



Annual Report 2017



Chairman Message

The regulatory body of the insurance industry played a big role in general in regards to our success where it imposed rules and regulations to ensure proper services were delivered to end consumer with adequate prices, doing so resulted in a healthier industry where Saudi Enaya capitalized on.

We started the year with a challenging target. We aimed to keep growing by retaining more clients and attracting the right clients to Saudi Enaya's Family.

Now, we are moving toward a new challenge and new objectives; we are ready to invest in enhancing our working environment to attract the best caliber available in the market and deliver what is required to clients, staff and shareholders.

In the end, I would like to thank all of stakeholders of Saudi Enaya for making this a successful year in all aspects; and special thanks to our valued clients who believed in us. We, in Saudi Enaya, are looking forward to a new thrilling business year.

Sincerely yours

Faisal Farouq Tamer
Chairman

CEO Message

2017 was both a challenging and rewarding year for Saudi Enaya leading us to deliver significant year on year growth to the top line and improvement to the bottom line. The improved performance was driven by enhancements in efficiency and service differentiation being essential to our operation and key objectives for expansion. Our performance significantly enhanced year to year thanks to our dedicated staff and stakeholders.

Since the beginning of the year, we aimed to attract new clients and promote our services across a wider spectrum of industries and across the Kingdom. We invested further into improving the infrastructure of Saudi Enaya for the benefit of our staff and key stakeholders.

Our customers benefitted from clearer documentation and more transparency following a successfully re branding of our products making them both more appealing to our customers and increasing coverage across the country. Developments within the company in 2017 lead to a significant increase in customer base of over 100%. Indeed Saudi Enaya has the privilege of being recognized for its achievements having been awarded the 2017 "Best New Insurance Company" and "Best Customer Service" by International Finance Magazine, in the; insurance industry Saudi Arabia category.

During 2018 we look forward to continuing to support the growth of the Kingdom of Saudi Arabia's Insurance sector working closely with our Customers, Shareholders and Regulators. Our team is determined to continue to excel and be recognized as the preferred health insurance provider for our customers both existing and new.

Lee Charles Shurey
Chief Executive Officer

CFO Message

Thanks to the superb efforts of the team, 2017 was another year with significant growth in premiums, strong underwriting performance and improvement in results. Despite a very competitive marketplace, we once again exceeded our financial goals and accomplished our business objectives, while increasing our client base. It is also my pleasure to be credited publicly and for being recognized as "Best New Insurance Company" and "Best Customer Service Company" in Saudi Arabia by 'International finance magazine'.

Our gross written premiums grew by 113% and the net results improved by 44%, year on year. The net loss ratio (*) of 68% is amongst the best in the industry. The expense ratio (**) at 33%, depicts the infrastructure created to ensure highest quality of insurance experience to our clients and to ensure the service levels our clients expect from us. The expense ratio has substantially improved (57% year on year) and is bound to improve further as our journey continues. Furthermore, Saudi Enaya continued to maintain a healthy solvency throughout the year.

These results validate the strength of our business model and enable us to focus on our working relationships with clients, brokers, reinsurers and partners. To ensure we are well-positioned in the future, we shall seek regulatory approvals to strengthen our capital in 2018 which shall support our solvency and growth. As we move into 2018 and beyond, we're certain our clients and shareholder's will indeed enjoy benefits and take major strides right along with us.

* Net loss ratio = Net claims incurred / Net earned premiums

** Expense ratio = (General and administrative expenses + Selling and marketing expenses excluding policy acquisition costs) / Net earned premiums

Qasim Rashid
Chief Financial Officer

CMO Message

2017 was the year of achievements to Saudi Enaya in all aspects, client servicing is at-all time high, Saudization is at all-time high and number of insured members is at all-time high.

The medical and the operation division managed to reach an excellent technical results and tripling our customer base without a significant increase in head counts, this was mainly driven by continuous training and enhancing our systems and automate a lot of processes to ensure we deliver the best available services with the best turnaround time, what we sell is a promise and a promise is what we always keep.

During 2018 we will focus even more on the automated services, mobile apps, digitized health, and social awareness with special care to Diabetic patients. Our goal is to improve health and wellbeing of our valuable customers.

Dr. Essam Masoud
Chief Medical Officer

Board of Directors Report

Saudi Enaya Cooperative Insurance Company "Saudi Enaya" For the 2017 Fiscal Year from 01/ 01/ 2017 to 31/ 12/ 2017 (12 months)

The Board of Directors "Board of Directors" of Saudi Enaya Cooperative Insurance Company (the "Company"/"Saudi Enaya") is pleased to submit to the esteemed shareholders, the annual report, which covers the company's financial results and achievements, along with the audited financial statements and notes for the 12-month period, which ended on December 31, 2017. The report includes the most important developments, financial results, operating activities and disclosure, pursuant to the rules and regulations in the Kingdom of Saudi Arabia.

1 Main activities

Saudi Enaya Cooperative Insurance Company is a Saudi public company, listed on the Saudi Stock Exchange on 05/04/1433 H, corresponding to 27/02/2012 AD, and registered in the Kingdom of Saudi Arabia under commercial registration No. 4030223528, dated 27/03/1433 H, corresponding to 19/02/2012 AD.

Pursuant to the Law on Supervision of Cooperative Insurance Companies, and its provisions, as well as rules and regulations in the Kingdom of Saudi Arabia, the business of Saudi Enaya is cooperative health insurance, including reinsurance, procuration, representation, correspondence or brokerage. The company is entitled to conduct business operations required for the achievement of its goals, whether in the field of insurance or investment.

In accordance to Saudi Enaya's bylaw and articles of incorporation, the first fiscal year of the Company starts on the date of issuance of the ministerial decree announcing the inception of the Company; No. (98 /ق), dated 16/03/1433 H, corresponding to 08/02/2012 AD, and ends on December 31 of the following year.

The financial statements for the past year, which cover a period of 12 months, starting from 01/01/2017 AD and ending on 31/12/2017, constitute the fifth such records of the financial activities and position of Saudi Enaya since its inception.

2 Approval of SAMA to grant practice license to Company

On 19/09/1436 H, corresponding to 06/07/2015 AD, Saudi Enaya received approval from the Saudi Arabian Monetary Agency (SAMA) to renew the Company's business licence for three years, ending on 18/09/1439 H, corresponding to 02/06/2018 AD. The Company also received permits to open a branch in the city of Riyadh, according to SAMA's letter no. 341000103587, dated 23/08/1434 H, corresponding to 02/07/2013 AD.

3 Approval of CCHI on qualification of Company

On 28/10/1436 H, corresponding to 13/8/2015 AD, the Council of Cooperative Health Insurance (CCHI) approved qualification of Saudi Enaya for three years, ending on 27/10/1439 H, corresponding to 12/08/2018 AD. On 29/10/1437 H, corresponding to 03/08/2016 AD, Saudi Enaya received approval from the Council of Cooperative Health Insurance to renew qualification of the Company for one year, ending on 27/10/1438 H. And on 1438/11/02 H, corresponding to 2017/07/25 AD, Saudi Enaya received approval from CCHI to renew qualification of the Company for one year ending on 2018/07/21 AD.

4 Beginning of Operation

Saudi Enaya started its health insurance business and operations on 01/01/2013 AD. The Company exerted considerable efforts to manage and ensure the success of its departments, by implementing the regulations of regulatory authorities (SAMA, CCHI, Capital Market Authority – Tadawul) during 2017.

5 Important plans and decisions during the period

- The board members have recommended to increase the capital by issuing stock worth 200 Million Saudi Riyals. And the price and quantity of new stock will be determined during 2018 after getting the approval of SAMA and CMA and any related authorities.
- The company has moved the location of its head office to Prince Sultan Street in Jeddah. And this decision is aligned with the future plan of the company to support its organizational structure and operations

6 Future predictions and risks

Saudi Enaya have adopted a "three lines of defense" approach which as set in the Company Risk Management Framework. The Risk Management operates as a second line of defense within this risk management model. Where the third line of defense is Internal Audit.

We manage risks according to a Board Approved Risk Management Framework. Saudi Enaya has developed and proposes to implement an enhanced risk management framework that is appropriate to the firm's risk culture, trading philosophy, and business complexity. This Risk Management Framework provides a high-level view of Saudi Enaya's approach to risk management across the enterprise, as well as the risk reporting tree structure within the firm.

- Identification of the SAMA obligations.
- Risks Advisory, Reporting, and Monitoring.
- Risk Management Activities and Training

Saudi Enaya Board of Directors determines its risk appetite and risk tolerance in respect of all types of risk. This risk appetite (or statement) is a combined 'top-down' and 'bottom-up' effort across the organization. The types of risk faced by the firm are classified under the traditional risk headings for ease of communication and taking a firm-wide view of risk.

The Risk Appetite was developed at a high level by the Board of Directors who are keen to return value to their shareholders by carrying on a health insurance business within company objects and Saudi Arabia Monetary Authority ("SAMA") regulations. The Risk Appetite of the firm is also based on the premise that the firm should be able to withstand external shocks and events.

During 2017 we continued to strengthen our risk management method and competence in response to Saudi Enaya growth and the increasing expectations of our regulators. We have sustained to embed all aspects of our risk management framework, including:

- Developing and enhancing our internal policies and procedures.
- Improving our ongoing risk reporting mainly in relation to risk appetite.
- Enhancing the company risk management culture through training and awareness.

We continued to actively manage our accumulated losses, solvency and operational risks. Also, a Cyber security program has been introduced and established recently which will help the company to actively manage our internal and external controls in relation to IT systems, cybersecurity and threats.

In 2018 Risk Management will be focusing again on Operational Risks and their controls. Enhancing our risk management activities and adhering to more SAMA regulations such as (Risk Based Supervision "RBS") and its implementation.



7 Assets, liabilities and outcomes of Company (as of 31 December 2017)

	2017	2016
	SAR '000	SAR '000
Insurance operations assets		
Cash and cash equivalents	32,389	5,954
Premiums receivable, net	114,890	50,861
Amounts due from shareholders' operations	37,203	23,994
Reinsurance receivable	4,008	14,173
Reinsurers' share of unearned premium	-	9,424
Reinsurers' share of outstanding claims	798	11,438
Deferred policy acquisition costs	8,924	2,511
Prepayments and other assets	27,806	2,806
Intangible assets	1,396	3,302
Furniture, fittings and office equipment	1,930	1,366
Total insurance operations assets	229,344	125,829

	2017	2016
	SAR '000	SAR '000
Shareholders' assets		
Cash and cash equivalents	423	92,706
Murabaha deposits	134,863	43,810
Investments	34,489	34,992
Prepayments and other assets	921	1,125
Accrued commission on statutory deposit	1,460	1,411
Statutory deposit	30,000	30,000
Total shareholders' assets	202,156	204,044
Total assets	431,500	329,873

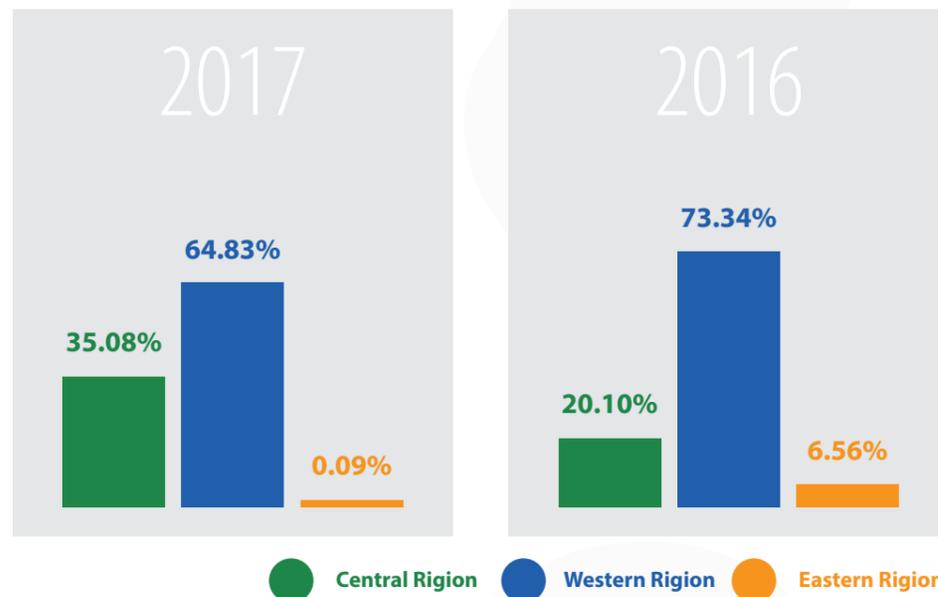
	2017	2016
	SAR '000	SAR '000
Insurance operations' liabilities		
Unearned premiums	148,377	64,740
Outstanding claims and other technical reserves	49,137	27,420
Reinsurance balance payable	4,881	17,509
Accrued expenses and other liabilities	26,949	16,160
Total insurance operations' liabilities	229,344	125,829

	2017	2016
	SAR '000	SAR '000
Shareholders' liabilities		
Accrued expenses and other liabilities	267	193
Accrued Zakat	8,298	6,699
Amounts due to insurance operations	37,203	23,994
Accrued commission on statutory deposit payable to SAMA	1,460	1,411
Total shareholders' liabilities	47,228	32,297

	2017	2016
	SAR '000	SAR '000
Shareholders' equity		
Share capital	200,000	200,000
Accumulated losses	(45,072)	(28,253)
Total shareholders' equity	154,928	171,747
Total shareholders' liabilities and equity	202,156	204,044
Total liabilities	431,500	329,873

8 Geographical analysis of total subscriber installment as at 31st of December, 2017

Description (all amounts in SAR '000)	2017	2016
	(12 months)	(12 months)
Central Region	96,413	25,895
Eastern Region	234	8,454
Western Region	178,175	94,476
Total Gross Written Premiums (GWP)	274,822	128,825



9 Summary of insurance operations and shareholders' operations

Summary of comparative results	31-Dec-17	31-Dec-16
	SAR '000	SAR '000
Gross written premiums	274,822	128,825
Net premiums earned	175,082	62,397
Gross paid claims	(111,574)	(57,230)
Net incurred claims	(119,639)	(33,888)
Net underwriting results	40,750	19,434
Other income	61	14
Total general & admin and selling & distribution expenses	(57,262)	(48,075)
Deficit from insurance operations	(16,451)	(28,627)
Total shareholders' general and admin expenses	(1,263)	(2,159)
Shareholders' investment income/(loss)	3,195	4,962
Net loss for period before Zakat	(14,519)	(25,824)
Loss per share (in Saudi Riyals)	(0.73)	(1.29)

In 2017, the gross written premiums have been significantly improved by 113% compared to the previous year, due to an improved sales strategy and various other initiatives taken by the Company.

Deficit from operations has been improved in 2017 as compared to 2016, primarily due to growth in business, which is triggered to net earned premiums.

10 Accounting principles

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as modified by the Saudi Arabian Monetary Authority ("SAMA") for the accounting of zakat and income tax and not in accordance with the accounting standards of the Saudi Organization for Certified Public Accountants (SOCPA). The Company confirms that the financial statements have not been materially affected by this practice.

11 Subsidiaries of Saudi Enaya

The Company does not have any subsidiary in or outside of the Kingdom of Saudi Arabia.

12 Details of shares and debt instruments, issued for each subsidiary of Saudi Enaya

The Company does not have any subsidiaries in or outside of the Kingdom of Saudi Arabia. Accordingly, there are no shares and debt instruments issued by any subsidiary of the Company.

13 Company's policy in distribution of profits

Distribution of profits to shareholders is stipulated in Article (44) of the Articles of Association of the Company as follows:

- Retention of Zakat and approved income tax.
- Retention of 20 percent of net profit to create a statutory reserve. The ordinary general assembly may stop this retention when the reserve reaches the total paid-up capital.
- The ordinary general assembly, at the suggestion of the Board of Directors, may retain a percentage of net annual profits to create an additional reserve and allocate it for purposes decided by the general assembly.
- Part of the remainder is deducted to distribute profits to shareholders, not exceeding five percent of the paid-up capital.
- The rest is distributed to shareholders as a profit share or is transferred to the retained earnings account.
- The Board of Directors may decide to deduct periodic earnings from annual profits specified in paragraph (iv), in accordance with regulatory rules of competent authorities.

14 Description of any interest in the shares category, eligible for vote and belonging to persons

There are no shares in the voting stock class owned by any individual.

15 Description of any interest, contractual securities and subscription rights that belong to members of Board of Directors and senior executives, in addition to their spouses and minor children, in shares or debt instruments of the company or any of its subsidiaries and any change in this interest or those rights during the fiscal year

The table below shows shares owned by Board members and senior executives, as well as their spouses and minor children, including shares needed to guarantee Board membership, noting that the Company did not issue or grant any debt instruments.

Shares and debt instruments held by Board members, their spouses and minor children in the Company or any of its subsidiaries

Name	Beginning of year		End of year		Net change		Change percentage
	Shares	Debt instruments	Shares	Debt instruments	Shares		Shares
Ms Al Dana Al Juffali	400,000	-	400,000	-	-		-
Rami Khalid al Turki	200,000	-	200,000	-	-		-
Mr. Faisal Tamer	500	-	500	-	-		-
Dr. Bilal Ghazzawi	500	-	500	-	-		-
Dr. Andrew Kielty	-	-	-	-	-		-
Dr. Micheal Bitzer	-	-	-	-	-		-

The Munich Re Company reserved 2,000 shares at the CMA as a Board membership guarantee, under the names of their Board representatives, Dr. Andrew Kielty and Dr. Michael Bitzer.

16 Information on loans, payable by Company

The Company did not take any loans during the period.

17 Description of categories and numbers of any debt instruments, convertible to shares or any contractual securities or subscribing right memos, issued or granted by Saudi Enaya

The Company did not issue or grant any debt instruments convertible into shares, any contractual securities, subscription right memos or similar rights during the period.

18 Description of any conversion or subscription rights, under the debt instruments, convertible into shares, contractual securities or subscription right memos, issued or granted by Saudi Enaya

The Company did not issue or grant any debt instruments convertible into shares, any contractual securities, Subscription right memos or similar rights during the period.

19 Description of any refund, purchase or cancellation from the Company of any refundable debt instruments

The Company did not issue or grant any refundable debt instruments during the period.

20 Number of Board meetings and attendance record

Name of board members	First meeting	Second meeting	Third meeting	Fourth meeting
	9-Feb-2017	9-May-2017	21-Aug-2017	6-Nov-2017
Mr. Faisal Farouq Tamer	✓	✓	✓	✓
Ms. Al-Dana Al-Juffali	✗	✓	✓	✓
Dr. Belal Talal Ghazawi	✓ Proxy to Faisal	✓ Proxy to Faisal	✗	✓
Mr. Rami Khalid Al-Turki	✓	✓ Video Conference	✗	✗
Mr. Andrew Kielty	✓	✓	✓	✓
Dr. Michael Johan Bitzer	✓	✓	✓	✓

21 Insurance contracts with related parties

The company signed health insurance contracts with a number of companies in which the members of the Board of Directors have interests in.

And Saudi Enaya emphasizes that all contracts are priced on a commercial basis, in accordance with the pricing procedures, followed by the company and approved by the Board of Directors. Saudi Enaya also confirms that all contracts do not involve any particular arrangements, with respect to any additional special benefits. And the Board members are not entitled to receive any support or services that are different from those the company provides for any of the company's other clients. The subscribed instalments were clarified, in addition to paid compensations, related to insurance contracts, in the note on transactions with related parties in detailed notes, accompanying financial statements.

22 Other contracts and transaction with related parties

1. The company purchased a car Mercedes E-200 from Juffali Automotive Co. for SR 200,000 in January, 2017. (Member who has a direct or indirect interest is Ms. Al Dana Khalid Juffali).
2. There is payment to Saudi Limited Company for Electronic Computers (SBM) also for SR 15,982 against a purchase of a IBM hard disk 600 GB. (Member who has a direct or indirect interest is Ms. Al Dana Khalid Juffali).
3. The company contracted with Juffali Ibrahim Bros. to rent an office in Dammam for the total value of annual contract of 30,000 Saudi riyals for a period of one year to serve the purposes of the company's expansion in the future. (Member who has a direct or indirect interest is Ms. Al Dana Khalid Juffali).

23 Waiver of a member of Board or a senior executive for any salary or compensation

The members of Board of Directors unanimously agreed to waive the fees, allocated to them for 2017, amounting to SR 180,000 for the Chairman and SR 120,000 for each Board member, as the company is in the early operating stages. And the Board decided to waive its annual remuneration for its current session.

24 Waiver of any rights in profits for a shareholder

There are no waiver agreements or arrangement under which, the company's shareholders waived any rights in the profits.

25 Compulsory payments

During the period, the company reimbursed the due payments and amounts to the different regulatory authorities in the Kingdom of Saudi Arabia, as detailed below:
Schedule of compulsory payments:

Statement	Due and reimbursed payments during 2017	Balance Due as at 31 Dec, 2017
	SAR '000	SAR '000
Zakat and Income Tax	701	8,298
Supervision and control cost "SAMA"	1,071	614
Supervision fee "CCHI"	2,142	1,002
General Organization for Social Insurance	1,409	219
Tadawul-CMA	220	-
Equity Main Market Annual Listing Fee	27	-
Total	5,570	10,132

26 Investments and funds created for benefit of employees:

There are no investments or funds that were created for the benefit of the company's employees.

27 Acknowledgments for the following:

- Accounting records are properly prepared.
- Internal control system is prepared on a sound footing and effectively implemented.
- There is no doubt about the source's ability to continue its activities.

28 Auditors' report:

The joint independent external auditors' report states that the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2017, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as modified by Saudi Arabian Monetary Authority ("SAMA") for the accounting of zakat and income tax.



29 Replacement of auditors':

The Shareholders' of the Company chose to retain Al-Bassam & Al-Nemer and newly appoint Sindi and Batterjee as external auditors'.

30 Additional disclosures disclosure by statutory regulations Corporate governance

Pursuant to Corporate Governance Regulations, issued by CMA Board Resolution No. 1-10-2010, dated 30/03/1431 H, corresponding to 16/03/2010 AD, the Board of Directors is pleased to clarify in the table below articles of Corporate Governance Regulations that the Company complied with:

30 Additional disclosures disclosure by statutory regulations Corporate governance (continue)

Article	Paragraph	Implemented	Unimplemented	Partially implemented	Justification
3	General rights of shareholderst	√			
4	Facilitation of shareholders' exercise of rights and access to information	√			
5	Shareholder general assembly rights	√			
5/A	A General Assembly shall convene once a year at least within the six months following the end of the company's fiscal year	√			
5/B	The General Assembly shall convene upon a request of the Board of Directors	√			
5/C	Date, place, and agenda of the General Assembly shall be specified and announced by a notice, at least 20 days prior to the date the meeting...	√			
5/D	Shareholders shall be allowed the opportunity to effectively participate and vote in the General Assembly; they shall be informed about the rules governing the meetings and the voting procedure.	√			
5/J	The stock exchange shall be immediately informed of the results of the General Assembly.	√			
6/A	Voting is deemed to be a fundamental right of a shareholder, which shall not, in any way, be denied	√			
6/B	In voting in the General Assembly for the nomination to the board members, the accumulative voting method shall be applied		√		The voting system at ordinary and extraordinary general assembly meetings is based on the one-person, one-vote rule, according to the bylaw of the Company
6/C	A shareholder may, in writing, appoint any other shareholder who is not a board member and who is not an employee of the company to attend the General Assembly on his behalf.	√			

30 Additional disclosures disclosure by statutory regulations Corporate governance (continue)

Article	Paragraph	Implemented	Unimplemented	Partially implemented	Justification
6/D	Investors who are judicial persons and who act on behalf of others - e.g. investment funds - shall disclose in their annual reports, voting policies, actual voting, and ways of dealing with any material conflict of interests that may affect the practice of the fundamental rights in relation to their investments	√			
7/A	The Board of Directors shall lay down a clear policy regarding dividends, in a manner that may realize the interests of shareholders and those of the company	√			
7/B	The General Assembly shall approve the dividends and the date of distribution		√		Not implemented due to no profit, but the policy is there
8	Policies and procedure related to disclosure	√			
9	Disclosure in the Board of Directors' Report	√			
10/A	Approving strategic plans and main objectives of the company	√			
10/B	Lay down rules for internal control systems and supervising them	√			
10/C	Drafting a corporate governance code for the company	√			
10/D	Laying down specific and explicit policies, standards and procedures, for the membership of the Board of Directors...	√			
10/E	Outlining a written policy that regulate the relationship with stakeholders	√			
10/F	Deciding policies and procedures to ensure the company's compliance with the laws and regulations	√			
11	Responsibilities of the Board	√			
12	Formation of the Board	√			

30 Additional disclosures disclosure by statutory regulations Corporate governance (continue)

Article	Paragraph	Implemented	Unimplemented	Partially implemented	Justification
13	Committees of the Board	√			
14	Audit Committee	√			
15	Nomination and Remuneration Committee	√			
16	Meetings of the Board	√			
17	Remuneration and Indemnification of Board Members	√			
18/A	A Board member shall not, without a prior authorization from the General Assembly, to be renewed each year, have any interest (whether directly or indirectly) in the company's business and contracts.	√			
18/B	A Board member shall not, without a prior authorization of the General Assembly, to be renewed annually, participate in any activity which may likely compete with the activities of the company, or trade in any branch of the activities carried out by the company	√			
18/C	The company shall not grant cash loan whatsoever to any of its Board members or render guarantee in respect of any loan entered into by a Board member with third parties, excluding banks and other fiduciary companies.	√			

31 Composition of Board of Directors, classification of its members and names of shareholding companies in which, Board member can be a Board member of these companies

The following table lists shareholding companies, whose boards group Saudi Enaya Board members

Name of Board Member	Description of the Position	Position	Other Companies that enrolled as board member
Mr. Faisal Farouq	Independent Board Member	Chairman	<ul style="list-style-type: none"> • Farouq & Ma'mon Tamer Company • Saudi Japanese Pharmaceutical Products Ltd. Co. • Arabio Co. • Tamer Group Companies • Sukoon International Company • Gulf Union Company for Medical Care • Italian Meals Company • International Medical Center • Luxuries Elegances Company.
Mr. Rami Khalid Al Turki	None - Executive Board Member	Member	<ul style="list-style-type: none"> • Nesma and Partners Co. Ltd • National Petroleum Services • Saudi Juman Company for Industrial Investment • Samara Company • Arkaz Company • Saudi Exova Company • Enma Steel Company • Khalid Al Turki and Sons Company • Saudi Readymix Concrete Company
Dr. Bilal Talal Ghazawi	Independent Board Member	Member	<ul style="list-style-type: none"> • Al Ghazawi Group Companies
Mr. Andrew Kiely	None - Executive Board Member	Member	<ul style="list-style-type: none"> • DKV Seguros y Reaseguros S.A.E. - Spain • Globality S.A. - Luxembourg • Storebrand Helse - Norway • Apollo Munich Health • Insurance - India • Daman National Health Insurance - UAE • Daman Health Insurance - Qatar • Munich Health Daman Holding - UAE
Dr. Michael Bitzer	None - Executive Board Member	Member	N/A
Ms. Al Dana Al Juffali	None - Executive Board Member	Member	N/A

32 Committees of Board: (Audit Committee, Nomination and Remuneration Committee, Executive Committee, Investment Committee)

32.1 - Audit Committee

Duties and responsibilities	Members	Meetings
<ul style="list-style-type: none"> · Approve the appointment or re-appointment of external auditors. · Review audit plan and audit of internal and external auditors, submitting recommendations to the Board of Directors. · Review accounting policies, procedures and change, submitting recommendations to Board of Directors on how sound these policies are in relation to nature of the Company. · Evaluate financial reports, issued by the Company, as well as the nature of the process. · Review actuary expert reports, submitting recommendations to the Board of Directors. · Examine reports issued by competent supervisory bodies, as well as guidelines approved by the International Association of Insurance Supervisors, making recommendations to the Board of Directors. · Review and approve annual and interim financial statements, submitting reports and recommendations directly to the Board to take action and make necessary decisions. · Assess internal control systems and risk management, including their budgets. · Evaluate the extent to which the management responds to observations made by internal and external auditors. · Annually evaluate performance of the legal accountant performance, submitting recommendations to the Board of Directors on the accountant's appointment, re-appointment, or termination of employment. 	<p>(Up to 22 June 2017)</p> <ul style="list-style-type: none"> · Dr. Belal Ghazzawi (Chairman) · Mr. Khalid Bakhsh (Member) · Mr. Tansel Kilicarlan (Member) <hr/> <p>From 30th of Oct 2017 to Present</p> <ul style="list-style-type: none"> · Dr. Belal Ghazzawi (Chairman) · Mr. Yaser Balkhi (Member) · Mr. Tansel Kilicarlan (Member) 	<p>3</p> <hr/> <p>3</p>

32.2 - Nomination and Remuneration Committee

Duties and responsibilities	Members	Meetings
<p>Annually review suitability, qualification, and skill requirements for Board membership.</p> <ul style="list-style-type: none"> · Prepare a description of required core competencies and qualifications of Board members and specify working time these directors should devote to conduct Board business. · Review Board structure, recommend necessary changes, identify weaknesses and strengths, and suggest remedies for problems in line with interests of the Company. · Set standards to ensure independence of Board members and that no conflict of interest arises if these directors are on the boards of other companies. · Develop a policy on remuneration and incentives for Board members, managing director, CFO and CEO of the Company. · Organize and assess performance and efforts of every Board member as well as CFO to ensure that they comply with the strategic goals of the Company. 	<ul style="list-style-type: none"> · Mr. Rami Khalid Al Turki, chairman. · Dr. Belal Talal Ghazawi, member. · Dr. Michael Johan Bitzer, member. · Mr. Faisal Farouq Tamer, member. · Ms. Al Dana Al Juffali, member. 	<p>2</p>

32 Committees of Board: (Audit Committee, Nomination and Remuneration Committee, Executive Committee, Investment Committee) (continue)

32.3 - Executive Committee

Duties and responsibilities	Members	Meetings
<ul style="list-style-type: none"> · Study financial performance of the Company, and approve budgets and discretionary financial statements, capital and investment expenditure, as well as annual and quarterly work plan, submitting recommendations to the Board of Directors. · Perform any duty authorized by the Board, and provide assistance to the Chairman. · Studying plans for partnerships, establishing new companies and projects, and acquisition of firms, submitting recommendations to Board. · Examine and make decisions on urgent matters and unforeseen developments. · Ensure that devised strategies meet the goals of the Company, and prepare and review long-term financial strategies, submitting recommendations to Board. · Prepare and review proposals and make recommendations to the Board on company businesses and how the impact the future of the firm as well as the quality of services. 	<ul style="list-style-type: none"> · Mr. Faisal Farouq Tamer, chairman. · Dr. Michael Bitzer, member. · Mr. Lee Shurey, member. · Mr. Andrew Kielty, member. 	<p>5</p>

32.4 - Investment Committee

Duties and responsibilities	Members	Meetings
<ul style="list-style-type: none"> · Oversee investment activities of the Company. · Ensure that needs and requirements of the Company are managed professionally. · Ensure that the Company complies with rules and regulations. · Help the Company control and manage risks. · Set investment policies, making recommendations to Board of Directors. · Oversee the implementation of investment policies. 	<ul style="list-style-type: none"> · Mr. Andrew Kielty, chairman. · Mr. Lee Shurey, member. · Mr. Qasim Rashid, member. 	<p>3</p>

32.5 - Risk Committee

Duties and responsibilities	Members	Meetings
<ul style="list-style-type: none"> · Oversee investment activities of the Company. · Ensure that needs and requirements of the Company are managed professionally. · Ensure that the Company complies with rules and regulations. · Help the Company control and manage risks. · Set investment policies, making recommendations to Board of Directors. · Oversee the implementation of investment policies. 	<ul style="list-style-type: none"> · Dr. Michael Bitzer, chairman. · Mr. Lee Shurey, member. · Mr. Qasim Rashid, member. 	<p>3</p>

33 Bonuses and rewards of Board members and senior executives

The following is a statement of salaries, compensation, allowances and annual bonuses earned by members of Board of Directors and top three senior executives of the company during the period from 01/01/2017 to 31/12/2017:

Statement	Members Of Board	Top three senior executive of company
	Thousand Saudi riyals	Thousand Saudi riyals
Salaries and compensation	-	3,558
Allowances	-	-
Annual bonuses	-	1,137
Long term incentive plan or end of service gratuity	-	150
Other in kind benefits	-	43
Total	-	4,888

34 Compulsory penalties

Violation	Penalty
Registration of non-real wages of (29) subscribers, which led to the imposition of a fine	14,500

35 Annual review results of effectiveness of internal control procedures

According to the annual internal audit plan, approved by the Audit Committee, the internal audit department reports regularly to the Audit Committee on the ongoing process of operational, administrative and financial audit. The process aims to verify the effectiveness of internal control systems in protecting assets of the Company, assess business risks, measure the efficiency and adequacy of performance, implement corrective measures, and report on progress. The 2017 inspection of operations conducted by the internal control team did not show any substantial weaknesses in the internal control systems. Nevertheless, the comprehensiveness of evaluating internal control measures is not absolute because these measures are based on random -- not systematic -- samples and cases. Therefore, the committee and internal control team are exerting ongoing efforts to improve and develop internal control measures and procedures. of the company, where the observations mainly are concerned with the areas of performance improvement and activation of operational departments and raise their efficiency and coordination of complementary relationships between these bodies, in addition to completing documentation of their procedures in order to bring more efficiency to the system of internal controls in the company and exploitation of the resources available to the best use. The external auditor carries out the process of evaluation of this system within an important review of closure financial statements of the company and enabling him to access all records of the Audit Committee and reports of the internal audit department for the financial period under audit. The internal audit department carried out the functions of audit and examination for the SE departments, the company has confirmed that internal control procedures were effective. There are no comments.

36 Internal control system and its effectiveness

The company asserts that internal control systems are sound, effective, and efficient.

37 Keeping accounting records

In accordance with the requirements of controls and safety systems in Saudi Arabia, the company acknowledges that it has kept separate accounting records for the insurance operations and operations of shareholders. The company also recognizes that it keeps proper accounting records for the fiscal year.

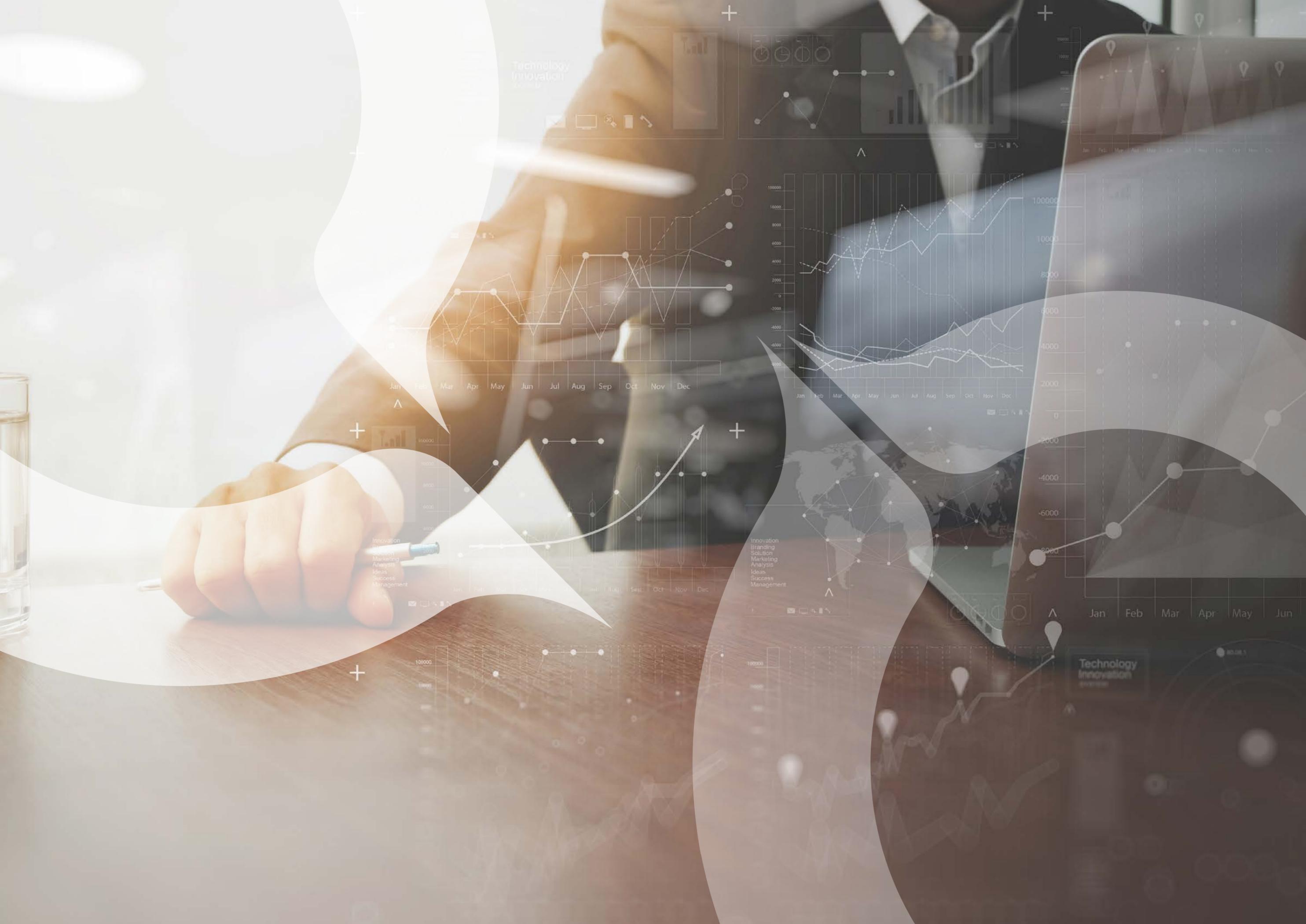
38 Continuity of operations

The company asserts its ability to continue its operations without any obstacles

Conclusion

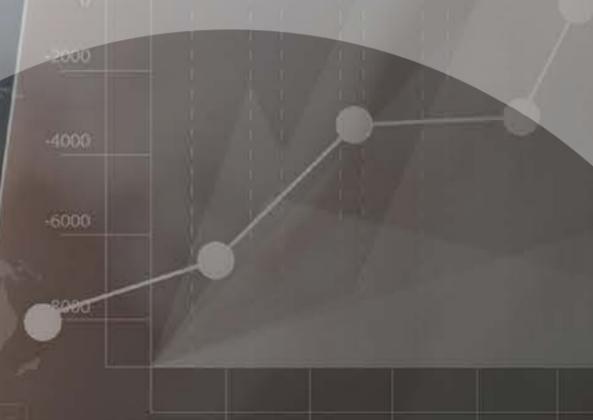
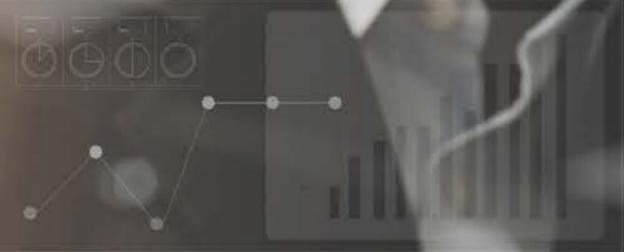
The Board of Directors is pleased to extend its thanks and appreciation to shareholders of Saudi Enaya Cooperative Insurance Company, as well as the management and employees for efforts to ensure the success of the firm company.

Additionally, the Board of Directors would like to thank all clients for their trust and eagerness to develop stronger relations with the company through its products and services. We are confident that such accomplishments will boost the performance of Saudi Enaya in 2018 and help the Company meet its strategic goals and achieve greater successes.



Technology
Innovation

2020-2025



Innovation
Brand
Marketing
Analysis
Ideas
Success
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