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تكافل الراجحي
Al Rajhi Takaful



22

Annual Report





Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

God save him



His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud

Crown Prince, Prime Minister

God save him

The Board of Directors of Al Rajhi Cooperative Insurance Company (Al Rajhi Takaful) is pleased to present to the honorable shareholders its annual report accompanied by audited financial statements and notes for the fiscal year ending on 31 December 2022, including the most significant developments, financial outcomes, operating activities, and disclosures in accordance with the By-laws and regulations.

Al Rajhi Cooperative Insurance Company

BOD Annual Report

**For the period from
1 January 2022 to 31
December 2022**



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About Al Rajhi Takaful





Our mission

"We deliver protection for our clients through reliable, affordable and innovative solutions"



Our vision

"Reinventing insurance for the Kingdom"



Our values

- Shariah Compliant
- Saudi Family-oriented
- Customer centric
- Trusted Business Partners
- One Team





Abdullah bin Sulaiman Al-Rajhi
Chairman

Chairman's Statement

Dear shareholders of Al Rajhi Company for Cooperative Insurance,

In the context of issuing the annual report for the fiscal year 2022 of Al Rajhi Company for Cooperative Insurance (Al Rajhi Takaful), we are pleased to present to our honorable shareholders the annual report of the Board of Directors along with the audited financial statements and their notes for the fiscal year, including the most important developments, financial results, operating activities and disclosures as required by the laws and regulations in force in Saudi Arabia.

We worked during the past year at Al Rajhi Takaful to achieve the Company's objectives in line with a strategy aligned with Saudi Arabia's Vision 2030 and in a manner that ensured consistent and balanced performance for the Company in its endeavor to be one of the Kingdom's leading insurers through a variety of insurance products attuned to the various needs of our individual, SME and corporate customers in both the public and private sectors, including GI, motor, health and P&S.

We at Al Rajhi Takaful are determined to continue moving forward steadily and constantly towards success and sustainable and growing development.

Lastly, proud of the great achievements that our Company has accomplished in record time, especially when compared to normal growth rates of the Saudi insurance market, we at Al Rajhi Takaful extend our sincere thanks to our customers, success partners, for their trust in us and our Company. We also thank Al Rajhi Takaful staff for their efforts to reach these outstanding results.

Abdullah bin Sulaiman Al-Rajhi
Chairman



01

Company's Profile



Al-Rajhi Company for Cooperative Insurance "Al-Rajhi Takaful" (the Company) was established with a paid-up capital of 200 million Saudi riyals, which increased to 400 million Saudi riyals in 2015. It is a Saudi public joint-stock company that was established pursuant to the Royal Decree No.: R/35, dated 27/06/1429 AH, corresponding to 01/07/2008 AD and the Ministerial Resolution No. 182, dated 07/06/1429 AH. The Company was established in Riyadh with the Commercial Register No. 1010270371, dated 05/07/1430 AH-28/06/2009 AD, which is authorized to practice the insurance activities by the Saudi Central Bank under license No. (T N M/22/200911), dated 29/11/1430 AH - 17/11/2009 AD.

Al-Rajhi Takaful Company has provided the Saudi market over the past years with a variety of insurance services such as vehicle insurance, health insurance, property insurance, personal injury insurance, protection and savings insurance, and general insurance services, in addition to many other insurance products. The company also provides a range of innovative and renewable insurance solutions for individuals, small and medium enterprises and the corporate sector. Al-Rajhi Takaful is proud of its continuous commitment to the principles and values that enhance its excellence in customer care in all its dealings.

02

Company's Strategy

Al-Rajhi Takaful is investing the promising opportunities within the market in light of the anticipated economic developments for the Kingdom's Vision 2030, and working to overcome the challenges in the market by harnessing all available resources, on top of which is the work team that has high and global experience in the field of insurance, enhanced by a range of distinctive insurance products, which have been marketed through multiple sales channels and keeping pace with the changes including the digital transformation and harnessing the technical capabilities in order to achieve the aspirations of customers, both individuals and corporate, to reach the desired goal to make Al-Rajhi Takaful the leading company in the field of insurance.



Significant Developments

Significant Developments during the fiscal year ended on 31 December 2022

a. Extraordinary General Assembly

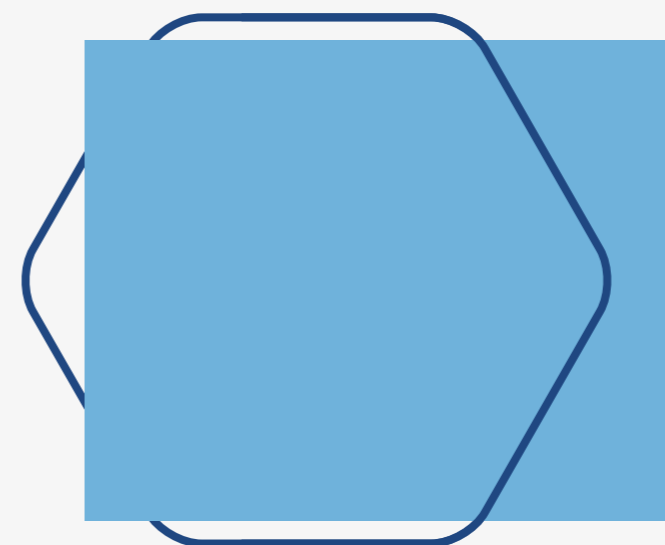
Al-Rajhi Cooperative Insurance Company (Al Rajhi Takaful) announces the results of the Ordinary General Assembly meeting (the first meeting), which was held at 08:00 PM, 22-10-1443 AH Corresponding to 23-05-2022, and tackled the following:

1. Approving the Board of Directors' report for the fiscal year ending 12/31/2021.
2. Approving the Company's auditors 'report for the fiscal year ending 12/31/2021.
3. Approving the financial statements for the fiscal year ending on 31/12/2021.
4. Approving the Board of Directors' quittance for the fiscal year ending 31/12/2021.
5. Approving the remuneration of the Board of Directors for their membership for a total amount of (SR 1,459,234.15) for the fiscal year ending 31/12/2021.
6. Approving appointing the Company's auditors among the candidates and fixing their fees, based on the recommendation of the Audit Committee, to inspect, review
 - Al-Ayuti and Partners as certified accountants and auditors.
 - Al-Azm, Al-Sudairy, Al-Sheikh and Partners (Crowe)

7. Approving amending the remuneration policy for members of the Board of Directors and its sub-committees.
8. Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and Al-Rajhi Bank, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, and the board members: Mr. Saleh bin Abdullah Al-Zumai, Mr. Waleed Abdullah Al Mogbel, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the board member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to SR 709,180.



9. Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and the Saudi Co. For Mfg. Carpet Materials, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 60 thousand riyals.



10. Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and Al-Rajhi Capital Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, the Board Members: Mr. Saleh Abdullah Al Zumaie, Mr. Waleed Abdullah Al Mogbel, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the board member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 1,144 thousand riyals.

11. Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and Al-Rajhi Capital Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, and Board Members: Mr. Saleh Abdullah Al Zumaie, Mr. Waleed Abdullah Al Mogbel, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the board member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is income and fees for investment funds, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 8,732 thousand riyals.

12. Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and Fursan Travel Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 1,108 thousand riyals.

13.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and Fursan Travel Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is travel services for the Company's staff, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 1,447 thousand riyals.

14.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and Al-Farabi Petrochemical Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, the Vice Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 18,998 thousand riyals.

15.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and Al-Rajhi Takaful Agency, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, the Board Members: Mr. Saleh Abdullah Al-Zumaie, Mr. Waleed Abdullah Al Mogbel, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the board member Mr. Naif Abdullah Al-Rajhi have

an indirect interest, which is insurance policies and commissions, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 was 7 thousand riyals.

16.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and Marami Food Industries Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al Rajhi have an indirect interest, which is



insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 209 thousand riyals.

17.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and Mada for industrial and commercial investment Company,

in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 502 thousand riyals.

18.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and the Digital Trip Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 82 thousand riyals.

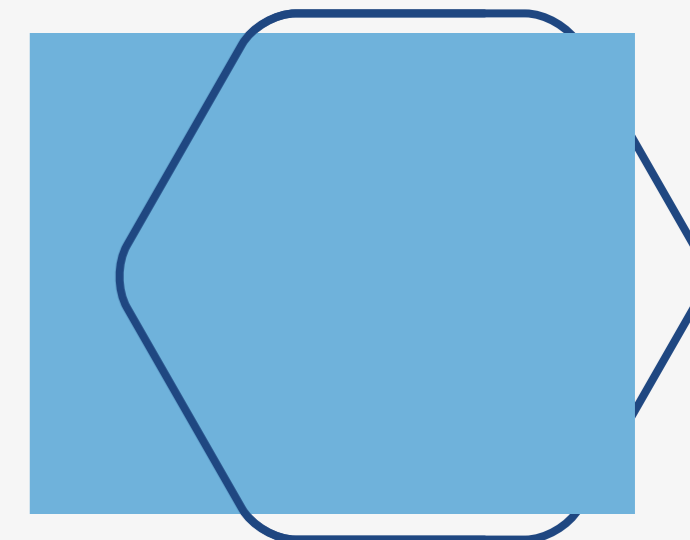
19.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and the Jubail Saudi Company for Geotextile, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect

interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 25 thousand riyals.

20.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and Sulaiman Al-Rajhi Real Estate Investments Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest,



which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 19 thousand riyals.

21.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and the Saudi Waterproofing Company, in which the Chairman of the Board of Directors Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any Preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 97 thousand riyals.

22.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and the Green Vision Company, in which the Chairman of the Board of Directors Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential

terms or advantages, noting that the value of transactions during the year 2021 amounted to 38 thousand riyals.

23.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and the Triomada Plastic International Co., in which the Chairman of the Board of Directors Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 454 thousand riyals.

24.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and the Takatuff Holding Group, in which the Chairman of the Board of Directors Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 47 thousand riyals.

25.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and the Al Rajhi Holding Group, in which the Chairman of the Board of Directors Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 192 thousand riyals.

27.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and the Homeland Legacy Real Estate Development Company, in which the Chairman of the Board of Directors Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 286 thousand riyals.

28.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and the Jeddah Legacy Real Estate Development Company, in which the Chairman of the Board of Directors Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 3 thousand riyals.

26.

Approving the contracts and business between Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) and the Green Hills Real Estate Development Company, in which the Chairman of the Board of Directors Mr. Abdullah Sulaiman Al-Rajhi, the Vice-Chairman Mr. Saud Abdullah Al-Rajhi, and the Board Member Mr. Naif Abdullah Al-Rajhi have an indirect interest, which is insurance policies, and to be licensed for the coming year without any preferential terms or advantages, noting that the value of transactions during the year 2021 amounted to 11 thousand riyals.

b. Significant developments related to the Saudi Central Bank during the fiscal year ending on 31 December 2022:

The company has received the approval of the Central Bank of Saudi Arabia (SAMA) for the following products:

- 1. Comprehensive vehicle insurance product in accordance with the comprehensive vehicle insurance rules issued by the Central Bank of Saudi Arabia on 11/08/2022 AD. The date of receiving the approval is 12-29-2022 AD.
- 2. Construction guarantee insurance product for buildings for group clients. The date of receiving the approval is 09-25-2022 AD.

c. Significant developments related to the Health Insurance Council during the fiscal year ending on 31 December 2022:



The company received an e-mail from the General Secretariat of the Cooperative Health Insurance Council on 05/26/1443 AH corresponding to 12/30/2021, including the renewal of the company’s qualification at the Council of Cooperative Health Insurance for a period of one year starting from 01/03/2022.

d. Significant developments related to the strategic agreements concluded with the company during the fiscal year ending on 31 December 2022:

- 1. The Company signed a contract with Rabigh Refining and Petrochemical Company (Petro Rabigh) on 12-27-2022



e. Important developments related to the membership of the Board of Directors:

There are no significant developments related to the membership of the Board of Directors during the fiscal year ending on December 31, 2022.

A modern office interior with a blue tint. The image shows rows of white desks with black office chairs. A person is visible working at a desk in the background. The ceiling has exposed ductwork and lights. The right side of the image is overlaid with a dark blue shape containing white text. The bottom left corner has a pattern of white dots.

Description of major types of activities, plans

04

Description of major types of activities, plans, decisions and future expectations for the company's business:

The company has carried out the insurance activity in the Kingdom of Saudi Arabia according to the following classification:



General insurance:

It includes a number of products, including but not limited to, vehicle insurance, engineering insurance, fire, general accident policies, marine insurance, and insurance against medical errors;



Health insurance:

It includes providing health insurance programs for small, medium and large groups in line with the market needs and consistent with the Council of Cooperative Health Insurance system.



Protection and savings insurance:

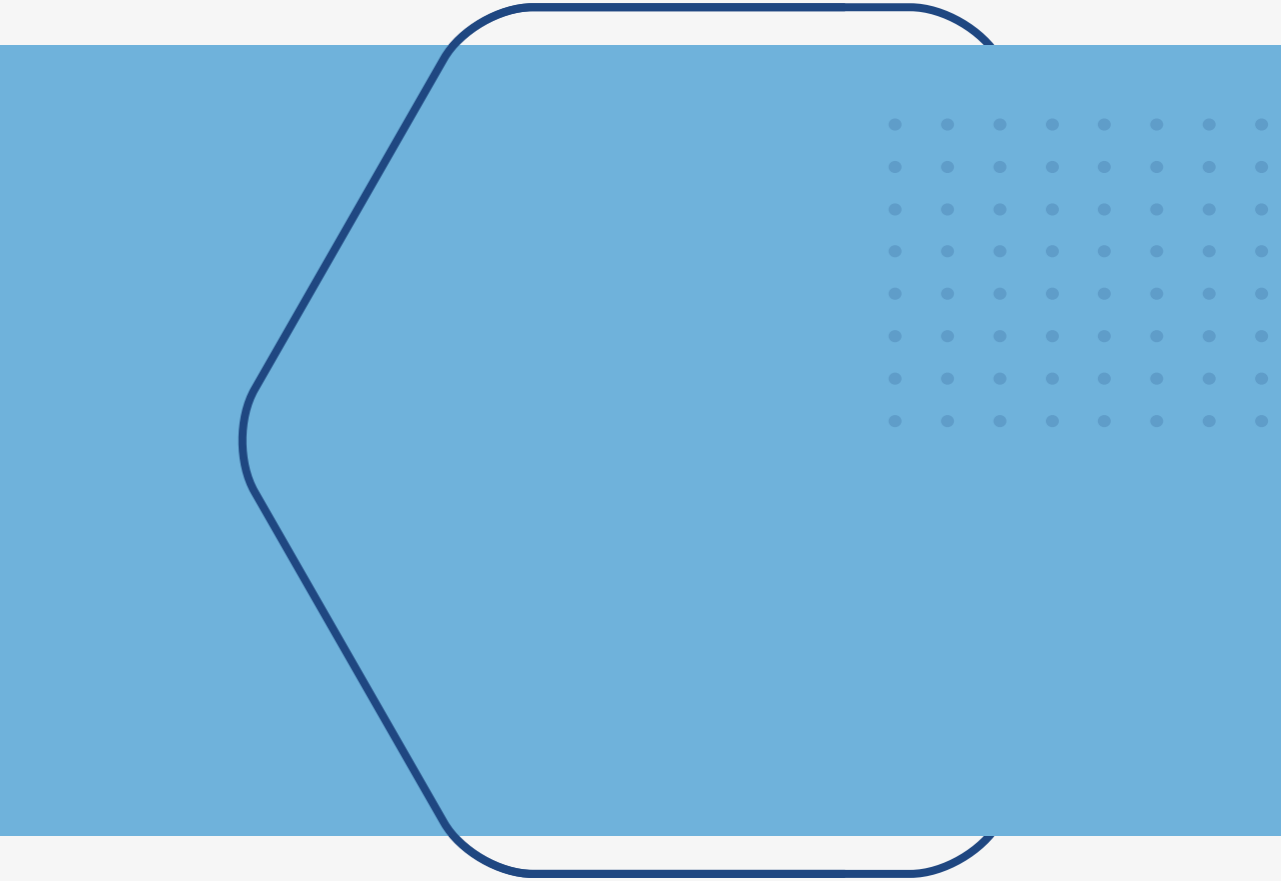
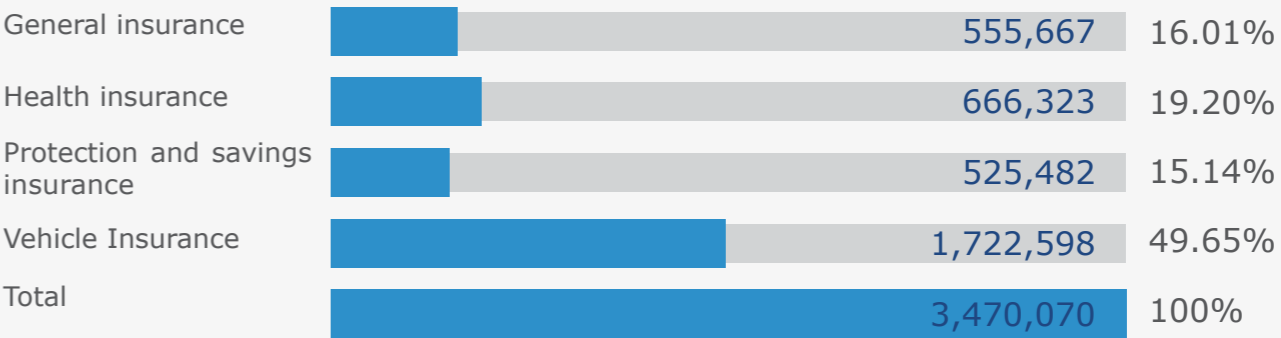
It includes providing insurance and savings programs for individuals and groups, including but not limited to investment, education, retirement, group insurance and debt insurance.

A statement of results of these sectors and their impact on the volume of business and their contribution to the company’s outcomes for the year 2022 is detailed as follows:

	Income Statement – Policyholders	General	Vehicles	Health	Protection and savings	Total
1	Total subscribed Takaful contributions	555,667	1,722,598	666,323	525,482	3,470,070
2	Net subscribed Takaful contributions	36,657	1,712,897	666,323	370,130	2,786,007
3	Net earned Takaful contributions	40,681	1,499,148	532,005	371,995	2,443,829
4	Reinsurance commissions and other revenues	37,574	5,587	(3)	2,691	45,849
5	Total subscription revenues	78,255	1,504,735	532,002	374,686	2,489,678
6	Total paid-up claims	(37,923)	(1,334,233)	(340,270)	(234,332)	(1,946,758)
7	Net incurred claims	(8,989)	(1,222,581)	(456,947)	(130,040)	(1,818,557)
8	Subscription costs of insurance policies	(13,633)	(183,204)	(25,899)	(119,148)	(341,884)
9	Other expenses	1,374	(6,331)	(5,580)	(74,942)	(85,479)
10	Total claims and other expenses	(21,248)	(1,412,116)	(488,426)	(324,130)	(2,245,920)
11	Surplus of subscription operations for the period	57,007	92,619	43,576	50,556	243,758
12	Provision for doubtful debts	0	0	0	0	20,846
13	Investment income	0	0	0	0	61,286
14	Other revenues	0	0	0	0	12,641
15	Management fees related to operating activities	0	0	0	0	(259,641)
16	Net annual surplus	0	0	0	0	78,890
17	Management fees related to the operating activities of the shareholders	0	0	0	0	(71,001)
18	Net distributable surplus for policyholders	0	0	0	0	7,889

* Outcomes of the company’s sectors for the year 2022 in thousands of Saudi riyals

The impact of these main activities on the company’s business volume in thousands Saudi riyals and its contribution to the results is detailed as follows:





Description of significant schemes, decisions

05

Description of significant schemes, decisions, future expectations and risks of the company's business

In line with the general strategy of the company and the directives of the Board of Directors, the company's management exerts great efforts to enhance its technical capabilities, and develop human resources. In addition to work on e-business applications and raise the efficiency of the infrastructure in order to fulfill its technical capacity and increase its share in the local market, geographical spread, and improve performance in the departments of subscription, claims, marketing and sales to ensure better outcomes. Additionally, the Human Resources Department has been concerned with attracting competencies in order to support the technical and administrative company's staff, along with adhering to the rates determined by the regulatory authorities regarding Saudization by virtue of a well-informed plan, with its application at all administrative levels of the company. Accordingly, the company anticipates encountering several future risks that could affect its business, namely:

a.

Risks of Reinsurance

Throughout its business cycle, the company reinsures with other parties in order to reduce the potential financial losses that may arise from the massive insurance claims, as the entrusted reinsurance agreements do not exempt the company from its obligations towards policyholders. Hence, the company exerts its effort to reduce the risk of losses arising from the bankruptcy of reinsurance companies, which assisted on assessing the financial position for the reinsurance companies and control the credit risks resulting in geographical areas and activities and economic characteristics similar to reinsurance firms.

b.

Capital Management Risks

Capital risk is determined by the Saudi Central Bank, with the purpose of providing sufficient liquidity in the event of the company's bankruptcy. The company also sets other objectives to maintain the balance of capital ratios in order to support the company's objectives and increase the interest in favor of the shareholders.

c.

Risks related to Regulatory Requirements

The company's operations are subject to the requirements of the regulations applicable in the Kingdom of Saudi Arabia. As these regulations shall not only require obtaining approvals and control the company's activity, but also impose certain restrictions such as capital adequacy to decline the risks of deficit and bankruptcy by reinsurers and to enable them to pay their unexpected obligations when they arise

Financial Outcomes

An analysis of the total assets, liabilities, income and expenses of the company’s Takaful operations for the year 2022 in thousands Saudi riyals compared to previous years is detailed as follows:

6-1

	List of Assets and Liabilities as in	2018	2019	2020	2021	2022
1	Takaful operations assets	2,857,512	2,618,488	3,056,016	3,181,959	3,935,720
2	Shareholders' assets	865,329	984,786	1,304,246	1,459,359	1,490,450
3	Total assets	3,722,841	3,603,274	4,360,262	4,641,318	5,426,170
4	Takaful operations liabilities	2,863,223	2,619,543	3,056,947	3,181,959	3,935,720
5	Shareholders' liabilities	91,217	108,512	190,934	191,798	183,236
6	Shareholders' equity	768,401	875,219	1,112,381	1,267,561	1,307,214
7	Total shareholders' liabilities and equity	859,618	983,731	1,303,315	1,459,359	1,490,450
8	Total liabilities of Takaful operations and shareholders' liabilities and equity	3,722,841	3,603,274	4,360,262	4,641,318	5,426,170

6-2

	List of Takaful Operations' outcomes	2018	2019	2020	2021	2022
1	Total subscribed Takaful contributions	2,973,594	2,569,804	2,732,873	2,759,590	3,470,070
2	Net subscribed Takaful contributions	2,863,003	2,436,136	2,316,152	2,207,727	2,786,007
3	Net earned Takaful contributions	2,861,229	2,639,011	2,332,958	2,261,039	2,443,829
4	Reinsurance commissions and other revenues	20,523	11,661	25,712	42,314	45,849
5	Total subscribed revenues	2,881,752	2,650,672	2,358,670	2,303,353	2,489,678
6	Total paid claims	(2,178,187)	(2,331,524)	(1,493,216)	(1,841,859)	(1,946,758)
7	Net incurred claims	(2,321,015)	(2,208,377)	(1,604,466)	(1,722,155)	(1,818,557)
8	Costs of insurance policies subscription	(109,522)	(110,352)	(149,515)	(191,027)	(341,884)
9	Other expenses	(50,946)	(49,261)	(63,742)	(63,661)	(85,479)
10	Total claims and other expenses	(2,481,483)	(2,367,990)	(1,817,723)	(1,976,843)	(2,245,920)
11	Subscription surplus for the period	400,269	282,682	540,947	326,510	243,758
12	Provision of doubtful debts	(50,528)	(17,759)	(44,143)	5,748	20,846
13	Investments and other revenues	70,918	72,738	62,805	58,829	73,927
14	Management fees for managing Takaful operations	(232,963)	(241,195)	(298,019)	(289,905)	(259,641)
15	Net surplus for the period/year	187,696	96,466	261,590	101,182	78,890
16	Management fees relevant to the operating activities of the shareholders	(168,926)	(86,819)	(235,431)	(91,064)	(71,001)
17	Net surplus distributable to policyholders	18,770	9,647	26,159	10,118	7,889

6-3

	List of Shareholders' Operations	2018	2019	2020	2021	2022
1	Management fees for managing Takaful operations	232,963	241,195	298,019	289,905	259,641
2	Management fees related to the operating activities of the shareholders	168,926	86,819	235,431	91,064	71,001
3	Investment and other revenues	16,101	22,066	16,415	24,319	28,867
4	Total revenue	417,990	350,080	549,865	405,288	359,509
5	General and administrative expenses	(232,963)	(241,195)	(298,019)	(289,905)	(259,641)
6	Net income for the period before Zakat	185,027	108,885	251,846	115,383	99,868
7	Zakat provision	(19,500)	(22,700)	(24,800)	(16,912)	(10,250)
8	Net income for the period after Zakat	165,527	86,185	227,046	98,471	89,618
9	Profit per share (SAR) after Zakat	4.14	2.15	5.68	2.46	2.24

07

Auditors’ reservations on the annual financial statements

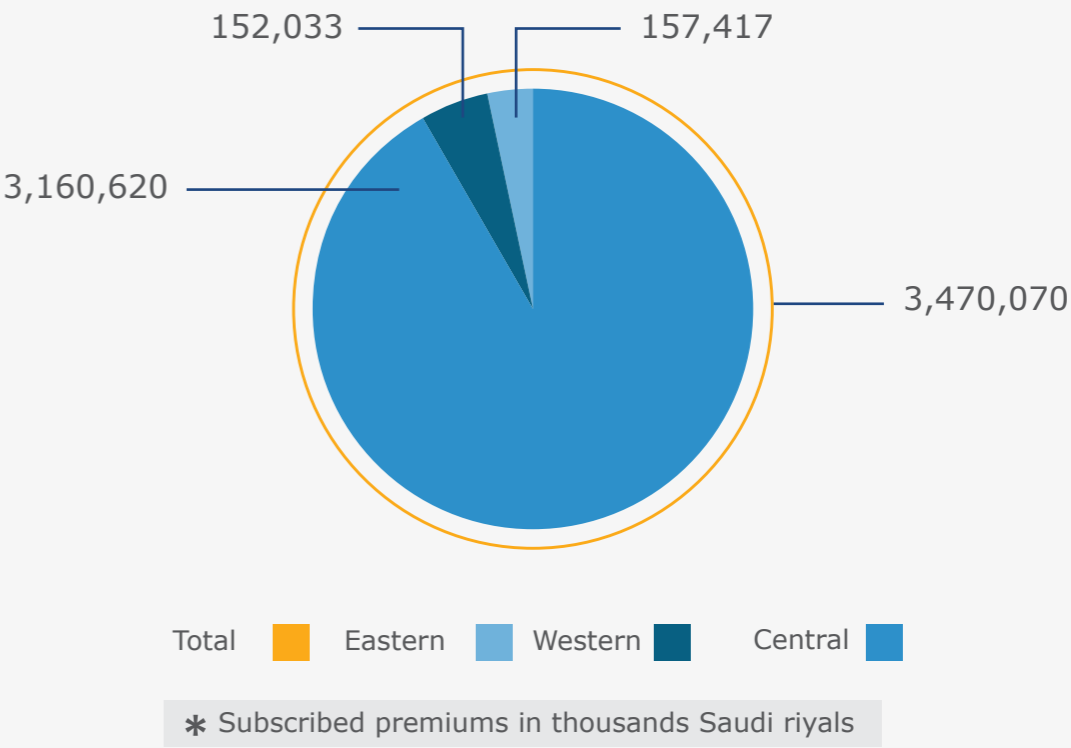
The auditors’ report clarifies that the financial statements are free from any material errors, and there are no reservations towards such financial statements.

08

Geographical analysis of the revenues of the company and its subsidiaries outside the Kingdom of Saudi Arabia

The company’s activities are generally carried out within the Kingdom of Saudi Arabia; i.e. the written premiums are for favor of clients inside the Kingdom and there are no subsidiaries for it abroad.

The following is the distribution of the subscribed premiums to the regions of the KSA for the year 2022:



Operating Results and fundamental differences

- 01** ● The net profit before calculating Zakat during the year 2022 is 99,868 thousand Saudi riyals, compared to the net profit before Zakat, which amounted to 115,383 thousand Saudi riyals for the previous year, with a decrease of 13.45%.
- 02** ● Profitability per share during the year 2022 amounted to 2.24 Saudi riyals, compared to the sum of 2.46 Saudi riyals per share for the previous year, with a decrease of 8.92%.
- 03** ● The surplus of insurance operations with deducing the investment income of policyholders (operating results) during the year 2022 was 17,604 thousand Saudi riyals, compared to an amount of 42,353 thousand Saudi riyals for the previous year, with a decrease of 58.44%.
- 04** ● The Gross written premiums (GWP) during 2022 amounted to 3,470,070 thousand Saudi riyals, compared to 2,759,590 thousand riyals for the previous year, with an increase of 25.75 %.
- 05** ● The net incurred claims during 2022 reached 1,818,557 thousand Saudi riyals, compared to an amount of 1,722,155 thousand Saudi riyals for the previous year; i.e. an increase of 5.60 %.
- 06** ● The net investment profits of policyholders 'investments during the year 2022 amounted to 61,286 thousand riyals, compared to 58,829 thousand riyals for the previous year; i.e. an increase of 4.18%. While the net profits of investments of shareholders' funds during the year 2022 amounted to 28,782 thousand riyals, compared to a sum of 23,291 thousand riyals for the previous year, i.e. an increase of 23.57%.
- 07** ● The Net Profit before Zakat has decreased by SR 15,515 thousand (13.45%) primarily due to the increase in net claims incurred by SAR 96,402 thousand (5.60%), policy acquisition costs by SAR 150,857 thousand (78.98%). The above impact is partially offset by increase in net contributions earned by SAR 182,791 thousand (8.09%), decrease in allowance for doubtful debts by SAR 15,098 thousand (262.67)%, decrease in General and administrative expenses by SAR 30,264 thousand (10.44)% and increase in Other income by SAR 11,698 thousand (1,137.94%).

Accounting Standards applied to the financial statements

By virtue of the requirements of the Saudi Central Bank and the Capital Market Authority, the financial statements have been prepared as per the international standards of financial reporting and have not been prepared in accordance with the generally adopted accounting standards issued from the Saudi Organization for Certified Public Accountants (SOCPA). Accordingly, the company confirms that there are no material differences or financial impact on the financial statements as a result of preparing them in accordance with the international standards other than Saudi accounting standards.

11

Subsidiaries and their main activities

The company conducts the insurance business within the Kingdom of Saudi Arabia only, and it has no subsidiary companies, whether inside or outside the Kingdom

excluding its contribution to Najm Insurance Services Company, as follows:

Subsidiary Name	Najm Insurance Services Company
Legal entity	A closed Saudi joint stock company
Main activity	Insurance services
Headquarter State of its operations	Kingdom of Saudi Arabia
State of incorporation	Kingdom of Saudi Arabia
Capital	Saudi riyals 55,769,320
Company's share	3.45%



12

Number of the company’s requests for the shareholders’ register, the dates and reasons for those requests

	Date of request	Reasons for request
1	10/01/2022	Company's procedures
2	03/02/2022	Company's procedures
3	01/03/2022	Company's procedures
4	07/04/2022	Company's procedures
5	09/05/2022	General assembly
6	06/06/2022	Company's procedures
7	05/07/2022	Company's procedures
8	17/08/2022	General assembly
9	07/09/2022	Company's procedures
10	19/09/2022	Company's procedures
11	20/09/2022	Company's procedures
12	05/10/2022	Company's procedures
13	02/11/2022	Company's procedures
14	06/12/2022	Company's procedures
Total requests		14

13

Dividend Policy

Dividends Distribution Mechanism

The dividends payment is based on the assessment and recommendations of the company’s Board of Directors, pursuant to Article (45) of the company’s Articles of Association, after authorizing the Board of Directors by the ordinary General Assembly thereof, and this authorization is awarded annually after deducting all general expenses and other costs as follows:

- 1. Saving Zakat and prescribed income tax;
- 2. Saving 20% of net profits to form the company’s statutory reserve. Thus, the Ordinary General Assembly may stop such saving when the said reserve amounts to 100% of the paid-off capital;
- 3. Cash dividends, which have to be distributed to shareholders, are deposited in their accounts connected to their investment portfolios, while the granted shares shall be deposited in shareholders’ investment portfolios after declaring thereof on the Saudi Stock Exchange website (Tadawul);
- 4. When the decision to distribute interim profits is made, the company shall immediately disclose and declare thereof and provide the Authority with a copy of such decision upon its issuance.

Maturity of Dividends

The shareholder is entitled his share in the profits according to the General Assembly resolution issued in this regard depending on the recommendation by the Board of Directors, and the decision outlines the date of entitlement and the date of distribution. Moreover, dividends shall be due for the shareholders registered at the shareholders’ records at the end of the day sets for maturity. The Profits that have to be distributed to shareholders shall be paid at the place and dates designated by the Board of Directors, in accordance with the instructions issued by the competent authority.



The shareholders’ equity at the end of the year 2022 amounted to 1,307,214 thousand Saudi riyals compared to 1,267,561 thousand riyals for the last year, i.e. with an increase of 39,653 thousand riyals at 3.13%. Regarding the statutory reserve, it reached an amount of 196,109 thousand Saudi riyals compared with 178,186 thousand riyals for the last year, i.e. with an increase of 17,923 thousand riyals at 10.06%, while the retained earnings amounted to 667,246 thousand riyals comparing to 595,551 thousand riyals, i.e. with an increase of 71,695 thousand riyals at 12.04%. Given that the management wished to enhance and support the financial position and strengthen the solvency margin of the company, profits would not be distributed to shareholders for this year. In the future, the company would work to take the appropriate decision with respect to the distribution of profits to shareholders.

14

Description of interest, and option, and subscription rights attributing to members of the Board, senior executives, their spouses and their minor children, in shares or debt instruments of the company or its subsidiaries

	Name of the Board Member	Position	(Beginning of the period)		(End of the period)		Ownership percentage in the company's shares	Number of shares owned by spouses and minor children
			Number of shares owned	Debt instruments	Number of owned shares	Debt instruments		
1	Mr. Abdullah bin Sulaiman Al-Rajhi(Represented by the share of Al-Rajhi Insurance Limited Company -Bahrain)	chairman	10,600,000	0	10,600,000	0	%26.50	0
2	Mr. Saud bin Abdullah Al-Rajhi	Vice chairman	600,000	0	600,000	0	%1.5	0
3	Mr. Ahmed Samer bin Hamdi Al-Zaeem	Board member	32,000	0	32,000	0	%0.08	0
4	Mr. Ali bin Hadi Al Mansour	Board member	0	0	0	0	0	0
5	Mr. Naif bin Abdullah Al-Rajhi	Board member	21,167	0	71,724	0	%0.17931	0
6	Mr. Nabil bin Ali Shoaib	Board member	0	0	0	0	0	0
7	Mr. Waleed bin Abdullah Al Mogbel (Representative of Al-Rajhi Bank)	Board member	9,000,000	0	14,000,000	0	%35	0
8	Mr. Muhannad bin Qusay Al-Azzawi	Board member	10	0	10	0	%0.000025	0

15

Description of any interest, contractual papers and subscription rights belonging to senior executives and their relatives in the company's shares or debt instruments

There is no interest, contractual papers and subscription rights of the senior executives and their relatives in the company's shares or debt instruments.

16

Description of any interest, contractual papers and subscription rights of the board members and their relatives in the shares or debt instruments of the subsidiary

There is no interest, contractual papers and subscription rights of the Board members and their relatives in the shares or debt instruments of the subsidiary company.

17

Description of any interest, contractual papers and subscription rights of senior executives and their relatives in the shares or debt instruments of the subsidiary

There is no interest, contractual papers and subscription rights of senior executives and their relatives in the shares or debt instruments of the subsidiary company.

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A Brief on the Senior Executive Employees in the Company

Mr. Mahmoud Salim Dahduli:

- **A Saudi National**
- **The Chief Executive Officer**
- **Qualifications and experience**

Holds a master's degree in Islamic Banking from the University of Wales in the United Kingdom and has held several leadership positions during his tenure of more than 18 years, the last of which was the Chief Strategy Officer in the company in 2019, before which he held several positions, including Head of the Retail Sector in the Real Estate Development Fund between 2018 and 2019.

Mr. Muhammad Imran Bashir:

- **Pakistani National**
- **Acting Chief Financial Officer**
- **Qualifications and experience**

Qualified financial professional with over 15 years of advanced working experience leading departments in financial operations with expertise in insurance, underwriting and claims. He has diverse experience in the field of finance, auditing, advisory services and investment portfolio management. He holds several professional certificates, including Associate Accountant (ICAP) from the Chartered Institute of Pakistan, Cost Management Accountant (CMA) from the Institute of Management Accountants in the United States of America, Chartered Accountant from the Institute of Public Accounts Finance in Pakistan.

Mr. Ahmed Al Kanani:

- **Saudi National**
- **Chief Motor Officer**
- **Qualifications and experience**

Holds a Bachelor's degree in Finance from King Fahd University of Petroleum and Minerals. He joined the company in 2019, and held several positions in it, including Chief of protection and savings product, in addition to the chief of Corporate Development in the company. Prior to that, he held several positions, including a portfolio manager in the Real Estate Development Fund, a consultant in Al Motahedon for Consulting Services, and holds several professional certificates. Among them are the Certified Financial Manager (CFM) from the International Academy of Business and Financial Management, in addition to the Certified Business Analysis (CBA) from the International Academy of Business and Financial Management.

Mr. Antony Brown

- **British National**
- **Chief Health Officer**
- **Qualifications and experience**

holds a Diploma in Marketing Management (Graduate Institute of Marketing Management), in addition to a Higher Diploma in Business Administration (Damlin Educational Group / Institute of Administrative Sciences). He headed the Regional Director at InterGlobal UK Private International Medical Insurance between 2008-2014. In addition to the Regional Director in Africa for Aetna International during the period 2014-2022.

Mr. Thamer Abdullah Al Nouri

- **Saudi National**
- **Chief of Strategic Partnerships Department**
- **Qualifications and experience**

holds a Master's degree in Business Administration from King Abdulaziz University. He has more than 22 years of professional experience and has a variety of experience in the field of developing and selling financing and investment products as well as insurance products. He held several leadership positions during his work in the banking sector, the most recent of which was Head of Bancassurance and Product Development. After that, he worked in the insurance sector as Head of Marketing and Sales in one of the companies Insurance from 2021 to 2022.

Mr. Yasser Al Mushaiqih

- **Saudi National**
- **Acting Chief Human Capital and Corporate Affair**
- **Qualifications and experience**

holds a bachelor's degree in management systems from the Arab Open University. He has over 16 years of professional experience in insurance, consumer goods and banking, with experience working in HR-oriented roles in recruitment, training, policy development, staffing, people management, change management, performance management and process improvement.

Mr. Wail Abdulaziz Al Ahmed

- **Saudi National**
- **Chief General Officer**
- **Qualifications and experience**

holds a bachelor's degree from Southern Methodist University, USA, and a diploma from the British Insurance Institute in the United Kingdom. He has more than 14 years of professional experience, where he held several positions, the last of which was the Director of the Insurance Department at the Saudi Telecom Company, in addition to the Director of SABB Cap (Self-Insurance Company) SABIC, and the Director of Insurance at ACWA Power.

Mr. Fahad Saad Al Sabti

- **Saudi National**
- **Chief Technology Officer**
- **Qualifications and experience**

holds a bachelor's degree in computer science from King Saud University. He has 16 years of experience in IT management and IT transformation programs, and previously held several positions, including Chief Information Officer at the Communications and Information Technology Commission, as well as Chief Information Officer at the Ministry of Commerce

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Meetings of Board of Directors

The Board of Directors convened four periodic meetings during the period from 1/1/2022 to 31/12/2022, hereunder is the attendance sheet of these meetings.

	Member's Name	Meeting 57	Meeting 58	Meeting 59	Meeting 60	No. of meetings
		20/02/2022	30/06/2022	11/09/2022	12/12/2022	
1	Mr. Abdullah bin Sulaiman Al Rajhi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4
2	Mr. Saud bin Abdullah Al Rajhi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4
3	Mr. Ahmed Samer bin Hamdi Al Zaeem	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4
4	Mr. Waleed bin Abdullah Al Mogbel	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4
5	Mr. Naif bin Abdullah Al Rajhi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3
6	Mr. Ali bin Hadi Al Mansour	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4
7	Mr. Nabil bin Ali Shoaib	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4
8	Mr. Muhannad bin Qusay Al-Azzawi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4

☒ Present ☒ didn't Present

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Contracts with the related Parties

- A.**

No Board member shall be engaged in any lease contracts for the company, as naturally, some of the Board Directors are engaged in the insurance contracts, as the company provides its insurance services for all society categories, with the full adherence to the Rules of the Saudi Central Bank.
- B.**

No contracts shall be concluded between the Chief Executive Officer and Chief Financial Officer, or with any person related to any thereof excluding employment contracts.
- C.**

During the fiscal year, there were some transactions where the company was a party, and it is for the interest of some Board of Directors members.

Hereunder the details of the main transactions with the related parties during the period from 1/1/2022 to 31/12/2022, as stated in the financial statements notes.

1

Al Rajhi Bank							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• Chairman	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	718,691
2	Board Member Mr. Waleed Al Muqbil	• Managing Director and Chief Executive Officer of Al Rajhi Bank					
3	Vice Chairman Mr. Saud Al Rajhi	• First Degree Relationship					
4	Board Member Mr. Naif Al Rajhi	• First Degree Relationship					

2

Al Rajhi Capital							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• Chairman	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	1,544
2	Board Member Mr. Waleed Al Muqbil	• A company owned by Al-Rajhi Bank, of which he is Managing Director and Chief Executive Officer of Al Rajhi Bank					
3	Vice Chairman Mr. Saud Al Rajhi	• First Degree Relationship					
4	Board Member Mr. Naif Al Rajhi	• First Degree Relationship					

3

Al Rajhi Capital							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• Chairman	Investment	One calendar Year	Ordinary business without any preferential conditions or benefits	Investment funds Revenues	10,082
2	Board Member Mr. Waleed Al Muqbil	• A company owned by Al-Rajhi Bank, of which he is Managing Director and Chief Executive Officer of Al Rajhi Bank				Paid investment management fee	2,694
3	Vice Chairman Mr. Saud Al Rajhi	• First Degree Relationship					
4	Board Member Mr. Naif Al Rajhi	• First Degree Relationship					

4

Fusran Travel							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• Partner	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	1,671
2	Vice Chairman Mr. Saud Al Rajhi	• Partner					
3	Board Member Mr. Naif Al Rajhi	• Chief Executive Officer					

5

Fusran Travel							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• Partner	Travel services for the Company's staff	One calendar Year	Ordinary business without any preferential conditions or benefits	Travel costs of the Company's staff	1,592
2	Vice Chairman Mr. Saud Al Rajhi	• Partner					
3	Board Member Mr. Naif Al Rajhi	• Chief Executive Officer					

6

Farabi Petrochemicals							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• Chairman	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	19,306
2	Vice Chairman Mr. Saud Al Rajhi	• First Degree Relationship					
3	Board Member Mr. Naif Al Rajhi	• Board Member					

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Marami Food Industries							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• Partner	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	208
2	Vice Chairman Mr. Saud Al Rajhi	• First Degree Relationship					
3	Board Member Mr. Naif Al Rajhi	• Board Member					

8

Takatuff Holding Group							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• Partner	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	81
2	Vice Chairman Mr. Saud Al Rajhi	• Partner					
3	Board Member Mr. Naif Al Rajhi	• Board Member					

9

Green Hills Real Estate Development Company							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• First Degree Relationship	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	39
2	Vice Chairman Mr. Saud Al Rajhi	• Manager					
3	Board Member Mr. Naif Al Rajhi	• Manager					

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Homeland Legacy Real Estate Development Company							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• Manager	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	370
2	Vice Chairman Mr. Saud Al Rajhi	• Manager					
3	Board Member Mr. Naif Al Rajhi	• First Degree Relationship					

11

Jeddah Legacy Real Estate Development Company							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• First Degree Relationship	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	1
2	Vice Chairman Mr. Saud Al Rajhi	• Manager					
3	Board Member Mr. Naif Al Rajhi	• First Degree Relationship					

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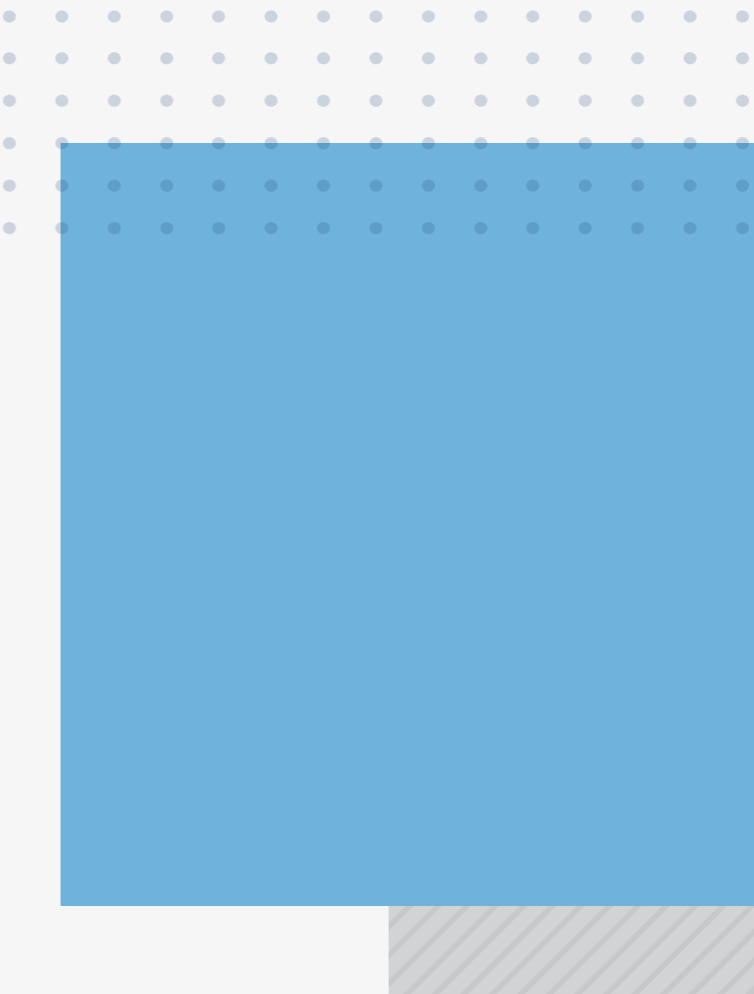
Digital Trip							
	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	Chairman Mr. Abdullah Al Rajhi	• Partner	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	98
2	Vice Chairman Mr. Saud Al Rajhi	• First Degree Relationship					
3	Board Member Mr. Naif Al Rajhi	• General Manager					

Statutory Payments & Debts

The company does not have any loans, debts, fees or amounts payable during the fiscal year 2022

while the following table shows the statutory payments and dues during the year.

	Description	Amount in thousand Saudi riyals
1	Zakat and income paid in 2022	13,879
2	Supervision fees paid by SAMA, which are due for the year	17,335
3	Supervision fees by the Council of Cooperative Health Insurance in addition to the loading fees	6,812
4	Social insurance (The share of the company paid and charged to the year	9,362
5	Costs of visas and passports	225
6	Labor office fees	1,459
7	VAT	323,639
8	Amount of tax withheld	4,320
9	(Saudi Stock Exchange (Tadawul	546
Total		377,577



Investments or reserves for the benefit of company employees:

There are no investments made for the benefit of the company employees, while there is a provision for end of service benefits for company employees amounting to 22,812 thousand riyals, as well as protection insurance of 853 thousand riyals.

Declarations:

The Company declares as follows:

- 1 That the account records were properly prepared.
- 2 That the internal control system was prepared on a sound basis and was effectively implemented.
- 3 There is no doubt about the company ability to continue its activity.
- 4 Al-Rajhi Takaful does not have any loans until the end of 2022.
- 5 There are no convertible debt instruments and any contractual securities, subscription right notes or similar rights issued or granted by the company during the fiscal year 2022.
- 6 There are no transfer or subscription rights under debt instruments convertible into contractual securities, subscription right notes or similar rights issued or granted by the company.
- 7 There are no refunds, purchases or cancellations on the part of the company for any refundable debt instruments.

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Corporate Governance Regulation

The company seeks, as part of its keenness on the interests of shareholders, to apply the highest levels of transparency, disclosure and participation in decision-making in a way that achieves the company objectives and the aspirations of its customers; so the company is committed to implementing the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority.

With regard to the indicative provisions (which are not mandatory), the company is committed to fully implementing them, except for what the company is working on achieving in the future, which are:

Article No. : Forty one	
Article	Reasons for non-enforcement of article
(Evaluation) Evaluate the performance of the members of the Board and the subsidiary committees	Guide Article / The company internally evaluates the performance of board members and committees

Article No. : Eighty seven	
Article	Reasons for non-enforcement of article
Social responsibility	Guide Article / The company contributes to social activities through some special events.

Article No. : Ninety five	
Article	Reasons for non-enforcement of article
The formation of the Corporate Governance Committee	Indicative Article/the mandatory limit of board committees was formed

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Sanctions and Penalties

Executive decisions of the Saudi Central Bank:

	Supervisory violations of the Central Bank instructions	Previous fiscal year 2021		Current fiscal year 2022	
		Number of executive decisions	The total amount of fines in Saudi riyals	Number of executive decisions	The total amount of fines in Saudi riyals
1	Violations of the Central Bank instructions for protecting customers	5	135,000	4	808,933.30
2	Violations of the Central Bank instructions regarding due diligence in combating money laundering and terrorist financing	1	40,000	0	0
3	Violations of the Central Bank instructions regarding due diligence in combating money laundering and terrorist financing	0	0	0	0

Ways to remedy the Central Bank violations:

With regard to fines related to the Central Bank, the company has updated its work policies and procedures in line with the requirements of the Saudi Central Bank.

Other Violations:

#	Authority	Amount of Violation in riyals	Details of Violation	Ways of Remedy
1	ministry of municipal and rural affairs and housing	5000	- No license	- written undertakings to correct violations or vacate the site were signed. - The site has been vacated

Company Announcements:

With regard to the company announcements that were published on Tadawul website during the year 2022, they are as follows:



1

02/01/2022

Al-Rajhi Cooperative Insurance Company (Al Rajhi Takaful) announces the annual renewal of its qualification with the Council of Health Insurance.

2

07/03/2022

Al-Rajhi Cooperative Insurance Company (Al Rajhi Takaful) announces its financial results for the period ending on 31-12-2022

3

26/04/2022

Al-Rajhi Cooperative Insurance Company (Al Rajhi Takaful) announces inviting its shareholders to attend the Ordinary General Assembly Meeting (First Meeting)

4

09/05/2022

Al-Rajhi Cooperative Insurance Company (Al Rajhi Takaful) announces the interim financial results for the period ending on 31-03-2022 (three months)

5

24/05/2022

Al Rajhi Cooperative Insurance Company (Al Rajhi Takaful) announces the results of the Ordinary Assembly Meeting (First Meeting)

6

10/08/2022

Al-Rajhi Cooperative Insurance Company (Al Rajhi Takaful) announces the interim financial results for the period ending on 06-30-2022 (six months)

7

11/08/2022

Corrective announcement from Al-Rajhi Cooperative Insurance Company (Al Rajhi Takaful) regarding the announcement of the interim financial results for the period ending on 06-30-2022 (six months)

8

23/08/2022

Corrective announcement from Al-Rajhi Cooperative Insurance Company (Al Rajhi Takaful) regarding the announcement of the interim financial results for the period ending on 06-30-2022 (six months)

9

26/09/2022

Al-Rajhi Cooperative Insurance Company (Al Rajhi Takaful) announces that it has obtained the final approval of the Central Bank of Saudi Arabia for a product

10

06/11/2022

Al-Rajhi Cooperative Insurance Company (Al Rajhi Takaful) announces the interim financial results for the period ending on 09-30-2022 (Nine Months)

11

27/11/2022

Al-Rajhi Cooperative Insurance Company (Al Rajhi Takaful) announces the signing of a contract with Rabigh Refining and Petrochemical Company (Petro Rabigh)



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A list of the dates of the general assemblies of shareholders held during the last fiscal year and the names of the members of the board of directors attending these assemblies:

The Ordinary General Assembly of the shareholders was held on 23/05/2022 through the means of modern technology and was attended by



Abdullah bin Sulaiman Al-Rajhi	Chairman
Saud bin Abdullah Al-Rajhi	Vice Chairman
Waleed bin Abdullah Al Mogbel	Member
Ahmad Samer bin Hamdi Al-Zaeem	Member
Ali bin Hadi Al Mansour	Member
Nabil Ali bin Shoaib	Member
Muhannad bin Qusay Al-Azzawi	Member

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Actions taken by the Board of Directors to inform its members - especially non-executives - of shareholders’ proposals and comments about the company and its performance

The Secretary of the Board of Directors is responsible for receiving all proposals and notes about the company and its performance and submitting them to the members of the Board of Directors for discussion during the periodic meetings.

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Audit Committee’s recommendations that conflict with the decisions of the Board of Directors, or which the Board refused to take into account regarding the appointment and dismissal of the company auditor, determining his fees and evaluating its performance or appointing the internal auditor, the rationale for those recommendations, and the reasons for not taking them into account

There are no recommendations of the audit committee that contradict the decisions of the board of directors, and the board of directors has not rejected any recommendations regarding the appointment of an auditor for the company, dismissal thereof, determination of fees and evaluation of his performance.

30 Board of Directors

The company is managed by a board of directors consisting of (8) members, and the board was reconstituted at the Ordinary General Assembly meeting on 05/05/2021 for a period of three years as of 30/05/2021. The elected board of directors in accordance with the requirements of Article 16 of the Corporate Governance Regulations is formed as follows:



Mr. Waleed bin Abdullah Al Mogbel
(representative of Al-Rajhi Bank)
Board member - Non-executive



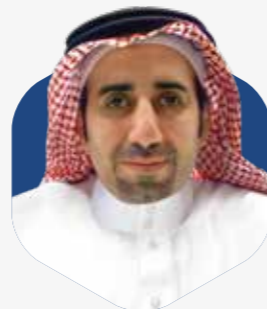
Mr. Ahmad Samer bin Hamdi Al-Zaeem
Board member - Non-executive



Mr. Naif bin Abdullah Al-Rajhi
Board member - Non-executive



Mr. Abdullah bin Sulaiman Al-Rajhi
Chairman - Non-executive



Mr. Saud bin Abdullah Al-Rajhi
Vice Chairman - Non-executive



Mr. Ali bin Hadi Al Mansour
Board member - Independent



Mr. Nabil bin Ali Shoaib
Board member - Independent



Mr. Muhannad bin Qusay Al-Azzawi
Board member - Independent

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Names of companies inside or outside the Kingdom of which a member of the company board of directors is a member of its current and previous boards of directors or of its managers:

Mr. Abdullah bin Sulaiman Al-Rajhi							
Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/Unlisted Joint (Stock/ Limited Liability Company	Names of companies in which a member of the board of directors was a member of their previous boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/ Unlisted Joint (Stock/ Limited Liability Company		
Al-Rajhi Bank	Inside the Kingdom	Listed joint stock	Al-Rajhi Bank (CEO)	Inside the Kingdom	Listed joint stock		
Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)			Saudi Company for Manufacturing Carpet Materials		Limited liability company		
Al-Rajhi Capital Co.		Unlisted joint stock	Mattex Geosynthetic Factory of Jubail Saudi Company For Geotextile Solutions				
Al-Rajhi Holding Group Company			Green Vision Co.				
Farabi Petrochemicals Co.			Farabi Investment Co.				
Indoor and outdoor flooring tissue solutions holding company			Farabi Yanbu Petrochemicals Co.				
Al-Ajial Holding Co.		Limited liability company	Farabi Converting Industries Co.				
Homeland Legacy Real Estate Development Company							
Najez Investment Holding Company							
Mirath Holding Company							

Mr. Ahmad Samer bin Hamdi Al-Zaeem							
Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/Unlisted Joint Stock/ Limited Liability Company)	Names of companies in which a member of the board of directors was a member of their previous boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/ Unlisted Joint Stock/ Limited Liability Company)		
Seera Holding Group	Inside the Kingdom	Listed joint stock	Saudi Modern Company for Specialized Electrical Cables & Wires Industry				
Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)							
Saudi Modern Company for Metals, Cables and Plastic		Closed joint stock					
Riyadh Cables Group Company							
Saudi Company for the Manufacture of Telephone Cables							
International Trading Company for Ceramics and Building Materials Ltd.		Limited liability company				Riyadh Cables Co.	Inside the Kingdom
Gulf International Company for Home Supplies							
Saudi Modern Cables Company Ltd.							
Lighting Technologies Co., Ltd.							
Gulf International Company for Contracting and Real Estate Investment Ltd.							
Natural Unified Trading Company							
Silver Crown Co.							
Al-Rajhi Services Company							
Al-Rajhi Real Estate Development Company							
Emkan Finance Co.		Closed joint stock					
Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)		Listed joint stock					

Mr. Saud bin Abdullah Al-Rajhi					
Names of companies in which a member of the board of directors was a member of their previous boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/Unlisted Joint (Stock/ Limited Liability Company	Names of companies in which a member of the board of directors was a member of their previous boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/ Unlisted Joint (Stock/ Limited Liability Company
IIB Investment Co.	Outside the Kingdom	Limited liability company	Al Tawfiq for Plastic Industries & Woven Sacks Co.	Inside the Kingdom	Limited liability company
Al Fursan Travel Co.	Inside the Kingdom		Hopper Co. Ltd		
Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)		Listed joint stock			
SEMARK		Limited liability company			
Takatof Holding Co.					
The National Association of the Blind (Kafeef)					

Mr. Ali bin Hadi Al Mansour					
Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/Unlisted Joint (Stock/ Limited Liability Company	Names of companies in which a member of the board of directors was a member of their previous boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/ Unlisted Joint (Stock/ Limited Liability Company
Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)	Inside the Kingdom	Listed joint stock			

Mr. Naif bin Abdullah Al-Rajhi					
Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/Unlisted Joint (Stock/ Limited Liability Company	Names of companies in which a member of the board of directors was a member of their previous boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/ Unlisted Joint (Stock/ Limited Liability Company
Digital Trip Co. Ltd	Inside the Kingdom	Limited liability company			
Takatof Holding Co.					
Al Fursan Travel Co.					
Farabi Petrochemicals Co.		Unlisted joint stock			
SEMARK		Limited liability company			
Marami Food Industries Company					
Riyadh Chamber of Commerce		Non-profit government			
Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)		Listed joint stock			

Mr. Waleed bin Abdullah Al Mogbel (representa-tive of Al-Rajhi Bank)					
Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/Unlisted Joint (Stock/ Limited Liability Company	Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/ Unlisted Joint (Stock/ Limited Liability Company
Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)	Inside the Kingdom	Listed joint stock	Simah	Inside the Kingdom	Closed joint stock

Mr. Nabil bin Ali Shoaib					
Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/Unlisted Joint (Stock/ Limited Liability Company	Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/ Unlisted Joint (Stock/ Limited Liability Company
Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)	Inside the Kingdom	Listed joint stock	SABB Takaful	Inside the Kingdom	Listed joint stock
			Simah		Unlisted joint stock
			HSBC Saudi Arabia		Closed joint stock

Mr. Muhannad bin Qusay Al-Azzawi					
Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/Unlisted Joint (Stock/ Limited Liability Company	Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/ Unlisted Joint (Stock/ Limited Liability Company
General Authority of Civil Aviation	Inside the Kingdom	General Authority			
Saudi Contractors Authority					
Saudi Golf Federation					
Merrill Lynch Kingdom of Saudi Arabia		Closed Joint Stock			
Binladin International Holding Group					
GIB Saudi Arabia - Gulf International Bank					
Golf Saudi					
Taiba Investment		Listed joint stock			

About the BOD Members



Mr. Abdullah bin Sulaiman Al Rajhi

Nationality

- Saudi national

He currently holds several positions:

- Chairman of the Board of Directors of Al-Rajhi Bank
- Chairman of Al-Rajhi Capital
- Chairman of the Board of Directors of Farabi Petrochemicals Company
- the Chairman of the Board of Directors of Al-Rajhi Holding Group Company

Prior to that he held several positions in Al-Rajhi Bank:

- CEO
- Managing Director
- Vice Chairman of the Board of Directors.

Qualifications and experience

- holds BA of Business Administration from King Abdulaziz University, Kingdom of Saudi Arabia.



Mr. Saud bin Abdullah Rajhi

Nationality

- Saudi national

He currently holds several positions:

- The Vice Chairman of the Board of Directors
- Managing Director of Takatuf Holding Group Company
- Chairman of the Board of Directors of IIB Management Company in Singapore
- Member of the Board of Directors of Al Fursan Travel Company
- the Chairman of Al-Tawfiq for Plastic Industries& Woven Sacks Ltd
- the Chairman of the Board of Directors of the Saudi Event Management & Marketing Company
- the Chairman of the Board of Directors of the Kafeef Organization in Riyadh

Prior to that he held several positions:

- Director of the Mada Textile Factory Project
- Financial Director for the Industrial Department of Al-Rajhi Holding Group Company.

Qualifications and experience

- holds a Bachelor's Degree in Financial Management from the American University in the United Arab Emirates in 2017.



Mr. Waleed bin Abdullah Almogbel

Nationality

- Saudi national

He currently holds several positions:

- Member of the Board of Directors
- CEO of Al Rajhi Bank

Prior to that he held several positions in Al-Rajhi Bank:

- Chairman of the Operations Group and Finance Director at Al Rajhi Bank.

Qualifications and experience

- holds a Bachelor's Degree in Accounting from King Saud University in the Kingdom of Saudi Arabia, in 1995
- a Master Degree in Financial Accounting from the University of Southampton in the United States of America, in 2003
- a Ph.D. Degree in Accounting and Auditing from Cardiff University, in the United Kingdom in 2006



Mr. Ahmad Samer bin Hamdi Al Zaeem

Nationality

- Saudi national

He currently holds several positions:

- A member of the Board of Directors
- Chairman of the Saudi Company for the Manufacture of Telephone Cables
- Vice Chairman of the Board of Directors of Seera Holding Group
- a member of the Board of Directors of the Riyadh Cables Group Company
- the Chairman of the Board of Directors of the Saudi Modern Company for Metals, Cables, and Plastic

Prior to that he held several positions:

- Director of the Mada Textile Factory Project
- Financial Director for the Industrial Department of Al-Rajhi Holding Group Company.

Qualifications and experience

- holds a Bachelor's Degree in Public Administration from the American University in Lebanon in 1987 AD,
- Bachelor's Degree in Economics from the State University of New York, in the United States of America in 1992



Mr. Ali bin Hadi Al Mansour

Nationality

- Saudi national

He currently holds several positions:

- Member of the Board of Directors
- Executive Director of AlAwal Invest Company

Prior to that he held several positions:

- the Chief Executive Officer of Al-Ra'idah Investment Company
- the Investment Management Consultant at Jadwa Investment Company and Head of Portfolio Management at Saudi Aramco.

Qualifications and experience

- Bachelor's Degree in Finance from the University of North California in the United States of America in 2002
- a Master's Degree in Business Administration from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia in 2008



Mr. Naif bin Abdullah Al Rajhi

Nationality

- Saudi national

He currently holds several positions:

- Member of the Board of Directors
- CEO of Fursan Travel Company, General Manager
- Vice-Chairman of the Board of Directors of Digital Trip Ltd Company
- Board of Directors member of Takatuf Holding Company, Fursan Travel, Farabi Petrochemicals Company and Saudi Event Management & Marketing Company (SEMARK), and Marami food Industries Company
- the Vice Chairman of Board of Directors in the Riyadh Chamber
- Chairman of the Tourism Committee in the Riyadh Chamber
- Chairman of the Tourism committee of the council of Saudi Chamber.

Qualifications and experience

- holds a Bachelor's Degree in Financial Management from University of San Francisco, United States of America in 2012



Mr. Nabil bin Ali Shoaib

Nationality

- Saudi national

He currently holds several positions:

- Member of the Board of Directors
- member of the Audit Committee at the National Finance Company

Prior to that he held several positions in Al-Rajhi Bank:

- a member of the board of directors in both SABB Takaful and the Saudi Credit Information Company (SIMAH)
- one of his most prominent professional positions was the Managing Director of HSBC Amanah (Islamic Banking)
- General Manager of Internal Audit at SABB Bank
- Chief Operating Officer and Executive Vice President of HSBC Saudi Arabia
- the General Secretary at SABB Bank.

Qualifications and experience

- holds a general certification of Education from London in 1980



Mr. Muhannad bin Qusay Al-Azzawi

Nationality

- Saudi national

He currently holds several positions:

- Chief Executive Officer of the Saudi Industrial Construction and Engineering Projects Company Limited
- the Chief Executive Officer of the Saudi Technology and Trade Co. Ltd.
- the Chief Executive Officer Brokers Company for Development.

Qualifications and experience

- holds a Bachelor's degree in Engineering from King Saud University in the Kingdom of Saudi Arabia in 1993.

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Board of Directors' Committees

The company's Board of Directors exercises its functions through the main committees, including:



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Executive Committee

The Committee consists of

Mr. Abdullah bin Suleiman Al-Rajhi	Chairman
Mr. Saud bin Abdullah Al-Rajhi	member
Mr. Waleed bin Abdullah Mogbel	member

The Committee was reformed for the new session, which began on 30/05/2021. The Committee makes recommendations to the Board of Directors on critical issues such as strategic and actions plans related to business processes. The Board authorizes the Executive Committee to perform its functions in some cases. The Executive Committee held six meetings during 2022.

Executive Committee members	20/02/2022	14/04/2022	30/06/2022	11/09/2022	25/10/2022	07/12/2022
Mr. Abdullah bin Sulaiman Al-Rajhi - Chairman of the Board of Directors - Non-executive	☑	☑	☑	☑	☑	☑
Mr. Waleed Al-mogbel - Non-Executive	☑	☑	☑	☑	☑	☑
Mr. Saud bin Abdullah Al-Rajhi – Vice Chairman of the Board of Directors - Non-executive	☑	☑	☑	☑	☑	☑

☑ Present ☒ didn't Present

Brief on Members of Audit Committee:



Mr. Abdullah bin Sulaiman Al Rajhi

- **Saudi national**
- **Qualifications and experience:**
holds BA of Business Administration from King Abdulaziz University, Kingdom of Saudi Arabia. He currently holds several positions, including Chairman of the Board of Directors of Al-Rajhi Bank, Chairman of Al-Rajhi Capital, Chairman of the Board of Directors of Farabi Petrochemicals Company, and the Chairman of the Board of Directors of Al-Rajhi Holding Group Company. Prior to that he held several positions in Al-Rajhi Bank, including CEO, Managing Director, and Vice Chairman of the Board of Directors.



Mr. Saud bin Abdullah Al Rajhi

- **Executive Committee Member**
- **Saudi national**
- **Qualifications and experience:**
holds a Bachelor's Degree in Financial Management from the American University in the United Arab Emirates in 2017. He currently holds several positions, including Managing Director of Takatuf Holding Group Company, Chairman of the Board of Directors of IIB Management Company in Singapore, Member of the Board of Directors of Al Fursan Travel Company, the Chairman of Al-Tawfiq for Plastic Industries& Woven Sacks Ltd., the Chairman of the Board of Directors of the Saudi Event Management & Marketing Company, and the Chairman of the Board of Directors of the Kafeef Organization in Riyadh. Prior to that he held several positions, including Director of the Mada Textile Factory Project, and Financial Director for the Industrial Department of Al-Rajhi Holding Group Company.



Mr. Waleed bin Abdullah Almogbel

- **Executive Committee Member**
- **Saudi national**
- **Qualifications and experience:**
holds a Bachelor's Degree in Accounting from King Saud University in the Kingdom of Saudi Arabia, in 1995, a Master Degree in Financial Accounting from the University of Southampton in the United States of America, in 2003, and a Ph.D. Degree in Accounting and Auditing from Cardiff University, in the United Kingdom in 2006. He is currently the CEO of Al Rajhi Bank, and previously held several positions, including Chairman of the Operations Group and Finance Director at Al Rajhi Bank.

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Investment Committee

The Committee consists of

Mr. Saud bin Abdullah Al Rajhi	Chairman
Mr. Abdurrahman bin Abdullah Al-Fadda	member
Mr. Ali bin Hadi Al-Mansour	member

The Committee was reformed at its new session, which began on 30/05/2021. The Committee makes recommendations to the Board of Directors on investment plans, asset control, and investment policy risk control. The Board authorizes the Investment Committee to perform its functions in some cases. The Investment Committee held six meetings during 2022.

Investment Committee members	21/02/2022	05/04/2022	16/06/2022	13/09/2022	01/10/2022	22/11/2022
Mr. Saud bin Abdullah Al Rajhi – Vice Chairman of the Board of Directors - Non-executive	☒	☑	☑	☑	☑	☑
Mr. Abdurrahman bin Abdullah Al-Fadda - independent member- outside the Board of Directors	☑	☑	☑	☑	☑	☑
Mr. Ali bin Hadi Al-Mansour- Independent Board Member	☑	☑	☑	☑	☑	☑

☑ Present ☒ didn't Present

Brief on Members of Audit Committee:



Mr. Saud bin Abdullah Al Rajhi

- **Chairman of Investment Committee**
- **Saudi national.**
- **Qualifications and experience:**
holds a Bachelor's Degree in Financial Management from the American University in the United Arab Emirates in 2017. He currently holds several positions, including Managing Director of Takatuf Holding Group Company, Chairman of the Board of Directors of IIB Management Company in Singapore, Member of the Board of Directors of Al Fursan Travel Company, the Chairman of Al-Tawfiq for Plastic Industries& Woven Sacks Ltd., the Chairman of the Board of Directors of the Saudi Event Management & Marketing Company, and the Chairman of the Board of Directors of the Kafeef Organization in Riyadh. Prior to that he held several positions, including Director of the Mada Textile Factory Project, and Financial Director for the Industrial Department of Al-Rajhi Holding Group Company.



Mr. Abdurrahman bin Abdullah Al-Fadda

- **Investment Committee Member**
- **Saudi national**
- **Qualifications and experience:**
holds a Bachelor's Degree in Electrical Engineering from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia, 1996. He is currently the CFO at Al Rajhi Bank, and previously held several positions, including Director-General of Treasury and Investment at Saudi Investment Bank, member of the Board of Directors of Amlak International for Real Estate Finance Company, Director of Trading at National Commercial Bank and Director of Trading at Samba Financial Group.



Mr. Ali bin Hadi Al-Mansour

- **Investment Committee Member**
- **Saudi national**
- **Qualifications and experience:**
holds a Bachelor's Degree in Finance from the University of North California in the United States of America in 2002, and a Master's Degree in Business Administration from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia in 2008. He currently holds the position of Executive Director of AlAwal Invest Company. Prior to that he held several positions including the Chief Executive Officer of Al-Ra'idah Investment Company, the Investment Management Consultant at Jadwa Investment Company and Head of Portfolio Management at Saudi Aramco.

Nomination and Remuneration Committee

The Committee consists of

Mr. Ali bin Hadi bin Ali Al-Mansour	Chairman
Mr. Muhannad bin Qusay Al-Azzawi	member
Mr. Naif bin Abdullah Al Rajhi	member

The Committee carries out its tasks in accordance with its executive regulations, most importantly

- 1
- recommendation to the Board of Directors to nominate for membership in the board or committees to hold leadership positions in accordance with approved policies and criteria as well as annual review of appropriate skills requirements for Board membership
- 2
- review the structure of the Board of Directors, identify weaknesses and strengths and make recommendations thereon
- 3
- develop clear compensations and remunerations policies for board members and top executives of the company. In addition to raising the annual proposal to the Board of Directors of the Annual Budget for Rewards and Incentives for top executives

The Committee held four meetings during 2022.

Nomination and Remuneration Committee	24/04/2022	29/06/2022	01/09/2022	01/12/2022
Mr. Ali bin Hadi Al-Mansour- board member- independent	☑	☑	☑	☑
Mr. Muhannad bin Qusay Al-Azzawi - independent Board member	☑	☑	☑	☑
Mr. Naif bin Abdullah Al Rajhi – Non-executive Board member	☑	☑	☑	☒

☑ Present ☒ didn't Present

Brief on Nomination and Remuneration Committee members:



Mr. Ali bin Hadi Al-Mansour

- **Chairman of Nomination and Remuneration Committee**
- **Saudi national**
- **Qualifications and experience:**
holds a Bachelor's Degree in Finance from the University of North California in the United States of America in 2002, and a Master's Degree in Business Administration from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia in 2008. He currently holds the position of Executive Director of AlAwal Invest Company. Prior to that he held several positions including the Chief Executive Officer of Al-Ra'idah Investment Company, the Investment Management Consultant at Jadwa Investment Company and Head of Portfolio Management at Saudi Aramco.



Mr. Muhannad bin Qusay Al-Azzawi

- **Nomination and Remuneration Committee Member**
- **Saudi national**
- **Qualifications and experience:**
holds a Bachelor's degree in Engineering from King Saud University in the Kingdom of Saudi Arabia in 1993. He is currently the Chief Executive Officer of the Saudi Industrial Construction and Engineering Projects Company Limited, the Chief Executive Officer of the Saudi Technology and Trade Co. Ltd., and the Chief Executive Officer Brokers Company for Development.



Mr. Naif bin Abdullah Al Rajhi

- **Nomination and Remuneration Committee Member**
- **Saudi national**
- **Qualifications and experience:**
holds a Bachelor's Degree in Financial Management from the University of San Francisco, United States of America in 2012. He currently holds several positions, including CEO of Fursan Travel Company, General Manager and Vice-Chairman of the Board of Directors of Digital Trip Ltd Company, Board of Directors member of Takatuf Holding Company, Fursan Travel, Farabi Petrochemicals Company and Saudi Event Management& Marketing Company (SEMARK), and Marami food Industries Company. As well, he is the Vice Chairman of Board of Directors in the Riyadh Chamber & Chairman of the Tourism Committee in the Riyadh Chamber & Chairman of the Tourism committee of the council of Saudi Chamber.

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Audit Committee

The Committee consists of three members

Mr. Nabil bin Ali Shoaib as Chairman	Chairman
Mr. Fahad Al-Fawaz	member
Mr. Mohammed bin Ali Al-Mubarak	member

The Committee was reformed at its new session which began on 30/05/2021. The Audit Committee plays a major and important role in assisting the Board of Directors in carrying out oversight and governance responsibilities with regard to the integrity of the Company’s financial statements, the effectiveness of the internal control system in light of the risks encountered by the company, and the efficiency, independence and performance of external and internal auditors. In addition, it works to improve and develop control systems and thus protect the rights of shareholders and investors through a number of tasks:

- 1 examining, expressing opinions and submitting recommendations regarding financial statements, accounting policies used and internal control system.
- 2 oversight of internal audit management, examining its reports and verifying its effectiveness and independence
- 3 the recommendation to the Board of Directors to appoint external auditorsexamine their plans, dismiss them and determine their fees.

The Committee held nine meetings in 2022 including the International Financial Reporting Standard (IFRS17) meetings.

Audit Committee members	28/02	27/04	31/05	21/06	08/08	29/09	11/01	30/11	21/12
Mr. Nabil bin Ali Shoaib - Independent member from outside the BOD	☑	☑	☑	☑	☑	☑	☑	☑	☑
Mr. Fahad Al-Fawaz - Independent member from outside the BOD	☑	☑	☒	☑	☑	☑	☑	☑	☑
Mr. Mohammed bin Ali Al-Mubarak - Independent member from outside the BOD	☑	☒	☑	☑	☑	☑	☑	☒	☑

☑ Present ☒ didn't Present

Brief on Members of Audit Committee:



Mr. Nabil bin Ali Shoaib

- Chairman of the Audit Committee
- Saudi national
- Qualifications and experience: holds a general certification of Education from London in 1980. He is currently a member of the Audit Committee at the National Finance Company. Prior to that, he held several positions, including a member of the board of directors in both SABB Takaful and the Saudi Credit Information Company (SIMAH), and one of his most prominent professional positions was the Managing Director of HSBC Amanah (Islamic Banking), General Manager of Internal Audit at SABB Bank, Chief Operating Officer and Executive Vice President of HSBC Saudi Arabia, and the General Secretary at SABB Bank.



Mr. Fahad Al-Fawaz

- Member of the Audit Committee
- Saudi national
- Qualifications and experience:: holds a Master’s degree in Business Administration from the University of Surrey in Britain and a Bachelor of Science in Industrial Management from King Fahd University of Petroleum and Minerals. He is currently the CEO of the National Tourism Company. Previously, he held several positions, including a member of the Executive Committee of Abdulaziz and Saad Al Mojil Trading Company, a member of the Board of Directors and a member of the Audit Committee of the Fiberglass Oasis Company.



Mr. Mohamed bin Ali Al-Mubarak

- Member of the Audit Committee
- Saudi national
- Qualifications and experience:: holds a Bachelor’s Degree in Accounting from King Fahd University for Petroleum and Minerals in the Kingdom of Saudi Arabia in 2007. He currently holds the position of Head of Local Assets in Public Investment Fund, and before that, he held several positions, including Director of Audit in Edda Co. & Ernst & Young office and Senior Manager in the Internal Audit Group at Alinma Bank.

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Risk Management Committee

The committee consisted of

Mr. Ahmed bin Samer Al-Zaeem	Chairman
Mr. Abdulaziz bin Saad Al-Rusais	member
Mr Nabil bin Ali Shoaib	member

The committee was reformed at its new session that began on 30/05/2021. The committee identifies the risks that the company may encounter; it also supervises the risk management system, assesses its effectiveness thereof, and develops a comprehensive risk management strategy. The Risk Management Committee held four meetings during 2022.

Members of Risk Management Committee	16/03/2022	19/06/2022	05/09/2022	05/12/2022
Mr. Ahmed bin Samer Al-Zaeem- Non-executive member of the Board of Directors	☑	☑	☑	☑
Mr. Nabil bin Ali Shoaib - independent member of the Board of Directors	☑	☑	☑	☑
Mr. Abdulaziz bin Saad Al-Rusais- A member from outside the BOD	☑	☑	☑	☑

☑ Present ☒ didn't Present

Brief on Risk Management Committee:



Mr. Ahmed bin Samer bin Hamdi Al-Zaeem

- **Chairman of Risk Management Committee**
- **Saudi national**
- **Qualifications and experience:**
holds a Bachelor's Degree in Public Administration from the American University in Lebanon in 1987 AD, as well as a Bachelor's Degree in Economics from the State University of New York, in the United States of America in 1992. He currently holds several positions, including the Chairman of the Saudi Company for the Manufacture of Telephone Cables, Vice Chairman of the Board of Directors of Seera Holding Group, a member of the Board of Directors of the Riyadh Cables Group Company, the Chairman of the Board of Directors of the Saudi Modern Company for Metals, Cables, and Plastic. Prior to that he held several positions, including a member of the Industrial Committee in the Chamber of Commerce in Riyadh.



Mr. Nabil bin Ali Shoaib

- **Member of Risk Management Committee**
- **Saudi national**
- **Qualifications and experience:**
holds a general certification of Education from London in 1980. He is currently a member of the Audit Committee at the National Finance Company. Prior to that, he held several positions, including a member of the board of directors in both SABB Takaful and the Saudi Credit Information Company (SIMAH), and one of his most prominent professional positions was the Managing Director of HSBC Amanah (Islamic Banking), General Manager of Internal Audit at SABB Bank, Chief Operating Officer and Executive Vice President of HSBC Saudi Arabia, and the General Secretary at SABB Bank.



Mr. Abdulaziz bin Saad Al-Rusais

- **Member of Risk Management Committee**
- **Bahraini national**
- **Qualifications and experience:**
holds a Bachelor's Degree in Financial Management and Marketing from Portland University, USA in 1999, and a Master's Degree in Business Administration from DePaul University, USA in 2004. He is currently the CRO at Al-Rajhi Bank; previously, he held several positions, including Vice Chairman of Risk Management at Mubadala GA Capital, and Investment Manager at Tharwat Investment Company.

38 Sharia Board

Consists of :

Dr. Saleh Mansour Al-Jarbou	Chairman
Dr. Saleh Abdullah Al-Lohaidan	member
Dr. Yousef Abdullah Al-Shebaili	member

The Board supervises the company’s commitment to Sharia provisions in all transactions, and supervision and authentication of developing insurance products adhering to Islamic Sharia, the Board held (8) meetings during 2022:

	Member’s Name	Meeting 152	Meeting 153	Meeting 154	Meeting 155	Meeting 156
		16/05/2022	23/05/2022	12/09/2022	14/09/2022	03/10/2022
1	Dr. Saleh bin Mansour Al-Jarbou	☑	☒	☒	☒	☒
2	Dr. Saleh bin Abdullah Al-Lohaidan	☑	☑	☑	☑	☑
3	Dr. Yousef bin Abdullah Al-Shebaili	☑	☑	☑	☑	☑
Attendance Remuneration for each member		5,000	5,000	5,000	5,000	5,000

	Member	Meeting 157	Meeting 158	Meeting 159
		04/10/2022	11/10/2022	26/10/2022
1	Dr. Saleh bin Mansour Al-Jarbou	☒	☒	☑
2	Dr. Saleh bin Abdullah Al-Lohaidan	☑	☑	☑
3	Dr. Yousef bin Abdullah Al-Shebaili	☑	☑	☑
Attendance Remuneration for each member		5,000	5,000	5,000

☑ Present ☒ didn’t Present

Brief on Sharia Board members:

Dr. Saleh bin Mansour Al-Jarbou:

- **Chairman of the Sharia Board**
- **Saudi national**
- **Qualifications and experience:**
holds a PhD Degree in Comparative Jurisprudence from Imam Muhammad bin Saud Islamic University in 2006, and a Master’s Degree in Law from the American University in Washington DC in 1994, and is currently presiding the Sharia Board of Al-Rajhi Financial Services Company. A licensed lawyer from 2007 to date, and he previously held several positions, including Director of the Legal Affairs and Compliance Control Department of Al-Rajhi Banking and Investment Corporation.



Dr. Saleh bin Abdullah Al-Lohaidan

- **A member of the Sharia Board**
- **Saudi national**
- **Qualifications and experience:**
holds a PhD Degree in Islamic Jurisprudence from the Higher Judicial Institute in Riyadh in 1994. Currently, he is working as a contracted professor at the Imam Muhammad bin Saud Islamic University and the General Director of the Sharia Group at Al-Rajhi Bank, and a member and a secretary of the Sharia Board at Al-Rajhi Bank. He also held the position of a member of the Scientific Council at Imam Muhammad bin Saud Islamic University, and participated in a number of scientific committees inside and outside the university.



Dr. Yousef bin Abdullah Al- Shebaili

- **A member of the Sharia Board**
- **Saudi national**
- **Qualifications and experience:**
holds a PhD Degree from the Higher Judicial Institute at Imam Muhammad bin Saud Islamic University in 2001. Currently, he works as a professor at Imam Muhammad bin Saud Islamic University, and many memberships in Sharia bodies in financial and economic institutions inside and outside the Kingdom. Previously, he held the position of Deputy for the Comparative Jurisprudence Department at the Higher Judicial Institute in 1998.

	Members of Sharia Board	Annual Remunerations	Meetings attendance Remuneration	Total
1	Dr. Saleh bin Mansour Al-Jarbou	SR 60,000	SR 30,000	SR 90,000
2	Dr. Saleh bin Abdullah Al-Lohaidan	SR 60,000	SR 30,000	SR 90,000
3	Dr. Yousef bin Abdullah Al-Shebaili	SR 60,000	SR 30,000	SR 90,000
Total		SR 270,000		

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Details of Remuneration and Compensation for Board of Directors and Committees Members and Five Top Executives

1 Remunerations and compensation for members of the Board of Directors for the current session started 30/05/2021:

In accordance with the remuneration policy for members of the Board of Directors and the sub-committees, the Chairman and members of the board of directors of the company receive an annual remuneration of SAR 200,000, and they receive an attendance remuneration of 3,000 SAR for each Board meetings.

2 Based on the remuneration policy for members of the committees stemming from the Board of Directors:

- A member of the Audit Committee receives an annual remuneration of 100,000 SAR in consideration of his membership in the committee.
- A member of all other sub-committees receives an annual remuneration of 80,000 SAR in consideration of his membership in the committee.
- A member of all committees receives 1,500 SAR for each meeting for the sub-committees of the Board of Directors attended.

3 Mechanisms for determining and paying remunerations and compensations:

- Remuneration and compensations due to members of the board of directors and members from outside the board are calculated on an annual basis, approved by the Board and ratified by the General Assembly.
- Attendance allowance is paid annually based on attendance records of Board and Committees Meetings.

4 Remunerations and compensations for top executives: The remuneration is calculated based on the annual appraisal and company's outcomes based upon the targets set at the beginning of the Gregorian year.

The following is a statement showing salaries, compensations, allowances and annual remunerations received by members of Board of Directors, the Committees, and five senior executives of the company, who received the highest remunerations and compensations including the CEO, and Chief Financial Officer, for the period from 01/01/2022 to 31/12/2022:

	Description	Members of Board of Directors and Committees	Top 5 Senior Executives including CEO and Chief Financial Officer
1	Salaries and Compensations	0	4,473,420
2	Allowances	213,000	1,237,656
3	Periodic and annual remunerations	2,333,000	1,058,640
Total		2,546,000	6,769,716

Remunerations of members of the Board of Directors from
01/01/2022 to 29/05/2022 (Current Session) to 29/05/2021
(Current Session)

Fixed remuneration		Independent members				Non- Executive Members					
		Mr. Nabil bin Ali Shoaib	Mr. Muhanad bin Qusay Al-Azzawi	Mr. Ali bin Hadi Al-Mansour	Total	Mr. Abdullah bin Sulaiman Al-Rajhi	Mr. Ahmed bin Samer Al-Zaeem	Mr. Waleed bin Abdullah Almog-bel	Mr. Saud bin Abdullah Al-Rajhi	Mr. Naif bin Abdullah Al-Rajhi	Total
	Annual Remuneration	200,000	200,000	200,000	600,000	200,000	200,000	200,000	200,000	200,000	1,000,000
	Allowance for attending Board meetings	12,000	12,000	12,000	36,000	12,000	12,000	12,000	12,000	9000	57,000
	Non-monetary advantages	0	0	0	0	0	0	0	0	0	0
	A statement of what the members of the Board received as employees or administrators, or what they received in consideration of their technical, administrative, or consultancy work	0	0	0	0	0	0	0	0	0	0
	Remuneration for the Chairman of the Board, the Managing Director or the Secretary if he is a member	0	0	0	0	0	0	0	0	0	0
	Total	212,000	212,000	212,000	636,000	212,000	212,000	212,000	212,000	209,000	1,057,000

Variable remuneration																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	</
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Independent members			Non- Executive Members					
Mr. Muhannad bin Qusay Al-Azzawi	Mr. Ali bin Hadi Al-Mansour	Total	Mr. Abdullah bin Sulaiman Al-Rajhi	Mr. Ahmed bin Samer Al-Zaeem	Mr. Waleed Bin Abdullah Almog-bel	Mr. Saud bin Abdullah Al-Rajhi	Mr. Naif bin Abdullah Al-Rajhi	Total
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Remunerations of Committees’ Members

Executive Committee			
Committees’ Members	Fixed remuneration (excluding sessions attendance allowance)	Sessions attendance allowance	Total
Mr. Abdullah bin Sulaiman Al-Rajhi	0	9,000	9,000
Mr. Waleed bin Abdullah Al-Mogbel	0	9,000	9,000
Mr. Saud bin Abdullah Al-Rajhi	0	9,000	9,000
Total	0	27,000	27,000

Investment Committee			
Committees’ Members	Fixed remuneration (excluding sessions attendance allowance)	Sessions attendance allowance	Total
Mr. Saud bin Abdullah Al-Rajhi	0	7,500	7,500
Mr. Ali bin Hadi Al-Mansour	0	9,000	9,000
Mr. Abdulrahman bin Abdullah Al-Fada	80,000	9,000	89,000
Total	80,000	25,500	105,500

Nomination & Remuneration Committee			
Committees’ Members	Fixed remuneration (excluding sessions attendance allowance)	Sessions attendance allowance	Total
Mr. Ali bin Hadi Al-Mansour	0	6,000	6,000
Mr. Muhannad bin Qusay Al-Azzawi	0	6,000	6,000
Mr. Naif bin Abdullah Al-Rajhi	0	4,500	4,500
Total	0	16,500	16,500

Audit Committee			
Committees’ Members	Fixed remuneration (excluding sessions attendance allowance)	Sessions attendance allowance	Total
Mr. Nabil bin Ali Shoaib	100,000	13,500	113,500
Mr. Fahad Al Fawaz	100,000	12,000	112,000
Mr. Mohammad bin Ali Al-Mubarak	100,000	10,500	110,500
Total	300,000	36,000	336,000

Risk Committee			
Committees’ Members	Fixed remuneration (excluding sessions attendance allowance)	Sessions attendance allowance	Total
Mr. Ahmed bin Samer Al-Zaeem	0	6,000	6,000
Mr. Nabil bin Ali Shoaib	0	6,000	6,000
Mr. Abdulaziz bin Saad Al-Rusais	80,000	6,000	86,000
Total	80,000	18,000	98,000

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Waiver of interests by shareholders, board members, or senior executives

- 1 There are no arrangements or agreements regarding any member of the Board of Directors or the senior executives to waive any salaries, remunerations or compensations.
- 2 There are no arrangements or agreements regarding any of the shareholders' waiver of their rights in profits.

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Evaluation of the performance of the Board of Directors' members and its committees

The Board of Directors is keen to involve all its members in the tasks, responsibilities and sub-committees, and the Board is keen to review its decisions and recommendations. In addition to the recommendations of the committees stemming from it periodically to ensure their results and their implications on the performance of the Board and the committees stemming from it and the general performance of the company.

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Results of the annual review of the effectiveness of the company's internal control procedures

The internal control system has been prepared on firm and sound foundations and its effectiveness is strengthened through the following:

effectiveness is strengthened through the following

- There are specialized departments in the field of auditing and compliance monitoring.
- There is a Board Audit Committee in line with the governance regulation, which contributes to strengthening the independence of internal and external auditors, and reports are submitted to it about the units and activities that are audited on a quarterly basis, in order to provide a continuous evaluation of the internal control system and its effectiveness.
- The adequacy and effectiveness of the internal control system is reviewed by the Internal Audit Department according to an annual plan approved by the Audit Committee. Some aspects of internal control are reviewed by the external auditors, and periodic reports are submitted to the Audit Committee according to its predetermined meeting dates, which in turn submits reports including its observations and correction procedures to the Board of Directors to discuss and approve the necessary recommendations. The Internal Audit Committee also reflects the effectiveness of the company's internal control procedures, and it has not made any substantive observations about them.
- The results of reviewing the internal control system and the adequacy and effectiveness of some control procedures are being considered very seriously, where any remarks should be followed up, corrected, and controls put in place to ensure that they are not repeated.
- Accordingly, and based on the results of the internal control system evaluation work, Al Rajhi Takaful has an adequate internal control system that works appropriately and is monitored and strengthened on an ongoing basis, bearing in mind that any internal control system, regardless of the level of its design and effectiveness, cannot provide absolute assurances.



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The Audit Committee's opinion on the adequacy of the company's internal control procedures

The executive management of the company is responsible for ensuring the existence of an effective system of internal control, which includes the obligation to implement the policies, procedures and processes set by the executive management, under the supervision of the Company's Board of Directors, to ensure the achievement of its strategic objectives and the protection of its assets. Based on the periodic reports that were presented to the Audit Committee during the fiscal year ended on December 31, 2022 AD by the Internal Audit Department, the Compliance Department, and the external auditors, the Audit Committee did not find any fundamental gaps in the Company's control system, which might negatively and substantially affect the integrity and the fairness of the financial statements or the integrity and effectiveness of the efficiency of the financial and operational systems, controls and procedures. While taking into account that any internal control system, regardless of its level of complexity and effectiveness, cannot provide absolute guarantees.

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External Auditors

The General Assembly held on 05/23/2022, approved the proposal of the Board of Directors, based on the recommendation of the Audit Committee, to appoint Al-Azm, Al-Sudairy, Al-Sheikh and Partners (Crowe) and Al-Ayuti and Partners as certified accountants and auditors to play a joint role as auditors for the company's accounts for the fiscal year 2022.



Conclusion

The Company's Board of Directors is pleased to extend its thanks and appreciation to the Saudi Central Bank, the Financial Market Authority and the General Secretariat of the Cooperative Health Insurance Council, for their continuous support and directives in support of the business and activities of the insurance sector in general. The Company's Board of Directors is pleased to extend its thanks and appreciation to the shareholders for their trust in the company, its officials and employees for their constant efforts.

Allah is the guarantor of success.





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