

الوطنية للتأمين  
Wataniya Insurance



**BOARD OF DIRECTOR'S  
REPORT - 2021**

## **Chairman's Statement**

It is my privilege to present, on behalf of the Board of Directors, the 11<sup>th</sup> Annual Report and Financial Statements of Wataniya Insurance Company pertaining to the year ended 31 December 2021.


As mentioned in the 2011 Board of Directors' Report, the Company obtained the Saudi Central Bank (SAMA) authorization to conduct business on 26 June 2010 and commenced operations on 1<sup>st</sup> 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%); and 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 insurer in the overall KSA insurance sector of 28 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 Company 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.

Wataniya reported a net comprehensive loss of SR 54.637 million for the year ended 31 December 2021 (31 December 2020: net comprehensive income of SR 7.600 million), primarily due to lower net underwriting income. Motor business, which contributes the majority of the Company's premium revenue, has remained under pressure for many in the sector, both due to competitive pricing and higher claims experience. Wataniya has already taken corrective action to improve the underwriting performance by reassessing its pricing. Because of the losses, the Company's regulatory solvency went below the required minimum in 2021.

Nevertheless, the Company has started working on timely corrective action plan where it made public announcement on 16<sup>th</sup> September 2021, regarding its board's recommendation to increase the share capital by offering right issue, amounting to SR 200 million, to support the Company's plans and solvency margins position. This was followed by further public announcements of receiving no objection from SAMA to the capital increase and appointment of Arab National Investment Company as the financial advisor to manage the rights issue transaction. Submission of the rights issue application to the Capital Market Authority ("CMA") which was approved by the CMA subsequent to the year end on March 8, 2022. The capital increase should restore the Company's regulatory solvency above the required minimum.



Despite the ramification of COVID-19 and the losses incurred during the year, the Company was able to improve its top line in 2021. Wataniya's 2021 gross premium revenue was SAR 902 million, making it a mid-size Saudi Arabia-based entity. This was a 15% increase over the previous year and comprised of 50% motor and 19% 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.

One of the most important factors in the Company's success is a knowledgeable, dedicated and trained team of 248 employees. 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 in excess of 75% for the past several years.

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 Saudi Central Bank, the Capital Market Authority and the Ministry of Commerce, as well as the Board of Directors, the Management and the staff for their support and dedication.



**Hussein Said Akeil**  
Chairman

13 March 2022

# WATANIYA INSURANCE COMPANY

## BOARD OF DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of Wataniya Insurance Company have great pleasure in presenting to the Shareholders the eleventh Annual Report accompanied by the audited financial statements along with the accompanying notes thereto, for the financial year ended 31 December 2021.

Wataniya Insurance Company (the "Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia under Commercial Registration No. 4030200981 dated 1 Jumada II 1431H (corresponding to May 15, 2010) and Ministry of Commerce and Industry's Resolution number 158/K 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. 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 fourth renewal was obtained in 2021 up to 02/07/1446H corresponding to 02/01/2025G. The first Constituent General Meeting Assembly meeting was held on 14<sup>th</sup> April 2010, the second Extraordinary General Meeting Assembly was held on 12<sup>th</sup> May 2012, the third General Meeting Assembly was held on 25<sup>th</sup> March 2013, the fourth General Meeting Assembly was held on 26<sup>th</sup> June 2014, the fifth General Meeting was held on 16 June 2015, the sixth General Meeting was held on 26<sup>th</sup> April 2016, the seventh EGM Extraordinary General Meeting was held on 31<sup>st</sup> July 2016, eighth Extraordinary General Meeting was held on 23<sup>rd</sup> May 2017, ninth General Meeting Assembly was held on 10<sup>th</sup> May 2018. The tenth General Meeting Assembly was held on 25<sup>th</sup> April 2019. The eleventh General Assembly was held on 20<sup>th</sup> February 2020, the twelfth General Meeting Assembly was held on 21<sup>st</sup> April 2020 using Virtual technology, the thirteenth Extraordinary General Meeting Assembly was held on 11<sup>th</sup> April 2021 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 as at 31 December 2021 are as follows: -

No.	Name	Shareholding	Legal Status
1.	SNIC Insurance Company	27.5 %	Company
2.	Private Wealth Investment Holding Co.	20 %	Company

3.	NeueRuckversicherungs-Gesellschaft	10 %	Company
4.	E A Juffali& Bros. <sup>(1)</sup>	5 %	Company
5.	Public	37.5%	Public
	<b>Total</b>	<b>100 %</b>	

- 1) E.A. Juffali& Bros. holds a 72.5% stake in SNIC Insurance Company and therefore has a total interest of 24.9375% in the Company.
- 2) On December 26, 2021, the Company has announced on Tadawul on receiving a letter (via e-mail) from Private Wealth Investment Holding Co. pertaining to their agreement with the Saudi British Bank on purchasing the entire share of Saudi British Bank in Wataniya Insurance Company totaling to 4,000,000 shares representing 20% of the Company's share capital as on 23<sup>rd</sup> December 2021 amounting to SR 80,000,000.

## 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 2021, 41 products have been approved by SAMA.

The following is a list of the 41 products: -

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. All Risks</li> <li>2. Fire Insurance</li> <li>3. Property All Risks</li> <li>4. Business Interruption</li> <li>5. Householder's Comprehensive</li> <li>6. Terrorism &amp; Sabotage</li> <li>7. Motor Private Comprehensive Policy</li> <li>8. Motor Third Party Liability Policy</li> <li>9. Motor Commercial Comprehensive Policy</li> <li>10. Motor Traders Policy External Risks</li> <li>11. Marine Cargo (Single Voyage)</li> <li>12. Marine Cargo (Open Cover)</li> <li>13. Inland Transit (All Risks)</li> <li>14. Inland Transit (Road Risks)</li> <li>15. Marine Hull (Pleasure Boats)</li> <li>16. Contractors All Risks (CAR)</li> <li>17. Erection All Risks (EAR)</li> <li>18. Machinery Breakdown</li> <li>19. Machinery Loss of Profits</li> <li>20. Contractor's Plant &amp; Equipment</li> <li>21. Electronic Equipment</li> </ol> | <ol style="list-style-type: none"> <li>22. Deterioration of Stock</li> <li>23. Fidelity Guarantee</li> <li>24. Burglary</li> <li>25. Plate Glass</li> <li>26. Money</li> <li>27. Personal Accident (Individuals)</li> <li>28. Personal Accident (Group)</li> <li>29. Travel Accident</li> <li>30. Public Liability</li> <li>31. Workmen's Compensation</li> <li>32. Professional Indemnity</li> <li>33. Professional Indemnity – Architects</li> <li>34. Professional Indemnity – Medical Malpractice</li> <li>35. Banker's Blanket Bond (BBB)</li> <li>36. Extended Warranty</li> <li>37. Directors and Officers Insurance</li> <li>38. Event Cancellation</li> <li>39. Individual Term Life Insurance</li> <li>40. Group Life Insurance</li> <li>41. Aviation</li> </ol> |
|---|--|

## 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 2021 is set out below:

#### 1.3.2 Gross Written Premiums

	Year Ended 31 Dec 2021 SR'000	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
<b>Revenues</b>					
Gross Written Premiums	902,100	785,881	735,044	712,324	578,701
Net premium written	522,770	462,980	415,706	420,669	301,324
Net premium earned	503,548	417,662	410,078	373,063	294,244
Commission earned	49,187	55,516	76,039	72,924	77,409
Other underwriting income	432	190	319	406	364
<b>Total revenues</b>	<b>553,167</b>	<b>473,368</b>	<b>486,436</b>	<b>446,393</b>	<b>372,017</b>
<b>Cost and Expenses</b>					
Net claims incurred	386,060	263,985	316,100	247,566	190,558
Policy acquisition costs	66,977	60,576	65,015	65,318	69,288
Technical reserves	(643)	1,565	(10,855)	23,516	-
Other underwriting expenses	27,574	10,978	2,735	-	-
Other operating expenses, net	123,673	118,572	87,146	87,207	62,408
<b>Total costs and expenses</b>	<b>603,641</b>	<b>455,676</b>	<b>460,141</b>	<b>423,607</b>	<b>322,254</b>
Net income/(loss) before allocation	(50,474)	17,692	26,295	22,786	49,763
Share of policyholders	-	(2,468)	(2,512)	(2,353)	(5,055)
Zakat and Income Tax	(4,002)	(7,386)	(5,345)	(6,873)	(6,914)
<b>Net income (loss) for the year</b>	<b>(54,476)</b>	<b>7,838</b>	<b>18,438</b>	<b>13,560</b>	<b>37,794</b>
Actuarial losses on defined benefit obligations	(161)	(238)	(927)	(1,364)	-
<b>Total comprehensive income (loss) for the year</b>	<b>(54,637)</b>	<b>7,600</b>	<b>17,511</b>	<b>12,196</b>	<b>37,794</b>

The Gross Written Premiums of the Company for the year was SR 902.100 million (2020: SR 785.881 million) representing an increase of 15%. Increase was primarily due to increase in Motor, Marine, Property, Engineering, and Accident and Liability premiums by SR 130.751 million against a decrease in Life premiums by SR 14.532 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 503.548 million for the year ended 31 December 2021 against SR 417.662 million for the year ended 31 December 2020. Net premiums earned increased by 21% mainly due to increase in Motor net premiums earned by SR 69.349 million.

### 1.3.4 Net Commissions Earned:

	2021 SR'000	2020 SR'000	2019 SR'000	2018 SR'000	2017 SR'000
Reinsurance Commission Earned	49,187	55,516	76,039	72,924	77,409
Policy acquisition costs	(66,977)	(60,576)	(65,015)	(65,318)	(69,288)
	<b>(17,790)</b>	<b>(5,060)</b>	<b>11,024</b>	<b>7,606</b>	<b>8,121</b>

The net commission earned decreased by 252% over last year due to a decrease in Life, Motor, Marine, and Engineering reinsurance commission earned by SR 10.906 million against an increase in Property, Accident & liability and Extended warranty reinsurance commission earned by SR 4.577 million. The increase in the policy acquisition costs are in line with the increase in the gross written premiums.

### 1.3.5 Net Incurred Claims:

The net incurred claims during the year after deducting the reinsurance shares and reserves amounted to SR 390.960 million against SR 263.985 million for 2020. Net incurred claims have increased by 48% over the prior period mainly due to increase in the net incurred claims of Motor class by SR 126.975 million.

### 1.3.6 Technical Reserves:

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


### 1.3.7 Other Operating Expenses, net:

This is analyzed as follows:

	2021 SR'000	2020 SR'000	% Change
Provision for doubtful debts	4,996	10,398	-52%
General and admin expenses	124,933	119,453	4.6%
Other income	(609)	(7,179)	-91.5%
Investment income	(5,647)	(4,100)	37.7%
	<b>123,673</b>	<b>118,572</b>	<b>4%</b>

- a) The decrease in the provision for doubtful debts was due to the decrease in the over 90 days receivables by SR 23.370 million.



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- b) The general and admin expenses increased by SR 5.480 million mainly due to an increase in salaries and benefits by SR 2.745 million and an increase in IT expenses by SR 2.528 million.
  - c) Other income includes share of surplus from Al-Manafeth of SR 0.4 million (2020: SR 1.2 million), and NIL profit commission (2020: SR 3.7 million), and Hajj and Umra share of SR 0.2 million (2020: 2.2 million).

1.3.8 Net (loss)/income before allocation and zakat and income tax:

The result for the year is showing a net loss of SR (50.474) million compared to an income of SR 17.692 million in 2020.

1.3.9 Total Comprehensive income/(loss) for the year:

The results for 2021 is a comprehensive loss after zakat and income tax of SR (54.637) million (2020: comprehensive income of SR 7.600 million).

“The Company did not make any expectations with regards of its operation for the period of 1<sup>st</sup> January 2021 to 31 December 2021, hence no explanations is made for any deviation”.

## Summary of assets and liabilities

	Balance as of Dec 31, 2021 SR'000	Balance as of Dec 31, 2020 SR'000	Balance as of Dec 31, 2019 SR'000	Balance as of Dec 31, 2018 SR'000	Balance as of Dec 31, 2017 SR'000
<b>Assets</b>					
Cash and cash equivalents	42,130	80,733	354,707	324,060	269,559
Term Deposits	191,369	242,250	-	-	-
Premiums receivables-net	249,526	194,538	153,813	192,465	112,518
Reinsurers' share of unearned premiums	173,197	129,371	104,944	104,039	109,585
Reinsurers' share of outstanding claims	280,924	559,837	531,601	159,448	33,854
Reinsurers' share of claims incurred but not reported	30,637	52,863	57,091	78,880	87,152
Deferred policy acquisition costs	38,790	32,299	23,771	24,279	28,047
Due from reinsurers	39,155	44,039	139,910	13,240	2,892
Prepaid expenses and other assets	38,493	19,893	18,780	21,629	27,138
Investments	179,882	166,952	112,568	106,927	105,154
Property and equipment	17,403	12,371	11,268	9,976	1,847
Intangible assets	44,139	38,113	35,963	20,211	-
Statutory deposit	20,000	20,000	20,000	20,000	20,000
Accrued income on statutory deposit	1,592	1,469	1,275	848	487
<b>Total assets</b>	<b>1,347,237</b>	<b>1,594,728</b>	<b>1,565,691</b>	<b>1,076,002</b>	<b>798,233</b>
<b>Liabilities</b>					
Unearned premiums	392,680	329,632	259,887	253,354	211,294
Outstanding claims	373,698	641,948	610,423	244,263	80,299
Claims incurred but not reported	76,046	101,491	102,179	114,013	128,894
Unearned reinsurance commission	29,200	30,386	25,328	29,443	31,204
Technical reserves	17,180	17,823	16,258	27,113	3,597
Due to Reinsurers, agents and brokers and Third-Party Administrator	139,654	105,695	76,899	68,418	45,377
Policyholders payable	29,961	22,681	153,385	29,938	12,910
Accrued expenses and other liabilities	72,158	68,699	53,422	56,663	39,382
Surplus distribution payable	-	2,468	2,512	5,069	12,225
Zakat and income tax payable	3,873	6,604	5,853	7,305	7,205
Accrued income on statutory deposit	1,592	1,469	1,275	848	487
<b>Total liabilities</b>	<b>1,136,042</b>	<b>1,328,896</b>	<b>1,307,421</b>	<b>836,427</b>	<b>572,874</b>
<b>Shareholders' Equity</b>					
Share capital	200,000	200,000	200,000	200,000	200,000
Statutory reserve	15,354	15,354	13,787	10,099	6,012
(Accumulated losses)/Retained earnings	(4,159)	50,478	44,483	29,476	19,347
<b>Total shareholder's equity</b>	<b>211,195</b>	<b>265,832</b>	<b>258,270</b>	<b>239,575</b>	<b>225,359</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,347,237</b>	<b>1,594,728</b>	<b>1,565,691</b>	<b>1,076,002</b>	<b>798,233</b>

### 1.3.10 Assets

The total assets decreased from SR 1.595 billion at 31 December 2020 to SR 1.347 billion at 31 December 2021, i.e. by 16% mainly due to a decrease in cash and cash equivalents by SR 38 million or 48% over last year, a decrease in term deposits by SR 51 million or 21% over last year, and a decrease in reinsurers' share of outstanding claims by SR 301 million or 49% over last year. In addition, premium receivables net has increased by SR 55 million or 28% over last year, an increase in reinsurers' share of unearned premiums by SR 44 million or 34% over last year, and an increase in prepaid expenses and other assets by SR 18 million or 94% over last year. Investments have increased by SR 13 million or 8% over last year.

### 1.3.11 Liabilities

The total liabilities have decreased from SR 1.329 billion at 31 December 2020 to SR 1.136 billion at 31 December 2021 i.e. by 15% mainly due to the decrease in outstanding claims by SR 294 million against an increase in unearned premiums by SR 63 million and an increase in due to reinsurers, agents, brokers and third party administrator by SR 34 million.

### 1.3.12 Shareholder's equity

Total shareholders' equity has decreased from SR 266 million at 31 December 2020 to SR 211 million at 31 December 2021 due to net comprehensive loss of the year of SR 54.637 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 <sup>th</sup> 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 2021 by class and location is as follows:

COMPARATIVE GROSS PREMIUM STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021												
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	34,013	34,056	0	4,704	7,063	50	2,760	2,261	(18)	41,476	43,380	5
Marine	832	4,020	383	914		-			-	1,746	4,020	130
Property	91,619	133,429	46	24,307	26,284	8	7,356	8,148	11	123,283	167,861	36
Motor	303,660	326,668	8	67,715	85,861	27	56,450	38,588	(32)	427,826	451,117	5
Engineering	34,044	48,575	43	19,010	24,167	27	5,956	23,945	302	59,011	96,687	64
Liability	36,864	46,273	26	6,849	15,448	126	2,427	4,906	102	46,140	66,626	44
Life	27,566	35,990	31	23,490	2,565	(89)	9,434	7,403	(22)	60,490	45,958	(24)
Personal Accident	2,615	2,639	1			-	52	38	(26)	2,667	2,678	0
Warranty	23,243	23,773	2			-			-	23,243	23,773	2
<b>TOTAL</b>	<b>554,458</b>	<b>655,424</b>	<b>18</b>	<b>146,989</b>	<b>161,387</b>	<b>10</b>	<b>84,435</b>	<b>85,289</b>	<b>1</b>	<b>785,881</b>	<b>902,100</b>	<b>15</b>

The Company has no subsidiaries operating either inside or outside of the Kingdom of Saudi Arabia. All the Company's revenue 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 44 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 45 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 (Non-Executive)	12,000	12,000	-	-
Soren Nikolajsen (Non-Executive)	Note (4)	-	-	-
Haitham H. Albakree (CEO - Executive)	1,500 (5)	1,500	-	-
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 Company representative.
- (3) E.A. Juffali Bros Representative.
- (4) Mr. Soren Nikolajsen had resigned on 13 April 2021 and it was announced on TADAWUL website on 12 April 2021.
- (5) Mr. Haitham Albakree was appointed as Executive Board member (Managing Director) and SAMA no objection was received on 06 October 2021, and it was announced on TADAWUL on 07 October 2021 the appointment will be presented to the next AGM for final approval.

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 2021 were follows:

Related party	Nature of transactions	For the year ended December 31, 2021	For the year ended December 31, 2020
Board members	- Fees and related expenses	1,712	1,450
Key management personnel	- Remuneration and related expenses	10,487	10,538
	- Long term employee benefits accrued	530	506
	- Loans and advances	-	652
	- End of service benefits paid	932	-
Major shareholders	- Gross premium written	3,705	2,437
	- Claims paid	1,180	1,136
	- Facultative premiums ceded	1,519	1,801
	- Facultative claims recovered	273	295
	- Facultative commission received	37	295
	- Expenses incurred	5,395	5,055
	- Commission income on deposits	925	2,678
Entities controlled, jointly controlled, or significantly influenced by major shareholders	- Gross premium written	46,853	36,750
	- Claims paid	11,401	10,513
	- Expenses incurred	1,906	617
	- Capital expenditure incurred	1,785	-

A key shareholder with a 20% stake in the Company's equity has disposed of its shares prior to December 31, 2021. Accordingly, their balances were not classified as related parties' balances as of December 31, 2021. However, transactions with this predecessor shareholder are disclosed as related party' transactions given that the disposal took place at the end of 2021.

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"> <li>▪ Amin Alafifi</li> <li>▪ Faisal Charara</li> </ul>	Rents and other charges for Jeddah (VAT Inclusive)	Annual 2021	3,966
2.	E.A. Juffali & Bros. – ISC	<ul style="list-style-type: none"> <li>▪ Amin Alafifi</li> <li>▪ Faisal Charara</li> </ul>	Service Level Agreement for IT-Services (VAT Inclusive)	Annual 2021	1,429
3.	SNIC Ins Co	<ul style="list-style-type: none"> <li>▪ Amin Alafifi</li> <li>▪ Faisal Charara</li> </ul>	<ul style="list-style-type: none"> <li>- Facultative Premiums</li> <li>- Facultative Commission</li> <li>- Facultative Claims Recovered</li> </ul>	Annual 2021	1,519 37 273
4.	Saudi Cement Company	<ul style="list-style-type: none"> <li>▪ Amin Al Afifi</li> </ul>	<ul style="list-style-type: none"> <li>- Insurance Premiums</li> <li>- Claims Paid</li> </ul>	Annual 2021	4,462 2,455
5.	Naghi Group of Companies	<ul style="list-style-type: none"> <li>▪ Tahir Aldabbagh</li> </ul>	<ul style="list-style-type: none"> <li>- Insurance Premiums</li> <li>- Claims Paid</li> </ul>	Annual 2021	6,225 8,014

With the exception of the above, the Board of Directors confirm that during 2021 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 2021

4.1 The Company had the following statutory payments outstanding as at 31 December 2021.

Description	2021	2020
	S.R.	S.R.
GOSI for the month of December 2021 (Paid in January 2022)	779,556	691,839
Zakat and Tax provision for 2021 will be paid upon filing of the return	3,873,001	6,602,522
Saudi Central Bank ( fees for 4th QTR. 2021 )	1,005,382	3,217,078
Withholding Tax payable (paid in January 2022 - SR 279,694) - Balance to be paid on settlement of reinsurer balances	7,046,184	5,567,381
Value added tax payable for Decemebr 2021 (Paid in January 2022 )	11,253,806	10,258,104
<b>Total</b>	<b>23,957,929</b>	<b>26,336,924</b>

#### 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, 2021, 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 the Kingdom of Saudi Arabia").

#### 7. External Auditors Appointment

The Board of Directors recommends KPMG Professional Services and Pricewaterhouse Coopers (PwC) as auditors for 2<sup>nd</sup>, 3<sup>rd</sup> quarters of 2022 and annual for 2022 and for the 1<sup>st</sup> quarter of 2023.

#### 8. Corporate Governance

##### 8.1 Compliance with Rules and Regulations

###### 8.1.1 EGM Meeting on 12<sup>th</sup> May 2012

The meeting approved the following:

- Accumulative voting
- Audit Committee & Remuneration Committee Formation and scoop of Work.

###### 8.1.2 AGM Meeting on 25<sup>th</sup> 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 26<sup>th</sup> June 2014  
The Meeting approved the following:  
a) Wataniya Stakeholders Policy.  
b) 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 23<sup>rd</sup> 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 10<sup>th</sup> 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 26<sup>th</sup> April 2019 till 25<sup>th</sup> 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 Atabani  
Mr. Faisal Darwish

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

#### AGM meeting on 20<sup>th</sup> 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

AGM meeting on 21<sup>st</sup> 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

8.1.10 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

EGM meeting on 11<sup>th</sup> April 2021

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

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

8	Rakan Amir Elhoshan	Attended
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8.1.11 The Company requested the Shareholders list from TADAWULATY during 2021 as per the following schedule:


No of request	Request date	Request reason
1	19-03-2021	AGM meeting
2	29-03-2021	Other
3	01-11-2021	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 2021
- 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) Audit committee's charter update
- p) Approval of Wataniya Strategy 2020-2025
- q) Outsourcing policy's update approval
- r) Whistle blowing policy approval
- s) Audit Committee Plan for 2021
- t) Cyber Security Governance update
- u) Cyber Security Strategy 2021
- v) Cyber Security Policy update
- w) Cyber Security Committee Charter update

**8.1.12 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 completed the Board Evaluation for the year 2021 using the expertise of International advising Company.
- e) Opening nominations to the Board of Directors memberships for the Tenure start on 26<sup>th</sup> April 2022 till 25<sup>th</sup> April 2025 and it was announced on TADAWUL as per regulations 07 October 2021.
- f) Bank Authority Matrix
- g) The Committees Secretarial Fees update.
- h) The Company announced on TADAWUL the appointment of Mr. Haitham Albakree As (Managing Director – Executive Director of the Board) on 07 October 2021,



upon the receipt of SAMA No Objection on 06 October 2021. As per regulation (the appointment is subject to the final approval by the shareholders during the next AGM) this appointment is in replacement of the resigned Board member Mr. Soren Nikolajsen who resigned on 13 April 2021 and was announced on TADAWUL accordingly.

- i) Recommend capital increase from 200M to 400 M through offering rights Issue and was announced on TADAWUL on 16 September 2021 as per the regulations.

The Board approved the amendments to the Company Memorandum of Association as per the New Corporate Law and regulations on 11<sup>th</sup> April 2021.

Shareholders rights related to the General Assembly meeting:

The Company announced its invitation for the attendance of the General Assembly meeting during 2021, on Local Newspapers, TADAWUL Website, and the Company's website.

The Company received SAMA No objection on 14 April 2021, regarding the amendments of the Company's Bylaw, to be in line with the new Companies Law, and it was approved by the shareholders in their Extraordinary General meeting on 11 April 2021.

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 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 25<sup>th</sup> April 2019. A new Board was appointed on 26<sup>th</sup> April 2019 till 25<sup>th</sup> 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 <sup>(3)</sup>	Non-Executive Director
3.	Amin Al Affi	Director <sup>(2)</sup>	Non-Executive Director
4.	Bernd Kohn	Director <sup>(1)</sup>	Non-Executive Director
5.	Haitham Albakree *	CEO and Managing Director	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 26<sup>th</sup> April 2020 till 25<sup>th</sup> 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. Haith Albakree was appointed as (Managing Director – Executive Director of the Board on 08 July 2021 and was published on Tadawul as per the regulations (the appointment is subject to the final approval by the shareholders during the next AGM) this appointment is in replacement of the resigned Board member Mr. Soren Nikolajsen who resigned on 13 April 2021 and was announced on TADAWUL accordingly.

\* Mr. Soren Nikolajsen resigned on 13 April 2021 with effective date on 13 April 2021, the company announced his resignation on Tadawul on 12 April 2021 as per the regulations.

### 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 Board Risk 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 5 meetings during the year 2021. The attendance at these meetings has been as follows:

Directors	11/04/2021 Meeting	05/05/2021 Meeting	08/07/2021 Meeting	16/09/2021 Meeting	13/12/2021 Meeting	% (Attendance)
Dr. Hussein S. Akeil	Yes	Yes	Yes	Yes	Yes	100%
Mr. Soren Nikoljsen	Yes	N/A	N/A	N/A	N/A	100%
Mr. Amin Al-Afifi	Yes	Yes	Yes	Yes	Yes	100%
Mr. Faisal Charara	Yes	Yes	Yes	No	Yes	80%
Mr. Bernd Kohn	Yes	No	Yes	Yes	No	60%
Nidal Radwan	Yes	Yes	Yes	Yes	Yes	100%
Raed Sater	Yes	Yes	Yes	Yes	Yes	100%
Rakan Alhoshan	Yes	Yes	Yes	Yes	Yes	100%
Hythum Akhdar	Yes	Yes	No	No	Yes	60%
Tahir Dabbagh	Yes	Yes	Yes	Yes	Yes	100%
Haitham Albakree	N/A	N/A	N/A	N/A	Yes	100%

N/A = Not appointed or resigned.

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 13<sup>th</sup> December 2021.

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 2022.
- Discussed Company's solvency.
- 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 up the activities of the various Committees including the Executive Committee, the Audit Committee, The Investment Committee, The Remuneration Committee, and the Risk Management Committee.
- Review the implementation of Wataniya’s Strategy 2020 – 2025.
- During the 2021, the Board approved the following:
  - a) The Risk Management Plan.
  - b) Approval of the quarterly and final annual financial statements.
  - c) Reinsurance strategy for 2021.
  - d) Budget approval 2022.
  - e) Recommend capital increase from 200 M to 400 M through offering rights Issue which was announced on TADAWUL on 16 September 2021 as per the regulations.
  - f) Opening nominations to the Board of Directors memberships for the Tenure start on 26<sup>th</sup> April 2022 till 25<sup>th</sup> April 2025 and it was announced on TADAWUL as per regulations 07 October 2021.
  - g) Bank Authority Matrix
  - h) the Committees Secretarial Fees update.
  - i) Solvency Corrective Action Plan.
  - j) Cyber Security Governance update.
  - k) Cyber Security Policy update.
  - l) Cyber Security strategy 2021.
  - m) Cyber Security Committee Charter update.
  - n) Banking Authority Matrix.
  - o) The Audit committee Annual Plan 2021.
  - p) Matters reserved to the Board Policy
  - q) The Anti- Fraud Policy.
  - r) Wataniya Delegation of Authority Policy.
  - s) Wataniya Article of Association update.
  - t) The appointment of Mr. Haitham Albakree as 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 2021 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 - Executive Director	Member
4.	Ali I. Elhoussein	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.
- Solvency monitoring.

c) Meetings

The Committee met on a regular basis and held 6 meetings during the year ended 31 December 2021. Details are as follows:

**Meetings Held**

Name	07-03-2021	14-06-2021	29-08-2021	14-10-2021	11-11-2021	29-12-2021	Fees Paid SR
Faisal Charara	✓	✓	✓	✓	✓	✓	12,000
Haitham Albakree	✓	✓	✓	✓	✓	✓	12,000
Ali I. Elhussein	✓	✓	✓	✓	✓	✓	12,000
Sohail F. Abbas	✓	✓	✓	✓	✓	✓	12,000
Nabil Peter Choueiri	✓	✓	✓	✓	✓	✓	*See Below

- ✓ = Attended  
 X = Absent  
 N/A = Not a member

\* Nabil Peter Choueiri was paid a total sum of SR 167,797 in 2021 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 2021 is as follows:

No.	Name	Designation	Role in Committee
1.	Faisal Charara	Non-Executive Director	Chairman
2.	Dr. Bernd van Linder	CEO – The Commercial Bank of Dubai (Independent Member)	Member
3.	Haitham Albakree	CEO - Executive Director	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 2021. Details are as follows:

**Meetings Held**

Name	02-06-2021	06-12-2021	Fees Paid
Faisal Charara	✓	✓	-
Dr. Bernd 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	GM – Corporate Finance (Savola Group)	Chairman
2.	Sami Musa Alhalabi	Independent – Non-Board Member	Member
3.	Nedal Radwan	Independent Board Member	Member

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 13 meetings during the year ended 31 December 2021. Details are as follows:

### Meetings Held

SN	Meeting	Siraj Mekhri	Sami Alhalabi	Nedal Redwan
1.	28-02-2021	✓	✓	✓
2.	07-03-2021	✓	✓	✓
3.	07-04-2021	✓	✓	✓
4.	02-05-2021	✓	✓	✓
5.	27-05-2021	✓	✓	✓
6.	13-06-2021	✓	✓	✓
7.	29-06-2021	✓	✓	✓
8.	08-08-2021	✓	✓	✓
9.	29-08-2021	✓	✓	✓
10.	03-10-2021	✓	✓	✓
11.	30-10-2021	✓	✓	✓
12.	05-12-2021	✓	✓	✓
13.	08-12-2021	✓	✓	✓
Fees Paid SR		111,000	101,000	101,000

✓ = 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 2021 was as follows:

No.	Name	Designation	Role in Committee
1.	Raed 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:

- 1- Establishing policies regarding the indemnity and remuneration of Directors and Senior Managers.
- 2- Evaluating the Board and Committees effectiveness and engagements during the Board tenure.
- 3- Reviewing and approval of the year end bonus for all managements and Company's staff.

c. Meetings

The committee held three (3) meetings during year ended 31 December 2021. Details are as follows:

**Meetings Held**

Name	01-04-2021	28-10-2021	07-12-2021	Fees Paid SR
Faisal Charara	✓	✓	✓	24,000
Raed Sater	✓	✓	✓	36,000
Sami Alhalabi	✓	✓	✓	24,000

✓ = 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 2021 is as follows:

No.	Name	Designation	Role in Committee
1.	Amin Mousa A. Al Afifi	Non-Executive Director	Chairman
2.	Haitham H. Albakree	CEO - Executive Director	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 2021. Details are as follows:

### Meetings Held

Name	01-04-2021	01-07-2021	Fees Paid SR
Amin Al Afifi	✓	✓	4,000
Haitham H. Albakree	✓	✓	4,000
Nidal Redwan	✓	✓	4,000

✓ = 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.

Directors		Board Directors Fees for 2021					Total 2021	Total 2020
		Director's Fees	Fees for Attending Board Meeting	Other Committees Fees	Audit Committee Fees	Remuneration Committee Fees		
		SR	SR	SR	SR	SR		
Dr. Hussein S. Akeil		196,667	20,000				216,667	193,000
Faisal Charara		140,000	16,000	18,000		18,000	192,000	166,500
Nidal Radwan		140,000	20,000	30,000	75,000		265,000	206,333
Bernd Kohn		140,000	12,000				152,000	130,000
Rakan Al-Hoshan		140,000	20,000				160,000	135,099
Amin Affi		140,000	20,000	4,000			164,000	133,000
Ra'ad Satter		140,000	20,000	6,000		30,000	196,000	196,525
Haitham Akhdar		140,000	12,000				152,000	133,000
Tahir Dabbagh		30,000	20,000				50,000	4,000
Haitham Albakree	Appointed on 08/07/2021	-	4,000	16,000			20,000	-
Soren Nikolajsen	Resigned on 12 April 2021	140,000	4,000				144,000	152,696
<b>Total</b>		<b>1,346,667</b>	<b>168,000</b>	<b>74,000</b>	<b>75,000</b>	<b>48,000</b>	<b>1,711,667</b>	<b>1,450,153</b>

## 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 2021 was Saudi Riyals 11.017 million (2020: SR 11.044 million). These are analyzed as follows:

	2021 SR million	2020 SR million
Salaries	6.155	6.191
Bonus	3.500	3.721
Other allowances	1.362	1.132
<b>Total</b>	<b>11.017</b>	<b>11.044</b>

## 10. Fines and Penalties

Except for the fines imposed by The Saudi Central Bank of SR 95,000 (see below) and by The General Organization for Social Insurance of SR 27,146 and by the Zakat, Tax, and Customs Authority of SR 247,118, 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 2021.

The following table presents the fines imposed by The Saudi Central Bank for the year 2021: -

Violation Subject	2021		2020	
	Number of Decisions	Total fines	Number of Decisions	Total fines
Fines for violation of Supervisory Regulation	4	95,000	1	40,000
Fines for violation of Client Care Regulations	-	-	-	-
Fines for violation of Anti-money laundering and terrorism financing	-	-	-	-

During the year, ZATCA issued various VAT assessments to the Company for approximately SAR 18 million which included VAT liabilities and penalties amounting to SAR 7.9 million and 10.1 million, respectively in respect of VAT Returns filed in 2018, 2019 and 2020. The assessments were issued primarily in connection with compensatory recovery amounts received by the Company relating to motor insurance claims from third parties.

ZATCA has asserted that these recoveries were related to supplies made by the Company and therefore subject to VAT at the prevailing rate. The Company has treated these recoveries as out of scope for VAT purposes. Management believes the ZATCA assessments are without merit and has filed objections against these assessment with ZATCA on December 23, 2021 and is awaiting the decision. Management also believes that the Company has a strong position and the Company's view should prevail. The Company has paid the full amount including fines along with obligations to avoid penalties from ZATCA.



## 11. Internal Audit

Although the Internal Audit function has been outsourced to Deloitte & Touche, the Company has appointed a Head of Internal Audit effective on 7<sup>th</sup> of June 2021, who has been mandated with developing the internal audit function within the Company.

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 2021, the Internal Audit function had the following observations: -

S #	Observation	Management Response
<b>Governance / Legal</b>		
1.	<ul style="list-style-type: none"> <li>• We noted that the CG Policy does not include a statement that the Board of Directors shall have the broadest powers in managing the Company and guiding its activities to achieve its objectives.</li> <li>• The CG policy does not include the process to be followed in case of potential conflict of Audit Committee with the Board as to their recommendations, as required by CMA CG Regulation Article 56.</li> <li>• Absence of a policy or process to require the preparation of a feasibility memo including the background and merits of the legal case, its expected cost, reputation risks involved, the pros and cons of carrying out the legal proceedings for the lawsuits initiated by the company.</li> </ul>	<p>Agreed. We will update the CG policy to include the processes for regulations related to the Functions of the Board of Directors &amp; Board's Report Requirements as per SAMA regulations and the process to be followed in case of a potential conflict of Audit Committee with the Board as to their recommendations.</p> <p>Agreed. We will update the legal register to include the legal case assessment memo / document for any legal case initiated by the company.</p>
<b>Human Resources</b>		
2.	<ul style="list-style-type: none"> <li>• Absence of access Cards logs for frequent visitors (i.e. advisors, consultants, brokers).</li> <li>• Absence of a process whereby the access rights for each position are defined by linking the post to its respective job descriptions. Further, we noted absence of a process to regularly generate and review the access rights (for existing and resigned employees), identify inconsistencies, and formally document the resulting actions taken to update the access rights in the system.</li> <li>• Absence of a monthly / quarterly process to ensure that the employee personal documents mentioned in the HR Checklist are safely stored in the employee's personnel files.</li> <li>• We noted absence of maker / checker controls over the computation of the staffs' bonuses and increments. The bonus and increment calculation process is not automated and the management is relying on Microsoft Excel based workbooks, prone to errors and unauthorized access.</li> </ul>	<p>Agreed, to coordinate with IT to implement the activity log.</p> <p>Agreed. We will perform an exercise to align the access rights of all the users in line with their authorities. Also we will develop a process to regularly generate and review the access rights. We will develop clear set of guidelines for the computation and determination of the employees bonuses and increments, and present them to the appropriate authority within the Company for their approval.</p>
<b>Cybersecurity</b>		
3.	<ul style="list-style-type: none"> <li>• Absence of Cyber Security Assessments during Procurement Process.</li> <li>• Cyber Security risks assessments and activities have not been considered as part of the project management function.</li> <li>• Lack of Audit Settings and Inadequate Log Monitoring.</li> <li>• Periodic review of Cyber Security Architecture is not conducted.</li> <li>• Absence of performance metrics or KPI (Key Performance Indicators) are not formally defined/ measured for cybersecurity.</li> </ul>	<p>Agreed, assessment will be started for the vendors before the services are finalized and procured.</p> <p>Cybersecurity risk assessment activities will be incorporated in all phases in the upcoming review of project management methodology.</p> <p>Procedure will be developed to capture, review and monitor audit logs. A formal periodical review will be conducted for cyber security architecture.</p>
<b>Claims</b>		
4.	<ul style="list-style-type: none"> <li>• Absence of a process within the Company for having pre-defined fraud indicators (including indicators for identifying cases with post loss endorsements) to identify potential fraudulent / suspicious cases that should be investigated further by special investigation Unit.</li> <li>• Absence of a process to ensure segregation of duties within the claims payment process wherein the claims were created and approved by the same users (employee) in all the Jeddah, Riyadh and Khobar offices of the Company.</li> <li>• Absence of a process to document the date of appointing the loss assessor in the system.</li> </ul>	<p>Agreed, the groundwork to implement system wise fraud indicator is under advanced stage which will block all doubtful cases until it is released by the dedicated unit after verification.</p> <p>Agreed. We will perform an exercise to align the access rights. Agreed. We will ensure that all claims with completed documents/approval will not delay in settlement.</p>

<b>Reinsurance</b>		
<b>5.</b>	<ul style="list-style-type: none"> <li>Absence of a formal manual or automated process to capture the instances wherein insurance policies cessation were not in line with the approved reinsurance strategy.</li> <li>Lack of formal process to document the justification/rationale for ceding the Insurance Policy using the Facultative arrangement only instead of using reinsurance cover available under exiting Treaty (proportional) Arrangement.</li> <li>Absence of formal process for record indexing the Facultative slip for each Insurance Policy to ensure easy archiving and effective searching of the relevant information.</li> </ul>	<p>Agreed. We will develop a process to monitor, capture and report the instances wherein the Insurance policies are issued in non-compliance with the reinsurance strategy.</p> <p>Agreed. We will collaborate with the Compliance Department for the implementation of Article 46 of the Implementing Regulation of the Cooperative Insurance Companies Control Law.</p>
<b>Client Care</b>		
<b>6.</b>	<ul style="list-style-type: none"> <li>Absence of a formally documented Client Care Department authority matrix.</li> </ul>	<p>Agreed, we have prepared the preliminary draft for the Authority Matrix once finalized will be submitted for approval to the relevant authority.</p>
<b>Underwriting</b>		
<b>7.</b>	<ul style="list-style-type: none"> <li>Absence of process to ensure that only licensed brokers are registered on the Company's active brokers database.</li> <li>Absence of a formal process to notify the retail motor insurance policyholders on the renewal of their insurance policies 30 days prior to its expiry.</li> <li>Absence of supporting documents for selected policies (articles of association, authorized signatory ID, copy of pricing tools, credit / debit notes for cancelled policies, cancellation confirmations, firm orders, proposal forms, quotation copies, renewal notices etc.).</li> </ul>	<p>Agreed, we will coordinate with the IT department to prevent the modification of policy issue date.</p> <p>Agreed. We will implement a formal process to notify the Retail Insurance Policyholder through SMS. We will ensure availability of all the policy files including the supporting documents for future reviews and reference.</p>
<b>IT</b>		
<b>8.</b>	<ul style="list-style-type: none"> <li>Disaster Recovery Plan has not been formally approved by Wataniya's management.</li> <li>Absence of User Access Request Tickets of three (3) out of sampled fifteen (15) user accounts pertaining to the Domain Active Directory.</li> <li>During our review, we noted that Wataniya does not have a formal escrow agreement for its core insurance application developed and maintained by third party.</li> </ul>	<p>Agreed, we will get formal approval on the Disaster Recovery plan.</p> <p>All the access requests will be processed through approved channel.</p> <p>Escrow Agreement will be arranged.</p>
<b>Anti-Fraud Policies and Procedures</b>		
<b>9.</b>	<ul style="list-style-type: none"> <li>Absence of Policies and Procedures for Motor Claims Fraud Flagging and Screening System.</li> <li>Absence of a process to present the instances of policyholder's fraudulent claims to the Audit Committee.</li> <li>Absence of Fraud Claims Recovery Follow-up Process.</li> <li>Absence of an Internal Fraud Register.</li> </ul>	<p>Agreed. Guidelines for flagging the fraudulent claims will be develop in collaboration with the claims Department.</p> <p>Agreed. We will develop a process to report on fraudulent claims that have been captured on a semi-annual basis to the Audit Committee.</p> <p>Agreed. Process map has been developed, subsequent procedures will follow.</p> <p>Agreed. A fraud register will be developed to record all identified fraudulent incident with relevant information.</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, reserves and retained earnings.

As per guidelines laid out by SAMA in Article 66 of the Implementing Insurance Regulations 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 of Saudi Riyals 100 million
- ✚ Premiums Solvency Margin
- ✚ Claims Solvency Margin

The Company's solvency margin as at December 31, 2021 remained below the minimum solvency requirements set by SAMA. The Company received a letter from SAMA on September 13, 2021 requiring the Company to work on adjusting the solvency margin to become at least 100%, and another letter from SAMA on December 1, 2021 to submit its rectification measures according to Article 68 of the Implementing Regulations of the Cooperative Insurance Companies Control Law. The Company has submitted its rectification plan to improve and sustain the solvency margin. Management is at present taking following active steps to restore solvency to the minimum level.

- Increasing the share capital by issuing rights issue of Saudi Riyals 200 million.

- Increasing the revenue by offering new products and expanding into the current lines of business.
- Controlling the loss ratios across different lines of business.
- Cost reduction measures with focus on automation and digitalization.

### **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 has maintained the rating of (BBB) stable for the company.

### **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.

The Company has given a limited Power of Attorney to Mr. Badr Alenzy, Thnyyan Althnyyan, Badr Alharbi, Maram Alenzy, and Nawwarah Alqahtani to manage the Company’s affairs which includes; being the Company’s representative to follow up all recovery cases, at governmental departments and higher/lower Courts and provincial governor’s offices and the traffic/ police departments. They also have 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 from the Company and surrender and collect all documents and sign on behalf of the company at all the representations prescribed.

## 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 accounts 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	49
Nationality	Saudi
Position	CEO - Managing Director
Date of appointment at the Company	01/04/2013G
Academic Qualifications	<ul style="list-style-type: none"> <li>• Master’s in international economics and Middle East Studies, John Hopkins University, USA, 2000G</li> <li>• Bachelor’s Degree in business administration, Curry College, USA, 1996G</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>• Member of the Company’s Executive Committee, 2013G to present</li> <li>• Member of the Company’s Nomination and Remuneration Committee, 2013G to present</li> <li>• Chief Operations Officer, FWU Global Takaful, a joint stock company registered in Dubai working in life insurance, 2011G – 2012G</li> <li>• Assistant General Manager of Strategic – Management, AlJazira Takaful Company, a Saudi listed joint stock company working in cooperative insurance, 2009G – 2011G.</li> <li>• 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</li> <li>• Head of Business Development, NCB, a Saudi listed joint stock company working in banking, 2002G – 2007G</li> </ul>



## 16.2 Summary biography of Ali Ibrahim Elhussein

Name	Ali Ibrahim ElHusseini
Age	71
Nationality	Sudanese
Position	Vice 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"> <li>Member of the Company's Executive Committee, 2012G to present</li> <li>Assistant General Manager of the Saudi National Insurance Company BSC, a Bahraini joint stock company working in insurance, 1996-2010G</li> <li>Underwriting Manager, Saudi National Insurance Company BSC, a Bahraini joint stock company working in insurance, 1990G-1996G</li> </ul>

## 16.3 Summary biography of Majed Boraik Mohsen AlGhamdi

Name	Majed Boraik Mohsen AlGhamdi
Age	41
Nationality	Saudi
Position	Chief Operations Officer
Date of appointment at the Company	01/05/2012G
Academic Qualifications	<ul style="list-style-type: none"> <li>Bachelor's degree of Computer Science 2004, Jeddah</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>IT Manager at Wataniya Insurance Company 2015-2018</li> <li>Senior IT Auditor – at National Commercial Bank 2011-2015</li> <li>IT Assistance Audit Manager at Bank AL-Jazira 2008-2011</li> <li>Network and security unit head at Petro Rabigh 2006-2008</li> <li>IT System Administrator at Alfakieh Group 2006-2006</li> </ul>

## 16.4 Summary biography of Sohail Fazal Abbas

Name	Sohail Fazal Abbas
Age	60
Nationality	Pakistani
Position	Chief Financial Officer
Date of appointment at the Company	01/04/2010G
Academic Qualifications	<ul style="list-style-type: none"> <li>Fellowship of Management Accountants, Pakistan, 1986G</li> <li>Fellowship of Chartered Accountants, Pakistan, 1985G</li> <li>Bachelor of Commerce, University of Karachi, Pakistan, 1982G</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>Member of the Company's Executive Committee, 2013G to present</li> <li>Financial Controller, Saudi National Insurance Company BSC, a Bahraini joint stock company working in insurance, 2001G-2010G</li> <li>Executive Audit Manager, Ernst &amp; Young KSA, an office specialized in public accountancy and consultation, 1986G-2001G</li> </ul>

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

Name	Ghassan Hamza Ali Junaid
Age	48

Nationality	Saudi
Position	Head of Corporate Governance, Administration & Legal - Board Secretary
Date of appointment at the Company	01/04/2010G
Academic Qualifications	<ul style="list-style-type: none"> <li>• Bachelor of Business Administration, King Abdulaziz University, KSA, 2009G</li> <li>• Higher Diploma in Vehicle Engineering, Jeddah College of Technology, KSA, 1994G</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>• Head of the Company's Governance, Legal and Administrative Affairs Department, 2014G to present</li> <li>• Manager of the Company's HR and Administrative Affairs Department, 2010-2013G</li> <li>• Manager of the HR Department at the Saudi National Insurance Company BSC, a Bahraini stock company in the insurance industry, 1999G – 2009G</li> </ul>

## 16.6 Summary biography of Mohammed Saeed Bawazeer

Name	Mohammed Saeed Bawazeer
Age	33
Nationality	Saudi
Position	Head of Compliance
Date of appointment at the Company	01/02/2018G
Academic Qualifications	<ul style="list-style-type: none"> <li>• Bachelor of Arts, International Studies, University of South Carolina 2014.</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>• Senior Compliance and AML Officer – Wataniya Insurance Company 2020G-2021G</li> <li>• Compliance Officer – Wataniya Insurance Company 2018G-2020G</li> <li>• Operation Manager – Pace Information Technology</li> <li>• Director of Administration and Supporting Services – Sakann Industrial Company 2016G-2018G.</li> <li>• Sanction Officer – Compliance Department – Saudi National Bank 2014G-2015G.</li> </ul>

## 16.7 Summary biography of Pantelis Nicholas Mesolongitis

Name	Pantelis Nicholas Mesolongitis
Age	54
Nationality	Greek
Position	Chief Technical Officer
Date of appointment at the Company	01/08/2021
Academic Qualifications	<ul style="list-style-type: none"> <li>• MBA, Insurance and Actuarial major, College of Insurance St. Johns University, USA</li> <li>• Bachelor's Degree in Actuarial Mathematics and Statistics Majors, Heriot Watt University, UK</li> <li>• Postgraduate Diploma in Actuarial Science and Finance, University of Waterloo, Canada</li> <li>• Qualified Actuary, The Cyprus Actuarial Association.</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>• Deputy Senior Executive Officer, Head of Reinsurance - ACE Re Brokers, UAE</li> <li>• Executive VP, Head of International Operations &amp; Business Development - OMAN INSURANCE COMPANY 2010G-2018G</li> <li>• Group Actuarial Officer - FLAGSTONE ALLIANCE REINSURANCE PLC 2000G-2010G</li> </ul>

## 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,

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**Hussain Said Akeil**

Chairman

Date: 13 March 2022

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

## Appendix 1

### Board of Director Experience:

#	Director Name	Current Position	Previous Position	Qualification	Experiences
1	Dr. Hussein Akeil	Chairman OF Wataniya Insurance Company	Chief Legal Advisor – Abdulatif Jamil Group	JD. Law – Denver University- USA 1998	23 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	24 years
3	Soren Nikolajsen	CEO – NatWest Markets Asia Pacific – Singapore	MD/ CEO Alawwal Bank	Master Degree – Finance from London Business School – 1999	37 years
4	Amin Mousa Alafifi	CEO of E. A. Juffali & Brother Co	Head of Corporate NCB Bank	Bachelor Degree – Business Administration Texas University 1984	37 years
5	Faisal Charara	CFO E. A. Juffali & Brothers Co	Assistant CFO EA Juffali & Brothers Co	Master Degree Business Administration – Harvard University 1994	27 years
6	Nedhal Radhwan	GM – Kamak Consultancy	Labor advisor – UBT Jeddah	Bachelor Degree – Economics King Saud University 1985	32 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	28 Years
8	Raed Sater	General Manager - HR & Admin – Bahrain Petroleum Co	Partner - Heidrick & Struggles, Dubai, United Arab Emirates	Bachelor of Science in Finance King Fahad University of Petroleum and Minerals - 1994	29 Years
9	Haytham Akhdar	Business Advisor	Chief Executive Officer – Designlab – Dubai, UAE	Master's Degree in International Policy Studies - Stanford University - 1995	28 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	41 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	27 years
2	Haitham Albakree	CEO/MD Wataniya Insurance Company	Chief Operation Officer FWU Global Takaful Solution	Master Degree – Economic -Jhon Hopkins University USA 2000	20 years
3	Ali Elhoussein	Vice CEO/Consultant Wataniya Insurance Company	Assistant General Manager Saudi National Insurance Company	Bachelor Degree – Insurance Cairo University 1974	46 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	35 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	31 Years

## 2. Audit Committee

#	Name	Current Position	Previous Position	Qualification	Experiences
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1	Sirajuddin Anwar	GM – Corporate Finance - SAVOLA Group	Chief Internal Auditor- Farouq Maamoun Tammer Goup	Bachelor Degree – Accounting, commerce, Business Laws University of Karachi 1996	24 Years
2	Sami Alhalabi	Advisor	Group COO – ROLACO Trading and Contracting Holding	MS, Mechanical Engineering – Stanford University – 1992	30 Years
3	Nedhal Radhwan	GM – Kamak Consultancy	Labor advisor – UBT Jeddah	Bachelor Degree – Economics King Saud University 1985	32 Years

### 3. Investment Committee

#	Name	Current Position	Previous Position	Qualification	Experiences
1	Faisal Charara	CFO EA Juffali & Borthor Co	Assistant CFO EA Juffali & Brothers Co	Master Degree Business Administration – Harvard University 1994	27 years
2	Dr. Bernardus Vanlinder	CEO Commercial Bank Dubai	MD/CEO Alawwal Bank	PhD. Artificial intelligent	27 years
3	Haitham Albakree	CEO/MD Wataniya Insurance Company	Chief Operation Officer FWU Global Takaful Solution	Master Degree – Economic -Jhon Hopkins University USA 2000	20 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	29 years
2	Faisal Charara	CFO EA Juffali & Borther Co	Assistant CFO EA Juffali & Brothers Co	Master Degree Business Administration – Harvard University 1994	27 Years
3	Sami Alhalabi	Advisor	Group COO – ROLACO Trading and Contracting Holding	MS, Mechanical Engineering – Stanford University – 1992	30 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	37 years
2	Haitham Albakree	CEO/MD Wataniya Insurance Copmpany	Chief Operation Officer FWU Global Takaful Solution	Master Degree – Economic -Jhon Hopkins University USA 2000	20 years
3	Nedhal Radhwan	GM – Kamak Consultancy	Labor advisor – UBT Jeddah	Bachelor Degree – Economics King Saud University 1985	32 Years

## Appendix 3

Executive Management:

#	Name	Current Position	Previous Position	Qualification	Experiences
1	Haitham Albakree	CEO/MD Wataniya Insurance Company	Chief Operation Officer FWU Global Takaful Solution	Master Degree – Economic -Jhon Hopkins University USA 2000	20 years
2	Ali Elhussein	Vice CEO/Consultant Wataniya Insurance Company	Assistant General Manager Saudi National Insurance Company	Bachelor's Degree – Insurance Cairo University 1974	46 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	35 years
4	Majed Alghamdi	COO Wataniya Insurance Company	Head - Operation Wataniya Insurance Company	Bachelor of Information Technology – King Abdulaziz University, KSA, 2004	16 years
5	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	26 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	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 Saudi Service Company (CSSC)	Saudi Arabia	Joint Venture Limited Company
		Floor Arabia Company	Saudi Arabia	Joint Venture Limited Company
		Saudi Arabia	Joint Venture Limited Company	

	National Automobile 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	Limited Company
	STEPCO	Saudi Arabia	Joint Venture Limited Company
	ProMinent Juffali FZC	Saudi Arabia	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 & Refrigerators Co. (MARCO)	Saudi Arabia	Limited Company

		Juffali Technical Equipment Company(JTECO)	Saudi Arabia	Saudi Arabia
			Saudi Arabia	Saudi Arabia
4	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 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	Saudi Arabia	Joint Venture Limited Company
		ProMinent Juffali FZC	Saudi Arabia	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 & Refrigerators Co. (MARCO)	Saudi Arabia	Limited Company
		Juffali Technical Equipment Company(JTECO)	Saudi Arabia	Saudi Arabia
			Saudi Arabia	Saudi Arabia

5	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