

## **Mergers and Acquisitions ( M&A)**

This refers to the service of providing the financial consultations related to the process of acquisition of one company by another company, or its merger with another company.

### - **Summary of M&A**

**Acquisition:** means the purchasing of an entire company, or a stake in that company.

**Merger:** means the process where one company joins with another company, or the combination of two companies to form a new company.

### • **The financial Advisories :**

Al Rajhi Capital, in conducting the mergers and acquisitions ,undertakes the laying of the necessary work plans for reviewing the activities of the company targeted for acquisition or merge. its financial position, its valuation, and negotiating with its owners or its advisor, on behalf of the customer, regarding the value and time of the process, and issue the reasonable recommendations thereof.

The financial advisor may also issue a recommendation regarding the financing options, the arrangements necessary thereof as well as obtaining the regulatory approvals.

### • **The Sharia rules:**

1. Dealing shall be with companies, who are involved in the activities and transactions of which are permissible according to sharia principles.
2. Recommendations and consultations of the company should not contradict with the provisions of Islamic Sharia such as recommending financing instruments that are not compatible with the Sharia provisions.