

WATANIYA INSURANCE COMPANY

BOARD OF DIRECTORS' REPORT – 2020

Chairman's Statement

It is my privilege to present, on behalf of the Board of Directors, the 10th Annual Report and Financial Statements of Wataniya Insurance Co. pertaining to the year ended 31 December 2020.

As mentioned in the 2011 Board of Directors' Report, the Company obtained the The Saudi Central Bank authorization to conduct business on 26 June 2010 and commenced operations on 1st July 2010 operating exclusively in the Kingdom of Saudi Arabia. It writes most lines of commercial business, except medical.

Further, as explained in the 2011 report, the company was listed on the Tadawul stock exchange in April 2010, with total share capital of SAR 100 million. The Company held an Extraordinary General Assembly of its shareholders on 31 July 2016 to approve the increase in the share capital through rights issue. Based on the approval received from shareholders at the extraordinary general assembly, the company proceeded successfully in September 2016 to raise SAR 100 million through a right issue. Under the terms of the right issue, the company offered 10 million ordinary new shares by way of rights to qualifying shareholders at an offer price of SAR 10 per share at close of trading on 31 July 2016 (The "Eligibility Date"). The rights were made on the ratio of one right for every one share held by shareholders as of the Eligibility Date. 62.5% of the shareholding continues to be held by a core shareholder group comprising SNIC Insurance company (27.5%); SABB Bank (formerly Alawwal Bank) (20%); New Reinsurance Co. (New Re) of Switzerland (10.0%); E.A. Juffali & Brothers Co. (EAJB) (5%).

After less than 11 years of full operational activity, Wataniya has succeeded in establishing a good competitive position among top tier size insurers in the overall KSA insurance sector of 30 companies. This rapid progression has been built on access to the renewal rights on the discontinued book of KSA business of a core shareholder, SNIC Insurance which ceased all primary underwriting in the Kingdom of Saudi Arabia in February 2010. Additionally, Wataniya has also benefited from preferred access to the substantial insurance requirements of another core shareholder group, the Jeddah-based Juffali families' commercial and industrial operations throughout the Kingdom.

Despite an extremely competitive environment, slowdown in the economy and the Corona pandemic, the company was able to improve its top line in 2020. Wataniya's 2020 gross premium income was SAR 785 million, making it a mid-size Saudi Arabia-based entity. This was a 7% increase over the previous year and comprised 54% motor and 16% property, with the rest evenly sourced from other types of commercial insurance. Wataniya's business mix does not include medical insurance because the company does not have a license to write it, although this segment makes up about half of the premiums in Saudi Arabia. Wataniya's operating results however dropped from SR 17.511 million net comprehensive income in 2019 to SR 7.600 million net comprehensive income in 2020 (drop of 57%) mainly attributable to decrease in the investment and other income by SR 16.6 million.

The company started the year 2020 on a very promising note and with full planning to implement the Bain Strategy plan approved by the Board of Directors in December 2019. Achievements in 2020 included the company's participation on the Tameeni platform, introduction of the online sales, and participation in the auto lease scheme introduced on 1 November 2020. However, the COVID 19 pandemic and the resultant lock down forced the company to curtail its other strategic plans and divert its resources to handling the pandemic situation and the VAT increase. The company plans to continue its strategy implementation in 2021 with additional one-off expenses for upgrading its IT platforms and other strategic upgrades, mainly in Human Capital.

One of the most important factors in the company's success is a knowledgeable, dedicated and trained team of 245 employees. Despite the pandemic, several training initiatives were held by internal and external trainers to develop sales, technical and managerial skills of employees. Our vigorous and consistent approach in recruiting and developing Saudi nationals has ensured our Saudization percentage at 75% for the past several years.

Wataniya has a stable and experienced management team, which has a good understanding of the local insurance market. Furthermore, Wataniya, in collaboration with an external consulting firm, continues to further develop and implement its ERM framework, in compliance with regulatory requirements.

I would also like to express my deepest gratitude to King Salman Bin Abdulaziz, and his Crown Prince Mohammed Bin Salman for their continuous support to the Insurance industry. I would also like to thank the Central Bank, the Capital Market Authority and the Ministry of Commerce & Industry, as well as the Board of Directors, the Management and the staff for their support and dedication.



Hussein Said Akeil
Chairman

12 March 2021

WATANIYA INSURANCE CO. BOARD OF DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of Wataniya Insurance Company have great pleasure in presenting to the Shareholders the tenth Annual Report accompanied by the audited financial statements along with the notes thereto, for the financial year ended 31 December 2020.

Wataniya Insurance Company is a Saudi Joint Stock company incorporated in the Kingdom of Saudi Arabia as per Ministry of Commerce and Industry's Resolution number 158K dated Jumad-ul-Awal 12, 1431H (corresponding to April 26, 2010). The Registered Office address of the Company is Juffali Building, Madina Road, Jeddah, Saudi Arabia and branches in Riyadh and Al Khobar.

The Company is licensed to conduct insurance business in Saudi Arabia under Cooperative Insurance principles in accordance with Royal Decree No. M/53 dated Shawwal 21, 1430H (corresponding to October 5, 2009). The Company has been listed on the Saudi Arabian stock market (Tadawul) since June 6, 2010 and on 01.07.1431H corresponding 26 June 2010 was granted the license to practice insurance as per the Saudi Cooperative Insurance Companies Control Law and its Implementing Regulations in the classes of General Insurance and Protection and Saving Insurance by the Saudi Central Bank. The license was initially for a period of three years and was renewed during 2013 for another three years up to June 2016, the second renewal was obtained in 2016 up to 02/07/1440 H Corresponding to 09/03/2019 and the third renewal was obtained in 2018 up to 3/7/1443 corresponding to 5 February 2022. The first Constituent General Meeting Assembly meeting was held on 14 April 2010, the second General Meeting Assembly was held on 12 May 2012, the third General Meeting Assembly was held on 25 March 2013, the fourth General Meeting Assembly was held on 26 June 2014, the fifth General Meeting was held on 16 June 2015, the sixth General Meeting was held on 26 April 2016, the seventh EGM Constituent General Meeting was held on 23 May 2017, eighth General Meeting was held on 10 May 2018, ninth General Meeting Assembly was held on 25th April 2019. The tenth General Meeting Assembly was held on 20th February 2020. The eleventh General Assembly was held on 21st April 2020 using Virtual technology.

The Company held an Extraordinary General Assembly of its shareholders on 31 July 2016 to approve the increase in the share capital through rights issue. Based on the approval received from shareholders at the extraordinary general assembly, the company proceeded successfully in September 2016 to raise SAR 100 million through a right issue. Under the terms of the right issue, the company offered 10 million ordinary new shares by way of rights to qualifying shareholders at an offer price of SAR 10 per share at close of trading on 31 July 2016 (The "Eligibility Date"). The rights were made on the ratio of one right for everyone share held by shareholders as of the Eligibility Date.

The principal shareholders of the company and their respective shareholding are as follows: -

No.	Name	Shareholding	Legal Status
1.	SNIC Insurance Company	27.5 %	Company
2.	SABB Bank	20 %	Company
3.	NeueRuckversicherungs-Gesellschaft	10 %	Company
4.	E A Juffali& Bros. ⁽¹⁾	5 %	Company
5.	Public	37.5%	Public
	Total	100 %	

- 1) E.A. Juffali& Bros. holds a 72.5% stake in SNIC Insurance Co. and therefore has a total interest of 24.9375% in the Company.

1. Business Performance and Plans for the Future

1.1 Principal Activities

The Company has received the license from SAMA to transact general and life insurance business in the Kingdom of Saudi Arabia. As of 31 December 2020, 42 products have been approved by SAMA.

The following is a list of the 42 products: -

- | | |
|--|--|
| 1. All Risks | 22. Deterioration of Stock |
| 2. Fire Insurance | 23. Fidelity Guarantee |
| 3. Property All Risks | 24. Burglary |
| 4. Business Interruption | 25. Plate Glass |
| 5. Householder's Comprehensive | 26. Money |
| 6. Terrorism & Sabotage | 27. Personal Accident (Individuals) |
| 7. Motor Private Comprehensive Policy | 28. Personal Accident (Group) |
| 8. Motor Third Party Liability Policy | 29. Travel Accident |
| 9. Motor Commercial Comprehensive Policy | 30. Public Liability |
| 10. Motor Traders Policy External Risks | 31. Workmen's Compensation |
| 11. Marine Cargo (Single Voyage) | 32. Professional Indemnity – Architects |
| 12. Marine Cargo (Open Cover) | 33. Professional Indemnity – Medical Malpractice |
| 13. Inland Transit (All Risks) | 34. Banker's Blanket Bond (BBB) |
| 14. Inland Transit (Road Risks) | 35. Extended Warranty (Platinum New Car Policy) |
| 15. Marine Hull (Pleasure Boats) | 36. Extended Warranty (Gold New Car Policy) |
| 16. Contractors All Risks (CAR) | 37. Extended Warranty (Gold Used Car Policy) |
| 17. Erection All Risks (EAR) | 38. Extended Warranty (Silver Used Car Policy) |
| 18. Machinery Breakdown | 39. Extended Warranty (Bronze Used Car Policy) |
| 19. Machinery Loss of Profits | 40. Individual Term Life Insurance |
| 20. Contractor's Plant & Equipment | 41. Group Life Insurance |
| 21. Electronic Equipment | 42. Aviation Liability Insurance |

1.2 Strategic Plans

- | | | | |
|-------|--|--------|---|
| 1.2.1 | Retain, recruit, and train Saudi professionals in all key disciplines | 1.2.6 | Maintain a 90% renewal rate by providing quality service. |
| 1.2.2 | Maintain a balanced portfolio of risks | 1.2.7 | Maintain a profitable portfolio by continually reviewing the loss ratios on all clients and making adjustments. |
| 1.2.3 | Provide excellent after sales Customer Services in terms of Claims Management. | 1.2.8 | Comply with all local regulations and requirements. |
| 1.2.4 | Develop an in-house sales team. | 1.2.9 | Optimize Digitalization and provide a state of art digital solutions. |
| 1.2.5 | Follow the Social distance regulation and maintain safe work environment for all stakeholders. | 1.2.10 | Expand on the retail insurance and online sales |

1.3. Statement of Business Results, Assets and Liabilities and explanation of Material Variations

1.3.1 Summarized Income Statement

Summarized income statement for the year ended 31 December 2020 is set out below:

1.3.2 Gross Written Premiums

	Year Ended 31 Dec 2020 SR'000	Year Ended 31 Dec 2019 SR'000	Year Ended 31 Dec 2018 SR'000	Year Ended 31 Dec 2017 SR'000	Year Ended 31 Dec 2016 SR'000
Revenues					
Gross Written Premiums	785,881	735,044	712,324	578,701	507,708
Net premium written	462,980	415,706	420,669	301,324	253,622
Net premium earned	417,662	410,078	373,063	294,244	255,067
Commission earned	55,516	76,039	72,924	77,409	76,064
Other income	190	319	406	364	258
Total revenues	473,368	486,436	446,393	372,017	331,389
Cost and Expenses					
Net claims incurred	263,985	316,100	247,566	190,558	158,872
Policy acquisition costs	60,576	65,015	65,318	69,288	68,056
Technical reserves	1,565	(10,855)	23,516	-	-
Other underwriting expenses	10,978	2,735	-	-	-
General and administrative expenses, net	111,580	88,319	86,460	61,626	59,914
Total costs and expenses	448,684	461,314	422,860	321,472	286,842
Surplus from insurance operations	24,684	25,122	23,533	50,545	44,547
Share of policyholders	(2,468)	(2,512)	(2,353)	(5,055)	(4,454)
Zakat and Income Tax	(7,386)	(5,345)	(6,873)	(6,914)	(2,363)
Shareholders income/ (expenses), (net)	(6,992)	1,173	(747)	(782)	(1,348)
Net income for the year	7,838	18,438	13,560	37,794	36,382
Actuarial losses	(238)	(927)	(1,364)	-	-
Total comprehensive income for the year	7,600	17,511	12,196	37,794	36,382

The Gross Written Premiums of the company for the year was SR 785.881 million (2019: SR 735.044 million) representing an increase of 7%. Increase was primarily due to increase in Motor, Property, Engineering, Liability, and Personal Accident premiums by SR 75.396 million against a decrease in Life, Cargo, and Marine Hull premiums by SR 25.549 million.

1.3.3 Net Premiums Earned

The Net Premiums earned after deducting the premiums ceded to reinsurers and the reserves for unearned premiums amounted to SR 417.662 million for the year ended 31 December 2020 against SR 410.078 million for the year ended 31 December 2019. Net premiums earned increased by 2% mainly due to increase in Life Net Premiums earned by SR 8 million.

1.3.4 Net Commissions Earned

	2020 SR'000	2019 SR'000	2018 SR'000	2017 SR'000	2016 SR'000
Commission Earned	55,516	76,039	72,924	77,409	76,064
Policy acquisition costs	(60,576)	(65,015)	(65,318)	(69,288)	68,056
	(5,060)	11,024	7,606	8,121	8,008

The net commission earned decreased by 146% over last year due to a decrease in Life, Motor, Marine, and Extended Warranty commission earned by SR 23.302 million against an increase in Property, Accident & liability and Engineering commission earned by SR 2.779 million.

1.3.5 Net Incurred Claims

The net incurred claims during the year after deducting the reinsurance shares and reserves amounted to SR 263.985 million against SR 316.100 million for 2019. Net incurred claims have decreased by 17% over the prior period mainly due to decrease in the net incurred claims of Motor class by SR 53.301. This was mainly attributable to the lockdown arising from the pandemic of COVID-19.

1.3.6 Technical Reserves

This mainly represents reserves established as determined by the appointed actuary.

1.3.7 General and Administrative Expenses (Policyholders), net

General and Administration Expenses, net, policyholders

This is analyzed as follows:

	2020 SR'000	2019 SR'000	% Change
Provision for doubtful debts	10,398	7,473	39%
General and admin expenses	110,626	101,909	9%
Other income	(9,444)	(21,063)	-55%
	111,580	88,319	26%

- a) The increase in the provision for doubtful debts was due to the increase in gross receivables by SR 47.662 million.

- b) The general and admin expenses have increased by SR 8.717 million mainly due to increase in salaries and benefits by SR 3.454 million, and an increase in IT expenses by SR 2.739 million.
- c) Other income includes share of surplus from Al-Manafeth of SR 1.2 million (2019: SR 2.2 million), and profit commission of SR 3.7 million (2019: SR 6 million) and bank commission income of SR 2.3 million (2019: SR 5.9 million), and Hajj and Umra share of SR 2.2 million (2019: NIL). Miscellaneous income decreased by SR 6.8 million.

1.3.8 Surplus from Insurance Operations

The technical result for the year is showing a surplus of SR 24.684 million as compared to a surplus of SR 25.122 million in 2019. The decrease was due to the increase in general and admin expenses see note 1.3.7 B.

1.3.9 Total Comprehensive income for the year

The results for 2020 is a comprehensive income after Zakat and income tax of SR 7.600 million (2019: SR 17.511 million) representing a decrease of 57%.

"The Company did not make any expectations with regards of its operation for the period of 1st January 2020 to 31 December 20, hence no explanations is made for any deviation".

Summary of assets and liabilities

	Balance as of Dec 31, 2020	Balance as of Dec 31, 2019	Balance as of Dec 31, 2018	Balance as of Dec 31, 2017	Balance as of Dec 31, 2016
	SR'000	SR'000	SR'000	SR'000	SR'000
<u>Assets</u>					
Cash and cash equivalents	66,930	292,354	259,233	225,907	144,120
Term Deposits	242,250	-	-	-	-
Premiums receivables-net	194,538	153,813	192,465	112,518	95,841
Reinsurers' share of unearned premiums	129,371	104,944	104,039	109,585	112,442
Reinsurers' share of outstanding claims	612,700	588,692	238,328	121,006	103,658
Deferred policy acquisition costs	32,299	23,771	24,279	28,047	35,468
Due from reinsurers	44,039	139,910	13,240	2,892	15,026
Prepaid expenses and other assets	19,522	16,689	16,054	9,689	8,232
Total insurance operations' assets	1,341,649	1,320,173	847,638	609,644	514,787
Shareholders' assets	253,079	245,518	228,364	188,589	194,617
Total assets	1,594,728	1,565,691	1,076,002	798,233	709,404
<u>Liabilities</u>					
Unearned premiums	329,632	259,887	253,354	211,294	207,071
Outstanding claims	743,439	712,602	358,276	209,193	180,712
Unearned reinsurance commission	30,386	25,328	29,443	31,204	38,544
Technical reserves	17,823	16,258	27,114	3,597	3,597
Amounts due to Reinsurers, agents and brokers and Third Party Administrator	105,695	76,899	68,418	45,377	31,380
Due to policyholders	22,681	153,385	29,938	12,910	18,830
Accrued expenses and other liabilities	70,230	55,760	61,193	50,579	38,335
Total insurance operations liabilities	1,319,886	1,300,119	827,736	564,154	518,469
Shareholders' Liabilities and Equity	274,842	265,572	248,266	234,079	190,935
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,594,728	1,565,691	1,076,002	798,233	709,404

1.3.10 Insurance Operations Assets

The total insurance operations assets increased from SR 1.320 billion at 31 December 2019 to SR 1.342 billion at 31 December 2020, i.e. by 2% due to increase in reinsurers' share of unearned premium by SR 24 million or 23% over last year and an increase in reinsurers' share of outstanding claims by SR 24 million or 4% over last year. Premium receivables net have increased by SR 40.725 million or 26% over last year. In addition, there was a decrease in amount due from reinsurers by SR 95.871 million or 69% over last year.

1.3.11 Insurance Operations Liabilities

The total insurance operations liabilities have increased from SR 1.300 billion at 31 December 2019 to SR 1.320 billion at 31 December 2020 i.e. by 2% mainly due to increase in unearned premiums by SR 69 million and an increase in outstanding claims by SR 32 million. In addition, amounts due to policyholders have decreased by SR 130.704 million or 85% over last year.

1.3.12 Shareholder Assets and Liabilities

The shareholder assets increased from SR 245 million at 31 December 2019 to SR 253 million at 31 December 2020 i.e. by 3% mainly due to net increase in cash and cash equivalent and investments by SR 5.834 million.

Shareholder liabilities and equity have increased by SR 9.270 million over last year or 3% mainly due to net comprehensive income of the year of SR 7.600 million.

1.4 Geographical Analysis

The Company's geographical presence in the Kingdom of Saudi Arabia is shown below:

	Address	Telephone	Fax/Email
Head Office-Jeddah	Juffali Building, Madina Road, PO Box 5832, Jeddah 21432, KSA	012 660 6200	012 667 4530/
Jeddah Branch	Juffali Building, Madina Road, PO Box 5832, Jeddah 21432, KSA	012 660 6200	012 667 4530
Riyadh Branch	Al-Ummam Commercial Centre, Floor No. 3-Suite No. 303, PO Box 86, Riyadh 11411, KSA	011 477 8035/ 011 477 8613	011 477 2290
Al Khobar Branch	Khobar Business Gate 9 th Floor (Building No. 1) King Faisal Bin Abdulaziz Road PO Box 1933, Al Khobar 31952 Saudi Arabia	013 882 5357	013 882 6992

The Company's production for the year ended 31 December 2020 by class and location is as follows.

COMPARATIVE GROSS PREMIUM STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020												
SR'000												
Class of Business	JEDDAH			RIYADH			ALKHOBAR			TOTAL		
	Last Year To-date	This Year To-date	% +/-	Last Year To-date	This Year To-date	% +/-	Last Year To-date	This Year To-date	% +/-	Last Year To-date	This Year To-date	% +/-
Cargo	33,791	34,013	1	4,565	4,704	3	4,240	2,760	(35)	42,596	41,476	(3)
Marine	13,814	832	(94)		914	-				13,814	1,746	(87)
Property	80,123	91,619	14	16,737	24,307	45	10,009	7,356	(27)	106,868	123,283	15
Motor	273,121	303,660	11	73,710	67,715	(8)	43,375	56,450	30	390,207	427,826	10
Engineering	40,154	34,044	(15)	9,772	19,010	95	4,407	5,956	35	54,334	59,011	9
Liability	22,327	36,864	65	4,496	6,849	52	2,662	2,427	(9)	29,485	46,140	56
Life	44,118	27,566	(38)	18,945	23,490	24	9,789	9,434	(4)	72,851	60,490	(17)
PA	2,590	2,615	1	0		-	46	52	14	2,636	2,667	1
Warranty	22,253	23,243	4							22,253	23,243	4
TOTAL	532,292	554,458	4	128,225	146,989	15	74,527	84,435	13	735,044	785,881	7

The Company has no subsidiaries operating either inside or outside of the Kingdom of Saudi Arabia. All of the Company's revenues is generated from Kingdom of Saudi Arabia.

1.5 Basis of Preparation of the financial statements

The audited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) that are endorsed in the Kingdom of Saudi Arabia (KSA), and other standards and pronouncements that are endorsed by Saudi organization for Certified Public Accountants ('SOCPA') (referred to as "IFRS as endorsed in KSA").

The basis of presentation of the financial statements and the significant accounting policies are explained in greater detail under Note 2 and 3 of the Notes to the Financial Statements.

1.6 Dividend Policy

The Company does not expect to pay dividends to its Shareholders and makes no assurance that any dividend will actually be paid, nor does it make any assurance as to the amount which will be paid in any given year.

In accordance with Article 43 of the By-Laws of the Company, 10% of the net surplus from Policyholders' operations shall be distributed to the Policyholders, either directly or by way of reduction in their premiums for the following year, and the balance of 90% shall be carried forward to the Shareholders' Income Statements.

From time to time, dividends will be paid to the Shareholders from the net profits subject to the following limitations contained in Article 44 of the By-Laws and Article 70 of the SAMA Implementing Regulation for the Law on Supervision of Cooperative Insurance Companies:

1. The required Zakat and Income tax shall be set aside;
2. 20% per cent of the net profits shall be allocated to form the statutory reserve. The ordinary General Assembly may discontinue this allocation when the said reserve reaches one hundred percent of the Company's paid-up capital;
3. The ordinary General Assembly may, at the recommendation of the Board, set aside a specific percentage of the annual net profits to build up additional reserves allocated for a specific purpose or purposes as determined by the General Assembly.
4. The balance shall be distributed as a first payment in the amount of at least five percent of paid-up capital to the Shareholders;
5. The remaining balance shall be distributed to the Shareholders as a share in the profits or to be transferred to the retained profits account; and
6. The Board may issue a decision to distribute periodical profits to be deducted from annual profits specified in paragraph 4 above in accordance with the rules and regulations issued by the competent authorities.

Any declaration of dividends will be dependent upon the Company's earnings, its financial condition, the condition of the markets, the general economic climate and other factors, including the Company's analysis of investment opportunities and reinvestment needs, cash and capital requirements, business prospects, as well as other legal and regulatory considerations.

The Company shall immediately inform the Capital Market Authority (the "CMA") of any resolutions or recommendations for distribution of profit. The profits, so proposed for the distribution shall be paid to the Shareholders at the place and time specified by the Board pursuant to the instructions issued by the Ministry of Commerce & Industry and subject to SAMA written approval.

1.7 Shareholder's right as per company's Memorandum of the Association

Without contradiction to any laws and company's interest, all shareholders have the right to have a share of the company equity in case of liquidation, attending the AGM's, to take any action on the share held by them, to review the action of Board of Directors, to pursue a legal act against the Board in case of negligence and the right to ask for information.

2. Shares, Options, Subscription Rights, Debt Instruments

2.1 Interest in a class of voting Shares held by persons (other than issuer's Directors, Senior Executive and their spouses and minor children).

There is no individual person who has more than 5% interest in a class of voting Shares of the Company.

2.2 Interest, options and subscription rights of the company's Directors, Senior Executive and their spouses and minor children in the share or debt instruments.

Name of Beneficiary		Shares at start of the period Or upon appointment	Shares end of the Period	Change Net	Change %
Amin Mousa AL-Afifi	(Non-Executive)	Note (3)	-	-	-
Dr. Hussein Akiel	(Independent)	12,000	12,000	-	-
Soren Nikolajsen	(Non-Executive)	Note	-	-	-
Haitham H. Albakree	(CEO)	300	1,500	1,200	400%
Bernd Alloys Kohn	(Non-Executive)	Note (1)	-	-	-
Faisal H Charara	(Non-Executive)	4,000 (2)	4,000	-	-
Nedhal Radhwan	(Independent)	10	10	-	-
Rakan Alhoshan	(Independent)	-	-	-	-
Raed Sater	(Independent)	-	-	-	-
Haytham Akhdar	(Independent)	-	-	-	-
Tahir Aldabbagh	(Non-Executive)	-	-	-	-

Note:

- (1) New Re Representative.
- (2) SNIC Insurance Co Representative.
- (3) E.A. Juffali Bros Representative.

Except for the CEO of the company, none of the Senior Executives, their spouses and children have an interest in the shares of the company. The company has not issued any debt instruments.

2.3 Borrowing, Issue/ Redemption of Securities

Company has neither borrowed any funds nor has issued any convertible or redeemable of debt instruments, options, warrants or any other rights of a similar nature. It has also not made any repayment of any loan or redeemed or converted any redeemable or convertible debt instruments during the period and does not have any outstanding loans or redeemed or convertible debt instruments as at the end of the period.

3. Related Party Transactions

The significant transactions with related parties during the year ended 31 December 2020 were follows:

Related Party	Nature of Transactions	2,020 SR'000	2019 SR'000
Board Members	Fees and related expenses (see note 9.1)	1,450	1,601
Key management personnel	Remuneration and related expenses	11,044	11,000
	Loans and advances	652	602
Shareholders and related parties	Insurance premiums written	39,187	64,253
	Claims paid	11,649	15,647
	Facultative premiums	1,801	2,650
	Facultative commission received	295	568
	Facultative claims recovered	295	1,177
	Expenses incurred	5,672	6,231
	Bank Commission Income including term deposits	2,678	7,411

The following table summarizes the contracts in which the Directors have a material interest.

No.	Name of Party	Name of Directors	Nature of Contract	Period of Contract	Annual Value SR'000
1.	EA Juffali & Brothers Company	<ul style="list-style-type: none"> ▪ Amin Alafifi ▪ Faisal Charara 	Rents and other charges for Jeddah (VAT Inclusive)	Annual 2020	3,846
2.	E.A. Juffali & Bros. – ISC	<ul style="list-style-type: none"> ▪ Amin Alafifi ▪ Faisal Charara 	Service Level Agreement for IT-Services (VAT)	Annual 2020	1,209
3.	SNIC Ins Co	<ul style="list-style-type: none"> ▪ Amin Alafifi ▪ Faisal Charara 	<ul style="list-style-type: none"> - Facultative Premiums - Facultative Commission - Facultative Claims Recovered 	Annual 2020	1,801 295 295
4.	Saudi Cement Company	<ul style="list-style-type: none"> ▪ Amin Al Afifi 	<ul style="list-style-type: none"> - Insurance Premiums - Claims Paid 	Annual 2020	4,038 254
5.	Naghi Group of Companies	<ul style="list-style-type: none"> ▪ Tahir Aldabbagh 	<ul style="list-style-type: none"> - Insurance Premiums - Claims Paid 	Annual 2020	6,775 6,038

With the exception of the above, the Board of Directors confirm that during 2020 there was no contract in which the company was a party and its Chief Executive Officer, Chief Financial Officer, Board Members or any other person who may have a relationship with any of them had a material interest.

Moreover, there are no arrangements or agreements by which any of the members of the Board of Directors or any of the top executives or any of the shareholders of Wataniya Insurance Company waived their interest or rights to receive dividends.

4. Outstanding Statutory dues as at 31 December 2020

4.1 The Company had the following statutory payments outstanding as at 31 December 2020.

Description	2020	2019
	S.R.	S.R.
GOSI for the month of December 2020 (Paid in January 2021)	691,839	619,605
Zakat and Tax provision for 2020 will be paid upon filing of the return	6,602,522	5,853,581
Saudi Central Bank (fees for 4th QTR. 2020 of SR 784,773 paid in Jan 2021)	3,217,078	615,681
Withholding Tax for payable (paid in January 2021 - SR 98,875) - Balance to be paid as on settlement of reinsurer balances	5,567,381	1,887,915
Value added tax payable (Paid in January 2021)	10,258,104	2,073,843
Total	26,336,924	11,050,625

5. Employee Benefits

The Company did not make any investments or set up any reserves for the benefit of the employee other than those required under applicable laws and regulations.

6. External Auditors' Report

6.1 Opinion

The external auditors' report states that, in their opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended 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 Certified Public Accountants (SOCPA) (referred to as " IFRS as endorsed in KSA")

6.2 Report on other legal and regulatory requirements

Based on the information that has been made available to the auditors, nothing has come to their attention that causes them to believe that the company is not in compliance with the requirements of the Regulations for Companies, the Cooperative Insurance Companies Control Law and the Company's By-Laws in so far as they affect the preparation and presentation of the financial statements.

6.3 Basis of presentation and measurement

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia (KSA), and

other standards and pronouncement that are endorsed by Saudi Organization for Certified Public Accountants (SOCPA) (referred to as IFRS as endorsed in KSA).

7. External Auditors Appointment

The Board of Directors recommends Ernst & Young and Pricewaterhouse Coopers (PwC) as auditors for 1st, 2nd, 3rd, 4th quarters and annual for 2021 and for the 1st quarter of 2022.

8. Corporate Governance

8.1 Compliance with Rules and Regulations

- 8.1.1 EGM Meeting on 12th May 2012
The meeting approved the following:
- Accumulative voting
 - Audit Committee & Remuneration Committee Formation and scope of Work.
- 8.1.2 AGM Meeting on 25th March 2013
The meeting approved the following:
- Wataniya Corporate Governance Policy.
 - Conflict of Interest Policy.
 - Board membership selection criteria.
 - AML Policy.
- 8.1.3 AGM Meeting on 26th June 2014
The Meeting approved the following:
- Wataniya Stakeholders Policy.
 - Wataniya Disclosure Policy.
- 8.1.4 AGM Meeting on 16 June 2015
All agenda items were approved.
- 8.1.5 AGM Meeting on 26 April 2016
All agenda items were approved.

Approved the Board membership nomination for new tenure for 3 years, and minutes of meeting were circulated to Board members and uploaded to Wataniya Website The AGM meeting attendance was as follow:

#	Director's Name	26/04/2016 meeting
1	Hatem Ali Aljuffali	Attended
2	Walid Aljuffali	Attended (By Proxy)
3	Faisal Mahmoud Atabani	Attended
4	Hussein Said Akeil	Attended
5	Andreas Molck – Ude	Attended
6	Omar Bilani	Attended
7	Husam Alkhayal	Attended
8	Faisal Charara	Attended

- 8.1.6 EGM meeting on 31 July 2016
All agenda items were approved.

Approved the rights issues, capital of the Company to be SR. 200,000,000. and minutes of meeting were circulated to Board members and uploaded to Wataniya Website. The EGM meeting attendance was as follow:

#	Director's Name	31/07/2016 meeting
1	Hatem Ali Aljuffali	Attended (By Proxy)
2	Osama Abdullah Elkheirieji	Attended
3	Hussein Said Akeil	Attended

8.1.7 EGM meeting on 23rd May 2017

All agenda items were approved. And minutes of meeting were circulated to Board members and uploaded to Wataniya website the EGM meeting attendance was as follows:

#	Director's Name	23/05/2017 meeting
1	Hatem Ali Aljuffali	Attended
2	Osama Abdullah Elkheirieji	Attended
4	Faisal Mohmoud Atabani	Attended
3	Hussein Said Akeil	Attended

8.1.8 AGM meeting on 10th May 2018

All agenda items were approved, and minutes of meeting were circulated to the Board Members and uploaded to Wataniya website. The AGM meeting attendance was as follow:

#	Director's Name	10/05/2018 meeting
1	Hatem Ali Aljuffali	Attended
2	Osama Abdullah Elkheirieji	Attended
3	Amin Mosa Alafifi	Attended
4	Faisal Mohammed Charara	Attended
5	Hussam Abdulrahman Alkhayal	Attended
6	Faisal Mahmoud Atabani	Attended
7	Omar Suhail Bilani	Attended

8.1.9 All agenda items were approved, and new board were elected for the tenure start 26th April 2019 till 25th April 2022 with the following memberships.

Name
Dr. Hussein Akeil
Mr. Faisal Charara
Mr. Bernd Khon
Mr. Amin Afifi
Mr. Soren Nikolajsen
Mr. Hussam Al-Khayal
Mr. Nidal Radwan
Mr. Rakan Elhoshan
Mr. Hythum Akthar
Mr. Raed Sater

AGM was attended by:

Mr. Osama Elkeirijie
Dr. Hussein Akeil
Mr. Faisal Charara
Mr. Amin Afifi
Mr. Soren Nikolajsen
Dr. Faisal Attabani

Also, attended by Audit Committee members
Dr. Faisal Attabani
Mr. Faisal Darwish

And the minutes of meeting were circulated to Board members and uploaded into Wataniya website.

8.1.10. AGM meeting on 20th February 2020

The appointment and Formation of the Audit Committee and its charter were approved, and minutes of meeting was circulated to the Board Members and uploaded to Wataniya website, as the following membership:

Name
Mr. Sirajuddin Anwar Mazharuddin
Mr. Nidhal Mohammed Rashed Radwan
Mr. Sami Mousa Alhalabi

The AGM meeting attendance was as follow:

#	Director's Name	20/02/2020 meeting
1	Hussein Said Akeil	Attended
2	Faisal Mohammed Charara	Attended
3	Soren Nikolajsen	Attended
4	Nedhal Mohammed Rashed Radwan	Attended
5	Hythum Farouk Akhdar	Attended
6	Raed Salman Sater	Attended

8.1.11. GM meeting on 21st April 2020

All agenda items were approved, and minutes of meeting were circulated to the Board Members and uploaded to Wataniya website. The AGM meeting attendance was as follow:

#	Director's Name	21/04/2020 meeting
1	Hussein Said Akeil	Attended
2	Faisal Mohammed Charara	Attended
3	Soren Nikolajsen	Attended
4	Nedhal Mohammed Rashed Radwan	Attended
5	Hythum Farouk Akhdar	Attended
6	Raed Salman Sater	Attended
7	Hussein Said Akeil	Attended
8	Rakan Amir Elhoshan	Attended
9	Amin Mousa Alafifi	Attended

8.1.12 The Company requested the Shareholders list from TADAWULATY during 2020 as per the following schedule:

No of request	Request date	Request reason
1	20-02-2020	AGM meeting
2	01-04-2020	AGM meeting
3	22-06-2020	Company Procedure
4	15-09-2020	Company Procedure

Policies Approved by Board of Directors:

- a) Investment Policy.
- b) IT. Strategy.
- c) Credit Policy.
- d) Re-Insurance Strategy Arrangements.
- e) ERM Policy and Standards
- f) Executive and Investment Committee's Charters
- g) Nomination & Remuneration committee policy
- h) Reinsurance strategy for 2020
- i) Board & Non-Board Committees nomination
- j) Risk Register and Risk appetite statement.
- k) Company Structure update
- l) Power of Attorney renewal
- m) Board Membership selection criteria update
- n) Opening nominations to the Board Membership
- o) Opening nominations to the Board of Directors memberships for the Tenure start on 26th April 2019 till 25th April 2022
- p) Audit committee's charter update
- q) Approval of Wataniya Strategy 2020-2025
- r) Nominations of the Chairman, Vice-Chairman and committee's memberships
- s) Outsourcing policy's update approval
- t) Whistle blowing policy approval

8.1.13 Corporate Governance Activities:

- a) Updating the Shareholders Inquiry log.
- b) The Implementing of Independency Evaluation Form for Board of Directors.
- c) Enhancing Board presentation along with their relevant packages to best practice.
- d) The Company started the Board Evaluation for the year 2020 using the expertise of International advising Company.

"The Board approved the amendments to the Company Memorandum of Association as per the New Corporate Law and regulations on 20th Feb 2020"

The Company has implemented all the provisions of the Corporate Governance Regulations issued by the CMA except for the following: -

- a) The company currently does not have a policy with respect to stakeholders, and shareholders voting policy and procedures for voting.
- b) The Company has engaged the consultancy (Deloitte) of the performance of the Board of the Directors and the project is currently under process.

c) The Company currently does not have a policy for the Company's Social contributions.

8.1 Board of Directors

8.2.1 Composition of the Board of Directors

The Company's By-Laws provide that the Company shall be managed by a Board of Directors consisting of ten (10) members appointed by the ordinary General Assembly for a term not exceeding three years. The Constituent General Assembly held on 14 April 2010 appointed the first Board of Directors of 9 members for a term of three years. This term expired on 25 March 2013 and a new Board was appointed on 26 March 2013 for a period of three (3) years. This term expired on 25 April 2016 and a new Board comprising of 10 members was appointed on 26 April 2016 for a period of three (3) years which was expired on 25th April 2019. A new Board was appointed on 26th April 2019 till 25th April 2022.

The current position of members of the Board is as follows:

No.	Name of Director	Position	Classification
1.	Hussein Akiel	Chairman	Non-Executive Director
2.	Faisal Charara	Vice Chairman ⁽³⁾	Non-Executive Director
3.	Amin Al Affi	Director ⁽²⁾	Non-Executive Director
4.	Bernd Kohn	Director ⁽¹⁾	Non-Executive Director
5.	Soren Nikoljsen (*)	Director	Non-Executive Director
6.	Nidal Radwan	Director	Independent Director
7.	Rakan El Houshan	Director	Independent Director
8.	Hythum Akthar	Director	Independent Director
9.	Raed Sater	Director	Independent Director
10.	Tahir Dabbagh *	Director	Non-Executive Director

(1)	New Re - Nominee
(2)	E.A. Juffali & Bros - Nominee
(3)	SNIC Insurance Company – Nominee

The Board of Directors were approved by the shareholder meeting on 25-04-2019 for the tenure started on 26th April 2020 till 25th April 2022.

Please see Appendix Number 4 for names of Companies in which members of the Company's Board of Directors acts as a member of that Company's Board of Directors.

* Mr. Tahir Aldabbagh was appointed on 07-11-2020 and will obtain the approval in the next AGM meeting.

(*) Mr. Soren Nikolajsen left Alawwal bank/SABB on 31 December 2019. He was from that point on no longer a nominee of Alawwal bank/SABB on the Board, and not as a representative of Alawwal Bank which was merged with SABB.

8.2.2. Functions

The Board is responsible for the direction and oversight of the Company on behalf of the Shareholders and is accountable to them for all aspects of the Company's business. It is the

Board's responsibility to adopt strategic plans, monitor operational performance, ensure that an effective risk management strategy is in place and all applicable legislation is complied with.

The Board operates the following Board Committees to assist in discharging its duties. These are:

- The Executive Committee;
- The Investment Committee;
- The Audit Committee;
- The Nomination & Remuneration Committee; and
- The Risk Management Committee.

The Company is committed to implementing a sound corporate governance framework through which the objectives of the Company are set and the means of attaining these objectives and monitoring performance is determined. To achieve this, the Company operates within a set of corporate governance principles which, together with the roles and responsibilities of the Board are set out in the Corporate Governance Manual.

The split of responsibilities between the Chairman and the CEO are clearly defined by the Board and are in compliance with applicable laws and regulations in the Kingdom of Saudi Arabia. The Chairman has no involvement in the day-to-day management of the Company or its business, whereas the CEO has direct responsibility for the management of the Company.

8.2.3 Meetings

The Board of Directors has held 4 meetings during the year 2020. The attendance at these meetings has been as follows:

Directors	20/02/2020 Meeting	20/04/2020 Meeting	03/09/2020 Meeting	17/12/2020 Meeting	% (Attendance)
Dr. Hussein S. Akeil	Yes	Yes	Yes	Yes	100%
Mr. Soren Nikoljsen	Yes	Yes	Yes	Yes	100%
Mr. Amin Al-Affif	No	Yes	Yes	Yes	75%
Mr. Faisal Charara	Yes	Yes	Yes	Yes	100%
Mr. Bernd Kohn	Yes	Yes	No	Yes	75%
Nidal Radwan	Yes	Yes	No	Yes	75%
Raed Sater	Yes	Yes	Yes	Yes	100%
Rakan Alhoshan	No	Yes	Yes	Yes	75%
Hythum Akhdar	Yes	Yes	Yes	Yes	100%
Tahir Aldabbagh	N/A	N/A	N/A	Yes	100%

In addition to the above, the Board also held a closed meeting without the presence of the Company's Executives and with the audit committee members on 17th December 2020.

The above Board of Directors (BOD) meetings covered the following major tasks:

- Reviewed all SAMA inspection observations and the action plan.
- Regularly analyzed the Company performance and achievement versus plan including analysis of market information and Company Strategic positioning.
- Approved the recommendations of the Remuneration Committee concerning the Company Structure, the remuneration and bonuses of top Executives, and company's staff.
- Approved the Budget for 2021.

- Discussed Saudization plan.
- Approved the recommendations of the Audit Committee regarding external contracts including external auditors, tax consultants, legal consultant and external actuary, noting that the company doesn't have any other management or technical agreement.
- Followed the activities of the various Committees including the Executive Committee, the Audit Committee, The Investment Committee, The Remuneration Committee, and the Risk Management Committee.
- Formation of the Cyber Security Committee.
- Review the implementation of Wataniya's Strategy 2020 – 2025.
- During the 2020, the Board approved the following:
 - a) The Risk Management Plan.
 - b) Approval of the quarterly and final annual financial statements.
 - c) Reinsurance strategy for 2020.
 - d) The Reinsurance Arrangements.
 - e) The Reinsurance Policy & Procedure.
 - f) Budget approval 2021.
 - g) Updated Organization Structure.
 - h) The Audit committee Annual Plan.
 - i) The Motor Pricing Profit Loading Policy.
 - j) The Anti- Money Laundry Manual update.
 - k) The Remuneration & Compensation Committee's Charter update.
 - l) The Executive Committee's Charter update.
 - m) The Board Risk Management Committee's Charter update.
 - n) The Board & Committee's Fees & Compensation update.
 - o) The Corporate Governance Charter update.
 - p) The Underwriting Authority Matrix update.
 - q) The Annual Risk Management Report 2019.
 - r) The Anti- Fraud Function.
 - s) The Anti- Fraud Strategy.
 - t) The contribution into the Ministry of Health Endowment Fund of SR 500,000.
 - u) Wataniya Article of Association update.
 - v) The Appointment of Mr. Tahir Aldabbagh as Non-Executive Board Member.

8.2 Board Committees:

8.3.1 Executive Committee:

a) Composition

The Executive Committee shall comprise of a minimum of three and a maximum of five members. The current composition of the committee as of 31 December 2020 is as follow: -

No.	Name	Designation	Role in Committee
1.	Faisal Charara	Non-Executive Director	Chairman
2.	Nabil Peter Choueri	BOD Advisor	Member
3.	Haitham H. Albakree	CEO	Member
4.	Ali I. Elhusein	Vice CEO	Member
5.	Sohail F. Abbas	CFO	Member

b) Functions

The purpose of the committee is to assist the Chief Executive Officer in the performance of his duties, including:

- The development and implementation of strategy, operational plans, policies, procedures and budgets.
- The monitoring of operating and financial performance.
- The assessment and control for risk.
- The prioritization and allocation of resources; and
- Monitoring competitive forces in each area of operation.
- Head Office Remodeling Works update & approval.
- Staff Government fees update & Approval.

c) Meetings

The Committee met on a regular basis and held 6 meetings during the year ended 31 December 2020. Details are as follows:

Meetings Held

Name	15-04-2020	18-05-2020	20-08-2020	11-10-2020	25-11-2020	13-12-2020	Fees Paid SR
Faisal Charara	✓	✓	✓	✓	✓	✓	10,500
Haitham Albakree	✓	✓	✓	✓	✓	✓	10,500
Ali I. Elhusein	✓	✓	✓	✓	✓	✓	10,500
Sohail F. Abbas	✓	✓	✓	✓	✓	✓	10,500
Nabil Peter Choueri	✓	✓	✓	✓	✓	X	*See Below

✓ = Attended

X = Absent

N/A = Not a member

* Nabil Peter Choueri was paid a total sum of SR 86,482 in 2020 for his services on the executive committee and as an advisor to the company's board.

8.3.2 Investment Committee:

a. Composition

The Investment Committee shall comprise of a minimum of three and maximum of five members. The current composition of the committee as of 31 December 2020 is as follows:

No.	Name	Designation	Role in Committee
1.	Faisal Charara	Non-Executive Director	Chairman
2.	Dr. Bernardus van Linder	CEO – The Commercial Bank of Dubai (Independent Member)	Member
3.	Haitham Albakree	CEO	Member

b. Functions

The purpose of committee is to manage all aspects of the investment assets held by the Company subject to adherence to the terms of the Investment Directives and the Committee Dealing Limits and in line with the applicable laws of the Kingdom of Saudi Arabia.

c. Meetings

The committee held two (2) meetings during the year ended 31 December 2020. Details are as follows:

Meetings Held

Name	30-08-2020	23-11-2020	Fees Paid
Faisal Charara	✓	✓	-
Dr. Bernardus van Linder	✓	✓	-
Haitham Albakree	✓	✓	-

✓ = Attended

8.3.3 Audit Committee:

a. Composition

The Audit Committee shall comprise of a minimum of three (3) members. The current composition of the committee is as follows:

No.	Name	Designation	Role in Committee
1.	Siraj Mehkari	Executive Director – Internal Audit (Savola Group)	Chairman
2.	Sami Musa Alhalabi	Independent – Non-Board Member	Member
3.	Nedal Radwan	Independent Board Member	Member

- The company received SAMA's approval no. 38090189 on 13/ 11/ 1440 H corresponding to 16 April 2019. The company called for AGM meeting on 20 February 2020 for membership final approval.

b. Functions

The purpose of the committee is to review the risk management functions and assess the Company's processes relating to its risk and internal control systems. Furthermore, the committee will monitor the integrity of the Company's financial statements and the effectiveness of the external audit process and internal audit functions.

c. Meetings

The committee held 9 meetings during the year ended 31 December 2020. Details are as follows:

Meetings Held

SN	Meeting	Siraj Mekhri	Sami Alhalabi	Nedal Redwan
1.	12-02-2020	✓	✓	✓
2.	22-03-2020	✓	✓	✓
3.	06-04-2020	✓	✓	✓
4.	17-05-2020	✓	✓	✓
5.	27-07-2020	✓	✓	✓
6.	08-08-2020	✓	✓	✓
7.	11-10-2020	✓	✓	✓
8.	27-10-2020	✓	✓	✓
9.	14-12-2020	✓	✓	✓
Fees Paid SR		80,000	73,333	73,333

✓ = Attended

X = Absent

N/A = Not applicable as not member

8.3.4 Nomination and Remuneration Committee:

a. Composition

The Nomination and Remuneration Committee shall comprise of a minimum of three and a maximum of five members. The composition of the committee as on 31 December 2020 was as follows:

No.	Name	Designation	Role in Committee
1.	Raed Salman Sater	Non-Executive Independent Director	Chairman
2.	Faisal Charara	Non-Executive Director	Member
3.	Sami Musa Alhalabi	Independent – Non-Board Member	Member

b. Function

The purpose of the committee is to ensure transparency in the procedures for the selection, appointment and removal of Directors. All appointments and removals are to be ratified by the General Assembly.

The Committee will also be responsible for establishing policies regarding the indemnity and remuneration of Directors and Senior Managers.

Board and board committee's evaluation.

c. Meetings

The committee held three (3) meetings during year ended 31 December 2020. Details are as follows:

Meetings Held

Name	12-02-2020	12-08-2020	16-12-2020	Fees Paid SR
Faisal Charara	✓	✓	✓	23,000
Raed Salman Sater	✓	✓	✓	35,000
Sami Alhalabi	✓	✓	✓	23,000

✓ = Attended

N/A = Not applicable as not member

8.3.5 Risk Management Committee

a. Composition

The Committee shall be appointed by Wataniya's Board and shall be comprised of at least 3 members, headed by a non-executive Board Member. The composition as on 31 December 2020 is as follows:

No.	Name	Designation	Role in Committee
1.	Amin Mousa A. Al Afifi	Non-Executive Director	Chairman
2.	Haitham H. Albakree	Chief Executive Officer	Member
3.	Nidal Redwan	Independent Director	Member

b. Function

The purpose of the committee is to represent and assist Board of Directors in fulfilling its oversight responsibility relating to:

1. Assuring that Wataniya manages risks related issues in accordance with its Enterprise Risk Management (ERM) framework policies, procedures, and regulatory obligations by providing governance oversight and strategic direction.
2. The Committee shall have a direct reporting relationship to the Board for providing their recommendations and findings. The Chairman of Committee shall be required to report to the Chairman of the Board of Directors for matters arising during the course of the performance of his role and responsibilities.

c. Meetings:

The Committee held two (2) meetings during year ended 31 December 2019. Details are as follows:

Meetings Held

Name	13-02-2020	12-08-2020	Fees Paid SR
Amin Al Afifi	✓	✓	3,000
Haitham H. Albakree	✓	✓	3,000
Nidal Redwan	✓	✓	3,000

✓ = Attended

X = Absent

N/A = Not applicable as not appointed

9. Compensation paid to Board members and Senior Executives

10.9 Board Members

The fees and other expenses payable to the Chairman and the other Directors of the Company, for attendance at Board and Committee meetings is defined in the By-Laws of the Company.

These have been paid as follows during the year:

Board Directors Fees for 2020

Directors		Director's Fees	Fees for Attending Board Meeting	Attendance and other fees	Chairman for Audit Committee	Chairman for Remuneration Committee	Travel And Other Expense	Total 2020	Total 2019
		SR	SR	SR	SR	SR	SR	SR	SR
Nidal Radwan	Appointed on 26/04/2019	120,000	10,000	76,333				206,333	-
Bemd Kohn		120,000	10,000					130,000	126,000
Rakan Al-Hoshan	Appointed on 26/04/2019	120,000	10,000				5,099	135,099	
Amin Affi		120,000	10,000	3,000				133,000	135,000
Dr. Hussein S. Akeil		180,000	13,000					193,000	186,548
Soren Nikolajsen		120,000	12,981				19,715	152,696	140,640
Faisal Charara		120,000	13,000	33,500				166,500	147,000
Raed Sater	Appointed on 26/04/2019	120,000	13,000			35,000	28,525	196,525	
Haitham Akhdar	Appointed on 26/04/2019	120,000	13,000					133,000	
Tahir Aldabbagh	Appointed on 07/11/2020		4,000					4,000	
		1,140,000	108,981	112,833	-	35,000	53,339	1,450,153	735,188
Ex Board members									865,551
Total									1,600,739

9.2 Senior Executives

Compensation and remuneration paid to the top five Executives including the Chief Executive Officer and Chief Financial Officer during the year ended 31 December 2020 was Saudi Riyals 11.044 million (2019: SR 11 million). These are analyzed as follows:

	2020 SR million	2019 SR million
Salaries	6.191	6.098
Bonus	3.721	3.817
Other allowances	1.132	1.085
Total	11.044	11.000

10. Fines and Penalties

Except for the fines imposed by The Saudi Central Bank of SR 40,000 and by The General Organization for Social Insurance of SR 1,415, the Company has not been exposed to any other punishment or penalty or punitive restriction imposed by the CMA, SAMA or any other supervisory or regulatory or judiciary body during 2020.

11. Internal Audit

The Internal Audit function has been outsourced to Deloitte. Deloitte internal audit methodology can be summarized in the below mentioned six steps:

- a. Strategic analysis.
- b. Enterprise Risk Assessment.
- c. Development of Internal Audit plan.
- d. Internal Audit Execution.
- e. Reporting results; and
- f. Issue resolution tracking.

Internal audit execution covers 6 steps namely: notification and kick-off meeting; project planning; project understanding; process and gap analysis; testing and documentation and confirmation. This helps to determine:

- Whether objectives have been achieved (effectiveness) with minimum of time, energy, expense, and waste (economy and efficiency).
- Whether resources (assets, people, vendors, environment, etc.) are adequately safeguarded.
- Whether operations and performance comply with organizational policies, procedures, laws and regulations, contractual agreements, etc.
- Reliability and integrity of information used to make decisions about operations and performance.

During 2020, the Internal Audit function had the following observations: -

S #	Observation	Management Response
Governance Structure		
1.	<ul style="list-style-type: none"> HR has developed policies and procedures that require further improvement and enhancement. We also noted absence of process for periodic review of existing policies and procedures. HR Department structure is not comprehensive and approved by appropriate authority. Absence of Service Level Agreement with the Department. 	<p>Agreed by HR, We will develop, update and implement (as recommended) after obtaining approval (from appropriate authority) policies and procedures mentioned above and to be reviewed periodically. We will ascertain the need and requirements for SLAs with various departments and formally document them to evaluate internal performance.</p>
Compliance with Saudi Labor Law		
2.	<ul style="list-style-type: none"> The Company has not reported vacant positions to the Labor office as required by the Article 25 of Saudi Labor Law. The Company has not recruited any disabled employees as required by the Article 28 of Saudi Labor Law. In 2 out of 5 instances wherein employees in Finance Department were not registered with SOCPA. The Company did not display / post, instructions related to work and employees' safety, as required by Article 122 & 125 of the Saudi Labor Law. 	<p>Agreed by HR, We will develop and maintain in collaboration with the Compliance department, checklist for applicable requirements of the Regulatory Bodies.</p>
Anti-Fraud Policies and Procedures		
3.	<ul style="list-style-type: none"> Absence of approval on the Anti-Fraud Manual from appropriate authority bodies. Anti-Fraud Policies and procedures were not communicated across the Company. Absence of process to update the client database based of notification received from World Check as required by the Article 15 Section C of SAMA AML and CTF Rules. 	<p>Agreed by Risk Management, We will update the Anti-Fraud Policies and Procedures Manuals.</p> <p>Agreed, we will ensure Complete and continuous KYC details of clients are gathered and updated on regular basis.</p>
SAMA No Objection Certificate		
4.	<ul style="list-style-type: none"> Upon review we noted two (2) instances (i.e. NCB Capital & GAP) wherein the no objection certificates were not obtained from SAMA . 	<p>Agreed, we will check with SAMA for the applicability of the Article 35 of the outsourcing regulation and accordingly take actions. Contract with GAP will be updated in collaboration with the UW Department to ensure that contractual terms are more clear and present the actual facts.</p>
Cybersecurity		
5.	<ul style="list-style-type: none"> Cybersecurity Policies are not communicated to Wataniya Employees. The Company has not achieved SAMA's compliance level, Level 3, for Cyber Security Controls. External customer's awareness campaigns have been conducted by the Company, the method of delivery was limited to one stream, which is Social Media website (Twitter). The current frequency of the Cybersecurity awareness sessions is not aligned with the Cybersecurity Policy. 	<p>Agreed, we will communicate the cyber security policies to all Wataniya as it will be discussed with HR. We will update the Compliance manual to cover CS regulations.</p>
Claims		
6.	<ul style="list-style-type: none"> Absence of a process for preparation and review of formal and documented monthly or quarterly aging report for long outstanding claims balances. Also, we noted lack of formal and documented monthly or quarterly status report for monitoring the progress of outstanding claims along with its status and reason for delays. Absence of a due diligence exercise performed prior to signing the contracts with the loss adjustors. Absence of a process to document the date of appointing the loss assessor in the eBAO system to monitor that the Company appointed the loss assessor 	<p>a) Motor claims implemented a new Dashboard (after the audit fieldwork) and reports to monitor the outstanding claims, and we will document the reasoning for the outstanding claims.</p> <p>b) Non-Motor Claims</p>

	<p>within one week from the loss notification's date as required by Article 44 of SAMA Implementing Regulations for the Cooperative Insurance Companies.</p>	<p>Monthly documented review of outstanding and follow up on requirement is in place. Now a dashboard has been created which enhances this process to prepare aging. We will liaise with IT to enhance the date of last update of doc to record the actual time taken for settlement of claims to observe the regulatory compliance. We will develop a criteria for the selection of loss adjustors and implement the same.</p>
Investment		
7.	<ul style="list-style-type: none"> Absence of process to perform periodic test, valuation analysis, worst expected loss analysis on investment portfolio as required by the Article 55, Article 57 and Article 63 of SAMA Investment Regulation. We noted deviation of investment allocation with the approved Investment Policy and SAMA asset allocation limits. Absence of defined timelines for the submission of the monthly reports to the Investment Committee. Absence of a dedicated investment manager within the Company or a fully outsourced investment manager. 	<p>Agreed, we are in processing for hiring the Deputy CFO who will be responsible for performing regulatory investment analysis. Investment Policy will be finalized and submitted to SAMA for approval by March 31, 2021. Investment Committee have provided the approval for recruiting full time Investment Manager and we will take it with the HR for hiring an Investment Manager.</p>
Policyholder Announcement		
	<ul style="list-style-type: none"> Surplus Distribution Announcement to the Policyholder was not made within regulatory timeline as required by SAMA Surplus Distribution Policy Article 36. Clients' contact details (mobile phone numbers and emails) in the eBAO system are incomplete. 	<p>Agreed, Communication delay was due to delay in receipt of SAMA approval on Surplus Distribution in future we will send the communication to the policyholder timely. We are implementing Client Relationship Program that will assist in recording of clients complete information.</p>
Underwriting		
	<ul style="list-style-type: none"> Although a practice of documentation checklist is in use for each UW file, however we noted that the prepared and reviewed checklist available in files did not document the reasons behind the cases of missing / unavailable supporting documents. We noted absence of formal and documented procedures where policies are cancelled due to non-provision of required / regulatory documentation by clients. Although, formal overall Company training plan is in place, however there is no specific training for Motor, Property & Engineering UW Practices, as required by SAMA Motor UW Practices Circular (Section 5.4). 	<p>Agreed, We will collaborate with the IT Department to configure standard / regulatory UW checklist for all lines of business within the eBAO System. We will automate the process for identification of the non-performing policies from the portfolio with outstanding premiums based for cancellations / suspension of policies. We will ensure that formal regular trainings are provided to the employees of UW department.</p>

12. Risk Management

Risk Governance

The Company's risk governance is manifested in a set of established policies, procedures and controls which uses the existing organizational structure to meet strategic targets. The Company's philosophy revolves on willing and knowledgeable risk acceptance, commensurate with the risk appetite and a strategic plan approved by the Board. The Company is exposed to insurance, reinsurance, special commission rate, credit, liquidity and currency risks.

Risk Management Structure

A cohesive organizational structure is establishing within the Company in order to identify, assess, monitor and control risks.

Board of Directors

The apex of risk governance is the centralized oversight of the Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

Senior Management

Senior management is responsible for the day-to-day operations towards achieving the strategic goals within the Company's pre-defined risk appetite.

The risks faced by the Company and the way these risks are mitigated by management are summarized below.

12.1 Insurance Risk

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Company faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated and subsequent development of long-term claims.

The variability of risks is improved by diversification of risk of loss to a large portfolio of insurance contracts as a more diversified portfolio is less likely to be affected across the board of change in any subset of the portfolio, as well as unexpected outcomes. The variability of risks is also improved by careful selection and implementation of underwriting strategy and guidelines as well as the use of reinsurance arrangements.

Significant portion of reinsurance business ceded is placed on a proportional basis with retention limits varying by product lines. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying policy benefits and are presented in the statement of financial position as reinsurance assets.

Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance arrangements.

12.2 Reinsurance Risk

Similar to other insurance companies, in order to minimize financial exposure arising from large claims, the Company, in the normal course of business, enters into agreements with other parties for reinsurance purposes.

To minimize its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Reinsurers are selected using the following parameters and guidelines set by the Company's Board of Directors and Reinsurance Committee. The criteria may be summarized as follows:

- a) Minimum acceptable credit rating by recognized rating agencies that is not lower than BBB.
- b) Reputation of particular reinsurance companies.
- c) Existing or past business relationship with the reinsurer.

The exception to this rule is in respect of local companies who do not carry any such credit rating. This, however, is limited to those companies registered and approved by the Local Insurance Regulator.

Furthermore, the financial strength and managerial and technical expertise as well as historical performance, wherever applicable, are thoroughly reviewed by the Company and matched against a list of requirements preset by the Company's Board of Directors and Reinsurance Committee before approving them for exchange of reinsurance business.

12.3 Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management assesses that there is minimal risk of significant losses due to exchange rate fluctuations and, consequently, the Company does not hedge its foreign currency exposure.

12.4 Commission rate risk

The Company invests in securities and has deposits that are subject to commission rate risk. Commission rate risk to the Company is the risk of changes in commission rates reducing the overall return on its fixed commission rate bearing securities. The Commission rate risk is limited by monitoring changes in commission rates in the currencies in which its cash and cash equivalents and investments are denominated.

12.5 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. For all classes of financial assets held by the Company, the maximum exposure to credit to the Company is the carrying value as disclosed in the balance sheet.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk"

- The Company only enters into insurance and reinsurance contracts with recognized, credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.
- The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.
- The Company with respect to credit risk arising from other financial assets, is restricted to commercial banks, and counter parties having strong balance sheets and credit ratings.

12.6 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity requirements are monitored on a daily basis and management ensures that sufficient funds are available to meet any commitments as they arise.

12.7 Market Price Risk

Market price risk is risk that the fair value of future cash flows of a financial instrument will fluctuates because of changes in market prices (other than those arising from commission rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company limits market risks by monitoring a diversified portfolio and the professional fund manager continuously monitors the development in international treasury and equity markets.

12.8 Capital Management

The Company manages its capital to ensure that it is able to continue as going concern and comply with the SAMA's capital requirements while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid capital and retained earnings.

The Company maintains its capital as per guidelines laid out by SAMA in Article 66, Table 3 and 4 of the Implementing Regulations detailing the solvency margin required to be maintained. According to the article, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per SAMA's Implementing Regulations:

-  Minimum Capital Requirement of Saudi Riyals 100 million
-  Premiums Solvency Margin
-  Claims Solvency Margin

12.9 Regulatory Framework List

The operations of the Company are subject to local regulatory requirements in the Kingdom of Saudi Arabia. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, e.g. capital adequacy to minimize the risk of default and insolvency on the part of the reinsurance companies and to enable them to meet unforeseen liabilities as these arise.

13. Standard & Poor's

S&P Global Ratings revised the Company's rating from (BBB) with a positive outlook to (BBB) with a stable outlook.

14. Power of Attorney

The Company has given a limited Power of Attorney to Mr. Ghassan Hamza Al-Junaid, Company Secretary, to manage the company's affairs which includes; being the company's representative to follow up governmental departments and higher/lower Courts of Law and primary/secondary commercial disputes commissions for settlement of labor disputes and grievances committee for insurance disputes and provincial governor's offices and civil rights commission and the traffic/ police departments and the Ministry of Commerce and Industry. He also has the mandate to sue and institute legal proceedings and attend court hearings of witnesses and demand oath taking with protection of witnesses and follow up debtors and freezing their assets and release all dues by certified company cheques. In addition, he can prevent the debtors from travelling and equally have the power to appeal on verdicts, grievances and has the authority to appoint legal experts to protest on reports and forgery and demand arbitration and select arbitrators and agree to settlements upon getting company's written approval and surrender and collect all documents and sign on behalf of the company at all the representations prescribed.

The Company has given a limited Power of Attorney to Mr. Mohammed Alshami, Legal Assistant, to manage the company's affairs which includes; being the company's representative to follow up governmental departments and higher/lower Courts of Law and primary/secondary commercial disputes commissions for settlement of labor disputes and grievances committee for insurance disputes and provincial governor's offices and civil rights commission and the traffic/ police departments and the Ministry of Commerce and Industry. He also has the mandate to sue and institute legal proceedings and attend court hearings of witnesses and demand oath taking with protection of witnesses and follow up debtors and freezing their assets and release all dues by certified company cheques. In addition, he can prevent the debtors from travelling and equally have the power to appeal on verdicts, grievances and has the authority to appoint legal experts to protest on reports and forgery and demand arbitration and select arbitrators and agree to settlements upon getting company's written approval and surrender and collect all documents and sign on behalf of the company at all the representations prescribed.

The company has given a limited Power of Attorney to Mr. Majed Alzahrani, Government Relations, to manage the company's affairs which includes; being the company's representative to follow up governmental departments- traffic/ police departments – government municipalities - Ministry of Labor and Social Development - employee related government agencies - General Organization for Social Insurance - issuing employment visas - transfer of sponsorship – updating employees information's representing the company in any employee related matters.

15. Declarations

The Board acknowledges its responsibility for the true and fair presentation of the financial position of the company and declares that: -

- Proper books of account have been maintained.
- The system of internal control is sound in design and effectively implemented; and
- There are no significant doubts concerning the Company's ability to continue as "going concern".
- The integrity of the financial and accounting systems, including the systems related to the preparation of financial reports, has been verified.
- Appropriate risk control system was applied to manage risks, by defining the general perception of the risks that the company might face and presenting them transparently.

16. Summary Biographies of Senior Management

A brief summary of the experience, qualifications and current and previous positions of each of the members of Senior Management is set out below:

16.1 Summary biography of Haitham Habib Mohammed Albakree

Name		Haitham Habib Mohammed Albakree
Age	46	
Nationality	Saudi	
Position	CEO	
Date of appointment at the Company	01/04/2013G	
Academic Qualifications	<ul style="list-style-type: none"> • Master's in international economics and Middle East Studies, John Hopkins University, USA, 2000G • Bachelor's Degree in business administration, Curry College, USA, 1996G 	
Work Experience	<ul style="list-style-type: none"> • Member of the Company's Executive Committee, 2013G to present • Member of the Company's Nomination and Remuneration Committee, 2013G to present • Chief Operations Officer, FWU Global Takaful, a joint stock company registered in Dubai working in life insurance, 2011G – 2012G • Assistant General Manager of Strategic – Management, AlJazira Takaful Company, a Saudi listed joint stock company working in cooperative insurance, 2009G – 2011G. • Deputy General Manager and Head of Products and Distribution, and Secretary of the Board of Directors, Al Ahli Takaful Company, a Saudi listed joint stock company working in insurance, 2007G – 2009G • Head of Business Development, NCB, a Saudi listed joint stock company working in banking, 2002G – 2007G 	

16.2 Summary biography of Ali Ibrahim Elhussein

Name		Ali Ibrahim ElHussein
Age		68
Nationality		Sudanese
Position		Deputy Chief Executive Officer
Date of appointment at the Company		01/04/2010G
Academic Qualifications		Bachelor of Commerce and Insurance, Cairo University, Egypt, 1974G
Work Experience		<ul style="list-style-type: none"> Member of the Company's Executive Committee, 2012G to present Assistant General Manager of the Saudi National Insurance Company BSC, a Bahraini joint stock company working in insurance, 1996-2010G Underwriting Manager, Saudi National Insurance Company BSC, a Bahraini joint stock company working in insurance, 1990G-1996G

16.3 Summary biography of Majed Boraik Mohsen AlGhamdi

Name		Majed Boraik Mohsen AlGhamdi
Age		38
Nationality		Saudi
Position		COO
Date of appointment at the Company		01/05/2012G
Academic Qualifications		<ul style="list-style-type: none"> Bachelor's degree of Computer Science 2004, Jeddah
Work Experience		<ul style="list-style-type: none"> IT Manager at Wataniya Insurance Company 2015-2018 Senior IT Auditor – at National Commercial Bank 2011-2015 IT Assistance Audit Manager at Bank AL-Jazira 2008-2011 Network and security unit head at Petro Rabigh 2006-2008 IT System Administrator at Alfakieh Group 2006-2006

16.4 Summary biography of Sohail Fazal Abbas

Name		Sohail Fazal Abbas
Age		59
Nationality		Pakistani
Position		CFO
Date of appointment at the Company		01/04/2010G
Academic Qualifications		<ul style="list-style-type: none"> Fellowship of Management Accountant, Pakistan, 1986G Fellowship of Chartered Accountants, Pakistan, 1985G Bachelor of Commerce, University of Karachi, Pakistan, 1982G
Work Experience		<ul style="list-style-type: none"> Member of the Company's Executive Committee, 2013G to present Financial Controller, Saudi National Insurance Company BSC, a Bahraini joint stock company working in insurance, 2001G-2010G Executive Audit Manager, Ernst & Young KSA, an office specialized in public accountancy and consultation, 1986G-2001G

16.5 Summary biography of the Company's Secretary: Ghassan Hamza Ali Junaid

Name		Ghassan Hamza Ali Junaid
Age		45
Nationality		Saudi
Position		Board Secretary
Date of appointment at the Company		01/04/2010G
Academic Qualifications		<ul style="list-style-type: none"> Bachelor of Business Administration, King Abdulaziz University, KSA, 2009G Higher Diploma in Vehicle Engineering, Jeddah College of Technology, KSA, 1994G

Work Experience	<ul style="list-style-type: none"> • Branch Operations Manager, SABB, a Saudi listed joint stock company, working in banking, 2011G-2012G • Customer Relations, SABB, a Saudi listed joint stock company working in banking, 2009G-2011G • Supervisor of Customer Relations, SABB, a Saudi listed joint stock company working in banking, 2006G-2009G • Senior Customer Service Representative, SABB, a Saudi listed joint stock company working in banking, 2003G-2006G • Customer Service Representative, SABB, a Saudi listed joint stock company working in banking, 2001G-2003G
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17. Acknowledgements

The Board acknowledges with gratitude the cooperation and support extended by customers, insurance brokers, regulators and banks. The Board also wishes to place on record their sincere appreciations of the services rendered by all employees of the Company and are thankful to the Shareholders for their continued support.

For and on behalf of the Board of Directors,



Hussain Said Akeil

Chairman

Date: 12 March 2021

Appendix 1	Board of Directors Experience
Appendix 2	Board Committee Members Experience
Appendix 3	Executive Management
Appendix 4	Board of Directors membership on the Board of other companies

Appendix 1

Board of Director Experience:

#	Director Name	Current Position	Previous Position	Qualification	Experiences
1	Dr. Hussein Akeil	Legal Advisor	Chief Legal Advisor – Abdulatif Jamil Group	JD. Law – Denver University- USA 1998	22 Years
2	Bernd Alloys Kohn	Board Member of Munich Re of Africa	Manager of Munich Re Singapore	Master Degree in Economics from University of Cologne –Germany -1998	23 years
3	Soren Nikolajsen	CEO – NatWest Markets Asia Pacific – Singapore	MD/ CEO Alawwal Bank	Master Degree – Finance from London Business School – 1999	36 years
4	Amin Mousa Alaffi	CEO of E. A. Juffali & Brother Co	Head of Corporate NCb Bank	Bachelor Degree – Business Administration Texas University 1984	36 years
5	Faisal Charara	CFO E. A. Juffali & Brothers Co	Assistant CFO EA Juffali & Brothers Co	Master Degree Business Administration – Harvard University 1994	26 years
6	Nedhal Radhwan	GM – Kamak Consultancy	Labor advisor – UBT Jeddah	Bachelor Degree – Economics King Saud University 1985	31 Years
7	Rakan Alhoshan	Chairman and CEO – Hoshan Company Limited	Chairman and CEO – Hoshan Company Limited	Master Degree – Business Administration The American University – USA 1993	27 Years
8	Raed Salman Sater	Independent Board Member – Wataniya Insurance Company	General Manager - HR & Admin – Bahrain Petroleum Co	Bachelor of Science in Finance King Fahad University of Petroleum and Minerals - 1994	28 Years
9	Haytham Akhdar	Business Advisor	Chief Executive Officer – Designlab – Dubai, UAE	Master's Degree in International Policy Studies - Stanford University - 1995	27 Years
10	Tahir Aldabbagh	Vice Chairman & Chairman - Audit Committee Tamwily International Co.	Chairman & Board Member Al Mamoon Overseas Insurance Brokerage Co., Ltd.	Bachelor of Science in Political Science & Bus. Administration – Central Michigan University - 1981	40 Years

Appendix 2

Committees Members Experiences:

1. Executive Committee

#	Name	Current Position	Previous Position	Qualification	Experiences
1	Faisal Charara	CFO EA Juffali & Brothers Co	Assistant CFO EA Juffali & Brothers Co	Master Degree Business Administration – Harvard University 1994	26 years
2	Haitham Albakree	CEO Wataniya Insurance Company	Chief Operation Officer FWU Global Takaful Solution	Master Degree – Economic -Jhon Hopkins University USA 2000	19 years
3	Ali Elhussein	Vice CEO Wataniya Insurance Company	Assistant General Manager Saudi National Insurance Company	Bachelor Degree – Insurance Cairo University 1974	45 years
4	Sohail Abbas	CFO Wataniya Insurance Company	CFO Saudi National Insurance Company	Certified Management Accountant, Pakistan, 1986G Fellowship of Chartered Accountants, Pakistan, 1985G Bachelor of Commerce, University of Karachi, Pakistan, 1982G	34 years
5	Peter Choueiri	Senior Advisor - Roland Berger GmbH, Germany	Executive Consultant - Lee Hecht Harrison GmbH, Germany	Diploma in Business Administration - Friedrich-Alexander-Universität Erlangen-Nürnberg (FAU), Germany, 1991	30 Years

2. Audit Committee

#	Name	Current Position	Previous Position	Qualification	Experiences
1	Sirajuddin Anwar	Executive Director – Internal Audit Services – SAVOLA Group	Chief Internal Auditor- Farouq Maamoun Tammer Goup	Bachelor Degree – Accounting, commerce, Business Laws University of Karachi 1996	23 Years
2	Sami Alhalabi	Advisor	Group COO – ROLACO Trading and Contracting Holding	MS, Mechanical Engineering – Stanford University – 1992	29 Years
3	Nedhal Radhwan	GM – Kamak Consultancy	Labor advisor – UBT Jeddah	Bachelor Degree – Economics King Saud University 1985	31 Years

3. Investment Committee

#	Name	Current Position	Previous Position	Qualification	Experiences
1	Faisal Charara	CFO EA Juffali & Borther Co	Assistant CFO EA Juffali & Brothers Co	Master Degree Business Administration – Harvard University 1994	26 years
2	Dr. Bernardus Vanlinder	CEO Commercial Bank Dubai	MD/CEO Alawwal Bank	PhD. Artificial intelligent	26 years
3	Haitham Albakree	CEO Wataniya Insurance Company	Chief Operation Officer FWU Global Takaful Solution	Master Degree – Economic –Jhon Hopkins University USA 2000	19 years

4. Remuneration & Compensation Committee

#	Name	Current Position	Previous Position	Qualification	Experiences
1	Raed Sater	General Manager - HR & Admin -	Partner - Heidrick & Struggles, Dubai, United Arab Emirates	Bachelor of Science in Finance King Fahad University of Petroleum and Minerals - 1994	28 years
2	Faisal Charara	CFO EA Juffali & Borther Co Bahrain Petroleum Co	Assistant CFO EA Juffali & Brothers Co	Master Degree Business Administration - Harvard University 1994	26 Years
3	Sami Alhalabi	Advisor	Group COO - ROLACO Trading and Contracting Holding	MS, Mechanical Engineering - Stanford University - 1992	29 Years

5. Risk Committee

#	Name	Current Position	Previous Position	Qualification	Experiences
1	Amin Mousa Alafifi	CEO E A Juffali & Brother Co	Head of Corporate NCB Bank	Bachelor Degree - Business Administration Texas University 1984	36 years
3	Haitham Albakree	CEO Wataniya Insurance Copmpany	Chief Operation Officer FWU Global Takaful Solution	Master Degree - Economic -Jhon Hopkins University USA 2000	19 years
4	Nedhal Radhwan	GM - Kamak Consultancy	Labor advisor - UBT Jeddah	Bachelor Degree - Economics King Saud University 1985	31 Years

Appendix 3

Executive Management:

#	Name	Current Position	Previous Position	Qualification	Experiences
1	Haitham Albakree	CEO Wataniya Insurance Company	Chief Operation Officer FWU Global Takaful Solution	Master Degree – Economic -Jhon Hopkins University USA 2000	19 years
2	Ali Elhusein	Vice CEO Wataniya Insurance Company	Assistant General Manager Saudi National Insurance Company	Bachelor's Degree – Insurance Cairo University 1974	45 years
3	Sohail Abbas	CFO Wataniya Insurance Company	CFO Saudi National Insurance Company	Certified Management Accountant, Pakistan, 1986G Fellowship of Chartered Accountants, Pakistan, 1985G Bachelor of Commerce, University of Karachi, Pakistan, 1982G	34 years
4	Majed Alghamdi	COO Wataniya Insurance Company	Head - Operation Wataniya Insurance Company	Bachelor of Information Technology – King Abdulaziz University, KSA, 2004	15 years
4	Ghassan Hamza Al-Junaid	Head of Governance & Legal Affairs – Board Secretary	Manager of the Company's HR and Administrative Affairs Department, 2010-2013G	Bachelor of Business Administration, King Abdulaziz University, KSA, 2009G	25 years

Appendix 4

Board of Directors membership on the Board of other companies:

#	Director Name	Company Name	Company Location	Legal Status
1	Dr. Hussien Akeil	Sakan Limited Company	Saudi Arabia	Limited (Private) Shareholding Company
		A Plus Manpower	Philippines	Limited (Private) Shareholding Company
2	Bernd Alloys Kohn	Munich Reinsurance Company Africa	Germany	Public Shareholding Company
		SNIC Insurance Company	Bahrain	Limited (Private) Shareholding Company
		Jordan Insurance Company	Jordan	Public Shareholding Company
3	Soren Nikoljsen	Alawwal Bank	Saudi Arabia	Listed Public Shareholding Company
		Alawwal Investment Company	Saudi Arabia	Limited (Private) shareholding Company
4	Amin Mousa Alfifi	E A Juffali & Brothers Co	Saudi Arabia	Limited (Private) shareholding Company
		Saudi Cement Company	Saudi Arabia	Listed Public Shareholding Company
		SNIC Insurance Company	Bahrain	Limited (Private) Shareholding Company
		Arabian Chemical Company (Polystyrene)	Saudi Arabia	Joint Venture Limited Company
		Arabian Chemical Company (Latex)	Saudi Arabia	Joint Venture Limited Company
		Arabian Chemical Insulation Co. (ACIC)	Saudi Arabia	Joint Venture Limited Company
Arabian Airconditioning Company (AAC)	Saudi Arabia	Joint Venture Limited Company		

	Carrier Service Company (CSSC)	Saudi Arabia	Saudi Arabia	Joint Venture Limited Company
	Floor Company	Arabia	Saudi Arabia	Joint Venture Limited Company
	National Automobile Company		Saudi Arabia	Joint Venture Limited Company
	PolyOne MasterBatches Co.		Saudi Arabia	Joint Venture Limited Company
	Airconditioning Mfg., Company (SAMCO)			
	Saudi Building System Mfg., Co. (SBSM)		Saudi Arabia	Joint Venture Limited Company
	Saudi Ericsson Communication Co.		Saudi Arabia	Joint Venture Limited Company
	Saudi Liebherr Company		Saudi Arabia	Limited Company
	STEPCO			
	ProMinent FZC	Juffali	Saudi Arabia	Joint Venture Limited Company
	Otis Elevator Company Saudi Arabia Limited Saudi		Saudi Arabia	Limited Company
	Juffali Univar Saudi Arabia Chemicals Company		UAE	Limited Company
	Juffali Tyres Company		Saudi Arabia	Joint Venture Limited Company
	Heidelberg East FZCO	Middle		
			Saudi Arabia	Joint Venture Limited Company

		Juffali Airconditioning, Mechanical (JAMED)	UAE – Jabal Ali	Limited Company
		Maintenance of Airconditioning & Refrigerators Co. (MARCO)	Saudi Arabia	Limited Company
		Juffali Technical Equipment Company(JTECO)	Saudi Arabia	Saudi Arabia
			Saudi Arabia	Saudi Arabia
5	Faisal Charara	E A Juffali & Brothers Co	Saudi Arabia	Limited (Private) shareholding Company
		NCB Capital Company	Saudi Arabia	Limited (Private) Shareholding Company
		SNIC Insurance Company	Bahrain	Limited (Private) Shareholding Company
		Arabian Chemical Company (Polystyrene)	Saudi Arabia	Joint Venture Limited Company
		Arabian Chemical Company (Latex)	Saudi Arabia	Joint Venture Limited Company
		Arabian Chemical Insulation Co. (ACIC)	Saudi Arabia	Joint Venture Limited Company
		Arabian Airconditioning Company (AAC)	Saudi Arabia	Joint Venture Limited Company
		Carrier Saudi Service Company (CSSC)	Saudi Arabia	Joint Venture Limited Company
		Floor Arabia Company	Saudi Arabia	Joint Venture Limited Company

	National Automobile Company	Saudi Arabia	Joint Venture Limited Company
	PolyOne MasterBatches Co.	Saudi Arabia	Joint Venture Limited Company
	Airconditioning Mfg., Company (SAMCO)	Saudi Arabia	Joint Venture Limited Company
	Saudi Building System Mfg., Co. (SBSM)	Saudi Arabia	Joint Venture Limited Company
	Saudi Ericsson Communication Co.	Saudi Arabia	Limited Company
	Saudi Liebherr Company	Saudi Arabia	Joint Venture Limited Company
	STEPCO	Saudi Arabia	Limited Company
	ProMinent Juffali FZC	Saudi Arabia	Joint Venture Limited Company
	Otis Elevator Company Saudi Arabia Limited Saudi	UAE	Limited Company
	Juffali Univar Saudi Arabia Chemicals Company	Saudi Arabia	Joint Venture Limited Company
	Juffali Tyres Company	Saudi Arabia	Joint Venture Limited Company
	Heidelberg Middle East FZCO	Saudi Arabia	Joint Venture Limited Company
	Juffali Airconditioning, Mechanical (JAMED)	UAE – Jabal Ali	Limited Company
	Maintenance of Airconditioning &	Saudi Arabia	Limited Company

		Refrigerators Co. (MARCO)	Saudi Arabia	Saudi Arabia
		Juffali Technical Equipment Company(JTECO)	Saudi Arabia	Saudi Arabia
6	Rakan Amer Elhoshan	Elhoshan Company	Saudi Arabia	Limited (Private) Shareholding Company
		Offices Supplies Company	Saudi Arabia	Limited (Private) Shareholding Company
		Gulf Telecommunications Company	Saudi Arabia	Limited (Private) Shareholding Company
		Arabia Furnitures & Design Company	Saudi Arabia	Limited (Private) Shareholding Company
		Advanced Service Company	Saudi Arabia	Limited (Private) Shareholding Company
		Arabia Investment Company	Saudi Arabia	Limited (Private) Shareholding Company
		Amer Hamad Elhoshan & Partners Company	Saudi Arabia	Limited (Private) Shareholding Company
		H2O Company	United Arab Emirates	Limited (Private) Shareholding Company