

Allianz Saudi Fransi
Cooperative Insurance
Company

Annual Report
2022

Chairman's Statements

The Board of Directors' Report

Dear Shareholders,

On behalf of the Board of Directors whom I thank for their dedication and guidance, I present the 16th Annual Report and Financial Statements of Allianz Saudi Fransi Cooperative Insurance Company for the fiscal year ending 31 December 2022.

The year 2022 represented turnaround of the market conditions. Allianz Saudi Fransi also saw a positive turnaround in its financial performance, marketing through improved performance of its businesses. As we look back to how we finished the financial year, The Company recorded a net profit before surplus, zakat, and income tax for the year ended December 31, 2022.

While we are proud of our accomplishments, we are definitely not satisfied. In 2023 the Company will continue to focus on profitability, growth, enhancing the customer experience, gaining customer trust, digitalization of services and operations.

Furthermore, we will continue to develop our multi-distribution channels strategy for both Retail and Corporate Customers.

Employees' development and empowerment are crucial components of our strategy to reinforce the culture of the Company where people and performance matters most.

To conclude, I express my sincere gratitude to all our employees, the management, our distribution partners who have shown remarkable resilience and resourcefulness that lead to the fine results of 2022.

Saudi Arabia under the vision 2030, and the leadership of the Custodian of the Two Holy Mosques King Salman Bin Abdulaziz Al Saud and the Crown Prince Mohammad Bin Salman Al Saud is witnessing thankfully leaps of development in all sectors including insurance.

We thank the Saudi Central Bank, the Council of Cooperative Health Insurance, The Capital Market Authority, and the Ministry of Commerce for their regulatory, and support roles.

Looking forward to a challenging and rewarding year ahead.

Alwaleed Abdulrazaq Aldryaan

Chairman of the Board of Directors

Letter from the CEO

Dear Shareholders,

2022 was the year of great transition for the company as well the country. Kingdom of Saudi Arabia under the wise leadership of the Custodian of the Two Holy mosques King Salman Bin Abdulaziz Al Saud and the Crown Prince Mohammad Bin Salman Al Saud has seen the various economic sectors work aggressively towards fulfillment of the Vision 2030. Economy has been strengthening in both the oil-based sector as well as the non-oil based sector. Given the geopolitical changes emanating from war on the European border, oil continued to contribute immensely to the Saudi GDP. On the back of USD SAR peg, the SIBOR climbed to all time high of over 5% by the end of 2022. Accentuated growth due to unfilled demand coming out of COVID years, high oil demand and announcement and on-going implementation of Giga projects led to the Saudi economy being among the fastest growing economies of G20.

Significant changes in the financial and specifically insurance sector have been announced that shall fundamentally strengthen the insurance industry in the long run. In his speech at the Insurance Symposium, the Minister of Finance announced the carve out of separate regulatory authority for the sector. The insurance market for the 9 months period grew by 27%. The majority of the growth came from Medical Line of business that forms 61% of the insurance sector in the Kingdom. Motor Line of business formed 19% of the market and P/C including the insurance for the Giga projects was at 16%. Life line of business is a major pillar under Vision 2030 and currently forms 3% of the market.

Your Company, Allianz Saudi Fransi, considers 2022 as a transformative year. The company came out of 2021 with a small profit of SAR 17m against operating loss of SAR 17m in 2020. The question of whether the profitability and business model is sustainable was settled unequivocally in 2022. The company has delivered above market average profitability.

Financial Performance of the company

Motor remains line of business with the highest Net Earned Premium contribution for the company. As a company with Net Loss ratio of 79% against the market Net Loss ratio of 91.6% for the nine-month period, the company has the second best net loss ratio among the top 15 companies. The growth of the line of business at 28% against market growth of 20% brings solace that the company is growing profitably in the line of business. The growth in the online channels need to be tempered with profitability and improvement in customer experience. Medical line attained technical profitability on gross basis for the company and second half of the year was focused on acquiring new business. Contribution of profit from Hajj and Umrah increased on back of higher number of visitors to the holy cities post COVID years. The growth in the line of business profitably is based on improving customer experience and improving fraud detection. The company remains strong in P&C line of business with the highest profitability. The further growth in Line of business is based on optimizing the reinsurance structure and writing more of smaller sum assured business with the ability to retain more within the company. The company is the third largest in the market in terms of Protection and Savings. Given its importance for Vision 2030, Allianz Saudi Fransi is well placed to grow the line. The company has achieved break even for the line of business in 2022.

Operational Performance of the company

In terms of manpower structure of the company, the year saw the appointments of the vacant C level positions. With COO, Mr Turki Al Shahrani joining us in late 2021, CFO, Mr Hani Albukhaitan joined us in June 2022 and CSMO Mr Abdullah AlQuabaily joined us in Nov 2022. This also accompanied filling up of key managerial positions. The company improved the Saudiazation rate to 70% with the objective of reaching 75% by the end of first quarter of 2023. We focused on the recruitment of fresh graduates during the year to widen our talent pool and improve reliance on internal training and rotation going forward. Personal Development Plans were done for every employee within the company, which forms the basis on undertaking regular training. The company put heavy emphasis on the Control functions to ensure we steer our business responsibly and transparently in line with the best global standards. Allianz Saudi Fransi achieved Net Promoter Score of “At Market” for the year ended 2022 and we received renewal of license from SAMA.

In terms of Operating Profit we are currently the 8th most profitable insurance company in the Kingdom (9M 2022), we shall work towards improving it to meet the shareholder expectations for Return on Capital in 2023. While from the market share point of view, we are currently 13th in the hierarchy of insurance companies. Naturally, our objective for 2023 is to improve our market ranking in terms of GWP to match our profitability. This increase in sales we hope to achieve by servicing more new customers, and all lines for existing customers.

Our strategy for 2023 is broadly split into the following parts that we shall continue to monitor monthly:

1. Line of business strategy (Motor, BCEB, PC and Individual Life)
2. Receivables (Premiums and Claims recoveries) and Expense Optimization
3. Channel strategy with focus on cross selling and new business growth
4. Digitalization
5. People Strategy

With that said, we hope for the best in achieving the company’s 2023 goals.

Anuj Agarwal
Chief Executive Officer

The Board of Directors (BOARD) of Allianz Saudi Fransi Cooperative Insurance Company has the pleasure to present to the shareholders, the Company's 16th Annual Report together with the audited financial statements for the fiscal year ending on 31st December 2022.

Following is a presentation of the most significant developments, operational activities, and financial results:

1. Introduction

Allianz Saudi Fransi Cooperative Insurance Company is a joint-stock company, founded upon the decision of the Council of Ministers No. 233 dated 16/9/1427 H, 9th October 2006 and the Royal Decree No. 60/M dated 18/09/1427 H, 11th October 2006.

The initial authorized and issued capital of the Company was SAR 100 million consisting of 10,000,000 shares with a nominal value of SR 10 each, all of which are fully paid. On April 2010, the Company increased its capital by offering 10,000,000 ordinary shares at an offer price of SR 12.5 per share (nominal value of SR 10 plus a premium of SR 2.5) through a rights issue. The share capital of the Company became SAR 200 million consisting of 20 million shares with a nominal value of SR 10 each. On July 2020, the Company increased its capital again through the rights issue. The share capital of the Company became 600 million consisting of 60 million shares. The ownership of Allianz Saudi Fransi's shares as of 31st December 2021 is as follows:

- 18.5% Allianz Europe B.V
- 16.25% Allianz France – (100% owned by Allianz SE)
- 16.25% Allianz MENA Holding Bermuda – (100% owned by Allianz SE)
- 14.00% Banque Saudi Fransi (BSF)

- **Within the remaining 35% public shareholders, the following owns more than 1% share:**
- 1.55% Saad Ali Mohammed Alissa.
- 1.28% Abdulmohsen Abdulaziz Al Hokair Holding Group

The Company has received its operational license (Ref: TMN/11/20083) from the Saudi Central Bank (SAMA) on 30/02/1429 H, 8th March 2008 and has successfully renewed it on 30/02/1432 H– 5th February 2011 on 29/02/1435 H - 1st January 2014 and on 28/02/1438 corresponding to 28th November 2016 and on 28/02/1441 corresponding to 28th October 2019 for a period of another 3 years. The latest SAMA license was renewed for a period of 3 years starting on September 24th 2022 corresponding to 28/02/1444H and ending on 21st of August 2025 corresponding to 27/02/1447 H

2. The Company's Vision, Mission, Strategy & Values

Our Vision is

To be amongst the top Saudi Insurers with global expertise and local insight, providing world-class products and services in all lines of business, with nationwide reach using diverse channels of distribution, through highly trained and motivated employees.

Our Mission Statement is

Create Trust by delivering Excellence. Deliver Excellence from A to Z.

Our Strategy is

To provide insurance solutions in all lines of business through three axes of development:

- Banque Saudi Fransi: to provide Retail and Corporate Bancassurance products.
- Direct Sales Force: to provide individual insurance solutions.
- Selected brokers and dedicated account executives: to provide comprehensive solutions for corporate customers.

The Company will keep investing strongly to develop those distribution channels to further improve its market position in Property, Casualty and Health Business as well as in Protection and Savings products.

Our Values are

Expertise, Integrity, and Sustainability.

3. Allianz Saudi Fransi Key Dates and Developments

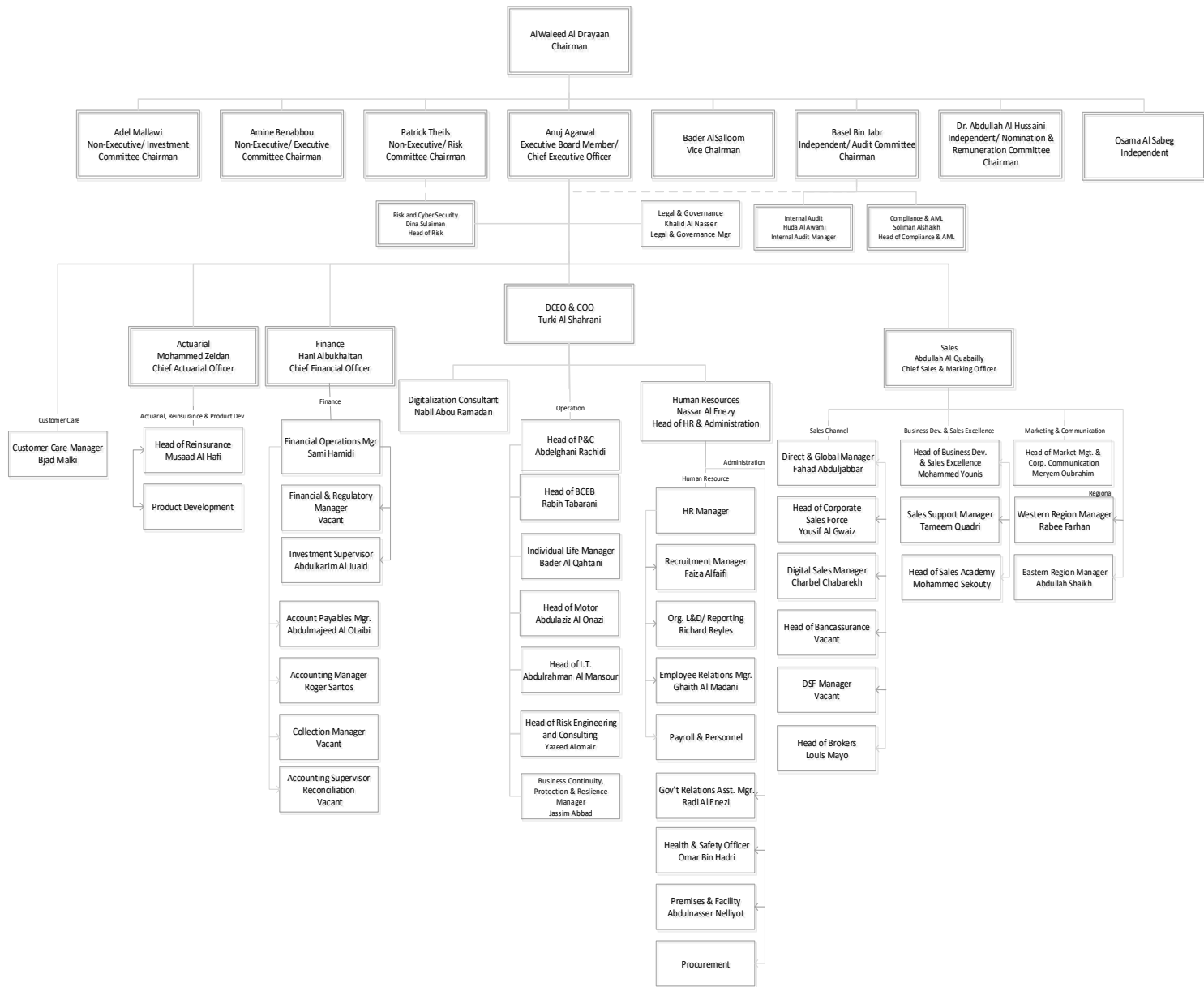
Allianz Saudi Fransi witnessed since its incorporation many significant developments:

- **October 2006** The founders received the authorization to establish the Company as per Royal Decree No. 60/M
- **March 2007** The Company went public through an Initial Public Offering.
- **June 2007** The Constituting General Assembly was held.
- **March 2008** The operational license from SAMA (Ref: TMN/11/20083) was obtained.
- **September 2008** The Company moved to the New Head Office in Riyadh and received its first products' approval.
- **November 2008** SAMA approved the transfer of Insaudi portfolio subject to no goodwill.
- **January 2009** Insaudi portfolio transfer was completed and integrated in the opening balance sheet for 2009.
- **March 2009** The individual Protection & Savings products approvals were received.
- **November 2009** Banque Saudi Fransi Bancassurance Protection & Savings products approvals are received.
- **April 2010** The Company completed its 10 million shares rights issue and the Capital became SAR 200 Million.
- **November 2010** Banque Saudi Fransi Bancassurance Portfolio transfer was completed.
- **February 2011** The Company obtained from SAMA the renewal of its operational license for another 3 years.
- **June 2011** The Company launched the Sharia Compliant Protection & Savings "Gold" Products.
- **January 2013** Launched common workflow platform for all Sales Channels including Sales Support function.
- **August 2013** Xavier Denys succeeded Antoine Issa as Chief Executive Officer.
- **January 2014** The Company obtained from SAMA the renewal of its operational license for 3 years.
- **May 2014** Mr. Ammar Al Khudairy appointed as new Chairman of the Company
- **September 2014** D&O Liability and Medical Malpractice Insurance Products approved by SAMA
- **November 2014** Mr. Oliver Bäte, Future CEO of Allianz SE (Effective 7th of May 2015) visited the company.
- **September 2015** Mr. Sergio Balbinot, Member of Allianz SE Board of Management, Insurance Western & Southern Europe, Middle East, Africa, India visited the company.
- **October 2015** Claims Workflow launched in the H.O. and Branches
- **November 2015** Launching the new strategic initiatives (Renewal Agenda).

- February 2016 Renewal Agenda official kick off and announcement to employees.
- November 2016 The Company obtained from SAMA the renewal of its operational license for 3 years.
- December 2016 Fully Fledged Customer Call Center launched
- March 2017 The Company opened Travel Insurance Points of Sale at the VFS Centers in Riyadh, Jeddah and Khobar
- September 2017 Fast Quote online Motor Quotation Tool launched
- October 2017 Allianz Group reached an agreement with Bank Saudi Fransi to purchase an 18.5% shareholding in Allianz Saudi Fransi from the Bank.
- March 2018 Eng. Alwaleed Al Dryaan appointed as Chairman of the Board of Directors.
- March 2018 Allianz Group completed an agreement with Bank Saudi Fransi to purchase an 18.5% shareholding in Allianz Saudi Fransi from the Bank.
- June 2018 The Board recommends to increase capital through rights issue with a total value of SAR 400Mn
- November 2018 The Company obtained SAMA's non-objection to proceed with the Rights Issue.
- January 2019 Andreas Brunner succeeded Xavier Denys as Chief Executive Officer
- October 2019 The Company obtained from SAMA the renewal of its operation license for three years.
- November 2019 Mr. Niran Peiris, Member of the Board of Management of Allianz SE, Global Insurance Lines & Anglo Markets, Reinsurance, Middle East, Africa, visited the Company.
- November 2019 Online TPL Insurance Portal Launched
- July 2020 The Company completes its Capital Increase through Rights Issue and the new Capital becomes SAR 600 Million
- December 2020 The Company launches its Visit Visa Travel Insurance product
- May 2021 Anuj Agarwal succeeded Andreas Bruner as Chief Executive Officer
- September 2021 Customer Mobile App launched
- December 2021 Extraordinary General Assembly approved the new Company Bye-law
- August 2022 New Board of Directors session 2022-2025 approved by SAMA & the company General Assembly
- October 2022 SAMA approved the formation of committees emanating from the Board of Directors
- November 2022 The newly elected Board of Directors visited the Allianz SE to discuss future plans
- December 2022 The General Assembly approves the updated Governance Manual V. 26

4. Organization Chart

Allianz Saudi Fransi organization structure as of 31/12/2022 is shown here below:



5. Top Management

Names	Positions	Year of Birth	Highest Degree
Anuj Agarwal	Chief Executive Officer	1971	Masters in Management Studies
Hani Albukhaitan	Chief Finance Officer	1981	Masters of Accountancy
Turki AlShahrani	Deputy CEO / Chief Operating Officer	1983	Masters Insurance and Risk Management
Mohammed Zeidan	Chief Actuarial Officer	1985	Bachelor of Actuarial Science
Abdullah Al Qubayli	Chief Sales and Marketing Officer	1979	Master of Business Administration

6. Human Resources

As part of our Renewal Agenda, we introduced the Inclusive Meritocracy initiative to re-enforce a culture where both people and performance matter. We foster knowledge and strive for excellence at every point with the customer. Thus we must empower our employees and provide them with purpose and direction, encouraging them to take the initiative to improve our customer experience and move forward in their careers. In 2022 Allianz Saudi Fransi continued its efforts to preserve the ratio of Saudization. As of 31st December 2022, the percentage of Saudi nationals within the company represented **70.62%**.

7. Geographical Presence

Our geographical presence in the Kingdom of Saudi Arabia is shown here below:

Offices	Addresses	Contact Numbers
Riyadh Head Office & Riyadh Branch	Al Safwa Commercial Building, Khorais Road - Al Khaleej Bridge, Malaz District, PO Box 3540, Riyadh 11481	Toll Free: 8003010001 Tel: 966 (11) 8213000 Tel: 966 (11) 920028727 Fax: 966 (11) 8213999
Jeddah Regional Office	9133 Ibrahim Al Jaffali - Al Andalus Dist. Unit No 3 Jeddah 23326 - 3755 Kingdom of Saudi Arabia	Tel: 0118213720 Fax:
Khobar Branch (Corporate Sales & Claims)	7553 Ibn Ash Shwkani - Ar Rakah Al Janubiyah Dist. Unit No 886 Al Khobar 34226 - 4785 Kingdom of Saudi Arabia	Tel: 0118213600 Fax:
Hasa Branch (Retail Sales and Claims)	2691 - Al Shurofiyah Dist. Unit No 60 Al Mubarraz 36342 - 6126 Kingdom of Saudi Arabia	Tel: 0118213600 Fax:
Madinah Branch (Retail Sales & Claims)	3360 King Abdul Aziz Branch Road - Al Ariyd Dist. Unit No 45 Al Madinah Al Munawwarah 42314 - 6109 Kingdom of Saudi Arabia	Tel: 0118213720 Fax:
Riyadh – VFS Visa Center (Point of Sale)	Jouf Plaza (Hyper Panda) Umm Al-Hammam St, Umm Al- Hammam, Riyadh	Toll Free: 8003010001

8. The Company's Products and Services

Allianz Saudi Fransi provides comprehensive insurance services to corporate and individual customers. With the General line of business (Property and Casualty insurance), Allianz Saudi Fransi embraces the entire spectrum of risk management supported by a diversified range of insurance products for corporate and individual customers. With the Protection, Savings, and Health insurances, the company plays a leading role in the field of Employee Benefits schemes as well as in retail with Retirement and Education savings plans. The Company provides corporate and individual solutions as listed hereunder:

#	Product Name	Category	التعريف الرق م Product ID	التصنيف	المنتج اسم
1	Public Liability	General	A-AZSF-1-C-12-002	عام	العامة السئولية تأمين
2	Contractors All Risks	General	A-AZSF-1-C-08-003	عام	المقاولين اخطار جميع تأمين
3	Money	General	A-AZSF-1-C-10-004	عام	الذوق تأمين
4	Contractors Plant & Machinery	General	A-AZSF-1-C-08-005	عام	المقاول ومعدات مباني على التأمين
5	Credit Insurance	General	A-AZSF-1-C-16-006	عام	التجاري الائتمان مخاطر ضد التأمين
6	Directors & Officers Liability	General	A-AZSF-1-C-16-007	عام	والمسؤولين المدراء مسؤولية تأمين
7	Erections All Risks	General	A-AZSF-1-C-08-008	عام	التركيب اخطار جميع تأمين
8	Electronic Equipment	General	A-AZSF-1-C-08-009	عام	الالكترونية المعدات تأمين
9	Fidelity Guarantee	General	A-AZSF-1-C-08-010	عام	الامانة خيانة تأمين
10	Fire & Allied Perils	General	A-AZSF-1-C-16-011	عام	المتعلقة او الاخطار الحريق تأمين
11	House Occupants Comprehensive	General	A-AZSF-1-B-10-012	عام	للمنازل الشامل التأمين
12	Marine Cargo voyage	General	A-AZSF-1-C-16-013	عام	البحري الشحن تأمين
13	Marine Open Cover	General	A-AZSF-1-C-16-014	عام	الرحلات شحنات على المفتوح التأمين اليوربية
14	Property All Risks	General	A-AZSF-1-C-16-015	عام	المخاطر لجميع الممتلكات تأمين
15	Public & Products Liability	General	A-AZSF-1-C-12-016	عام	والمنتجات العامة المسؤولية تأمين
16	Sabotage Terrorism Riot Strike and Civil Commotion	General	A-AZSF-1-C-16-017	عام	والارهاب التخريب مخاطر تأمين والاطراب الشغب أعمال و الاطراب
17	Workmen Compensation	General	A-AZSF-1-C-11-018	عام	العمال حوادث تأمين
18	Boiler, Pressure & Vessel	General	A-AZSF-1-C-08-019	عام	الضغط وخزانات المرجل تأمين
19	Credit Insurance - Corporate Advantage	General	A-AZSF-1-C-18-020	عام	-التجاري الائتمان مخاطر ضد تأمين لظروف الامتياز
20	Machinery Breakdown Insurance	General	A-AZSF-1-C-08-021	عام	تأمين اعطال الآلات
21	Motor comprehensive	General	A-AZSF-1-B-15-022	عام	التأمين الشامل للمركبات
22	Motor TPL	General	A-AZSF-1-B-15-023	عام	تأمين مسؤولية الطرف الثالث للمركبات
23	Travel	General	A-AZSF-1-B-16-024	عام	تأمين السفر
24	Group Personal Accident	General	A-AZSF-1-C-16-038	عام	الحوادث الشخصية الجماعية
25	BBB bankers blanket bond and Electronic Computer	General	A-AZSF-1-C-12-040	عام	التأمين الشامل للبنوك والجرائم الالكترونية
26	Personal Accident	General	A-AZSF-1-I-16-041	عام	الشخصية الحوادث تأمين
27	Appliance and device protection (Contractual)	General	F-AZSF-1-C-21-050	عام	الالكترونية الاجهزة حماية تأمين (التعاقدية المسؤولية)
28	Engineers Professional Indemnity Insurance	General	A-AZSF-1-C-20-042	عام	للمهندسين المهنية المسؤولية تأمين
29	Miscellaneous Professional Indemnity Insurance	General	A-AZSF-1-C-20-043	عام	المتنوعة المهنية المسؤولية تأمين
30	Construction Professional Indemnity Insurance	General	A-AZSF-1-C-20-044	عام	مجال في المهنية المسؤولية تأمين الاشغال
31	Technology Telecommunications	General	A-AZSF-1-C-20-045	عام	مجال في المهنية المسؤولية تأمين والاتصالات التكنولوجية
32	Clinical Trials Liability Insurance	General	A-AZSF-1-C-20-046	عام	السريرية للتجارب المسؤولية تأمين
33	Digital Business & Data Protection Insurance	General	F-AZSF-1-C-21-051	عام	تأمين حماية الأعمال والبيانات الرقمية
34	Comprehensive Crime Insurance	General	A-AZSF-1-C-11-055	عام	الحوادث جميع ضد التأمين
35	Medical expenses insurance	Medical	A-AZSF-2-B-13-025	صحي	الطبي التأمين
36	Medical SME	Medical	A-AZSF-2-C-17-026	صحي	التأمين الطبي - للشركات الصغيرة والمت
37	Visit Visa insurance (CCHI product)	Medical	A-AZSF-1-C-08-003	صحي	تأمين تأشيرة الزيارة (منتج من مجلس ال
38	Tourist visa insurance (CCHI product)	Medical	A-AZSF-1-C-10-004	صحي	تأمين تأشيرة السياحة (منتج من مجلس ال
39	Al Anjal - Banca	Protection & Saving	A-AZSF-3-I-09-027	وانذار حماية	الانجال - من منتجات التأمين البنكي
40	Al Ghad - Banca	Protection & Saving	A-AZSF-3-I-09-028	وانذار حماية	الغد - من منتجات التأمين البنكي
41	Takaful Al Anjal - Banca	Protection & Saving	A-AZSF-3-I-09-029	وانذار حماية	تكافل الانجال - من منتجات التأمين البنكي
42	Takaful Al Ghad - Banca	Protection & Saving	A-AZSF-3-I-09-030	وانذار حماية	تكافل الغد - من منتجات التأمين البنكي
43	Waad Al Ajyal Gold	Protection & Saving	A-AZSF-3-I-11-031	وانذار حماية	وعد الاجيال الذهبي
44	Waad Al Isteqrar Gold	Protection & Saving	A-AZSF-3-I-11-032	وانذار حماية	وعد الاستقرار الذهبي
45	Waad Al Ajyal	Protection & Saving	A-AZSF-3-I-09-033	وانذار حماية	وعد الاجيال
46	Waad Al Isteqrar	Protection & Saving	A-AZSF-3-I-09-034	وانذار حماية	وعد الاستقرار
47	Group Retirement B5F	Protection & Saving	A-AZSF-3-C-10-035	وانذار حماية	القاعد للمجموعات- البنك السعودي الفر
48	Waad Al Ousra	Protection & Saving	A-AZSF-3-I-09-036	وانذار حماية	وعد الأسرة
49	Waad Al Ousra Gold	Protection & Saving	A-AZSF-3-I-11-037	وانذار حماية	وعد الأسرة الذهبي
50	Group Life	Protection & Saving	A-AZSF-3-C-09-039	وانذار حماية	تأمين الحماية والادخار للمجموعات
51	Group Credit Life	Protection & Saving	A-AZSF-3-C-10-054	وانذار حماية	تأمين حماية مديني المجموعة

9. Financial Highlights

a) Gross Written Premiums

SAR Million	2022	2021	2020	2019	2018
▪ Property, Casualty & Health:	689.7	618.7	548.8	892.9	752.2
a) Motor	240.4	189.3	181.9	469.1	397.0
b) Engineering	91.8	87.2	48.8	41.5	52.3
c) Medical:	209.5	199.1	176.3	190.2	110.9
d) Other General	147.8	143.1	141.8	192.2	192.0
▪ Protection & Savings:	158.5	144.3	125.9	118.7	118.5

Gross Written Premiums in property, casualty and health increased by 11.5% compared to 2021. This was driven by the increase in Motor business of 27% and Medical Business of 5.2% and in Engineering Business of 5.3% and in Other General Business of 3.3%. Protection & Savings Gross Written Premiums are showing a growth of 9.8% compared to 2021.

Although all the premiums are booked in the Head Office in Riyadh, the sales process is decentralized in the various offices in the Kingdom of Saudi Arabia.

The volumes generated in each region are summarized below:

SAR Million	2022	2021	2020	2019	2018
Central Region:	622.9	527.9	447.1	727.4	616.7
Western Region:	108.9	135.5	107.7	141.7	105.0
Eastern Region:	116.5	99.7	119.8	142.5	149.0

b) Net Premiums Earned

The Net Premiums Earned calculated after deducting the premiums ceded to reinsurers and the reserves for unearned premiums, amounted to SAR 479.6 Million for the year ended December 2022 against SAR 417.8 Million for the year ended December 2021.

As a result of the increase in the changes in unearned premiums, the net earned premium increased by 14.8% in 2021 compared to the previous year.

c) Reinsurance Commissions

Reinsurance commissions amounted to SAR 6 Million compared to SAR 4.9 Million and showed an increase of 23.1%.

d) Net Claims and Other Benefits Incurred

The Net Incurred Claims during the period after deducting the reinsurance shares and reserves amounted to SAR (367.6) Million for the twelve months ended December 2022 against SAR (316.8) Million for the twelve months ended December 2021, representing an increase of 16%.

e) Unrealized Gain on Unit-Linked Investment

The unrealized gain on unit-linked investment related to Protection & Savings products amounted to SAR 5.2 Million for the twelve months ended December 2022 against SAR 45.3 Million in 2021. The market fluctuations of the underlying funds causes the unrealized gains/losses.

f) Mathematical Reserve Change

The Mathematical Reserve Change applicable to Protection & Savings products amounted to SAR 30.3 Million for the twelve months ended December 2022 against SAR 8.2 Million in 2021 due to the net impact of written premiums, Surrenders and revaluation of Unit Link Investments.

g) Policy Acquisition Costs

The commissions paid to producers (policy acquisition costs) amounted to SAR (48) Million compared to SAR (37.7) Million showing an increase of 27.5%.

h) General Expenses

The Company has incurred during 2022 insurance operations expenses of SAR (117.6) Million against insurance operations expenses of SAR (114.5) Million during 2021.

In addition, the Company incurred during 2022 inspection expenses of SAR (3.4) Million compared to (6.1) Million in 2021. The inspection expenses are influenced by the level of business booked during the year.

Also, the Company not incurred during 2022 provision of doubtful debts compared to SAR (4.3) Million in 2021.

i) Investments

The Company investments excluding investments from unit-linked Protection & Savings products as of December 2022 are summarized here below.

SAR Million	2022	2021	2020	2019	2018
Cash & cash equivalents:	194.9	161.0	325.0	148.9	93.1
Sukuk/Funds:	585.1	546.7	398.2	379.1	328.2
Subscription in Najm & NextCare Companies	3.2	3.2	3.2	3.2	3.2
Saudi Aramco	3.1	3.1	3.1	3.1	-
Held to maturity	-	-	-	-	-

The investment income excluding unrealized gain on investments from unit-linked Protection & Savings products and excluding Other Operational Income amounted to SAR 24.3 Million as of December 2022 against SAR 15 Million as of December 2021.

j) Other Income

Other Income in 2022 amounting to SAR 20.6 Million vs. SAR 7.7 Million in 2021.

k) Net Income from insurance operations (Operating Results)

The technical result before shareholder investment income and before shareholder general expenses is showing a Net surplus of SAR 11.6 Million for the twelve months ended December 2022 against a Net profit of SAR 8.7 Million for the twelve months ended December 2021, representing an increase by 34%.

Note: The operating result announced on Tadawul represents the operating results explained above and amounting to SAR 11.6 Million, minus the investment income in policyholders' amounting to SAR 6.5 Million in 2022.

l) Net Income before Zakat and Tax

The result for the twelve months ended 31st December 2022 is a Net income before zakat & tax of SAR 28 Million against SAR 16.5 Million after distribution of 10% of the Net Surplus from insurance operations amounting to SAR 1.2 Million for the twelve months ended 31st December 2022. The increase in net profit before zakat and tax is mainly due to the increase in net earned premium by 14.8% due to the increase in business and also the increase in investment income by 61.5% compared to the previous year.

m) Assets

The total assets of the Company as of 31st December 2022 amounted to SAR 2,537,1 Million divided as follows:

SAR Million	2022	2021	2020	2019	2018
Insurance Operations' Assets	1,803.5	1,857.2	1,911.7	1977.1	1,790.6
Shareholders' Assets	733.7	726.1	720.2	357.1	306.6

n) Shareholder's Equity

The Shareholder's Equity as of 31st December 2022 amounted to SAR 701.8 Million, split as follows:

SAR Million	2022	2021	2020	2019	2018
Share Capital	600.0	600.0	600.0	200.0	200.0
Retained Earnings (Accumulated Losses)	68.1	52.2	47.7	75.0	49.6
Statutory Reserve	25.9	21.9	20.7	20.7	14.4
Other Reserves	7.8	28.1	33.1	31.0	17.3

o) Profit Distribution Strategy

As stated in the articles of association of the Company, article 44, shareholder's profits shall be distributed in the following way:

- Zakat & Tax allocations are to be withheld.
- As per the bylaws of the Company, the Company shall allocate 20% of the Net Income of each period to the statutory reserve.
- The Ordinary General Assembly may, at the recommendation of the Board, set aside a specific percentage of net profits to build up reserves allocated for specific purposes.
- The remainder shall be distributed to shareholders as share profits or to be transferred to retained profits account.

- By resolution of the Board of Directors, periodic profits, deducted from the annual profits, may be distributed in accordance with applicable rules and regulations issued by competent authorities.

As a cooperative insurance company, Allianz Saudi Fransi distributes on a yearly basis 10% of the annual Net Surplus arising from its insurance operation to the policyholders in accordance with the rules and regulations applicable to cooperative insurance companies. This 10% of Net Surplus, if any, is calculated at the end of each fiscal year, audited, and distributed upon approval of the Saudi Central Bank (SAMA).

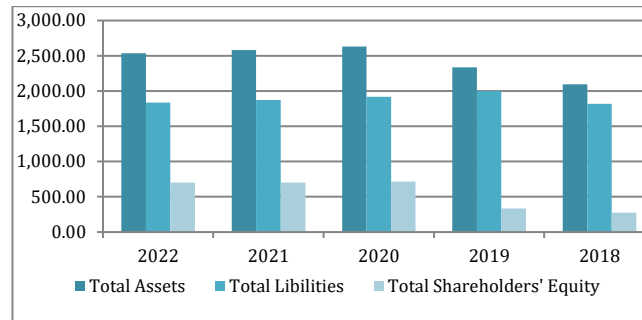
p) Financial highlights

The following is a summary of the most important indicators for the past five years:

SAR Million	2022	2021	2020	2019	2018
Gross Written Premium	848.3	763.1	674.7	1011.7	870.7
Net Premium Earned	479.6	417.8	519.3	685.4	601.1
Reinsurance Commission	6.0	4.9	9.8	17.2	16.6
Net Claims and other benefits incurred	(367.6)	(316.8)	(394.9)	(515.9)	(459.8)
Unrealized gain on UL	5.2	45.3	14.2	19.7	17.0
Mathematical Reserve Change	30.3	8.2	17.3	22.3	15.3
Policy acquisition costs	(48.0)	(37.7)	(55.1)	(65.1)	(54.2)
General Expenses Insurance operations (including Inspection and Supervision Fees)	(121.2)	(122.9)	(141.5)	(130.3)	(104.4)
Provision of doubtful debts	-	(4.3)	(3.3)	(3.0)	(5.6)
Investment income	24.3	15.0	11.4	10.4	10.8
Other Income	20.6	7.7	5.1	5.0	3.8
Net Income for the year before surplus, Zakat and income tax	29.2	17.4	(17.6)	45.6	40.5
Surplus attributed to insurance operations	(1.2)	0.9	-	(4.0)	(3.4)
Net income before Zakat and Income Tax	28.0	16.5	(17.6)	41.6	37.1

Balance Sheet "SAR Million"	2022	2021	2020	2019	2018
Total Assets	2,537.1	2,583.3	2,631.9	2,334.2	2,097.1
Total Liabilities	1,837.3	1,872.0	1,917.2	1,999.7	1,820.2
Total Shareholders' Equity	701.8	702.1	714.7	334.5	276.9

Balance Sheet "SAR Million"



10. Corporate Governance, Regulations & Committees

a) Compliance with Corporate Governance

In 2022, Allianz Saudi Fransi was in full compliance with the CMA corporate governance regulations, Insurance Corporate Governance regulations issued by SAMA, and other guidelines except for the following issues- where the company has paid penalty for noncompliance:

- **50,000 SAR enforcement resolution from SAMA during March 14** regarding non compliance with Central Bank regulations related to SLA/Audit/and Customer Care.
- **780,000 SAR enforcement resolution from SAMA during April 28 for** regarding non compliance with Central Bank regulations.
- **40,000 SAR enforcement resolution from SAMA during May 5 for** Violation of the supervisory instructions of the Central Bank regarding no periodic review done by internal audit on customer care department in order to ensure accuracy of information provided.
- **400,000 SAR enforcement resolution from SAMA during June 16** regarding non compliance with Central Bank regulations.

Noting that the company's executive management has put in place corrective plans and improved internal controls based on the above-mentioned Central Bank decisions.

b) Board of Directors (Current term) 08 August 2022 to 07 August 2025

Name of the Board Members	No. of Shares beginning of year*	No. of Shares end of year*	Change in No. of Shares	Board Membership in Saudi companies	Rep.	Member Classification	Qualification	Experience
Alwaleed Al Dryaan <small>(Ongoing Member)</small>	3000	3000	Nil	<ul style="list-style-type: none"> Al Khaleej Training and Education Al Enayah Medical Co. Saudi Telecom Co. Malaz Capital Co. Arabian Cement Co 	Allianz Group	Non-Executive	B.S & M.S Electrical Engineering	<ul style="list-style-type: none"> CEO of Alkhaleej training MD of Al Khaleej Training Egypt MD of Fast Lane Co. Chairman of Online Trading Academy Dubai Chairman of Franklin Covey Co. Dubai
Bader Alsalloom <small>(Board Membership start date 08.08.2022)</small>	Nil	Nil	Nil	<ul style="list-style-type: none"> Chairman of risk committee – Banque Saudi Fransi - Executive Committee Member – BSF - Head of Corporate and Corporate Banking Group - BSF 	Bank Saudi Fransi	Non-Executive	B.S Finance and Economics	<ul style="list-style-type: none"> Relationship Management – Corporate Banking Treasury Risk Advisory Deputy Head GM CEO
Mazen AlTamimi <small>(Former Board Member) (From 08.08.2019 Until 07.08.2022)</small>	Nil	Nil	Nil	<ul style="list-style-type: none"> Saudi Fransi Leasing Co. Saudi Fransi Capital Co. 	BSF	Non-Executive	B.S Computer Science	<ul style="list-style-type: none"> Senior Executive Director Banque Saudi Fransi Western Region Manager - Banque Saudi Fransi
Antoine Issa <small>(Former Board Member) (Until 13.07.2022)</small>	Nil	Nil	Nil	<ul style="list-style-type: none"> Nil 	Allianz entities	Non-Executive	M.S. Engineering M.S. Finance	<ul style="list-style-type: none"> Allianz MENA CEO Allianz SNA Chairman Allianz Egypt Chairman Allianz SF CEO
Anuj Agarwal <small>(Ongoing Member)</small>	Nil	Nil	Nil	<ul style="list-style-type: none"> Nil 	Allianz entities	Executive	M.S. Management Studies (Finance) B.S. Engineering (Electronics & Communications)	<ul style="list-style-type: none"> Chief Executive Officer of Allianz Saudi Fransi Regional Chief Financial Officer and Member of Board of Management (Allianz SE Africa) Managing Director and Chief Executive Officer (Allianz SE Africa) Chief Financial Officer (Allianz Egypt)

Abdullah Al-Hussaini (Ongoing Member)	3000	3000	Nil	<ul style="list-style-type: none"> • Saudi Advanced Industries Co. • Deutsch Gulf Finance Co. • Saudi Company For Automotive Services and Equipment • Al Babtain Power and Telecommunication • Alkhaleej training and education 	Public	Independent	PhD in Accounting	<ul style="list-style-type: none"> • Dean of Student Affairs • Financial Manager • Financial Advisor • Financial Accountant and internal auditor
Kamel Al Munajjed (Former Board Member) (From 08.08.2019 Until 07.08.2022)	Nil	Nil	Nil	<ul style="list-style-type: none"> • Tanmiah Food Group 	Public	Independent	M.S. Business Administration B.S. Electrical Engineering	<ul style="list-style-type: none"> • General Manager of Urjuan Real Estate Development • Vice President (Almunajem) • Head of Investment & Private Banking (Banque Saudi Fransi)
Basel Bin Jabr (Ongoing Member)	Nil	Nil	Nil	<ul style="list-style-type: none"> • Taiba Investment Co. • Tayseer Finance Co. • Tech Investment Co. • Mallaz Capital • Arch Capital • Food Basics Co • Riyadh Capital 	Public	Independent	M.S. Business Administration B.S. Business Administration	<ul style="list-style-type: none"> • Vice-President of Development Affairs (Bin Laden Group) • President of Interactive Saudi Arabia Ltd. • President of Mohammed and Abdullah Alsubaiey investment • Secretary General for committee of e-commerce - MOC
Patrick Theils (ongoing Member)	Nil	Nil	Nil	<ul style="list-style-type: none"> • Allianz Benelux 	Allianz Group	Non-Executive	B.S Economics & IT M.S Insurance Management M.S Human Resources Management	<ul style="list-style-type: none"> • Board Member – Allianz Benelux • Regional CEO – Allianz Global Corporate and Specialty SE • CEO – HDI gerling verzekeringen • MD – Gerling Belgium
Amine Benabbou (Ongoing Member)	Nil	Nil	Nil	Nil	Allianz Group	Non-Executive	M.S in Corporate Finance M.S in Industrial Engineering	<ul style="list-style-type: none"> • Head of Business Division Africa & MENA at Allianz SE – Previously Country manager • Investment Director – Fipar Holding • Capital Conucil – BMCE Group • Project Finance Analyst - DEXIA

Osama Alsabeg <small>(Board Membership start date 08.08.2022)</small>	NIL	NIL	NIL	<ul style="list-style-type: none"> • National Finance Co. • Saudi Networkers for services • Bayader AL Aryaf Telecom • Saudi Telicom Company 	Public	Independent	B.S in Electrical Engineering	<ul style="list-style-type: none"> • CEO – Sat Systems • MD – Saudi Networkers Services • Director – STC • Radio Frequency Team Leader – Lucent Tech
Adel Mallawi <small>(Board Membership start date 08.08.2022)</small>	NIL	NIL	NIL	<ul style="list-style-type: none"> • Saudi Fransi Capital • Saudi Telecom Systems Company • Saudi Networkers for services • Tamweel al-oula 	Allianz Group	Non-Executive	B.S in chemistry MBA	<ul style="list-style-type: none"> • Chairman and member of multiple boards and committees • CIO – Banque Saudi Fransi • CFO – Banque Saudi Fransi • Head of Global Markets Group-Treasurer – Banque Saudi Fransi

Members of the Top Management		Anuj Agarwal	Turki Al Shahrani	Mohammed Zeidan	Hani Al Bukhaitan	Abdullah Al Qubaily
Number of Shares*	beginning of year	Nil	Nil	Nil	Nil	Nil
	End of year	Nil	Nil	Nil	Nil	Nil

BOARD Responsibilities

Without prejudice to the competencies of the General Assembly, the Board shall have the broadest powers in managing the Company and guiding its activities to achieve its objectives. The Board of Directors is ultimately responsible for the policies and management of the Company.

The Board of Directors approves strategic, accounting, organizational, and financing policies adopted by the Company as well as strategic plans and major transactions. Its responsibilities include the appointment and appropriate succession planning of executive officers and authorized signatories of the Company, in addition to supervision over the Company's management and performance.

The Board of Directors also ensures the integrity of the accounting and financial reporting as well as the appropriateness of its disclosure.

It promotes high standards of Corporate Governance and ensures compliance with applicable laws and regulation. It ensures that the interest of the policyholders is always protected. The Board of Directors is also entrusted with organizing the Shareholders' meetings and carrying out Shareholders' resolutions.

The Board of Directors shall also review and approve on annual or periodic basis the policies and procedures of the Company.

The Board shall also assess the performance of the Board Committees on a periodic basis.

1. The major duties and responsibilities of the Board of Directors are highlighted as follows:

Relation with Stakeholders

1. Representing the Company and acting on its behalf before others whether it is a private or public party. Those may include but are not limited to the following parties within or outside the Kingdom of Saudi Arabia (KSA).
 - a) Ministries and Governmental agencies.
 - b) Financial institutes.
 - c) All kind of courts and judicial parties.
 - d) Capital Market Authority (CMA)
 - e) Customs offices.
 - f) Police Departments.
 - g) Civil Affairs departments.
2. Ensure that systems are in place for communication and relations with stakeholder including the mentioned above, monitor system effectiveness and significant sensitive and legally required communications.
3. Develop and adopt mechanisms for indemnifying the Company stakeholders in case of contravening their rights under the law and their respective contracts. Noting that the members of the Board, who had committed a mistake that harmed the interests

of the shareholders and which resulted in a profit to them, shall return to the company all the profits they have gained from this mistake.

4. Preparing the Board Report and approving it before publishing it to the shareholders and CMA, addressing the following as a minimum:
 - a) A description of the principal activities of the Company. If two or more activities are described, a statement must be included giving for each activity the turnover and contribution to trading results attributable to it;
 - b) A description of the Company's significant plans and decisions (including any restructuring, business expansion or discontinuance of operations of the Company), the future prospects of the Company's business and any risks facing the Company;
 - c) A summary, in the form of a table or a chart, of the assets and liabilities of the Company and of the Company's business results for the last five financial years or from incorporation, whichever is shorter;
 - d) A geographical analysis of the Company's gross revenues;
 - e) An explanation for any material differences in the operating results of the previous year or any announced forecast made by the Company;
 - f) An explanation for any departure from the accounting and financial reporting standards;
 - g) A description of the Company's dividend policy;
 - h) A description of any interest in a class of voting shares held by persons (other than the Company's Directors, senior executives and their relatives) that have notified the Company of their holdings together with any change to such interests during the last financial year;
 - i) A description of any interest, contractually based securities, and subscription rights of the Company's Directors, senior executives and their relatives in the shares or debt instruments of the Company, together with any change to such interest or rights during the last financial year;
 - j) Information relating to any borrowings of the Company (whether repayable on demand or otherwise), and a statement of the aggregate indebtedness of the Company together with any amounts paid by the Company as a repayment of loans during the year. In case there are no loans outstanding for the Company, it must provide an appropriate statement;
 - k) The number of meetings of the Directors held during the last financial year and the attendance record of each meeting listing names of the attendees;
 - l) A description of any transaction between the Company and any related party;
 - m) Information relating to any businesses or contract to which the Company is a party and in which a board Director of the Company, the CEO, COO, CFO or any person related to any of them is or was interested, or if there are no such businesses or contracts, the Company must submit an appropriate statement;
 - n) A description of any arrangement or agreement under which a Director or a senior executive of the Company has waived any salary or compensation;
 - o) A description of any arrangement or agreement under which a shareholder of the Company has waived any rights to dividends;
 - p) A statement of the value of any outstanding statutory payment on account of any zakat, taxes, fees or any other charges with a brief description and the reasons therefore;
 - q) A statement as to the value of any investments made or any reserves set up for the benefit of the employees of the Company;
 - r) Declaration that:
 - (i) *Proper books of account have been maintained;*
 - (ii) *The system of internal control is sound in design and has been effectively implemented; and*

(iii) There are no significant doubts concerning the Company's ability to continue as a going concern; if any of the statements above cannot be made, the report must contain a statement clarifying the reasons thereof.

- s) If the external auditor's report containing reservations or the relevant annual financial statements is qualified, the Directors report must include such qualifications, its reasons and any related information.
- t) If the Directors recommend that the external auditors should be changed before the elapse of the term it is appointed for, the report must contain a statement to that effect and the reasons for such recommendation;
- u) Names of any joint stock company or companies in which the company Board of Directors member acts as a member of its Board of Directors.
- v) Formation of the Board of Directors and classification of its members as follows: executive board member, non-executive board member, or independent board member.
- w) A brief description of the jurisdictions and duties of the Board's main committees such as the Audit, Risk, & Compliance Committee, the Governance, Nomination & Remuneration Committee, Executive & Investment Committee; indicating their names, names of their chairmen, names of their members, and the aggregate of their respective meetings.
- x) Details of compensation and remuneration paid to each of the following:
 - (i) The Chairman and members of the Board of Directors.
 - (ii) The Top Five executives who have received the highest compensation and remuneration from the company CEO, COO, and CFO shall be included if they are not within the top five.
- y) Any punishment or penalty or preventive restriction imposed on the company by the Authority or any other supervisory or regulatory or judiciary Board; and,
- z) Results of the annual audit of the effectiveness of the internal control procedures of the company.

2. Overseeing the Company's Operations

1. Determine and control in broad terms the purposes, goals, mission, visions, activities and general characteristics of the Company.
2. Strategic Planning & Budgets:
 - a) Set and approve the Company's strategic business plan proposed by the management and adopt such a plan with such changes, upon annual reviews and assessments, as the Board of Directors deems appropriate;
 - b) Review and approve the Company operational plans, financial plans and budgets proposed by the management and adopt the same with such changes as the Board of Directors deems appropriate;
 - c) In connection with such reviews, the Board of Directors shall seek to provide a balance of long-term versus short-term orientation of the Company strategic and operational plans; and
 - d) Review corporate performance against strategic plan, operations plans, financial, budget plans and peers performance.
3. Hiring and dismissal of the CEO, planning for his succession.
4. Ensure that senior officers are achieving acceptable current financial results relative to corporate objectives, budgets, and the economic environment, and are developing the resources necessary for future success. These resources include:
 - a) Management competence, organization, and depth;
 - b) Fixed assets;
 - c) Marketing capability – Customer loyalty, distribution organization, and market knowledge;
 - d) Workforce and employee relations;

- e) Financial resources, including relations with the financial community; and
 - f) Reputation and relations with various regulators.
5. Establish an overall compensation policy, based on a recommendation from the Governance, Nomination & Remuneration Committee, for the Company and monitor its implementation with special attention devoted to the senior officers. Review the policy from time to time to ensure that it continues to be appropriate and in line with better practices.
 6. Oversee corporate financial operations, including:
 - a) Capital structure management, maintaining reasonable financial flexibility and safety while achieving an appropriate return on equity;
 - b) Reviewing the Company's interim and annual financial statements to ensure sufficiency and reliability of applied financial reporting controls, and approving them before publishing them;
 - c) Allocation of Company assets;
 - d) Maintaining access to suitable sources of new capital;
 - e) Indemnity, social security and other major employee benefit programs;
 - f) Dividend pay-out policy and action; and
 - g) Propose selection of external auditors for approval by the General Assembly.
 7. Maintenance of Systems Integrity:
 - a) Reviewing the effectiveness of the Company's internal control procedures on an annual by obtaining a report from and confirming with the Audit, Risk, & Compliance Committee that it has reviewed and discussed the adequacy of the Company internal controls;
 - b) Ensure that the Board of Directors has free and full access to management regarding all matters of compliance and performance; and,
 - c) Developing a written policy to remedy actual and potential conflicts of interest scenarios for each of the Board members, the Executive Management, and the shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties.
 8. Oversee the conduct and performance of the Company and its divisions to ensure they are being properly and appropriately managed. To discharge this duty the Board of Directors will give specific and regular attention to:
 - a) Ensuring setting key performance indicators/objectives for the performance of the Company functions/departments, and approve the same;
 - b) Monitoring performance against the strategic and business plans, and key performance indicators;
 - c) Monitoring performance against peer and competitor companies; and,
 - d) Enquiring into and following up areas of poor performance and their cause.
 9. Review and approve material transactions outside of the corporate budget, including but not limited to material licenses, long term contracts or obligations.
 10. Sell, accept payment on behalf, mortgage, all the Company assets and properties with the following restrictions:
 - a) Documentation of reasons and purpose of sales;
 - b) The sale must be at least at market value;
 - c) Proper guarantee of all sales; and
 - d) Such sales do not affect the Company operations.
 11. Enter in and obtain loan agreements from financial institutions.
 12. Write off bad debts based on the following and in line with the approved authority matrix:
 - a) Bad debt has aged for over a year at minimum;
 - b) Write offs can only be performed once per year per debtor and not to exceed 1% of the Company's capital;

- c) The total bad debt write off not to exceed SAR 4 million per year; and,
- d) Bad debts write off shall not be delegated to anyone else by the Board.

3. Risk Management

The Board establishes, oversees and monitors internal controls and risk management framework including the Market Risk (Interest Rate Risk, Equity Risk, Property Risk, Currency Risk, Spread Risk and Liquidity Risk), Counterparty default Risk (Reinsurance, Concentration, Other counterparties and Credit Risk), Non Life Underwriting Risk (Pricing [General], Pricing [Health], Reserving [General], Reserving [Health], Non-Life catastrophe and Lapse), Life Underwriting Risk (Mortality, Longevity, Morbidity & Disability, Lapse, Expense and Catastrophe), Strategic Risk (Business, Market/ Country and Reputational), Operational Risk (Internal fraud, external fraud, HR, Physical Damage, Cyber-attack, System Failure, Data Quality and Process management), Actuarial Outputs Risk (Reserving, Underwriting non-life, Underwriting Life, Reinsurance and Solvency), Oversight Risk (Senior Management, Risk Management, Compliance, Audit, Operational management), Conduct of Business Risk (Product development, Product promotion disclosure & sales, Claims, Complaints and Privacy protection), and Regulatory & AML Risk (Regulatory, AML)

The Board is responsible to ensure the following with the assistance of the management, and Audit, Risk & Compliance:

1. Approving the risk appetite statement and levels.
2. Identify the principal risks of the Company business and ensure implementation and monitoring of systems to effectively mitigate/manage these risks.
3. Implement and ensure that systems are in place to monitor and maintain the integrity of the Company internal controls and information systems.
4. Risk Identification and Management:
 - a) Ensuring the implementation of appropriate control for risk assessment and management by generally forecasting the risks that the Company may encounter and creating an environment which is aware of the culture of risk management at the Company level and disclosing such risks transparently to the Stakeholders and parties related to the Company.
 - b) Instruct management to regularly advise on Company's business risks; and
 - c) Review and discuss with management such risks and the systems designed to monitor and manage such risks.
 - d) Oversee the Company's capacity to identify and respond to changes in its economic and operating environments.

4. Investment

1. The Board of Directors shall be responsible for the approval of the investment policy and activities, taking into account the analysis of the asset/liability relationship, the Company's overall risk tolerance, its long-term risk-return requirements, its liquidity requirements and its solvency position.
2. The Board of Directors is also responsible for approving policies on related issues of a more operational nature, including:
 - a) The criteria for selection of the external investment manager(s).
 - b) The selection and use of partners and brokers.
 - c) The nature of custodial arrangements.
 - d) The methodology and frequency of the performance and investment risk measurement.

3. The Board of Directors authorizes the investment committee and the senior management to formulate the investment policy, review it and implement the overall investment activities.
4. The Board of Directors must also ensure that adequate reporting and internal control systems of the Company are in place, and designed to monitor that assets are being managed in accordance with the investment policy, and legal and regulatory requirements. This should be done by ensuring that:
 - a) The board receive quarterly information, including feedback from the Company's risk management function, on asset exposures, and the associated risks.
 - b) The systems provide accurate and timely information on asset risk exposure and are capable of generating ad-hoc requests.
 - c) Remuneration policies are structured to avoid potential incentives for unauthorized risk taking.
5. The Board of Directors must ensure that senior management is in a position to monitor the performance of the external investment manager(s) against Board approved policies and procedures. The Board of Directors should review on an annual basis the adequacy of its overall investment policy in light of the Company's activities, and its overall risk tolerance, long-term risk return requirements, and solvency position.

5. Compliance

The Board is responsible to ensure the following with the assistance of the management, and Audit, Risk & Compliance:

1. Ensure existence of appropriate controls and procedures in place for compliance with applicable laws and regulations (SAMA, CMA, Ministry of Commerce, municipalities, etc.).
2. Ensure that the Company has in place appropriate environmental, health and safety policies, having regard to legal, industry and community standards, and ensure implementation of management systems to monitor the effectiveness of those policies.
3. Provide leadership and policy direction to the management with a view of establishing and maintaining a high standard of legal and ethical conduct for the Company by:
 - a) Taking all necessary steps to ensure that the Company complies with applicable laws and regulations, and with its internal regulations, including its Articles of Association, and that it operates to high ethical and moral standards; being alert and sensitive to situations that could be considered illegal, unethical or improper, and taking corrective steps;
 - b) Establishing the means of monitoring performance in this area with assistance of legal counsel; and
 - c) Complying with legal requirements, applicable to the Board of Directors, including, without limitation, the duty to act honestly and in good faith with a view to the best interests of the Company and all its shareholders, and the duty to exercise the care, diligence and skill that reasonably prudent people exercise in comparable circumstances.

6. Other Board Responsibilities

1. Forming specialized committees of the Board pursuant to resolutions that shall specify the term, powers and responsibilities of such committees as well as the manner used by the Board to monitor such committees. Such resolutions shall also specify the names of the members and their duties, rights and obligations and shall evaluate the performance and activities of these committees and their members.

2. Manage Board operations, including, without limitation:
 - a) Ensure adopting a transparent mechanism to orient new Board members on company and Board matters, including demonstrating Company strategy, accomplishments, threats, financial position, and Board working mechanism, in addition to developing briefing material on the same.
 - b) Influence the structuring of agendas and how meeting time is spent.
 - c) Conflict of interest policy.

7. Duties of Individual Members / Directors

1. Tasks and Duties of the Board Members

Without prejudice to duties and responsibilities of the Board as a whole each member of the Board shall, being a Board member, perform the following tasks and duties:

- a) Providing proposals to develop the strategy of the Company;
- b) Monitoring the performance of the Executive Management and the extent to which it has achieved the objectives and purposes of the Company;
- c) Reviewing reports related to the performance of the Company;
- d) Ensuring the integrity and impartiality of the financial statements and information of the Company;
- e) Ensuring that the financial control and risk management systems are sound;
- f) Determining the appropriate level of remunerations of the members of the Executive Management;
- g) Expressing opinions as to the appointment and dismissal of members of the Executive Management;
- h) Participating in developing the succession and replacement plans of executive positions within the Company;
- i) Complying fully with the provisions of the Companies Law, Capital Market Law, their implementing regulations, the relevant regulations and the bylaws when performing his/her duties as a member of the Board and abstaining from taking or participating in any action that constitute mismanagement of the Company's affairs;
- j) Attending the Board and the General Assembly meetings, and not being absent except for legitimate excuse of which the chairman of the Board shall be notified by prior notice, or for emergency reasons;
- k) Allocating sufficient time to fulfil his/her responsibilities and preparing for the Board and its committees meetings and effectively participating therein, including raising relevant questions and carrying discussions with the Senior Executives;
- l) Studying and analyzing all information related to the matters looked into by the Board before expressing an opinion on the same;
- m) Enabling other Board members to express their opinions freely, and encouraging the Board to deliberate on the subjects and obtain the views of the competent members of the Company's Executive Management and others, when necessary;
- n) Notifying the Board fully and immediately of any interest, either direct or indirect, in the businesses and contracts that are executed for the Company's account, the notification shall include the nature and extent of such interest, the names of concerned persons, and the expected benefit to be obtained directly or indirectly from interest whether financial or non-financial. the concerned member shall abstain from voting on any decisions issued in connection therewith in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
- o) Notifying the Board fully and immediately of his/her participation, directly or indirectly, in any businesses that may compete with the Company or lead to competing with the Company, directly or indirectly, in respect of any of its

activities, in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;

- p) Refraining from disclosing or announcing any secrets he/she came across through his/her membership in the Board to any shareholder of the Company, unless such disclosure is made during the meetings of the General Assembly, or to a third party, in pursuance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
- q) Working on the basis of complete information, in good faith and with the necessary care and diligence for the interest of the Company and all shareholders;
- r) Recognizing his/her duties, roles and responsibilities arising from the membership;
- s) Developing his/her knowledge in the field of the Company's business and activities and in the related financial, commercial and industrial fields; and
- t) Resigning from the membership of the Board if he/she is unable to fully fulfil his/her duties in the Board.

2. Tasks and Duties of the Independent Director

Without prejudice to duties and responsibilities of the Board as a whole and other executive / non-executive members, an Independent Director of the Board shall effectively participate in the following duties:

- a) Expressing his/her independent opinion in respect of strategic issues and the Company's policies and performance and appointing members of the Executive Management.
- b) Ensuring that the interest of the Company and its shareholders are taken into account and given priority in case of any conflicts of interest.
- c) Overseeing the development of the Company's Corporate Governance rules, and monitoring the implementation of the rules by the Executive Management.

8. Matters Reserved for the Board of Directors

There are matters that must be considered by the Board of Directors as a whole and may not be delegated, even to a Committee of the Board of Directors. The Board of Directors reserves the right to review and amend these matters from time to time as considered necessary.

These matters include the following:

- 1. Temporary nomination and Remuneration of Directors (to fill the vacant position) for approval by the General Assembly.
- 2. Appointment of the Chief Executive Officer (CEO)
- 3. Appointment/resignation and termination and remuneration of the CEO supported with the recommendations of the Governance, Nomination & Remuneration Committee.
- 4. Membership and terms of reference of Board committees (apart from the Audit, Risk, & Compliance, and Governance, Nomination & Remuneration committees).
- 5. Providing recommendations to the Extraordinary General Assembly as to what it deems appropriate regarding the following:
 - a) Increasing or decreasing the share capital of the Company; and
 - b) Dissolving the Company before the end of its term as specified in its bylaws or deciding the continuity of the Company.

6. Providing recommendation to the Ordinary General Assembly as to what it deems appropriate regarding:
 - a) Using the consensual reserve of the Company, if such has been formed by the Extraordinary General Assembly and has not been allocated to a specific purpose;
 - b) Forming additional financial allocations or reserves for the Company; and
 - c) The method of distributing the net profits of the Company.
7. Approving the Company's interim and annual financial statements and approving them before publishing them.
8. Annual review and update (if necessary) of the Board of Director's Charter.
9. Matters referred to the Board of Directors by Board Committees.
10. Approve of the write offs as per the approved authority matrix and the Company's bylaws.
11. Approve loans and financing facilities as per the approved authority matrix and the Company's bylaws.
12. Conduct the Board annual performance self-assessment relative to the Board purpose, duties, and responsibilities outlined herein as well as those of its individual members.
13. Decide upon corporate governance matters relating to the Board of Directors and senior management, and matters of principle regarding corporate governance structure, such as developing/updating the Company's organizational structure and the underlying functional responsibilities as the need arise and which is recommended by the Governance, Nomination, & Remuneration Committee.
14. Review prior Board minutes of meeting and follow up on decisions taken and documented in the action sheet of prior Board meetings, in order to ensure that matters raised have been resolved.

The Board of Directors reserves the right to review and amend this list from time to time as considered necessary.

c) BOARD Meetings

The BOARD met nine times during the year ended 31st December 2022 with attendance percentage of 92.6%

BOARD #	Date	Attendance	Percentage	Percentage with Proxy
81	20/01/2022	1- Alwaleed Al Dryaan, 2- Mazen AlTamimi, 3- Antoine Issa, 4- Patrick Thiels 5- Abdullah AlHussaini, 6- Kamel Al Munajjed, 7- Basel Bin Jabr 8- Amine Benabbou 9- Anuj Agarwal	100.0%	100.0%

82	17/03/2022	1- Alwaleed AlDryaan 2- Mazen AlTamimi 3- Antoine Issa, 4- Patrick Thiels 5- Abdullah Al Hussaini, 6- Kamel Al Munajjed 7- Basel Bin Jabr 8- Amine Benabbou 9- Anuj Agarwal	100.0%	100.0%
83	17/05/2022	1- Alwaleed AlDryaan 2- Mazen AlTamimi 3- Antoine Issa 4- Patrick Thiels 5- Abdullah AlHussaini 6- Kamel Al Munajjed 7- Basel Bin Jabr 8- Amine Benabbou 9- Anuj Agarwal	100.0%	100.0%
84	25/05/2022	1- Alwaleed AlDryaan 2- Mazen AlTamimi 3- Antoine Issa, 4- Abdullah AlHussaini, 5- Kamel Al Munajjed, 6- Basel Bin Jabr 7- Amine Benabbou	77.7%	77.7%
85	10/08/2022	1- Alwaleed AlDryaan, 2- Bader Alsalloom 3- Adel Mallawi 4- Osama Alsabeg 5- Abdullah Al Hussaini, 6- Anuj Agarwal 7- Basel Binjabr 8- Patrick Thiels	88.8%	88.8%
86	15/09/2022	1- Alwaleed Al Dryaan, 2- Bader Alsalloom 3- Adel Mallawi 4- Osama Alsabeg 5- Abdullah Al Hussaini 6- Basel Bin Jabr 7- Anuj Agarwal 8- Amine Benabbou	88.8%	88.8%
87	03/11/2022	1- Alwaleed AlDryaan 2- Bader Alsalloom 3- Anuj Agarwal 4- Abdullah AlHussaini 5- Amine Benabbou 6- Basel Binjabr 7- Patrick Thiels 8- Adel Mallawi	88.8%	88.8%

88	22/11/2022	1- Alwaleed Al Dryaan 2- Bader Alsalloom 3- Amine Benabbou 4- Anuj Agarwal, 5- Abdullah Al-Hussaini, 6- Adel Mallawi 7- Basel Bin Jabr 8- Osama Alsabeg,	88.8%	88.8%
89	27/12/2022	1- Alwaleed Al Dryaan 2- Bader Alsalloom, 3- Osama Alsabeg, 4- Anuj Agarwal 5- Abdullah AlHussaini 6- Adel Mallawi 7- Amine Benabbou 8- Basel Bin Jabr 9- Patrick Thiels	100%	100%

The above BOARD meetings covered the following major tasks:

- Approved Appointment of the new Director, Mr. Patrick Thiels
- Approval of the updated Governance Manual of the year 2022
- Discussed IT gap assessment
- Discussed IFRS 17 external auditor second dry run
- Discussed Competition Landscape
- Discussed the process of c-level recruitment
- Discussed the appointment of Board Secretary
- Discussed the financial results of Q1 2022
- Approval of health and safety policy
- Appointment of the Chairman and Vice-Chairman of the Board of Directors and Secretary
- Formation of the BOARD sub-committees
- Discussed Q2 Financial results
- Discussion of market status
- Updated Actuarial Policy
- Reviewing Updated Governance Manual
- Discussed Q3 Financial Results
- Discussed Competitive Landscape, Position and Allianz sf strategy for 2023
- Discussed Management Proposal Dividends

D) Remuneration and Compensation of Board Members and Top Executives

The Remuneration and Compensation of the top Executives (the CEO, his Deputy, CFO, COO, CSMO,) for the year ending 31st December 2022 were

Position	Annual Wage
Chief Executive Officer	1,125,000.00
Deputy CEO – Chief Operations Officer	981,745.88
Chief Financial Officer	312,421.48
Chief Actuarial Officer	801,963.59
Chief Sales & Marketing Officer	169,999.20
Total	3,391,130.15

The BOARD and Sub-Committees Remunerations are detailed as follows:

Name of the Board Members	Member Classification	Attendance Fees	Annual Remunerations	Total Remunerations 2022 (SAR)
Alwaleed Al Dryaan	Non-Executive	45,000	160,000	205,000
Bader AlSalloom (after 8 th of August 2022)	Non-Executive	24,000	63,562	87,562
Mazen Al-Tamimi (until 7 th of August 2022)	Non-Executive	48,000	95,562	143,562
Antoine Issa (until 13 th of July 2022)	Non-Executive	39,000	39,452	78,452
Anuj Agarwal	Executive	54,000	100,000	154,000
Abdullah Al-Hussaini	Independent	108,000	220,000	328,000
Kamel Al Munajjed (until 7 th of August 2022)	Independent	45,000	95,562	140,562
Basil Bin Jabr	Independent	54,000	183,836	237,836
Amine Benabbou	Non-Executive	42,000	100,000	142,000
Patrick Thiels	Non-Executive	33,000	100,000	133,000
Osama Alsabeg (after 8 th of August 2022)	Independent	27,000	63,562	90,562
Adel Mallawi (after 8 th of August 2022)	Non-Executive	39,000	63,562	102,562
Mohammad Helmi	Independent Audit Member	48,000	60,000	108,000
Mostafa Abdullatif	Independent Audit Member	51,000	60,000	111,000
Total	-	657,000	1,405,098	2,062,098

BOARD Remuneration Policy:

- 1- Remuneration of the Board members shall be a specified amount, attendance allowance for sessions, benefits in kind, or a certain percentage of the net profits. Two or more of these benefits may be combined.
- 2- If such remuneration is a certain percentage of the company's profits, then this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in application of the provisions of Cooperative Insurance Companies Control Law, Companies Law and these Articles, and after distributing a profit not less than (5%) of the company's paid-up capital to the shareholders, provided that the entitlement to this remuneration shall be proportional to the number of Board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly, and any assessment to the contrary shall be deemed void. In all cases, the total remunerations and financial or in-kind benefits received by a Board member shall not exceed five hundred thousand Saudi riyals annually (with exception of Audit Committee members), in accordance with the regulations set by the Capital Market Authority.

Each member of BOARD, including the Chairman shall be paid the actual expenses borne thereby for attending meetings of BOARD or committees emanating there from, including travel expenses, accommodation and subsistence expenses.

BOARD report to the Ordinary General Assembly shall include a full statement of all the amounts received by members of BOARD within the fiscal year, including remunerations, expenses and other benefits. The said report shall also include a statement of the amounts received by BOARD members in their capacity as employees or administrators, or the amounts received thereby in return of technical, administrative, or consultative works. The said report shall also include the number of meetings of the BOARD and the number of meetings attended by each member as from the date of the last meeting of the General Assembly.

e) BOARD Declaration of Related-Party Transactions

The Board of Directors confirms that during 2022 there was no contract in which the Company was a party and it's Chief Executive Officer, Chief Financial Officer, Board Members or any other person who may have a relationship with any of them benefited from it. 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 Allianz Saudi Fransi waived their interests or rights to receive dividends.

The Related-Party transactions and balances of shareholders and related affiliates during 2022 are related to the following activities:

No.	Relevant Party	Nature of relation	Value (SAR)	Period	Description
1	Bank Saudi Fransi and its related affiliates	Bank Saudi Fransi owns 14% of Allianz SF and is represented in the Board of Directors by Mr. Mazen Al Tamimi (Former Board Member) and Mr. Bader AlSalloom (Current Board Member)	487,049,866	N.A	Portfolio Asset management
2	Bank Saudi Fransi and its related affiliates	Bank Saudi Fransi owns 14% in ALLIANZ SF and is represented in the Board of Directors by Mr. Mazen Al Tamimi (Former Board Member) and Mr. Bader AlSalloom (Current Board Member)	591,436,951	N.A	Banking & Asset Custody balances.
3	Bank Saudi Fransi and its related affiliates	Bank Saudi Fransi owns 14% in ALLIANZ SF and is represented in the Board of Directors by Mr. Mazen Al Tamimi (Former Board Member) and Mr. Bader AlSalloom (Current Board Member)	89,623,182	N.A	Insurance contract mainly in Motor & Life.
4	Allianz Group & its affiliates	Allianz Europe BV owns 18.5 % & Allianz France owns 16.25% & Allianz MENA Holding Bermuda owns 16.25%. They are represented by Eng. ALWaleed AlDryaan, Mr. Patrick Theils, Mr. Anuj Agarwal, Mr. Amine Benabbou and Mr. Adel Mallawi	178,004,275	Annual	Reinsurance contracts.
5	Saudi Next Care	Allianz Saudi Fransi is a shareholder in Next Care Saudi Arabia. They are represented by Mr. Anuj Agarwal	1,305,089	Annual	Claims Management "Medical".

6	Dataquest SAL	Dataquest SAL is a company of Allianz. They are represented by Mr. Amine Benabbou	2,332,469	Annual	Insurance Management System Maintenance, Support and Development.
7	Saudi Networkers Services	Board Member Mr. Osama AlSabeg is a shareholder & Mr. Adel Mallawi is a Board Member	22,208	Annual	General Insurance.
8	Al Khaleej Training and Education	Board Chairman Eng. Alwaleed Aldryaan and Dr. Abdullah Al Hussaini are a shareholders	86,705	Annual	Motor Insurance.
9	Agricultural Development Co. Ltd	Former Board Member Kamel Al Munajjed is a Board Member	1,496,562	Annual	Credit Insurance.
10	Desert Hills for Veterinary Services	Former Board Member Kamel Al Munajjed is a Board Member	201,747	Annual	Credit Insurance.
11	Supreme Foods Processing Ltd	Former Board Member Kamel Al Munajjed is a Board Member	291,240	Annual	Credit Insurance.
12	Eng. Alwaleed Aldryaan	Board Chairman Eng. Alwaleed Aldryaan	28,892	Annual	Individual Insurance (Motor and General)

f) Regulatory Status

The Company enjoys a healthy relationship with the Regulators and appreciates their continuous support and guidance.

g) BOARD Committees

Executive Committee

The BOARD Executive Committee is responsible for providing recommendations to the Board on various issues including the strategy and business plans. Its primary objective is to oversee the day-to-day performance of the Company and to provide support and guidance to the CEO.

Main responsibilities include:

- Representing the Board of Directors in day-to-day management
- Supervising the organization of the Board's meeting
- Executing the Board's decisions in accordance with the CEO and the Company's management
- Proposing/setting up the general company policy, objectives and strategy
- Studying the budget and following up the performances and achievements versus the plan
- Undertaking and supervising the progress of the operation and project's development
- Review on annual or periodic basis the policies and procedures of the Company.

The Committee comprises the following members:

Executive Committee		As of 31 Dec 2022
Amine Benabbou <i>(from 03/10/2022)</i>		Chairman
Antoine Issa <i>(until 13/07/2022)</i>		Chairman
Alwaleed Al Dryaan		Member
Bader Alsalloom <i>(from 03.10.2022)</i>		Member
Mazen Al Tamimi <i>(until 07.08.2022)</i>		Member
Anuj Agarwal		Member

The Board Executive Committee met six times during 2022 with 100% attendance.

Meeting #	Date	Attendance	Percentage	Percentage with Proxy
65	17 03 2022	1- Antoine Issa 2- Alwaleed Al Dryaan 3- Mazen AlTamimi 4- Anuj Agarwal	100%	100%
66	27 04 2022	1- Antoine Issa 2- Alwaleed Al Dryaan 3- Mazen AlTamimi 4- Anuj Agarwal	100%	100%
67	31 05 2022	1- Antoine Issa 2- Alwaleed Al Dryaan 3- Mazen AlTamimi 4- Anuj Agarwal	100%	100%
68	02 11 2022	1- Amine Benabbou 2- Alwaleed Al Dryaan 3- Bader AlSalloom 4- Anuj Agarwal	100%	100%
69	22 11 2022	1- Amine Benabbou 2- Alwaleed Al Dryaan	100%	100%

		3-	Bader AlSalloom		
		4-	Anuj Agarwal		
70	27 12 2022	1-	Amine Benabbou	100%	100%
		2-	Alwaleed AlDryaan		
		3-	Bader AlSalloom		
		4-	Anuj Agarwal		

The above Executive Committee meetings covered the following major tasks:

The following summarizes the committee's remuneration as of 31st December 2022:

- Discussed Financial Results of 2021
- Discussed Updates on Digital Transformation
- Discussed Q1 2022 Financial Updates
- Approval of Appointment of Executive Committee Secretary
- Discussed Bancassurance Internal Policy Updates
- Discussed Litigation Updates
- Discussed Updated Outsourcing/Customer Care Policy
- Discussed Actuarial Reports
- Discussed Reinsurance Scenarios

Executive Committee Members	Period	Annual Fixed Remuneration	Attendance Fees	Total
Antoine Issa	Member Until 13.07.2022	-	9,000	9,000
Amine Benabbou	Member from 03.1.2022	-	9,000	9,000
Alwaleed Al Dryaan		-	18,000	18,000
Mazen AlTamimi	Member Until 07.08.2022	-	9,000	9,000
Bader Alsalloom	Member from 03.10.2022	-	9,000	9,000
Anuj Agarwal		-	18,000	18,000
Total		-	72,000	72,000

Audit Committee

The primary responsibility of the Audit Committee is to oversee the Company's financial controls (including appropriate disclosure and internal controls), external and internal audit activities, compliance, and reporting processes, and report the results of its activities to the Board. Further, to review the accounting policies in force and advise the Board of any recommendations regarding them.

The Company's Management is responsible for preparing the financial statements, and the independent auditors are responsible for auditing those financial statements that are in line with applicable accounting standards e.g. SOCPA and International Financial Reporting Standards (as applicable). The Audit Committee shall take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, compliance culture, and ethical behaviour.

In addition, the Audit Committee of "Allianz Saudi Fransi Cooperative Insurance Company" shall take guidance from the Audit Committee Regulation in Insurance and/or Reinsurance Companies issued by SAMA's Insurance Supervision Department.

According to the Capital Market Authority "If a conflict arises between the recommendations of the audit committee and the Board resolutions, or if the Board

refuses to put the committee's recommendations into action as to appointing or dismissal the company's external auditor or determining its remuneration, assessing its performance or appointing the internal auditor, the Board's report shall include the committee's recommendations and justifications, and the reasons for not following such recommendations”.

The tasks and responsibilities of the Audit Committee include the following:

1. External Audit

- a) Submit recommendations to the Board to approve the appointment or reappointment, dismissal and remuneration of external auditors. This recommendation requires having obtained SAMA's non-objection in writing.
- b) Ensure the independence of the external auditors from the Company, the Board members and the senior management of the company.
- c) Reviewing the audit plan of the external auditors.
- d) Supervising the activities of the external auditors and approve any activity beyond the scope of the audit work assigned to them during the performance of their duties.
- e) Reviewing the external auditors reports and submits the related recommendations to the Board.
- f) Pursues the implementation of the corrective measures in respect of the comments included in the reports.
- g) Reviewing the external auditors' assessment of the internal control of Saudi Central Bank, Insurance Supervision Department processes.
- h) Assessing the competence level, efficiency and objectivity of the external auditors.
- i) Discussing the annual and quarterly financial statements with the external auditors and the company's management before issuing them.
- j) Reviewing the external auditor's comments on the financial statements and follow up actions taken about them
- k) To review the following topics with the external auditors:
 - (i) Key amendments made by the Company to its accounting policies.
 - (ii) Material conflicts with the management regarding any issue pertaining to the safeguarding of invested assets.
 - (iii) Violations of Laws, Regulations and Instructions issued by the supervisory and control entities or non-compliance with the Company's policies and procedures.
 - (iv) Comments of other auditors (of external, non-Saudi Arabian, branches) on accounting procedures, reports and professional conduct.
 - (v) Deficiencies in the general structure and performance of internal control systems.
 - (vi) Material errors in financial statements.
 - (vii) Management decisions and the basis on which the external auditors relied to validate critical accounting estimates, such as technical provisions and reserves.
 - (viii) Accounting principles and standards and disclosure decisions related to extraordinary transactions.
 - (ix) Adequacy of technical provisions and reserves set by the Actuary.
 - (x) Actuary's Reports relevant to the Financial Statements.
 - (xi) Any major problems in dealing with the management that affected the working of the audit.
 - (xii) Internal control and the assessment of the Company's assets and solvency.

- (xiii) Any other issues that the committee is aware of and falls within its responsibilities.
- (xiv) Any amendments introduced to the audit scope and the reasons thereof.
- (xv) Reviewing letters to management prepared by the external auditors and the Company's management comments thereon.

2. Financial Reports

- a) Reviewing and recommending the approval of the annual and quarterly financial statements to the Board of Directors.
- b) Reviewing the critical accounting policies and procedures in addition to the modifications that might be introduced thereto.
- c) Ensure that all financial transactions are according to the local rules and regulations.

3. Internal Audit

- a) Submit recommendations to the Board to appointing or dismissing the manager of the internal audit department or the internal auditor. This recommendation requires having obtained SAMA's non-objection in writing.
- b) Supervise the company's internal audit department to ensure its effectiveness in executing the activities and duties specified by the Board of Directors.
- c) To review the Internal Audit policies and procedures on annual or periodic basis and prepare a written report and its recommendations with respect to it.
- d) Ensure the independence of the internal audit department or the internal auditor in performing their tasks and ensure that there are no restrictions on their scope of work or any impediments that might negatively affect their work.
- e) Determining the monthly salary and bonus of the internal audit department manager or the internal auditor after obtaining the Board's written approval.
- f) Reviewing the audit plan of the internal auditors.
- g) Reviewing the reports of the internal audit department or the internal auditor and submits the related recommendations to the Board.
- h) Pursues the implementation of the corrective measures in respect of the comments included in the reports.
- i) Assessing the competence level, efficiency and objectivity of the internal audit department or the internal auditor.
- j) Reviewing the internal auditors' assessment of the internal control of Saudi Central Bank, Insurance Supervision Department processes.

4. Compliance

- a) Submit recommendations to the Board the appointing or dismissing of the manager, the compliance control department or the compliance officer. This recommendation requires having obtained SAMA's non-objection in writing.
- b) Ensure the independence of the compliance control department or the compliance officer in performing their tasks and ensure that there are no restrictions on their scope of work or any impediments that might negatively affect their work.
- c) Determining the monthly salary and bonus of the compliance control department manager or the compliance officer after obtaining the Board's written approval.
- d) Reviewing, approving and monitoring the implementation of the compliance plan and the reports of the compliance control department or the compliance officer including any high risk for fraud findings and submits the related recommendations to the Board.

- e) Reviewing the comments of SAMA and the related supervisory and control entities and submits the related recommendations to the Board.
- f) Assessing the competence level, efficiency and objectivity of the compliance control department or the compliance officer.
- g) Following up on the reports issued by SAMA and the related supervisory and control entities in addition to any international developments such as the guidelines of the International Association of Insurance Supervisors and submits the related recommendations to the Board.

5. Appointed Actuary

- a) Submit recommendations to the Board to appoint the Actuary. This recommendation requires having obtained SAMA's non-objection in writing.
- b) Ensure the Company's compliance with the actuary suggestions and recommendations.
- c) Reviewing the actuary reports and submits the related recommendations to the Board.

6. Overseeing Controls over Operations

- a) Ensuring the Company has a written code of conduct duly approved by its Board of Directors to ensure that the Company's activities are conducted in a fair and ethical manner.

7. Board of Directors

- a) Reports directly to the Board of Directors not less than quarterly about its activities, issues and related recommendations.
- b) Provide an open avenue of communication between internal audit, the external auditors, and Board of Directors.

8. Other Responsibilities

- a) Develop a detailed plan stating its roles, responsibilities and mandate, provided that the plan is approved for implementation by a Board decision.
- b) Reviewing intra-group transactions and related parties transactions.
- c) Following up on the important lawsuits filed by or against the company and submits the related periodic reports to the Board.
- d) Ensuring the optimal use and controls of information technology necessary to generate accurate and reliable information and data are in place.
- e) The Audit Committee members are accountable to SAMA, the Company's shareholders and the Board for implementing the articles of SAMA's "Audit Committee Regulation in Insurance and/or Reinsurance Companies" and executing the committee's action plan issued by a Board's decision.
- f) The committee members should, while performing their tasks, give priority to the company's interest against any other considerations that might affect their work or decisions.

9. Responsibilities of Individual Committee Members

- a) Attend all or majority of Committee meetings.
- b) Dedicate enough time to participate in the conduct of AC Committee matters

- and meetings.
- c) Inform the Chairman of the Committee in writing if they cannot attend a meeting.
 - d) Maintain the confidentiality of the Company's information gained through performing their duties and shall not publicize confidential information to shareholders out of the General Assembly or to any other party.
 - e) Ensure integrity with the conduct of AC Committee matters and meetings.
 - f) Obtain adequate skills and trainings necessary for the participation and conduct of the Committee matters.
 - g) Participate and vote on the Committee decisions.
 - h) Provide full support to the Chairman (and Vice Chairman) of the Committee in setting-up of the meeting agendas and confirmation on minutes of the meetings.
 - i) Inform other members of the Committee on any change in regulations and leading practices effecting role and responsibilities of the Committee.

The Committee comprises the following members:

Audit Committee	As of 31 Dec 2022
Abdullah Al-Hussaini Member until 07.08.2022	Chairman
Basel Bin Jabr Member from 03.10.2022	Chairman
Mohammad Helmi Ongoing Member	Member
Mostafa Abdullatif Ongoing Member	Member

The Audit Committee met 15 times during 2022 with 98.3% attendance.

Meeting #	Date	Attendance	Percentage	Percentage with Proxy
1	22.02.2022	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
2	15.03.2022	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
3	19.04.2022	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
4	16.05.2022	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
5	22.05.2022	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
6	24.05.2022	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
7	30.05.2022	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
8	31.05.2022	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
9	27.06.2022	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
10	05.07.2022	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
11	13.07.2022	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
12	11.08.2022	Basel Bin Jabr Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
13	26.10.2022	Basel Bin Jabr Abdullah Al-Hussaini , Mostafa Abdullatif	75.0%	75.0%
14	01.11.2022	Basil Bin Jabr Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
15	06.11.2022	Basel Bin Jabr Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%

There is no financial or family relationship between the BOARD members and the Audit Committee. The Audit Committee member & Chairman Dr. Abdullah Al-Hussaini is an independent Member of the Board of Directors.

The above Audit Committee meetings covered the following major tasks:

- Discussed Open and Closed findings
- Discussion of IA plan
- Discussed Financial Statements for the year 2021
- Discussed Q1 2022 Financials

- Discussion of SAMA findings
- Reviewing External Auditors Proposals
- Discussion of the IFRS17
- Discussion of External Cyber Security Consultant
- Selection of the Audit Committee Chairman and The AC Secretary
- Financial statement of Q2
- IFRS 17 dry run results
- Financial Statement Q3

The following summarizes the committee's remuneration as of 31st December 2022

Audit Committee Members	Annual Fixed Remuneration	Attendance Fees	Total
Basel Bin Jabr	23,836	15,000	38,836
Abdullah Al-Hussaini	60,000	48,000	108,000
Osama Alsabeg (<i>Until 11.08.2022</i>)	-	3,000	3,000
Mohammad Helmi	60,000	48,000	108,000
Mostafa Abdullatif	60,000	51,000	111,000
Total	203,836	165,000	368,836

Investment Committee

The Investment Committee shall prepare, review, and approve the investment policy of the Company and set the investment strategy in accordance with the investment policy approved by the Board of Directors and in line with SAMA's regulations.

The Investment Committee reports to the Board and its main responsibilities are:

- Assess the investment recommendation made by the top management.
- Formulate the investment policy and review the implementation of the investment activities on a quarterly basis. These activities include but are not limited to:
 - Reviewing the performance of each asset class.
 - Monitoring the overall risks of the policy.
 - Submitting a performance review report to the Board of Directors.
- Review on annual or periodic basis the investment related policies and procedures of the Company and recommend amendments to its.
- Set the investment strategy in accordance with the investment policy approved by the BOARD.
- Ensure the proper implementation of the investment policy/strategy on a quarterly basis.
- Establishing and reviewing Investment guidelines for the Company.
- Establishing and reviewing quality criteria for the Company's investment and strategy.
- Establishing and reviewing guidelines for the Company's portfolio structure.
- Reviewing the Financial markets' analysis prepared by the Investment department and the asset manager.
- Investment income and performance review against the plan.
- Ensure the compliance of all investment activities with the requirements of the Investment Regulation issued by SAMA and any other applicable laws and regulations.
- Review the monthly report prepared by the Management regarding the activities of the period, the portfolio structure and composition, the risk exposure, the details of any regulatory or internal limits breached during the period as well as the actions taken; the activities planned for the future.

The Committee comprises the following members:

Investment Committee	As of 31 Dec 2022
Adel Mallawi Chairman from 03.10.2022	Chairman
Basel Bin Jabr Member from 03/10/2022	Member
Amine Benabbou Member until 07.08.2022	Member
Kamel Al Munajjed Member until 07.08.2022	Member
Anuj Agarwal Member from 03/10/2022	Member

The Investment Committee met four times during 2022 with 88.8% attendance.

Meeting #	Date	Attendance	Percentage	Percentage with Proxy
39	17.03.2022	Adel Mallawi, Kamel Al Munajjed, Basel Bin Jabr, Anuj Agarwal	88.8%	88.8%
40	27.04.2022	Adel Mallawi, Kamel Al Munajjed, Basel Bin Jabr, Anuj Agarwal	88.8%	88.8%
41	23.10.2022	Adel Mallawi, Basel Bin Jabr, Anuj Agarwal	100%	100%
42	21.12.2022	Adel Mallawi, Basel Bin Jabr, Anuj Agarwal	100%	100%

The above Investment Committee meetings covered the following major tasks:

- Reviewed the Company's portfolio status.
- Discussed company Investment performance
- Appointed the new committee secretary
- Discussed UL Investments – Competitive analysis
- Reviewed Company Investment Strategy

The following summarizes the committee's remuneration as of 31st December 2022

Investment Committee Members	Annual Fixed Remuneration	Attendance Fees	Total
Amine Benabbou	-	-	-
Adel Mallawi	-	12,000	12,000
Kamel Al Munajjed	-	6,000	6,000
Basel Bin Jabr	-	12,000	12,000
Anuj Agarwal	-	12,000	12,000
Total		42,000	42,000

Nomination & Remuneration Committee

The duties and responsibilities of the Nomination & Remuneration Committee are mainly:

- 1) Recommend to the Board appointments of membership to the Board of Directors, Board Committees and of Top Executives in accordance with the approved policies and standards and regulatory requirements. The Committee shall ensure that no person who has been previously convicted or any offense affecting honor or honesty is nominated for such membership.
- 2) Establish a succession policy and procedures for the CEO and other key members of Senior Management and monitoring the implementation of the succession plans and process.
- 3) Regularly review the structure and composition of the Board of Directors and its committees and recommend changes.
- 4) Reviewing the requirement of suitable skills for membership of the Board and its committees on an annual basis and preparing descriptions of the required capabilities and qualifications for such memberships, including the time that a member should reserve for the activities of the Board and/or Board committees.
- 5) Assess and monitor the independence of Board and Board committee members and ensure the absence of any conflict of interest, including ensuring the independence of the independent members, at least on an annual basis.
- 6) Determine strengths and weaknesses of the BOARD and the Committees and recommend remedies.
- 7) Prepare description of required capabilities and qualifications for membership in the BOARD, including the time that a Board member should reserve for the activities of the Board.
- 8) Carve clear policies regarding the compensation and remuneration of the Board members, Board committees and senior executives.
- 9) Evaluate the performance of the Board and Sub-Committee members on a regular basis (at least once per year).
- 10) Approve and evaluate the compensation and succession plans, policies and programs of the Company.
- 11) Make recommendations to the Board with regards to selecting and dismissing members of Senior Executives.
- 12) Provide recommendations to the Board of Directors on various issues related to nomination and remuneration.
- 13) Ensure that an annual remuneration review is conducted independently of executive management (by internal audit or external specialized firm).
- 14) Review on annual or periodic basis the HR policies and procedures and recommend amendments to it.

The Nomination & Remuneration Committee (NRC) comprises the following:

Nomination & Remuneration Committee	As of 31 Dec 2022
Kamel Al Munajjed (Chairman until 07.08.2022)	Chairman
Abdullah Al Hussaini (Chairman from 03.10.2022)	Chairman
Antoine Issa (Member until 13.07.2022)	Member
Mazen AlTamimi (Member until 07.08.2022)	Member
Adel Mallawi (Member from 03.10.2022)	Member
Osama Alsabeg (Member from 03.10.2022)	Member
Patrick Thiels (Member from 03.10.2022)	Member

The Nomination & Remuneration Committee met eleven times during 2022 with 93.1% attendance.

Meeting #	Date	Attendance	Percentage	Percentage with Proxy
51	11 01 2022	1- Kamel Al Munajjed 2- Abdullah Al-Hussaini 3- Antoine Issa 4- Mazen Al Tamimi	100%	100%
52	13 01 2022	1- Kamel Al Munajjed 2- Abdullah Al-Hussaini 3- Mazen Al Tamimi	75%	75%
53	01 03 2022	1- Kamel Al Munajjed 2- Abdullah Al-Hussaini 3- Antoine Issa 4- Mazen Al Tamimi	100%	100%
54	14 03 2022	1- Kamel Al Munajjed 2- Abdullah Al-Hussaini 3- Antoine Issa 4- Mazen Al Tamimi	100%	100%
55	30 03 2022	1- Kamel Al Munajjed 2- Abdullah Al-Hussaini 3- Antoine Issa 4- Mazen Al Tamimi	100%	100%
56	26 04 2022	1- Kamel Al Munajjed, 2- Abdullah Al-Hussaini 3- Antoine Issa 4- Mazen Al Tamimi	100%	100%

57	02 06 2022	1- Kamel Al Munajjed 2- Abdullah Al-Hussaini 3- Mazen Al Tamimi 4- Antoine Issa	100%	100%
58	23 06 2022	1- Kamel Al Munajjed 2- Abdullah Al-Hussaini 3- Mazen Al Tamimi	75%	75%
59	01 08 2022	1- Kamel Al Munajjed 2- Abdullah Al-Hussaini 3- Mazen Al Tamimi	75%	
60	25 10 2022	1- Abdullah Al-Hussaini 2- Patrick Thiels 3- Adel Mallawi 4- Osama Alsabeg	100%	100%
61	14 12 2022	1- Abdullah Al-Hussaini 2- Patrick Thiels 3- Adel Mallawi 4- Osama Alsabeg	100%	100%

The above NRC meetings covered the following major tasks:

- Discussion of C-Level Vacancies candidates
- Updated Governance Manual
- BOARD Remuneration for the year 2021 proposal
- Reviewing the updated Saudization plan
- Discussing the succession plan – Org chart
- Appointment of committee secretary
- Sales commissions Incentive structure
- Development plan

The following summarizes the committee's remuneration as of 31st December 2022

Remuneration Committee Members	Annual Fixed Remuneration	Attendance Fees	Total
Kamel Al Munajjed	-	27,000	27,000
Abdullah Al Hussaini	-	33,000	33,000
Antoine Issa	-	18,000	18,000
Mazen AlTamimi	-	27,000	27,000
Patrick Thiels	-	6,000	6,000
Adel Mallawi	-	6,000	6,000
Osama Alsabeg	-	6,000	6,000
Total	-	123,000	123,000

Risk Committee

The Risk Committee's objective is to oversee the Risk Management Function ensuring the identification of risks that may imperil the Company and maintain an acceptable risk profile. The duties and responsibilities of the Risk Committee are:

1. Identifying risks that may imperil the Company and maintaining an acceptable risk profile for the Company and ensuring that the Company does not go beyond such level;
2. Overseeing the risk management system and assessing its effectiveness;
3. Defining a comprehensive risk management strategy for the Company that are consistent with the nature and volume of the Company's activities, overseeing its implementation,

- and reviewing and updating it on a regular basis by taking into account developments that are internal and external to the Company;
4. Ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months;
 5. Ensuring the availability of adequate resources and systems for risk management;
 6. Reviewing the organizational structure for risk management and providing recommendations regarding the same before approval by the Board;
 7. Verifying the independence of the risk management employees from activities that may expose the Company to risk;
 8. ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk;
 9. reviewing any issues raised by the Audit Committee that may affect the Company's risk management;
 10. Reviewing risk management policies, procedures and Risk Appetite Framework on annual or periodic basis and recommend amendments to it;
 11. Re-evaluating the Company's tolerance for, and exposure to, risk on a regular basis (e.g. through stress testing exercises);
 12. Reporting to the Board details of risk exposures and recommending actions to manage them; and
 13. Advising the Board on issues related to risk management.

The scope of the Risk Committee shall cover the below risk categories together with their underlying sub-categories:

- Market Risk: Interest Rate Risk, Equity Risk, Property Risk, Currency Risk, Spread Risk and Liquidity Risk.
- Counterparty default Risk: Reinsurance, Concentration, Other counterparties and Credit Risk.
- Non-Life Underwriting: Pricing (General), Pricing (Health), Reserving (General), Reserving (Health), Non-Life catastrophe and Lapse
- Life Underwriting: Mortality, Longevity, Morbidity & Disability, Lapse, Expense and Catastrophe.
- Strategic Risk: Business, Market/ Country and Reputational
- Operational Risk: Internal fraud, external fraud, HR, Physical Damage, Cyber-attack, System Failure, Data Quality and Process management
- Actuarial outputs: Reserving, Underwriting non-life, Underwriting Life, Reinsurance and Solvency
- Oversight: Senior Management, Risk Management, Compliance, Audit, Operational management
- Conduct of Business: Product development, Product promotion disclosure & sales, Claims, Complaints and Privacy protection
- Regulatory & AML: Regulatory, AML.

The Risk Committee comprises the following:

Risk Committee	As of 31 Dec 2022
Patrick Thiels (Chairman from 03.10.2022)	Chairman
Osama Alsabeg (Member from 03/10/2022)	Member
Amine Benabbou	Member

(Member from 03/10/2022)	
Adel Mallawi	Member
(Member until 07.8.2022)	

The Risk committee met four times during 2022 with 83.3% attendance.

Date	Attendance	Percentage	Percentage with Proxy
18.05.2022	1. Amine Benabbou 2. Adel Mallawi 3. Patrick Thiels	100%	100%
18.05.2022	1. Amine Benabbou 2. Adel Mallawi 3. Patrick Thiels	100%	100%
22.11.2022	1. Amine Benabbou 2. Osama Alsabeg	66.6%	66.6%
15.12.2022	1. Patrick Thiels 2. Osama Alsabeg	66.6%	66.6%

The above Risk Committee meeting covered the following topics:

- Monitored the Risk Profile and Exposure of the Company.
- Regularly reviewed the Implementation of the Risk Management.
- Regularly reviewed the Statutory Solvency status.
- Reviewed the Top Risk Assessment.
- Discussed and reviewed the Operational Risk.
- Reviewed the Underwriting Risk.
- RADAR Plan 2023
- Executive Accountability Regime
- Cyber Security

The following summarizes the committee's remuneration as of 31st December 2022

Risk Committee Members	Annual Fixed Remuneration	Attendance Fees	Total
Patrick Thiels	-	9,000	9,000
Adel Mallawi	-	6,000	6,000
Amine Benabbou	-	9,000	9,000
Osama Alsabeg	-	6,000	6,000
Total	-	30,000	30,000

h) Risk Management

During 2022, Allianz Saudi Fransi succeeded in aligning risk management activities with corporate strategy and objectives to preserve the shareholders' value.

The Company has a comprehensive risk management strategy to understand and manage the types of risk arising from their core business operations.

The strategy considers the impact of market conditions and available expertise on inherent risks to which the company is exposed. Consideration shall not be limited to the risks associated with one class of business but shall extend to risks from all other classes.

The Risks are mentioned here below:

Operational/ Process Risk

Operational risk is the risk of loss arising from systems and control failures, fraud and human errors, which can result in financial and reputational loss, and legal and regulatory consequences. The Company manages operational risk through appropriate controls, instituting segregation of duties and internal checks and balances, including internal audit and compliance.

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 timely basis and Management ensures that sufficient funds are available to meet any commitments as they arise.

Claims management risk

Claims management risk may arise within the Company in the event of inaccurate or incomplete case reserves and claims settlements, poor service quality or excessive claims handling costs.

Reserving and ultimate reserves risk

Reserving and ultimate reserves risk occurs within the Company where established insurance liabilities are insufficient through inaccurate forecasting, or where there is inadequate allowance for expenses and reinsurance bad debts in provisions.

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.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. The Company is exposed to interest rate risk on its bank balances and available for sale investments.

Currency Exchange Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest 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 risk by maintaining a diversified portfolio and by monitoring the developments in financial markets.

Fund Price Risk

Fund price risk is the risk that the fair value of future cash flows of a fund will fluctuate because of changes in the net asset value (NAV) being determined by fund managers.

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.

Capital management

Objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value. The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis.

Fair Value of Financial Instruments

Financial instruments consist of financial assets and financial liabilities. Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

i) Zakat and Legal Payments

Allianz Saudi Fransi allocated SAR 11.7 Million for Zakat and Tax in 2022 against SAR 9.3 Million allocated in 2021.

The following table shows a list of legal expenses for the year ended December 31st, 2022 (The amounts charged in 2021 & the related paid amounts as of December 31st, 2022).

SAR Million	2022		2021		2020	
	Paid	Charged	Paid	Charged	Paid	Charged
Customs Expenses	-	-	-	-	-	-
Zakat & Tax	5.3	11.7	5.2	9.3	24.0	10.3
GOSI Expenses	7.2	7.2	8.5	8.5	10.4	10.4
Visa & Passports	1.7	1.7	1.4	1.4	1.3	1.3
Inspection & Supervision Fees	3.1	4.1	6.1	6.1	5.1	5.1
Total	17.3	24.7	21.2	25.3	40.8	27.1

11. Future Plans

The Company will continue its development and growth in the market in line with its vision and as per the following strategy over the next three years:

Lines of Business Strategy

Motor: Maintain profitability and increase market share; increase onboarding of leasing companies, offer more automated solutions to customer.

Medical: Maintain lower loss ratio than the market; improve utilization of Third party administrator, introduce international health product

Protection and Savings: Introduce new Fixed Income fund, improve asset allocation, automate customer experience

Other Property & Casualty business: Maintain profitable business and increase market share; explore to increase treaty capacity and explore Inward facultative business, implement strict adherence to Allianz underwriting and reinsurance standards, develop "Midcorp" Go-to-market strategy

Distribution Channel Strategy

Broker Channel: Develop and consolidate broker relationship with Top brokers, provide automated solutions and better TAT to brokers

Corporate Sales Force: Introduce competitive commission structure, improve TAT and increase number of Sales force

Direct Sales Force: Improve productivity per agent

Bancassurance: Improve TAT for bank, develop retail Bancassurance agreement,

Direct Transformation Strategy: Undertake digital transformation to improve customer experience, reduce costs and improve service standards

People Strategy: Identify key people across the company, introduce stricter discipline on target letters, develop training plan, introduce retention long term incentive for key and senior staff

Expense Efficiency: Maintain expense efficiency through strict cost control maintaining non sales staff numbers, improving attrition and evaluating outsourced activities.

12. External Independent Auditors and Accounting Standard

In 2022, the General Assembly which convened on 2206/2022 has approved the Board recommendation of appointing Al-Bassam & Partners Office Allied Auditors. and the appointment of Al-Bassam & Partners Office Allied Auditors. as joint external auditors for the fiscal year ended 31st December 2022.

The recommendation and approval of the above mentioned auditors were based on the Audit Committee recommendation which came of the filtering a number of biddings submitted by different audit firms.

The financial statements as at 31st December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as modified by SAMA for accounting of Zakat and Income Tax.

The external independent auditors are of the opinion that the financial statements present fairly, in all material respects, the financial position of the Company as at 31st December 2022 and the result of it operations and it's cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as modified by SAMA for accounting of Zakat and Income Tax.

13. Sharia'h Independent Consultant

The Company has appointed a Sharia'h Committee composed of:

- Sheikh Dr. Hisham bin AbdulMalik bin Abdullah Al Al-Sheikh

The Sharia'h Independent Consultant reviews and approves Sharia'h Compliant Protection & Savings products of the Company.

14. Company's Requests of Shareholders Records

#	Request Date	Reason
1	22/06/2022	Requested for the preparation for the General Assembly meeting.
3	07/08/2022	Requested for the preparation for the General Assembly meeting.
3	27/12/2022	Requested for the preparation for the General Assembly meeting.
4	31/12/2022	Requested for the External Auditor Annual Report.

15. Company's Declarations

Allianz Saudi Fransi declares the following:

- During 2022, no loans were taken by the Company;
- No outstanding loans as at 2022;
- There were no redemption, purchase or cancellation by the company of any redeemable debt instruments;
- The Company does not own any treasury shares.

16. Board of Directors Declaration

The Board of Directors confirms the following:

- Proper accounting books have been maintained.
- The system of internal control is sound in design and has been effectively implemented.
- There are no doubts concerning the Company's ability to continue as a going concern.