



The **DIRECTORS REPORT**

2020

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إعادة
Saudi Re

Board of directors



Mr. Hesham Al-Shaikh

Chairman of the Board, the Executive Committee and the Investment Committee

Mr. Hesham Al-Shaikh is a Non-Executive director who joined Saudi Re in 2011 and currently serves as the Chairman of the board, in addition to his role as the Chairman of the Executive Committee and the Chairman of the Investment Committee. Mr. Al-Shaikh sits on the board of a number of companies including Probitas Holding Company (Bermuda) and Watan First Financial Institute. He also previously held board membership in Ashmore Saudi Arabia Investments, the Saudi Civil Aviation Holding Company and Al-Jazira Bank.

Mr. Al-Shaikh has more than 35 years of experience in the banking and investments sectors during which he assumed various leading positions last of which was Deputy Managing Director of the Arab National Bank in Saudi Arabia.

Mr. Al-Shaikh has a bachelor degree in business management in applied mathematics and economics from California University in USA.



Mr. Mishari Al-Mishari

Vice Chairman of the Board and Member of the Investment Committee and the Nomination and Remuneration Committee

Mr. Mishari Al-Mishari is a Non-Executive director who joined Saudi Re in 2009. He serves as the Vice Chairman of the board, and a member of the Nomination and Remuneration Committee and the Investment Committee. Currently, he is a member of the board in Hana Food Industries Company and a member of the boards in a number of companies in the fields of real-estates development and training and education. Mr. Al-Mishari also previously served as a board member in the Saudi Investment Bank and the Saudi Development Fund.

Mr. Al-Mishari has more than 35 years of experience in the banking and financial sectors during which he assumed various leading positions concluding with the role of the managing director of Al-Jazira Bank in Saudi Arabia.

Mr. Al-Mishari has a bachelor degree in business administration from Oregon State University in USA.



Mr. Ahmad Sabbagh

Member of the Technical Committee and the Nomination and Remuneration Committee

Mr. Ahmad Sabbagh is a Non-Executive director who joined Saudi Re in 2008 and serves as a member of the Nomination and Remuneration Committee, and the Technical Committee. Mr. Sabbagh is the former general manager and board member of the Islamic Insurance Company in Jordan and currently a member of the board of trustees of the Arab Insurance Institute. He also previously held the position of President of the International Federation of Takaful and a board member in the General Council for Islamic Banks and Financial Institutions.

Mr. Sabbagh has more than 45 years of experience in the Insurance and Reinsurance industry in the Middle East during which he assumed various leading roles. Mr Sabbagh he also published six books about Takaful and Cooperative Insurance In both English & Arabic languages

Mr. Sabbagh has Bachelor's degree in Business Administration from Beverly Hills University California in USA.



Mr. Mohamad Al-Otaibi

Chairman of the Risk Committee and member of the Nomination and Remuneration Committee

Mr. Mohammad Omair Alotaibi is a Non-Executive Director who joined Saudi Re in 2017, and serves as the Chairman of the Risk Committee and a member of the Nomination and Remuneration Committee. Currently he sits on the Board of Riyadh Bank and a member of the Risk Management Committee and Audit Committee of Riyadh Bank. He is also a member of the Audit Committee of Al Mojel Trading and Contracting Co. (Saudi joint stock non-listed company). and Al Yamamah Steel Industries Company. Previously, Mr. Alotaibi held the position of Chairman of the National Gas and Industrialization Company and served as a board member of several joint stock companies.

Mr. Alotaibi has more than 34 years of experience in Banking and Marine Shipping Industry during which he assumed different leading positions, last of which was the Acting CEO of the National Shipping Company of Saudi Arabia (Bahri).

Mr. Alotaibi has a master degree in business administration specializing in finance from Western Michigan University and attended an advanced management program in Harvard University in USA.

Board of directors



Mr. Jean-Luc Gourgeon

Chairman of the Technical Committee and member of the Executive Committee

Mr. Jean-Luc Gourgeon is a Non-Executive director who joined Saudi Re in 2011. He serves as the Chairman of the Technical Committee, and a member of the Executive Committee. He is a board member of Probitas Holding Company (Bermuda), Probitas Corporate Capital (UK) and the Founder and CEO of his own Consulting Company, JLG Consultant Ltd. He has more than 30 years of experience in the insurance and reinsurance industry, and held leading roles in international companies such as European General Manager of Everest Re Europe in the UK and CEO of PARIS RE France and PARIS RE Group as CUO

Mr. Gourgeon holds a master's degree with honor in mechanics science from Ecole Centrale de Lyon, Claude Bernard University in France, INSA Lyon and a political science degree of Institut d'Etudes Politiques de Paris



Eng. Husam Al-Suwailem, CAIA, FDP

Member of the Investment Committee

Eng. Husam Al-Suwailem is an independent director who joined Saudi Re board in 2020 and serves as a member of the Investment Committee. Al-Suwailem held various roles in corporate banking and asset management for leading Saudi banks including Samba Bank, National Commercial Bank and Riyadh Bank. He also worked as merger and acquisition investment analyst for a subsidiary of the Public Investment Fund.

Eng. Al-Suwailem has a bachelor degree in engineering and a master's degree in finance. He also holds two charters: Alternative Investment Analyst and Financial Data Professional.



Dr. Peter Hugger

Member of the Risk Committee
and the Audit Committee

Dr. Peter Hugger is an independent director who joined Saudi Re board in 2020 and serves as a member in the Audit Committee and the Risk Committee. Dr. Hugger is currently a board member of MSG Global Solutions Zurich and an adviser to the board at Innoveo AG Zurich.

Dr. Hugger has more than 35 years of experience in the international insurance and reinsurance market and held various leading positions including the role of CEO of Echo Reinsurance Ltd., Zurich and the Senior Executive Vice President of Asia Capital Reinsurance Group Pte Ltd. Singapore.

Dr. Hugger holds a doctorate degree in economics from the University of Konstanz, Germany.



Mr. Marc Maupoux

Chairman of the Nomination and Remuneration Committee
and member of the Technical Committee

Mr. Marc Maupoux in as Independent Director who joined Saudi Re board in in 2020, and serves as the Chairman of the Nomination and Remuneration Committee and a member in the Technical Committee.

Mr. Maupoux has more than 30 years of experience in international insurance and reinsurance market and led the set up of start up reinsurance company based in Zurich, Switzerland, and held the position of Head of Property Non Cat & Engineering World Wide- Axis Re, and Consultant.

Mr. Maupoux has an Actuarial Fellowship from Institut de Science Financiere et d'Assurances (ISFA), France. Marc is member of the IA (Institut des Actuaires) and of the SAV (Schweizer Aktuar Verein).

Board of directors



Mr. Fahad Al-Hesni

Managing Director and CEO
Member of the Executive Committee and the Investment Committee

Mr. Fahad Al-Hesni joined Saudi Re as an Executive Board Member in 2011, and he serves as the Managing Director and the Chief Executive Officer, in addition to his membership of the Executive Committee of the Company. Currently he is a Board Member of Probitas Holding Company (Bermuda). Moreover, a member of the International Insurance Society (IIS). He has more than 25 years of experience in the Insurance and Reinsurance industry during which he assumed various leading positions last of which was the position of Vice President of Property & Casualty in Tawuniya.

Mr. Al-Hesni has Master's degree in Insurance & Risk Management from City University of London and an Association degree from the Chartered Insurance Institute (CII) in UK.



Mr. Ismail Mahbob (Previously)

Mr. Ismail Mahbob served as an independent director from 2012 until May 2020. He served as a member in the Audit Committee and the Risk Committee of the Company. Currently, he is a Board Member of the Export-Import Bank of Malaysia and the Bank of Tokyo- Mitsubishi UFJ (Berhad). He has more than 35 years of experience in the Insurance and Reinsurance industry during which he assumed various leading positions in the Asian market in Malaysia during which he held the position of the CEO of the National Malaysian Reinsurance Company and the position of the Vice President of Labuan Reinsurance Company.

Mr. Mahbob has a High Diploma from the Chartered Institute of Marketing (CIM) in UK, and an Association degree from the Malaysian Institute of Finance.



Mr. Hammam Badr (Previously)

Mr. Hammam Badr joined Saudi Re as a Non-Executive Board Member from 2012 until 2020, he serves as a member of the Nomination and Remuneration Committee and the Technical Committee. Currently he's the Chairman and the Managing Director of Iskan Insurance Company in Egypt. He has more than 40 years of experience in the Insurance and Reinsurance industry in the international market during which he assumed various leading positions in Companies in Cairo, Bahrain, New-York and London, he was the Chairman and the Managing Director of the Egyptian Reinsurance Company, and also he was the Chairman and the Managing Director of Al-Sharq Insurance Company in Egypt.

Mr. Badr has Master's degree in Insurance from Cairo University in Egypt.

Profiles of the external members of the board committees



Ali Al-Qahtani (Previously)

Mr. Ali Al-Qahtani joined the Audit Committee in 2011 as an external independent member and became the Chairman of the committee in 2016, until 10/05/2020. Mr. Al-Qahtani has 25 years of experience in the fields of Accounting, Finance within Mr. Al-Qahtani held the position of Vice President of Financial Affairs in Tawuniya from 2007 to 2011. Mr. Al-Qahtani currently assume the position of Saudi Airlines CFO and has served as Vice President of Shared Services in Saudi Arabian Mining Company.

Mr. Al-Qahtani received his Bachelor degree in Accounting from King Saud University and obtained an association ship from the Saudi Organization for Certified Public Accountants (SOCPA).



Mr. Hisham Al-Akil

Chairman of Audit Committee

Mr. Hisham Al-Akil joined the Audit Committee in 2016 as an external independent member and became the Chairman of the committee in 2020. Mr. Al-Akil enjoys more than 20 years of experience in the Banking and Finance sector, during which Mr. Al-Akil occupied positions in Banking and Insurance supervision within the Saudi Central Bank. Mr. Al-Akil now currently assume the position of the Executive Vice President for Finance in Al BiladBank.

Mr. Al-Akil received his Master degree in Accounting from the University of Illinois and obtained an associationship from the American Institute of Certified Public Accountant (CPA) and from Saudi Organization for Certified Public Accountants (SOCPA) in addition he is completed the Strategic Financial Leadership program from Stanford University.



Mr. Abdullah Al Farraj

Member of Audit Committee

Mr. Abdullah Al Farraj joined the Audit Committee in 11/05/ 2020 as an independent external member. Mr. Al- Farraj has more than 20 years of experience in the field of Audit, RI/Insurance and Finance. Mr. Al Farraj is currently holding CFO position in the Human Resources Development Fund. Mr. Al- Farraj has previously served in many organizations as Vice President for Financial Affairs of the Saudi Public Transport Company, CFO- Saudi Ground services, Chief Auditor- National Commercial Bank Mr. Al- Farraj has served also as an Audit Committee member in many organizations.

Mr. Al Farraj holds a master's degree in accounting from the American University in Washington. Also, In addition to Mr. Al Faraj being a CIA, he has further attained an Association from the American Institute of Certified Public Accountant (CPA) ,the Saudi Organisation for Certified Public Accountants (SOCPA).



Dr. Volker Lauff

Member of Risk Committee

Dr. Volcker joined the company's Risk Committee in 2019 as an independent external member with over 20 years of experience in the field of insurance and reinsurance. Dr Volker currently serves as the Executive Chairman of PRS Capital Solutions. Dr Volker has previously assumed a position of Sales Leader Analytics at Aon Global Risk Consulting,

Dr. Volcker holds a PhD in Mathematics from Otto Von Guericke University, Germany.



Mr. Tariq Zaino

Member of Audit Committee

Mr Tariq Zaino joined the Audit Committee in 2020 as an independent external member. Mr. Zaino has more than 17 years of experience in Accounting, Audit, Capital Market Violations, Zakat & Tax. Mr Zaino is working now as a Certified Public Accountant in his firm "Zaino CPA". Mr. Zaino has served in many organizations such as GAZT - General Authority of Zakat & Tax As LTP Audit Assistant Director, CMA - Capital Market Authority As Senior Financial Officer at Appeal Committee Studies in General Secretariat of Committees For The Resolution Of Securities and Ernst & Young As Manager in Tax & Zakat Compliance.

Mr Zaino holds a Bachelor's degree in Accounting Sciences from King Saud University in addition to a fellowship certificate from the Saudi Organization for Certified Public Accountants "SOCPA", CME1 and CME2.



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Important Plans & Decisions, Operational Activities, Future Expectations & Risks

Board of Directors Report



1. Significant Board Resolutions



2. Operational Activities



3. Future Expectations



4. Current And Future Risks

1. Significant Board Resolutions

● Appointment of the Chairman and Vice Chairman and sub-committees of the Board pursuant to the election of new Board for three year (2020-2023) term.

● Approval of the Annual Financial statement ending 31 Dec 2019, and Quarterly Financial statements ending 31st March, 2020, 30th June, 2020 and 30th September, 2020 including Technical Reserves.

● Approval to appoint SHMA Consulting as the Appointed Actuary for the Financial year 2020.

● Approval to recommend to the Shareholders the appointment of PKF Al-Bassam & Co. Allied Accountants and KPMG Al Fozan & Partners as the Joint Auditors for the period from 1st April, 2020 to 31st March 2021.

● Approval of not distributing a Dividend for 2019.

● Approval of the non-life retrocession program for 2020/2021 and life retrocession program for 2021.

● Approval to recommend to the General Assembly the Selection Criteria for Technical Committee & Risk Management Committee.

- Approval to renew the provision of Reinsurance cover to Probitas Corporate Capital Ltd for its participation in Lloyds Syndicate 1492 for the Year of Account 2021
- Approval of submission to SAMA of IFRS 17 Implementation project's Phase 2 completion deliverables - Financial and Operational Impact Assessment – and the appointment of Consultants for IFRS 17 Implementation project's Phase 3.
- Approval of the activation of Business Continuity Plan to mitigate the business interruptions occurred during the COVID19 pandemic in 2020.
- Approval of 2021 Business Plan and Budgets.
- Approval of the updated Cyber Security Policy, Strategy, Governance Framework and Business Continuity Plan.

2. Operating Activities



2.1 Business Development

Like most industries, the reinsurance market was not immunized from the COVID-19 pandemic and its consequences. Saudi Re focused its efforts on avoiding any interruption to the services provided to its clients and continued its focus on strengthening relationship with current and potential clients through direct and broker channels. Saudi Re has not only successfully managed the business plan risk impact of COVID-19 but also substantially grew its gross written premium by 18% in 2020, compared to the previous year, recording 935 million riyals. This result has been achieved despite of the market uncertainties, competitive nature of the reinsurance marketplace and the economic downturn as a result of the COVID-19 pandemic. Geographically, the Saudi market grew by 8%, however the international market segments led the growth by 25%. In 2020, the international business represented nearly 63% of the overall portfolio sourced from more than forty markets across the Middle East, UK, Africa and Asia, which included new markets such as CIS, giving evidently a good example of the level of diversification and balance in Saudi Re portfolio. From line of business perspective, Engineering was the highest growing line with 111%, seconded by Speciality which grew by 66% and followed by Health and Motor with 20% and 13% respectively. Furthermore, Saudi Re has been granted a five-year exclusive right to act as the sole reinsurer of the inherent defect coinsurance program.



2.2 Underwriting & Claims

2020 marked another well-performing year in Saudi Re track record with an improved net Loss ratio of 61% compared to 65% in the previous year, and a combined ratio maintained at 97%. The results of reinsurance operations increased by 2% and posted a positive result of SAR 69 million in 2020. The continued improvement in the underwriting performance hinting to the well-balanced portfolio and prudent underwriting policy applied by Saudi Re. The portfolio during 2020 maintained its distribution and reasonably weighed exposure across nine lines of business comprising of engineering, fire, marine, general accident, health, protection, specialty and others.

Exposure to COVID-19 pandemic risks were limited, however a few Large and Cat losses including Beirut Explosion were reported during 2020 and affected mainly the Fire book of business. 2020 Large and Cat Loss ratio is 8.65% compared to 7.51% in 2019. Claims operations were prioritized to ensure the availability of service during those exceptional times, applying a policy to settle claims within seven days of document completion.

2020 witnessed a key milestone for Saudi Re as it was named the exclusive reinsurer of the Inherent Defects Coinsurance program. The inherent defect insurance with a ten-year cover was mandated for all non-government construction projects in the Kingdom and will play a positive role in mitigating the infrastructure risks and increase the quality

of building. Saudi Re has been appointed as the exclusive reinsurer for five years to provide reinsurance protection to the market-formed coinsurance program.

The program will be implemented on stages and will bring opportunities for Saudi Re to build scale and diversify its exposure beyond the traditional short-term risks.

In addition, during 2020 the underwriting management continued to focus on enhancing its technical capabilities across the various functions of underwriting, pricing, risk selection, portfolio management, reserving and claims management and risk management. In addition, as part of Saudi Re digital transformation, a number of projects were initiated with the aim of improving and automating the technical processes and adopting sophisticated actuarial modeling and accumulation control capabilities.



2.3 Human Capital & Training

Maintaining healthy environment is a top priority to ensure the safety of Saudi Re staff. Saudi Re has activated its Business Continuity Plan (BCP) to deal with COVID 19 Pandemic. Procedures and protocols were developed to mitigate any risks affecting the staff safety.

Saudi Re considers the development of its human resources among its strategic priorities and strives to achieve the highest level of professionalism in service delivery to its clients and partners. Despite of the disruption of COVID 19 in 2020, Saudi Re continued to carry on the “Saudi Re Development Program” (SRDP) in association with some of the most recognized training providers and business schools locally and abroad with the aim to develop the technical and soft skills of Saudi Re staff and help them to attain the required professional qualifications in various fields.

The International Business represented

63%

of Saudi Re portfolio with a composition of 30% in the Asian markets, 12% in the Middle Eastern markets, 4% in the African markets, and 17% in other territories, while the Saudi market presented 37%.

Furthermore, Saudi Re participated in a number of development programs which included “The Insurance Leaders Preparation Program”. As part of Saudi Re’s role in developing the local reinsurance talent, Saudi Re, recorded a nationalization ratio of 71% by the end of 2020 and received a Platinum rating in the Nationalization Program “Nitaqat”.

In 2020, Saudi Re females represent 30% of the total workforce. The proportion of women in the company increased by 13% compared to 2019.



2.4 Information Systems

As a response to the COVID 19 pandemic situation, Saudi Re successfully managed to build secure remote desktop infrastructure and equipped all staff with the required devices and technologies to enable them work safely from home and ensuring non-interrupting services to our clients. Moreover, the company significantly improved communication facilities, data connectivity within the HO, DR and Branch sites, and cyber security protection measures to ensure maximum availability of IT services during the pandemic.

During 2020 and as part of Saudi Re Digital Transformation, many projects have been initiated including building Data Warehouse (ACORD international standards) and Business Intelligence (BI) infrastructure, upgrading operations and financial systems and implementing assets management system.

Furthermore, reinsurance system has been enhanced to support new business requirements including IDI product, future premium calculation and VAT. In addition, Saudi Re started analyzing the IFRS17 requirements as per SAMA implementation roadmap.



2.5 Cyber Security

Saudi Re adopts SAMA Cyber Security Framework and the Essential Cybersecurity Controls that is issued by National Cybersecurity Authority (NCA), which have enabled Saudi Re to effectively identify and address risks related to cyber security, and to maintain the protection of information assets and online services. In line with its plans to maintain high standards of security and privacy, Saudi Re has implemented a number of initiatives during 2020. This has included providing function-based information security training and awareness sessions to all employees, and applying strong measures and procedures to guarantee clients safety and privacy through the implementation of data privacy and security solutions.

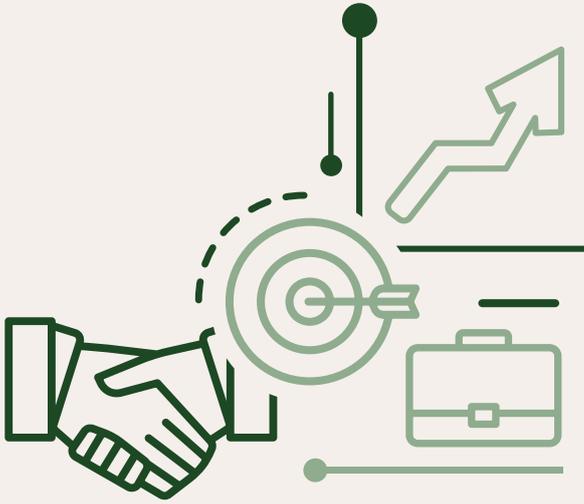
During COVID 19 Pandemic and according to the Business Continuity Plan, the off-site operation was activated. To that effect, Saudi Re has elevated its alert and contingency level to respond to these exceptional circumstances and has implemented the cyber security measures and guidelines that were issued by the relevant regulatory entities.



2.6 General Developments

- Saudi Re global rating was affirmed at A3 with a stable outlook by Moody's and also assigned a national scale rating of A1.sa.
- Saudi Re national scale rating was affirmed at AA+ with stable outlook by Tassnief.
- Saudi Re has renewed its license to transact reinsurance business which was issued by the by Saudi Central Bank (SAMA) for three years till 2023.
- The General Assembly of Shareholders elected the broad of directors for a three-year term ending in 2023, and accordingly the board and its committees were restructured.
- A new sustainability framework has been developed based on the international standards and focuses on integrating Environmental, Social and Governance (ESG) factors into Saudi Re business for sustainable practice.
- Saudi Re received a Sharia Certificate from the appointed Sharia Advisor "Sharia Review Bureau".

3. Business Prospects



The international markets have witnessed unprecedented health, economic and social challenges due to COVID-19 pandemic. The international market was heavily impacted by the COVID-19 pandemic and economic uncertainty it has created. Insurance and reinsurance markets are going through varying stages of coping with the pandemic and will take a while to recover from its repercussions.

The pandemic will certainly affect the prospects of the insurance and reinsurance markets. This is expected to change how governments, businesses and people approach risk management and will probably lead to demand on new insurance solutions. Additionally, key players have indicated that the pandemic will likely trigger conditions for a hard market and that prices will likely be improved in the years to come.

Additionally, new regulations, be it local or international, and standards such as IFRS 17, are likely to influence the market dynamics and consequently the company performance.

From a local perspective, the initiatives led by the Saudi government have helped many vital sectors, including the insurance sector, in coping with the pandemic and is expected to accelerate economic re-

covery. A number of developments took place during 2020 driven by the efforts of the government and the Saudi Central Bank which support the insurance industry. These developments include the electronic enforcement of motor third party liability, mandating employers' delinquency insurance, and the assessment of insurance requirements on the insurance of government properties and assets, and the progress of the financial sector development program. In addition, the inherent defects insurance was introduced as a mandatory cover on which Saudi Re was granted a five year exclusivity right to act as the sole reinsurer, the fact that will expand Saudi Re long-term growth and diversification opportunities

With the aim of maintaining a dynamic and effective business model that is able proactively evolve within a changing marketplace, Saudi Re has developed a business plan toward 2023. The business plan is based on the following five key strategic pillars all aiming at maximizing the shareholders' value and achieve their aspirations:

- Achieve an economically-scaled book of business that is resilient against large/cat losses and absorbs operational expenditure.
- Maintain a well-balanced reinsurance portfolio with spread geographical presence and diversified lines of business resulting in sustainable technical earnings and controlled concentration and accumulation risks.
- Foster solid and long-term relations with clients, brokers and partners based on mutual benefits and aligned interest.
- Build and acquire competent technical, analytical, operational, technological, financial and human capabilities to serve the stakeholders.
- Achieve financial soundness that is translated to a solid capitalization, optimized solvency and technical reserves, diversified streams of revenue, returns and strong credit rating.

Throughout the planning exercise, several factors were considered to predict the various market trends which includes the technical, economic, geopolitical, social, technological aspects, and accordingly assess the possible implications on Saudi Re technical, operational and financial performance.



4

CURRENT AND FUTURE RISKS

The Board sets the Company's risk appetite, risk tolerance, strategic planning and business plans, and the business is managed through the Board of Directors, Board sub-Committees and the Executive Management team.

The Board establishes and monitors the Company's internal control system to ensure the adequacy and effectiveness of the Company's risk management.

As per the external auditors note (30) of the financial statements, the company is exposed to risks relating to reinsurance, retrocession, claims management, reserving, credit, liquidity, currency, market, special commission rate, capital management, fair value of the financial instruments and Regulatory requirements. The internal annual review of the risk in 2020 identified the following current and future risks:



4.1

Reinsurance Risk

Reinsurance risks include accumulation, concentration, catastrophe exposure, high exposure to single large losses, and increased frequency and severity of claims. It can be mitigated through the diversification of accepted risk, implementation of underwriting guidelines, and the use of retrocession protection.



4.2

Retrocession Risk

It refers to the failure of retrocessionaires to fulfil their obligations including defaulting the claims payments. Retrocession risk is controlled by a robust selection process that considers diversification of retrocession sources as well as the financial position and rating of the retrocessionaires.



4.3

Claims Management Risk

Claims management risk may arise in mainly in the event of inaccurate or incomplete case reserves and claims settlements. A dedicated claims management department works within set policies and procedures to ensure that claims are managed in a fair, efficient and timely manner, in accordance with the policy's terms and conditions, the regulatory requirements, and the business' broader interests.



4.4

Claim Reserving Risk

Risk occurs where established reinsurance liabilities are insufficient due to inaccurate projection. To manage reserving risk, the actuarial team uses a range of recognized techniques to project ultimate claims, monitor claims development patterns and stress-test ultimate reinsurance liability balances.



4.5

Credit Risk

This risk arises from the default of counterparties such as retrocessionaires, cedents, brokers and debt issuer. This risk is addressed through policies that ensure the level of credit quality, financial and legal status, as well as the development of the relationship and periodic monitoring of receivables.



4.7

Currency Risk

The company is exposed to the currency exchange risk due to fluctuation in exchange rates of foreign currencies in relation to investments or underwriting commitments in foreign currencies. To limit the impact of this risk, the company periodically monitors the currency risk to manage the currency risk and if necessary take the appropriate actions.



4.9

Legal and Regulatory Compliance Risks

The company is required to be in compliance with legal and regulatory requirements for regulatory bodies such as, Saudi Central Bank, Saudi Capital Market Authority, the Ministry of Commerce, and the Ministry of Labour and Social Development. The company applies a strict compliance policy and has in place a dedicated compliance department reporting to the Audit Committee.



4.6

Liquidity Risk

It refers to the unavailability of funds required to meet the company financial obligations, and loss due to the liquidation of investments. To limit the impact of this risk, the company periodically monitors the liquidity requirements and adopts an investment policy that sets out controls to manage the liquidity risk.



4.8

Market Risk

Market risk refers to the likelihood of losses which could result from the operation of market forces and result in shrinkage in capital. Market risk exposure for Saudi Re arises mainly from the investment portfolio, Interest Rate Risk, Equity risk, economic instability, such as change of oil prices. Risks arising from the above are managed by the Investment Policy Statement that is approved by the Board.



4.10

Cyber Risk

To Saudi Re, Information is important asset. As information systems and data become increasingly used in the company's activities, they are subject to penetration, theft, disabling, leakage, modification or destruction by unauthorized persons or entities whose purpose is to harm the company, its assets, employees, and others. Saudi Re uses a range of regulatory, technical and preventional tools, and practices aimed at protecting computers, servers, networks and the intrusive data from penetration, damage, change or disruption of access to information or services.



4.11

Reputation Risk

The company's reputation is considered as important asset to gain the trust of the company's existing and future clients, therefore, any information, news, associated with the company directly or non-directly, can harm the reputation of the company and might led the clients to lose their trust in the company as a reinsurance company. To mitigate this risk, the company retains the trust of its partners in a good manner through a suitable communication channels, and demonstrating the strength of the company and its brand in all Times. The company also has financial strength rating AA + by SIMAH's Credit Rating Agency, Tassnief, and A3 rating from Moody's.



4.12

Rating Risk

Reinsurance companies are subject to rating downgrades by rating agencies if the company is unable to meet the agency requirements, which may affect the company's reputation and growth. The rating agencies primarily assess the company's ability to comply with its financial requirements; therefore, financial losses, significant growth or sovereign rating of Saudi Arabia is a major factor affecting the company's ability to comply with rating agencies financial requirements. To mitigate this risk, the Company manages the capital required by the rating agencies on a quarterly basis and periodically discusses with them to update them in respect of the business and market and if any concerns raised are addressed and appropriate action is taken if there is any significant change in the Company's risk profile.



4.13

Emerging Risk

Emerging risk considers to be a high risk as it is hard to identify it at an early stage, which can be reduced if it is identified early. The Company monitors all events that might be a peril to the company, keeps its Board of Director, related committees and executive management informed and provides the necessary plan to avoid, transfer or reduce the risk.

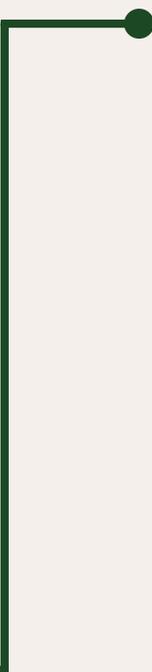
SARS-Covid-2 (COVID-19) was one of the emerging risks. As 2019 ended, a new novel coronavirus (COVID-19) started to spread. Through the month of February, the epidemic spread outside around the globe, and World Health Organization (WHO) characterized COVID-19 as a pandemic. Financial markets have seen high volatility as new economic information becomes available. Additional operational and financial risks may emerge as additional events compound on the current situation. The company has proactively assessed its impacts on its operations and has taken a series of proactive and preventative measures and processes to ensure:

- The health and safety of its employees and the wider community where it is operating
- The continuity of its business throughout the world is protected and kept intact.

02

Second: Sustainability and ESG

Board of Directors Report

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-  1. Key Highlights 2020
 -  2. Our Sustainability Approach
 -  3. National Contribution
 -  4. Strong Corporate Governance
 -  5. Responsible Client Relations
 -  6. Sustainable Insurance
 -  7. People and Community Care
 -  8. Environmental Protection

Key Highlights 2020

Implementing successful measures in response to Covid19 within our Company

Platinum category in Netaqat, achieving 71% nationalization of our total workforce and 77% nationalization of our senior management

Over 2,416 hours of training provided, with 27 hours of HSE training

Over 82 local suppliers engaged, representing 81% of procurement spending

SAR 935 million in revenue. We retained an average of 8% of the Saudi reinsurance market in 2016-2020

Reduction in total energy consumption by 23%

Female collaborators nominated to attend the *Women Leadership Program*

Lead reinsurer on the Inherent Defects Co-Insurance Program

Claims settled 98%

Women represent 30% of the total workforce. The proportion of women in the company increased by 13%

Credit Rating of A3 by Moody's and AA by Tasnief

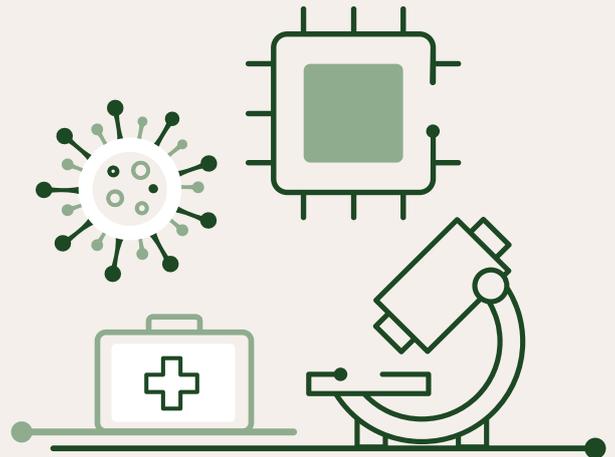
250% Solvency Ratio

Sharia compliance certificate

63% international business (export services)

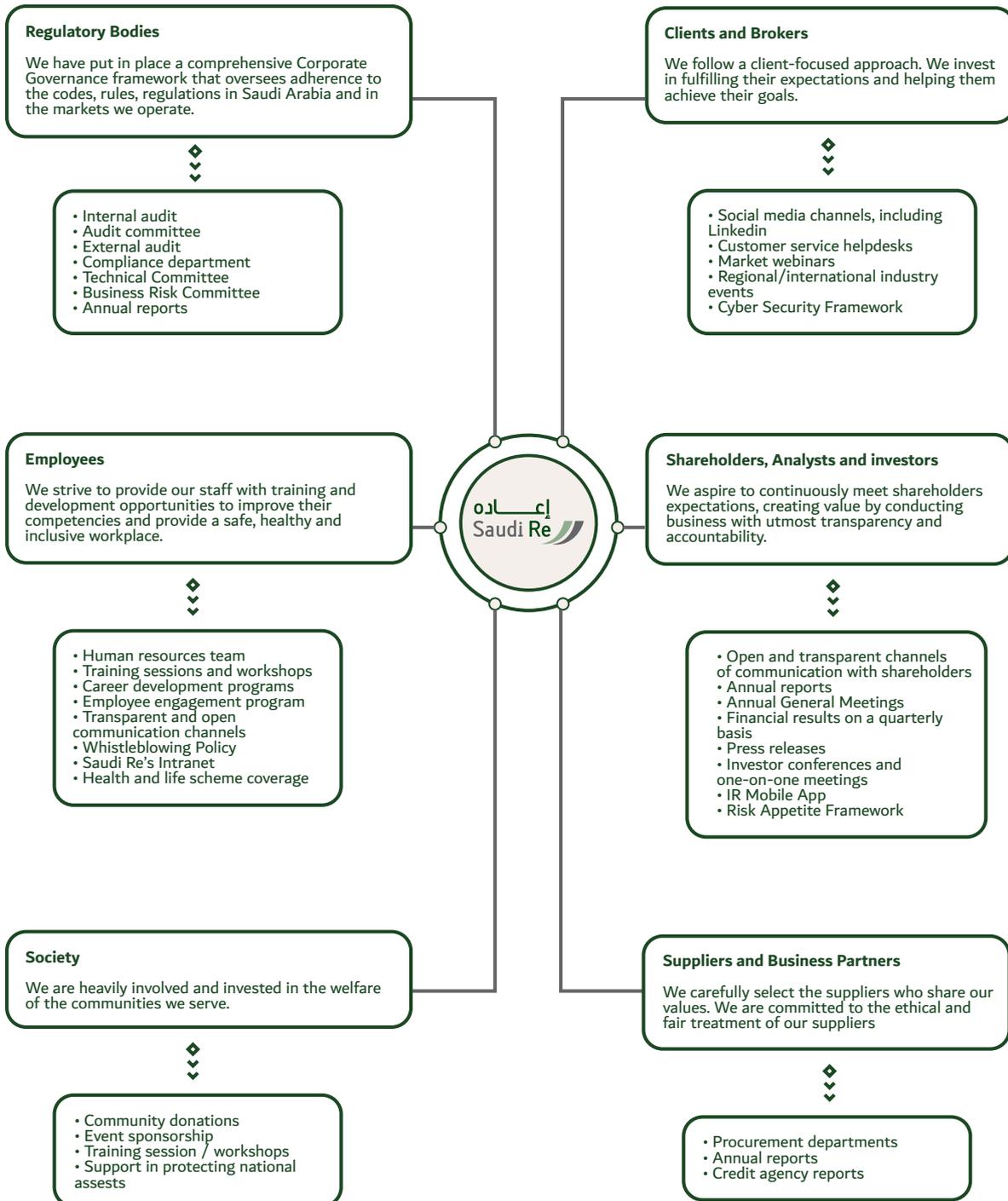
Our Sustainability Approach

As one of the region's leading reinsurers, we aim to set an example of adopting a sustainable practice.



Acting responsibly, integrity, and value preservation are part of our core business values.

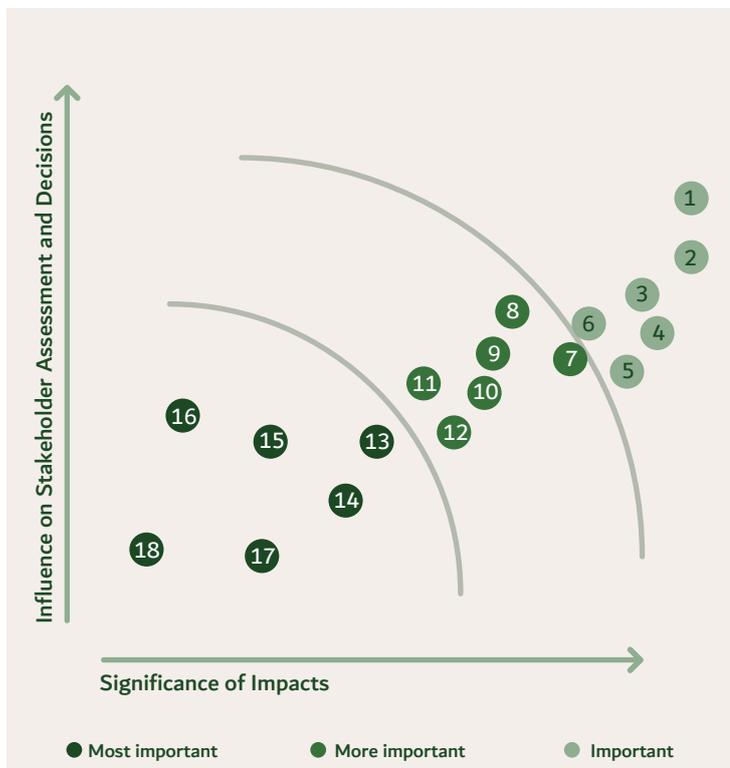
Through our business operations, we aim to have a positive impact on our society and the environment. The recent coronavirus pandemic has highlighted the importance of a more environmentally and socially conscious future. Through our strategy, we seek to champion social development, enhance our employee engagement and, participating in the global effort to mitigate climate change while improving economic value and expanding our client portfolio. Hence, we aim to embed sustainability in our decision-making process, business model and operations. We are a Sharia-compliant reinsurance company and thus our ethical foundations are strong, and we contribute to the welfare and the protection of people and businesses facing all types of risks. The foundation of our strategy is based on the value we dedicate to all our stakeholders, our clients and brokers, shareholders, analysts and investors, employees, regulatory bodies, suppliers and business partners, and society:



Materiality

In 2020, we embarked on an ambitious ESG journey by identifying our key material topics.

Our materiality analysis as presented below reflects the issues that matter most to our business and our stakeholders.



Material Topic	Rank
Corporate governance	1
Data protection and cybersecurity	2
Talent Development	3
Serving the national strategy	4
Climate change and energy transition	5
Ethics and compliance	6
Financial performance	7
Customer satisfaction	8
Diversity and inclusion	9
Integrating ESG in insurance	10
Innovation and digitalization	11
Investing responsibly	12
Access to insurance	13
Sustainable products and services	14
Community investment	15
Health and wellbeing	16
Environmental management	17
Sustainable procurement	18

Corporate governance, data protection and cybersecurity, talent development, serving the national strategy, climate change and energy transition as well as ethics and compliance are our highly material topics. An additional strategic focus is put on financial performance, customer satisfaction, diversity and inclusion as well as integrating ESG in insurance.

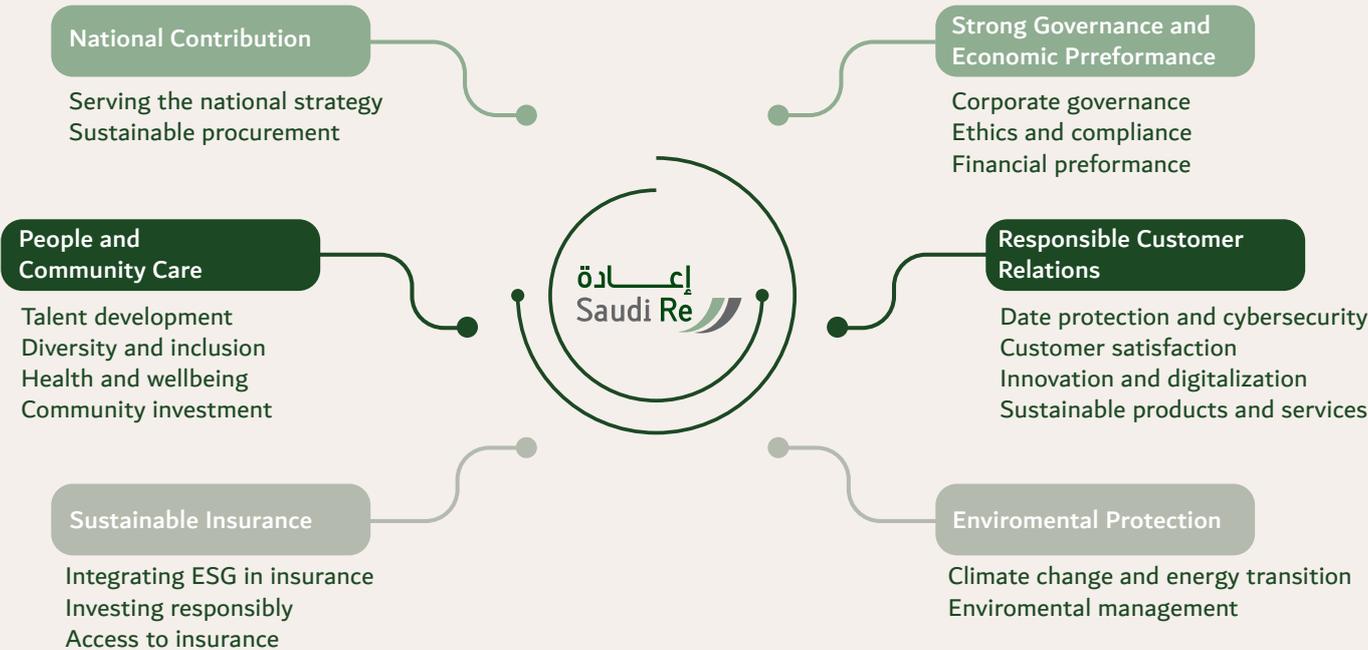
Our Sustainability Framework

Our sustainability

framework articulates our strategic commitment towards sustainability and outlines our focus areas promoting transparency and accountability and provides environmental and social impact for our business and society. Our material key topics are presented under the six pillars of Saudi Re’s sustainability framework.

The framework

was developed through the combined consideration of the best interests of our key stakeholders, our investors, national and regional strategic visions (such as Kingdom of Saudi Arabia Vision 2030) and the United Nations Sustainable Development Goals (UN SDGs).



Our Commitments

01 Contribute to Saudi Vision 2030

02 Transparency, Openness and Accountability

03 Integrate ESG Criteria, Manage our Environmental Footprint

04 Maintain High Standard of Client Service

05 Foster Relationships with our Stakeholders

06 Develop and Protect our Workforce and our Community

National Contribution



Serving the National Strategy

We are committed to our national impact, strengthening the economy, and promoting societal prosperity. Our comprehensive risk expertise allows us to act as a vital contributor to the economy of Saudi Arabia. We have an important role in nationalizing the reinsurance industry. Saudi Re falls in the platinum category in “Netaqat” being the highest level in Saudization.

The proportion of our national employees rose by 18 percent in the last couple of years.

Moreover, we have developed the “Saudi Re Internship program” to contribute to the development of the Saudi market through the training of our young talents.

Nationalization	2018	2019	2020	Target
Nationalization rate of senior management (%)	43%	57%	77%	77%
Nationalization rate among the total workforce (%)	64%	71%	71%	72%
Total number of National employees (FTE)	39	45	46	51



Fostering the Saudi Industry, aligning with the National Agenda

Saudi Re’s 2030 objectives are in line with the goals of Saudi Arabia’s Vision 2030 that aims to support non-oil GDP growth through the expansion of its international business which counts as service trade, participate in the protection of the national assets and security against catastrophic events, as well as align with the financial sector development. As a national reinsurer, Saudi Re aims to lead the efforts to establish a strong national industry and maximize its socio-economic value through different areas:

Area	Contribution	Highlights
1. Local Content	Maximize the local content by retention of reinsurance premium within the Kingdom and increasing its value in the local economy	Saudi Re retained around SAR 2.1 billion (representing an average of 8% of the Saudi reinsurance market) within the Saudi market over the period 2016-2020
2. Service Export	Contribution to the non-oil GDP by exporting reinsurance services to the international market Represent the Kingdom in the international arena	Saudi Re has 63% international business presence in more than 40+ markets

Service Export Highlights: GWP: International Business SAR, MM



63%
International Business

Area	Contribution	Highlights
3. Training and education	<p>Offer training to employees, clients, and students to enrich the technical knowledge and practice</p> <p>Sponsor industry events aimed at creating dialogue on key topics like developing the industry, spreading financial and insurance literacy, and addressing the protection gap</p>	<p>More than 28 hours of training per employee</p> <p>Supporting professional qualification</p> <p>Lead sponsor of Saudi Insurance Symposium, General Arab Insurance Federation Conference, Federation of Afro Asian Federation Conference Total attendees > 3500</p>
4. Youth development and nationalization	<p>Contribute to building a generation of young national professionals with strong knowledge and practice in the insurance practice</p>	<p>24% of the workforce are less than 30 years</p>
5. Product development and innovation	<p>Contribute to developing professional standards and practices and creating innovative solutions leading to wider adoption of insurance and offering first-class protection of national assets</p>	<p>Engagement in market development initiatives</p> <p>Active participation in the industry committees</p> <p>Lead reinsurer of the Inherent Defect Insurance program, a compulsory insurance that will provide protection against structural damages of commercial and private residential construction projects and will serve in improving the quality of buildings and support the governmental housing efforts</p>



In 2020,
total procurement spending
on our 82 local suppliers has
increased by
10%.

Sustainable Procurement

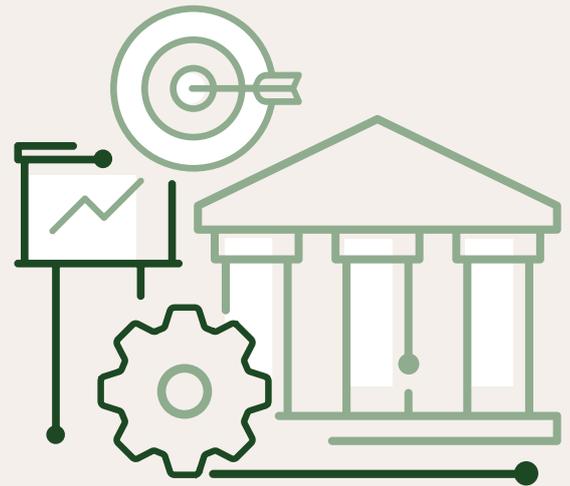
We seek to ensure that our supply chain is sustainable, and our procurement processes are performed responsibly. To that end, a transparent selection process for all our suppliers allowing us to document and evaluate our business partners ahead of any transaction. We aim to source locally, supporting the Saudi 2030 vision and ensuring our contribution to the development of our economy. We are exploring ways to evaluate and support local suppliers in meeting ESG criteria.

Procurement	2018	2019	2020
Total procurement spending (SAR)	18,439,701	17,287,799	17,821,956
Amount spent on local suppliers (SAR)	13,115,840	13,229,777	14,517,512
Percentage of total procurement spending on local suppliers (%)	71%	77%	81%
Number of local suppliers (#)	83	92	82

Strong Corporate Governance

Ensuring Corporate Governance Excellence

We are committed to the highest standards of corporate governance in compliance with national and international regulations, encouraging integrity and accountability. Sound corporate governance is essential to our business continuity. It regulates the relations between the Board of Directors and all the company’s stakeholders including the senior management and our shareholders. At Saudi Re, we aim to embrace best practice requirements for disclosure and transparency. We communicate through various platforms including our website, the Saudi Stock Exchange Tadawul website, our dedicated Investors Relations App, and we provide full disclosure of our corporate governance report



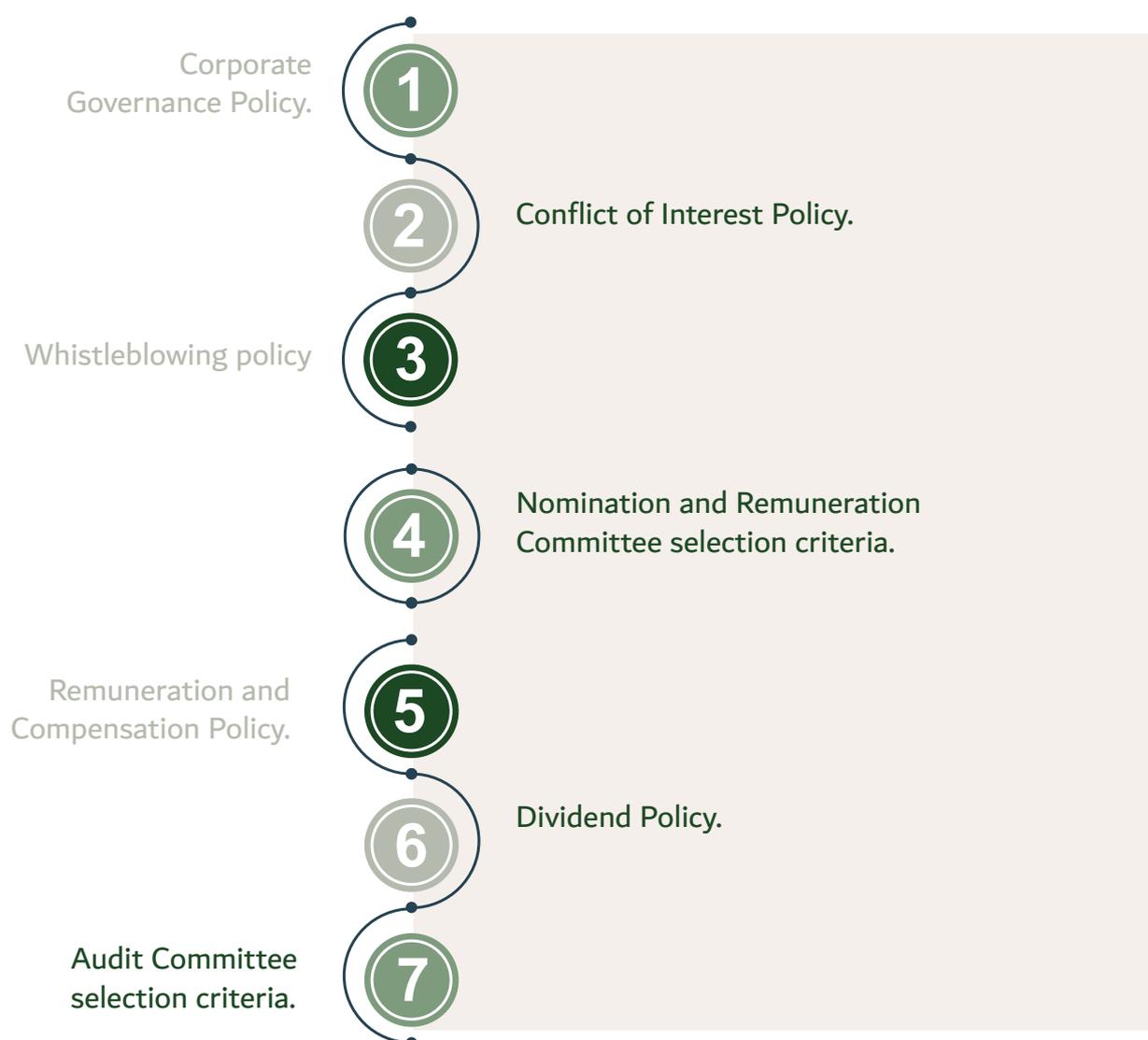
annually. A highly efficient Investor Relations Department ensures that our valuable shareholders are constantly informed and supported, their votes and their voices are heard. The department ensures that key information is disseminated by handling meetings and inquiries. This year we have organized 14 investor meetings and calls and participated in three investor conferences.

Investor Relations	2018	2019	2020
Investor Conferences	2	2	3
Investor Calls / meetings	1	3	14



We are led by a highly qualified Board of Directors implementing rigorous controls for financial audit and reporting, internal control, and compliance with legal requirements. The board is composed of four non-executive members, four independent members and, one executive director. The board is subject to a performance evaluation every three years. Six board meetings were held in 2020.

We are ruled by a comprehensive set of policies, including:



Our Remuneration Policy is fair and transparent, and our executive compensation is linked to performance targets.

Business Ethics and Compliance

At Saudi Re, our Code of Professional Conduct and Ethics obligates our employees to behave ethically and to comply with laws and regulations. This Code aims to help implement an anti-corruption and anti-bribery culture within our company. Various subjects are covered such as gifts and hospitality, reporting misconduct, or confidentiality. The compliance and legal department communicates the Code to all employees and provides support through awareness sessions and mandatory training.

Implementing a whistleblowing policy allowed us to ensure that all our employees and stakeholders can report any observed violation, such as corruption or suspected embezzlement and fraud, inappropriate behavior, abuse of authority, obtaining underserved benefits and rewards, or disclosure of confidential information.

Business Ethics and Compliance	2018	2019	2020
Percentage of employees trained on risks related to corruption (%)	50	75	90
Employees dismissed and/or disciplines for corruption (#)	0	0	0
Percentage of operations assessed for risks related to corruption (%)	70	85	90
Percentage of employees trained on risks related to money laundering and financial crime (%)	88	91	93

Saudi Re Internal Audit Department undertakes an annual review of Internal Control based on (Risk -Based Audit). Dedicated functions of Compliance and Risks Management play an active role in educating employees, setting standards, and ensuring compliance with applicable regulations. Our ongoing commitment to maintaining market-leading practices helps us manage the risks arising from our business lines. In 2020, no violation has been reported and no concerns were received by the Compliance Department through our internal monitoring system, only one incident related to the update of our corporate governance policy has been reported and was dealt with. We have set up a clear process to update SAMA with required policies and procedures in a timely manner.

Non-compliance with Laws and Regulations	2018	2019	2020
Total incidents of non-compliance with laws and regulations (#)	0	0	1
Total number of non-monetary sanctions (#)	0	0	0
Total amount of legal and regulatory fines and settlements (SAR)	0	0	0

Financial Performance

We aim to develop a financially strong company for the benefit of our stakeholders and our commitment is reflected in our high credit ratings.



In 2020 we have demonstrated strong financial performance as our gross written premiums increased by 18%.

In 2020, total assets increased by 7% compared to the previous year, while net profit recorded 60 Million SR.

We have signed an exclusive contract with Malath Cooperative Insurance Company to provide reinsurance coverage on the Inherent Defects Co-Insurance Program. "IDI" This contract is expected to reflect positively on our sales and our financial performance.

Credit Rating as per rating agency	2018	2019	2020
Moody's	A3	A3	A3
Tassnief	AA+	AA+	AA+



We have been nominated for the best reinsurer
in the Middle East insurance Awards in
2019.

Responsible Client Relations

Data Protection and Cybersecurity

We are committed to our client's growth by providing comprehensive reinsurance solutions. Sustained commitment to our clients is achieved through continuous client-focused innovations.

One area of endeavor at Saudi Re is data privacy and security. To that end, we provide tailored information security training and awareness sessions to all employees. It is fundamental to us to maintain the trust of our clients.

We have applied strong measures and procedures to guarantee our client's safety and privacy through the implementation of data privacy and security solutions, in compliance with SAMA Cybersecurity Framework, the National Cybersecurity Authority (NCA) standards as well as international standards. We have performed three cybersecurity stress tests to identify significant gaps and areas of risk. No security breaches have been identified this year.

Client Satisfaction

By adhering to the Insurance Market Code of Conduct Regulation, we consider providing transparent information and fair advice to our clients fundamental to achieve greater satisfaction, and we always work to exceed our client's expectations.



Being part of the insurance industry, improving our claims management process is central to our clients' satisfaction. As a reinsurer, having no direct connection with insureds, we initiate the process of settling claims once the broker or the insurance company provides all necessary documents and proof of payment to the insured. Our Claims Team follows our Claims Policy & Procedure and is in charge of reviewing and validating the claims submitted by our business partners.



We work in compliance with reinsurance terms, processing and approving the claims within seven working days for normal claims and three days for cash calls (claims under proportional treaties). Our efficiency in handling claims is highlighted by our high customer satisfaction rates. New initiatives were adopted by Claims Department to streamline and increase efficiency in claims processing including fast-track claims procedure and additional automation of claims follow up.

Client claims & Customer Satisfaction	2018	2019	2020
Number of client new claims during the year	4,361	3,831	2,807
Number of claims requested to be settled during the year	3,224	2,271	915
Number of claims settled during the year	3,224	2,271	915
Percentage of settled claims during the year	100%	100%	100%
Percentage of claims settled within 7 working days (#)	97%	98%	98%
Amount of claims paid	368,408,063	436,701,320	481,193,889

2020 achievements & 2021 commitments



Increase the fast-track claims limit up to SAR 50,000 (applicable for non-life only).



Automation of claims follow-up.



Documents tracking system.

Innovation and Digital Transformation

We believe in innovation through digital transformation. Our innovation strategy is client-focused, aiming to improve our clients' value chain. This year, we have initiated innovative projects such as data warehouse, applications enhancement projects, security projects, infrastructure upgrades such as the SAMA Cybersecurity Framework or Safe Work From Home Platform.



01

IT Service Desk has been established.

02

Upgrade of the core synergy system to release additional security features and extended workflow capabilities.

03

Infrastructure upgrade to support new technologies.

04

Established Citrix platform to facilitate work from home.

05

Strengthened network/infrastructure security by implementing SAMA Cybersecurity Framework and DMZ network.

06

User's access to most critical data and systems is now controlled and monitored by implementing PAM (Privileged Access Management) system.

Sustainable Insurance

Integrating ESG and Investing Responsibly

Corporate social responsibility is deeply embedded into our business activities and business lines. We are committed to helping build a more sustainable, fair, and ethical future.

As a Sharia-compliant organization, sustainability is embedded within our investment decisions. Being a good steward to society and the environment is part of our DNA.

We avoid investing in businesses that are deemed harmful to our society and our transactions promote equality, inclusion, as well as economic prosperity. We have in 2020, maintained our strategic investments in a diversified asset allocation, to ensure the sustainability of asset quality, the investment return and, minimize volatility risk.



Access to Insurance



We are committed to raising the insurance literacy of our stakeholders, enabling them to make better-informed decisions. We invite insurance actors to our training workshops in addition to providing technical training programs to the market.



Besides our insurance literacy programs we also sponsor events that bring awareness about reinsurance. Additionally, as agreed with departments of actuarial sciences of several universities, we welcome students as trainees within our company.

Financial / Insurance literacy	2019	2020
Number of participants in financial / insurance literacy initiatives (#)	92	65
Number of employees trained to support on financial / insurance literacy (#)	32	25
Number of training hours spent on financial / insurance literacy initiatives (#)	24	3

People and Community Care

Training and Development

We nurture our people. Our workforce is our strength and the cornerstones of our business success, and we believe that we are a rewarding place to work for. Continuous development of the workforce, empowerment, and collaboration help us achieve our goals and retain our talents. This year, the employee turnover rate has dropped by 8.1 percent compared to 2019. This is a signal that our HR development management is effective.

Employee turnover	2018	2019	2020
Turnover rate (%)	22%	9.1%	1%
Total number of employees who left the company (#)	16	7	1
Average tenure (years)	-	-	4.5

We invest in the career development of our employees. We offer training, all tailored to each particular target group. To that end, we have developed a specialized training plan “Saudi Re Development Program (SRDP)” which aims to address employees’ specific needs through different approaches. An induction program is also in place, aiming for the attraction and retention of our talents. We have a Competency Framework Project in place, aiming to guide employees and help them develop their skills and enhance their performance. All our employees receive regular performance evaluations and career development reviews.



Training

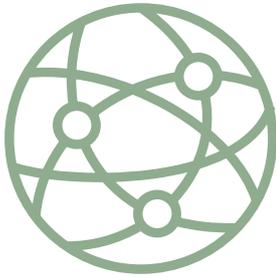
	2018	2019	2020
Total hours of training for employees (#)	5,160	3,760	2,416
Average training man-days per employee (#)	9	6	6

We prepare our top talents for management positions by investing in their training and development to ensure smooth succession planning and prepare them for future challenges within our company. Our training contents are designed to enhance staff sensitivity around technical and analytical skills and knowledge, as well as awareness of corporate governance, anti-money laundering and financial crime, and cybersecurity.

Workforce

	2018	2019	2020
Total number of employees (full time) (#)	71	81	86
By employment level			
Senior management (#)	7	6	6
Middle management (#)	14	15	15
Staff (#)	50	60	65
By age profile			
Workforce by age 18-30 (#)	13	18	21
Workforce by age 31-50 (#)	53	56	58
Workforce by age 51+ (#)	5	7	7

Diversity and Inclusion

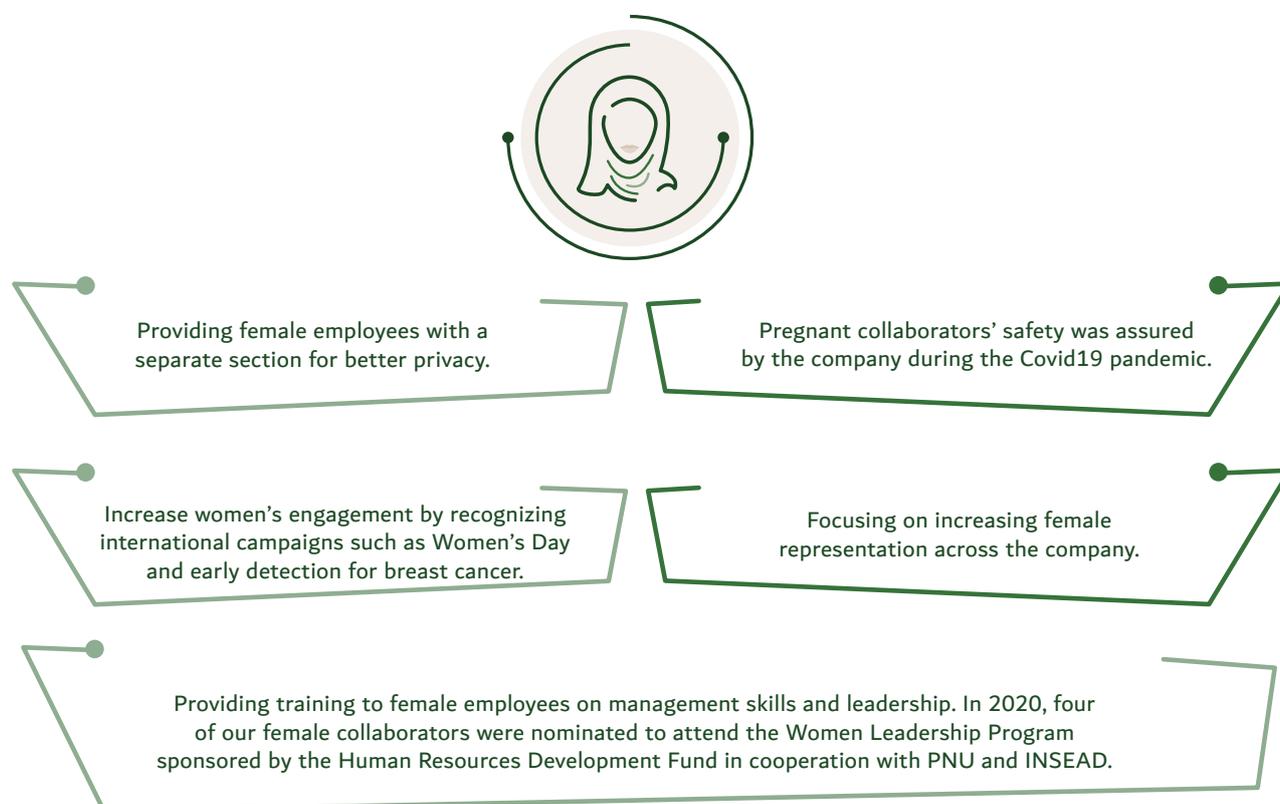


We are a responsible and fair employer providing an inclusive work environment with open communication. Dealing with misconduct is at the core of our Code of Conduct and our Whistleblowing Policy. We aim to create a stronger diversity and inclusion framework and we condemn any form of discrimination regardless of age, gender, religion, or disability. We have a grievance handling mechanism to prevent and address any incidents of workplace harassment or discrimination. We rely on a wide set of policies and procedures that allow us to protect our people from any form of violation such as the Model Work Organization Regulation, Physical Security Procedure, or Incident Procedure.

No discrimination or harassment cases have been reported in 2020.

We are proud to encourage female participation, promote diversity and equal opportunity. The proportion of women in the company increased by 13 percent in 2020 and we are targeting a 20 percent increase for the next year.

We launched several initiatives to increase the intake of female talent in our company:



Workforce	2018	2019	2020
By gender profile			
Female employees (#)	18	23	26
Male employees (#)	53	58	60

We have a Parental Leave Policy through which female employees are entitled to 10 weeks (Calendar Days) maternity leave and male employees to 3 working days. The return-to-work rate and retention rate stand at 100 percent. Retaining employees after their parental leave is also a challenges.

Health and Wellbeing



Our goal is to mitigate safety risks in our offices and promote social welfare in line with the best market standards. We have a Physical Security Procedure in place, allowing us to embed employees' safety into our company's policies.

Our Human Resource Department, Risk Management Department, and Business Continuity team are following up with all health and safety and security measures. Besides, they monitor emerging risks and hazards to ensure employees' safety. Emergency response fire drills are conducted annually.

Managing work-life balance is important. We comply with safe labor practices and laws regarding working hours. We also work on offering attractive working conditions to our people and keep them aware of health and safety updates on an ongoing basis. We offer support for family activities, give away on national and religious holidays and we conduct flu vaccination campaigns ahead of the flu season.



We aim to better engage our employees.

To that end, we have launched our “WalaPlus Engagement Program”, providing employees and their families with deals and discounts on a selected range of products and services, and better terms on loan offers from certain banks. We also conduct employee satisfaction surveys to monitor our people’s engagement.

Additionally, we have dedicated a total of 27 hours of HSE training and internal awareness sessions for employees this year. We are targeting 200 hours for the next year. We promote awareness campaigns to stress the importance of health and safety, such as the Covid19 campaigns. No fatalities were recorded in 2020.

Community Investment



Case Study: Furniture donations- Office

We are dedicated to support the wellness of the communities where we operate. This year, we have donated office furniture from our Labuan office in Malaysia to a charity organization called Pusat Jagaan Al-Fikrah Malaysia . We also invest in the prosperity of our communities through zakat in 2020 we have contributed an amount 13 mil SAR.



Climate Change, Energy Transition and Environmental Management

At Saudi Re, we lead by example.

We are mindful of the impact that our decisions might have on the market and the environment. This is why we are fully committed to address climate change and meet the Saudi Vision 2030.

The environmental impact of our activities is limited, given our business model. However, our goal is to manage our environmental footprint in terms of reducing water and energy consumption and waste management, participating to preserve future generations. This year we have improved our environmental management which led to a decrease in our GHG emissions by 10 percent. We have initiated several improvements such as replacement of defective or obsolete electric consumption devices with more efficient ones, and motion sensors for lighting being replaced when possible. In addition to these efforts, we sensitive our employees on energy management and efficiency. We have been successful in reducing our electricity consumption by 11 percent in 2020 as well as our energy consumption by 23 percent. Our total water consumption stood at 955 m³.



Indicator	2018	2019	2020
Total GHG emissions (tCO ₂)	358	316	284
Direct energy consumption (operations and vehicles, GJ)	1,163	2,240	1,709
Total electricity consumption (kWh)	465,440	402,080	355,200
Total water consumption (m ³)	1,320	1,407	955
Total paper consumption (kg)	405	405	270
Total paper recycled (kg)	15	12	4
Total waste generated (kg)	2,640	2,000	9,00
Total waste recycled (kg)	712	600	315

03

Operating Results & Significant Differences

Board of Directors Report

	1.	Statement Of Financial Position For The Past Five Years
	2.	Results Of Operations For The Past Five Years
	3.	Notes On The Reinsurance Operation's Variances With Prior Year To The Index
	4.	Main Lines Of Business And Results
	5.	Written Premiums And Geographic Analysis
	6.	Total Underwriting Revenues
	7.	Net Incurred Claims
	8.	Total Costs And Expenses
	9.	Total Investments
	10.	Net Investments Income
	11.	Surplus / (Deficit) From Reinsurance Operations
	12.	Net Income From Shareholders Operations
	13.	Total Comprehensive Income/(Deficit)
	14.	Technical Reserves
	15.	Assets

1.Statement Of Financial Postion For The Past Five Years

In Thousand Saudi Riyals	Dec 31 2020	Dec 31 2019	Dec 31 2018	Dec 31 2017	Dec 31 2016
Reinsurance Operations Assets					
Bank balances and Cash	8,034	6,061	22,344	53,494	42,892
Time deposits	10,125	138,195	73,896	58,003	67,552
Accrued special commission income from time deposits	785	1,728	408	869	1,070
Reinsurance Premiums receivable,net	293,755	233,393	200,024	358,871	181,957
Investments held at fair value through income statement	201,003	40,877	56,100	106,316	93,447
Accrued insurance premiums	594,263	467,071	409,778	372,088	262,340
Retroceded share of unearned premiums	71,862	50,837	33,081	117,679	3,758
Deferred excess of loss premiums	12,784	11,744	11,432	14,300	17,517
Retroceded share of outstanding claims	154,674	282,719	198,433	59,889	94,772
Retroceded share of claims incurred but not reported	45,796	34,812	59,937	105,950	15,878
Deferred Policies costs	149,403	106,279	99,895	100,345	81,705
Prepaid expenses,deposits and other assets	174,551	171,904	177,872	103,964	49,276
Due from shareholders' operations	69,259	90,987	110,965	144,462	152,144
Property and equipment,net	4,767	3,941	2,213	2,286	3,403
Total Reinsurance Operations Assets	1,791,061	1,640,548	1,456,378	1,598,516	1,067,711

Shareholders' Assets					
Bank balances and Cash	5,122	7,108	9,542	31,738	27,950
Time deposits	183,335	239,836	196,235	-	112,457
Accrued special commission income from time deposits	2,426	6,246	1,671	3	2,191
Accrued special commission income from bonds and Sukuk	6,181	2,793	2,664	3,831	4,144
Investments held at fair value through income statement	311,078	376,971	496,474	758,752	724,579
Held-to-maturity investments	184,023	37,500	-	-	-
Investments in associate	120,141	101,446	97,294	91,954	-
Prepaid expenses, deposits and other assets	114,548	72,736	31,088	228	45
Statutory deposit	81,000	121,500	121,500	100,000	100,000
Accrued income on statutory deposit	20,186	17,992	15,549	13,128	10,242
Property and equipment, net	28,859	29,634	30,376	31,250	32,110
Total Shareholder Assets	1,056,899	1,013,762	1,002,393	1,030,884	1,013,718
Total Assets	2,847,960	2,654,310	2,458,771	2,629,400	2,081,429

In Thousand Saudi RiyalsDec 31
2020Dec 31
2019Dec 31
2018Dec 31
2017Dec 31
2016**REINSURANCE OPERATIONS LIABILITIES AND SURPLUS**

Accountas Payable	31,975	39,929	19,928	16,648	18,217
Retrocession balances payable	47,711	46,173	22,899	229,764	51,920
Accrued retroceded premiums	39,812	21,742	15,840	7,891	76
Unearned premiums	548,541	401,997	380,171	461,489	306,479

In Thousand Saudi Riyals	Dec 31 2020	Dec 31 2019	Dec 31 2018	Dec 31 2017	Dec 31 2016
Outstanding claims	716,947	737,229	662,467	445,954	433,740
Claims incurred but not reported	350,742	355,255	330,481	415,099	246,274
Unearned retrocession commissions	15,805	8,396	6,410	7,542	848
Accrued expenses and other liabilities	20,671	15,510	7,560	5,743	3,906
End of services indemnities	10,673	8,829	6,594	5,729	3,958
Total Reinsurance Operations Liabilities	1,782,877	1,635,060	1,452,350	1,595,859	1,065,418

REINSURANCE OPERATIONS SURPLUS

Accumulated Surplus	10,978	7,546	4,028	2,657	2,293
Total Reinsurance Operations Liabilities and surplus	1,793,855	1,642,606	1,456,378	1,598,516	1,067,711

Shareholders' Liabilities and Equity

Shareholders' Liabilities	Dec 31 2020	Dec 31 2019	Dec 31 2018	Dec 31 2017	Dec 31 2016
Margin payable	23,177	-	-	-	-
Provision for zakat and income tax	15,174	23,742	38,244	37,431	39,728
Due to reinsurance operations	69,259	90,987	110,965	144,462	152,144
Accrued expenses and other liabilities	3,189	3,911	4,987	7,070	6,303
Accrued commission income payable to SAMA	20,186	17,922	15,549	13,128	10,242
Total Shareholders' Liabilities	130,925	136,632	169,745	202,091	208,417
Shareholders' Equity					
Share capital	810,000	810,000	810,000	1,000,000	1,000,000
Statutory reserve	27,088	17,904	8,815	6,071	6,071

Other reserves	244	(1,946)	1,075	(1,962)	-
Retained earnings / (accumulated deficit)	85,848	49,114	12,758	(175,316)	(200,770)
Total Shareholders' Equity	923,180	875,072	832,648	828,793	805,301
Total Shareholders' Liabilities And Equity	1,054,105	1,011,704	1,002,393	1,030,884	1,013,718
Total Reinsurance Operations Liabilities, Shareholders' Liabilities and Equity	2,847,960	2,654,310	2,458,771	2,629,400	2,081,429

2. Results of operations for the past five years

Revenues					
Gross written premiums	935,114	792,848	721,605	942,007	985,510
Retroceded premiums	(132,993)	(127,844)	(72,997)	(274,514)	(5,582)
Excess of loss expenses	(29,482)	(18,399)	(31,712)	(30,571)	(41,744)
Net written premiums	772,639	646,605	616,896	636,922	938,184
Change in net unearned premium, net	(125,519)	(4,070)	(3,281)	(41,088)	192,914
Net earned premiums	647,120	642,535	613,615	595,834	1,131,098
Retrocession commissions	12,694	18,176	16,468	11,258	2,982
Total Revenues	659,814	660,711	630,083	607,092	1,134,080
Underwriting Costs And Expenses					
Net claims incurred	(391,980)	(417,070)	(404,054)	(419,114)	(908,631)
Policy acquisition costs and profit commissions	(194,682)	(172,781)	(172,472)	(146,126)	(164,692)
Other underwriting expenses	(4,003)	(3,616)	(1,997)	(4,710)	(4,928)
Total Underwriting Costs And Expenses	(590,665)	(593,467)	(578,523)	(569,950)	(1,078,251)
Net Underwriting Income	69,149	67,244	51,560	37,142	55,829
Special commission income from deposits	3,901	8,890	4,140	2,858	3,028
Realized gains(losses) on investments held at fair value through income statement	159	193	1,568	188	99
Unrealized (losses) / gains on investments held at fair value through income statement	(264)	216	(368)	3,931	2,352
Investment management expenses	(121)	(160)	(404)	(505)	(344)
Net investments income	3,675	9,139	4,936	6,472	5,135
Other Income	228	-	-	-	-
Reversal / (Allowance) of doubtful debts	648	518	1,575	(333)	(2,331)
General and administrative expenses	(41,786)	(43,560)	(40,577)	(38,540)	(35,728)

Foreign exchange income / (losses)	2,408	1,839	(3,784)	(1,097)	(11,875)
Total income for the period	34,322	35,180	13,710	3,644	11,030
Total income attributed to the reinsurance operations	(3,432)	(3,518)	(1,371)	(365)	(1,103)
Total income attributed to the shareholders	30,890	31,662	12,339	3,279	9,927

In Thousand Saudi Riyals

Dec 31
2020Dec 31
2019Dec 31
2018Dec 31
2017Dec 31
2016

Shareholders Operations

Investments Revenues	34,533	37,855	13,218	55,450	22,667
Investment management expenses	(769)	(1,515)	(3,516)	(8,947)	(2,803)
Net investments income	33,764	36,340	9,702	46,503	19,864
Other Income	917	999	905	-	-
Reversal of provision for zakat	5,568	-	-	-	-
General and administrative expenses	(7,786)	(7,470)	(6,995)	(7,854)	(9,851)
Board of directors' remunerations, meetings fees and expenses	(2,271)	(2,256)	(2,181)	(3,002)	(1,576)
Foreign exchange translation (losses) / gains	(390)	43	(48)	(38)	100
Net Income for the year	60,692	59,318	13,722	38,888	18,464

Notes on the reinsurance operation's variances with prior year

In Thousand Saudi Riyals	2020	2019	Variance+or (-)	Change %
Revenues				
Gross written premiums	935,114	792,848	142,266	18%
Retroceded premiums	(132,993)	(127,844)	(5,149)	4%
Excess of loss expenses	(29,482)	(18,399)	(11,083)	60%
Net written premiums	772,639	646,605	126,034	19%
Change in net unearned premium, net	(125,519)	(4,070)	(121,449)	2984%
Net earned premiums	647,120	642,535	4,585	1%
Retrocession commissions	12,694	18,176	(5,482)	-30%
Total Revenues	659,814	660,711	(897)	0%
Underwriting Costs And Expenses				
Net claims incurred	(391,980)	(417,070)	25,090	-6%
Policy acquisition costs and profit commissions	(194,682)	(172,781)	(21,901)	13%
Supervision and Inspection fees	(4,003)	(3,616)	(387)	11%
Total Underwriting Costs And Expenses	(590,665)	(593,467)	2,802	0%
Net Underwriting Income	69,149	67,244	1,905	3%
Special commission income from time deposits	3,901	8,890	(4,989)	-56%
Realized gains on investments held at fair value through income statement	159	193	(34)	-18%
Unrealized (losses) / gains on investments held at fair value through income statement	(264)	216	(480)	-222%
Investment management expenses	(121)	(160)	39	-24%
Net Investments Income	3,675	9,139	(5,464)	-60%
Other income	228	-	228	-
Reversal of doubtful debts	648	518	130	25%
General and administrative expenses	(41,786)	(43,560)	1,774	-4%
Foreign exchange income / (losses)	2,408	1,839	569	31%
Total Income for the period	34,322	35,180	(858)	-2%
Total income attributed to the reinsurance operations	(3,432)	(3,518)	86	-2%
Total Income for the period attributable to the shareholders	30,890	31,662	(772)	-2%

3. Main lines of business and results

Saudi Re conducts business on facultative and treaty reinsurance basis in Saudi Arabia, MENA countries Asia and Africa with its head office in Riyadh, Saudi Arabia and its branch in Labuan, Malaysia.

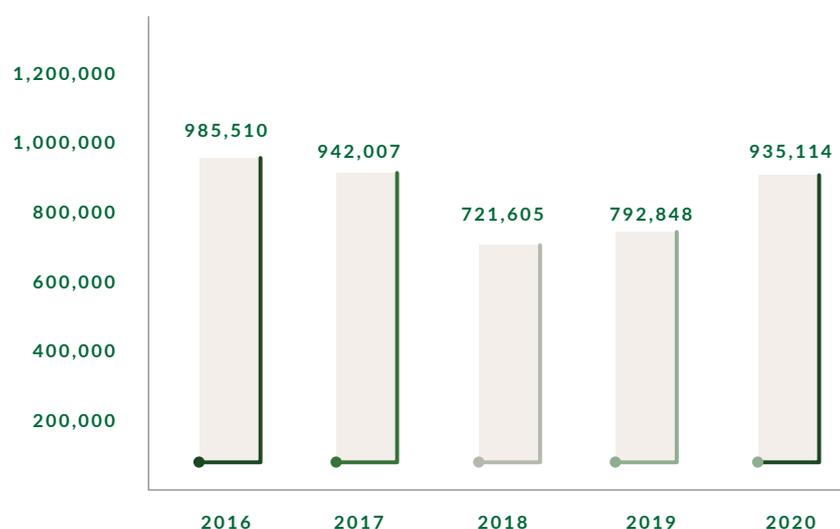
The company comprises business units based on its services and products as detailed in the following table:

2020 In Thousand Saudi Riyals	Engineering	Fire	Marine	Motor	General Accident	Protection	Health	Specialty	Others	Total
Revenues										
Gross written premiums	167,272	192,845	94,144	67,371	43,957	50,764	27,212	161,088	130,461	935,114
Retroceded premiums	-32,395	-19,470	-32,444	-	-21,032	-	-	-	-27,653	-132,993
Excess of loss expenses	-5,844	-12,065	-638	98	-691	-959	-	-	-9,382	-29,482
Net written premiums	129,033	161,311	61,062	67,468	22,234	49,805	27,212	161,088	93,426	772,639
Change in unearned premium, net	-42,482	-19,245	-6,651	-6,783	-1,837	-4,572	1,534	-41,868	-3,614	-125,519
Net earned premiums	86,551	142,065	54,411	60,685	20,396	45,233	28,747	119,220	89,812	647,121
Commissions on retroceded business	2,644	1,628	102	-	3,933	-6	-	-	4,392	12,693
Total Revenues	89,195	143,694	54,513	60,685	24,329	45,227	28,747	119,220	94,204	659,814
Underwriting Costs And Expenses										
Net claims incurred	-12,430	-110,401	-31,590	-36,961	-9,157	-41,791	-21,507	-65,972	-62,172	-391,980
Policy acquisition costs and profit commissions	-31,591	-44,960	-21,560	-12,330	-10,891	-5,875	-1,580	-44,997	-20,900	-194,682
Other underwriting expenses	-570	-853	-435	-303	-211	-231	-144	-596	-660	-4,003
Total Underwriting Costs And Expenses	-44,590	-156,214	-53,584	-49,594	-20,259	-47,897	-23,230	-111,564	-83,732	-590,665
Net Underwriting Income / (Loss)	44,605	-12,520	929	11,091	4,070	-2,670	5,516	7,656	10,472	69,149

4. Written premiums and geographic analysis

Gross premiums written increased by 18% in 2020 to SR 935,114 thousand from SR 792,848 thousand in 2019.

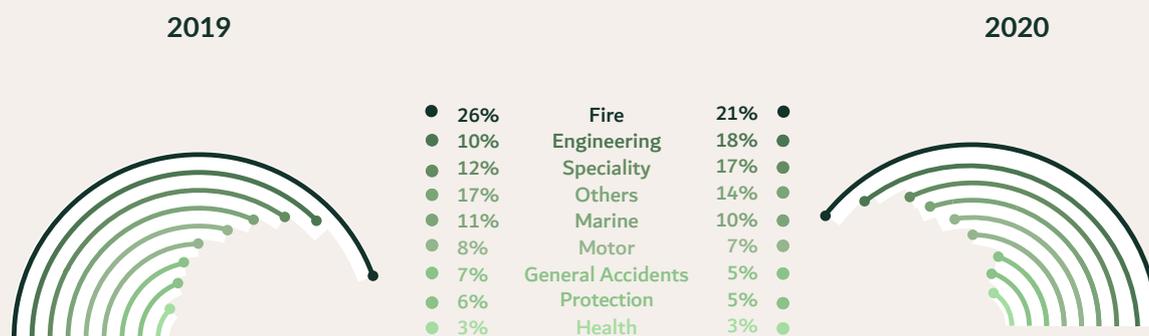
The following graph indicates the gross premiums written during the period 2016-2020 (in thousand Saudi Riyals).



The following table displays the distribution of written premiums over major business segments:

Segment	2020	2019	Variance	Change %
Engineering	167,272	79,119	88,153	111%
Fire	192,845	204,274	(11,429)	-6%
Marine	94,144	89,857	4,287	5%
Motor	67,371	59,854	7,517	13%
General Accidents	43,957	56,173	(12,216)	-22%
Protection	50,764	49,872	892	2%
Health	27,212	22,765	4,447	20%
Specialty	161,088	96,761	64,327	66%
Others	130,461	134,173	(3,712)	-3%
Total	935,114	792,848	142,266	18%

Gross Written Premiums



Geographical analysis of gross premiums written, thousands

Geographical segment	2020		2019	
	%	GWP	%	GWP
Kingdom of Saudi Arabia	37%	346,881	41%	322,050
Other Middle Eastern Countries	12%	108,596	12%	91,840
Africa	4%	37,870	6%	48,339
Asia	30%	279,437	29%	230,149
Other territories	17%	162,330	13%	100,470
Total	100%	935,114	100%	792,848

Geographical Analysis of Gross Written Premiums

2019



- Kingdom of Saudi Arabia 41%
- Asia 29%
- Other Territories 13%
- Other Middle Eastern Countries 11%
- Africa 6%

2020

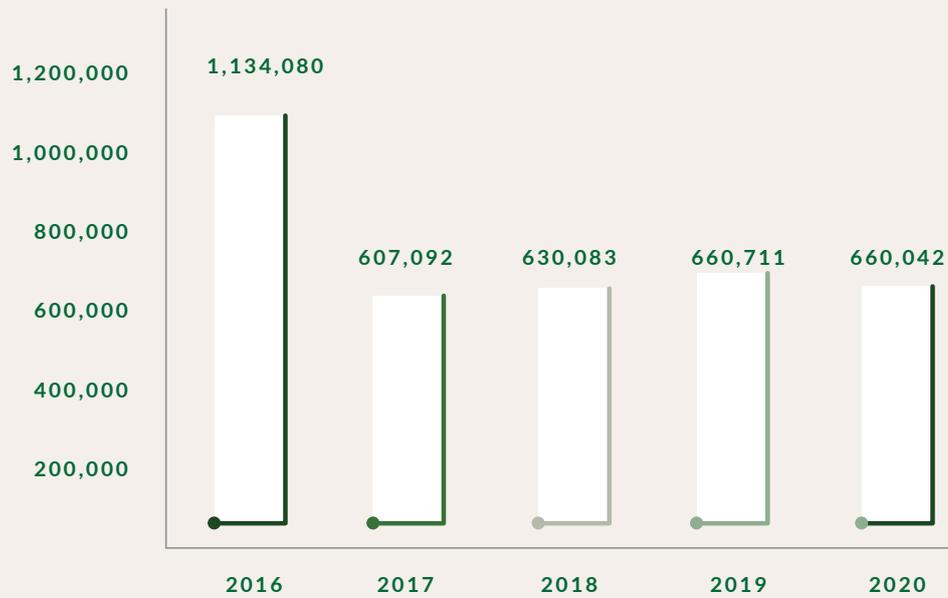


- Kingdom of Saudi Arabia 37%
- Asia 30%
- Other Territories 17%
- Other Middle Eastern Countries 12%
- Africa 4%

5. Total underwriting revenues

Total underwriting revenue decreased by 0.1% to SR 660,042 thousand in 2020 from SR 660,711 thousand in 2019 main contribution to this was the decrease in net earned premiums by 1%.

The following diagram shows the total revenues from 2016-2020 (in thousand Saudi Riyals).



Following The Details of Underwriting Revenues

Revenues	2020	2019	Variance	Change
Net earned premiums	647,120	642,535	4,585	1%
Retrocession commissions	12,694	18,176	(5,482)	-30%
Other income	228	-	228	-
Total	660,042	660,711	(669)	0%

Geographical Analysis of Underwriting Revenues

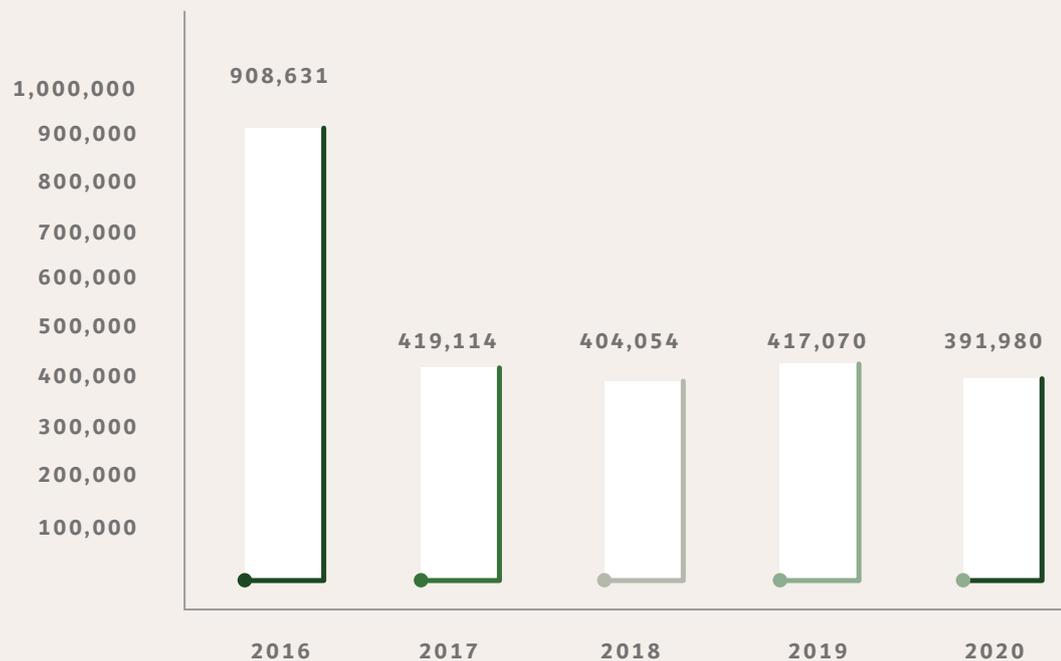
Revenues	2020	2019	Variance	Change
Within Kingdom of Saudi Arabia	205,513	217,880	(12,367)	-6%
Outside Kingdom Of Saudi Arabia	454,529	442,831	11,698	3%
Total	660,042	660,711	(669)	-1%

6. Net Incurred Claims

The net claims incurred after deduction of reinsurers share decreased by 6% to SR 391,980 thousand in 2020 from SR 417,070 thousand in 2019.

The following diagram shows the net claims incurred from 2016-2020 (in thousand Saudi Riyals).

Net Claims Incurred



7. Total Costs And Expenses

Total costs and expenses for policyholders' operations decreased by 1% to SR 631,453 thousand in 2020 from SR 634,670 thousand in 2019 due mainly to the decrease in Net claims incurred. While the total costs and expenses for shareholders' operations increased by 3% to SR 10,057 thousand in 2020 from SR 9,726 thousand in 2019

Following the details of costs and expenses for policyholders' operations

Policyholders operations costs and expenses	2020	2019	Variance	Change
Net claims incurred	391,980	417,070	(25,090)	-6%
Policy acquisition costs and profit commissions	194,682	172,781	21,901	13%
Other underwriting expenses	4,003	3,616	387	11%
Reversal for doubtful debts	(648)	(518)	(130)	25%
General and administrative expenses	41,786	43,560	(1,774)	-4%
Foreign exchange (Income) / losses	(2,408)	(1,839)	(569)	31%
Total	629,395	634,670	(5,275)	-1%

Following The Details of Costs And Expenses For Shareholders' Operations:

Shareholders operations costs and expenses	2020	2019	Variance	Change
General and administrative expenses	7,786	7,470	316	4%
Board of directors remunerations, meetings fees and expenses	2,271	2,256	15	1%
Total	10,057	9,726	331	3%

Total Costs And Expenses

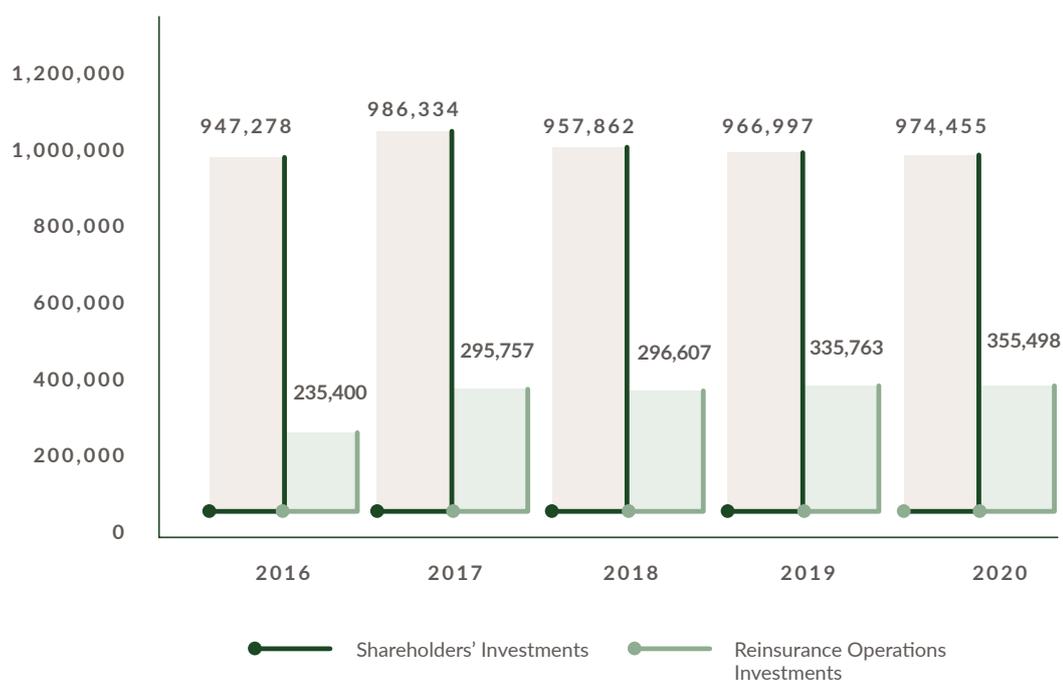


8. Total Investments

Total shareholders' investments were SR 974,455 thousand in 2020 as compared with SR 966,997 thousand in 2019, higher by 1%. The total reinsurance operations investments were SR 355,498 thousands in 2020 compared with SR 335,763 thousands in 2019, higher by 6%.

The following figure shows total investments during the period 2016-2020 (in thousand Saudi Riyals).

Total Investments



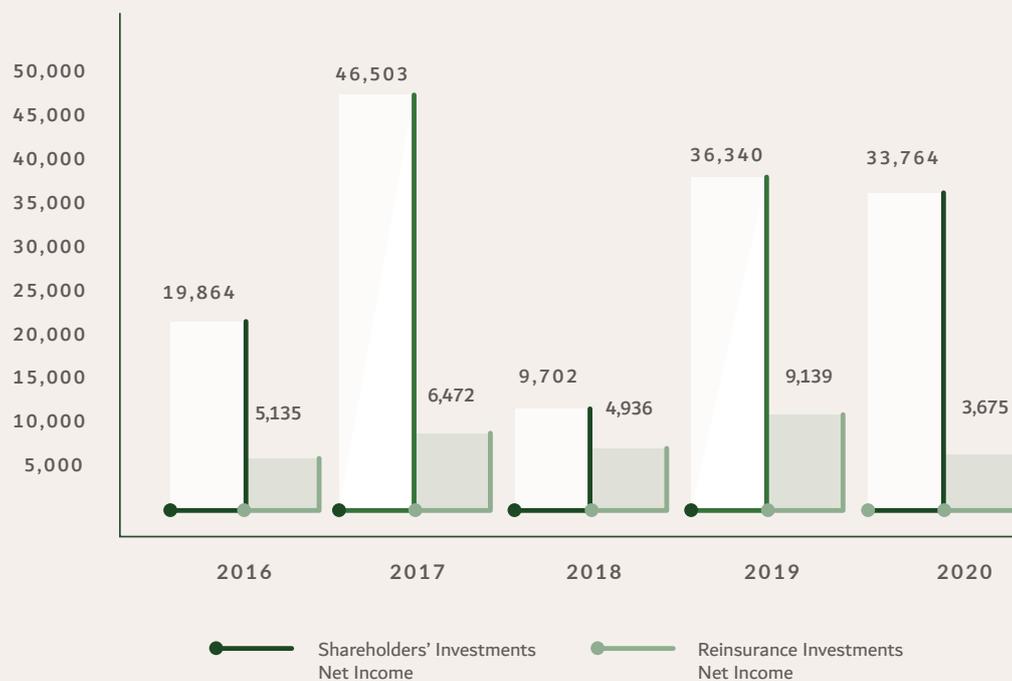
9. Net Investments Income

The net Income generated from investments of reinsurance funds, net of investment management expenses were SR 3,675 thousand in 2020 as compared with SR 9,139 thousand in 2019, lower by 60%.

As such as the net income generated from shareholders' fund investments, net of investment management expenses was SR 33,764 thousand in 2020 as compared with SR 36,340 thousand in 2019, lower by 7%. Due to the drop in the interest rate that effected the time deposit income.in addition there was no equity holding.

The following figure shows the investments net income during 2016-2020 (in thousand Saudi Riyals).

Net Investments Income



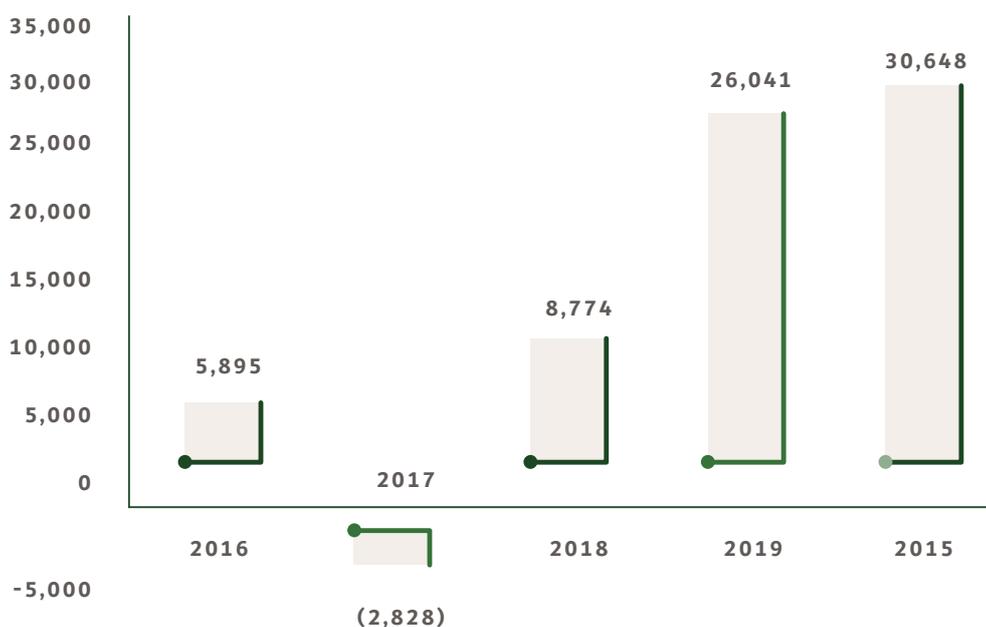
Geographical Analysis of Net Investments.

Geographical Segment	2020		2019	
	Reinsurance Investments Net Income	Shareholders Investments Net Income	Reinsurance Investments Net Income	Shareholders Investments Net Income
Within The Kingdom of Saudi Arabia	1,897	14,295	6,780	21,756
Outside The Kingdom of Saudi Arabia	1,778	19,469	2,359	14,584
Total	3,675	33,764	9,139	36,340

10. Surplus / (Deficit) From Reinsurance Operations

Reinsurance operations before investments returns posted a surplus of SR 30,648 thousand during 2020 as compared with a surplus of SR 26,041 thousand in 2019, higher by 18%. This due to increase in net earned premiums by 1%.

The following figure shows the surplus / (deficit (in reinsurance operations during 2016-2020 (in thousand Saudi Riyals).

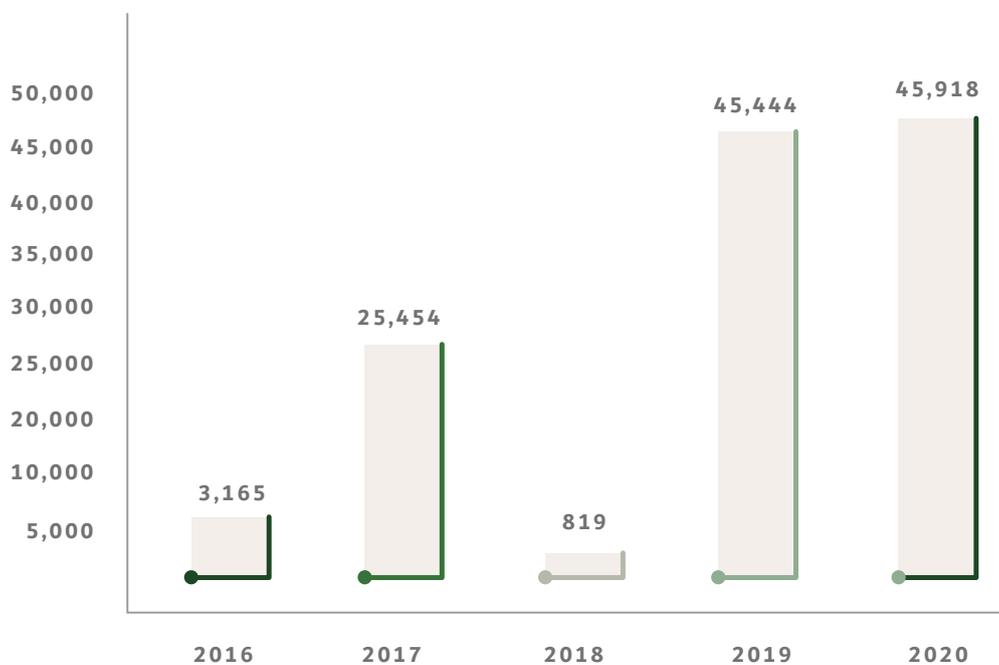


11. Net Income from shareholders' operations

Shareholders' operations recorded a net income after Zakat of SR 45,918 thousand in 2020 as compared with a net income of SR 45,444 thousand in 2019, decreased by 1%. This is attributed to the increase in income is mainly due to reverse part of zakat provision .

The following diagram indicates total net income from shareholders operations during the period 2016-2020 (in thousand Saudi Riyals).

Net Income from Shareholders' Operations



Statement of Shareholders Operations during the Period 2016-2020

In Thousand Saudi Riyals	2020	2019	2018	2017	2016
Investment Revenues	34,533	37,855	13,218	55,450	22,667
Investment Management Expenses	(769)	(1,515)	(3,516)	(8,947)	(2,803)
Net Investments Income	33,764	36,340	9,702	46,503	19,864
Other Income	917	999	905	-	-
Reversal of provision for Zakat	5,568	-	-	-	-
General And Administrative Expenses	(7,786)	(7,470)	(6,995)	(7,854)	(9,851)
Board of Directors Remunerations, Meetings, Fees and Expenses	(2,271)	(2,256)	(2,181)	(3,002)	(1,576)
Foreign Exchange Translation (Losses)/ Gains	(390)	43	(48)	(38)	100
Shareholders Appropriation From Reinsurance Operations Surplus	30,890	31,662	12,339	3,279	9,927
Zakat and Tax For The year	(14,774)	(13,873)	(12,903)	(13,434)	(15,299)
Net Income/ For The Year	45,918	45,445	819	25,454	3,165

12. Total Comprehensive Income

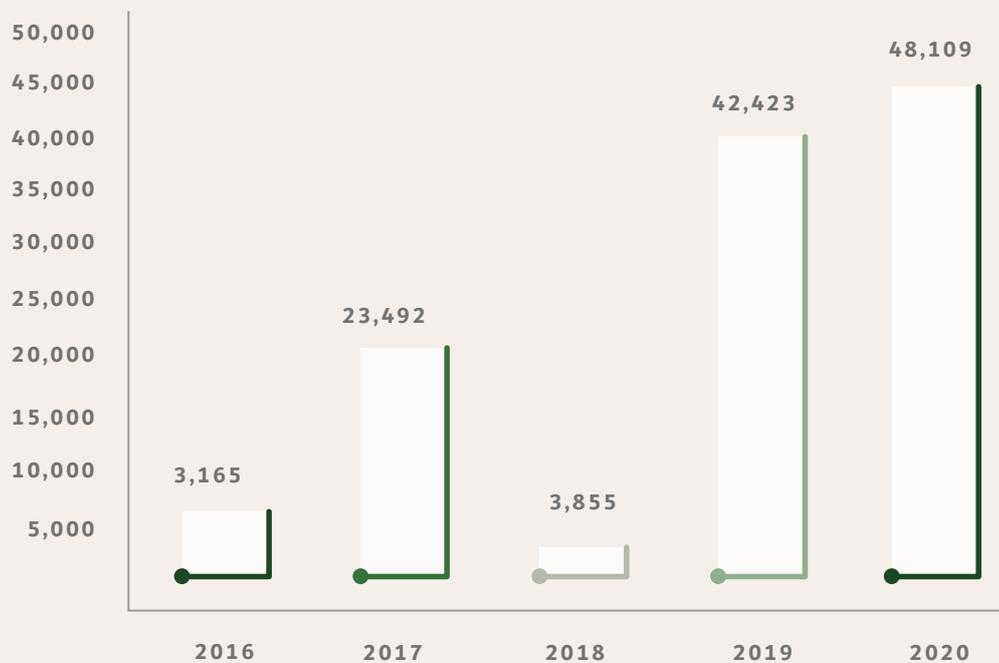
Total comprehensive income was SR 48,109 thousand in 2020 as compared with an income SR 42,423 thousand in 2019. Higher by 13%.

Statement of Shareholders Comprehensive Operations during the Period 2016-2020

In Thousand Saudi Riyals	2020	2019	2018	2017	2016
Net Income For The Year	45,918	45,444	819	25,454	3,165
Other Comprehensive Income / (loss)	2,191	(3,021)	3,036	(1,962)	-
Total Comprehensive Income For The Year	48,109	42,423	3,855	23,492	3,165

The following figure shows the comprehensive income during 2016-2020 (in thousand Saudi Riyals).

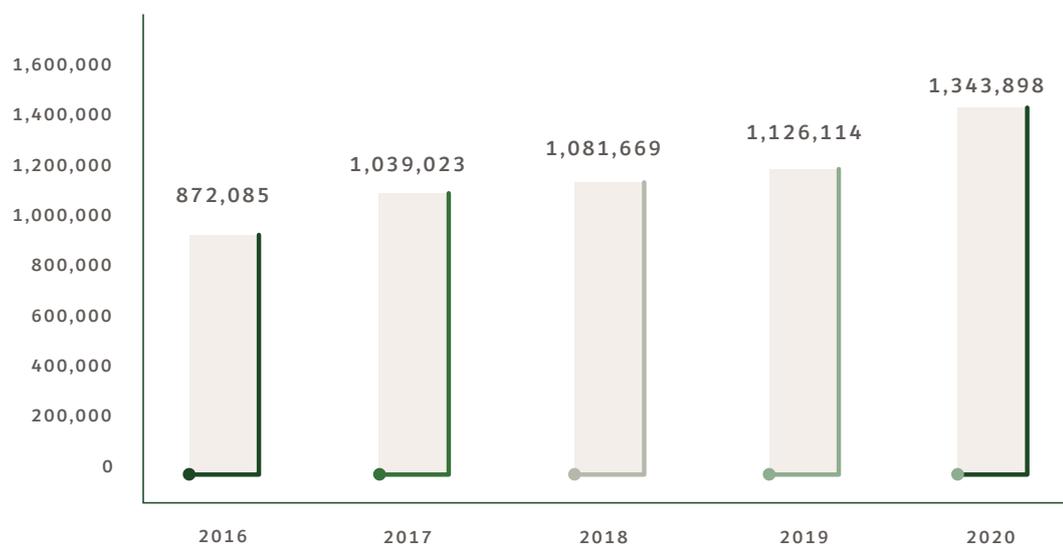
Total Comprehensive Income



13. Technical Reserves

Technical reserves increased by 19% to SR 1,343,898 thousand in 2020 from SR 1,126,114 thousand in 2019.

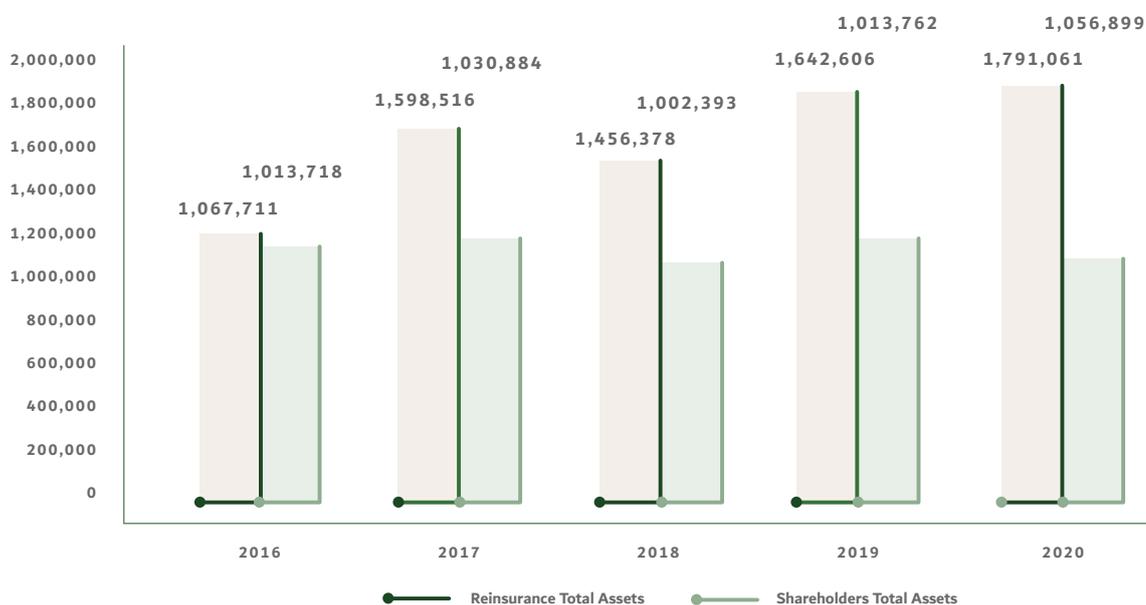
The following diagram depicts the technical reserves during the period 2015-2019 (in thousand Saudi Riyals).



14. Assets

Assets increased by 7% to SR 2,847,960 thousand in 2020 from SR 2,654,310 thousand in 2019. Reinsurance operation assets totaled to SR 1,791,061 thousand in 2020 as against SR 1,640,548 thousand in 2019, and total shareholders assets were SR 1,056,899 thousand in 2020 as compared with SR 1,013,762 thousand in 2019.

The following diagram depicts assets during the period 2016-2020 (in thousand Saudi Riyals)





Obligations, Disclosures And Declarations According To The Regulations

Board of Directors Report

	1. Compliance With Rules And Regulations
	2. Compliance With Corporate Governance Regulations
	3. General Assembly Meetings
	4. The Procedures That The Board Took To Inform Their Members Of The Investors Suggestions
	5. Composition Of The Board Of Directors, Director Categories And Memberships In Boards Of Other Joint Stock Companies
	6. Responsibilities Of The Board Of Directors
	7. Attendance Record of Board Meetings During 2019
	8. Board Committees
	9. Profiles Of Members of Senior Management
	10. Interests Of Board Members, Their Wives, Dependents And Their Subsidiaries In Shares And Debt Instruments of The Company.
	11. Persons With Interests In Any Voting Shares Who Has Informed The Company of Such Rights.
	12. Description Of Any Investments Or Reserves Established By The Company For The Benefit of Its Employees.
	13. Shareholding Percentage of Board Members And Senior Executives
	14. Remunerations of The Board Members And Senior Executives
	15. Name Of All Subsidiaries Companies
	16. Company Shares Ownership
	17. Material Contracts In Which Board Members And Executive Management Have Interests
	18. Penalty Precautionary Procedure Or Preventative Measure Imposed On The Company By The Authority
	19. Internal Control Systems In The Company
	20. Number Of Times The Company Requested The Share Register
	21. Statement Of Accrued Regulatory Payments (In Thousand Saudi Riyals)
	22. External Auditors
	23. Accounting Standards Adopted In Financial Statements
	24. Dividend Policy
	25. Declaration

1. Compliance With Rules And Regulations

In general, the Company complied in 2020 with the laws and regulations applicable in Saudi Arabia. These include:

- Laws and regulations issued by CMA.
- Laws and regulations issued by SAMA, including The Corporate Governance Regulation.
- Zakat and Income Tax Regulations issued by the Zakat and Income Tax Department.
- Labor Law issued by the Ministry of Human Resources and Social Development.
- The Company Law issued by the Ministry of Commerce

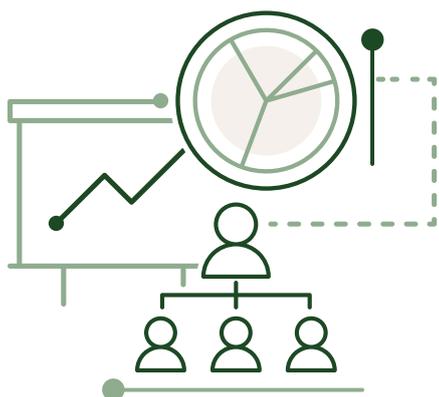
2. Compliance With Corporate Governance Regulations

During 2020, the Company was in compliance with stipulations indicated in the Corporate Governance Regulations.

3. General Assembly Meetings

During the year 2020, the Company held Extraordinary General Meetings as detailed below:

The Extraordinary General Meeting dated on 10/05/2020 was headed by Mr. Hesham Al-Shaikh (Chairman of the Board) and was attended by Mr. Mishari Al-Mishari (Vice Chairman), Mr. Mohamad Al-Otaibi, , Mr. Ahmad Sabbagh, Mr. Jean-Luc Gourgeon, and Mr. Fahad Al-Hesni (MD-CEO) and with the absence of Mr. Hammam Badr, Mr. Ismail Mahbob.



4. The Procedures That The Board Took To Inform Their Members Of The Investors Suggestions

The Investor Relations function in Saudi Re has collated and analyzed the suggestions and comments received from the shareholders thru the interaction via communication channels or the general assembly meetings and submitted the findings to the Board of Directors.

5. Composition Of The Board Of Directors, Director Categories And Memberships In Boards Of Other Joint Stock Companies For Each Director

Category	Term	Name	Other Joint Stock Companies Of Which The Directors Are Board Members	Type
Non-Executive Director	Renewed from 11/05/2020 To 10/05/2023	Mr. Hesham AL-Shaikh Chairman of the Board of Directors	Watan First Institute	Limited Company
			Probitas Holdings (Bermuda) Ltd	Private company
			Ashmore Investment KSA (Previous)	Closed Joint – Stock Company
			Bank AlJazira (Previous)	Joint Stock Company
			Arab National Bank (Previous)	Joint Stock Company

Category	Term	Name	Other Joint Stock Companies Of Which The Directors Are Board Members	Type
Non-Executive Director	Renewed from 11/05/2020 To 10/05/2023	Mr. Mishari AL-Mishari Vice Chairman	Doroob for Education and Training company	Governmental Company
			Hana Water Company	Private Company
			Saudi Investment Bank (Previous)	Joint Stock Company
			Saudi Fund for Development (Previous)	Governmental Company
			Aloula Real Estate Development Company (Previous)	Closed Joint – Stock Company
			Bank AlJazira (Previous)	Joint Stock Company
Non-Executive Director	Renewed from 11/05/2020 To 10/05/2023	Mr. Ahmad Sabbagh	Islamic Insurance Company (Jordan) (Previous)	Limited Joint Stock Company
			Tunisia Takaful Insurance Company - Tunisia (Previous)	Joint Stock Company
			Al Aman Takaful Insurance – Beirut (Previous)	Closed Joint – Stock Company
			The International Federation of Takaful and Islamic Insurance Companies – Sudan (Previous)	Federation

Category	Term	Name	Other Joint Stock Companies Of Which The Directors Are Board Members	Type
Non-Executive Director	Renewed from 11/05/2020 To 10/05/2023	Mr. Jean-Luc Gourgeon	Jean-Luc Gourgeon Company	Limited Company
			Probitas Holdings (Bermuda) Ltd	Private Company
			Probitas Corporate capital limited	Private Company
			Probitas Holdings UK Ltd.	Private Company
			Probitas 1492 Services Ltd.	Private Company
			Probitas Managing Agency Services Ltd.	Private Company
			Paris Re Holdings Ltd – France (Previous)	Closed Joint – Stock Company
			GTT Company - France (Previous)	Closed Joint – Stock Company
			Cunningham Lindsey Group - USA (Previous)	Closed Joint – Stock Company
			Cunningham Lindsey Group - USA (Previous)	Limited Company
French reinsurance association - France (Previous)	Governmental			
Independent	Period from 11/05/2017 To 10/05/2020	Mr. Hammam Badr	Iskan Insurance Company (Egypt)	Closed Joint – Stock Company
			Housing & Real Estate Investment Company	Closed Joint – Stock Company
			Data & Transaction Services Company - (Egypt)	Closed Joint – Stock Company
			Egyptian Reinsurance Company – Egypt (Previous)	Closed Joint – Stock Company
			Al-Shrq Insurance Company – Egypt (Previous)	Closed Joint – Stock Company

Category	Term	Name	Other Joint Stock Companies Of Which The Directors Are Board Members	Type
Independent	Renewed From 11/05/2020 To 10/05/2023	Mr. Mohamad Al-Otaibi	Al Yamamah Steel Company	Joint Stock Company
			Abo Moati Company (Previous)	Joint Stock Company
			Riyadh Bank	Joint Stock Company
			National Gas and Industrialization Company (GASCO) (Previous)	Joint Stock Company
			United Arab Company For Flat Glass (Previous)	Closed Joint Stock Company
			Middle East Shipment Company - Emirate(Previous)	Limited Company
			NSCSA AMERICA – USA (Previous)	Limited Company
			Bahri Company (Previous)	Limited Company
			National Chemical Carrier Ltd. Co (Previous)	Limited Company
			West of England Company (Previous)	Limited Company
Executive Director	Renewed From 11/05/2020 To 10/05/2023	Mr. Fahad Al-Hesni	International Shipowners Re (Previous)	Limited Company
			Zameen Digital Marketing Company	Limited Company
			Probitas Holdings (Bermuda) Ltd.	Private company
			Probitas Holdings UK Ltd	Private company
			Probitas 1492 Services Ltd	Private company

Category	Term	Name	Other Joint Stock Companies Of Which The Directors Are Board Members	Type
Independent	Period from 11/05/2017 To 10/05/2020	Mr. Ismail Mahbob	Export-Import Bank of Malaysia (Previous)	Governmental Company
			MUFG Bank (Malaysia) Berhad (Previous)	Closed Joint – Stock Company
			MNRB Retakaful Berhad (Previous)	Closed Joint – Stock Company
Independent	Elected from 11/05/2020 To 10/05/2023	Marc Maupoux	EXIN Re AG, Zurich, Switzerland (Previous)	-
			Axis Re Zurich, Switzerland (Previous)	-
Independent	Elected from 11/05/2020 To 10/05/2023	Mr. Hussam Alsuwailem	-	-
			-	-
			-	-
Independent	Elected From 11/05/2020 To 10/05/2023	DR. Hugger Peter Franz	MSG Global Solutions AG - Switzerlan	-
			Echo Reinsurance Ltd - Switzerlan (Previous)	-
			Asia Capital Reinsurance Group Pte Ltd – Singapore (Previous)	Private Company
			MSG Systems AG – Singapore (Previous)	



5. Responsibilities of The Board of Directors

Providing strategic guidance to the Company, including setting objectives and formulating strategic plans.

Supervising the implementation of strategic plans and major transactions.

Approving key policies and procedures and regularly reviewing and updating them.

Establishing and monitoring the Company's internal control system and ensuring its adequacy and effectiveness.

Establishing and monitoring a risk management system, where risks are assessed, managed, and monitored on a continuous basis.

Supervising Senior Management and monitoring the Company's performance against the performance objectives set by the Board.

Ensuring the integrity of the Company's accounting and financial reporting system and the appropriateness of its disclosure process.

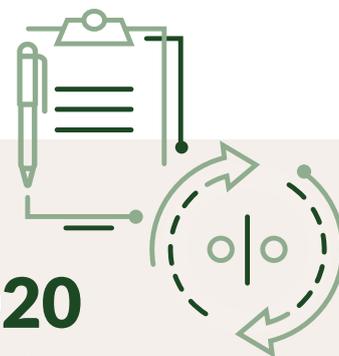
Promoting higher standards of corporate governance and ensuring compliance with applicable laws and regulations at all times.

Ensuring that the interests of the policyholders are being protected at all times.

Promoting higher standards of corporate governance and ensuring compliance with applicable laws and regulations at all times.

Granting Audit committee the appropriate level of authority to investigate any matter within its mandate and shall ensure that the internal audit function is autonomous and is granted full access to all the information it needs to conduct its activities. In addition, the Board should take all necessary measures to ensure the responsiveness of Senior Management to internal auditors' queries and recommendations.

Selecting and changing (if needed) executives in key positions, and ensuring that the Company has an appropriate replacement policy for their replacement by an appropriate alternative with the necessary skills and eligibility for the office.



Attendance Record of Board Meetings During 2020

Member	1st Meeting 16/03 2020	2nd Meeting 07/05 2020	3rd Meeting 11/05 2020	4th Meeting 26/07 2020	5th Meeting 02/11 2020	6th Meeting 14/12 2020	Total
Mr. Hesham Al-Shaikh (Chairman)	Not Attend	Attend	Attend	Attend	Attend	Attend	5
Mr. Mishari Al-Mishari (Vice Chairman)	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Ahmad Sabbagh (Member)	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Jean-Luc Gourgeon (Member)	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Mohamad Al-Otaibi (Member)	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Marc Maupoux 1 (Member)	-	-	Attend	Attend	Attend	Attend	4
Dr. Peter Hugger 1 (Membr)	-	-	Attend	Attend	Attend	Attend	4
Mr. Hussam Al Suwailem 1 (Member)	-	-	Attend	Attend	Attend	Attend	4
Mr. Fahad Al-Hesni (Md/Ceo)	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Ismail Mahbob 2 (Member)	Attend	Attend	-	-	-	-	2
Mr. Hammam Badr 2 (Member)	Attend	Attend	--	-	-	-	2

1 membership started on 11/05/2020

2 membership ended on 10/05/2020



6. Board Committees

Executive Committee

The General Assembly shall approve, based on proposals by the Board of Director the rules for the selection of Executive Committee members, the term of their membership and the method of the Committee work.

The duties and responsibilities of the executive Committee should include the following:

- Exercising the full powers and prerogatives of the Board between Board meetings and while the Board is not in session in cases where a quick action or resolution is required or warranted, except that the Committee shall not have the power to act in lieu of the full Board in any matter in respect of which the delegation of powers is prohibited under applicable law or that requires the approval of the Company's shareholders or is specifically assigned to another committee of the Board.
- Reviewing the details of the Company's business strategy and making recommendations to the Board for approval. Reviewing the details of the Company's work plans and budget and regularly monitor the progress of the work plan and budget.
- Oversee the activities of the Chief Executive Officer of the Company.
- Supporting the Chief Executive Officer on an ad hoc basis to address specific needs or requirements. Reviewing alliance, mergers, acquisition and other strategic agreements and making recommendations to the Board for approval.
- Taking any other action or assuming any other powers and responsibilities that may from time to time be assigned or delegated to it by the Board.

Executive Committee Meetings 2020

Member	1st Meeting 16/03 2020	2nd Meeting 07/05 2020	3rd Meeting 26/07 2020	4th Meeting 02/11 2020	5th Meeting 30/11 2020	6th Meeting 14/12 2020	Total
Mr. Hesham Al-Shaikh	Not Attend	Attend	Attend	Attend	Attend	Attend	5
Mr. Jean-Luc Gourgeon	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Fahad Al-Hesni	Attend	Attend	Attend	Attend	Attend	Attend	6

7. Audit Committee

The General Assembly shall approve, based on proposals by the Board of Directors, the rules for the selection of Internal Audit committee members, the term of their membership and the method of the Committee work.

The duties and responsibilities of the Audit Committee should include the following:

- Supervising the company's internal audit department to ensure its effectiveness in executing its activities and duties specified by the Board of Directors.
- To review the internal audit procedures and prepare a written reports on such review including its recommendations.
- Reviewing audit plan of internal auditors and external auditors and make any comments thereon.
- Assessing the efficiency, effectiveness and objectivity of work performed by external auditors, internal audit department or Internal Auditor and compliance control department or Compliance officer.
- Coordinating between internal and external auditors.
- Reviewing the internal and external auditor's assessment of internal control procedures.
- Discussing the annual and interim quarterly financial statements with external auditors and Company's Senior Management before issuance thereof.
- To review the interim and annual financial statements prior to presentation to the Board of Directors; and to give opinion and recommendations with respect thereto.
- To review the accounting policies in force and advise the Board of Directors of any recommendations thereto.
- Reviewing internal financial and non-financial controls and risk management system.
- Audit Department or Internal Auditor and Head of Compliance Control Department or Compliance Officer after obtaining SAMA No Objection, their performance evaluation and remunerations for all respective staff.
- Ensuring independence of Internal Audit Department or Internal Auditor and Compliance Control Department or Compliance Officer in performing tasks, and ensuring there is no restriction in their scope of work or any impediments that might negatively affect their work.
- Reviewing related parties transactions
- Reviewing, approving and monitoring the implementation of compliance plan.
- To recommend to the Board of Directors the appointment, dismissal and the Remuneration of external auditors; taking into consideration the independence of the auditors and necessary experience in Insurance/Reinsurance sector.

- To supervise 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.
- To review the external auditor's comments on the Financial Statements and follow up on the actionstaken.
- Ensuring independence of External Auditors from Company, Board Members and Senior Management.
- Following-Up the reports issued by SAMA, and other relevant supervisory and control entities and making recommendations thereon to the Board.
- Reviewing the Actuary Reports and making recommendation thereon for the Board.
- Ensuring the Company's compliance with the Actuary's proposals and recommendations where these are mandatory and required by Regulations or SAMA instructions.
- Determining the monthly salary, bonus and other remuneration of the Internal Audit or Compliance Control Department or the Internal Auditor or Compliance Officer in accordance with the Company's internal by-laws approved by the Board.
- Ensuring the Company has written code of conducts approved by its BOD to ensure that the Company's activities are conducted in a fair and ethical manner.
- Following Up on important lawsuits filed by or against Company and submitting periodical reports thereon to the Boards.
- Ensuring optimal use and control of information technology necessary to generate reliable information and data is in place.
- Reviewing Reports of Compliance Control Department or Compliance Officer and Internal Audit Reportsand pursue the implementation of the recommended corrective measures and make necessary recommendation to Board.
- Reviewing the comments of SAMA and other relevant supervisory and control entities related to any regulatory violation or corrective actions requested and making recommendations thereon for the Board.
- Monitoring the activities of compliance department and ensuring that company's compliance with SAMA, CMA and other laws & regulations.
- Authority to investigate any activity within its terms of reference and have access to any information it may need.

Audit Committee Meetings 2020

Member	1st Meeting 15/03 2020	2nd Meeting 28/04 2020	3rd Meeting 06/05 2020	4th Meeting 11/05 2020	5th Meeting 25/07 2020	6th Meeting 29/10 2020	7th Meeting 05/12 2020	8th Meeting 26/12 2020	Total
Mr. Hisham Al-Akil (Chairman)	Attend	7							
Dr. Peter Huggerdr (Member) 1	-	-	-	Attend	Attend	Attend	Attend	Attend	5
Mr. Abdullah Al Farraj (Member) 1	-	-	-	Attend	Attend	Attend	Attend	Attend	5
Mr. Tariq Zaino (Member) 1	-	-	-	Attend	Attend	Attend	Attend	Attend	5
Mr. Ismail Mahbob (Member) 2	Attend	Attend	Attend	-	-	-	-	-	3
Mr. Ali Al-Qahtani (Member) 2	Attend	Attend	Attend	-	-	-	-	-	3

1 membership started on 11/05/2020

2 membership started on 10/05/2020

Nomination And Remuneration Committee

The General Assembly shall approve, based on proposal by the Board of Directors, the rules for the selection of Nominations and Remuneration Committee members, the term of their membership and the method of the Committee work.



The duties and responsibilities of the Nomination and Remuneration Committee should include the following:

- Recommending to the Board appointments to membership of the Board and its committees in accordance with the approved policies and standards. The Committee shall ensure that no person who has been previously convicted of any offense affecting honor or honesty is nominated for such membership.
- Preparing a description of the required capabilities and qualifications for the membership of the Board and its committees, including the time that a Board member should set aside for carrying out the duties of the Board and its committees.
- Reviewing at least annually the requirement and availability of suitable skills within the membership of the Board and recommending remedies that are in the company's best interest
- Recommending succession planning policies to the Board & Committees.
- Reviewing the structure of the Board and its committees and determining their points of weakness and recommending changes where needed.
- Assessing and monitoring the independence of the independent Board and Board Committee Members at least on an annual basis and ensuring that no conflict of interest exists in the cases where a Board member also acts as a member of the Board of another company.
- Drawing clear policies regarding the compensation, remunerations and indemnities of the Board (as approved by the general assembly) its committees, CEO and Senior Management employees based on their performance in achieving the Company's strategic objectives and risk adjusted profits.
- Ensuring that an annual review of remuneration and compensation plans for members of Senior Management is conducted independently of executive management.

- Making the final recommendations to the Board with regards to selecting members of the Senior Management¹ and/ or promoting current employees to Senior Management¹ positions as per SAMA's Fit and Proper rules.
- Making the final recommendations to the Board with regards to dismissing members of the Senior Management.
- Establishing a succession policy and procedure for the CEO and other key members of Senior Management¹ and monitoring the implementation of the succession plans and process.
- Evaluate the performance of the Board (overall and individual performance) and its committees in a regular basis (at least on an annual basis).
- Overseeing the induction programmers and training programs for Board Members.
- Taking any other action or assuming any other powers and responsibilities that may from time to time be assigned or delegated to it by the Board.

Nomination And Remuneration Committee Meetings 2020

Member	1st Meeting 05/02 2020	2nd Meeting 15/03 2020	3rd Meeting 25/10 2020	Total
Mr. Marc Maupoux (Chairman) 1	-	-	Attend	1
Mr. Ahmad Sabbagh (Member)	Attend	Attend	Attend	3
Mr. Mohamad Al-Otaibi (Member) 1	-	-	Attend	1
Mr. Mishari Al-Mishari (Member)	Attend	Attend	Attend	3
Mr. Hammam Badr (Member) 2	Attend	Attend	-	2

1 membership started on 11/05/2020

2 membership started on 10/05/2020

7. Investment Committee



The General Assembly shall approve, based on proposal by the Board of Directors, the rules for the selection of Investment Committee members, the term of their membership and the method of the Committee work.

The duties and responsibilities of the Investment Committee should include the following:

- Ensuring that the Investment Policy Statement (IPS) is prepared in line with the overall business strategy of the company as well as the regulatory guidelines.
- Obtaining Board approval for the IPS.
- Reviewing and revising the Investment Strategy on a quarterly basis taking changes in business requirements and market conditions into consideration.
- Appointment and evaluating the performance of Investment and Fund Managers.
- Recommending to the Board, the appointment and removal of Investment Advisors.
- Delegating when required execution of their decisions to a selected subcommittee and/or to the Management Team.
- Deciding the execution strategy for each segment of the investment portfolios, that is, whether the exposure in each segment will be executed via a passive or active management style, will be managed in-house or by external managers via segregated mandates or investment funds.
- Reviewing the decisions made by the Management Team and Investment Advisor (s).
- Reporting to the Board, the performance of the Company's investments in terms of risk, returns, and allocations and on any major pertinent developments.
- Taking any other action or assuming any other powers and responsibilities that may from time to time be assigned or delegated to it by the Board.

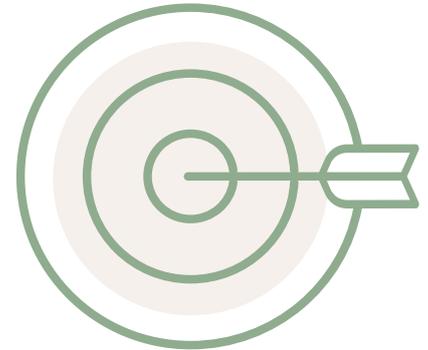
Investment Committee Meetings

Member	1st Meeting 27/02 2020	2nd Meeting 29/04 2020	3rd Meeting 02/06 2020	4th Meeting 27/07 2020	5th Meeting 14/09 2020	Total
Mr. Hesham Al-Shaikh (Chairman)	Attend	Attend	Attend	Attend	Attend	5
Mr. Mishari Al-Mishari (Member)	Attend	Attend	Attend	Attend	Attend	5
Mr. Hussam Al Suwailem (Member) 1	Attend	Attend	Attend	Attend	Attend	5
Mr. Fahad Al-Hesni (MD/CEO) 2	Attend	Attend	-	-	-	2

1 served as an external member till 10/05/2020. Joined the board on 11/05/2020 and continued the membership of committee
2 membership ended on 10/05/2020

01.Risk Committee

The General Assembly shall approve, based on proposal by the Board of Directors, the rules for the selection of Risk and Underwriting Committee members, the term of their membership and the method of the Committee work.



The duties and responsibilities of the Risk Committee should include the following:

- Re-evaluating the company's risk appetite, tolerance, and exposure to risk on a regular basis.
- Re-evaluating the company's risk management policy consistent with the company's commitments to shareholders and regulatory requirements.
- Supervising the implementation of necessary measures to mitigate identified risks.
- Understanding and reviewing the risks associated with the company's activities and maintaining an acceptable risk profile for the Company.
- Overseeing the risk management system and assessing its effectiveness, and ensuring infrastructure and resources are in place.
- Evaluation of the adequacy of the risk management function.
- Evaluating risks under certain stress scenarios (e.g. rating downgrade, capital issues, regulatory breaches / fines etc.).
- Reviewing and evaluating Business Continuity Plan Framework and Policy.
- Reviewing and obtaining board approval for the following cyber security governance documentation:
 - I. **Cyber Security Committee Charter.**
 - II. **Cyber Security Governance Framework**
 - III. **Cyber security strategy**
 - IV. **Cyber security policy**

- Ensuring the cyber security risks of the company is well managed.
- Reviewing Catastrophic exposure limit;
- Review threshold limits of business portfolios;
- Reviewing capital adequacy and solvency of the company.
- Reviewing ALM processes & activities on a regular basis.
- Review on regular basis regulatory, compliance and AML risks.
- Reviewing periodic reports from risk management department, such as Quarterly Risk Management reports.
- Taking any other action or assuming any other powers and responsibilities that may from time to time be assigned or delegated to it by the Board.

The Committee shall have the authority to obtain advice and assistance from internal or external legal, actuarial, accounting or other advisors and to approve the fees and other retention terms related to any such external counsel, consultants and advisors

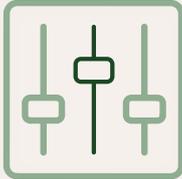
Risk Management Committee Meeting 2020

Member	1st Meeting 16/03 2020	2nd Meeting 05/05 2020	3rd Meeting 26/07 2020	4th Meeting 02/09 2020	5th Meeting 28/10 2020	6th Meeting 23/11 2020	Total
Mr. Mohamad Al-Otaibi (Chairman)	Attend	Attend	Attend	Attend	Attend	Attend	6
Dr. Peter Hugger (Membar) 1	-	-	Attend	Attend	Attend	Attend	4
Mr. Ismail Mahbob (Membar)2	Attend	Attend	-	-	-	-	2
Dr. Volker Lauff (External Membar) 2	Attend	Attend	Attend	Attend	Attend	Attend	6

1 membership started on 11/05/2020

2 membership ended on 10/05/2020

7. Technical Committee



The General Assembly shall approve, based on proposal by the Board of Directors, the rules for the selection of Technical Committee members, the term of their membership and the method of the Committee work.

The duties and responsibilities of the Technical Committee should include the following:

- Reviewing Underwriting policies and guidelines.
- Reviewing pricing methodologies and tools used to price/rate risks.
- Reviewing the Underwriting performance quarterly.
- Reviewing the claims activities quarterly.
- Reviewing the Business Plan assumptions annually and recommending the Underwriting Business Plans to the Board.
- Recommending for Board approval new Lines of Business.
- Reviewing & Recommending for Board approval the territories in which company should or should write business from.
- Defining the company's retrocession structure and recommending for Board approval including the Retro cost.
- Ensuring that the securities of the Retro Panel are within the regulatory requirements and any changes are evaluated and necessary actions taken.
- Re-evaluating the company's retrocession structure on a regular basis.
- Taking any other action or assuming any other powers and responsibilities that may from time to time be assigned or delegated to it by the Board.
- The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors and to approve the fees and other retention terms related to any such external counsel, consultants and advisors.

2020 Technical Committee Meetings

Member	Mr. Jean-Luc Gourgeon (Chairman)	Mr. Marc Maupoux (Member) 1	Mr. Ahmad Sabbagh (Member)	Mr. Hammam Badr (Member) 2
1st Meeting 15/01/2020	Attend	-	Attend	Attend
2nd Meeting 16/01/2020	Attend	-	Attend	Attend
3rd Meeting 29/04/2020	Attend	-	Attend	Attend
4th Meeting 16/06/2020	Attend	Attend	Attend	-
5th Meeting 07/07/2020	Attend	Attend	Attend	-
6th Meeting 19/07/2020	Attend	Attend	Attend	-
7th Meeting 25-26/07/2020	Attend	Attend	Attend	-
8th Meeting 06/10/2020	Attend	Attend	Attend	-
9th Meeting 25/10/2020	Attend	Attend	Attend	-
10th Meeting 03/12/2020	Attend	Attend	Attend	-
Total	10	7	10	3

1 membership started on 11/05/2020

2 membership ended on 10/05/2020

9.Profiles of Members of Senior Management

1 **Fahad Al-Hesni**

Mr. Fahad Al-Hesni joined Saudi Re as an Executive Board Member in 2011, and he serves as the Managing Director and the Chief Executive Officer, in addition to his membership of the Executive Committee and the Investment Committee of the Company. Also, he's a Board Member of Probitas Holding Company (Bermuda). Moreover, a member of the International Insurance Society (IIS), the Vice Chairman of the Reinsurance Committee and a member of the Executive Committee of the Gulf Insurance Federation (GIF). He has more than 20 years of experience in the Insurance and Reinsurance industry, within which he assumed different leading positions in the fields of Business Development, Underwriting and Claims Management. Mr. Al-Hesni has a Master degree in Insurance & Risk Management from City University of London and an Association Degree from the Chartered Insurance Institute (CII).

2 **Nilmin Pieries**

Chief Financial Officer / Board Secretary. Mr. Pieries joined the company in 2010 bringing more than 25 years worth of experience in the fields of Accounting, Finance, Investment, and Risk Management. Mr. Pieries also has worked in various companies in Asia, the Gulf region and the UK, through which Mr. Pieries has gained considerable experience in the insurance and reinsurance sector. Moreover, Mr. Pieries was awarded Master's Degree in Business Administration by Nottingham University in the United Kingdom and is an associate of the Chartered Institute of Management Accountants, CIMA UK.

3 **Abdelfattah Chami**

Chief Underwriting Officer. Mr. Abdelfattah joined Saudi Re in 2018 with over 20 years of experience in the insurance and re-insurance sector which he held a number of leading positions in the underwriting and reinsurance field latest was head of treaty underwriting at Gulf Re Dubai, U.A.E. Mr. Abdelfattah holds a diploma in insurance from the German Institute for Economic.

4 **Ahmed Al-Jabr**

Chief Operating Officer. Mr Al-Jabr Joined the company in 2011 and has experience in insurance sector of more than 20 years. Mr. Al-Jabr assumed different roles within the insurance industry covering areas of human resources, strategy, business development and claims. Mr. Al-Jabr has masters' degree in Business Administration from Bradford University in the UK.

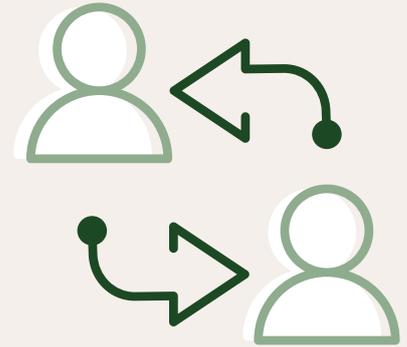
5 **Fadi Al Qutub**

Chief Investment Officer Mr. Fadi joined Saudi Re in 2019 and previously held several positions in the field of investment and portfolio management for more than 20 years, his recent position was the of General Manager for Investment in Alistithmar Capital. Mr. Fadi is a certified financial advisor from the Financial Services Authority in the UK, a certified portfolio manager and a certified wealth manager from the American Academy of Financial Managers. Mr. Fadi holds a bachelor degree from the University of Bahrain in business management.

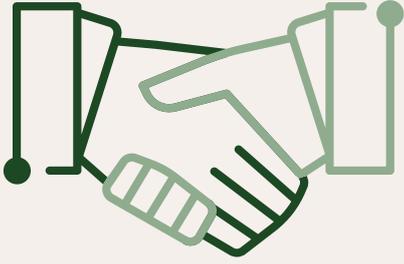
6 **Ahmed Al-Qarishi**

Chief Risk Officer & Chief Actuary. Mr. Ahmed joined the company on 2014 and has experience that exceed 14 years, during which Mr. Al-Quraishi occupied positions in Banking and Insurance supervision within the Saudi Arabian Monterey Agency. Mr. Al-Quraishi has a master degree in actuarial science from Ball State University in USA, in addition he is a Fellowship of the Society of Actuaries in USA (FSA).

10. Interests of Board Members, Their Wives, Dependents And Their Subsidiaries In Shares And Debt Instruments of The Company.



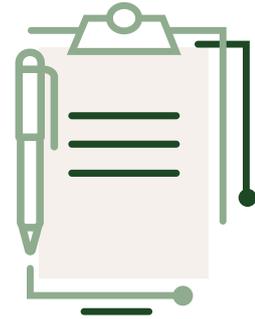
The board members, their wives and dependents or any of their subsidiaries do not have any interests in shares or debt instruments of the company other than the shareholdings mentioned in section 13.



11. Persons With Interests In Any Voting Shares Who Has Informed The Company of Such Rights.

No person with interests in voting rights on any category of shares has notified the company of such interests.

12. Description of Any Investments or Reserves Established By The Company For The Benefit of Its Employees.



The Company has not made any investments or reserves for the benefit of its employees.

13. Shareholding Percentage of Board Members And Senior Executives

Member	Number of Shares&Dept Investments at the beginning of the year	Percentage of Ownership at the beginning of the year	Net Change in the Number of shares during the year	Percentage of Change During the year	Total Shares Held at end of the year	Percentage Of Holding at the end of the year
Mr. Hesham Al-Shaikh & his family (Chairman)	8.100	0.01%	0	0%	8.100	0.01%
Mr. Mishari Al-Mishari Al-Hussain & his family (Vice-Chairman)	4.050	0.005%	0	0%	4.050	0.005%
Mr. Ahmad Sabbagh& his family(Board Member)	324.000	0.4%	0	0%	324.000	0.4%
Mr. Jean-Luc Gourgeon& his family (Board Member)	0	0%	0	0%	0	0%
Mr. Ismail Mahbob& his family (Board Member)	0	0%	0	0%	0	0%
Mr. Fahad Al-Hesni& his family (Executive Board Member) 1	50.000	0.06%	0	0%	50.000	0.06%
Mr. Hammam Badr& his family (Board Member) 1	0	0%	0	0%	0	0%

1 membership ended on 10/05/2020

2 membership started on 11/05/2020

Member	Number of Shares&Dept Investments at the beginning of the year	Percentage of Ownership at the beginning of the year	Net Change in the Number of shares during the year	Percentage of Change During the year	Total Shares Held at end of the year	Percentage Of Holding at the end of the year
Mr. Mohamad Al Otaibi and his family (Board member)	8.10	0.001%	0	0%	8.10	0.001%
Mr. Hussam Al Suwailem and his family (Board member) 2	0	0%	0	0%	0	0%
Dr. Peter Hugger and his family (Board member) 2	0	0%	0	0%	0	0%
Mr. Marc Maupoux and his family (Board member) 2	0	0%	0	0%	0	0%
Mr. Nilmin Pieries and his family (CFO)	0	0%	0	0%	0	0%
Mr. Ahmed Al Jabr and his family (Chief Operating Officer)	0	0%	0	0%	0	0%
Mr. Fadi Al Qutub and his family (Chief Investment Officer)	0	0%	0	0%	0	0%
Mr. Ahmed Al- Qarishi and his family (Chief Risk Officer & Chief Actuary)	0	0%	0	0%	0	0%

1 membership ended on 10/05/2020

2 membership started on 11/05/2020

14. Remunerations of The Board Members And Senior Executives

The General Assembly has approved on 30/04/2018 an amended remuneration policy for the board and non-board members. According to the policy, each member is entitled for SAR 5,000 for each attended meeting of the board and any board committee meeting. The company's Board directors will be paid a minimum amount of SAR 120,000 as an annual remuneration against Board directorship and contribution to Board business. The Chairman of the Board will be paid a minimum amount of SAR 180,000 per year. Each Non-Board member will be paid an amount of SAR 5,000 as an attendance fee per meeting per committee and will be paid a lump sum of SAR 90,000 per year as a remuneration for contribution to the Committee functions. All remunerations are subject to the approval of the General Assembly of the Shareholders.

The Board decided to recommend to the General Assembly to pay an annual remuneration amount of SAR 300,000 to the Chairman of the Board and SAR 200,000 to each Board member.

In Thousand Saudi Riyals	BOD Members (Executives)	BOD Members (Non-Executive & Independent)	5 Top Executives Including CEO & CFO
Salaries & Benefits	-	-	7,637
Annual Comensation	200	1,659	2,186
Meeting Fees & Expenses	70	1,105	-
Consultancy Fees	-	165	-
Benefits In Kind Granted Monthly Or Yearly	-	-	-
Total	270	2,929	9,823

BOD Member Name	BOD Meetings	EXCOM Meetings	INVST COM Meetings	TC COM Meetings
Mr.Hesham Al-Shaikh	25,000	25,000	25,000	-
Mr. Fahad Al Hesni	30,000	30,000	10,000	-
Mr. Mishari Al Mishari	30,000	-	25,000	-
Mr. Ahmad Sabbagh	30,000	-	-	50,000
Mr.Jean-Luc Gougeon	30,000	30,000	-	50,000
Mr. Hammam Badr ¹	10,000	-	-	15,000

Mr. Ismail Mahboub ¹	10,000	-	-	-
Mr. Mohamad Al-Otaibi	30,000	-	-	-
Mr. Marc Maupoux ²	20,000	-	-	35,000
Dr. Peter Hugger ²	20,000	-	-	-
Mr. Hussam Al Suwailem ²	20,000	-	25,000	-

BOD Member Name	Audit COM Meetings	RMC Meetings	N&R COM Meetings	Total Meetings Fees	BOD Remuneration	Total amount due
Mr. Hesham Al-Shaikh	-	-	-	75,000	300,000	375,000
Mr. Fahad Al Hesni	-	-	-	70,000	200,000	270,000
Mr. Mishari Al Mishari	-	-	15,000	70,000	200,000	270,000
Mr. Ahmad Sabbagh	-	-	15,000	95,000	200,000	295,000
Mr. Jean-Luc Gougeon	-	-	-	110,000	200,000	310,000
Mr. Hammam Badr ¹	-	-	10,000	35,000	71,233	106,233
Mr. Ismail Mahboub ¹	15,000	10,000	-	35,000	71,233	106,233
Mr. Mohamad Al-Otaibi	-	30,000	5,000	65,000	200,000	265,000
Mr. Marc Maupoux ²	-	-	5,000	60,000	128,219	188,219
Dr. Peter Hugger ²	25,000	20,000	-	65,000	128,219	193,219
Mr. Hussam Al Suwailem ²	-	-	-	45,000	160,274	205,274

¹ membership ended on 10/05/2020

² membership started on 11/05/2020

Remunerations of The External Committee member

External Committees Members Name	Audit COM Meetings	RMC Meetings	IC Meetings	Remuneration	Total amount due
Mr. Ali Al Qahtani ¹	15,000	-	-	32,055	47,055
Mr. Hisham Al-Akil	35,000	-	-	90,000	125,000
Dr. Volker Lauff ²	-	30,000	-	90,000	120,000
Mr. Abdullah Al Farraj ²	25,000	-	-	57,699	82,699
Mr. Tarik Zaino ²	25,000	-	-	57,699	82,699

¹ membership ended on 10/05/2020

² membership started on 11/05/2020

15. Name Of All Subsidiaries Companies



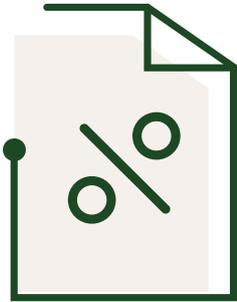
Name of Subsidiary Company	Paid Up Capital	Holding Percentage	Main Activity	Place of Main Activity Operation	Place of Incorporation
Probitas Holding LTD	4,508,982 USD	49.9%	Insurance	United Kingdom	Bermuda



16. Company Shares Ownership

Shareholder Name	Holding Percentage at 01/01/2020	Holding Percentage at 31/12/2020	Change
Ahmad Hamad Algosabi & Bros. Company	5%	5%	0

17. Material Contracts In Which Board Members And Executive Management Have Interests



During 2020, the Company had the following contracts which had direct and indirect interest for the members of Board of Directors:

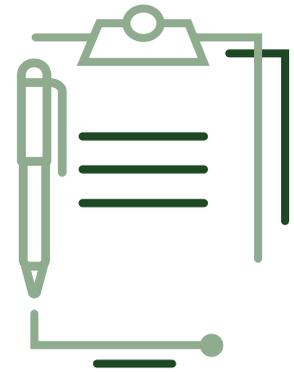
- A consultancy services contract for one year with the Board member Mr. Jean-Luc Gourgeon, who has a direct interest, with a contract value of SR 164,773 and no preferential conditions.
- An investment subscription in a Murabaha public mutual fund managed by Ashmore Investment Saudi Arabia with administration fees of SR 327,719 in 2020, which has a indirect interest for the Chairman of the Board Mr. Hesham Al-Shaikh, up to June 2020, for being a board member in the company, with no preferential conditions.
- A reinsurance contract with Iskan Insurance Company in Egypt for one year with gross premium of SR 1,083,546 which has an indirect interest for the member of the Board Mr. Hammam Badr, up to May 2020, for being the Chairman of the board directors of the company, with no preferential conditions.
- Reinsurance contracts for one year with Probitas Corporate Capital Ltd, which is owned by Probitas Holding (Bermuda) Limited, and has an indirect interest for the Chairman of the Board of Directors Mr. Hisham Abdulmalik Al- Shaikh, MD/ CEO Mr. Fahad Al-Hesni and Board Member Mr. Jean-Luc Gourgeon for their membership in the Board of Directors of the parent company Probitas Holding (Bermuda) Ltd. Also, there is an indirect interest for Board Member Mr. Jean-Luc Gourgeon for his membership in the Board of Directors of Probitas Corporate Capital Ltd, noting that the value of transactions during 2020 is estimated at SR 161,168,533, with no preferential conditions.



18. Penalty Precautionary Procedure Or Preventative Measure Imposed On The Company By The Authority:

A violation has been received from SAMA related to the Company not reporting to SAMA within the required time frame the update of the Corporate Governance policy after the AGM approval.

19. Internal Control Systems In The Company



The internal control system intends to ensure that control and monitoring tools are in place to ensure, at a reasonable level, the soundness of financial reports and mitigation of risk. The results of the annual audit conducted by the internal auditor have not revealed any material deficiency or weakness in the company's internal control system. The Audit Committee confirms that there was no conflict between the Audit Committee resolutions.

20. Number Of Times The Company Requested The Share Register

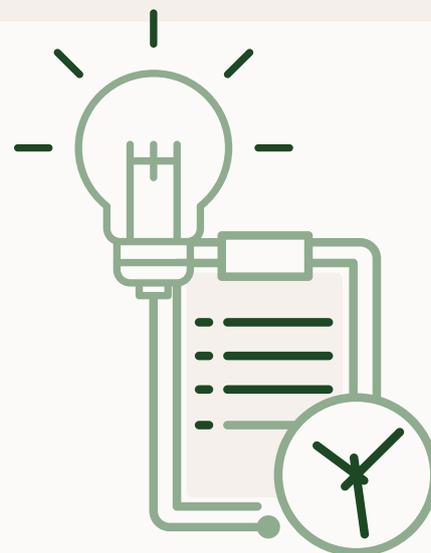
Number of Requested Share Register	Date Of Request	Reasons Of Request
1	13/01/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right
2	25/02/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right
3	25/03/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right
4	23/04/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right
5	06/05/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right
6	10/05/2020	To comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right and to prepare for the ordinary general assembly meeting convened on 10/05/2020
7	28/06/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right
8	27/07/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right
9	23/08/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right
10	27/09/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right
11	25/10/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right
12	26/11/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right
13	28/12/2020	to comply with article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law And to calculate the differences in the shareholder right

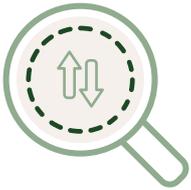
21. Statement Of Accrued Regulatory Payments (In Thousand Saudi Riyals)

Description	Paid Due	Payments Due
Zakat and Income Tax	17,774	20,742
With-Holding Tax	2,729	872
Value Added Taxation	18,150	7,626
General Organization For Social Insurance(GOSI)	2,180	166
Sama's Control and Inspection Costs	4,215	3,681
Total	45,048	33,087

22. External Auditors

The extraordinary general meeting convened on 10/05/2020 and approved the board's recommendation to appoint Ibrahim Ahmed Al Bassam & Co-and KPMG Al-Fozan & Partners Certified Accountants to act jointly as external auditors of the company for the year ending 31/12/2020.





23. Accounting Standards Adopted In Financial Statements

The company applies the International Financial Reporting Standards (“IFRS”) as modified by the Saudi Central Bank (“SAMA”) for the accounting of Zakat and income tax. The Audit Committee confirms that there was no conflict between the Audit Committee resolutions and the Board



24. Dividend Policy

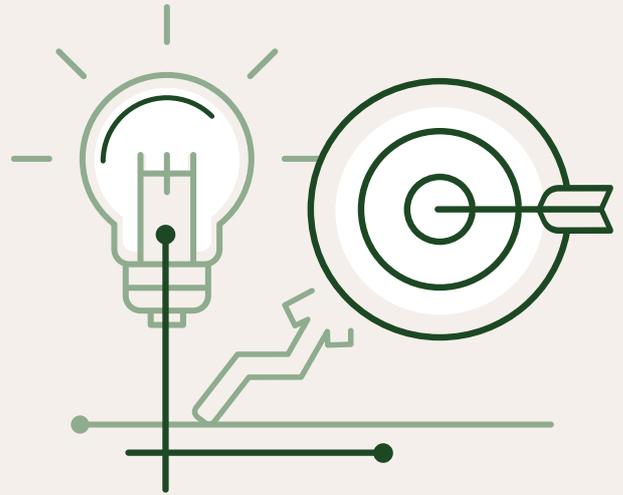
The Company dividends policy aims to achieve suitable returns to the Company’s shareholders in one or more of the following:

1. Distribution of cash dividends to the shareholders taking into consideration the financial position of the company, solvency margin requirements, available credit lines and the general economic situation.
2. Stock dividends taking into consideration the requirements and conditions related to retained earnings and other stockholder’s equity in the balance sheet.
3. Shareholders who are registered at the end of trading before of the General Assembly at which dividend preminent is approved will be entitled for the dividends.
4. The company pays the profits to be distributed to the shareholders at the dates specified by the Board of Directors. According to the articles of association of the company, profits are distributed according to the decision of the general assembly, and this is done as follows:
 - Avoid zakat and assessed income tax.
 - Avoid (10)% of the net profits to form a statutory reserve, and the ordinary general assembly may stop this appropriation when the total reserve reaches (30)% of the paid-up capital.
 - Once determining the stock shares in net profits, the ordinary general assembly have the right to decide to form other reserves, to the extent that it achieves the interest of the company or ensures distribution of fixed profits as possible to shareholders.
 - After that, the first payment shall be distributed to the shareholders, with the conduction that is not less than 1% of the paid-up capital

25. Declaration

the company declare that

- It has no loans payable on call or otherwise, and the Company has not repaid any loans during the year ended 31/12/2020.
- It has no convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the company, during the financial year ended 31/12/2020.
- There have not been any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company during 2020.
- There have not been any, redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of such securities outstanding.
- During 2020, there have not been any arrangement or agreement under which a director or a Senior Executive of the company has waived any remuneration.
- During 2020, there is no any business or contract to which the company is a party and in which a director of the company, a Senior Executive or any person related to any of them is or was interested, other than the contracts mentioned in the item 17 here above.
- There have not been any arrangement or agreement under which a shareholder of the company has waived any rights to dividends.



The company further declares that:



- Proper books of account have been maintained
- The system of internal control is sound in design and has been effectively implemented
- There are no significant doubts concerning the company's ability to continue its activity

Conclusion

The board of directors extends appreciation and thanks to our valued customers for their trust and to all of our shareholders whose contributions play a significant role in developing the company. The board also extends its appreciation to the company's management and staff for their wholehearted efforts during the year which contributed to the progress of the company.