

2019

Directors' Report

Board of Directors

Abstract geometric lines in the bottom right corner of the page, consisting of several overlapping, parallel lines that create a sense of depth and movement.



Mr. Hesham Abdulmalik Al-Shaikh

Chairman of the Board

Mr. Hesham Al-Shaikh joined Saudi Re as a Non-Executive Board Member in 2011, and he 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 of the Company. Currently he sits on the Board of Probitas Holding Company (Bermuda), Watan First Financial Institute, and Ashmore Saudi Arabia Investments. He has more than 25 years of experience in the Banking and Investments sectors during which he assumed various leading positions most of it was at the Arab National Bank in Saudi Arabia. Mr. Al-Shaikh has Bachelor's degree in Business Management specialized in Applied Mathematics and Economics from California University in USA.



Mr. Mishari Al-Mishari Al-Hussain

Vice Chairman of The Board

Mr. Mishari Al-Mishari Al-Hussain joined Saudi Re as an Non-Executive Board Member in 2009, he serves as the Vice Chairman of the Board, and as a member of the Nomination and Remuneration Committee and a member of the Investment Committee of the Company. Currently he sits on the Board of the Hana Water Company, as well as in a number of other companies in the fields of Real-estates development and Training and Education. He 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-Hussain has Bachelor's degree in Business Administration from Oregon State University in USA.



Mr. Ahmad Sabbagh

Board Member

Mr. Ahmad Sabbagh joined Saudi Re as a Non-Executive Board Member in 2008, he served as the Chairman of the Audit Committee from 2009 to 2015, and currently he serves as a member of the Nomination and Remuneration Committee, and the Technical Committee of the Company. Moreover, previously he was the General Manager of the Islamic Insurance Company in Jordan and also he considered as one of its founders and a former member of its Board of Directors, also he is a member of the Board of Trustees of the Arab Insurance Institute. He has more than 45 years of experience in the Insurance and Reinsurance industry during which he assumed various leading positions, such as being the President of the International Federation of Takaful and Islamic Insurance Companies for 6 years. Mr. Sabbagh has Bachelor's degree in Business Administration from Beverly Hills University California in USA.



Mr. Mansour Al-Bosaily

Board Member

Mr. Mansour Al-Bosaily joined Saudi Re as an Independent Board Member in 2012, he serves as Chairman of the Nomination and Remuneration Committee and a member of the Executive Committee of the Company (resigned on 31st December 2019). Currently he is the Chairman of the HSBC Saudi Arabia Company, and a Board Member of Saudi Ground Services Company, Amlak International Company, Jabal Omar Development Company and United Electronics Company (Extra). He has more than 30 years of experience in Banking and Legal Affairs sectors, as he was the Executive Director of the Legal Affairs Department and the Secretary-General of the Saudi British Bank (SABB). Mr. Al-Bosaily has Bachelor's degree in Law & Systems from King Saud University in Saudi Arabia



Mr. Mohamad Al-Otaibi

Board Member

Mr. Mohamad Al-Otaibi joined Saudi Re as an Independent Board Member in May 2017, and he serves as the Chairman of the Risk Management Committee of the Company. Currently he sits on the Board of Riyadh Bank and Al Yamamah Steel Industries Company. He has more than 30 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. Al-Otaibi has MBA specialized in Finance from Western Michigan University, also he holds AMP from Harvard University in USA.



Mr. Jean-Luc Gourgeon

Board Member

Mr. Jean-Luc Gourgeon joined Saudi Re as a Non-Executive Board Member in 2011, he serves as the Chairman of the Technical Committee, and a member of the Executive Committee. Currently he's a Board Member of Probitas Holding Company (Bermuda), and was the Deputy CEO of Mamda Re in Morocco, also he is the Founder and CEO of his own Company, Jean-Luc Gourgeon Ltd. He has more than 30 years of experience in Insurance and Reinsurance Industry, as he was the General Manager of Everest Re Europe in UK and the CEO of Paris Re in France. Mr. Gourgeon has Master's degree with honor in Mechanics Science from Ecole Centrale de Lyon, Claude Bernard University in France, INSA Lyon. He also holds a political science degree of Institut d'Etudes Politiques de Paris.



Mr. Ismail Mahbob

Board Member

Mr. Ismail Mahbob joined Saudi Re as an Independent Board Member in 2012, he serves as a member in the Audit Committee and the Risk Management Committee of the Company. He was President/CEO of MNRB Retakaful Berhad, the first Malaysian retakaful operator. He had wide experience in international reinsurance market in his previous capacity as Senior Vice President of Labuan Reinsurance Ltd. Mr ismail holds Diploma in Marketing from CIM (UK) and Fellow of Chartered Institute of Islamic Finance Professional (CIFP), Malaysia."



Mr. Hammam Badr

Board Member

Mr. Hammam Badr joined Saudi Re as an Independent Board Member in 2013, 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.



Mr. Fahad Al-Hesni

Managing Director - CEO

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. Currently 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 during which he assumed various leading positions in the fields of Business Development, Underwriting and Claims Management. 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.

Profiles of The External Members of The Board Committee



Mr. Ali Al-Qahtani

Mr. Ali Al-Qahtani joined the Audit Committee in 2011 as an external independent member and became the Chairman of the committee in 2016. Mr. Al-Qahtani has 20 years of experience in the fields of Accounting, Finance within Mr. Al-Qahtani held the position of Vice President of Financial Affairs Unit in Tawuniya Insurance Company from 2007 to 2011. Mr. Al-Qahtani now currently assume the position of Group Executive Vice President in Saudi Arabian Airline 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.



Mr. Hisham Al-Akil

Mr. Hisham Al-Akil joined the Audit Committee in 2016 as an external independent member. Mr. Al-Akil enjoys more than 13 years of experience in the Banking and Finance sector, during which Mr. Al-Akil occupied positions in Banking and Insurance supervision within the Saudi Arabian Monetary Agency. Mr. Al-Akil now currently assume the position of the Chief Financial Officer in Albilad Bank. Mr. Al-Qahtani received his Master degree in Accounting from the University of Illinois and obtained an association ship from the the American Institute of Certified Public Accountant in addition he is completed the Strategic Financial Leadership program from Stanford University.



Mr. Husam Al-Suwailem

Eng. Hussam joined the investment committee In 2019 as an independent member. Hussam has worked for many of the leading Saudi banks, including SAMBA, NCB and Riyadbank. He has had various roles in corporate banking and asset management. He also has worked as an M&A investment analyst for a subsidiary of the Public Investment Fund. Eng. Hussam is a Chartered Financial Data Professional.



Dr. Volker Helmet Lauff

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. Such as taking the position of Sales Leader Analytics at Aon Global Risk Consulting, Currently serves as the Executive Chairman of PRS Capital Solutions. Dr.Volcker holds a PhD in Mathematics from Otto Von Guericke University, Germany.

01

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

Board of Directors Report



1. Important Plans And Decisions



2. Operational Activities



3. Future Expectations



4. Current And Future Risks

1



SIGNIFICANT BOARD RESOLUTIONS

- Approval to amend the Article of Association and the Corporate Governance Policy and propose them to the General Assembly for voting.
- Approval of a number of new and amended policies including the Conflict of Interest Policy, the Code of Professional Conduct & Ethics, the Reporting Non-Compliant Practices 'Whistleblowing' Policy, and the Anti-Fraud Policy & Strategy.
- Approval of the 2020-2022 Corporate Business Plan and the Digital Transformation Strategy.
- Approval of the Audit Committees recommendations to implement the plan to adopt IFRS 9 & 17 effective starting from 2022.
- Approval to underwrite and renew the participation in a reinsurance program in Lloyd's market for the year 2019-2020.

- Approval of the Financial Condition Report of 2018 financial year and the appointment of the appointed Actuary for the year 2020.
- Approval of the structure of the retrocession program for 2019/2020.
- Approval to split the Risk & Underwriting Committee to form two committees, namely; Risk Management Committee and Technical Committee, and approve the Charters of the committees.
- Approval to appoint Mr. Mansour Al Bosaily as the Chairman of NRC, replacing Mr. Mishari Al-Mishari Al-Hussain who will continue to be a member in the committee.
- Approval to appoint Mr. Hussam Alsuwailem as an External Member of the Investment Committee.
- Approval to accept the resignation of the Mr. Mansour Al Bosaily from the board effective December 31 2019.

2 OPERATING ACTIVITIES



2.1 Business Development & Marketing Activities

During 2019, Saudi Re continued its focus on strengthening relationship with current and potential clients through direct and broker channels. Armed with its solid financial position, robust credit rating, strong brand, and proximity to high growth markets, Saudi Re was able to increase its gross written premium by 10% in 2019, compared to the previous year, recording 793 million riyals, despite the competitive nature of the reinsurance marketplace. Aiming at expanding its foothold in profitable and growing markets, Saudi Re registered noticeable growth in key markets in Lloyds, Asia, Africa in addition to its home market in Saudi Arabia. In 2019, the international business represented nearly 60% of the overall portfolio sourced from more than forty markets, giving a good example of the level of diversification and balance in Saudi Re portfolio.

Considering the importance of active engagement with clients and partners, Saudi Re participated in the main regional and international industry events and performed a number of clients activities which including organizing market seminars, the sponsorship of the Fifth Saudi Insurance Symposium and the Second Sham Insurance and Reinsurance Rendezvous.

2.2 Underwriting & Claims

In 2019, the technical performance witnessed significant improvement, registering an increase by 30% in the net underwriting results generating 67.2 million riyals compared with 51.6 million riyals in the previous year. This resulted in an improved combined ratio of 97%, which is attributed to the company's continuous re-underwriting methodology, efficient underwriting and claims management practices and pricing adequacy.

Furthermore, maintaining an economically scaled book of business and optimizing the level of risk by diversification by risk type and location, within Saudi Re 's Risk Appetite, is key to the improvement in technical performance. In addition, informed estimation, using actuarial modeling techniques, has contributed to the prediction of large and catastrophic events and setting reasonable technical reserves.

In 2019, the portfolio was well balanced among nine main lines of business consisting of Fire, Specialty, Marine, Engineering, Motor, Accident, Life, Health and others.

2.3 Manpower and Training

As part of Saudi Re role in nationalizing the reinsurance industry and developing local talents, Saudization ratio recorded 68% in 2019, while achieving a platinum rank in the Nationalization Program "Nitaqat". Saudi Re continued to carry on the "Saudi Re Development Program" (SRDP) by arranging a number of training programs locally and internationally in addition to promoting professional qualifications in various fields. Areas of focus included technical and analytical skills as well as awareness on corporate governance, anti-money laundering & financial crime, and cyber security.

Furthermore, Saudi Re participated in a number of development programs which included "The Insurance Manager" and the "The Insurance Leaders Preparation Program" with the support of the Saudi Arabian Monetary Authority (SAMA).

2.4 Information Systems

During 2019, to ensure best services to our clients and meeting growth strategies, Saudi Re's Digital Transformation is prepared and put in action starting by upgrading Saudi Re data centers, local networks and connection bandwidth.

Furthermore, many projects have been initiated to upgrade or change Saudi Re's systems as per the Digital Transformation plan for 2019 which included upgrading the core Reinsurance system which is used by Underwriting, Claims, and Technical Accounting and Retro departments. In addition, service desk platform has been implemented to secure high quality IT services to Saudi Re staff.

In line with Saudi Re plans to ensure safe and secure operation environments, several tools have been implemented in 2019.

The International Business represented nearly

60%

of Saudi Re portfolio with a composition of 29% in the Asian markets, 13% in the Middle Eastern markets, 6% in the African markets, and 13% in other territories, while the Saudi market presented 41%.

2.5 General Developments

The company retained its rating of A3 with a stable outlook from Moody's and also it's AA+ rating by Tassnief with stable outlook.

3 BUSINESS PROSPECTS



In light of the progress achieved so far and with the aim of maintaining a dynamic and effective business model that is able proactively evolve within a changing marketplace and cope with the digital developments, Saudi Re has developed a business plan toward 2022. 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, and strong credit rating

Throughout the planning exercise, a number of 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.

A new emerging risk that is affecting the global economy is Coronavirus (Covid-19) pandemic, causing future Gross Written Premiums growth to decelerate in 2020 at least. Insurance and reinsurance market is not expected to be immune from this economic shock which is likely to weaken demand and affect investment performance. The governmental efforts, especially in the Kingdom of Saudi Arabia, are anticipated to contribute in containing the spread of the pandemic and revive the economy.

To that end, Saudi Re has taken measures to mitigate the possible impact on its operations and investments, which included the activation of its business continuity plan, accelerating the execution of the digital transformation strategy as well as effecting a number of tactical actions intended for de-risking the investment portfolio. As the situation is developing, Saudi Re will be monitoring the impact continually.

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 2019 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 understated 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.

4.6

○ **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.

4.7

○ **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.

4.8

○ **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 adopting strategies such as; diversification , duration adjustments, setting credit quality benchmarks, asset liability matching as set out in the Investment Policy Statement approved by the Board.

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 Arabian Monetary Authority, Saudi Capital Market Authority, the Ministry of Commerce and the Ministry of Human Resources and Social Development. Company's Branch is required to be in Compliance with Labuan Financial Services Authority.

4.10

Cyber Risk

To Saudi Re, Information is an 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 person/s 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 indirectly, 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 at all times. The company also has financial strength rating of 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 rating 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 .

02

Second: 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



Statement of Financial Position For The Past Five Years

In Thousand Saudi Riyals	Dec 31 2019	Dec 31 2018	Dec 31 2017	Dec 31 2016	Dec 31 2015
Reinsurance Operations Assets					
Bank Balances & Cash	6,061	22,344	53,494	42,892	61,026
Time Deposits	138,195	73,896	58,003	67,552	35,218
Accrued Special Commission Income From Time Deposits	1,728	408	869	1,070	72
Premiums Receivable, Net	233,393	200,024	358,871	181,957	195,142
Investments Held At Fair Value Through Income Statement	40,877	56,100	106,316	93,447	73,707
Accrued Insurance Premiums	467,071	409,778	372,088	262,340	440,824
Retroceded Share Of Unearned Premiums	50,837	33,081	117,679	3,758	7,363
Deferred Excess Of Loss Premiums	11,744	11,432	14,300	17,517	17,390
Retroceded Share Of Outstanding Claims	282,719	198,433	59,889	94,772	47,116
Retroceded Share Of Claims Incurred But Not Reported	34,812	59,937	105,950	15,878	13,381
Deferred Acquisition Costs	106,279	99,895	100,345	81,705	94,148
Prepaid Expenses, Deposits And Other Assets	171,904	177,872	103,964	49,276	91,222
Due From Shareholder's Operations	90,987	110,965	144,462	152,144	130,783
Property And Equipment, Net	3,941	2,213	2,286	3,403	5,456
Total Reinsurance Operations Assets	1,640,548	1,456,378	1,598,516	1,067,711	1,212,848

In Thousand Saudi Riyals	Dec 31 2019	Dec 31 2018	Dec 31 2017	Dec 31 2016	Dec 31 2015
Shareholder's Assets					
Bank Balances & Cash	7,108	9,542	31,738	27,950	31,917
Time Deposits	239,836	196,235	-	112,457	118,849
Accrued Special Commision Income From Time Deposits	6,246	1,671	3	2,191	540
Accrued Special Commision Income From Bonds And Sukuk	2,793	2,664	3,831	4,144	2,221
Investments Held At Fair Value Through Income Statement	376,971	496,474	758,752	724,579	687,580
Held-To-Maturity Investments	37,500	-	-	-	-
Investments In Associate	101,446	97,294	91,954	-	-
Held To Maturity Investments	-	-	-	-	-
Prepaid Expenses, Deposits And Other Assets	72,736	31,088	228	45	406
Statutory Deposit	121,500	121,500	100,000	100,000	100,000
Accrued Income On Statutory Deposit	17,992	15,549	13,128	10,242	7,592
Property And Equipment, Net	29,634	30,376	31,250	32,110	32,999
Total Shareholder's Assets	1,013,762	1,002,393	1,030,884	1,013,718	982,104
Total Assets	2,654,310	2,458,771	2,629,400	2,081,429	2,194,952

In Thousand Saudi Riyals	Dec 31 2019	Dec 31 2018	Dec 31 2017	Dec 31 2016	Dec 31 2015
Reinsurance Operations Liabilities And Surplus					
Accounts Payable	39,929	19,928	16,648	18,217	10,102
Retrocession Balances Payable	46,173	22,899	229,764	51,920	14,927
Accrued Retroceded Premiums	21,742	15,840	7,891	76	354
Unearned Premiums	401,997	380,171	461,489	306,479	502,998
Outstanding Claims	737,229	662,467	445,954	433,740	398,692
Claims Incurred But Not Reported	355,255	330,481	415,099	246,274	275,428
Unearned Retrocession Commission	8,396	6,410	7,542	848	1,807
Accrued Expenses And Other Liabilities	15,510	7,560	5,743	3,906	4,185
End of Services Indemnities	8,829	6,594	5,729	3,958	3,165
Total Reinsurance Operations Liabilities	1,635,060	1,452,350	1,595,859	1,065,418	1,211,658
Reinsurance Operations Surplus					
Accumulated Surplus	7,546	4,028	2,657	2,293	1,190
Total Reinsurance Operations Liabilities And Surplus	1,642,606	1,456,378	1,598,516	1,067,711	1,212,848

In Thousand Saudi Riyals	Dec 31 2019	Dec 31 2018	Dec 31 2017	Dec 31 2016	Dec 31 2015
Shareholders' Liabilities And Equity					
Shareholders' Liabilities					
Provision For Zakat And Income Tax	23,742	38,244	37,431	39,728	39,419
Due To Reinsurance Operations	90,987	110,965	144,462	152,144	130,783
Accrued Expenses And Other Liabilities	3,911	4,987	7,070	6,303	2,174
Accrued Commission Income Payable To SAMA	17,992	15,549	13,128	10,242	7,592
Total Shareholders' Liabilities	136,632	169,745	202,091	208,417	179,968
Shareholders' Equity					
Share Capital	810,000	810,000	1,000,000	1,000,000	1,000,000
Statutory Reserve	17,904	8,815	6,071	6,071	6,071
Other Reserves	(1,946)	1,075	(1,962)	-	-
Retained Earnings / (Accumulated Deficit)	49,114	12,758	(175,316)	(200,770)	(203,935)
Total Shareholders' Equity	875,072	832,648	828,793	805,301	802,136
Total Shareholders' Liabilities And Equity	1,011,704	1,002,393	1,030,884	1,013,718	982,104
Total Reinsurance Operations Liabilities, Shareholders' Liabilities and Equity	2,654,310	2,458,771	2,629,400	2,081,429	2,194,952

2



Results Of Operations For The Past Five Year

In Thousand Saudi Riyals	Dec 31 2019	Dec 31 2018	Dec 31 2017	Dec 31 2016	Dec 31 2015
Revenues					
Gross Writtem Premiums	792,848	721,605	942,007	985,510	804,826
Retroceded Premiums	(127,844)	(72,997)	(274,514)	(5,582)	(12,177)
Excess Of Loss Expenses	(18,399)	(31,712)	(30,571)	(41,744)	(37,857)
Net Written Premiums	646,605	616,896	636,922	938,184	754,792
Change In Net Unearned Premiums, Net	(4,070)	(3,281)	(41,088)	192,914	(259,257)
Net Earned Premiums	642,535	613,615	595,834	1,131,098	495,535
Retrocession Commissions	18,176	16,468	11,258	2,982	2,774
Total Revenues	660,711	630,083	607,092	1,134,080	498,309

Underwriting Costs And Expenses

Net Claims Incurred	(417,070)	(404,054)	(419,114)	(908,631)	(339,483)
Policy Acquisition Costs And Profit Commissions	(172,781)	(172,472)	(146,126)	(164,692)	(114,533)
Other Underwriting Expenses	(3,616)	(1,997)	(4,710)	(4,928)	(4,024)
Total Underwriting Costs & Expenses	(593,467)	(578,523)	(569,950)	(1,078,251)	(458,040)
Net Underwriting Income	67,244	51,560	37,142	55,829	40,269

In Thousand Saudi Riyals	Dec 31 2019	Dec 31 2018	Dec 31 2017	Dec 31 2016	Dec 31 2015
Special Comission Income From Deposits	8,890	4,140	2,858	3,028	202
Realized Gains/ (Losses) On Investments Held At Fair Value Through Income Statement	193	1,568	188	99	(73)
Unrealized Gains/ (Losses) On Investments Held At Fair Value Through Income Statement	216	(368)	3,931	2,352	1,325
Investment Management Expenses	(160)	(404)	(505)	(344)	(315)
Net Investments Income	9,139	4,936	6,472	5,135	1,139
Other Income	-	-	-	-	216
Reversal / (Allowance) Of Doubtful Debts	518	1,575	(333)	(2,331)	935
General And Administrative Expenses	(43,560)	(40,577)	(38,540)	(35,728)	(37,480)
Foreign Exchange Losses	1,839	(3,784)	(1,097)	(11,875)	(2,501)
Total Income For The Period	35,180	13,710	3,644	11,030	2,578
Total Income Attributed To The Reinsurance Operations	(3,518)	(1,371)	(365)	(1,103)	(258)
Total Income For The Period Attributable To The Shareholders	31,662	12,339	3,279	9,927	2,320

Shareholders Operations

Investments Revenues	37,855	13,218	55,450	22,667	7,795
Investment Management Expenses	(1,515)	(3,516)	(8,947)	(2,803)	(3,001)
Net Investments Income	36,340	9,702	46,503	19,864	4,794
Other Income	999	905	-	-	3
General And Administrative Expenses	(7,470)	(6,995)	(7,854)	(9,851)	(5,272)
Board Of Directors Remunerations, Meetings Fees And Expenses	(2,256)	(2,181)	(3,002)	(1,576)	(1,648)
Foreign Exchange Translation (Losses)/ Gains	43	(48)	(38)	100	(91)
Net Income For The Year	59,318	13,722	38,888	18,464	106

3



Notes On The Reinsurance Operation's Variances With Prior Year

In Thousand Saudi Riyals	Dec 31 2019	Dec 31 2018	Variance + or (-)	Change %
Revenues				
Gross Written Premiums	792,848	721,605	71,243	10%
Retroceded Premiums	(127,844)	(72,997)	(54,847)	75%
Excess of Loss Expenses	(18,399)	(31,712)	13,313	-42%
Net Written Premiums	646,605	616,896	29,709	5%
Change In Net Unearned Premium, Net	(4,070)	(3,281)	(789)	24%
Net Earned Premiums	642,535	613,615	28,920	5%
Retrocession Commissions	18,176	16,468	1,708	10%
Total Revenues	660,711	630,083	30,628	5%

In Thousand Saudi Riyals	Dec 31 2019	Dec 31 2018	Variance + or (-)	Change %
Underwriting Costs And Expenses				
Net Claims Incurred	(417,070)	(404,054)	(13,016)	3%
Policy Acquisition Costs And Profit Commissions	(172,781)	(172,472)	(309)	0.2%
Supervision And Inspection Fees	(3,616)	(1,997)	(1,619)	81%
Total Underwriting Costs And Expenses	(593,467)	(578,523)	(14,944)	3%
Net Underwriting Income	67,244	51,560	15,684	30%
Special Commission Income Form Time Deposits	8,890	4,140	4,750	115%
Realized Gains On Investments Held At Fair Value Through Income Statement	193	1,568	(1,375)	-88%
Unrealized (Losses) / Gains On Investments Held At Fair Value Through Income Statement	216	(368)	584	-159%
Investment Management Expenses	(160)	(404)	244	-60%
Net Investment Income	9,139	4,936	4,203	85%
Reversal For Doubtful Debts	518	1,575	(1,057)	-67%
General And Administrative Expenses	(43,560)	(40,577)	(2,983)	7%
Foreign Exchanges Losses	1,839	(3,784)	5,623	-149%
Total Income For The Period	35,180	13,710	21,470	157%
Total Income Attributed To The Reinsurance Operations	(3,518)	(1,371)	(2,147)	157%
Total Income For The Period Attributable To The Shareholders	31,662	12,339	19,323	157%

4

Main Lines Of Business And Results

Saudi Re transacts reinsurance 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:



In Thousand Saudi Riyals	Engineering	Fire	Marine	Motor	General Accident	Protection	Health	Speciality	Others	Total
Revenues										
Gross Written Premiums	79,119	204,274	89,857	59,854	56,173	49,872	22,765	96,761	134,173	792,848
Retroceded Premiums	(7,549)	(17,709)	(32,700)	-	(18,962)	-	-	-	(50,923)	(127,844)
Excess Of Loss Expenses	(3,639)	(6,062)	(1,177)	247	(118)	(815)	-	-	(6,835)	(18,399)
Net Written Premiums	67,930	180,503	55,980	60,101	37,093	49,057	22,765	96,761	76,416	646,605
Change In Unearned Premium, Net	336	2,170	(3,171)	9,568	9,088	(246)	2,546	(13,344)	(11,018)	(4,070)
Net Earned Premiums	68,266	182,673	52,809	69,669	46,181	48,812	25,310	83,417	65,398	642,535
Comissions On Retroceded Business	1,924	4,080	1,115	-	3,868	(7)	-	-	7,196	18,176
Total Revenues	70,190	186,754	53,923	69,669	50,049	48,805	25,310	83,417	72,594	660,711

Underwriting Costs And Expenses

Net Claims Incurred	(51,253)	(103,431)	(26,141)	(51,373)	(29,344)	(39,552)	(33,686)	(50,426)	(31,865)	(417,070)
Policy Acquisition Costs & Profit Comissions	(23,300)	(55,915)	(17,474)	(8,835)	(15,829)	(3,794)	(1,345)	(32,111)	(14,178)	(172,781)
Other Underwriting Expenses	(333)	(1,022)	(405)	(347)	(305)	(242)	(127)	(319)	(517)	(3,616)
Total Underwriting Costs & Expenses	(74,885)	(160,367)	(44,020)	(60,555)	(45,478)	(43,588)	(35,158)	(82,856)	(46,560)	(593,467)
Net Underwriting Income/ (Loss)	(4,696)	26,386	9,904	9,115	4,571	5,216	(9,847)	561	26,034	67,244

5

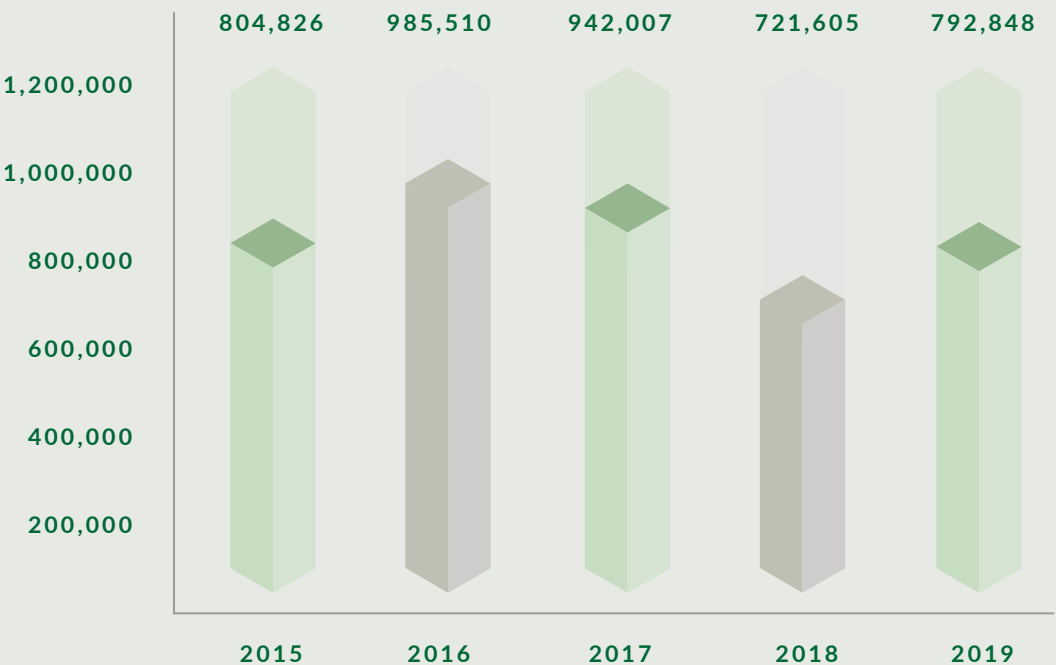


Written Premiums And Geographic Analysis

Gross premiums written increased by 10% in 2019 to SR 792,848 thousand from SR 721,605 thousand in 2018.

The following graph indicates the gross premiums written during the period 2015-2019 (in thousand Saudi Riyals).

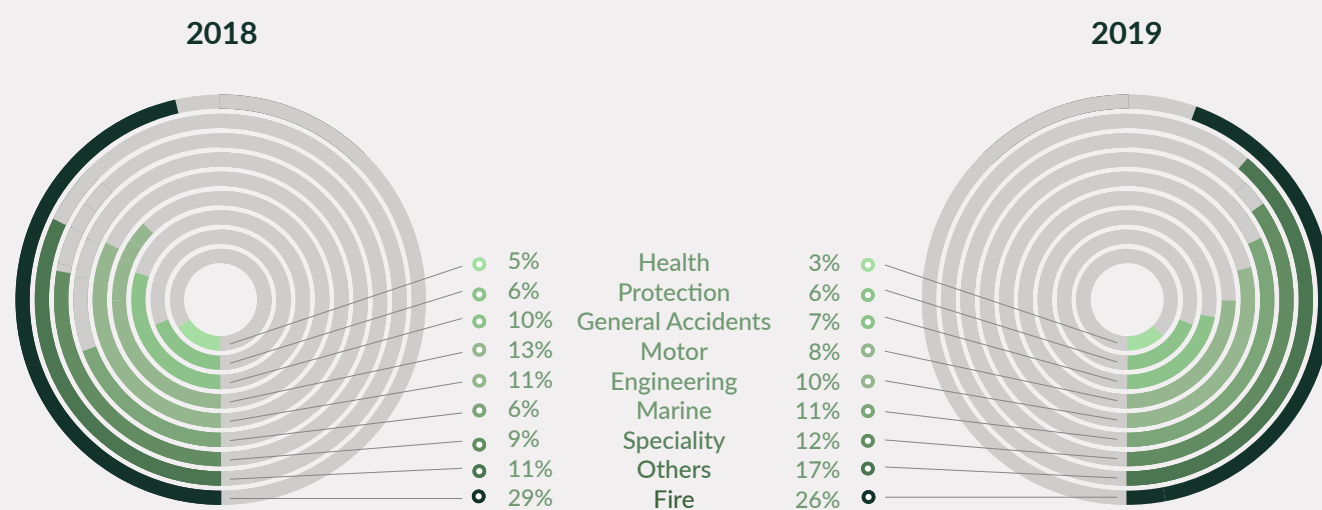
Gross Premium



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

Segment	2019	2018	Variance + or (-)	Change %
Engineering	79,119	75,852	3,267	4%
Fire	204,274	207,425	(3,151)	-2%
Marine	89,857	46,665	43,192	93%
Motor	59,854	94,277	(34,423)	-37%
General Accidents	56,173	69,532	(13,359)	-19%
Protection	49,872	45,563	4,309	9%
Health	22,765	33,341	(10,576)	-32%
Speciality	96,761	67,249	29,512	44%
Others	134,173	81,701	52,472	64%
Total	792,848	721,605	71,243	10%

Gross Written Premiums

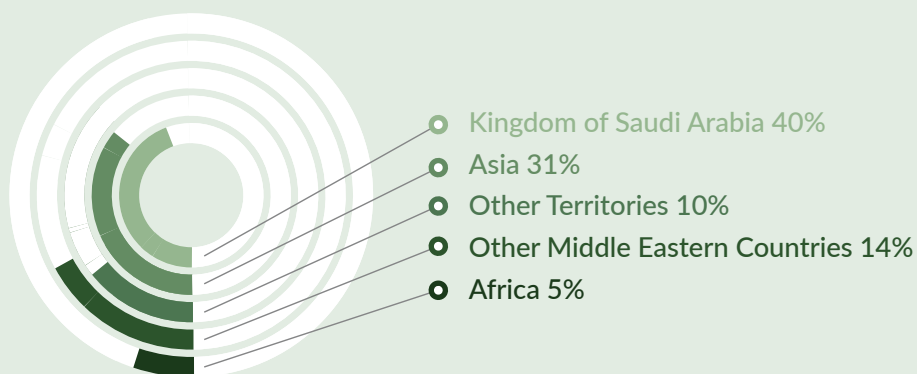


Geographical Analysis of Gross Premiums Written, Thousands

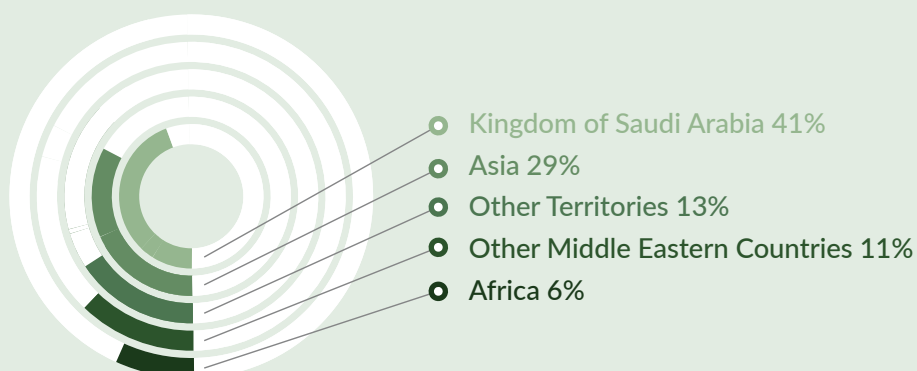
Geographical Segment	2019		2018	
	%	GWP	%	GWP
Kingdom of Saudi Arabia	41%	322,050	40%	288,453
Other Middle Eastern Countries	11%	91,840	14%	100,630
Africa	6%	48,339	5%	35,101
Asia	29%	230,149	31%	224,526
Other Territories	13%	100,470	10%	72,895
Total	100%	792,848	100%	721,605

Geographical Analysis of Gross Written Premiums

2018



2019



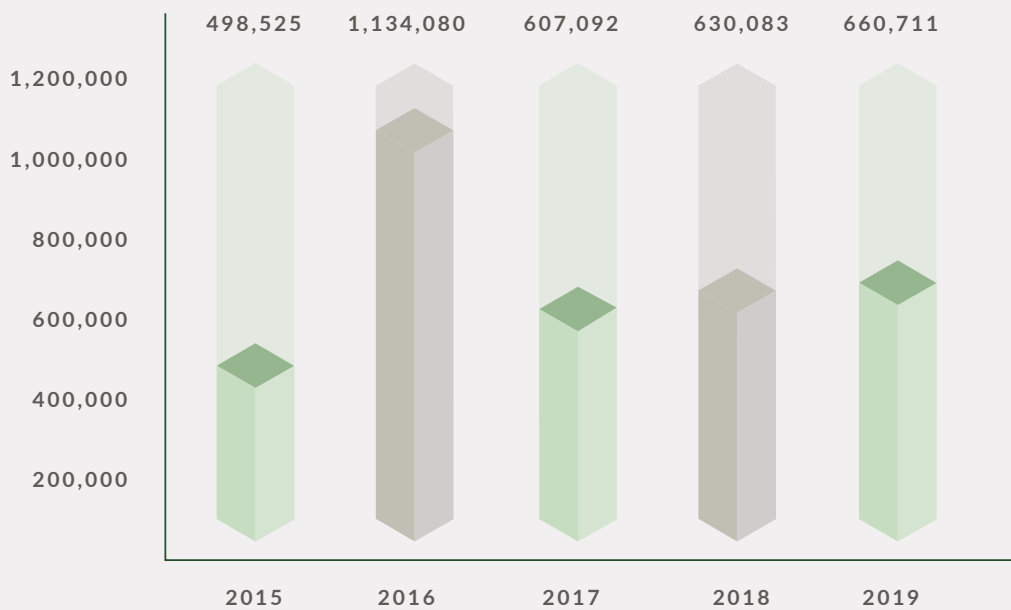
6

Total Underwriting Revenues



Total underwriting revenue increased by 5% to SR 660,711 thousand in 2019 from SR 630,083 thousand in 2018 main contribution to this was the increase in net earned premiums by 5%.

The following diagram shows the total revenues from 2015-2019 (in thousand Saudi Riyals).



Following The Details of Underwriting Revenues

Revenues	2019	2018	Variance + or (-)	Change %
Not Earned Premiums	642,535	613,615	28,920	5%
Retrocession Commissions	18,176	16,468	1,708	10%
Total	660,711	630,083	30,628	5%

Geographical Analysis of Underwriting Revenues

Revenues	2019	2018	Variance + or (-)	Change %
Within Kingdom of Saudi Arabia	217,880	232,784	(14,904)	-6%
Outside Kingdom of Saudi Arabia	442,831	397,299	45,532	11%
Total	660,711	630,083	30,628	5%

7

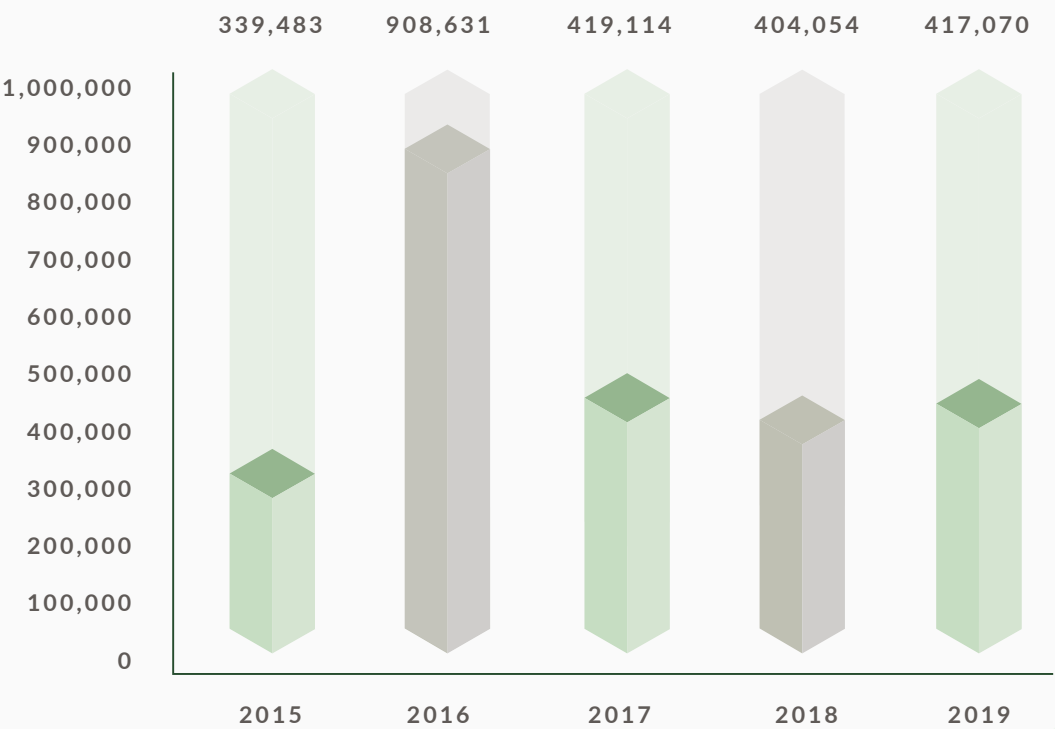
Net Incurred Claims



The net claims incurred after deduction of reinsurers share increased by 3% to SR 417,070 thousand in 2019 from SR 404,054 thousand in 2018.

The following diagram shows the net claims incurred from 2015-2019 (in thousand Saudi Riyals).

Net Claims Incurred



8

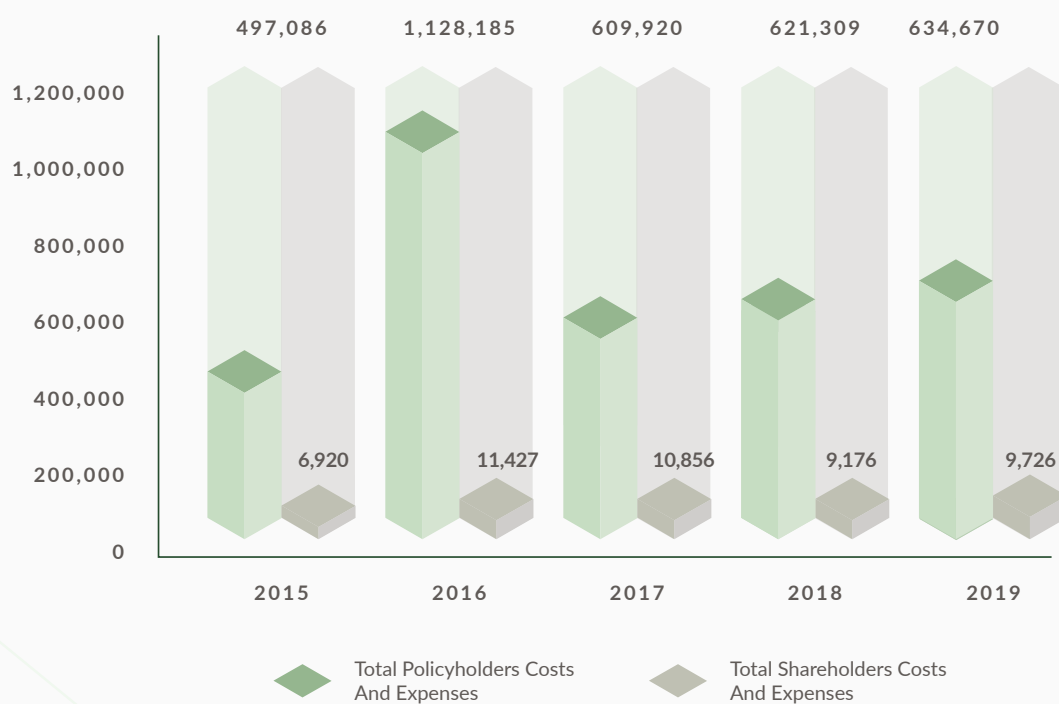
Total Costs And Expenses



Total costs and expenses for policyholders' operations increased by 2% to SR 634,670 thousand in 2019 from SR 621,309 thousand in 2018 due mainly to the increase in Net claims incurred. While the total costs and expenses for shareholders' operations increased by 6% to SR 9,726 thousand in 2019 from SR 9,176 thousand in 2018.

Following the details of costs and expenses for policyholders' operations.

Total Costs And Expenses



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

Segment	2019	2018	Variance + or (-)	Change %
Net Claims Incurred	417,070	404,054	13,016	3%
Policy Acquisition Costs And Profit Commissions	172,781	172,472	309	0%
Other Underwriting Expenses	3,616	1,997	1,619	81%
Reversal For Doubtful Debts	(518)	(1,575)	1,057	-67%
General And Administrative Expenses	43,560	40,577	2,983	7%
Foreign Exchange Losses/(Gains)	(1,839)	3,784	(5,623)	-149%
Total	634,670	621,309	13,361	2%

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

Segment	2019	2018	Variance + or (-)	Change %
General And Administrative Expenses	7,470	6,995	475	7%
Board of Directors Remunerations, Meetings Fees And Expenses	2,256	2,181	75	3%
Total	9,726	9,176	550	6%

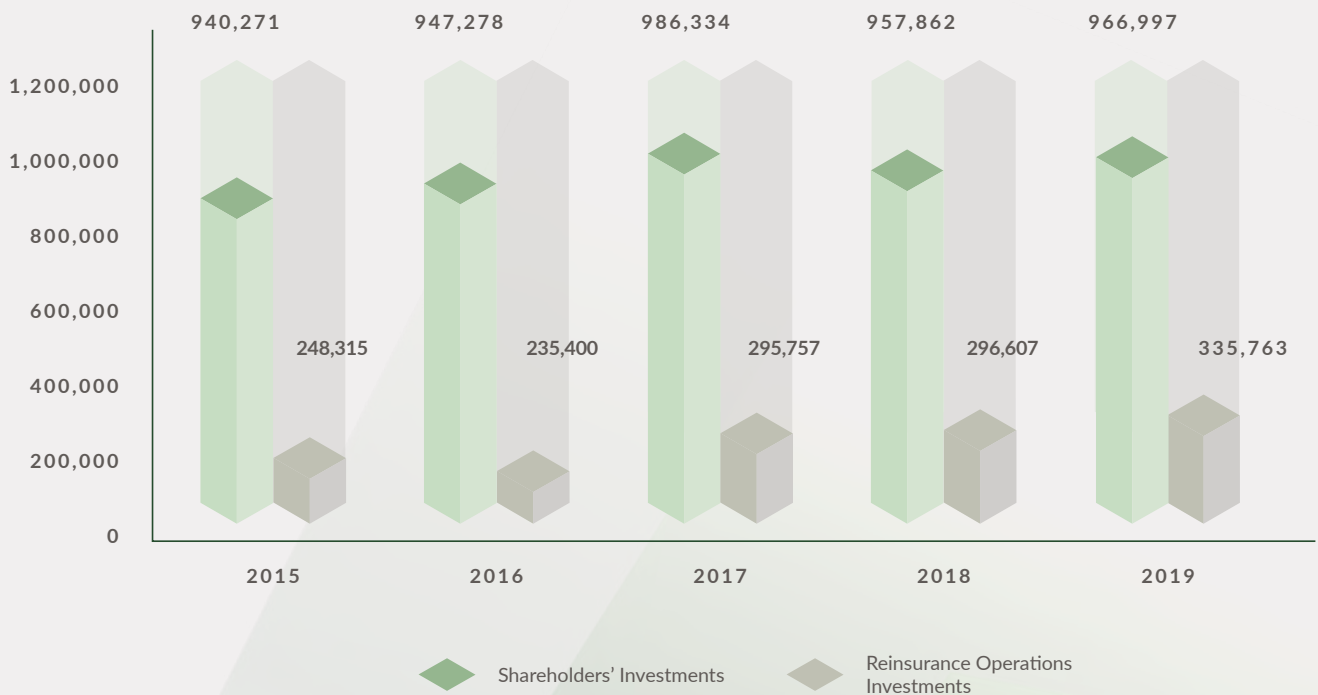
9 Total Investments



Total shareholders' investments were SR 966,997 thousand in 2019 as compared with SR 957,862 thousand in 2018, higher by 1%. The total reinsurance operations investments were SR 335,763 thousands in 2019 compared with SR 296,607 thousands in 2018, higher by 13%.

The following figure shows total investments during the period 2015-2019 (in thousand Saudi Riyals).

Total Investments



10 Net Investments Income

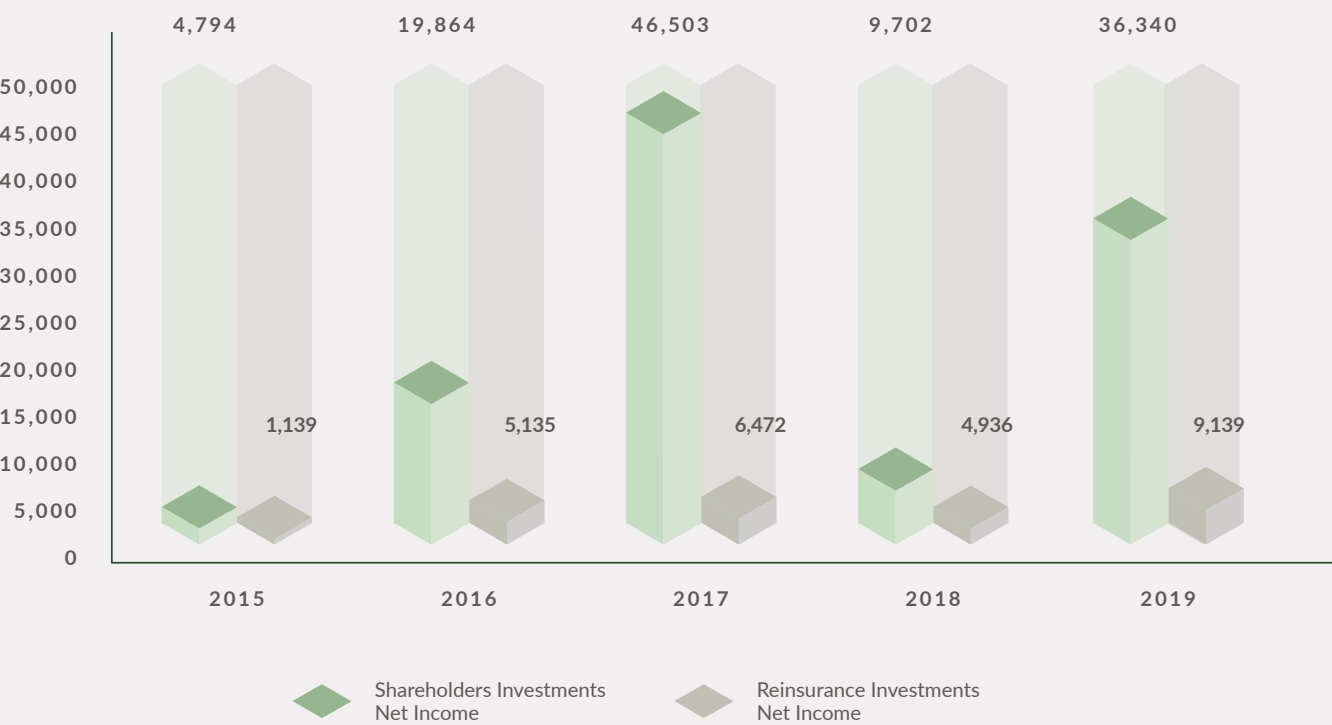


The net Income generated from investments of reinsurance funds, net of investment management expenses were SR 9,139 thousand in 2019 as compared with SR 4,936 thousand in 2018, higher by 85%.

As such as the net income generated from shareholders' fund investments, net of investment management expenses was SR 36,340 thousand in 2018 as compared with SR 9,702 thousand in 2019, higher by 274%. Due to an increase in the returns of the global equities and Time deposits income.

The following figure shows the investments net income during 2015-2019 (in thousand Saudi Riyals).

Net Investments Income



Geographical Analysis of Net Investments.

Geographical Segment	2019		2018	
	Reinsurance Investments Net Income	Shareholders Investments Net Income	Reinsurance Investments Net Income	Shareholders Investments Net Income
Within The Kingdom of Saudi Arabia	6,780	21,756	2,319	15,012
Outside The Kingdom of Saudi Arabia	2,359	14,584	2,617	(5,310)
Total	9,139	36,340	4,936	9,702

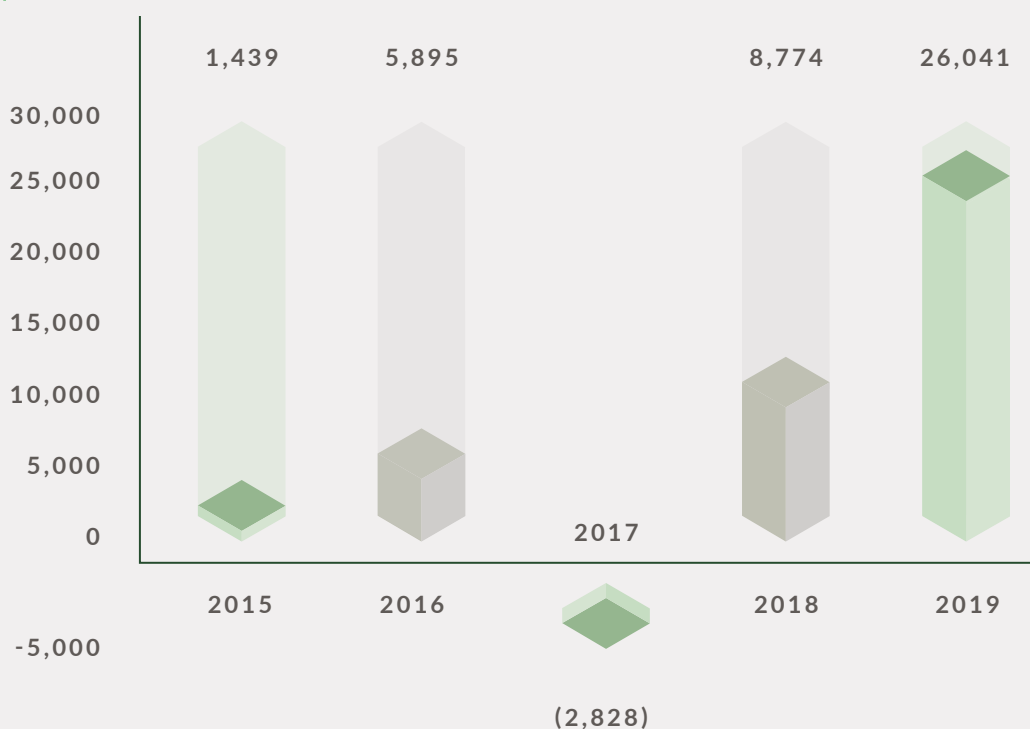
11



Surplus / (Deficit) From Reinsurance Operations

Reinsurance operations before investments returns posted a surplus of SR 26,041 thousand during 2019 as compared with a surplus of SR 8,774 thousand in 2018, higher by 197%. This due to decrease in net earned premiums by 5%.

The following figure shows the surplus / (deficit) (in reinsurance operations during 2015-2019 (in thousand Saudi Riyals).



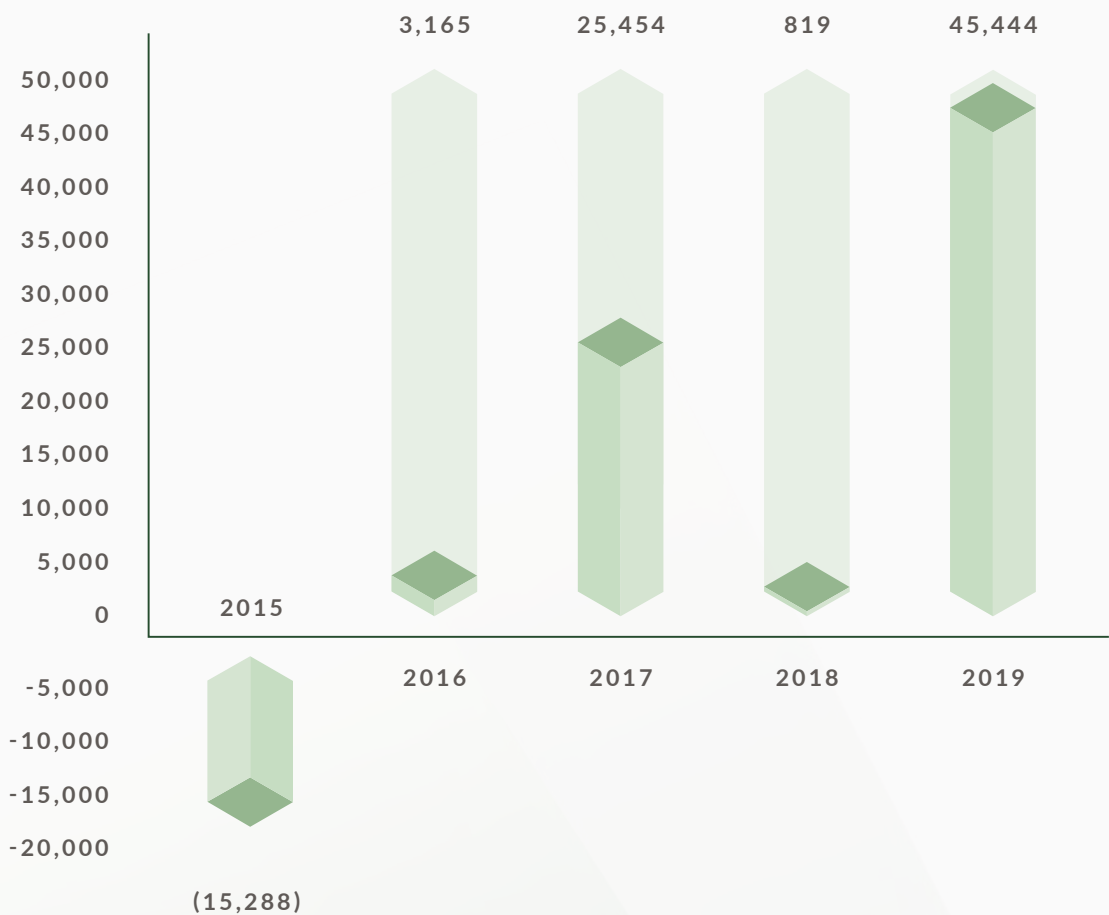
12 Net Income From Shareholders' Operations



Shareholders' operations recorded a net income after Zakat of SR 45,444 thousand in 2019 as compared with a net income of SR 819 thousand in 2018, increased by 5,448%. This is attributed to the increase in income is mainly due to increase in shareholders investments net income by 274%.

The following diagram indicates total net income from shareholders operations during the period 2015-2019 (in thousand Saudi Riyals).

Net Income from Shareholders' Operations



Statement of Shareholders Operations during the Period 2015-2019

In Thousand Saudi Riyals	2019	2018	2017	2016	2015
Investment Revenues	37,855	13,218	55,450	22,667	7,795
Investment Management Expenses	(1,515)	(3,516)	(8,947)	(2,803)	(3,001)
Net Investments Income	36,340	9,702	46,503	19,864	4,794
Other Income	999	905	-	-	3
General And Administrative Expenses	(7,470)	(6,995)	(7,854)	(9,851)	(5,272)
Board of Directors Remunerations, Meetings, Fees and Expenses	(2,256)	(2,181)	(3,002)	(1,576)	(1,648)
Foreign Exchange Translation (Losses)/ Gains	43	(48)	(38)	100	(91)
Shareholders Appropriation From Reinsurance Operations Surplus	31,662	12,339	3,279	9,927	2,320
Zakat and Tax For The year	(13,873)	(12,903)	(13,434)	(15,299)	(15,394)
Net Income/ (Loss) For The Year	45,445	819	25,454	3,165	(15,288)

13 Total Comprehensive Income/(Deficit)

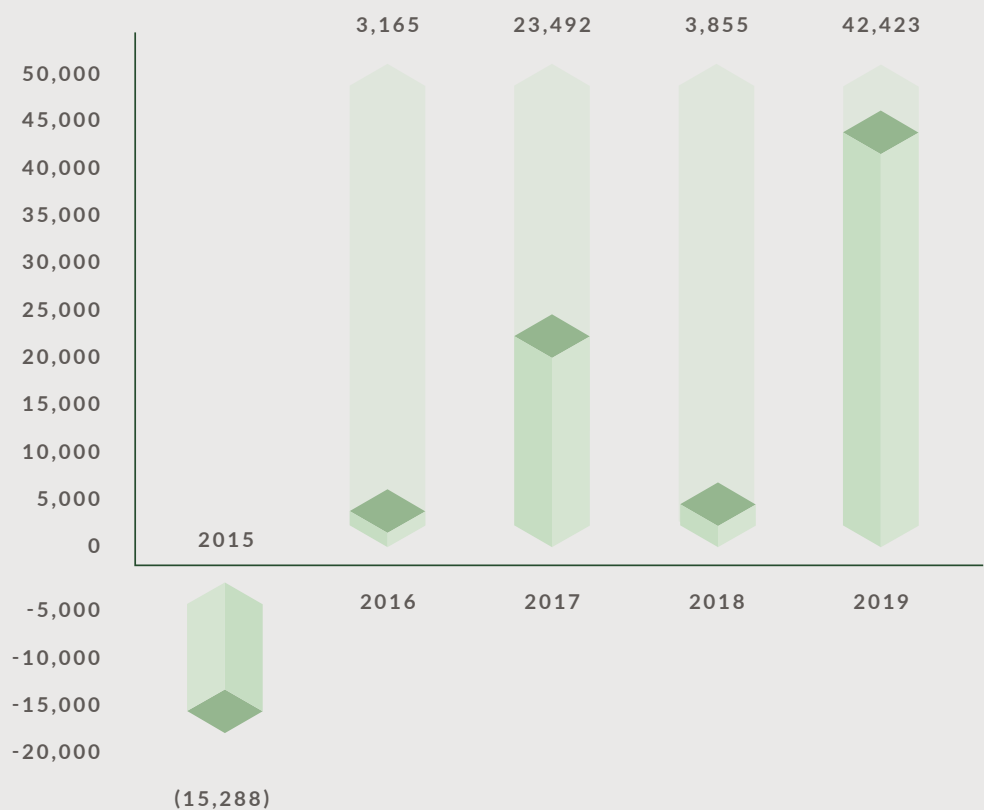


Total comprehensive income was SR 42,423 thousand in 2019 as compared with an income SR 3,855 thousand in 2018. Higher by 1,000%.

Statement of Shareholders Comprehensive Operations during the Period 2015-2019

In Thousand Saudi Riyals	2019	2018	2017	2016	2015
Net Income For The Year	45,444	819	25,454	3,165	(15,288)
Other Comprehensive Income / (loss)	(3,021)	3,036	(1,962)	-	-
Total Comprehensive Income /(Loss) For The Year	42,423	3,855	23,492	3,165	(15,288)

Total Comprehensive (Loss)/Income

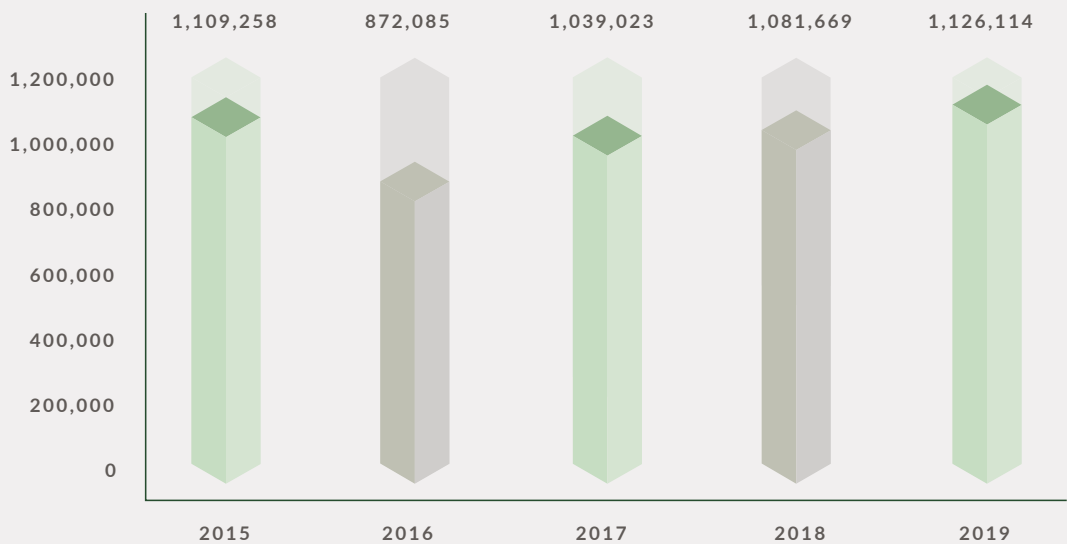


14 Technical Reserves



Technical reserves increased by 4% to SR 1,126,114 thousand in 2019 from SR 1,081,669 thousand in 2018.

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



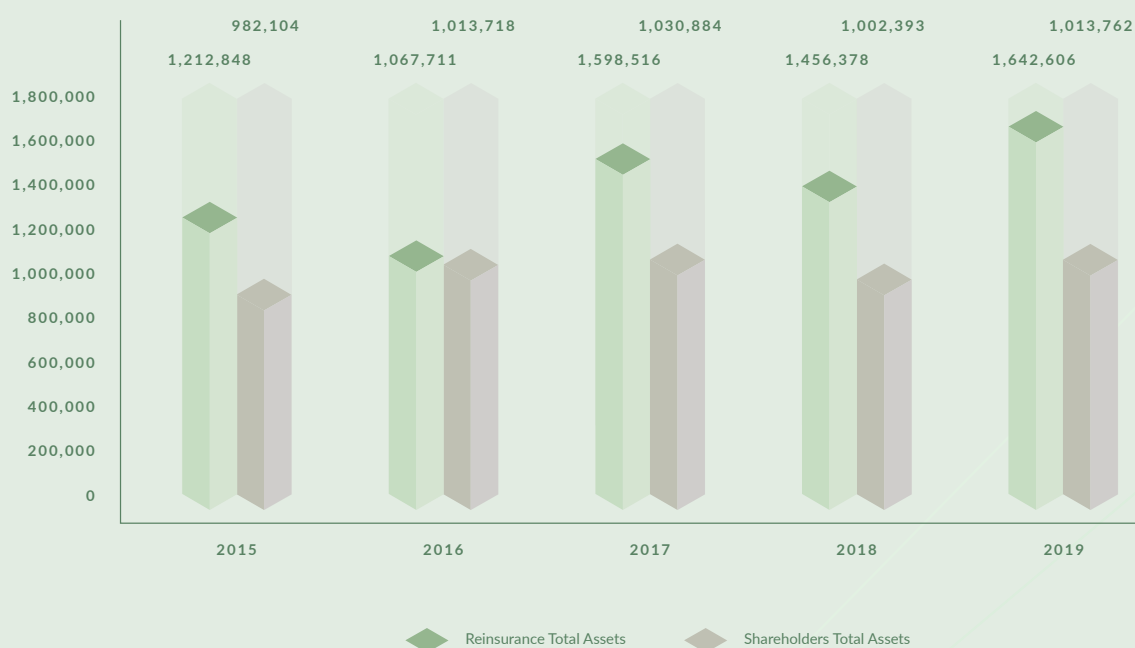
15 Assets



Assets increased by 8% to SR 2,656,368 thousand in 2019 from SR 2,458,771 thousand in 2018. Reinsurance operation assets totaled to SR 1,642,606 thousand in 2019 as against SR 1,456,378 thousand in 2018, and total shareholders assets were SR 1,013,762 thousand in 2019 as compared with SR 1,002,393 thousand in 2018.

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

Total Assets



03

Third: 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 And External Committees Members



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 2019 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.
- Laws and Regulations issued by Labuan Financial Services Authority.
- Labour Law and Regulations of Malaysia.
- Zakat and Income Tax Regulations issued by the Zakat and Income Tax Department.
- Labor Law issued by the Ministry of Human Resource and Social Development.
- The Company Law issued by the Ministry of Commerce.

2 Compliance With Corporate Governance Regulations



During 2019, the Company was in compliance with stipulations indicated in the Corporate Governance Regulations except for the following:

Article	Article Description	Reasons
20 C 7	Under : Issues Affecting Independence.... 7)if he/she has a direct or indirect interest in the businesses and contracts executed for the Company's account	Corporate governance regulations issued by SAMA excluded the insurance contract.

3 General Assembly Meetings



During the year 2019, the Company held two General Assembly meetings as detailed below:

- The General Assembly meeting dated on 29/04/2019 was headed by Mr. Hesham Al-Shaikh (Chairman of the Board) and was attended by Mr. Mishari Al-Mishari Al-Hussain (Vice Chairman), Mr. Mohamad Al-Otaibi, Mr. Mansour Al-Bosaily, Mr. Ahmad Sabbagh, Mr. Jean-Luc Gourgeon, Mr. Hammam Badr, Mr. Ismail Mahbob and Mr. Fahad Al-Hesni (MD-CEO)

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

Category	Term	Name	Other Joint Stock Companies Of Which The Directors Are Board Members	Type
Non-Executive Director	Renewed from 11/05/2017 To 10/05/2020	Mr. Hesham AL-Shaikh Chairman of the Board of Directors	Ashmore Investment KSA	Closed Joint – Stock Company
			Saudi Civil Aviation Holding Company (Previous)	Governmental Company
			Probitas Holdings (Bermuda) Ltd	Joint Stock Company
			Watan First Institute	Limited 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 11/05/2017 To 10/05/2020	Mr. Mishari Al-Mishari Al-Hussain Vice Chairman	Saudi Investment Bank (Previous)	Joint Stock Company
			Doroob for Education and Training Company	Governmental Company
			Hana Water Company	Private 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 11/05/2017 To 10/05/2020	Mr. Ahmad Sabbagh	Islamic Insurance Company (Jordan) (Previous)	Limited Joint Stock Company
			Contempro For Housing Projects P.L.C (Previous)	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)	Non Profitable
			The Islamic Insurance Company – Jordan (Previous)	Joint Stock Company

Category	Term	Name	Other Joint Stock Companies Of Which The Directors Are Board Members	Type
Independent	Renewed 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
Non-Executive Director	Renewed from 11/05/2017 To 10/05/2020	Mr. Jean-Luc Gourgeon	Jean-Luc Gourgeon Company	Limited Company
			Probitas Holdings (Bermuda) Ltd	Closed Joint – Stock Company
			Probitas Corporate Capital Limited	Closed Joint – Stock Company
			Probitas Holdings UK Ltd.	Limited Company
			Probitas 1492 Services Ltd.	Closed Joint – Stock 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
			Paris Diderot University - France (Previous)	Limited Company
			French Reinsurance Association - France (Previous)	Joint Stock Company
			Cunningham Lindsey Group - USA (Previous)	Limited Company
			Paris Diderot University - France (Previous)	Governmental
			French Reinsurance Association - France (Previous)	Governmental
			Probitas Managing Agency Services Ltd.	Closed Joint - Stock Company

Category	Term	Name	Other Joint Stock Companies Of Which The Directors Are Board Members	Type
Independent	Renewed From 11/05/2017 To 10/05/2020 Resigned With Effect From 31/12/2019	Mr.Mansour Al-Bosaily	United Electronics Company	Joint Stock Company
			Jabal Omar Development Company	Joint Stock Company
			HSBC KSA	Closed Joint – Stock Company
			Saudi Ground Services Company	Joint Stock Company
			Amlak International	Closed Joint – Stock Company
			Aseer Trading Tourism	Joint Stock Company
Independent	Renewed 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

Category	Term	Name	Other Joint Stock Companies Of Which The Directors Are Board Members	Type
Independent	Elected From 11/05/2017 To 10/05/2020	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 Carriers Ltd. Co (Previous)	Limited Company
			West of England Company (Previous)	Limited Company
			International Shipowners Re (Previous)	Limited Company
			Zameen Social Media Marketing Company	Limited Company
Executive Director	Renewed from 11/05/2017 To 10/05/2020	Mr. Fahad Al-Hesni	Probitas Holdings (Bermuda) Ltd.	Closed Joint – Stock Company
			Probitas Holdings UK Ltd	Closed Joint – Stock Company
			Probitas 1492 Services Ltd	Closed Joint – Stock Company

6 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.
- 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.
- 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.
- 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.
- Promoting a culture of good corporate governance and high ethical standards.
- 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.

7

Attendance Record of Board Meetings During 2019



Member	1st Meeting 25/02 2019	2nd Meeting 19/03 2019	3rd Meeting 29/04 2019	4th Meeting 05/08 2019	5th Meeting 28/10 2019	6th Meeting 09/12 2019	Total
Mr. Hesham Al-Shaikh	Attend	Not Attend	Attend	Attend	Attend	Attend	5
Mr. Mishari Al-Mishari Al-Hussain	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Ahmad Sabbagh	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Jean-Luc Gourgeon	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Hammam Badr	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Mansour Al-Bosaily	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Ismail Mahbob	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Mohamad Al-Otaibi	Not Attend	Attend	Attend	Attend	Attend	Attend	5
Mr. Fahad Al-Hesni	Attend	Attend	Attend	Attend	Attend	Attend	6

8

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 2019

Member	1st Meeting 25/02 2019	2nd Meeting 19/03 2019	3rd Meeting 29/04 2019	4th Meeting 28/10 2019	5th Meeting 26/11 2019	6th Meeting 09/12 2019	Total
Mr. Hesham Al-Shaikh	Attend	Not Attend	Attend	Attend	Attend	Attend	5
Mr. Jean-Luc Gourgeon	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Mansour Al-Bosaily	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Fahad Al-Hesni	Attend	Attend	Attend	Attend	Attend	Attend	6

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 action taken.
- 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 Reports and 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 2019

Member	1st Meeting 18/03 2019	2nd Meeting 20/04 2019	3rd Meeting 28/04 2019	4th Meeting 29/04 2019	5th Meeting 29/07 2019	6th Meeting 27/10 2019	7th Meeting 08/12 2019	Total
Mr. Ali Al-Qahtani (Chairman)	Attend	Attend	Attend	Attend	Attend	Attend	Attend	7
Mr. Ismail Mahbob (Member)	Attend	Attend	Attend	Attend	Attend	Attend	Attend	7
Mr. Hisham Al-Akil (Member)	Attend	Attend	Attend	Not Attend	Attend	Attend	Attend	6

The appointment of the members of the audit committee for the current period and their renewal was approved by the General Assembly held on 05/25/2017.

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 2019

Member	1st Meeting 19/03 2019	2nd Meeting 29/04 2019	3rd Meeting 09/10 2019	Total
Mr. Mansour Al-Bosaily (Chairman)	Attend	Attend	Attend	3
Mr. Mishari Al-Mishari Al-Hussain (Member)	Attend	Attend	Attend	3
Mr. Ahmad Sabbagh (Member)	Attend	Attend	Attend	3
Mr. Hammam Badr (Member)	Attend	Attend	Attend	3

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 2019

Member	1st Meeting 05/02 2019	2nd Meeting 25/02 2019	3rd Meeting 28/04 2019	4th Meeting 05/08 2019	5th Meeting 13/10 2019	6th Meeting 26/11 2019	Total
Mr. Hesham Al-Shaikh (Chairman)	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Mishari Al-Mishari Al-Hussain (Member)	Attend	Attend	Attend	Attend	Attend	Attend	6
Mr. Mohamad Al-Otaibi (Member)	Attend	Not Attend	Attend	-	-	-	2
Hussam Al Suwailem (External Member)	-	-	-	-	-	Not Attend	0
Mr. Fahad Al-Hesni (MD/CEO)	Attend	Attend	Not Attend	Attend	Attend	Attend	5

*Mr. Mohammed AlOtaibi Resigned from the Committee on 26/11/2019 to be appointed as the Chairman of Risk Management Committee and appointing Mr. Hussam Al Suwailem as the new member on 26/11/2019.

Risk And Underwriting 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 and Underwriting Committee should include the following:

- Identifying risks that may imperil the Company and maintaining an acceptable risk profile for the Company.
- Defining and obtaining board approval for the risk tolerance and the risk appetite of the company.
- Review the company's retrocession structure and strategy on a regular basis.
- Reviewing Underwriting policies and guidelines.
- Evaluate and review the Underwriting performance.
- Overseeing the risk management system and assessing its effectiveness.
- Defining a comprehensive risk management strategy for the Company, overseeing its implementation, and reviewing and updating it on a regular basis by taking into account developments that are internal and external to the Company
- Reviewing risk management policies.
- Re-evaluating the Company's tolerance for, and exposure to, risk on a regular basis (e.g., through stress testing exercises).
- Reporting to the Board details of risk exposures and recommending actions to manage them.

The Risk & underwriting committee on 28/04/2019 was split up into the following two committee:

01 Risk Management Committee

- 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:
 - Cyber Security Committee Charter.
 - Cyber Security Governance Framework
 - Cyber security strategy
 - 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 2019

Member	1st Meeting 14/05 2019	2nd Meeting 05/08 2019	3rd Meeting 28/10 2019	Total
Mr. Mohamad Al-Otaibi (Chairman)	Attend	Attend	Attend	3
Mr. Ismail Mahbob (Member)	Attend	Attend	Attend	3
Dr. Volker Lauff (External Member)	Attend	Attend	Attend	3

02 Technical Committee

The Committee shall fulfill its purpose by

- 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.

Technical Committee Meetings 2019

Member	1st Meeting 05/02 2019	2nd Meeting 24/02 2019	3rd Meeting 23/04 2019	4th Meeting 28/04 2019	5th Meeting 04/08 2019*	6th Meeting 01/10 2019	7th Meeting 27/10 2019	8th Meeting 08/12 2019	Total
Mr. Jean-Luc Gourgeon (Chairman)	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	8
Mr. Ismail Mahbob (Member)	Attend	Attend	Not Attend	Attend	-	-	-	-	3
Mr. Hammam Badr (Member)	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	8
Mr. Ahmad Sabbagh (Member)	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	8

* The first official meeting for the Technical committee.

9

Profiles of Members of Senior And External Committees Members



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. Abdulfattah 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 17 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 **Hashim Taha**

Chief Legal Affairs & Claims Officer. Mr. Taha joined the company in 2009 bringing more than 30 years worth of experience in the insurance and reinsurance industry especially in the fields of Underwriting, Claims, and Legal Affairs. Mr. Taha received his Bachelor degree in Law from Cairo University in Sudan.

7 **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 And Debt Instruments 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 Year End	Percentage of Holding At Year End
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. Mansour Al-Bosaily & his family (Board Member)	57,604	0.07%	0	0%	57,604	0.07%
Mr. Ismail Mahbob & his family (Board Member)	0	0%	0	0%	0	0%
Mr. Fahad Al-Hesni & his family (Executive Board Member)	50,000	0.06%	0	0%	50,000	0.06%
Mr. Hammam Badr & his family (Board Member)	0	0%	0	0%	0	0%

Member	Number Of Shares And Debt Instruments 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 Year End	Percentage of Holding At Year End
Mr. Mohamad Al Otaibi & his family (Board member)	810	0.001%	0	0%	810	0.001%
Mr. Nilmin Pieries & his family (CFO)	0	0%	0	0%	0	0%
Mr. Abdelfattah Chami & his family (Chief Underwriter Officer)	0	0%	0	0%	0	0%
Mr. Ahmed Al Jabr & his family (Chief Operating Officer)	0	0%	0	0%	0	0%
Mr. Fadi Al Qutub & his family (Chief Investment Officer)	0	0%	0	0%	0	0%
Mr. Hashim Taha & his family (Chief Legal Affairs & Claims Officer)	0	0%	0	0%	0	0%
Mr. Ahmed Al- Qarishi & his family (Chief Risk Officer & Chief Actuary)	0	0%	0	0%	0	0%

14



Remunerations of The Board Members And Senior Executives

In Thousand Saudi Riyals	BOD Members (Executives)	BOD Members (Non-Executive & Independent)	5 Top Executives Including CEO & CFO
Salaries & Benefits	-	-	8,504
Annual Compensation	120	1,020	1,568
Meeting Fees & Expenses	85	645	-
Consultancy Fees	-	150	-
Benefits In Kind Granted Monthly Or Yearly	-	-	-
Total	205	1,815	10,072

BOD Member Name	Board Meetings	Executive Committee Meetings	Investment Committee Meetings	Technical Committee Meetings
Mr. Hesham Al Shaikh	25,000	30,000	30,000	-
Mr. Mishari Al-Mishari Al-Hussain	30,000	-	30,000	-
Mr. Ahmad Sabbagh	30,000	-	-	40,000
Mr. Mansour Al Bosaily	30,000	30,000	-	-
Mr. Jean-Luc Gourgeon	30,000	30,000	-	40,000
Mr. Hammam Badr	30,000	-	-	40,000
Mr. Ismail Mahboub	30,000	-	-	15,000
Mr. Mohamad Al-Otaibi	25,000	-	10,000	-
Mr. Fahad Al Hesni	30,000	30,000	25,000	-
Mr. Ali Al Qahtani	-	-	-	-
Mr. Hisham Al-Akil	-	-	-	-
Dr. Volker Lauff	-	-	-	-
Mr. Hussam Al Suwailam	-	-	-	-

The General Assembly has approved on 30/04/2018 an amended remuneration policy for the board and non-board members where the sitting fees were increased to SAR 5,000 per member for each attended meeting of the board and any board committee meeting. The company's Board directors will be paid a lump-sum amount of SAR 120,000 as an annual compensation against Board directorship and contribution to Board business. The Chairman of the Board will be paid a lump-sum 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, whether such member is attending physically or through any remote channel and will be paid a lump sum of SAR 90,000 per year as a compensation for contribution to the Committee functions.

Audit Committee Meetings	Risk Management Committee Meetings	Nomination And Remuneration Meetings	Total Meetings Fees	Remuneration	Total
-	-	-	85,000	180,000	265,000
-	-	15,000	75,000	120,000	195,000
-	-	15,000	85,000	120,000	205,000
-	-	15,000	75,000	120,000	195,000
-	-	-	100,000	120,000	220,000
-	-	15,000	85,000	120,000	205,000
35,000	15,000	-	95,000	120,000	215,000
-	15,000	-	50,000	120,000	170,000
-	-	-	85,000	120,000	205,000
35,000	-	-	-	90,000	125,000
30,000	-	-	-	90,000	120,000
-	15,000	-	-	60,000	75,000
-	-	-	-	8,877	8,877

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 01/01/2019	Holding Percentage at 31/12/2019	Change
Ahmed Hamad Alghosaibi & Bros. Company	5%	5%	0

17

Material Contracts In Which Board Members And Executive Management Have Interests



During 2019, 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 150,322 and no preferential conditions.
- An investment subscription in a Murabaha public mutual fund managed by Ashmore Investment Saudi Arabia with administration fees of SR 147,000 in 2019, which has an indirect interest for the Chairman of the Board Mr. Hesham Al-Shaikh for being a board member in the company, with no preferential conditions.
- A reinsurance contract with the Islamic Insurance Company (Jordan) for one year with gross premium of SR 3,562,339, which has an indirect interest for the Board member Mr. Ahmed Sabbagh 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 266,918, which has an indirect interest for the member of the Board Mr. Hammam Badr for being the Chairman of the board directors of the company, with no preferential conditions.
- A reinsurance contract with Mamada Reinsurance Company (Morocco) for one year with gross premium of SR 161,139, which has an indirect interest for the Board member Mr. Jean-Luc Gourgeon for being Vice Chief Executive Officer of the company, with no preferential conditions.
- Reinsurance contracts for one year with Probitas Corporate Capital Ltd, which is owned by Probitas Holding (UK) Ltd., and has an indirect interest for the Chairman of the Board of Directors Mr. Hisham Abdulmalik Al-Shaikh, MD/CEO Mr. Fahad Abdulrahman 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., noting that the value of transactions during 2019 is estimated at SR 76,491,201, with no preferential conditions.

18

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



No penalty has been imposed on the company by any Authority.

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 deficiency or weakness in the company's internal control system. The Audit Committee confirms that there was no conflict between the Audit Committee resolutions and the Board.

20



Number Of Times The Company Requested The Share Register

Number of Requested Share Register	Date Of Request	Reasons Of Request
1	31/01/2019	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	26/02/2019	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	31/03/2019	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	25/04/2019	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 29/04/2019
5	29/04/2019	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	27/05/2019	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
7	30/06/2019	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	28/07/2019	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	27/08/2019	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	29/09/2019	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	23/10/2019	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	25/11/2019	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	31/12/2019	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	Payments Due	Paid Due
Zakat And Income Tax	23,742	28,376
With-Holding Tax	901	3,815
Value Added Taxation	1,533	8,818
General Organization For Social Insurance (GOSI)	159	1,867
Sama's Control And Inspection Costs	581	3,621
Total	26,916	46,497

22



External Auditors

The ordinary general assembly convened on 29/04/2019 and approved the board's recommendation to appoint M/s Al-Bassam & Al-Nemer Allied and KPMG Al-Fozan & Al-Sadhan Accountants to act jointly as external auditors of the company for the year ending 31/12/2019.

23

Accounting Standards Adopted In Financial Statements



The company applies the International Financial Reporting Standards ("IFRS") as modified by the Saudi Arabian Monetary Authority ("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 decided not to pay dividends. 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



- It has no loans payable on call or otherwise, and the Company has not repaid any loans during the year ended 31/12/2019.
- It has no convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the company, during the financial year ended 31/12/2019.
- 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 2019.
- 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 2019, there have not been any arrangement or agreement under which a director or a Senior Executive of the company has waived any remuneration.
- During 2019, 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.

