contract assets by SAR 205.4 million in December 31, 2023G, compared to SAR 36.2 million on December 31, 2022G.

Assets

Table No. 79 Total assets as of December 31, 2022G, and September 30, 2023G.

In SAR thousands	31 December 2022G (Restated)	30 September 2023G (Audited)
Cash and cash equivalents	534,210	512,411
Short term deposits	354,999	420,980
Accrued income on investment and deposits	17,168	20,717
Prepaid expenses and other assets	123,010	52,764
Insurance contract assets	8,793	-
Reinsurance contract assets	801,387	789,878
Financial assets for unit linked insurance contracts	483,741	543,235
Due from insurance operations	3,280	29,876



In SAR thousands	31 December 2022G (Restated)	30 September 2023G (Audited)
Statutory deposit	85,058	85,058
Accrued income on statutory deposit	17,246	4,347
Investments	955,532	1,111,620
Long term deposits	49,997	354,989
Plant and equipment, net	32,061	35,484
Intangible assets	96,975	121,566
Goodwill	24,415	24,415
Total assets	3,587,872	4,107,249

Source: Financial statements (audited) for 2022G and 2023G

Cash and cash equivalents

Table No. 80 Cash and cash equivalents as of December 31, 2022G, and 2023G.

In SAR thousands	31 December 2022G (Restated) (Unaudited)	30 September 2023G (Unaudited)
Insurance operations		
Cash and bank balances	300,242	428,908
Time deposits maturing within 3 months from the acquisition date	123,888	75,000
ECL on cash and cash equivalents	(9)	(3)
Total insurance operations	424,119	503,905
Shareholders' operations		
Cash and bank balances	60,092	8,506
Time deposits maturing within 3 months from the acquisition date	50,000	-
ECL on cash and cash equivalents	(2)	-
Total shareholders' operations	110,091	8,506
Total cash and cash equivalents	534,210	512,411

Source: Financial statements (audited) for 2022G and 2023G

Total cash and cash equivalents decreased from SAR 534.2 million as at December 31, 2022G to SAR 512.4 million as at December 31, 2023G mainly driven by the decrease in cash from shareholders' operations by SAR 101.6 million. This was coupled with a decrease in bank balances from SAR 60.1 million as of December 31, 2022G to SAR 8.5 million as of December 31, 2023G.

Cash and cash equivalents from insurance operations increased from SAR 424.1 million as at December 31, 2022G to SAR 503.9 million as at December 31, 2023G mainly driven by net cash generated from operating activities amounting to SAR 422.9 million during 2023G. This was partially offset by net cash used in investing activities amounting to SAR 440.6 million during the period.



Short term deposits

Short term deposits increased from SAR 355.0 million as at December 31, 2022G to SAR 421.0 million as at December 31, 2023G mainly driven by the new placements of deposits at local banks.

Short term deposits are placed with counterparties that have credit ratings equivalent to A+ to A- ratings under Standard and Poor's Fitch and Moody's rating Methodology. Short term deposits are placed with local and licensed foreign banks' branches in Kingdom of Saudi Arabia within a maturity greater than three months from the date of original acquisition. It generates commission income at an average rate of 5.4% (2022: 4.2%) per year. For the fiscal year ending December 31, 2023G, the carrying values of short-term deposits reasonably approximate the fair value at the date of the statement of financial position.

Accrued income on investments and deposits

The income accrued on investments and deposits mainly relates to the income accrued on short-term deposits, long-term deposits and sukuks held by the Company. The income accrued on investments increased from SAR 17.3 million as of December 31, 2022G to SAR 20.7 million as of December 31, 2023G. It is mainly due to:

- Increase in long-term deposits from SAR 50.0 million to SAR 354.9 million
- Increase in short-term deposits from SAR 355.0 million to SAR 421.0 million
- Increase in Sukuk owned by the Company from SAR 509.9 million to SAR 540.2 million

Prepaid expenses and other assets

Prepaid expenses and other assets decreased from SAR 123.0 million as of December 31, 2022G to SAR 52.7 million as of December 31, 2023G mainly driven by several factors, namely:

- Decrease in deferred expenses related to the medical services provider TPA by SAR 7 million.
- Capitalization of the new program in 2022G with a value of SAR 25 million, which was classified as an advance payment in 2022G and was fully capitalized in 2023G.
- Amounts recovered from reinsurers reclassified into reinsurance contract assets in accordance with IFRS 17 amount to SAR 22.0 million.
- Withholding tax paid in advance on reinsurance premiums in the amount of SAR 5.0 million.
- Exemption from deferred CCHI fees after the SABB Takaful merger in the amount of SAR 3.0 million.
- Replenishing the resources of the Alico Claims Settlement Fund by an amount of SAR 3.0 million.
- A decrease in prepaid rent by SAR 2.0 million due to the closure of some branches.



Financial assets for unit linked insurance contracts

Financial assets for unit linked insurance contracts increased from SAR 483.7 million as at December 31, 2022G to SAR 503.9 million as at September 30, 2023G mainly impacted by the growth in unit linked Protection & Savings portfolio during the same period.

Due from insurance operations

Due from insurance operations increased from SAR 3.3 million as at December 31, 2022G to SAR 543.2 million as at December 31, 2023G mainly reflecting operational transactions between shareholders' operations and policyholders' operations. The significant increase is due to the profit for the period amounting to SAR 148.0 million in 2023G.

Statutory deposit

Statutory deposit remained stable and amounted to SAR 85.1 million as at December 31, 2022G and as at December 31, 2023G, as share capital remained the same during these two periods.

Accrued income on statutory deposit

Accrued income on statutory deposit decreased from SAR 17.3 million as at December 31, 2022G to SAR 4.3 million as at December 31, 2023G which mainly pertains to the profit generated on the statutory deposit and was in line with settlements of all balances to SAMA (Saudi Central Banks) during the period, upon the creation of the insurance authority.

Investments

Table No. 81 Investments as of December 31, 2022G, and December 31, 2023G

In SAR thousands	31 December 2022G (Restated)	31 December 2023G (Unaudited)
Shareholders' operations		
Investments measured at FVTPL	366,187	484,537
Investments measured at amortized cost	298,646	401,244
Investments measured at FVOCI	79,406	86,925
Total shareholders' operations	744,239	972,706
Policyholders' operations		
Investments measured at FVTPL	-	-
Investments measured at amortized cost	211,293	138,914
Investments measured at FVOCI	-	-
Total policyholders' operations	211,293	138,914
Total investments	955,532	1,111,620

Source: Financial statements (audited) for the 2022G and 2023G

Total investments increased from SAR 955.5 million as at December 31, 2022G to SAR 1,111.6 million as at December 31, 2023G mainly impacted by the increase in shareholders' operations investments measured at fair value through profit & loss from SAR 366.2 million as at December 31, 2022G to SAR 484.5 million as at December 31, 2023G, This is due to the rise in local equity



investments by SAR 73.2 million, and increasing the funds' investments, including international and local deposits, by SAR 45.2 million. This was accompanied by an increase in shareholder operations investments measured at amortized cost from SAR 298.6 million as of December 31, 2022G to SAR 401.2 million as of December 31, 2023G, in line with the increase in Sukuk deposits during the period.

This was partially offset by a decrease in the investments of shareholders' operations measured at amortized cost from SAR 211.3 million as of December 31, 2022G to SAR 138.9 million as of December 31, 2023G, in line with the maturity of the sukuk held within the operations of insurance policyholders during the period.

Long term deposits

Long term deposits increased from SAR 50.0 million as at December 31, 2022G to SAR 354.9 million as at December 31, 2023G as a result of adding 3 new placements with a local bank amounting to SAR 210.0 million during the period.

Property and equipment

Table No. 82 Property and equipment, net as of December 31, 2022G, and December 31, 2023G.

In SAR thousands	31 December 2022G (Audited)	30 September 2023G (Audited)
Cost		
Land	16,400	16,400
Furniture and fixtures	21,691	25,917
Computers	24,549	30,503
Vehicles	1,197	633
Right to use assets	12,976	14,549
Total	76,812	88,002
Accumulated consumption		
Land	-	-
Furniture and fixtures	17,808	19,536
Computers	19,241	22,084
Vehicles	1,082	579
Right to use assets	6,621	10,319
Total	44,751	52,518
Net book value		
Land	16,400	16,400
Furniture and fixtures	3,882	6,381
Computers	5,309	8,419
Vehicles	115	54
Right to use assets	6,355	4,230
Total	32,061	35,484

Source: Financial statements (audited) for 2022G and 2023G



Property and equipment increased from SAR 32.1 million as of December 31, 2022G to SAR 35.5 million as of December 31, 2023G, driven mainly by additions in computers amounting to SAR 6 million, and additions to furniture and fixtures assets amounting to SAR 4.2 million in 2023G. This is in line with the growth in business. This was partially offset by a decrease in right-of-use assets from SAR 6.4 million as of December 31, 2022G to SAR 4.2 million as of December 31, 2023G. This is in line with the depreciation charge of SAR 3.7 million during the period.

Intangible assets

Table No. 83 Intangible assets

In SAR thousands	31 December 2022G (Amended)	31 December 2023G (Audited)
Software developed internally	7,418	38,299
Client Contract (MetLife Alico)	5,322	5,256
Customer Relationship (Arab National Bank)	1,886	1,414
Product licenses	24,847	24,847
Individual life insurance	52,670	47,368
General Takaful insurance	4,831	4,382
Total net book value	96,975	121,566

Source: Financial statements (audited) for 2022G and 2023G

Intangible assets increased from SAR 97.0 million as of December 31, 2022G to SAR 121.6 million as of December 31, 2023G mainly driven by the capitalization of the Company's Enterprise Resource Planning (ERP) software's amounting to SAR 40.7 million as of December 31, 2023G, this was partially offset by recording a depreciation charge of SAR 9.8 million during the period.

Goodwill

Goodwill remained stable and amounted to SAR 24.4 million as at December 31, 2022G and as at December 31, 2023G, pertaining to the merger with MetLife.

Liabilities

Table No. 84 Total liabilities as of December 31, 2022G and 2023G.

In SAR thousands	31 December 2022G (Restated)	31 December 2023G (Audited)
Insurance contract liabilities	2,120,672	2,554,671
Reinsurance contract liabilities	3,258	-
Accrued expenses and other liabilities	254,801	170,259
Accrued commission income payable to SAMA	17,246	4,347
Due to insurance/shareholders' operations	3,280	29,876
Provision for zakat and income tax	45,231	46,283
Provision for end of service indemnities	26,948	33,322
Total liabilities	2,471,436	2,838,794

Source: Financial statements (audited) for 2022 and 2023G



Insurance contracts liabilities

For insurance contracts liabilities analysis, please refer to section 1-6-2-1 «**Insurance and reinsurance contract assets and liabilities**».

Reinsurance contracts liabilities

For reinsurance contracts liabilities analysis, please refer to section 1-6-2-1 «**Insurance and reinsurance contract assets and liabilities**».

Accrued expenses and other liabilities

Table No. 85 Accrued expenses and other liabilities as of December 31, 2022G and 2023G.

In SAR thousands	31 December 2022G (Restated)	31 December 2023G (Audited)
Due Payments	23,475	31,623
Pending, undrawn checks	11,420	11,393
Value added tax due to the Zakat, Tax and Customs Authority, net	30,180	14,471
Amounts due to social insurance	874	804
Accounts payable to suppliers and service providers	115,629	96,278
Rents due	5,893	2,754
Accrued liabilities related to the insurance industry complex	22,332	7,331
Other liabilities	44,998	5,641
Total	254,801	170,295

Source: Financial statements (audited) for 2022G and 2023G

Accrued expenses and other liabilities decreased from SAR 254.8 million as at December 31, 2022G to SAR 170.295 million as at December 31, 2023G mainly driven by the Company decrease of VAT due by SAR 15.7 million, this was accompanied by a decrease in payables to suppliers and service providers by an amount of SAR 19.4 million as of December 31, 2023G due to settlements made during the year.

Accrued income payable to the Insurance Authority

Accrued income payable to SAMA decreased from SAR 17.2 million as of December 31, 2022G to SAR 4.3 million as of December 31, 2023G which is a contra-asset for the accrued income on statutory deposit, as this income is payable to the Insurance Authority.

Due to shareholders' operations

Due to shareholders' operations increased from SAR 3.3 million as of December 31, 2022G to SAR 29.9 million as of December 31, 2023G mainly reflecting operational transactions between shareholders' operations and policyholders' operations. This account fully offsets the account due from insurance operations on the asset side. The significant increase is due to the profit recorded for the period amounting to SAR 148.0 million in 2023G.



Provision for zakat and income tax

The Company has filed Zakat and income tax returns with Zakat, Tax, and Customs Authority («ZATCA») up to the year ended December 31, 2022G, and obtained the required certificate from Zakat, Tax, and Customs Authority that is valid up to April 30, 2024G.

During 2020G, the Company received an assessment order for the year 2014G for an additional zakat and tax liability amounting to SAR 5.9 million. Further, during 2020G, the Company has received assessment orders for the years 2015G, 2017G and 2018G for an additional zakat and tax liability amounting to SAR 9.3 million. The Company has appealed against these assessments, which are under review and consideration by the General Secretariat of Tax Committees («GSTC»). Currently the Company is in the process of settlement with ZATCA and will continue the appeal process if the position is not in Company's favor.

During 2023G, the Company submitted documents required by the Authority for the years 2021G and 2022G and is awaiting the Authority's response.

In addition to the above, the Company has received VAT assessments for 2018-2020G for an additional liability amounting to SAR 27 million.

The Company successfully appealed against most of the items in this assessment and paid an amount of SAR 9.7 million as a full and final settlement.

Provision for zakat has been made at 2.5776% of the higher of approximate zakat base or adjusted net income and 2.5% on adjusted net income attributable to the Saudi shareholders of the Company. Income tax is payable at 20% of the adjusted net income attributable to the foreign shareholders of the Company.

Provision for end of service indemnities

Provision for end of service indemnities remained relatively stable, slightly increasing from SAR 27.0 million as at December 31, 2022G to SAR 29.3 million as at September 30, 2023G, in line with end of service benefits calculations.

Table No. 86 Financing structure as of December 31, 2022G and 2023G.

In SAR thousands	31 December 2022G (Restated)	31 December 2023G (Audited)
Debt	0	0
Cash and its equivalent	534,210	512,411
Share capital	850,583	850,583
Share premium	193,119	193,119
Statutory reserve	63,327	79,915
Retained earnings / (accumulated losses)	(65,038)	66,351
Fair value reserves on investments - classified as FVTOCI	74,308	81,827



In SAR thousands	31 December 2022G (Restated)	31 December 2023G (Audited)
Reserve for remeasurement of employees' end of service compensation - related to insurance operations	137	(3,340)
Total equity	1,116,436	1,268,455
Financing Structure (Total Debt + Equity)	0	0
Borrowing Rate % = (Total Debt / Financing Structure)	0%	0%

Shareholders' Equity

Table No. 87 Statement of financial position as of December 31, 2022G, and December 31, 2023G.

In SAR thousands	31 December 2022G (Restated)	31 December 2023G (Audited)
Share capital	850,583	850,583
Share premium	193,119	193,119
Statutory reserve	63,327	79,915
Retained earnings / (accumulated losses)	(65,038)	66,351
Fair value reserves on investments - classified as FVTOCI	74,308	81,827
Total shareholders' equity	1,116,299	1,271,795
Remeasurement of reserve for end of service indemnities- related to insurance operations	137	(3,340)
Total equity	1,116,436	1,268,455

Source: Financial statements (audited) for 2022G and 2023G

Total equity increased from SAR 1,116.4 million as at December 31, 2022G to SAR 1,268.5 million as at December 31, 2023G, mainly driven by the increase in retained earnings from an accumulated losses balance of SAR 65.0 million to an accumulated profit balance of SAR 66.4 million during the year. This was driven by the net profit of SAR 148.0 million recorded in the financial year ending on December 31, 2023G, in addition to an increase in the legal reserve by SAR 16.6 million during the year.

Statement of Cash Flows

Table No. 88 Statements of Cash Flows for the fiscal years 2022G and 2023G.

In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (Audited)
Cash and it equivalent at beginning of the year	325,048	534,210
Net cash generated from operating activities	59,365	422,928
Net cash generated (used) in investing activities	139,479	(440,574)
Net cash generated from (used in) output from financing activities	10,318	(4,153)
Increase / (decrease) in cash and cash equivalents	209,162	(21,799)
Cash and its equivalent at the end of the year	534,210	512,411



Source: Financial statements (audited) for 2022G and 2023G

Cash and cash equivalents at the end of the year remained relatively stable, as it decreased slightly from SAR 534.2 million for the year ending December 31, 2022G to SAR 512.4 million for the year ending December 31, 2023G, mainly due to the increase in cash at the beginning of the year, as It amounted to SAR 534.2 million. This was in line with the increase in cash generated from operating activities of SAR 363.6 million during the financial year. This was partially offset by a decrease in net cash generated (used) in investing activities from an inflow of SAR 139.5 million to an outflow of SAR 440.6 million for the year ending December 31, 2023G, due to additions to short-term and long-term deposits.

Cash Flows from Operating Activities

Table No. 89 Cash Flows from Operating Activities for the Fiscal years 2022G and 2023G.

In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (Audited)
Net (loss)/income before zakat and income tax	(56,441)	162,977
Adjustments for non-cash and non- operating items:		
Depreciation of property and equipment, net	6,611	8,299
Amortization of intangibles	3,010	16,119
Amortization of investments held at amortized cost	22	(458)
Dividends on investments	(12,308)	(16,791)
Expected credit losses and impairment of financial assets	804	114
Commission income on investments and deposits	(23,995)	(58,399)
Realized gain on investments measured at FVTPL	(37,442)	(9,202)
Unrealized gain /loss on investment measured at FVTPL	44,256	(80,696)
Deal Buying Gains	(49,677)	-
Provision for end of service indemnities	4,134	5,147
Changes in operating assets and liabilities:		
Insurance contract assets	(8,793)	8,793
Insurance contract liabilities	189,295	433,999
Reinsurance contract assets	(22,294)	11,509
Reinsurance contract liabilities	(5,178)	(3,258)
Prepaid expenses and other assets	(32,343)	42,899
Accrued expenses and other liabilities	65,518	(82,141)
Total	65,179	438,911
Provision for end of service indemnities paid	(2,476)	(2,250)
Zakat and income tax paid	(3,338)	(13,733)
Net cash generated from / used in from operating activities	59,365	422,928

Source: Financial statements (audited) for 2022G and 2023G



Net cash generated from operating activities increased from SAR 59.4 million for 2022G to SAR 422.9 million for 2023G, mainly driven by the increase in net income before zakat and income tax by SAR 106.5 million, coupled with the decrease in prepaid expenses amounting to SAR 42.9 million during the period,

and a considerably lower change in reinsurance contract assets amounting to SAR 11.5 million for fiscal year ended on December 31, 2023G as compared to a negative change of SAR 22.3 million for the fiscal year ended on December 31, 2022G.

Cash Flows from used in Investing Activities

Table No. 90 Cash Flows used in Investing Activities for the Periods Ending December 31, 2022G and 2023G.

In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (Audited)
Investments measured at fair value through income statement, net	79,903	(28,452)
Investments held at amortized cost, net	(102,318)	(29,761)
Financial assets for unit linked insurance contracts	14,899	(59,494)
Additions in intangible assets	(2,491)	(16,788)
Commission income received on investments and deposits	14,245	54,850
Dividend income on investments	12,308	16,791
Cash and cash equivalent acquired through a business combination	45,372	-
Exclusions from/ (additions to) short term deposits	32,368	(65,996)
Exclusions from/ (additions to) long term deposits	50,000	(305,000)
Additions in property and equipment	(4,807)	(6,724)
Net cash flow generated/(used) in investing activities	139,479	(440,574)

Source: Financial statements (audited) for 2022G and 2023G

Net cash generated from investing activities decreased from SAR 139.5 million for the fiscal year ended on December 31, 2022G to a net cash used in investing activities of SAR 440.6 million for the fiscal year ended on December 31, 2023G. This was mainly due to additions to long term deposits amounting to SAR 305.0 million and short-term deposits amounting to SAR 66.0 million for fiscal year ended on December 31, 2023G, in line with Management's strategy to grow its investment portfolio. This was coupled with the additions in intangible assets amounting to SAR 16.8 million for the nine-month period ended December 31, 2023G, in line with the capitalization of the enterprise risk management software during the year.



Cash Flows used in Financing Activities

Table No. 91 Cash Flows used in Financing Activities for the fiscal years Ending on December 31, 2022G and 2023G.

In SAR thousands	Fiscal Year 2022G (Restated)	Fiscal Year 2023G (Audited)
Net change in the statutory deposit	13,582	-
Paid lease obligations	(3,264)	(4,153)
Net cash flow generated from/ (used in) financing activities	10,318	(4,153)

Source: Financial statements (audited) for the fiscal years ending on December 31, 2022G and 2023G

Net cash used in financing activities decreased from SAR 10.3 million in the fiscal year ending in December 31, 2022G, Driven by a decrease in the change in the statutory deposit amount SAR 13.6 million, in addition of a slight increase in lease liabilities amounting to SAR 889 thousand Saudi paid during the financial year.

Use of Offer Proceeds

06



6- Use of Offer Proceeds

6-1 Net Offer Proceeds

The total proceeds of the Rights Issue Offering amount to four hundred and sixty-seven million five hundred thousand (467,500,000) Saudi Riyals, of which nine million and one hundred thousand (9,100,000) Saudi Riyals will be paid to cover the offering expenses, which include the fees of the financial advisor, lead manager, legal advisor, underwriting manager, media and public relations advisor, in addition to Underwriting expenses, marketing, printing, distribution expenses and other expenses related to the subscription. Accordingly, the net proceeds of the offering will amount to four hundred and fifty-eight million and four hundred thousand (458,400,000) Saudi Riyals which will be used to support the growth and expansion plans of the Company's activity, enhance the solvency margin, and maintain the Company's credit rating, as this will be done by using the subscription proceeds in financial investments in addition to increasing the statutory deposit stipulated by the Saudi Central Bank due to the increase of the Company's capital.

The Company will also disclose to the public on the Saudi Tadawul website when there is a difference of (5%) or more between the actual uses of the proceeds of the offering against what was disclosed in this Prospectus as soon as it becomes aware of that in accordance with paragraph (f) of Article (72) of the Rules on the Offer of Securities and Continuing Obligations, which stipulates that «**The issuer must, in the event of any discrepancy of (5%) or more between the actual use of the proceeds from a rights issue or a share issuance with the suspension of preemptive rights and the planned use of proceeds that was disclosed in the relevant prospectus, disclose such discrepancy to the public as it becomes aware of such discrepancy.**»

6-2 Use of Net Offer Proceeds

On 02/03/1445H (corresponding to 17/09/202 G), as amended on 15/08/1445H (corresponding to 25/02/2024G), the Board of Directors recommended to increase the Company's capital by offering Rights Issue shares worth four hundred and sixty-seven million five hundred. One thousand (467,500,000) Saudi Riyals for the purpose of supporting the growth and expansion plans of the Company's activity, enhancing the solvency margin and maintaining the Company's credit rating, conditional on obtaining the approval of the Saudi Central Bank and the Insurance Authority, the Capital Market Authority, and the Saudi Tadawul Group, in addition to the approval of the Extraordinary General Assembly. Knowing that all continuing obligations, in accordance with the requirements of the Saudi Central Bank, are now towards the Insurance Authority, to which its powers were transferred, which officially started its work on 09/05/1445 H (corresponding to 23/11/2023 G) to regulate, supervise and control the insurance sector in the Kingdom. Therefore, the Company obtained a no-objection from the Saudi Central Bank to increase the capital on 06/05/1445 H (corresponding to 20/11/2023 G) valid for one year from its date to complete the capital increase process, noting that on 02/11/1446H (corresponding to 08/15/2024G), the Company received an extension of the non-objection of the capital increase from the Insurance Authority for an additional three months, provided that all requirements are met.

The Net Offering proceeds will be used mainly to support the Company's growth plans, expand the Company's activity, enhance its financial solvency margin, and maintain its credit rating. Such



will be done by using the subscription proceeds in financial investments, in addition to increasing the statutory deposit stipulated by the Saudi Central Bank due to the increase in capital, and shareholders will not receive any of the subscription proceeds.

The table below shows the proposed use of the offering proceeds:

Table No. 92 Suggested use of offering proceeds

Description	Amount (Million SAR)	Percentage* of Total Offering Proceeds (%)
Total proceeds from the offering	467,500,000	100%
Estimated offering expenses	9,100,000	%1.9
Net proceeds from the offering	458,400,000	%98.1
Increase the statutory deposit according to the requirements of the Saudi Central Bank	42,500,000	%9.1
Long-term investments such as bonds and other fixed income investments, bank deposits, mutual and real estate funds, and investments in private companies.	345,000,000	%73.8
Investing in shares of companies listed in the Saudi financial market	70,900,000	%15.2

Source: The Company

The company will use the proceeds of the offering as follows:

6-2-1 Use of Net Offer Proceeds to Increase the Statutory Deposit

Pursuant to Article (58) of the Implementing Regulations for Cooperative Insurance Companies Control Law issued by the Saudi Central Bank, the statutory deposit percentage must be ten percent (10%) of the paid-up share capital, and the Saudi Central Bank may raise such percentage to a maximum of fifteen percent (15%) according to the risks that the Company may face. Accordingly, the Company will allocate forty-two million five hundred thousand (42,500,000) Saudi Riyals from the Net Offering Proceeds as a statutory deposit. The total statutory deposit will be one hundred and twenty-seven million, five hundred and fifty-eight thousand, three hundred and twenty-five (127,558,325) Saudi Riyals, as the current statutory deposit is eighty-five million and fifty-eight thousand, three hundred and twenty-five (85,058,325) Saudi Riyals

6-2-2 Use of Net Offer Proceeds for Investments and Deposits

The Company will use the three hundred and forty-five million (345,000,000) Saudi Riyals of the Net Offering proceeds for long-term investments such as bonds and other fixed income investments, bank deposits, investment and real estate funds, and investments in private companies.

6-2-3 Use of Net Offer Proceeds in Financial Investment

The remaining proceeds amounting to seventy million nine hundred thousand (70,900,000) Saudi Riyals will be used to support the Company's investment portfolios to invest in shares in companies listed on the Saudi financial market within a range that takes into account the regulatory limits and the Company's investment policy. The Company is in compliance with Article (60) of the



Implementing Regulations of the Cooperative Insurance Companies Control Law to have a written investment policy approved by the Board of Directors. The Company's investment policy was approved by the Saudi Central Bank pursuant to Letter No. (44005857) dated 01/23/1444H (corresponding to 08/21/2022G).

It is worth noting that the amounts will be distributed to investment channels in accordance with Article Sixty-One (61) of the Implementing Regulations of the Cooperative Insurance Companies Control Law, which stipulates the following:

- 1- The Company shall, when formulating its investment policy, take into consideration that the maturity of its invested assets equals its liabilities according to the issued policies. The Company must submit to the Saudi Central Bank with an investment policy, which includes the assets distribution. If such investment policy was not approved by Saudi Central Bank, the Company shall adhere to the investment standards in Table (1) of the Implementing Regulations, provided that investment outside the Kingdom does not exceed (20%) of the total investments, and in accordance with Paragraph (2) of Article (59), which states that the Company shall invest (50%) of its total invested assets in Saudi Riyals. If the Company wishes to reduce this percentage, it should receive the prior written approval must from the Saudi Central Bank.
- 2- The Company must take into consideration the investment concentration risks so that the concentration percentage does not exceed (50%) of each investment in Table No. (1) of the Implementing Regulations.

According to Article (62) of the Implementing Regulations of the Cooperative Insurance Companies Control Law, the Company shall not use financial instruments such as financial derivatives and off-balance sheet items before obtaining the prior written approval from the Saudi Central Bank. The Company may not use the instruments for purposes other than managing the investment portfolio. The following must be taken into consideration:

- 1- Such derivatives must be listed on financial exchange, are capable of being readily closed out, are based on underlying admissible assets and have a prescribed pricing basis.
- 2- The Company has set aside assets that can be used to settle any obligations under these derivatives and set adequate provisions for any adverse changes on the derivatives and their coverage.
- 3- The counter party in the transaction must be reputable and in an acceptable financial condition.

It is worth noting that the Company has current outstanding investments (for more information, please refer to paragraphs (5.5.2 and 5.6.2) of Section (5) «**Financial Information and Management, Discussion and Analysis**»).

In line with the requirements of Paragraph (F) of Article (72) of the Rules on the Offer of Securities and Continuing Obligations, the Company will disclose to the public any discrepancy of (5%) or more between the actual use of the proceeds from a Rights issue or share issuance against what was disclosed in this prospectus. as it becomes aware of such discrepancy.



6-2-4 The effect of the capital increase on the solvency margin

The Implementing Regulations of the Cooperative Insurance Companies Control Law require insurance companies to maintain a minimum level of net assets recognizable in the solvency margin account. This requirement translates into the need to maintain a minimum amount of the full solvency margin (100%) (net admissible assets divided by the minimum solvency margin).

According to Article (65) of the Implementing Regulations of the Cooperative Insurance Companies Control Law, the Saudi Central Bank requires insurance companies to evaluate their assets for the purpose of calculating solvency margin in accordance with the specific tables and percentages of inclusion issued by Saudi Central Bank, taking into account the following:

- Market value shall not be exceeded in the valuation process and shall all assets linked to Investment part of the Protection and Savings insurance policy shall be excluded.
- The maximum limit of (20%) of the total assets value in any one-asset category.

Article (66) of the Implementing Regulations of the Cooperative Insurance Companies Control Law states that a Company, in respect to its general health insurance business, shall maintain a margin of solvency equivalent to the highest of the following three amounts:

- The minimum capital requirement is (100,000,000) Saudi Riyals for insurance companies and (200,000,000) Saudi Riyals for reinsurance companies or insurance companies that are engaged in reinsurance operations.
- Gross Premiums Written.
- Claims.

The following table outlines the Solvency Statement (Margin/Cover) as of December 31, 2021, 2022, and 2023G:

The Company margin and solvency cover

Table No. 93 Details of the company's solvency margin and solvency cover

(SAR)	December 31, 2021G	December 31, 2022G	December 31, 2023G
Minimum capital requirements	200,000	200,000	200,000
Total premium solvency margin	338,728	381,493	471,995
Total claims solvency margin	181,249	221,784	254,584
Minimum Required Solvency Margin - General Insurance Products	338,728	381,493	471,995
Minimum Required Solvency Margin - Protection and Savings Insurance Products (Life)	105,883	78,875	58,677
Minimum solvency margin requirement for all products (general and life insurance)	444,611	460,368	530,672
Net assets includable in financial solvency	538,902	650,358	912,518



(SAR)	December 31, 2021G	December 31, 2022G	December 31, 2023G
An increase (deficit) in acceptable net assets compared to the minimum required solvency margin	94,291	189,990	381,846
Solvency margin (%)	121%	141%	172%

Source: The Company

The following are the expected contributions of the net offering proceeds in order to maintain capital requirements for the coming years, which were calculated based on certain requirements imposed by the Saudi Central Bank on insurance companies:

Table No. 94: Expected Contribution of the Net Offer Proceeds to Maintain Financial Solvency Requirements

(SAR)	December 31, 2024G	December 31, 2025G	December 31, 2026G	December 31, 2027G
Minimum capital required	200,000	200,000	200,000	200,000
Total solvency margin for premiums - general insurance products	493,472	598,924	783,403	909,623
Total solvency margin for claims - general insurance products	296,083	359,355	438,706	509,389
Minimum required solvency margin - general insurance products	493,472	598,924	783,403	909,623
Minimum Required Solvency Margin - Protection and Savings Insurance Products (Life)	78,745	91,978	114,011	129,639
The minimum required solvency margin for all products (general and life insurance)	572,217	690,903	897,414	1,039,262
Net assets includable in financial solvency	1,392,648	1,582,065	1,794,923	2,006,879
An increase (deficit) in acceptable net assets compared to the minimum required solvency margin	899,175	983,141	1,011,520	1,097,256
Solvency margin cover (%)	243%	229%	200%	193%

Source: The Company

The following table outlines the expected timetable for using the offering proceeds:

Table No. 95 The expected timetable for using the offering proceeds

(Thousands Saudi Riyals)	2024G			2025G			Total (SAR)	Percentage of total offering proceeds (%)
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter		
Increase the statutory deposit according to the requirements of the Saudi Central Bank	42,500	-	-	-	-	-	42,500	9.1%
Long-term investments in bonds and other fixed income investments, bank deposits, mutual funds, real estate, and investments in private companies	100,000	100,000	145,000	-	-	-	345,000	73.8%



(Thousands Saudi Riyals)	2024G			2025G			Total (SAR)	Percentage of total offering proceeds (%)
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter		
Investing in shares of companies listed in the Saudi financial market	70,900	-	-	-	-	-	70,900	15.2%
Estimated offering expenses	9,100	-	-	-	-	-	9,100	1.9%
Total proceeds from the offering	222,500	100,000	145,000	-	-	-	467,500	100%

Source: The Company

It should be noted that the above-mentioned items will be financed from the proceeds of the offering.

Experts Statements

07



7- Experts Statements

The Financial Advisor, Lead Manager and Underwriter, Legal Advisor and accountants whose names appear on page (i) have given their written consents to include their names, addresses, logos and statements in the form and text contained in the prospectus, and none of them has withdrawn any of these consents until the date of this prospectus. The Advisors or any of their employees or relatives do not have any shares or interest of any kind in the Company.

Declarations | 08



8- Declarations

As of the date of this prospectus, Board Members declare the following:

- 1- There has not been any interruption in the Company's business that could have significantly affected the financial situation during the last (12) months.
- 2- Other than what has been mentioned in Section No. (5) «**Financial Information and Management Discussion and Analysis**» on page (83) of this Prospectus, no commissions, discounts, brokerage fees, or any non-cash compensation have been granted by the Company within three years immediately preceding the application for registration and offer of securities that are subject to this Prospectus in connection with the issue or offer of any securities.
- 3- There has not been any material adverse change in the financial or trading position of the issuer during the three years immediately preceding the date of submitting the registration application and offering the securities subject to this Prospectus, in addition to the period covered by the certified public accountant's report until the approval of the prospectus.
- 4- Other than what has been mentioned in paragraph No. (4.2) «**Board of Directors**» of Section No. (4) «**Organizational and Management Structure**» on page (69) of this Prospectus, neither the members of the Board of Directors nor any of their relatives have any shares or interest of any kind in the issuer.
- 5- The Company did not maintain treasury shares, and the Company's Extraordinary General Assembly did not approve the purchase of the Company's shares.

Legal Information

09



9- Legal Information

9-1 Company overview

9-1-1 Company's Trade Name

The Company was established under the name «**Saudi United Cooperative Insurance Company**». On 25/08/1438 H (corresponding to 21/05/2017 G), the (Extraordinary) General Assembly approved the amendment of the Company's trade name from «**Saudi United Cooperative Insurance Company**» to «**Walaa Cooperative Insurance Company**» after the approval of the Saudi Arabian Monetary Authority (which became Saudi Central Bank later on) by virtue of letter No. (381000059843) dated 03/06/1438 H (corresponding to 02/03/2017 G).

The Company was registered at the commercial registry under the trade name «**Walaa Cooperative Insurance Company**,» which is the current trade name of the Company, and no amendments to the Company's trade name occurred until the date this Prospectus.

9-1-2 Company's Incorporation and Capital Development Phases

Walaa Cooperative Insurance Company (Walaa Insurance) was established as a joint stock company in the Kingdom of Saudi Arabia between thirty-four (34) shareholders under the name «**Saudi United Cooperative Insurance Company**.» The company's capital upon incorporation amounted to two hundred million (200,000,000) Saudi Riyals, divided into twenty million (20,000,000) ordinary shares, with a nominal value of ten (10) Saudi Riyals per share. The founding shareholders' ownership amounted to, one hundred and twenty million (120,000,000) Saudi Riyals divided into twelve million (12,000,000) shares representing a percentage of (60%) of the company's shares, paid in cash. A percentage of (40%) of the company's shares was offered to the public for public subscription, amounting to eight million (8,000,000) shares, with a value of eighty million (80,000,000) Saudi Riyals.

On 26/01/1426 H (corresponding to 07/03/2005 G), the General Authority for Investment (currently the Ministry of Investment) issued license No. (12031026535) for the incorporation of the company.

On 03/11/1426 H (corresponding to 05/12/2005 G), the Company's articles of association were ratified by the notary public in charge in the Eastern Province, number (84) and newspaper (85) from folder (10).

On 08/11/1426 H (corresponding to 10/12/2005 G), the approval of the Saudi Arabian Monetary Authority (whose name was later changed to the Saudi Central Bank) was issued to for the incorporation of the Company in accordance with the Cooperative Insurance Companies Control Law and its Implementing regulations.

On 16/09/1427 H (corresponding to 09/10/2006 G), Ministerial Resolution No. (233) was issued approving the license with respect to the incorporation of a joint-stock company under the trade name of the Saudi United Cooperative Insurance Company, a Saudi public joint-stock company.



On 18/09/1427 H (corresponding to 11/10/2006 G), Royal Decree No. (M/60) was issued approving the incorporation of the Company, pursuant to which the Ministerial resolution approving the incorporation of the Company was approved.

On 19/04/1428 H (corresponding to 06/05/2007 G), the company's Founders General Assembly was held and approved the provisions of the Company's first Bylaws, appointing the first members of the Board of Directors, and appointing two auditors to audit the Company's accounts for the period of the first fiscal year.

On 02/05/1428 H (corresponding to 19/05/2007 G), Ministerial Resolution No. (114/Q) was issued approving the announcement of the incorporation of the Saudi United Cooperative Insurance Company, a public Saudi joint stock company.

On 19/06/1428 H (corresponding to 04/07/2007 G), the Company was registered in the register of joint-stock companies in the city of Al-Khobar under the number (2051034982).

On 02/07/1428 H (corresponding to 17/07/2007 G), all of the Company's shares were registered and listed on the Saudi Capital Market «**Tadawul**» and began trading its shares after obtaining the Authority's approval to publish the Prospectus issued on 20/02/1428 H (corresponding to 10/03/2007 G).

On 28/06/1429 H (corresponding to 02/07/2008 G), the Company obtained a license from the Saudi Arabian Monetary Authority (which later became the Saudi Central Bank) to conduct the business of (insurance and reinsurance in the branches of reinsurance, general insurance, health insurance, protection insurance with Savings) in the Kingdom of Saudi Arabia under the number (T M N/16/20087) and dated 28/06/1429 H (corresponding to 02/07/2008 G).

On 23/06/1435 H (corresponding to 23/04/2014 G), the Company obtained the approval of the Saudi Arabian Monetary Authority (which later became the Saudi Central Bank) to increase the Company's capital by two hundred million (200,000,000) Saudi Riyals, so that the capital after the increase became four hundred million (400,000,000) Saudi Riyals according to letter No. (351000081751).

On 08/07/1436 H (corresponding to 27/04/2015 G), the Extraordinary General Assembly approved a capital increase with a nominal value of two hundred million (200,000,000) Saudi Riyals by offering twenty million (20,000,000) shares for subscription to right issue shares representing 100% of the Company's capital at an offering price of twelve (12) Saudi Riyals per share, with a nominal value of ten (10) Saudi Riyals, and a total offering value of two hundred and forty million (240,000,000) Saudi Riyals. On 11 /05/1436 AH (corresponding to 02/03/2015 G), the Company obtained the Authority's approval to publish the Prospectus issued on 08/07/1436 H (corresponding to 27/04/2015 G), so that the Company's capital, after the increase, became four hundred million (400,000,000) Saudi Riyals, divided into forty million (40,000,000) shares with a nominal value of ten (10) Saudi Riyals per share).

On 25/08/1438 H (corresponding to 21/05/2017 G), the Extraordinary General Assembly granted its approval on changing the Company's trade name from «**Saudi United Cooperative Insurance**



Company» to «**Walaa Cooperative Insurance Company**» after obtaining a letter of approval from the Saudi Arabian Monetary Authority (later the Saudi Central Bank) on 03/06/1438 H (corresponding to 02/03/2017 G) and under the number (381000059843).

On 09/02/1439 H (corresponding to 29/10/2017 G), the Company obtained the approval of the Saudi Arabian Monetary Authority (which later became the Saudi Central Bank) pursuant to letter No. (391000015047) to increase the Company's capital by forty million (40,000,000) Saudi Riyals and said capital became four hundred and forty million (440,000,000) Saudi Riyals through the granting of one free share for every ten (10) outstanding shares.

On 14/09/1439 H (corresponding to 29/05/2018 G), the Extraordinary General Assembly approved a capital increase amounting to forty million (40,000,000) Saudi Riyals by granting one free share for every ten (10) outstanding shares, and the increase will take effect through capitalizing forty million (40,000,000) Saudi Riyals from the retained earnings account, provided that it should be for the benefit of the shareholders owners of the shares on the day on which the Extraordinary General assembly is held, in accordance with the Company's auditor's report issued on 06/08/1438 AH (corresponding to 22/04/2017 G), so that the Company's capital after the increase amounts to four hundred and forty million (440,000,000) Saudi Riyals.

On 03/08/1440 H (corresponding to 08/04/2019 G), the Company obtained, pursuant to letter No. (89/48662), the approval of the Saudi Arabian Monetary Authority (which later became the Saudi Central Bank) to increase the Company's capital by eighty-eight million (88,000,000) Saudi Riyals, so that the capital after the increase became five hundred and twenty-eight million (528,000,000) Saudi Riyals.

On 16/09/1440 H (corresponding to 21/05/2019 G), the Extraordinary General Assembly approved an increase of the Company's capital from four hundred and forty million (440,000,000) Saudi Riyals to five hundred and twenty-eight million (528,000,000) Saudi Riyals through granting one free share for every five (5) outstanding shares owned. The increase took place through capitalizing eighty-eight million (88,000,000) Saudi Riyals from the retained earnings account and with the entitlement of the shares to the shareholders owners of the shares on the day that the assembly was held and who are registered in the Company's records at the Securities Depository Center at the end of the second day of trading following the date of the assembly, according to the Company's auditor's report issued on 24/10/1440 H (corresponding to 27/06/2019 G).

On 15/10/1440 H (corresponding to 18/06/2019 G), the Company signed a non-binding memorandum of understanding with MetLife, the American International Group, and the Arab National Cooperative Insurance Bank to evaluate the feasibility of merging the two companies.

On 30/01/1441 H (corresponding to 29/09/2019 G), the Company signed a binding merger agreement with MetLife AIG ANB, which stipulates the purchase of all the shares of MetLife AIG ANB shareholders through submitting a share exchange offer without consideration Under the condition that the exchange will be completed by increasing the capital of Walaa Insurance Company by issuing new ordinary shares to the shareholders of MetLife AIG ANB. The company obtained a non-objection from the General Authority for Competition to carry on the economic concentration process pursuant to letter No. (504045) dated 25/04/1441 H (corresponding to



22/12/2019 G). The Company also obtained the approval of the Saudi Arabian Monetary Authority (which later became the Saudi Central Bank) for the merger process. Proposed pursuant to letter No. (41029533) dated 27/04/1441 H (corresponding to 24/12/2019 G).

On 04/05/1441 H (corresponding to 30/12/2019 G), the Company obtained the approval of the Capital Markets Authority on the request of Walaa Cooperative Insurance Company («**Walaa Insurance Company**») to increase its capital for the purpose of merging MetLife Company, the American International Group, and the Arab National Bank for Cooperative Insurance. («**MetLife AIG ANB**») with Walaa Insurance Company through a securities swap offer.

On 02/06/1441 H (corresponding to 27/01/2020 G), the Extraordinary General Assembly approved the merger of MetLife AIG ANB Company with Walaa Insurance Company by issuing (0.6577614444) shares with Walaa Insurance Company in exchange of every share in MetLife AIG ANB, in accordance with the terms and conditions of the merger agreement between Walaa Insurance Company and MetLife AIG ANB. The Extraordinary General Assembly also approved a capital increase of Walaa Company from five hundred and twenty-eight million (528,000,000) Saudi Riyals to six hundred and forty-six million three hundred and ninety-seven thousand and sixty (646,397,060) Saudi Riyals as a result of the merger process, and the Company's Bylaws have been amended accordingly. On 02/06/1441 H (corresponding to 27/01/2020 G), the Extraordinary General Assembly of MetLife AIG ANB approved the merger agreement.

On 06/07/1441 H (corresponding to 01/03/2020 G), Walaa Insurance Company announced the effectiveness of the decision to merge MetLife AIG ANB Company into Walaa Insurance Company and the transfer of all the assets and liabilities of MetLife AIG ANB Company to Walaa Insurance Company in exchange of Walaa Insurance Company issuing eleven million eight hundred and thirty-nine thousand seven hundred and six (11,839,706) ordinary shares with a nominal value of (10) ten Saudi Riyals per share, registered for the benefit of the shareholders of MetLife AIG ANB through increasing the paid-up capital of Walaa Insurance Company from five hundred and twenty-eight million (528,000,000) Saudi Riyals to six hundred and forty-six million, three hundred and ninety-seven thousand and sixty (646,397,060) Saudi Riyals and increasing the number of its shares from fifty-two million eight hundred thousand (52,800,000) shares to sixty-four million six hundred and thirty-nine thousand seven hundred and six (64,639,706) fully paid shares, according to the assurance report of the independent auditor issued on 01/08/1441H (corresponding to 25/03/2020 G).

On 11/08/1441H (corresponding to 29/06/2020 G), the Extraordinary General Assembly approved the amendment of some provisions of the Company's Bylaws.

On 04/12/1442H (corresponding to 14/07/2021 G), the Company signed a non-binding memorandum of understanding with SABB Takaful to evaluate the feasibility of merging the two companies.

On 23/07/1443 H (corresponding to 24/02/2022 G), the Company signed a binding merger agreement with SABB Takaful Company, which stipulates the merger of the two companies through the exchange of securities, whereby Walaa Company will issue (0.6005476176470590) shares for every share issued in SABB Takaful Company for the benefit of eligible shareholders in SABB Takaful Company (i.e. the shareholders who own the issued shares in SABB Takaful Company



on the effective date of the merger deal) in exchange for transferring all the assets and liabilities of SABB Takaful Company to Walaa Company, without paying any cash consideration. The Company has obtained a non-objection from the General Authority for competition to carry out the economic concentration process in accordance with Document No. (215) dated 18/08/1443 H (corresponding to 21/03/2022 G). The Company also obtained the Saudi Central Bank's approval for the proposed merger and to increase the Company's capital accordingly pursuant to letter No. (44000367) dated 02/01/1444 H (corresponding to 31/07/2022 G).

On 12/01/1444 H (corresponding to 10/08/2022 G), the company obtained the approval of the Capital Markets Authority on Walaa Cooperative Insurance Company's request to increase its capital for the purpose of merging SABB Takaful Company into Walaa Insurance Company through a securities exchange offer.

On 19/02/1444 H (corresponding to 15/09/2022 G), the Extraordinary General Assembly approved the merger of SABB Takaful Company into Walaa Insurance Company, by issuing (0.6005476176470590) new shares in Walaa Insurance Company for every share owned in SABB Takaful Company, in accordance with the terms and conditions of the merger agreement related to the merger deal concluded between Walaa Insurance Company and SABB Takaful. The Extraordinary General Assembly also approved the capital increase of Walaa Company from six hundred and forty-six million, three hundred and ninety-seven thousand and sixty-seven (646,397,060) Saudi Riyals to eight hundred and fifty million, five hundred and eighty-three thousand and two hundred and fifty (850,583,250) Saudi Riyals, and the Company's Bylaws have been amended accordingly. On 19/02/1444 H (corresponding to 15/09/2022 G), the Extraordinary General Assembly of SABB Takaful approved the merger agreement.

On 23/03/1444 H (corresponding to 19/10/2022 G), Walaa Insurance Company announced the effectiveness of the decision to merge SABB Takaful Company into Walaa Insurance Company and transfer all the assets and liabilities of SABB Takaful Company to Walaa Insurance Company, in exchange for Walaa Insurance Company issuing Twenty million, four hundred and eighteen thousand, six hundred and nineteen (20,418,619) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, registered for the benefit of the shareholders of SABB Takaful, through increasing the paid-up capital of Walaa Insurance Company from six hundred and forty-six million, three hundred and ninety-seven thousand and Sixty (646,397,060) Saudi Riyals to eight hundred and fifty million five hundred and eighty-three thousand two hundred and fifty (850,583,250) Saudi Riyals, and to increase the number of its shares from sixty-four million six hundred and thirty-nine thousand seven hundred and six (64,639,706) ordinary shares to eighty-five million and fifty-eight thousand three hundred and twenty-five (85,058,325) fully paid ordinary shares. This is according to the assurance report of the independent auditor on 08/04/1444 H (corresponding to 02/11/2022 G).

On 02/03/1445 H (corresponding to 17/09/2023 G), the Board of Directors of Walaa Cooperative Insurance Company recommended to the Extraordinary General Assembly of shareholders to increase the capital by offering rights issue shares worth four hundred and twenty-five million (425,000,000) Saudi Riyals for the purpose of supporting growth plans and maintain the company's solvency margin and credit rating. On 15/08/1445H (corresponding to 25/02/2024G),



the company's Board of Directors decided to amend its recommendation to the Extraordinary General Assembly regarding increasing the capital by offering rights issue shares and adding details of the increase, whereas the Company's Board of Directors decided to grant its approval regarding the capital increase amounting to Four hundred and twenty-five million (425,000,000) Saudi Riyals through the issuance of rights issue shares amounting to forty-two million five hundred thousand (42,500,000) shares at an offering price of eleven (11) Saudi Riyals per share and a nominal value of ten (10) Saudi Riyals per share, so that the total amount to be obtained amounts to four hundred and sixty-seven million five hundred thousand (467,500,000) Saudi Riyals, and the capital after the increase will amount to one billion two hundred and seventy-five million five hundred and eighty-three thousand two hundred and fifty (1,275,583,250) Saudi Riyals.

On 06/05/1445 H (corresponding to 20/11/2023 G), the Company has been granted the approval of the Saudi Central Bank (currently the Insurance Authority) pursuant to letter No. (45030193) to increase the company's capital from eight hundred and fifty million five hundred and eighty-three thousand two hundred and fifty (850,583,250) Saudi Riyals to one billion two hundred and seventy-five million five hundred and eighty-three thousand and two hundred and fifty (1,275,583,250) Saudi Riyals by offering Rights Issue Shares worth four hundred and twenty-five million (425,000,000) Saudi Riyals, valid for one year from the effective date of the capital increase process, noting that on 02/11/1446H (corresponding to 08/15/2024G), the Company received an extension of the non-objection of the capital increase from the Insurance Authority for an additional three months, provided that all requirements are met.

9-1-3 Capital and Statutory Deposit

Paid-up Capital

Article (8) of the Bylaws stated that the Company's capital at eight hundred and fifty million five hundred and eighty-three thousand two hundred and fifty (850,583,250) Saudi Riyals, divided into eighty-five million and fifty-eight thousand three hundred and twenty-five (85,058,325) shares of equal value, with a nominal value of ten (10) Saudi Riyals per share, all of which are ordinary shares.

According to Article (9) of the Bylaws, shareholders subscribed for the entire capital of the Company and the full value was paid.

Statutory Deposit

According to Article (14) of the Cooperative Insurance Companies Control Law and Article (58) of its Implementing Regulations, a statutory deposit must be deposited in a local bank for the order of the Saudi Bank, provided that the percentage of the statutory deposit is (10%) of the paid-up capital, and the Central Bank may raise this percentage to a maximum of (15%) according to the risks faced by the Company which must deposit the amount of the statutory deposit within three months from the date of being granted the license in the bank specified by the Saudi Central Bank at the time, and it is then invested by the Saudi Central Bank, which also benefits from its returns. As of the date of this prospectus, the Company is in conformity with the provisions of Article (14) of the Cooperative Insurance Companies Control Law and Article (58) of its Implementing Regulations in terms of depositing a statutory amount for the order of the Saudi Central Bank



amounting to of eighty-five million and fifty-eight thousand (85,058,000) Saudi Riyals, which represents approximately (10%) of the paid-up capital. This was confirmed by the Company's financial statements for the fiscal year ending on December 31, 2023.

9-1-4 Substantial Shareholders

As of the date of this Prospectus, there is one substantial shareholder whose percentage exceeds (5%) of the Company's shares, which is the Saudi Awwal Bank, owning thirteen million two hundred and seventy-two thousand and one hundred (13,272,100) shares, representing (15.604%) of the Company's total shares.

In accordance with Article (38) of the Implementing Regulations of the Cooperative Insurance Companies Control Law, the Company has to abide to the continuing obligations in terms of informing the Insurance Authority of the ownership percentage of any person who owns (5%) or more of its shares through a quarterly report that it prepares. Every person who owns (5%) or more of the Company's shares must inform the Insurance Authority in writing of its ownership percentage and any change which occurs within (5) days from the date of this occurrence.

9-1-5 Head Office

According to Article (5) of the Bylaws, the Company's head office is in the city of Al-Khobar in the Kingdom of Saudi Arabia. It is permissible by a decision of the Extraordinary general assembly, to transfer the head office to another city in the Kingdom of Saudi Arabia with the approval of the Saudi Central Bank and the Insurance Authority, and the Company may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia after obtaining the approval of the Saudi Central Bank.

The company's head office is located in Al-Khobar, P.O. Box: 31616, Zip Code: 31952, Tel: 138652200.

It should be noted that on 15/03/1438 H (corresponding to 14/12/2016 G), the Company received a letter from the Saudi Central Bank No. (2381000029805) containing its approval to move its main management head office from Al Rabiah and Al Nassar Building - Al Khobar - Custodian of the two Holy Mosques Street. - Second turn to the Custodian of the Two Holy Mosques Street in Al-Khobar City, adjacent to the previous building, turn (14) (Al-Khashoggi Building No. 4451).

As of the date of this Prospectus, the Company has (42) branches inside the Kingdom of Saudi Arabia and does not have any branch outside it.

9-1-6 Company's Term

Article (6) of the Bylaws stipulates that the Company's term shall be ninety-nine (99) Gregorian years starting from the date of its registration in the Commercial Register. and may be extended by a decision issued by the Extraordinary General Assembly at least one year prior to the expiration of its term.

The commercial registration certificate indicates that the Company's term expires on 03/07/1530 H (corresponding to 05/07/2106 G).



9-1-7 Company's Activities

According to Article (3) of the Bylaws, the Company's activities are: practicing cooperative insurance business in the general and health insurance branches and protection and savings insurance. The Company may carry out all necessary business activities to achieve its purposes. The Company carries out its activities in accordance with the Cooperative Insurance Companies Control Law and its Implementing Regulations And all the provisions issued by the Saudi Central Bank and the regulations and rules in force in the Kingdom of Saudi Arabia upon obtaining the necessary licenses from the relevant authorities, if any.

The Company's activities, according to the Commercial Register's Certificate, are: protection insurance with savings, health insurance, general insurance, and reinsurance.

The Company carries out its activities through its head office, branches and affiliated sales points, which it established in the Kingdom in accordance with the applicable regulations and after obtaining the necessary licenses from the relevant authorities, if any. The Company received the final approval from the Central Bank to carry out its insurance activity (for more information, please refer to Paragraph (9.5) «**Government Approvals, Licenses and Certificates**» of this section).

9-1-8 Bylaws

The current version of the Company's Bylaws was issued based on the Extraordinary General Assembly resolution held on 02/19/1444 AH (corresponding to 15/09/2022 G) and was adopted by the Ministry of Commerce (Operations Department) on 22/ 04/1444H (corresponding to 16/11/2022G). The Company is committed to uploading an updated version of its Bylaws on its page on Tadawul website.

Since the incorporation of the Company in (2005G) and until the date of this Prospectus, several amendments have occurred to the Company's Bylaws as follows:

- The first version of the Company's Bylaws was issued and approved in accordance with the resolution of the Founders Assembly held on 19/04/1428 H (corresponding to 06/05/2007 G), where the Company's capital upon incorporation amounted to two hundred million (200,000,000) Saudi Riyals, divided into twenty million (20,000,000) Ordinary share, with a nominal value of ten (10) Saudi Riyals per share.
- On 15/07/1431 H (corresponding to 27/06/2010 G), the General (Ordinary and Extraordinary) Assembly granted its approval on the amendment of Article No. (18) of the Bylaws so that it would be possible to appoint a General Manager (CEO) of the company from outside of the Board of Directors.
- On 08/07/1436 H (corresponding to 27/04/2015 G), Article (7) and Article (8) of the Bylaws were amended in accordance with the resolutions of the Extraordinary General Assembly to increase the Company's capital from two hundred million (200,000,000) Saudi Riyals to four hundred million (400,000,000) Saudi Riyals. The Assembly also approved amending Article (18) of the Company's bylaws by implementing the position of Vice Chairman of the Board of Directors.



- On 25/08/1438 H (corresponding to 21/05/2017 G), the Extraordinary General Assembly approved amending the Company's Bylaws in accordance with the amendment of the Company's trade name from Saudi United Cooperative Insurance Company (Walaa) to Walaa Cooperative Insurance Company. The Assembly also agreed to amend the Bylaws in accordance with the requirements of Article (224) of the Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437 H.
- On 14/09/1439 H (corresponding to 29/05/2018 G), Article (8) of the Bylaws was amended in accordance with the Extraordinary General Assembly's decision to increase the Company's capital from four hundred million (400,000,000) Saudi Riyals to four hundred and forty (440,000,000) Saudi Riyals. The Assembly also agreed to amend Article (30) of the Bylaws relating to calls for meetings, in addition to Paragraph (2) of Article (43) of the Bylaws relating to financial documents.
- On 16/09/1440 H (corresponding to 21/05/2019 G), Article (8) of the Bylaws was amended in accordance with the Extraordinary General Assembly's resolution to increase the Company's capital from four hundred and forty million (440,000,000) Saudi Riyals to five hundred and twenty-eight million (528,000,000) Saudi Riyals.
- On 02/06/1441 H (corresponding to 27/01/2020 G), the Bylaws were amended in accordance with the Extraordinary General Assembly's resolution to increase the Company's capital from five hundred and twenty-eight million (528,000,000) Saudi Riyals to six hundred and forty-six million and three hundred and ninety-seven thousand and sixty (646,397,060) Saudi Riyals, pursuant to approving the merger with MetLife AIG ANB. The Assembly also agreed to amend some articles of the Bylaws as follows: Article (3) related to the Company's activities, Article (11) related to the issuance of shares, Article (15) related to the management of the Company, Article (19) related to the remuneration of board members, Article (22) related to the quorum for the Board of Directors' meeting and Article (30) related to calling for Assembly meetings.

On 08/11/1441 H (corresponding to 29/06/2020 G), the Extraordinary General Assembly approved the amendment of some provisions of the company's Bylaws according as follows: Article (3) related to the company's Activities, Article (4) related to participation and ownership in companies, Article (11) relating to the issuance of shares, Article (12) relating to the trading of shares, Article (13) relating to Capital Increase , Article (14) relating to Capital decrease, Article (15) relating to Management of the Company, Article (16) relating to the expiration of board membership, Article (17) relating to the vacant position of the Board of Directors , Article (18) relating to the Authorities of the Board of Directors, Article (19) relating to the remuneration of Board members and the remuneration of the Chairman and the delegated board member, Article (22) relating to the quorum for the Board meeting, Article (24) relating to agreements and contracts, Article (25) relating to attendance at assemblies, Article (26) relating to the Founders Assembly, Article (27) relating to the Authorities of the Founders Assembly, Article (30) relating to the calls for meetings of the general assemblies, Article (32) relating to the quorum for the Ordinary General Assembly meeting Article (37) relating to the presidency of assemblies and the drafting of minutes, Article (39) relating to the appointment of the auditor, Article (43) relating to financial documents,



Article (45) relating to zakat and reserves, Article (49) relating to the responsibility of members of the Board of Directors, and Article (50) Related to the termination of the Company.

On 19/02/1444 H (corresponding to 15/09/2022 G), the Bylaws were amended in accordance with the Extraordinary General Assembly's resolution to increase the Company's capital from six hundred and forty-six million, three hundred and ninety-seven thousand and sixty (646,397,060) Saudi Riyals to Eight hundred and fifty million five hundred and eighty-three thousand two hundred and fifty (850,583,250) Saudi Riyals, pursuant to the approval of the merger with SABB Takaful Company. The Assembly also approved an amendment to change the name of the «**Saudi Arabian Monetary Authority**» to the «**Saudi Central Bank**» wherever it is mentioned in the company's Bylaws.

9-2 Management

9-2-1 Board of Directors

9-2-1-1 Formation of the Board of Directors

In accordance with Article (15) of the Bylaws, the Company is managed by a Board of Directors consisting of eleven (11) members elected by the Ordinary General Assembly of shareholders for a period not exceeding three (3) years, provided that the number of its members shall in no event not fall below five (5) members nor exceed eleven (11) members, and the composition of the Board of Directors must reflect a sustainable representation of independent members which in all cases, shall not be less than two or one-third of the Board members, whichever is greater. As an exception to the beforementioned, the Founders Assembly appoints the members of the first Board of Directors for a period not exceeding three (3) years starting from the date of issuance of the Ministry of Commerce's decision to incorporate the Company.

According to the composition of the current Board of Directors, the Company is in compliance with the requirements of Article (53) of the Insurance Companies Governance Regulations in terms of the maximum and minimum number of board members, which is shall not exceed eleven (11) members and shall not fall below five (5) members. Accordingly, the Company shall be bound by a Companies Law with a minimum of not less than three (3) members. The Company is also in compliance with Article (16) of the Corporate Governance Regulations issued by the Authority and Article (54) of the Governance Regulations for Insurance Companies, which stipulates that the majority of Board members of listed companies shall be non-executive directors and that the number of its independent members shall not be less than two members or one-third of the members (whichever is greater), based on the total number of Board members, so that the current Board consists of eleven (11) non-executive members and four (4) independent members.

On 04/09/1443 H (corresponding to 25/04/2022 G), the Company obtained the approval of the Saudi Central Bank sent via email to the candidates for membership in the Board of Directors in the current session.

On 22/10/1443 H (corresponding to 23/05/2022 G), the Ordinary General Assembly of shareholders approved the election of members of the Board of Directors for the current session, which begins



on 25/10/1443 H (corresponding to 26/05/2022 G) for three (3) years ending on 2711/1446 H (corresponding to 25/05/2025 G) as follows:

Table No. 96: Board of Directors - Current Session

Board of Directors (BOD) - Current Session*													
#	Name	Position	Nationality	Age	Membership Status		Date of Appointment	Representa- tion	Direct Ownership		Indirect Ownership		
					Independent / non-Independent	Executive / non-executive			Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage	
1	Sulaiman Bin Abdullah Bin Hamad Al Kadi	Chairman of the Board	Saudi	86	Non- independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022 G)	Himself	2,719	0.00320%	-	-	
2	Khalifah Bin Abdullatif Bin Abdullah Al Mulhiem *	Vice Chairman of the Board	Saudi	70	Non- independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,381,729	1.62445%	383,616	0.45100%	
3	Wasef Salem Abdulrahman Al Jebshah**	Board Member	Jordanian	81	Non- Independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	-	-	311,560	0.36629%	
4	Sulaiman Abdulaziz Saleh Al Towaijri	Board member	Saudi	58	Non- Independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	-	-	-	-	
5	Waleed Mohammed Abdullah Al Jaafari	Board Member	Saudi	63	Non- Independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	233,600	0.27464%	-	-	
6	Hatem Fahad Bin Sulaiman Balghonaim	Board Member	Saudi	40	Independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	4,224	0.00497%	-	-	
7	Jameel Abdullah Bin Abdulaziz Al Mulhiem***	Board Member	Saudi	52	Independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,200	0.00141 %	146	0.00017 %	
8	Hesham Bin Abdullatif Bin Hamad Al Jabr ****	Board Member	Saudi	49	Non- Independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	-	-	54,878	0.056384%	
9	Abdullatif Khalifah Bin Abdullatif Al Mulhiem *****	Board Member	Saudi	34	Non- Independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,010,949	1.18854 %	47,952	0.0564 %	
10	Ahmed Ali Zaid AlQuraishi *****	Board Member	Saudi	48	Independent	Non- Executive	19/01/1446H (corresponding to	Himself	--	--	30,536	0.0359%	
11	Osama Bin Mirza Bin Saleh Al Khunaizi	Board Member	Saudi	46	Independent	Non- Executive	25/10/1443H (corresponding to 26/05/2022G)	Himself	1,000	0.00118 %	--	--	

Source: The Company



*The indirect ownership of Board Member Khalifah Abdullatif Abdullah Al Mulhiem - Vice Chairman of the Board of Directors - results from his direct ownership in Khalifah Abdullatif Al Mulhiem Company Limited of (64%), and Khalifah Abdullatif Al Mulhiem Company Limited owns a percentage of (0.7047%) of the Issuer's capital.

**The indirect ownership of Board Member Wasef Salem Abdulrahman Al Jebshah - results from his direct ownership of (100%) in Wasef Al Jebshah for Investment Company, which owns (30.9%) of IGI Holding Bermuda, which owns (100%) of IGI Holding Limited (DIFC), which owns (100%) of IGI Underwriting Company, and IGI Underwriting owns a percentage of (1.1854%) of the Issuer's capital.

***The indirect ownership of Board Member Jameel Abdullah Bin Abdulaziz Al Mulhiem results from his direct ownership in Sadi Awwal Bank of (0.0011%), and Saudi Awwal Bank owns (15.60%) of the Issuer's capital.

****The indirect ownership of Board Member Hesham Abdullatif Hamad Al Jabr results from:

his direct ownership in Al Jabr Investment Company of (4.57%), and Al Jabr Investment Company owns a percentage of (1.1758%) of the Issuer's capital.

his direct ownership in Al Jabr Investment Company of (4.57%), and Al Jabr Investment Company owns a percentage of (5.654%) of ANB, as ANB owns (4.1759%) of the Issuer's capital.

*****The indirect ownership of Board Member Abdullatif Khalifah Abdullatif Al Mulhiem results from his direct ownership in Khalifah Abdullatif Al Mulhiem Company Limited of (8.00%), and Khalifah Abdullatif Al Mulhiem Company Limited owns a percentage of (0.7047%) of the Issuer's capital.

***** On 12/03/1445 H (corresponding to 06/09/2024 G), the Board of Directors approved the resignation of Mr. Abdulaziz bin Saud Al-Shabibi from membership in the Company's Board of Directors and the Investment Committee, which will take effect as of 12/03/1445 H (corresponding to 06/09 /2024 G) due to his personal circumstances. On 12/27/1445H (corresponding to 07/03/2024G), the Board of Directors decided to appoint Mr. Ahmed Ali Al-Quraishi as a member of the Board of Directors and the Investment Committee to complete the current term that ends on 11/28/1446H (corresponding to 05/25/2025G), provided that this appointment will be presented to the General Assembly at its first meeting, noting that the Insurance Authority's non-objection to this appointment was obtained on 01/19/1446H (corresponding to 07/25/2024G). It is worth noting that the indirect ownership of Board Member Ahmed Ali Al-Quraishi results from:

- His direct ownership in Sons of Ali Zaid Al-Quraishi Company of (40%), and Sons of Ali Zaid Al-Quraishi Company owns a percentage of (0.70%) of the Issuer's capital.

- His direct ownership of Ajda Company for Industrial and Technical Services Company of (9.6%), and Ajda Company for Industrial and Technical Services owns (0.82%) of the Issuer's capital.

Authorities of the Board of Directors: The Board of Directors has the authorities stipulated in Article (18) of the Bylaws, which were enumerated but not limited to: Taking into account the authorities assigned to the General Assembly, the Board of Directors shall have the broadest powers in managing the Company in order to achieve its objectives, except for acts or actions that are excluded by a special provision in the Companies Law or the Bylaws that fall within the jurisdiction of the General Assembly.

Powers of the Chairman of the Board of Directors: The Chairman of the Board of Directors exercises the powers stipulated in Article (20) of the Bylaws in addition to the authorities specified in the Companies Law, the Corporate Governance Regulations, and the Insurance Companies Control Law and its Implementing Regulations. The Chairman of the Board of Directors is responsible for representing the Company before the judiciary, arbitration bodies and others. The Chairman of the Board of Directors may, in written, delegate some of his authorities to other members of the Board or to third parties to carry out specific work or tasks. The Board of Directors determines the salaries, allowances, and bonuses for both the Chairman of the Board and the Delegated Board Member in accordance with what is stipulated in Article (19) of the Bylaws, and the Board of Directors must appoint a Secretary of the Board. The Board may also appoint one or more advisors in various company affairs, and the Board determines their remuneration. The Chairman of the Board and his deputy shall not be elected for a period exceeding the term of each member of the Board, and they may be re-elected and the Board may at any time dismiss them or any of them without prejudice to the right of the dismissed person to compensation if the dismissal occurred for an unlawful reason or at an inappropriate time.



The Chairman of the Board exercises the authorities mentioned in Article (48) of the Insurance Companies Governance Regulations, including but not limited to those specified.

Powers of the CEO: The CEO exercises the powers granted to him by the Board of Directors' decision dated 29/10/1444 H (corresponding to 30/05/2022 G).

9-2-1-2 Chairman, Vice Chairman and Secretary

In accordance with Article (20) of the Company's Bylaws, the Board of Directors appoints from among its members a Chairman and Vice-Chairman, appoints a Chief Executive Officer, and may appoint a Managing Director. It is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the company. The Chairman of the Board of Directors has the right to sign on behalf of the company and implement the Board's decisions.

Accordingly, the appointment of a vice president has become a mandatory position in listed joint stock companies, but with regard to the managing director, and according to the context of the text, it is not mandatory. The Board of Directors must appoint a Secretary of the Board from among its members or from others, and the Board shall determine his powers and remuneration if the company's bylaws do not include provisions in this regard.

The company has adhered to the bylaws and corporate governance regulations with regard to mandatory appointment to these positions after obtaining the necessary approvals for the appointment from the Insurance Authority in accordance with the following:

Table No. 97 Mandatory positions of the Board of Directors

Position	Date of the BOD's decision of appointment	Saudi Arabian Monetary Agency (SAMA)/ Saudi Central Bank Approval	Appointed Person
Chairman of BOD	Minutes of the Board of Directors meeting dated 29/10/1443 H (corresponding to 30/05/2022 G)	Me. Sleiman Bin Abdallah Al Kadi	Saudi Central Bank approval issued on 26/12/1443H (corresponding to 25/07/2022 G)
Vice Chairman of the Board	Minutes of the Board of Directors meeting dated 29/10/1443 H (corresponding to 30/05/2022 G)	Me. Khalifa Bin Abdulatif Al Melhem	Saudi Central Bank approval issued on 26/12/1443H (corresponding to 25/07/2022 G)
CEO	Minutes of the Board of Directors meeting on 04/09/1444 H (corresponding to 26/03/2023 G)	Mr. Johnson Varghese	Saudi Central Bank approval issued on 29/09/1444H (corresponding to 20/04/2023 G)
Secretary of the Board**	Minutes of the Board of Directors meeting dated 29/10/1443 H (corresponding to 30/05/2022 G)	Me. Ruqaya Bint Muhammad Al-Thawadi	Saudi Central Bank approval issued on 19/02/1444H (corresponding to 15/09/2022 G)

Source: The company

*Mr. Johnson Varughese has been appointed CEO of the Company since 13/02/1434 H (corresponding to 26/12/2012 G). On 04/09/1444 H (corresponding to 26/03/2023 G), the Company's Board of Directors decided to extend the mandate of the CEO, and the Company obtained a non-objection from the Saudi Central Bank for this extension on 29/09/1444 H (corresponding to 20/04/2023 G).



9-2-1-3 Board Members Remuneration

Remunerations are distributed to Board members in accordance with Article (19) of the Company's Bylaws, such that the remuneration for Board members of the is a specific amount, an attendance allowance for sessions, in-kind benefits, or a specific percentage of net profits. It is permissible to combine two or more of these advantages. If the bonus is a certain percentage of the Company's profits, this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in accordance with the provisions of the Cooperative Insurance Companies Control Law, the Companies Law, and the Company's Bylaws, and after distributing a profit to the shareholders, no Less than 5% of the Company's paid-up capital. The entitlement of such remuneration has to be proportional to the number of sessions attended by the member, and any estimate to the contrary is deemed void. In all cases, the total remuneration of the Board member including bonuses and monetary or in-kind benefits, does not exceed the five hundred thousand (500,000) Saudi Riyals annually (excluding members of the Audit Committee) in accordance with the restrictions set by the Capital Market Authority.

The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all the bonuses, expense allowances, and other benefits received by Board members during the financial year. It should also include a statement of what Board members received in their capacity as workers or administrators, or what they received in exchange for technical or administrative work or consultations. It should also include a statement of the number of Board meetings and the number of sessions attended by each member from the date of the last meeting of the General Assembly.

When determining and disbursing the remuneration of Board members, the restrictions stipulated in the Companies' law and its regulations, the regulations issued by the competent authorities, and the company's internal regulations regarding this matter are taken into account.

The table below shows the attendance bonuses and allowances received by Board members and senior executives during the previous three years:

Table No. 98 Remuneration of the Board and Senior Executives

Distributions*	2020G	2021G	2022G	2023 G
Board of Directors	4,528,000	3,920,000	4,757,000	4,328,000
Senior executives	5,281,000	5,738,000	9,794,000	10,150,000
Audit committee members	237,000	243,000	254,000	211,000
Total	10,046,000	9,901,000	14,805,000	14,689,000

Source: The company

*Rewards were distributed to Board members during the past three years, as the Ordinary General Assembly held on 13/11/1442 H (corresponding to 23/06/2021 G) approved the rewards distributed to Board members for the fiscal year 2020G, which amounted to (4,617,500) Saudi Riyals., on 13/11/1442 H (corresponding to 23/06/2021 G), the Ordinary General Assembly approved the remuneration policy for Board members and senior executives, and the remuneration was disbursed for the year 2021 G based on what was stipulated in the policy approved by the Ordinary General Assembly. On 24/11/1444 H (corresponding to 13/06/2023 G), the Ordinary General Assembly approved the remuneration distributed to Board members for the fiscal year 2022 G, which amounted to (3,933,530) Saudi Riyals, and the remuneration of Board members for the year 2023 G was distributed based on what was stipulated based on a remuneration policy for Board members and senior executives, and the remuneration for the year 2023 will be presented to the annual general assembly for the year 2024.



9-2-1-4 Board Meetings

Pursuant to article (21) of the Company's Bylaws, the Board has to hold its meetings at the Company's head office upon the request of the Chairman who is required to convene the Board whenever two of its members at least require so and such invitation shall be recorded as per the requirements of the Board, either by attendance or by proxy on behalf of another member. The Board may convene its meeting outside the Company's head office provided that it meets at least 4 times during one fiscal year, so that there is at least one meeting every three months.

The following table outlines the Company's compliance with the Bylaws in terms of the number of meetings for the past three years to the date of this Prospectus:

Table No. 99 Board meetings

Number of board meetings	2020G	2021G	2022G	2023G
	5	5	9	4

Source: The company

9-2-2 Board Committees

Five (5) committees emerge from the Board of Directors, which are: (1) the Audit Committee, (2) the Nominations and Remuneration Committee, (3) the Executive Committee, (4) the Investment Committee and (5) the Risk Committee. These committees support the Board of Directors in performing its duties.

9-2-2-1 Audit Committee

9-2-2-1-1 Formation of the Audit Committee

The Ordinary General Assembly, held on 22/10/1443 H (corresponding to 23/05/2022 G), approved the appointment of the Chairman and members of the Audit Committee, which consists of three (3) members for a period of three (3) years starting on 26/05/2022 G. It ends on the end date of the current session of the Boards on 25/05/2025 G, after obtaining the approval of the Saudi Central Bank on 09/04/1443 AH (corresponding to 05/04/2022 G) according to the following:

Table No. 100 Audit Committee Members

Name	Position	Membership Status
Jameel Abdullah Al Molhem	Committee Chairman	Independent Board Member
Sleiman Bin Abdallah Al Sekran	Committee Member	Independent Non-Board Member
Adib Bin Sleiman Al Fahid	Committee Member	Independent Non-Board Member

Source: The Company

The company has a work regulation for the Audit Committee that was approved by the Ordinary General Assembly of Shareholders at its meeting held on 13/11/1442 H (corresponding to 23/06/2021 G).



9-2-2-1-2 Functions, Powers and Competencies of the Audit Committee

According to the company's audit committee work regulations, the duties and powers of the audit committee are as follows:

Committee shall consider, but not be limited to:

- The potential long-term consequences of any decision. The interests of the Company's employees.
- The need to enhance the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on society and the environment.
- The Company's desire to maintain the highest standards of business conduct. Acting fairly between members and employees of the Company.
- Discussing the preliminary annual and quarterly financial statements with the external auditors and the Company's senior management before issuing them.
- Studying the observations of the Saudi Central Bank and the relevant supervisory and regulatory authorities regarding any regulatory violation or request for corrective measures and submitting recommendations thereon to the Board of Directors.
- Study the actuarial expert reports and submit recommendations thereon to the Board of Directors.
- Ensuring the Company's commitment to implementing the actuary's proposals and recommendations when they are mandatory in accordance with the regulations and instructions issued by the Saudi Central Bank and the relevant supervisory and regulatory authorities.
- Studying operations among group entities and operations with related parties.
- Developing a detailed annual work plan issued by a decision of the Board of Directors, which includes the main topics that it will discuss during the year and the dates of its meetings.
- Ensuring that the Company protects the legitimate rights of shareholders and informing all shareholders of all major developments occurring in the Company.
- Reviewing the internal and external auditors' evaluation of internal control operations.
- Ensuring that the quarterly and periodic performance and financial reports to shareholders reflect a true and fair performance of the Company's performance and position.
- Ensuring that the Company's activities are in its best interests and ensuring the independence and objectivity of the Company in its work activities and decisions.



- A comprehensive overview of financial reports and public disclosures, ensuring the quality, timeliness, and validity of all disclosures, ensuring that they are complete, fairly representing material information, and adhering to the related rules and regulations.
- Coordination between the internal auditor's department and the external auditors.

Second: Internal audit

- Recommending to the Board of Directors to appoint or dismiss the head of the Internal Audit Department after obtaining the Bank's the written non-objection from the Saudi Central Bank (SAMA).

If there is a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, or if the Board rejects the Committee's recommendation regarding the appointment of the internal auditor, this must be included in the Board of Directors' report in which the Board explains the reasons for the rejection.

- -Ensuring the independence of the Internal Audit Department in performing its duties and ensuring that there are no restrictions on the scope of work or any obstacles that negatively affect its work.
- Supervising the internal audit department by verifying the adequacy of its resources, reviewing its organizational structure, verifying the independence of its employees, and evaluating its effectiveness.
- Ensuring that the Internal Audit Department is not linked to any other department and that it enjoys complete independence.
- Ensuring that all employees of the Internal Audit Department have the sufficient training necessary to carry out their work, especially with regard to risk management and financial and technical affairs.
- The audit committee shall investigate the adequacy of the staff capacity in the Internal Audit Department and submits its recommendations in this regard to the Council and Executive Management.
- Reviewing the periodic reports provided by the Internal Audit Department to the Committee, and taking the necessary procedures when required.
- Reviewing and approve the internal auditor's plan.
- Reviewing and approving the work policy of the Internal Audit Department.
- Reviewing reports issued by the Internal Audit Department and submitting related recommendations to the Council.
- Reviewing any reports or notes issued by the Internal Audit Department regarding any violations of acceptable risk limits as stated in the Company's risk acceptance regulations.



- Evaluating the level of efficiency, effectiveness and objectivity of the internal audit department.
- Determining the monthly salary, incentive bonus and other rewards for the Internal Audit Department or the Internal Auditor in line with the Company's internal regulations approved by the Board.

Third: Compliance management

- Appointing and dismissing the compliance officer after obtaining the bank's written non-objection from the Saudi Central Bank (SAMA).
- Ensuring the independence of the Compliance Department in performing its duties and ensuring that there are no restrictions on the scope of its work or any obstacles that could negatively affect its work.
- Study the compliance plan, approve it, and follow up on its implementation.
- Reviewing reports issued by the Compliance Department and submitting recommendations thereon to the Board.
- Reviewing the observations and results recorded by the organizers and submitting related recommendations to the Board.
- Evaluating the level of efficiency, effectiveness and objectivity of the Compliance Department.
- Follow up on important legal cases filed by or against the Company and submit periodic reports related to them to the Board.
- Reviewing the contracts and transactions proposed to be conducted by the Company with related parties, and providing feedback to the Board of Directors if required.
- Determine the monthly salary, incentive bonus and other rewards for the Compliance Department or the Compliance Officer in line with the Company's internal regulations approved by the Board.

Fourth: The external auditor

- The Committee considers and makes recommendations to the Board to be presented to the shareholders for approval at the Annual General Assembly, regarding the appointment and reappointment of the Company's external auditor in addition to any issues related to his resignation or dismissal.

If there is a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, or if the Board rejects the Committee's recommendation regarding the appointment of the external auditor, this must be included in the Board of Directors' report in which the Board explains the reasons for the rejection.



- The committee also monitors the process of selecting new auditors, and in the event the auditor resigns, the committee investigates the matter and decides whether there is a procedure that requires this.

The committee monitors the relationship with the external auditor, including but not limited to:

- Approving their remuneration, whether audit fees or non-audit services, and ensuring that the level of fees is commensurate with conducting an adequate audit. Approving the terms of their appointment, including any appointment letter issued at the beginning of each audit and the scope of the audit.
- Evaluating their independence annually and its effects, taking into account the professional and regulatory requirements related to this in the Kingdom and the relationship with the auditor as a whole, including the provision of any services that are not related to the audit.
- Monitoring the external auditor's compliance with the ethical and professional standards of the auditors and the level of fees paid to them by the Company compared to the entity's income from total fees, office fees, partner fees, and other requirements.
- Agreeing with the Board on the policy of employing former employees of the Company's external auditors and implementing that policy.
- Ensure that there are no relationships (family, employment, investment, financial or business) between the external auditor and the Company (except for what falls within the normal course of business).
- Evaluating their qualifications, knowledge, resources, and the effectiveness of the audit process annually, which includes a report by the external auditor regarding the feasibility of the internal procedures they carry out.
- Seeking to ensure coordination with the activities of the internal auditor and external auditor tasks.
- Considering the risks of the Company's current auditor withdrawing from the market.
- The committee meets with the external auditor on a regular basis, including once in the planning stage before the audit and once after the audit in the report submission stage. The committee meets with the external auditor at least once a year without the presence of management to discuss its transfers and any issues arising from the audit.
- The committee reviews and approves the annual audit plan and ensures its agreement with the scope of the audit process.
- The committee reviews the audit results with the external auditor. This includes, for example, discussing any other major issues arising from the audit, accounting and audit opinion, the level of errors identified during the audit, and discussing the adequacy of the technical provisions and precautions approved by the actuary. The committee also reviews the effectiveness and impact of the audit.



- The committee also reviews any request for letters of commitment from the external auditor before they are signed by management, reviews the management letter and management's response to the investigations and recommendations, takes responsibility for the decision of disagreement between management and the external auditor, and verifies that the external auditor has not submitted any technical or administrative work that results. About the scope of the audit work.
- The committee shall develop and implement a policy relating to the supply of non-audit services by the external auditor, taking into account any ethical guidance related to an issue and submitting it to the Board, identifying any matters regarding which the committee deems that action or improvement is required and making recommendations on the steps to be taken.

Fifth: Financial reports

- The Committee must review the summary of financial statements, significant financial returns to legislators, and any financial information contained in certain other documents, such as price announcements of a sensitive nature.
- The committee reviews and discusses the preliminary annual and quarterly financial statements with the external auditors and senior management of the company and recommends them to the Board of Directors before issuing them.
- The committee reviews and objects to compliance and changes in accounting policies on an annual basis and through the company.

The committee reviews and objects, when necessary, to:

- Alignment and changes in accounting policies on an annual basis and across the Company.
- Methods used in accounting for important and unusual transactions when there is a possibility of using other methods.
- Whether the Company has followed appropriate accounting standards, appropriate estimates and judgments, taking into account the use of external auditors.
- Clarity of disclosure in the Company's financial reports and the context within which the statements were made.
- All material information provided with the financial statements, such as the operational and financial review and the Company's governance disclosure.
- The committee should carefully research any issue raised by the financial director, whoever assumes his duties, the compliance officer, or the external auditor.
- The Committee reviews the annual financial statements of any pension fund that the Board has not reviewed as a whole.



9-2-2-1-3 Audit committee meetings

According to Paragraph (53) of the Audit Committees Regulations in Insurance and/or Reinsurance Companies, the minimum number of Audit Committee meetings is six (6) meetings during the year, and in accordance with Article (5) regarding committee meetings of the Audit Committee's Work Regulations, the committee holds six (6) Meetings per year, including the annual meeting with the Board of Directors.

The Audit Committee held its meetings during the past years until the date of this prospectus according to the following schedule:

Table No. 101 Audit Committee Meetings

Year	2020G	2021G	2022G	2023G	2024 G*
Number of Meetings	8	9	11	6	1

Source: The Company

*As of the date of this Prospectus

9-2-2-2 Nominations and Remuneration Committee

9-2-2-2-1 Members of the Nominations and Remuneration Committee

In its meeting held on 29/10/1442 H (corresponding to 30/05/2022 G), the Board of Directors appointed members of the Nominations and Remuneration Committee, which consists of four (4) members for a period of three (3) years starting on 26/05/2022 G and ending on the end date of the current term of the Board on 25/05/2025 G.

On 12/06/1443 H (corresponding to 05/07/2022 G), the Company's Board of Directors decided to reconstitute the Nominations and Remuneration Committee to comply with the rules and regulations of the regulatory authorities by appointing Mr. Osama Mirza Alkhunaizi instead of Mr. Waleed Mohammad Aljafaari, and upon the approval of the Saudi Central Bank on 26/12/1443 H (corresponding to 25/07/2022 G) as follows:

Table No. 102: Nominations and Remuneration Committee Members

Name	Position	Membership Status
Hatem Fahad Balghoneim	Chairman of the Committee	Independent Board Member
Sulaiman Abdullah Al Kadi	Committee Member	Non-independent Board Member
Osama Mirza Alkhunaizi	Committee Member	Independent Board Member
Abdullatif Khalifah Almulhem	Committee Member	Non-independent Board Member

Source: The Company

The Company has a work regulation for the Nominations and Remuneration Committee that was approved by the Extraordinary General Assembly of Shareholders held on 14/09/1439 H (corresponding to 29/05/2018 G).



9-2-2-2 Duties, powers and competencies of the Nominations and Remuneration Committee

In accordance with the Nominations and Remuneration Committee's work policy included in the Company's Corporate Governance Policy, the Nominations and Remuneration Committee, in performing all its duties in accordance with this work policy, works in good faith for the success of the company for the benefit of its members and stakeholders as a whole. In order to do so, the Committee shall take into account the following (among other matters):

- Recommend to the Board of Directors to nominate the membership of the Board of Directors and its committees in accordance with statutory requirements.
- Evaluate the structure of the Board and its committees, identify the weaknesses periodically and propose steps to address them.
- Evaluate and monitor the independence of the Board members and committees and ensuring that there are no conflicts of interest, including make sure annually the independence of the independent members.
- Establish the clear compensation and remuneration policies for the members of the Board, committees and senior management.
- Evaluate the performance of the members of the Board, committees and senior management.
- Recommend regarding the appointment and exemption of senior management members,
- Set the succession policy and procedures for the CEO and senior management and monitor the implementation of succession plans and procedures for them.
- Review the compensation plans for senior management members.
- Recommend to the Board on matters related to the nominations and remunerations
- Determine the time when a member shall allocate the work of the Board of Directors.
- Review the structure of executive management and provide feedback regarding the possible changes to be done.
- Develop the functional description for executive members, non-executive members, independent members and senior executives.
- Establish the special procedures in the event that there is a vacant position in the Board of Directors or senior executives.
- The nomination and remuneration committee report to the Board
- The competences of the nomination committee shall include suggesting clear policies and standards of membership of the Board and the Executive Management.



- Preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions.
- When nominating a Board member, the nomination committee shall take into consideration the provisions of these Regulations and the requirements set by the Authorities

9-2-2-3 Nominations and Remuneration Committee meetings

In accordance with Article (9.4) of the Company's Corporate Governance Policy, which includes the work regulations of the Company's Nominations and Remuneration Committee, the committee's meetings shall not be less than twice per year, and additional meetings may be held when needed.

The Nominations and Remuneration Committee held its meetings during the past years according to the following schedule:

Table No. 103 Nominations and Remuneration Committee meetings

Year	2020G	2021G	2022G	2023G
Number of Meetings	3	3	2	3

Source: The Company

9-2-2-3 Risk Management Committee

9-2-2-3-1 Members of the Risk Management Committee

The Board of Directors' meeting held on 29/10/1443 H (corresponding to 30/05/2022 G), the appointed members of the Risk Management Committee, which consists of three (3) members for a period of three (3) years starting on 05/26/2022 AD and ending on the end of the current term of the Board on 25/05/2025 G after obtaining the approval of the Saudi Central Bank to form the Risk Management Committee on 26/12/1443 H (corresponding to 25/07/2022 G) according to the following:

Table No. 104 Members of the Risk Management Committee

Name	Position	Membership Status
Solaiman Abdulaziz Altwajiri	Chairman of the Committee	Non-independent Board Member
Hesham Abdullatife Al Jabr	Committee Member	Non-executive Board Member
Osama Mirza Alkhunaizi	Committee Member	Independent Board Member

There is no work regulation for the Risk Management Committee. The Company's governance regulation, Article (7), included the committee's work procedures, controls for its formation, and responsibilities.



9-2-2-3-2 Functions, powers and competencies of the Risk Management Committee

In accordance with the Company's Risk Management Committee Work Regulations included in the Corporate Governance policy, the Risk Management Committee, in performing all its duties in accordance with this work policy, works in good faith for the success of the Company for the benefit of its members and stakeholders as a whole. In order to do so, the Committee shall take into account the following (among other matters):

- Set Risk Management strategy, policy and procedures in line with the Company's capacity. The committee shall also supervise on its implementation, review and update, whenever required.
- Identify the Company's risk and maintain an acceptable risk profile and appetite, the Company shall not exceed.
- Ensure internal processes for identifying and measuring key risks are appropriate and regularly review the process and tools, with particular reference data quality and integrity, aggregation risks, risk correlation monitoring, identification of emerging risks.
- Ensure an adequate risk register is maintained which identifies the risks of the Company and its operations and assesses the likelihood and severity of their occurrence.
- Supervise the Company's Risk Management Function and that is by, ensuring the availability of adequate resources and systems, review its organizational chart and evaluate its effectiveness.
- Ensure that Risk Management function is not related to any other function and has the required independency to conduct its duties.
- Conduct a review on the human resources of Risk Management function and has the required independency to conduct its duties.
- Conduct a review on the human resources of Risk Management function and report to the Board of Directors and Executive Management.
- Overseeing Company's risk management system and asses its effectiveness continuously.
- Submit detailed reports to the Board about risk exposures and remedial actions.
- Share recommendation to the Board in regards of the Company's Risk appetite and risk exposure, and the committee's continuous monitor mechanism for such risk, and any material changes.
- Re-evaluating the Company's tolerance and exposure to risk, on a regular basis (e.g. stress testing exercise)
- Review the management's process to monitor and manage the risk accumulation



- Supervise, review, and monitor all controls, policies and procedures related to all types of risks and sub risks:
 - a- Market Risks
 - b- Liquidity Risks
 - c- Counterparty Default Risks
 - d- Non-Life Underwriting Risks
 - e- Strategic Risks
 - f- Operational Risks
 - g- Conduct of Business Risks
 - h- Cyber Security Risks
 - i- Regulatory and AML Risks
 - j- Actuarial Risks
 - k- Oversight Risks
 - l- Life Underwriting Risks
- Review internal communication and control systems to encourage the timely flow of risk-related to all types of risk and sub risks.
- Review and approve Risk Management Framework, Risk Strategy and Risk Appetite Framework to include all types of risk and its sub-risks, and also ensure that Risk Management Function is working in line with the framework.
- Review the risk treatment and mitigation policies and procedures developed by management, including procedures for periodic and critical reporting of matters to the Risk Management Committee.
- Review Risk Management Function Reports, in regards of any identified control gaps, and supervise on the implementation plans and take the necessary actions whenever required.
- Review reports from management, external auditors, internal auditors, regulators, and consultants as appropriate or any matters escalated by Audit Committee, regarding risks the Company faces and the Company's Management of those risks.
- Review Company's strategic plans, contingency plan, capital planning and decision; and recommend the necessary actions to the Board.



- Review Company's risk strategy and Risk Appetite Framework.
- Develop and promote a risk corporate culture among Walaa employees and raise awareness on Risk Management.
- The competences of the risk management committee shall include developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors;

The Committee shall assist in monitoring the risk of Insurance Product effectively

9-2-2-3-3 Risk Management Committee meetings

In accordance with Article (7.4) of the Company's Corporate Governance Regulations, which includes the work regulations of the Company's Risk Management Committee, the committee's meetings shall not be less than twice per year, and additional meetings may be held when needed.

The Risk Management Committee held its meetings during the past years according to the following schedule:

Table No. 105: Meetings of the Risk Management Committee

Year	2020G	2021G	2022G	2023G
Number of Meetings	4	4	3	3

Source: The Company

9-2-2-4 Executive Committee

9-2-2-4-1 Executive Committee Members

The Board of Directors, held on 29/10/1443 H (corresponding to 30/05/2022 G), formed and appointed the members of the Executive Committee, which consists of four (4) members for a period of three (3) years starting from the date of 26/05/2022 G and ending on the end date of the current Board on 25/05/2025 G after obtaining the approval of the Saudi Central Bank to form the Executive Committee on 26/12/1443 H (corresponding to 25/07/2022 G) according to the following:

Table No. 106 Composition of the Executive Committee

Name	Position	Membership Status
Solaiman Abdulaziz Altwajri	Chairman of the Committee	Non-independent Board Member
Jameel Abdullah Al Molhem	Committee Member	Independent Board Member
Hatem Fahad Balghoneim	Committee Member	Independent Board Member
Abdullatif Khalifah Almulhem	Committee Member	Non-independent Board Member



There is no work regulation for the Executive Committee. The Company's Governance Policy, Article (8), included the work procedures of the Executive Committee, the controls for its formation, and its responsibilities.

9-2-2-4-2 Functions, powers and competencies of the Executive Committee

In accordance with the Company's Executive Committee Work Regulation of the included in the Company's Corporate Governance Policy, the Executive Committee, in performing all its duties in accordance with this Regulation, shall work in good faith for the success of the Company for the benefit of its members and stakeholders as a whole. In order to do so, the Committee shall take into account the following (among other matters):

- Supervise the Executive Management and ensure they are in compliance with Walaa's strategy, policies and framework.
- Review the Company's strategic plans and decisions and recommend the necessary to the Board.
- Review Company's business strategy, and capital planning.
- Convene periodic meetings with the Executive Management to explore the work progress and any obstacles and problems in connection therewith.
- Review and evaluate the performance of the Executive Management, and share their recommendation with the Board.
- Review the principal and interim business plans, annual budget, expansion plans, strategic initiatives and other short/ long term objectives of the Company.
- Ensure applying financial and accounting procedures and capital expenditures, as per the Company's financial objectives and business strategy.

9-2-2-4-3 Executive Committee meetings

In accordance with Article (98) of the Insurance Companies Governance Regulations and Article (8.4) of the Company Corporate Governance Policy, which includes the Company's Executive Committee Work Regulations of, the committee holds its meetings periodically and whenever necessary, provided that it is not less than six (6) meetings per year.

The Executive Committee held its meetings during the past years according to the following schedule:

Table No. 107 Executive Committee meetings

Year	2020G	2021G	2022G	2023G
Number of Meetings	8	9	7	6

Source: The Company



9-2-2-5 Investment Committee

9-2-2-5-1 Investment Committee Members

The Board of Directors' meeting held on 29/10/1443 H (corresponding to 30/05/2022 G), the appointed members of the Investment Committee, which consists of four (4) members for a period of three (3) years starting on 26/05/2022 G and ending on the end of the current session of the Board of Directors dated 25/05/2025 G after obtaining the approval of the Saudi Central Bank to form the Investment Committee on 26/12/1443 H (corresponding to 25/07/2022 G). On 02/03/1445 H (corresponding to 17/09/2023 G), the company's Board of Directors decided to reconstitute the Investment Committee for the current session and appoint two additional members to the committee. The appointment of Mr. Abdulaziz Saud Alshabeebi and Mr. Johnson Varughese was approved by the Saudi Central Bank via email on 14/04/1445 H (corresponding to 29/10/2023 G) to become composed of:

Table No. 108 Formation of the Investment Committee

Name	Position	Membership Status
Khalifah Abdullatif Almulhem	Chairman of the Committee	Non-independent Board Member
Sulaiman Abdullah Al Kadi	Committee Member	Non-independent Board Member
Wasef S. Jebshesh	Committee Member	Non-independent Board Member
Waleed Mohammad Aljafaari	Committee Member	Non-independent Board Member
Ahmed Ali Al-Quraishi *	Committee Member	Independent Board member
Johnson Varughese	Committee Member	chief executive officer

Source: The Company

* On 12/03/1445 H (corresponding to 06/09/2024 G), the Board of Directors approved the resignation of Mr. Abdulaziz bin Saud Al-Shabibi from membership in the Company's Board of Directors and the Investment Committee, which will take effect as of 12/03/1445 H (corresponding to 06/09 /2024 G) due to his personal circumstances. On 12/27/1445H (corresponding to 07/03/2024G), the Board of Directors decided to appoint Mr. Ahmed Ali Al-Quraishi as a member of the Board of Directors and the Investment Committee to complete the current term that ends on 11/28/1446H (corresponding to 05/25/2025G), noting that the Insurance Authority's non-objection to this appointment was obtained on 01/19/1446H (corresponding to 07/25/2024G).

There is no work regulation for the Investment Committee. The company's governance regulation, Article 6, included the investment committee's work procedures, controls for its formation, and responsibilities.

9-2-2-5-2 Functions, powers and competencies of the Investment Committee

In accordance with the Investment Committee's Work Regulations included in the Company's Corporate Governance Policy, the Investment Committee, in performing its duties in accordance with this work policy, shall work in good faith. for the success of the Company for the benefit of its members as a whole.

In order to do so, the Committee shall take into account the following (among other matters):

- Set Investment Management Strategy and policy, according to the Company's capacity, and include;



- a. Risk Limits
- b. Delegated authority
- c. Criteria for selecting external investment manager
- d. Selection of partners and brokers
- e. Nature of custodial arrangements
- f. Investment risk monitoring measurement and analysis.

The Committee shall also supervise on its implementation, review and update, whenever required.

- Reviewing the performance of each asset class.
- Review Investment portfolio performance, and submit a review report to the Board of Directors.
- Review the Company's investment activities, and ensure they are in compliance with SAMA's Investment Regulations, and any other relevant regulations, The Committee shall share its recommendation with the Board.
- All risk limits and exposures in the investment activities should be reviewed on a regular basis in order to verify their suitability for current market conditions and the Company's overall risk tolerance.
- Monitor and review market risk and its sub-risks processes on a regular basis.
- Review the management's report on Market risks, and share its recommendations to the Board.
- Review and supervise policies, process, activities and systems related to Market Risks.
- Review report from Risk Management Function, or any other relevant function, in regards of any identified control gaps, and supervise on the implementation plans,
- Review the Company's strategic plans, decisions, strategic risks, and recommend the necessary to the Board.

9-2-2-5-3 Investment Committee Meetings

In accordance with Article (6.4) of the Company's Corporate Governance Regulations, which includes the Company's Investment Committee Work Regulations of the, the Investment Committee holds its meetings periodically and whenever necessary, provided that the number of committee meetings is not less than two (2) during the year.

The Investment Committee held its meetings during the past years according to the following schedule:



Table No. 109 Investment Committee meetings

Year	2020G	2021G	2022G	2023G
Number of Meetings	3	2	2	2

Source: The Company

9-2-3 Executive management

According to the Bylaws, policies and relevant Board of Directors resolutions, the company's executive management is entrusted to the CEO and he is assisted by members of the executive management. As of the date of this prospectus, the position of Chief Executive Officer is held by Mr. Johnson Varughese, and the position of Chief Financial Officer is held by Mr. Mohannad Al Desouki.

The table below shows the members of the executive management and the approvals it obtained from the Central Bank for appointment to positions that require the bank's prior approval in accordance with what was stipulated in the requirements for appointment to leadership positions:

Table No. 110 Executive Management

Name	Position	Nationality	Age	Ownership			
				Direct Ownership		Indirect Ownership	
				Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
Johnson Varughese	Chief executive officer	Indian	61	62,500	0.07348%	--	--
Mohannad Al Desouki	Chief Financial Officer	Saudi	37	16,025	0.01884%	--	--
Wasif F. Minhas	Chief General Insurance Officer	Pakistani	51	--	--	--	--
Sukumara Prakash	Chief General Medical Insurance	Hindi	51				
Turki Al-Buraik	Chief Operating Officer	Saudi	48	--	--	--	--
Khulood Al Shreif	Assistant Vice President- Customer Care	Saudi	49	--	--	--	--
Ghayas Khan	Chief Life and Medical Insurance Officer	Pakistani	43	--	--	--	--
Abrar Alkaabi	Internal Audit Manager	Saudi	30	--	--	--	--
Fahad Aba Alkhail	Chief Corporate Sales Officer	Saudi	45	--	--	--	--
Khalid Omran	Compliance & AML Manager	Saudi	48	--	--	--	--
Syed Raza Haider	Appointed actuary	Pakistani	44	--	--	--	--



Name	Position	Nationality	Age	Ownership			
				Direct Ownership		Indirect Ownership	
				Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
Turki Al Mulhem	Technical Head (Motor Insurance)	Saudi	41	--	--	--	--
Rogayah AlThawadi	Legal and Corporate Governance Manager	Saudi	33	--	--	--	--
Wail Alahmed	Chief Commercial Officer	Saudi	39	--	--	--	--
Noura Saeed Abdullah Al-Ghamdi	Human Resources Director	Saudi	43	--	--	--	--
Ali Al Shamrani	Cybersecurity Manager	Saudi	32	--	--	--	--
Ahmed Alhusaini	Senior Risk Manager	Bahraini	38	--	--	--	--

9-3 Corporate governance

According to Laws, Regulations and Instructions issued by the Capital Market Authority, in particular the Corporate Governance Regulations, in addition to the Insurance Companies Governance Regulations issued by the Saudi Central Bank, a corporate governance guide was developed and approved by the Board of Directors during its meeting held on 15/05/ 1442 H (corresponding to 27/12/2020 G) and the (Ordinary) General Assembly held on 13/11/1442 H (corresponding to 23/06/2021 G).

9-4 Subsidiaries and associate companies

According to Article (4) of the Bylaws, the Company may establish limited liability or joint-stock companies from one person. It may also own shares and stakes in other existing companies or merge with them, and it has the right to participate with others in establishing joint-stock or limited liability companies, provided that the companies that the company establishes, participates in or merges with it carries out businesses similar to its business or financial business or that help it achieve its purpose, after fulfilling the requirements of the regulations and instructions followed in this regard and after obtaining the approval of the Saudi Central Bank.

As of the date of this prospectus, the Company does not have any subsidiaries inside or outside the Kingdom of Saudi Arabia. The Company owns (192,308) shares in Najm Insurance Services Company, meaning an ownership percentage of (3.45%). It turns out that MetLife and the American International Group owned (192,308) shares in Najm Insurance Services Company, meaning an ownership percentage of (3.45%). As a result of the merger, these shares are now also owned by Walaa Cooperative Insurance Company, in addition to the shares that the company owned in Najm Insurance Services Company. The company also owns shares worth (800,000) Saudi Riyals, which constitute (80,000) shares, representing (16%) of the capital of Saudi Next Care Insurance Claims Settlement Company.



9-5 Key licenses, certificates and approvals

9-5-1 Key licenses, certificates and approvals related to the headquarter

The Company obtained, through its headquarters, several licenses, certificates and regulatory approvals from the competent authorities that are necessary to carry out its activities in accordance with the applicable laws and regulations in the Kingdom of Saudi Arabia.

The following table outlines the current licenses, certificates and approvals obtained by the company related to its head office:

Table No. 111 Key licenses, Certificates and approvals related to the headquarter

Certificate Type	Purpose	Certificate Number	Date of Issuance/Renewal	Date of Expiry	Issuing Entity
Commercial Registration	Registration of the Company in the commercial registry (joint stock companies)	2051034982	19/06/1428 H (corresponding to 04/07/2007 G)	19/06/1447 H (corresponding to 10/12/2025 G)	Ministry of Commerce / Al-Khobar Office
Chamber of Commerce and Industry Membership Certificate	In accordance with the provisions of the Commercial Register Law, the Company is classified as first class	81888	17/08/1444 H (corresponding to 09/03/2023 G)	19/06/1447 H (corresponding to 10/12/2025 G)	Al -Sharqiyyah Chamber
Service investment license	In compliance with the requirements of the Ministry of Investment	12031026535	26/01/1426 H (corresponding to 07/03/2005 G)	08/01/1448 H (corresponding to 24/06/2026 G)	The Ministry of Investment
Authorization to undertake insurance and reinsurance business	In accordance with the cooperative insurance companies' control law by licensing the company to carry out insurance and reinsurance activities in the branches (reinsurance, general and health insurance, protection insurance with savings)	TMN/16/20087	28/06/1429 H (corresponding to 02/07/2008 G)	25/06/1447 H (corresponding to 16/12/2025 G)	Saudi Central Bank
Qualification Certificate	Licensing the Company according to its qualifications to practice cooperative health insurance business	--	25/10/1445 H (corresponding to 04/05/2024 G)	05/11/1446 H (corresponding to 03/05/2025 G)	Insurance Authority
Certificate of Zakat and Income	To indicate that the Company has filled its tax returns and has committed to paying Zakat	1112041776	21/10/1445 H (corresponding to 30/04/2024 G)	02/11/1446 H (corresponding to 30/04/2025 G)	Zakat, Tax and Customs Authority
VAT certificate	Certificate of fulfilment of VAT registration	300470754600003	02/12/1438 H (corresponding to 24/08/2017 G)	--	Zakat, Tax and Customs Authority



Certificate Type	Purpose	Certificate Number	Date of Issuance/Renewal	Date of Expiry	Issuing Entity
Social insurance subscription certificate	In compliance with the social insurance Law	68528521	05/01/1446 H (corresponding to 11/07/2024 G)	05/02/1446 H (corresponding to 09/08/2024 G)	General Organization for Social Insurance
Wage Protection Commitment Certificate	In accordance with the Wage Protection Law	20152406005728	26/11/1445 H (corresponding to 03/06/2024 G)	26/01/1446H (corresponding to 01/08/2024 G)	Wage Protection Law - Ministry of Human Resources and Social Development
Saudization Certificate	To indicate that the company is compliant with the percentage of Saudization required of it according to the Nitaqat Programme	12317348-176867	19/11/1444 H (corresponding to 08/06/2023 G)	17/01/1446 H (corresponding to 23/07/2024 G)	Ministry of Human Resources and Social Development
Company entity evaluation certificate - (Nitaqat)	Evaluating the company entity according to the Nitaqat program, indicating that the company is in the (platinum) range	--	January 2024 G	--	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)
ISO certificate	To report that the company's management system is compatible with environmental management Law standards ISO 14001:2015	0120821	02/06/1443 H (corresponding to 05/01/2022 G)	04/07/1446 H (corresponding to 04/01/2025 G)	Intertek
ISO certificate	To report that the company's management law is compatible with the standards of the social responsibility management Law ISO 26000:2010	02012022	02/06/1443 H (corresponding to 05/01/2022 G)	01/07/1446 H (corresponding to 01/01/2025 G)	Intertek
ISO certificate	To report that the company's management law is compatible with the standards of the risk management Law ISO 31000:2018	05012022		04/06/1446 H (corresponding to 05/12/2024 G)	Intertek
Municipal license	License to practice a commercial activity	3909655918	--	09/06/1446 H (corresponding to 10/12/2024 G)	Eastern Province Municipality - Al-Khobar Governorate Municipality - Al-Ummal City District - King Abdul Aziz Street



Certificate Type	Purpose	Certificate Number	Date of Issuance/Renewal	Date of Expiry	Issuing Entity
Safety certificate	To report that the company is in conformity with civil defense field safety standards and conditions	45-001270150-1	27/03/1445 H (corresponding to 10/10/2023 G)	27/03/1446 H (corresponding to 30/09/2024 G)	General Directorate of Civil Defense

Source: The company

Credit rating

The Company obtained a Standard & Poor's credit rating agency report showing the continuity of the company's credit rating of «A-» for financial strength according to international standards and «gcAAA» for financial strength according to Gulf standards, as well as «ksaAAA» for financial strength according to the standards of the Kingdom of Saudi Arabia, with a stable future outlook according to international and local standards. .

The Company also received a report from Moody's Investors Service Agency (Moody's) showing the insurance financial strength rating of A3 (IFSR) for the company (Walaa), and the future outlook remains stable. Also, according to Moody's report, it was found that the rating reflects Walaa's strong position in the market and its brand, as it is the fifth largest insurance company in the Kingdom of Saudi Arabia. In addition to its good business diversification, which limits its exposure to risks related to motor insurance and health insurance, which are expectedly competitive and highly price-sensitive. Walaa's financial reality is based on the high quality of assets, resulting from its conservative investment strategy, good capital and reserve adequacy, in addition to good financial flexibility due to its low financial leverage and proven ability to access capital.

9-5-2 Licenses, Certificates and Approvals related to the Company's Branches

The Company has branches in several cities, namely Jeddah, Najran, Hail, Tabuk, Al-Rass, Riyadh, Jizan, Buraidah, Medina, Al-Dawadmi, Jubail, Al-Majma'ah, Al-Quwayiyah, Al-Zulfi, Dammam, Hafar Al-Batin, Al-Khobar, and Taif. Unayzah, Yanbu, Mubarraz, Al-Ahsa villages, Qatif, Al-Ahsa, Khamis Mushayt, Safwa. The Company's branches must obtain and maintain basic licenses, certificates and approvals to practice their activities, and they all practice the activity of (protection insurance with savings, Health insurance, general insurance) As at the date of this prospectus, the Company has been granted the approval of the Saudi Central Bank to open the Company's branches and points of sale. In addition, the Company has been granted the approval of the Saudi Central Bank to amend or close its locations.

Below are the details of the basic licenses, approvals and certificates obtained by the company's branches:



Table No. 112 Basic licenses, certificates and approvals related to company branches (commercial registry certificates)

Certificate type	Purpose	License holder	Certificate Number	Date of Issuance/ Renewal	Date of Expiry	Issuing Entity	Observations
Walaa Cooperative Insurance Company - Jeddah - Registration No (4030286755)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	4030286755	12/03/1437 H (corresponding to 23/12/2015 G)	11/03/1446 H (corresponding to 14/09/2024 G)	Ministry of Commerce - Commercial Registry Office in the city of Jeddah	Unified number: 7007420313
Walaa Cooperative Insurance Company - Dawadmi- Registration No (1116622543)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1116622543	25/11/1439 H (corresponding to 07/0/2018 G)	25/11/1447 H (corresponding to 12/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Dawadmi	Unified number: 7004530908
Walaa Cooperative Insurance Company - Al Jubail - Registration No (2055123692)							
Commercial Register	Register the company branch in the commercial registry	Walaa Cooperative Insurance Company	2055123692	24/11/1439 H (corresponding to 06/08/2018 G)	24/11/1447 H (corresponding to 11/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Jubail	Unified number: 7004524984
Walaa Cooperative Insurance Company - Al Majmaah - Registration No (1122101715)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1122101715	18/11/1439 H (corresponding to 31/07/2018 G)	18/11/1447 H (corresponding to 05/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Al Moujamaa	Unified number: 7004490715
Walaa Cooperative Insurance Company - Al-Quwayiyah - Registration No (1117101566)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1117101566	18/11/1439 H (corresponding to 31/07/2018 G)	18/11/1447 H (corresponding to 05/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Al-Quwayiyah	Unified number: 7004490459
Walaa Cooperative Insurance Company - Zulfi - Registration No (1123101529)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1123101529	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Zulfi	Unified number: 7004506411
Walaa Cooperative Insurance Company - Buraydah - Registration No (1131292922)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1131292922	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Buraydah	Unified number: 7004506577
Walaa Cooperative Insurance Company - Alrass - Registration No (1132107769)							



Certificate type	Purpose	License holder	Certificate Number	Date of Issuance/ Renewal	Date of Expiry	Issuing Entity	Observations
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1132107769	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of AlRass	Unified number: 7004506304
Walaa Cooperative Insurance Company - Buraydah - Registration No (1131292920)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1131292920	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Buraydah	Unified number: 7004506346
Walaa Cooperative Insurance Company - Buraydah - Registration No (1131049274)							
Commercial Register	Register the company branch in the commercial registry	Walaa Cooperative Insurance Company	1131049274	15/08/1434 H (corresponding to 24/06/2015 G)	15/08/1450 H (corresponding to 31/12/2028 G)	Commerce - Commercial Registry Office in the city of Buraydah	Unified number: 7011817561
Walaa Cooperative Insurance Company - Dammam - Registration No (2050099588)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	2050074746	17/03/1432 H (corresponding to 20/02/2011 G)	17/03/1446 H (corresponding to 20/09/2024 G)	Ministry of Commerce - Commercial Registry Office in the city of Dammam	Unified number: 7011930158
Walaa Cooperative Insurance Company - Dammam- Registration No (2050099588)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	2050099588	17/06/1435 H (corresponding to 17/04/2014 G)	17/06/1446 H (corresponding to 18/12/2024 G)	Ministry of Commerce - Commercial Registry Office in the city of Dammam	Unified number: 7006399476
Walaa Cooperative Insurance Company - Hafar Al-Batin - Registration No (2511109152)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	2511109152	25/11/1439 H (corresponding to 07/08/2018 G)	25/11/1447 H (corresponding to 12/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Hafar Al-Batin	Unified number: 7004506346
Walaa Cooperative Insurance Company - Hael - Registration No (3350140303)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	3350140303	23/11/1439 H (corresponding to 05/08/2018 G)	23/11/1447 H (corresponding to 10/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Hael	Unified number: 7004517525
Walaa Cooperative Insurance Company - Jizan - Registration No (5900113898)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	5900113898	26/11/1439 H (corresponding to 08/08/2018 G)	26/11/1447 H (corresponding to 13/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Jizan	Unified number: 7004540188



Certificate type	Purpose	License holder	Certificate Number	Date of Issuance/ Renewal	Date of Expiry	Issuing Entity	Observations
Walaa Cooperative Insurance Company - Jeddah - Registration No (4030306498)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	4030306498	12/11/1439 H (corresponding to 25/07/2018 G)	12/11/1447 H (corresponding to 29/04/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Jeddah	Unified number: 7004454158
Walaa Cooperative Insurance Company - Jubail - Registration No (2055018058)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	2055018058	27/01/1434 H (corresponding to 11/12/2012 G)	26/11/1446 H (corresponding to 01/08/2024 G)	Ministry of Commerce - Commercial Registry Office in the city of jubail	Unified number: 7007933489
Walaa Cooperative Insurance Company - Al Madina Al Munawara - Registration No (4650078456)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	4650078456	03/07/1436 H (corresponding to 22/04/2015 G)	02/07/1448 H (corresponding to 11/12/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Al Madina Al Munawara	Unified number: 7013744102
Walaa Cooperative Insurance Company - Al Madina Al Munawara- Registration No (4650201750)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	4650201750	13/11/1439 H (corresponding to 26/07/2018 G)	13/11/1447 H (corresponding to 30/04/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Al Madina Al Munawara	Unified number: 7004469180
Walaa Cooperative Insurance Company - Najran - Registration No (5950112677)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	5950112677	23/11/1439 H (corresponding to 05/08/2018 G)	23/11/1447 H (corresponding to 10/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Najran	Unified number: 7004517491
Walaa Cooperative Insurance Company - Al Khobar - Registration No (2051053645)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	2051053645	15/08/1434 H (corresponding to 24/06/2013 G)	15/08/1447 H (corresponding to 03/02/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Al Khobar	Unified number: 7013834515
Walaa Cooperative Insurance Company - Riyadh - Registration No (1010391438)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1010391438	22/12/1434 H (corresponding to 27/10/2015 G)	22/12/1447 H (corresponding to 08/06/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Riyadh	Unified number: 7001793194
Walaa Cooperative Insurance Company - Riyadh - Registration No (1010234032)							



Certificate type	Purpose	License holder	Certificate Number	Date of Issuance/ Renewal	Date of Expiry	Issuing Entity	Observations
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1010234032	20/05/1428 H (corresponding to 06/06/2007 G)	20/05/1447 H (corresponding to 11/11/2025 G)	Ministry of Commerce - Commercial Registry Office in the city of Riyadh	Unified number: 7001527618
Walaa Cooperative Insurance Company - Riyadh - Registration No (1010274780)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1010274780	18/10/1430 H (corresponding to 07/10/2009 G)	18/10/1447 H (corresponding to 06/04/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Riyadh	Unified number: 7011478463
Walaa Cooperative Insurance - Tabuk - Taif - Registration No (3550123935)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	3550123935	25/11/1439 H (corresponding to 07/08/2018 G)	25/11/1447 H (corresponding to 12/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Tabuk	Unified number: 7004530890
Walaa Cooperative Insurance Company - Taef - Registration No (4032229151)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	4032229151	18/11/1439 H (corresponding to 31/07/2018 G)	18/11/1447 H (corresponding to 05/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Taef	Unified number: 7004490533
Walaa Cooperative Insurance Company - Unayzah - Registration No (1128180953)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1128180953	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Unayzah	Unified number: 7004506395
Walaa Cooperative Insurance Company - Yanbaa - Registration No (4700107136)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	4700107136	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Yanbaa	Unified number: 7004506460
Walaa Cooperative Insurance Company - Al Moubraz - Registration No (2252049135)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	2252049135	28/11/1433 H (corresponding to 14/10/2012 G)	12/01/1450 H (corresponding to 05/06/2028 G)	Ministry of Commerce - Commercial Registry Office in the city of Al Moubraz	Unified number: 7012807199
Walaa Cooperative Insurance Company - Al-Ihsa villages - Registration No (2250057356)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	2250057356	17/06/1435 H (corresponding to 17/04/2014 G)	17/06/1450 H (corresponding to 04/11/2028 G)	Ministry of Commerce - Commercial Registry Office in the city of Al-Ihsa villages	Unified number: 7013816793



Certificate type	Purpose	License holder	Certificate Number	Date of Issuance/ Renewal	Date of Expiry	Issuing Entity	Observations
Walaa Cooperative Insurance Company - Burayda - Registration No (1131292919)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	1131292919	20/11/1439 H (corresponding to 02/08/2018 G)	20/11/1447 H (corresponding to 07/05/2026 G)	Commerce - Commercial Registry Office in the city of Burayda	Unified number: 7004506320
Walaa Cooperative Insurance Company - Al-Ihsa - Registration No (2031100213)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	2031100213	1/12/1439 H (corresponding to 12/08/2018 G)	01/12/1445 H (corresponding to 07/06/2024 G)	Ministry of Commerce - Commercial Registry Office in the city of Al-Ihsa	Unified number: 7004561903
Walaa Cooperative Insurance Company - Qatif - Registration No (2053022695)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	2053022695	17/03/1432 H (corresponding to 20/02/2011 G)	17/03/1447 H (corresponding to 09/09/2025 G)	Ministry of Commerce - Commercial Registry Office in the city of Qatif	Unified number: 7011459570
Walaa Cooperative Insurance Company Al Khobar - Registration No (2051050976)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	2051050976	26/1/1434 H (corresponding to 10/12/2012 G)	25/01/1448 H (corresponding to 10/07/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Al Khobar	Unified number: 7006396720
Walaa Cooperative Insurance Company - Khamis Mushait - Registration No (5855345049)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	5855345049	10/01/1441 H (corresponding to 09/09/2019 G)	10/01/1450 H (corresponding to 03/06/2028 G)	Ministry of Commerce - Commercial Registry Office in the city of Khamis Mushait	Unified number: 7015850790
Walaa Cooperative Insurance Company - Jeddah - Registration No (4030194597)							
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	4030194597	19/11/1430 H (corresponding to 07/11/2009 G)	19/11/1447 H (corresponding to 06/05/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Jeddah	Unified number: 7013846535
Walaa Cooperative Insurance Company - Safwa - Registration No (2063033395)							



Certificate type	Purpose	License holder	Certificate Number	Date of Issuance/ Renewal	Date of Expiry	Issuing Entity	Observations
Commercial Register	Register the branch in the commercial registry	Walaa Cooperative Insurance Company	2063033395	04/07/1437 H (corresponding to 11/04/2016 G)	03/07/1448 H (corresponding to 12/12/2026 G)	Ministry of Commerce - Commercial Registry Office in the city of Safwa	Unified number: 7013775155

9-5-3 Safety certificates and municipal licenses for branches and points of sale

The company has (40) safety certificates and (41) valid municipal licenses for its offices, branches and points of sale, which enables it to operate these sites in an orderly manner. The table below shows the safety and municipal licenses obtained by the company's branches and points of sale:

Table No. 113 Safety and municipal certificates for branches and points of sale

No.	Company	Municipality license number	Commercial register number	License expiration date	Address According to the municipality license	Safety permit (civil defense)
1.	Branch of Walaa Cooperative Insurance Company	40052019510	1122101715	02/05/1446 H (corresponding to 02/11/2024 G)	Riyadh Municipality - Al Majmaah Municipality - King Fahd District - Al Washm Street	Certificate of Safety number (45-001261986-1) expires on 17/04/1446 H (corresponding to 20/10/2024 G)
2.	Walaa Cooperative Insurance Company	40062052796	1117101566	13/06/1446 H (corresponding to 14/12/2024 G)	Riyadh Region Municipality - Al-Quwayyah Municipality - Al-Zuhur District - King Abdul Aziz Road	Certificate of Safety number (44-000995509-1) expires on 18/03/1445 H (corresponding to 22/07/2024 G)
3.	Walaa Cooperative Insurance Company	40031767229	1123101529	01/03/1447 H (corresponding to 21/08/2025 G)	Riyadh Region Municipality - Zulfi Municipality - outside the district boundaries	Certificate of Safety number (45-001218413-1) expires on 16/01/1446 H (corresponding to 22/07/2024 G)
4.	Walaa Cooperative Insurance Company	42095538822	1131292922	24/09/1446 H (corresponding to 24/03/2025 G)	Qassim Region Municipality - North Buraidah Municipality - Al Jazeera District	Certificate of Safety number (45-000724119-2) expires on 23/08/1446 H (corresponding to 24/12/2024 G).
5.	Walaa Cooperative Insurance Company	40062063784	1131292919	28/06/1446 H (corresponding to 29/12/2024 G)	Qassim Region Municipality - Al-Safra Sub-municipality - Al-Safra District - Muhammad Al-Ali Al-Arfaj Street	Certificate of Safety No. (45-000994508-2) expires on 14/02/1446H (corresponding to 18/08/2024 G).
6.	Walaa Cooperative Insurance Company	3909444650	2252049135	22/01/1446 H (corresponding to 28/07/2024 G)	Al-Ahsa Region Municipality - Mubarraz Municipality - Ain Najm	Certificate of Safety No. (45-001309482-1) expires on 29/05/1446H (corresponding to 01/12/2024 G)



No.	Company	Municipality license number	Commercial register number	License expiration date	Address According to the municipality license	Safety permit (civil defense)
7.	Walaa Cooperative Insurance Company	40031767240	5900113898	01/03/1449 H(corresponding to 03/08/2027 G)	Jazan Region Municipality - Al Rawda District	Certificate of Safety No. (45-001433400-1) expires on 01/03/1449H (corresponding to 03/08/2027 G)
8.	Walaa Cooperative Insurance Company	40122535841	4030306498	17/12/1446 H(corresponding to 13/06/2025 G)	Jeddah Municipality - Airport Municipality - Al Murwah - Abdul Jalil Yassin	Certificate of Safety No. (44-000972447-2) expires on 21/01/1446H (corresponding to 27/07/2024 G)
9.	Walaa Cooperative Insurance Company	39111429980	4030286755	20/10/1446 H(corresponding to 18/04/2025 G)	Jeddah Governorate Municipality - Al Aziziya Municipality - Musharifah - As Sahafah	Certificate of Safety No. (1-45-001387071-45) expires on 09/10/1446H (corresponding to 07/04/2025 G)
10.	Branch of Walaa Cooperative Insurance Company	41032594514	5855345049	29/02/1446 H(corresponding to 02/09/2024 G)	Asir Region Municipality - Khamis Mushait Municipality - Hadin Qalwas	Certificate of Safety No. (44-001181937-1) expires on 19/01/1446 H (corresponding to 25/07/2024 G)
11.	Branch of Walaa Cooperative Insurance Company	40082117020	4650201750	11/08/1446 H(corresponding to 10/02/2025 G)	Al-Madinah Al-Munawwarah Municipality - Al-Awali Municipality - Al-Askani District - Shari' Al-Shurayd Bin Sawayd	Certificate of Safety No. (45-001504973-1) expires on 11/08/1446 H (corresponding to 10/02/2025 G)
12.	Branch of Walaa Cooperative Insurance Company	41022586286	1128180953	16/02/1446 H(corresponding to 20/08/2024 G)	Al-Qassim Municipality - Onaizah Municipality - Al-Sulaymiyah - Haydah bin Mu'awiyah	Certificate of Safety No. (45-000995571-2) expires on 26/01/1446 H (corresponding to 01/08/2024 G)
13.	Walaa Cooperative Insurance Company	441012064043	2051053645	02/12/1446 H(corresponding to 29/05/2025 G)	Eastern Province Municipality - Al-Khobar Municipality - Southern Al-Khobar - Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz	Certificate of Safety No. (45-001163728-2) expires on 02/12/1446 H (corresponding to 29/05/2025 G).
14.	Walaa Cooperative Insurance Company	42044673379	2051053645	07/05/1446 H(corresponding to 09/11/2024 G)	Eastern Province - Al-Khobar Municipality - Southern Al-Khobar - Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz	Certificate of Safety No. (45-001315523-1) expires on the date 23/05/1446 H (which corresponds to 25/11/2024 G)
15.	Walaa Cooperative Insurance Company	41073464507	1010274780	02/07/1446 H(corresponding to 02/01/2025 G)	Riyadh Region Municipality - Al-Ula Municipality - King Salman District - King Abdullah Street	Certificate of Safety No. (45-001352763-1) expires on 18/07/1446 H (corresponding to 18/01/2025 G).



No.	Company	Municipality license number	Commercial register number	License expiration date	Address According to the municipality license	Safety permit (civil defense)
16.	Walaa Cooperative Insurance Company	40031897189	5906330261	10/03/1449 H(corresponding to 12/08/2027 G)	Jazan Region Municipality - Sabia Municipality - Al-Majd District	Certificate of Safety No. (45-001253473-1) expires on 12/03/1446 H (corresponding to 15/09/2024 G)
17.	Branch of Walaa Cooperative Insurance Company	40072069141	2063033395	25/08/1446 H(corresponding to 24/02/2025 G)	Al-Qatif Municipality - Safwa Municipality - Outside Neighborhood Boundaries	Certificate of Safety No. (44-000933329-2) expires on 23/12/1445 H (corresponding to 29/06/2024 G)*.
18.	Branch of Walaa Cooperative Insurance Company	40042013959	2031100213	27/04/1446 H(corresponding to 30/10/2024 G)	Al-Ahsa Municipality - Al-Mubarraz Municipality - Al-Bustan Neighborhood - Al-Mutlaa Street	Certificate of Safety No. (45-001269279-1) expires on 30/03/1446 H (corresponding to 03/10/2024 G).
19.	Walaa Cooperative Insurance Company	40031767305	2055123692	01/03/1446 H(corresponding to 04/09/2024 G)	Eastern Province Municipality - Al-Jubail Municipality - Al-Dana Neighborhood - Al-Jabal Street	Certificate of Safety No. (45-001304365-1) expires on 12/07/1446 H (corresponding to 12/01/2025 G).
20.	Walaa Cooperative Insurance Company	6216	2055018058	25/11/1446 H(corresponding to 23/05/2025 G)	Royal Commission for Jubail - Mubarak Commercial Building - Shop (5)	Na
21.	Walaa Cooperative Insurance Company	42085428470	2051053645	23/09/1446 H(corresponding to 23/03/2025 G)	Eastern Province Municipality - Al-Khobar Governorate Municipality - Al-Taawun District - Street 3	Certificate of Safety No. (45-001315523-1) expires on 18/09/1446 H (corresponding to 18/03/2025 G).
22.	Walaa Cooperative Insurance Company	3909655918	2051034982	09/06/1446 H(corresponding to 10/12/2024 G)	Eastern Province Municipality - Al-Khobar Governorate Municipality - Workers City - King Abdulaziz Street.	Certificate of Safety No. (45-001315523-1) expires on 23/05/1446 H (corresponding to 25/11/2024 G).
23.	Walaa Cooperative Insurance Company	42055002090	2050099588	23/05/1446 H(corresponding to 25/11/2024 G)	Eastern Province Municipality - West Dammam Municipality - King Fahd Suburb - Street 1	Certificate of Safety No. (44-001033895-1) expires on 05/06/1445 H (corresponding to 18/12/2023 G)*
24.	Walaa Cooperative Insurance Company	450614086878	2050074746	05/07/1446 H(corresponding to 09/11/2024 G)	Eastern Province Municipality - Central Dammam Municipality - Al-Aziziyah District - Ibrahim ibn Ma'bad Street.	Certificate of Safety No. (45-001342269-1) expires on 02/07/1446 H (corresponding to 02/01/2025 G)



No.	Company	Municipality license number	Commercial register number	License expiration date	Address According to the municipality license	Safety permit (civil defense)
25.	Walaa Cooperative Insurance Company	42024015343	1116622543	16/03/1446 H(corresponding to 19/09/2024 G)	Riyadh Region Municipality - Al-Dawadmi Municipality - Industrial District - King Khalid Bin Abdulaziz Road	Certificate of Safety No. (45-000995492-2) expires on 29/04/1446 H (corresponding to 01/11/2024 G).
26.	Walaa Cooperative Insurance Company	40102406954	1010391438	13/06/1446 H(corresponding to 14/12/2024 G)	Riyadh Region Municipality - Al-Maathar Municipality - Al-Olaya District - Ajaly Street	Certificate of Safety No. (45-001433388-2) expires on 20/10/1446 H (corresponding to 18/04/2025 G)
27.	Walaa Cooperative Insurance Company	43037902153	4032229151	26/05/1446 H(corresponding to 28/11/2024 G)	Taif Governorate Municipality - East Taif Sub-Municipality - Al-Sadad District - Hakam bin Amr Street	Certificate of Safety No. (45-001272440-1) expires on 14/05/1446 H (corresponding to 16/11/2024 G).
28.	Branch of Walaa Cooperative Insurance Company	40072079621	2053022695	19/11/1446 H(corresponding to 17/05/2025 G)	Eastern Province Municipality - Al-Qatif Municipality - Fourth Neighborhood - Al-Jazira Street.	Certificate of Safety No. (45-001445926-1) expires on 15/11/1446 H (corresponding to 13/05/2025 G)
29.	Walaa	3909324736	4603147020	01/01/1448 H(corresponding to 16/06/2026 G)	Jeddah Governorate - Qunfudhah Municipality - Al-Gharbiyah Neighborhood - King Faisal Street	Certificate of Safety No. (45-001269307-1) expires on 25/04/1446H (corresponding to 28/10/2024 G)
30.	Walaa Cooperative Insurance Company	40062064643	4650078456	13/07/1446 H(corresponding to 13/01/2025 G)	Al-Madinah Al-Munawwarah Region Municipality - Quba Municipality - Al-Rawabi Neighborhood.	Certificate of Safety No. (45-001504924-1) expires on 13/07/1446 H (corresponding to 13/01/2025 G).
31.	Walaa Cooperative Insurance Company	3909362438	1131049274	08/01/1447 H (corresponding to 03/07/2025 G)	Qassim Region Municipality - Al-Dirah Sub-Municipality - Al-Marqab Neighborhood - Abdul Rahman bin Hamad bin Muhammad Al Khudair Street	Certificate of Safety No. (45-001291888-1) expires on 19/05/1446 H (corresponding to 21/11/2024 G).
32.	Walaa Cooperative Insurance Company	3909418139	1131292920	28/04/1446 H(corresponding to 31/10/2024 G)	Qassim Region Municipality - Al-Saffra Sub-Municipality - Al-Saffra Neighborhood - Mohammed Al-Ali Al-Arfaj Street	Certificate of Safety No. (45-000994504-2) expires on 14/02/1446 H (corresponding to 21/11/2024 G).



No.	Company	Municipality license number	Commercial register number	License expiration date	Address According to the municipality license	Safety permit (civil defense)
33.	Branch of Walaa Cooperative Insurance Company	40072074847	3350140303	13/07/1446 H(corresponding to 13/01/2025 G)	Hail Region Municipality - Central Municipality - Al-Aziyyah Neighborhood - King Khalid Bin Abdulaziz Street	Certificate of Safety No. (44-001181905-1) expires on 16/01/1446 H (corresponding to 22/07/2024 G)
34.	Walaa Cooperative Insurance Company	40042011189	2511109152	24/04/1446 H(corresponding to 27/10/2024 G)	Hafar Al-Batin Municipality - South Hafar Al-Batin Municipality - Al-Mohammadiyah Neighborhood - Othman Al-Jamal Street	Certificate of Safety No. (45-001264582-1) expires on 24/03/1446 H (corresponding to 27/09/2024 G).
35.	Walaa Cooperative Insurance Company	3909669112	2051050976	28/05/1446 H(corresponding to 30/11/2024 G)	Eastern Province Municipality - Al-Khobar Municipality - Al-Khobar Al-Janubiyah Neighborhood - King Abdullah Bin Abdulaziz Street	Certificate of Safety No. (45-001246755-1) expires on 05/03/1446 H (corresponding to 08/09/2024 G)
36.	Walaa Cooperative Insurance Company	3909466533	2250057356	21/06/1446 H(corresponding to 22/12/2024 G)	Al-Ahsa Municipality - Al-Mubarraz Municipality - Al-Sanaiyah District - Hassan Hussaini Abdulwahab Street	Certificate of Safety No. (45-001352750-1) expires on 18/07/1446 H (corresponding to 18/01/2025 G)
37.	Walaa Cooperative Insurance Company	3909658546	2051034982	16/07/1446 H(corresponding to 16/01/2025 G)	Eastern Province Municipality - Al-Khobar Municipality - Southern Al-Khobar District - Hafar Al-Batin Street	Certificate of Safety No. (45-001315513-1) expires on 23/08/1446 H (corresponding to 22/02/2025 G)
38.	Walaa Cooperative Insurance Company	40052033403	1132107769	18/05/1446 H(corresponding to 20/11/2024 G)	Qassim Region Municipality - Ar Rass Municipality - Ar Rubwah District	Certificate of Safety No. (45-001331397-1) expires on 18/07/1446 H (corresponding to 18/01/2025 G)
39.	Walaa Cooperative Insurance Company	40052031355	1113100890	16/05/1446 H(corresponding to 18/11/2024 G)	Riyadh Region Municipality - Al-Shaqra Municipality - Al-Shifa District - Abu Ubaidah Amer Bin Al-Jarrah Street	Certificate of Safety No. (45-000994497-2) expires on 08/02/1446 H (corresponding to 12/08/2024 G)



No.	Company	Municipality license number	Commercial register number	License expiration date	Address According to the municipality license	Safety permit (civil defense)
40.	Walaa	41012561056	4700107136	09/03/1446 H (corresponding to 12/09/2024 G)	Madinah Region Municipality - Yanbu - Al Hurra District	Certificate of Safety No. (45-001269321-1) expires on 22/04/1446H (corresponding to 25/10/2024 G)

Source: The Company

*Under Renewal

9-5-4 Saudi Central Bank approvals for opening and closing points of sale and Company's branches

The Company is in compliance with the text of Article Thirty-Nine (39) of the Implementing Regulations of the Cooperative Insurance Companies Control Law, which stipulates that «**SAMA's written approval is required for any merges, acquisitions, transfer of ownership, and opening new branches by any Company or Insurance and Reinsurance Services Providers.**» The Company has obtained the approval of the Central Bank to open branches and close other branches and points of sale according to the following:

Table No. 114: Central Bank's: approvals for opening and closing points of sale and Company's branches

No.	City	Address	The date of the Saudi Central Bank's approval to open the point of sale	The date of the Saudi Central Bank's approval to close the point of sale
1.	Al Khobar	Al-Bayounieh	23/08/1437H (corresponding to 30/05/2016 G)	active
2.	Al Khobar	Al-Bayounieh	23/08/1437H (corresponding to 30/05/2016 G)	active
3.	Al Khobar	Al-Bayounieh	23/08/1437H (corresponding to 30/05/2016 G)	active
4.	Al Khobar	Al-Thagabah Street	19/10/1439 H (corresponding to 03/07/2018 G)	01/12/1443 H (corresponding to 30/06/2022 G)
5.	Al Zahran	West Dhahran Street	15/09/1440 H (corresponding to 20/05/2019 G)	active
6.	Al Zahran	West Dhahran Street	15/09/1440 H (corresponding to 20/05/2019 G)	active
7.	Jubail	Al Balad	19/10/1439 (corresponding to 03/07/2018 G)	active
8.	Jubail	Al Fnair Street	26/09/1439 H (corresponding to 10/06/2018 G)	active
9.	Dammam	Car showrooms	19/10/1439 (corresponding to 03/07/2018 G)	active
10.	Dammam	Al-Aziziyah Street	07/12/1431 H (corresponding to 13/11/2010 G)	active
11.	Al Hasa	Industrial Area	23/02/1435 H (corresponding to 26/12/2013 G)	active



No.	City	Address	The date of the Saudi Central Bank's approval to open the point of sale	The date of the Saudi Central Bank's approval to close the point of sale
12.	Al Hasa	Al-Bustan Street	19/10/1439 (corresponding to 03/07/2018 G)	active
13.	Al Hasa	Ain Al-Najm Street	19/10/1439 (corresponding to 03/07/2018 G)	active
14.	Safwa	Hazm Street	13/03/1437 H (corresponding to 24/12/2015 G)	active
15.	Qatif	Al Rabaa Street	22/04/1434 H (corresponding to 04/03/2013 G)	active
16.	Khafji	Al Hamraa Street	19/10/1439 (corresponding to 03/07/2018 G)	23/07/1444 H (corresponding to 14/02/2023 G)
17.	Hafar Al-Batin	Al-Mohammadiyah Street	19/10/1439 (corresponding to 03/07/2018 G)	active
18.	Riyadh	Al Wahah Street	26/04/1440 H (corresponding to 02/01/2019 G)	active
19.	Riyadh	Al-Olya Street	22/12/1434 H (corresponding to 27/10/2013 G)	active
20.	Riyadh	Al-Nasriyah Street	19/10/1439 (corresponding to 03/07/2018 G)	01/12/1443 H (corresponding to 30/06/2022 G)
21.	Al-Muzahmiah	Al-Suqooriyah Street	19/10/1439 (corresponding to 03/07/2018 G)	28/02/1445 H (corresponding to 13/09/2023 G)
22.	Al-Quwayiyah	Al-Zuhour Street	19/10/1439 (corresponding to 03/07/2018 G)	active
23.	Al moujamaa	King Fahed Street	19/10/1439 (corresponding to 03/07/2018 G)	active
24.	Chakra	Al Chefaa Street	19/10/1439 (corresponding to 03/07/2018 G)	active
25.	Aflaj	Al-Aziziyyah Street	19/10/1439 (corresponding to 03/07/2018 G)	01/12/1443 H (corresponding to 30/06/2022 G)
26.	Zulfi	Al-Faysaliyah Street	19/10/1439 (corresponding to 03/07/2018 G)	active
27.	Dawadmi	Industrial	19/10/1439 (corresponding to 03/07/2018 G)	active
28.	Buraydah	Al-Safra Street	19/10/1439 (corresponding to 03/07/2018 G)	active
29.	Buraydah	Al-Safra Street	19/10/1439 (corresponding to 03/07/2018 G)	active
30.	Buraydah	Al-Murqab Street		active
31.	Buraydah	Industrial Area	19/10/1439 (corresponding to 03/07/2018 G)	active



No.	City	Address	The date of the Saudi Central Bank's approval to open the point of sale	The date of the Saudi Central Bank's approval to close the point of sale
32.	Al rass	Al-Rabwah Street	19/10/1439 (corresponding to 03/07/2018 G)	active
33.	Unayzah	Al-Manar Street	19/10/1439 (corresponding to 03/07/2018 G)	active
34.	Hail	Al-Muhattah Street	19/10/1439 (corresponding to 03/07/2018 G)	active
35.	Makkah Al Mukarrama	Al-Nuzhah Street	20/08/1438 H (corresponding to 16/05/2017 G)	28/02/1445 H (corresponding to 13/09/2023 G)
36.	Makkah Al Mukarrama	Al-Akeeshiyah Street	03/01/1443 H (corresponding to 11/08/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
37.	Jeddah	Al-Andalus Street	07/08/1433 H (corresponding to 27/06/2012 G)	01/12/1443 H (corresponding to 30/06/2022 G)
38.	Jeddah	Eastern Baghdadiyah Street	19/10/1439 H (corresponding to 03/07/2018 G)	01/12/1443 H (corresponding to 30/06/2022 G)
39.	Jeddah	Madain Al Fahd Street	22/06/1430 H (corresponding to 15/06/2009 G)	active
40.	Jeddah	Al-Murwah Street	19/10/1439 H (corresponding to 03/07/2018 G)	active
41.	Jeddah	Al-Jawhara Street	19/10/1439 (corresponding to 03/07/2018 G)	10/08/1445 H (corresponding to 20/02/202 G)
42.	Jeddah	Al-Aziziyah Street	04/12/1436 H (corresponding to 17/09/2015 G)	active
43.	Al Taif	Nakhb Street	19/10/1439 H (corresponding to 03/07/2018 G)	01/12/1443 H (corresponding to 30/06/2022 G)
44.	Al Taif	Al Sadad Street	19/10/1439 H (corresponding to 03/07/2018 G)	active
45.	Afif	Al Nahdah Street	19/10/1439 (corresponding to 03/07/2018 G)	04/11/1445 H (corresponding to 12/05/2024 G)
46.	Al Taif / Al Hawiyah	Al-Faysaliyyah Street	19/10/1439 H (corresponding to 03/07/2018 G)	23/07/1444 H (corresponding to 14/02/202 G)
47.	Al Qunfudhah	Al-Naamiyah District	19/10/1439 H (corresponding to 03/07/2018 G)	10/08/1445 H (corresponding to 20/02/202 G)
48.	Al Madinah Al Munawwarah	Al-Rawabi Street	17/03/1436 H (corresponding to 08/01/2015 G)	active



No.	City	Address	The date of the Saudi Central Bank's approval to open the point of sale	The date of the Saudi Central Bank's approval to close the point of sale
49.	Al Madinah Al Munawwarah	Al-Aziziyah Street	19/10/1439 H (corresponding to 03/07/2018 G)	01/12/1443 H (corresponding to 30/06/2022 G)
50.	Al Madinah Al Munawwarah	Al-Eskan Street	19/10/1439 H (corresponding to 03/07/2018 G)	active
51.	Najran	Al-Faysaliyyah Street	03/01/1439 H (corresponding to 23/09/2017 G)	active
52.	Sharurah	Plan A Street	19/10/1439 H (corresponding to 03/07/2018 G)	23/07/1444 H (corresponding to 14/02/2023 G)
53.	Al Qurayyat	Airport Street	19/10/1439 H (corresponding to 03/07/2018 G)	10/08/1445 H (corresponding to 20/02/202 G)
54.	Rafha	Al-Mohammadiyah Street	19/10/1439 H (corresponding to 03/07/2018 G)	23/07/1444 H (corresponding to 14/02/2023 G)
55.	Jazan	Al-Rawdah Street	19/10/1439 H (corresponding to 03/07/2018 G)	active
56.	Sabia	Al-Safaa Street	19/10/1439 H (corresponding to 03/07/2018 G)	10/08/1445 H (corresponding to 20/02/202 G)
57.	Abou Arish	Al-Zuhur Street	19/10/1439 H (corresponding to 03/07/2018 G)	01/12/1443 H (corresponding to 30/06/2022 G)
58.	Khamis Mushait	Exhibition Street	19/10/1439 H (corresponding to 03/07/2018 G)	23/07/1444 H (corresponding to 14/02/2023 G)
59.	Khamis Mushait	Al-Rabi Street		active
60.	Bisha	Al-Naseem Street	19/10/1439 H (corresponding to 03/07/2018 G)	23/07/1444 H (corresponding to 14/02/2023 G)
61.	Yanbaa	Al-Hurra Street	19/10/1439 H (corresponding to 03/07/2018 G)	active
62.	Al Baha	Al Zafir Street	19/10/1439 H (corresponding to 03/07/2018 G)	01/12/1443 H (corresponding to 30/06/2022 G)
63.	Tabouk	Industrial Street	19/10/1439 H (corresponding to 03/07/2018 G)	active
64.	Tabouk	Al-Rajhi Street	15/11/1440 H (corresponding to 18/07/2019 G)	23/07/1444 H (corresponding to 14/02/2023 G)
65.	Mahayel Asir	Al-Mouhdith Street	15/11/1440 H (corresponding to 18/07/2019 G)	01/12/1443 H (corresponding to 30/06/2022 G)



No.	City	Address	The date of the Saudi Central Bank's approval to open the point of sale	The date of the Saudi Central Bank's approval to close the point of sale
66.	Abha	Dhurrah Street	15/11/1440 H (corresponding to 18/07/2019 G)	23/07/1444 H (corresponding to 14/02/2023 G)
67.	Aaraar	Al-Masaadiyah Street	15/11/1440 H (corresponding to 18/07/2019 G)	23/07/1444 H (corresponding to 14/02/2023 G)
68.	Riyadh	Al-Ramal Street	03/01/1443 H (corresponding to 11/08/2021 G)	01/12/1443 H (corresponding to 30/06/2022 G)
69.	Riyadh 1	Al-Ramal Street	17/04/1443 H (corresponding to 22/11/2021 G)	active
70.	Riyadh 2	Dirab Street	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
71.	Abha	Al-Mahallah Street	17/04/1443 H (corresponding to 22/11/2021 G)	active
72.	Al Baha	Al-Baraq Street	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
73.	Al Jouf	Sakaka	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
74.	Al Kharj	Al-Udaimah	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
75.	Al Ras	Al-Andalus Street	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
76.	Aaraar	Tarif	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
77.	Bicha	Wadi Al-Tabelah	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
78.	Al Dammam	Al-Manar Street	17/04/1443 H (corresponding to 22/11/2021 G)	active
79.	Al Qurayyat	Modern Al-Quryat	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
80.	Hafar Al Batin	Al Eskan Street	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
81.	Hail	Al Wadi	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)



No.	City	Address	The date of the Saudi Central Bank's approval to open the point of sale	The date of the Saudi Central Bank's approval to close the point of sale
82.	Al Hfouf	Al-Moubraz	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
83.	Jeddah	Al-Murwah	17/04/1443 H (corresponding to 22/11/2021 G)	active
84.	Jeddah 2	Al-Shifa Street	17/04/1443 H (corresponding to 22/11/2021 G)	active
85.	Jazan	Al Asilah Street	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
86.	Al Khafji	Industrial Street	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
87.	Al Khobar	Al-Khurma	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
88.	Al Madinah Al Munawwarah	Qalat Mukhayt	17/04/1443 H (corresponding to 22/11/2021 G)	active
89.	Al Moujamaa	King Fahed	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
90.	Makkah Al Mukarramah	Al Nouriyah	17/04/1443 H (corresponding to 22/11/2021 G)	active
91.	Mahayel Asir	Al Radifah Street	17/04/1443 H (corresponding to 22/11/2021 G)	28/02/1445 H (corresponding to 13/09/2023 G)
92.	Najran	Al-Asayibah Street	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
93.	Al Qassim	Al Wadi Street	17/04/1443 H (corresponding to 22/11/2021 G)	active
94.	Tabuk	Agricultural area	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
95.	Taef	Sultana Street	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
96.	Wadi Al Dawasir	Wadi Dawasir	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
97.	Yanbu	Al Takhi	17/04/1443 H (corresponding to 22/11/2021 G)	10/08/1445 H (corresponding to 20/02/2024 G)
98.	Hail	Industrial	03/01/1443 H (corresponding to 11/08/2021 G)	23/07/1444 H (corresponding to 14/02/2023 G)



No.	City	Address	The date of the Saudi Central Bank's approval to open the point of sale	The date of the Saudi Central Bank's approval to close the point of sale
99.	Al Madinah Al Munawwarah	Al-Aziziyah Street	03/01/1443 H (corresponding to 11/08/2021 G)	23/07/1444 H (corresponding to 14/02/2023 G)

Source: The Company

9-6 Continuing obligations imposed by government agencies on the company in its capacity as the «licensee»

The Company and its branches are obligated, as the license holder, to adhere to the essential requirements imposed by the competent authorities in order to maintain the licenses, certificates and approvals it has obtained, as follows:

9-6-1 Continuing obligations according to the requirements of the Ministry of Commerce

The Company complies with the Law of Commercial Register in terms of registration with the Commercial Registry Department in the city of Al-Khobar, where the main headquarters is, under Certificate No. (2051034982) dated 19/06/1428 H (corresponding to 04/07/2007 G), which expires on 19/06/1447 H (corresponding to 10/12/2025 G). It also complies with the Law of Commercial Register in terms of obtaining a membership certificate from the Chamber of Commerce and Industry in the Eastern Province under Certificate No. (81888) dated 08/17/1444 AH (corresponding to 09/03/2023 G) and its validity expires on 19/06/1447 H (corresponding to 10/12/2025 G).

The Company complies with the Companies' Law in terms of including in its Bylaws the basic provisions and articles stipulated in the Companies' Law. As of the date of publication of this prospectus, the Company's Bylaws have not been harmonized and updated in accordance with the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443 H corresponding to 30/06/2022 G), as it can amend its status in accordance with its provisions within a period not exceeding (two years). Starting from its effective date on 26/06/1444 H (corresponding to 19/01/2023 G). With the exception of the provisions specified by the Ministry of Commerce and the Capital Market Authority on 11/06/1444 H (corresponding to 04/01/2023 G) - each in its own jurisdiction - which companies must adhere to from the date the Law enters into force). The latest version of the Bylaws was issued based on the decision of the Extraordinary General Assembly of Shareholders) held on 19/02/1444 H (corresponding to 15/09/2022 G) and the Law was adopted by the Ministry of Commerce (Operations Department) on 22/04/1444 H (corresponding to 16/11/2022 G) and the company complied with the requirements of the Capital Market Authority and the Saudi Tadawul Company (Saudi Tadawul) in terms of uploading an electronic copy of the Bylaws on the Tadawul website on the company's private page.

The Company has completed the procedures for incorporating its branches and is in compliance with the commercial registry law in terms of registration with the Commercial Registry Department for all its branches in the cities of: Jeddah, Najran, Hail, Tabuk, Al-Rass, Riyadh, Jizan, Buraidah, Al Madina Al Munawara, Al-Dawadmi, Jubail, Al-Majma'ah, Al-Qunfudhah, Al-Quwayyah,



Al-Qurayyat, Al-Zulfi, Dammam, Hafr Al-Batin, Al-Ahsa, Al-Khobar, Sabya, Taif, Unayzah, Yanbu, Al-Mubarraz, Al-Ahsa villages, Qatif, Khamis Mushayt, Safwa.

The Company is compliant with the provisions of Article (88) of the Companies Law, which requires the general assembly of shareholders to be held at least once during the six months following the end of the company's fiscal year, as the company held its annual regular assembly for the year 2023 G during the statutory deadline on 24/11/1444 H (corresponding to 13/06/2023 G)

9-6-2 Continuing obligations according to the requirements of the Zakat, Tax and Customs Authority

The Company is required to submit its zakat and tax returns within (120) days of the end of the fiscal year for the purpose of renewing the certificate issued by the Zakat, Tax and Customs Authority. The Company was registered as a taxpayer under the distinctive tax number (3004707546). The Company submitted its zakat returns for all years since its incorporation until the fiscal year ending on December 31, 2023 G, and obtained a zakat certificate from the Zakat, Tax and Customs Authority under the number (1112041776) and dated 21/10/1445 H. (corresponding to 30/04/2024 G) and expires on 02/11/1446 H (corresponding to 30/04/2025 G). This certificate enables the Company to complete all its transactions, including paying its final dues from the contracts.

It should be noted that the zakat due and paid to the Zakat, Tax and Customs Authority for the fiscal year ending on December 31, 2022G amounted to (8,685,000) Saudi Riyals comparing to (12,430,00) Saudi Riyals for the fiscal year ending on December 31, 2023G.

The Company is in compliance with the VAT law and its implementing regulations and is registered with the Zakat, Tax and Customs Authority under the tax number (300470754600003) according to a certificate issued on 02/12/1438H (corresponding to 24/08/2017G), noting that the Company has been registered since 14/04/1439 H (corresponding to 01/01/2018 G).

- **Status of zakat assessments - Walaa Cooperative Insurance Company:**

During the year 2019 G, the Company received an additional zakat assessment and tax obligation for the year 2016 G in the amount of twenty million (20,000,000) Riyals. During the period, the Company succeeded in objecting to most of the items contained in this assessment and paid the amount of one million nine hundred thousand (1,900,000) riyals as a complete and final settlement.

During 2020 G, the Company received an order to assess zakat and additional tax for the year 2014 G in the amount of five million nine hundred thousand (5,900,000) Riyals. In addition, during the year 2020 G, the company received assessment orders for the years 2015 G, 2017 AD, and 2018 G in exchange for an additional zakat and tax obligation in the amount of nine million three hundred thousand (9,300,000) Riyals, and the Company has appealed against these assessments. And during the year 2023 G, the internal settlement committee offered an amount of (9,213,249) Riyals for the years 2014 G, 2017 G, and 2018 G, and the company accepted the settlement committee's offer, which was paid in 2024 G.



With regard to the objection of 2015 G, the General Secretariat of the Zakat, Tax and Customs Committees rejected the company's objection and demanded that it pay the initial assessment amount of (2,589,508) Riyals. The Company submitted a petition but it was rejected. The amount was paid and the case was closed in 2024 G.

During the year 2022 G, the Company received an assessment for the years 2019 G and 2020 G of an additional zakat and tax obligation amounting to eight million eight hundred thousand (8,800,000) Riyals. The Company appealed this assessment, and in order for this objection to be accepted, the company paid part of the estimated amount (10%) and agreed to pay the full amount of the tax. During the year 2023 G, the internal settlement committee offered an amount of (5,586,276) Riyals for the years 2019 G and 2020 G, and the company accepted the settlement committee's offer, paid the settlement amount, and ended the dispute.

During the year 2023 G, the Company submitted documents required by the Authority regarding the years 2021 G and 2022 G and is awaiting the Authority's response. The financial statements for the year ending in December 31, 2023 indicate that the Company has received assessments related to value-added tax for the period 2018 - 2020 G, with an additional commitment in the amount of twenty-seven million (27,000,000) Riyals. Discussions are underway between the Company and the Zakat, Tax and Customs Authority regarding these evaluations. On 11/11/1444 H (corresponding to 31/05/2023 G), the Company settled its value-added tax liability for the years 2018 G, 2019 G, and 2020 G, at a value of nine million seven hundred thousand (9,700,000) Riyals, to benefit from an amnesty on late fines. The Company has filed an appeal regarding these years. During the month of November 2023 G, the results of the re-audit were issued by the Zakat, Tax and Customs Authority, reducing the outstanding obligation to (9,543,466) Saudi riyals, and thus the Company is entitled to a credit balance due to its previous payment of (9,700,000) Saudi Riyals.

- **Status of Zakat assessments - SABB Takaful Company:**

In 2018G, the Authority issued the tax/zakat assessments for the years ending on December 31, 2011G to 2014G. The Company submitted an objection to the Authority's link. The Authority rejected the objection, and the company filed an appeal before the General Secretariat of the Zakat, Tax, and Customs Committees. During 2023, the case reached the final level of appeal and the decision was in favor of the company. After discussions with the Zakat, Tax and Customs Authority, the company paid an amount of (774,341.65) Saudi Riyals and the case was closed.

In 2019, the authority issued a tax/zakat assessment for the year ended on December 31, 2018. The Company lodged an objection with the General Secretariat of Tax, Zakat, and Customs Committees against the authority's assessment. The net impact of zakat amounted to approximately (0.9) million Saudi Riyals. In 2021, the Committee for Adjudication of Tax Violations and Disputes held hearings to discuss the case and issued its decision to dismiss the Company's claim. The Company appealed the judgment to the Appeals Committee for Tax Violations and Disputes.



- **Indirect Tax Issues - Walaa Cooperative Insurance Company:**

The Company received assessments related to Value Added Tax (VAT) for the period 2018-2020, with an additional liability of twenty-seven million (27,000,000) Saudi Riyals. Discussions between the Company and the Zakat, Tax, and Customs Authority are ongoing regarding these assessments, with an expected favorable outcome for the Company.

On May 31, 2023, the Company settled its VAT liabilities for the years 2018, 2019, and 2020, amounting to nine million seven hundred thousand (9,700,000) Saudi Riyals, to benefit from waiver of late payment penalties. The Company lodged an appeal regarding these years, which is under reconsideration by the authority.

During 2023, the Company submitted required documents to the authority regarding the years 2021 and 2022 and is awaiting the authority's response.

- **Indirect Tax Issues for Saab Takaful:**

In 2020, the authority issued an assessment based on a tax audit regarding VAT. Under this assessment, the authority decided to apply a 5% VAT on premiums of life insurance policies provided by Saab Takaful in the individual family takaful sector from January 1, 2018, to November 30, 2019, along with late payment penalties totaling one million six hundred eighty thousand (1,680,000) Saudi Riyals in 2020. The Company utilized the Zakat Authority's initiative and paid the base VAT amount of (0.97) million Saudi Riyals under protest. Upon payment, the authority waived late payment penalties amounting to (0.71) million Saudi Riyals. Furthermore, the Company's management reviewed the assessments and responded within the specified timeframe. In 2020, after receiving the initial assessment, the company sent the required documentation to the authority, paid an amount of (95,393) Saudi Riyals, and closed the case.

- **Indirect Tax Issues Metlife:**

According to the financial statements, the Company received assessments for Value Added Tax (VAT) for the year 2020, and after receiving the initial assessment, the requirements were submitted to the authority. The Company will continue with the appeal process.

9-6-3 Continuous Obligations as per the Ministry of Human Resources and Social Development Requirements:

A file was opened for the Company with the Ministry of Human Resources and Social Development (Labor Office) under the unified number (21378-15) according to the Saudization certificate. As of the date of this prospectus, the Company benefits from the electronic services of the Ministry of Human Resources and Social Development. A Saudization certificate was obtained confirming the Company's commitment to the required Saudization percentage under the Nitaqat program, which stands at (79%), falling within the platinum category according to Saudization certificate number (12317348-176867) issued on 19/11/1444H (corresponding to 08/06/2023G) expiring on 17/01/1446H (corresponding to 23/07/2024G).



The Company is in compliance with the Wage Protection Law and regular payment of employees' salaries under commitment certificate number (20152406005728) dated 26/11/1445H (corresponding to 03/06/2024G), valid until 26/01/1446H (corresponding to 01/08/2024G), with a compliance rate of (98%) for January 2024.

Additionally, the Company is in compliance with electronically documenting employment contracts for its employees, with a compliance rate of (90%) as of January 2024 according to a report issued by the Mudad platform.

9-6-4 Continuous Obligations as per the General Organization for Social Insurance Requirements:

A file was opened for the Company with the General Organization for Social Insurance under subscription number (501743968). The Company is subscribed to both the retirement and occupational hazards branches for Saudi participants and to the occupational hazards branch for non-Saudi participants, as per Social Insurance certificate number (68528521) valid until 02/05/1446 H (corresponding to 08/09/2024 G). The paid subscriptions for the year 2023 amounted to (13,398,004.28) Saudi Riyals.

9-6-5 Continuous Obligations as per the Capital Market Authority Requirements:

The Capital Market Authority requires listed companies to comply with securities offering rules, ongoing obligations, and specific instructions issued by the authority, particularly periodic disclosure of material and financial developments and board of directors' reports.

Financial results announced on the Tadawul platform must be derived from audited financial statements approved by the Company's appointed external auditor and endorsed by the board of directors. The Company must adhere to the disclosure templates specified in the companies' financial results advertisement instructions. The Company is also required to provide a statement explaining all reasons and factors for changes in financial results for the current financial year compared to the comparative period, including all items disclosed in the financial results announcement.

The authority also mandates listed companies to disclose their progress in transitioning to International Financial Reporting Standards (IFRS). On 27/11/1437H (corresponding to 21/08/2016), the Company announced on the Tadawul platform that it prepares its financial statements according to IFRS and not according to the Saudi Organization for Certified Public Accountants' standards, as stated in the auditors' report and financial statements' disclosures. Therefore, the Company is not required to prepare any transition plan for the application of IFRS in financial statement preparation since it has already adopted those standards. The Company's financial statements for the year ended 31/12/2022 were drafted according to the international standards adopted in the Kingdom of Saudi Arabia.

The authority also requires listed companies to comply why the regulations outlined in the Implementing Regulations of the Capital Market Authority for the disclosure of public joint-stock companies' advertisements issued under board resolution number (1-199-2006) dated



18/07/1427H (corresponding to 12/08/2006), amended by board resolution number (3-79-2023) dated 19/02/1445H (corresponding to 04/09/2023).

The Capital Market Authority has mandated listed companies to appoint representatives to the Capital Market Authority for all matters related to the application of the Capital Market Authority Law and its implementing regulations. The Company has complied with this requirement pursuant to a resolution issued by the board of directors on 15/08/1445H (corresponding to 25/02/2024G) appointing Mr. Jameel Abdullah Al Molhem, a board member, and Mr. Mohannad Al Desouki, the Chief Financial Officer, as representatives of the Company to the Capital Market Authority.

Similarly, the Capital Market Authority has requested listed companies to adhere to the conditions stipulated in the Implementing Regulations of the Companies Law for listed joint-stock companies issued by the board of the authority under resolution number (8-16-2017) dated 16/01/1438H (corresponding to 17/10/2016) based on the Companies Law issued by Royal Decree number (M/3) dated 28/01/1437H, amended by the board's resolution number (2-26-2023) dated 05/09/1444H (corresponding to 27/03/2023) based on the Companies Law issued by Royal Decree number (M/132) dated 01/12/1443H. The Company must disclose in the Board of Directors' report details of policies related to bonuses, their determination mechanisms, the financial and non-financial amounts and benefits paid to each member of the board of directors for any executive, technical, administrative, or consultancy roles. The Company has committed to disclosing the bonuses received by board members for the financial years 2020, 2021, and 2022.

Regarding corporate governance, the table below summarizes the extent to which the Company complies with the Corporate Governance Regulations issued by the Capital Market Authority and those specific to insurance companies issued by SAMA.

It is worth noting that any violation of the rules and procedures, or failure to implement them, exposes the company to accountability by the Capital Market Authority, which may take one or more of the following actions:

- 1- Warning the Company.
- 2- Requiring the Company to take necessary steps to avoid further violations or corrective actions to address the consequences of the violation.
- 3- Imposing a financial penalty not exceeding five million (5,000,000) Saudi Riyals for each violation committed by the Company.

Over the three years preceding this report, the Authority did not record any violations of the Capital Market Authority's regulations on the Company, except for the violation notice received from the Agency of Listed Companies and Investment Products on 23/06/1444H (corresponding to 16/01/2023), due to the Company's failure to notify the Authority of the name and membership status of a board member within the statutory period and violating paragraph (d) of Article (17) of the Corporate Governance Regulations. It was confirmed that this violation will not recur.

Table No. 115: The extent of the Company's compliance with the Corporate Governance Regulations



The article from the corporate governance regulations	The item/paragraph from the insurance company governance regulations	Explanation	Responsible Party	Observations
8/a	-	Providing a copy of the information about the candidates for the board membership on the company's website.	Board of Directors	Compliant
9/b	-	The Board of Directors must establish a clear policy regarding the distribution of stock dividends that serves the interests of both shareholders and the Company in accordance with the Company's Bylaws	Board of Directors	Compliant Non-compliant - No independent charter
5/12	-	To review the financial statements for the year 2022	General Assembly	Compliant - The financial statements for the fiscal year ending on 31/12/2022 were reviewed by the Ordinary General Assembly on 24/11/1444H (corresponding to 13/06/2023)
6/12	-	To review the annual report of the Board of Directors for the year 2022	General Assembly	Compliant - The report of the Board of Directors for the fiscal year ending on 31/12/2022 was reviewed by the Ordinary General Assembly on 24/11/1444H (corresponding to 13/06/2023)
8/12 and 78	-	Appointing the Company's auditors, determining their remuneration, reappointing them, replacing them, and approving their reports.	General Assembly	Compliant - The Ordinary General Assembly held on 24/11/1444H (corresponding to 13/06/2023) voted to appoint the auditors « Mr. Al Oyouti and Partners Accountants and Auditors » and « Crowe Solutions for Professional Consulting » and determine their fees for auditing the quarterly and annual financial statements for the year 2023 and the first quarter of 2024.
13/d	-	Publishing the notice of the date, venue, and agenda of the General Assembly Meeting at least twenty-one days prior to the date on the Company's website	Board of Directors	Compliant
14/c	-	Providing shareholders, through the Company's website, upon issuing the invitation for the General Assembly meeting, with access to information related to the items on the agenda, particularly the Board of Directors' report, auditors' report, financial statements, and the audit committee's report	Board of Directors	Compliant- through Tadawul website
1/21	64/a	Developing the plans, policies, strategies, and First Instance objectives for the Company	Board of Directors	Compliant



The article from the corporate governance regulations	The item/paragraph from the insurance company governance regulations	Explanation	Responsible Party	Observations
2/21	64/d	<p>Establishing regulations and restrictions for internal control and general supervision, including: Developing a written policy to address actual and potential «conflicts of interest» situations for members of the board of directors, executive management, and shareholders. This includes misuse of Company assets and facilities, and misconduct resulting from dealings with related parties. Ensuring the integrity of financial and accounting systems, including systems related to the preparation of financial reports. Ensuring the application of appropriate control systems for measuring and managing risks by outlining a general overview of the risks the Company may face, establishing a risk-aware environment throughout the Company culture, and transparently discussing it with stakeholders and relevant parties. Conducting an annual review of the effectiveness of the Company's internal control procedures.</p>	Board of Directors	Compliant - No independent charter, but it was addressed within the Company's governance charter.
3/21	65	<p>Establishing clear and specific policies, standards, and procedures for membership in the Board of Directors, and implementing them after approval by the General Assembly.</p>	General Assembly	Compliant- The Company has a policy for appointing and nominating members of the Board of Directors, which was approved by the Extraordinary General Assembly held on 14/09/1439H (corresponding to 29/05/2018)
4/21	-	<p>Developing a written policy that regulates the relationship with stakeholders in accordance with the provisions of governance regulations. This policy should specifically cover the following: Mechanisms for compensating stakeholders in case of violation of their rights as stipulated by regulations and protected by contracts. Mechanisms for resolving complaints or disputes that may arise between the Company and stakeholders. Appropriate mechanisms for establishing good relationships with customers and suppliers while maintaining the confidentiality of information related to them.</p>	Board of Directors	Compliant - 4 committees were appointed by the Board of Directors on 29/10/1443H (corresponding to 30/05/2022)



The article from the corporate governance regulations	The item/paragraph from the insurance company governance regulations	Explanation	Responsible Party	Observations
5/21	-	Developing policies and procedures to ensure the Company's compliance with regulations and laws, and its commitment to disclosing essential information to shareholders and stakeholders. Additionally, verifying that the executive management adheres to these policies and procedures.	Board of Directors	compliant
13/21, 47, 57, 57/a , 61	89	Forming specialized committees derived from the Board of Directors through decisions that specify the duration, powers, and responsibilities of the committee, as well as how the board oversees it. The formation decision should include appointing members, defining their roles, rights, and duties, along with evaluating the performance and activities of these committees and their members	Board of Directors	Compliant - The CEO's services, Mr. Johnson Varughese, were extended by the Board of Directors on 04/09/1444H (corresponding to 26/03/2023)
1/22	64/c	Adopting internal policies related to the Company's operations and development, including defining tasks, authorities, and responsibilities delegated to various organizational levels	Board of Directors	Compliant - The organizational structure was approved by the Board of Directors on 04/06/1445H (corresponding to 17/12/2022)
2/22		Adopting a written and detailed policy specifying the authorities delegated to the executive management, along with a schedule outlining those authorities, the method of implementation, the duration of delegation. The board of directors may request periodic reports from the executive management regarding its practices of the delegated authorities	Board of Directors	Compliant - The Company has a compensation policy approved by the Extraordinary General Assembly held on 14/09/1439H (corresponding to 29/05/2018).
24	64/e	Appointing the CEO	Board of Directors	Compliant - The audit committee's charter was approved by the Ordinary General Assembly held on 13/11/1442H (corresponding to 23/06/2021)
5/25	13	Proposing the organizational and functional structures of the Company and presenting them to the board of directors for approval	Board of Directors	Compliant - The members of the audit committee were appointed by the Ordinary General Assembly held on 22/10/1443H (corresponding to 23/05/2022)
10/25		Proposing a policy and types of incentives granted to employees, such as fixed bonuses, performance-based bonuses, and stock-based incentives	Board of Directors	Compliant - The Company has an internal audit director, Ms. Abrar Jameh Mohammed Al Kaabi.



The article from the corporate governance regulations	The item/paragraph from the insurance company governance regulations	Explanation	Responsible Party	Observations
41	12/a	A written and clear policy for dealing with actual or potential conflicts of interest that may affect the performance of board members, executive management, or other employees of the Company when dealing with the Company or other stakeholders	Board of Directors	Compliant - The Company has a tax expert, Mr. Saeed Reda Hayder Saeed Al Allah Hayder
51/H	105	The General Assembly of the Company, upon a proposal from the Board of Directors, issues a charter for the audit committee. This charter includes regulations and procedures for the committee's work, its tasks, criteria for selecting its members, nomination procedures, the duration of their membership, their remuneration, and the mechanism for temporarily appointing members in case of vacancy on the committee	General Assembly	Compliant - The nomination and compensation committee's charter was approved by the Extraordinary General Assembly held on 14/09/1439H (corresponding to 29/05/2018)
54 and 51	106-105	Forming the Audit Committee.	Board of Directors	Compliant - The policy for compensating board members and executives was approved by the Ordinary General Assembly held on 13/11/1442H (corresponding to 23/06/2021)
52/b/4 and 71	122	Appointing the Manager of Internal Audit Unit or Internal Auditor and proposing their bonuses.	Board of Directors	Compliant - Appointed by the Board of Directors on 29/10/1443H (corresponding to 30/05/2022)
-	126	The Tax Expert	Board of Directors	Compliant - No independent charter; the Company relies on its governance charter, which includes guidelines for the committee's formation and operation. Committed - Appointed by the Board of Directors on 29/10/1443H (corresponding to 30/05/2022)
57/b and 61/b	100	The General Assembly of the Company, based on a proposal from the Board of Directors, issues a charter for the Nominations and Remuneration Committee. This charter includes regulations, procedures, and a work plan for the committee, its tasks, criteria for selecting its members, nomination procedures, the duration of their membership, their remuneration, and the mechanism for temporarily appointing members in case of vacancy on the committee	General Assembly	Compliant - No independent charter; the Company relies on its governance charter, which includes guidelines for the committee's formation and operation. Committed - Appointed by the Board of Directors on 29/10/1443H (corresponding to 30/05/2022)



The article from the corporate governance regulations	The item/paragraph from the insurance company governance regulations	Explanation	Responsible Party	Observations
1/58	101/h	The Nominations and Remuneration Committee prepares a clear policy for compensating the members of the Board of Directors, as well as the committees emanating from the board and the executive management. This policy is then submitted to the board of directors for consideration before being presented to the general assembly for approval. The policy should adhere to standards related to performance, disclosure, and verification of implementation	General Assembly	Compliant - No independent charter; the Company relies on its governance charter, which includes guidelines for the committee's formation and operation. There is a policy for appointing and nominating members of the Board of Directors approved by the Ordinary General Assembly held on 14/09/1439H (corresponding to 29/05/2018)
-	95 and 90	Forming the Executive Committee	Board of Directors	Compliant
-	95	The Executive Committee Charter	General Assembly	No independent charter, but it was addressed within the Company's governance charter
-	90 and 107	Forming the Risk Management Committee.	Board of Directors	Compliant
-	107	Risk Management Committee Charter	General Assembly	Compliant - There is no independent charter, and this is based on the Company's governance charter, which includes guidelines for the formation and procedures of the committee.
-	90 and 111	Risk Management Committee	Board of Directors	Committed - Appointed by the Board of Directors convened on 29/10/1443 H (corresponding to 30/05/2022 G)
-	111	Charter of the Investment Committee	Board of Directors	Committed - There is no independent charter, and reference is made to the Company's governance charter, which includes guidelines for the formation and operation procedures of the committee.
3/62	101/b	Preparation of a description of the capabilities and qualifications required for membership of the Board of Directors and the occupation of executive management positions	Committee for Nominations and Rewards	There is a policy for appointing and nominating members of the Board of Directors adopted by the Ordinary General Assembly held on 14/09/1439 (corresponding to 29/05/2018 G)
65	-	Publication of the nomination announcement for membership of the Board of Directors on the Company's website	Board of Directors	Compliant
81	-	Policies or procedures followed by stakeholders in submitting complaints or reporting violations	Board of Directors	There is no separate regulation, and it is included in the Company's Corporate governance regulations
83	12	Policy for professional conduct and ethical values	Board of Directors	Compliant - The company has a professional code of conduct policy that was approved by the Board of Directors on 19/02/1444 H) corresponding to 15/09/2022 G)



The article from the corporate governance regulations	The item/paragraph from the insurance company governance regulations	Explanation	Responsible Party	Observations
86	89	Written policies for disclosure, procedures, and supervisory systems in accordance with the disclosure requirements in the Companies Law and the Capital Market Law	Board of Directors	Compliant - There is no separate regulation, and it is incorporated within the Company's Corporate governance regulations.
88/b	-	Publication of the Audit Committee report on the Company's website	Board of Directors	Compliant
91	89/67	Company-specific governance rules that do not conflict with the mandatory provisions of governance rules issued by the authority	Board of Directors	Compliant- The governance regulations were adopted by the ordinary general assembly of shareholders on 13/11/1442H (corresponding to 23/06/2021G)

Source: The Company

9-6-6 Continuing obligations according to the requirements of the Ministry of Municipal and Rural Affairs and Housing:

The Company should obtain municipal permits for administrative offices, branches, and sale points to enable the Company to occupy them, taking into account that the municipality or the secretariat requires the following documents: a copy of the commercial register, a copy of the Bylaws (statute), a copy of the lease contract, a copy of the building permit for the building or warehouse or commercial premises (showroom) or store or sales point rented, a copy of the real estate office license, and a photograph of the outside of the building, including the signboard (with a copy of the signboard invoice and registration of the Company's trademark ownership to be used on the facade), in addition to the civil defense license.

The Company has (44) leased sites for the purpose of conducting its activities, which the Company uses as administrative offices for the Head office, branches, and sales points (for more information, please refer to subsection (9.7.2) «**Lease Agreements**» of section (9.7.) «**Summary of Key Contracts**» of this prospectus).

It should be noted that during the year 2022G, the Company received two notices for a violation of erecting an advertising or promotional billboard or poster without a license, the first with a value of (1,600) Saudi riyals and the second with a value of (3,200) Saudi riyals, and both were paid.

Table No. (111) «**Safety Certificates and Municipality licenses for Branches and Points of Sale**» shows the locations of the branches and points of sale operated by the Company and the extent of the Company's commitment to obtaining municipal licenses and safety certificates.

9-6-7 Continuing obligations according to the Requirements of the Saudi Arabian Monetary Authority (whose authorities regarding insurance will be transferred to the Insurance Authority):



The Saudi Arabian Monetary Authority issued license number (T M N/16/20087) dated 28/06/1429 H (equivalent to 02/07/2008 G). The validity period of the permit is (3) three years starting from the date of renewal on 26/02/1444 H (equivalent to 22/09/2022 G) and ending on 25/06/1447 H (equivalent to 16/12/2025 G). Under this license, the Company is permitted to engage in insurance and reinsurance activities in the following branches: (1) reinsurance, (2) general insurance, (3) health insurance, and (4) protection insurance with savings.

The Company provides various types of insurance coverage to its clients according to standard conditions. The Company is not allowed to offer its products until obtaining (final or provisional) approval from the Saudi Arabian Monetary Authority (currently the Insurance Authority) for each product, in accordance with Article (16) of the Implementing Regulations. It is noted that the Company has obtained final approvals from the Saudi Arabian Monetary Authority (currently the Insurance Authority) for many of its insurance products. For more details regarding the Company's insurance products, please refer to paragraph [3.10] of this prospectus.

Conditions for maintaining the license:

According to Article (76) of the Implementing Regulations of the Insurance Law, the Saudi Arabian Monetary Authority has the right to withdraw the Company's license in the following cases:

- a- No business activities for a period of six months from the issuance date of the license.
- b- None compliance with the Law and this Implementing Regulations.
- c- Providing SAMA with false information in its licensing application.
- d- Conducting its business and affairs in a manner that threatens to make it insolvent or that it is hazardous to its policyholders, stockholders, or the public.
- e- Insolvency, or its assets are not sufficient for carrying on its business.
- f- The business conducted fraudulently.
- g- The paid-up capital falls below the prescribed minimum limit or failure to fulfill the provisions of Article 68.
- h- The business or volume of activities falls to a limit that SAMA finds unviable to operate under.
- i- Refusal or delay of payments due to beneficiaries without just cause.
- j- Refusal to be examined or to produce its accounts, records, or files for examination by SAMA.
- k- Failure to pay a final judgment against it related to its insurance operation.

As of the date of this Prospectus, the Company is in compliance with the provisions of Article (76) of the above-mentioned Implementing Regulations.



- With regard to paragraph (f) above of the conditions and with respect to the solvency requirements, the Company is required to comply with Articles (66) and (68) of the Implementing Regulations which states that:
 - a- The Company shall maintain a solvency margin according to the standards specified, and implement the following measures when its solvency margin falls below the required margin; it shall restore, in a period not exceeding the next financial quarter, its solvency margin when it falls between the ranges of 75% to 100% of the required solvency margin
 - b- The Company shall restore its solvency margin when it falls between 50% and 75% of the required margin. The company shall apply measures stated in paragraph (a) of this Article. If the required solvency margin is not restored to its appropriate level for two consecutive financial quarters, the company shall formulate and provide SAMA with a corrective action plan to be taken and the period necessary to restore its solvency
 - c- The Company shall restore its solvency margin when it falls between 25% and 50% of the required margin. The Company shall apply measures stated in paragraph (b) of this Article; required solvency margin is not restored to its appropriate level for two consecutive quarters, the company will be required by SAMA to take all or any of the following measures immediately:
 - 1- Increase the Company's capital;
 - 2- Adjust insurance premiums;
 - 3- Reduce costs;
 - 4- Stop underwriting business;
 - 5- Assets liquidation; or
 - 6- Any other measures deemed appropriate by the Company and approved by SAMA.

If the actual solvency margin falls below twenty-five percent (25%) or the Company fails to rectify its financial conditions, the Central Bank may appoint a consultant to advise the Company, or request the withdrawal of its license.

As of December 31, 2022, the solvency margin reached (141%) one hundred and forty-one percent.

On 02/03/1445 H (equivalent to 17/09/2023 G), the Board of Directors recommended to the Extraordinary General Assembly of Shareholders to increase the Company's capital by offering rights issue shares in an additional amount of (425,000,000) Saudi Riyals to support the Company's growth plan and maintain its solvency margin.

On 08/15/1445H (corresponding to 02/25/2024G), the Board of Directors recommended setting the value of the issue premium at the amount of forty-two million five hundred thousand (42,500,000) Saudi Riyals, so that the offering price would be eleven (11) Saudi Riyals, and the



value of the total proceeds from the share offering would be Priority rights are four hundred and sixty-seven million five hundred thousand (467,500,000) Saudi Riyals.

Violations:

The Company committed some violations of the Cooperative Insurance Companies Monitoring Law, its implementing regulations, and the regulations issued by the Saudi Arabian Monetary Authority during the past four years (2020, 2021, 2022, and 2023). The following is an overview of the violations committed by the Company and the actions taken by the Saudi Arabian Monetary Authority accordingly:

Table No. 116: Violations of the Saudi Arabian Monetary Authority

G	Relevant entity	Violation	Date of Violation	Penalty type	Fine Amount (SAR)	The procedures followed by the company(Violation status)
1	Saudi Central Bank	Violation of the supervisory and regulatory instructions of the Saudi Central Bank	2023 G	Monetary fine	60,000	The fine has been paid
2	Saudi Central Bank	Violation of the supervisory and regulatory instructions of the Saudi Central Bank	2022 G	Monetary fine	320,000	The fine has been paid
3	Saudi Central Bank	Violation of the supervisory and regulatory instructions of the Saudi Central Bank	2022 G	Monetary fine	50,000	The fine has been paid
4	Saudi Central Bank	Violation of the supervisory and regulatory instructions of the Saudi Central Bank	2021 G	Monetary fine	200,000	The fine has been paid
5	Saudi Central Bank	Violation of the supervisory and regulatory instructions of the Saudi Central Bank	2021 G	Monetary fine	40,000	The fine has been paid
6	Saudi Central Bank	Violation of the supervisory and regulatory instructions of the Saudi Central Bank	2020 G	Monetary fine	5,000	The fine has been paid

9-6-8 Continuing Obligations According to the Requirements of the Council of Health Insurance (CHI)(Whose powers Related to Insurance will Be Transferred to the Insurance Authority)

Medical insurance services are subject to the regulations of the Council of Health Insurance after obtaining the Saudi Arabian Monetary Authority (currently the Saudi Central Bank) approval.



The Council monitors the Company and ensures its compliance with the regulated conditions for providing medical insurance products.

Article (43) of the CHI's implementing regulations stipulates that insurance companies are not allowed to engage in cooperative health insurance activities unless qualified by the Council. Qualification is limited to a period of three years, renewable for similar periods. Additionally, Article (44) of the CHI's implementing regulations states that cooperative insurance companies are qualified to engage in health insurance upon request submitted for this purpose. The Council shall determine the details related to the nature and scope of the data to be included in these requests within the necessary limits, and the Council shall decide on the qualification request within ninety days from the date of submission.

The Council supervises the Company and ensures its compliance with the conditions regulating the provision of medical insurance services. Some of these conditions include:

- a- Commitment to providing specialized medical personnel to grant necessary medical approvals within a timeframe not exceeding (60) sixty minutes. If approval is not granted, the reasons must be officially clarified.
- b- Commitment to paying the dues of medical service providers such as hospitals and medical clinics within a timeframe not exceeding (45) forty-five days.
- c- On 19/10/1445H (corresponding to 28/04/2024G), the Insurance Authority (After the powers of the Health Insurance Council were transferred to it with regard to health insurance) approved the renewal of the company's qualification for a period of one year starting from 25/10/1445H (corresponding to 04/05/2024G), ending on 05/11/1446H (corresponding to 03/05/2025G). Under this license, the Company is authorized to engage in health insurance activities in the Kingdom.

Violations and Penalties: The Company committed two violations of the Council of Health Insurance's regulations and its implementing regulations during the past three years (2021, 2022, and 2023). The following table illustrates the violations committed by the company and the actions taken by the Council of Health Insurance accordingly:

Table No. 117: Violations of the Council of Health Insurance

G	Relevant entity	Violation	Date of violation	Penalty type	Fine Amount (SAR)	The procedures followed by the company)Violation status(
1	The Council of Health Insurance	Violations of the Cooperative Health Insurance Law provisions	2023 G	Monetary fine	429,400	The fine has been paid
2	The Council of Health Insurance	Violations of the Cooperative Health Insurance Law provisions	2020 G	Monetary fine	400	The fine has been paid

Source: the Company

Inspection visits: The Company is committed to the provisions of the insurance system and its executive regulations in terms of allowing the inspection team assigned by the bank to perform its



duties and examine its records. The Company has been subjected to several inspection visits by the Saudi Central Bank team, the last of which was on 04/11/1445H (corresponding to 10/26/2023G).

9-6-9 Continuing Obligations According to the Requirements of the Ministry of Investment

Due to the ownership of some foreign founding shareholders (non-Saudis and non-Gulf), the Company was required to obtain a service investment license issued by the Ministry of Investment (previously the General Investment Authority) with number (12031026535) dated 26/01/1426H (corresponding to 07/03/2005) and valid until 08/01/1448H (corresponding to 24/06/2026).

The Ministry of Investment imposes certain requirements on licensed companies, including but not limited to:

Ensuring that the commercial registration data matches the data in the investment license issued by the authority.

Not engaging in investment or commercial activities without a license.

Having an investment license for company branches and marketing centers (including sales points).

Not ceasing investment activities during the license period, except in cases of force majeure acceptable to the authority, with a submission of a timetable indicating the date of resumption of activities within five days of the occurrence of the force majeure.

Not using the name or logo of an international or local commercial agency without a license, or using printed materials, stamps, or advertising means with a trade name that contradicts the name licensed by the authority.

Matching product specifications and methods with Gulf, Saudi, or internationally approved standards.

Notifying the authority in writing of any changes to the address, correspondence, or contact information, or updating the data.

All companies licensed by the General Investment Authority are required to apply for an amendment of their license following any changes in their data, such as, for example, in the case of reducing or increasing capital, modifying the trade name, or opening branches.

9-7 Summary of Key Contracts

9-7-1 Agreements and Transactions with Related Parties

According to the unified financial statements for the fiscal year ended on December 31, 2023G, related parties represent the main shareholders, directors and employees, board members, companies owned by substantial shareholders, and other companies controlled, jointly controlled, or substantially influenced by entities. Pricing policies and terms of these transactions are determined by the Company's management and board of directors.

The tables below outline related parties most important transactions during the years 2021G, 2022G, and 2023G:



Table No. 118: Summary of Transactions with Related Parties According to the Financial Statements During the Years 2021G, 2022G, and 2023G.

Nature of Relationship	Transaction Amount * as in:			Net Balance * Debit/(Credit) as in:		
	For the year ended on 31/12/2021 G	For the year ended 31/12/2022 G	For the year ended on 31/12/2023 G	For the year ended on 31/12/2021 G	For the year ended 31/12/2022 G	For the year ended on 31/12/2023 G
written Insurance premiums						
Board Members and Related Parties	53,645	46,789	98,667	3,567	21,541	3,310
Key Management Personnel	21	27	34	-	-	-
Substantial Shareholders and Related Parties	-	37,081	20,676	-	44,929	1,971
Reinsurance transactions with Board Members and Related Parties	-	-	4,158	(40)	(13)	(3,830)
Acquisition costs with Substantial Shareholders and Related Parties	-	572	5,793	-	(572)	(3,820)
Insurance document acquisition costs with Substantial Shareholders and Related Parties	-	-	-	-	-	-
Income deductions from Substantial Shareholders and Related Parties	-	(417)	4,480	-	-	-
Claims paid and receivables to Board Members and Related Parties	57,661	17,007	61,693	(2,693)	(5,881)	(16,835)
Claims paid and receivables to Substantial Shareholders and Related Parties	-	14,304	35,895	-	(51,553)	(33,936)

Source: Company

*It is worth noting that the amounts mentioned in the table are in thousands of Saudi Riyals.

Nature of Transactions with Related Parties for the Financial Year Ended December 31, 2021



Related Party	Nature of Relationship	Nature of Transaction	Contract details	Transaction Value (Saudi Riyals)	Balance as of December 31, 20201 (Saudi Riyals)		Percentage of Total Contracts and Transactions (%)	Percentage of Total Revenue (%)
					creditor	Debtor		
Sulaiman Bin Abdullah Bin Hamad Al Kadi	Chairman of the Board	Vehicle Insurance Premiums	Annual	20,483	1,447	-	0.04%	0.00%
Khalifah Bin Abdullatif Bin Almulhem	Vice Chairman of the Board	Multiple Insurance Premiums	Annual	2,266,286	-	1,486,963	4.22%	0.10%
Hatem Fahad Balghoneim	Board Member	Multiple Insurance Premiums	Annual	199,520	-	44,183	0.37%	0.01%
Abdul Rahman Bin Abdul Mohsen Al Ghaneim	Board Member	Vehicle Insurance Premiums	Annual	3,043	-	-	0.01%	0.00%
Khalid bin Abdurahman Omran	Board Member	Vehicle Insurance Premiums	Annual	19,525	196	-	0.04%	0.00%
Abdul Aziz bin Saad Al Sheikh	Board Member	-	Annual	-	-	-	0.00%	0.00%
Waleed Mohammad Aljafaari	Board Member	Multiple Insurance Premiums	Annual	2,522,796	6,713	-	4.70%	0.11%
Solaiman Abdulaziz Altwajri	Board Member	Multiple Insurance Premiums	Annual	29,993	53,194	-	0.06%	0.00%
Hesham Abdullatife Al Jabr	Board Member	Multiple Insurance Premiums	Annual	45,678,843	236,999	-	85.15%	1.95%
Wasif F. Minhas	Board Member	-	Annual		39,766	-	0.00%	0.00%
Jameel Abdullah Al Molhem	Board Member	Multiple Insurance Premiums	Annual	2,904,961	-	2,334,425	5.42%	0.12%
Total				53,645,451.30	338,314.79	3,865,570.73	100.00%	2.29%



Nature of Transactions with Related Parties for the Financial Year Ended December 31, 2022								
Related Party	Nature of Relationship	Nature of Transaction	Contract details	Transaction Value (Saudi Riyals)	Balance as of December 31, 2022 (Saudi Riyals)		Percentage of Total Contracts and Transactions (%)	Percentage of Total Revenue (%)
					Creditor	Debtor		
Sulaiman Bin Hamad Abdullah Al Kadi	Chairman of the Board	Vehicle Insurance Premiums	Annual	22,575	1,447	-	0.05%	0.00%
Khalifah Bin Abdullatif Bin Abdullah Almulhem	Vice Chairman of the Board	Multiple Insurance Premiums	Annual	2,375,236	-	1,619,408	5.08%	0.09%
Hatem Fahad Bin Sulaiman Balghoneim	Board Member	Multiple Insurance Premiums	Annual	848,102	-	12,657	1.81%	0.03%
Hesham Abdullatife Al Jabr	Board Member	Vehicle Insurance Premiums	Annual	9,669,333	-	1,837,160	20.67%	0.37%
Waleed Mohammad Aljafaari	Board Member	Vehicle Insurance Premiums	Annual	6,314,980	-	785,479	13.50%	0.24%
Wasef S. Jebshah	Board Member	-	Annual	-	12,613	-	0.00%	0.00%
Jameel Abdullah Al Molhem	Board Member	Multiple Insurance Premiums	Annual	1,497,413	-	180,418	3.20%	0.06%
Osama Mirza Alkhunaizi	Board Member	Multiple Insurance Premiums	Annual	128,971	-	17,073	0.28%	0.00%
Abdulaziz Saud Abdulaziz Alshabeebi	Board Member	Multiple Insurance Premiums	Annual	1,545,386	189,655	-	3.30%	0.06%
Solaiman Abdulaziz Saleh Altwajiri	Board Member	-	Annual	24,374,439	-	17,292,702	52.09%	0.92%
Abdullatif Khalifah Bin Abdulatif Almulhem	Board Member	Multiple Insurance Premiums	Annual	12,729	-	-	0.03%	0.00%
Total				46,789,164.00	203,715.00	21,744,897.00	100.00%	1.77 %
Nature of Transactions with Related Parties for the Financial Year Ended September 30, 2023								
Related Party	Nature of Relationship	Nature of Transaction	Contract details	Transaction Value (Saudi Riyals)	Balance as of December 31, 2022 (Saudi Riyals)		Percentage of Total Contracts and Transactions (%)	Percentage of Total Revenue (%)
					Creditor	Debtor		
Sulaiman Bin Abdullah Bin Hamad Al Kadi	Chairman of the Board	Vehicle Insurance Premiums	Annual	-0.001	0.000	0.03	0.03%	0.00%
Khalifah Abdullatif Bin Abdullah Almulhem Mulhim	Vice Chairman of the Board	Multiple Insurance Premiums	Annual	0.000	0.054	0.38	0.38%	0.00%



Hatem Fahad Bin Sulaimaman Balghoneim	Board Member	Multiple Insurance Premiums	Annual	-0.004	0.000	0.38	0.39%	0.00%
Hesham Bin Abdulatif Bin Hamad Al Jabr	Board Member	Vehicle Insurance Premiums	Annual	0.000	0.142	61.70	62.53%	0.02%
Waleed Mohammad Aljafaari	Board Member	Vehicle Insurance Premiums	Annual	0.000	2.843	10.04	10.18%	0.00%
Jameel Abdullah Al Molhem	Board Member	Multiple Insurance Premiums	Annual	0.000	0.324	23.78	24.10%	0.01%
Osama Mirza Alkhunaizi	Board Member	Multiple Insurance Premiums	Annual	-0.002	0.000	0.04	0.05%	0.00%
Abdulaziz Saud Alshabeebi	Board Member	Multiple Insurance Premiums	Annual	-0.0028	0.000	1.58	1.60%	0.00%
Solaiman Abdulaziz Altwajjri	Board Member	-	Annual	-0.148	0.000	0.04	0.05%	0.00%
Abdullatif Khalifah Almulhem	Board Member	Multiple Insurance Premiums	Annual	0.000	0.110	0.68	0.69%	0.00%
Total					3.47	-0.16	100.00%	0.03%

The Company, its board members, and shareholders are in compliance with Articles (71) and (27) of the Companies Law. The Ordinary General Assembly held on 24/11/1444 H (corresponding to 13/06/2023G) has voted on these transactions and were conducted with related parties for the year 2022 - 2023 as follows:

Approval of transactions and contracts between the Company and the Chairman of the Board of Directors, Mr. Sulaiman Abdullah Al Kadi, in which he has a direct interest. These transactions consist of personal vehicle insurance documents for a period of one year, with the value of transactions in 2022 amounting to SAR 22,574.77. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the company and Kamco Group, which a board member, Mr. Khalifah Abdullatif Almulhem, has an indirect interest in due to his position as chairman of its board of directors and as a shareholder. These transactions consist of multiple insurance policies for a period of one year, with the value of transactions in 2022 amounting to SAR 45,640. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and Jazeera Support Services Company, which a board member, Mr. Khalifah Abdullatif Almulhem, has an indirect interest in due to his position as chairman of its board of directors. These transactions consist of multiple insurance policies for a period of one year, with the value of transactions in 2022 amounting to SAR 2,187,416.17. It is noted that these transactions are conducted on commercial terms without any preferential conditions.



Approval of transactions and contracts between the Company and Advanced Petrochemical Company, which both board members, Mr. Khalifah Abdullatif Almulhem and Mr. Waleed Mohammad Aljafaari, have an indirect interest in due to their membership on its board of directors. These transactions consist of vehicle insurance documents for one year, with the value of transactions in 2022 amounting to SAR 120,188.56. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and Al Dawaa Medical Services Company, in which board member Mr. Waleed Mohammad Aljafaari has an indirect interest as the chairman of its board of directors. These transactions consist of multiple insurance documents for a period of one year, with the value of transactions in 2022 amounting to SAR 4,697,699.77. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and Eastern Region Cement Company, in which board member Mr. Waleed Mohammad Aljafaari has an indirect interest as the chairman of its board of directors. These transactions consist of multiple insurance documents for a period of one year, with the value of transactions in 2022 amounting to SAR 1,617,280.36. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and Takween Advanced Industries Company, in which board member Mr. Jameel Abdullah Al Molhem has an indirect interest as a delegated member. These transactions consist of medical insurance documents for a period of one year, with the value of transactions in 2022 amounting to SAR 490,345.65. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and Advanced Communications Company, in which board member Mr. Jameel Abdullah Al Molhem has an indirect interest as a member of its board of directors. These transactions consist of multiple insurance documents for a period of one year, with the value of transactions in 2022 amounting to SAR 739,86.31. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and board member Mr Jameel Abdullah Al Molhem , in which he has a direct interest. These transactions consist of personal vehicle insurance policies for a period of one year, with the value of transactions in 2022 amounting to SAR 18,581.31. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the company and Saudi Electricity Company (SEC), SKYKOM, in which board member Dr. Solaiman Abdulaziz Altwaijri has an indirect interest as a member of its board of directors and a senior executive. These transactions consist of multiple insurance policies for a period of one year, with the value of transactions in 2022 amounting to SAR 24,368,141. It is noted that these transactions are conducted on commercial terms without any preferential conditions.



Approval of transactions and contracts between the Company and Accelerate Limited, in which board member Mr. Hatem Fahad Balghoneim has an indirect interest as the chairman of its board of directors and a senior executive. These transactions consist of multiple insurance policies for a period of one year, with the value of transactions in 2022 amounting to SAR 424,742.97. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and Oil Energies Limited, in which board member Mr. Hatem Fahad Balghoneim has an indirect interest as the chairman of its board of directors and a senior executive. These transactions consist of multiple insurance policies for a period of one year, with the value of transactions in 2022 amounting to SAR 416,714. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and board member Mr. Hatem Fahad Balghoneim, in which he has a direct interest. These transactions consist of personal vehicle insurance policies for a period of one year, with the value of transactions in 2022 amounting to SAR 6,645. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the company and Saudi Awwal Bank, in which board member Mr. Hesham Abdullatife Al Jabr has an indirect interest as a member of its board of directors. These transactions consist of vehicle insurance policies for a period of one year, with the value of transactions in 2022 amounting to SAR 8,863,646.28. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and Canned Beverages Manufacturer, in which board member Mr. Hesham Abdullatife Al Jabr has an indirect interest as a senior executive. These transactions consist of multiple insurance policies or a period of one year, with the value of transactions in 2022 amounting to SAR 570,714.16. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and Gulf Carton Factory, in which board member Mr. Hesham Abdullatife Al Jabr has an indirect interest as a member of its board of directors. These transactions consist of multiple insurance policies for a period of one year, with the value of transactions in 2022 amounting to SAR 202,936.38. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and Haier Saudi Electronic Al-Trading Company, in which board member Mr. Hesham Abdullatife Al Jabr has an indirect interest as a senior executive. These transactions consist of multiple insurance policies or a period of one year, with the value of transactions in 2022 amounting to SAR 32,037. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the company and Dar Wa Emaar for Real Estate Investment and Development, in which board member Mr. Osama Mirza Alkhunaizi has an indirect interest as a member of its board of directors and a senior executive. These transactions consist of multiple insurance policies for a period of one year, with the value of transactions in 2022



amounting to SAR 109,123.30. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and board member Mr. Osama Mirza Alkhunaizi, in which he has a direct interest. These transactions consist of multiple insurance policies for a period of one year, with the value of transactions in 2022 amounting to SAR 19,848. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the company and Attefaq for Iron Industries, in which board member Mr. Abdulaziz Saud Alshabeebi has an indirect interest as a member of its board of directors. These transactions consist of multiple insurance documents for a period of one year, with the value of transactions in 2022 amounting to SAR 1,545,386.31. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the company and the board member Dr. Solaiman Abdulaziz Altwajiri has a direct interest as a member of its board of directors. These transactions consist of providing consultancy services, including overseeing the implementation of the International Financial Reporting Standard 17 for insurance contracts for a period of one year. The transactions in 2022 amount to SAR 155,000 and include a number of meetings. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was also granted at the Ordinary General Assembly of the company held on 22/10/1443 AH (corresponding to 23/05/2023 G) for transactions conducted with related parties for the year 2021:

Approval of transactions and contracts between the company and the Chairman of the Board of Directors, Mr. Sulaiman Abdullah Al Kadi, in which he has a direct interest. These transactions consist of personal vehicle insurance policies, with the value of transactions in 2021 amounting to SAR 20,483. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the company and Kamco Group, in which board member Mr. Khalifah Abdullatif Almulhem has an indirect interest as the chairman of its board of directors and a shareholder. These transactions consist of multiple insurance policies, with the value of transactions in 2021 amounting to SAR 214,862. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and Jazeera Support Services, in which board member Mr. Khalifah Abdullatif Almulhem has an indirect interest as the chairman of its board of directors. These transactions consist of multiple insurance policies, with the value of transactions in 2021 amounting to SAR 1,248,355. It is noted that these transactions are conducted on commercial terms without any preferential conditions.



Approval of transactions and contracts between the Company and board member Mr. Khalifah Abdullatif Almulhem, in which he has a direct interest. These transactions consist of personal vehicle insurance policies with the value of transactions in 2021 amounting to SAR 8,433. It is noted that these transactions are conducted on commercial terms without any preferential conditions

Approval of transactions and contracts between the company and National Saudi Maritime Transport Company, in which board member Mr. Khalifah Abdullatif Almulhem has an indirect interest as a member of its board of directors. These transactions consist of multiple insurance policies, with the value of transactions in 2021 amounting to SAR 573,620. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the Company and Advanced Petrochemical Company, in which both board members Mr. Khalifah Abdullatif Almulhem and Mr. Waleed Mohammad Aljafaari have an indirect interest in those contracts. These transactions consist of vehicle insurance policies, with the value of transactions in 2021 amounting to SAR 73,282. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval of transactions and contracts between the company and Dawaa Medical Services Company, in which board member Mr. Waleed Mohammad Aljafaari has an indirect interest as a delegated member. These transactions consist of multiple insurance policies, with the value of transactions in 2021 amounting to SAR 2,522,796. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was granted for transactions and contracts between the company and Formation Industries, in which board member Mr. Jameel Abdullah Al Molhem has an indirect interest as a delegated member. These transactions consist of medical insurance policies for Formation employees, with the value of transactions in 2021 amounting to SAR 2,896,805. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was granted for transactions and contracts between the company and Saudi Telecommunications Company, in which board member Mr. Jameel Abdullah Al Molhem has an indirect interest as a member of its board of directors. These transactions consist of general insurance policies for a period of one year, with the value of transactions in 2021 amounting to SAR 19,363,396. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was granted for transactions and contracts between the company and board member Mr. Jameel Abdullah Al Molhem, in which he has a direct interest. These transactions consist of personal vehicle insurance policies, with the value of transactions in 2021 amounting to SAR 8,156. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was granted for transactions and contracts between the company and Amiantit Group, in which board member Dr. Solaiman Abdulaziz Altwaijri has an indirect interest as a member



of its board of directors. These transactions consist of multiple general insurance policies, with the value of transactions in 2021 amounting to SAR 19,970. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was granted for transactions and contracts between the company and board member Dr. Solaiman Abdulaziz Altwaijri, in which he has a direct interest. These transactions consist of personal vehicle insurance policies, with the value of transactions in 2021 amounting to SAR 10,023. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was granted for transactions and contracts between the Company and board member Mr. Khaled Omran, in which he has a direct interest. These transactions consist of personal vehicle insurance policies, with the value of transactions in 2021 amounting to SAR 19,525. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was granted for transactions and contracts between the Company and Accelerate Limited, in which board member Mr. Hatem Fahad Balghoneim has an indirect interest as a senior executive. These transactions consist of medical insurance policies for company employees for one year, with the value of transactions in 2021 amounting to SAR 193,106. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was granted for transactions and contracts between the Company and board member Mr. Hatem Fahad Balghoneim, in which he has a direct interest. These transactions consist of personal vehicle insurance policies, with the value of transactions in 2021 amounting to SAR 6,414. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was granted for transactions and contracts between the Company and National Commercial Bank, in which board member Mr. Hesham Abdullatife Al Jabr has an indirect interest. These transactions consist of multiple insurance documents for one year, with the value of transactions in 2021 amounting to SAR 45,678,843. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was granted for transactions and contracts between the Company and board member Dr. Solaiman Abdulaziz Altwaijri, in which he has a direct interest. These transactions involve providing consultancy services, including supervising the implementation of the International Financial Reporting Standard 17 for insurance contracts for one year, with the value of transactions in 2021 amounting to SAR 157,500. It is noted that these transactions are conducted on commercial terms without any preferential conditions.

Approval was granted for transactions and contracts between the company and board member Mr. Jameel Abdullah Al Molhem, in which he has a direct interest. These transactions involve providing consultancy services, including supervising the implementation of the company's technical system development project for one year, with the value of transactions in 2021 amounting to SAR 162,500. It is noted that these transactions are conducted on commercial terms without any preferential conditions.



During the meeting of Ordinary General Assembly held on 13/11/1442 H (corresponding to 23/06/2021 G), voting was conducted on transactions with related parties for the year 2020:

Approval was granted for transactions and contracts between the company and Chairman of the Board Mr. Sulaiman Abdullah Al Kadi, in which he has a direct interest. These transactions involve personal vehicle insurance policies, with transactions in 2020 consisting of insurance contracts with installments amounting to SAR 3,164, without any detailed conditions.

Approval was granted for transactions and contracts between the company and Kamco Group, in which board member Mr. Khalifah Abdullatif Almulhem has an indirect interest as the chairman of its board of directors and one of the shareholders. These transactions involve personal vehicle and general insurance documents, with transactions in 2020 consisting of insurance contracts with installments amounting to SAR 269,407, without any preferential conditions.

Approval was granted for transactions and contracts between the Company and Jazeera Services Company, in which board member Mr. Khalifah Abdullatif Almulhem has an indirect interest as the chairman of its board of directors. These transactions involve medical insurance documents, with transactions in 2020 consisting of insurance contracts with installments amounting to SAR 14,165, without any preferential conditions.

Approval was granted for transactions and contracts between the Company and Advanced Petrochemical Company, in which both board members Mr. Khalifah Abdullatif Almulhem and Mr. Waleed Mohammad Aljafaari have an indirect interest. These transactions involve general insurance, with transactions in 2020 consisting of insurance contracts with installments amounting to SAR 9,532,996, without any preferential conditions.

Approval was granted for transactions and contracts between the company and Dawaa Medical Services Company, in which board member Mr. Waleed Mohammad Aljafaari has an indirect interest as the chairman of its board of directors. These transactions involve personal vehicle insurance policies, with transactions in 2020 consisting of insurance contracts with installments amounting to SAR 1,551,801, without any preferential conditions.

Approval was granted for transactions and contracts between the Company and Al Masharef General Contracting Company, in which board member Mr. Waleed Mohammad Aljafaari has an indirect interest as a senior executive and shareholder. These transactions involve personal vehicle insurance policies, with transactions in 2020 consisting of insurance contracts with installments amounting to SAR 6,908, without any preferential conditions.

Approval was granted for transactions and contracts between the Company and Takween Industries, in which both board members Mr. Jameel Abdullah Al Molhem and Dr. Solaiman Abdulaziz Altwaijri have an indirect interest. These transactions involve medical insurance for Formation employees, with transactions in 2020 consisting of insurance policies with installments amounting to SAR 3,369,710, without any preferential conditions.

Approval was granted for transactions and contracts between the Company and Amiantit Group, in which board member Dr. Solaiman Abdulaziz Altwaijri has an indirect interest as a senior executive. These transactions involve multiple general insurance, with transactions in



2020 consisting of insurance contracts with installments amounting to SAR 260,191, without any preferential conditions.

Approval was granted for transactions and contracts between the company and board member Dr. Solaiman Abdulaziz Altwaijri, in which he has a direct interest. These transactions involve personal vehicle insurance, with transactions in 2020 consisting of insurance policies with installments amounting to SAR 25,310, without any preferential conditions.

Approval was granted for transactions and contracts between the company and board member Mr. Khaled Omran, in which he has a direct interest. These transactions involve personal vehicle insurance, with transactions in 2020 consisting of insurance policies with installments amounting to SAR 18,873, without any preferential conditions.

Approval was granted for transactions and contracts between the Company and board member Mr. Abdul Rahman bin Abdul Mohsen Al-Ghanim, in which he has a direct interest. These transactions involve personal vehicle insurance, with transactions in 2020 consisting of insurance contracts with installments amounting to SAR 2,503, without any preferential conditions.

Approval was granted for transactions and contracts between the Company and Arab National Bank, in which board member Mr. Hesham Abdullatife Al Jabr has an indirect interest. These transactions involve vehicle and general insurance, with transactions in 2020 consisting of insurance contracts with installments amounting to SAR 31,689,757, without any preferential conditions.

Approval was granted for transactions and contracts between the Company and Arab National Bank, in which board member Dr. Solaiman Abdulaziz Altwaijri has a direct interest. These transactions involve a consultancy contract, including supervising the implementation of the International Financial Reporting Standard 17 for insurance contracts, with transactions in 2020 amounting to SAR 160,000, without any preferential conditions.

Approval was granted for future transactions and contracts between the Company and board member Mr. Jameel Abdullah Al Molhem, in which he has a direct interest. These transactions involve consultancy services, including supervising the development of the company's technical system, covering the year 2021, with a value of SAR 160,000. It is noted that these transactions will be conducted on commercial terms without any preferential conditions.

9-7-2 Lease Contracts

The Company and its branches have concluded a total of (41) lease contracts as lessee. These contracts involve office spaces for its branches to conduct its activities as per the following table:

Table No. 119 Summary of Lease Contracts



No.	Contract Date	Lessor	Lessee	Rental details	Rental Value (SAR)	Contract Duration	Renewal	Observations
1	18/11/1444 H (07/06/2023 G)	Lessor 1	Wala Cooperative Insurance Company (1116622543)	Shop 7862,4915,17431	Total SAR 17,000	365 days from 18/02/1445 H (03/09/2023 G) to 29/02/1446 H (02/09/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
2	19/08/1145H (corresponding to 29/02/2024G)	Lessor 2	Wala Cooperative Insurance Company (1132107769)	Shop in Unit Building (21)	Total SAR 33,000	3645 days from 05/10/1445 H (14/04/2024 G) to 15/10/1446 H (13/04/2025 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; not considered an executive document
3	14/10/1444 H (04/05/2023 G)	Lessor 3	Wala Cooperative Insurance Company (2051034982)	Apartment in Building 4547,8494,234621, Unit (6)	Total SAR 25,600	365 days from 17/04/1445 H (01/11/2023 G) to 28/04/1446 H (31/10/2024G)	Contract automatically renews for a similar period after meeting the network requirements for renewal, unless either party notifies through the network, their intention to terminate the contract 60 days prior to the end of the lease period	Contract electronically authenticated; considered an executive document
4	18/08/1445H (corresponding to 28/02/2024G)	Lessor 4	Wala Cooperative Insurance Company (1131292922)	Shop in Building Al-Suwaem and Al- Ma'arid, Buraydah, Qassim	Total SAR 50,000	364 days from 22/09/1445 H (01/04/2024 G) to 02/10/1446 H (31/03/2025 G)	Renewal through drafting a new contract between the parties	- Contract electronically authenticated
5	22/10/1445 H (01/05/2024 G)	Lessor 5	Wala Cooperative Insurance Company (2051034982)	Exhibition in a building at Khadem Al-Haramain Al-Shareefain Road 8645, 4513, Subsidiary, 34621 Unit (1)	Total: SAR 472.650	365 days from 22/09/1445 H (01/04/2024 G) to 02/10/1446 H (31/03/2025G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
6	08/02/1444 H (04/09/2022 G)	Lessor 6	Wala Cooperative Insurance Company (2051034982)	Office in Tower: 4513, 8615, 34621 Unit (302)	Total: SAR 2,142,450	1095 days from 07/05/1444 H (01/12/2022 G) to 09/06/1447 H (30/11/2025 G)	-	Contract electronically authenticated; this contract is not considered an executive document
7	18/08/1445 H (28/02/2024 G)	Lessor 7	Wala Cooperative Insurance Company (3350140303)	Shop at Khalifa bin Abi Bakr 4505, 7329, 55424 Unit (3)	Total: SAR 35,000	364 days from 21/07/1445 H (02/02/2024 G) to 02/08/1446 H (01/02/2025 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; not considered an executive document



No.	Contract Date	Lessor	Lessee	Rental details	Rental Value (SAR)	Contract Duration	Renewal	Observations
8	219/08/1445H (corresponding to 29/02/2024G)	Lessor 8	Walaa Cooperative Insurance Company (2252049135)	Shop in a Building, 8837, 4133, 36421, Unit (2)	Total: SAR 40,000	364 days from 06/10/1445H (15/04/2024G) to 16/10/1446H (14/04/2025G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered as an executive document
9	13/03/1445 H (28/09/2023 G)	Lessor 9	Walaa Cooperative Insurance Company (2031100213)	Shop at Prince Abdullah bin Jalawi Street, 2852, 6931, 36341	Total: SAR 20,000	From 15/02/1445 H (31/08/2023 G) to 26/02/1445 H (30/08/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; not considered an executive document
10	29/08/1445H (10/03/2024G)	Lessor 10	Walaa Cooperative Insurance Company (4030286755)	Shop in a building	Total: SAR 40,250	35 days from 27/09/1445H (06/04/2024G) to 07/10/1446H (05/04/2025G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
11	05/01/1444 H (03/08/2022 G)	Lessor 11	Walaa Cooperative Insurance Company (2051034982)	Office in a building	Total: SAR 3,825,000	1095 days from 30/12/1443 H (29/07/2022 G) to 03/02/1447 H (28/07/2025 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
12	14/01/1443 H (22/08/2021 G)	Lessor 12	Walaa Cooperative Insurance Company (2051050976)	Exhibition in a building	Total: SAR 5,951,250	1095 days from 04/01/1443 H (12/08/2021 G) to 07/02/1446 H (11/08/2024 G)	Automatically renewed for a similar duration unless one of the parties notifies the other of their desire to terminate the contract 90 days before the end of the lease term	Contract electronically authenticated; not considered an executive document
13	15/04/1445 H (30/10/2023 G)	Lessor 13	Walaa Cooperative Insurance Company (4650078456)	Shop in a building at Muhammad bin Omar Al-Islami, 42335, 3181, 6457	Total: SAR 60,000	365 days from 22/01/1445 H (09/08/2023 G) to 04/02/1446 H (08/08/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
14	14/10/1445H (23/04/2024G)	Lessor 14	Walaa Cooperative Insurance Company (4650201750)	Shop in a building	Total: SAR 65,000	364 days from 04/11/1445H (12/05/2024G) to 13/11/1446H (11/05/2025G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
15	23/05/1445 H (07/12/2023 G)	Lessor 15	Walaa Cooperative Insurance Company (1010274780)	Open commercial complex (Plaza) at Prince Mohammed bin Saad bin Abdul Aziz Road 5313, 9188, 13525, Unit (1)	Total: SAR 28,395,225	1826 days from 20/07/1445 H (01/02/2024 G) to 16/09/1450 H (31/01/2029 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document



No.	Contract Date	Lessor	Lessee	Rental details	Rental Value (SAR)	Contract Duration	Renewal	Observations
16	17/08/1445H (27/02/2024G)	Lessor 16	Walaa Cooperative Insurance Company (1128180953)	Shop in a building at Hayyadah bin Muawiyah, 56463, 8207, 2432, Unit (1)	Total: SAR 17,000	365 days from 09/08/1445 H (19/02/2024G) to 19/08/1446H (18/02/2025G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
17	05/05/1445 H (19/11/2023 G)	Lessor 17	Walaa Cooperative Insurance Company (1010274780)	Office in a tower at King Fahd Road, 12313, 3825, 7906	Total: SAR 857,670	365 days from 15/05/1445 H (28/11/2023 G) to 25/05/1446 H (27/11/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
18	21/04/1441 H (18/12/2019 G)	Lessor 18	Branch of Walaa Cooperative Insurance Company (3450174065)	Exhibition in a building at King Abdullah ibn Abdulaziz 8794, 2471, Saud Al-Fari, 12444	Total: SAR 388,125	91 days from 24/11/1445 H (01/06/2024 G) to 27/02/1446 H (31/08/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
19	03/12/1445 H (09/06/2024 G)	Lessor 19	Walaa Cooperative Insurance Company (2063033395)	Shop in a building at Ali bin Abi Talib, 32833, 3814, 7840, Unit (1)	Total: SAR 26,000	365 days from 27/12/1445 H (03/07/2024 G) to 07/01/1447 H (02/07/2025 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; not considered an executive document
20	04/11/1444 H (24/05/2023 G)	Lessor 20	Walaa Cooperative Insurance Company (4032229151)	Shop in a building at Ahmed bin Mohammed Al-Jalfari, 26511, 7095, 5820	Total: SAR 40,250	365 days from 16/02/1445 H (01/09/2023 G) to 27/02/1446 H (31/08/2024 G)	Automatically renewed for a similar duration unless one of the parties notifies the other of their desire to terminate the contract 60 days before the end of the lease term	Contract electronically authenticated; considered an executive document
21	29/05/1445 H (13/12/2023 G)	Lessor 21	Walaa Cooperative Insurance Company (2250057356)	Shop in a building, Unit (1), Ground floor	Total: SAR 28,000	365 days from 21/05/1445 H (05/12/2023 G) to 03/06/1446 H (04/12/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; not considered an executive document
22	01/06/1445 H (14/12/2023 G)	Lessor 22	Walaa Cooperative Insurance Company (2055123692)	Shop in a building at Omar bin Abdul Aziz Street, 35514, 7763, 4196, Unit (7/00)	Total: SAR 40,250	365 days from 03/08/1445 H (13/02/2024 G) to 13/08/1446 H (12/02/2025 G)	Automatically renewed for a similar duration unless one of the parties notifies the other of their desire to terminate the contract 60 days before the end of the lease term	Contract electronically authenticated; considered an executive document



No.	Contract Date	Lessor	Lessee	Rental details	Rental Value (SAR)	Contract Duration	Renewal	Observations
23	07/10/1445 H (16/04/2024 G)	Lessor 23	Walaa Cooperative Insurance Company (2055018058)	Shop at Al-Shat'e, 35811, Jubail Industrial City, 4874, 8350, Eastern Province	Total: SAR 184,000	365 days from 09/12/1445 H (15/06/2024 G) to 18/12/1446 H (14/06/2025 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
24	17/04/1445 H (01/11/2023 G)	Lessor 24	Walaa Cooperative Insurance Company (2051034982)	Office in Khadem Al-Haramain Tower, Khobar, Eastern Province, 4513, 8615, 34621	Total: SAR 1,049,950	365 days from 19/06/1445 H (01/01/2024 G) to 30/06/1446 AH (31/12/2024 G)	Automatically renewed for a similar duration unless one of the parties notifies the other of their desire to terminate the contract 90 days before the end of the lease term	Contract electronically authenticated; not considered an executive document
25	16/01/1443 H (24/08/2021 G)	Lessor 25	Walaa Cooperative Insurance Company (2051034982)	Office in a building at King Abdullah Street, 31952, 4451, 4451, Khobar, Eastern Province	Total: SAR 1,480,050	1095 days from 04/01/1443 H (12/08/2021 G) to 07/02/1446 H (11/08/2024 G)	Automatically renewed for a similar duration unless one of the parties notifies the other of their desire to terminate the contract 60 days before the end of the lease term	Contract electronically authenticated; not considered an executive document
26	21/02/1445 H (06/09/2023 G)	Lessor 26	Walaa Cooperative Insurance Company (2051053645)	Warehouse on Street 3, 34632, 6410, 2834	Total: SAR 117,300	365 days from 14/01/1445 H (01/08/2023 G) to 25/01/1446 H (31/07/2024 G)	Automatically renewed for a similar duration unless one of the parties notifies the other of their desire to terminate the contract 60 days before the end of the lease term	Contract electronically authenticated; considered an executive document
27	27/10/1445 H (06/05/2024 G)	Lessor 27	Walaa Cooperative Insurance Company (2051034982)	Exhibition in a closed commercial complex (mall) on Abu Hadriyyah Road, 9312, 5029	Total: SAR 40,250	365 days from 25/12/1445 H (01/07/2024 G) to 05/01/1447 H (30/06/2025 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
28	29/01/1445 H (16/08/2023 G)	Lessor 28	Walaa Cooperative Insurance Company (2050074746)	Exhibition in an open commercial complex (Plaza) on Bilal bin Rabah, 32424, 8360, 2539	Total: SAR 469,997	1095 days from 02/06/1445 H (15/12/2023 G) to 05/07/1448 H (14/12/2026 G)	Renewal through drafting a new contract between the parties	Renewal through drafting a new contract between the parties



No.	Contract Date	Lessor	Lessee	Rental details	Rental Value (SAR)	Contract Duration	Renewal	Observations
29	15/01/1445 H (02/08/2023 G)	Lessor 29	Walaa Cooperative Insurance Company (1123101529)	Shop on King Fahd Road, 15931, 9703, 5593	Total: SAR 25,000	From 12/01/1445 AH (30/07/2023 G) to 23/01/1446 H (29/07/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; not considered an executive document
30	29/05/1445 H (13/12/2023 G)	Lessor 30	Walaa Cooperative Insurance Company (2053022695)	Shop in a building, Unit (1)	Total: SAR 40,000	365 days from 14/06/1445 H (27/12/2023 G) to 25/06/1446 H (26/12/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
31	23/10/1445 H (02/05/2024 G)	Lessor 31	Walaa Cooperative Insurance Company (1117101566)	Shop in a building on King Abdulaziz Road, 19248, 9245, 3697	Total: SAR 15,000	365 days from 04/11/1445 H (12/05/2024 G) to 13/11/1446 H (11/05/2025 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; not considered an executive document
32	26/03/1445 H (11/10/2023 G)	Lessor 32	Walaa Cooperative Insurance Company (1122101715)	Shop in an open commercial complex (Plaza) on King Fahd Road, 15362, 2993, 6612	Total: SAR 46,000	365 days from 12/01/1445 H (30/07/2023 G) to 23/01/1446 H (29/07/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
33	22/01/1445 H (09/08/2023 G)	Lessor 33	Walaa Cooperative Insurance Company (1131049274)	Shop in a building, Unit (17)	Total: SAR 30,000	From 24/04/1445 H (08/11/2023 G) to 06/05/1446 H (07/11/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; not considered an executive document
34	01/06/1445 H (14/12/2023 G)	Lessor 34	Walaa Cooperative Insurance Company (1131292920)	Shop, 11101, 1111, 1111	Total: SAR 18,000	365 days from 01/06/1445 H (14/12/2023 G) to 12/06/1446 H (13/12/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; not considered an executive document
35	22/11/1445 H (30/05/2024 G)	Lessor 35	Walaa Cooperative Insurance Company (1131292919)	Shop in a building, Unit (00)	Total: SAR 51,750	365 days from 17/11/1445 H (25/05/2024 G) to 26/11/1446 H (24/05/2025 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document



No.	Contract Date	Lessor	Lessee	Rental details	Rental Value (SAR)	Contract Duration	Renewal	Observations
36	21/08/1445 H (02/03/2024 G)	Lessor 36	Walaa Cooperative Insurance Company (5900113898)	Office in a building, Unit 1	Total: SAR 25,000	364 days from 01/08/1445 H (11/02/2024 G) to 11/08/1446 H (10/02/2025 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
37	05/11/1445 H (13/05/2024 G)	Lessor 37	Walaa Cooperative Insurance Company (4030306498)	Shop in an open commercial complex (Plaza) on Abdul Jalil Yassin, Unit (7)	Total: SAR 42,000	364 days from 06/11/1445 H (12/06/2024 G) to 15/12/1446 H (11/06/2025 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
38	01/06/1445 H (14/12/2023 G)	Lessor 38	Walaa Cooperative Insurance Company (2511109152)	Shop in a building, located at Musab bin Umair, 39911, 2656, 7805	Total: SAR 30,000	365 days from 05/07/1445 H (17/01/2024 G) to 16/07/1446 H (16/01/2025 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; not considered an executive document
39	22/01/1445 H (09/08/2023 G)	Lessor 39	Walaa Cooperative Insurance Company (5855345049)	Shop in a building, located at Tariq bin Zaid, 62454, 4476, 7333, Unit (5)	Total: SAR 18,000	365 days from 01/01/1445 H (19/07/2023 G) to 12/01/1446 H (18/07/2024 G)	Renewal through drafting a new contract between the parties	Contract electronically authenticated; considered an executive document
40	21/01/1445 H (08/08/2023 G)	Lessor 40	Walaa Cooperative Insurance Company (4700107136)	Shop on a farm, located at Kathir ibn Al-Mutalib, 46424, 7755, 2632	Total: SAR 25,000	365 days from 21/04/1445 H (05/11/2023 G) to 02/05/1446 H (04/11/2024 G)	Automatic renewal for a similar duration unless either party notifies termination at least 60 days before the end of the lease term	Contract electronically authenticated; considered an executive document
41	03/10/1445 H (13/02/2024 G)	Lessor 41	Walaa Cooperative Insurance Company (2051034982)	8 different rented locations	SAR 240,000 annually	One Gregorian year from 01/01/2024 G to 31/12/2024 G	Automatic renewal for a similar duration unless either party notifies termination at least two months before the end of the contract	Annex to the contract concluded with Omar Qassem Al-Issaie and his partners; contract not electronically authenticated

Source: The Company

9-7-3 Service Provision Contracts

The Company has entered into (7) service provision agreements, which include financial services, legal services, financial collection services, technical services.

9-7-4 Insurance Brokerage Contracts

The Company has concluded a number of insurance brokerage contracts with Companies specialized in the field of insurance brokerage, organized according to the laws of the KSA and licensed by the Saudi Central Bank and specialized in the field of insurance brokerage. The aim of these contracts is to attract customers and facilitate the sale of the Company's insurance



products to individuals, companies and other entities. In return, insurance brokers are entitled to a commission estimated at a percentage of the premiums collected through the clients' broker for each type of insurance.

9-7-5 Memorandum of Understanding and Merger Agreement

Metlife Company, American International Group, and Arab National Bank

On 15/10/1440H (corresponding to 18/06/2019G), the Company signed a non-binding memorandum of understanding with Metlife, American International Group, and Arab National Bank for Cooperative Insurance to evaluate the feasibility of merging the two companies.

On 30/01/1440H (corresponding to 29/09/2019G), the Company entered into a binding merger agreement with Metlife AIG Arab, which stipulates the full acquisition of the shares of Metlife AIG Arab shareholders by offering a stock exchange without cash payment by issuing (0.6577614444) shares in Walaa Insurance Company for each share in Metlife AIG Arab. Thus, eleven million, eight hundred and thirty-nine thousand, seven hundred and six (11,839,706) ordinary shares were issued with a nominal value of ten Saudi Riyals per share to the shareholders of Metlife AIG Arab in exchange for transferring all assets and liabilities of Metlife AIG Arab to Walaa, without any cash payment.

On 02/06/1441H (corresponding to 27/01/2020G), the Extraordinary General Assembly approved the merger of Metlife AIG Arab.

Sabb Takaful

On 04/12/1442H (corresponding to 14/07/2021), the company signed a non-binding memorandum of understanding with Sab Takaful to evaluate the feasibility of merging the two companies.

On 23/07/1443H (corresponding to 24/02/2022), the company entered into a binding merger agreement with Sab Takaful, which stipulates the merger of the two companies through the exchange of securities, whereby Walaa Insurance Company issues (0.6005476176470590) shares for each share issued in Sab Takaful for the benefit of eligible shareholders in Sab Takaful (i.e., shareholders owning shares issued in Sab Takaful as of the effective date of the merger transaction). Twenty million, four hundred and eighteen thousand, six hundred and nineteen (20,418,619) ordinary shares were issued with a nominal value of ten Saudi Riyals per share to Sabb Takaful shareholders in exchange for transferring all assets and liabilities of Sab Takaful to Walaa, without any cash payment.

On 19/02/1444H (corresponding to 15/09/2022), the Extraordinary General Assembly approved the merger of Sab Takaful into Walaa Cooperative Insurance Company.

9-8 Approvals Related to Insurance Products Offered by the Company According to Applicable Regulations

The company has obtained final approval from the Saudi Arabian Monetary Authority for all its products, enabling the company to provide these products to customers. For more details about these products, please refer to paragraph (3.10) «**Products and Services**» in section (3) «**Company Overview Business**».



9-9 Fixed Assets

According to the financial statements for the year ended on 31/12/2022G, the Company owns lands with a net book value as of 31/12/2022 amounting to sixteen million and four hundred thousand (16,400,000) Saudi Riyals.

Ownership of the land located within Plan No. (2/38) in Al-Khobar Governorate was transferred from Walaa Cooperative Insurance Company to Saudi Electricity Company according to Ministerial Resolution No. (3300/440201) dated 21/09/1444H (corresponding to 12/04/2023), with an area of (7,069.26 m²) and the square meter price was estimated at five thousand one hundred and sixty (5,160) Riyals upon completion of the ownership transfer process.

9-10 Current Assets

According to the financial statements for the year ended on 31/12/2021, the book value of the Company's current assets, which include furniture, fixtures, computer equipment, and cars, amounted to eight million one hundred and nineteen thousand (8,119,000) Saudi Riyals, and as of 31/12/2022G, it amounted to nine million three hundred and six thousand (9,306,000) Saudi Riyals.

9-11 Trademarks and Intellectual Property Rights

The Company has a logo (Walaa) that it will use in its transactions, registered as a trademark at the Saudi Authority for Intellectual Property under category (36), which is one of the trademark categories specializing in «**insurance services, financial affairs, real estate affairs.**» Thus, the Company has granted its trademark the necessary legal protection according to the trademark law, enabling it to display it on the exterior of buildings or offices it occupies.

The table below shows details of the registered trademarks:

Table No. 120: Trademarks

License Number	Date of registration	Owning Company	Start of protection date	End of protection date	Category	Trademark
1437028337	28/12/1437 H (29/09/2016 G)	Walaa Cooperative Insurance Company	25/12/1437 H (26/09/2016 G)	27/12/1447 H (13/06/2026 G)	36	
1440013083	03/08/1440 H (08/04/2019 G)	Walaa Cooperative Insurance Company	22/05/1440 H (28/01/2019 G)	21/05/1450 H (10/10/2028 G)	36	
1440013084	03/08/1440 H (08/04/2019 G)	Walaa Cooperative Insurance Company	22/05/1440 H (28/01/2019 G)	21/05/1450 H (10/10/2028 G)	36	

Source: The Company



The Company owns intangible assets, which consist of internally developed programs, the «**Metlife Aleco**» client contract, customer relations (i.e., ANB), product licenses, individual life insurance, and general takaful insurance. Their net book value as of December 31, 2022, amounted to SAR 92,857,000.

9-12 Insurance

The Company has entered into several insurance agreements to mitigate some risks, including:

Health Insurance:

Walaa Cooperative Insurance Company provides health insurance to its employees under policy number (7001526578), effective from 11/05/1445H (corresponding to 25/11/2023G) until 22/05/1446H (corresponding to 24/11/2024G) and covers 1,354 members. The policy covers healthcare through a network of service providers appointed by the Company, under the condition that the situation is covered by the insurance. It covers current or new employees listed in the payroll and under the client's guarantee, spouses or children of employees legally residing in the Kingdom, newborns of current employees, single and non-working male children until the age of 25, single and non-working daughters (including widows and divorcees), sponsored orphans, and the Saudi female employee's husband working in the government sector which requires that the institution be exempt from mandatory health insurance or works in another sector that does not provide mandatory insurance or is unemployed. Coverage includes male children of Saudi females as long as they are single and non-working until the age of 25, and single and non-working daughters.

Directors and Officers Liability Insurance:

The Company has a Directors and Officers Liability insurance policy with Wataniya Insurance Company, a licensed company in the Kingdom, with file number (P-01-2022-6-610-049662/R1), valid from 04/07/2023G until 03/07/2024G. The total liability limit for all financial losses under this policy is SAR 56,250,000.

Vehicle Insurance:

Walaa Cooperative Insurance Company has comprehensive vehicle insurance provided by the Company, issued on 19/06/ 1445H (corresponding 01/01/2024G), valid until 20/06/1446H (corresponding to 21/12/2024G). Coverage includes compensating the insured company for the loss or damage to the insured vehicle and the attached spare parts. The maximum limit of the insurance Company's liability per incident towards third parties for bodily and material damages combined does not exceed SAR 10,000,000. According to a report issued by the Ministry of Interior (Tamm platform) on 04/02/2024G, there are three insured vehicles which insurance is still valid.

9-13 Disputes and Litigations

The Company is a party to a number of lawsuits, claims, regulatory and arbitration procedures, and labor cases filed either against it in its capacity as the defendant or by it in its capacity as the plaintiff, as shown in the tables below:



9-13-1 Lawsuits against the Company as the Defendant

As of the preparation of this prospectus, the Company is party to (354) lawsuits as the defendant, with a total value of SAR 156,413,318 as indicated in the table below:

Table No. 121: Summary of Lawsuits and Legal Disputes Filed against the Company as the Defendant

No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
1.	453729	2023	Claim for compensation	1,800,000.00	Exchange of motions
2.	454648	2023	Claim for compensation	-	Exchange of motions
3.	454795	2022	Financial claims for reimbursement of costs related to property repairs from the uninsured	133,432,499.13	Referred to the First Instance committee for resolution of insurance disputes and violations
4.	441839	2023	Claim for compensation	2,822,124.11	Referred to the First Instance committee for resolution of insurance disputes and violations
5.	458274	2023	Claim for compensation	7,125.00	Referred to the First Instance committee for resolution of insurance disputes and violations
6.	458345	2023	Claim for compensation	17,988.00	Referred to the First Instance committee for resolution of insurance disputes and violations
7.	458350	2023	Claim for compensation	300,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
8.	458355	2023	Claim for compensation	1,961.00	Referred to the First Instance committee for resolution of insurance disputes and violations
9.	458373	2023	Claim for compensation	22,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
10.	458394	2023	Claim for compensation	-	Referred to the First Instance committee for resolution of insurance disputes and violations
11.	458412	2023	Claim for compensation	11,770.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
12.	440885	2022	Claim for compensation	450,000	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
13.	458643	2023	Claim for compensation	2,963.00	Referred to the First Instance committee for resolution of insurance disputes and violations
14.	443829	2023	Claim for compensation	284,503.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
15.	446880	2023	Claim for compensation	82,018.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
16.	458612	2023	Demand payment of compensation	362.00	Referred to the First Instance committee for resolution of insurance disputes and violations
17.	453929	2023	Demand payment of compensation	12,768.92	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
18.	458580	2023	Demand payment of compensation	5,090.00	Referred to the First Instance committee for resolution of insurance disputes and violations
19.	458553	2023	Demand payment of compensation	40,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
20.	458561	2023	Demand payment of compensation	3,997.00	Referred to the First Instance committee for resolution of insurance disputes and violations
21.	458547	2023	Claim for compensation	2,058.00	Referred to the First Instance committee for resolution of insurance disputes and violations
22.	458508	2023	Claim for compensation	3,500.00	Referred to the First Instance committee for resolution of insurance disputes and violations
23.	458471	2023	Claim for compensation	3,498.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
24.	458446	2023	Claim for compensation	25,970.00	Referred to the First Instance committee for resolution of insurance disputes and violations
25.	452277	2022	Requiring the company to pay compensation resulting from injuries	500,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
26.	450447	2023	Requiring the company to pay compensation resulting from injuries	375,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
27.	451019	2023	Requiring the company to pay compensation resulting from injuries	354,000.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
28.	455941	2023	Claim for compensation	300,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
29.	447639	2023	Claim for compensation	300,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
30.	454456	2023	Claim for compensation	300,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
31.	457655	2023	Claim for compensation	573.85	Referred to the First Instance committee for resolution of insurance disputes and violations
32.	457706	2023	Claim for compensation	1,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
33.	454530	2023	Claim for compensation	300,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
34.	454551	2023	Claim for compensation	300,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
35.	455429	2023	Requiring the company to pay compensation resulting from injuries	281,250.00	Referred to the First Instance committee for resolution of insurance disputes and violations
36.	453872	2023	Claim for compensation	200,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
37.	453445	2023	Claim for compensation	200,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
38.	453731	2023	Claim for compensation	200,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
39.	455493	2023	Claim for compensation	200,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
40.	454074	2023	Claim for compensation	150,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
41.	453990	2023	Claim for compensation	150,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
42.	455747	2023	Claim for compensation	142,875.00	Referred to the First Instance committee for resolution of insurance disputes and violations
43.	456933	2023	Claim for compensation	122,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
44.	450349	2023	Claim for compensation	120,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
45.	456059	2023	Claim for compensation	100,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
46.	452803	2023	Claim for compensation	100,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
47.	452998	2023	Claim for compensation	100,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
48.	455884	2023	Claim for compensation	98,760.00	Referred to the First Instance committee for resolution of insurance disputes and violations
49.	445954	2023	Requiring the company to pay compensation for total loss	95,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
50.	455473	2023	Requiring the company to pay compensation resulting from injuries	82,500.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
51.	446840	2023	Claim for compensation	61,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
52.	453333	2023	Claim for compensation	60,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
53.	456567	2023	Claim for compensation	59,500.00	Referred to the First Instance committee for resolution of insurance disputes and violations
54.	452413	2023	Claim for compensation	52,500.00	Referred to the First Instance committee for resolution of insurance disputes and violations
55.	455683	2023	Claim for compensation	50,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
56.	446753	2023	Claim for compensation	50,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
57.	457488	2023	Claim for compensation	45,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
58.	456888	2023	Claim for compensation	45,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
59.	456498	2023	Claim for compensation	40,030.93	Referred to the First Instance committee for resolution of insurance disputes and violations
60.	446955	2023	Claim for compensation	38,000.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
61.	456466	2023	Claim for compensation	37,500.00	Referred to the First Instance committee for resolution of insurance disputes and violations
62.	452438	2023	Claim for compensation	36,335.00	Referred to the First Instance committee for resolution of insurance disputes and violations
63.	447224	2023	Claim for compensation	34,052.36	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
64.	453183	2023	Claim for compensation	33,545.00	Referred to the First Instance committee for resolution of insurance disputes and violations
65.	455659	2023	Claim for compensation	32,100.00	Referred to the First Instance committee for resolution of insurance disputes and violations
66.	446366	2023	Claim for compensation	32,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
67.	454090	2023	Claim for compensation	30,943.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
68.	451008	2023	Claim for compensation	30,233.99	Referred to the First Instance committee for resolution of insurance disputes and violations
69.	456904	2023	Claim for compensation	30,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
70.	441180	2023	Claim for compensation	29,748.50	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
71.	452659	2023	Claim for compensation	27,253.00	Referred to the First Instance committee for resolution of insurance disputes and violations
72.	456691	2023	Claim for compensation	27,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
73.	451884	2023	Claim for compensation	26,680.00	Referred to the First Instance committee for resolution of insurance disputes and violations
74.	455881	2023	Claim for compensation	25,970.00	Referred to the First Instance committee for resolution of insurance disputes and violations
75.	456611	2023	Claim for compensation	25,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
76.	453813	2023	Claim for compensation	25,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
77.	446136	2023	Claim for compensation	25,000.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
78.	456452	2023	Claim for compensation	24,805.00	Referred to the First Instance committee for resolution of insurance disputes and violations
79.	456423	2023	Claim for compensation	24,525.00	Referred to the First Instance committee for resolution of insurance disputes and violations
80.	455730	2023	Claim for compensation	24,300.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
81.	456243	2023	Claim for compensation	24,166.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
82.	446739	2023	Claim for compensation	23,782.25	Referred to the Appeals Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
83.	455229	2023	Claim for compensation	23,018.00	Referred to the First Instance committee for resolution of insurance disputes and violations
84.	455699	2023	Claim for compensation	23,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
85.	447416	2023	Claim for compensation	22,800.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
86.	444410	2023	Claim for compensation	22,000.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
87.	457500	2023	Claim for compensation	21,456.00	Referred to the First Instance committee for resolution of insurance disputes and violations
88.	450326	2023	The company's claim for compensation and attorney's fees	21,349.00	Referred to the First Instance committee for resolution of insurance disputes and violations
89.	454598	2023	Claim for compensation	20,550.00	Referred to the First Instance committee for resolution of insurance disputes and violations
90.	454393	2023	Claim for compensation	20,298.00	Referred to the First Instance committee for resolution of insurance disputes and violations
91.	446944	2023	Claim for compensation for delay	19,617.95	Referred to the First Instance committee for resolution of insurance disputes and violations
92.	451691	2023	Requiring the company to pay compensation resulting from injuries	19,500.00	Referred to the First Instance committee for resolution of insurance disputes and violations
93.	453403	2023	Claim for compensation	19,425.00	Referred to the First Instance committee for resolution of insurance disputes and violations
94.	455269	2023	Claim for compensation	17,159.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
95.	457266	2023	Claim for compensation	16,911.00	Referred to the First Instance committee for resolution of insurance disputes and violations
96.	456914	2023	Claim for compensation	16,525.00	Referred to the First Instance committee for resolution of insurance disputes and violations
97.	457435	2023	Claim for compensation	16,391.18	Referred to the First Instance committee for resolution of insurance disputes and violations
98.	457127	2023	Claim for compensation	16,214.00	Referred to the First Instance committee for resolution of insurance disputes and violations
99.	456293	2023	Claim for compensation	15,292.00	Referred to the First Instance committee for resolution of insurance disputes and violations
100.	446266	2023	Claim for compensation	15,000.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
101.	458096	2023	Claim for compensation	3,543.68	Referred to the First Instance committee for resolution of insurance disputes and violations
102.	458100	2023	Claim for compensation	25,463.00	Referred to the First Instance committee for resolution of insurance disputes and violations
103.	445812	2023	Requesting the company to invoice the law firm	15,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
104.	452684	2023	Claim for compensation	15,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
105.	455670	2023	Claim for compensation	14,529.00	Referred to the First Instance committee for resolution of insurance disputes and violations
106.	447152	2023	Claim for compensation	14,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
107.	455451	2023	Claim for compensation	13,961.00	Referred to the First Instance committee for resolution of insurance disputes and violations
108.	453407	2023	Claim for compensation	13,858.08	Referred to the First Instance committee for resolution of insurance disputes and violations
109.	457351	2023	Claim for compensation	13,643.00	Referred to the First Instance committee for resolution of insurance disputes and violations
110.	446210	2023	Claim for compensation	13,091.27	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
111.	454752	2023	Claim for compensation	12,770.00	Referred to the First Instance committee for resolution of insurance disputes and violations
112.	456751	2023	Claim for compensation	12,556.00	Referred to the First Instance committee for resolution of insurance disputes and violations
113.	455343	2023	Claim for compensation	11,958.00	Referred to the First Instance committee for resolution of insurance disputes and violations
114.	454276	2023	Claim for compensation	11,684.00	Referred to the First Instance committee for resolution of insurance disputes and violations
115.	456833	2023	Claim for compensation	11,300.00	Referred to the First Instance committee for resolution of insurance disputes and violations
116.	446250	2023	Claim for compensation	10,837.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
117.	454499	2023	Claim for compensation	10,684.00	Referred to the First Instance committee for resolution of insurance disputes and violations
118.	445425	2023	Claim for compensation	10,135.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
119.	454660	2023	Claim for compensation	9,946.00	Referred to the First Instance committee for resolution of insurance disputes and violations
120.	456143	2023	Claim for compensation	9,904.00	Referred to the First Instance committee for resolution of insurance disputes and violations
121.	446381	2023	Claim for a sum of money	9,500.00	Referred to the First Instance committee for resolution of insurance disputes and violations
122.	443988	2023	Claim for compensation	9,300.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
123.	452661	2023	Claim for compensation	8,842.12	Referred to the First Instance committee for resolution of insurance disputes and violations
124.	455158	2023	Claim for compensation	8,711.00	Exchange of motions
125.	444081	2023	Claim for compensation	8,271.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
126.	454056	2023	Claim for compensation	8,151.20	Referred to the First Instance committee for resolution of insurance disputes and violations
127.	451568	2023	Claim for compensation	8,101.00	Referred to the First Instance committee for resolution of insurance disputes and violations
128.	455980	2023	Claim for compensation	8,078.00	Referred to the First Instance committee for resolution of insurance disputes and violations
129.	446565	2023	Claim for compensation	7,786.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
130.	446990	2023	Claim for compensation	7,738.39	Referred to the Appeals Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
131.	450420	2023	Claim for compensation	7,547.92	Referred to the First Instance committee for resolution of insurance disputes and violations
132.	454968	2023	Claim for compensation	7,467.00	Referred to the First Instance committee for resolution of insurance disputes and violations
133.	457408	2023	Claim for compensation	7,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
134.	456947	2023	Claim for compensation	7,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
135.	454627	2023	Claim for compensation	7,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
136.	457726	2023	Claim for compensation	11,825.00	Referred to the First Instance committee for resolution of insurance disputes and violations
137.	455007	2023	Claim for compensation	6,696.00	Referred to the First Instance committee for resolution of insurance disputes and violations
138.	458036	2023	Claim for compensation	7,900.00	Referred to the First Instance committee for resolution of insurance disputes and violations
139.	455417	2023	Claim for compensation	6,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
140.	456369	2023	Claim for compensation	5,771.00	Referred to the First Instance committee for resolution of insurance disputes and violations
141.	444744	2023	Claim for compensation	5,725.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
142.	458118	2023	Claim for compensation	12,111.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
143.	458120	2023	Claim for compensation	3,400.00	Referred to the First Instance committee for resolution of insurance disputes and violations
144.	458186	2023	Requiring the company to pay compensation resulting from injuries	-	Referred to the First Instance committee for resolution of insurance disputes and violations
145.	458193	2023	Claim for compensation	1,380.00	Referred to the First Instance committee for resolution of insurance disputes and violations
146.	458207	2023	Claim for compensation	11,450.00	Referred to the First Instance committee for resolution of insurance disputes and violations
147.	458216	2023	Claim for compensation	11,007.00	Referred to the First Instance committee for resolution of insurance disputes and violations
148.	445411	2023	Claim for compensation	5,415.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
149.	455541	2023	Claim for compensation	5,395.00	Referred to the First Instance committee for resolution of insurance disputes and violations
150.	447023	2023	Claim for compensation	5,199.00	Referred to the First Instance committee for resolution of insurance disputes and violations
151.	457094	2023	Claim for compensation	5,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
152.	447374	2023	Claim for compensation	4,569.00	Referred to the First Instance committee for resolution of insurance disputes and violations
153.	452619	2023	Claim for compensation	4,544.46	Referred to the First Instance committee for resolution of insurance disputes and violations
154.	455144	2023	Claim for compensation	4,423.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
155.	457126	2023	Claim for compensation	4,398.00	Referred to the First Instance committee for resolution of insurance disputes and violations
156.	456187	2023	Claim for compensation	4,380.00	Referred to the First Instance committee for resolution of insurance disputes and violations
157.	446300	2023	Claim for compensation	4,357.50	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
158.	451483	2023	Claim for compensation	4,314.00	Referred to the First Instance committee for resolution of insurance disputes and violations
159.	454611	2023	Claim for compensation	4,227.00	Referred to the First Instance committee for resolution of insurance disputes and violations
160.	446572	2023	Claim for compensation	4,174.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
161.	455214	2023	Claim for compensation	4,132.00	Referred to the First Instance committee for resolution of insurance disputes and violations
162.	457459	2023	Claim for compensation	3,915.46	Referred to the First Instance committee for resolution of insurance disputes and violations
163.	452560	2023	Claim for compensation	3,731.00	Referred to the First Instance committee for resolution of insurance disputes and violations
164.	445811	2023	Claim for compensation	3,672.50	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
165.	443098	2023	Claim for compensation	3,634.00	Referred to the First Instance committee for resolution of insurance disputes and violations
166.	457776	2023	Claim for compensation	10,230.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
167.	457779	2023	Claim for compensation	1,150.00	Referred to the First Instance committee for resolution of insurance disputes and violations
168.	457810	2023	Claim for compensation	500.00	Referred to the First Instance committee for resolution of insurance disputes and violations
169.	457981	2023	Claim for compensation	9,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
170.	454534	2023	Claim for compensation	3,520.00	Referred to the First Instance committee for resolution of insurance disputes and violations
171.	454730	2023	Claim for compensation	3,516.00	Referred to the First Instance committee for resolution of insurance disputes and violations
172.	447120	2023	Claim for compensation	3,030.00	Referred to the First Instance committee for resolution of insurance disputes and violations
173.	453366	2023	Claim for compensation	2,829.00	Referred to the First Instance committee for resolution of insurance disputes and violations
174.	450831	2023	Claim for compensation	2,397.62	Referred to the First Instance committee for resolution of insurance disputes and violations
175.	446946	2023	Claim for compensation	2,377.86	Referred to the First Instance committee for resolution of insurance disputes and violations
176.	455499	2023	Claim for compensation	2,300.00	Referred to the First Instance committee for resolution of insurance disputes and violations
177.	457349	2023	Claim for compensation	2,111.75	Referred to the First Instance committee for resolution of insurance disputes and violations
178.	445607	2023	Claim for compensation	2,090.84	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
179.	445968	2023	Claim for compensation	2,052.01	Referred to the First Instance committee for resolution of insurance disputes and violations
180.	457158	2023	Claim for compensation	2,006.00	Referred to the First Instance committee for resolution of insurance disputes and violations
181.	451291	2023	Claim for compensation	1,713.65	Referred to the First Instance committee for resolution of insurance disputes and violations
182.	457212	2023	Claim for compensation	1,700.00	Referred to the First Instance committee for resolution of insurance disputes and violations
183.	454078	2023	Claim for compensation	1,697.39	Referred to the First Instance committee for resolution of insurance disputes and violations
184.	454742	2023	Claim for compensation	1,686.00	Referred to the First Instance committee for resolution of insurance disputes and violations
185.	450600	2023	Claim for compensation	1,623.60	Referred to the First Instance committee for resolution of insurance disputes and violations
186.	450839	2023	Claim for compensation	1,560.00	Referred to the First Instance committee for resolution of insurance disputes and violations
187.	455562	2023	Claim for compensation	1,500.00	Referred to the First Instance committee for resolution of insurance disputes and violations
188.	446055	2023	Claim for compensation	1,241.00	Referred to the First Instance committee for resolution of insurance disputes and violations
189.	447080	2023	Claim for compensation	1,200.00	Referred to the First Instance committee for resolution of insurance disputes and violations
190.	457022	2023	Claim for compensation	1,162.40	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
191.	453127	2023	Claim for compensation	1,137.60	Referred to the First Instance committee for resolution of insurance disputes and violations
192.	450064	2023	Claim for compensation	1,074.62	Referred to the First Instance committee for resolution of insurance disputes and violations
193.	447054	2023	Claim for compensation	1,063.46	Referred to the First Instance committee for resolution of insurance disputes and violations
194.	450881	2023	Claim for compensation	1,034.55	Referred to the First Instance committee for resolution of insurance disputes and violations
195.	451557	2023	Claim for compensation	1,033.00	Referred to the First Instance committee for resolution of insurance disputes and violations
196.	453656	2023	Claim for compensation	1,013.58	Referred to the First Instance committee for resolution of insurance disputes and violations
197.	447528	2023	Claim for compensation	1,001.12	Referred to the First Instance committee for resolution of insurance disputes and violations
198.	456390	2023	Claim for compensation	975.00	Referred to the First Instance committee for resolution of insurance disputes and violations
199.	446788	2023	Claim for compensation	4,054.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
200.	451652	2023	Claim for compensation	941.01	Referred to the First Instance committee for resolution of insurance disputes and violations
201.	453396	2023	Claim for compensation	898.91	Referred to the First Instance committee for resolution of insurance disputes and violations
202.	455179	2023	Claim for compensation	852.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
203.	454043	2023	Claim for compensation	832.54	Referred to the First Instance committee for resolution of insurance disputes and violations
204.	455554	2023	Claim for compensation	788.94	Referred to the First Instance committee for resolution of insurance disputes and violations
205.	456511	2023	Claim for compensation	782.88	Referred to the First Instance committee for resolution of insurance disputes and violations
206.	453877	2023	Claim for compensation	729.71	Referred to the First Instance committee for resolution of insurance disputes and violations
207.	446340	2023	Claim for compensation	708.36	Referred to the First Instance committee for resolution of insurance disputes and violations
208.	452712	2023	Claim for compensation	701.12	Referred to the First Instance committee for resolution of insurance disputes and violations
209.	455013	2023	Claim for compensation	690.00	Referred to the First Instance committee for resolution of insurance disputes and violations
210.	451176	2023	Claim for compensation	676.00	Referred to the First Instance committee for resolution of insurance disputes and violations
211.	450921	2023	Claim for compensation	614.34	Referred to the First Instance committee for resolution of insurance disputes and violations
212.	446259	2023	Claim for compensation	600.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
213.	447497	2023	Claim for compensation	579.06	Referred to the First Instance committee for resolution of insurance disputes and violations
214.	451232	2023	Claim for compensation	565.54	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
215.	457298	2023	Claim for compensation	562.31	Exchange of motions
216.	447305	2023	Claim for compensation	549.00	Referred to the First Instance committee for resolution of insurance disputes and violations
217.	457160	2023	Claim for compensation	539.94	Referred to the First Instance committee for resolution of insurance disputes and violations
218.	456962	2023	Claim for compensation	482.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
219.	452785	2023	Claim for compensation	455.25	Referred to the First Instance committee for resolution of insurance disputes and violations
220.	456250	2023	Claim for compensation	409.05	Referred to the First Instance committee for resolution of insurance disputes and violations
221.	451967	2023	Claim for compensation	399.00	Referred to the First Instance committee for resolution of insurance disputes and violations
222.	451231	2023	Claim for compensation	395.07	Referred to the First Instance committee for resolution of insurance disputes and violations
223.	447179	2023	Claim for compensation	379.99	Referred to the First Instance committee for resolution of insurance disputes and violations
224.	450207	2023	Claim for compensation	314.16	Referred to the First Instance committee for resolution of insurance disputes and violations
225.	456499	2023	Claim for compensation	272.25	Referred to the First Instance committee for resolution of insurance disputes and violations
226.	454399	2023	Claim for compensation	216.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
227.	457218	2023	Claim for compensation	-	Referred to the First Instance committee for resolution of insurance disputes and violations
228.	457236	2023	Claim for compensation	-	Referred to the First Instance committee for resolution of insurance disputes and violations
229.	452584	2023	Claim for compensation	-	Referred to the First Instance committee for resolution of insurance disputes and violations
230.	454079	2023	Claim for compensation	-	Referred to the First Instance committee for resolution of insurance disputes and violations
231.	454000	2023	Claim for compensation	-	Referred to the First Instance committee for resolution of insurance disputes and violations
232.	453931	2023	Requiring the company to pay compensation resulting from injuries	-	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
233.	446522	2023	Claim for compensation	30,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
234.	457662	2023	Claim for compensation	-	Referred to the First Instance committee for resolution of insurance disputes and violations
235.	452766	2023	Claim for compensation	8,038.26	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
236.	446851	2023	Claim for compensation	28,170.35	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
237.	452955	2023	Claim for compensation	27,300.70	Referred to the First Instance committee for resolution of insurance disputes and violations
238.	446893	2023	Claim for compensation	-	Referred to the Appeals Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
239.	457462	2023	Claim for compensation	100,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
240.	144510121212	2024	A request for full salaries up to the end of the contract, in addition to the end-of-service bonus	141,000	Reconciliation was not possible and the plaintiff did not refer the matter to the competent court
241.	4570422204	2023	Claim for compensation	355,856.75	Considered on appeal in the Labor Court
242.	454501	2023	Claim for compensation	5,625.00	Referred to the First Instance committee for resolution of insurance disputes and violations
243.	446711	2023	Claim for compensation	2,250.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
244.	455787	2023	Claim for compensation	-	Referred to the First Instance committee for resolution of insurance disputes and violations
245.	458428	2022	Claim for compensation	50,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
246.	433786	2023	Claim for Commissions	3,201,219.00	Referred to the First Instance committee for resolution of insurance disputes and violations
247.	458919	2024	Claim for compensation	121,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
248.	45010724	2024	Claim for compensation	30.00	Referred to the First Instance committee for resolution of insurance disputes and violations
249.	459037	2024	Claim for compensation	4,987.00	Referred to the First Instance committee for resolution of insurance disputes and violations
250.	459045	2024	Claim for compensation	17,328.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
251.	459052	2024	Claim for compensation	14,115.00	Referred to the First Instance committee for resolution of insurance disputes and violations
252.	459064	2024	Claim for compensation	3,630.00	Referred to the First Instance committee for resolution of insurance disputes and violations
253.	459072	2024	Claim for compensation	3,843.00	Referred to the First Instance committee for resolution of insurance disputes and violations
254.	459079	2024	Claim for compensation	3,244.00	Referred to the First Instance committee for resolution of insurance disputes and violations
255.	459101	2024	Claim for compensation	20,230.00	Referred to the First Instance committee for resolution of insurance disputes and violations
256.	459109	2024	Claim for compensation	2,263.00	Referred to the First Instance committee for resolution of insurance disputes and violations
257.	459133	2024	Claim for compensation	22,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
258.	459547	2024	Claim for compensation	1,869.00	Referred to the First Instance committee for resolution of insurance disputes and violations
259.	45010431	2024	Claim for compensation	13,577.00	Referred to the First Instance committee for resolution of insurance disputes and violations
260.	459604	2024	Claim for compensation	16,508.00	Referred to the First Instance committee for resolution of insurance disputes and violations
261.	459658	2024	Claim for compensation	12,219.00	Referred to the First Instance committee for resolution of insurance disputes and violations
262.	459682	2024	Claim for compensation	20,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
263.	459730	2024	Claim for compensation	15,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
264.	459814	2024	Claim for compensation	200,000.00	Referred to the Appeals Instance committee for resolution of insurance disputes and violations
265.	459825	2024	Claim for compensation	464,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
266.	459824	2024	Claim for compensation	15,875.00	Referred to the First Instance committee for resolution of insurance disputes and violations
267.	459850	2024	Claim for compensation	437,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
268.	459913	2024	Claim for compensation	8,036.00	Referred to the First Instance committee for resolution of insurance disputes and violations
269.	459522	2024	Claim for compensation	1,015,352.00	Exchange of motions
270.	459923	2024	Claim for compensation	44,610.00	Referred to the First Instance committee for resolution of insurance disputes and violations
271.	45011640	2024	Claim for compensation	25,445.00	Referred to the First Instance committee for resolution of insurance disputes and violations
272.	45000592	2024	Claim for compensation	4,650.00	Referred to the First Instance committee for resolution of insurance disputes and violations
273.	45000593	2024	Claim for compensation	5,483.00	Referred to the First Instance committee for resolution of insurance disputes and violations
274.	45011199	2024	Claim for compensation	312.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
275.	45011206	2024	Claim for compensation	16,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
276.	45011231	2024	Claim for compensation	14,186.00	Referred to the First Instance committee for resolution of insurance disputes and violations
277.	45011249	2024	Claim for compensation	15,073.00	Referred to the First Instance committee for resolution of insurance disputes and violations
278.	45011279	2024	Claim for compensation	26,100.00	Referred to the First Instance committee for resolution of insurance disputes and violations
279.	45011344	2024	Claim for compensation	15,814.00	Referred to the First Instance committee for resolution of insurance disputes and violations
280.	45012377	2024	Claim for compensation	10,890.00	Referred to the First Instance committee for resolution of insurance disputes and violations
281.	45011378	2024	Claim for compensation	274,812.00	Referred to the First Instance committee for resolution of insurance disputes and violations
282.	45011376	2024	Claim for compensation	2,933.00	Referred to the First Instance committee for resolution of insurance disputes and violations
283.	45012615	2024	Claim for compensation	34,606.00	Referred to the First Instance committee for resolution of insurance disputes and violations
284.	45011446	2024	Claim for compensation	5,500.00	Referred to the First Instance committee for resolution of insurance disputes and violations
285.	45011442	2024	Claim for compensation	9,596.00	Referred to the First Instance committee for resolution of insurance disputes and violations
286.	45011490	2024	Claim for compensation	55,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
287.	45011502	2024	Claim for compensation	91,153.00	Referred to the First Instance committee for resolution of insurance disputes and violations
288.	45011528	2024	Claim for compensation	15,872.00	Referred to the First Instance committee for resolution of insurance disputes and violations
289.	45011511	2024	Claim for compensation	13,600.00	Referred to the First Instance committee for resolution of insurance disputes and violations
290.	45011563	2024	Claim for compensation	75,000.0	Referred to the First Instance committee for resolution of insurance disputes and violations
291.	45011593	2024	Claim for compensation	20,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
292.	45011679	2024	Claim for compensation	6,903.00	Referred to the First Instance committee for resolution of insurance disputes and violations
293.	45011682	2024	Claim for compensation	22,790.00	Referred to the First Instance committee for resolution of insurance disputes and violations
294.	45011827	2024	Claim for compensation	37,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
295.	45011863	2024	Claim for compensation	4,120.00	Referred to the First Instance committee for resolution of insurance disputes and violations
296.	45011911	2024	Claim for compensation	16,800.00	Referred to the First Instance committee for resolution of insurance disputes and violations
297.	45011909	2024	Claim for compensation	12,064.00	Referred to the First Instance committee for resolution of insurance disputes and violations
298.	45011997	2024	Claim for compensation	3,315.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
299.	45012054	2024	Claim for compensation	90,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
300.	45012075	2024	Claim for compensation	3,500.00	Referred to the First Instance committee for resolution of insurance disputes and violations
301.	45012245	2024	Claim for compensation	1,349.00	Referred to the First Instance committee for resolution of insurance disputes and violations
302.	45012309	2024	Claim for compensation	1,725.00	Referred to the First Instance committee for resolution of insurance disputes and violations
303.	45012470	2024	Claim for compensation	3,983.00	Referred to the First Instance committee for resolution of insurance disputes and violations
304.	45000734	2024	Claim for compensation	1,714.00	Referred to the First Instance committee for resolution of insurance disputes and violations
305.	45000738	2024	Claim for compensation	1,812.00	Referred to the First Instance committee for resolution of insurance disputes and violations
306.	45000739	2024	Claim for compensation	7,340.00	Referred to the First Instance committee for resolution of insurance disputes and violations
307.	45012529	2024	Claim for compensation	3,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
308.	45012530	2024	Claim for compensation	150,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
309.	45012551	2024	Claim for compensation	50,790.00	Exchange of motions
310.	45012553	2024	Claim for compensation	75,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
311.	45012602	2024	Claim for compensation	11,112.00	Exchange of motions



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
312.	45012632	2024	Claim for compensation	2,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
313.	45000748	2024	Claim for compensation	4,129.00	Referred to the First Instance committee for resolution of insurance disputes and violations
314.	45012738	2024	Claim for compensation	13,488.00	Referred to the First Instance committee for resolution of insurance disputes and violations
315.	45012775	2024	Claim for compensation	1,700.00	Referred to the First Instance committee for resolution of insurance disputes and violations
316.	45012756	2024	Claim for compensation	94,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
317.	45012748	2024	Claim for compensation	8,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
318.	45012876	2024	Claim for compensation	1,200.00	Referred to the First Instance committee for resolution of insurance disputes and violations
319.	45012927	2024	Claim for compensation	6,764.00	Referred to the First Instance committee for resolution of insurance disputes and violations
320.	45012934	2024	Claim for compensation	5,052.00	Referred to the First Instance committee for resolution of insurance disputes and violations
321.	45012957	2024	Claim for compensation	23,428.00	Referred to the First Instance committee for resolution of insurance disputes and violations
322.	45012976	2024	Claim for compensation	6,200.00	Exchange of motions
323.	45012982	2024	Claim for compensation	300,000.00	Exchange of motions
324.	45013035	2024	Claim for compensation	2,559.00	Exchange of motions
325.	458694	2024	Claim for compensation	1200	Exchange of motions



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
326.	458734	2024	Claim for compensation	40000	Exchange of motions
327.	458849	2024	Claim for compensation	1959	Referred to the First Instance committee for resolution of insurance disputes and violations
328.	458899	2024	Claim for compensation	32326	Exchange of motions
329.	458903	2024	Claim for compensation	378548	Exchange of motions
330.	458955	2024	Claim for compensation	3946	Exchange of motions
331.	45010087	2024	Claim for compensation	16013	Referred to the First Instance committee for resolution of insurance disputes and violations
332.	458990	2024	Claim for compensation	300000	Referred to the First Instance committee for resolution of insurance disputes and violations
333.	459011	2024	Claim for compensation	9147	Referred to the First Instance committee for resolution of insurance disputes and violations
334.	459014	2024	Claim for compensation	14000	Referred to the First Instance committee for resolution of insurance disputes and violations
335.	459026	2024	Claim for compensation	44386	Referred to the First Instance committee for resolution of insurance disputes and violations
336.	459028	2024	Claim for compensation	12000	Referred to the First Instance committee for resolution of insurance disputes and violations
337.	450539	2024	Claim for compensation	16720	Referred to the First Instance committee for resolution of insurance disputes and violations
338.	450520	2024	Claim for compensation	4896	Referred to the First Instance committee for resolution of insurance disputes and violations
339.	459858	2024	Claim for compensation	23500	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
340.	459542	2024	Claim for compensation	100000	Referred to the First Instance committee for resolution of insurance disputes and violations
341.	450459	2024	Claim for compensation	3058	Exchange of motions
342.	450502	2024	Claim for compensation	6057	Referred to the First Instance committee for resolution of insurance disputes and violations
343.	450507	2024	Claim for compensation	14618	Referred to the First Instance committee for resolution of insurance disputes and violations
344.	458938	2024	Claim for compensation	450,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
345.	45011029	2024	Claim for compensation	16,247.00	Referred to the First Instance committee for resolution of insurance disputes and violations
346.	459937	2024	Claim for compensation	647.00	Referred to the First Instance committee for resolution of insurance disputes and violations
347.	459958	2024	Claim for compensation	5,300.00	Referred to the First Instance committee for resolution of insurance disputes and violations
348.	459500	2024	Claim for compensation	2,230.00	Referred to the First Instance committee for resolution of insurance disputes and violations
349.	45011643	2024	Claim for compensation	20,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
350.	45011404	2024	Claim for compensation	4,089.00	Referred to the First Instance committee for resolution of insurance disputes and violations
351.	45011720	2024	Claim for compensation	5,479.00	Referred to the First Instance committee for resolution of insurance disputes and violations



No.	No. of lawsuit	Date of Lawsuit initiation	Subject of Lawsuit	Amount of Lawsuit (Saudi Riyals)	Lawsuit status
352.	45011785	2024	Claim for compensation	206,000.00	Referred to the First Instance committee for resolution of insurance disputes and violations
353.	45011805	2024	Claim for compensation	18,790.00	Referred to the First Instance committee for resolution of insurance disputes and violations
354.	45000707	2024	Claim for compensation	18,876.00	Referred to the First Instance committee for resolution of insurance disputes and violations

Source: The Company

9-13-2 Lawsuits and Disputes Filed by the Company as the Claimant:

As of the preparation date of this prospectus, the company is a party to (6,267) lawsuits as the claimant, with a total value of SAR (66,281,784).

The table below highlights the most significant active lawsuits filed by the Company:

Table No. 122: Summary of Active Lawsuits Filed by the Company as the Claimant

Lawsuit number	Plaintiff	Defendant	Court	Lawsuit submission date	Lawsuit amount (SAR)	Case Status
508	Walaa Cooperative Insurance Company	Defendant 1	Commercial Court - Khobar	---	31,046	The Company filed a claim before the liquidation agent.
4089	Walaa Cooperative Insurance Company	Defendant 2	Commercial Court Dammam	12/07/1442 H (corresponding to 24/02/2021 G)	4,215,726	The Company filed a claim with the liquidation trustee.
4353387284	Walaa Cooperative Insurance Company	Defendant 3	Execution Court Riyadh	04/08/1435 H (corresponding to 02/06/2014 G)	400,000	The Execution Court issued decisions No. (34) and (46) in favor of Walaa.
364/1441	Walaa Cooperative Insurance Company	Defendant 4	Execution Court Riyadh	10/08/1435 H (corresponding to 08/06/2014 G)	360,000	The Execution Court issued decisions No. (34) and (46) in favor of Walaa.
423756	Walaa Cooperative Insurance Company	Defendant 5	Insurance Disputes and Violations Settlement Committee	18/07/1442 H (corresponding to 02/03/2021G)	1,418,747	The Company filed a claim with the liquidation trustee.

Source: The Company



9-14 Material Information that changed Since CMA's Approval on the Last Prospectus

Below is a summary of the most significant changes that have occurred since the authority's approval of the last prospectus issued on 08/07/1426H (corresponding to 27/04/201G):

Head Office Address: The Company's headquarters (head office) moved from Al-Rabia and Al-Nassar Building - Al-Khobar - Custodian of the Two Holy Mosques Street - Second Turn, to Custodian of the Two Holy Mosques Street in Al-Khobar, adjacent to the previous building, on the 14th Turn. This relocation was based on the approval of the Saudi Arabian Monetary Authority (SAMA) with reference number (2381000029805) dated 15/03/1438H (corresponding to 14/12/2016G).

Company Trade Name: The Company's trade name was amended from «**Saudi United Cooperative Insurance Company**» to «**Walaa Cooperative Insurance Company**» after approval from the Extraordinary General Assembly on 21/05/2017 (25/08/1438H) and approval from SAMA on 03/06/1438H (corresponding to 02/03/2017G) under letter No. (381000059843).

Election of Board Members: A new board of directors was elected for the Company for three previous consecutive terms, the latest being on 22/10/1443H (corresponding to 23/05/2022G). The General Assembly elected the board members for the current term starting from 26/05/2022G and ending on 25/05/2025G.

Capital, Articles of Association, and Mergers:

The Company's capital increased from SAR 400,000,000 to SAR 440,000,000 by issuing one free share for every ten existing shares, funded by capitalizing SAR 40,000,000 from retained earnings. This increase was approved by the Extraordinary General Assembly on 14/09/1439H (corresponding to 29/05/2018G).

The Company's capital increased from SAR 440,000,000 to SAR 528,000,000 by issuing one free share for every five shares owned, funded by capitalizing SAR 88,000,000 from retained earnings. This increase was approved by the Extraordinary General Assembly on 16/09/1440H (corresponding to 21/05/2019G).

On 02/06/1441H (corresponding to 27/01/2020G), the Extraordinary General Assembly approved the merger of Metlife AIG Company into Walaa Insurance by issuing 0.6577614444 shares in Walaa Insurance for each share in Metlife AIG Company. The assembly also approved increasing Walaa's capital from SAR 528,000,000 to SAR 646,397,060 as part of the merger.

On 19/02/1444H (corresponding to 15/09/2022G), the Extraordinary General Assembly approved the merger of Sabb for Takaful into Walaa Insurance by issuing 0.6005476176470590 new shares in Walaa Insurance for each share in Sabb for Takaful. The assembly also approved increasing Walaa's capital from SAR 646,397,060 to SAR 850,583,250 as part of the merger.



On 02/03/1445H (corresponding to 17/09/2023G), the Board of Directors recommended to the Extraordinary General Assembly to increase the Company's capital by issuing share issue rights shares worth SAR 425,000,000, aimed at supporting growth plans and maintaining solvency margin and the Company's credit rating. This recommendation was amended and reissued on 15/08/1445H (corresponding to 25/02/2024G), increasing the total amount to SAR 467,000,000. The capital increase was approved, raising the capital to SAR 1,275,583,250.

On 06/05/1445H (corresponding to 20/11/2023G), the Company received approval from SAMA (Insurance Authority currently) for a capital increase from SAR 850,583,250 to SAR 1,275,583,250 by issuing rights issue shares worth SAR 425,000,000, valid for one year from the date of issuance to complete the capital increase process, noting that on 02/11/1446H (corresponding to 08/15/2024G), the Company received an extension of the non-objection of the capital increase from the Insurance Authority for an additional three months, provided that all requirements are met.

Corporate Governance: Adoption of internal regulations and policies related to corporate governance in line with the Corporate Governance Regulations issued by the Saudi Capital Market Authority and the governance regulations of insurance companies.

CEO: Extension of the services of CEO Mr. Johnson Varughese.

9-15 Declarations Related to Legal Information

In addition to other declarations referred to in this Prospectus, the Board of Directors declares the following:

- The issuance does not constitute a breach of the relevant laws and regulations in Saudi Arabia.
- The issuance does not constitute a breach of any contract/agreement entered into by the Company.
- All material legal issues concerning the Company have been disclosed in the Prospectus.
- Other than what has been mentioned in paragraph 9.13 «**Disputes and Litigations**» on Page (340) of this Prospectus, the Company is not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the Company or its financial position.
- The Board members are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the Company or its financial position.

Underwriting | 10



10- Underwriting

The Company has entered into an Underwriting Agreement with Aljazira Capital, the subscription coverage provider, for the subscription coverage of forty-two million five hundred thousand (42,500,000) ordinary shares at an offering price of eleven (11) Saudi Riyals per share and a nominal value of ten (10) Saudi Riyals per share, with a total nominal value of four hundred twenty-five million (425,000,000) Saudi Riyals and a total value of the offering of four hundred and sixty-seven million five hundred thousand (467,500,000) Saudi riyals, representing (100%) of the Rights Issue Shares («**Underwriting Agreement**»).

10-1 Underwriter

Underwriter

Aljazira Capital Company (Aljazira Capital)

King Fahd Road - Al Rahmaniyyah

P.O. Box 20438 - Riyadh 11455

Riyadh, Kingdom of Saudi Arabia

Phone: +966 11 225 6000

Fax: +966 11 225 6182

Website: www.aljaziracapital.com.sa

Email: AJC_IB@Aljaziracapital.com.sa



10-2 Summary of the Underwriting Agreement

In accordance with the terms and conditions of the Underwriting Agreement:

The Company undertakes to the Underwriter that on the allocation date, it will issue and allocate to the Underwriter all Rights Shares committed to be covered in this subscription, that have not been subscribed to by Eligible Persons, at the Offer Price.

- The underwriter undertakes to the Company that on the allocation date, it will purchase the Rights Issue Shares committed to be covered in this subscription, that have not been subscribed to by Eligible Persons, at the Offer Price.
- The Underwriter shall, on account of underwriting, receive a specified amount of money to be paid from the Offer Proceeds.
- The commitment of the Underwriter to subscribe to Rump Shares is subject to the termination provisions as stipulated in the agreement such as the occurrence of a force majeure event as defined in the agreement and satisfaction of the precedent conditions in line with the agreement.
- The Company shall provide specific warranties, covenants and undertakings to the Underwriter.

Waivers | 11



11- Waivers

The Company has not obtained any waivers from the CMA in relation to this Offering.

Information Related to the Shares and Offering Terms and Conditions

12



12- Information Related to the Shares and Offering Terms and Conditions

The company has submitted an application to the Capital Market Authority («**CMA**») for the registration and offering of New Shares, and to the Saudi Stock Exchange («**Tadawul**») for listing The New Shares. All requirements have been fulfilled in accordance with and listing rules with the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules.

All Eligible Persons (i.e., Registered Shareholders and holders of acquired Rights) and Institutional Investors applicant) must carefully read the terms and instructions of the subscription before electronic subscription or submission through a broker or filling out the Rump Offering application form. The submission of the Subscription Application or the signing and submitting the Rump Offering Subscription application form constitutes acceptance and agreement to the mentioned terms and conditions.

12-1 The Offering

Pursuant to this Prospectus, forty-two million five hundred thousand (42,500,000) new ordinary shares will be offered through the issuance of Rights Issue Shares at an offering price of eleven (11) Saudi Riyals per share, with a nominal value of ten (10) Saudi Riyals per share, and a total offering value of four hundred sixty-seven million five hundred thousand (467,500,000) Saudi Riyals. Therefore, the total nominal offering value will be four hundred twenty-five million (425,000,000) Saudi Riyals, representing approximately (49.97%) of the Company's capital before the capital increase. New shares will be issued to all holder of Rights at a ratio of (0.4497) new shares for every one (1) current share, and subscription to new shares is entitled to rights for all owners of trading rights, thus increasing the Company's capital from eight hundred fifty million five hundred eighty-three thousand two hundred fifty (850,583,250) Saudi Riyals to one billion two hundred seventy-five million five hundred eighty-three thousand two hundred fifty (1,275,583,250) Saudi Riyals.

12-2 How to Submit a Subscription Application for Rights Issue Shares (New Shares)

Eligible Persons who wish to subscribe to priority Rights Issue must submit their Subscription Application during the subscription period through their investment portfolios on trading platforms used for buying and selling orders, in addition to other subscription methods provided by brokers and Shares Custodians in the Kingdom during the Subscription Period. The data of the Eligible Persons must be updated, and no changes have occurred in the data or information since the recent offering, unless these modifications have been communicated to and approved by the broker.

If there is a Rump Offering Period,

Subscription Application Forms can also be submitted during such period by Institutional Investors for any Rump Shares only.

By participating in the subscription, the subscriber s:



- Agrees to subscribe to the Company's share in the number of shares specified in the Subscription Application Form.
- Declares that he/she has read the Prospectus and understood all of its content.
- Accept the Company's Bylaws and the terms outlined in this Prospectus.
- Declares that he did not previously apply for subscription to the same shares for this offering through the broker, and the Company reserves the right to reject all applications in the event of a repeat of subscription application.
- Accepts of the number of shares allocated thereto and all other subscription instructions and terms mentioned in the Subscription Application Form and in this Prospectus;
- Warrants not to cancel or amend the Subscription Application Form after submitting it to the broker.

Registered shareholders will be able to trade the Rights deposit in their portfolios via Tadawul. These rights are considered acquired rights for all registered Shareholders in the Company's Shareholders Register at the Depository Center at the end of the second Trading Day following the extraordinary general meeting with respect to the capital increase («**the Eligibility Date**»). Each Right gives its holder the right to subscribe to one new share at the Offer Price. Rights Issue Shares will be deposited no more than two business days after the extraordinary general meeting. The Rights will appear in the Registered Shareholders' portfolios under a new symbol specific to the Rights Issue, and Registered Shareholders will be notified of the deposit of the Rights in their portfolios.

12-3 Subscription Application

An Eligible person who wishes to exercise their full right and subscribe to all New Shares must submit a complete Subscription Application through their investment portfolio on trading platforms used for buying and selling orders or through any other means provided by the broker and Shares Custodian. The data of the Eligible Person must be updated, and no changes should occur since he subscribed to a recent offering, unless these modifications have been communicated to and approved by the broker.

The number of Shares held by the Eligible Person is calculated based the Rights held by him. The subscription amount payable by the subscriber is calculated by multiplying the Rights owned prior to closing the Subscription Period by eleven (11) Saudi Riyals.

12-4 Trading Period, Offering Period and Rump Offering Period

Eligible Persons who wish to subscribe to the Rights must submit their Subscription Application during the Subscription Period, which begins three (3) business days after the extraordinary general meeting's approval on the capital increase, Monday 01/06/1446H (corresponding to 02/12/2024G) and ends on Thursday 11/06/1446H (corresponding to 12/12/2024G) during the period from (10:00) a.m. to (2:00) p.m. Similarly, Eligible Person who wish to trade in Rights Issue



must submit their Subscription Applications during the trading period, which begins on Monday 01/06/1446H (corresponding to 02/12/2024G) and ends on Monday 08/06/1446H (corresponding to 09/12/2024G) during the period from ten o'clock (10:00) a.m. to three o'clock (3:00) p.m.

The extraordinary general meeting held on 24/05/1446H (corresponding to 26/11/2024G) approved the Company's capital increase through the issuance of Right Issue. This will be done through offering forty-two million five hundred thousand (42,500,000) new ordinary shares («**priority rights shares**» or «**new shares**») at an offering price of eleven (11) Saudi Riyals per share, with a nominal value of ten (10) Saudi Riyals per share and a total nominal value of four hundred twenty-five million (425,000,000) Saudi Riyals and a total value of the offering of four hundred and sixty-seven million five hundred thousand (467,500,000) Saudi Riyals. Therefore, the Company's capital will increase from eight hundred fifty million five hundred eighty-three thousand two hundred fifty (850,583,250) Saudi Riyals to one billion two hundred seventy-five million five hundred eighty-three thousand two hundred fifty (1,275,583,250) Saudi Riyals, divided into one hundred twenty-seven million five hundred fifty-eight thousand three hundred twenty-five (127,558,325) ordinary shares, representing an increase of approximately (49.97%) of the current capital of the Company.

Pursuant to this Prospectus, forty-two million and five hundred thousand (42,500,000) ordinary shares will be offered for subscription through the issuance of Rights Issue, representing approximately (49.97%) of the Company's capital before the subscription. The Offer Price is eleven (11) Saudi Riyals per share, with a nominal value of ten (10) Saudi Riyals per share, and a total offering value of four hundred and twenty-five million (425,000,000) Saudi Riyals and a total value of the offering of four hundred and sixty-seven million five hundred thousand (467,500,000) Saudi Riyals. The New Shares will be issued at a rate of one share per Right Issue. Subscription for the offered rights shares will be open to shareholders registered in the Company's Shareholders' Registry at the end of the second trading day following the extraordinary general assembly approving the capital increase from eight hundred fifty million five hundred eighty-three thousand two hundred fifty (850,583,250) Saudi Riyals to one billion two hundred seventy-five million five hundred eighty-three thousand two hundred fifty (1,275,583,250) Saudi Riyals through the issuance of Rights on 24/05/1446H (corresponding to 26/11/2024G) and to Eligible Persons who purchased the Rights shares during the Trading Period, including Registered Shareholders who purchased additional Rights in addition to the Rights they already own. In the event that the Eligible Persons do not exercise their right to subscribe to New Shares by the end of the Offering Period, the Rump Shares (resulting from non-exercise of those rights or their sale by Eligible Persons) will be offered to Institutional Investors during the Rump Offering Period.

Registered shareholders may trade in the Right deposit in their portfolios through the Saudi Stock Exchange («**Tadawul**»). These Rights are considered acquired rights for all shareholders registered in the Company's records at the end of the second Trading Day following the extraordinary general assembly approving the capital increase. Each right entitles its holder to subscribe for one New Share at the Offer Price. The Rights will be deposited after the EGA. The Rights will appear in the portfolios of Registered Shareholders under a new symbol for Rights Issue, and shareholders will be notified of the deposit in their portfolios.



Rights shares will be offered according to the phases and dates set out below:

- **Eligibility Date:** Close of trading on the day of the EGA Meeting dated 24/05/1446H (corresponding to 26/11/2024G).
- **Trading Period and Offering Period:** The Trading Period and Offering Period start in three (3) working days after the approval of the Extraordinary General Assembly including approval of the capital increase in Monday 01/06/1446H (corresponding to 02/12/2024G), and the Trading Period will end on Monday 08/06/1446H (corresponding to 09/12/2024G), while the Offering Period will continue until the end of Thursday 11/06/1446H (corresponding to 12/12/2024G). It should be noted that trading hours for Rights Issue start from (10:00) in the morning until three (3:00) in the evening, while subscription hours for Rights Issue start from (10:00) am until (2:00) pm.
- **Rump Offering Period:** The period will start at (10:00) am on Tuesday 16/06/1446H (corresponding to 17/12/2024G) until the following day at (5:00) pm on Wednesday 17/06/1446H (corresponding to 18/12/2024G). During this period, Rump Shares will be offered to several Institutional Investors (referred to as «**Investment Institutions**»). These Investment Institutions shall make offers to buy the Rump Shares during the Rump Offering Period. The Rump Shares will be allocated to the Investment Institutions in order of priority based on the price per Share offered (provided that it is not less than the Offer Price) with shares being allocated on a proportional bases among those Institutional Investors that tendered offers at the same price. Fractional Shares will be added to the Rump Shares and treated in the same manner. In the event that the price of the unsubscribed shares is higher than the offer price, the difference (if any) shall be distributed as compensation to holders of Rights Issuer who did not subscribe for their Rights in proportion to the Rights they own.
- **Final Allocation of Shares:** Shares will be allocated to each investor based on the number of Rights properly and fully exercised thereby. As for Shareholders entitled to fractional Shares, these shall be accumulated and offered to Institutional Investors during the Rump Offering. The total remaining Offer Price will be paid to the Company, and the remaining proceeds from the sale of the Rump Shares and fractional shares (above the Offer Price) shall be paid to the Eligible Persons, each according to what he deserves, no later than Thursday 02/07/1446H (corresponding to 02/01/2025G).
- **Trading of New Shares on the Exchange:** Trading in the New Shares will start on Tadawul upon the completion of all procedures relating to the registration, allocation and listing of the New Shares. The period between the end of subscription for New Shares and the deposit of shares in the Shareholders' portfolios will be (9) working days.

12-5 Eligible Persons Non-participating in the New Shares Subscription

Registered shareholders who do not participate fully or partially in the Subscription of New Shares may experience a loss and a decrease in their ownership percentage in the Company, in addition to a decrease in the value of their currently held shares. However, Registered Shareholders who



do not exercise their subscription rights will retain the same number of shares they owned prior to the capital increase.

Non-participating Eligible Persons in the Subscription for New Shares will not receive any benefits or rewards in exchange for their eligible rights shares, except for receiving cash compensation from the proceeds of the Rump Shares, each according to what his due amount (if any). The Registered Shareholders will retain the same number of shares they held before the capital increase. If the Institutional Investors wish to buy the Rump Shares at the Offer Price only, or if they do not wish to subscribe to shares, and therefore the Underwriter buys the Rump Shares at the Offer Price, the Eligible Persons who did not participate in the Subscription will not receive any compensation due to not exercising their Rights in the New Shares.

If the Rump Shares are sold to Institutional Investors at a higher price than the Offer Price, the compensation amount will be determined for Eligible Persons who did not participate in subscribing to the New Shares, in whole or in part, according to the following equation:

$$\frac{\text{Amount of the compensation for each remaining share}}{\text{Number of Unsubscribed Shares}} = \frac{\text{Total Proceeds of Rump Offering} - \text{Total Price of Rump Offering}}{\text{Number of Unsubscribed Shares}}$$

12-6 Allocation

The Company and the Lead Manager will escrow account where the subscription proceeds will be deposited. The Rights will be allocated to Eligible persons based on the number of rights exercised in full and correctly. As for fractional share owners, these shall be collected and offered to Institutional Investors during the Rump Offering Period. The total proceeds of the Offer Price of the Rump Shares shall be paid to the Company, and the remaining proceeds from the sale of the Rump Shares and fractional shares (if any) (exceeding the Offer Price) will be paid to Eligible Person no later than Thursday 02/07/1446H (corresponding to 02/01/2025G). It is important to note that investors who did not subscribe or sell their Rights, as well as fractional share owners, may not receive any compensation if the sale occurs during the Rump Offering Period at the Offer Price. If there are remaining shares after that, the underwriter will purchase those Rump Shares. The allocation will be made available to him at the offering price of eleven (11) Saudi Riyals per share. There will be no compensations for investors who did not subscribe or sell their Rights, and for shareholders with fractional shares during the Rump Offering Period.

Final notice for the number of Shares allocated to each Eligible Person is expected to take place by depositing the shares into the accounts of Subscribers without any charges or withholdings by the Lead Manager. Eligible Persons shall contact the branch of the Broker where they have submitted the Subscription Application Form to obtain any further information. The announcement regarding the allocation shall be made no later than Sunday 21/06/1446H (corresponding to 22/12/2024G).

12-7 Compensation Payment and Surplus Refund

Compensation and surplus return representing the remaining proceeds of the offering operations, if any, exceeding the Offer Price, will be paid by the Lead Manager, in coordination with the Company, to Eligible Person who did not fully or partially participate in the subscription wholly



or partially to the Rights Issue shares without any commission or deductions through the escrow account no later than Thursday 02/07/1446H (corresponding to 02/01/2025G). The amounts will be deposited in the bank accounts associated with the portfolios of Eligible Persons who did not exercise their right to subscribe to the New Shares and those entitled to fractional shares.

12-8 Supplementary Prospectus

In accordance with the requirements of Article (49) of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary prospectus to the Capital Market Authority. If the Company becomes aware at any time after the date of publication of this Prospectus and before the completion of the offering that:

- there is a significant change in fundamental matters in this prospectus; or
- the occurrence of important matters that should have been included in this prospectus.

An investor who subscribed to the New Shares before the publication of the supplementary offering prospectus may cancel or amend his subscription to these shares before the end of the Offering Period.

12-9 Suspension or Cancellation of the Offering

The Capital Market Authority may at any time issue a decision to suspend the offering if it deems that the offering may result in a breach of the Capital Market Law, its Implementing regulations, or market rules. It is also possible for the offering to be canceled if the extraordinary general assembly does not approve any of the offering details.

12-10 Restrictions on Trading in Rights Issue

with Exception of the regulatory restrictions imposed on publicly listed shares, there are no restrictions imposed on trading the Rights.

12-11 Questions and Answers about the Rights Issue

What are priority rights?

Rights Issue are tradable securities that give the holder the right to subscribe for New Shares offered, upon the extraordinary general assembly approval on the capital by issuing new shares. All shareholders registered in the Company's Shareholders Register at the Depository Center at the end of the second trading day following the date the EGA's meeting approving the capital increase will be entitled to receive said Rights. Each right grants its holder the eligibility to subscribe for one New Share at the Offer Price.

Who is granted Rights Issue?

All shareholders registered in the Company's Shareholders register at the Depository Center by the end of the second Trading Day following the date of the extraordinary general assembly meeting approving the increase the capital.



When are Rights Issue deposited?

After the extraordinary general assembly meeting approval on the capital increase through the offering of Rights Issue, the Rights Issue are deposited as securities in the portfolios of the shareholders in the Company's Shareholders Register at the Depository Center by the end of the second Trading Day following the date of the extraordinary general assembly meeting. The Rights will appear in their portfolios under a new symbol specific to Rights Issue, and trading or subscription in these Rights will only be allowed at the beginning of the Trading and Subscription Periods.

How are the investors notified of Rights Issue being deposit in their portfolio?

The shareholder is notified through the Company's announcement on Tadawul website m, through the «**Tadawulaty**» service provided by the Securities Depository Center Company (Edaa), and through short text messages sent by brokerage firms.

How many Rights Issue can be acquired by a Registered shareholder?

The number is subject to the Rights Issue ratio and the number of the current Shares held by the Shareholder in the capital as well as in the Company Shareholders' Register at the Securities Depository Center Company (Edaa) at the end of the second trading day following the Extraordinary General Assembly's meeting approving the capital increase.

What is the Subscription Eligibility Ratio factor?

It is the ratio that enables the Registered Shareholder to know how many Rights he/she is entitled to in relation to the current shares that he/she already owns at the end of the second trading day following the EGA's meeting approving the capital increase. This factor is calculated by dividing the number of new shares by the number of the current shares of the Company, and accordingly, the eligibility ratio is (1.1429) Rights approximately for every (1) share owned by the Registered Shareholder on the eligibility date. Thus, if a Registered Shareholder owns (1,000) shares on the eligibility date, then he/she will be allocated (1,142) Rights in exchange for the shares he/she owns.

Will the name and trading symbol of these rights differ from the name and symbol of the Company's shares?

Yes, the acquired right will be added to the investors' portfolios under the original share name, with the addition of the term «**Rights Issue**» and a new symbol for these rights.

What is the value of the Rights at the beginning of trading?

The opening price of the Right will be the difference between the closing price of the Company's share on the day prior to the inclusion of the Rights and the Offer Price (the indicative value of the Right). For example, if the closing price of a share on the previous day is fifteen (15) Saudi Riyals and the Offer Price is eleven (11) Saudi Riyals, the opening price of the Rights upon the commencement of trading will be four (4) Saudi Riyals.



Who is a Registered shareholder?

Any shareholder who owns shares at the end of the Trading Day of the extraordinary general assembly meeting approving the capital increase and is registered in the Company's Shareholders register at the Depository Center by the end of the second Trading Day following the date of the extraordinary general assembly meeting.

Can registered shareholders subscribe to additional shares?

Yes, Registered Shareholders can subscribe to additional shares by purchasing New Rights during the Trading period and then subscribing to them during the Subscription Period after the purchase and settlement of Rights.

Is it possible for a registered shareholder to lose their eligibility to subscribe even if he/she has the right to attend the extraordinary general assembly meeting and vote on the increase of capital by offering Rights Issue?

Yes, the Shareholder loses his/her eligibility to subscribe if he/she sells his/her shares on the day of the EGA's meeting approving the capital increase or one business day prior to said meeting.

How is the Subscription process implemented?

The Subscription process is implemented, as is currently being done, through submitting Subscription Applications during the Subscription Period through the investment portfolio on trading platforms where buying and selling orders are entered, in addition to the possibility of subscription through any other means provided by the broker for investors and custodians of shares.

What are the trading and subscription periods?

Trading and Subscription of rights begin simultaneously after (3) three business days from the approval of the extraordinary general assembly including approval of the capital increase, until the end of trading on the sixth day, while Subscription continues until the ninth day as mentioned in this Prospectus and the Company announcements.

Can an Eligible person subscribe to more shares than the Rights owned by him/her?

An Eligible Person cannot subscribe to more shares than the rights owned by him/her.

Is it possible to Subscribe more than once and through more than one broker?

Yes, it is possible and the number of New Shares that can be subscribed through each broker will depend on the number of Rights available in the investment portfolio of the relevant broker. In all cases, it must be taken into consideration that the quantity of new subscribed shares does not exceed the number of Rights Issue owned at the end of the Rights Issue's Trading Period, as such will result in cancellation of the subscription application.



If the Company shares are acquired through more than one investment portfolio, in which portfolio will the Rights Issue be deposited?

Rights will be deposited in the same portfolio where the Company's rights-related shares are deposited. For example, if a shareholder holds one thousand (1,000) shares in the Company: (800) shares in portfolio (A) and (200) shares in portfolio (B), then the total Rights amounting to (499) Rights, as each share is eligible for (0.4997) Rights. Therefore, (400) Rights will be deposited in portfolio (A) and (99) Rights will be deposited in portfolio (B). Any fractional shares will be added to the remaining shares and sold during the remaining offering period, and the total proceeds from the Rump Offering (if any) shall be distributed to the Eligible Persons, without deducting any fees or deductions, according to their entitlements.

Can holders of subscription and trading certificates exercise their rights?

Yes, they can, but they cannot trade until they deposit the certificates in investment portfolios through brokers or the Depository Center, and submit the necessary documents before the end of the Subscription Period.

What happens if New Shares are subscribed and Rights are subsequently sold?

If a Registered Shareholder sells the Rights Issue without purchasing the number of Rights equivalents to the number of rights subscribed before the end of the Trading Period, the Subscription Application will be rejected entirely if all Rights are sold or partially in an amount equal to the number of sold Rights the Registered Shareholder will be notified and refunded the rejected subscription amount by the broker.

Are additional Rights purchasers entitled to trade them once again?

Yes, they can sell them and purchase other Rights during the Trading Period only.

Is it possible to sell a part of the Rights Issue?

Yes, an investor can sell a part of these Rights and subscribe to the remaining part.

When can a shareholder subscribe for the Rights Issue, he/she purchased during the Trading Period?

After the settlement of the purchase of Rights (which is two working days), provided that the subscription for Rights Issue is completed during the Subscription Period.

Can the Eligible Person sell or assign the Rights Issue after the end of the Trading Period?

No, it is not possible. After the end of the Trading Period, the Eligible Person may only exercise the right to subscribe for the Rights Issue Shares or not. In case the Right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio.

What happens to the Rights Issue that are unsold or unsubscribed for during the Trading and Subscription Periods?

If the New Shares are not fully subscribed for during the Subscription Period, the remaining New Shares will be offered for subscription through an offering to be organized by the Lead Manager.



The amount of compensation (if any) to the Rights holder will be calculated after deducting the subscription value. The investor may not receive any compensation if the sale occurs during the Rump Offering Period at the Offer Price.

Who has the right to attend the extraordinary general assembly and vote on the capital increase through offering Rights Issue?

Shareholders registered in the Company's Shareholder Register at the Depository Center after the end of the Trading Day of the extraordinary general assembly regarding the capital increase have the right to attend the extraordinary general assembly and vote on the Company's capital increase through offering Rights Issue.

When is the share price adjusted as a result of increasing the Issuer's share capital through a Rights Issue?

The share price is adjusted by Tadawul before the start of trading on the next day after the extraordinary general assembly.

If an investor purchased securities on the day of the general assembly, are they entitled to the Rights Issue resulting from the Company's capital increase?

Yes, the investor will be registered in the Company's Shareholder Register after two working days from the date of purchasing the shares (i.e., by the end of the second Trading Day following the date of the extraordinary general assembly). However, they will not be entitled to attend or vote at the extraordinary general assembly related to the capital increase.

If an investor has multiple portfolios with multiple brokerage firms, how will his/her Rights be calculated for him/her?

The investor's share will be distributed among the portfolios he/she owns, based on the ownership percentage in each portfolio. Any fractional shares will be accumulated, and if they reach a whole number or more, the whole number will be added to the portfolio where the investor holds the most rights.

Will there be any additional fees for trading Rights Issue?

The same commissions will be applied to purchasing and selling transaction as with shares, but without a minimum commission amount, provided that the maximum limit does not exceed fifteen and a half basis points (0.155%) of the total value of the deal.

Can subscription occur during the weekend?

No, it cannot.

Can non-registered shareholders subscribe to Rights Issue?

Yes, they can, after purchasing the priority rights during the trading period.



12-12 Trading New Shares:

Trading of the New Shares will begin when all relevant procedures are completed. It is expected to occur after the allocation of New Shares, and the start of trading will be announced at a later date.

12-13 Decisions and Approvals Under Which New Shares Will Be Offered

The decisions and approvals under which the shares will be offered include:

- Recommendation of the Board of Directors dated 02/03/1445H (corresponding to 17/09/2023) to increase the Company's capital by issuing Rights Issue worth four hundred and twenty-five million (425,000,000) Saudi Riyals and the Board of Directors' decision dated 15/08/1445H (corresponding to 25/02/2024) to set the offering price at eleven (11) Saudi Riyals per share, making the total proceeds of the offering four hundred and sixty-seven million and five hundred thousand (467,500,000) Saudi Riyals.
- Non-objection of the Saudi Central Bank to the capital increase dated 06/05/1445H (corresponding to 20/11/2023) and the extension of the non-objection of the capital increase received from the Insurance Authority for an additional three months dated 02/11/1446H (corresponding to 08/15/2024G).
- Approval of the Saudi Tadawul Group for the request to list Rights Issue dated 06/10/1445 H (corresponding to 15/04/2024 G)
- Approval of the Capital Market Authority (CMA) on the issuance of the prospectus and all supporting documents requested, dated 01/02/1446 H (corresponding to 05/08/2024 G)
- Approval from the extraordinary general assembly of the Company's Shareholders held on 24/05/1446H (corresponding to 26/11/2024G) to increase the Company's capital through the issuance of Rights Issue. The Subscription entails the offering forty-two million five hundred thousand (42,500,000) ordinary shares at an offering price of eleven (11) Saudi Riyals per share, with a nominal value of ten (10) Saudi Riyals per share, and a nominal offering value of four hundred and twenty-five million (425,000,000) Saudi Riyals and a total value of offering of four hundred and sixty-seven million five hundred (467,500,000) Saudi Riyals, in order to increase the Company's capital from eight hundred and fifty million five hundred and eighty-three thousand two hundred and fifty (850,583,250) Saudi Riyals to one billion two hundred and seventy-five million five hundred and eighty-three thousand two hundred and fifty (1,275,583,250) Saudi Riyals, divided into one hundred and twenty-seven million five hundred and fifty-eight thousand three hundred and twenty-five (127,558,325) ordinary shares.

12-14 Miscellaneous Clauses:

- The Subscription Application, along with all related terms, conditions, and undertakings stipulated in this prospectus, shall be binding and for the benefit of its parties, applicants, successors, assignees, executors, and heirs provided that, except as specifically provided



in this prospectus, no waiver of the application or any rights, interests, obligations arising therefrom, or delegation thereof to any of the parties referred to in this Prospectus shall be made without the prior written consent of the other party.

- These instructions, and any receipt for Subscription Application or related contracts, be governed, construed, interpreted and enforced in accordance laws of the Kingdom of Saudi Arabia and shall be interpreted accordingly.
- This Prospectus can be distributed in both Arabic and English. In the event of a difference between the two versions, the Arabic prevails. The Capital Market Authority (CMA) may, at any time, issue a decision to suspend the offering if it deems that the offering may violate the Capital Market Law, its Implementing regulations, or market rules. Moreover, the offering may be canceled if the extraordinary general assembly does not approve any details of the offering.
- According to Article (49) of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary prospectus to the CMA if it becomes aware, at any time after the publication date of the prospectus and before the completion of the offering that: (1) there is a significant change in fundamental matters in this prospectus; or (2) the occurrence of important matters that should have been included in this prospectus. In these cases, the Company is required to submit to the Authority a supplementary prospectus in accordance with the requirements of the rules for offering securities and continuing obligations, and then the supplementary prospectus will be issued and the new subscription dates announced. It is also possible to suspend this subscription if the Extraordinary General Assembly does not approve any of its details.

Additional Assistance: For any inquiries, please contact the Company via email walaa@walaa.com. For legal reasons, the Company will only provide the information contained in this Prospectus, and it will not be able to provide advice on the merits of the Rights Issue or even provide financial, tax, legal, or investment advice.

12-15 Statement of Any Existing Arrangements to Prevent Disposal of Certain Shares

There are no arrangements in place to prevent the disposition of any shares.

**Change in
Share Price
as a result of
the Capital
Increase**

13



13- Change in Share Price as a result of the Capital Increase

13-1 Change in the Share Price as the result of the Capital Increase

The closing price of the Company's shares on the extraordinary general assembly day related to the capital increase is 21.64 Saudi Riyals, and it is expected to reach 18.10 Saudi Riyals at the opening of the following day. This change represents a decrease of 16.4% in the share price. In the event that any of the Shareholders Registered in the Company's Shareholders' Register at the Securities Depository Center do not subscribe by the end of the second Trading Day following the date of the extraordinary general assembly approving the capital increase, their ownership percentage in the Company will decrease.

13-2 Calculation Method of Share Price as a result of the Capital Increase

Firstly, calculating the Company's market value at the close on the day of the extraordinary general assembly approving the capital increase:

Number of shares at the end of the Extraordinary General Assembly Day x Closing price of the Company's share on the day of the Extraordinary General Assembly = Market value of the Company at close on the day of the Extraordinary General Assembly.

Secondly, calculating the share price at the opening of the day following the extraordinary general assembly day approving the capital increase:

(The market value of the Company at closing the day of the EGA + the value of the shares offered) / (the number of shares at the end of the day of the EGA + the number of shares offered for subscription) = the share price expected in the opening day following the day of EGA.

Subscription Declarations

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14- Subscription Declarations

14-1 Overview of the Subscription Application and Declaration

Subscription can be done through trading platforms or any other means provided by the broker to investors. Subscription for the New Shares will be available in one phase as follows:

- During such period, all Registered Shareholders and New Investors are entitled to subscribe to the New Shares. Registered shareholders may during the Subscription Period directly subscribe for the New Shares prorated to its own shares. In case the Registered Shareholder purchases new rights, he or she will be allowed to subscribe for them after the end of the settlement period (two business days).
- New Investors are entitled to subscribe for the New Shares after the end of the settlement period (two business days).
- Subscription will be available electronically through the investment portfolio on the trading platforms and applications through which sale and purchase orders are entered, as well as other means provided by the broker. Subscription will only be approved for the number of new shares eligible under the priority rights in the investment portfolio.

Each right entitles its holder to subscribe for one New Share at the Offer Price. The Subscriber to the New Shares shall acknowledge the following:

- Acceptance of all terms and conditions for Subscription stated in this Prospectus.
- Having carefully reviewed and understood the contents of this Prospectus.
- Acceptance of the Company's Bylaws.
- Undertaking not to cancel or modify the subscription application its admission.

14-2 Allocation Procedures

The Rights Issue will be allocated to the Eligible Persons based upon the number of Rights exercised in full and properly. As for those entitled to Fractional shares (if any) s, the fractions will be aggregated and offered to Institutional Investors during the Rum Offering Period (if any). The total Offer Price of the Rump Shares offered will be settled, and the proceeds from the sale of the Rump Shares and Fractional Shares (if any) will be distributed to the Eligible Person each according to his/her dues, no later than Thursday 02/07/1446H (corresponding to 02/01/2025G). In the event of remaining shares after that, the Underwriter will purchase those remaining new shares and they will be allocated to them. There will be no compensation for investors who did not subscribe or sell their Rights and for Fractional Shares owners during the Rump Offer Period.

Eligible Persons shall contact the broker through which they have submitted their Subscription Applications Form to obtain additional information. Notification of the final allocation results will be made no later than no later than Sunday 21/06/1446H (corresponding to 22/12/2024G).



14-3 Saudi Tadawul Group (Tadawul)

On 25/08/1442 H (corresponding to 07/04/2021 G), the Saudi Stock Exchange announced its conversion into a holding company under the name «**Saudi Tadawul Group**». With a new structure aimed at supporting the development of the Saudi's Capital Market's future and ensuring its continued growth. It is also a step towards preparing the Group for its initial public offering (IPO) during the year 2021. The Saudi Tadawul Group comprises four (4) subsidiary companies: Saudi Tadawul as a securities market, Securities Depository Center Company (Edaa), the Securities Clearing Center Company (Muqassa), and Wamid Company, which specialized in technical services and solutions based on innovating. Thus, the Group benefits from the integration of the services provided by its subsidiaries and joint ventures, while ensuring the independence of these subsidiaries to provide a flexible and innovative working environment characterized by flexibility and innovation to keep pace with rapid developments in global markets.

Regarding the Tadawul system, it was established in 2001 as an alternative system to the Electronic Securities Information System, and electronic stock trading in the Kingdom began in 1990.

The trading process takes place through an integrated electronic system, which covers the entire trading process from execution to settlement. Trading takes place on every business day from Sunday to Thursday, in a single period from 10:00 AM to 3:00 PM during which orders are executed. Outside these hours, orders can be entered, modified, or canceled from 9:30 AM to 10:00 AM. New restrictions and inquiries can be made starting from 9:30 AM for the opening session at 10:00 AM. These times may change during Ramadan and will be announced by the Tadawul Management.

The transaction is executed through automatic matching orders and orders are received and prioritized according to the price. In general, the market orders are executed first, which are the orders that include the best prices, followed by the fixed-price orders, and in the event that several orders are entered at the same price, they are executed according to the time of entry.

The Tadawul system distributes comprehensive market information through various channels, including the Tadawul website and electronic trading information link, providing real-time market data to recognized information providers such as «**Reuters**.» Settlement of transactions takes place within two business days, meaning that the transfer of ownership of shares occurs after settlement (two business days from the execution date of the transaction).

The Company is required to disclose all decisions and important information for investors through the Tadawul system. The Trading system is responsible monitoring the market, with the aim of ensuring fair trading and the efficiency of market operations.

14-4 Trading of Company Shares on the Saudi Stock Market

An application has been submitted to the Capital Market Authority (CMA) to register and offer Rights Issue shares on the Saudi Stock Exchange, and a request has been made to the Saudi Stock Exchange (Tadawul) for their listing. This Prospectus has been approved, and all requirements have been met.



It is expected that the listing and offering of Rights Issue on the Saudi Stock Exchange will commence once the final allocation of Rights Issue has been concluded, which will be announced in due course on Tadawul website. The dates and times mentioned in this Prospectus are preliminary and subject to change with the approval of the Capital Market Authority.

Although Current Shares are registered on the Saudi Stock Market and the Company's shares are listed on the Saudi Stock Exchange (Tadawul), trading in the New Shares is not permitted until the final allocation process is approved and they are deposited in the subscriber's ' portfolios. Trading in new shares is strictly prohibited before the final allocation process is approved.

The underwriters and the bidders of the Rump Offer who deal in these prohibited trading activities bear full responsibility for them, and the Company will not bear any legal responsibility in this case.

Documents
Available for
Inspection

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15- Documents Available for Inspection

The following documents will be available for inspection at the Company's headquarters located in Al Khobar - 4513 Khadem Al Haramain Al Sharifain Road - Postal Code 34621 - Extension 8615 from Sunday to Thursday, between 8:00 AM and 5:00 PM, on the first working day after the date of the invitation to convene the extraordinary general assembly, provided that this period does not exceed fourteen (14) days before the date of the extraordinary general assembly meeting regarding the increase in capital. These documents will remain available for inspection until the end of the offering.

15-1 Bylaws of the Company and Other Constituent Documents

- Commercial Registration Certificate
- Bylaws.
- Memorandum of Association.

15-2 Approvals related to the Offering

- Board of Directors recommendation to increase the Capital.
- Saudi Central Bank's non-objection to the increase in the Company's capital.
- Conditional Approval of the Saudi Stock Exchange Group (Tadawul) for listing New Shares.
- Approval of the Capital Market Authority for offering of Rights Issue.
- Extraordinary General Assembly resolution approving the increase in capital.

15-3 All Reports, Letters, and Other Documents, Value Estimates, and Statement Prepared by Any Expert, and Any Part of Them or Reference to Them Included in the Prospectus

- Underwriting Agreement and Lead Management Agreement.
- Written consent by the Financial Advisor, Lead Manager, Underwriter, legal advisor, and legal accountants for the use of their names, logos, and statements within the Prospectus.



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