

Annual Report 2024

Click. Connect. Care.





Click. Connect. Care.

At Bupa Arabia, our vision is to create a healthier, happier world by revolutionizing healthcare delivery. Bupa CareConnect embodies this vision by providing seamless access to care through a comprehensive digital clinic, including private doctor consultations, online support, and home-based services. This innovation ensures healthcare is always within reach, offering personalized care from the comfort of your home. Aligned with our commitment to innovation and compassion, Bupa CareConnect redefines convenience and accessibility, empowering healthier lives and shaping the future of care for our members and communities.





Over the past 300 years, and under all circumstances, our country has proven its ability to overcome all challenges with determination and to emerge from them victorious with the grace of God.

Message from the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz





**His Royal Highness Prince Mohammed Bin
Salman Bin Abdulaziz Al-Saud**
Crown Prince and Prime Minister

King Salman Bin Abdulaziz Al-Saud
Custodian of the Two Holy Mosques

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Regional Offices



About The Report

The Bupa Arabia 2024 Annual Report adheres to integrated reporting principles, underscoring the Company's commitment to transparency and accountability. The purpose of this Annual Report is to present to stakeholders a comprehensive overview of Bupa Arabia's strategy, governance, and performance throughout the reporting period, continuing the Company's tradition of publishing detailed Financial Statements and Board Reports.

Report Boundary and Reporting Period

The Annual Report details Bupa Arabia's business operations conducted during the period from 1 January 2024 to 31 December 2024. It is published in English and Arabic to promote inclusivity and transparency.

Compliance

This Report meets all regulatory requirements mandated by the Saudi Central Bank (SAMA), the Ministry of Commerce (MC), the Capital Market Authority (CMA) and other relevant regulatory authorities.

Financial Statements

The Financial Statements for the year ended 31 December 2024 have been prepared in line with the International Financial Reporting Standards (IFRS) approved within the Kingdom of Saudi Arabia, as well as supplementary accounting standards and interpretations stipulated by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (often referred to as "IFRS as endorsed in the Kingdom of Saudi Arabia"). This ensures that the Financial Statements provide a fair and accurate representation of the Company's financial position, performance, and cash flows.

The end-to-end interactive online HTML version of our Report is identical to the PDF version, while it includes features for ease of finding, extracting, and sharing information.

A close-up photograph of two men in white business shirts shaking hands. The focus is on their hands and forearms. The background is a blurred office setting with glass panels. The text 'View of the Leadership' is overlaid in blue on the right side of the image.

View of the Leadership

With the next phase of our strategy, Bupa Arabia is transforming from being the most trusted health insurance company to becoming the most trusted healthcare company in the Arab world.

Chairman's Message

Reflecting on an exceptional year for Bupa Arabia, I am proud to share with you the remarkable progress we achieved in 2024. This has been a pivotal year, marked by transformative achievements and strategic advancements, as we positioned ourselves for sustained growth and leadership in the evolving healthcare landscape.

Strategic Transformation: Vertical Integration

In early 2024, we unveiled our new ambitious strategy, setting the course to transform Bupa Arabia from being the most trusted health insurance company to becoming the most trusted healthcare company in the Arab world. This vision is underpinned by three core pillars:

Transforming the Core Insurance Business: We are strengthening our market leadership by capitalizing on the Saudi Vision 2030, and enhancing digital sales to improve customer experience and expand reach. Our commitment to innovation is evident in the development of services and products that resonate with our customers' needs.

Containing Medical Inflation: Rising medical costs have posed significant challenges, but our strategic initiatives have yielded encouraging progress. By leveraging technology in claims management, creating partnerships with providers to align incentives and deliver better member experience.

Expanding Value Through Vertical Integration:

The establishment of Bupa Arabia's healthcare provision vertical – Bupa CareConnect has been a cornerstone of our transformation. With a digital-first integrated care model, we are elevating member experiences through one-stop outpatient services and the rollout of physical fit-for-purpose clinics.

Performance in a Flourishing Economy

Saudi Arabia's robust economic performance in 2024 provided a conducive environment for growth. The Kingdom's GDP increased by 2.8% in Q3 compared to the previous year, while non-oil GDP expanded by 4.2%. Additionally, the unemployment rate improved, declining by 0.8%, and the contribution of the non-oil private sector rose from 44% to 47%. These factors collectively drove a 15.9% growth in the total insurance market's gross written premiums (GWP) during the first nine months of the year, with health insurance revenue growing by 13.7% over the same period. Against this backdrop, Bupa Arabia achieved impressive results:

- **Top-line growth (insurance revenue):** A 14% increase in revenue compared to the previous year's results.
- **Improved margins:** A 1.1% increase in the insurance result margin.
- **Record profitability:** Pre-zakat and tax profits exceeding ₪ 1.37 billion, representing a 23% year-on-year increase.



In 2024, Bupa Arabia achieved 14% top-line growth (insurance revenue) and a record-breaking 23% bottom-line growth (pre-zakat and tax profits), exceeding ₪ 1.37 billion

In addition to our financial achievements, we celebrated several key non-financial milestones in 2024. We successfully launched Bupa CareConnect, which engaged over 1 million members, facilitated more than 100,000 tele-consultations.

Challenges and Opportunities

In 2024, Bupa Arabia faced several challenges, including regulatory complexities, rising healthcare costs, and intensified market competition. Balancing competitive pricing with profitability and managing the demands of digital transformation added to the pressures. Despite these hurdles, the Company prioritized innovation and customer engagement, remaining agile in response to evolving market dynamics and regulatory changes.

At the same time, Saudi Arabia's expanding healthcare sector created opportunities for integrated healthcare solutions. Bupa Arabia strategically aligned its insurance and medical services, investing in infrastructure and operational efficiencies to deliver seamless end-to-end solutions. By addressing workforce competitiveness and leveraging its expertise, the Company reinforced its leadership and contributed to the transformation of the Kingdom's healthcare landscape in line with Vision 2030.

Sustainability and Saudi Vision 2030

Sustainability remains at the core of our operations, guided by Saudi Arabia's Vision 2030, the national sustainability strategy, and the United Nations Sustainable Development Goals (UNSDGs). In 2024, we advanced our sustainability framework through six strategic pillars:

- **Female Empowerment:** Promoting gender equality and achieving high female workforce representation.
- **Talent Development:** Investing in training and leadership programs for our employees.

- **Data Privacy:** Upholding best-in-class data security practices.
- **Society Well-being:** Supporting community health through free health insurance programs and initiatives.
- **Governance:** Strengthening governance, transparency, and ethical practices.
- **Environmental Care:** Enhancing our environmental impact through sustainable practices.

Aligned with the Saudi Green Initiative, Bupa Arabia's environmental actions focus on combating climate change through responsible business operations and sustainability-aligned investments. Our efforts include enhancing environmental awareness, improving operational sustainability, and engaging in collaborative green projects. By integrating our strategic sustainability objectives into our operations, we aim to create a lasting social, economic, and environmental impact while contributing significantly to Saudi Vision 2030 and the global sustainability agenda.

Advancements in Governance and Risk Management

In 2024, Bupa Arabia made significant advancements in corporate governance and risk management to align with its strategic expansion into medical provision services amid an evolving regulatory environment. Key efforts included adapting to the Insurance Authority's regulatory framework to ensure compliance with industry-specific standards. The Company enhanced its data privacy protocols to align with Saudi Arabia's Personal Data Protection Law (PDPL), thereby safeguarding customer information and building trust. Additionally, Bupa Arabia updated its governance policies and procedures to reflect changes in Saudi Arabia's new Commercial Law, ensuring alignment with the Kingdom's evolving legal and business environment.

Awards and Recognition

This year, Bupa Arabia earned several prestigious accolades that highlight our industry leadership and unwavering commitment to excellence. We were named Health Insurance Company of the Year by the Middle East Insurance Review and recognized as Employer of the Year by the Chartered Institute of Personnel and Development (CIPD) for the second consecutive year. At the Golden Shield Excellence Awards during the InsureTek Middle East 2024 conference, we were honored as the Best Health Insurance Company of 2024 and received recognition as the Best Insurance Brand. These achievements underscore our dedication to delivering innovative, technology-driven healthcare solutions while advancing the Vision 2030 objectives to enhance the health sector and improve quality of life.

Acknowledgements

On behalf of the Board of Directors, I extend my heartfelt gratitude to our employees for their unwavering dedication, which has been instrumental in driving our growth and delivering outstanding results. I also thank our valued stakeholders - including investors, customers, suppliers, and partners - for their continued trust and support throughout our journey. Your confidence inspires us as we strive to elevate Bupa Arabia to even greater heights.

Looking ahead, we remain steadfast in our commitment to redefining healthcare in the Arab world. By prioritizing innovation, operational excellence and sustainability, we aim to achieve our long-term goals while creating exceptional value for our members, employees and stakeholders.

By Order of the Board

Eng. Loay Hisham Nazer
Chairman

With the launch of the new phase of our strategy, we are setting the stage for a new era of innovation, growth, and enhanced value for our members and stakeholders. Bupa Arabia remains dedicated to shaping the future of healthcare in the region with a clear vision and unwavering commitment.

Chief Executive Officer's Review



In the first year of our new Strategy, we achieved strong financial results, with ₪ 18.4 billion in GWP for 2024, marking a YoY increase of 8%



A Year of Growth, Transformation, and Resilience

I am pleased to present Bupa Arabia's Annual Report for the financial year 2024, a year that witnessed exceptional achievements and strategic advancements. Our financial performance has been remarkable, with Gross Written Premiums (GWP) reaching ₪ 18.4 billion in 2024 and a record-breaking Profit Before Zakat of ₪ 1.37 billion – an impressive 23% increase compared to the same period in 2023. These results reaffirm the success of our previous phase of our strategy, which laid a strong foundation for sustainable growth.

Building on this momentum, we have now embarked on the new phase of our strategy, steadfast in our commitment to shaping the future of healthcare. On behalf of the executive team, I extend my sincere gratitude to our employees for their unwavering dedication, and to our investors, partners and customers, for their continued trust in Bupa Arabia.

Sector Overview: Challenges and Opportunities

Saudi Arabia's economy is projected to grow at 1.7% in 2024, with non-oil sectors playing a crucial role in economic diversification. The insurance industry, particularly health insurance, continues to evolve, driven by regulatory reforms, digital transformation and Vision 2030 initiatives.

The insurance sector's GWP is expected to surpass ₪ 75 billion in 2024, with health insurance contributing to around 60%. Key industry developments during the year include, enhanced telemedicine services, healthcare facility expansions and regulatory enhancements.

On the regulatory front, the formation of the Insurance Authority in August 2023 marked a pivotal shift in regulatory oversight, with full transition completed ahead of plan by April 2024. This move streamlined governance and regulatory clarity, eliminating dual oversight by previous regulators. The new authority is focused on developing a national insurance strategy, introducing forward-thinking regulations that enhance transparency, efficiency and market stability.

Evolving for the Future, the Bupa Way

Bupa Arabia has maintained its leadership through innovation and operational efficiencies, despite the competitive market landscape. Our ability to adapt to macroeconomic fluctuations and regulatory changes has been crucial in sustaining growth. We have implemented several initiatives to manage medical inflation, to align incentives between Bupa Arabia and its partners from providers and to double-down on improved member experience.

Our technology-driven approach remains a competitive advantage, with the launch of our new digital sales platform – set to revolutionize customer engagement. Additionally, Bupa CareConnect has gained strong market traction, demonstrating significant potential for growth.

In Focus – Bupa CareConnect

Bupa CareConnect is transforming the customer experience with innovative solutions that enhance accessibility, convenience and quality of care. The introduction of a preauthorization-free model has simplified the patient journey, eliminating approval delays for a seamless experience. By employing in-house doctors, Bupa CareConnect has elevated teleconsultations, ensuring personalized and consistent care.

Recognition and Excellence

Our commitment to excellence continues to be recognized with numerous industry awards, further cementing Bupa Arabia's position as a market leader. Some of our key accolades include: Best Insurance Brand (Golden Shield of Excellence), Most Differentiated Brand (Kantar), Top 10 Most Valuable Brands in Saudi Arabia (Kantar), Insurer of the Year (Golden Shield of Excellence), Best Digital Experience for Customers (Global Brand Awards), and Best Health Insurance Company in Saudi Arabia (Global Business Outlook Awards).

Investing in Our People

At Bupa Arabia, we are committed to being the most admired healthcare company by attracting, developing and retaining top industry talent. Employee growth and career development remain a priority, and we collaborate with leading partners to empower our workforce and foster strong leadership.

We offer a comprehensive range of benefits, including exclusive employee discounts, service recognition and our People Care program. Additionally, we support employee well-being through flexible work arrangements, mental health services and health awareness initiatives. Our dedication to a positive workplace culture is reflected in our biannual employee engagement survey, which achieved outstanding scores of 87% in May and 89% in November 2024 – both surpassing our 80% target, with the latter marking a record high in recent years.

Looking Forward

2024 has been a landmark year for Bupa Arabia, characterized by strong financial performance, strategic growth and meaningful industry contributions. Our focus on innovation, customer-centric digital-first solutions and operational excellence, positions us for sustained success in the years ahead.

As we embrace the opportunities and challenges of 2025, our commitment to delivering world-class healthcare solutions remains unwavering. With the support of our employees, partners and stakeholders, we will continue to lead the transformation of the healthcare sector in Saudi Arabia and beyond.

Thank you for your trust and confidence in Bupa Arabia.

Tal Hisham Nazer

Chief Executive Officer and
Executive Board Member

Business Report



Bupa's purpose is helping people live longer, healthier, and happier lives.

Our Global Presence

Bupa Group



Established in 1947, Bupa's purpose is helping people live longer, healthier, happier lives and making a better world. With no shareholders, we reinvest profits into provided more and better healthcare for the benefit of current and future customers.



We are an international healthcare company serving over 60 million customers worldwide. Bupa has businesses around the world: principally in Australia, the UK, Spain, Poland, Chile, Hong Kong SAR, India, Türkiye, Brazil, Mexico and New Zealand. We have associate businesses in Saudi Arabia.



Bupa's businesses and operations are tailored to local market conditions, healthcare systems and customer needs. We specialise in Health insurance, Health provision, and Aged care.

60.5 million
Customers worldwide

37.8 million
Health insurance customers

22.7 million
Health provision customers

20,591
Aged care residents

BUPA GROUP 2024 FINANCIAL RESULTS

Revenue

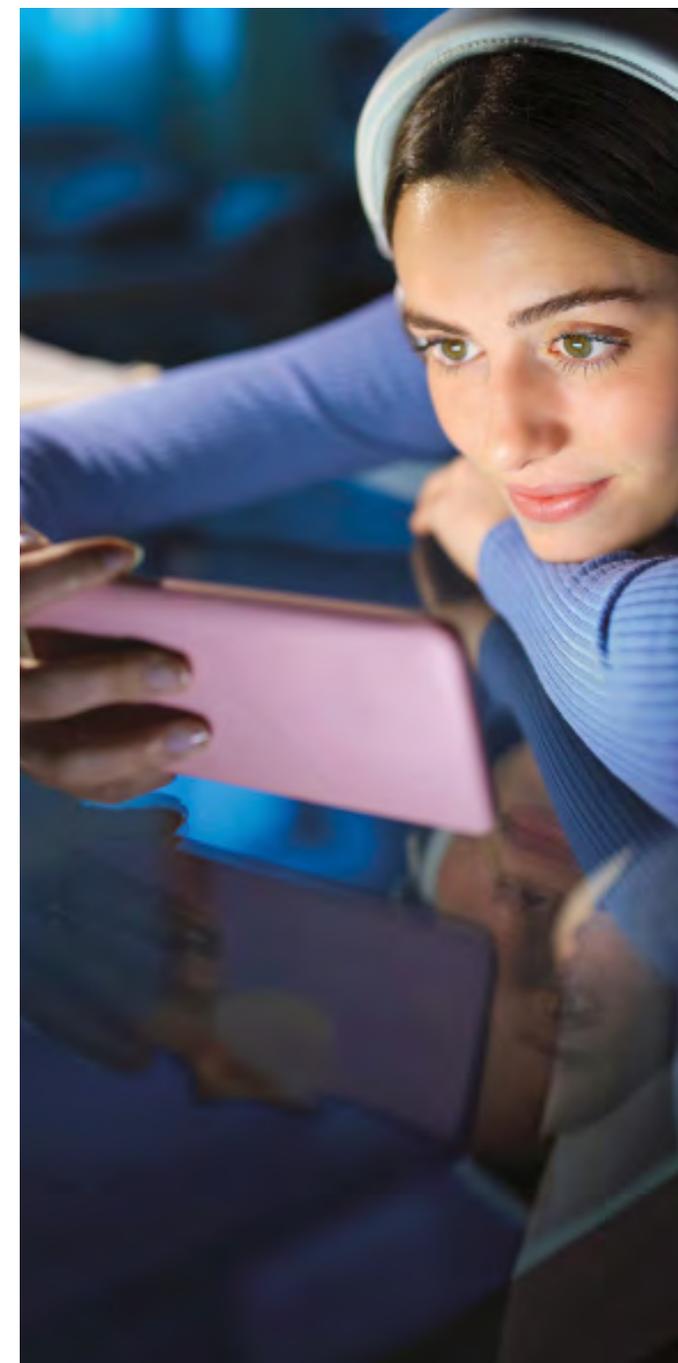
£16.9 billion

(Up 16% at Constant Exchange Rates (CER) compared to 2023)

Underlying profit before taxation

£914 million

(Up 59% at CER compared to 2023)





Our Purpose, Values and Ambition



Purpose

Helping people live longer, healthier, happier lives, and making a better world



Ambition

To be the world's most customer-centric healthcare company



Values



Brave

Make new possibilities happen



Caring

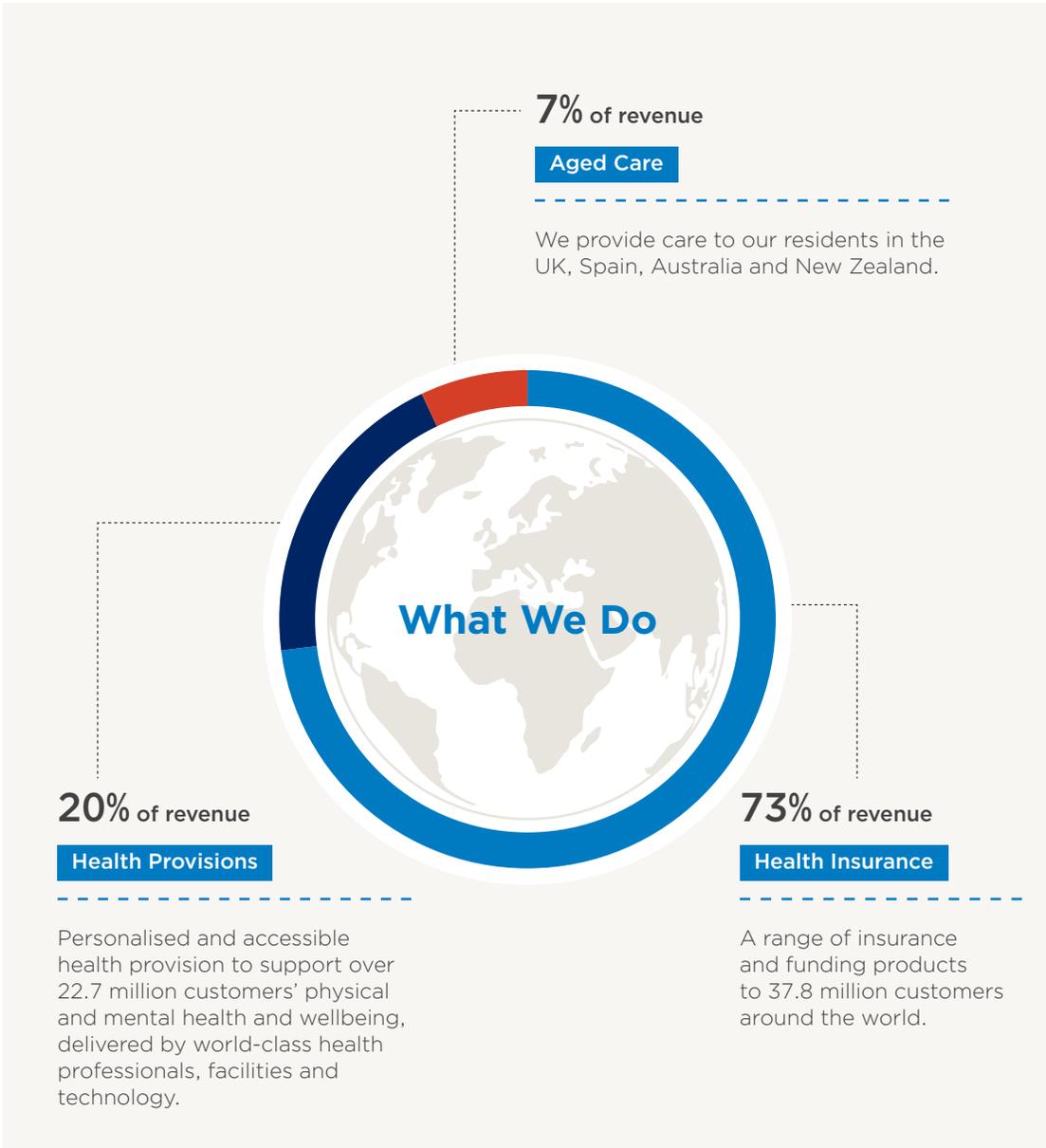
Act with empathy and respect



Responsible

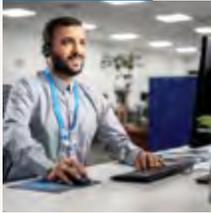
Own your decisions and actions

Bupa Group Business Model



Who We Create Value For

Customers



We are committed to:

- Putting ourselves in our customers' shoes to understand how they experience Bupa, so we can continually improve.
- Listening to thousands of customer interactions each month so we can come up with ideas to make our services even better.

People



We are committed to:

- Building the best, most diverse workforce and a great, inclusive place to work for our people.
- A place where all our people feel supported and valued, and they can grow and develop.
- Where everyone feels inspired to perform at their best and provide our customers with the best possible experience.

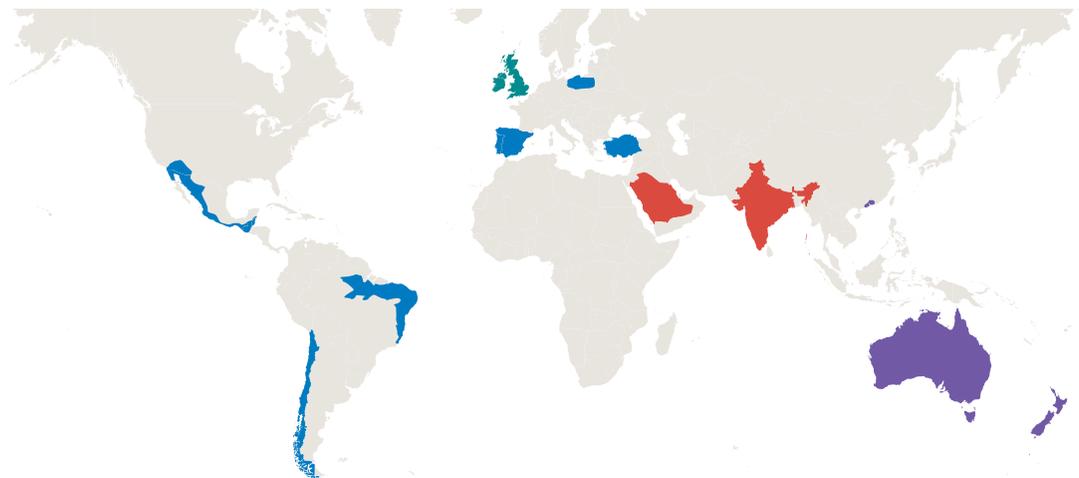
Partners/Society



We are committed to:

- Making a positive impact through volunteering, community partnerships and contributions.
- Advocating for environmental stewardship and addressing climate change and its health implications.

Footprint and Participation



		Funding				Health provisions				Aged care provisions	
		Health insurance	Health subscription	Dental insurance	Dental subscription	Clinics	Hospitals	Dental centers	Optical and audiology	Care homes	Retirement villages
Asia Pacific	Australia	✓		✓		✓		✓	✓	✓	✓
	New Zealand									✓	✓
	Hong Kong	✓	✓	✓	✓	✓		✓			
Europe and Latin America	Spain	✓	✓	✓		✓	✓	✓		✓	
	Poland	✓	✓	✓		✓	✓	✓	✓		
	Turkey	✓		✓							
	Chile	✓	✓	✓		✓	✓	✓			
	Brazil	✓		✓				✓			
	Bupa Global Latin America	✓				✓					
	Mexico	✓				✓					
Bupa Global and the UK	The United Kingdom	✓				✓	✓	✓		✓	✓
	Bupa Global	✓									
Other	Saudi Arabia	✓				✓					
	India	✓									

Our Landscape

About Bupa Arabia

Bupa Arabia is a leading health insurance provider in Saudi Arabia, dedicated to delivering comprehensive healthcare services tailored to individuals, families, and businesses. Established in 1997, it is part of the global Bupa Group, a multinational healthcare organization headquartered in the UK. Bupa Arabia is listed on the Saudi Stock Exchange (Tadawul) and operates under a mission to ensure healthier, longer, and happier lives for its members.

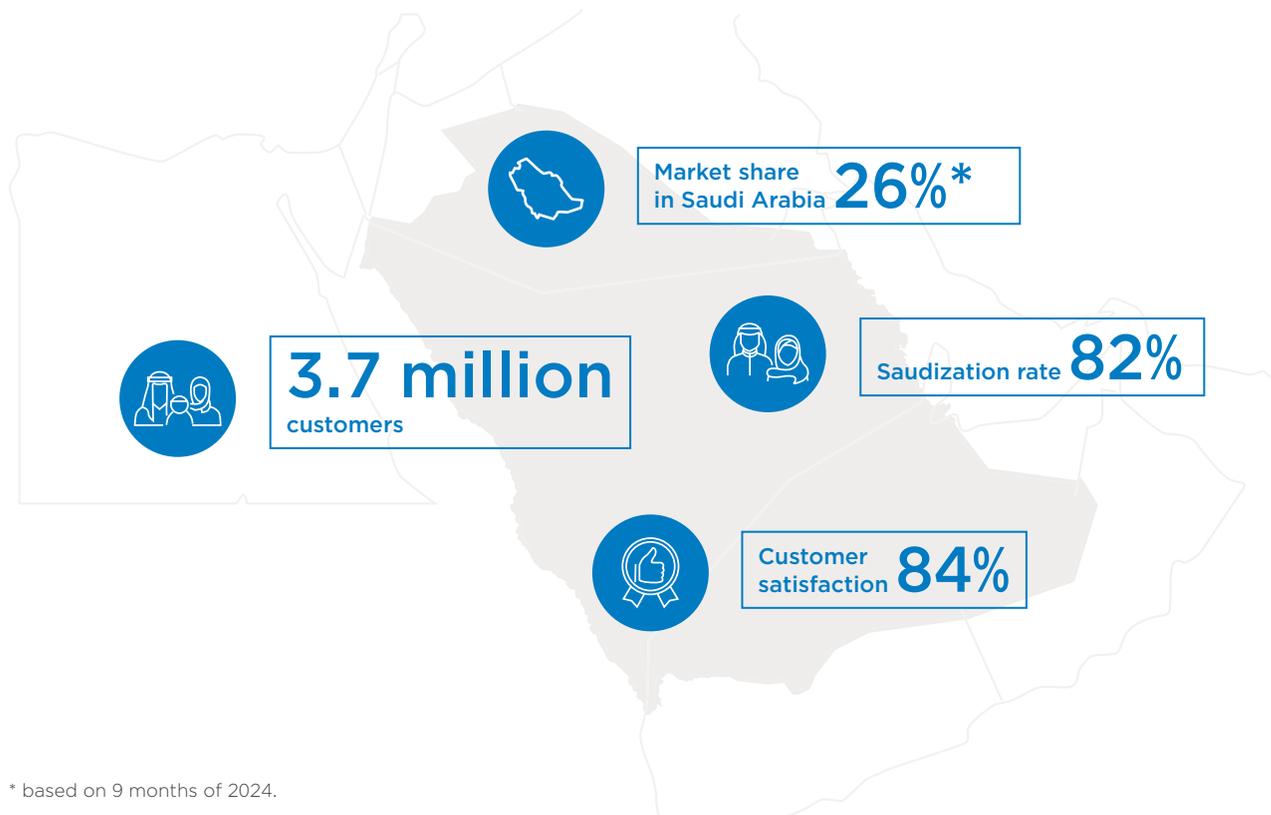
In 2024, Bupa Arabia established its new provision business arm, "Bupa CareConnect," to enhance healthcare accessibility through innovative services and programs. Guided by the principle of helping people enjoy and maintain better health for life, we work every day to uphold our position as a leading global healthcare company.

Bupa's telehealth platform which is supported by its dedicated mobile app, allows members to download ePrescriptions, access their electronic health record and manage all health-related documents at a single location. The app, which had 1.7 million downloads till 2024, established a rating of 4.40.

With the presence of eight offices and branches across the country - in Jeddah, Riyadh, Khobar, Jubail, Madinah, Makkah and Buraidah - the Company serves a customer base exceeding 3.7 million, reaffirming its commitment to provide healthcare services throughout the Kingdom.

Bupa Arabia, which is recognized for its efforts in women empowerment, attracts Saudi Arabian youth, and has achieved a Saudization rate of over 82%.





* based on 9 months of 2024.

2024 Financial Results

Insurance revenue

14% increase ↑

2024	ﷲ 18.1 billion
2023	ﷲ 15.9 billion

Net Income before zakat and income tax

23% increase ↑

2024	ﷲ 1.37 billion
2023	ﷲ 1.1 billion

Insurance services expenses

13.6% increase ↑

2024	ﷲ 17.01 billion
2023	ﷲ 14.9 billion

Earnings per share

23.8% increase ↑

2024	ﷲ 7.79
2023	ﷲ 6.29

Our Year at a Glance

Market share – Bupa Arabia maintains leadership in the health insurance market

DIGITAL

1.7 million app downloads

An impressive app rating of 4.40

20 bots launched
26.9 million transactions

EMPLOYEES

89% People Engagement Score
vs 88% in 2023

81% Succession Rate
vs 86% in 2023

Saudization Rate
82%
vs 81% in 2023

CUSTOMERS

Net Promoter Score (NPS) of 54.6
vs 52.5 in 2023

CSAT score is 83%
based on 35,000 interviews
remained stable in comparison to 2023

26%* market share in Saudi Arabia
vs 27% in 2023

EARNINGS

Gross Written Premiums (GWP) of **ﷲ 18.4 billion**
up by 10% YoY

Net Income before Zakat and Tax of **ﷲ 1.37 billion**
up by 23% YoY

EPS (Earnings Per Share) **ﷲ 7.79**
up by 23.8% YoY

Insurance Revenue **ﷲ 18.1 billion**
up by 14% YoY



* based on 9 months of 2024.

Strategic Framework

Purpose:
Helping people live longer, healthier, happier lives, and making a better world

Ambition:
To be the world's most customer-centric healthcare company

Vision:
To be the most trusted healthcare company in the Arab world

3B Strategy

During 2024, Bupa introduced the 3B Strategy aimed at transforming the Company from a health insurance company to a healthcare company, by 2030. The Company aims to achieve this by building a winning operating model, becoming the employer of choice, championing local content, leading sustainability in the sector and leveraging big data and analytics.



Saudi Arabia's health insurance industry is set for steady growth, with a projected 15% annual rise over the medium term, fuelled by regulatory advancements, rising medical costs, population expansion, and key contributions from infrastructure and real estate projects.

External Environment and Market Dynamics

The Global Economy Shows Signs of Stability Amid Rising Downside Risks While Asia Continues to Outperform

In 2024, the global economy showed early signs of stabilization, benefiting from the careful, calibrated policy actions of central banks, which have helped curb inflationary pressures while sidestepping a global recession.

The International Monetary Fund (IMF) projects global growth to remain broadly stable across 2024 and 2025 at 3.2%. However, the IMF highlights increased downside risks stemming from rising geopolitical tensions, climate risks, and a shift towards unfavorable trade and industrial policy. Global inflation is projected to ease further, with estimates suggesting a decline towards 3.5% by the end of 2025. This disinflationary trend has triggered a measured pivot towards more accommodative monetary policy across several major economies, including that of the United States, and should bode well for consumption and credit growth.

Despite the broader disinflationary trends, regional differences continue to persist. Insurers are mixed in their views with those across North America and Europe, the Middle East, and Africa (EMEA) expecting central banks to formulate a soft landing, while insurers across Asia-Pacific believe rates will stay elevated and the economy will remain resilient.



Global insurers continue to eye emerging markets across the broader Asian continent, given positive socio-economic and demographic trends as well as the large protection gap, particularly in the property and casualty (P&C) lines. While the global average stands at 65%, the protection gap remains significantly higher across the Middle East (97%), Africa (96%) and Asia (92%).

In 2024, global non-life insurance premium growth is estimated to be 3.3% and moderate to 2.6% in 2025, driven by emerging markets where premium growth is estimated at 4.9% for 2024 and 4.4% in 2025. Conversely, global premium growth in life insurance is projected at 2.9% for 2024 and declining marginally to 2.7% in 2025, again led by emerging markets where growth is anticipated to be strong at 7.2% in 2024 and 5.7% in 2025.

Looking forward, demographic divergence, characterized by changes in age, income and geographic distribution, underpins the primary mega trend influencing the insurance sector. An ageing population has a direct impact on demand for life and healthcare insurance lines, while urbanization and migration influences demand for P&C lines. Moreover, the increased occurrence of natural disasters has also necessitated the need for more comprehensive P&C product solutions.

Steering Transformation and Resilience in Line with Saudi Vision 2030

The Kingdom of Saudi Arabia is steadily progressing with its economic diversification efforts and has witnessed noteworthy positive changes in recent years. Select structural reforms aiding this transition include privatization efforts, labor market reform and improved work environment, as well as sectoral and regional strategies anchored in Saudi Vision 2030. These ongoing measures are expected to underpin the Kingdom's transition towards a more sustainable and resilient growth trajectory over the medium and long term.

The Ministry of Finance (MoF), in its pre-budget 2025 report, estimates the Kingdom's real gross domestic product (GDP) to grow 0.8% in 2024, recovering from the 0.8% contraction in 2023. Non-oil activities are expected to be the primary growth driver with an estimated increase of 3.7%, while the oil sector continues to face challenges.

2025 Economic Outlook

The Kingdom expects to leverage available fiscal policy space for 2025 in a prudent manner to accelerate select projects and strategies on a priority basis, with the aim of stabilizing and diversifying its economy for greater economic and social returns in line with Saudi Vision 2030. The MoF projects 2025 state expenditure at ₪ 1.28 trillion, while state revenue is expected to remain robust at ₪ 1.18 trillion, resulting in an overall budget deficit of ₪ 101 billion or -2.3% of its GDP.

Elevated uncertainty is the major theme surrounding risk factors. While the global economy has been able to avoid a recession thus far, it remains a concern given many countries are at a very early stage of a policy pivot away from high interest rates. Furthermore, rising geopolitical and trade tensions, climate risks, and cyberattacks may potentially cause supply chain disruptions and market instability. With the domestic economy greatly influenced by global market developments, these risk factors may cause an undesirable impact as lower oil prices affect oil related activity and higher consumer prices affect non-oil activity.

Insurance Market in Saudi Arabia

The insurance industry in the Kingdom remains on a healthy growth trajectory, recording estimated total gross written premiums (GWP) of ₪ 76.5 billion in 2024, reflecting a 16.0% YoY growth. Medical insurance constituted the largest share, with an estimated 56% of total revenue, followed by Motor (19%) and P&C (25%).

Growth in Saudi Arabia's insurance industry is fueled by various factors, including favorable demographic trends, regulatory developments, technological advancements, major infrastructure projects and the increase in labor market participation.

Notably, demand for digital solutions remained strong, aided by industry-wide digitization efforts and expanded product offerings. As a leader in the digital transformation journey, Bupa Arabia is strategically positioned to leverage this momentum for increased market penetration. Vision 2030 - Saudi Arabia's ambitious blueprint to diversify its economy and reduce reliance on oil - has been a cornerstone of this transformation, reshaping the insurance landscape in the Kingdom.

Note: The 25 listed insurance companies are used as a proxy for industry figures.

GWP - Healthcare Insurance Market

10.6% increase ↑

2024 (forecast) ₪ 42.6 billion

2023 (actual) ₪ 38.5 billion

GWP - Total Insurance Market

16% increase ↑

2024 (forecast) ₪ 76.5 billion

2023 (actual) ₪ 65.9 billion

INSURANCE REVENUE BREAKDOWN

(2024 - forecasted figures)

Healthcare	56%
Motor	19%
Others	25%

GROSS WRITTEN PREMIUM

(2024 - forecasted figures)

All Lines GWP

ﷲ 76.6 billion 10% ↑

Healthcare

ﷲ 42.6 billion 11% ↑

Motor

ﷲ 14.4 billion 3% ↑

Other General Lines

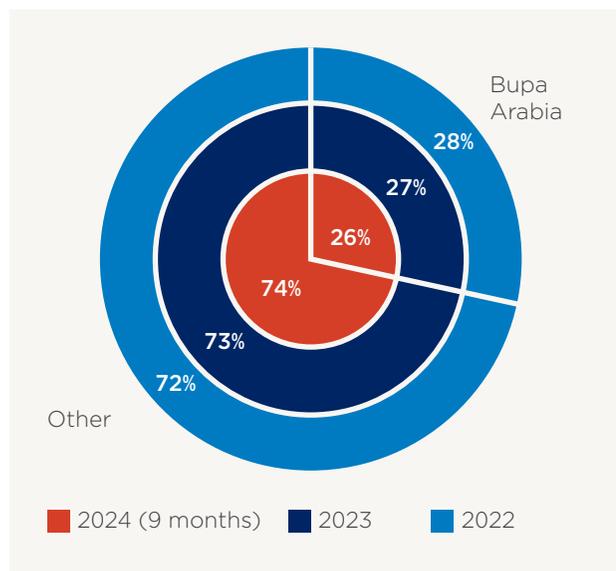
ﷲ 19.6 billion 45% ↑



Market Share Overview 2024

Note: Overall results from 2024 have not been published yet.

Bupa Arabia held a 26% share in the overall insurance sector of Saudi Arabia as of 9m 2024, mainly attributed to its market leadership in the health insurance sub-sector where it holds close to 45% market share. The comparative performance of the Company in relation to its peers in the industry is illustrated below:



Health Insurance Industry 2025 Outlook

Saudi Arabia's health insurance industry remains on a steady growth trajectory, supported by a rising population, increasing life expectancy and strategic government investment. Projections indicate a compound annual growth rate of 15% from 2024 to 2028, driven by regulatory measures, trends in medical costs, population growth as the Kingdom remains an attractive destination for expatriates and economic diversification initiatives.

Below are key factors that will propel the health insurance industry forward:

Macro and Microeconomic Factors

The Saudi Government's commitment towards economic growth and reform is underpinned by expansionary fiscal policy, with state spending expected to increase from a projected $\text{S}1.28$ trillion in 2025 to 1.43 trillion in 2027. This translates to a budget deficit of 2.3% to 3.0% as a percentage of GDP.

The Kingdom remains committed to investing in its healthcare industry, with a $\text{S}214$ billion budgetary allocation for healthcare and social development in 2024. The majority of funding continues to be channeled towards enhancing and expanding healthcare infrastructure, including digital health initiatives designed to improve the accessibility and efficiency of the healthcare system. State expenditure on healthcare is likely to remain robust over the medium term from 2025-2027.

The private insurance market was valued at an estimated $\text{S}40.0$ billion as of end 2023, and is expected to double by 2030, providing significant growth opportunities for incumbent industry participants.

Government Initiatives and Regulations

The Health Insurance Council and the Insurance Authority mandated insurance coverage for registered domestic workers, from July 2024. Under the policy, households with more than four (4) staff members are required to provide insurance coverage. As of end 1Q 2024, the domestic worker population was estimated at 3.9 million or 25% of the total workforce, representing a substantial new market for insurers to tap into.

In October 2024, Minister of Health, Fahad Al-Jalajel, revealed investment deals worth over $\text{S}50.0$ billion towards the healthcare sector during the Global Health Exhibition held in Riyadh. Various strategic partnerships and initiatives aimed at the Kingdom's focus on digital solutions, artificial intelligence (AI) and innovation within the healthcare sector were also announced during the event.

Market Factors

Technology has been a transformative force in Saudi Arabia's insurance industry, accelerated by the adoption of AI features in the healthcare sector. It is estimated that over half of the customer service interaction of the Kingdom's insurance sector was conducted through AI in 2023, marking a considerable shift towards efficiency and innovation.

Medical inflation in Saudi Arabia continues to be one of the highest in the region, estimated at 12.5% for 2024, per Willis Tower Watson's 2024 Global Medical Trends Survey report.

Business Review



At Bupa Arabia, technology and innovation drive our mission to enhance health, well-being, and experience. By embracing digital transformation, we make healthcare more accessible and seamless – from telemedicine to smart clinics, ensuring our members receive timely, effective care for healthier, happier lives.

Intellectual Capital

At Bupa Arabia, intellectual capital is a cornerstone of our strategy, driving brand strength, innovation and customer engagement. In 2024, we focused on enhancing our brand identity, refining our messaging, and leveraging digital advancements to create a more personalized and seamless healthcare experience. Our initiatives centered around strategic marketing, product innovation, and strengthening customer connections to reinforce our position as a trusted leader in the healthcare space.

Enhancing Brand Identity and Awareness

Bupa Arabia remains committed to maintaining its reputation as a trusted and caring healthcare provider. In 2024, we launched several targeted initiatives to strengthen brand awareness and reinforce our leadership:

- **Functional campaigns:** We showcased key services such as Home Lab, Home Care, and Bupa Digital Clinic, emphasizing our commitment to accessible, innovative healthcare solutions.



- **Strategic sponsorships:** We secured major event sponsorships that reflected our core values and enhanced brand visibility:
 - **Saudi Games partnership** strengthened our position in sports and wellness as a trusted healthcare partner.
 - **Fintech sponsorship** enabled us to expand our brand presence in emerging sectors, demonstrating adaptability and innovation.
 - **Al-Balad Half-marathon sponsorship** promoted active lifestyles and community health engagement.
- **Bupa Hero campaign:** Anchored in inspirational personal health journeys, we sought to foster deeper emotional connections with members.
- **Sports engagements:** Organized events such as the Bupa Marathon, Bupa Padel, and Bupa Ultimate Challenge, reinforcing the importance of physical well-being while engaging diverse audiences.

Refining Marketing Communications

Our marketing approach has evolved to align with customer expectations and modern media consumption habits. We focused on delivering a personalized, member-centric experience by:

- **Focusing on one service:** Our communication highlights specific services for clarity and impact, aligning with audience needs.
- **Refreshing our tone of voice:** A more approachable and light-hearted tone makes our messaging more relatable and engaging.
- **Using short-form videos:** We adopted concise, impactful content to cater to digital platforms and maximize engagement.

These refinements reinforce our core values of trust, customer-centricity and innovation, making Bupa Arabia more accessible while delivering a seamless healthcare experience.

Major Campaign Highlights

Bupa Digital Clinic – Bupa CareConnect



The launch of the Bupa Digital Clinic was a landmark initiative, positioning Bupa Arabia at the forefront of digital healthcare. The CareConnect campaign exceeded expectations and targets. This success underscores our ability to leverage digital platforms for enhancing healthcare accessibility and engagement.

120,000+
completed consultations

20 million
views

202 million
impressions

188%
overachievement of the View-Through
Rate (VTR) target

37 million
members reached

Saudi Games Sponsorship



Bupa Arabia's strategic partnership with the Saudi Games, the Kingdom's largest multi-sport event, reinforced our commitment to promoting health and fitness. This collaboration strengthened our connection to Saudi Arabia's sporting aspirations and Vision 2030 goals. The initiative delivered outstanding results.

10.5 million
views

12.4 million
impressions

High engagement at our Riyadh Boulevard booth over 17 days

Enhanced brand visibility through OOH, PR, and integration into the Bupa app

Benefit Upgrade Campaign



Designed to increase awareness of our Benefit Upgrade Top-up, this campaign significantly outperformed expectations across all channels. The results reflect the effectiveness of our marketing strategy in driving customer awareness and adoption.

2.0 million
views

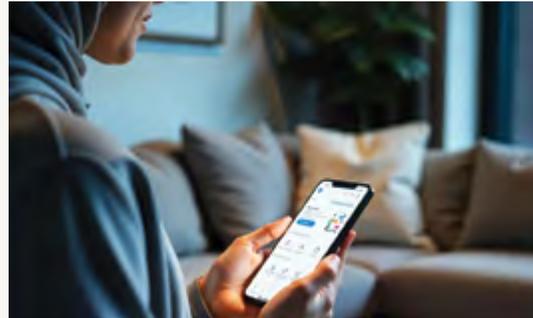
46 million
impressions

800,000
engagements

Building for the Future

Our focus on intellectual capital extends beyond marketing efforts. We continue to invest in digital transformation, product innovation and data-driven insights to enhance member experiences. By strengthening our brand, refining our communication strategies and leveraging technology, we are well-positioned to redefine healthcare delivery in the Arab world while aligning with Vision 2030 and the evolving needs of our members.

Improved Mobile App Experience



Bupa Arabia revamped its mobile app to offer a more intuitive, user-friendly experience. Key improvements include enhanced navigation, optimized performance, and reduced load times. Additionally, launching the app on Huawei AppGallery has expanded its reach, making it accessible to more users and strengthening our customer base.

Automation for Greater Efficiency



We introduced multiple digital applications to boost efficiency and productivity, including Oracle ERP solutions for Financials and HCM, streamlining internal operations. The launch of Bupa Hub, an employee-centric platform, improved access to internal services. Additionally, the Generalized Linear Modeling (GLM) system enhanced pricing automation, increasing accuracy, efficiency, and decision-making autonomy.

Strategic Technology Partnerships



Our digital capabilities were strengthened through key partnerships. Notably, a collaboration with a teleconsultation provider enabled easy, anytime access to medical specialists, promoting remote healthcare. Additionally, integrating a mobile verification service enhanced security and streamlined user authentication. These initiatives reflect our commitment to leveraging technology for seamless, secure, and patient-centered healthcare services.



Fortifying Against Cybersecurity Threats

Bupa Arabia strengthened its cybersecurity framework to support the Company's growth and adapt to the evolving threat landscape in the local healthcare sector and the wider Middle East region. In 2024, we conducted comprehensive independent risk assessments to identify and mitigate emerging cyber risks. Our enhanced monitoring systems ensure proactive threat detection, while material risks are continuously evaluated and reported to the Board. These efforts reinforce our commitment to safeguarding sensitive data, maintaining operational resilience, and upholding the highest standards of cybersecurity in an increasingly digital healthcare environment.

To safeguard customer data and uphold the highest privacy standards, we have implemented robust cybersecurity measures, including:

Regulatory Compliance

Adhering to industry regulations through rigorous security policies and best practices.

Real-time Threat Intelligence

Integrated continuous threat intelligence to proactively address evolving risks.



Defense-in-Depth Strategy

Implementing multiple layers of security to protect systems, data and networks against cyber threats.

Enhanced Vulnerability Management

Improved identification, prioritization, and remediation processes to minimize risks and ensure timely security updates.

Advanced Network Security

Strengthened defenses with layered security controls to detect and prevent potential threats.

Compliance with Global Standards

Achieved ISO 27001:2013 certification, reinforcing our commitment to best practices in information security.

AI-Driven Threat Detection

Leveraging artificial intelligence for faster, more accurate identification of cyber threats.

We continue to ensure regulatory compliance while aligning with business objectives by adopting industry frameworks and international best practices such as ISO standards. Our certifications in service, quality, innovation, and security management reflect our commitment to delivering secure, high-quality healthcare services that exceed customer expectations and enhance the member experience.



ISO/IEC 20000-1:2018
Certification for Service
Management System



ISO/IEC 27001:2013
Certification for
Information Security
Management System



ISO 56002:2021
Certification for Innovation
Management



ISO/IEC 9001:2015
Certification for Quality
Management System



ISO/IEC/IEEE 90003:2018
Certification for Software
Quality Management
Systems



QS/ISO 10006:2017
Certification for Quality
Management in Projects



Data Center TIER II
Design Certification, by
the Uptime Institute

At Bupa Arabia, Customer Capital is at the core of our mission to deliver seamless healthcare experiences. Through innovation and digitalization, we enhance accessibility, offering personalized solutions that cater to diverse member needs.

Customer Capital

Bupa Arabia's customer capital is enhanced through its unwavering commitment to delivering exceptional, customer-centric healthcare experiences. The Company has shifted its focus to create personalized and differentiated member journeys, emphasizing on seamless healthcare solutions that align with modern needs. It serves a client mix across multiple sectors including the Government Sector, Natural Resource Sector, Trade and Construction Sector, and the Banking and Finance Sector of Saudi Arabia.

Customer Experience Enhanced Through Innovation and Digitalization

At Bupa Arabia, our commitment to enhancing customer well-being drives every aspect of our strategy. Through innovation and digitalization, we deliver healthcare solutions that are tailored to meet diverse customer requirements. Our portfolio encompasses a variety of cutting-edge programs designed to offer hassle-free hospital journeys and wellness initiatives that encourage healthier lifestyles.

By prioritizing customer needs and leveraging technology, Bupa continues to redefine healthcare, ensuring our members benefit from innovative and personalized services.



Customer Heartbeat

Bupa remains focused on addressing concerns or suggestions regarding health insurance plans and services. Based on recent customer feedback, we have implemented specific enhancements, such as streamlining the appointment scheduling process with certain providers.

Customer Heartbeat is a survey that evaluates the service levels of both the hospital and Bupa Arabia, enabling improvements through collaborative actions from both parties.

- Achieved a customer satisfaction rate of 81%

Innovative and Personalized Digital Product Offerings

We continue to improve our healthcare offerings with innovative, customer-focused digital solutions that prioritize accessibility and personalization. Services such as Bupa CareConnect and the Bupa Digital Clinic, empower members by offering seamless telemedicine consultations, hassle-free hospital experiences and chronic care management.

Bupa CareConnect

Bupa CareConnect has embraced a transformative journey and has consolidated its offerings under a unified identity. This integration reflects a commitment to delivering personalized, seamless healthcare experiences that enhance health outcomes for all members.

Our efforts emphasize clarity and member-centricity, with communications focused on specific services that resonate with audience preferences. A light-hearted and approachable tone is supported by modern, short-form video content to align with contemporary media consumption habits.

In 2024, Bupa highlighted its key services – Home Lab, Home Care, Medication Delivery and Home Vaccination – through the Company's functional campaigns, showcasing its commitment to innovative and accessible healthcare solutions.

Bupa LiveRight

The Bupa LiveRight program integrates a diverse range of interactive wellness initiatives to enhance the holistic well-being of our members and the wider community. Featuring approximately 200 targeted activities, the program prioritizes critical health issues such as mental wellness and preventive care, as well as specialized health lounges, fitness optimization and weight loss programs.

Highlights for 2024 included:

- **Saudi Games Sponsorship** – A strategic partnership with the Saudi Games reinforced Bupa's dedication to health and fitness, achieving remarkable results by exceeding impressions and view targets by 125% and 106% (over 10 million). The booth at Riyadh Boulevard attracted a considerable number of visitors over 17 days. Visibility was amplified through Out-of-Home (OOH) advertising and public relations campaigns, reinforcing the brand's connection to the nation's sporting aspirations and Saudi Vision 2030.
- **Al-Balad Marathon Sponsorship** – A healthy and active lifestyle within the community was promoted during this event.
- **Bupa Marathon, Bupa Padel, and Bupa Ultimate Challenge** – These initiatives, which engaged diverse audiences, emphasized the importance of maintaining physical health.
- **Bupa Hero Campaign** – This campaign focused on inspiring personal health journeys and building a strong emotional connection with members.

The Bupa App

The Bupa App offers advanced features to enhance customer satisfaction, including booking blood donation appointments, an AI-powered symptom checker for comprehensive health assessment, home-based medication refill services, and mental health audio resources. Additionally, the app provides access to Bupa CareConnect, offering valuable support such as telemedicine consultations for members.

Digitalization Improvements in 2024

Bupa Digital Clinic

The Bupa Digital Clinic was launched as a part of the Bupa CareConnect campaign which significantly exceeded expectations across all social media metrics. The campaign achieved over 100,000 completed consultations, garnered 13 million views, and reached 150 million impressions. It surpassed all planned targets, exceeded the View-Through Rate (VTR) target by 132% and engaged with 120 members.

The Digital Clinic focuses on delivering scalable solutions that are tailored to member personas and engagement, underpinned by value-based capabilities in technology, products and services. Leveraging AI-powered, data-driven care, it empowers doctors and patients alike. The initiative covers the full delivery value of primary, secondary and tertiary care through a strong alignment of customers, members, providers and partners.

The Digital Clinic encompasses a range of features including:

- Personalized engagement plans
- Pre-active remote monitoring
- Easy, anytime access
- Value-care (multi-specialty)
- Hospital admission support
- Home healthcare service including medication prescription, delivery and home lab testing
- Electronic medical records

Bupa Corporate Customer Program

The Bupa Corporate Customer Program caters to companies with over 250 employees, offering fully customizable coverage plans. To ensure prompt support, Bupa representatives are strategically positioned at the largest hospitals across the Kingdom to deliver value-added services with a “customer at heart” approach.

Bupa Munsha’at

Bupa Munsha’at, which is considered to be a key contributor to Bupa Arabia’s Gross Written Premium (GWP), is specifically designed to cater to the requirements of SMEs. The product features over 22 tailored options across three customer-centric programs. Notably, the Company successfully completed three product development cycles for Bupa Munsha’at, laying the ground for its next iteration, Munsha’at 2.0.

Bupa International Health Plans

The Bupa International Health Plans, which are designed for business executives residing within Saudi Arabia and internationally, offer access to an extensive network of over one million healthcare providers across 190 countries.

Benefit Upgrades

The benefits upgrade feature allows Bupa Corporate members with high-end schemes to easily enhance their coverage online within a minute. Members can seamlessly upgrade their benefits through the mobile app or members portal, which offers them full control to manage their purchases. They have a limited window of 30 days from the policy inception date to initiate upgrades.

Bupa Family

Bupa Family is tailored to meet the diverse health insurance needs of Saudi families. The offering currently includes two distinct programs, with plans underway to introduce additional programs to expand coverage and serve a broader customer base.

Bupa Helpers

Bupa Arabia pioneered the launch of an individual health insurance product, specifically designed to meet the healthcare needs of policyholders, which ensures no additional financial burden is placed on them.

Bupa Parents

Specifically developed for Bupa Arabia members, this product allows members to directly insure their parents via the website or the Bupa App, offering a seamless and convenient process.

Bupa Expat Individuals

This program was developed to meet the health insurance needs of second-degree dependents who are sponsored by non-Saudi employees, ensuring comprehensive coverage for expatriates’ families.

Bupa Inbound Travel

Bupa Inbound Travel is designed to safeguard the health and well-being of individuals entering the Kingdom of Saudi Arabia, and addresses the potential health risks associated with travel.

Bupa Premium Residency

Bupa Premium Residency is a product tailored for premium residents. It is available to those applying from outside Saudi Arabia as well as those resident in the country, and offers specialized coverage for high-net-worth individuals.

Awards and Recognitions

Bupa Arabia was recognized with multiple awards during the year 2024.

Brand Awards

- Best Insurance Brand – Golden Shield Excellence
- Best Integrated Experience – Digital Experience Show
- Most Differentiated Brand – Kantar
- Top 10 Most Valuable Brands in Saudi Arabia – Kantar
- Tal Nazer, one of the Middle East's Top 100 CEOs in 2024 – Forbes List

Organizational Awards

- Health Insurer of the Year – Golden Shield Excellence
- Best Digital Experience for Customers, Saudi Arabia 2024 – Global Brand Awards
- Best Talent Management Initiative – CIPD
- Digital Transformation of the Year – 11th MIA Awards 2024
- Best Health Insurance Company, Saudi Arabia 2024 – 10th Annual Global Business Outlook Awards
- Health Insurance Company of the Year 2024 – Middle East Insurance Awards

- Outstanding Member Experience Award 2024 – Brand and Business Magazines
- Best Health Insurance Mobile App Saudi Arabia 2024 – Brand and Business Magazines

In addition to the above awards, the Company received recognition at various other events.

Insuretek 2024:

- Best Insurer of the Year
- Best Insurance Brand

Council of Health Insurance Excellence:

- Health Insurance for the year
- Best Customer Experience
- Best C-suite 2023 Tal Nazer
- Women Leader of the Year
- Young Achiever of the Year

SHRM MENA Awards 2023:

- 1st place – Excellence in Health and Well-being
- 2nd place – Talent Acquisition and Retention

General Society of Surveillance (SGS) 2023:

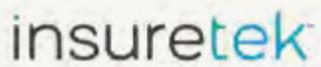
- First insurance company to acquire
- ISO/IEC 27001:2013
- ISO/IEC 20000-1:2018

Digital Experience ME Awards 2023:

- Best Digital Campaign
- Regional Excellence Healthcare

Saudi Capital Markets Awards (SCMA) 2023:

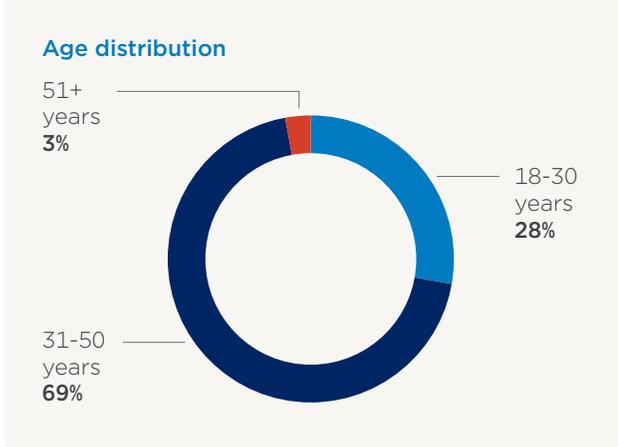
- Best Investor Relations Program Award



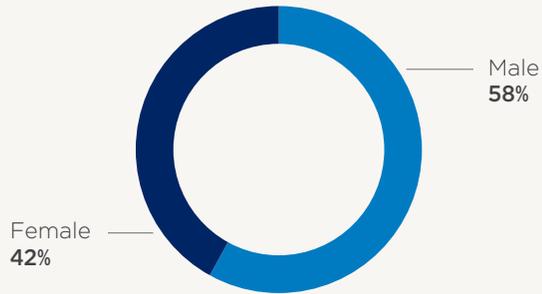
Bupa Arabia's strategy focuses on strong employee engagement through talent development, continuous learning, and prioritizing well-being. We offer ongoing development opportunities and support initiatives to keep employees engaged and motivated.

Human Capital

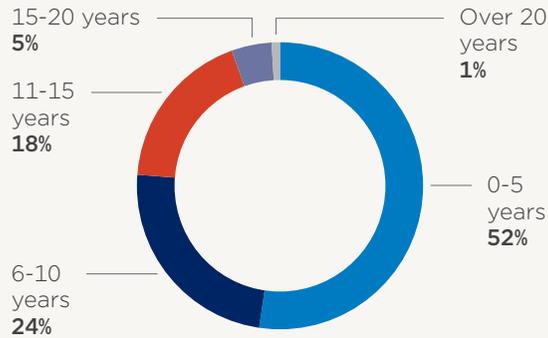
Engaging talent 89% in 2024 vs 88% in 2023	Retention rate 90.66% in 2024	Total hours of training for employees 44.0 in 2024 vs 36.5 in 2023	Investment in employee training and development AED 14 million in 2024, unchanged from 2023
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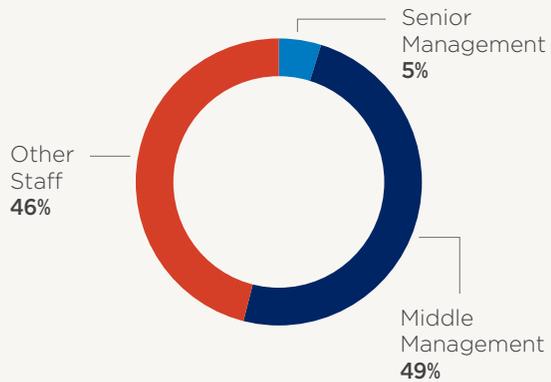
Gender composition



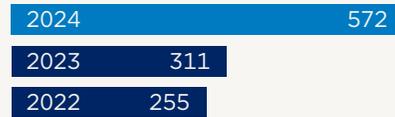
Number of years of service



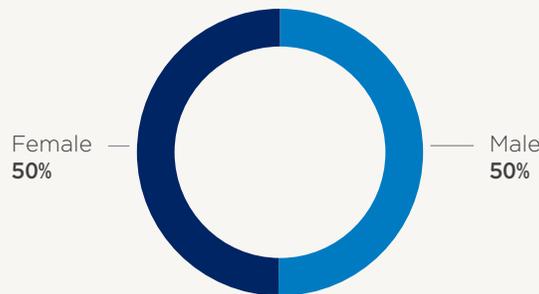
Employees by category



New recruits



New recruits gender composition



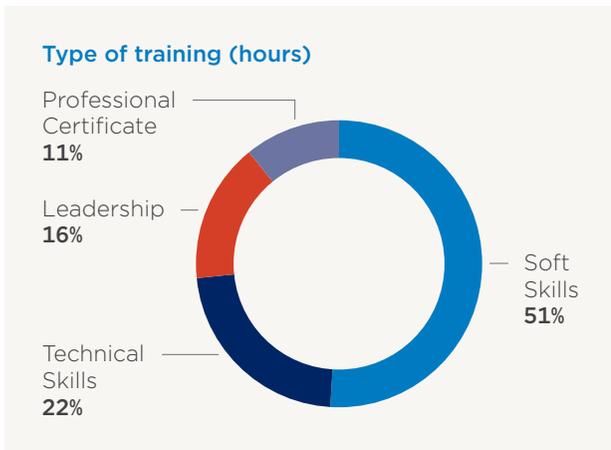
Learning and Development Initiatives

Talent development is a core pillar of our strategy, with a strong focus on strengthening strategic capabilities, fostering a culture of continuous learning, and developing future leaders. In 2024, over 2,000 employees participated in various learning opportunities, including 634 employees at different career levels who took part in one of the seven Talent and Leadership Development programs. Delivered in collaboration with best in class institutions, business schools and digital learning platforms, these programs ensure accessibility across all levels, including comprehensive onboarding for new hires.

Bupa Arabia is committed to addressing all learning and development frameworks through these programs, covering specialized technical skills, professional certifications, personal effectiveness, and management development. Additionally, we have made significant investments in high-potential (HiPo) and succession development programs, designed to nurture talent and prepare future leaders at all levels of management.

Total hours of training for employees





Initiatives Addressing Employee Well-being

Our approach to employee engagement has always centered on fostering a performance-driven culture where individuals feel inspired and valued, and bring enthusiasm to their work. Bupa Arabia's 1B Strategy, launched for 2018-2023 under the vision of helping people "live a happier and healthier life," set a target score of 83%. By November 2023, we successfully closed this strategy with an achievement of 88%, surpassing the 80% benchmark.

Building on this success, Bupa Arabia introduced its new 2024-2030 3B Strategy, which focuses on three core pillars:

- (i) Boost the Core: capturing market growth opportunities
- (ii) Bend the Curve: controlling and mitigating rising market inflation
- (iii) Beyond PMI: expanding our reach through vertical integration and emerging opportunities

To sustain growth and remain competitive, our engagement strategy emphasizes transforming and expanding existing initiatives while exploring new cultural and operational opportunities. In 2024, we launched 35 different initiatives across four key categories: organization wide, department specific, region specific and low-engaging leaders' initiatives. Each initiative was designed with a clear purpose and unique success metrics, collectively contributing to our 2024 engagement goals.

Below are some of the key initiatives included in the 35 initiatives launched per engagement driver.

- Employee benefits program**, collaborating with suppliers to provide discounted rates to employees on products and services such as food, schools, flights and hotels.
- The 1800**, a virtual town-hall session to update all Bupa Arabia employees on the Company's future and new HR initiatives.
- Savings program** (under financial well-being) where contracts were made with several banks to provide favorable savings plan options to Bupa Arabia employees under four pillars: spend, save, plan, and borrow.
- Years-of-service recognition** celebrating and recognising employees who have completed 5,10,15, 20 and 25 years of service in Bupa Arabia.
- Flexi-strategy**, in which a suite of initiatives were introduced to give employees balance between their work life and their home/caring responsibilities.
- Mental health program** supporting employees and their families who are going through mental health challenges.
- People care programme** assisting employees with medium-high chronic diseases.
- Health-and-fitness initiatives** supporting the health and well-being of employees and their families by offering medical checks, free vaccinations, health awareness days, workout sessions, sports tournaments, etc.
- Tailoring specific KPIs and action plans for company **managers receiving inconsistent engagement scores** and mentoring them to support their transformation into high-engaging leaders.
- Carrying out a regional HR roadshow to support employees' needs: **HR Connect**.
- Parents insurance** offering employees the chance to insure their parents under Bupa Arabia, by developing four benefits schemes to cater to all needs.

- Health lounge** which is a biannual campaign to take care of employees' and their families' health and well-being. It provides blood pressure and sugar check-ups; BMI check; optical, dental and general doctor consultations; and blood donation and flu/meningitis vaccine completely free of charge.
- Health awareness sessions** conducted on international days/months to create awareness on important medical aspects such as breast cancer, mental health, World Pharmacists Day, and smoking cessation. It includes consultations, workshops, and check-ups.
- Special medical care** in reactive support is provided to our employees who need exceptional medical approvals to undergo specific medical treatments not covered by the medical insurance policy locally and globally.



Bupa Employees Engage in ESG-related Initiatives

We also empower employees to contribute to ESG-related initiatives. A number of key initiatives were undertaken during the year, including:

Initiative	Description	Number of Volunteers
Hospital visits	Conducted visits with our volunteer employees across hospitals in Jeddah, Riyadh, and Khobar to visit children hospitalized for cancer and other serious illnesses. Our goal was to bring joy and comfort to these young patients by presenting them with Eid gifts.	81
Kiswat	A donation of ₪ 50,000/- was made to Kiswat Alsaida Aisha, a clothing donation organization that provides clothing to those in need. In addition, our employees donated clothes, placing them in baskets provided in our offices.	88
Back to school campaign	Bupa employees united to generously donate school supplies to more than 70 orphans in need. This act of kindness ensured that these children were equipped with the necessary tools to begin the school year feeling prepared and empowered.	20
International Day of People with Disability	In celebration of Disability Day, Bupa volunteers organized a special event for 40 children with disabilities and their families. The day was filled with joy and excitement as we gathered at a games venue where the children had the opportunity to play arcade games, go bowling, jump around, and explore various other engaging activities. It was a heartwarming experience to see the children and their families having a great time together in a fun and inclusive environment.	8

At Bupa Arabia, we integrate ESG principles into our healthcare solutions, ensuring ethical practices, data privacy, and inclusive engagement. Through digital services like telemedicine and the Bupa Mobile App, we improve accessibility and reduce our carbon footprint, promoting health, well-being, and social responsibility for long-term value.

Environmental, Social, and Corporate Governance (ESG)

ESG at the Core of Operations

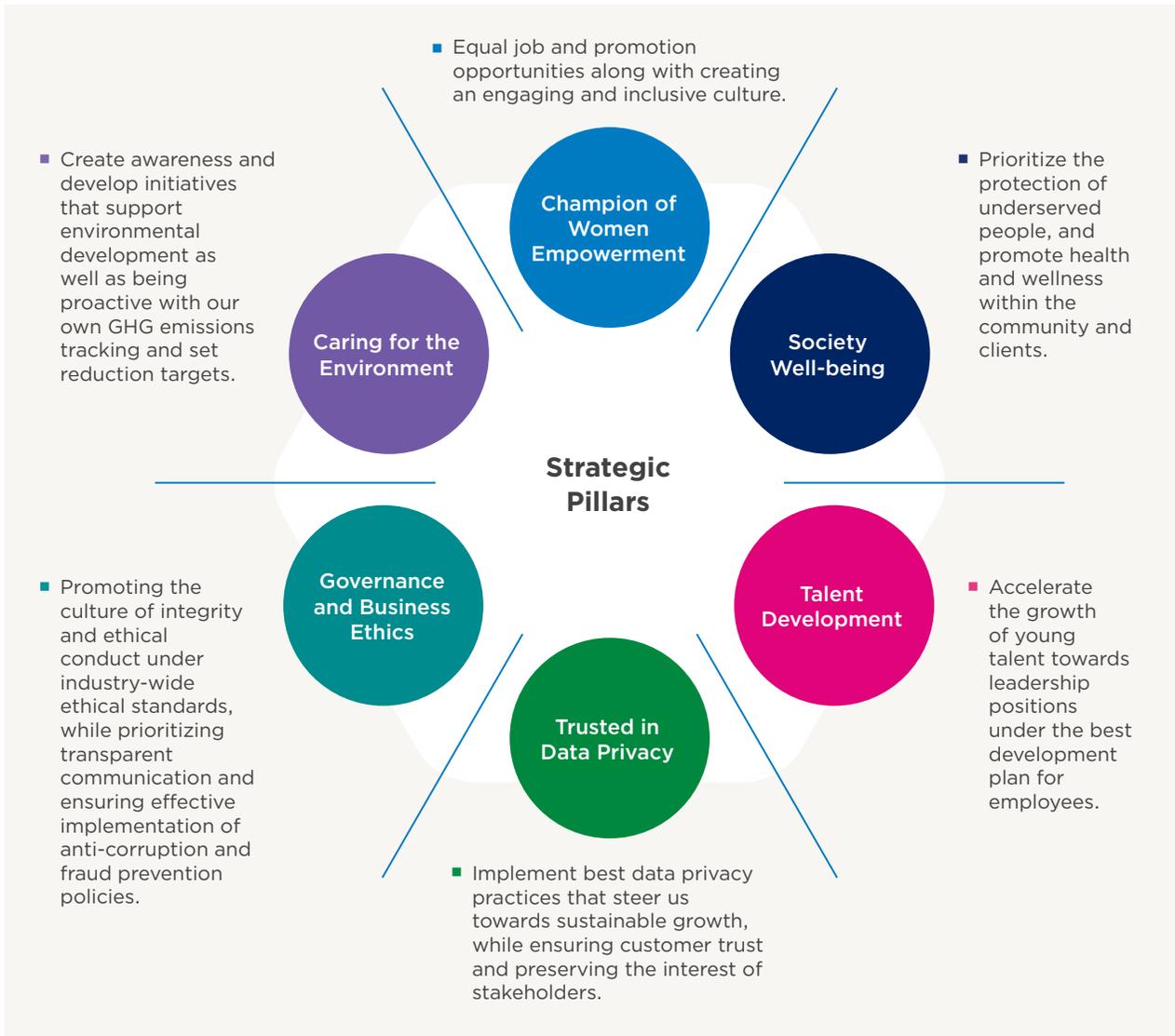
The insurance industry is integrating Environmental, Social and Governance (ESG) criteria into underwriting and investment decisions, prioritizing climate risk evaluation, labor and human rights, diversity and effective governance. By aligning with ESG factors, insurers enhance risk management, compliance and competitiveness, while contributing to global sustainability goals. Bupa Arabia stands at the forefront of this transformation, actively adopting sustainable business practices and embedding ESG principles across its operations and strategic decision-making.

At Bupa Arabia, sustainability is deeply embedded in our corporate DNA. As a leader in the Saudi healthcare insurance sector, we uphold global ESG standards while actively supporting Saudi Vision 2030 and complying with the United Nations' 17 Sustainable

Development Goals (SDGs). Our sustainability commitment is structured around six pillars, ensuring a balanced impact on our community, environment and stakeholders. In 2024, a materiality refresh exercise was conducted, which led to the inclusion of Responsible Investment and Insurance as a material topic, bringing the total number of material topics to 12. Through our new sustainability strategy, Bupa Arabia aims to be a role model for sustainability and ESG within the Saudi private sector by:

- Reducing GHG emissions across its operations.
- Enhancing the effectiveness, transparency and accountability of governance systems, including oversight of material ESG topics from the Board level, throughout the organization.
- Creating a sustainable value chain by embedding ESG criteria into procurement, investment, and insurance decision-making policies.





Driving Environment Sustainability

As a leading healthcare insurer, we acknowledge our responsibility to minimize our ecological footprint. Our sustainability strategy conforms to the Saudi Green Initiative (SGI) and the Middle East Green Initiative (MGI), which aim to reduce carbon emissions by 278 mtpa (million tonnes per annum) by 2030 and promote environmental conservation. We continuously seek ways to enhance efficiency, conserve resources, and implement green initiatives in our facilities and services. Our environmental responsibility is driven by five key focus areas: climate change action, carbon emissions reduction, environmental awareness, waste management, and energy efficiency. Through targeted initiatives, we are actively reducing our greenhouse gas emissions, optimizing energy use, promoting responsible waste management, and raising awareness about sustainability among employees and stakeholders.

The Company's structured approach to emissions reduction is guided by its Baseline Emissions Inventory and developed in alignment with GHG protocol standards. This identifies emissions sources, collects relevant data, and benchmarks against industry standards to ensure compliance with international sustainability guidelines.

In line with responsible waste management practices, Bupa adheres to regulations set by the Insurance Authority (IA) and the National Cybersecurity Authority (NCA) for proper generation, collection and recycling of electronic waste. Additionally, to reduce its carbon footprint, the Company has implemented energy-efficient cooling solutions by replacing conventional cooling methods with chilled water circuits and Air Handling Units (AHUs). These systems minimize the use of refrigerants with high Global Warming Potential (GWP) and are continuously monitored by BTU Energy to ensure optimal energy utilization.

We also integrate clean technologies into our operations to promote the use of sustainable resources. Through the Tebtom program, the Company enables customers to access telemedicine services, reducing the need for physical travel and lowering transportation-related carbon emissions. Furthermore, underscoring our commitment to sustainable infrastructure, in 2023, the Riyadh Office was relocated to the King Abdullah Financial District (KAFD), the only LEED Platinum-certified neighborhood development in the world. This move complies with global green building standards and enhances the Company's environmental stewardship.

Bupa Arabia's key environmental initiatives in 2024 include:

1. **Partnership with NABATIK:** In collaboration with the first climate-tech startup in Saudi Arabia, we sponsored the planting of 3,000 trees, as part of the Bupa Marathon initiative, to offset 30 tonnes of CO₂ emissions during the year.
2. **Travel Policy Revision:** Revised the Company travel policy to reduce emissions by minimizing business travel through technological solutions, leading to lower travel-related emissions and increased staff productivity.
3. **Environment Week Collaborations:**
 - Partnership with nine leading hospitals – distributed 10,000 recycled and reusable bags to replace single-use plastic bags in pharmacies.
 - Collaboration with Jeddah University – hosted an awareness session for employees on climate change.
 - Initiative with the Ministry of Environment, Water and Agriculture (MEWA) – conducted an employee awareness program on recycling.
4. **Waste Reduction Program:**
 - Elimination of single-use water bottles across Company facilities.
 - Installation of water dispensers to promote sustainable water usage.

- Encouragement of reusable bottles and mugs among employees.
- Setting targets for the reduction of annual waste by 15% and the decrease of emissions by 100 tonnes of CO₂ equivalent.

Resource Management



Water Management

Water-saving fixtures – installed across offices to significantly reduce water consumption.

Lower carbon footprint – reduced water use means less energy needed for heating, pumping and treatment.



Energy Efficiency

Building Management System (BMS) – optimizes electricity and cooling by precisely controlling HVAC systems.

Motion-activated lighting – occupancy sensors ensure lights are used only when required, reducing energy waste.

Commitment to Social Responsibility and Well-being

Bupa Arabia is committed to creating a lasting positive impact on society through a wide range of Corporate Social Responsibility (CSR) initiatives. Our CSR strategy focuses on female empowerment, talent management and societal well-being, ensuring that we contribute to a healthier and more inclusive community.

- **Female Empowerment:** At Bupa Arabia, we set a target for women's representation across the overall workforce at 42%, with 22% of leadership roles to be held by women. In 2024, 44% of the promoted employees were women, demonstrating our commitment to fostering an inclusive work environment.
- **Career Progression:** In 2024, we filled 81% of our leadership vacancies internally, an increase from 68% in 2020. The 2024 promotion cycle was the largest in Bupa Arabia's history, promoting 453 employees (representing 21% of the workforce), with nearly 45% of the promotions in the past two years.
- **Orphan Care Program:** In partnership with the Ministry of Human Resources and Social Development, we provided free health insurance to 2,400 orphans across Saudi Arabia, with a total investment of ₪9 million.
- **Ramadan Campaign:** Several initiatives were launched during the year including:
 - Furiyat Salary Deduction Program, where employees made contributions towards charitable causes.
 - Kiswa Program, with ₪50,000 donated to provide clothing for those in need.
 - Tarmeem Initiative, which contributed ₪500,000 to renovate nine houses for underprivileged families, ensuring safe living conditions.
- **Employee Volunteerism:** 88 employees participated in a clothing donation and distribution drive.
- **Hospital Visits:** Bupa employees visited hospitals across Jeddah, Riyadh and Khobar, distributing 160 Eid gifts to children suffering from cancer, and other serious illnesses.
- **Back-to-School Campaign:** Bupa employees volunteered and donated school supplies to students in need.
- **People Care Program:** This program supports employees with chronic illnesses by providing medical, psychological and workplace security support.

- **Smile Healthy Bodies:** A wellness program designed to encourage employees to take charge of their health by managing their BMI, weight or muscle development over a three-month period. Supported by medical staff and nutritionists, participants receive expert guidance to achieve their fitness goals. To further promote a healthy lifestyle, special discounts on healthy food subscriptions are offered. In 2024, 280 employees participated in this program, engaging in one-hour in-house workout sessions over three months. Further, in August 2024, we initiated the Bupa Arabia Olympics for the 2024-2025 season, featuring Company-wide tournaments including Fantasy Premier League, Bowling, Volleyball, and Cricket.
- **Nurturing Talent Program:** A program to hire aspiring professionals from across Saudi Arabia to fill new and replacement roles within the Company. The program was further strengthened by investments from the Human Resources Development Fund (HRDF).
 - Bupa hired 261 young professionals through the program in 2024, 76% of whom were women, reinforcing its commitment to female empowerment and workplace inclusivity.
 - The program successfully reduced vacancies, leading to ₪ 3.4 million in cost savings while achieving 100% business satisfaction from hiring managers.
 - To enhance career opportunities for youth, Bupa partnered with 14 universities, providing students with hands-on experience and exposure to the real-world corporate environment.
- **International Fitness Day:** Organized across our premises during the year, employees from various regions participated in wellness sessions, with 390 employees taking part in yoga sessions during working hours, promoting both physical and mental well-being.
- **Societal Well-being:** Conducted health lounges and a one-day Mental Health Awareness Program during the year with the participation of 1,500 individuals.

Bupa's Sustainable Digital Solutions

Bupa Arabia integrates ESG principles into its products and services to enhance accessibility, sustainability and customer experience.

ESG-driven Healthcare Solutions

Bupa integrates ESG principles into its offerings to enhance sustainability and customer experience

Digital Clinic

- Online consultations - Reduce carbon footprint by eliminating travel
- Offers at-home blood sample collection and doorstep medicine delivery

Customer Heartbeat Survey - Collecting real-time feedback to refine services

New Digital Solutions launched in 2023 for better service delivery

Mobile App

- All-in-one-platform - manages healthcare and insurance seamlessly
- User-friendly

Building Strong and Inclusive Relationships with Various Stakeholders

Employment Engagement and Leadership Development

Bupa Arabia has taken significant strides to enhance employee relations and workplace diversity, ensuring a culture of inclusivity and engagement. Two core pillars of our sustainability strategy focus on women empowerment and talent development, aligning with the Saudi 2030 Vision and its measurable KPIs.

As part of our commitment to diversity, the “900 Connect” initiative - a virtual women’s network - was launched to encourage collaboration and engagement, while the “She’s Bupa” competition provided a platform for women to share their career journeys and serve as role models for others. These initiatives are actively championed by our Chief Human Resources Officer (CHRO) and CEO, reinforcing leadership commitment to diversity and inclusion. Additionally, our workplaces are equipped to accommodate individuals with special needs, ensuring accessibility and fostering a truly inclusive environment.

With the objective of strengthening employee engagement, we introduced several benefits, including the Employee Benefits Program, flexible work strategies (Flexi-strategy), health and fitness programs, parents’ insurance, years-of-service recognition, and the People Managers Program. Our commitment to employee satisfaction is reflected in our People Plus Survey, which recorded an 89% engagement score in 2024, surpassing 88% in 2023 and the benchmark score of 80%. Further, employees at Bupa also play an integral role in driving the Company’s ESG initiatives. Their contribution complies with the six strategic objectives of the Company. In 2024, we doubled our training hours to 131,000, compared to 65,000 in 2023, demonstrating our commitment to continuous learning and skill development. Employees also actively participate in sustainability initiatives, including environmental awareness campaigns and efforts to reduce our carbon footprint.

Leadership Development Programs

Our leadership initiatives, which have been integrated across all management levels, were co-designed with leading institutions and follow the 70/20/10 development framework, combining classroom training, projects, coaching, mentoring and e-learning to ensure a well-rounded leadership development experience.

- **Emerging Leader Program:** Over 500 junior and professional participants have graduated through this program over the past four years. The program accelerates leadership development for early-career talents, focusing on building leadership awareness, enhancing effective communication skills and fostering cross-functional expertise.
- **Emerging Forward Program:** Launched in 2024, the program is designed to fast-track the leadership development of experienced managers through a combination of assessments, personalized coaching and e-learning from top business schools.
- **The Accelerator Program:** A six-month initiative which is designed to fast-track high-potential middle managers by equipping them with essential skills that are needed to enhance business performance and successfully transition to senior leadership roles.
- **Transformational Leader Program:** A four-month development initiative tailored for Senior Management, the program focuses on strategic business transformation, skill enhancement and shaping the future of the organization.
- **Shift Executive Education:** A 12-month leadership initiative designed for Senior Management, this program focuses on cross-functional collaboration, strategic development, financial performance and risk management.
- **Future Ready Leadership Masterclass:** A specialized program which was designed to equip leaders with the skills needed to thrive in today's dynamic business landscape. With participation from over 150 middle and senior managers, the masterclass focuses on unlocking leadership potential in an ever-evolving corporate environment.

Sustainable Procurement and Supplier Engagement

Bupa Arabia is dedicated to ensuring sustainability in its procurement process by incorporating ESG considerations into supplier selection and management. We have implemented stringent measures to promote ethical and sustainable business practices across our supply chain.

- **Supplier Compliance and Governance:** All suppliers are required to maintain an Anti-Corruption Policy with compliance verification programs, along with contractual agreements mandating adherence to Bupa Arabia's governance and sustainability requirements.
- **Environmental Commitment:** Key suppliers must provide an Environmental Policy aligned with Bupa Arabia's sustainability goals. We conduct spot checks and documentation reviews to ensure compliance with ESG standards.
- **Digital Procurement and Transparency:** Our supplier registration process is fully digital, streamlining onboarding with the involvement of Legal, Customer Service, and Compliance teams to ensure transparency.
- **Local Supplier Engagement:**
 - In 2024, AED 226 million of the procurement budget was spent on local suppliers.
 - Procurement and Contracts Management Policy supports engagement with local SMEs and vendors.
- **Vendor Awarding Criteria:** Revised to provide pricing preferences for local entities bidding against international competitors, and for suppliers with an audited and approved Local Content Certificate.

- **Paperless Procurement Process:** A new Procurement and Supply Chain system was launched in July 2024, introducing a Contracts Management module for a system-based contracts approval cycle, eliminating paper use.
- **Data Protection:** Rigorous data protection measures have been implemented to safeguard supplier information, including regular assessments and compliance checks.
- **Engaging SMEs and Female-owned Businesses:** The Company updated its awarding criteria to provide pricing preferences for SMEs in all bids and actively sought female-owned businesses.

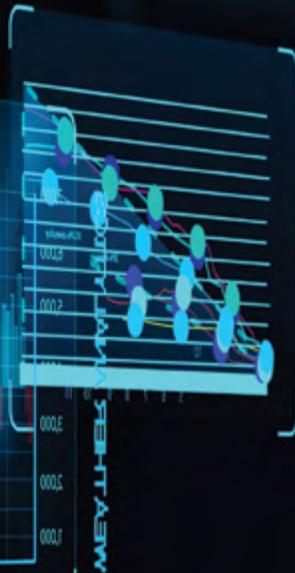
To further strengthen sustainability in our supply chain, Bupa Arabia is preparing to integrate the procurement process into a new Enterprise Resource Planning (ERP) system in 2024. This will enhance supplier engagement and procurement efficiency while reinforcing our commitment to sustainable business operations.

Investor Relations and Engagement

As a public listed company, Bupa actively engages with investors beyond regular earnings communications. We have established various channels to maintain transparency and keep stakeholders informed about our financial performance and sustainability initiatives.

Bupa ensures investor engagement through Tadawul announcements, General Assembly Meetings, investor webcasts, the Annual Board Reports, Annual Reports and Accounts, the Investor Relations section of the Company's website, Company announcements, newsletters, press releases, social media channels, broadcasts, financial reporting, and a published Statement of Purpose in line with sustainability goals.

Annual Board Report 2024



Financial Review

A hand holding a pen pointing at a financial report with a bar chart. The background is a blurred cityscape at night with bokeh lights.

Bupa Arabia maintained its steady growth trajectory in 2024, driven by an increase in insurance results and supported by strong investment income returns.

Bupa Arabia continued to deliver strong results in the healthcare insurance sector with notable growth in premiums and contribution figures despite a surge in medical inflation and claims. The results were further supported by strong investment income figures which benefited from the high interest rate environment.

Bupa Arabia demonstrated sustained financial strength in 2024, achieving a 10.4% growth in GWP reaching ₪ 18.4 billion, while profit before zakat and tax surged by 22.9% to ₪ 1.37 billion. This performance reflects the Company's resilience, strategic focus, and commitment to delivering value.

Insurance revenue

₪ 18,102 million

Insurance revenue growth

+13.9% YoY

Gross written premiums

₪ 18,394 million

Insurance services expenses

₪ 17,033 million

Insurance services results

₪ 1,068 million

Net insurance services results

₪ 998 million

Net profit before zakat and tax

₪ 1,373 million

Net profit before zakat and tax growth

+22.9% YoY

Earnings per share

₪ 7.79

Dividend per share (for FY 2023)

₪ 4.0

Cash and cash equivalents

₪ 925 million

Term deposits and investments

₪ 13,563 million

Revenues and Segment Contribution

Bupa Arabia strengthened its position as a market leader in the healthcare insurance sector, achieving significant growth fueled by a steady increase in new members. This expansion was driven by enhanced customer reach, improved service offerings, and a strong brand presence. Additionally, the rise in GWP was supported by strategic pricing practices, carefully implemented to counter the impact of medical inflation while maintaining competitive value for customers. These efforts contributed to the Company's sustained financial performance and reinforced its commitment to delivering high-quality healthcare coverage.

Gross written premiums

10.35%

2024 ₪ 18,394 million

2023 ₪ 16,669 million

Insurance revenue

13.93%

2024 ₪ 18,102 million

2023 ₪ 15,888 million

Insurance services results

19.57%

2024 ₪ 1,068 million

2023 ₪ 893 million

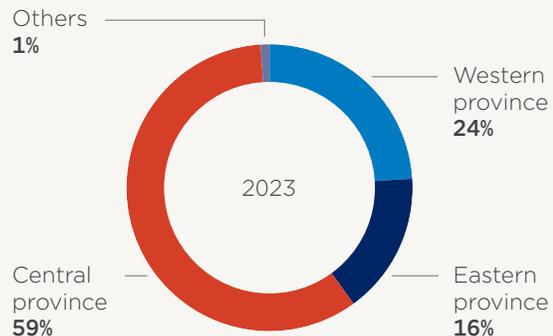
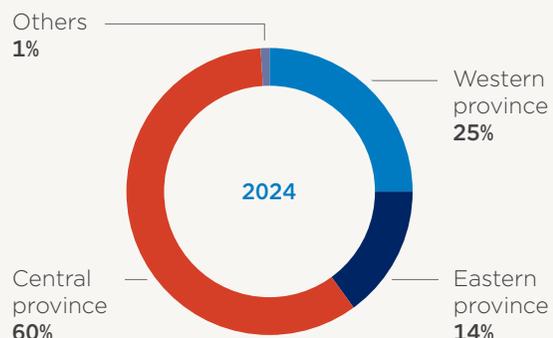
Net insurance services results

15.38%

2024 ₪ 998 million

2023 ₪ 865 million

Geographical analysis of gross written premiums



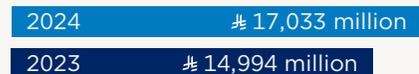
Costs and Earnings

The upward trend in insurance services expenses continued in 2024, largely driven by medical claims. Nevertheless, insurance revenue experienced parallel growth, allowing the Company to effectively manage the rise in claims.

Additionally, net profit before zakat and tax grew by 22.9% which was principally driven by business growth and increase in the number of insured lives.

Insurance services expenses

13.60%



Net income before zakat and tax

22.92%



Return to Shareholders

In 2024, Bupa Arabia reported a 23.9% growth in earnings per share (EPS) to ₭ 7.79 compared to ₭ 6.29 in 2023, supported by record earnings. Moreover, the Board of Directors has approved dividend distribution of ₭ 4.0 per share for the fiscal year 2024 (11% higher than the 2023 dividend per share).

Earnings per share

23.85%



Net investment results

31.00%



Dividend per share

11.11%



Summary of Consolidated Statement of Income

Statement of operations (12 Months)	2024 # '000	2022 # '000	2023 # '000
Gross written premiums (GWP)	18,394,132	13,896,883	16,668,744
Insurance revenue	18,101,517	12,873,111	15,887,715
Insurance services expenses	(17,033,460)	(12,206,033)	(14,994,432)
Net expenses from reinsurance contracts held	(69,961)	(29,450)	(28,246)
Net insurance services results	998,096	637,628	865,037
Net investment results	672,374	552,134	513,276
Income attributed to the shareholders before zakat and income tax	1,372,626	969,163	1,116,679
Earnings per share (EPS)*	7.79	5.39	6.29

Summary of Financial Position (Assets)

Assets	2024 # '000	2022 # '000	2023 # '000
Cash and cash equivalents	925,190	1,287,961	1,255,896
Reinsurance contract assets	98,178	28,155	74,090
Prepaid expenses and other assets	422,944	410,519	475,475
Term deposits	6,040,542	6,406,848	7,223,011
Financial assets at amortized cost - net	935,811	526,188	587,360
Financial assets at fair value	6,586,463	2,852,234	4,246,757
Fixtures, furniture and equipment - net	76,386	63,643	69,879
Deferred tax assets	33,570	40,511	38,609
Due from related parties	-	3,316	-
Right-of-use assets - net	131,528	165,947	143,388
Intangible assets - net	72,125	65,413	67,236
Statutory deposit - net	149,965	149,961	149,960
Accrued income on statutory deposit	4,378	16,235	8,690
Goodwill	98,000	98,000	98,000
Total assets	15,575,080	12,114,931	14,438,351

Bupa Arabia's total assets have seen a steady growth, reflecting its strong and expanding business activities. Total assets in 2024 grew by 7.9% to # 15.6 billion with strong net insurance services results reflected in the increase in investments.

Summary of Financial Position (Liabilities and Equity)

Liabilities	2024 # '000	2022 # '000	2023 # '000
Accrued and other liabilities	988,089	869,451	1,087,412
Insurance contract liabilities	9,004,813	6,699,185	8,267,196
Reinsurance contract liabilities	-	2,605	-
Due to related parties	46,944	-	40,935
Provision for zakat and income tax	412,859	326,566	358,589
Accrued income payable to Insurance Authority	4,378	16,235	8,690
Total liabilities	10,457,083	7,914,042	9,762,822
Total equity	5,117,997	4,200,889	4,675,529
Total liabilities and equity	15,575,080	12,114,931	14,438,351

Total liabilities grew by # 0.7 billion year-on-year to # 10.5 billion in 2024, due to the increase in insurance contract liabilities, while total equity grew by # 0.4 billion to reach # 5.1 billion, supporting a strong solvency position well above regulatory thresholds.

Statutory Payments and Payable to Regulatory Bodies

Description	Paid change			Payable change		
	2024 # '000	2023 # '000	2023 vs 2024 # '000	2024 # '000	2023 # '000	2023 vs 2024 # '000
ZATCA: Zakat and income taxes	147,315	142,591	4,724	412,859	358,589	54,270
ZATCA: Value added tax (VAT)	1,145,808	946,581	199,227	176,741	178,784	(2,043)
ZATCA: Withholding taxes (WHT)	41,639	32,604	9,035	12,591	10,877	1,714
ZATCA: Total	1,334,762	1,121,776	212,986	602,191	548,250	53,941
Insurance authority: Levies	267,158	246,039	21,119	50,197	41,443	8,754
CMA/Tadawul: Service and license fees	1,505	1,528	(23)	110	434	(324)
General Organization for Social Insurance (GOSI)	45,325	40,554	4,771	4,183	4,063	120
Accrued income on statutory deposit	21,840	16,235	5,605	4,378	8,690	(4,312)
Total	68,670	58,317	10,353	8,671	13,187	(4,516)

Zakat, Tax and Customs Authority (ZATCA): Zakat and income tax

In 2024, Bupa Arabia paid a total of # 147.3 million in zakat and Income Tax, including # 70.7 million as an advance tax payment for the year.

Total VAT payments to ZATCA was # 1,146 million with a remaining VAT payable balance of # 177 million at year end. Additionally, # 41.6 million was paid in withholding taxes during 2024, while remaining withholding tax payable balance of # 12.6 million at year end.

As of year-end, the total payable amount to ZATCA stood at # 602 million, which includes # 207 million related to 2024 zakat and tax returns, payable in 2025, with the remaining balance consisting of additional provisions for zakat matters.

Insurance Authority

Total levies paid to the Insurance Authority during 2024 were ₪ 267.2 million, of which ₪ 41.4 million was for the fourth quarter of 2023 while ₪ 225.7 million were for the three quarters of 2024. The ₪ 50.2 million payable amount for 2024 includes the normal provisioning for Q4 2024.

During 2024, Bupa Arabia has released the accrued income on statutory deposit to the Insurance Authority (up to 30 June 2024) amounting to ₪ 21.8 million. The remaining ₪ 4.4 million related to the remainder of 2024.

The General Organization for Social Insurance (GOSI)

Total 2024 payments to GOSI were ₪ 45.3 million, of which ₪ 3.6 million was related to 2023. An amount of ₪ 4.2 million was provided for, reflecting 2024 related GOSI commitments, which are payable in 2025.

Tadawul and the Capital Market Authority (CMA)

The Company paid ₪ 1.5 million to Tadawul/CMA during 2024, which included ₪ 0.4 million for service fees, ₪ 1 million for annual listing fees, and ₪ 0.1 million for other fees. The ₪ 0.1 million payable amount for 2024 was related to basic registration.

Regulatory penalties

During 2024, the Company paid to the Insurance Authority total regulatory penalties of ₪ 330,000.

Dividends and the Company's Policy for the Distribution of Profits

The Company's By-Laws state the following with respect to the calculation and distribution of profits:

1. The exclusion of zakat and income tax.
2. That 20% of net profits are allocated to form a statutory reserve. The General Assembly has the authority to cease this transfer once the statutory reserve is equivalent to the paid-up capital of the Company.
3. Based on the Board's recommendation, the General Assembly can also hold a percentage of the annual net profit to form a reserve and may allocate it to purposes of its choosing.
4. The balance shall be distributed as a first payment amounting to no less than 5% of paid-up capital to the shareholders.
5. The remaining balance shall be distributed to the shareholders as a share in the profits or transferred to the retained profits account.
6. The Board may issue a decision to distribute periodical profits to be deducted from annual profits as specified in point 4 above, and in accordance with the relevant regulatory rules issued by the concerned authorities.

Dividend History – Last Five Fiscal Years

Description	2019* ₪ '000	2020 ₪ '000	2021 ₪ '000	2022 ₪ '000	2023 ₪ '000
Income before zakat and tax	712,654	823,669	730,701	969,163	1,116,679
Dividend amount	0	408,000	540,000	540,000	600,000
Income before zakat and tax dividend pay-out ratio	N/A	49.5%	74.0%	55.0%	53.7%
Number of shares in issue	120,000	120,000	120,000	150,000	150,000
Saudi Riyals dividends per share	N/A	3.40	4.50	3.60	4.00
Distribution period	N/A	2021Q3	2022Q3	2023Q3	2024Q2

* No dividends were declared in 2019 due to the uncertainties surrounding COVID-19.

In 2022, Bupa Arabia increased its capital to ₪ 1.5 billion by capitalizing ₪ 300 million from the retained earnings account, the capital by 25%, and thereby increasing the number of shares to 150 million shares by offering one bonus share for every four shares owned.

Governance and Risk Management Report



Our Board Members



Eng. Loay Hisham Nazer Non-Executive Member (Chairman)

Chairman and Board Member of Bupa Arabia since its inception in 2008.

Eng. Loay Nazer is the Founder and Chairman of Nazer Group Ltd. and serves as a Board Member or Chairman for several other Nazer companies. Additionally, he previously served as the Chairman of Al-Ittihad Football Club, the Vice-Chairman of the Saudi Olympic Committee, the Chairman of the Saudi Arabian Judo Federation, and as a CHI Board Member.

Eng. Nazer is not a board member in other Saudi PLCs. He is currently serving his sixth term as a Board Member at Bupa Arabia, representing Nazer Group Company Ltd.

Current Positions

Chairman

- Bupa Arabia Board and Executive Committee
- Nazer Group Company Ltd.
- Nazer Bupa for Medical Equipment Company (NBME)
- Loay Hisham Nazer Company Ltd.
- Arabian Address Real Estate Company
- Modern Computers Program Company Ltd.
- ASAS Healthcare Co. (under liquidation)
- Arabian Medical Marketing Company (NAWAH)

Other Positions

- Bupa Middle East Holdings Two W.L.L. (Board Member)
- UCLA Anderson School of Management Board of Advisors (Board Member)

Previous Positions

- Makkah Cluster Advisory Board - Ministry of Health (Chairman)
- Diaverum Arabia Company (Board Member)
- Nazer Dialysis and Advanced Healthcare Services Co. Ltd. (Chairman)
- Al-Ittihad Football Club (Chairman)
- National Unified Procurement Co. for Medical Supplies (NUPCO) (Board Member)
- Saudi Olympic Committee (Vice-Chairman)
- Saudi Arabian Judo Federation (Chairman)
- CHI (Board Member)
- International Medical Clinics Company (Partner)
- Arab Conference Organizing Co. (Chairman)
- Young Presidents Organization (Chairman)

Qualifications

- MBA, Anderson Graduate School of Management, UCLA, USA
- BSc in Mechanical Engineering, UCLA, USA

Mr. David Fletcher Non-Executive Member (Vice-Chairman)

Representing the Foreign Shareholder:
Bupa Investments Overseas Limited (BIOL)

Bupa Arabia Board Member and Vice-Chairman since 2014. Currently, Mr. David Fletcher is the Bupa Group Chief Risk Officer, and a member of its Chief Executive Committee. Additionally, he is a non-executive director of Niva Bupa (previously known as Max Bupa), Bupa's health insurance business in India. He has extensive international experience in insurance and banking, having held various senior positions at Standard Chartered and Citibank, including the roles of Head of Audit and Country CEO.

Mr. Fletcher is currently serving his fourth term as a Board Member at Bupa Arabia, representing BIOL.

Current Positions

- Bupa Arabia (Board Member, Executive Committee Member, and Risk Management Committee Member)
- Bupa (Chief Risk Officer)
- Bupa (Chief Executive Committee Member)
- Bupa Middle East Holdings Two W.L.L. (Non-Executive Director)
- Niva Bupa Health Insurance Company Ltd. (Non-Executive Director)
- China Taiping Insurance UK (Independent Non-Executive Director)
- Tawreed Company for Financing Solutions (Independent Non-Executive Director)

Previous Positions

- BUPA International Development Markets (CEO)
- Bupa (Chief Internal Auditor)
- Bank Permata Indonesia (Ex-President Director/CEO)

Qualifications

- BA Honors in Modern History, Durham University, UK

Mr. Tal Hisham Nazer

Executive Member – (Chief Executive Officer)

Bupa Arabia CEO and Board Member since its inception in 2008.

Mr. Nazer is not a board member in other Saudi PLCs. He is currently serving his sixth term as a Board Member at Bupa Arabia.

Current Positions

Board Member

- Bupa Arabia
- King Saud University
- Nazer Group Company Ltd.
- Cool Inc. Hospitality Co. for Tourism
- Ebda Co. ownership
- Modern Computer Program Co. Ltd. (MCPC)
- Arabian Medical Marketing Company (NAWAH)
- Bupa Middle East Holdings Two W.L.L. (Bahrain)
- Endeavor Saudi Arabia
- Arabian Address Real Estate Company
- Council of Health Insurance (CHI)
- Center for National Health Insurance (CNHI)

Other Positions

- Bupa Arabia Executive Committee and Investment Committee Member
- King Saud University (Internal Audit Committee Member)
- Council of Health Insurance (CHI) (Executive Committee Member and Strategic Committee Member)
- Center for National Health Insurance (CNHI) (Remuneration and Nomination Committee Member)

- Cool Inc. Co. (Ownership-Board Chairman)
- Cool Inc Catering Co. (Chairman)
- Horizon for Medical Care (General Manager)
- Asas for Medical Care (Board Member)
- Insurance Authority (Executive Committee Member)
- Ministry of Health (Cybersecurity Committee Member)
- Tal Hisham Nazer Company Limited (Owner and General Manager)
- Liyana Holding Company (Partner and General Manager)
- Young President Organization (Member)
- Young Global Leaders (Member)
- Saudi British Joint Business Council (Member)

Previous Positions

Board Member

- SAMA Insurance Companies General Committee
- Human Resources Development Fund (HRDF)
- Choate Rosemary Hall, New York, USA
- Nazer Dialysis and Advanced Healthcare Services Co. Ltd.
- Arab Conference Organizing Co. (ARC)
- Nazer Bupa for Medical Equipment Company (NBME)
- Financial Academy
- Chief Executive Committee of Bupa Group (Advisor)

Qualifications

- MBA Finance and Buyouts, Wharton, USA
- Bachelor of Economics, UCLA, USA

Dr. Abdulla Elyas

Independent Member

Independent Board Member at Bupa Arabia since 2019.

Dr. Abdulla Elyas is a co-founder of Careem, the ride hailing company and Super App acquired by Uber in 2019. He is currently Chairman of its business in KSA. Prior to that, he co-founded Enwani, a cloud-based addressing and home delivery start-up that was acquired by Careem in 2014. He serves as a Board Member at Endeavor KSA, TAM Development Company and at the EduTech start-up Noon. Additionally, he is an Advisory Board Member of the VC firm Raed Ventures.

Dr. Elyas chairs the governmental initiative to enable five Saudi unicorns by 2025 and is a regional angel investor. Previously, he led management consulting engagements in Europe, the US, South East Asia and the Middle East.

Dr. Elyas is not a board member in other Saudi PLCs. He is currently serving his second term as a Board Member in Bupa Arabia.

Current Positions

- Bupa Arabia (Board Member, Audit Committee Member and Risk Management Committee Member)
- Careem Inc. (Co-founder and KSA-Chairman)
- Tam Development Company (Board Member)
- Endeavor KSA (Board of Member)
- Raed Venture Capital (Advisory Board Member)
- Noon Academy Inc. (Board Member)

Previous Positions

- Small and Medium Enterprise Authority KSA (Board Member)
- PIF (Investment Committee Member)
- Rocket Internet SE (KSA Agent)
- Enwani (Co-founder and Managing Director)
- Scheer Management Consulting (Senior Management Consultant)

Qualifications

- PhD in Business Administration from RWTH Aachen, Germany
- MSc in Computer Science, from RWTH Aachen, Germany

Ms. Huda Bin Ghoson Independent Member

Independent Board Member at Bupa Arabia since 2019.

Ms. Bin Ghoson previously served as the Executive Director of Human Resources at Saudi Aramco. She retired from the position in 2017.

Ms. Bin Ghoson is currently serving her second term as a Board Member at Bupa Arabia.

Current Positions

- Bupa Arabia (Board Member and Nomination and Remuneration Committee Chair)
- Saudi National Bank (SNB) (Board Member and NRC Member)
- Saudi Telecom Company (STC) (NRC Member)
- The Hevolution Foundation (NRC Member)
- Initiatives and Missions Office (NRC Member)

Previous Positions

- Saudi Aramco (Executive Director)
- General Organization for Social Insurance (GOSI) (Board Member)
- Yanbu Aramco Sinopec Refining Company (YASREF) (Board Member)
- Johns Hopkins Aramco Healthcare Company (JHAH) (Board Member)
- Vela International Marine Ltd. (Board Member)
- Saudi Aramco Asia Company (SAAC) (Board Member)

- Board of Trustees of the Arabian Society of Human Resources Management (ASHRM) (Chair)
- Saudi Aramco Development Company (SADCO) (Board Member)
- Saudi Aramco Investment Management Company (SAIMCO) (Board Member)
- Credit Suisse Saudi Arabia Bank (Board Member and Chairwoman of NRC)
- Institute of Public Administration (Board Member and Member of NRC and Excom)

Qualifications

- MBA from the American University of Washington, D.C., USA
- BA in English Literature from King Saud University in Riyadh
- Executive Training at Oxford University, Michigan Ross Business School, and Royal Academy of Dramatic Arts, London

Mr. Osamah Shaker Independent Member

An Independent Board Member since 2022, and an Independent Investment Committee Chairman since 2019.

Mr. Osamah Shaker is CEO of GIB Capital, a company wholly owned by GIB bank and based in Riyadh. Prior to joining GIB Capital, Mr. Shaker led the charge of banking control at the Saudi Central Bank (SAMA), overseeing and regulating all the commercial banks operating within Saudi Arabia. What's more, he possesses an excess of 16 years of banking and investment related experience in the Kingdom, having held multiple leadership positions at both the Saudi British Bank and HSBC Saudi Arabia.

Mr. Shaker has roughly 7 years working experience with the Institute of Public Administration (IPA) where he served as both a lecturer and statistical consultant. Additionally, during his time at IPA, he held the position of Head of the Department of Statistics.

Mr. Shaker is currently serving his first term at Bupa Arabia as a Board Member.

Current Positions

- Bupa Arabia (Board Member and Investment Committee Chairman)
- GIB Capital (CEO and Board Member)

Previous Positions

- Saudi Central Bank (Director General of Banking Control and Senior Advisor)
- HSBC Saudi Arabia (Managing Director – Head of Financial Markets, Managing Director – Head of Investments, and Head of Asset Management)
- The Saudi British Bank (Head of Discretionary Portfolio Management, Manager of Advisory Services – Corporate Finance Department, and Manager of Equity Research – Investment Banking Group)
- Institute of Public Administration (Head of the Department of Statistics, Lecturer, and Assistant Teacher)

Qualifications

- Master of Sciences in Statistics from Colorado State University, Fort Collins, Colorado, USA
- Bachelor of Administrative Sciences in Quantitative Methods from King Saud University, Riyadh, KSA

Mr. Martin Houston Non-Executive Member

Representing the Foreign Shareholder: Bupa Investments Overseas Limited (BIOL)

Bupa Arabia Board Member since 2018 and served as a Non-Executive Director on the main Board of Bupa, from 2014 until 2019.

Mr. Martin Houston is a Non-Executive Director of Energean PLC and CC Energy, both of which are exploration and production companies.

Mr. Houston is currently serving his third term as a Board Member at Bupa Arabia, representing BIOL.

Current Positions

- Bupa Arabia (Board Member and Risk Management Committee Chair)
- Moelis and Company (Senior Advisor)
- CC Energy Limited (Board Member)
- Energean (Board Member)

Other Positions

- Fellow of the Geological Society of London
- Radia Inc. (Advisory Board Member)

Previous Positions

- Tellurian Inc. (Chairman)
- Bupa (Board Member)
- BG Group (Chief Operating Officer and Board Member)
- EnQuest PLC (Chairman)

Qualifications

- Bachelor of Geology, Newcastle University, UK
- Master of Science, Petroleum Geology, Imperial College, London, UK

Mr. Nader Ashoor Non-Executive Member

Mr. Nader Ashoor joined Bupa Arabia in 2016 as Chief Financial Officer (CFO). In 2022, he was promoted to Deputy Chief Executive Officer in addition to his role as CFO. Currently, he serves as the CFO of NEOM.

Mr. Ashoor holds CMA and CIA certifications and has successfully completed rigorous CPA examination requirements. He has received multiple coveted awards, including the Prince Mohammad bin Fahd Academic Excellence Award, the IMA's Distinguished Performance Award, and the IIA's William S. Smith Certificate of Honor Award.

Mr. Ashoor is currently serving his second term as a Board Member at Bupa Arabia.

Current Positions

- Bupa Arabia (Board Member)
- NEOM (CFO)
- Osool Integrated Real Estate Co. (Board Member and Audit Committee Member)
- Saudi Ground Services (Board Member and Risk and Audit Committee Member)
- Sustained Infrastructure Holding Co. "SISCO" Holding (Board Member, Audit Committee Chairman, and Nomination and Remuneration Committee Member)
- D360 Bank (Audit Committee Member)

Previous Positions

- Bupa Arabia (Deputy CEO and CFO)
- Jeddah Airports Company (Risk and Audit Committee Member)
- Middle East Paper Company (Audit Committee Chairman)
- Saudi Steel Pipe (Board Member, Audit Committee Member, and Strategy Committee Member)
- Diaverum, Saudi Arabia (Board Member)
- Saudi Aramco Entrepreneurship Ventures Company (Investment Committee Member)
- Saudi Aramco (various roles, the final was Director of Finance Readiness-IPO)

Qualifications

- Bachelor's degree in Accounting, King Fahd University of Petroleum and Minerals
- MBA, IMD International, Lausanne, Switzerland
- Certified Management Accountant (CMA)
- Certified Internal Auditor (CIA)
- Chartered Professional Accountant (CPA), USA

Mr. Nigel Sullivan Non-Executive Member

Representing the Foreign Shareholder: Bupa Investments Overseas Limited (BIOL)

Bupa Arabia Board Member since 2021. Currently Bupa Group Chief Sustainability and People Officer. Additionally, he is a member of Bupa's Chief Executive Committee.

Mr. Sullivan has extensive international experience in Human Resources having started his career at the Rover Group and has held senior HR positions at Nortel Networks, Marconi and Wincanton PLC where he was Group HRD.

Mr. Sullivan is currently serving his second term as a Board Member at Bupa Arabia, representing BIOL.

Current Positions

- Bupa Arabia (Board Member, Executive Committee Member and Nomination and Remuneration Committee Member)
- Bupa (Chief Sustainability and People Officer)
- Bupa (Executive Team Member)
- Bupa Investments Overseas Limited (BIOL) (Non-Executive Director)

Previous Positions

- Noble Foods Ltd. (Non-Executive Director)
- Talk Talk Telecommunications Group PLC (Group Human Resources Director)
- Royal United Hospitals NHS Foundation Trust Bath (Non-Executive Director)
- Wincaton PLC (Group Human Resources Director and Board Member)
- Marconi Corporation PLC (Divisional Human Resources Director)
- Nortel Networks (Divisional Human Resources Director)

Qualifications

- Post-Graduate Diploma in Personnel Mgt. (CIPD)
- BSc in Environmental Science (2i)

Our Chief Executive Team



Eng. Ali Sheneamer
Chief Business Development Officer (CBDO)

Eng. Ali Sheneamer joined Bupa Arabia in 2013 as Chief Commercial Officer. Previously, he held the position of Deputy Governor and Chief Operating Officer of SAGIA (currently known as – Ministry of Investment).

Current Positions

- Bupa Arabia (Chief Business Development Officer)

Previous Positions

- Bupa Arabia (Chief Commercial Officer)
- AMS Baeshen & Co. (Board Member)
- SAGIA (Deputy Governor and Chief Operating Officer)
- Saudi National Bank (Group Marketing Head)

Qualifications

- Bachelor of Science in Computer Engineering from King Abdulaziz University, Saudi Arabia

Mr. Tariq Alamoudi
Chief Human Resources Officer (CHRO)

Mr. Tariq Alamoudi joined Bupa Arabia in 2017. Prior to his joining, he held a variety of leading roles in the Human Resources Department, on global and regional levels, at Proctor & Gamble.

Current Positions

- Bupa Arabia (Chief Human Resources Officer)

Previous Positions

- **Proctor & Gamble**
 - HR Director – Product Supply Function
 - Global HR Director, Switzerland
 - Country HR Head, Saudi Arabia

Qualifications

- Master of Business Administration in Strategy and HRM from Griffith Business School, Australia
- Bachelor's degree in Marketing Management from Griffith University, Australia

Mr. Atef M. Mufti
Chief Growth Officer (CGO)

Mr. Atef Mufti joined Bupa Arabia in 2017. Prior to his joining, he was the Chief Commercial Officer and a member of the board of directors of Panda Retail Co. (SAVOLA Group).

Mr. Mufti began his career with the Saudi British Bank (SABB) – currently known as Saudi Awwal Bank (SAB), and has a collective of 29 years of experience with 17+ years in the banking industry.

Current Positions

- Bupa Arabia (Chief Growth Officer)

Previous Positions

- Bupa Arabia (Chief Sales Officer)
- Panda Retail Company – SAVOLA Group
 - Chief Commercial Officer and Member of the Board of Directors
 - Vice President – Commercial and Supply Chain
 - Vice President – Commercial
- Ahmed Mohamed Saleh Baeshen & Co. (Head of Corporate Services)
- Bank Albilad (GM Western Region)
- Saudi Distribution Company (Managing Director)
- Saudi British Bank (SABB) (Several different executive positions)

Qualifications

- Bachelor's degree in Marketing from King Fahad University of Petroleum and Minerals, Saudi Arabia with a minor degree in Management
- Certified in Corporate Governance – INSEAD
- Certified International Director – INSEAD
- Certified Board Director from GCC Board of Directors Institute – GCC BDI

Mr. Mohamed El Missaoui

Bupa CareConnect – Chief Executive Officer (CEO)

Possessing 20+ years of experience in the insurance, banking and FMCG sectors, Mr. Mohamed El Missaoui joined Bupa Arabia in 2011 as the Director of Total Quality Management. In this capacity, he oversaw service operations areas related to customer service, mega accounts, membership fulfillment, and quality.

Prior to his appointment as CEO of Bupa CareConnect in 2023, he served as the Chief Operations Officer (COO) of Bupa Arabia from 2018.

Mr. El Missaoui also previously led a variety of assignments at Unilever MENA relating to the supply chain, ranging from distribution, logistics, and customer service to industrial engineering and quality.

Current Positions

- Bupa CareConnect (Chief Executive Officer)

Previous Positions

- Bupa Arabia
 - Chief Operations Officer
 - Director – Operations
 - Director – Total Quality Management
- Unilever MENA
 - Head of Logistics, Service and Distribution
 - Senior Manager – Quality Assurance
 - Industrial Engineer
- Attijariwafa Bank (Senior Finance Projects Manager)
- Banque Centrale Populaire (BCP) (Junior Project Manager)

Qualifications

- Master of Business Administration in Finance from Oklahoma City University, USA
- Electro-Mechanical Engineering degree from Ecole Nationale Supérieure des Mines de Rabat, Rabat

Mr. Amro Shawli

Chief Governance, Risk and Control Officer (CGRCO)

Mr. Amro Shawli joined Bupa Arabia in 2022 as Chief Risk Officer. The role was amended to Chief Governance, Risk and Control Officer in December 2022. In September 2024, he further assumed the position of Board Secretary.

Mr. Shawli has a collective of 19+ years of multi-sector experience in the areas of risk and audit. Previously, he held the position of Chief Audit Officer of Vision International Investment Company, a leading development and investment company at the forefront of public and private sector partnerships in the GCC.

Current Positions

- Bupa Arabia (Chief Governance, Risk and Control Officer)

Previous Positions

- Vision Invest International (VII) (Chief Audit Executive)
- Aramco America (Chief Auditor)
- Saudi Tabreed (Audit and Risk Committee Member)
- Air Products Qudra (Audit and Risk Committee Member)
- Saudi Arabian Logistics (SAL) (Audit and Risk Committee Member)
- Miahona. (Audit and Risk Committee Member)

Qualifications

- Master of Business Administration in Accounting and Finance from Cox Business School, USA
- Bachelor of Science in Accounting and Marketing from Southern Illinois University, USA
- Certified Internal Auditor (CIA)
- Certified Management Accountant (CMA)
- Certified Board of Director (Cert. Dir)

Mr. Ahmed Bajunaid

Chief Investment Officer (CIO)

Mr. Ahmed Bajunaid is the Chief Investment Officer at Bupa Arabia, where he has driven key investment transformations and strategic initiatives since joining in 2018. Initially serving as Head of Corporate Finance and Investments, he became the Director of Asset Management and Business Advisory in 2019 before assuming his current role in 2024.

With over 17 years of experience in investment management, Mr. Bajunaid previously worked at Sanabil Investments, overseeing its global private equity program. Before that, he spent nine years at Saudi Aramco's Investment Management Department, focusing on strategy, due diligence, and reporting across asset classes. Additionally, he served as an investment consultant with Cambridge Associates, working in private equity research across Boston and London.

Current Positions

- Bupa Arabia (Chief Investment Officer)

Previous Positions

- Bupa Arabia
 - Director of Asset Management and Business Advisory
 - Head of Corporate Finance and Investments
- Sanabil Investments (Private Equity)
- Saudi Aramco (Co-Portfolio Manager)
- Cambridge Associates (Investment Consultant)

Qualifications

- MBA from Columbia Business School
- Bachelor's degree in Business Finance from Durham University

Mr. Hatim Jamal

Chief Financial Officer (CFO)

Mr. Hatim Jamal is the Chief Financial Officer of Bupa Arabia. He joined the Company in 2021 as Senior Director of Commercial Finance and was promoted to CFO in 2024. With over 14 years of experience, his expertise spans financial planning, accounting, tax, strategy development, and operational excellence.

Before joining Bupa Arabia, Mr. Jamal was a partner at Strategic Gears, advising private and public sector clients on strategy, economic impact, and operations. Additionally, he worked at Proctor and Gamble, where he managed the forecasting, planning, and finance operations in both Saudi Arabia and the regional office in Switzerland, covering India, the Middle East and Africa.

Current Positions

- Bupa Arabia (Chief Financial Officer)

Previous Positions

- Bupa Arabia (Senior Director of Commercial Finance)
- Strategic Gears (Partner)
- Proctor & Gamble
 - Assistant Brand Manager – India, Middle East, and Africa
 - Senior Financial Analyst – India, Middle East, and Africa
 - Household Care Finance Manager – Arabian Peninsula
 - Joint Venture Relations Finance Manager
 - Senior Financial Analyst – Arabian Peninsula
 - Cash Flow Forecaster – Arabian Peninsula
 - Saudi Tax Manager
 - Household Care Financial Analyst

Qualifications

- Executive MBA from London Business School
- Bachelor of Science degree in Finance from King Fahd University of Petroleum and Minerals

Eng. Ryyan Tarabzoni

Chief Operations Officer (COO)

Eng. Ryyan Tarabzoni became the Chief Operations Officer of Bupa Arabia in 2024. Prior to joining, he acted as the advisor to the CEO as well as the Chief Supply Chain Officer for Panda Retail, which belongs to Savola Group.

Eng. Tarabzoni is a senior executive and board leader with over 25 years of experience across diverse industries, including health insurance, retail, aviation, petrochemicals, FMCG, and oil and gas. He is renowned for driving organizational transformations, strategic development, and digital modernization in high-stakes environments.

Eng. Tarabzoni has held multiple executive and board positions across semi-government, public, and private sectors, excelling in governance, strategy execution, and digital initiatives. He is adept at guiding corporatization and transformation processes, operational excellence, and large-scale digital overhauls to enhance value and competitiveness.

Current Positions

- Bupa Arabia (Chief Operations Officer)

Previous Positions

- Panda Retail Company – Savola Group (Chief Supply Chain Officer and CEO Advisor)
- Jeddah Airports Company – JEDCO (CEO)
- Altanfeethi (Chairman of the Board)
- Saudi Air Navigation Services – SANS (CEO and Board Member)
- TASNEE
 - General Manager – Plastic Business Unit, Downstream Strategic Business Unit
 - General Manager – Transformation, Downstream Strategic Business Unit
- Cristal (Director – Business Development)

- Proctor & Gamble
 - Supply Network Operation Manager for Middle East and Africa, Baby Care
 - Supply Network Operation Group Manager
 - Material Development Supply Manager
 - Operation Line Manager
 - Technical Support Manager
- Saudi Aramco (Loss Prevention Engineer)

Qualifications

- Bachelor of Science in Electrical Engineering from University of the Pacific, California, USA.
- Finance for Executives Program from INSTEAD Business School, France.
- Certificate of Management Excellence from Harvard Business School, Boston, USA

Audit Committee Report 2024

The Audit Committee (AC) is governed by its Charter, which was approved by public shareholders in the 2019 fourth quarter General Assembly Meeting.

The Committee held six (6) meetings during fiscal year 2024. The details of these meetings, including the participants, are noted in the following table:

Committee Member Name	Role	29 January	14 February	5 May	29 July	03 November	04 November*	Percentage
Mr. Zaid Algwaiz	Chair	Y	Y	Y	Y	Y	Y	100
Dr. Abdulla Elyas	Member	Y	Y	N	Y	Y	Y	83
Mr. Ibrahim M. Alhusayni	Member	Y	Y	Y	Y	Y	Y	100
Ms. Zain Al Emam	Member	Y	Y	Y	Y	Y	Y	100
Overall Percentage of AC Member Attendance (%)		100	100	75	100	100	100	96

* Meeting held on 4 November was the annual AC meeting with the Board of Directors

The Committee meetings are designed to facilitate and encourage communication among the Committee, the Company's Management, its GRC functions, its independent control functions (Compliance and Internal Audit), and its Independent External Auditors. The Committee has discussed and confirmed the overall scope and plans for their respective reviews with the Company's independent control functions and the Independent External Auditors.

The Audit Committee recognizes the importance of maintaining the independence of the Company's external auditors, both in fact as well as in appearance. Each year, the Committee evaluates the qualifications, performance and independence of the external auditors and determines whether to retain their services. In doing so, the Audit Committee considers the quality and efficiency of the services provided by the external auditors, their capabilities, technical expertise, and knowledge of the Company's operations along with that of the insurance industry. Based on this evaluation, the Audit Committee made a recommendation to the Board of Directors

to refer to the General Assembly for the selection of PricewaterhouseCoopers and KPMG as external auditors to audit the Company's financial statements for the second and third quarters of 2024, the annual financial statements for the fiscal year 2024 and the first quarter of the fiscal year 2025.

Pursuant to the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board thereafter approved, that the audited annual financial statements and related schedules, and Management's assessment of the effectiveness of the Company's internal control over financial reporting be included in the 2024 Annual Report.

The Audit Committee confirms that it has, during 2024, completed its tasks and activities in accordance with the powers afforded to it, as per the regulations and as reflected in the latest Audit Committee Charter. In fulfilling these tasks and activities, the Committee is able to express an opinion on the Company's internal control framework in accordance with the Capital Market Authority (CMA) disclosure requirement.

The Audit Committee noticed the Management's continuous efforts and focus on improving the design and effectiveness of Bupa Arabia's internal control environment. Based on the results of the internal audit reviews, the planned activities to enhance the internal control environment, in addition to the reports received and discussions with the External Auditors and Management on the preliminary and annual financial statements for the year ended 31 December 2024, nothing has been brought to the attention of the Committee that would indicate any significant deficiencies.

Mr. Zaid Algwaiz
Chair

Dr. Abdulla Elyas
Member

Mr. Ibrahim M. Alhusayni
Member

Ms. Zain Al Emam
Member

Board Purpose and Meetings

The primary role of the Board is to define the Company's strategic direction and create value for shareholders and stakeholders while adhering to the Kingdom's regulations and laws in an ethical and transparent manner. The Board oversees the Company's core values, mission, and long-term vision, providing strategic direction and operational guidance. It holds ultimate accountability for upholding exemplary corporate governance and ethical standards, as well as establishing a robust system of internal controls and procedures to ensure compliance with all applicable laws and regulations in the jurisdictions where the Company operates, both in content and timeliness.

The Board is also tasked with forming committees, as required by regulations, to support the achievement of its duties and assist the Executive Management in carrying out their responsibilities. Additionally, it identifies and approves matters deemed significant enough to be reserved for its direct decision-making authority, as outlined in the Board-approved Schedule of Matters Reserved for the Board (SMRB) and the Board Delegated Authorities Framework (BDAF), while delegating other specific responsibilities to relevant Board Committees.

Board of Directors Sixth Term, 1 July 2022 to 30 June 2025

Membership Role	Board Member Name	Nationality	Term Number	For the Current Term Representing:
Independent	Ms. Huda M. Bin Ghoson	Saudi	2nd	Not Applicable
	Mr. Osamah Shaker	Saudi	1st	Not Applicable
	Dr. Abdulla N. Elyas	Saudi	2nd	Not Applicable
Non-Executive	Eng. Loay H. Nazer	Saudi	6th	Nazer Group
	Mr. David M. Fletcher	British	4th	Bupa Investments Overseas Limited (BIOL)
	Mr. Nigel Sullivan	British	2nd	Bupa Investments Overseas Limited (BIOL)
	Mr. Martin J. Houston	British	3rd	Bupa Investments Overseas Limited (BIOL)
Executive	Mr. Nader Ashoor	Saudi	2nd	Not Applicable
	Mr. Tal H. Nazer	Saudi	6th	Not Applicable

Summary of Changes in the Board of Directors in 2024

There were no changes in the Board composition in 2024.

The Board approves the appointments of the Board Chairman, Board Vice-Chairman, Chief Executive Officer (CEO) and Company Board Secretary for each term, subject to regulatory approval where required. For the sixth term, all appointments were duly approved. Furthermore, the Board appoints secretaries for its committees for each new term. For the current term, the following appointments were made: the Senior Director of the Internal Audit Department was named the Audit Committee (AC) Secretary, the Senior Director of Total Rewards was appointed as the Nomination and Remuneration Committee (NRC) Secretary, the Chief Investment Officer was selected as the Investment Committee (IC) Secretary, and the Director of the Risk Management Department was chosen as the Risk Management Committee (RMC) Secretary.

Notably, there were changes in key roles this term. The Company Board Secretary and Executive Committee (EC) Secretary positions transitioned from the Director of the Corporate Governance and Company Secretariat Department to the Chief Governance, Risk and Control Officer. Additionally, the RMC Secretary role transitioned from the Senior Executive Manager of the Company Secretariat Department to the Director of the Risk Management Department.

Board Meeting Attendance

During 2024, the Board held six (6) meetings. The following table details Board meetings held and their respective attendance.

Board Member Name	5 March	25 April	30 May	16 September	4-5 November	17 December	Percentage
Eng. Loay Hisham Nazer	Y	Y	Y	Y	Y	Y	100
Mr. David Martin Fletcher	Y	Y	Y	Y	Y	Y	100
Mr. Tal Hisham Nazer	Y	Y	Y	Y	Y	Y	100
Mr. Martin Houston	Y	Y	Y	Y	Y	Y	100
Dr. Abdulla Elyas	Y	Y	Y	Y	Y	Y	100
Ms. Huda Bin Ghoson	Y	Y	Y	Y	Y	Y	100
Mr. Osamah Shaker	N	Y	Y	Y	Y	Y	83
Mr. Nigel Sullivan	Y	Y	Y	Y	Y	Y	100
Mr. Nader Ashoor	Y	Y	Y	Y	Y	Y	100
Total Percentage of Attendance (%)	89	100	100	100	100	100	98

Assessment of the Board/Board Committees and the Members' Performance

The Company regularly evaluates the performance of the Board, its Committees, and their respective members through ongoing assessments conducted in closed Board sessions, by the Nomination and Remuneration Committee (NRC), in coordination with the Company Secretariat and committee chairs, in collaboration with the NRC, and, when necessary, with the involvement of an external third party.

Major Board Approvals/Resolutions

Among the major Board approvals and resolutions during the year were the following:

- Approval of 2025 AOP
- Recommendation to the shareholders of the distribution of 600 million in cash dividends for the 2023 fiscal year
- Recommendation to the shareholders to appoint PwC and KPMG as the external auditors from the second quarter of 2024 until the first quarter of 2025
- Appointment of Mr. Amro Shawli as Board Secretary
- Appointment of Mr. Amro Shawli as Executive Committee Secretary
- Appointment of Mr. David Fletcher as Non-Executive Member of the Risk Management Committee

Board Secretary



Ms. Abeer Albornu
Director – Corporate Governance and Company Secretariat

Ms. Abeer Albornu, who served as Board Secretary until September 2024, brought over 15 years of extensive experience in risk and compliance to her role. Before joining Bupa Arabia in 2017, she held various senior positions in prominent banks, most notably as Senior Manager for Compliance Advisory – Corporate and Treasury at Bank Al Jazira. In this capacity, she implemented effective strategies and action plans to ensure the organization's adherence to regulatory requirements.

As Director – Corporate Governance and Company Secretariat, She acted as a crucial liaison between the Board of Directors and the Company. She was responsible for coordinating the activities of the Board and its committees, managing the preparation of the Company's annual reports and disclosures, and overseeing all aspects of the Company's general assembly meetings.

During her tenure at Bupa Arabia, she made significant contributions, including the development of enterprise policies and procedures still in use today. One of her most impactful achievements was the successful

launch of the Company's Code of Conduct and whistle-blowing system. Additionally, she played an instrumental role in enhancing corporate governance, ensuring the Company adhered to best practices through diligent monitoring and implementation.

Ms. Albornu holds a Bachelor of Science in Management Information Systems from Dar Al Hekma University and an international diploma certification in risk management. Additionally, she has obtained several professional certifications in corporate governance, operational risk, and compliance.

Transition and New Appointment

Following Ms. Albornu's departure in September 2024, the role of Board Secretary has been assumed by Mr. Amro Shawli, Chief Governance, Risk and Control Officer (CGRCO). Mr. Shawli brings a wealth of expertise to the position, ensuring continuity and excellence in supporting the Board and its functions.

For Mr. Amro Shawli's full professional profile, please refer to page 59 of this Report.

Board Committees

Audit Committee (AC)

The Audit Committee (AC) plays a crucial role in safeguarding the integrity of the Company's financial statements by ensuring alignment with applicable financial reporting standards, as well as adherence to relevant laws and regulations. Its responsibilities include reviewing and, where necessary, recommending improvements to the Board regarding internal financial controls, compliance measures, internal audit activities, and the external audit process, including the evaluation of external auditors' performance. The Committee is also tasked with evaluating the effectiveness of the Company's risk management processes to confirm if they are sufficient and efficient, particularly in terms of their impact on financial reporting and adherence to the Company's Code of Business Conduct. Additionally, the AC is responsible for overseeing the performance, effectiveness, and impartiality of the compliance and internal audit functions, which report directly to the AC Chair.

Summary of Changes in the Audit Committee During 2024

There were no changes in the Audit Committee composition in 2024.

During 2024, the AC held six (6) meetings. The following table details AC meetings held and their respective attendance.

Committee Member Name	Role	29 January	14 February	5 May	29 July	3 November	4 November*	Percentage
Mr. Zaid Algwaiz	Chair	Y	Y	Y	Y	Y	Y	100
Dr. Abdulla Elyas	Member	Y	Y	N	Y	Y	Y	83
Mr. Ibrahim M. Alhusayni	Member	Y	Y	Y	Y	Y	Y	100
Ms. Zain Al Emam	Member	Y	Y	Y	Y	Y	Y	100
Overall Total Percentage (%)		100	100	75	100	100	100	96

* Meeting held on 4 November was the annual AC meeting with the Board of Directors.

Mr. Zaid Algwaiz

Audit Committee Chair (Independent)

Chair of the Audit Committee at Bupa Arabia since 2022, and a member of the Risk Management Committee.

Mr. Zaid Algwaiz previously served as an independent board member at Bupa Arabia for three terms. During his time at Bupa Arabia, he also joined various committees including the Nomination and Remuneration Committee and the Investment Committee. Moreover, prior to his chairing of the Audit Committee, Mr. Algwaiz served as a member.

At present, Mr. Algwaiz is a member of several boards and committees in other organizations including SAL and GIB Capital. He is currently serving his second term on the Audit Committee at Bupa Arabia.

Current Positions

- Bupa Arabia (Audit Committee Chair and Risk Management Committee Member)
- AWJ Holding Company (Board Member and Audit Committee Chair)
- GIB Capital (Board Member and Audit Committee Chair)
- Mohammed Ibrahim AlSubaie and Sons Investment Company (MASIC) (Member of the ALCO and Risk Committee)
- SAL Saudi Logistics Services Company (Audit Committee Chair).

Previous Positions

- Saudi National Bank (SNB) (Independent Board Member, Risk and Governance Committee Member and Executive Committee Member)
- Saudi British Bank (Nomination and Remuneration Committee Member)
- Al-Yusr Leasing and Financing Co. (Board Member and Risk Committee Chair)
- Al-Rajhi Steel (Board Member and Audit Committee Member)
- Gulf Finance Company (Board Member and Chair of the Audit Committee)
- AlAwwal Capital (Saudi Hollandi Capital) (Board Member and Chair of the Audit Committee)
- Middle East Specialised Cables Company (Board Member)
- HSBC Mutual Funds (Board Member)

Qualifications

- Bachelor's degree in Accounting from King Saud University, Saudi Arabia

Dr. Abdulla Elyas

Audit Committee Member (Independent)

Dr. Abdulla Elyas is a co-founder of Careem and is currently Chairman of its business in KSA. Additionally, he serves as a board member at the Saudi Arabian SME Authority, Endeavor KSA, and TAM Development Company. Dr. Elyas is currently serving his first term as an Audit Committee member at Bupa Arabia.

Please refer to page 53 for further details and profile.

Mr. Ibrahim M. Alhusayni

Audit Committee Member (Independent)

Member of the Audit Committee at Bupa Arabia since 2022.

Mr. Ibrahim Alhusayni currently holds the position of Chief Audit Executive for the multi-investment firm, Mohammad Alhabib Holding. Additionally, he is a member of the Audit and Risk Committee at GIB Capital.

Prior to his current role, he served as Head of Finance Governance at BAE Systems, a multinational defence company and as External (Financial) Auditor at Ernst & Young.

Mr. Alhusayni is currently serving his first term at Bupa Arabia.

Current Positions

- Bupa Arabia (Audit Committee Member)
- Mohammad Alhabib Holding (Chief Audit Executive)
- GIB Capital (Audit and Risk Committee Member)

Previous Positions

- BAE Systems (Head of Finance Governance)
- Ernst and Young (External – Financial Auditor)

Qualifications

- BSc in Accounting from King Fahd University of Petroleum and Minerals, Saudi Arabia

Ms. Zain Al-Emam

Audit Committee Member (Independent)

Ms. Zain Al-Emam is a recognized Saudi 2030 Leader. She is a seasoned Saudi banker with over 15 years of experience in the banking industry beginning at the Saudi National Commercial Bank (now SNB), through Saudi Fransi Banque and concluding her tenure at the Islamic Development Bank (IsDB) with a focus on investment banking.

Over the years, Ms. Al-Emam has undertaken several committee/forum organization representation roles in regional and global arenas such as AMF and G20-GPFI.

Additionally, Ms. Al-Emam has extensive board and committee experience, having served as Board Member/Director and Chair of Board and Board Committees, NRC, ARC and AC of listed, private Saudi and international companies.

Current Positions

- Bupa Arabia (Audit Committee Member)
- Islamic Development Bank Group (Lead Investments Officer)
- GIB Capital (Board Member)
- Saudi Coffee Company (Audit Committee Member)

Previous Positions

- Allied Cooperative Insurance (ACIG) (Board Member)
- Jordan Petroleum (Board Member)
- Caspian Intl. Investment Co. (Board Member, Audit and Risk Committee Chair, Nomination and Remuneration Committee Member)
- Banque Saudi Fransi – Credit Agricole (Treasury-Fx Dealer)
- Saudi National Bank:
 - Credit Administration and Control
 - Retail Banking

Qualifications

- Master of Sciences in Finance and Management from University of Exeter, Exeter, UK
- Bachelor's degree in Economics of Money and Financial Institutions from King Abdul Aziz University, Jeddah, KSA

Executive Committee (EC)

The purpose of the Executive Committee (EC) is to support the Board in managing the business by routinely monitoring and reviewing all aspects of the Company's operational performance. This ensures that no obstacles hinder the achievement of the Company's strategy and objectives.

The EC advises the Board on matters such as annual operating plans and proposed dividends while considering solvency requirements. Additionally, it undertakes reviews and approvals in accordance with the requirements of the Schedule of Matters Reserved for the Board (SMRB) on certain commercial aspects, including its charter. Furthermore, the EC supports the Board and the business in ensuring compliance with regulatory obligations.

Summary of Changes in the Executive Committee During 2024

There were no changes in the Executive Committee composition in 2024.

During 2024, the EC held six (6) meetings. The following table provides details of EC meetings held and their respective attendance.

Committee Member Name	Role	31 January	5 March	25 April	30 May	4 November	17 December	Percentage
Eng. Loay Hisham Nazer	Chair	Y	Y	Y	Y	Y	Y	100
Mr. David Martin Fletcher	Member	Y	Y	Y	Y	Y	Y	100
Mr. Tal Hisham Nazer	Member	N	Y	Y	Y	Y	Y	83
Mr. Nigel Sullivan	Member	Y	Y	Y	Y	Y	Y	100
Overall Total Percentage (%)		75	100	100	100	100	100	96

Eng. Loay Hisham Nazer Executive Committee Chair (Non-Executive)

Chairman and Board member of Bupa Arabia since its inception in 2008. Founder and Chairman of the Nazer Group Ltd. Eng. Nazer is currently serving his sixth term as an Executive Committee member at Bupa Arabia.

Please refer to page 52 for further details and profile.

Mr. David Fletcher Executive Committee Member (Non-Executive)

Bupa Arabia Board member and Vice-Chairman since 2014. Currently, Bupa Group Chief Risk Officer and member of its Chief Executive Committee. Mr. Fletcher is currently serving his fourth term as an Executive Committee member at Bupa Arabia.

Please refer to page 52 for further details and profile.

Mr. Tal Hisham Nazer Executive Committee Member (Executive - CEO)

Bupa Arabia CEO and Board member since its inception in 2008. Mr. Nazer is currently serving his sixth term as an Executive Committee member at Bupa Arabia.

Please refer to page 53 for further details and profile.

Mr. Nigel Sullivan Executive Committee Member (Non-Executive)

Bupa Arabia Board member since 2021. Currently, Bupa Group Chief Sustainability and People Officer. Mr. Sullivan is currently serving his second term as an Executive Committee member at Bupa Arabia.

Please refer to page 56 for further details and profile.

Investment Committee (IC)

The primary objective of the Investment Committee (IC) is to support the business in formulating its investment policy and ensuring its adherence to it. The Committee is responsible for overseeing the Company's investment processes and strategic approach, aiming to optimize returns within the risk parameters approved by the Board, while duly considering liquidity requirements and solvency constraints. Additionally, the IC regularly monitors investment performance, ensuring compliance with the guidelines and limits outlined in the Investment Policy Statement (IPS), and the requirements set by the Insurance Authority. Furthermore, the Committee is authorized to approve investment decisions in accordance with the IC Charter Authority Matrix.

Summary of Changes in the Investment Committee During 2024

There were no changes in the Investment Committee composition in 2024.

During 2024, the IC held four (4) meetings. The following table details the IC meetings held and their respective attendance.

Committee Member Name	Role	18 March	25 June	26 September	5 December	Percentage
Mr. Osamah Shaker	Chair	Y	Y	Y	Y	100
Mr. Andrew Bailey	Member	Y	Y	Y	Y	100
Mr. Tal Nazer	Member	Y	N	Y	Y	75
Ms. Adhwa Alabdulkarim	Member	Y	N	N	Y	50
Ms. Nora Al-Sarhan	Member	Y	Y	Y	Y	100
Overall Total Percentage (%)		100	60	80	100	85

Mr. Osamah Shaker

Investment Committee Chair (Independent)

Mr. Osamah Shaker has been serving as an Independent Board Member since 2022 and has held the position of Independent Chair of the Investment Committee since 2019. He is the CEO of GIB Capital, a company wholly owned by GIB Bank, based in Riyadh. Mr. Shaker is currently serving his second term at Bupa Arabia as an Investment Committee member.

Please refer to page 55 for further details and profile.

Andrew Bailey

Investment Committee Member (Non-Executive Member)

Member of the Bupa Arabia Investment Committee, since 2019.

Currently, Mr. Andrew Bailey holds the role of Head of Asset Management for Bupa Group. Prior to joining Bupa Group, he held various treasury and investment roles at several UK listed corporations.

Mr. Bailey is currently serving his second term at Bupa Arabia.

Current Positions

- Bupa Arabia (Investment Committee Member)
- Bupa (Head of Asset Management)

Previous Positions

- Brewin Dolphin PLC (Treasurer)
- Peninsula Petroleum Brokers Ltd. (Group Treasury Manager)
- National Grid PLC (Treasury Manager)

Qualifications

- Bachelor of Arts in Economics and Philosophy from the University of Sheffield, United Kingdom.
- Certificate in Chartered Financial Analyst from the Chartered Financial Analysts (CFA), United Kingdom
- Certificate in Corporate Treasury from the Association of Corporate Treasurers (ACT), United Kingdom
- Certificate in Investment Management from the Investment Management Certificate (IMC), United Kingdom
- Certificate in Technical Analysis from the Society of Technical Analysts, United Kingdom

Mr. Tal Hisham Nazer

Investment Committee Member (Executive - CEO)

Bupa Arabia CEO and Board member since its inception in 2008. Mr. Nazer is currently serving his first term as an Investment Committee member at Bupa Arabia.

Please refer to page 53 for further details and profile.

Ms. Adhwa Alabdulkarim
Investment Committee Member (Independent)

Member of the Bupa Arabia Investment Committee since 2022.

Ms. Adhwa Alabdulkarim previously worked for Saudi Aramco as Associate – Mergers and Acquisitions. She currently holds the title of Head of Corporate Finance at Beacon Rail Leasing.

Ms. Alabdulkarim is currently serving her first term at Bupa Arabia.

Current Positions

- Bupa Arabia (Investment Committee Member)
- Beacon Rail Leasing (Head of Corporate Finance)

Previous Positions

- Brookfield Asset Management (Senior Associate – Investments)
- Saudi Aramco (Associate – Mergers and Acquisitions)
- Saudi Aramco (Analyst – Mergers and Acquisitions)

Qualifications

- Master of Business Administration from Harvard Business School, USA
- Bachelor of Science in Finance from Prince Mohammed Bin Fahd University, Saudi Arabia

Ms. Nora Al-Sarhan
Investment Committee Member (Independent)

Member of the Bupa Arabia Investment Committee since 2022.

Ms. Nora Al-Sarhan currently holds the position of Chief Investment Officer at Saudi Venture Capital Company (SVC), where she also previously served as Investment Executive Director.

Ms. Al-Sarhan is currently serving her first term at Bupa Arabia.

Current Positions

- Bupa Arabia (Investment Committee Member)
- Saudi Venture Capital Company (SVC) (Deputy CEO and Chief Investment Officer)

Previous Positions

- Saudi Venture Capital Company (SVC) (Investment Executive Director)
- Small and Medium Enterprise Authority (Monshaat) (Equity Funding Director and Equity Funding Manager)
- Saudi Venture Capital Investment Company (SVCIC) (Senior Associate)
- Ernst and Young, Transaction Advisory Services (Executive)

Qualifications

- Master of Business Administration from Alfaisal University, Saudi Arabia
- Bachelor of Science in Information Systems from Prince Sultan University, Saudi Arabia

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) is responsible for ensuring effective governance of the Board and its committees, as well as managing member appointments in alignment with applicable regulations, approved policies, and procedures. This includes making recommendations to the Board and, where required, to regulators. The NRC is committed to upholding the independence of independent members, eliminating conflicts of interest, and ensuring full compliance with regulatory requirements before proposing Board or Board Committee memberships to the Insurance Authority on behalf of the Company.

The Committee's responsibilities also include the following:

- To assess the structure and composition of the Board and its committees and recommend adjustments as needed.

- To conduct an annual review of the skills and qualifications required for Board and Board Committee memberships and incorporate updates into the Nomination and Appointment Policy and Procedure, for approval by public shareholders.
- To develop and recommend clear policies for the compensation and remuneration of Board and Board Committee members, utilizing industry and market benchmarks.
- To propose the Company's Long-Term Incentive Plan (LTIP) to the Board.
- To recommend the remuneration policy for the Company's Chief Executive Team (CET) and employees to the Board.
- To review, recommend, and approve remuneration and incentive payments, including short-term incentives/bonuses and LTIP, for the Chief Executive Officer (CEO), CET, and the Company as a whole.
- To establish and monitor succession plans for the CEO and the CET.
- To carry out annual assessments of the performance of the Board, its committees, and their respective members.

Ms. Huda Bin Ghoson Nomination and Remuneration Committee Chair (Independent)

Ms. Bin Ghoson was the Executive Director of Human Resources at Saudi Aramco. She is currently serving her second term as a Nomination and Remuneration Committee member at Bupa Arabia.

Please refer to page 54 for further details and profile.

Mr. Nigel Sullivan Nomination and Remuneration Committee Member (Non-Executive Member)

Bupa Arabia Board member since 2021. Currently, Bupa Group Chief Sustainability and People Officer. Mr. Sullivan is currently serving his second term as a Nomination and Remuneration Committee member at Bupa Arabia.

Please refer to page 56 for further details and profile.

Summary of Changes in the Nomination and Remuneration Committee During 2024

There were no changes in the Nomination and Remuneration Committee composition in 2024.

During 2024, the NRC held five (5) meetings. The following table provides details of NRC meetings held and their respective attendance.

Committee Member Name	Role	8 January	5 February	16 May	21 October	9 December	Percentage
Ms. Huda Bin Ghoson	Chair	Y	Y	Y	Y	Y	100
Mr. Nigel Sullivan	Member	Y	Y	Y	Y	Y	100
Ms. Hawazen Nassief	Member	Y	Y	Y	Y	Y	100
Overall Total Percentage (%)		100	100	100	100	100	100

Ms. Hawazen Nassief

Nomination and Remuneration Committee Member (Independent)

Member of the Bupa Arabia Nomination and Remuneration Committee since 2022.

At present, Ms. Hawazen Nassief holds the position of Head - Sustainability and Stewardship at the Public Investment Fund (PIF).

Ms. Nassief is currently serving her first term at Bupa Arabia.

Current Positions

- Bupa Arabia (Nomination and Remuneration Committee Member)
- Public Investment Fund (PIF) (Head - Sustainability and Stewardship)
- Tanmiah Food Company (Tanmiah) (Board Member and ESG Committee Chair)
- Middle East Paper company (MEPCO) (Board Member and Risk and Sustainability Committee Member)
- Makkah Province Development Authority (Board Member)

Previous Positions

- National Energy Services Reunited Corp. (NESR) (Vice President - ESG and External Affairs)
- Future Investment Initiative Institute (Environmental, Social and Governance Advisor)
- Cummins Inc. (Middle East Corporate Responsibility and Technical Education for Communities Manager)
- Christie's (Middle East Director - Relationship Management)
- Olayan Financing Company (Corporate Social Responsibility Officer)

Qualifications

- Master of Arts in Law and Diplomacy from Tufts University, USA
- Bachelor of Arts in International Relations from Boston University, USA

Risk Management Committee (RMC)

The Risk Management Committee (RMC) plays a pivotal role in supporting the Board of Directors in shaping Bupa Arabia's risk management strategy and overseeing risk across the Company. Its responsibilities include overseeing current risk exposures and risk strategy, guiding the development of the overall risk appetite and tolerance, and monitoring the effectiveness of the risk management framework, including related policies, processes, and controls. Furthermore, the RMC fosters a culture of risk awareness across Bupa Arabia.

The Committee is dedicated to upholding excellence in risk management and enhancing Bupa Arabia by:

- Maintaining vigilance over risks and engaging in risk management to achieve sustainable performance.
- Taking ownership of Bupa Arabia's entire risk profile and addressing risk themes in a comprehensive manner.
- Recognizing emerging risks and recommending adjustments to the risk appetite for Board consideration, as needed.

During 2024, the RMC held four (4) meetings. The following table provides details of RMC meetings held and their respective attendance.

Committee Member Name	Role	5 February	29 May	27 August	5 November	Percentage
Mr. Martin Houston	Chair	Y	Y	Y	Y	100
Dr. Abdulla Elyas	Member	Y	Y	Y	Y	100
Mr. James O'Reilly (until 02/09/2024)	Member	Y	Y	Y	N/A	100
Mr. Rami Makarem	Member	Y	Y	Y	Y	100
Mr. Zaid Algwaiz	Member	Y	Y	Y	Y	100
Overall Total Percentage (%)		100	100	100	100	100

- Establishing and defining Bupa Arabia's risk culture and implementing mechanisms to promote it effectively.
- Proposing policies for Board approval in alignment with its charter.
- Overseeing the implementation of corporate governance in accordance with Articles 91 and 92 of the Capital Market Authority (CMA) Corporate Governance Regulations.

Summary of Changes in the Risk Management Committee During 2024

Risk Management Committee Resignations	Role	Date
Mr. James O'Reilly	Member (Non-Executive)	02/09/2024

Risk Management Committee Appointments	Role	Date
Mr. David Martin Fletcher	Member (Non-Executive)	19/11/2024

Mr. Martin Houston

Risk Management Committee Chair (Non-Executive)

Bupa Arabia Board member since 2018 and has served as a non-executive director on the main board of Bupa. Mr. Houston is currently serving his first term as a Risk Management Committee member at Bupa Arabia.

Please refer to page 55 for further details and profile.

Dr. Abdulla Elyas

Risk Management Committee Member (Independent)

Dr. Abdulla Elyas is a co-founder of Careem and is currently Chairman of its business in KSA. Additionally, he serves as a board member at the Saudi Arabian SME Authority, Endeavor KSA, and TAM Development Company. Dr. Elyas is currently serving his second term as a Risk Management Committee member at Bupa Arabia.

Please refer to page 53 for further details and profile.

Mr. Rami Makarem

Risk Management Committee Member (Non-Executive)

Member of the Risk Management Committee at Bupa Arabia since 2016.

Mr. Rami Makarem is currently Nazer Holding Group Ltd.'s Chief Executive Officer, where he serves on various boards of directors of companies owned by the group. Prior to that, he held the position of Group Chief Finance Officer at Ittihad International Investment in the United Arab Emirates.

Mr. Makarem is currently serving his fourth term at Bupa Arabia.

Current Positions

- Bupa Arabia (Risk Management Committee Member)
- Nazer Group (Group Chief Executive Officer)

Previous Position

- Ittihad International Investment (Group Chief Finance Officer)
- Sun Microsystems (Finance Manager)
- Ernst and Young (Auditor)

Qualifications

- Executive master's degree in Business Administration from the London Business School, United Kingdom
- Post Graduate Diploma in Financial Strategies from Oxford University, United Kingdom
- Bachelor's degree in Business Administration from the American University of Beirut, Lebanon.

Mr. Zaid Algwaiz

Risk Management Committee Member (Independent)

Mr. Zaid Algwaiz has held the position of Chair of the Audit Committee at Bupa Arabia since 2022 and is also a member of the Risk Management Committee. Previously, he served as an independent board member at Bupa Arabia for three terms. Mr. Algwaiz is currently serving his first term as a Risk Management Committee member at Bupa Arabia.

Please refer to page 64 for further details and profile.

Mr. David Fletcher

Risk Management Committee Member (Non-Executive)

Bupa Arabia Board member and Vice-Chairman since 2014. Currently, Bupa Group Chief Risk Officer and member of its Chief Executive Committee. Mr. Fletcher is currently serving his first term as a Risk Management Committee member at Bupa Arabia.

Please refer to page 52 for further details and profile.

James O'Reilly

Risk Management Committee Member (Non-Executive)

Mr. James O'Reilly served two terms as a member of the Bupa Arabia Risk Management Committee from 2019 until his resignation in 2024.

Currently, Mr. O'Reilly holds the position of General Manager of Bupa Global Europe. Previously, he served as the Chief Risk and Sustainability Officer of Bupa Global and UK.

Current Positions

- Bupa Global Europe (General Manager)

Previous Positions

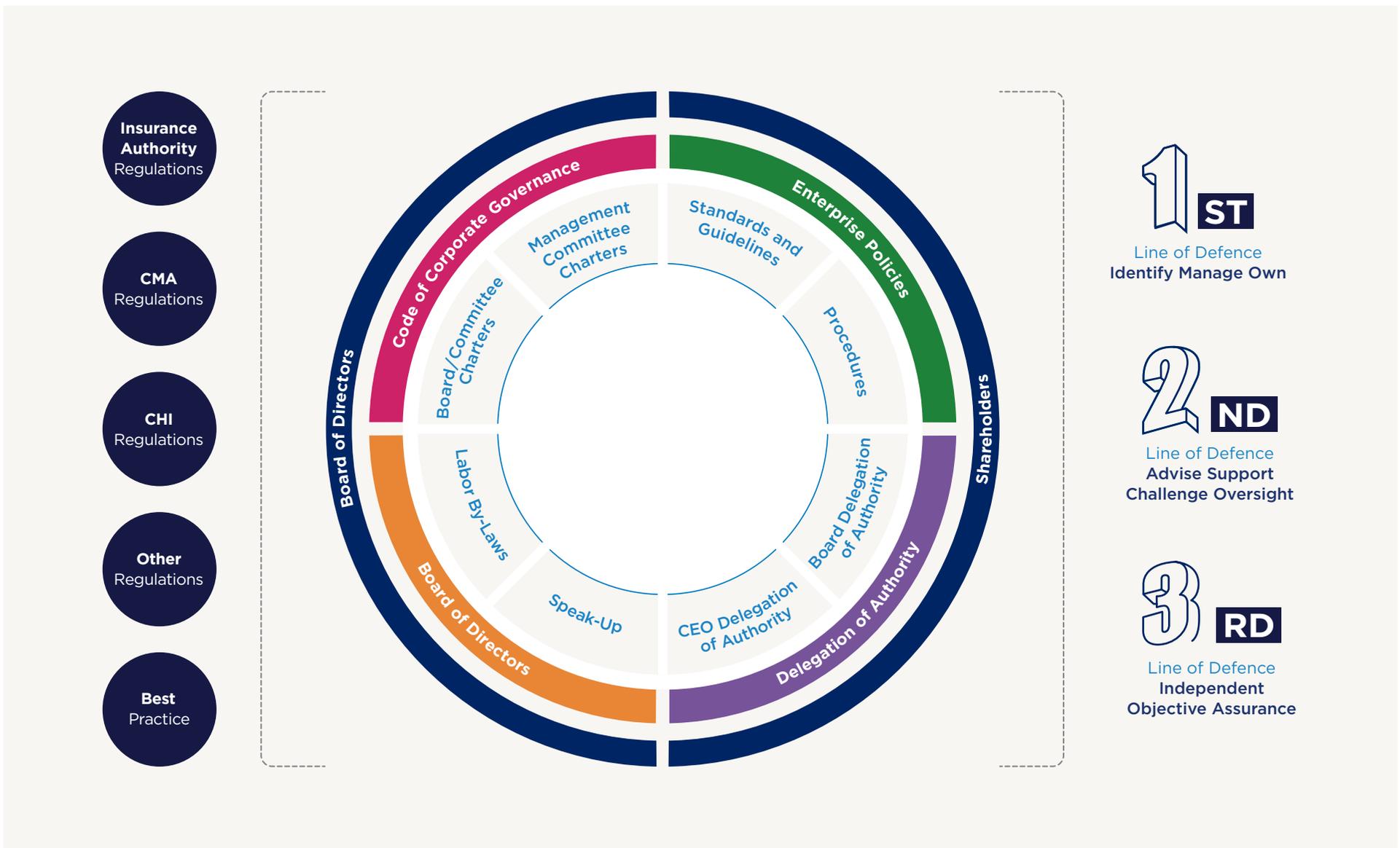
- Bupa Arabia (Risk Management Committee Member)
- Bupa Global and UK (Chief Risk and Sustainability Officer)
- Bupa (Risk and Compliance Director)
- Bank of England, Prudential Regulation Authority (Senior Manager)
- MGM Advantage (Head of Finance Operations)
- MetLife (Head of Finance and Operations)

Qualifications

- Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Chartered Certified Accountant from the Association of Chartered Certified Accountants (ACCA), United Kingdom

Risk Governance and Internal Controls

Our Governance Framework



Our Corporate Governance and Risk Intelligence

The Company remains focused on enhancing shareholder value by fostering a risk-intelligent organization. A key priority is to increase the transparency of our corporate governance practices and uphold shareholder rights in alignment with leading governance standards.

Bupa Investments Overseas Limited (BIOL), one of the largest, strategic, foreign investors in the Saudi market, is our major shareholder. It is of paramount importance for the Company to ensure a governance environment with world-class controls. To this end, we continue to invest in corporate governance, by embedding the *Three Lines of Defense (3LoD)* risk management model across the Organization and advancing the necessary capabilities within our workforce.

Our Code of Conduct

In 2024, the Company reinforced the integration of its Code of Conduct across the organization, ensuring its alignment with our core values. As a key contributor of Bupa Arabia's corporate culture, the Code of Conduct is firmly established within our operations. Through regular communications, all employees are continuously informed and updated on its principles, which encompass the following areas:

Safeguarding Bupa Arabia's assets:

- we work to high professional standards
- we declare conflicts
- we represent Bupa Arabia
- we prohibit insider trading and stock tipping
- we manage risk
- we protect our intellectual property

Thriving through regulatory excellence:

- we play by the rules

Adhering to competition laws:

- we respect competition laws
- we speak up

Acting ethically and transparently with all our stakeholders:

- we put our customers first
- we act ethically
- we keep information safe
- we fight money laundering and terrorism financing
- we know our suppliers

Preserving our community and our environment:

- we celebrate diversity
- we stay safe and well
- we are ready for anything
- we take care of our planet

Our Enterprise Policies

Bupa Arabia's Enterprise Policies Management Framework (EPMF) was reviewed, revamped and approved for 2024. The Company's enterprise policies sustain and support our risk appetite. They detail how we are exposed to risks, why they need to be managed and how they can be managed effectively. Our enterprise policies ensure business objectives are met in compliance with legal and regulatory requirements and help us protect our environment while giving back to the communities in which we operate.

The current suite of 32 enterprise-wide policies offer support in the areas listed below:

- To abide by the Insurance Authority's Insurance Corporate Governance Regulation.
- To meet the Corporate Governance requirements established by the Capital Market Authority (CMA).
- To conform to the legal and regulatory requirements of the jurisdictions in which we operate, including and not limited to the requirements of the Ministry of Commerce (MC), Council of Health Insurance (CHI), Ministry of Health (MOH), Ministry of Investment (MISA), Zakat, Tax and Customs Authority (ZATCA), Ministry of Human Resources and Social Development (MHRSD), and the Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) laws and regulations.
- To adopt global best practices.

Our Delegation of Authority

The Delegation of Authority (DOA) is a fundamental component of Bupa Arabia's governance and internal control system.

Governed by its dedicated framework, the DOA Matrix establishes clear guidelines for authorization and empowerment at appropriate levels, ensuring sound financial decision-making and protecting the Company's interests.

In 2024, the DOA Framework and Matrix were fine-tuned to further consolidate all Company activities under well-defined approval levels. These documents were endorsed by the Audit Committee (AC) and the Risk Management Committee (RMC) and subsequently approved by Bupa Arabia's Board of Directors

The DOA is designed to define financial commitment limits and operational decision-making authority across the organization. These authority limits serve to:

- Ensure that financial commitments and expenditures are made only by authorized personnel and remain within approved limits.
- Align delegated authority with assigned duties and responsibilities.
- Provide adequate authority to relevant individuals or teams to facilitate efficient business operations.
- Establish a clear understanding of authority levels within Bupa Arabia, including matters exclusively reserved for the Board of Directors and the Chief Executive Officer (CEO).

Our Speak-Up (Whistleblowing) Policy

At Bupa Arabia, we are committed to maintaining the highest standards of ethical conduct and fostering a strong culture of governance within the workplace. As a business and as individual employees, we ensure full compliance with all applicable laws and regulations, further supported by the high standards we uphold as an organization.

To support this commitment, employees are encouraged to utilize designated reporting channels to raise any concerns or inquiries regarding improper conduct. Our objective is to create an environment where all staff feel empowered to report any unethical or inappropriate activities without fear of retaliation or adverse consequences.

Our Shariah Compliance

Bupa Arabia maintains its Shariah compliance. Bupa Arabia received the approval from the Shariah Review Bureau on its compliance and status as per the 2023 annual Sharia Audit Report on 17 October 2024. The functions are as follows:

- Separation of accounts (shareholder and policyholder).
- Compliance of shareholder and policyholder investments with Sharia guidelines, in support of achieving overall Shariah compliance in the future, the Company continues to develop its policies and evaluate its contracts.
- Insurance policies.

Corporate Governance and Bupa Arabia's Commitment

Bupa Arabia is fully committed to upholding world-class corporate governance standards across all levels of the Company, including its Board of Directors and Board Committees. The Company adheres to the Corporate Governance Regulations issued by the Capital Market Authority (CMA), the Saudi Central Bank (SAMA), and the Insurance Authority (IA), as well as all other applicable regulations set by Saudi regulators.

To support this commitment, Bupa Arabia continuously develops and implements governance structures, frameworks, codes, policies, procedures, and standards that align with best practices and regulatory requirements. The Company also ensures that all governance-related policies and procedures are regularly reviewed and updated to maintain full compliance with regulatory obligations.

Through this approach, Bupa Arabia is dedicated to achieving the five key elements of corporate governance:

- A strong commitment to corporate governance principles.
- Adherence to world-class board practices.
- A strong system for disclosure, transparency, fairness, accountability, and responsibility.
- Effective control of environments and processes.
- Protection of shareholders' rights, including those of minority shareholders.

Bupa Arabia upholds the highest professional standards in combating bribery, corruption, fraud, financial crimes, and anti-competitive practices. Furthermore, the Company remains dedicated to enhancing its Corporate Governance Framework (CGF), including the Code of Corporate Governance (CCG), ensuring alignment with international best practices and regulatory requirements. As part of its continuous improvement efforts, Bupa Arabia plans to further refine and strengthen key governance documents and present them for shareholder approval in 2025.

Control Functions

Bupa Arabia is committed to implementing strong legal, internal control, and risk management practices, including cybersecurity and technology risk management, in full compliance with the regulatory requirements governing insurance companies in Saudi Arabia. In addition to adhering to all relevant regulatory or supervisory mandates, the Company has established the following control functions, whose key duties and responsibilities include, but are not limited to:

The Legal Affairs Department

The Legal Affairs Department reports to the Chief Governance, Risk and Control Officer (CGRCO) and is responsible for ensuring the Company's compliance with applicable laws and regulations while safeguarding its legal interests.

Senior Executive Manager, Legal Affairs Department: Mr. Hazim A. Karam:

Mr. Hazim Karam joined Bupa Arabia in August 2024 and brings over 16 years of extensive experience in legal practice and compliance. As a seasoned legal professional, he has a strong track record in both fields, demonstrating expertise across corporate law, compliance, and regulatory affairs.

He began his career at some of the most prestigious law firms in Saudi Arabia, where he honed his legal expertise before transitioning to the corporate sector. Over the years, he has held key leadership positions in renowned multinational corporations, including Samsung Electronics, Bayer Pharmaceuticals, Panda Retail Company, and British American Tobacco. In these roles, Mr. Karam has been instrumental in navigating complex legal landscapes, ensuring organizational adherence to both local and international regulations and standards.

At Bupa Arabia, Mr. Karam oversees legal, regulatory affairs, and compliance, ensuring the Company upholds the highest ethical and regulatory standards in the health insurance sector.

Beyond his professional accomplishments, Mr. Karam holds a master's degree in Law and became a certified member of the Saudi Bar Association in 2018.

He is widely recognized not only for his legal acumen but also for his ability to foster collaboration between legal and business teams, driving organizational success while maintaining compliance and ethical integrity. His contributions to law, risk, and compliance make him a respected figure in both legal and corporate circles.

The Risk Management Department (RMD)

The Risk Management Department (RMD) plays a critical role in the Company by systematically identifying, assessing, prioritizing, and mitigating risks that could adversely affect the Organization's assets, earnings and operational integrity.

The RMD is responsible for developing and implementing comprehensive risk management policies and strategies. It conducts regular and rigorous risk assessments to ensure compliance with all relevant regulatory requirements. Additionally, the department works to minimize potential losses by thoroughly analyzing internal and external threats, deploying effective risk control measures, and continuously monitoring and evaluating their effectiveness.

Furthermore, the RMD collaborates closely with other departments to promote a unified and holistic approach to risk management, thereby strengthening the organization's overall stability and resilience.

Senior Executive Manager and Acting Director, Risk Management Department: Mr. Rayan Sherbeny

Mr. Rayan Sherbeny is a seasoned risk management professional with over 10 years of experience in the banking and financial services industry. His expertise in risk management is reinforced by his certifications as a Certified Chief Risk Officer (CCRO) from the London School of Business and Finance, Certified GRC Professional (GRCP) and Certified GRC Auditor (GRCA). Additionally, he has completed an executive education program at Yale University on Corporate Sustainability Management: Risk, Profit, and Purpose, broadening his perspective on the intersection of risk management with environmental, social, and governance (ESG) factors. His ongoing progress in the Chartered Financial Analyst (CFA) program further enhances his financial acumen, enabling him to effectively assess and manage a wide range of financial risks.

Prior to joining Bupa Arabia, Mr. Sherbeny held key leadership positions, including Head of Risk Management at Taajeer Finance Company (TFC) and Associate Vice President, Risk Management at Saudi National Bank (formerly the National Commercial Bank). His expertise in both product development and risk management has provided him with a comprehensive understanding of the financial services industry and its associated risks.

As the Senior Executive Manager and Acting Director of Risk Management at Bupa Arabia, Mr. Sherbeny is responsible for overseeing the development and implementation of the Company's risk management strategy. With his extensive background, he brings valuable expertise in identifying, assessing, and managing a wide range of risks. His deep knowledge across multiple risk domains allows him to effectively mitigate risks at both organizational and strategic levels, ensuring resilience and operational excellence across large-scale enterprises.

The Cybersecurity and Technology Risk Department (CSTRD)

The Cybersecurity and Technology Risk Department (CSTRD) serves as Bupa Arabia's *Second Line of Defense*, overseeing the monitoring and management of cybersecurity and technology risks across the organization. It is responsible for coordinating the development of related policies and frameworks, conducting risk assessments and continuously monitoring the IT, cybersecurity and technology-related risks. Additionally, it provides risk reporting on material risks and mitigation plans.

Moreover, the CSTRD ensures the Company's alignment with regulatory-mandated cybersecurity, business continuity management (BCM), and privacy frameworks and controls. These are issued and overseen by the Insurance Authority (IA), the National Cybersecurity Authority (NCA), and the Saudi Data and AI Authority (SDAIA).

The CSTRD reports directly to the Chief Governance, Risk and Control Officer (CGRCO), and has access to the Audit Committee (AC) and Risk Management Committee (RMC) as needed. Its structure encompasses cybersecurity, information systems resilience, technology risk, data privacy, and BCM.

Senior Director, Cybersecurity and Technology Risk Department (Chief Information Security Officer - CISO): Mr. Sami Alsubhi

Mr. Sami Alsubhi joined Bupa Arabia in 2020 and brings over 20 years of experience in cybersecurity and information technology. His expertise includes leading the cybersecurity teams across various sectors, most notably serving as Head of Information Security at Petro Rabigh.

He holds a master's degree in Software Engineering from the University of Queensland, Australia, where he was awarded the GBST Best Software Project prize. Additionally, he earned a bachelor's degree in Computer Engineering from King Fahd University of Petroleum and Minerals. To further expand his expertise, he successfully completed the Digital Transformation in Healthcare program at Imperial College Business School.

In addition, Mr. Alsubhi has earned several technical and management certifications in cybersecurity management and information technology, including:

- SANS GIAC Cyber Threat Intelligence (GCTI)
- GIAC Certified Incident Handler (GCIH)
- ISO/IEC 27032 Lead Cybersecurity Manager
- Cisco Certified Network Professional (CCNP)

The Finance Pricing, Actuarial, Asset Management and Business Advisory Departments

The Company's finance pricing and actuarial functions serve as critical control mechanisms, ensuring accurate pricing and claims reserving in alignment with international best practices and Saudi regulatory requirements. These functions primarily report to the Finance Department, led by the Chief Financial Officer (CFO), apart from the Actuarial team, which reports directly to the Chief Executive Officer (CEO) in accordance with Insurance Authority (IA) regulations.

**Senior Director, Commercial Finance:
Mr. Omar Bashanfar**

Mr. Omar Bashanfar has over a decade of experience across various fields, including financial planning, treasury management, operational strategy, and regulatory compliance. He is currently the Senior Director of Commercial Finance at Bupa Arabia, where he previously held key roles as Head of Financial and Credit Control and Director of Finance Operations and Reporting.

Before joining Bupa Arabia, he held pivotal positions at the Saudi National Bank (formerly the National Commercial Bank), serving as Treasury Financial Controller, and Head of Treasury Financial Management, where he was instrumental in overseeing treasury operations and financial management.

In addition to his current role, he is a member of the Audit and Risk Committee at Okadoc Technologies. His expertise spans financial analysis, strategic planning, and performance optimization, contributing to impactful outcomes in different sectors.

Mr. Bashanfar joined Bupa Arabia in 2016. He is a Certified Public Accountant (CPA) from Colorado, USA and holds a Bachelor of Administration Studies in Accounting from York University in Toronto, Canada.

**Director, Actuarial and Data Analytics:
Mr. Nasser Aljudayi**

Mr. Nasser Aljudayi joined Bupa Arabia in 2018, and has since held several managerial positions within actuarial, pricing, and data analytics. He is an accomplished actuarial professional with extensive expertise in financial analysis, strategic planning, and performance management. He has successfully led transformative initiatives, including the full implementation of IFRS 17 accounting standard and development of an advanced annual operating plan model to enhance decision-making and financial forecasting. Known for building high-performing teams and driving operational efficiency.

With a bachelor's degree in Actuarial Science and Financial Mathematics from King Fahd University of Petroleum and Minerals and advanced training from Cornell University, Mr. Aljudayi is pursuing a fellowship with the Society of Actuaries, USA.

The Investment Department

The Investment Department, overseen by the Chief Investment Officer (CIO), plays a key role in managing the Company's investment portfolio in line with the Board-approved Investment Policy Statement (IPS), defined risk appetite, and the regulatory investment guidelines set by the Insurance Authority (IA).

**Director, Liquid Investments:
Mr. Muzammel Hussain, CFA**

Mr. Muzammel Hussain is a seasoned investment professional with over 20 years of experience in the financial services industry. He has multi-dimensional work experience across the spectrum of different roles within the investment industry.

As the Director of Liquid Investments at Bupa Arabia, he oversees a diverse investment portfolio, covering treasury management, fixed income, and equities investments. Under his leadership, the investment function has significantly contributed to the Company's profitability, playing a key role in strengthening its financial position.

Mr. Hussain's expertise spans asset management, treasury management, economic and equity research, and investment strategy. Throughout his career, he has successfully led high-performing teams, fostered strong relationships with stakeholders, and ensured compliance with regulatory requirements. His previous roles include senior investment leadership positions at Musharaka Capital, AIMS Holding, Itqan Capital, Aldukheil Financial Group, and Alfalah Securities (Private) Limited (a subsidiary of Bank Alfalah).

A CFA Charterholder since 2009, he holds an MBA in Finance from the Institute of Business Management, Pakistan. Additionally, he has completed executive leadership programs at Cornell University (USA) and IMD (Switzerland).

Renowned for his thought leadership in financial markets, he is a frequent speaker at regional investment conferences and has been featured in media discussions on market and economic trends.

Director, Illiquid Investments: Mr. Salman Naseem

Mr. Salman Naseem is an experienced investment professional with a strong background in investments, especially alternative investments. With over a decade of experience spanning asset management, research, private equity, and corporate finance, he has successfully managed multi-million-dollar investment portfolios and structured complex financial transactions across diverse sectors, including healthcare, education, real estate, and venture capital.

As Director of Illiquid Investments at Bupa Arabia, Mr. Naseem leads the private markets portfolio, overseeing investments in private equity, private debt, and real assets. He plays a key role in strategic asset allocation, portfolio pacing, and investment due diligence, negotiating terms and structuring investments to maximize value for stakeholders.

Prior to joining Bupa Arabia, Mr. Naseem held leadership positions at Adeem Capital, where he managed private equity and venture capital investments, and at Saudi Kuwaiti Finance House, where he structured public and private funds with a focus on alternative assets. Moreover, his experience includes corporate finance roles at Almana Healthcare Group and investment research at Harvest Group.

Mr. Naseem is a Chartered Financial Analyst (CFA) and a member of the Association of Chartered Certified Accountants (ACCA). He holds a BSc in Accounting from Oxford Brookes University, UK.

**Senior Executive Manager, Investment Services:
Mr. Syed Faisal Habib Zaidi**

Mr. Syed Faisal Habib Zaidi is an accomplished finance professional with extensive expertise in investment operations, accounting, compliance, and financial management. With over 19 years of

experience in the financial services industry, he has successfully led strategic initiatives across investment operations, regulatory reporting, internal controls, and financial planning.

Currently serving as Senior Executive Manager of Investment Services at Bupa Arabia, Mr. Zaidi plays a pivotal role in overseeing investment operations, financial reporting, and compliance with regulatory frameworks. He has been instrumental in implementing International Financial Reporting Standards (IFRS) at the organizational level, ensuring seamless coordination between the Investment Team, Finance Operations, and external auditors. Additionally, his contributions to dashboarding, automation projects, and ERP implementation have enhanced operational efficiency and decision-making processes.

Prior to his tenure at Bupa Arabia, he held key positions at Muscat Capital, UBL Fund Managers Limited, Central Depository Company of Pakistan, and Arif Habib Investments Limited. His vast experience spans across financial accounting, mutual fund operations, investment performance evaluation, risk-based auditing, and regulatory compliance. Throughout his career, he has demonstrated a strong ability to drive process improvements, manage cross-functional teams, and maintain financial integrity.

Mr. Zaidi is an Associate Chartered Management Accountant (ACMA) with a Diploma in IFRS. He holds a Bachelor of Commerce degree from the University of Karachi.

Independent Functions

In alignment with best practices in corporate governance and as a key component of Bupa Arabia's *Three Lines of Defense* model, the Company has independent functions that report directly to the Audit Committee (AC), with a dotted line reporting structure to the Chief Executive Officer (CEO) for day-to-day administration. Both functions remain fully accessible to the Board and its committees as needed. The Compliance Department operates as part of the

Company's *Second Line of Defense*, while the Internal Audit Department constitutes the *Third Line of Defense*.

The Compliance Department (COD)

The Compliance Department (COD) is a cornerstone of Bupa Arabia's success and its leading position in the health insurance market within the Kingdom of Saudi Arabia. This significance stems from the department's critical role in effectively managing compliance risks, embedding a strong compliance culture into the organization's daily operations and strategic planning, safeguarding Bupa Arabia's reputation, and protecting the interests of its stakeholders.

As an independent function, the COD reports directly to the Audit Committee (AC). Its structure, roles, and responsibilities are formally authorized by the AC, ensuring alignment with best practices and regulatory expectations.

Senior Director, Compliance Department: Mr. Luay Abumansour

Mr. Luay Abumansour joined Bupa Arabia in December 2019, bringing with him over 15 years of expertise in compliance, anti-money laundering (AML), counter-terrorist financing (CTF), and corporate governance. Before joining Bupa Arabia, he served as the Head of Compliance and AML/CTF at Abdul-Latif Jameel United Real Estate Financing Company for five years, where he successfully established and developed the compliance and AML/CTF functions. Earlier in his career, Mr. Abumansour spent seven years at Bank AlJazira, taking on various roles in AML/CTF compliance, culminating in his position as the Head of the AML/CTF Investigations Division. Throughout his career, he has cultivated strong and effective relationships with Saudi regulatory authorities.

The Internal Audit Department (IAD)

The Internal Audit Department (IAD) provides independent and objective assurance and advisory services that are designed to add value and support Bupa Arabia in achieving its strategic objectives.

The IAD is led by the Internal Audit Senior Director, who is appointed by the Audit Committee (AC). To ensure independence and objectivity, the IAD reports functionally to the AC and administratively to the Chief Executive Officer (CEO). Its authority, scope, and responsibilities are outlined in the Internal Audit Charter, which is approved by the AC.

The IAD employs a systematic and disciplined approach to assess and improve the effectiveness of governance, risk management and internal control processes. Its activities are guided by the International Standards for the Professional Practice of Internal Auditing issued by the global Institute of Internal Auditors (IIA), along with other applicable regulatory requirements.

Assurance and advisory engagements are executed in accordance with a risk-based plan, which is approved and monitored by the AC to ensure alignment with organizational priorities. Additionally, the IAD collaborates with the Risk Management and Compliance functions to foster an integrated assurance approach, ensuring that assurance activities are effective, efficient, and support a streamlined reporting process to the AC and the Board.

Senior Director, Internal Audit: Mr. Omar Bahathiq

Mr. Omar Bahathiq has over 11 years of experience in Internal Auditing, during which he has established, led, and transformed internal audit functions across diverse industries, including oil and gas, project management, investment, and financial services.

Before joining Bupa Arabia, Mr. Bahathiq served as Head of Internal Audit at Vision International Investment Company, a leading Saudi Arabian investment holding firm driving partnerships across the public and private sectors. Prior to that, he held key roles at Saudi Aramco, where he was part of the Infrastructure Projects Division within the Internal Audit function. Additionally, he has served as an independent audit committee member for publicly listed companies.

Mr. Bahathiq holds an MBA from IESE Business School and a bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals. In addition, he is a Certified Internal Auditor (CIA), Certified Management Accountant (CMA), and Certified Risk-Based Auditor (CRBA).

Risk Culture

Amid evolving regulatory requirements, the medical insurance industry is experiencing a significant shift in consumer behavior and competitive dynamics. At Bupa Arabia, we are committed to proactively monitoring and anticipating both current and emerging risks that may impact our business, operations, and customers. Our risk management framework is designed to enable a culture of business management accountability over day-to-day risks, while dedicated control functions provide continuous monitoring and assessment of the Company's overall risk profile.

Progress in 2024

In 2024, the Risk Management Department (RMD) made significant strides in maturing Bupa Arabia's risk management capabilities, focusing on enhancing internal controls and proactively addressing emerging risks.

- **Strengthened Collaboration with Business Units:** The RMD strengthened its collaboration with business units to embed risk management into day-to-day operations and foster a strong risk culture across the organization.
- **Proactive Emerging Risk Identification:** The RMD proactively identified and assessed emerging risks, including those related to evolving regulatory landscapes, technological advancements, and macroeconomic factors. This forward-looking approach enables us to anticipate potential challenges and develop effective mitigation strategies.
- **Refinement of Risk Appetite Framework:** We refined our risk appetite framework to ensure alignment with evolving strategic objectives and regulatory expectations. This provided clearer guidance for risk-taking and decision-making across the organization.

- **Comprehensive Internal Control Evaluation:** The RMD conducted a thorough internal control evaluation across Bupa Arabia through all key Governance, Risk, and Control (GRC) domains, encompassing an assessment of controls across the five integrated components of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. This evaluation strengthened our control environment and provided valuable insights into areas for enhancement.
- **Continuous Improvement Initiatives:** We continued to invest in training and development programs to enhance the skills and expertise of our risk management professionals and promote best practices in risk management.
- **Enhanced Risk Reporting and Communication:** We further enhanced risk reporting to the Board, Risk Management Committee (RMC) and senior management, providing timely and insightful information to support informed decision-making.

These accomplishments demonstrate our ongoing commitment to strengthening Bupa Arabia's risk management framework and ensuring its effectiveness in supporting the achievement of our strategic objectives and protecting shareholder interests.

Risk Management Approach

Our objective is to proactively monitor both current and emerging risks. Our framework fosters accountability for managing day-to-day risks while being reinforced by control functions that oversee the overall risk profile.

Risk Governance

The Risk Management Committee (RMC) oversees our governance model, which is supported by the Executive Risk Committee (ERC) and the Cybersecurity and Resilience Committee (CSRC). These committees are responsible for recommending the organization's risk appetite for approval and providing periodic risk reporting. Additionally, the Chief Governance, Risk, and Control Officer (CGRCO) submits regular reports, while minutes from relevant committee meetings are shared with the RMC to ensure comprehensive oversight and informed decision-making.

Implementation

A structured process is in place to identify risks and establish effective mitigation strategies.

Our Risk and Control Self-Assessment (RCSA) system identifies and manages bottom-up business risks through structured reporting to governance bodies.

In parallel, our Enterprise Risk Management (ERM) reporting focuses on identifying and managing top-down and external risks. Key risk assessments provide in-depth analyses of operational and financial impacts. Consolidated ERM reports offer governance stakeholders – including the Audit Committee (AC), Risk Management Committee (RMC), and Board of Directors – a comprehensive view of risk management strategies.

Our ERM process is actively focused on addressing critical risks facing Bupa Arabia, including:

- **Medical Inflation:** Regulatory changes may drive higher claims costs, impacting premium affordability and customer retention.
- **Geopolitical Volatility:** Global uncertainties could impact major clients and put pressure on profit margins.
- **Market and Competitive Landscape:** Evolving market conditions and increased competition pose challenges.
- **Talent Management:** Achieving Saudization targets presents challenges for talent retention, potentially affecting growth.
- **Cybersecurity and Business Continuity:** Increased digital reliance heightens risks related to information security and disruptions.

Looking Ahead

Bupa Arabia takes a proactive approach to risk management by leveraging customer engagement, claims optimization, cost control, data analysis, fraud prevention and cost-effective healthcare solutions. We remain committed to effectively mitigating risks while delivering exceptional service and advancing our vision.

Board Assurance

Related Party Transactions

Related parties include major shareholders, Board Members, key management personnel of Bupa Arabia and the companies of which they are principal owners, as well as any other entities controlled, jointly controlled, or significantly influenced by them. Contract pricing policies and terms are conducted on an arm's length basis, and transactions are approved by the Company's Management or, when necessary, by the Company's Board of Directors.

In instances where a Board member had a conflict of interest, whether personally or through a related party relationship, the conflicted Board Member abstained from voting.

The following are details of the major related party transactions during the year and their related balances:

Legal Entity	Related Party	Description	2023 Period	2024 Period	2023 # '000	2024 # '000	Change
Bupa Global	Bupa	Reinsurance Premium Ceded (Bupa International Saudi Arabia Plan)	12 months January-December	12 months January-December	175,533	280,573	105,040
Various	Various	Other Expenses - Net	12 months January-December	12 months January-December	1,720	627	(1,093)
Bupa Investments Overseas Limited (BIOL)	Bupa	Tax Equalization - Net	12 months January-December	12 months January-December	-	35,129	35,129
Bupa Investments Overseas Limited (BIOL)	Bupa	Board and Committee Member Remuneration	12 months January-December	12 months January-December	920	1,365	445
Bupa Middle East Holdings Two. W.L.L. (BMEH2)	Bupa and Nazer	Trademark Fees	12 months January-December	12 months January-December	39,227	44,513	5,286

All contracts are for a 12-month period for both 2023 and 2024.

Related Party Transactions Relating to Insurance Contracts

Details of health insurance contracts associated with Bupa Arabia's Board Members, or that of their first-degree relatives, are reflected below:

Bupa Arabia Board Members' Personal/Family Health Insurance with Bupa Arabia

Board Member Name	Contract Description	Period	Gross Written Premium (GWP)		
			2023 # '000	2024 # '000	2024 Change
Eng. Loay H. Nazer	Nazer Group Ltd. Related Contracts (multiple contracts)	12 months	8,373	9,897	1,524
Dr. Abdulla Elyas	Careem Contract Health Insurance Scheme	12 months	996	1	(995)
Mr. Tal Nazer	Bupa Arabia Employees Health Insurance Scheme	12 months	28,053	19,114	(8,939)
Mr. Nader Ashoor	Bupa Arabia Employees Health Insurance Scheme	12 months	28,053	19,114	(8,939)
Mr. Osamah Shaker	Gulf International Bank (GIB) - (GIB Capital)	12 months	20,697	18,002	(2,695)

The explanations for these contracts are provided below:

Board Member Name	Contract Explanation
Eng. Loay H. Nazer	Health coverage for self and family as an employee of the Nazer Group Ltd. and the Nazer Group Ltd. settles to Bupa Arabia directly
Mr. Tal Nazer	Health coverage for self and family, as well as all employee members of the Bupa Arabia Health Insurance Scheme are reflected within the staff costs
Mr. Nader Ashoor	Health coverage for self and family, as well as all employee members of the Bupa Arabia Health Insurance Scheme are reflected within the staff costs
Dr. Abdulla Elyas	Health coverage for self and family as an employee of Careem, and Careem settles to Bupa Arabia directly
Mr. Osamah Shaker	Health coverage for self and family as an employee of GIB Capital, and Gulf International Bank (GIB) - (GIB Capital) settles to Bupa Arabia directly

Bupa Arabia Board Members' Other Related Party Health Insurance with Bupa Arabia

Board Member Name	Contract Description	Period	Gross Written Premium (GWP)		
			2023 # '000	2024 # '000	2024 change
Eng. Loay H Nazer	Arabian Medical Marketing Co. Ltd - Nawah	12 months	60	53	(7)
Ms. Huda Bin Ghoson	Saudi National Bank (SNB)	12 months	277,087	333,163	56,076
Mr. Nader Ashoor	Saudi Ground Services	12 months	104,905	55	(104,850)
	SISCO Holding - Sustained Infrastructure Holding Co.	12 months	517	512	(5)
Mr. Tal Nazer	NAJM for Insurance Services Co.	12 months	30,777	27,776	(3,001)
	Cool Inc. Hospitality Company (multiple contracts)	12 months	3,655	2,716	(939)
	Arabian Medical Marketing Co. Ltd - Nawah	12 months	60	53	(7)
	Council Of Health Insurance CHI	12 months	-	8,144	-
Dr. Abdulla Elyas	Tam Development	12 months			
Mr. Ali Sheneamer			1,454	2,456	1,002
Mr. Tariq Alamoudi	Saudi Logistics Services (SAL)	12 months	25,667	-	-
	Educational Infrastructure Holding Company	12 months	-	225	-
Mr. David Fletcher	Tawreed Company for Financing Solutions	12 Months	-	650	-
Eng. Ryyan Tarabzoni	Maadaniyah	12 Months	-	3,748	-

Any health insurance coverage that Bupa Arabia provides to its Board Members, and/or, if applicable, to their companies, families, or other associated individuals, is conducted strictly on an arm's length basis, with no preferential treatment in any form. This is in accordance with the pricing and loss ratio targets outlined in the Company's Underwriting Policy/Manual. Such practices ensure full compliance with the medical pricing regulations set by the Insurance Authority and the Council of Health Insurance (CHI)'s medical insurance product regulations.

Declarations Relating to Waiver of Salary, Compensation, and Rights to Dividends

The Company confirms the following declarations:

- That it has not issued, nor granted, any convertible debt instruments, options, warrants, or similar rights during the financial year and accordingly has not received any consideration for the same.
- That it has not converted, issued, or granted any subscription rights under any convertible debt instruments, contractually based securities, warrants, or similar rights during the financial year.
- That it has not redeemed, purchased, or canceled any redeemable debt instruments during the financial year. The Company has no such securities outstanding so the value of the same is nil.

Our Shareholders and Our Disclosure of Information to All Stakeholders

As of 31 December 2024, the major shareholders were as follows:

Name of Shareholder	Shares	Shares Percentage
Bupa Investments Overseas Limited (BIOL)	64,875,000	43.25
Nazer Group Holding Company Ltd. (Nazer)	7,508,190	5.005
Major Shareholders	72,383,190	48.255
Public Shareholders	77,616,810	51.745
Total	150,000,000	100

Tadawul Shareholder Database Requests

During 2024, Bupa Arabia made nine (9) requests to Tadawul for its shareholder database, on various dates, as detailed below:

Request Date	Request Purpose
1. 21 March 2024	General Assembly
2. 31 March 2024	Corporate Action
3. 30 June 2024	General Assembly
4. 30 June 2024	Corporate Action
5. 02 July 2024	Dividend Entitlement
6. 30 September 2024	General Assembly
7. 30 September 2024	Corporate Action
8. 11 December 2024	Corporate Action
9. 31 December 2024	Corporate Action

In terms of the CMA Corporate Governance Regulation Article Number 86, regarding policies that regulate the relationship with stakeholders to protect their respective rights, Bupa Arabia has enhanced its policies during 2024 to ensure a stronger alignment with regulations and the latest international best practices.

Other Disclosures and Information in Accordance with Laws and Regulations

Provision of Corporate Governance

Bupa Arabia is committed to and in full compliance with and adherence to the provisions of the Insurance Authority Insurance Corporate Governance Regulation, as well as with the requirements of the Company's Code of Corporate Governance. Additionally, Bupa Arabia aligns with guiding requirements within the Capital Market Authority (CMA)'s Corporate Governance Regulations. The Company has adopted certain practices, including incorporating them within the Risk Management Committee (RMC)'s scope in relation to corporate governance. Additionally, the Company plans to adopt others in the future when they become mandatory, are deemed appropriate, or align with best practices.

Article Number	Article Section and Narrative	Reason for Non-Compliance
90: Disclosure of Remunerations	Paragraph (4) point (b) Disclosure of the five Senior Executives who have received the highest remuneration from the Company, provided that the Chief Executive Officer and Chief Financial Officer are among them.	Bupa Arabia has disclosed the top six executive payments, including the CEO and CFO, in totals under the remuneration section of this report.
51: Audit Committee Formation	Paragraph (c) The Chair of the Audit Committee shall be an Independent Director.	Bupa Arabia's Audit Committee Chair is an independent member, who is not a member of the Board of Directors as this article is a guiding article.

Board Members and Senior Executives' Interests

Description of the Bupa Arabia Equities of the Board Members and their Immediate Family Members

The Bupa Arabia equities held by Bupa Arabia Board Members and their immediate family members in the shares or debt instruments of the Company or any of its subsidiaries are detailed below as of 31 December 2024:

Board Member Name	Opening 1 January 2024		Closing 31 December 2024		Change	
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments	In Shares	Percentage (%)
Eng. Loay Hisham Nazer	-	-	-	-	-	-
Ms. Nahla Mujaled (Eng. Nazer's spouse)	190	-	-	-	(190)	(100.0)
Mr. Yousef Loay Nazer (Eng. Nazer's son)	1,168	-	-	-	(1,168)	(100.0)
Mr. David Fletcher	-	-	-	-	-	-
Mr. Martin Houston	-	-	-	-	-	-
Mr. Nigel Sullivan	-	-	-	-	-	-
Mr. Tal Hisham Nazer	1,000	-	96,000	-	95,000	9,500.0
Mr. Nader Ashoor	-	-	53,832	-	-	-
Dr. Abdulla Elyas	1,301	-	1,301	-	-	-
Ms. Huda Bin Ghoson	-	-	-	-	-	-
Mr. Osamah Shaker	-	-	-	-	-	-

Description of the Bupa Arabia Equities of the Board Committee Members and their Immediate Family Members

The Bupa Arabia equities held by Bupa Arabia Board Committee Members and their immediate family members in the shares or debt instruments of the Company or any of its subsidiaries are detailed below as of 31 December 2024:

Board Committee Member Name	Opening 1 January 2024		Closing 31 December 2024		Change	
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments	In Shares	Percentage (%)
Mr. Zaid Algwaiz	-	-	-	-	-	-
Mr. Ibrahim M. Alhusayni	-	-	-	-	-	-
Ms. Zain Al Emam	-	-	-	-	-	-
Mr. Andrew Bailey	-	-	-	-	-	-
Ms. Nora Al Sarhan	-	-	-	-	-	-
Ms. Adhwa Alabdulkarim	-	-	-	-	-	-
Mr. Rami Makarem	3	-	3	-	-	-
Mr. James O'Reilly	-	-	-	-	-	-
Ms. Hawazen Nassief	-	-	-	-	-	-

Description of the Bupa Arabia Equities of the Senior Management Executives and their Immediate Family Members

The Bupa Arabia equities held by Senior Management Executives and Senior/Key Management, as per the Insurance Authority definition, which the Company interprets as the Chief Executive Team (CET) members, Director – Corporate Governance and Company Secretariat, Company Board Secretary, leaders of control functions (Legal, Corporate Governance, Risk Management, Compliance and Internal Audit departments), and other members of Senior Management, as well as their immediate family members, in their personal capacity, in shares or debt instruments of the Company or any of its subsidiaries, are detailed below:

Executive Name	Opening 1 January 2024		Closing 31 December 2024		Change	
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments	In Shares	Percentage (%)
Mr. Tal Nazer (CEO)	1,000	-	96,000	-	95,000	9,500.0
Mr. Amro Shawli (CGRCO and Company Board Secretary)	-	-	-	-	-	-
Mr. Mohamed El Missaoui (Bupa CareConnect CEO)	2,600	-	9,810	-	7,210	277.3
Eng. Ali Sheneamer (CBDO)	13,000	-	18,730	-	5,730	44.1
Mr. Atef M. Mufti (CGO)	-	-	-	-	-	-
Mr. Tariq Alamoudi (CHRO)	-	-	2,451	-	-	-
Mr. Hatim Jamal (CFO)	-	-	1,579	-	-	-
Mr. Ahmed Bajunaid (CIO and IC Secretary)	4,141	-	5,595	-	-	35.1
Eng. Ryyan Tarabzoni (COO)	-	-	-	-	-	-
Ms. Abeer Albornu (Director – Corporate Governance and Company Secretariat)	-	-	-	-	-	-
Mr. Omar Bashanfar (Commercial Finance)	2,584	-	3,958	-	1,374	53.2
Mr. Bassel Gazzaz (Commercial Growth)	9,310	-	12,884	-	3,574	38.4
Mr. Yousef Bayazeed (TPA)	-	-	-	-	-	-
Mr. Nidal Saab (Virtual Hospital Operations)	288	-	-	-	-	(100.0)
Mr. Hazim Karam (Legal Affairs)	-	-	-	-	-	-
Mr. Nasser Aljudayi (Actuarial and Data Analytics)	-	-	-	-	-	-
Mr. Muzammel Hussain (Investment)	-	-	-	-	-	-
Mr. Salman Naseem (Investment)	-	-	-	-	-	-
Mr. Syed Zaidi (Investment)	-	-	968	-	-	-
Mr. Rayan Sherbeny (Risk Management and RMC Secretary)	-	-	-	-	-	-
Mr. Luay Abumansour (Compliance)	-	-	570	-	-	-
Mr. Omar Bahathiq (Internal Audit – AC Secretary)	300	-	300	-	-	-
Mr. Sami Alsubhi (Cyber Security)	-	-	-	-	-	-
Mr. Turki Albuluwi (NRC Secretary)	-	-	-	-	-	-

Description of Any Interest in a Class of Voting Shares Held by Other Persons

Apart from the equities and interests of the Board members, senior executives/managers, and their respective immediate family members as detailed within, Bupa Arabia is not aware of any other interest in a class of voting shares held by persons who have notified the Company of their holdings.

Remuneration

Board and Board Committee Policies, Benefits and Emoluments of Board/Board Committee Members

Board of Directors

The remuneration of the Board of Directors, Board Committee Members, and Executive Management is determined in accordance with the respective remuneration policies, which are approved by shareholders during the General Assembly (GA) Meetings. These policies undergo periodic reviews and updates, incorporating benchmarking analyses against remuneration levels of comparable local and international companies. Where deemed appropriate, external third-party subject matter experts may be engaged to ensure competitive and fair compensation structures.

The primary policy governing the remuneration of the Board and Board Committee Members was updated and approved on 30 June 2024 during the Extraordinary General Assembly Meeting (EGM). This policy, as outlined in the Company's Terms of Engagement for the Board and Board Committee Members, is the:

Board Member and Board Committee Member Remuneration Policy

The duties and responsibilities of the Board, its Committees, and their respective members are defined within this policy and various governance documents, including the Code of Corporate Governance, Board and Board Committees' Charters, and Terms of Engagement. Remuneration is structured based on the fulfillment of these duties and adherence to minimum meeting attendance requirements.

In alignment with the Company By-Laws and all relevant KSA regulations, Board and Board Committee Members are compensated per the provisions of this policy. Bupa Arabia's updated remuneration framework

includes attendance fees for Independent and Non-Executive Board and Board Committee Members, payable for participation in Board, GA, or Board Committee meetings – whether attended in person or via virtual conference. The attendance fee is set at ₪ 5,000 per meeting and is provided in addition to the reimbursement of customary related costs, which are reimbursed separately based on actual expenses incurred. Remuneration fees are settled quarterly in arrears.

The Board of Directors 2024 remuneration and attendance fees are reflected below:

	Fixed Remunerations						Total
	Specific Amount	Allowance for Attending Board Meetings	Total Allowance for Attending Committee Meetings	In-Kind Benefits	Remunerations for Technical, Managerial, and Consultative Work	Remunerations of the Chairman, Managing Director, or Secretary	
	₪ '000	₪ '000	₪ '000	₪ '000	₪ '000	₪ '000	₪ '000
First: Independent Directors							
1. Ms. Huda Bin Ghoson	537.5	30.0	17.5	-	-	-	585.0
2. Dr. Abdulla Elyas	612.5	27.5	40.0	-	-	-	680.0
3. Mr. Osamah Shaker	537.5	27.5	15.0	-	-	-	580.0
Total	1,687.5	85.0	72.5	-	-	-	1,845.0
Second: Non-Executive Directors							
1. Eng. Loay H. Nazer	575.0	30.0	22.5	-	-	2,500.0*	3,127.5
2. Mr. David Fletcher**	475.0	25.0	22.5	-	-	-	522.5
3. Mr. Martin Houston	537.5	30.0	17.5	-	-	-	585.0
4. Mr. Nigel Sullivan**	550.0	25.0	40.0	-	-	-	615.0
5. Mr. Nader Ashoor	350.0	22.5	-	-	-	-	372.5
Total	2,487.5	117.5	102.5	-	-	2,500.0	5,207.5
Third: Executive Directors							
1. Mr. Tal Nazer	550.0	-	-	-	-	-	550.0
Total	550.0	-	-	-	-	-	550.0

* The Chairman's bonus for the year 2024 is to be paid upon receipt of the Insurance Authority's no objection and the approval of shareholders in the General Assembly scheduled in June 2025.

** The Board/Board Committee member remuneration fees for BIOL representatives who are employees of Bupa are received by the Bupa legal entity, BIOL, and not by the individual persons in their personal capacity.

	Variable Remunerations					Total # '000	End of Service Award # '000	Aggregate Amount # '000	Allowance # '000
	Percentage of the Profits # '000	Periodic Remunerations # '000	Short-term Incentive Plans # '000	Long-term Incentive Plans # '000	Granted Shares # '000				
First: Independent Directors									
1. Ms. Huda Bin Ghoson	-	-	-	-	-	-	-	585.0	-
2. Dr. Abdulla Elyas	-	-	-	-	-	-	-	680.0	-
3. Mr. Osamah Shaker	-	-	-	-	-	-	-	580.0	-
Total	-	-	-	-	-	-	-	1,845.0	-
Second: Non-Executive Directors									
1. Eng. Loay H. Nazer	-	-	-	-	-	-	-	3,127.5	-
2. Mr. David Fletcher	-	-	-	-	-	-	-	522.5	-
3. Mr. Martin Houston	-	-	-	-	-	-	-	585.0	-
4. Mr. Nigel Sullivan	-	-	-	-	-	-	-	615.0	-
5. Mr. Nader Ashoor	-	-	-	-	-	-	-	372.5	-
Total	-	-	-	-	-	-	-	5,222.5	-
Third: Executive Directors									
1. Mr. Tal Nazer	-	-	-	-	-	-	-	550.0	-
Total	-	-	-	-	-	-	-	550.0	-

Other than the above annual remuneration amounts and the reimbursement of actual expenses, which amount to # 779,000 for 2024, Bupa Arabia Board Members do not receive any other benefits from the Company.

Please refer to the 2024 AFS, Note 20, and the table on the right for the salaries, emoluments, allowances, and bonuses, expensed/provided for within the 2023-2024 result, by/for, the Board Members and Senior Management:

Description	Executive Board Members (CEO) (Board Remuneration) 2024 # '000	Independent and Non-Executive Board Members 2024 # '000	Other Committee Members 2024 # '000	Senior Management (Including CEO and CFO)		
				2024 # '000	2023 # '000	2024 (Change)
Salaries and Emoluments	550.0	4,175.0	1,288.0	17,828.0	20,003.0	(2,175.0)
Board Allowances	-	378.0	183.0	N/A	N/A	N/A
Bonuses and LTIP	N/A	2,500.0	-	46,551.0	37,224.0	9,327.0
EOS	N/A	N/A	-	2,424.0	1,949.0	475.0
2024	550.0	7,053.0	1,470.0	66,803.0	59,176.0	7,627.0
2023	500.0	3,757.0	1,125.0	59,176.0		
2024 (Change)/# '000s	50.0	3,296.0	345.0	7,627.0		

The annual bonus and LTIP remuneration entitlements for Bupa Arabia's senior management are based on a combination of Company and individual performance-based measures, both of which must be met.

Board Committees

The Board Committee Member 2024 remuneration and attendance fees, excluding the Board Member remunerations, are reflected below:

	Fixed Remuneration (Except for the Allowance for Attending Meetings) # '000	Allowance for Attending Meetings # '000	Total # '000
Audit Committee (AC) Members			
1. Mr. Zaid Algwaiz	212.5	30.0	242.5
2. Mr. Ibrahim M. Alhusayni	175.0	25.0	200.0
3. Ms. Zain Al Emam	175.0	25.0	200.0
Total	587.5	80.0	667.5
Nomination and Remuneration Committee (NRC) Members			
1. Ms. Hawazen Nassief	125.0	17.5	142.5
Total	125.0	17.5	142.5
Investment Committee (IC) Members			
1. Mr. Andrew Bailey*	125.0	15.0	140.0
2. Ms. Nora Al Sarhan	125.0	15.0	140.0
3. Ms. Adhwa Alabdulkarim	125.0	7.5	132.5
Total	375.0	37.5	412.5
Risk Management Committee (RMC) Members			
1. Mr. Zaid Algwaiz	100.0	17.5	117.5
2. Mr. Rami Makaram	125.0	17.5	142.5
3. Mr. James O'Reilly*	75.0	12.5	87.5
Total	200.0	47.5	247.5

* The Board/Board Committee member remuneration fees for BIOL representatives who are employees of Bupa are received by the Bupa legal entity, BIOL, and not by the individual persons in their personal capacity.

Top Six Executives Senior Executive Remuneration (Including CEO and CFO)

	Total # '000
Fixed Remunerations	
Salaries	16,521.0
Allowances	1,307.0
In-Kind Benefits	-
Total	17,828.0
Variable Remunerations	
Periodic Remunerations	-
Profits	-
Short-Term Incentive Plans	18,118.0
Long-Term Incentive Plans	28,433.0
Granted salaries	-
Total	46,551.0
End-of-Service Award	2,424.0
Total Remunerations for Board Executives	550.0
Aggregate Amount	67,353.0

General Assembly (GA) Meetings

In 2024, we held two (2) Extraordinary General Assembly Meetings (EGMs). We shared the highlights of our key Tadawul announcements and summaries of the approved GA resolutions. Shareholders are encouraged to visit the Investor Relations section of our Company website, specifically the Governance page, where the GA minutes are available. Additionally, detailed information can be found in our comprehensive Tadawul announcements and the 2023 Annual Financial Statements (AFS) to support informed decision-making.

GA Meetings Attendance by the Board Members

Board member	21 March	30 June
Eng. Loay Hisham Nazer	Yes	Yes
Mr. David Martin Fletcher	No	No
Mr. Tal Hisham Nazer	No	Yes
Mr. Martin Houston	Yes	Yes
Dr. Abdulla Nadeem Elyas	No	Yes
Ms. Huda Mohammed Bin Ghoson	Yes	Yes
Mr. Nigel Sullivan	No	No
Mr. Nader Ashoor	Yes	Yes
Mr. Osamah Shaker	Yes	Yes

EGM Resolutions Approved on 21 March 2024 (Results Announced on 24 March 2024):

- **Resolution (1):** Approved amending the Company's By-Laws to align with the new Companies Law.
- **Resolution (2):** Approved amending Article (3) of the Company's By-Laws related to the Company's objectives.

EGM Resolutions Approved on 30 June 2024 (Results Announced on 1 July 2024):

- **Resolution (1):** Reviewed and discussed the Board of Directors Report for the year ended 31 December 2023G.
- **Resolution (2):** Approved the Auditors' Report for the year ended 31 December 2023G after discussing it.
- **Resolution (3):** Reviewed and discussed the Annual Financial Statements for the fiscal year ended 31 December 2023G.
- **Resolution (4):** Approved the selection of the External Auditors from the nominees based on the Audit Committee recommendation, so that the said External Auditors are assigned to review the Annual Financial Statements for the fiscal year 2024, the second, third, and fourth quarters' quarterly reports, and the 2025 first quarter quarterly report, and determined their fees. PricewaterhouseCoopers Public Accountants: ₪ 1,940,000, KPMG Professional Services: ₪ 2,050,000.
- **Resolution (5):** Approved the recommendation of the Board of Directors to distribute cash dividends for the fiscal year 2023G, 4 Saudi Arabian Riyals per share in a total amount of 600,000,000 Saudi Arabian Riyals, or 40% of the nominal share value, provided that the shareholders owning the shares are eligible at the end of the trading day of the General Assembly Meeting and those registered in the Company's shareholders' register with the Securities Depository Center Company (Edaa Center) at the end of the second trading day following the approval date. The dividend distribution date will be announced later.
- **Resolution (6):** Approved the amending of the Company's Long-Term Incentive Plan (LTIP) Policy.
- **Resolution (7):** Approved the amending of the Board and Committees' Members Remuneration Policy.
- **Resolution (8):** Approved the purchase of the Long-Term Incentive Plan (LTIP) shares to a maximum number of shares of 860,000. The purchase will be financed through the Company's fund for its entitled LTIP employees. Further, to authorize the Board of Directors to complete the purchase of the shares within (12 months) from the date of the Extraordinary General Assembly Meeting's approval. The purchased shares will be kept no longer than (10 years) from the date of approval until they are allocated for the entitled employees. Noting that this program is a continuation of the current program, the conditions of which were previously determined by the Board of Directors, and the approval of the Extraordinary General Assembly was obtained on 12/08/1438AH corresponding to 08 May 2017G.
- **Resolution (9):** Approved the Board members' remuneration at ₪ 4,257,000 for the year ended 31 December 2023G.
- **Resolution (10):** Approved the absolving of the Board of Directors for the year ended 31 December 2023G.
- **Resolution (11):** Approved the delegation of the authority to the Board to approve an interim dividend to the shareholders, on a semi-annual or quarterly basis, on fiscal year 2024.
- **Resolution (12):** Approved delegating the Board of Directors the authority of the Ordinary General Assembly to the license mentioned in Paragraph (1) of Article (27) of the Companies Law, for a period of one year from the date of the approval of the General Assembly or until the end of the session of the authorized Board of Directors, whichever is earlier, in accordance with the conditions mentioned regarding the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies.

- **Resolution (13):** Approved the ratification of the business and contracts, for the year 2023G, with My Clinic International Medical Company Limited and the My Clinic Advanced for Pharmaceutical Co., related to claims paid to medical provider, without any preferential treatment, noting that Eng. Loay Nazer and Mr. Tal Nazer have/will have an interest as owners. Noting that the value in 2023 was 288,064 thousand Saudi Arabian Riyals.
- **Resolution (14):** Approved the ratification of the business and contracts, for the year 2023G, with Bupa Insurance Services Limited, in relation to reinsurance premium ceded for contracts, linked to the Bupa Global Market Unit, without any preferential treatment, noting that Mr. David Martin Fletcher, Mr. Martin Houston, and Mr. Nigel Sullivan have/had/will have an interest as members of the Board of Directors. Noting that the value in 2023 was 175,533 thousand Saudi Arabian Riyals.
- **Resolution (15):** Approved the ratification of the business and contracts, for the year 2023G, with Bupa Middle East Holdings Two. WLL (BMEH2), relating to trademark fees, without any preferential treatment, noting that Eng. Loay Nazer, Mr. Tal Nazer, Mr. David Martin Fletcher, Mr. Martin Houston, and Mr. Nigel Sullivan have/had/will have an interest as members of the Board of Directors. Noting that the value in 2023 was 39,227 thousand Saudi Arabian Riyals.
- **Resolution (16):** Approved the ratification of the business and contracts, for the year 2023G, with Bupa Investments Overseas Limited (BIOL), in relation to the Board and committee member remuneration, without any preferential treatment, noting that Mr. David Martin Fletcher, Mr. Martin Houston, and Mr. Nigel Sullivan have/had/will have an interest as members of the Board of Directors. Noting that the value in 2023 was 920 thousand Saudi Arabian Riyals.
- **Resolution (17):** Approved the ratification of the business and contracts, for the year 2023G, with Nazer Group Limited, being the cost of medical insurance for its employees, without any preferential treatment, noting that Eng. Loay Nazer has/will have an interest as an owner and as the Chairman of the Nazer Group Limited, and Mr. Tal Nazer has/will have an interest as an owner. Noting that the value in 2023 was 8,373 thousand Saudi Arabian Riyals.
- **Resolution (18):** Approved the ratification of the medical insurance contracts, for the year 2023G, with Careem, being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Dr. Abdullah Elyas as a Co-Founder and KSA Chairman. Noting that the value in 2023 was 995 thousand Saudi Arabian Riyals.
- **Resolution (19):** Approved the ratification of the business and contracts, for the year 2023G, with Bupa Arabia for cooperative insurance company, being the cost of providing health insurance to its employees, without any preferential treatment, noting that Board Member Mr. Tal Nazer has an interest as the CEO of Bupa Arabia for Cooperative Insurance and Board Member Mr. Nader Ashoor has an interest as the Deputy CEO and CFO of Bupa Arabia for Cooperative Insurance. Noting that the value in 2023 was 28,053 thousand Saudi Arabian Riyals.
- **Resolution (20):** Approved the ratification of the medical insurance contracts, for the year 2023G, with Gulf International Bank (GIB) – (GIB Capital), being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Mr. Osamah Shaker as a member of the Board of Directors. Noting that the value of the transactions in 2023 was 20,697 thousand Saudi Arabian Riyals.
- **Resolution (21):** Approved the ratification of the medical insurance contracts, for the year 2023G, with the Saudi National Bank (SNB), being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Ms. Huda Bin Ghoson as a member of the Board of Directors. Noting that the value in 2023 was 277,086 thousand Saudi Arabian Riyals.
- **Resolution (22):** Approved the ratification of the medical insurance contracts, for the year 2023G, with the Saudi Ground Services, being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Mr. Nader Ashoor as a member of the Board of Directors. Noting that the value in 2023 was 104,905 thousand Saudi Arabian Riyals.
- **Resolution (23):** Approved the ratification of the medical insurance contracts, for the year 2023G, with the SISCO – Saudi Industrial Services Co., being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Mr. Nader Ashoor as a member of the Board of Directors. Noting that the value in 2023 was 517 thousand Saudi Arabian Riyals.
- **Resolution (24):** Approved the ratification of the medical insurance contracts, for the year 2023G, with the Najm for Insurance Services Co., being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Mr. Tal Nazer as a member of the Board of Directors. Noting that the value in 2023 was 30,776 thousand Saudi Arabian Riyals.
- **Resolution (25):** Approved the ratification of the medical insurance contracts, for the year 2023G, with the Cool Inc. Hospitality Company, being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Mr. Tal Nazer as a member of the Board of Directors. Noting that the value in 2023 was 3,655 thousand Saudi Arabian Riyals.
- **Resolution (26):** Approved the ratification of the medical insurance contracts, for the year 2023G, with the Tam Development, being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Dr. Abdulla Elyas as a member of the Board of Directors. Mr. Ali Sheneamer has an interest as a member of the Board of Directors. Noting that the value in 2023 was 1,454 thousand Saudi Arabian Riyals.
- **Resolution (27):** Approved the ratification of the medical insurance contracts, for the year 2023G, with the Saudi Logistics Services (SAL), being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Mr. Tariq Alamoudi as a member of a board committee. Noting that the value in 2023 was 25,666 thousand Saudi Arabian Riyals.

Additional Disclosures

The following sections contain additional disclosures in accordance with the laws and regulations of Saudi Arabia, including the Insurance Authority (IA) Insurance Corporate Governance Regulation, and the Capital Market Authority (CMA) Corporate Governance Regulations.

Insurance Authority and other regulatory bodies' executive orders:

#	Violation Subject	Previous Financial Year (2023)			Current Financial Year (2024)		
		Number of Executive Orders	Total Amount of Fines in ﷲ	Corrective and Preventative Measures	Number of Executive Orders	Total Amount of Fines in ﷲ	Corrective and Preventative Measures
1	Violating the Insurance Authority's instructions for supervisory and control	1	45,000	The Company has developed a comprehensive corrective action plan to address all identified violations. In addition, preventative measures have been implemented to ensure full compliance and to avoid recurrence in the future	3	450,000	The Company has developed a comprehensive corrective action plan to address all identified violations. In addition, preventative measures have been implemented to ensure full compliance and to avoid recurrence in the future
2	Violating the Insurance Authority's instructions for protecting customers	-	-		-	-	
3	Violating the Insurance Authority's instructions regarding exercising due diligence in combating AML/CTF	-	-		-	-	

Subsidiaries

#	Subsidiary Company	Capital ﷲ	Ownership (%)	Purpose	Remarks	Country of Main Operations	Country of Incorporation
1	Bupa Arabia for Third Party Administration	5,000,000	100	Provide third party administration services	-	Saudi Arabia	Saudi Arabia
2	Health Horizon Medical Co.	10,000,000	100	Investing in providing primary and specialized healthcare services in both digital "telemedicine" and/or providing services through conventional clinics	-	Saudi Arabia	Saudi Arabia

No Borrowings or Loans

The Company and the Board, confirm that it has no borrowings or loans outstanding at the end of the current twelve-month period, nor has it been required to make any payments against borrowings or loans.

Declarations Relating to Debt Instruments, Options, Warrants, and Rights

As required in terms of the CMA disclosure requirements, the Company and the Board, confirm the below declarations:

- That it has not issued or granted, any convertible debt instruments, options, warrants, or similar rights during the financial year and accordingly has not received any consideration for the same.
- That it has not converted, issued, or granted any subscription rights under any convertible debt instruments, contractually based securities, warrants, or similar rights during the financial year.
- That it has not redeemed, purchased, or canceled any redeemable debt instruments during the financial year. The Company has no such securities outstanding, so the value of the same is nil.

Procedure Taken to the Board to Inform its Members, Non-Executive Directors in Particular, of the Shareholders' Suggestions and Remarks on the Company and its Performance

The Company records any recommendations or suggestions raised during General Assembly meetings. Additionally, a dedicated email (invest@bupa.com.sa) is available for shareholders to submit their suggestions. If needed, the Chairman of the Board is notified of these suggestions, ensuring they are included in the agenda for the next board meeting.

The Audit Committee Recommendations with Conflict with Board Resolution or Those Which the Board Disregards Relating to the Appointment, Dismissal, Assessment, or Determining the Remuneration of an External Auditor, as well as Justifications for Those Recommendations and Reasons for Disregarding Them

During 2024, no conflicts arose between the recommendations of the Audit Committee and the decisions of the Board.

Any Material Differences in the Operational Results Compared to the Preceding Year's Results, Along with Any Expectations Announced by the Company

The Company confirms that there are no material differences in operational results compared to the previous year's results or any expectations announced by the Company.

Any Potential Cases of Conflict of Interest and How They Were Addressed

The Company confirms that there were no identified cases of potential conflicts of interest during the reporting period. Should any conflict of interest arise, it will be addressed in accordance with the Company's established and approved policies and procedures.

Description of Any Punishment, Penalty, or Statutory Reserve or Restriction Imposed on Any of the Board Members by Any Judicial, Supervisory, or Regulatory Authority with Respect to the Company

The Company confirms that no punishment, penalty, statutory reserve, or restriction has been imposed on any of the Board members by any judicial, supervisory, or regulatory authority with respect to the Company.

Long-Term Incentive Plan (LTIP)

Bupa Arabia purchases the shares held under the employee share scheme to hedge itself against adverse changes in the fair value of its shares between the grant date and the date on which these shares are transferred to employees. When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity.

Repurchased shares are classified as shares held under an employee share scheme and are presented in the Statement of Changes in Equity. The Company secures advance General Assembly (GA) approval for the annual purchase of the LTIP shares for each LTIP cycle.

In 2024, the GA held on 30 June 2024 approved the purchase of the Long-Term Incentive Plan (LTIP) shares up to a maximum of 860,000 at a value of ₪ 127,838,700. As of 31 December 2024, the Company holds a total of 705,268 LTIP shares with a cost of ₪ 145.5 million on behalf of the LTIP participants.

Maintenance of Proper Records and Books of Account

As required by Saudi Arabian insurance regulations, the Company and the Board confirm that proper books of account have been duly maintained. Bupa Arabia maintains separate accounts for each of its insurance operations and shareholder operations within its accounting records. Furthermore, no inconsistencies have been identified with the standards approved by the Saudi Organization for Chartered and Professional Accountants.

Unqualified Opinion of the Independent External Auditors

The joint independent external auditors' report contains an unqualified opinion that the financial statements, as a whole, fairly present the Company's financial position in all material aspects and comply with applicable regulations and the Company's By-Laws.

Internal Control System and Effectiveness

As required in terms of the Capital Market Authority (CMA) disclosure requirement, the Audit Committee noticed the Management's continuous efforts and focus on improving the design and effectiveness of Bupa Arabia's internal control environment. Based on the results of the internal audit reviews, the planned activities to enhance the internal control environment, in addition to the reports received and discussions with the External Auditors and Management on the preliminary and Annual Financial Statements for the year ended 31 December 2024, nothing has been brought to the attention of the Committee that would indicate any significant deficiencies.

Continuation as a Going Concern

Bupa Arabia confirms there are no significant doubts regarding the Company's ability to continue as a going concern.

External Auditors

The Extraordinary General Assembly of the Company, held on 30 June 2024, approved the appointment of external auditors KPMG and PricewaterhouseCoopers from among the candidates recommended by the Audit Committee. They were appointed to audit the Company's financial statements for the second and third quarters of 2024, the annual financial statements for the fiscal year 2024, and the first quarter of the fiscal year 2025, along with determining their fees.

During 2024, the Board did not recommend replacing the external auditors before the end of their term.

Independent External Actuary

Bupa Arabia's independent external actuary for the 2024 fiscal year was Lux Actuaries.

Financial Statements



Independent Auditors' Report



PricewaterhouseCoopers
5th floor, Jameel Square,
P.O. Box 16415
Jeddah 21464
Kingdom of Saudi Arabia
License No. 25



KPMG Professional Services Company
Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No. 4030290792

Headquarters in Riyadh

Independent Auditors' Report on the Audit of the Consolidated Financial Statements

To the Shareholders of Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

Opinion

We have audited the Consolidated Financial Statements of Bupa Arabia For Cooperative Insurance Company – a Saudi Joint Stock Company (“the Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the Consolidated statement of financial position as at 31 December 2024, and the Consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the Consolidated Financial Statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the Consolidated financial position of the Group as at 31 December 2024, and its Consolidated financial performance and its Consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (referred to as “IFRS as endorsed in the Kingdom of Saudi Arabia”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Consolidated Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with that Code's requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter

How our audit addressed the key audit matter

Valuation of estimates of present value of cashflows and risk adjustment for non-financial risk – insurance contract liabilities

As at 31 December 2024, the total estimate of the present value of cash flows and risk adjustment for non-financial risk amounts to ₪ 4,386.822 million and ₪ 162.493 million, respectively, as further analyzed in Note 6 to the Consolidated Financial Statements.

The estimation of the liability for incurred claims involves a significant degree of judgement. This entails estimating the present value of future cash flows and the risk adjustment for non-financial risk. The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and reflects the compensation that the Group requires for bearing the uncertainty around the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts. The present value of future cash flows is based on the best estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with the related claims handling costs.

Accordingly, the complexity arises from calculating the actuarial best estimate using historical data which is sensitive to external inputs, such as claims cost inflation and medical trends, as well as the actuarial methodology that is applied and the assumptions on current and future events.

Due to the inherent estimation uncertainty and subjectivity involved in the assessment of the valuation of the liability for incurred claims arising from insurance contracts, along with these amounts being material, we have considered this as a key audit matter.

Refer to notes 3(b) (i) for the accounting policy and significant accounting judgements, estimates and assumptions adopted by the Group, involved in the initial recognition and subsequent measurement of insurance contract liabilities. Also, refer to note 6 for the movement in insurance contract liabilities.

We performed the following procedures:

- Understood, evaluated and tested key controls around the claims handling and provision setting processes.
- Evaluated the competence, capabilities and objectivity of the management's appointed actuary based on their professional qualifications and experience and assessed their independence.
- Performed substantive tests, on sample basis, on the amounts recorded for claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of the ultimate expected claims.
- Assessed the integrity of data used as inputs into the actuarial valuations by testing, on sample basis, the accuracy of underlying claims data utilized by management's appointed actuary in estimating the present value of the future cashflows and the risk adjustment for non-financial risk and tracing it to the accounting and other records.
- Engaged our internal actuarial specialists to assess the Group's methods and assumptions and evaluate the Group's actuarial practices and provisions established, including the actuarial report issued by management's appointed actuary, by performing the following:
 - i. Evaluated whether the actuarial methodologies adopted by the Group were consistent with generally accepted actuarial practices and with prior years. We sought justification for any significant differences; and
 - ii. Assessed the appropriateness of key actuarial assumptions including expected loss ratios. We tested these assumptions by comparing them with the Group's historical experience and our own industry knowledge. We also performed rejections of the present value of future cashflows using these assumptions and methods, and compared them with the amounts recorded by the management.
- Assessed the adequacy and appropriateness of the related disclosures in the Consolidated Financial Statements.



Other information included in the Group's 2024 Annual Report

Management is responsible for the other information. The other information comprises the information included in the Group's 2024 annual report, but does not include the Consolidated Financial Statements and our auditors' report thereon. The Group's annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, and the Company's By-laws, and for such internal control as the management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e., the Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



for PricewaterhouseCoopers
(Public Accountants)

Mufaddal A. Ali
License No. 447

for KPMG Professional
Services Company

Ebrahim Oboud Baeshen
Licence No. 382

Jeddah, Kingdom of Saudi Arabia
5 Shaban 1446H
Corresponding to February 4, 2025



Consolidated Statement of Financial Position

As at 31 December 2024 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

	Notes	31 December 2024 S'000	31 December 2023* S'000
Assets			
Cash and cash equivalents	5	925,190	1,255,896
Reinsurance contract assets	6.2	98,178	74,090
Prepaid expenses and other assets	11	422,944	475,475
Term deposits	8	6,040,542	7,223,011
Financial assets at amortized cost - net	7	935,811	587,360
Financial assets at fair value	7	6,586,463	4,246,757
Deferred tax asset	21,33	33,570	38,609
Fixtures, furniture and equipment - net	9.1	76,386	69,879
Right-of-use assets - net	9.2	131,528	143,388
Intangible assets - net	10	72,125	67,236
Statutory deposit - net	12	149,965	149,960
Accrued income on statutory deposit	12	4,378	8,690
Goodwill	4	98,000	98,000
Total assets		15,575,080	14,438,351
Liabilities			
Accrued and other liabilities	15.1	651,396	734,859
Insurance contract liabilities	6.1	9,004,813	8,267,196
Due to related parties	20,33	46,944	40,935
Lease liability	15.2	144,817	166,066
Provision for end-of-service benefits	17	191,876	186,487
Provision for zakat and income tax	21	412,859	358,589
Accrued income payable to Insurance Authority	12	4,378	8,690
Total Liabilities		10,457,083	9,762,822

	Notes	31 December 2024 S'000	31 December 2023* S'000
Equity			
Share capital	22	1,500,000	1,500,000
Statutory reserve	23	1,500,000	1,352,757
Share based payments reserve	24	48,634	48,477
Shares held under employees share scheme	24	(145,476)	(65,115)
Retained earnings		2,306,706	1,853,721
Re-measurement reserve for end-of-service benefits		(7,573)	(13,698)
Investments fair value reserve		(84,294)	(613)
Total equity		5,117,997	4,675,529
Total liabilities and equity		15,575,080	14,438,351

*Refer to Note 33 regarding the changes in the order of comparatives.


Loay Hisham Nazer
 Chairman


Tal Hisham Nazer
 Director and Chief Executive Officer


Hatim Tariq Jamal
 Chief Financial Officer

The accompanying Notes 1 to 34 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Income

For the year ended 31 December 2024 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

	Notes	2024 # '000	2023 # '000
Insurance revenue	6.1	18,101,517	15,887,715
Insurance service expense	6.1	(17,033,460)	(14,994,432)
Net expenses from reinsurance contracts held	6.2	(69,961)	(28,246)
Net insurance service result		998,096	865,037
Commission and income on financial assets at amortized cost	7	409,687	350,636
Commission and income on financial assets at fair value	7	262,097	163,425
Net impairment reversal/(loss) on financial assets		590	(785)
Net investment results		672,374	513,276
Net insurance and investment results		1,670,470	1,378,313
Other operating expenses	25	(348,648)	(316,813)
Other revenue		90,386	92,065
Other cost		(39,582)	(36,886)
Income attributed to the shareholders before zakat and income tax		1,372,626	1,116,679
Zakat charge	21	(77,064)	(80,237)
Income tax charge	21	(129,560)	(96,279)
Net income attributed to the shareholders after zakat and income tax		1,166,002	940,163
Basic and diluted earnings per share (expressed in # per share)	27	7.79	6.29



Loay Hisham Nazer
Chairman



Hatim Tariq Jamal
Chief Financial Officer



Tal Hisham Nazer
Director and Chief Executive Officer

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Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

	2024 # '000	2023 # '000
Net income attributed to the shareholders after zakat and income tax	1,166,002	940,163
Other comprehensive (loss)/income		
A. Items that will not be reclassified to Consolidated statement of income in subsequent years		
Actuarial gains/(losses) on end-of-service benefits	6,125	(6,655)
Net changes in fair value of investments measured at FVOCI - equity instruments	3,305	15,255
B. Items that are or may be reclassified to Consolidated statements of income in subsequent years		
Net changes in fair value of investments measured at FVOCI - debt instruments	(87,958)	58,152
Net changes in allowance for expected credit losses of investments measured at FVOCI - debt instruments	69	396
Total other comprehensive (loss)/income	(78,459)	67,148
Total comprehensive income for the year	1,087,543	1,007,311



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Chairman



Hatim Tariq Jamal
Chief Financial Officer



Tal Hisham Nazer
Director and Chief Executive Officer

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Consolidated Statement of Changes in Equity

For the year ended 31 December 2024 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

2024	Note	Share capital	Statutory reserve	Share based payments reserve	Shares held under employees share scheme	Retained earnings	Re-measurement reserve for end-of-service benefits	Investments fair value reserve	Total equity
		ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000
Balance at 31 December 2023 (Restated)		1,500,000	1,352,757	48,477	(65,115)	1,853,721	(13,698)	(613)	4,675,529
Net income for the year attributed to shareholders after zakat and income tax		-	-	-	-	1,166,002	-	-	1,166,002
Other comprehensive (loss)/income		-	-	-	-	-	6,125	(84,584)	(78,459)
Total comprehensive income/(loss) for the year		-	-	-	-	1,166,002	6,125	(84,584)	1,087,543
Transfer to statutory reserves		-	147,243	-	-	(147,243)	-	-	-
Transfer of realized fair value loss of investment measured at FVOCI equity instruments to retained earnings		-	-	-	-	(903)	-	903	-
Provision for employees share scheme		-	-	36,883	-	-	-	-	36,883
Transactions with owners of the Group:									
Delivery of shares held under employees share scheme		-	-	(36,726)	36,726	-	-	-	-
Purchase of shares held under employees share scheme		-	-	-	(117,087)	-	-	-	(117,087)
Dividends	30	-	-	-	-	(600,000)	-	-	(600,000)
Income tax refundable from non-Saudi shareholders		-	-	-	-	35,129	-	-	35,129
Balance at 31 December 2024		1,500,000	1,500,000	48,634	(145,476)	2,306,706	(7,573)	(84,294)	5,117,997


Loay Hisham Nazer
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 Chief Financial Officer


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For the year ended 31 December 2024 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

2023	Note	Share capital	Statutory reserve	Share based payments reserve	Shares held under employees share scheme	Retained earnings	Re-measurement reserve for end-of-service benefits	Investments fair value reserve	Total equity
		ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000
Balance at 31 December 2022 (Restated)		1,500,000	1,164,724	54,268	(78,235)	1,641,591	(7,043)	(74,416)	4,200,889
Net income for the year attributed to shareholders after zakat and income tax		-	-	-	-	940,163	-	-	940,163
Other comprehensive income/(loss)		-	-	-	-	-	(6,655)	73,803	67,148
Total comprehensive income/(loss) for the year		-	-	-	-	940,163	(6,655)	73,803	1,007,311
Transfer to statutory reserves		-	188,033	-	-	(188,033)	-	-	-
Provision for employees share scheme		-	-	26,164	-	-	-	-	26,164
Transactions with owners of the Group:									
Delivery of shares held under employees share scheme		-	-	(31,955)	31,955	-	-	-	-
Purchase of shares held under employees share scheme		-	-	-	(18,835)	-	-	-	(18,835)
Dividends	30	-	-	-	-	(540,000)	-	-	(540,000)
Balance at 31 December 2023		1,500,000	1,352,757	48,477	(65,115)	1,853,721	(13,698)	(613)	4,675,529



Loay Hisham Nazer
Chairman



Hatim Tariq Jamal
Chief Financial Officer



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Director and Chief Executive Officer

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Consolidated Statement of Cash Flows

For the year ended 31 December 2024 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

	Notes	2024 # '000	2023 # '000
Cash flows from operating activities			
Net income attributed to shareholders before zakat and income tax		1,372,626	1,116,679
Adjustments for non-cash items			
Depreciation of fixtures, furniture and equipment	9.1	18,421	16,169
Amortisation of right-of-use assets	9.2	21,045	22,559
Amortisation of intangible assets	10	19,369	17,029
Loss/(gain) on disposal of fixtures and furniture and equipment		3,588	(169)
Gain on termination of a lease		(10,952)	-
Provision for employees share scheme		36,883	26,164
Net impairment (gain)/loss on financial assets		(414)	742
Commission and income on financial assets at amortized cost		(409,687)	(350,636)
Commission and income on financial assets at fair value		(262,097)	(163,425)
Provision for end-of-service benefits	17	34,045	31,564
Finance cost on leases	15.2	4,911	6,065
Changes in operating assets and liabilities			
Insurance contract liabilities		808,601	1,612,240
Reinsurance contract assets		(24,088)	(45,935)
Reinsurance contract liabilities		-	(2,605)
Investment carried at FVTPL		(5,275)	-
Prepaid expenses and other assets		50,334	(64,956)
Due from related parties		-	3,316
Accrued and other liabilities		(83,463)	204,144
Due to related parties		41,138	40,935
		1,614,985	2,469,880
End-of-service benefits paid		(22,531)	(5,786)
Surplus paid to policyholders	17.1	(70,984)	(44,229)
Zakat and income tax paid	29	(147,315)	(142,591)
Net cash generated from operating activities	21	1,374,155	2,277,274
Cash flows from investing activities			
Placement in term deposits	8	(2,794,848)	(4,334,871)
Proceeds from maturity of term deposits	8	4,317,551	3,804,800
Additions to investments carried at FVOCI	7	(2,828,514)	(2,321,377)
Additions to investments carried at amortized cost	7	(343,586)	(101,265)
Disposal of investments carried at FVOCI	7	403,451	1,056,683
Proceeds from maturity of amortized cost investments	7	4,298	3,939

	Notes	2024 # '000	2023 # '000
Proceeds from commissions and dividends*		328,844	207,356
Additions to fixtures, furniture and equipment	9.1	(28,671)	(22,405)
Proceeds from disposal of fixtures, furniture and equipment		155	169
Additions to intangible assets	10	(24,258)	(18,852)
Net cash used in investing activities		(965,578)	(1,725,823)
Cash flows from financing activities			
Dividends paid	30	(600,000)	(540,000)
Purchase of shares held under employees share scheme		(117,087)	(18,835)
Lease liability paid**	15.2	(22,196)	(24,681)
Net cash used in financing activities		(739,283)	(583,516)
Net change in cash and cash equivalents		(330,706)	(32,065)
Cash and cash equivalents at beginning of the year		1,255,896	1,287,961
Cash and cash equivalents at end of the year		925,190	1,255,896
Non-cash transactions			
Income tax refundable from non-saudi shareholders		35,129	-

*This includes dividends amounting to # 34.75 million (2023: # 29.69 million)

**Lease liabilities paid includes finance cost of # 4.9 million (2023: # 6.1 million).



Loay Hisham Nazer
Chairman



Tal Hisham Nazer
Director and Chief Executive Officer



Hatim Tariq Jamal
Chief Financial Officer

The accompanying Notes 1 to 34 form an integral part of these Consolidated Financial Statements.

Notes to the Financial Statements

As at 31 December 2024 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

1 Organization and principal activities

Bupa Arabia for Cooperative Insurance Company (the “Company”) is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per the Ministry of Commerce’s resolution number 138/K dated 24 Rabi Thani 1429H (corresponding to 1 May 2008). The Commercial Registration number of the Company is 4030178881 dated 5 Jumad Awwal 1429H (corresponding to 11 May 2008). The Registered Office of the Company is situated at:

Al-Khaledeiyah District,
Prince Saud Al Faisal Street,
Front of Saudi Airlines Cargo Building,
P.O. Box 23807, Jeddah 21436,
Kingdom of Saudi Arabia.

The Company is licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. M/74 dated 29 Shabaaan 1428H (corresponding to 11 September 2007) pursuant to the Council of Ministers’ Resolution No 279 dated 28 Shabaaan 1428H (corresponding to 10 September 2007).

The objective of the Company is to transact cooperative insurance operations and related activities in the Kingdom of Saudi Arabia in accordance with its articles of association, and applicable regulations in the Kingdom of Saudi Arabia. The Company underwrites medical insurance only.

The Board of Directors approves the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by the Saudi Central Bank (“SAMA”) (herein after referred to as “the Regulations”), whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders’ operations in full. During 2023, the Insurance Authority has been established by a royal decree as the insurance regulator (herein after referred to as “the Regulator”). Previously issued regulations by SAMA will be upheld until the Insurance Authority issued updated regulations. Therefore, the accrued income liability is payable to the Insurance Authority.

The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to June 30, 2022) (hereinafter referred as the “New Law”) came into force on 26/06/1444H (corresponding to January 19, 2023) as well as the amended implementing regulations that were issued by the Capital Market Authority (CMA) based on the New Law. In this regard, the Company after assessing the impact of the New Law, convened an Extraordinary General Assembly meeting on 24/12/1445H (corresponding to June 30, 2024), which has approved the amendment of certain provisions of the Company’s By-laws to ensure compliance with the requirements of the new Companies’ Law and the amended CMA implementing regulations. Legal formalities associated with the Company’s amended By-laws were completed during 2024.

The Company has the following subsidiaries:

Name of the subsidiary	Registration number	Country of incorporation	Ownership	Principal business activity
Bupa Arabia For Third Party Administration	4030605585	Saudi Arabia	100%	Claims management services
Health Horizon Medical Care Company	4030512306	Saudi Arabia	100%	Healthcare services

These Consolidated Financial Statements comprise of the Company and its subsidiaries (together referred to as the “Group”). Bupa Arabia For Third Party Administration commenced operations in July 2022. During 2023, the Group established a subsidiary “Health Horizon Medical Care Company” with an authorized capital of 10 million.

2 Basis of preparation

(a) Statement of compliance

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement that are endorsed by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (“IFRS as endorsed by SOCPA”).

The Consolidated Financial Statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) and provision for end-of-service benefits recorded at the present value using the projected unit credit method. Moreover, the insurance and reinsurance contracts are measured at the estimated fulfilment cashflows that are expected to arise as the Group fulfils its contractual obligations in accordance with IFRS 17. The details relating to gross written premium under note 19 of these Consolidated Financial Statements are disclosed to comply with the requirements of the Regulator. The classification of gross written premium (amount of policy premium) is based on the number of lives covered in the policy as prescribed by the regulations.

The Group’s Consolidated statement of financial position is not presented using a current/non-current classification and is presented in order of liquidity. Except for fixtures, furniture and equipment, right-of-use assets, intangible assets, goodwill, statutory deposit, deferred tax, accrued income on statutory deposit and accrued income payable to Insurance Authority, all other assets and liabilities are of short-term nature. Moreover, the balances which are mixed in nature (i.e. include both current and non-current portions) are insurance contract liabilities, lease liabilities, term deposits, financial assets at fair value, financial assets at amortized cost, reinsurance contract assets/liabilities and provision for end of service benefits.

As required by the regulations, the Group maintains separate books of accounts for “Insurance Operations” and “Shareholders’ Operations”. Accordingly, assets, liabilities, revenues and expenses clearly attributable to each operation are recorded in the respective accounts. In preparing the Consolidated Financial Statements in compliance with IFRS as endorsed by SOCPA, the balances and transactions of insurance operations are amalgamated and combined with those of shareholders’ operations. Inter-operation balances, transactions and unrealized gains or losses, if any, are eliminated in full. The accounting policies adopted for the insurance and shareholders’ operations are uniform for like transactions and events in similar circumstances. Note 35 which sets out the disaggregated information between insurance and shareholders’ operations is supplementary information to the Consolidated Financial Statements.

Management has also presented separate amounts for shareholders and insurance operations in Notes 5, 7, 8, 11, and 15. For statutory reporting under IFRS as endorsed by SOCPA, only aggregated amounts are required to be considered.

(b) Functional and presentation currency

These Consolidated Financial Statements are expressed in Saudi Arabian Riyals (ﷻ) and all amounts are rounded off to the nearest thousand, unless otherwise indicated.

(c) Fiscal year

The Group follows a fiscal year ending on 31 December.

(d) Critical accounting judgments, estimates and assumptions

The preparation of Consolidated Financial Statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and the accompanying notes disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates.

(i) Insurance Contracts

The Group issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. In making this assessment, all substantive rights, and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis.

The measurement of these insurance contracts also requires significant judgement and estimates. These significant judgements and estimates include Risk Adjustment (“RA”) and liability for incurred claims – estimate of future cash flows. Refer to Note 3 for further details.

(ii) Fair value of financial instruments

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price. Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values. Refer Note 18 for details.

(iii) Going Concern

The Group’s management has assessed the Group’s ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern. Therefore, the Consolidated Financial Statements continue to be prepared on a going concern basis.

(iv) Impairment of Goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2024 and 2023 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated in note 4. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Goodwill is initially measured at cost being the excess of the net fair value of the identifiable assets and liabilities acquired. Following initial recognition, goodwill is measured at cost less than any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment for goodwill is determined by assessing the recoverable amount of the cash generating unit (or a group of cash generating units) to which the goodwill is related. When the recoverable amount of the cash-generating unit (or a group of cash generating units) is less than the carrying amount of the cash generating unit (or a group of cash generating units) to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The recoverable amount is the greater of its value in use or fair value less cost to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

(e) Basis of consolidation

The Consolidated Financial Statements include the Financial Statements of the Company and the Financial Statements of the subsidiaries, as stated in Note 1. The Financial Statements of the subsidiaries are prepared for the same reporting period as that of the Group, using consistent accounting policies. Adjustments have been made to the Financial Statements of the subsidiaries, where necessary, to align with the Group's Consolidated Financial Statements.

A subsidiary is the investee that is controlled by the Group. The Group controls an investee only when it has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of its returns.

Intra-group balances and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3 Material accounting policies

The material accounting policies applied in the preparation of these Consolidated Financial Statements are summarized below. These policies have been consistently applied to each of the years presented except new IFRS standards, IFRIC interpretations and amendments thereof, adopted by the Group as explained below:

(a) (i) New IFRS Standards, IFRIC interpretations and amendments thereof, adopted by the Group

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8

Standards, amendments, interpretations	Description	Effective date
Amendments to IAS 1 Presentation of Financial Statements	Non-current Liabilities with covenants and classification of Liabilities as Current or Non-current	01 January 2024
Amendments to IFRS 16 Leases	Lease Liability in a Sale and Leaseback	01 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	01 January 2024

These amendments had no impact on the Consolidated Financial Statements of the Group.

(ii) Accounting standards issued but not yet effective

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025 or after, but do not have a material impact on the Consolidated Financial Statements of the Group.

Standards, amendments, interpretations	Description	Effective from periods beginning on or after the following date
Amendments to IAS 21	Lack of exchangeability - Amendments to IAS 21	01 January 2025
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/effective date deferred indefinitely
New standard "IFRS 18"	IFRS 18, "Presentation and Disclosure in Financial Statements"	01 January 2027
New standard "IFRS 19"	IFRS 19, "Subsidiaries without Public Accountability: Disclosures"	01 January 2027
Amendments to IFRS 9 and IFRS 7	Classification and measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7	01 January 2026

(b) Material accounting policies, including key judgments and estimates

(i) IFRS 17 - accounting policies, including key judgments and estimates

The Group issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Cash flows from insurance contracts are split into Liability for Incurred Claims ("LIC") and Liability for Remaining Coverage ("LRC").

Unit of account and measurement model

The Group operates as a mono-line insurer, operating in the Private Medical Insurance (PMI) business. The PMI business is further divided as Corporate, SMEs and Others based on customer size. All insurance contracts within PMI line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The GMM is the default model to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts.

The liability for remaining coverage includes:

- Fulfilment cash flows which are comprised of:
 - Discounted estimates of future cash flows.; and
 - A risk adjustment which is the compensation required for bearing uncertainty; and
- Contractual service margin which is the unearned profit that is recognized as services are provided.

The premium allocation approach (“PAA”) is a simplified approach for the measurement of the liability for remaining coverage, that an entity may choose to use when the premium allocation approach provides a measurement which is not materially different from that under the general measurement model or if the coverage period of each contract in the group of insurance contracts is one year or less. Under the premium allocation approach, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

The Group uses the PAA for measuring contracts with a coverage period of one year or less. The Group is adopting the PAA measurement model for the measurement of LRC for the whole PMI business. This is principally based on the eligibility test for fulfillment cash flows and that coverage period for most contracts are one year or less. Some contracts have coverage period more than one year, but passed the eligibility test.

Initial and subsequent measurement

Groups of insurance contracts issued are initially recognized from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- (a) the LRC; and
- (b) the LIC, comprising the fulfillment cash flows (“FCF”) related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- (a) increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
- (b) decreased for insurance acquisition cash flows paid in the period;
- (c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- (d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

An insurance contract may contain one or more components that would be within the scope of another standard if they were separate contracts. IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. For example, an insurance contract may include an investment component or a service component (or both). The non-insurance components may need to be separated for the purposes of reporting under IFRS 17 if they are deemed to be distinct. Based on Group’s assessment, there are no investment components within insurance contracts issued by the Group.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

The Group holds quota share reinsurance contract that provide coverage on the PMI insurance contracts for claims incurred during an accident year and are accounted for under the PAA since the Group does not expect significant variability in the fulfillment cash flows that would affect the measurement of the liability for remaining coverage under general measurement model.

The Group recognizes a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognized, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and

- The date the Group recognizes an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid, plus acquisition cost paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows. The Group is presenting income/expense from reinsurance as a net line item in the Consolidated statement of income.

Liability for Incurred Claims “LIC”

For contracts measured under the PAA, the LIC is measured similarly to the LIC’s measurement under the GMM. The Group estimates the liability for incurred claims and expenses as the fulfillment cash flows related to incurred claims and expenses. The fulfillment cash flows are an explicit, unbiased, and probability-weighted estimate of the present value of the future cash flows, within the contract boundary of a group of contracts, that will arise as the entity fulfills its obligation under the insurance contracts, including a risk adjustment for non-financial risk. The Group presents the entire change in risk adjustment as part of insurance service results.

The Group establishes insurance claims liabilities to cover the estimated liability for the cash flows associated with incurred losses as at the Consolidated statement of financial position date, including claims not yet reported (“IBNR”) and loss adjustment expenses incurred with respect to insurance contracts underwritten and reinsurance contracts placed by the Group. The ultimate cost of claims liabilities is estimated by using generally accepted standard actuarial techniques.

The main assumption underlying these techniques is that the Group’s past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim (severity) and average number of claims (frequency) based on the observed development of earlier years and expected loss ratios. Historical claims development is analyzed by accident year, geographical area, as well as claim type. Loss ratio is the ratio of total claims incurred to total premiums earned for the portfolio.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking into account all the uncertainties involved.

The Group has elected not to adjust the LRC for the effect of time value of money, as it expects the time between providing each part of the coverage and the related premium due date to be one year or less. Likewise, the Group has decided not to discount the LIC for the time value of money as most of the claims incurred are expected to be settled within a 12-month period. An insignificant portion of the LIC is expected to be carried over beyond 12 months, with an immaterial impact on LIC and statement of income. The Group will regularly monitor the time it takes in settling claims from the date they are incurred. The Group has elected the accounting policy choice to present entire insurance finance income or expense for the period in the Consolidated statement of income.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- (a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- (b) both of the following criteria are satisfied:
 - (i) the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - (ii) the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance and financial risks, are considered; other risks, such as lapse or surrender and expense risk, are not included. Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts, form part of a single insurance contract with all of the cash flows within its boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognized when those contracts meet the recognition criteria.

Insurance acquisition costs

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to a portfolio of insurance contracts. Acquisition costs fall under the insurance service expense. The Group amortizes the insurance acquisition costs over the contract period.

Directly attributable expenses

Directly attributable expenses are the costs that can be fully or partially attributed to the fulfillment of the groups of insurance contracts. The Group allocates the attributable costs based on a number of drivers. Attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses.

Other operating expenses

Other operating expenses include non-attributable expenses which are administrative expenses and are not linked to insurance contracts.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. The impact of seasonality is not considered material in relation to recording the insurance revenue.

Insurance revenue is adjusted to allow for policyholders' default on future premiums. The default probability is derived from the expected loss model prescribed under IFRS 9.

Insurance service expenses

Insurance service expenses include the following:

- (a) incurred claims for the period.
- (b) other incurred directly attributable expenses.
- (c) insurance acquisition cash flows amortization.
- (d) changes that relate to past service – changes in the FCF relating to the LIC.
- (e) changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

Onerous contract

The Group assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. A group of contracts is onerous at initial recognition if there is a net outflow of fulfillment cash flows. As a result, a liability for the net outflow is recognized as a loss component within the liability for remaining coverage and a loss is recognized immediately in the Consolidated statement of income in insurance service expense. The loss component is then amortized to the Consolidated statement of income over the coverage period to offset incurred claims in insurance service expense. The loss component is measured on a gross basis but may be mitigated by a loss recovery component if the contracts are covered by reinsurance.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts. The Group has relied on the bootstrap method to determine the risk adjustment for LIC and value-at-risk approach to determine the risk adjustment for LRC (loss component). The Group has chosen a confidence level based on the 75th percentile of the distribution of the claim reserves, considering the confidence level is adequate to cover sources of uncertainty about the amount and timing of the cash flows.

(ii) IFRS 9 – accounting policies, including key judgments and estimates

Financial assets – Classification

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

Financial assets at amortized cost

Debt Instruments:

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

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

Financial assets at FVOCI

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

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

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

For an equity investment, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an instrument-by-instrument basis on initial recognition.

Financial assets at FVTPL

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

Business model assessment

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

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

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

Financial assets – Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

All regular-way purchases and sales of financial assets are initially recognised and derecognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in Consolidated statement of income and presented in other gains/(losses) together with foreign exchange gains and losses.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in the Consolidated statement of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the Consolidated statement of income and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVTPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in the Consolidated statement of income and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognized in Consolidated statement of income as investment income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in investment income in the Consolidated statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Certain Tier-1 sukuk have been classified under equity due to the perpetual nature of the instruments and discretion of profit distribution with the issuer.

Financial assets – Impairment

Overview of Expected Credit Loss (“ECL”) principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss); unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime expected credit losses represent ECL that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of the Consolidated statement of financial position date. Both lifetime ECLs and 12-month ECLs will be calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

The Group recognizes loss allowances for ECL on the following financial instruments that are not measured at fair value:

- Financial assets that are debt instruments
- Deposits and bank balances
- Other receivables balances

No impairment loss is recognized on equity instruments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers debt securities to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. The measurement of ECL for other receivables is carried out using the simplified ECL impairment model and is determined by using a matrix which uses historical credit loss experience of the Group. For investment in debt securities, if the Days Past Due (“DPD”) is 0, then investment is considered as Stage 1 and if the DPD is more than 0, investment is considered as Stage 3.

Staging of financial assets

The Group categorizes its investments portfolio classified as amortized cost and FVOCI into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 – Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition;

Stage 2 – Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition, but which are not credit-impaired; and

Stage 3 – Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

Credit impaired financial asset

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event (more than 90 days);
- it is becoming probable that the borrower or issuer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

In assessing whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Definition of default

In assessing whether an issuer is in default, the Group considers indicators that are:

- qualitative – e.g., breaches of covenant and non-payment on another obligation of the same issuer to the Group.
- quantitative – e.g., overdue status; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

ECL methodology and measurement

ECL is computed based on the parameters namely Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) values. ECL is discounted by an appropriate rate to get the Present Value of ECL.

For the investment portfolio, a generalized approach is used, where assets are classified under 3 different stages based on the SICR criteria: Stage 1, Stage 2, and Stage 3 where 12-month ECL is computed for Stage 1 and lifetime ECL for Stage 2 and Stage 3. For other receivable portfolio, a simplified approach is used, for which staging is not required, based on a lifetime ECL computation.

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Probability of Default (“PD”)

The probability of default is an estimate of the likelihood of default over a given time horizon.

Loss Given Default (“LGD”)

Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data.

Exposure at Default (“EAD”)

The exposure at default is an estimate of the exposure at a future default date.

Forward looking estimate

While estimating the ECL, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyzes the relationship between key economic trends with the estimate of PD. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on reports from economic experts and consideration of a variety of external actual and forecast information, the Group formulates a “base case” view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Kingdom and selected private-sector and academic forecasters. The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

Presentation of allowance for ECL in the statement of financial position.

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
- debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

Financial liabilities

Classification and derecognition of financial liabilities

The Group classifies its financial liabilities, other than financial guarantees if any, as measured at Amortized cost. Amortized – cost is calculated by considering any discount or premium and costs that are an integral part of the Effective Interest Rate (“EIR”). A liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Consolidated statement of income. The Group derecognizes financial liability when its contractual obligations are discharged cancelled, or expired.

(iii) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and term deposits that have original maturity periods not exceeding three months from the date of acquisition.

(iv) Fixtures, furniture and equipment

Fixtures, furniture and equipment are initially recorded in the Consolidated statement of financial position at cost. Subsequent measurement is carried out at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

	Years
Office furniture and fixtures	5 to 20
Computer equipment	2.5 to 7
Motor vehicles	4
Leasehold improvements (civil, construction work and fixtures)	15 years or lease term

Residual values, useful lives and the methods of depreciation are reviewed and adjusted as appropriate at each financial year end. Impairment reviews take place when events or changes in circumstances indicate that the carrying value may not be recoverable. The depreciation charge for the year is recognized in the Consolidated statement of income on an actual basis. Similarly, impairment losses, if any, are recognized in the statement of income.

Expenditure for repairs and maintenance is charged to the Consolidated statement of income. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Gain/loss on sale of fixtures, furniture and equipment and Right-of-use assets is included in Consolidated statement of income.

(v) Intangible assets

Separately acquired intangible assets (software) are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses. The Group amortizes intangible assets with a limited useful life using straight-line method over the following periods:

	Years
IT development and software	3 to 7

(vi) Goodwill

Goodwill is initially measured at excess of the fair value of the consideration paid over the fair value of the identifiable assets and liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment for goodwill is determined by assessing the recoverable amount of the cash generating unit (or a group of cash generating units) to which the goodwill is related. When the recoverable amount of the cash-generating unit (or a group of cash generating units) is less than the carrying amount of the cash generating unit (or a group of cash generating units) to which goodwill has been allocated, an impairment loss is recognised in the Consolidated statement of income. Impairment losses relating to goodwill cannot be reversed in future periods. Refer Note 4.

(vii) Accrued and other liabilities

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

(viii) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation amount.

(ix) Provision for end-of-service benefits

Accruals are made at the present value of expected future payments in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Consideration is given to the expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. The benefit payments obligation is discharged as it falls due. Re-measurement (actuarial gains/losses) as a result of experience adjustments and changes in actuarial assumptions are recognized in the Consolidated statement of other comprehensive income, which are accumulated under "Re-measurement reserve for end-of-service benefits" in Consolidated statement of changes in equity.

(x) Share based payments and shares held under employees share scheme

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. Grant date is the date at which the entity and an employee agree to a share based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. The fair value of shares granted during the period has been determined using the market price of group's share on the grant date. The cost of equity-settled transactions is recognized, together with a corresponding increase in equity as a reserve for a share based payment, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit in the Consolidated statement of income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period. The cumulative expenses recognized for equity-settled transactions are accumulated under share-based payment reserve within Consolidated statement of changes in equity.

In cases where an award is forfeited (i.e. when the vesting conditions relating to an award are not satisfied), the Group reverses the expense relating to such awards previously recognized in the statement of income. Where an equity-settled award is cancelled (other than forfeiture), it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. The value of the shares repurchased, including costs associated with the acquisition, is recognized as a deduction from equity. The Group retains shares under employees share scheme, which represents treasury shares.

(xi) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. Impairment losses of continuing operations are recognized in the Consolidated statement of income.

For assets, excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the statement of income.

(xii) De-recognition

Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

(xiii) Revenue recognition

Investment and commission income

Investment income or loss comprises of commission income, dividends, unrealized and realized gains and losses on investments. Commission income on term deposits and investments is recognized using the effective interest method in the Consolidated statement of income.

Other revenues

Other revenue represents revenue generated from operations of non-insurance services rendered by subsidiaries. The Group recognizes revenue from contracts, with customers based on a five-step model as set out in IFRS 15. The transaction price is determined in accordance with the contractual terms of the arrangement, wherein Group receives fixed amount of consideration, based on the extent of service provided. Since the services are provided with a credit term of less than a year, there is no significant financing component in the arrangement. Further, the Group has determined that the performance obligation is satisfied over time as the customer receives and consumes the benefits simultaneously and revenue is recognized in the period in which the services are rendered. Customers are invoiced on a monthly basis and consideration is payable when invoiced. There were no contract assets or contract liabilities at the end of the reporting period as all services provided were already invoiced and there were no advance payments from customers as at that date.

Further, in order to fulfil the commitment relating to this agreement, the Group receives funds in advance from the customer to settle anticipated claims from medical service providers. These funds are not recognized as assets in the Group's Consolidated statement of financial position as the Group does not exercise control over these funds. (Refer note 13)

(xiv) Leases

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The Group applies the cost model, and measure right of use asset at cost;

- (1) less any accumulated amortization and any accumulated impairment losses; and
- (2) adjusted for any re-measurement of the lease liability for lease modifications.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, generally, the initial carrying value of a right-of-use asset would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. it needs to be added to the right of use asset value.

The recognized right-of-use assets are amortized on a straight-line basis over the shorter of its estimated useful life and the lease term. right-of-use assets are subject to impairment. The estimated useful lives of the assets for the calculation of amortization are as follows:

	Years
Right-of-use assets	5 to 20

Lease liabilities

On initial recognition, the lease liability is the present value of all remaining payments to the lessor, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The incremental borrowing rate used for new leases entered during the year ranges from 4% - 6%.

After the commencement date, Group measures the lease liability by:

- (1) Increasing the carrying amount to reflect interest on the lease liability.
- (2) Reducing the carrying amount to reflect the lease payments made and;
- (3) Re-measuring the carrying amount to reflect any re-assessment or lease modification.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(xv) Zakat and income tax

Zakat

The Group is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat is calculated based on higher of approximate zakat base and adjusted profit and charged to profit or loss. Additional zakat, if any, is accounted for when determined to be required for payment.

Amounts accrued for zakat expense in one year may have to be adjusted in a subsequent year if the estimate of the annual charge changes.

On 22 March 2024, ZATCA announced the issuance of a new Zakat Implementing Regulation, through the Ministerial Resolution (MR) No. 1007 dated 29 February 2024, which was electronically published in the Official Gazette (Umm Al-Qura) on 21 March 2024. The new zakat regulation is replacing the current regulation issued through MR No. 2216 dated 14 March 2019.

Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred income tax is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and the credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax assets and liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

(xvi) Foreign currencies

The accounting records of the Group are maintained in Saudi Riyals. Transactions in foreign currencies are recorded in Saudi Riyals at the approximate rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate at the reporting date. All differences are taken to the statement of income.

(xvii) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

(xviii) Cash dividends to shareholders

The Group recognizes a liability for cash distributions to shareholders of the Group when the distribution is authorized and is no longer at the discretion of the Group. A distribution is authorized when it is approved by the shareholders and Insurance Authority. A corresponding amount is recognized in equity.

All ordinary shares rank equally with regard to Group's residual assets. Holders of these shares are entitled to dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Group. All rights attached to treasury shares are suspended until those shares are reissued.

(xix) Statutory reserve

The Group allocates 20% of its net income from shareholders operations each year to the statutory reserve until it has built up a reserve equal to the share capital, as mandated by relevant regulations. The reserve is not available for distribution.

4 Goodwill

On 31 December 2008, the Group entered into an agreement with Bupa Middle East Limited E.C. (the "Seller"), a related party, pursuant to which it acquired the Seller's insurance operations in the Kingdom of Saudi Arabia, effective from 1 January 2009. The acquisition transaction was approved by SAMA and resulted in goodwill of 98 million. The entire amount was paid in the previous years, to the Seller, after obtaining the required regulatory approvals.

The Group's management annually carry out impairment test in respect of the above-mentioned goodwill. Management conducted the impairment exercise for the year ended 31 December 2024. The recoverable amount of operations has been terminal based on value in use. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the Group operates. The goodwill is allocated to the Corporate CGU of the Company. The three key assumptions used in the test are the discount rate, estimated future cash flows from the business and insurance service revenue and expense growth rates as follows:

- An average discount rate of 11.7% (2023: 12%) was used to discount future cash flows.
- Insurance service revenue average growth rate of 9.8% was used for the first three years. Thereafter, a growth rate of 3% (2023: 3%) was used in the terminal value calculation.
- Insurance service expense average growth rate of 9.9% was used for the first three years. Thereafter, a growth rate of 3% (2023: 3%) was used in the terminal value calculation.

Management believes that a reasonably possible change in a key assumption on which management has based its determination of the recoverable amount of CGU would not result in the carrying amount of CGU to exceed its recoverable amount.

5 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	31 December 2024		
	Insurance operations S'000	Shareholders' operations S'000	Total S'000
Bank balances	712,328	213,066	925,394
Less: Impairment allowance	(173)	(31)	(204)
	712,155	213,035	925,190

	31 December 2023		
	Insurance operations S'000	Shareholders' operations S'000	Total S'000
Bank balances	897,625	358,651	1,256,276
Less: Impairment allowance	(300)	(80)	(380)
	897,325	358,571	1,255,896

6 Insurance and reinsurance contracts

	Note	2024 S'000	2023 S'000
Insurance contract liabilities			
Corporate	6.1 a	7,605,514	7,097,020
SMEs and others	6.1 b	1,399,299	1,170,176
		9,004,813	8,267,196
Reinsurance contract assets			
	6.2	98,178	74,090

6.1 Analysis by remaining coverage and incurred claims for insurance contracts

a. Corporate

	31 December 2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk		
Insurance contracts issued:						
Opening insurance contract liabilities	3,793,448	-	3,182,948	120,624	7,097,020	
Insurance revenue	(15,943,690)	-	-	-	(15,943,690)	
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	14,773,295	132,939	14,906,234	
Losses on onerous contracts	-	-	-	-	-	
Changes that relate to past service - adjustments to the LIC	-	-	(378,898)	(108,069)	(486,967)	
Reversal of onerous contract	-	-	-	-	-	
Insurance acquisition cash flows amortization	779,745	-	-	-	779,745	
Insurance service expenses	779,745	-	14,394,397	24,870	15,199,012	
Insurance service result	(15,163,945)	-	14,394,397	24,870	(744,678)	
Cash flows						
Premiums received	15,673,496	-	-	-	15,673,496	
Claims and other directly attributable expenses paid	-	-	(13,729,681)	-	(13,729,681)	
Insurance acquisition cash flows paid	(690,643)	-	-	-	(690,643)	
Total cash flows	14,982,853	-	(13,729,681)	-	1,253,172	
Closing insurance contract liabilities	3,612,356	-	3,847,664	145,494	7,605,514	

b. SMEs and others

	31 December 2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk		
Insurance contracts issued:						
Opening insurance contract liabilities	718,782	-	437,251	14,143	1,170,176	
Insurance revenue	(2,157,827)	-	-	-	(2,157,827)	
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	1,752,445	15,566	1,768,011	
Losses on onerous contracts	-	-	-	-	-	
Changes that relate to past service - adjustments to the LIC	-	-	(52,562)	(12,710)	(65,272)	
Reversal of onerous contract	-	-	-	-	-	
Insurance acquisition cash flows amortization	131,709	-	-	-	131,709	
Insurance service expenses	131,709	-	1,699,883	2,856	1,834,448	
Insurance service result	(2,026,118)	-	1,699,883	2,856	(323,379)	
Cash flows						
Premiums received	2,253,851	-	-	-	2,253,851	
Claims and other directly attributable expenses paid	-	-	(1,597,976)	-	(1,597,976)	
Insurance acquisition cash flows paid	(103,373)	-	-	-	(103,373)	
Total cash flows	2,150,478	-	(1,597,976)	-	552,502	
Closing insurance contract liabilities	843,142	-	539,158	16,999	1,399,299	

a. Corporate

	31 December 2023				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	Total
Insurance contracts issued:					
Opening insurance contract liabilities	3,083,652	61,561	2,486,425	97,512	5,729,150
Insurance revenue	(13,917,361)	-	-	-	(13,917,361)
Insurance service expenses					
Incurring claims and other directly attributable expenses	-	-	13,001,338	111,151	13,112,489
Losses on onerous contracts	-	-	-	-	-
Changes that relate to past service – adjustments to the LIC	-	-	(268,952)	(88,039)	(356,991)
Reversal of onerous contract	-	(61,561)	-	-	(61,561)
Insurance acquisition cash flows amortization	638,054	-	-	-	638,054
Insurance service expenses	638,054	(61,561)	12,732,386	23,112	13,331,991
Insurance service result	(13,279,307)	(61,561)	12,732,386	23,112	(585,370)
Cash flows					
Premiums received	14,710,090	-	-	-	14,710,090
Claims and other directly attributable expenses paid	-	-	(12,035,863)	-	(12,035,863)
Insurance acquisition cash flows paid	(720,987)	-	-	-	(720,987)
Total cash flows	13,989,103	-	(12,035,863)	-	1,953,240
Closing insurance contract liabilities	3,793,448	-	3,182,948	120,624	7,097,020

b. SMEs and others

	31 December 2023				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	Total
Insurance contracts issued:					
Opening insurance contract liabilities	602,662	-	354,862	12,511	970,035
Insurance revenue	(1,970,354)	-	-	-	(1,970,354)
Insurance service expenses					
Incurring claims and other directly attributable expenses	-	-	1,612,229	13,111	1,625,340
Losses on onerous contracts	-	-	-	-	-
Changes that relate to past service – adjustments to the LIC	-	-	(60,042)	(11,479)	(71,521)
Reversal of onerous contract	-	-	-	-	-
Insurance acquisition cash flows amortization	108,622	-	-	-	108,622
Insurance service expenses	108,622	-	1,552,187	1,632	1,662,441
Insurance service result	(1,861,732)	-	1,552,187	1,632	(307,913)
Cash flows					
Premiums received	2,103,653	-	-	-	2,103,653
Claims and other directly attributable expenses paid	-	-	(1,469,798)	-	(1,469,798)
Insurance acquisition cash flows paid	(125,801)	-	-	-	(125,801)
Total cash flows	1,977,852	-	(1,469,798)	-	508,054
Closing insurance contract liabilities	718,782	-	437,251	14,143	1,170,176

6.2 Analysis by remaining coverage and incurred claims for reinsurance contracts

	31 December 2024				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss component	Loss recovery component	Estimate of present value of cash flows	RA for non-financial risk	Total
Reinsurance contracts held:					
Opening reinsurance contract assets	(21,385)	-	(50,484)	(2,221)	(74,090)
Opening reinsurance contract liabilities	-	-	-	-	-
Net opening balance	(21,385)	-	(50,484)	(2,221)	(74,090)
Reinsurance expense	234,981	-	-	-	234,981
Claims recovered and other directly attributable expenses	-	-	(212,703)	(2,282)	(214,985)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	47,860	2,105	49,965
Net expense from reinsurance contracts held	234,981	-	(164,843)	(177)	69,961
Cash flows					
Premiums ceded	(254,872)	-	-	-	(254,872)
Recoveries from reinsurance	-	-	160,823	-	160,823
Total cash flows	(254,872)	-	160,823	-	(94,049)
Closing reinsurance contract assets	(41,276)	-	(54,504)	(2,398)	(98,178)
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	(41,276)	-	(54,504)	(2,398)	(98,178)

	31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss component	Loss recovery component	Estimate of present value of cash flows	RA for non-financial risk	Total
Reinsurance contracts held:					
Opening reinsurance contract assets	(2,669)	-	(24,585)	(901)	(28,155)
Opening reinsurance contract liabilities	2,605	-	-	-	2,605
Net opening balance	(64)	-	(24,585)	(901)	(25,550)
Reinsurance expense	151,740	-	-	-	151,740
Claims recovered and other directly attributable expenses	-	-	(131,077)	(1,740)	(132,817)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	8,903	420	9,323
Net expense from reinsurance contracts held	151,740	-	(122,174)	(1,320)	28,246
Cash flows					
Premiums ceded	(173,061)	-	-	-	(173,061)
Recoveries from reinsurance	-	-	96,275	-	96,275
Total cash flows	(173,061)	-	96,275	-	(76,786)
Closing reinsurance contract assets	(21,385)	-	(50,484)	(2,221)	(74,090)
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	(21,385)	-	(50,484)	(2,221)	(74,090)

7 Investments

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Financial assets at amortized cost, net	615,501	320,310	935,811	294,764	292,596	587,360
Financial assets at fair value	3,056,255	3,530,208	6,586,463	1,947,087	2,299,670	4,246,757
	3,671,756	3,850,518	7,522,274	2,241,851	2,592,266	4,834,117

Details of investments classified as financial assets at fair value are as follows:

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Investments at FVTPL	34,942	414,239	449,181	46,361	422,328	468,689
Investments at FVOCI - Debt	3,021,313	1,541,129	4,562,442	1,900,726	1,354,937	3,255,663
Investments at FVOCI - Equity	-	1,574,840	1,574,840	-	522,405	522,405
	3,056,255	3,530,208	6,586,463	1,947,087	2,299,670	4,246,757

(i) Investments measured at amortized cost - net comprise of the following:

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Sukuks	615,646	320,385	936,031	294,843	292,678	587,521
Less: Impairment allowance on investments at amortized cost	(145)	(75)	(220)	(79)	(82)	(161)
	615,501	320,310	935,811	294,764	292,596	587,360

(ii) Investments measured at FVTPL comprise of the following:

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Sukuks	-	-	-	11,014	36,044	47,058
Funds	34,942	405,011	439,953	35,347	376,298	411,645
Equity	-	9,228	9,228	-	9,986	9,986
	34,942	414,239	449,181	46,361	422,328	468,689

(iii) Investments at FVOCI - Debt comprise of the following:

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Sukuks	3,021,313	1,541,129	4,562,442	1,900,726	1,354,937	3,255,663
	3,021,313	1,541,129	4,562,442	1,900,726	1,354,937	3,255,663

(iv) Investments at FVOCI - Equity comprise of the following:

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Equity	-	59,498	59,498	-	58,774	58,774
Sukuks	-	1,402,981	1,402,981	-	410,444	410,444
Investments in discretionary portfolios	-	112,361	112,361	-	53,187	53,187
	-	1,574,840	1,574,840	-	522,405	522,405

As at 31 December 2024 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

The movements in the investments, excluding loss allowance, are as follows:

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	2,241,930	2,592,348	4,834,278	1,285,445	2,093,115	3,378,560
Purchased during the year	1,704,686	1,850,113	3,554,799	1,669,634	753,008	2,422,642
Disposed during the year	(241,665)	(548,542)	(790,207)	(765,380)	(295,242)	(1,060,622)
Unrealized gains/(losses) during the year, net	(42,802)	(45,884)	(88,686)	49,361	39,303	88,664
Accrued interest	9,752	2,558	12,310	2,870	2,164	5,034
	3,671,901	3,850,593	7,522,494	2,241,930	2,592,348	4,834,278

Movement in loss allowance for investments at amortized cost for the year is as follows:

	31 December 2024				31 December 2023			
	Stage 1 12-month ECL	Stage 2 ECL not Credit impaired	Stage 3 Lifetime ECL credit impaired	Total	Stage 1 12-month ECL	Stage 2 ECL not Credit impaired	Stage 3 Lifetime ECL credit impaired	Total
Balance at the beginning of the year	(161)	-	-	(161)	(138)	-	-	(138)
Charge during the year	(59)	-	-	(59)	(23)	-	-	(23)
	(220)	-	-	(220)	(161)	-	-	(161)

Details on investment income for the year are as follows:

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Commission and income on financial assets at fair value						
Commission income on investments at fair value	134,086	113,037	247,123	58,614	73,764	132,378
Dividend income on investments at fair value	2,068	32,680	34,748	2,473	27,216	29,689
Gains/(losses) on investments at fair value	1,579	(21,353)	(19,774)	11,542	(10,184)	1,358
	137,733	124,364	262,097	72,629	90,796	163,425
Commission and income on financial assets at amortized cost and term deposits						
Commission income on investments at amortized cost	312,478	96,773	409,251	233,985	116,423	350,408
Gains on investments at amortized cost	-	436	436	-	228	228
	312,478	97,209	409,687	233,985	116,651	350,636

8 Term deposits

The term deposits are held with reputable commercial banks and financial institutions. These deposits are predominately in Murabaha structure with a small allocation in Mudaraba structure. They are mostly denominated in Saudi Arabian Riyals and have an original maturity from more than three-month to more than one year and yield financial income at rates ranging from 2.20% to 6.40% per annum (2023: 1.55% to 6.40% per annum). The movements in term deposits during the year ended 31 December 2024 as follows:

	31 December 2024		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year before loss allowance	5,358,428	1,866,544	7,224,972
Placed during the year	2,223,220	571,628	2,794,848
Matured during the year	(3,053,521)	(1,264,030)	(4,317,551)
Commission income earned during the year	261,536	78,160	339,696
Less: loss allowance	(1,128)	(295)	(1,423)
	4,788,535	1,252,007	6,040,542

	31 December 2023		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year before loss allowance	4,753,100	1,655,389	6,408,489
Placed during the year	3,534,871	800,000	4,334,871
Matured during the year	(3,127,255)	(677,545)	(3,804,800)
Commission income earned during the year	197,712	88,700	286,412
Less: loss allowance	(1,460)	(501)	(1,961)
	5,356,968	1,866,043	7,223,011

Movement in loss allowance for term deposits for the year is as follows:

	31 December 2024		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	(1,460)	(501)	(1,961)
Provision made during the year	332	206	538
Balance at end of the year	(1,128)	(295)	(1,423)

	31 December 2023		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	(1,217)	(424)	(1,641)
Provision made during the year	(243)	(77)	(320)
Balance at end of the year	(1,460)	(501)	(1,961)

9 Fixtures, furniture and equipment & right-of-use assets

9.1 Fixtures, furniture and equipment

	31 December 2024					
	Office, furniture, and fixtures	Computer equipment	Motor vehicles	Leasehold improvements	Capital work-in-progress	Total
Cost:						
At 1 January 2024	89,055	63,992	404	60,231	3,805	217,487
Additions during the year	464	7,238	-	43	20,926	28,671
Transferred during the year	1,306	1,712	439	2,482	(5,939)	-
Disposals during the year	(11,587)	(346)	(323)	(5,858)	-	(18,114)
At 31 December 2024	79,238	72,596	520	56,898	18,792	228,044
Accumulated depreciation:						
At 1 January 2024	(77,187)	(48,790)	(404)	(21,227)	-	(147,608)
Charge for the year	(3,757)	(8,371)	(9)	(6,284)	-	(18,421)
Disposal during the year	10,334	346	323	3,368	-	14,371
At 31 December 2024	(70,610)	(56,815)	(90)	(24,143)	-	(151,658)
Net book value:						
At 31 December 2024	8,628	15,781	430	32,755	18,792	76,386

	31 December 2023					
	Office, furniture, and fixtures	Computer equipment	Motor vehicles	Leasehold improvements	Capital work-in-progress	Total
Cost:						
At 1 January 2023	87,538	69,056	404	40,900	7,021	204,919
Additions during the year	39	21	-	-	22,345	22,405
Transferred during the year	1,639	4,591	-	19,331	(25,561)	-
Disposals during the year	(161)	(9,676)	-	-	-	(9,837)
At 31 December 2023	89,055	63,992	404	60,231	3,805	217,487
Accumulated depreciation:						
At 1 January 2023	(72,924)	(52,070)	(363)	(15,919)	-	(141,276)
Charge for the year	(4,424)	(6,396)	(41)	(5,308)	-	(16,169)
Disposal during the year	161	9,676	-	-	-	9,837
At 31 December 2023	(77,187)	(48,790)	(404)	(21,227)	-	(147,608)
Net book value:						
At 31 December 2023	11,868	15,202	-	39,004	3,805	69,879

9.2 Right-of-use assets

The movement of right-of-use assets, which mainly include buildings are as follows:

	31 December 2024 # '000	31 December 2023 # '000
At 1 January	143,388	165,947
Additions during the year	32,602	-
Termination of contract	(15,339)	-
Changes due to modification	(8,078)	-
Amortization during the year	(21,045)	(22,559)
At 31 December	131,528	143,388

The Group leases various buildings for offices. There is no non-lease components in the contracts. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. For leases of office buildings, Management concluded that it was reasonably certain to extend the lease beyond one year, taking into account the leasehold improvements in the premises, historical lease durations and the costs and business disruption required to change premises.

10 Intangible assets

	31 December 2024		Total
	Software	Capital work- in- progress	
Cost:			
At 1 January 2024	189,431	18,097	207,528
Additions during the year	3,726	20,532	24,258
Transfers during the year	33,565	(33,565)	-
Disposals during the year	-	-	-
At 31 December 2024	226,722	5,064	231,786

	31 December 2024		Total
	Software	Capital work- in- progress	
Accumulated amortization:			
At 1 January 2024	(140,292)	-	(140,292)
Charge for the year	(19,369)	-	(19,369)
Disposals during the year	-	-	-
At 31 December 2024	(159,661)	-	(159,661)
Net book value:			
At 31 December 2024	67,061	5,064	72,125

	31 December 2023		Total
	Software	Capital work- in- progress	
Cost:			
At 1 January 2023	179,209	9,819	189,028
Additions during the year	2,377	16,475	18,852
Transfers during the year	8,197	(8,197)	-
Disposals during the year	(352)	-	(352)
At 31 December 2023	189,431	18,097	207,528

	31 December 2023		Total
	Software	Capital work- in- progress	
Accumulated amortization:			
At 1 January 2023	(123,615)	-	(123,615)
Charge for the year	(17,029)	-	(17,029)
Disposals during the year	352	-	352
At 31 December 2023	(140,292)	-	(140,292)
Net book value:			
At 31 December 2023	49,139	18,097	67,236

11 Prepaid expenses and other assets

Prepaid expenses and other assets comprise of the following

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
VAT receivables	232,016	420	232,436	335,302	-	335,302
Prepaid expenses	64,385	1,981	66,366	79,133	-	79,133
Fee receivable	-	41,549	41,549	-	17,548	17,548
Accrued income	33,778	31,665	65,443	18,171	15,950	34,121
Other receivables	3,755	13,395	17,150	6,777	2,594	9,371
	333,934	89,010	422,944	439,383	36,092	475,475

12 Statutory deposit

As required by the Regulations, the Group deposited an amount equivalent to 10% of its paid-up share capital, amounting to ₪ 150 million, in a bank designated by the Regulator. Accrued income on this deposit is payable to the Regulator amounting to ₪ 4.38 million (31 December 2023: ₪ 8.69 million) and this deposit cannot be withdrawn without approval from the Regulator. As requested by the Regulator, the Group has released the accrued income on statutory deposit to Regulator up to 30 June 2024 amounting to ₪ 21.84 million. The statutory deposit is shown on the Consolidated statement of financial position net of impairment allowance.

13 Fiduciary assets

During the year ended 31 December 2018, after obtaining the Regulator's approvals, the Group entered into a Third-Party Administration agreement (TPA) with a customer under which the Group facilitates healthcare services to Customer's employees with specific terms and conditions. The agreement is effective from 1 March 2018. The services are remunerated against administration fees.

In order to fulfil the commitment relating to this agreement, the Group receives funds in advance from the customer to settle anticipated claims from medical service providers. As the Group acts as an agent, the relevant bank balance and related payables at the reporting date, are excluded from the Consolidated statement of financial position. The assets and liabilities held in fiduciary capacity amounted to ₪ 224 million as of 31 December 2024 (31 December 2023: ₪ 424 million).

14 Commitments and contingencies

The Group's commitments and contingencies are as follows:

- The Group is subject to legal proceedings in the ordinary course of business. There was no material change in the status of legal proceedings as of 31 December 2024 as compared to 31 December 2023.
- As of 31 December 2024, total letters of guarantee issued by banks amounted to ₪ 261 million (31 December 2023: ₪ 161 million).
- Refer to Note 21 for zakat and income tax related matters.

15 Accrued and other liabilities and lease liability

15.1 Accrued and other liabilities comprise of the following:

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
VAT payable	176,641	-	176,641	178,784	-	178,784
VAT payable to providers	369,255	-	369,255	472,518	-	472,518
Accrued expenses	43,704	23,634	67,338	34,944	11,085	46,029
Other liabilities	38,162	-	38,162	37,528	-	37,528
	627,762	23,634	651,396	723,774	11,085	734,859

15.2 Lease liability

As of 31 December 2024, lease liability amounted ₪ 166 million (2023: ₪ 184.7 million). Below is the movement during the year:

	2024 31 December ₪ '000	2023 31 December ₪ '000
Balance at the beginning of the year	166,066	184,682
Finance cost	4,911	6,065
Additions during the year	30,405	-
Termination of contract	(25,813)	-
Changes due to modification	(8,556)	-
Lease payments (total cash outflows)	(22,196)	(24,681)
	144,817	166,066

16 Trademark fees

During 2010, the Group entered into an agreement with a related party for obtaining a license to use the trademark (the word Bupa with or without logo) of the related party. As per the terms of the agreement, the trademark fee is payable at different rates linked to the results of the Group, subject to a maximum of threshold. Accordingly, a sum of ₪44.5 million (2023: ₪39.2 million) payable to a related party has been accrued for during the year (see note 20).

17 Employees' end of service benefits

The Group operates an end of service benefits plan for its employees based on the prevailing Saudi Labor Laws. Accruals are made in accordance with the actuarial valuation under the projected unit credit method while the benefit payments obligation is discharged as and when it falls due. The amounts recognised in the Consolidated statement of financial position and movement in the obligation during the year based on its present value are as follows:

17.1 Movement of end-of-service benefits

	2024 ₪'000	2023 ₪'000
Balance at the beginning of the year	186,487	154,054
Consolidated statement of income		
Current service costs	25,968	24,552
Finance costs	8,077	7,012
Consolidated statement of comprehensive income		
Actuarial (gains)/losses	(6,125)	6,655
Benefits paid during the year	(22,531)	(5,786)
Balance at the end of the year	191,876	186,487

17.2 Principal actuarial assumptions

The following range of significant actuarial assumptions was used by the Group for the valuation of end-of-service benefits:

	2024 %	2023 %
Valuation discount rate	5.35	4.75
Expected rate of increase in salary level across different age bands	4.50	4.50
Employee turnover rate	12.35	8.95
Mortality rate	0.06	0.06

The impact of changes in sensitivities on present value of employees' end-of-service (increase)/decrease) benefits is as follows:

	2024 ₪'000	2023 ₪'000
Valuation discount rate		
- Increase by 0.5%	7,125	7,265
- Decrease by 0.5%	(7,608)	(7,774)
Expected rate of increase in salary level across different age bands		
- Increase by 1%	(15,785)	(16,048)
- Decrease by 1%	14,091	14,277
Mortality rate		
- Increase by 50%	(80)	(48)
- Decrease by 50%	81	49
Employee turnover		
- Increase by 20%	827	1,408
- Decrease by 20%	(697)	(1,320)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Consolidated statement of financial position.

The average duration of the employees' end-of-service benefits at the end of the reporting period is 8.9 years (2023: 9.2 years). The total expected payments of the liability, undiscounted, amount to ₪ 292 million (2023: ₪ 258 million) out of which ₪ 28.8 million (2023: ₪ 24.2 million) are expected to be paid within the next 12 months.

18 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous accessible market for the asset or liability.

(a) Determination of fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date.

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

(b) Carrying amounts and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value (financial assets and liabilities at amortized cost) as the carrying amount is a reasonable approximation to fair value except for certain term deposits and sukuku at amortized cost for which the difference between carrying amount and the fair value is not material to the consolidate Financial Statements, as these are either short-term in nature or carry interest rates which are based on prevalent market interest rates.

31 December 2024	Fair value				
	Level 1	Level 2	Level 3	Total	Carrying value
Financial assets measured at fair value:					
- Investment at FVTPL	12,365	372,446	64,370	449,181	449,181
- Investment at FVOCI - Debt	4,412,442	150,000	-	4,562,442	4,562,442
- Investment at FVOCI - Equity	926,822	648,018	-	1,574,840	1,574,840
	5,351,629	1,170,464	64,370	6,586,463	6,586,463

31 December 2023	Fair value				
	Level 1	Level 2	Level 3	Total	Carrying value
Financial assets measured at fair value:					
- Investment at FVTPL	17,194	392,780	58,715	468,689	468,689
- Investment at FVOCI - Debt	2,733,619	522,044	-	3,255,663	3,255,663
- Investment at FVOCI - Equity	522,405	-	-	522,405	522,405
	3,273,218	914,824	58,715	4,246,757	4,246,757

(c) Measurement of fair value

Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair value at 31 December 2024 and 31 December 2023, as well as the significant unobservable inputs used. The fair value used for valuation of Level 2 Sukuku and mutual funds are based on prices quoted on reliable and third-party sources.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual funds	Mutual funds classified as Level 3 are fair valued based on the latest available NAV communicated by the fund manager.	Fair value of underlying assets	The estimated fair value will increase/decrease directly in line with the change in fair value of underlying assets.

Movement of level 3 instruments:

	2024 S'000	2023 S'000
Opening fair value	58,715	71,132
Additions in level 3 investments	10,822	-
Fair value loss - net*	(5,167)	(12,417)
Closing fair value	64,370	58,715

* The fair value loss has been recognized within "Commission and income on financial assets at fair value" in the Consolidated statement of income.

Sensitivity analysis:

The impact of change in net assets value reported in level 3 on net income and total equity is as follows:

	2024 S'000	2023 S'000
+/- 5% change in net assets value	+/-3,219	+/-2,936

19 Operating segments

The Group only issues short-term insurance contracts for providing health care services ("medical insurance"). The Group operates as a mono-line insurer, operating in the Private Medical Insurance (PMI) business. All the insurance operations of the Group are carried out in the Kingdom of Saudi Arabia. For management reporting purposes, the operations are monitored in two groups that are Corporate and Small and Medium Enterprises and Others (SME and Others). Corporate segment/customer represents members of large corporations, and all others are considered as SME and Others. Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing the performance of operating segments in line with the strategic decisions.

Operating segments do not include shareholders' operations of the Group. Segment results do not include investment, other operating expenses, other revenues and other costs. Segment assets and liabilities only include the insurance and reinsurance contract liabilities and assets while the other accounts are not allocated. Consistent with the Group's internal reporting, operating segments have been approved by the Management in respect of the Group's activities, assets and liabilities as stated below:

	31 December 2024		
	Corporate	SME and others	Total
Operating segments			
Assets			
Asset for incurred claims	56,902	-	56,902
Asset for remaining coverage	41,276	-	41,276
Reinsurance contract assets	98,178	-	98,178
Unallocated assets			15,476,902
Total assets			15,575,080
Liabilities			
Liability for incurred claims	3,993,158	556,157	4,549,315
Liability for remaining coverage	3,612,356	843,142	4,455,498
Insurance contract liabilities	7,605,514	1,399,299	9,004,813
Unallocated liabilities			1,452,270
Total liabilities			10,457,083
	31 December 2023		
	Corporate	SME and others	Total
Operating segments			
Assets			
Asset for incurred claims	52,705	-	52,705
Asset for remaining coverage	21,385	-	21,385
Reinsurance contract assets	74,090	-	74,090
Unallocated assets			14,364,261
Total assets			14,438,351
Liabilities			
Liability for incurred claims	3,303,572	451,394	3,754,966
Liability for remaining coverage	3,793,448	718,782	4,512,230
Insurance contract liabilities	7,097,020	1,170,176	8,267,196
Unallocated liabilities			1,495,626
Total liabilities			9,762,822

As at 31 December 2024 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

	31 December 2024			31 December 2023		
	Corporate	SME and others	Total	Corporate	SME and Others	Total
Insurance revenue	15,943,690	2,157,827	18,101,517	13,917,361	1,970,354	15,887,715
Insurance service expense	(15,199,012)	(1,834,448)	(17,033,460)	(13,331,991)	(1,662,441)	(14,994,432)
Net expenses from reinsurance contracts held	(69,961)	-	(69,961)	(28,246)	-	(28,246)
Net insurance service result	674,717	323,379	998,096	557,124	307,913	865,037
Commission and income on financial assets at amortized cost			409,687			350,636
Commission and income on financial assets at fair value			262,097			163,425
Net impairment reversal/(loss) on financial assets			590			(785)
Net investment results			672,374			513,276
Net insurance and investment results			1,670,470			1,378,313
Other operating expenses			(348,648)			(316,813)
Other revenue			90,386			92,065
Other costs			(39,582)			(36,886)
Income attributed to the shareholders before zakat and income tax			1,372,626			1,116,679
Zakat charge			(77,064)			(80,237)
Income tax charge			(129,560)			(96,279)
Net income attributed to shareholders after zakat and income tax			1,166,002			940,163

The details of gross written premium are as follows:

	2024 31 December S'000	2023 31 December S'000
Corporates	13,952,465	12,452,048
Medium enterprises	3,052,320	2,946,431
Small enterprises	1,186,143	1,092,783
Micro enterprises	158,922	135,276
Individuals	44,282	42,206
	18,394,132	16,668,744

Insurance revenue of S'18.1 billion (2023: S'15.9 billion) from corporate and SME and others is calculated through adjustment of S'0.3 billion (2023: S'0.8 billion) to corporate and SME and others accounting for the remaining coverage period and the expected premium receipts which reconcile to the gross written premium of S'18.4 billion (2023: S'16.7 billion). Refer to Note 2(a) for more details.

20 Related parties transactions and balances

Related parties represent major shareholders, Board members and key management personnel of the Group, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Other related parties represent entities under common control and entities controlled by key management personnel of the Company. Contract pricing policies and terms are approved by the Group's management or where required and applicable the Group's

Board of Directors. The due from and to balances of related parties are unsecured, interest free and repayable in cash on demand. Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The following are the details of the major related party transactions during the period and their related balances:

Related party	Nature of transaction	Amount of transactions during the year ended 31 December		Receivable/(payable) balance as at 31 December	
		2024 S'000	2023 S'000	2024 S'000	2023 S'000
Balances included in insurance contract liabilities					
Shareholders and entities with common directorship*	Premium issued	426,456	505,412	806	13,882
Shareholders and entities with common directorship*	Claims incurred	(378,074)	(447,706)	(69,755)	(21,055)
Shareholder*	Medical costs charged by providers	(278,880)	(288,064)	(42,189)	(20,418)
				(111,138)	(27,591)
Balances included in reinsurance contract assets					
Shareholders	Reinsurance Premium ceded	(280,573)	(175,533)	(76,375)	(50,674)
Balances included in due (to)/from Related Parties					
Shareholders	Expenses recharged (to)/from a related party-net	(627)	(1,720)	(1,066)	(788)
Shareholders	Tax equalization - net	35,129	-	-	-
Shareholders	Board and Committee member remuneration fees	(1,365)	(920)	(1,365)	(920)
Bupa Middle East Holdings Two W.L.L. (Common directorship)*	Trademark fee	(44,513)	(39,227)	(44,513)	(39,227)
				(46,944)	(40,935)

* The transactions and balances against the entities with common directorship, common key management personnel and major shareholder have been presented in accordance with the local laws and regulations.

a. Compensation to key management personnel

	2024 S'000	2023 S'000
Short-term benefits	35,946	42,284
Long-term benefits	2,424	1,949
Share based payment transactions	28,433	14,942
	66,803	59,175

Short-term benefits include salaries, allowances, annual bonuses and incentives whilst long-term benefits include employees' end of service benefits.

b. Board of Directors' remuneration and related expenses

	2024 S'000	2023 S'000
Board of Directors' remuneration	6,013	3,800
Board attendance fees	560	457
Other Board and Subcommittees expenses	3,278	1,944
	9,851	6,201

21 Zakat and income tax

Breakup of zakat and income tax charge for the year ended 31 December 2024 and 2023 are as follows:

Notes	2024 S'000	2023 S'000
Current zakat charge	77,064	80,237
Current tax charge	124,521	94,377
Deferred tax charge	21.a	5,039
	129,560	96,279
	206,624	176,516

(a) The reconciliation of deferred tax is as follows:

	2024 S'000	2023 S'000
Opening deferred tax asset	38,609	40,511
Deferred tax (charge)/income	(5,039)	(1,902)
	33,570	38,609

The Group has recognized a deferred tax asset as it is probable that future taxable profits will be available and the credits can be utilized. The deferred tax arises mainly on provision for doubtful premium receivables and end of service benefits.

Movements in the Zakat and income tax accrued during the year ended 31 December 2024 and year ended 31 December 2023 respectively are as follows:

	Zakat payable S'000	Income tax payable S'000	Total 2024 S'000
Balance at beginning of the year	329,078	29,511	358,589
Provided during the year	82,567	124,521	207,088
Adjustment for prior years	(5,503)	-	(5,503)
Payments during the year	(49,893)	(97,422)	(147,315)
Balance at end of the year	356,249	56,610	412,859

	Zakat payable S'000	Income tax payable S'000	Total 2023 S'000
Balance at beginning of the year	264,583	61,983	326,566
Provided during the year	80,237	94,377	174,614
Payments during the year	(15,742)	(126,849)	(142,591)
Balance at end of the year	329,078	29,511	358,589

Breakup of income tax for the year ended 31 December 2024 and 2023 are as follows:

	2024 S'000	2023 S'000
Accounting profit before tax and zakat	1,546,707	1,116,679
Less: Income subject to zakat	(877,756)	(633,715)
Accounting profit for non-Saudi shareholders	668,951	482,964
Tax effects of		
- Non-tax deductible expenses/reversal	(46,346)	(10,979)
- Prior year adjustments	-	(100)
Adjusted profit/loss for tax base	622,605	471,885
Corporate tax at 20%	124,521	94,377

Status of assessments

Bupa Arabia for Cooperative Insurance Company

The Company has filed its zakat and income tax returns with the ZATCA for the financial years up to and including 2023.

The Company has finalized its zakat and income tax returns with ZATCA for the fiscal years 2008 through 2018. For the year 2017, the Company settled the assessment during the year ended 31 December 2024 resulting in a reversal of excess provision amounting to S'5.5 million.

The Company received the final assessments for the years 2019 and 2020, amounting to S'36.7 million and S'41 million, respectively. The Company has filed an appeal to the GSTC with the Appeal Committee for Tax Violations and Disputes which is currently under review. The management believes that these assessments have been appropriately provisioned.

The Company has yet to receive the final assessments for the years ended 31 December, 2021, 2022, and 2023.

Bupa Arabia for third party administration

The Company has filed its zakat and income tax returns for the financial years up to and including the year 2023 with ZATCA. The return for the years are still under ZATCA's review.

Health Horizon Medical Care Company

The Company has filed its zakat and income tax return for the financial year of 2023 with ZATCA. The return for this year is still under ZATCA's review.

22 Share capital

The authorized, issued and paid-up capital of the Group is S'1,500 million at 31 December 2024 (31 December 2023: S'1,500 million) consisting of 150 million shares (31 December 2023: 150 million shares) of S'10 each. Shareholding structure of the Group is as below:

	2024		2023	
	Holding percentage (%)	Amount S'000	Holding percentage (%)	Amount S'000
Major shareholders	48.3%	723,825	48.3%	723,825
General Public	51.7%	776,175	51.7%	776,175
	100%	1,500,000	100%	1,500,000

The major shareholders of the Group along with their holding percentages are as below:

	2024		2023	
	Holding percentage (%)	Amount S'000	Holding percentage (%)	Amount S'000
Bupa Investment Overseas Limited	43.3%	648,750	43.3%	648,750
Nazer Group Company Limited	5.0%	75,075	5.0%	75,075
	48.3%	723,825	48.3%	723,825

The total shareholders' equity as of 31 December 2024 for Saudi shareholders is S'2,964 million (31 December 2023: S'2,663 million) and foreign shareholder is S'2,188 million (31 December 2023: S'1,994 million) after incorporating their respective shareholding percentage and impact of zakat, income tax, reimbursement and other adjustments.

On 2 May 2024, the Board of Directors of the Company had recommended a dividend of S'4.0 per share for the year ended 31 December 2023 (S'3.6 per share for the year ended 31 December 2022). The dividends were approved by the shareholders in the Extraordinary General Assembly meeting held on 30 June 2024 and paid subsequently in July 2024.

23 Statutory reserve

As required by the regulations, 20% of the shareholders' income shall be set aside as a statutory reserve until this reserve amounts to 100% of the paid-up share capital. The Group carries out this transfer on an annual basis at 31 December. As at 31 December 2024, ₪ 1,500 million (31 December 2023: ₪ 1,353 million) had been set aside as a statutory reserve, equal to 100% (31 December 2023: 90.2%) of the paid-up share capital.

24 Share-based payments

The Group established a share-based compensation scheme for its key executives and senior management that entitles them to Bupa Arabia shares subject to successfully meeting certain service and performance conditions. Under the share-based compensation scheme, the Group manages various plans. Significant features of these plans are as follows:

Maturity dates	Between March 2025 and March 2029
Number of outstanding plans	4 Plans
Vesting period	3-5 years
Method of settlement	Equity
Fair value per share on grant date adjusted for bonus shares	Average price ₪ 206.3

	31 December 2024		31 December 2023	
	Average price ₪ '000	Number of shares ₪ '000	Average price ₪ '000	Number of shares ₪ '000
As at 1 January	131.5	495,070	101.6	770,162
Granted during the year	226.7	516,478	206.1	91,378
Delivered during the year	119.9	(306,280)	87.2	(366,470)
As at 31 December	206.3	705,268	131.5	495,070

These shares are granted only under a service/performance condition with no market condition associated with them. Total amount of expense recognized in Consolidated statement of income during the year ended 31 December 2024 in respect of this scheme was ₪ 36.9 million (2023: ₪ 26.1 million).

25 Other operating expenses

	2024 ₪ '000	2023 ₪ '000
Employees' costs	192,685	162,604
Marketing expenses	44,574	35,460
Legal and professional fees	35,519	32,805
Rents, IT and maintenance costs	26,281	22,137
Board expenses	9,851	6,201
Depreciation and amortization	8,191	9,904
Travelling and other expenses	6,790	6,450
Finance cost on leases	4,911	6,065
Communication expenses	1,566	1,501
Other expenses	18,280	33,686
Total	348,648	316,813

25.1 Insurance acquisition cash flows amortisation consists of policy acquisition cost amounting to ₪ 911 million (2023: ₪ 747 million). Other directly attributable expenses relate to expenses incurred in the fulfilment of the insurance contract amounting to ₪ 936 million (2023: ₪ 756 million). This consists of employees' cost of ₪ 549 million (2023: 441), income attributable to insurance operations of ₪ 138 million (2023: ₪ 97 million), trademark fees of ₪ 45 million (2023: ₪ 39 million), rent, IT and maintenance cost of ₪ 84 million (2023: ₪ 59 million), depreciation and amortization of ₪ 50 million (2023: ₪ 46 million) and other expenses of ₪ 70 million (2023: ₪ 74 million).

25.2 Other revenue earned by the subsidiary amounted to ₪ 90.39 million (2023: 92.06 million). The nature of "Other costs", as disclosed on the Consolidated statement of income primarily represents direct and indirect manpower cost, and any other expense. Other costs were incurred in the provision of claims management and handling services for a third party.

25.3 Auditors' remuneration for the statutory audit of the Group's Consolidated Financial Statements and the Financial Statements of its subsidiaries for the year ended 31 December 2024 amounts to ₪ 2.89 million (2023: ₪ 3.21 million). Auditors' remuneration for the review of the Group's Consolidated financial information during the year ended 31 December 2024 amounts to ₪ 1.23 million (2023: ₪ 0.91 million). Fee for other statutory and related services provided by the auditors to the Group amounts to ₪ 0.1 million (2023: ₪ 0.50 million).

26 Capital management

Objectives are set by the Board of Directors of the Group to maintain healthy capital ratios to support its business objectives and maximise shareholders' value.

The Group's regulatory capital is financed solely by share capital provided by shareholders amounting to ₪1,500 million.

As per guidelines laid out by SAMA in Article 66 of the Implementing Regulations of the Cooperative Insurance Companies Control Law detailing the solvency margin required to be maintained, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per SAMA Implementing Regulations:

- Minimum Capital Requirement
- Premium Solvency Margin
- Claims Solvency Margin

The Group manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and the risk characteristics of the Group's activities. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue shares. In the opinion of the Board of Directors, the Group has fully complied with the regulatory capital requirements at each reporting date presented.

27 Earnings per share

The basic earnings per share have been calculated by dividing "net income attributed to the shareholders after zakat and income tax" amounting to ₪1,166 million (2023: ₪940 million) for the year by the weighted average number of ordinary shares issued and outstanding amounting to 150 million shares (2023: 150 million shares) adjusted for treasury shares amounting to 705 thousand (2023: 495 thousand shares) at year end.

The diluted earnings per share have been calculated by dividing "net income attributed to the shareholders after zakat and income tax" amounting to ₪1,166 million (2023: ₪940 million) for the year by the weighted average number of ordinary shares issued and outstanding amounting to 150 million shares (2023: 150 million shares) adjusted for the effects of employee shares scheme.

28 Risk management

The Group has developed and implemented a risk management structure that is designed to identify, assess, control and monitor the risks associated with its business. Adhering to this structure, the Group aims to meet its obligations to policyholders and other customers and creditors, to manage its capital efficiently, and to comply with applicable laws and regulations. The Group's Risk Committee has overall responsibility for the establishment and oversight of the Group's risk management framework. The Risk Committee is responsible for defining, installing and monitoring the risk management organisation in order to ensure that its control systems are effective. The Risk Committee approves all risk management policies, as well as the quantitative and qualitative elements of the Group's risk appetite and tolerance framework. The risk faced by the Group are broadly categorised into underwriting risk (insurance risk and expense risk) and financial risk.

(a) Insurance risk

The Group provides short-term health insurance contracts in Saudi Arabia. Accordingly, the main insurance risk within the Group is that there are no sufficient reserves available to cover the liabilities associated with the insurance contracts issued. Actual claims may differ from the estimated ultimate claims. The Group seeks to manage this as follows:

Estimate of present value of cash flows and risk adjustment for non-financial risk

- Through close monitoring of the claims' trend and payments' pattern to ensure that sufficient reserves are available to cover claim liabilities. The Group also has an external actuary to perform quarterly independent reviews of the reserves adequacy. Estimate of present value of cash flows and risk adjustment for non-financial risk, which are key components of the Group's insurance contract liabilities are estimated amounts of the outstanding claims, incurred but not reported claims ("IBNR"), claims handling provisions and risk adjustment for non-financial risk. These reserves do not represent exact calculations but rather expectations based on historical claims' trend (frequency and severity), payments' pattern, medical inflation, members' behaviour, seasonality and other factors. The objective of the Company is to ensure that sufficient reserves are available to cover the liabilities associated with the insurance contracts that it issues.
- The Group has a large insurance portfolio resulting in stable claims development patterns which relatively reduces the risk of fluctuations in the estimated ultimate claims. The short-tailed nature of the business is associated with higher consistency of the reserve estimates.
- The Group continually reviews the adequacy of claims reserves by conducting back-testing analysis, assessing the sufficiency of data, monitoring claims backlogs and settlement patterns. In addition, the external actuary runs independent valuation models after due reconciliation with Consolidated Financial Statements to validate reserve adequacy.

Reinsurance

- The Group has a reinsurance arrangement to reduce its exposure through transfer of risk. During the years ended 31 December 2024 and 2023, the Group had quota share reinsurance arrangement for certain group of contracts to reduce its exposure through partial transfer of insurance risk. The reinsurance expense represents a minimal margin of the overall insurance revenue.
- The reinsurers selected met Regulator's minimum acceptable rating of BBB from a reputable credit agency.
- Reinsurance ceded business does not relieve the Group from its obligations to policyholders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

Pricing

- The pricing team follows the Group's underwriting guidelines (approved by the Board of Directors) in setting premiums taking into consideration credible claims experiences for both new business and renewals or medical declarations.

Managing the concentration of insurance risk

- The insurance risk exposure related to policyholders is mainly concentrated in Saudi Arabia. However, through its underwriting strategy, the Group ensures that the portfolio is well diversified. Its business is proportionally spread across all regions in the Saudi Arabia, and the Group targets both corporate and retail business. The insurance portfolio is not concentrated in a specific benefit level (diverse medical providers, different deductibles, annual limits and sub-limits).

Process used to decide on assumptions

- Assumptions used in determining estimate of present value of cash flows are based on the best estimate. Ultimate claims are estimated using historical claim trends adjusted for inflation, seasonality, membership growth and any other external or internal factors that may have impact on claim costs. Given the nature of the business, the Group may still be exposed to risk of insufficiency of claim reserves for which actual claim cost may turn out to be higher than the initial estimated ultimate claims.
- The estimation of present value of future cash flows related to incurred but not reported claims (IBNR) is generally subject to a greater degree of uncertainty than the estimation of the present value of future cash flows related to reported claims which are received but not yet settled with the providers. For the case of present value of future cash flows related to reported claims, the Group uses payment information of settled batches with providers to estimate the expected settlement amounts of recently submitted batches, while it uses mainly pre-authorization data to estimate present value of future cash flows related to IBNR. The Group seeks to avoid inadequate reserve levels by adopting established processes in determining claim reserve and using updated information from both claims received and pre-authorization data.

(b) Sensitivity analysis

The Group believes that the claim liabilities under insurance contracts outstanding at year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the Consolidated Financial Statements. The insurance claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process.

	2024 # '000	2023 # '000
Impact on equity, insurance contract liabilities and profit or loss due to change in claims ratio		
5% Increase	(902,014)	(792,129)
5% Decrease	902,014	792,129
Impact on equity, insurance contract liabilities and profit or loss due to change in risk adjustment for non-financial risk		
5% Increase	(56,443)	(46,812)
5% Decrease	24,945	20,689

(c) Expense risk

Expense risk is the risk of unexpected increases in the administrative costs associated with the servicing of a contract, rather than in the costs associated with insured events.

Financial risk

(d) Market risk

Market risk refers to the potential impact of various market dynamics on the fair value or the expected cash flows of financial instruments. The Group adopts asset allocation guidelines and diversification limits on asset classes, geographies, currencies and securities to ensure that market risk is contained and kept to minimal levels.

The Board of Directors sets the overall risk appetite to a prudent level that does not impact the Group's operating results. The management prepares monthly and quarterly reports, highlighting deployment activities and exposure limits to ensure that appropriate monitoring and compliance with the approved guidelines. Management performs continuous assessment of developments in relevant markets to ensure that market risk is monitored and mitigated at the asset class and securities levels.

Market risk comprises three types: interest rate risk, price risk and currency risk.

(i) Interest rate risk

Interest rate risk is the potential change in the fair value of financial instruments and expected cash flows as a result of changes in interest rates. Management constantly monitors developments in global and local interest rates and accordingly allocates the durations of its term deposits and sukuk investments. Investments in term deposits and sukuk instruments have various maturities in order to maximise investment returns while ensuring that liquidity requirements are continuously met. Details of maturities of interest-bearing securities using discounted cashflows as at 31 December are as follows:

	2024 (S'000)				Total
	Less than 3 months	3 months to 1 year	1 year to 3 years	More than 3 years	
Term deposits	319,095	1,338,194	2,767,765	1,615,488	6,040,542
Financial assets at amortized cost	-	-	-	935,811	935,811
Financial assets at fair value - Sukuks	19,774	42,262	408,460	4,091,946	4,562,442
	338,869	1,380,456	3,176,225	6,643,245	11,538,795

	2023 (S'000)				Total
	Less than 3 months	3 months to 1 year	1 year to 3 years	More than 3 years	
Term deposits	1,363,608	2,308,787	1,873,512	1,677,104	7,223,011
Financial assets at amortized cost	-	-	-	587,360	587,360
Financial assets at fair value - Sukuks	93,728	61,729	323,367	2,823,897	3,302,721
	1,457,336	2,370,516	2,196,879	5,088,361	11,113,092

(ii) Price risk

Price risk is the potential change in the fair value of financial instruments as a result of instrument-specific developments or systemic factors affecting the overall market in which the instrument is being traded.

The total size of investments which are exposed to market price risk is S2,024 million (2023: S944 million). Underlying equities are susceptible to market price risk arising from uncertainty about the future value of invested securities. The Group manages this risk conducting thorough due diligence on each instrument prior to investing as well as maintaining exposure limits guidelines to minimise the potential impact of marking to market on the overall portfolio.

This analysis was performed for reasonably possible movements in the market index with all other variables held constant. The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

The potential impact of a 10% increase or decrease in the market prices of investments carried at fair value through income statement on Group's profit would be as follows:

	Fair value change %	Effect on Group's profit S'000
2024	± 10	± 44,918
2023	± 10	± 42,163

The potential impact of a 10% increase or decrease in the market prices of investments carried at fair value through other comprehensive income on Group's total comprehensive income would be as follows:

	Fair value change %	Effect on Group's profit S'000
2024	± 10	± 157,484
2023	± 10	± 52,241

(iii) Currency risk

Currency risk is the potential fluctuation of the value of a financial instrument due to changes in foreign exchange rates. All Group's transactions are in Saudi Arabian Riyals and US Dollar. Given the peg of Saudi Arabian Riyals and US Dollars, foreign exchange risk is minimal.

(e) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group seeks to manage its credit risk with respect to customers by following the Group's credit control policy and monitoring outstanding receivables on an on-going basis in order to reduce the Group's exposure to bad debts. The management estimates specific impairment provisions on a case by case basis. In addition to specific provisions, the Group also makes an additional portfolio provision, estimated on a collective basis, based on the ageing profile of the future premiums cashflow. The Group seeks to limit its credit risk with respect to other counterparties by placing term deposits and investments with reputable financial institutions. The Group enters into reinsurance contracts with recognized, creditworthy third parties (minimum BBB). The net exposure to credit risk on reinsurance contract assets is S Nil.

The following table shows the maximum exposure to credit risk by class of financial assets and assets relating to insurance operations:

	2024 S'000	2023 S'000
Cash and cash equivalents	925,190	1,255,896
Other receivables and accrued income	356,578	396,342
Term deposits	6,040,542	7,223,011
Financial assets at amortized cost	935,811	587,360
Financial assets at fair value	4,562,442	3,302,721
Statutory deposit	149,965	149,960
Accrued income on statutory deposit	4,378	8,690
	12,974,906	12,923,980

Additionally, as at 31 December, 2024, the maximum exposure to credit risk from insurance contracts is S'2,727 million (2023: 2,199 million).

The table below provides information regarding the credit risk exposure of the Group by classifying assets according to the Group's credit rating of counterparties. Investment grade ratings refers to companies with sound credit standing of AAA to BBB- and/or Aaa to Baa3 (as per a reputable credit agency). Ratings below the mentioned threshold are considered sub-investment grade with a higher default risk.

	2024 (S'000)			
	Investment grade	Not impaired	Impaired	Total
Cash and cash equivalents	925,190	-	-	925,190
Other receivables and accrued income	-	356,578	-	356,578
Term deposits	6,040,542	-	-	6,040,542
Financial assets at amortized cost	935,811	-	-	935,811
Financial assets fair value	4,562,442	-	-	4,562,442
Statutory deposit	149,965	-	-	149,965
Accrued income on statutory deposit	4,378	-	-	4,378
	12,618,328	356,578	-	12,974,906

	2023 (S'000)			
	Investment grade	Not impaired	Impaired	Total
Cash and cash equivalents	1,255,896	-	-	1,255,896
Other receivables and accrued income	-	396,342	-	396,342
Term deposits	7,223,011	-	-	7,223,011
Financial assets at amortized cost	587,360	-	-	587,360
Financial assets at fair value	3,302,721	-	-	3,302,721
Statutory deposit	149,960	-	-	149,960
Accrued income on statutory deposit	8,690	-	-	8,690
	12,527,638	396,342	-	12,923,980

The Group does not have any financial asset classified in Stage 2 or 3 as at 31 December 2024 and 2023. The ECL on Stage 1 financial assets is not material. The group credit exposure is mainly concentrated in the sectors such as public establishment and institutions, financial institutions, oil and gas and real estate.

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its operational or financial obligations when they are due. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds through premiums received and excess cash are available to meet any commitments as they arise.

The table below summarizes the maturity profile of the financial liabilities of the Group based on remaining expected undiscounted contractual obligations:

	2024 (S'000)		
	Up to one year	More than one year	Total
Accrued and other liabilities	651,396	-	651,396
Insurance contract liabilities	9,004,813	-	9,004,813
Lease liability	29,063	137,796	166,859
Due to related parties	46,944	-	46,944
Accrued income payable to Insurance Authority	4,378	-	4,378
	9,736,594	137,796	9,874,390

	2023 (S'000)		Total
	Up to one year	More than one year	
Accrued and other liabilities	734,859	-	734,859
Insurance contract liabilities	8,267,196	-	8,267,196
Lease liability	35,810	149,907	185,717
Due to related parties	40,935	-	40,935
Accrued income payable to Insurance Authority	8,690	-	8,690
	9,087,490	149,907	9,237,397

(g) Liquidity profile

All financial assets excluding financial assets at amortized cost and financial assets at fair value amounting to S 7,411 million are expected to be recovered or settled before one year. Term deposits amounting to S 1,657 million (31 December 2023: S 3,672 million) mature within one year and the remaining balance have maturities greater than one year.

None of the liabilities on the statement of financial position are based on discounted cash flows, with exception of end-of-service benefits and lease liabilities and are all payable on a basis as set out above. There are no differences between contractual and expected maturity of the financial liabilities of the Group.

29 Insurance operations' surplus payable

	2024 S'000	2023 S'000
Balance at the beginning of the year	260,796	208,021
Income attributable to insurance operations during the year	138,022	97,004
Surplus paid to policyholders during the year	(70,984)	(44,229)
Net surplus payable to policyholders	327,834	260,796

As a result of the adoption of IFRS 17, net surplus payable to policyholders is reported as part of insurance contract liabilities. Also, income attributable to insurance operations is expensed as part of insurance service expenses.

30 Dividends

During the year ended 31 December 2024, the Group's Board of Directors proposed to pay dividends for the year ended 31 December 2023 of S 4.0 per share, totalling S 600 million (2022: S 540 million) to its shareholders. The dividends were approved by the shareholders in the Extraordinary General Assembly meeting held on 30 June 2024 and was paid during the year.

31 Insurance service results

	2024 S'000	2023 S'000
Insurance Revenue		
Contracts measured under PAA		
Insurance revenue	18,101,517	15,887,715
Insurance Service Expenses		
Incurring claims and other directly attributable expenses	(16,674,245)	(14,737,829)
Changes that relate to past service - adjustments to the LIC	552,239	428,512
Reversal of onerous contract	-	61,561
Insurance acquisition cash flows amortization	(911,454)	(746,676)
Total insurance service expenses	(17,033,460)	(14,994,432)
Insurance service result before reinsurance contracts held	1,068,057	893,283
Allocation of reinsurance premiums		
Contracts measured under PAA		
Premium ceded on reinsurance contracts held	(234,981)	(151,740)
Amounts allocated to reinsurance from contracts measured under the PAA	(234,981)	(151,740)
Amounts recoverable from reinsurers for incurred claims		
Claims recovered and other directly attributable expenses	214,985	132,817
Changes that relate to past service - adjustments to the assets for incurred claims	(49,965)	(9,323)
Total amounts recoverable from reinsurance for incurred claims	165,020	123,494
Net expense from reinsurance contracts held	(69,961)	(28,246)
Net insurance service result	998,096	865,037

32 Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims reported and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. As required by IFRS 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment.

In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The Company aims to maintain adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. Claims triangulation analysis is by accident years, spanning a number of financial years.

2024 accident year	2021 and earlier S'000	2022 S'000	2023 S'000	2024 S'000	Total S'000
Undiscounted liabilities for incurred claims, gross of reinsurance:					
At end of accident year	53,535,494	11,314,094	13,529,148	15,387,733	93,766,469
1 year later	53,115,982	10,938,600	13,100,250	-	77,154,832
2 years later	53,132,125	10,955,680	-	-	64,087,805
3 years later	53,137,964	-	-	-	53,137,964
Current estimate of ultimate claims					
Ultimate payments to date	53,086,814	10,907,094	12,871,712	12,057,226	88,922,846
Liability recognized in the Consolidated statement of financial position	51,150	48,586	228,538	3,330,507	3,658,781
Other related reserves					216,737
Balance at 31 December					3,875,518

2023 accident year	2020 and earlier S'000	2021 S'000	2022 S'000	2023 S'000	Total S'000
Undiscounted liabilities for incurred claims, gross of reinsurance:					
At end of accident year	46,940,903	9,775,177	11,314,093	13,529,148	81,559,321
1 year later	46,247,258	9,355,664	10,938,600	-	66,541,522
2 years later	46,291,114	9,371,807	-	-	55,662,921
3 years later	46,308,390	-	-	-	46,308,390
Current estimate of ultimate claims					
Ultimate payments to date	46,279,621	9,324,463	10,801,211	10,702,450	77,107,745
Liability recognized in the Consolidated statement of financial position	28,769	47,344	137,389	2,826,698	3,040,200
Other related reserves					174,026
Balance at 31 December					3,214,226

The claim development table reconciles to the liability for incurred claims as disclosed in Note 6 to the Consolidated Financial Statements when adjusted for reserves in respect of directly attributable expenses amounting to S'674 million (2023: S'545 million).

2024 accident year	2021 and earlier S'000	2022 S'000	2023 S'000	2024 S'000	Total S'000
Undiscounted liabilities for incurred claims, net of reinsurance					
At end of accident year	53,468,735	11,253,658	13,405,271	15,192,070	93,319,734
1 year later	53,055,483	10,878,036	12,986,837	-	76,920,356
2 years later	53,070,016	10,902,916	-	-	63,972,932
3 years later	53,077,325	-	-	-	53,077,325
Current estimate of ultimate claims					
Ultimate payments to date	53,026,221	10,854,723	12,760,486	11,913,446	88,554,876
Liability recognized in the Consolidated statement of financial position	51,104	48,193	226,351	3,278,624	3,604,272
Other related reserves					214,345
Balance at 31 December					3,818,617

2023 accident year	2020 and earlier S'000	2021 S'000	2022 S'000	2023 S'000	Total S'000
Undiscounted liabilities for incurred claims, net of reinsurance					
At end of accident year	46,892,338	9,708,417	11,253,658	13,405,271	81,259,684
1 year later	46,196,203	9,295,165	10,878,036	-	66,369,404
2 years later	46,244,431	9,309,698	-	-	55,554,129
3 years later	46,261,579	-	-	-	46,261,579
Current estimate of ultimate claims	46,261,579	9,309,698	10,878,036	13,405,271	79,854,584
Ultimate payments to date	46,232,842	9,263,916	10,749,970	10,618,143	76,864,871
Liability recognized in the Consolidated statement of financial position	28,737	45,782	128,066	2,787,128	2,989,713
Other related reserves					171,810
Balance at 31 December					3,161,523

33 Change in the Order of Liquidity of the Statement of Financial Position

In the current year, the Management reassessed the order of liquidity in terms of IAS 1 – Financial Statement Presentation and noted that the certain items needed to be reconsidered in terms of the order of liquidity. In particular deferred tax asset is considered more liquid and should be presented above fixtures, furniture and fittings. Due to related parties is payable before lease liabilities and should be presented above lease liabilities.

As such, the order of presentation of the Financial Statement line items deferred tax assets and due to related parties on the Consolidated statement of financial position was changed to more appropriately reflect the presentation in terms of order of liquidity. The change in the order of presentation has no impact on the total assets, total liabilities, net income and retained earnings. The prior year statement of financial position as at 31 December 2023 was changed in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Further, management has assessed that the impact of this change was not material to the statement of financial position as at 1 January 2023 and hence, this was not presented.

34 Approval of Consolidated Financial Statements

The Consolidated Financial Statements have been approved by the Board of Directors, on 28 January 2025.

35 Supplementary information

Consolidated statement of financial position

	2024			2023		
	Insurance operations S'000	Shareholders' operations S'000	Total S'000	Insurance operations S'000	Shareholders' operations S'000	Total S'000
Total assets	9,604,558	5,970,522	15,575,080	9,009,617	5,428,734	14,438,351
Total liabilities	9,637,941	819,142	10,457,083	8,990,970	771,852	9,762,822
Total equity	(33,383)	5,151,380	5,117,997	18,647	4,656,882	4,675,529

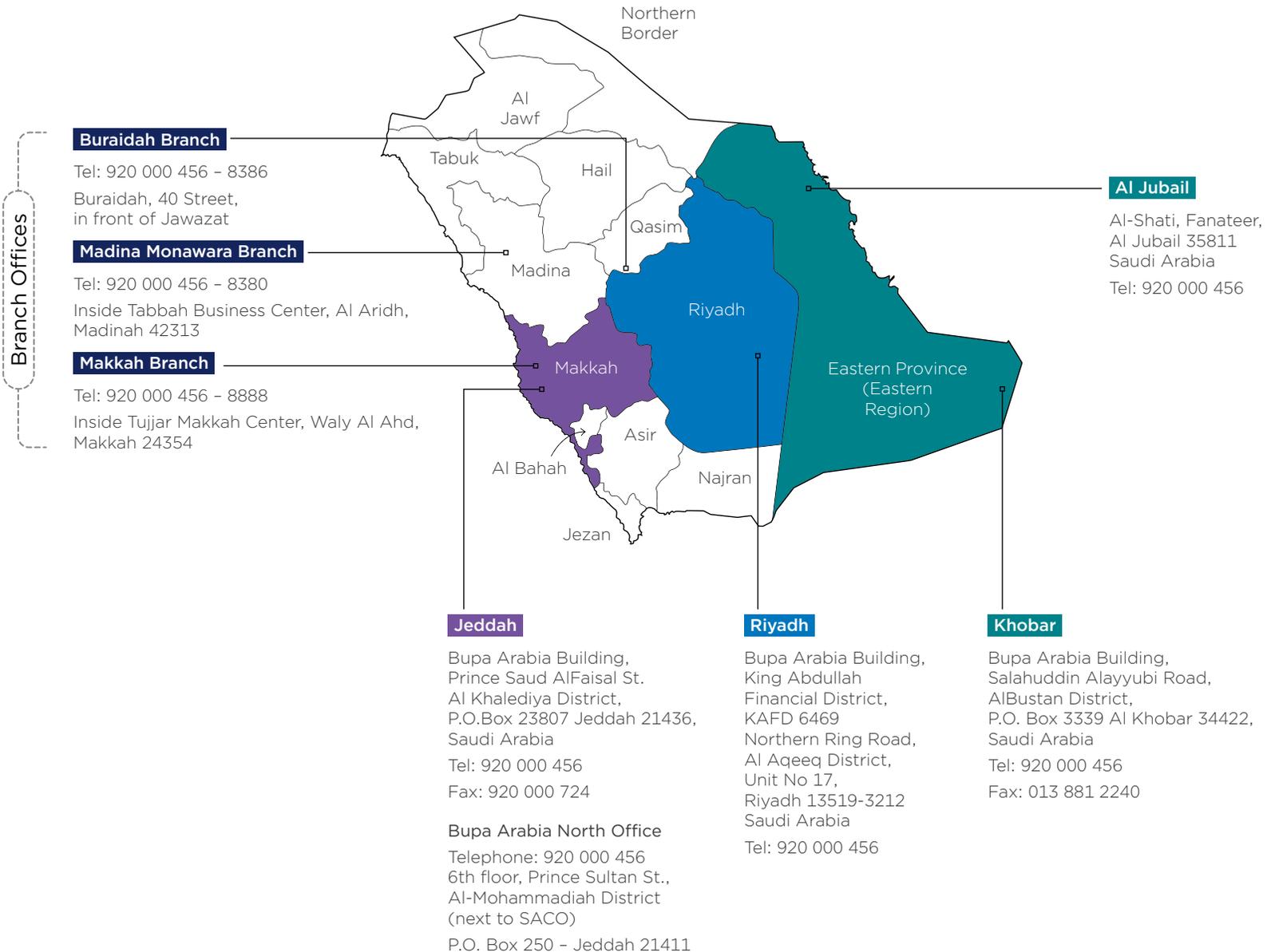
Consolidated statement of income

	2024			2023		
	Insurance operations S'000	Shareholders' operations S'000	Total S'000	Insurance operations S'000	Shareholders' operations S'000	Total S'000
Insurance revenue	18,101,517	-	18,101,517	15,887,715	-	15,887,715
Insurance service expense	(16,916,920)	(116,540)	(17,033,460)	(14,994,432)	-	(14,994,432)
Net expenses from reinsurance contracts held	(69,961)	-	(69,961)	(28,246)	-	(28,246)
Net insurance service result	1,114,636	(116,540)	998,096	865,037	-	865,037
Commission and income on financial assets at amortized cost	312,478	97,209	409,687	233,984	116,652	350,636
Commission and income on financial assets at fair value	137,733	124,364	262,097	72,629	90,796	163,425
Net impairment loss on financial assets	155	435	590	(656)	(129)	(785)
Net investment results	450,366	222,008	672,374	305,957	207,319	513,276
Net insurance and investment results	1,565,002	105,468	1,670,470	1,170,994	207,319	1,378,313
Other operating expenses	(322,800)	(25,848)	(348,648)	(297,956)	(18,857)	(316,813)
Other revenue	-	90,386	90,386	-	92,065	92,065
Other cost	-	(39,582)	(39,582)	-	(36,886)	(36,886)
Income attributed to the shareholders before, zakat and income tax	1,242,202	130,424	1,372,626	873,038	243,641	1,116,679
Transfer of surplus to shareholders (after deducting 10% policyholder surplus)	(1,104,180)	1,104,180	-	(776,034)	776,034	-
Income attributed to the shareholders before zakat and income tax	138,022	1,234,604	1,372,626	97,004	1,019,675	1,116,679
Zakat charge	-	(77,064)	(77,064)	-	(80,237)	(80,237)
Income tax charge	-	(129,560)	(129,560)	-	(96,279)	(96,279)
Net income attributed to the shareholders after zakat and income tax	138,022	1,027,980	1,166,002	97,004	843,159	940,163
Total other comprehensive (loss)/income	(52,030)	(26,429)	(78,459)	39,707	27,441	67,148
Total comprehensive income for the year	85,992	1,001,551	1,087,543	136,711	870,600	1,007,311

Consolidated statement of cash flows

	2024			2023		
	Insurance operations S'000	Shareholders' operations S'000	Total S'000	Insurance operations S'000	Shareholders' operations S'000	Total S'000
Net income attributed to shareholders before zakat and income tax	138,022	1,234,604	1,372,626	-	1,116,679	1,116,679
Net cash generated from operating activities	436,347	937,808	1,374,155	1,463,993	813,281	2,277,274
Net cash used in investing activities	(463,265)	(502,313)	(965,578)	(1,215,765)	(510,058)	(1,725,823)
Net cash used in financing activities	(158,252)	(581,031)	(739,283)	-	(583,516)	(583,516)
Net change in cash and cash equivalents	(185,170)	(145,536)	(330,706)	248,228	(280,293)	(32,065)
Cash and cash equivalents at beginning of the year	897,325	358,571	1,255,896	649,097	638,864	1,287,961
Cash and cash equivalents at end of the year	712,155	213,035	925,190	897,325	358,571	1,255,896

Regional Offices



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