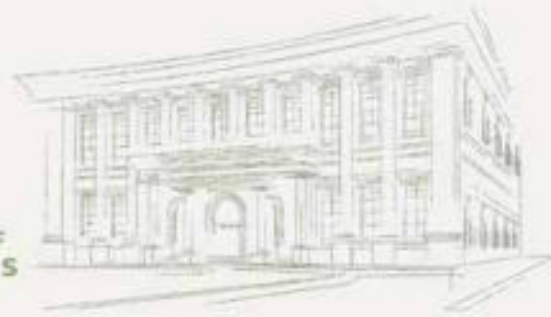


**15**  
YEARS OF  
PROGRESS



إعادة  
Saudi Re

DIRECTORS' REPORT  
2023



## 15 Years of Progress

Standing tall and steadfast, Saudi Re has cultivated a legacy rooted in trust and unwavering stability over an illustrious 15-year journey. Just as a tree's foundation is nurtured by years of resilience, our growth has been fortified by a sound framework, allowing us to navigate the challenges of our industry and emerge even stronger. Like branches outstretched towards new horizons and opportunities, Saudi Re reaches new heights through expansion, partnership, and innovation. Amidst this growth, we remain deeply anchored to our core values, serving as a beacon of reliability in an ever-evolving landscape. With each passing year, we continue to grow, evolve, and adapt, positioning ourselves not only as leaders in our domain but also poised and ready for a promising future.



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# 1. About this Report

Saudi Re's Annual Report for 2023 adheres to the principles of Integrated Reporting, maintaining its established practice of presenting a Financial Report, a Sustainability Report, and a Directors' Report. The primary aim of this report is to provide a concise overview of Saudi Re's strategy, governance, performance, and outlook in the context of the operational environment.

## 1.1 REPORT BOUNDARY →

Unless explicitly stated otherwise, this report encompasses the operations of Saudi Re. The financial reporting boundary comprises Saudi Re and its affiliated companies.

## 1.2 REPORTING PERIOD →

This report covers the period commencing 1 January 2023, and concluding 31 December 2023. It is in alignment with Saudi Re's previous practices for financial and sustainability reporting, in addition to the Directors' Report. No restatements of previously provided information are presented, and are no noteworthy alterations in the scope or aspect boundaries from previous reports. The Directors' Report, Sustainability Report, and Financial Report presented here all pertain to the fiscal year concluding on 31 December 2023.

Saudi Re's Annual Report for 2023 is presented in both English and Arabic; in the event of any disparities between the two versions, the Arabic version will take precedence.

## 1.3 COMPLIANCE →

The Report has been prepared in compliance with all applicable rules, regulations, and standards of the Insurance Authority (IA), the Capital Market Authority (CMA), and the Ministry of Commerce (MOC), and other regulatory bodies.

## 1.4 FINANCIAL STATEMENTS →

The financial statements for the fiscal year ending 31 December 2023, conform to the International Financial Reporting Standards (IFRS) adopted within the Kingdom of Saudi Arabia (collectively known as IFRS endorsed in KSA). Additionally, these statements adhere to other standards and directives issued by the Saudi Organization for Certified Public Accountants (SOCPA).

## 1.5 QUERIES →

Investor Relations Department

**Address:** 4130 Northern Ring Rd, Al Wadi, Riyadh 13313, Saudi Arabia

**Email:** Invest@saudi-re.com

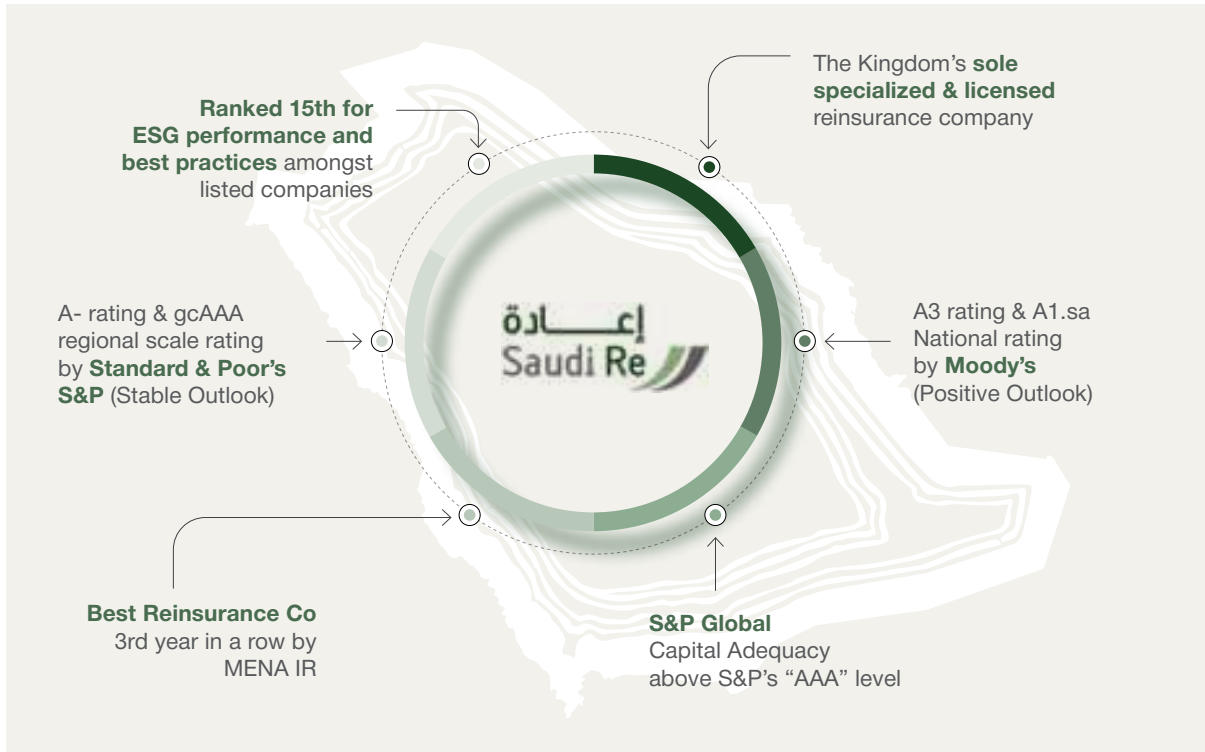
**Phone:** +966 11 510 2000 Ext: 181

**Website:** www.saudire.net

**IR App:** IOS-Android

## 2. About Saudi Re

### 2.1 WHO WE ARE →



Established in 2008, Saudi Re is the sole licensed and specialized reinsurance company in The Kingdom of Saudi Arabia and Among the top performing reinsurance companies in MENA region, functioning under the regulatory oversight of the Insurance Authority (IA) that provides reinsurance solutions in various lines of business. We operate in a G20 economy, which boasts one of the world's most rapidly expanding insurance markets, offering us substantial prospects for advancement and growth.

Being a publicly listed company on the Saudi stock exchange and boasting a diverse investor base, Saudi Re is strategically positioned to chart a sustainable path of growth, ensuring its long-term success within the dynamic reinsurance industry.

In 2023, Saudi Re maintained a rating of “A-” for its long-term issuer credit and insurer financial strength. Furthermore, the Company continued to hold a “gcAAA” regional scale rating, with a stable outlook, as assessed by Standard & Poor’s Global Ratings (S&P). Additionally, of capital adequacy levels continued to surpass the “AAA” threshold within S&P’s assessment model. Moody’s reaffirmed Saudi Re’s rating at A3 Insurance Financial Strength Rating (IFSR) on the international scale and at A1.sa on the national scale IFSR, with a positive outlook.

The Company’s robust financial ratings can be attributed to multiple key factors: strong brand presence, leading market position in Saudi Arabia, the Company’s expanding footprint in strategic markets, including Asia,

## 2. About Saudi Re →

Africa, and Lloyd's. Saudi Re's financial strength is underpinned by: a strong asset portfolio, sound capital adequacy levels, and financial flexibility. Notably, the company also maintains a conservative investment portfolio, has low exposure to natural catastrophe risks, and maintains non-existent leverage with favorable access to capital markets in Saudi Arabia. Additionally, Saudi Re benefits from a unique advantage within the Saudi market – a right of first refusal on a portion of premiums ceded by primary carriers. These factors play pivotal roles in shaping its positive rating.

In the development of strategies and policies, Saudi Re adheres to a sustainability framework that aligns with globally recognized standards. This comprehensive approach ensures the integration of Environmental, Social, and Governance (ESG) principles and sustainability mandates throughout all areas of the Company's operations. Saudi Re is a Sharia-compliant company.

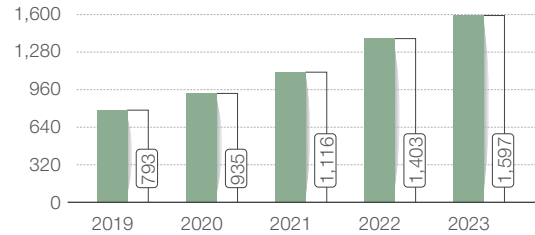
### 2.2 WHAT WE DO →

Saudi Re specializes in providing facultative and treaty reinsurance solutions across a range of insurance classes, including property, engineering, liability, marine, motor, life, and health. The Company remains committed to advancing Saudi Arabia's Vision 2030 objectives by actively contributing to the growth of the non-oil sector and non-oil exports. Moreover, Saudi Re aims to enhance the localization of reinsurance activities and ensure premiums remain within the Kingdom.

Saudi Re places a strong emphasis on fostering client relationships, via direct and broker channels. These relationships are managed by market-based underwriting teams, supported by a robust technological and analytical infrastructure. The Company's underwriting proficiency, coupled with formidable analytical and actuarial capabilities, contributes to prudent risk assessments and pricing strategies. Additionally, Saudi Re has cultivated valuable partnerships with retrocession reinsurers, which play a pivotal role in mitigating risks in the event of catastrophic events.

### Gross Written Premium (GWP)

(SR million)

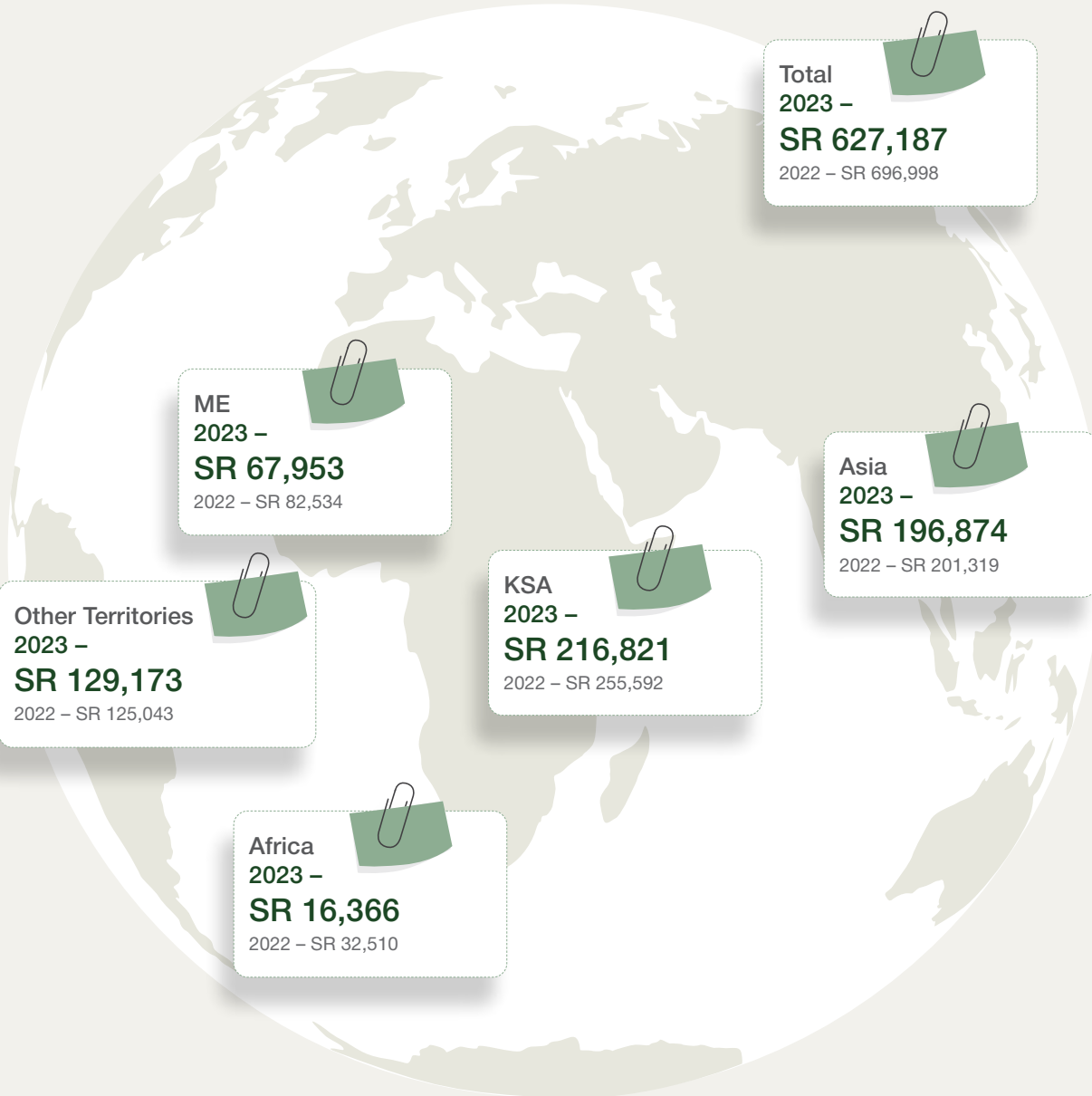




## 2. About Saudi Re →

### 2.3 OUR MARKET PRESENCE →

#### REINSURANCE REVENUE GEOGRAPHICAL DIVERSIFICATION (SR '000)



## 2. About Saudi Re →

### 2.4 VALUE DRIVERS: 2023 AT A GLANCE →

#### NET PROFIT

2023  
**SR 124.43 million**  
 2022 – SR 76.05 million

#### UNDERWRITING RESULTS

2023  
**SR 85.14 million**  
 2022 – SR 85.07 million

#### INTERNATIONAL BUSINESS

2023  
**51%**  
 2022 – 44%

#### TOTAL ASSETS

2023  
**SR 2,690 million**  
 2022 – SR 2,256 million

#### SHAREHOLDERS' EQUITY

2023  
**SR 1,147 million**  
 2022 – SR 1,017 million

#### COUNTRIES IN OPERATION

2023  
**40+**  
 2022 – 40+

#### GROSS WRITTEN PREMIUM (GWP)

2023  
**SR 1.5 billion**  
 2022 – SR 1.4 billion

#### COMBINED RATIO

2023  
**84.38%**  
 2022 – 92.21%

#### CREDIT RATINGS

**A- S&P & A3  
 Moody's**

#### EARNINGS PER SHARE

2023  
**SR 1.40**  
 2022 – SR 0.85

#### ROE

2023  
**12.23%**  
 2022 – 7.96%



2.5 AWARDS AND RECOGNITION →



- Saudi Re took third place for Best IR Reporting in the Digital Category, at the 2023 Middle East Investor Relations Association (MEIRA) Awards.
- In 2023, Saudi Re was recognized as General Reinsurance Company of the Year, for the third consecutive year.
- Ranked 15th for ESG performance and best practices amongst listed companies.

2.6 FINANCIAL SUMMARY →

	31 December 23	31 December 22
Reinsurance revenue	<b>627,187,025</b>	696,997,918
Reinsurance service expenses	<b>(509,774,279)</b>	(591,168,190)
Net income/expenses from retrocession contracts	<b>2,349,500</b>	(22,240,463)
Reinsurance service result	<b>119,762,246</b>	83,589,265
Net investment income	<b>60,387,647</b>	8,379,423
Net financial result	<b>25,762,001</b>	9,863,817
Net insurance and investment result	<b>145,524,247</b>	93,453,082
Net Income for year before zakat & tax	<b>158,562,123</b>	91,317,887
EPS	<b>1.40</b>	0.85
Total Comprehensive income for the year	<b>126,444,998</b>	59,046,824
Total shareholders' equity	<b>1,146,822,039</b>	1,017,183,510

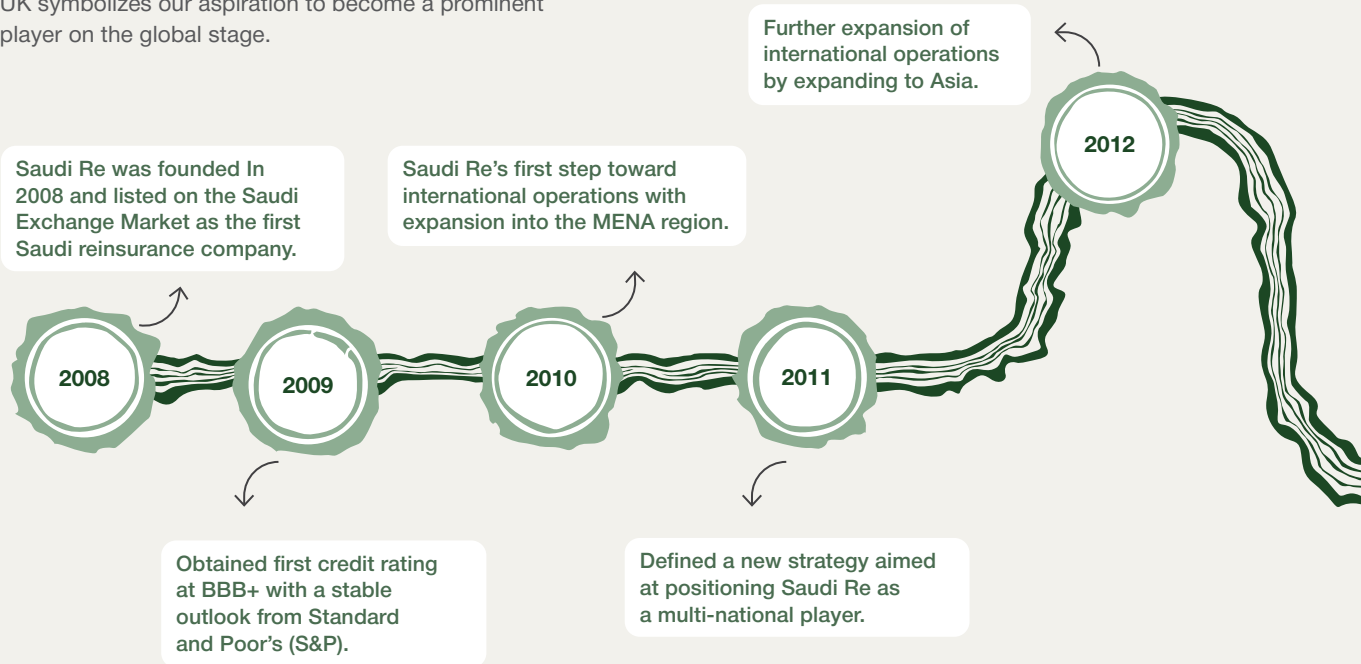
### 3. Our Growth Journey Over 15 Years

In 2008, the seeds for fruitful endeavor were sown. Saudi Reinsurance Co., embarked on a remarkable journey by finding our roots in the domestic market. This initial phase allowed us to establish a presence within the Kingdom of Saudi Arabia, while laying a foundation that would support our future reach towards expansive horizons.

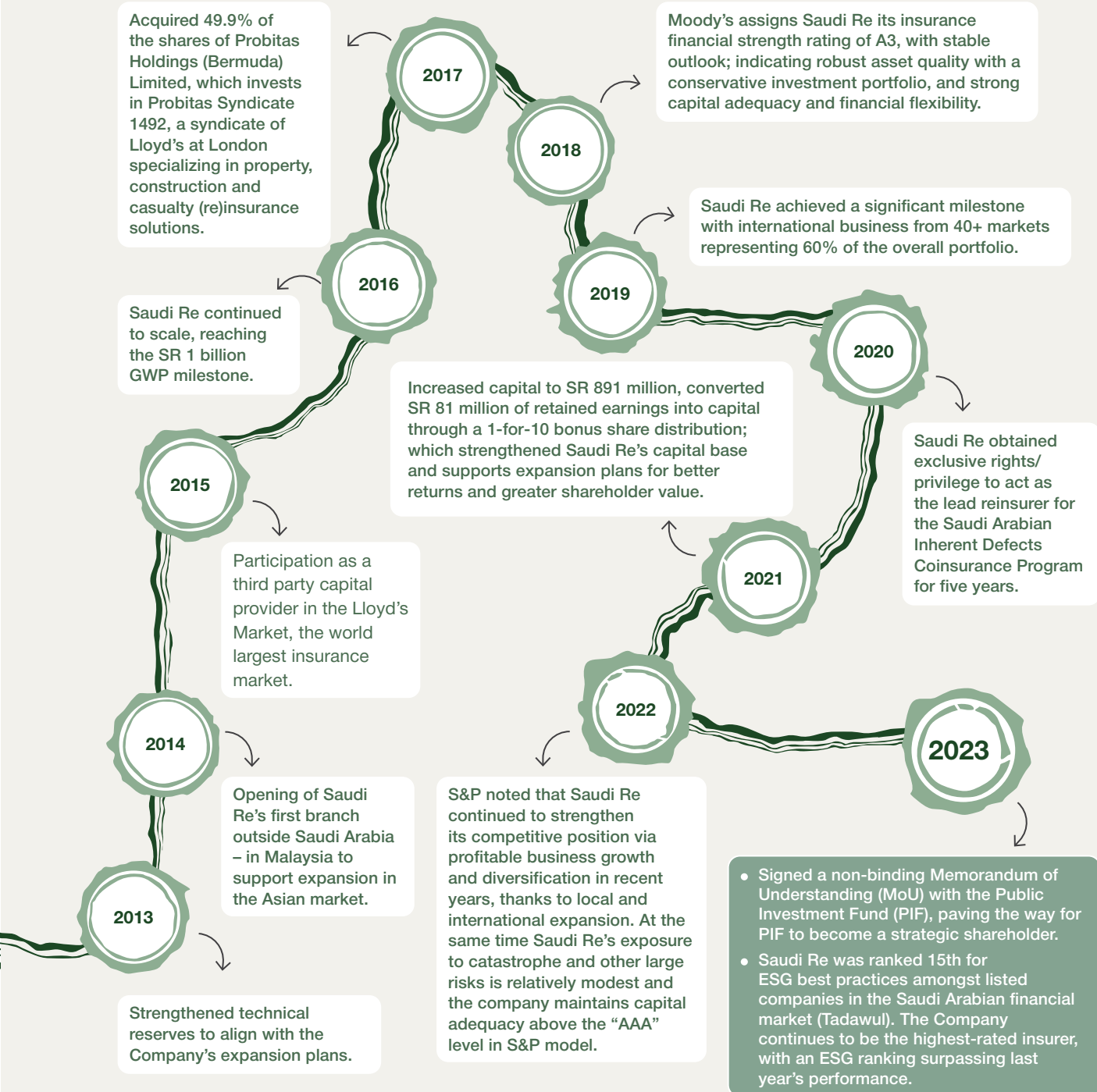
Fueled by foresight and financial strength, our growth has been characterized by proactive investment. We have consistently channeled resources into cultivating our internal capabilities, fortifying our operational infrastructure, and broadening our service offerings. This intentional approach not only cemented our position as a market leader but also paved the way for a blossoming portfolio, catering to evolving client needs in a dynamic landscape.

Our success stems from our ability to adapt and respond to the ever-shifting winds of the reinsurance industry. As a testament to our flourishing, our reach now extends beyond our national borders. We have strategically unfurled our branches across diverse regions, including the Middle East, Africa, and Asia. Furthermore, our collaboration with the prestigious Lloyd's Market in the UK symbolizes our aspiration to become a prominent player on the global stage.

Today, we stand as the sole specialized Reinsurance Company in the Kingdom and rank among the top performers in the MENA region, demonstrating the depth of our roots and flourishing presence within the industry ecosystem. In 2023, our dedication to ESG principles was reflected in our rankings. Saudi Re placed 15th among all listed companies on Tadawul and achieved the top spot amongst Saudi insurance companies. This achievement serves as a testament to the fruits borne from our commitment to excellence, innovation, and client-centricity. As we reflect on our achievements, our resolve remains steadfast: to explore new frontiers, embrace budding opportunities, and strengthen our legacy of leadership and distinction within the reinsurance landscape.



### 3. Our Growth Journey Over 15 Years →



## 4. Chairman's Statement

Continuation of the profit pace by achieving SR 124.4 million, an increase of 64%.



In 2023, the world grappled with significant macroeconomic challenges, including the ongoing Russia-Ukraine conflict and a cost-of-living crisis, leading to a decline in global growth. Key drivers of GDP struggled to recover to pre-pandemic levels with forecasts indicating continued economic decline in the upcoming year. Global inflation began to ease due to stringent monetary policies and declining commodity prices, putting strain on the global housing, banking, and industrial sectors. Complex geopolitical dynamics among countries are likely to cause further instability in 2024. Moving forward, global monetary frameworks will play a crucial role in stabilizing inflation, but sustained higher policy rates could increase financing costs, intensifying economic pressures worldwide.

In the Middle East, the deceleration in economic growth was mainly due to decreased oil production, compounded by disruptions in the global landscape. Nonetheless, the non-oil sector displayed resilience and robust growth with economic activity in the Middle East and North Africa region projected to rebound gradually in the next few years as factors hindering growth diminish.

The newly established Saudi Insurance Authority (IA) officially commenced operations on November 23, 2023, functioning as an independent regulator. With a mission to regulate the insurance sector in the Kingdom, the IA aims to enhance its efficiency and stability, aligning with the objectives of Saudi Vision 2030. Among its goals, the Authority will regulate and supervise the insurance sector, safeguard the rights of policyholders, establish principles of insurance contracts, promote innovation in insurance products, and elevate insurance awareness. Furthermore, the IA is expected to focus on enhancing competitiveness to improve service quality and create an appealing investment environment, thereby supporting the insurance sector's role in the national economy. Existing regulations, rules, and instructions pertaining to the insurance sector will remain in effect until further directives are issued. Current insurance policies, claims, channels, and operations will continue uninterrupted, in accordance with relevant regulatory provisions.

The company achieved a net profit before Zakat and tax of SAR 158.6 million in 2023, compared to SAR 91.3 million in 2022, marking a 74% increase from the previous year. The profits after Zakat and Tax increased by 64% to SAR 124.4 million, compared to SAR 76.1 million in the previous year. Additionally, the total shareholders' equity exceeded SAR 1.146 billion by the end of 2023, representing a 13% increase from the previous year, while the earnings per share increased by 65% to SAR 1.4. The company also achieved a 14% increase in gross written premiums, with a total of SAR 1.59 billion in 2023.

#### 4.1 A STRATEGIC OUTLOOK →

Saudi Re's robust performance and resilience during challenging periods reflect the effectiveness of our strategy, which is based on key factors such as the evolving (re)insurance regulatory landscape, global reinsurance trends, the goals of the Kingdom's Vision 2030, and the creation of shareholder value. Our refreshed strategic approach "Strategy Towards 2028", provides a blueprint that will enable the company to play an anchoring role in domestic retention while driving innovation to assess and adapt to new and emerging risks in local and international markets.

Diversification remains a cornerstone of Saudi Re's strategy, evident in our expansion into various business lines with a balanced approach to proportional and non-proportional contracts. Geographical diversification has been a priority, with our portfolio now spanning 40 markets: underscoring our ability to strengthen our global presence, even in turbulent times.

#### 4.2 CAPITAL STRENGTHEN →

Saudi Re has considered number of options to strengthen the company's capital base and support its future expansion activities. On 4 March 2024 the Company announced signing a share purchase agreement for the sale of its entire stake in Probitas Holdings (Bermuda) Limited (PHBL) with Aviva Insurance Limited for consideration of GBP120 million, to be paid in cash.

## 4. Chairman's Statement →

The Company also announced signing a non-binding Memorandum of Understanding (“MoU”) with the Public Investment Fund (“PIF”) pursuant to which PIF intends to subscribe to new cash shares in Saudi Re by way of capital increase with suspension of preemptive rights.

We believe these major steps would strengthen Saudi Re's market position, providing a solid foundation to capitalize on emerging opportunities that align with the Company's growth strategy. Furthermore, they will enhance Saudi Re's credibility and reputation among investors and stakeholders and contribute to our longterm success and sustainability in the reinsurance industry.

### 4.3 OUR ESG JOURNEY →

Saudi Re places a strong emphasis on sustainability, recognizing its importance in meeting the evolving demands of our stakeholders. Our sustainability approach is guided by national and international standards such as the United Nations Sustainable Development Goals (UN SDGs) and the Principles for Sustainable Insurance (PSI), reflecting our commitment to responsible business practices. As a pioneering reinsurer in the Middle East, we strive to set a benchmark for sustainable practices in the industry by voluntarily disclosing our Environmental, Social, and Governance (ESG) performance. As a Sharia-compliant company, we uphold the principles of sustainability in our business operations and investments. Additionally, we continuously invest in the development and wellbeing of our workforce, as well as in uplifting our communities through our Corporate Social Responsibility (CSR) activities. Our efforts during 2023 demonstrate our dedication to integrating ESG factors into our decision-making processes and promoting sustainable practices across our organization.

### 4.4 STRENGTHENING OUR GOVERNANCE →

During 2023, a new Board of Directors was elected for a three-year term and the committees emanating from the

board were restructured. The board will strive effectively to lead the Company to new horizons and develop its business with the aim of maximizing shareholder value and fulfilling their aspirations, while adhering to the highest governance standards.

During the year, we also worked to approve charters and policies including those related to IFRS 17. We believe that these essential developments to the Internal Audit Charter and Manual, Compliance Policy, Remuneration and Compensation Policy, AML/CTF Policy, and the Business Continuity Management System (BCMF) Policy; will hold Saudi Re in good stead as we navigate changes to the operating environment.

### 4.5 A FUTURE FOCUS →

Saudi Re is strategically positioned for remarkable growth opportunities, leveraging our competitive position in the Kingdom and expanding our presence both domestically and globally. We are actively pursuing organic and inorganic avenues to enhance our operations and scale while prioritizing value creation for our shareholders. With a focus on sustainable and diversified growth, we remain steadfast in our commitment to serving the interests of all our stakeholders.

### 4.6 ACKNOWLEDGEMENTS →

As we celebrate the momentous milestone of 15 years in operation, I extend my heartfelt gratitude to our dedicated employees for their unwavering efforts. I am profoundly thankful to the regulatory bodies for their invaluable guidance and advice, and to our investors for their continued trust in our vision. My appreciation also goes to our clients and partners worldwide for their collaboration and confidence in us. As we look to the future, we remain steadfast in our commitment to creating value and serving all our stakeholders to the best of our ability.

#### **Abdullatif Al-Fozan**

Chairman of the Board



## 5. Chief Executive Officer's Review

15

Our refreshed strategic direction, Strategy Towards 2028, will strengthen Saudi Re's position as a leading reinsurer in the Middle East.



## 5. Chief Executive Officer's Review →

In 2023, the global landscape witnessed a confluence of geopolitical shifts, macroeconomic challenges, and natural disasters, which introduced further volatility and uncertainty across markets. Despite these complexities, the Kingdom of Saudi Arabia demonstrated resilience and adaptability, remaining steadfast in its pursuit of strategic initiatives aligned with Vision 2030.

Regionally, the insurance market experienced fragmentation, rising claims inflation, and tax rates, as well as intense competition, making securing business more challenging, particularly in business lines like motor and medical insurance, which constitute a significant portion of Gross Written Premiums (GWP) in the region. The new International Financial Reporting Standard 17 (IFRS 17), which was adopted in January 2023, required insurers to significantly overhaul existing frameworks and processes.

A notable theme in both the insurance and reinsurance sectors was the reversal of pricing cycles. The reinsurance sector, in particular, experienced a rapid escalation in pricing dynamics, as reinsurers prioritized capital preservation and made adjustments to reinsurance arrangements and structures. Despite the persistent challenges and market losses, the sector showed significant improvement.

During the year, our strong domestic position and formidable brand presence proved to be a solid foundation. With unwavering commitment to our strategic vision and dedication to creating value for our shareholders, we navigated challenges with resilience and agility. We delivered yet another commendable performance, marked by 14% growth in Gross Written Premium (GWP) and a notable increase in total assets by SR 433 million. Shareholder equity also grew by 14%, reflecting the Company's profitability improvement.

### 5.1 OUR FINANCIAL PERFORMANCE →

Retaining our growth momentum, GWP reached SR 1.5 billion by the end of 2023 recording a 14% increase in gross written premiums. Reinsurance revenue in 2023 amounted to SR 627 million, reflecting a 10% reduction YoY. Despite this, most business lines showed growth and witnessed improved results and positive performance.

Leveraging the national initiatives including the regulatory local cessions and Inherent Defects Insurance (IDI) program, Saudi Re has invested in strengthening its competitive position in its primary market in the Kingdom. Contributing to these initiatives will enable us strengthen our presence in the local markets and play a pivotal role in developing the insurance and reinsurance sectors.

The profits after Zakat and Tax increased by 64% to SR 124.4 million, compared to SR 76.1 million in the previous year achieving a balanced performance between investment and technical operations. Success of our underwriting strategy resulted in a 43% increase in the Reinsurance Service Result, and improvement across most business lines.

The results of 2023 come in the context of a consistent profitable growth trajectory for the Company. Saudi Re achieved a CAGR exceeding 18% for written premiums from 2019 to 2023, and a net profit CAGR of 28% for the same period, confirming the Company's competitiveness and its ability to maintain a rapid growth pace while achieving substantial profitability rates.

**5.2 STRATEGIC FOCUS →**

Central to our success has been a forward-looking and growth-focused strategy. After carefully evaluating market trends and analyzing both local and international growth opportunities, we embarked on refreshing our strategy – Strategy Towards 2028 – through which we aim to expand the company's operations, capabilities, and enhance scale. Our direction remains rooted in both organic and inorganic growth, ensuring diversification and sustainability. We are confident that making steady progress against our strategy will reinforce our position as one of the leading reinsurers in the Middle East region, and ensure we serve the interests of all our stakeholders diligently.

**5.3 OUR ACHIEVEMENTS →**

After diligent efforts throughout the year to ensure a seamless transition, we successfully adopted IFRS 17 and IFRS 9, as per regulatory requirements in the Kingdom. With the material change to presentation of financial results, we have restated comparative financial data under the new standards.

In 2023, Saudi Re sustained its “A-” rating for both long-term issuer credit and insurer financial strength. The company also maintained a “gcAAA” regional scale rating with a stable outlook, as evaluated by Standard & Poor's Global Ratings (S&P). Additionally, its capital adequacy levels remained above the “AAA” threshold within S&P's assessment model. Moody's reaffirmed Saudi Re's rating at A3 for Insurance Financial Strength Rating (IFSR) on the international scale and at A1.sa on the national scale IFSR, with a positive outlook.

These achievements serve as indicators of solvency, creditworthiness, and the capacity to fulfill obligations to policyholders and creditors. Comprehensive evaluations of strategy, governance, financial performance, and risk management further inform investment decisions. Furthermore, it reflects our strong brand and market leadership in Saudi Arabia, alongside our expanding footprint in targeted regions such as Asia and Africa. Moreover, it solidifies Saudi Re's advantageous position, bolstered by the right of first refusal on a portion of premiums from primary insurers. The recognition of our conservative investment portfolio highlights our commitment to maintaining strong asset quality, which in turn strengthens our competitive stance through profitable expansion, diversification, and growth in both local and international markets.

Saudi Re received several prestigious accolades in 2023. For the third consecutive year, the Middle East Insurance Review honored us with the title of General Reinsurance Company of the year. Additionally, our commitment to transparency and excellence in corporate reporting was acknowledged at the Middle East Investor Relations (MEIRA) IR Awards, where we received recognition for the second consecutive year. Notably, our annual reports were awarded 2nd place in the Digital category and 3rd place in the Print category. Saudi Re also joined the MSCI small cap index in 2023.

Throughout the year, Saudi Re continued efforts to further human resource development and upgrade technological infrastructure. Our initiatives aimed to streamline operations and advance digital transformation. As the only regional reinsurer with analytical and actuarial capabilities to comprehend uncertainties through risk – and region-specific catastrophe modeling, we solidified our position as a leader in the industry.

## 5. Chief Executive Officer's Review →

### 5.4 REACHING A MILESTONE →

In 2023, Saudi Re celebrates its 15th year of remarkable success. Established in 2008 and listed on the Saudi Exchange Market, we emerged as the pioneering reinsurance company catering to the local insurance market.

Guided by strong foundational pillars, strategic foresight, and growing financial strength, we not only achieved a market-leading position but also embarked on a journey of international expansion in 2010. Our steadfast commitment to maintaining a strong credit rating, has positioned us to capitalize on global market opportunities and broaden our reach.

Our ability to thrive amidst evolving industry dynamics stems from our adaptability and responsiveness. Throughout our journey, we have strategically expanded across the Middle East, Africa, Asia, and beyond, solidifying our presence on the global stage and emphasizing our commitment to achieving global prominence.

### 5.5 IN CONCLUSION →

I extend my sincere appreciation to our dedicated team for their outstanding performance this year, their contribution has been instrumental in driving our growth. We also commend the efforts of regulatory bodies, particularly the Insurance Authority, in driving industry advancement and improving market practices, which not only fortify the domestic landscape but also provide Saudi Re with opportunities for global expansion, aligning with our vision to rank among the top 50 reinsurers worldwide.

I extend my sincere gratitude to our shareholders for their continued support and trust in our vision. I would also like to take this opportunity to express appreciation to our valued customers and business partners, whose contributions have been instrumental to our success. As we look ahead, we are confident that our commitment to our stakeholders, combined with our agile and strategic approach, will empower us to navigate challenges and capitalize on opportunities in the dynamic global landscape. As we commence 2024, we remain dedicated to pursuing shared goals and delivering exceptional value.

**Fahad Al-Hesni**

Chief Executive Officer

# BUSINESS CONTEXT, STRATEGY AND PERFORMANCE

20	25	30
Market Review	Strategic Direction	Financial Review



## 6. Market Review

### 6.1 THE GLOBAL CONTEXT →

In 2023, the global economic environment experienced notable shifts due to a confluence of macroeconomic disruptions, culminating in subdued growth rates and escalated inflationary trends.

Fundamental drivers of global GDP, encompassing both investment and consumption, encountered obstacles in returning to their pre-pandemic trajectories. A combination of factors - including the enduring impacts of the pandemic, geopolitical tensions such as the Russia-Ukraine conflict, and a pronounced cost-of-living escalation - contributed to tepid economic recuperation. The global growth trajectory moderated from 3.5% in 2022 to 3% in 2023, with forward-looking indicators projecting a further contraction to 2.9% in 2024.

International financial markets managed to defy pessimistic forecasts in 2023. Equities surged, and bonds rebounded from earlier declines, shifting sentiment from recession apprehension to increased confidence despite US interest rates rising to a 22-year high. Global inflation declined from 8.7% in 2022 to 6.9% in 2023, and future projections suggest a rate of 5.8%<sup>i</sup> for the upcoming year. Although a moderation in core inflation is anticipated, attainment of optimal inflationary benchmarks remains unlikely until 2025. Moderation can be attributed to stringent monetary policy frameworks and consequential adjustments in global commodity pricing structures.

The year 2023, and outlook for 2024 saw a mix of economic uncertainty, simmering geopolitical tensions, and the advent of rapid technological change that is reshaping and redefining the risk environment. The World Economic Forum (WEF) Global Risk Report identified propagation of emerging technologies such as Artificial Intelligence (AI), without suitable checks and balances, to be a major factor in the risk landscape for 2024/25 and the next decade. Potential adverse effects of AI and other frontier technologies includes the spread of misinformation and disinformation, which was seen as

the most severe global risk anticipated over the next two years. Similarly, Cyberattacks and resulting insecurity was noted amongst the top five current risks, with potential to remain a significant factor in the next two years.

### 6.2 PROSPECTS FOR THE FUTURE →

Within this evolving economic setting, the efficacy of global monetary policy is paramount to anchoring inflationary expectations. Moreover, the overarching economic trajectory is significantly contingent upon the outcomes of sustained elevated policy rates, which could further escalate financing costs for consumers and capital for enterprises, thereby amplifying systemic pressures on the international economic landscape.

Growth in advanced economies is expected to slow from 1.5% in 2023 to 1.4% in 2024 as policy measures start to take effect amidst heightened geopolitical uncertainties, less favorable credit conditions, the residual effects of Central Bank tightening cycles, and inflation rates surpassing targets. Emerging market and developing economies are projected to maintain growth at around 4% in 2024.

Global energy consumption is set to grow by 1.8% in 2024, largely driven by strong demand in Asia. Despite high prices and continued supply chain disruptions, the demand for fossil fuels is expected to reach record levels, even as demand for renewable energy continues to rise by an estimated 11% in 2024.

If Brent crude oil averages at USD 80/bbl, oil-exporting sovereigns in the Middle East and North Africa (MENA) will benefit, bolstering their credit metrics. MENA oil-exporting nations are expected to experience enhanced growth in 2024, supported by advancements in non-oil real GDP and stabilization in oil production following the reductions observed in 2023. However, if global growth remains sluggish in 2024, there might be considerations for additional OPEC+ production cuts, especially if the oil market transitions to a surplus. Although non-oil growth is projected to decelerate compared to 2023, persistently high oil prices are expected to maintain.

<sup>i</sup> International Monetary Fund 2023. World Economic Outlook Update, October 2023.

With escalating situation in the war on Gaza, regional geopolitics continue to pose risks to sectors like tourism, trade, and investment.

### 6.3 THE INSURANCE AND REINSURANCE SECTORS →

Over the past year, a significant narrative in the insurance and reinsurance sectors has been the reversal of pricing cycles. Throughout 2023, prices in the majority of commercial insurance lines sustained their upward trajectory, marking the fifth consecutive year of a hardening market cycle. However, when viewed on an indexed basis, the rate of annual increases has started to taper off.

The expectation of buyers for a shift back to more lenient conditions was challenged by unprecedented inflation levels and substantial losses stemming from natural disasters. Nevertheless, despite significant market losses experienced this decade and the capital impairments in 2023, returns within the sector have seen a notable improvement.

In 2024, buyers should anticipate a mixed landscape within the insurance sector. While certain segments like property insurance might experience challenges due to adverse loss experiences and increasing claims inflation, other areas will likely witness abundant capacity. Insurers are expected to focus on expanding sectors where performance remains robust, thereby creating a dichotomy in market dynamics.

In contrast, the reinsurance sector observed a swift escalation in pricing. Reinsurers demonstrated a heightened focus on capital preservation due to six successive years of elevated catastrophe losses. This translated into increased retentions, more stringent terms, and diminished frequency coverage, including adjustments to aggregates, reductions in excess-of-loss layers, and modifications to quota shares.

Escalating demand-side pressures, coupled with a pronounced capacity shortage, were exacerbated as capital providers pulled back, while others opted merely to sustain existing allocations. Such developments heightened liquidity and credit risks for specific reinsurers, especially amid increased uncertainties surrounding claims.

The convergence of geopolitical upheavals, macroeconomic challenges, and devastating natural disasters such as Hurricane Ian, the second most costly natural disaster in history, as well as two destructive earthquakes that hit Turkey and Syria in February, and Morocco in September, has injected notable volatility into the market. Despite these challenges, Fitch Ratings has upgraded its global reinsurance sector outlook from “neutral” to “improving”, reflecting the sector’s enhanced financial resilience expected to continue in 2024. The sector’s combined ratio is forecasted to reach 94% and near-term return on capital is expected to exceed cost of capital.

In the near term, price escalations are expected to surpass the growth in claims costs, leading to underwriting margins peaking in the upcoming year. Concurrently, escalating reinvestment yields and a robust demand for reinsurance are anticipated to bolster earnings progressively. Pricing related to natural catastrophe risks will more accurately reflect the implications of climate change on claims. This shift is especially evident as numerous reinsurers curtail coverage for mid-scale natural catastrophe risks, thereby reducing pricing competitiveness.

S&P raised reinsurance sector view to stable from negative on higher price and increasing investment income, while Fitch raised its global reinsurance sector outlook to “improving” from “neutral”. The sector is anticipated to uphold robust capital adequacy levels, following an estimated 13% recovery in 2023 where global reinsurance capital exceeded USD 635 billion.

With institutional investors showing renewed interest owing to anticipated higher returns, there could be an inflow of alternative capital into the sector. Fitch anticipates that the surplus of both traditional and alternative capital will contribute to a gradual softening of the reinsurance market starting in 2025.

### 6.4 REINSURANCE/INSURANCE IN THE REGION →

The GCC region has demonstrated resilience in its recovery from the pandemic-induced slowdown and the decline in oil prices, maintaining growth momentum fueled by increased domestic demand, ongoing reform initiatives, positive tourism sentiment, and a rebound in the hydrocarbon market.

## 6. Market Review →

The Gulf Cooperation Council (GCC) insurance market is poised for significant growth, with a projected compound annual growth rate (CAGR) of 5.3% expected to propel it to USD 44.4 billion by 2028, up from USD 34.3 billion in 2023. This expansion will be driven by a variety of factors, including robust economic growth, population increase, rapid technological and digital advancements, heightened demand for health and life insurance, extensive infrastructure projects, strengthened regulations, mandatory insurance schemes, and a spike in mergers and acquisitions (M&A). Government efforts toward economic diversification are expected to drive spending on sustainable and alternative infrastructure projects, consequently boosting insurable assets and driving demand for property and liability insurance.

However, the market is characterized by fragmentation and intense competition, which poses a threat to insurers' profit margins as they strive to secure business. Rising claims inflation and tax rates present additional challenges to insurers, particularly in core business lines like motor and medical insurance, which constitute a significant portion of Gross Written Premiums (GWP). Despite prevailing challenges, the notable increase in M&A activities serve as a strategic avenue for companies to pursue inorganic growth.

Regulatory bodies in the GCC have implemented rules and standards, including the adoption of International Financial Reporting Standard 17 (IFRS 17) in January 2023, aimed at enhancing transparency, accountability, and fairness within the insurance industry. This required insurers to overhaul their existing frameworks and processes significantly. Coupled with heightened capital requirements, the transition presents particular challenges for medium-sized providers with limited resources and capacity.

Additionally, GCC governments are prioritizing personal data protection in response to rising cyber threats, creating opportunities for new products such as cyber insurance. Moreover, there is a growing demand for credit insurance in the region, spurred by the complexities of global trade and economic uncertainties.

GCC insurers heavily rely on reinsurance, with a substantial portion of premiums ceded to international reinsurance markets. However, a hardening reinsurance market poses risks to the financial performance of GCC insurers.

Despite growth, insurance penetration in the GCC is projected to remain between 1.6% and 1.7%, with density expected to increase from USD 597.6 in 2023 to USD 699.5 in 2028. Penetration rates across all segments in the GCC insurance sector fall below global standards, indicating untapped potential. Addressing this requires concerted efforts and strategic initiatives to raise awareness and build consumer confidence in the region's insurance products.

### 6.5 THE LOCAL CONTEXT →

The Kingdom remains steadfast in its pursuit of the ambitious Vision 2030, achieving numerous milestones ahead of predetermined timelines. Several initiatives, particularly those that initiated early-stage restructuring within key state sectors are beginning to yield tangible results.

According to estimates from the General Authority for Statistics (GASTAT), real GDP of Saudi Arabia decreased by 0.8% during 2023<sup>ii</sup>, primarily driven by a 9.0% decline in oil activities. Non-oil sectors are estimated to have grown by 4.4%, and government activities by 2.1% in 2023. Financial, Insurance and Business Services activities recorded a growth of 6.8%. Gross Domestic Product at current prices amounted to SR 4,003 billion in 2023, with crude petroleum and natural gas activities continuing to provide the highest contribution to GDP with a share of 25.4%<sup>ii</sup>.

The International Monetary Fund (IMF) raised its growth projections for the Kingdom to 4% in 2024, while the preliminary budget statement from the Ministry of Finance has said that real GDP is expected to grow by 4.4%. The Kingdom has continued to increase its expenditure, allocating a budget exceeding SR 1.2 trillion for 2024, accompanied by prudent revenue forecasts. Geopolitical shifts can present either challenges or opportunities for the Kingdom.

<sup>ii</sup> General Authority for Statistics (GASTAT). 2023. GDP and National Accounts Fourth Quarter of 2023. Riyadh, KSA.



Reports from the newly established Insurance Authority (IA) indicate that the Kingdom's insurance sector grew by 26.9% in 2022, with total Gross Written Premium (GWP) reaching SR 53.4 billion during the same period. The year 2023 continued this steady trend with 21.8% growth in GWP over the first nine months, when compared to the same period the previous year.

In developments during 2023: January saw SAMA issue a circular mandating phased reinsurance cession to the local market from 1 January 2023, targeting a minimum of 30% reinsurance cession offered to the local market by the beginning of 2025. This is likely to impact the local insurance industry in the medium to long term. Amendments were introduced to the Unified Compulsory Motor Insurance Policy, making it mandatory for all vehicles in the Kingdom to have at least third-party liability insurance. Additionally, changes were made to the Comprehensive Motor Insurance Rules to fortify the regulatory framework and safeguard the rights of beneficiaries. SAMA announced the licensing of the first foreign health insurance company branch in Saudi Arabia. This move aimed to encourage foreign direct investment, while stimulating competition in the sector. In August, the Insurance Authority (IA) was established to regulate and supervise the insurance sector in Saudi Arabia, taking over responsibilities previously held by SAMA. The IA has been set up with the aim of enhancing the sector's effectiveness and promoting stability, while protecting rights and strengthening contractual principles. This significant development in regulatory supervision, bringing with it the potential for legal reform, happens at the same time as issuance of new Insuretech rules governing online reinsurance brokerage; signaling new opportunities for the Kingdom's reinsurance sector. Marine Insurance Coverage instructions were issued to help develop a regulatory framework for compulsory and non-compulsory marine insurance in the Kingdom. Furthermore, two insurers obtained their final regulatory approvals for their on-market merger, marking the sixth merger in the Kingdom's insurance market, in line with the goal to create fewer and stronger companies capable of meeting market expectations.

Projections for the forthcoming year are shaped by multiple elements, encompassing the developments of 2023 and the strategic initiatives undertaken by the Kingdom aiming to counterbalance potential

vulnerabilities in the global oil markets. Anticipations suggest a continued uptick in revenues for 2024 attributed to the increasing participation of the private sector, stimulated by diverse governmental initiatives and strategies aligned with Vision 2030. Saudi Arabia is also poised to host Expo 2030 and the 2034 World Cup, leading to the anticipation of numerous extensive infrastructure projects in Riyadh.

The Kingdom has exhibited agility and adaptability in navigating economic and political challenges in recent times. Unlike many nations, it remained largely insulated from pandemic-induced inflation and adeptly managed the effects of global geopolitical tensions. The Kingdom proactively launched initiatives targeting global supply chain issues. This forward-thinking approach is anticipated to persist into the upcoming year, with strategic measures in place to safeguard its economic and strategic priorities. Benefiting from a resilient economy and strong international partnerships, the Kingdom is poised to pursue its national endeavors aimed at elevating key sectors.

### 6.6 SAUDI RE'S RESPONSE →

As a result of our efforts to widen the scope of our operations, especially in the local and Middle Eastern markets, Saudi Re has achieved positive results and notable growth in performance throughout 2023. Our business activities have reinforced our position as a leading company and opened new doors of opportunity and growth both locally and globally. We have also maintained remarkable financial and technical performance and a robust financial position, which resulted in the Company maintaining its A- credit rating from S&P with stable outlook, while Moody's reevaluated the Company, resulting in an A3 rating and raising the outlook from stable to positive.

With increasing risks of natural disasters, the Company undertakes thorough procedures to monitor and evaluate its risk exposure rates, investing in advanced tools and technologies to analyze and manage risks, and utilizing actuarial forecasting and prototyping methodologies. For instance, Saudi Re operates state-of-the-art actuarial systems from RMS, which are considered among the world's most effective natural disaster management technologies.

## 6. Market Review →

Reflecting the ever-changing and diversifying catalog of international risks, we continuously strive to update our risk management strategy, consolidating our ability to identify areas of risk and handle them preemptively, and scaling up our readiness to handle any crisis. Our business continuity framework was also refreshed, and comprehensive procedures were put in place to respond to a diverse array of risks, which ensures operational resilience and the continual provision of services to our clients. Additionally, we have placed a special focus on mainline activities, safeguarding the Company's success and ability to adapt with a changing reinsurance market. With all in place, attention was paid to the preemptive management and enhancement of claims activities – considering the rising rates of global inflation – and to capitalizing on advanced analytics and accrued statistical experience, limiting risks and ensuring effective claims management.

Saudi Re's general strategy was likewise updated to align with market and regulatory environment developments through conducting a complete review of business goals, market trends, and growth opportunities. This strategic orientation strengthens our capacity to accommodate emerging trends and improve our operational, technical, and human capabilities, maintaining the pace of growth and achieving greater performance overall. Moreover, and owing to our commitment to our ambitious growth strategy, we worked towards finding solutions to support and bolster our capital base and attract strategic investors to maximize the Company's future operational output. We have also reached an agreement to sell our share in Probitas for 120 million AUD, enabling us to reinforce our competitive foothold and redirect monetary resources into new local and international growth opportunities.

At Saudi Re, we focus on the vital importance of ESG to achieving sustainability, confirming our steadfast commitment towards sustainable business practices through maximizing economic value, creating positive environmental impact, and supporting sustainable social development. Sustainability continues to represent a key

pillar in Saudi Re's strategy; therefore, our achievements have been recognized by being awarded first place in 2023 Saudi insurance sector's sustainability rankings for the second consecutive year. As for governance, we adhere to a robust structural system that is designed to protect shareholder and other stakeholders' interests, while ensuring compliance with laws, regulations, and guidelines of regulatory agencies, and as a sharia-compliant company, we avoid investments that could lead to adverse societal impacts, and continually advocate for equality, inclusion, and economic prosperity.

Opportunities	Saudi Re's response
Change in regulations	Refresh Saudi Re's strategy
Developing economies grows by 4% in 2024	
Global energy consumption grows by 1.8% in 2024	
Renewable energy rises by 11% in 2024	
Inflow of alternative capital	

Risks	Saudi Re's response
Geopolitical tensions	<ul style="list-style-type: none"> <li>Refresh BCM framework</li> <li>Manage and optimize claims cost</li> </ul>
Enduring impacts of the pandemic	
Cost-of-living crisis	
Cyberattacks	
AI-generated misinformation and disinformation	
Attacks on critical infrastructure	
Global inflation	
Advanced economies growth slow	
Regional conflict	
Geopolitical upheavals	
Climate change issues	

# 7. Strategic Direction

Our vision is “To evolve into a large and diversified reinsurer contributing to the growth of our economy aiming to be ranked among the top 50 global reinsurers” which is anchored at the core of our activities. Saudi Re has developed Strategy Towards 2028; a strategic blueprint that will enable the company to play an anchor role in increased domestic retention and drive innovation to better capture new and emerging risks in local and international markets.

**Our “Strategy Towards 2028” is strongly aligned with the overarching Saudi Vision for the insurance sector:**



**Increase GDP diversification/non-oil GDP growth**



**Develop highly specialized talent pool of Saudi Nationals**



**De-risk the KSA economic growth by providing local content solutions to retain and absorb risks locally**



**Support the emergence of new insurance solutions for poorly covered risks**

Saudi Re focuses on leveraging extensive domestic prospects while expanding internationally to foster diversification, ultimately establishing ourselves as a prominent global reinsurer within the global top 50.

Driven by the dedication to solidify its status as a national champion, Saudi Re pursues two primary strategic objectives aimed at sustaining profitable growth locally and internationally:



**Capitalizing on the growth potential of the Saudi economy and leveraging our advantageous presence in the Kingdom to:**

- Support Saudi Vision 2030 and de-risking economic growth
- Play an anchor role in increased domestic market retention and absorption of risks
- Drive innovation to better capture new and emerging risks



**Maintaining a well-balanced portfolio with healthy composition of local and international business by:**

- Becoming a prominent exporter of reinsurance capacity through the prudent underwriting of international risks
- Harnessing existing global reach to advance into new markets and vital capabilities.

## 7. Strategic Direction →

The strategy continues to evolve around the following five pillars:



### Scale

We prioritize the pursuit of scale, which involves expanding our economic scale, earnings, and capital base, as well as enhancing our resilience to major losses.



### Diversification

Our strategy includes diversification, both geographically and in terms of risk type, to ensure a well-balanced portfolio.



### Technical and Operational Capabilities

We are dedicated to continuously improving our technical and operational capabilities, which include risk management, technological advancements, and human capital development.



### Relationships

We place a high value on building strong relationships, particularly with cedants, brokers, partners, and regulators. Our corporate brand is also an essential factor in fostering positive relationships.



### Financial Soundness

Maintaining financial soundness is critical to the strength and stability of our business. We strive to maintain technical profitability, adequate capitalization, and favourable returns on investment.

Growing economies of scale is a crucial aspect of our strategy, as it enables us to reduce volatility and absorb large losses more easily. By attaining economies of scale, we can make larger investments in developing our capabilities and enhancing our operational efficiency. Furthermore, our scale benefits enable us to earn investment income from premium floats, thereby boosting our investment performance.

To support our expansion efforts, we will continue to explore opportunities in high-growth markets in the Middle East and Asia. The strength of the Saudi Re brand and our cooperative model provide further advantages in these markets.

Diversification is a crucial element of our strategic approach, enabling us to minimize correlated risks, concentration risks, and accumulation risks: ensuring a more balanced reinsurance portfolio is maintained with reduced volatility. As per the recent Saudi Re rating review by S&P, the benefits of risk diversification also contributes in reducing the capital requirements. Our efforts to diversify globally have resulted in a sound portfolio that consists of over 40 markets in the Middle East, Asia, and Africa. At present, our international business accounts for 51% of our portfolio.

Saudi Re also continually strives to build strong capabilities that span the entire gamut of operations in the reinsurance industry. Our underwriting team possesses strong professional skills and an in-depth understanding of the regional risk profile, guided by clearly defined risk appetite parameters. Actuarial and analytical teams work closely with the underwriters to judiciously to better manage our underwriting portfolios, while our streamlined claims management, supported by technical accounting, ensures efficient operations. Saudi Re actively utilizes retrocession to manage risk exposure and mitigate the impact of volatility. Furthermore, our growth and decision-making processes are supported by our advanced capital modelling capabilities, allowing us to make informed and effective decisions.

At Saudi Re, we pride ourselves on our comprehensive operational capabilities. Our team possesses advanced technological, decision-making, and human resources skills. Our client servicing is well supported by advanced technological, analytical, and communication

infrastructure, which enables us to be highly responsive to client needs. Our lean and cost-efficient infrastructure allows for efficient operations. We take a holistic approach to risk management, implementing prudent policies and programs and closely monitoring the risk management process through the risk, technical, and Audit Committees of the Board.

Looking to the future, we are committed to leveraging our competitive advantage in the Saudi market by not only retaining our market share but also capitalizing on the growth opportunities presented by the expanding Saudi economy. Saudi Re is also determined to utilize its expertise and experience in the reinsurance industry to achieve sustainable long-term growth in inherent defects insurance and other classes.

Our strategy involves building and strengthening long-term relationships with clients and brokers, which is managed prudently by our skilled underwriting teams. We seek to establish strong links with high-value counterparties, and our markets in Asia are served by the branch in Kuala Lumpur. Brokers are also integral to our business process. Through leveraging the strong links, we have established with retrocession insurers, we are able to increase our capacity by reducing risk.

To maintain the financial health of the Company, financial soundness is continuously monitored using indicators for all criteria, including:

- **Capital adequacy and solvency** – measured by relevant ratios and internal capital model
- **Asset quality** – includes quality of investment portfolio and asset liability matching
- **Retro and actuarial provisions** – strong reserving and a high-quality retrocession program are in place
- **Management strength** – effective enterprise risk management program
- **Earnings and profitability** – measured by relevant ratios
- **Liquidity** – a highly liquid investment portfolio is maintained
- **Sensitivity to market risk** – limited exposure to equity markets

### 7.1 OVERVIEW OF NEW DEVELOPMENTS IN 2023 →

#### Capital increase

In October 2023, the Board of Directors made the recommendation to increase the Company's capital through a direct offering from an anchor investor the PIF; that will subscribe to new cash shares representing a significant minority ownership in Saudi Re to strengthen Saudi Re's capital base and support its future expansion activities.

Saudi Re has progressed in finalizing due diligence activities and regulatory submissions requirements and it is expected that transaction will be concluded in second quarter 2024 subject to signing the binding agreement. Al Rajhi Capital was appointed as a financial adviser to Saudi Re and GIB was appointed as a financial adviser to PIF.

### 7.2 PROGRESSING ON LOCAL CESSION REGULATION →

Local cession was mandated by article 40 of the Implementing Regulations of the Cooperative Insurance Companies Control Law by the Saudi Central Bank. Insurance and reinsurance companies operating in Saudi Arabia are required to maintain a minimum of 30% of reinsure premium at least with a local provider, unless granted approval by the regulatory authority.

In October 2022, SAMA introduced a new mechanism aiming at improving the enforcement of local retention of reinsurance premiums within the Kingdom and increasing the insurance sector's contribution to the local content. This new mechanism requires insurance companies to cede a share of all their reinsurance treaties, proportional and non-proportional, to the local resonance market with effect from 1 January 2023.

The cession share, under the new mechanism, starting at 20% in 2023 will gradually increase to 25% in 2024 and 30% in 2025. This new mechanism is expected to strengthen the domestic reinsurance ecosystem and enable the national reinsurance market to play an active role. The increased retention of reinsurance premiums within the Kingdom is expected to have a positive economic impact and contribute to the financial stability of the sector. Being the only specialized local

## 7. Strategic Direction →

reinsurer, Saudi Re is well-positioned to support the implementation the new mechanism and benefit from potential growth of its home market.

Following a successful implementation of the enforcement of treaty regulation cession, it is expected that a similar mechanism will be soon introduced for facultative business which represents about 40% of reinsurance premium.

### 7.3 INHERENT DEFECTS INSURANCE (IDI) PROGRAM →

In August 2020, Saudi Re announced the signing of an exclusive reinsurance contract with Malath Insurance Company on behalf of the Saudi insurance industry's participants in the Inherent Defects Coinsurance Program. As part of the arrangement, Saudi Re acts as the exclusive reinsurer for the Saudi Arabian Inherent Defects Coinsurance Program for five years.

The Inherent Defects Insurance (IDI) became a mandatory requirement for contractors involved in private sector construction projects, following the Council of Ministers Resolution No. 509 issued on 5 June 2018. To support the implementation of the IDI program, SAMA issued a standard policy wording for the IDI cover.

The IDI policy has a duration of 10 years for the cover; Saudi Re has put in place retrocession protection as a risk management measure to manage this long-tail business.

The IDI program underwent various implementation phases and during the year 2022 the program witnessed and improved enforcement. Saudi Re has booked SR 385 million of gross written premiums (GWP) under IDI class of business and represented 24% of Saudi Re's 2023 GWP. IDI program is among the key strategic initiatives as the advancement of IDI implementation stimulates growth for Saudi Re and reflects on its financial performance.

### 7.4 CREDIT RATINGS →

The credit rating of an insurance company plays a critical role in the sector, as it indicates the Company's level of solvency and creditworthiness, its ability to meet its obligations to customers and creditors, and its

financial performance. Credit ratings also assist investors in assessing a company's strategic approach, risk management, and governance.

Saudi Re was assigned an "A-" long-term issuer credit and insurer financial strength rating and a "gcAAA" GCC regional scale rating, with a stable outlook, by S&P Global Ratings. S&P noted that Saudi Re has continued to strengthen its competitive position through profitable business growth and diversification. The Company's exposure to catastrophe and other large risks is relatively modest, and it maintains capital adequacy above the "AAA" level in S&P's model. The stable outlook reflects S&P's expectation that Saudi Re will maintain excellent capital adequacy and continue to profitably expand and diversify its business over the next two years. S&P also views Saudi Re's governance practices as effective and appropriate, and the consistency in strategy, and management expertise and experience as a benefit to the Company.

Moody's affirmed Saudi Re's "A3" Insurance Financial Strength Rating (IFSR), with a Positive outlook, in 2023. The rating reflects the Company's strong brand and market position in Saudi Arabia as the sole reinsurer and its growing presence in the target markets of Asia, Africa, and Lloyd's. It also reflects Saudi Re's preferential position in the Saudi market and its strong asset quality evidenced by its conservative investment portfolio. The rating also reflects the Company's strong capital adequacy, non-existent leverage, and good access to capital markets in Saudi Arabia, given its listing on the Saudi stock market, in addition to a broad investor base. The expanded capital base is expected to provide a platform that helps Saudi Re strengthen its market position in the broader Middle East region while providing additional capacity to support insurance market growth in Saudi Arabia and pursue further international expansion opportunities to diversify its business in line with the Company's strategic plan.

The two A-level ratings, A-from S&P and A3 from Moody's, reinforce the confidence of clients, shareholders, regulators, and all stakeholders of Saudi Re and its future. These ratings are critical in ensuring Saudi Re's financial ability when dealing with reinsurers and in supporting the Company's growth efforts in the international markets.

**7.5 PERFORMANCE AGAINST OUR STRATEGY →**

	Gross written premium growth	Combined ratio %	Investment return %	Return on equity (ROE) %	Expense ratio %	Credit rating	Solvency ratio %	Regional reinsurance ranking
2022	1,403,281	96.4	2.27	3.4	10.2	A- S&P A3 Moody's	SAMA 291 S&P 133	Among Top 3 Regional Reinsurers
2023	1,597,000	95.4	7.47	11.3	7.7	A- S&P A3 Moody's	SAMA 299 S&p 127	Among Top 3 Regional Reinsurers

**7.6 COMMON SUCCESS FACTORS IN THE REINSURANCE INDUSTRY AND PROGRESS OF SAUDI RE →**

Success factors	Description	Saudi Re's progress
<b>Clear strategy and proposition</b>	<ul style="list-style-type: none"> <li>Clear value proposition boosts market perception.</li> <li>Established role with brokers and cedants ensures steady premium income from targeted segments.</li> </ul>	<ul style="list-style-type: none"> <li>Evolving into a large and well diversified reinsurance company.</li> <li>Strong and responsive relationships with brokers and cedants.</li> </ul>
<b>Geographic diversification</b>	<ul style="list-style-type: none"> <li>Diversification across business lines and geographies improves capital efficiency and reduces loss volatility.</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio is diversified over 9 lines of business and spread across 40+ markets.</li> </ul>
<b>Scale benefit</b>	<ul style="list-style-type: none"> <li>Expanding size and profitability, enhancing capital base, and improving resilience to loss events.</li> </ul>	<ul style="list-style-type: none"> <li>Strong growth momentum, recording 19% CAGR 2019-2023.</li> <li>Strengthen capital base from the expected gain of the sale of the entire Saudi Re share in Probitas and possible involvement of PIF.</li> </ul>
<b>Strong client/distribution relationships</b>	<ul style="list-style-type: none"> <li>Strong ties with leading international brokers and global distribution platforms ensure ongoing business.</li> <li>Skilled underwriters improve business generation capabilities.</li> </ul>	<ul style="list-style-type: none"> <li>Well-established ties with high value counterparties.</li> <li>Named "reinsurer of the year" by Middle East Insurance Review.</li> <li>Market-dedicated underwriting teams prudently manage the client relationships.</li> </ul>
<b>High limits/line leader</b>	<ul style="list-style-type: none"> <li>Increased limits and underwriting capacity increase attractiveness of reinsurers.</li> </ul>	<ul style="list-style-type: none"> <li>Growing ample underwriting capacity and prudently engaging as a lead reinsurer.</li> </ul>
<b>Active broad range of risks</b>	<ul style="list-style-type: none"> <li>Writing a wide range of risks increases visibility with brokers.</li> <li>Exercising flexibility on terms improves relationship with brokers.</li> </ul>	<ul style="list-style-type: none"> <li>Engaging in the development of new products and offering main lines of business in life and non-life, both in Treaty and Facultative.</li> </ul>
<b>"A-rated" capital</b>	<ul style="list-style-type: none"> <li>Required to compete for desirable business.</li> <li>Favored by cedants and brokers.</li> </ul>	<ul style="list-style-type: none"> <li>Obtained an "A-" long-term issuer credit and insurer financial strength rating by S&amp;P, with a stable outlook.</li> <li>Maintaining "A3" Credit rating by Moody's, with a positive outlook.</li> </ul>
<b>Robust technical capabilities and operational effectiveness</b>	<ul style="list-style-type: none"> <li>Strict underwriting, cycle management, and controls drive strong technical and investment returns.</li> <li>Strong focus on operational efficiency leads to lower operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Investing in technical and technological capabilities while maintaining operating expense within acceptable range.</li> </ul>

## 8. Financial Review

### 8.1 PROSPECTS AND OUTLOOK →

#### PERFORMANCE HIGHLIGHTS:

- Net profit before Zakat and tax of SR 158.6 million in 2023, compared to SR 91.3 million in 2022, marking a 74% increase from the previous year.
- Net profit after Zakat and tax increased by 64% to SR 124.4 million, compared to SR 76.1 million in the previous year, achieving a 28% CAGR during the period from 2019 to 2023.
- Earnings per share increased by 65% to SR 1.4.
- Gross Written Premiums increased by 14%, recording SR 1.59 billion in 2023, with a 19% CAGR during the period from 2019 to 2023.
- Total shareholders' equity exceeded SR 1.146 billion by the end of 2023, representing a 13% increase from the previous year.

Saudi Re continues to demonstrate a robust performance driven by the Company's long term strategy and forward-looking approach to leverage opportunities in its key classes of business and develop revenue streams across domestic and international markets. The key strategic approach involves client-centricity, commitment to market development and diversification, and adherence to sustainable business practices. This is evident in the results of operations and growth in business volumes recorded during the year.

The Company captures the local opportunities via reinsurance exclusivity of Inherited Defect Insurance (IDI), and continuing the 30% local retention strategy. Internationally, Saudi Re cautiously develops its business in preferred and profitable territories and capitalizing on business mix diversification.

Saudi Re exhibits its capital adequacy and solvent position via achievement of S&P "A-" credit rating with stable outlook and, "A3" rating from Moody's with positive outlook. Saudi Re's credit rating opened additional profitable opportunities in new international markets, especially in Asia. Moreover, Saudi Re's strategy enabled the Company to capitalize on the international market hardening, which contributed positively to performance.

The Saudi Central Bank (SAMA) introduced a mechanism in October 2022 to improve local retention of reinsurance premiums within the Kingdom. According to this mechanism, insurance companies are required to cede a share of all their reinsurance treaties, proportional and non-proportional, to the local reinsurance market with effect from 1 January 2023. The cession share which starts at 20% will gradually increase to 25% in 2024, and 30% in 2025.

Saudi Re continues to maintain a well-balanced underwriting portfolio with 51% international business, while keeping focus on risk selection which in turn reflects positively on underwriting performance. The Company has recorded decent growth on the back of business written in other markets, especially in Saudi Arabia and Asia, and this opens up further opportunities in the region.

In line with Saudi Re's strategy, the Company aims to strengthen its capitalization to unlock new expansion opportunities. To that effect, Saudi Re announced the signing of a non-binding memorandum of understanding with the Public Investment Fund (PIF) pursuant to which PIF intends to subscribe to new cash shares in Saudi Re by way of capital increase with suspension of preemptive rights. A subsequent event occurred on 4 March 2024, as the Company announced signing a share purchase agreement for the sale of its entire stake in Probitas Holdings (Bermuda) Limited (PHBL), consideration of GBP 120 million, to be paid in cash, subject to final closing adjustments and applicable regulatory approvals.

The global reinsurance market has shown considerable hardening on account of inflation, rising interest rates, reducing retrocession and reinsurance capacities, and geopolitical tensions.

Notwithstanding the retrocession capacity shortage, these market conditions have been favorable to Saudi Re and resulted in price correction in certain markets. However, and by virtue of cyclicity, the reinsurance market may possibly soften in the medium term. Saudi Re aims to sustain positive through-the-cycle performance by managing volatility and risk exposures and reinforcing its foothold in high growth and profitable market segments.



Furthermore, Saudi Re plans to continue to capitalize on favorable regulatory and market conditions in its home market, which for example are represented by the enforcement of local retention of reinsurance premiums within the Kingdom. This increased retention of reinsurance premiums is expected to develop local content, strengthen the financial stability of the sector, and enable the national reinsurance market to play a more active role.

### 8.2 REVENUE →

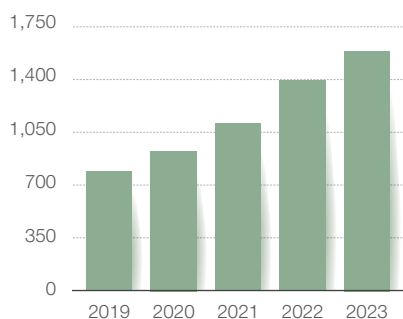
Saudi Re has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standards.

Saudi Re illustrated a strong 5-year growth momentum that was maintained with a 14% increase in GWP, reaching SR 1.6 billion in 2023. The IDI, which represents 25% of Saudi Re's GWP in 2023, also indicates upbeat future prospects based on the Company retaining exclusive privilege to reinsure the mandatory IDI program. This is the highest premium recorded by Saudi Re, and holds the Company in good stead with regard to its plans for continued growth and expansion.

*The 2023 GWP in the following graph is unaudited IFRS 4 figures and for illustration purposes only.*

### Gross written premium (IFRS 4)

(SR '000)



In 2023, Reinsurance Revenue reached SR 627 million, which demonstrates a 10% deterioration compared to the year 2022. Though there was a growth in most of the business lines, the deterioration was mainly due to non-renewal of major non-performing contracts, essentially for medical and motor, and that is demonstrated through improvement in the reinsurance service result that increased by 43% compared to the last year. Moreover, the net financial results have boosted by 163%, and net income after Zakat & Tax increased by 80% to reach SR 139.85 million.

### Reinsurance highlights (IFRS 17)

	2023 (SR '000)	2022 (SR '000)
Reinsurance revenue	<b>627,187</b>	696,998
Reinsurance service result	<b>119,762</b>	83,589
Net investment income	<b>60,388</b>	8,379
Net financial result	<b>25,762</b>	9,864
Share of profit of equity accounted investee	<b>40,071</b>	33,105
Net income after zakat and tax	<b>124,429</b>	76,052

## 8. Financial Review →

## Revenue highlights (IFRS 4)

	2022 (SR '000)	2021 (SR '000)	2020 (SR '000)	2019 (SR '000)	2018 (SR '000)
Gross written premiums	1,403,281	1,115,880	935,114	792,848	721,605
Retroceded premiums	462,920	123,898	123,898	127,844	72,997
Net written premiums	898,599	958,968	772,639	645,605	616,896
Net earned premiums	927,891	854,730	647,120	642,535	613,615
<b>Total revenues</b>	<b>942,706</b>	<b>874,406</b>	<b>659,814</b>	<b>660,711</b>	<b>630,083</b>

## 8.3 REINSURANCE REVENUE →

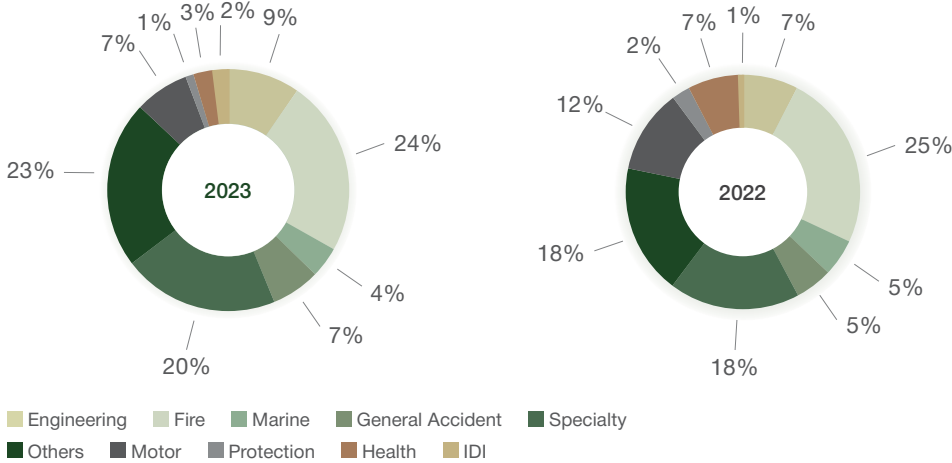
As indicated earlier, Saudi Re implemented a strategy to revive its business and improve the performance of business lines: capturing advantages from international market hardening and upgrading of credit ratings. This triggered an underwriting plan that involves penetrating new international business lines. In addition, Saudi Re reconsidered and improved its reinsurance terms for some business lines. On the other hand, the strategy implies non-renewal of part of the book of business mainly in marine, protection, medical and motor that were underperforming.

## Revenue by lines of business

	2023 (SR '000)	2022 (SR '000)
Engineering	<b>58,866</b>	51,613
Fire	<b>150,416</b>	172,447
Marine	<b>26,100</b>	36,142
General accident	<b>40,380</b>	35,536
Specialty	<b>127,997</b>	122,410
Others	<b>143,819</b>	127,909
Motor	<b>44,815</b>	82,155
Protection	<b>6,564</b>	17,207
Health	<b>16,336</b>	48,196
IDI	<b>11,893</b>	3,383
<b>Total</b>	<b>627,187</b>	696,998

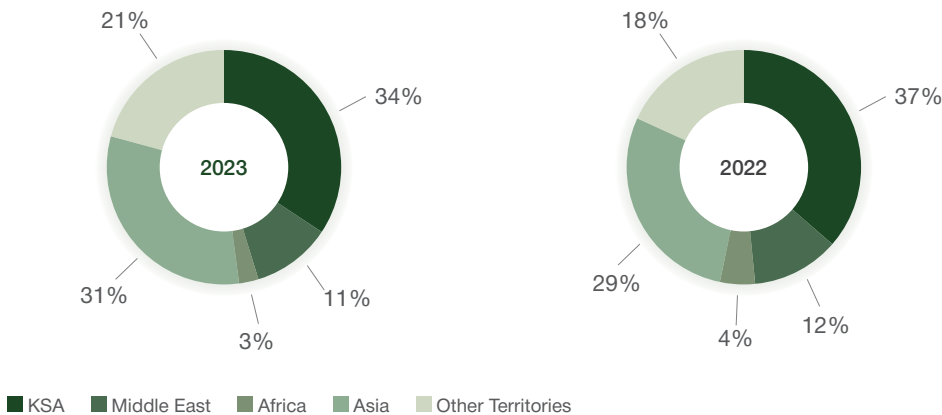


**Reinsurance revenue by lines of business**



**Reinsurance revenue by geography**

	2023 (SR '000)	2022 (SR '000)
KSA	216,821	255,592
ME	67,953	82,534
Africa	16,366	32,510
Asia	196,874	201,319
Other territories	129,173	125,043
<b>Total</b>	<b>627,187</b>	<b>696,998</b>



## 8. Financial Review →

### Reinsurance service results by line of business

Saudi Re's underwriting strategy can be demonstrated in a 43% improvement of the Reinsurance service result, and improvement in most business lines. Major improvement was in the Fire business line mainly due to reaching claims settlements with counterparties that was less than claims provisioned. Moreover, Saudi Re avoided renewing underperforming fire contracts.

In contrast, the motor business showed the most deterioration with 77% reduction compared to 2022, mainly due to incurred claims from the unfortunate Jeddah flood event that occurred in October 2022. In addition, the Company contracted its business in the motor business line. Saudi Re trusts that IDI performance will pick up in future years, as this particular business line has a long-term earning phase.

	2023 (SR '000)	2022 (SR '000)
Engineering	13,796	10,440
Fire	16,675	(22,798)
Marine	13,895	9,526
General Accident	5,596	5,498
Speciality	26,263	31,350
Others	33,949	23,883
Motor	4,352	18,724
Protection	494	766
Health	7,603	4,436
IDI	(2,861)	1,764
<b>Total</b>	<b>119,762</b>	<b>83,589</b>

### Reinsurance service results by geography

Saudi Re's strategic decision to not renew underperforming reinsurance contracts in Saudi and Asian markets, coupled with favorable market hardening and an international credit rating upgrade, contributed significantly to success.

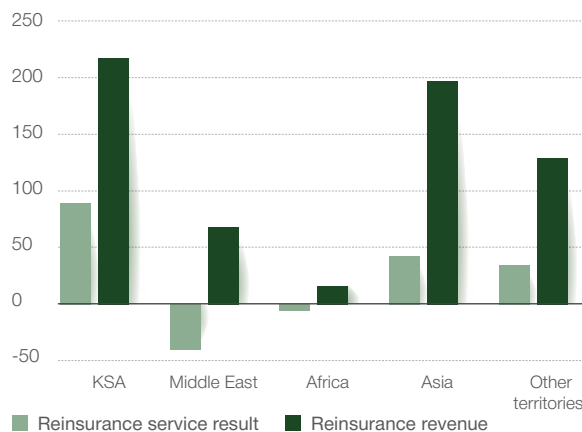
As part of Reinsurance business, the unfortunate earthquake events in Turkey and Morocco caused the deterioration in the Middle East and Africa regions.

In this regard, Saudi Re's strategy of continued business diversification has contributed to reaching 43% growth in overall results.

	2023 (SR '000)	2022 (SR '000)
KSA	86,807	51,134
Middle East	(37,722)	25,739
Africa	(8,266)	18,388
Asia	50,352	(46,639)
Other territories	28,590	34,966
<b>Total</b>	<b>119,762</b>	<b>83,589</b>

### Reinsurance revenue and results of performance by geography – 2023

(SR '000 million)



### Reinsurance service expenses by line of business

Although the business grew compared to last year, reinsurance service expenses demonstrated a 14% reduction compared to last year. This was mainly due less claims due to Saudi Re's strategy of underperforming business non-renewals. Increase in reinsurance expense for the Marine business line was due to one major account that was mostly retroceded.

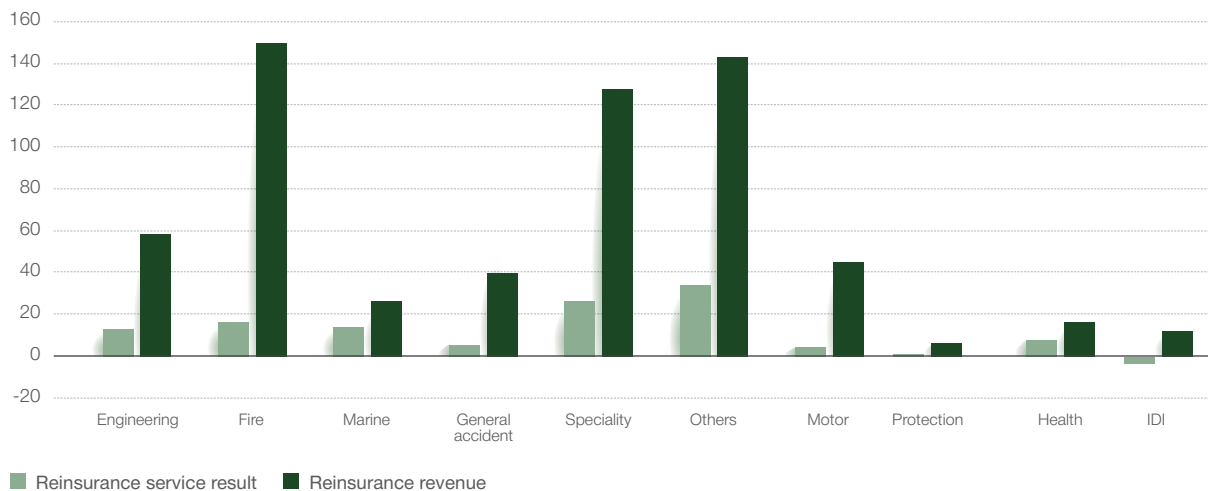
	2023 (SR '000)	2022 (SR '000)
Engineering	(19,849)	(24,860)
Fire	(147,376)	(211,532)
Marine	(50,029)	3,192
General accident	(31,588)	(24,569)
Speciality	(101,734)	(91,061)
Others	(73,550)	(113,337)
Motor	(40,424)	(63,420)
Protection	(5,702)	(15,973)
Health	(8,733)	(43,760)
IDI	(30,790)	(5,849)
<b>Total</b>	<b>(509,774)</b>	<b>(591,168)</b>

**Reinsurance service expenses IFRS 17**

	2023 (SR '000)	2022 (SR '000)
Incurring claims and other directly attributable expenses	611,206	597,537
Changes that relate to past service – adjustments to the LIC	(249,212)	(83,069)
Losses on onerous contracts and reversal of those losses	132,877	65,268
Reinsurance acquisition cash flows amortisation	14,903	11,432
	<b>509,774</b>	<b>591,168</b>

**Reinsurance revenue and results of performance by line of business – 2023**

(SR. '000 million)



## 8. Financial Review →

**Underwriting costs and expenses (2019-2023) IFRS 4**

	2022 (SR '000)	2021 (SR '000)	2020 (SR '000)	2019 (SR '000)	2018 (SR '000)
Gross claims paid	(537,845)	(471,216)	(481,191)	(436,701)	(389,327)
Retroceded premiums	75,974	61,707	181,476	60,006	24,638
Net claims incurred	(595,044)	(565,312)	(391,980)	(417,070)	(404,054)
Policy acquisition costs and profit commissions	(218,199)	(232,404)	(194,682)	(172,781)	(172,472)
Other underwriting expenses	(1,995)	(5,063)	(4,002)	(3,616)	(1,997)
Total underwriting costs and expenses	(815,238)	(802,779)	(590,665)	(593,467)	(578,523)
Net underwriting income	127,468	71,626	69,149	67,244	51,560

**Net reinsurance finance (expense)/income**

	2023			2022		
	reinsurance contracts (SR '000)	retrocession contracts (SR '000)	net (SR '000)	reinsurance contracts (SR '000)	retrocession contracts (SR '000)	net (SR '000)
Interest accreted	<b>(41,524)</b>	<b>2,414</b>	<b>(39,110)</b>	(29,344)	3,909	(25,435)
Effect of changes in interest rates and other financial assumptions	<b>(25,849)</b>	<b>115</b>	<b>(25,733)</b>	(11,906)	2,536	(9,370)
Effects of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	<b>8,285</b>	<b>17,674</b>	<b>25,959</b>	42,491	(17,584)	24,908
Foreign exchange differences	<b>4,237</b>	<b>22</b>	<b>4,259</b>	11,966	(584)	11,381
<b>Total</b>	<b>(54,851)</b>	<b>20,225</b>	<b>(34,626)</b>	13,207	(11,723)	1,484

	2023 (SR '000) IFRS 17	2022 (SR '000) IFRS 17	2021 (SR '000) IFRS 4	2020 (SR '000) IFRS 4	2019 (SR '000) IFRS 4
Net income for policyholder operations	<b>9,924</b>	5,359	2,571	3,432	3,518
Net income for shareholders operations before Zakat	<b>158,562</b>	91,318	53,315	60,692	45,444

**Investment income**

Investment income increased due to the high interest environment which increased returns from investments in the money market and fixed-income investments. Investment assets were also actively allocated between money market funds and listed equity into fixed term deposits to lock in higher yields for longer.

	2023 (SR '000)	2022 (SR '000)
Investment income from financial investments not measured at FVIS	58,460	38,728
Net income/(loss) from financial investments measured at FVIS	6,243	(25,289)
Investment management expenses	(4,208)	(3,719)
Provision for expected credit losses	(108)	(1,340)
Net investment income	60,388	8,379
Share of profit of equity accounted investee	40,071	33,105
<b>Total net investment income</b>	<b>100,458</b>	<b>41,484</b>

**8.4 NET INCOME →**

	2023 (SR '000)	2022 (SR '000)
Total income for the year before Zakat and tax	158,562	91,318
Zakat and tax charge for the year	(33,948)	(15,266)
Net income for the year after Zakat and tax attributable to the shareholders	124,429	76,052
Basic and diluted earnings per share for the year (SR)	1.4	0.85

**8.5 COMPREHENSIVE INCOME →**

	2023 (SR '000)	2022 (SR '000)
Net income for the period after Zakat and tax attributable to shareholder	124,429	76,052
Financial investments at FVOCI – net change in fair value	711	(8,285)
Re-measurement loss on employees' end of service benefit obligations	(3,734)	(462)
Share of foreign currency translation reserve of an equity accounted investee	5,038	(8,258)
<b>Total comprehensive income for the year</b>	<b>126,445</b>	<b>59,047</b>

## 8. Financial Review →

## 8.6 ASSETS →

The Company's growth was also reflected in assets, which increased by SR 433 million compared to last year. This rise is mainly attributed to improved liquidity, a strengthened investment portfolio, increased insurance activities, enhanced equity investments, and overall financial growth.

	31 December 2023 (SR '000)	Restated 31 December 2022 (SR '000)	Restated 01 January 2022 (SR '000)
Cash and bank balances	<b>87,905</b>	31,557	27,807
Financial investments at fair value through income statement	<b>154,456</b>	272,654	762,723
Financial investments at fair value through other comprehensive income	<b>141,633</b>	119,921	92,871
Financial investments at amortized cost	<b>1,127,330</b>	1,030,134	496,236
Reinsurance contract assets	<b>77,827</b>	105,037	76,794
Retrocession contract assets	<b>439,593</b>	189,246	211,549
Prepaid expenses, deposits and other assets	<b>303,917</b>	199,272	136,319
Property and equipment, net	<b>37,139</b>	36,379	37,156
Investment in an equity accounted investee	<b>208,990</b>	160,687	132,580
Statutory deposit	<b>89,100</b>	89,100	89,100
Accrued income on statutory deposit	<b>22,057</b>	22,084	20,962
<b>Total assets</b>	<b>2,689,947</b>	2,256,070	2,084,097

## 8.7 LIABILITIES →

The Company's total liabilities grew by 25%, due to business growth during the year.

	31 December 2023 (SR '000)	Restated 31 December 2022 (SR '000)	Restated 01 January 2022 (SR '000)
Margin loan payable	<b>56,797</b>	56,797	56,797
Reinsurance contract liabilities	<b>1,287,902</b>	919,992	864,300
Retrocession contract liabilities	<b>190</b>	12,156	-
Accrued expenses and other liabilities	<b>112,072</b>	195,322	159,608
Provision for employees' end of service benefits	<b>18,633</b>	13,868	12,288
Provision for Zakat and tax	<b>41,548</b>	17,533	15,266
Accrued commission income payable to SAMA	<b>25,982</b>	23,219	20,962
<b>Total liabilities including reinsurance operations' surplus</b>	<b>1,543,125</b>	1,238,887	1,129,222



**8.8 EQUITY →**

Shareholder equity increased by 13% from SR 1 billion to SR 1.146 billion by end of 2023 reflecting profitability improvement.

	<b>31 December 2023</b> (SR '000)	Restated 31 December 2022 (SR '000)	Restated 01 January 2022 (SR '000)
Share capital	<b>891,000</b>	891,000	891,000
Statutory reserve	<b>67,931</b>	43,045	34,750
Retained earnings	<b>194,358</b>	94,815	27,058
Other reserves	<b>(6,468)</b>	(11,677)	2,067
<b>Total equity</b>	<b>1,146,822</b>	1,017,184	954,875

**8.9 DIVIDENDS →**

No cash dividends were distributed for 2023.

**Dividend Policy**

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 stockholders' equity in the balance sheet.
- (3) Shareholders who are registered at the end of trading before 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:
  - Set aside Zakat and assessed income tax.
  - Set aside 10% of the profit 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 has the right to form other reserves, to the extent that it achieves the interest of the Company or ensured distribution of fixed profits to shareholders.
  - After that, the first payment shall be distributed to the shareholders, with the condition that it is not less than 1% of the paid-up capital.

## 8. Financial Review →

## 8.10 ZAKAT, TAXES, FEES, AND OTHER CHARGES

Description	Reasons	Paid amount (SR '000)	Outstanding amount at end of financial period (SR '000)
Zakat and income tax	The Company's share according to Zakat and tax regulations in the Kingdom	10,117	41,548
WHT	The Company's share according to Zakat and tax regulations in the Kingdom	14,064	9,360
VAT	The Company's share according to Zakat and tax regulations in the Kingdom	69,086	23,203
IA fees	Supervision fees for the Insurance Authority	8,642	218
GOSI	Social insurance contributions for Company employees to the General Organization for Social Insurance	3,275	310

## 8.11 SOLVENCY AND RATING

## Capital adequacy

## Solvency Margin

**299%**  
(SAMA)

**127%**  
(S&P)

## Credit ratings

## S&amp;P Global

long-term issuer credit and insurer financial strength

**A-**

regional scale rating

**gcAAA**

## Moody's

Insurance Financial Strength Rating (IFSR) international scale

**A3**

Insurance Financial Strength Rating (IFSR) National scale

**A1.sa**

Saudi Re has continued its trajectory of strengthening its competitive position through profitable business growth and diversification, both domestically and internationally. The Company has maintained its exposure to catastrophe

and other large risks at relatively modest levels, while ensuring its capital adequacy remains above the "AAA" level in S&P's model.

The stable outlook persists, indicating S&P's confidence that Saudi Re will uphold its excellent capital adequacy and sustain profitable expansion and diversification over the coming years.

S&P continues to view Saudi Re's governance practices as effective and appropriate, with consistency in strategy and management expertise contributing positively to the Company's operations.

Saudi Re's financial rating reflects several key factors: (i) Its strong brand and market position in Saudi Arabia, where it operates as the sole professional reinsurer, coupled with a growing presence in targeted markets across Asia, Africa, and Lloyd's. (ii) The Company's preferential position in the Saudi market due to its right of first refusal on a portion of premiums ceded by primary carriers. (iii) Strong asset quality demonstrated by a conservative investment portfolio. (iv) Good capital adequacy, supported by robust capital levels and a relatively modest exposure to natural catastrophe risk. (v) Strong financial flexibility characterized by non-existent leverage and favorable access to capital markets in Saudi Arabia, facilitated by its listing on the Saudi stock exchange and broad investor base.

**8.12 RETURN ON INVESTMENT IN PHBL →**

On 6 October 2017, Saudi Re acquired 49.9% of the ordinary shares of Probitas Holdings (Bermuda) Limited ("PHBL") for a total of USD 25 million (SR 94 million). Subsequently in June 2020 a further USD 985,840 (SR 3.7 million) was invested in PHBL. Saudi Re has accounted for this investment as an associate (equity accounted investee). The carrying value of the investment as at 31 December 2023 is SR 208.9 million. PHBL operates in insurance and reinsurance businesses including Lloyd's market in London, United Kingdom. Probitas Group via its wholly owned subsidiary Probitas Corporate Capital Limited (PCCL) provides capital to Syndicate No. 1492 which is a syndicate at Lloyd's of London specializing in property, construction and casualty (re)insurance solutions. Probitas Managing Agency Ltd. which is a wholly owned subsidiary of Probitas Group manages the Syndicate 1492.

In addition to its investment in PHBL, Saudi Re also writes reinsurance contracts from PCCL, During the financial year these contracts had an estimated reinsurance revenue value of SR 127.9 million. Contribution of these contracts to the underwriting profitability of Saudi Re's book is shown within the Segmental Information under the headings; Specialty in Business Segments and Other Territories in Geographical Segments.

Representing Saudi Re Mr Abdullatif Al-Fozan, Chairman and Mr Fahad Al-Hesni, Managing Director are holding Non-Executive Director positions of PHBL and its Subsidiaries (Probitas Group) Boards. By virtue of these Board memberships an indirect interest is present in the reinsurance contracts written by Saudi Re from PCCL. (As disclosed in the Related Party Transaction section on page 107).

The following table summarizes the financial information of PHBL as included in its own Financial Statements. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in PHBL.

	2023 (SR '000)	2022 (SR '000)
Percentage ownership interest (%)	<b>49.90</b>	49.90
Total assets	<b>1,333,804</b>	1,123,931
Total liabilities	<b>944,322</b>	831,244
Net assets (100%)	<b>389,482</b>	292,684
Company's share of net assets (49.90%)	<b>194,351</b>	146,049
Goodwill	<b>14,638</b>	14,638
Transition to IFRS 17	-	-
Carrying amount of interest in associate	<b>208,990</b>	160,687
Profit from continuing operations	<b>80,302</b>	66,342
Other comprehensive income – Impact of foreign currency exchange	<b>10,096</b>	(16,550)
Total comprehensive income (100%)	<b>90,398</b>	49,792
Company's share of profit	<b>40,071</b>	33,105
Company's share of Other comprehensive income – Impact of foreign currency exchange	<b>5,038</b>	-8,258
Company's share of total comprehensive income (49.90%)	<b>45,109</b>	24,846

On 4 March 2024 (corresponding to 23/08/1445H), Saudi Re announced signing a share purchase agreement for the sale of its entire stake in Probitas Holdings (Bermuda) Limited (PHBL). Saudi Re has signed a share purchase agreement with Aviva Insurance Limited for consideration of GBP 120 million, to be paid in cash, subject to final closing adjustments.

# ESG REPORT

43  
Sustainability  
Strategy

48  
Sustainability  
Performance



## 9. Sustainability Strategy

We are devoted to propelling Saudi Re to the forefront of the regional reinsurance landscape. Our tireless commitment to fostering financial strength and sustainability is fueled by a profound desire to continually create enduring and substantial value for our esteemed shareholders and valued clients.

### 9.1 OUR SUSTAINABILITY APPROACH →

Saudi Re aims to be a regional leader in sustainability, aligning our strategic vision with principles that encompass Environmental, Social, and Governance (ESG) considerations. In keeping with our Islamic values, our commitment extends beyond immediate stakeholders to include protecting the environment, supporting communities, developing our human capital, and actively participating in global initiatives to address climate change. Through this comprehensive approach, our goal is not only to enhance economic value for the Company and our clients but also to establish a precedent for responsible business practices in the region.

Our customer relations are guided by the Saudi Re Code of Professional Conduct and Ethics, ensuring fair and ethical treatment of clients. Anchored by a robust Sustainability and Social Responsibility Policy, approved at the Annual General Meeting (AGM) in 2022, we integrate core sustainability principles into our policies, procedures, and practices. This approach guides our sustainability journey and reflects our dedication to corporate responsibility.

In order to actively contribute to the objectives of Saudi Vision 2030, Saudi Re places a strategic emphasis on fostering economic growth through proactive efforts to create opportunities for citizens.

Our focus on gender equality is evident in our empowerment of women in senior roles. We promote Saudization across our workforce; through annual increments in Saudization ratios, we foster a dynamic and skilled workforce, while furthering the nation's developmental goals.

Saudi Re's sustainability strategy further contributes to the Kingdom's development as we strive to maximize local content contribution by retaining reinsurance premiums within the Kingdom, representing Saudi Arabia in the international market, and contributing to the non-oil GDP.

Sustainability is integral to our Vision and Mission, shaping our decision-making process as a Sharia-compliant company. Upholding ethical duties, we safeguard people and businesses against significant risks, building a framework of unwavering commitment toward transparency, accountability, and environmental and social consciousness.

# 9. Sustainability Strategy →

## 9.2 SUSTAINABILITY PILLARS →

### PEOPLE AND COMMUNITY CARE

- 14 Develop talent of workforce and sector
- 15 Create a diverse and inclusive work environment
- 16 Prioritize health and well-being of workforce
- 17 Investment in community development
- 18 Foster relationships with key stakeholders



### NATIONAL CONTRIBUTION

- 1 Contribute to Saudi Vision 2030
- 2 Carry out sustainable procurement



### STRONG GOVERNANCE AND ECONOMIC PERFORMANCE

- 3 Operate with transparency, openness and accountability
- 4 Foster an ethical and compliant culture
- 5 Strive for sound financial performance



### SUSTAINABLE INSURANCE

- 11 Integrate ESG criteria in underwriting
- 12 Invest responsibly
- 13 Improve financial inclusion/ access to insurance



### ENVIRONMENTAL PROTECTION

- 9 Climate change and energy transition
- 10 Environmental management



### RESPONSIBLE CUSTOMER RELATIONS

- 6 Maintain high standard of client service and satisfaction
- 7 Introduce innovative and sustainable products and services
- 8 Ensure adequate data protection and data privacy



### 9.3 SHARIA GOVERNANCE →

Saudi Re strives to adhere to Sharia Governance practices through the establishment of a Sharia Committee to ensure independent administration and Sharia reporting.

To achieve this, we have appointed Shariyah Review Bureau (SRB) who helps facilitate Sharia related discussions, product research, and Sharia reporting while working with the heads of functions to augment Sharia principles and rulings at different levels of the organization. SRB will also help ensure that the members of the Sharia Committee operate with independence and autonomy that warrants effective decision-making and Sharia assurance practices.

Some of the specific requirements that SRB will manage are:

- Help establish a robust Sharia governance mechanism including the formulation and management of the Sharia Committee and liaising with them to ensure that all products and services are duly accredited and in line with the rulings of the Sharia Committee.
- Assist in establishing a qualified and independent Sharia Committee and a competent Sharia audit resource.
- Coordinate with various departments, heads of functions and taskforces on Sharia issues, and provide support during Sharia audits.
- Contribute to the development and enhancement of products and new offerings, coordinating with relevant stakeholders for feedback.
- Ensure that all products and services offered by us are approved and certified by the Sharia Committee.
- Supervise the internal Sharia audit to verify compliance with Sharia principles and standards.
- Disclose relevant information to management regarding the Sharia governance framework, Sharia Committee rulings, product (non-compliance) risks, Zakat verification and purification of non-permissible income.

### SHARIA COMMITTEE →

For the purpose of effective Sharia governance, two renowned and qualified Sharia scholars have been assigned. The Sharia Committee independently issues pronouncements and these rulings are binding on the Company. The names of the Sharia Committee members are provided below:

1. Mohammed ElGari
2. Salah Shalhoob



SHARIYAH  
REVIEW BUREAU


### ABOUT THE SHARIYAH REVIEW BUREAU (SRB) →

SRB is a Middle East-based firm with an international scholarly platform of +37 scholars covering 4 major school of jurisprudences and spreading over 16 countries including Saudi Arabia, Bahrain, UAE, Malaysia, Pakistan, UK, Germany and Russia. SRB is licensed and regulated by the Central Bank of Bahrain and has been serving the Islamic financial industry for almost 20 years and is committed to empowering Sharia compliance for businesses around the world.

### 9.4 STAKEHOLDER ENGAGEMENT →

Stakeholders play a pivotal role in Saudi Re's sustainability, success, and value creation. Our sustainability strategy is built on the importance we attribute to all stakeholders: clients, brokers, shareholders, analysts, investors, employees, regulatory bodies, suppliers, and business partners. This commitment is evident in the formulation of our Sustainability and Social Responsibility Policy and how we identify and prioritize material matters.

## 9. Sustainability Strategy →

Stakeholder	Mode of engagement	Frequency of engagement
 <p><b>REGULATORY BODIES</b></p>	<ul style="list-style-type: none"> <li>• Internal audit</li> <li>• Audit committee</li> <li>• External audit</li> <li>• Compliance department</li> <li>• Technical committee</li> <li>• Business risk committee</li> <li>• Annual reports</li> </ul>	As per regulatory requirement, or on an annual basis.
 <p><b>CLIENTS AND BROKERS</b></p>	<ul style="list-style-type: none"> <li>• Social media channels including LinkedIn</li> <li>• Customer service helpdesks</li> <li>• Market webinars</li> <li>• Regional/International industry events</li> <li>• Cybersecurity framework</li> </ul>	Regular and routine engagement.
 <p><b>SHAREHOLDER, ANALYSTS AND INVESTORS</b></p>	<ul style="list-style-type: none"> <li>• Annual reports</li> <li>• General Assembly Meetings</li> <li>• Financial results in a quarterly basis</li> <li>• Press releases</li> <li>• Investor conferences and one-on-one meetings</li> <li>• IR Mobile App</li> <li>• Risk Appetite Framework</li> </ul>	Continuous engagement through open and transparent formal channels maintained with shareholders
 <p><b>SUPPLIERS AND BUSINESS PARTNERS</b></p>	<ul style="list-style-type: none"> <li>• Procurement departments</li> <li>• Annual reports</li> <li>• Credit agency reports</li> </ul>	Regular and routine engagement.
 <p><b>SOCIETY</b></p>	<ul style="list-style-type: none"> <li>• Community donation drives</li> <li>• Event sponsorship</li> <li>• Training sessions/workshops</li> </ul>	Event/project based engagement and responsive engagement.
 <p><b>EMPLOYEES</b></p>	<ul style="list-style-type: none"> <li>• Human Resources team</li> <li>• Training sessions and workshops</li> <li>• Career development programs</li> <li>• Employee engagement program</li> <li>• Whistleblowing policy</li> <li>• Saudi Re's intranet</li> <li>• Health and life scheme coverage</li> </ul>	Continuous engagement through transparent and open communication Channels.



**9.5 SUSTAINABILITY POLICY →**

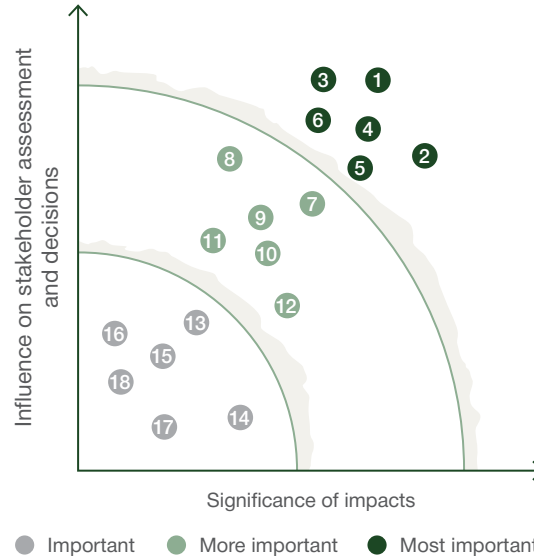
Saudi Re's Sustainability and Social Responsibility Policy serves as the compass for managing material topics. With the Company and its stakeholders in focus, we prioritize Environmental, Social, and Governance (ESG) considerations. Corporate governance heads our list of material factors, followed by cybersecurity, talent development, alignment with the national strategy, ethics and financial performance, and customer satisfaction. Other critical considerations are inclusivity, integration into the insurance sector, innovation, responsible investing, and access to insurance. Additionally, we underscore the significance of sustainable products, community investment, well-being, environmental management, and sustainable procurement.

**9.6 MATERIAL MATTERS →**

Saudi Re ensures the currency and relevance of its policies for managing material topics through regular review cycles, stakeholder engagement, monitoring industry trends, risk assessments, benchmarking, legal compliance checks, internal audits, and periodic materiality assessments. This proactive approach ensures policies remain aligned with the Company's objectives, evolving risks, and stakeholder expectations.

To ensure compliance with material topics, Saudi Re documents and communicate clear policies, conduct regular training, monitor and report compliance, perform internal audits, assess risks, establish accountability, seek external certifications, continuously improve processes, engage stakeholders, use technology, and stay updated on legal and regulatory changes.

The following table and materiality map visually present the key material topics of Saudi Re, presented in order of importance:



● Important ● More important ● Most important

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

# 10. Sustainability Performance

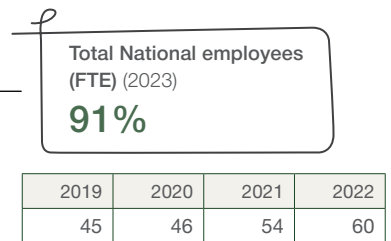
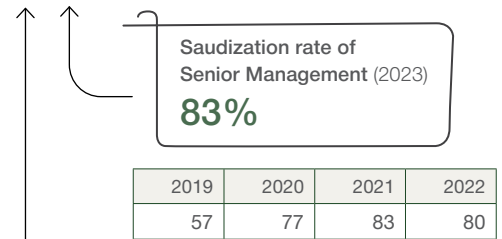
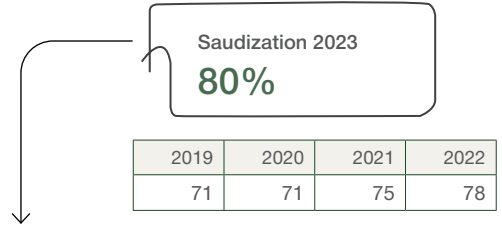
## 10.1 OUR NATIONAL CONTRIBUTION →

Saudi Re remains deeply committed to advancing the objectives outlined in Saudi Vision 2030. As a Saudi national business with a presence in over 40 countries worldwide, we take pride in our active role in contributing to global economic growth and diversification. We play a pivotal role in creating employment opportunities, fostering the training and development of Saudi nationals, and cultivating expertise within the insurance and financial sector.

Continuing our efforts to increase the Saudization Ratio annually, we align closely with the Vision 2030 goals for local workforce development. Our recruitment strategies prioritize the inclusion of Saudi citizens, and we are dedicated to providing avenues for their career progression through ongoing training initiatives. In particular, we focus on empowering and encouraging female professionals to assume leadership roles within the Company, thereby fostering a more inclusive corporate culture.

Through specialized training programs and workshops, we contribute to enhancing technical knowledge in the insurance and reinsurance industry, thereby supporting the broader development of professionals in the financial services sector across the region.

Our commitment to the Kingdom's development is further exemplified through our robust ESG and sustainability initiatives. In January 2023, Saudi Re launched the Future Leaders Program, which identifies and grooms promising individuals for leadership roles. This program aligns with Vision 2030's objective of cultivating skilled and capable leaders for the future.



Area of focus	Our contribution for 2023	Highlights																		
<p><b>LOCAL CONTENT</b></p>	<p>Saudi Re is committed to aligning its objectives with the aim of growing the insurance sector’s role in boosting local content for risk coverage.</p>	<p>In alignment with the circular issued by the Insurance Authority (IA) on 26 October 2022, pertaining to the implementation of the new Reinsurance Cession mechanism in the Local Reinsurance Market, the directive marks the commencement of the initial phased cession plan. This plan involves a progressive increment to a minimum of 20% in 2023, 25% in 2024, and 30% in 2025 for all Reinsurance Treaties, encompassing both proportional and non-proportional arrangements, taking effect from 01 January 2023.</p>																		
<p><b>SERVICE EXPORT</b></p>	<ul style="list-style-type: none"> <li>• Saudi Re made substantial advancements in bolstering the Kingdom’s non-oil GDP by retaining reinsurance premiums within the country, supporting local content development, and also exporting reinsurance services. This effort is in keeping with the national objective of boosting non-oil GDP, as outlined in Saudi Vision 2030.</li> <li>• Implementation of local session started at 20% in 2023, and is expected to progressively increase to 30% by 2025.</li> </ul>	<p><b>Total reinsurance revenue KSA vs International</b></p> <table border="1"> <thead> <tr> <th></th> <th>2023 SR</th> <th>2022 SR</th> </tr> </thead> <tbody> <tr> <td>KSA</td> <td><b>216,820,889</b></td> <td>255,591,946</td> </tr> <tr> <td>Other Middle Eastern Countries</td> <td><b>67,953,477</b></td> <td>82,534,270</td> </tr> <tr> <td>Africa</td> <td><b>16,365,603</b></td> <td>32,509,953</td> </tr> <tr> <td>Asia</td> <td><b>196,873,935</b></td> <td>201,319,245</td> </tr> <tr> <td>Other territories</td> <td><b>129,173,121</b></td> <td>125,042,504</td> </tr> </tbody> </table>		2023 SR	2022 SR	KSA	<b>216,820,889</b>	255,591,946	Other Middle Eastern Countries	<b>67,953,477</b>	82,534,270	Africa	<b>16,365,603</b>	32,509,953	Asia	<b>196,873,935</b>	201,319,245	Other territories	<b>129,173,121</b>	125,042,504
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Other Middle Eastern Countries  
SR 67,953,477

Africa  
SR 16,365,603





Other territories  
SR 129,173,121

KSA  
SR 216,820,889

Asia  
SR 196,873,935

**Total Reinsurance Revenue (2023)  
SR 627,187,025**

# 10. Sustainability Performance →

Area of focus	Our contribution for 2023	Highlights
<p><b>TRAINING AND EDUCATION</b></p> 	<p>Ongoing training and development of staff is a priority for Saudi Re, for new and existing employees.</p> <div data-bbox="488 475 699 584" style="border: 1px solid black; padding: 5px;"> <p>Value invested in training and education 2023</p> <p><b>SR 700,000</b></p> <p>(2022 – SR 690,890)</p> </div>	<div style="display: flex; justify-content: space-around;"> <div data-bbox="995 360 1145 515">  <p>55 hours per employee</p> </div> <div data-bbox="1225 360 1430 533">  <p>Supported employees to obtain specialized professional certificates</p> </div> </div> <div data-bbox="995 542 1230 706" style="text-align: center;">  <p>Sponsored a number of conferences on insurance and actuarial services</p> </div>
<p><b>YOUTH DEVELOPMENT AND SAUDIZATION</b></p>	<ul style="list-style-type: none"> <li>In 2023, 80% of Saudi Re’s workforce consisted of Saudi nationals, and 30% of them were under the age of 30; reflecting our commitment to Saudization and youth development.</li> <li>The Future Leaders Program was launched in 2023 to contribute to the development of young talent.</li> </ul>	<div style="border: 1px solid black; padding: 10px;"> <p>Percentage of employees below 30 years of age (2023)</p> <p><b>30%</b> (2022 – 23%)</p> <hr/> <p>Saudization 2023</p> <p><b>80%</b></p> </div>
<p><b>PRODUCT DEVELOPMENT AND INNOVATION</b></p>	<ul style="list-style-type: none"> <li>In 2023, Saudi Re remained focused on preparing its infrastructure to embrace the new accounting standard, IFRS 17. Through diligent efforts, it ensured compliance and operational efficiency, meeting all required deadlines.</li> <li>Saudi Re continues to play a vital role in supporting the local market by actively participating in the development of new high-capacity products. One notable example is Insurance for Decreasing Income (IDI), where Saudi Re has been instrumental in both product development and offering reinsurance support. This underscores Saudi Re’s ongoing commitment to fostering innovation and bolstering the insurance landscape in the region.</li> </ul>	<ul style="list-style-type: none"> <li>IFRS 17 has been successfully adopted., Comprehensive training has been provided to all relevant departments, including Management, the Board of Directors, Underwriting, Actuarial, Finance, and IT. The adaptation process is now complete, and the organization is fully compliant with the requirements of IFRS 17.</li> <li>A newly implemented Disaster Recovery (DR) setup has been put in place, boasting simplified DR management, significantly reduced Recovery Time Objective (RTO), and Recovery Point Objective (RPO). This overhaul ensures heightened business resilience, offering assurance that Saudi Re will seamlessly serve its clients even amidst disasters. Notably, the system is designed to activate disaster recovery within an impressive 5-minute timeframe, ensuring minimal disruption to operations and swift restoration of services.</li> </ul>

**10.2 SUSTAINABLE SUPPLY CHAIN →**

At Saudi Re, our commitment is anchored in sustaining an ethical supply chain that prioritizes sustainability and responsibility in our procurement processes. We uphold transparency in our selection procedures, maintaining high standards through comprehensive evaluation and documentation of all our business partners prior to engaging in any transactions.

Throughout 2023, Saudi Re strengthened engagement with the Middle East Investor Relations Association (MEIRA), Middle East Insurance Association, and the General Arab Insurance Federation (GAIF).

Saudi Re ensures the following measures are in place, to improve procurement practices, strengthen the supply chain, and promote sustainability amongst suppliers and partners.

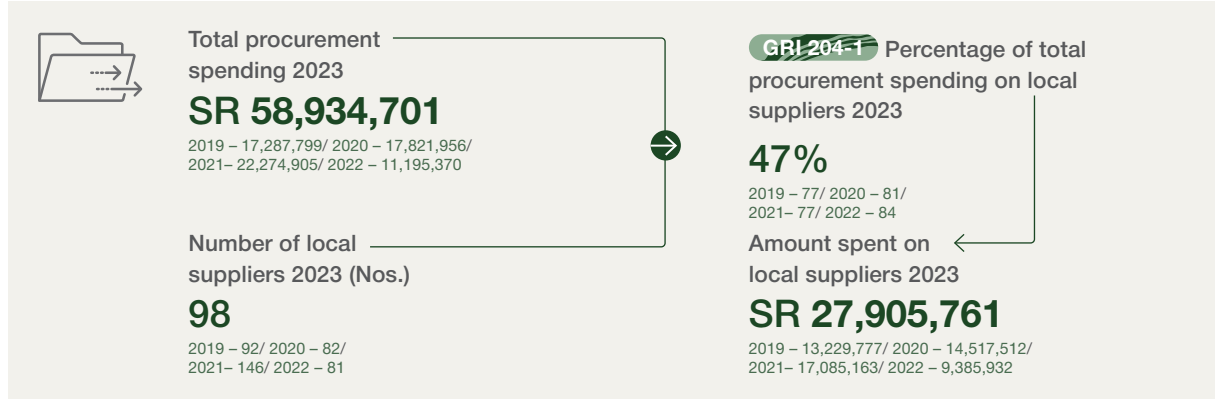
Data protection and cybersecurity measures instituted by the Company for suppliers, as outlined in the SAMA Cybersecurity Framework, are described in the Client Relations sections on page 57.

At Saudi Re, our approach to procurement extends beyond conventional practices, incorporating a thorough assessment of the sustainability impact of the products we purchase. Our focus on local content development and meticulous measurement of local spending reflects our dedication to advancing the objectives of Saudi Vision 2030. Through prioritizing local sourcing, we not only establish reliable partnerships but also actively contribute to the growth of our economy. This strategic approach not only aligns with our sustainability

	Continuation of the <b>Digital Signature Project</b> , ensuring the authentication, integrity, and non-reproduction of documents; with an ongoing reduction in paper usage.		Training for all Saudi Re staff on the Code of Conduct.
	<b>Credit rating assessments</b> to evaluate the financial standing of Saudi Re's reinsurance business partners.		Continuous improvement of <b>supplier screening and assessment criteria</b> to ensure higher standards and reliability.
	Streamlined procurement process for enhanced efficiency and cost-effectiveness through increased <b>automation and integration</b> with related functions.		<b>Screening</b> of all suppliers by the Compliance Department to ensure selection of reputable vendors.
	Suppliers provided with <b>cybersecurity awareness</b> to enhance their security posture.		

## 10. Sustainability Performance →

commitment but also positions us as a key player in driving positive change and economic growth within our community and the broader national landscape.



### 10.3 CORPORATE GOVERNANCE →

Saudi Re is dedicated to maintaining the highest standards of Corporate Governance, in alignment with the Company's status as a leading reinsurer with a global presence and its legacy as the first reinsurance company established in Saudi Arabia.

The Company is steadfast in its pursuit of compliance both in letter and in spirit, adhering to national and international regulations. Saudi Re actively cultivates a culture and environment within the organization that fosters trust, transparency, and accountability. The governance framework at Saudi Re centers on the competency and accountability of the Board of Directors and Executive Management, ensuring the protection of the rights of all stakeholders.

#### BOARD EXPERTISE →

Leading the Company is a seasoned Board of Directors entrusted with the implementation and continuous review of stringent controls across all operations. Saudi Re's Board diligently oversees and ensures the integrity of financial reporting and internal control systems, evaluates the appropriateness of the disclosure process, and approves key policies.

Comprising of 3 Non-Executive, 7 Independent, and 1 Executive member, the Board collectively holds an

impressive track record of over 20+ years of experience and expertise across a number of fields and disciplines. Their wealth of experience steers the Company within the framework of regulatory requirements.

#### POLICY FRAMEWORK →

The operational activities and culture of compliance at Saudi Re are regulated by the following policies:

- Corporate Governance policy
- Conflict of interest policy
- Whistleblowing policy
- Sustainability and social responsibility
- Remuneration and compensation policy
- Dividend policy
- Nomination and Remuneration Committee meeting selection criteria
- Audit Committee selection criteria

#### ANNUAL REVIEW →

- The Nomination and Remuneration Committee performed its annual evaluation of the Board's independence and assessed related-party contracts and transactions.

- Saudi Re implements a thorough induction process for new Board members, ensuring a comprehensive understanding of their roles, responsibilities, and legal and regulatory requirements.
- Saudi Re updated its Corporate Governance Policy during the last year, aligning it with shifts in market conditions and regulatory demands. The Company remains committed to conducting comprehensive reviews of all foundational policy-level materials, including Corporate Governance policies, charters, and related documents.
- The Corporate Governance policy was reviewed and received approval from the Board of Directors. The Compliance Department simultaneously monitors governance to ensure compliance with policies and regulations.

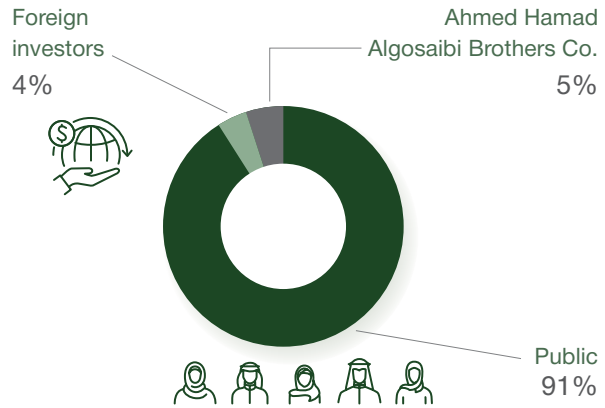
### Shareholder engagement

Saudi Re maintains an unwavering commitment to building reliable and transparent relationships with investors and key stakeholders, through a proficient Investor Relations function. Acknowledging the pivotal role investors play in our success, we prioritize the delivery of timely and accurate communications. Our dedicated team ensures consistency in updates, financial disclosures, and interactive engagements to empower informed decision-making. In continuously meeting new industry standards, Saudi Re shows a commitment to surpassing investor expectations, thereby reinforcing trust and confidence in our Company.

In 2023, the Company employed numerous measures and platforms to actively engage with stakeholders. These channels included:

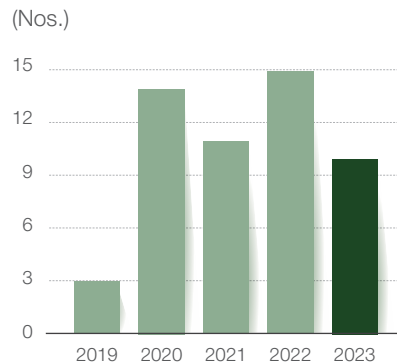
- Earnings calls
- Investor roadshows and conferences
- General Assembly Meetings
- Publication of declarations, announcements & articles through mainstream financial media, and appropriate corporate disclosure through the Saudi Exchange – Tadawul
- Saudi Re’s IR App and official website (saudire.net)
- Participation in market events, conferences and workshops

### Ownership structure

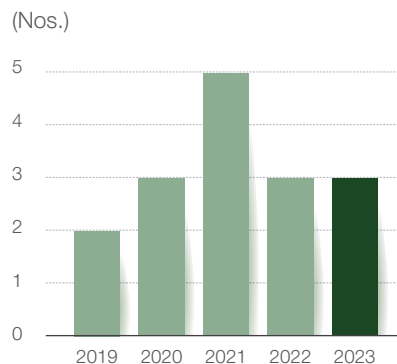


### Direct investor engagements

#### Investor meetings



#### Investor conferences/calls







## 10. Sustainability Performance →

### 10.4 BUSINESS ETHICS AND COMPLIANCE →

The workforce at Saudi Re adheres to a rigorous and proactive Code of Professional Conduct and Ethics. This code mirrors the Company's unwavering commitment to a robust anti-corruption and anti-bribery culture, outlining the expected ethical conduct of employees.

To ensure awareness, commitment, and compliance among employees, the Compliance Department, supported by the Legal Department, assumes pivotal roles. The Compliance Department engages in ongoing communication with employees, fostering awareness, and delivering essential training to uphold and reinforce adherence to ethical standards.

In 2023, Saudi Re implemented the following measures in accordance with the Company's policies:

Process and process improvements	Employee awareness and compliance	Certification and Licenses	Policy and management support
 <p>Implemented a new Know Your Customer (KYC) approval process through the system.</p>	<p>Conducted training programs, reaching all staff; Anti-Money Laundering (AML), Combating Terrorism Financing (CTF)/CTF and the new Companies Law.</p>	<p>Shariya Certificate</p>	<p>Renewed Anti-Money Laundering (AML) Policy with modifications to cover all laws and regulations.</p>
 <p>Utilized Saudi Re Portal for communicating critical information regarding laws and regulations to all staff.</p>	<p>All new recruits underwent a criminal record screening process.</p>		<p>Updated Underwriting, Claims, and Technical Accounting policies and the related controls.</p>
 <p>Shared all relevant market information, circulars, and regulatory updates with respective departments, to keep them informed about upcoming developments in the insurance market.</p>	<p>All new recruits underwent an induction process whereby new employees take a rotation with Compliance and AML before commencing work.</p>		
 <p>Utilized Saudi Re Portal for sharing and raising awareness on the Company's Code of Ethics.</p>	<p>Communicated importance of ethics via regular emails and/ or employee meetings. And conducted training sessions on Ethics, for entire organization.</p>		



To foster a culture of compliance and ethics within the Company, Saudi Re has implemented the following policies:

- Anti-Money Laundering & Combating Terrorism Financing Policy and Procedures
- Anti-Fraud Committee Charter
- Anti-Fraud Policy
- Clients Acceptance Policy
- Compliance Charter
- Compliance Policy
- Insider Trading Prevention Policy
- The Code of Professional Conduct and Ethics
- Reporting Non-Compliant Practices “Whistleblowing” Policy

- Conflict of Interests Policy
- Disclosure and Transparency Policy

To uphold compliance with both national and international regulations, as well as best practices, Saudi Re’s policies and practices are guided by and adhere to the following:

- Insurance Consumer Protection Principles issued by Saudi Central Bank
- Corporate Governance Regulations issued by Capital Market Authority (CMA) of the Kingdom of Saudi Arabia (KSA)
- Insurance Corporate Governance Regulation issued by the Saudi Central Bank
- Audit Committee Regulations Issued by Saudi Central Bank

	2023	2022	2021	2020	2019
Employees dismissed and/or disciplined for corruption (Nos.)	0	0	0	0	0
Percentage of operations assessed for risks related to corruption (%)	0	0	0	0	0
Percentage of employees trained on risks related to corruption (%)	98	98	97	90	85
Percentage of employees trained on risks related to money laundering and financial crime (%)	98	98	95	93	91

Saudi Re’s Internal Audit Department conducts an annual review of internal controls, based on the insights gathered from a comprehensive, company-wide risk-based audit. Simultaneously, the Compliance and Risk Management function is actively engaged in educating employees, establishing standards, and ensuring adherence to relevant regulations. The Company is dedicated to fostering an ethical and compliant culture, integrating best practices and effectively managing inherent risks across its business lines.

### Non-compliance with laws and regulations

	2023	2022	2021	2020	2019
Total incidents of non-compliance with laws and regulations (Nos.)	1	1	1	0	0
Total number of non-monetary sanctions (Nos.)	0	0	0	0	0
Total amount of legal and statutory fines and settlements (SR)	0	0	0	0	0
SASB Metric (FN-IN-270a.1)					
Value of any monetary losses as a result of legal proceedings (SR)	40,000	20,000	0	0	0

## 10. Sustainability Performance →

### Commitment to strengthening compliance

Saudi Re has established dedicated departments and functions to secure the buy-in, engagement, and commitment of Senior Management, ensuring the ongoing advancement of the Company's culture of ethical conduct and compliance. This commitment to compliance with regulations and best practices aligns with the Company's broader dedication to promoting sustained, inclusive, and sustainable economic growth within the Kingdom. These efforts extend to providing full and productive employment, fostering decent work, and aligning with the overall vision to strengthen the means of implementation and revitalize the global partnership for sustainable development.

#### SYSTEMIC RISK MANAGEMENT

Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities.

SASB-FN-IN-550a.3



#### APPROACH TO MANAGING CAPITAL:

Saudi Re has its own Risk Appetite, which is as follows:

Saudi Re should ensure the available capital is above the highest of the followings:

1. At least 125% of required economic capital, according to Saudi Re Internal Capital Model
2. At least 125% of SAMA Required Solvency
3. At least 125% of S&P required capital at A level

#### APPROACH TO MANAGING LIQUIDITY:

The Company's Investment Policy Statement (IPS) dictates how the Company should invest, including the liquidity of each asset invested and the overall liquidity of the investment.

The Company also constantly monitors its liquidity by using indicators such as quick ratio (current assets divided by current liabilities) to ensure the liquidity is within the Company's criteria.

Refer the Risk Management section on page 108 for more information on the Company's approach to managing risk.

## 10.5 FINANCIAL PERFORMANCE →

2023 marked a pivotal year for Saudi Re. Our primary focus remains establishing ourselves as a regional leader by delivering innovative and technically advanced reinsurance solutions tailored to our clients' specific needs. Our dedication to this vision has translated into a remarkable year of growth a robust financial performance.

Gross Written Premium (GWP) for 2023 experienced an increase of 14%, reaching SR 1.6 billion.

This growth was accompanied by strong credit ratings, further solidifying our position in the market. Our forward looking strategy enabled us to capitalize on opportunities within key business classes, while simultaneously expanding revenue streams across both domestic and international markets. The Reinsurance service result for the year 2023 showcased a rising to SR 119.7 million from SR 83.5 million in 2022.

We attribute our growth trajectory to a diverse product portfolio and extensive geographic reach. While the Saudi market remains as an important component of our business, we have achieved a solid international presence of 66% is spread across Asia (31%), Africa (3%), the Middle East (11%), and Other Territories (21%)

To learn more about the specific breakdown of our geographical distribution and a detailed analysis of our financial performance, please refer to the Financial Review section of our Annual Report on page 30.

## 10.6 OUR CLIENTS IN FOCUS →

At Saudi Re, delivering outstanding service to our clients is fundamental to fostering strong relationships and achieving greater client satisfaction. Our approach prioritizes providing efficient and effective claims processes, while ensuring transparency and fair treatment in all client interactions.

In 2023, we recorded significant growth in our books, and we strengthened our presence in strategic markets and partnerships compared to the previous year. Additionally, Saudi Re led a greater number of treaties in 2023, with no complaints registered.

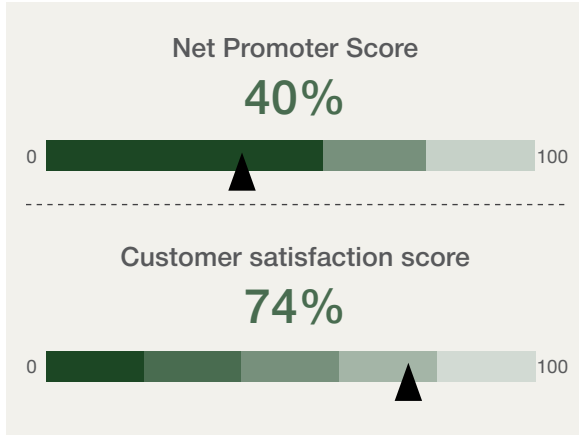
Throughout the year, we implemented several initiatives to enhance customer relations. We engaged with clients to review portfolio performance and offer more attractive terms, while continuously monitoring performance and improving service quality. Saudi Re also continued to invest in automated service delivery processes supported by several performance dashboards: for claims and for partner registration. Additionally, we conducted regular market visits and held one-to-one meetings with clients. Furthermore, we organized a training session on "Reinsurance Simulation" for 30 clients of our Labuan branch.

Service Level Standards (SLS) were applied to ensure regular claims were approved and processed within seven working days, and within three working days for cash calls and special settlements. Developed and implemented procedure for managing aged and dormant claims, which led to significant reduction of outstanding claims and reflected on IBN(E)R provisions.

Saudi Re took further steps to deliver value to clients by strategically recruiting and deploying qualified staff throughout the organization. We expanded the underwriting support unit in Kuala Lumpur to cover both facultative and treaty reinsurance contracts. Additionally, we established a dedicated financial line and casualty team within the underwriting department, comprising highly skilled and experienced professionals, to offer expanded services to Saudi Re clients.

## 10. Sustainability Performance →

In 2023, we consistently met our SLAs and improved our internal capabilities in both personnel and technology. Saudi Re also received multiple awards, further solidifying trust in the Company's financial standing.



In 2023, we conducted a customer satisfaction survey to gain deeper insight into the needs and preferences of our valued clients. Saudi Re achieved a net promoter score of 40% and a customer satisfaction score of 74%, both surpassing global benchmarks.

Key findings from the survey indicated that customers favoured Saudi Re expanding its risk appetite and offering training and workshops to clients. The survey further highlighted Saudi Re's reputation as a trusted partner, with 95% of respondents preferring Saudi Re as their primary choice for reinsurance coverage.

### Data privacy and security assurance

At Saudi Re, cybersecurity remains a key priority. We continually assess our position using multiple dashboards and Key Performance Indicators (KPIs), both internally and externally. Throughout 2023, we consistently maintained an "A" security rating for external cybersecurity exposure, with a cyber space index rating consistently above 90%.

In efforts to further bolster our security measures, we launched a cybersecurity awareness campaign and maintained an active threat management team that promptly addressed over 1,500 alerts from various threat intelligence sources within the SLA. Our cyber security infrastructure was strengthened by introducing the rights management system (SECLORE) to secure data sharing internally and externally. We also conducted several internal and external cybersecurity reviews. As a result of our efforts, our brand protection score remained above 95, and no cybersecurity incidents were recorded in 2023.

	2023	2022	2021	2020	2019
Number of clients	503	314	293	308	266
Number of claims requested to be settled during the year	2,281	2,855	2,083	2,032	2,271
Number of claims settled during the year	2,281	2,855	2,083	2,032	2,271
Percentage of settled claims during the year (%)	100	100	100	100	100
Number of client new claims during the year	3,024	2,935	3,020	2,811	3,831
Percentage of claims settled within 7 working days (%)	98	97	97	98	98
Value of claims paid (SR)	528,907,756	537,845,426	471,215,536	481,191,479	436,701,320

**10.7 SUSTAINABLE INSURANCE →**

Saudi Re places a strong emphasis on Environmental, Social, and Governance (ESG) considerations in its business operations. Recognizing the significance of sustainable insurance practices, Saudi Re integrates ESG considerations into reinsurance services, providing risk transfer solutions that contribute positively to the community and the environment.

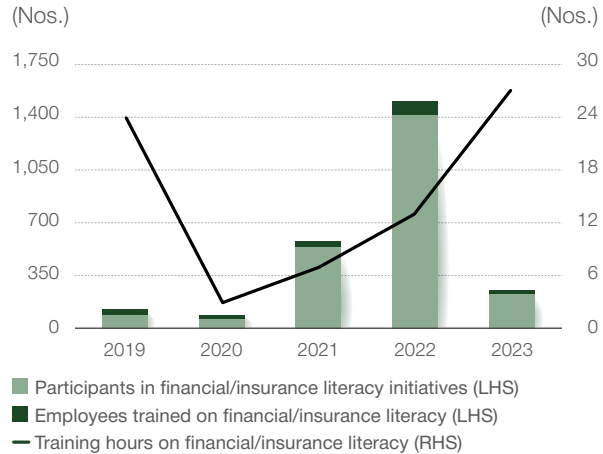
Taking a significant step forward in 2023, as part of our sustainability journey, we have assessed and disclosed a number of metrics with regard to our induced impact as a catalyst for sustainable practices across a variety of sectors, our contribution to building the strength and resilience of communities, and the sustainability of our systems in the face of climate change and related natural catastrophes.

**Promoting financial/insurance literacy**

To grow insurance accessibility, Saudi Re initiates insurance literacy programs, sponsors events to raise awareness about reinsurance, and conducts technical training programs that uplift the sector. Collaborating with university Departments of Actuarial Sciences, we also provide student traineeships, further contributing to the development of talent in the field.

In 2023, Saudi Re organized a Reinsurance Simulation Training in Kuala Lumpur, catering to priority clients and partners in the Asian markets. The three-day event offered a practical learning experience, utilizing a world-class, interactive simulation to apply reinsurance concepts in a simulated business environment. Twenty-six clients and six Saudi Re employees participated in the training, which covered various reinsurance topics, including planning and structuring reinsurance, reinsurance pricing, and decision-making processes in reinsurance.

**Promoting financial literacy/ insurance literacy**



**Managing environmental/climate risk**

Saudi Re maintains a moderate exposure to environmental risk, primarily in the context of physical climate risk within our Global Property Catastrophe Reinsurance lines. The escalating frequency and severity of climate and weather-related catastrophic events pose challenges, but Saudi Re employs effective mitigants such as annual policy repricing, catastrophe model updates, retrocessional protection, continuous business diversification, and strong capitalization.



**Reinsurance Simulation Training in KL Branch**

## 10. Sustainability Performance →

As a result of the strategic focus of our lines of business being on regions with fewer natural catastrophes, Saudi Re holds a comparatively lower exposure level to physical climate risk in relation to global reinsurance peers.

Climate change poses significant material risks for the insurance/reinsurance sector as the frequency of extreme weather events and magnitude of natural disasters impact entire communities and countries across the globe. Part of our responsibility in promoting sustainability across our operations and the wider insurance/reinsurance sector is the consideration of climate risks. As the climate crisis escalates, we continue to assess and monitor climate risks as part of our risk management processes. In 2023, we expanded our disclosure to cover metrics recommended by the Sustainable Accounting Standards Board (SASB), which is a part of the IFRS Foundation. These metrics examine the intersection of the re/insurance sector and the onset of climate-related natural catastrophes.

### [SASB – FN-IN-450a.1]

Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes (SR)

**SR 166,247,635**

2023	
2022	110,789,127
2021	145,065,340
2020	166,247,635
2019	110,789,127

### [SASB FN-IN-450a.2]

(a) Total amount of monetary losses attributable to insurance payouts from modeled natural catastrophes

**SR (47,120,448)**

2023	
2022	(27,333,447)
2021	(14,415,720)
2020	3,553,212
2019	(7,910,079)

### [SASB – FN-IN-450a.1]

(b) Total amount of monetary losses attributable to insurance payouts from non-modeled natural catastrophes

**SR (2,113,044)**

2023	
2022	(70,167,216)
2021	(40,532,009)
2020	(24,065,249)
2019	(21,371,629)

### Incentivizing sustainable practices

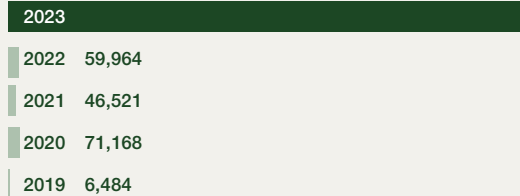
Incorporating sustainability across various areas of operation, Saudi Re prioritizes financial and social inclusion, environmental protection, ethical procurement, and sustainable investment. However, going a step further, we acknowledge the potential positive impact that our reinsurance operations can have by aligning our efforts to support the energy transition and decarbonization. In line with this, we worked to analyze and report against SASB Standard metrics in 2023.

Fast-tracking the energy transition was one of the key aims of the recent COP28 UN Climate Change conference held in the United Arab Emirates. At the heart of this energy transition are new and cleaner technologies with broad social and environmental impact. Insurers and reinsurers are working to match the increasing pace of investment in clean energy, renewables, and low-carbon technologies, and take up underwriting opportunities that emerge in new markets, technologies, and lines of business. Saudi Re is aware of the potential for global capital flows to induce a shift toward cleaner, low-carbon business models, and we are working to align with this transition.

**[SASB - FN-IN-410b.1]**

Net premiums written related to renewable energy, energy efficiency, cleaner production, low-carbon technology (SR)

**SR 2,949,084**



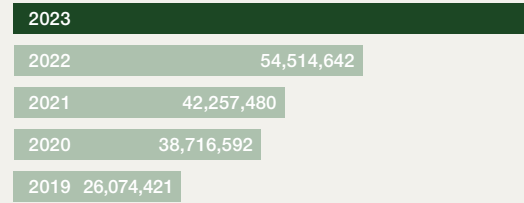
**Protecting communities**

Saudi Re's commitment to corporate social responsibility is incorporated in our core business of reinsurance. We recognize the potential for social good that the insurance/reinsurance sector extends in reducing uncertainty and providing safety and security for institutions, industries, and individuals. In 2023, our portfolio included reinsurance for natural catastrophe and life and health policies, which benefit a variety of sectors and communities.

**Value of natural catastrophe premiums (SR)**



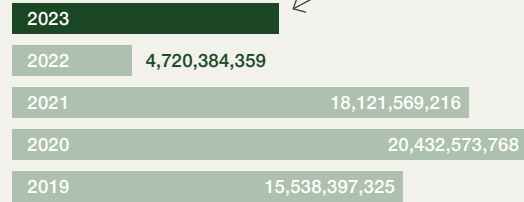
**SR 80,561,605**



**Value of life and health policies (in force) reinsured (SR)**



**SR 10,592,636,340**



## 10. Sustainability Performance →

### Responsible investment

As a Sharia-compliant organization, sustainability plays a pivotal role in our investment decisions. We work to ensure avoidance of investments that may have adverse societal impacts, while actively promoting equality and inclusion in all transactions.

	2023 IFRS 9	2022 IFRS 9	2021 IFRS 4	2020 IFRS 4
Total invested assets (SR '000) (differentiated by industry and asset class)				
Reinsurance Operations Investments	<b>682,534</b>	645,291	560,257	355,498
Shareholders Investments	<b>956,460</b>	932,094	926,746	974,455

### 10.8 SUPPORTING OUR COMMUNITIES →

Saudi Re actively engages in targeted social and philanthropic activities, aligning with our commitment to advancing the socioeconomic development of the communities in which we operate. The overarching direction for our Corporate Social Responsibility efforts is outlined in the Company's Code of Professional Conduct and Ethics, along with related policies.

Our focus areas encompass addressing basic needs, enhancing quality of life, and meeting other identified needs within local communities. Saudi Re is committed to respecting the traditions and ethical aspects of the communities where we operate. Over the years, our contributions have yielded a positive impact by fostering economic growth, creating job opportunities, improving education, providing healthcare services, supporting youth development, and facilitating philanthropic activities.

Our current goal revolves around cultivating an internal culture of social responsibility: harnessing the strengths of our workforce to make meaningful and sustainable contributions that reach beyond the numbers, and positively impact the community.

In 2023, we uplifted our communities in the following ways:

- A driving simulation campaign, "Be Aware, Drive with Care," was conducted with a focus on safety and well-being.
- To commemorate Saudi and International Volunteer Day, an internal campaign was carried out to emphasize the importance of volunteering.
- Employees actively participated in charitable programs, donating second-hand computers, laptops, and other equipment to charities in need.
- Aid was provided to deserving charities that address critical social issues, through both direct and indirect channels.
- Saudi Re places a special focus on skill development and employment creation for new graduates. The Company designs and implements specialized development programs for young professionals and leaders, such as internships and summer jobs for students.



## 10. Sustainability Performance →

63

- Saudi Re sponsors a diverse range of initiatives, including sports events, insurance events, and workshops that promote general development of the community.
- The Company offers regular health checkups for employees, thereby contributing to the overall health of communities.
- Saudi re family day.
- Investing in the ongoing prosperity of communities through Zakat.
- Saudi Re hosted a Reinsurance Simulation Training in Kuala Lumpur, organized for Saudi Re valued clients and partners in the Asian markets, as part of an effort to raise awareness about reinsurance and provide technical training programs that benefit the sector. As part of our contribution to the Saudi Vision 2030, Saudi Re participated as a national reinsurer exporter in the second edition of the Saudi Made exhibition, which aims to promote Saudi Made products and services at both local and global levels.
- To make our female employees aware of breast cancer, an awareness campaign, and free medical checkups were arranged for all female employees.

The driving simulation campaign, “Be Aware, Drive with Care”



# 10. Sustainability Performance →

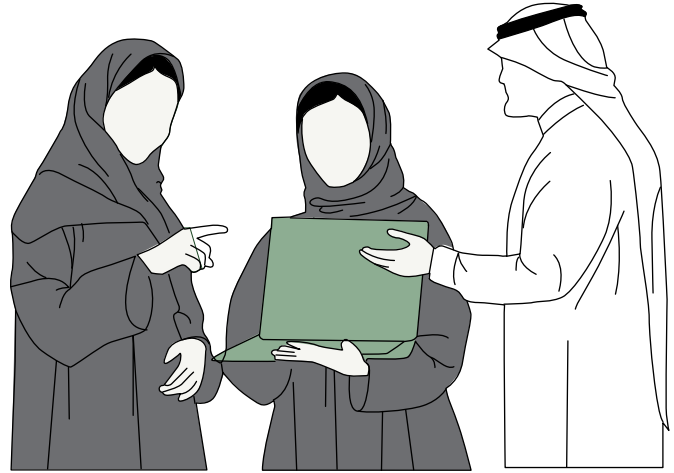
## 10.9 OUR PEOPLE OUR PRIDE →

The employees of Saudi Re are fundamental to the Company's success. Their expertise and experience significantly bolster the strength, growth, and adaptability of our business.

### TOTAL NUMBER OF EMPLOYEES (FULL TIME) 2023

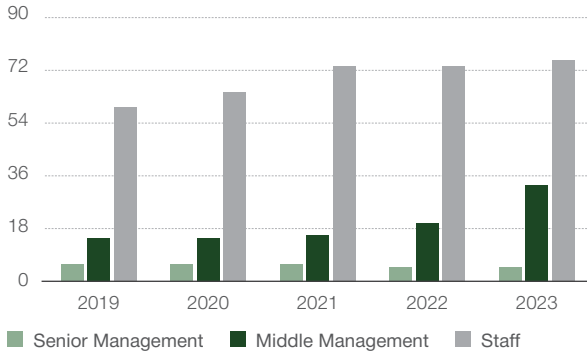
**114**

2022 – 99



### Employees by employment level

(Nos.)



### TRAINING AND DEVELOPMENT

**SR 700,000**

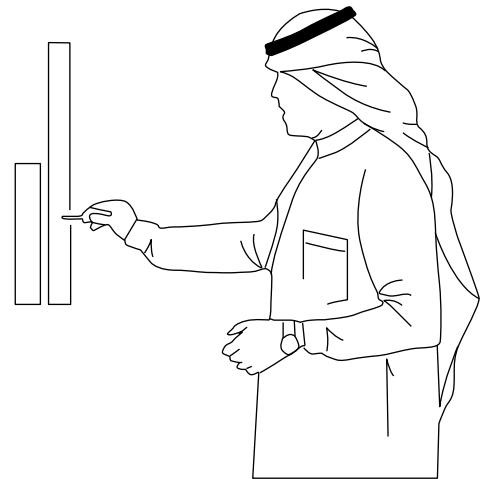
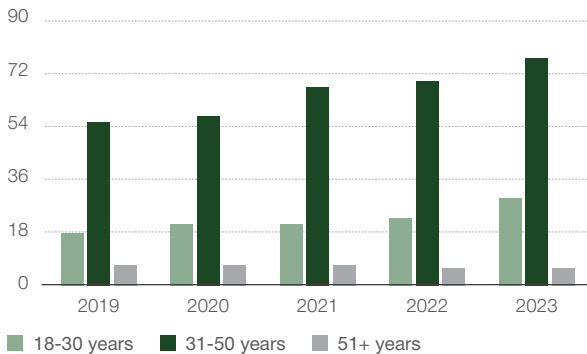
invested in staff training and development



**6,357 hours**  
of training provided

### Age analysis of employees

(Nos.)



Ensuring a consistent regimen of training and development remains a cornerstone of Saudi Re's enduring commitment to its workforce. Guided by the Saudi Re Development Program (SRDP), we identify and address skill gaps aligned with our medium to long-term aspirations. Our initiatives in talent and knowledge development are designed to cultivate essential skills and enhance individual performance, aligning with the Company's strategic goals.

Throughout the year, Saudi Re allocated resources to several training programs covering priority areas including international Reinsurance Training Programs (RTPs) in Switzerland, the UK and the UAE.



- Job rotations **24**
- In-house workshops **20**
- Technical training **75**
- Soft skills training **7**
- Professional qualifications **21**

### Professional certifications achieved in 2023

- Information Systems Auditor
- Associate in Risk Management
- Cert CII
- ACII
- Project+

### Future leaders program

Saudi Re's accelerated development program aims to empower Saudi graduates to become the next generation of leaders in the (re) insurance industry.

The one-year program offers an engaging learning experience led by industry experts. It focuses on building a solid foundation of technical knowledge and business skills through a combination of classroom instruction, practical on-the-job training, and character-building workshops.

The program offers candidates who demonstrate commitment and high potential the chance to obtain a professional insurance qualification and develop a rewarding career in a growing sector with exciting opportunities.

### Key training areas covered in 2023

- AML/CTF
- Corporate governance and code of conduct
- Pricing, claims, and underwriting
- Governance
- Cybersecurity
- IFRS 17
- Actuarial
- Reinsurance
- Language development
- Character building
- CSR

### Future leaders program graduation



## 10. Sustainability Performance →

A continuous orientation program is in place to acquaint new hires with the Company's operational processes and protocols. The Saudi Re Competency Framework Project serves as a valuable resource, allowing employees to acquire essential skills to enhance performance and advance in their respective careers.

At the executive level, we prioritize succession planning, particularly for pivotal financial management roles. This comprehensive approach involves specialized training for high-performing individuals, preparing them to navigate the complexities of an ever-changing business landscape effectively. Periodic performance assessments and career development discussions are integral components that are carried out at all organizational tiers.

### DIVERSITY AND INCLUSION →



**37%**

female employees

**100%**

return-to-work rate and retention rate for 2023

Saudi Re is committed to fostering a fair and inclusive workplace culture for every employee. Governed by our Code of Conduct, Whistleblowing Policy, and a structured Grievance Handling mechanism, we diligently address any instances of misconduct, harassment, or discrimination. Our policies, including the Model Work Organization Regulation, Physical Security Procedure, and Incident Procedure, serve as foundational pillars, ensuring a conducive workplace for all. 2023 saw no reported cases of discrimination or harassment.

Diversity and inclusion remain central to our organizational ethos. In the year under review, the Saudi Re workforce comprised professionals from diverse regions and over ten nationalities. We actively focused on improving gender diversity, resulting in 37% female representation within the Company, up from 32% in 2022. Female employees accounted for 38% of total training hours. Additionally, we proudly note a 100% return-to-work and retention rate, with four employees

availing themselves of parental leave entitlements during the year. The Saudi Re Ladies' Outing and other targeted initiatives carried out during the year were a resounding success contributing to employee engagement and helping build a conducive workplace for our diverse team.

### EMPLOYEE ENGAGEMENT →

In 2023, Saudi Re undertook various initiatives aimed at enhancing employee engagement and morale. Events like the Family Day, Annual Gathering and the Saudi Re Ladies' Outing fostered team spirit and fellowship among our staff members. Furthermore, our collaboration with welfare organizations and charitable institutions for CSR activities served to inspire and motivate our team, rallying them around meaningful causes.

To promote personal growth, we offered coaching sessions and job rotation opportunities for our employees. Additionally, we observed all statutory and religious holidays of significance, including Ramadan, ensuring all necessary provisions for our staff. The Company also instituted mechanisms to acknowledge outstanding performances and initiatives. Achievements were celebrated through email announcements, fostering a culture of recognition. Through the WalaPlus Engagement Program, employees and their families were offered exclusive discounts and offers on various products and services, complemented by attractive loan and credit card facilities. In addition, Saudi Re regularly gauges employee satisfaction and engagement levels through periodic surveys.

Saudi Re's Family Day



**HEALTH AND WELL-BEING →**

Saudi Re prioritizes the health and well-being of its employees by fostering optimal working conditions and promoting a balanced work-life dynamic. Medical insurance coverage is extended to all employees and their families. Additionally, our Physical Safety Procedure reinforces workplace safety protocols.

Responsibility for upholding health, safety, and security standards rests with the HR Department, Risk Management Department, and Business Continuity Teams. These departments collaborate to mitigate potential risks and maintain exemplary safety standards. To instill a culture of health consciousness, Saudi Re conducts regular educational campaigns, including first aid training and annual flu vaccination campaigns ahead of flu season. Employees benefit from informative emails featuring health advisories, tips, and guidelines.

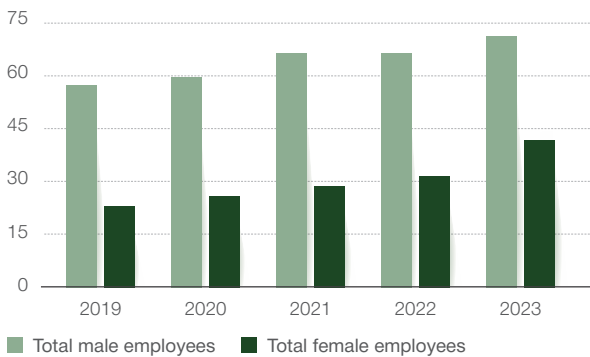
The working hours of Saudi Re employees are aligned with safe labor practices and legislation. We emphasize work-life balance by facilitating remote working arrangements, offering flexible leave policies, and granting paid vacation days. Saudi Re also provides additional support, including financial assistance for educational expenses. Furthermore, through the WalaPlus Engagement Program, our staff and their families enjoy exclusive benefits such as discounts on gym memberships and nutritious food options.

Yearly medical check up for Saudi Re's staff



**Employees by gender**

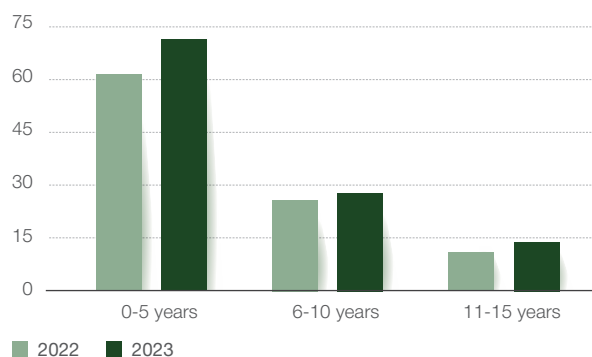
(Nos.)



**SERVICE ANALYSIS →**

**Years of service**

(Nos.)



## 10. Sustainability Performance →

**37%**

Female employees 2023

2019	2020	2021	2022
28%	30%	30%	32%

**80%**

Saudization rate 2023

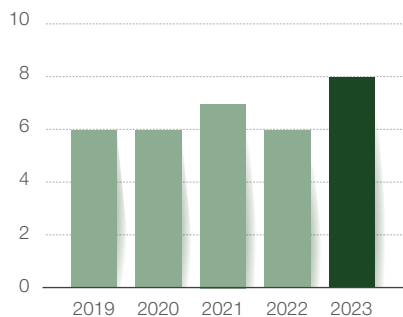
2019	2020	2021	2022
68%	71%	75%	78%

**RECRUITMENT** →

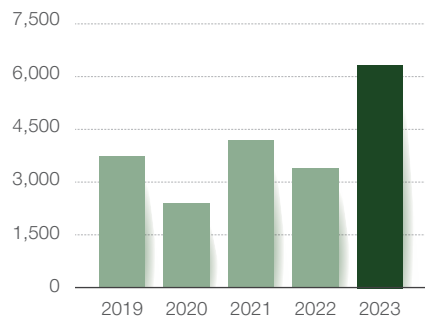
	2023	2022	2021	2020	2019
Total recruitments	<b>35</b>	26	18	10	19
<b>GRI 401-1</b> New recruitments (Nos.)	<b>35</b>	24	18	6	12
Saudi nationals amongst new recruits (%)	<b>80</b>	65	78	78	63
<b>GRI 404-3</b> Employees receiving regular performance and career development reviews (%)	<b>100</b>	100	100	100	100

**EMPLOYEE DEVELOPMENT** →**Average training man-days per employee (days)**

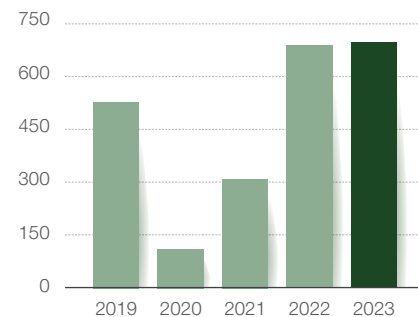
(Days)

**Total hours of training for employees**

(Hours)

**Investment on employee training and development**

(SR '000)

**EMPLOYEE TURNOVER** →

	2023	2022	2021	2020	2019
<b>GRI 401-1</b> Employees who left the Company (Nos.)	17	16	5	1	7
Turnover ratio (%)	16	16	5	1	9
Average tenure (years)	<b>5</b>	5	5	4.5	-

**10.10 PROTECTING OUR PLANET →**

Saudi Re’s commitment to minimizing our environmental footprint remains steadfast, despite our direct impact on the environment being minimal due to the nature of our business model.

Our commitment extends to integrating ESG principles into our core business activities. We recognize the importance of managing environmental risks, promoting sustainable practices, and making responsible investments in clean and sustainable technologies to positively influence the preservation of our planet.

Adopting a forward-thinking approach, we evaluated innovative strategies to modernize our processes and infrastructure. In 2023, Saudi Re implemented several initiatives aimed at improving water and energy efficiency and refining waste management practices across all areas of the Company:

- Incorporation of energy-efficient devices, including motion-activated lighting systems.
- Responsibly upgrading electronic equipment with higher energy efficiency to replace those with elevated energy consumption.
- Engaging with non-profit entities specializing in refurbishing and distributing electronics to charitable institutions, including educational and social welfare organizations.
- Minimization of paper usage by implementing innovative processes and consistently utilizing electronic signatures to reduce paper consumption in approval workflows.
- In 2023, Saudi Re launched the "Recycle for a Good Cause" campaign, wherein recycled materials were donated to charitable organizations to be used for fundraising purposes.
- Implementation of water-conserving devices like faucet aerators to enhance efficiency and reduce water consumption.

- Implementation of paper recycling practices that contribute to the reduction of greenhouse gas (GHG) emissions.

Despite having a minimal environmental impact, Saudi Re shows its commitment to its duties as a responsible corporate entity by prioritizing transparency in recording and reporting key environmental metrics.



**GRI 305-1**

**Direct GHG emissions – Scope 1 (2023)**

**384 tCO<sub>2</sub>e**

2019	2020	2021	2022
316 tCO <sub>2</sub> e	284 tCO <sub>2</sub> e	387 tCO <sub>2</sub> e	389 tCO <sub>2</sub> e

**GHG emissions per employee (2023)**

**4.51 tCO<sub>2</sub>e**

2019	2020	2021	2022
5.09 tCO <sub>2</sub> e	4.36 tCO <sub>2</sub> e	5.37 tCO <sub>2</sub> e	5.11 tCO <sub>2</sub> e



**GRI 303**

**Total water consumption per employee (2023)**

**20.28 m<sup>3</sup>**

2019	2020	2021	2022
17.37 m <sup>3</sup>	11.10 m <sup>3</sup>	20.0 m <sup>3</sup>	19.58 m <sup>3</sup>

10. Sustainability Performance →



**GRI 306-3**

Total waste generated (2023)

**1,650 kg**

2019	2020	2021	2022
2,000 kg	900 kg	1,170 kg	1,455 kg

**GRI 306-4**

Total waste recycled (2023)

**655 kg**

2019	2020	2021	2022
600 kg	315 kg	632 kg	640 kg



**GRI 301**

Total paper consumption (2023)

**345 kg**

2019	2020	2021	2022
405	270	381	391

**GRI 306-4**

Total paper recycled (2023)

**10 kg**

2019	2020	2021	2022
12 kg	4 kg	10 kg	10 kg



Direct energy consumption (operations and vehicles) (2023)

**22.94 GJ**

2019	2020	2021	2022
27.65 GJ	19.87 GJ	22.86 GJ	22.69 GJ

Total electricity consumption per employee

**5,920 kWh**

2019	2020	2021	2022
4,964 kWh	4,130 kWh	5,239 kWh	5,508 kWh

**GRI 302-1**

Total energy consumption (2023)

**2,452.50 GJ**

2019	2020	2021	2022
1,475.15 GJ	1,298.51 GJ	1,833.45 GJ	1,985.74 GJ

*\* In 2020, Saudi Re prioritized staff safety during the COVID-19 pandemic, promptly implementing work-from-home measures. The year's figures highlight the Company's adaptability and commitment to ensuring workforce well-being amidst unprecedented challenges.*

Saudi Re is committed to implementing initiatives that address climate change, aiming to contribute to a more sustainable future for future generations. This commitment aligns with Saudi Vision 2030 and the Global Goals. Our efforts encompass setting carbon neutrality targets, investing in renewable energy, promoting a circular economy, engaging with communities, adopting innovative technologies, establishing collaborations, and raising employee awareness.



# CORPORATE GOVERNANCE

72                      108  
Governance        Risk Management



# 11. Governance

Saudi Re's governance structure provides a framework which includes the policies, rules, and standards which guide the Company's activities, and ensure protection of the rights and interests of its stakeholders and other shareholders. The Company's governance structure also regulates the relationships and communication between the Board, the Executive Management and the shareholders. Saudi Re's policies are aligned with regulations issued by SAMA and CMA and in compliance with national laws and regulations as outlined below. This section also outlines the responsibilities and competencies of the Board, its Committees, and the Executive Management.

The Company has committed to implementing all the articles of the corporate governance regulations issued by the Capital Market Authority during the year 2023, except for paragraph (b) of Article 93, where the Company has committed to disclose the details of the remuneration of senior executives in total and has not disclosed them in detail in accordance with the schedule specified in Annex (1) of the Corporate Governance Regulations, in order to avoid the harm that may be caused by presenting the details to the interest of the Company and its shareholders, based on paragraph (b) of Article 60 of the rules on the offering of securities and continuing obligations.

## 11.1 COMPLIANCE WITH LAWS AND REGULATIONS →

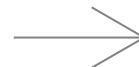
During the year under review, in general, the Company complied with laws and regulations applicable in the Kingdom of Saudi Arabia, including the following:

- Laws and regulations issued by Capital Markets Authority (CMA).
- Laws and regulations issued by Insurance Authority, including the Corporate Governance Regulations.
- Zakat and Income Tax Regulations issued by the Zakat and Income Tax Department.
- Labor Law issued by the Ministry of Human Resources and Social Development.
- The Company Law issued by the Ministry of Commerce.

## 11.2 BOARD OF DIRECTORS →

The Company is managed by a Board of Directors consisting of 11 members who are appointed by the shareholders in the Ordinary General Assembly for a period of three years from 11 May 2020 to 10 May 2023.

The election of the members of the Board was approved by the shareholders in the Ordinary General Assembly on 11 May 2023.



**11.3 MEMBERS OF THE BOARD OF DIRECTORS FROM 2020 TO 2023**



**Mr Hesham Al-Shaikh**

Non-Executive Director

**CURRENT POSITIONS**

- Chairman of the Board, member of the Executive Committee, and Investment Committee
- Chairman of Mekyal Financial Tech
- Board Member of Probitas Holding Company
- Founder and Chairman of the Board of Watan First Institute

**PREVIOUS POSITIONS**

- Board Member of Ashmore Saudi Arabia Investments
- Board Member of Saudi Civil Aviation Holding Company
- Board Member of Al Jazira Bank
- Deputy Managing Director of Arab National Bank

**QUALIFICATIONS**

- Bachelor's degree in Business Management, Applied Mathematics, and Economics from California University, the USA

**EXPERIENCE**

- More than 35 years of experience in the banking and investment sectors during which he assumed various leading positions



**Mr Mishari Al-Mishari**

Non-Executive Director

**CURRENT POSITIONS**

- Vice-Chairman of the Board, Member of the Investment Committee and Nomination and Remuneration Committee
- Board Member of Hana Food Industries Company
- Member of the Boards of several companies in the areas of real-estate development and training and education

**PREVIOUS POSITIONS**

- Board Member of Saudi Investment Bank and Saudi Development Fund
- Managing Director of Al Jazira Bank, Saudi Arabia

**QUALIFICATIONS**

- Bachelor's degree in Business Administration from Oregon State University

**EXPERIENCE**

- More than 35 years of experience in the banking and financial sectors during which he assumed various leading positions



**Mr Ahmed Sabbagh**

Non-Executive Director

**CURRENT POSITIONS**

- Member of the Technical Committee, the Nomination and Remuneration Committee

**PREVIOUS POSITIONS**

- Member of the Board of Trustees of the Arab Insurance Institute
- Former General Manager and Board Member of the Islamic Insurance Company in Jordan
- President of International Federation of Takaful
- Board Member in the General Council for Islamic Banks and Financial Institutions

**QUALIFICATIONS**

- Bachelor's degree in Business Administration from Beverly Hills University, California

**EXPERIENCE**

- More than 45 years of experience in the insurance and reinsurance industry in the Middle East during which he assumed various leading roles
- Published six books about Takaful and Cooperative Insurance in both English and Arabic languages

## 11. Governance →

**Mr Jean-Luc Gourgeon**

Non-Executive Director

**CURRENT POSITIONS**

- Chairman of the Technical Committee and member of the Executive Committee
- Board Member of Probitas Holding Company, Bermuda
- Board Member of Probitas Corporate Capital, the UK
- CEO of own consulting company JLG Consulting Ltd.

**PREVIOUS POSITIONS**

- European General Manager of Everest Re Europe in the UK
- CEO, and CUO of Paris Re in France

**QUALIFICATIONS**

- Master's degree with Honors in Mechanic's Science from Ecole Centrale de Lyon, Claude Bernard University in France, INSA Lyon
- Political Science degree of Institut d'Etudes Politiques de Paris

**EXPERIENCE**

- More than 30 years of experience in the insurance and reinsurance industry

**Mr Mohammad Omair Al-Otaibi**

Independent Director

**CURRENT POSITIONS**

- Chairman of the Risk Committee and member of the Nomination and Remuneration Committee
- Vice-Chairman of Abdullah Saad Abo Moati Stationary
- Chairman of Zimeen Digital Marketing
- Member of the Audit Committee of Al Mojel Trading and Contracting Co. (Saudi joint stock non-listed company)

**PREVIOUS POSITIONS**

- Chairman of the National Gas and Industrialization Company
- Board Member of several joint stock companies
- Board Member of Al Yamamah Steel Industries

**QUALIFICATIONS**

- Master's degree in Business Administration specializing in Finance from Western Michigan University
- Attended the Advanced Management Program in Harvard University in the USA

**EXPERIENCE**

- More than 34 years of experience in Banking and Marine Shipping Industry during which he assumed different leading positions

**Eng. Hussam Al-Suwailem**

Independent Director

**CURRENT POSITIONS**

- Saudi Re Member of the Board of Directors since May 2020
- Saudi Re Member of the Investment Committee since November 2019

**PREVIOUS POSITIONS**

- International investments analyst covering M&A, venture investments and infrastructure project. SALIC (PIF Subsidiary). (2014 – 2016)
- Credit Portfolio Manager. SAMBA Financial Group, National Commercial Bank, Riyadh Bank. (2006 – 2014)

**QUALIFICATIONS**

- Certified Fraud Examiner (CFE) – Association of Certified Fraud Examiners, 2022, the USA
- Chartered Alternative Investment Analyst (CAIA) – CAIA Association, 2020, the USA
- Chartered Financial Data Professional (FDP) – FDP Institute, 2019, the USA
- Master of Applied Finance, Macquarie University, 2012 – Sydney, Australia
- Bachelor of Electrical Engineering, King Saud University, 2006 – Riyadh, Saudi Arabia.



**Dr Peter Huggler**

Independent Director

**EXPERIENCE**

- Eng. Hussam’s experience covers various interrelated disciplines such as corporate governance, asset management, modelling, and structuring investment transactions. Those fields bring about the knowledge Hussam technically employs to achieve optimal strategic resources allocation without compromising risk management frameworks and guidelines

**CURRENT POSITIONS**

- Member of Risk Committee
- Member of the Audit Committee
- Board Member of MSG Global Solutions Zurich
- Adviser to the Board at Innoveo AG Zurich

**PREVIOUS POSITIONS**

- Chief Executive Officer of Echo Reinsurance Ltd., Zurich
- Senior Executive Vice President of Asia Capital Reinsurance Group Pte Ltd. Singapore

**QUALIFICATIONS**

- Doctorate degree in Economics from the University of Konstanz, Germany

**EXPERIENCE**

- More than 35 years of experience in the international insurance and reinsurance market



**Mr Marc Maupoux**

Independent Director

**CURRENT POSITIONS**

- Chairman of the Nomination and Remuneration Committee
- Member of the Technical Committee

**PREVIOUS POSITIONS**

- Led the setup of a start-up reinsurance company based in Zurich, Switzerland
- Head of Property, Non Cat & Engineering World Wide-Axis Re, and Consultant

**QUALIFICATIONS**

- Actuarial Fellowship from Institut de Science Financiere et d’Assurances (ISFA), France
- Member of the IA (Institut des Actuaire) and of the SAV (Schweizer Aktuar Verein)

**EXPERIENCE**

- More than 30 years of experience in international insurance and reinsurance

## 11. Governance →

**Mr Fahad Al-Hesni**

Executive Director

**CURRENT POSITIONS**

- Managing Director and Chief Executive Officer
- Member of Executive Committee
- Board Member of Probitas Holding Company, Bermuda
- Member of International Insurance Society (IIS)

**PREVIOUS POSITIONS**

- Vice President of Property and Casualty in Tawuniya

**QUALIFICATIONS**

- Master's degree in Insurance and Risk Management from City University of London
- Association degree from the Chartered Insurance Institute (CII) in the UK

**EXPERIENCE**

- More than 25 years of experience in the insurance and reinsurance industry

**Mr Abdullatif Al-Fozan**

Non-Executive Director

**CURRENT POSITIONS**

- Member of the Executive Committee and Investment Committee
- Board Member of Al Fozan Holding
- Chief Operating Officer – Al Fozan Holding Company
- Board Member of Tas'heel Finance
- Board Member of Alpha Capital
- Founder and board member of Ascend Solutions
- Board Member United Electronics Company (Extra)
- Member of the Boards of several companies in the areas of real estate development, nutrition, environmental, and construction

**PREVIOUS POSITIONS**

- Corporate Investment Director – Al Fozan Holding Company
- Mergers and Acquisitions, Transaction Advisory Services – EY
- Business Development Manager – Al Fozan Holding
- Board Member – The National Company for Glass Industries
- Board Member Retal Residence

**QUALIFICATIONS**

- Bachelor's degree in Economics from University of Toronto

**EXPERIENCE**

- More than 10 years of experience in finance and investment

**Mr Turki Al-Sudairi**

Non-Executive Director

**CURRENT POSITIONS**

- Member of the Executive Committee and Technical Committee
- Managing Partner and CEO Abdul Latif Jameel Insurance Brokers
- CEO StarCare Insurance Brokers (Owned 100% by Abdul Latif Jameel Insurance Brokerage)
- Board Member Alpha Capital Masar Land Development Fund
- Board Member Alpha Capital Tahaluf Alawaly Fund
- Board Member Alpha Capital Saudi F&B Growth Fund
- Entrepreneurship Committee Member – Chamber of Commerce of Riyadh

**PREVIOUS POSITIONS**

- Vice Chairman of the General Committee of Insurance and Reinsurance Brokerage Saudi Arabian Monetary Authority (SAMA)
- Board Member Alpha Capital Saudi Real Estate Development Fund 2
- Board Member Alpha Murabaha Fund
- Health Insurance Permanent Committee Member Council of Cooperate Health Insurance
- Endorsement Experts Committee - Alrajhi Humanitarian Foundation

11.4 MEMBERS OF THE BOARD OF DIRECTORS FROM 2023 TO 2026



**Mr Abdullatif Al-Fozan**

Chairman of Board of Directors

- Youth Businessmen Committee Member – Chamber of Commerce of Riyadh
- Saudi-French Business Council Member – Council of Saudi Chambers
- Project Coordination Manager of ANM Consortium Riyadh Metro Project
- Project Coordinator Bombardier Aerospace

**QUALIFICATIONS**

- Bachelor's degree in Finance from Concordia University

**EXPERIENCE**

- More than 10 years' experience between Insurance, Entrepreneurship and Project Management

**CURRENT POSITIONS**

- Member of the Executive Committee and Investment Committee
- Board Member of Al Fozan Holding
- Chief Operating Officer – Al Fozan Holding Company
- Board Member of Tas'heel Finance
- Board Member of Alpha Capital
- Founder and board member of Ascend Solutions
- Board Member United Electronics Company (Extra)
- Board Member Probitas Holdings (Bermuda)

**PREVIOUS POSITIONS**

- Corporate Investment Director – Al Fozan Holding Company
- Mergers and Acquisitions, Transaction Advisory Services – EY
- Business Development Manager – Al Fozan Holding
- Board Member – The National Company for Glass Industries
- Board Member Retail Residence

**QUALIFICATIONS**

- Honors Bachelor of Arts (HBA), Double Major: Economics, Employment Relations – University of Toronto

**EXPERIENCE**

- More than 10 years of experience in finance and investment



**Mr Turki Al-Sudairy**

Vice Chairman of Board of Directors

**CURRENT POSITIONS**

- Member of the Executive Committee and Technical Committee
- Managing Partner and CEO Abdul Latif Jameel Insurance Brokers
- CEO StarCare Insurance Brokers (Owned 100% by Abdul Latif Jameel Insurance Brokerage)
- Board Member Alpha Capital Masar Land Development Fund
- Board Member Alpha Capital Tahaluf Alawaly Fund
- Board Member Alpha Capital Saudi F&B Growth Fund
- Entrepreneurship Committee Member – Chamber of Commerce of Riyadh

**PREVIOUS POSITIONS**

- Vice Chairman of the General Committee of Insurance and Reinsurance Brokerage Saudi Arabian Monetary Authority (SAMA)
- Board Member Alpha Capital Saudi Real Estate Development Fund 2
- Board Member Alpha Murabaha Fund
- Health Insurance Permanent Committee Member Council of Cooperate Health Insurance
- Endorsement Experts Committee – Alrajhi Humanitarian Foundation
- Youth Businessmen Committee Member – Chamber of Commerce of Riyadh
- Saudi-French Business Council Member – Council of Saudi Chambers
- Project Coordination Manager of ANM Consortium Riyadh Metro Project
- Project Coordinator Bombardier Aerospace

**QUALIFICATIONS**

- Bachelor's degree in Finance from Concordia University

**EXPERIENCE**

- More than 10 years' experience between Insurance, Entrepreneurship and Project Management

## 11. Governance →



### Mr Ahmed Sabbagh

Non-Executive Director

#### CURRENT POSITIONS

- Member of the Technical Committee, Risk Committee, and Nominations and Remuneration Committee

#### PREVIOUS POSITIONS

- Member of the Board of Trustees of the Arab Insurance Institute
- General Manager, one of its founders, and member of the Board of Directors of the Islamic Insurance Company in Jordan
- Member, Vice-President and President of the International Federation of Takaful and Islamic Insurance Companies
- Member of the Board of Directors of the General Council of Islamic Banks and Financial Institutions

#### QUALIFICATIONS

- Bachelor's degree in Business Administration from Beverly Hills University, California

#### EXPERIENCE

- More than 45 years of experience in the insurance and reinsurance industry in the Middle East during which he assumed various leading roles
- Published six books about Takaful and Cooperative Insurance in both English and Arabic languages



### Eng. Hussam Al-Suwailem

CAIA, FDP, CFE

Independent Director

#### CURRENT POSITIONS

- Saudi Re Member of the Investment Committee

#### PREVIOUS POSITIONS

- International investments analyst covering M&A, venture investments and infrastructure project. SALIC (PIF Subsidiary). (2014 – 2016)
- Credit Portfolio Manager. SAMBA Financial Group, National Commercial Bank, Riyadh Bank. (2006 – 2014)

#### QUALIFICATIONS

- Certified Fraud Examiner (CFE) – Association of Certified Fraud Examiners, 2022, the USA
- Chartered Alternative Investment Analyst (CAIA) – CAIA Association, 2020, the USA
- Chartered Financial Data Professional (FDP) – FDP Institute, 2019, the USA
- Master of Applied Finance, Macquarie University, 2012 – Sydney, Australia
- Bachelor of Electronics and Communications Engineering, King Saud University, 2006 – Riyadh, Saudi Arabia.





### Eng Abdulaziz Al-Shiekh

Independent Director

#### EXPERIENCE

- Eng. Hussam's experience covers various interrelated disciplines such as corporate governance, asset management, modelling, and structuring investment transactions. Those fields bring about the knowledge Hussam technically employs to achieve optimal strategic resources allocation without compromising risk management frameworks and guidelines

#### CURRENT POSITIONS

- Member of the Investment Committee and the Nominations and Remuneration Committee
- Founding Partner & Managing Director of Al-Taif Pharmaceutical Company
- Vice Chairman of the Board of Directors of "Ayan Investment Company"
- Chairman of the Board of Directors of "Tal Finance Company"

#### PREVIOUS POSITIONS

- Managing Director, Johnson & Johnson
- General Manager, "Banaja Holding Company"
- Chairman of the Board of Directors of Korn Ferry International

#### QUALIFICATIONS

- Master of International finance and marketing, American University in Washington
- Master of Business Administration in Finance and Marketing at American University in Washington

#### EXPERIENCE

- More than 20 years experience in Finance, Investment and medical services



### Mr Abdulrahman Al-Jala

Independent Director

#### CURRENT POSITIONS

- Member of the Executive Committee and the Nominations and Remuneration Committee
- CEO of Dhahran International Exhibitions Company
- Board Member of Retal Urban Development Company
- Board Member of Nesaj Real state development
- Board member of Building construction company (BCC)
- Board member of Tadbeir Limited Company
- Board member of Tadbeir Environmental

#### PREVIOUS POSITIONS

- Finance, Budgeting and Reporting Section Head Advanced Petrochemical Company
- Secretary General Assistant Ashargia Chamber
- Board member of NABA ALSAHA
- Executive Vice President for Financial Affairs GASCO, National Gas and Industrialization Company

#### QUALIFICATIONS

- Bachelor's degree Accounting King Saud University College of Business Administration, Saudi Arabia
- Master of Business Administration (MBA) Management University College of Bahrain

#### EXPERIENCE

- More than 20 years of experience in energy, petrochemicals and services sectors in private, semi-governmental companies and civil society institutions.

## 11. Governance →

**Mr Abdulaziz Al-Bassam**

Independent Director

**CURRENT POSITIONS**

- Member of the Investment Committee
- Chief Investment Officer at Al Jomaih Holding Company
- Chairman of the Board of Directors of Beach Real Estate Development Company
- Member of the Board of Directors of Alujain Company
- Member of the Board of Directors of ANB Capital Company
- Member of the Board of Directors of SAB Invest

**PREVIOUS POSITIONS**

- Founder and CEO of Oasis Capital Company – the USA
- Member of the Board of Directors of Alawwal Capital Company
- CEO of Abdullah Ibrahim Mohammed Al Subaie Holding Company (Aims Holding)

**QUALIFICATIONS**

- Master of Business Administration (MBA) from Harvard Business School
- Chartered Financial Analyst, CFA Institute

**EXPERIENCE**

- More than 16 years of experience in finance, investment

**Mr Mosa bin Akresh**

Independent Director

**CURRENT POSITIONS**

- Member of the Investment Committee
- Business Development Manager, Abdulaziz Bin Abdullah Bin Akarsh Company

**PREVIOUS POSITIONS**

- Advisor to the Minister of Culture and Information, “Saudi Council of Economic and Development Affairs”
- Member of the Board of Directors of “BATC Investment and Logistics Company”

**QUALIFICATIONS**

- Master of Science (MS) Development Management The London School of Economics and Political Science (LSE)
- PhD in Development Studies and Public Policy in Emerging Economies King’s College London

**EXPERIENCE**

- Mr. Mosa has diverse experience in business strategy, investment analysis, economic research, and government advisory roles.

**Ms Kubra Shehabi**

Independent Director

**CURRENT POSITIONS**

- Member of the Risk Committee and the Audit Committee
- Board Member of Procco Financial Services, Bahrain
- Board Member of Tasheel Finance Company, Saudi Arabia
- Partner of Milestone Accounting and Consulting, Bahrain

**PREVIOUS POSITIONS**

- Senior Executive Director, Head of Risk Management First Energy Bank, Bahrain
- Senior Vice President. Head of Credit Risk Management, Al-Salam Bank, Bahrain
- Vice President. Head of Credit Department JP Morgan Chase Bank

**QUALIFICATIONS**

- Master of Business Administration (MBA), Investment and Finance, from University of Hull, the UK
- Certified Public Accountant, from (CPA) Illinois, USA

**EXPERIENCE**

- More than 30 years of experience in Risk and finance



**Mr Waleed Al-Monie**

Independent Director

**CURRENT POSITIONS**

- Member of the Executive Committee and the Nominations and Remuneration Committee
- Member of the Board of Directors, Middle East paper Company (MEPCO)
- Member Risk Management Compliance and Responsibility Environmental and Social Committee, Middle East Paper Company (MEPCO)

**PREVIOUS POSITIONS**

- Head of Planning and Governance, Zakat, Tax and Customs Authority

**QUALIFICATIONS**

- Master’s degree in Information Technology Management, Macquarie University, Australia

**EXPERIENCE:**

- Over 15 years of experience encompasses leadership roles in governance, project management, strategic planning.



**Mr Fahad Al-Hesni**

Executive Director

**CURRENT POSITIONS**

- Managing Director and Chief Executive Officer
- Member of the Executive Committee and Technical Committee
- Board Member Probitas Holdings (Bermuda)
- Board Member Probitas Holdings (UK)
- Board Member Probitas 1492 Services Limited

**PREVIOUS POSITIONS**

- Various Positions Manager – Claims Management (P and C) Vice President – Property and Casualty SBU Tawuniya
- Vice Chairman of the Reinsurance Committee at the Gulf Insurance Federation

**QUALIFICATIONS**

- Associate Insurance Chartered Insurance Institute (CII)
- Master’s degree, Insurance and Risk Management – City, University of London
- Bachelor’s degree in Business Administration from King Saud University – Saudi Arabia
- High Performance Boards Program, Stakeholders Management for Boards, Boards and Risks, Teams Dynamics for the Board – IMD

**EXPERIENCE**

- More than 25 years of experience in the insurance and reinsurance industry

## 11. Governance →

## 11.5 COMMITTEE MEMBERS FROM OUTSIDE THE BOARD OF DIRECTORS →

Name	Current Positions	Previous Positions	Qualifications	Experience
<p><b>Mr Hisham Al-Akil</b> Independent external member of Audit Committee*</p> 	<ul style="list-style-type: none"> <li>Chief Financial Officer of Al-Bilad Bank</li> </ul>	<ul style="list-style-type: none"> <li>Positions of banking and insurance supervision in SAMA</li> <li>Chairman of Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Master's degree in Accounting from the University of Illinois</li> <li>Associate of the American Institute of Certified Public Accountants (CPA)</li> <li>Completed the Strategic Financial Leadership Program from Stanford University</li> </ul>	<ul style="list-style-type: none"> <li>More than 20 years of experience in the banking and finance sector</li> </ul>
<p><b>Mr Abdullah Al Farraj</b> Independent external member of Audit Committee</p> 	<ul style="list-style-type: none"> <li>Chief Financial Officer of Human Resources Development Fund</li> </ul>	<ul style="list-style-type: none"> <li>Vice President for Financial Affairs of the Saudi Public Transport Company</li> <li>Chief Financial Officer Saudi Ground Services</li> <li>Chief Auditor – National Commercial Bank</li> </ul>	<ul style="list-style-type: none"> <li>Master's degree in Accounting from the American University in Washington</li> <li>Associate of the American Institute of Certified Public Accountants (CPA)</li> <li>Associate of Saudi Organization for Certified Public Accountants (SOCPA)</li> </ul>	<ul style="list-style-type: none"> <li>More than 20 years of experience in the field of audit reinsurance insurance and finance</li> </ul>
<p><b>Mr Yanal Soudi</b> Independent external member of Audit Committee</p> 	<ul style="list-style-type: none"> <li>Member of the Board of Directors, Chairman and member of the Audit Committee of several companies.</li> </ul>	<ul style="list-style-type: none"> <li>Served as Senior Partner in the Assurance Practice of Ernst &amp; Young</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Arts in Business Administration - Oklahoma State University, the USA</li> <li>Certified Public Accountant (CPA) – the USA</li> </ul>	<ul style="list-style-type: none"> <li>30+ years of experience in audit services, risk management and corporate governance – mainly, in Saudi Arabia</li> </ul>

Name	Current Positions	Previous Positions	Qualifications	Experience
<p><b>Mr Tariq Zaino</b> Independent external member of Audit Committee</p> 	<ul style="list-style-type: none"> <li>• Certified Public Accountant in his firm “Zaino CPA”</li> </ul>	<ul style="list-style-type: none"> <li>• GAZT – General Authority of Zakat and Tax</li> <li>• LTP Audit Assistant Director, CMA – Capital Market Authority</li> <li>• Senior Financial Officer at Appeal Committee Studies in General Secretariat of Committees for the Resolution of Securities</li> <li>• Manager in Tax and Zakat Compliance, Ernst &amp; Young</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor’s degree in Accounting Sciences from King Saud University</li> <li>• Fellowship certificate from the Saudi Organization for Certified Public Accountants (SOCPA), CME1 and CME2</li> </ul>	<ul style="list-style-type: none"> <li>• More than 17 years of experience in Accounting, Audit, Capital Market Violations, Zakat and Tax</li> </ul>
<p><b>Dr Volker Lauff</b> Independent external member of Risk Committee</p> 	<ul style="list-style-type: none"> <li>• Executive Chairman of PRS Capital Solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Sales Leader Analytics at Aon Global Risk Consulting</li> </ul>	<ul style="list-style-type: none"> <li>• PhD in Mathematics from Auto Von Guericke University, Germany</li> </ul>	<ul style="list-style-type: none"> <li>• Over 20 years of experience in the field of insurance and reinsurance</li> </ul>
<p><b>Mr Jean-Luc Gourgeon</b> Independent external member of Technical Committee*</p> 	<ul style="list-style-type: none"> <li>• Chairman of the Technical Committee and member of the Executive Committee</li> <li>• Board Member of Probitas Holding Company, Bermuda</li> <li>• Board Member of Probitas Corporate Capital, the UK</li> <li>• CEO of own consulting company JLG Consulting Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• European General Manager of Everest Re Europe in the UK</li> <li>• CEO, and CUO of Paris Re in France</li> </ul>	<ul style="list-style-type: none"> <li>• Master’s degree with Honors in Mechanic’s Science from Ecole Centrale de Lyon, Claude Bernard University in France, INSA Lyon</li> <li>• Political Science degree of Institut d’Etudes Politiques de Paris</li> </ul>	<ul style="list-style-type: none"> <li>• More than 30 years of experience in the insurance and reinsurance industry</li> </ul>

## 11. Governance →

### 11.6 EXECUTIVE MANAGEMENT



#### **Mr Fahad Al-Hesni**

Managing Director –  
Chief Executive Officer

Mr Fahad Al-Hesni joined Saudi Re as an Executive Board Member in 2011, and he serves as the Managing Director and the Chief Executive Officer, in addition to his membership of the Executive Committee of the Company. Currently he is a Board Member of Probitas Holding Company (Bermuda). He is also a member of the International Insurance Society (IIS). He has more than 26 years of experience in the insurance and reinsurance industry during which he assumed various leading positions, last of which was the position of Vice President of Property & Casualty in Tawuniya. Mr Al-Hesni has a Master's degree in Insurance and Risk Management from City University of London and an Association degree from the Chartered Insurance Institute (CII) in the UK.



#### **Mr Nilmin Pieries**

Chief Financial Officer

Mr Pieries joined the Company in 2010 bringing more than 25 years of experience in the fields of accounting, finance, investment, and risk management. He also has worked in various companies in Asia, the Gulf region and the UK, through which he has gained considerable experience in the insurance, and reinsurance sectors. Moreover, Mr Pieries was awarded a 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), the UK.



#### **Mr Ahmed Al-Jabr**

Chief Operating Officer

Mr Al-Jabr joined the Company in 2011 and has experience in the insurance sector of more than 20 years. Mr Al-Jabr assumed different roles within the insurance industry covering areas of human resources, strategy, business development and claims. Mr Al-Jabr holds a Master's degree in Business Administration from Bradford University in the UK.



### Mr 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 21 years; his recent position was as the 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's degree from the University of Bahrain in Business Management.



### Mr Ahmed Al-Qarishi

Chief Underwriting Officer

Appointed in 2022, Mr Ahmed joined the Company in 2014 and has experience that exceeds 15 years, during which he occupied positions in Banking and Insurance supervision within the Saudi Central Bank. Mr Al-Qarishi has a Master's degree in Actuarial Science from Ball State University in the USA; in addition, he is a Fellow of the Society of Actuaries in the USA (FSA).



### Ms Dana Barhoumeh

Chief Actuary

Ms Dana joined Saudi Re in 2023, bringing with her over 16 years of extensive experience in the field of Actuarial Science. In her previous roles, she held various positions, culminating in her most recent role as Senior Manager and Consulting Actuary, leading the Actuarial Services Division at United for Actuarial Services. Ms Dana holds a Bachelor of Science degree in Actuarial Mathematics from the University of Michigan. She is also recognized as a Fellow of the Society of Actuaries (FSA) in the USA.

## 11. Governance →

**11.7 COMPANIES WITHIN AND OUTSIDE THE KINGDOM IN WHICH A BOARD MEMBER IS A MANAGER OR A MEMBER OF THEIR CURRENT OR PREVIOUS BOARD →****Members of the Board of Directors from 2020 to 2023****NON-EXECUTIVE DIRECTOR**

Name	Term	Other joint stock companies of which the Directors are Board Members	Type
<b>Mr Hesham Al-Shaikh</b> Chairman of the Board of Directors	Period from 11 May 2020 to 10 May 2023	Watan First Institute	Limited company
		Mekyal Financial Tech	Limited company
		Probitas Holdings (Bermuda) Ltd.	Closed joint stock company
		Ashmore Investment KSA (Previous)	Closed joint stock company
		Bank Al-Jazira (Previous)	Joint stock company
		Arab National Bank (Previous)	Joint stock company
<b>Mr Mishari Al-Mishari</b> Vice-Chairman	Period from 11 May 2020 to 10 May 2023	Doroob for Education and Training Company	Governmental company
		Hana Water Company	Private company
		Saudi Investment Bank (Previous)	Joint stock company
		Saudi Fund for Development (Previous)	Governmental
		Aloula Real Estate Development Company (Previous)	Closed joint stock company
		Bank Al-Jazira (Previous)	Joint stock company
<b>Mr Ahmed Sabbagh</b>	Period from 11 May 2020 to 10 May 2023	Islamic Insurance Company (Jordan) (Previous)	Limited joint stock company
		Tunisia Takaful Insurance Company – Tunisia (Previous)	Joint stock company
		Al Aman Takaful Insurance – Beirut (Previous)	Closed joint stock company
		The International Federation of Takaful and Islamic Insurance Companies – Sudan (Previous)	Federation
<b>Mr Jean-Luc Gourgeon</b>	Period from 11 May 2020 to 10 May 2023	JLG Consulting Ltd.	Limited company
		ARAPL Ile de France	Closed joint stock company
		Probitas Holdings (Bermuda) Ltd.	Closed joint stock company
		Probitas Corporate Capital Limited	Closed joint stock company
		Probitas Holdings UK Ltd.	Closed joint stock company
		Probitas 1492 Services Ltd.	Closed joint stock company
		Probitas Managing Agency 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 – the USA (Previous)	Closed joint stock company
		Paris Diderot University – France (Previous)	Limited company
		French Reinsurance Association – France (Previous)	Joint stock company
		French Reinsurance Association – France (Previous)	Governmental



## INDEPENDENT DIRECTOR

Name	Term	Other joint stock companies of which the Directors are Board Members	Type
<b>Mr Marc Maupoux</b>	Period from 11 May 2020 to 10 May 2023	EXIN Re AG, Zurich, Switzerland (Previous)	
		Axis Re Zurich, Switzerland (Previous)	
<b>Mr Mohammad Omair Al-Otaibi</b>	Period from 11 May 2020 to 10 May 2023	Zimeen Digital Marketing	Limited liability company
		Al Mojel Trading and Contraction Co. (Audit Committee Member)	Closed joint stock company
		Abdullah Saad Abo Moati Company	Joint stock company
		Al Yamamah Steel Company (Previous)	Joint stock company
		National Gas and Industrialization Company (GASCO) (Previous)	Joint stock company
		United Arab Company for Float Glass (Previous)	Closed joint stock company
		Riyad Bank (Previous)	Joint stock company
		Middle East Shipment Company – Emirate (Previous)	Limited company
		NSCSA AMERICA – USA (Previous)	Limited company
		Bahri Company (Previous)	Joint stock company
		National Chemical Carriers Ltd. Co (Previous)	Limited company
		West of England Insurance Company – Luxembourg (Previous)	Limited company
		International Shipowners Re (Previous)	Limited company
		Petradeq Company for Gas Trade and Transportation – (Previous)	Limited company
ISRE Insurance Company – Luxembourg (Previous)	Limited company		
<b>Mr Abdullatif Al-Fozan</b> Chairman of Board of Directors	Period from 02 Jan 2023 to 10 May 2023	Al Fozan Holding Company	Closed joint stock company
		Ascend Healthcare Solutions	Limited Company
		United Homeware Company (Nice)	Limited company
		The National Company for Glass Industries – (Previous)	Joint Stock Company
		Tas'heel Finance	Closed joint stock company
		Alpha Capital	Closed joint stock company
		United Electronics Company (Extra)	Joint stock company
<b>Mr Turki Al-Sudairy</b>	Period from 02 Jan 2023 to 10 May 2023	Abdul Latif Jameel Insurance Brokers – Saudi Arabia	Closed joint stock company
		Alpha Capital Saudi F&B Growth Fund – Saudi Arabia (Previous)	Fund
		Alpha Capital Saudi Real Estate Development Fund 2 – Saudi Arabia	Fund
		StarCare Insurance Brokers – Saudi Arabia (Previous)	Closed joint stock company
		Alpha Murabaha Fund – Saudi Arabia (Previous)	Fund
<b>Eng. Hussam Al-Suwailem</b>	Period from 11 May 2020 to 10 May 2023		
<b>Dr Peter Hugger</b>	Period from 11 May 2020 to 10 May 2023	Msg global solutions AG – Switzerland	Private company
		Echo Reinsurance Ltd. – Switzerland (Previous)	Closed joint stock company
		Asia Capital Reinsurance Group Pte Ltd. – Singapore (Previous)	Private company
		Msg Systems AG – Singapore (Previous)	Private company
		Gerling Global Re – Singapore (Previous)	Closed joint stock company

## 11. Governance →

**EXECUTIVE DIRECTOR**

Name	Term	Other joint stock companies of which the Directors are Board Members	Type
<b>Mr Fahad Al-Hesni</b>	Period from 11 May 2020 to 10 May 2023	Probitas Holdings (Bermuda) Ltd.	Closed joint stock company
		Probitas Holdings UK Ltd.	Closed joint stock company
		Probitas 1492 Services Ltd.	Closed joint stock company

**Members of the Board of Directors from 2023 to 2026****NON-EXECUTIVE DIRECTOR**

Term	Name	Other joint stock companies of which the Directors are Board Members	Type
	<b>Mr Abdullatif Al-Fozan</b> Chairman of Board of Directors	Ajdan Real-estate Development Company	Closed joint stock company
		Oula Real Estate Development Company	Closed joint stock company
		Athman Medical	Closed joint stock company
		The National Company for Glass Industries – (Previous)	Joint Stock Company
		United Company for Financial Services	Closed joint stock company
		Saudi Industrial Machinery Co.	Closed joint stock company
		Roaya Nutrition Company Limited	Limited company
		United Electronics Company (Extra)	Joint stock company
		Samaya investment Company	Holding company
		Rafa Gulf Contracting Company	Limited company
	<b>Mr Turki Al-Sudairy</b>	Tadbeer Environmental Services Company	Limited company
		Probitas Holdings (Bermuda) Ltd.	Closed joint stock company
		Abdul Latif Jameel Insurance Brokers – Saudi Arabia	Closed joint stock company
		Alpha Capital Saudi F&B Growth Fund – Saudi Arabia (Previous)	Fund
		Alpha Capital Saudi Real Estate Development Fund 2 – Saudi Arabia	Fund
	<b>Mr Ahmed Sabbagh</b>	StarCare Insurance Brokers – Saudi Arabia (Previous)	Closed joint stock company
		Alpha Murabaha Fund – Saudi Arabia (Previous)	Fund
		Islamic Insurance Company – Jordan (Previous)	Limited joint stock company
		Tunisia Takaful Insurance Company – Tunisia (Previous)	Joint stock company
		Al Aman Takaful Insurance – Beirut (Previous)	Joint stock company
		The International Federation of Takaful and Islamic Insurance Companies – Sudan (Previous)	Federation

## INDEPENDENT DIRECTOR

Term	Name	Other joint stock companies of which the Directors are Board Members	Type
	<b>Mr Abdulrahman Al-Jala</b> Period from 11 May 2023 to 10 May 2026	Building Construction Company (BCC)	Limited company
		Tadbeir Limited Company	Limited company
		Retal Development Company	Joint stock company
		NABA ALSAHA – Saudi Arabia (Previous)	Closed joint stock company
		Tadbeir Environmental	Limited company
		Nesai Residential Real – Saudi Arabia	Limited liability
	<b>Eng Abdulaziz Al-Shiekh</b> Period from 11 May 2023 to 10 May 2026	Johnson & Johnson – United State (Previous)	Joint stock company
		Banaja Holding Company – Saudi Arabia (Previous)	Limited company
		Al-Taif Pharmaceutical Company – Saudi Arabia	Closed joint stock company
		Ayan Investment Company – Saudi Arabia	Joint stock company
		Tal Debt Crowdfunding Company – Saudi Arabia	Limited company
	<b>Mr Abdulaziz Al-Bassam</b> Period from 11 May 2023 to 10 May 2026	Al Jomaih Holding Company – Saudi Arabia	Limited company
		Beach Real Estate Development Company	Limited company
		Alujain Company – Saudi Arabia	Joint stock company
		ANB Capital Company – Saudi Arabia	Closed joint stock company
		Alawwal Capital Company – Saudi Arabia	Closed joint stock company
		Al Jomalih Energy and Water Company – Saudi Arabia	Limited company
		Business Expertes Company	Limited company
		Urban Hill – (Previous)	Limited company
		Oasis Capital Company – USA (Previous)	Limited company
	<b>Mr Mosa bin Akresh</b> Period from 11 May 2023 to 10 May 2026	Abdulaziz Bin Abdullah Bin Akarsh Company – Saudi Arabia	Closed joint Stock company
		BATC Investment and Logistics Company – Saudi Arabia (Previous)	Joint stock company
	<b>Ms Kubra Shehabi</b> Period from 11 May 2023 to 10 May 2026	Procco Financial Services – Bahrain	Limited Company
		United Company for Financial Services – Saudi Arabia	Closed joint stock company
		Milestone Accounting and Consulting – Bahrain	Limited Company
	<b>Mr Waleed Al-Monie</b> Period from 11 May 2023 to 10 May 2026	King Abdullah Financial District (KAFFD) – Saudi Arabia	Governmental
		Middle East Paper Company (MEPCO) (Previous)	Joint stock company
	<b>Eng. Hussam Al-Suwailem</b> Period from 11 May 2023 to 10 May 2026		

## EXECUTIVE DIRECTOR

Name	Term	Other joint stock companies of which the Directors are Board Members	Type
<b>Mr Fahad Al-Hesni</b>	Period from 11 May 2023 to 10 May 2026	Probitas Holdings (UK)	Closed joint stock company
		Probitas 1492 Services	Closed joint stock company
		Probitas Holdings (Bermuda)	Closed joint stock company

## 11. Governance →

### 11.8 PROCEDURES TO INFORM BOARD MEMBERS OF SHAREHOLDERS' SUGGESTIONS AND REMARKS →

Saudi Re's expert and professional Investor Relations function collates and analyzes suggestions and comments received from shareholders through communication channels or General Assembly Meetings and submits findings to the Board of Directors. For more information on the Company's Investor Relations function and transparent engagement with stakeholders, please refer to the corporate governance section of the ESG report, on page 52.

### 11.9 POWERS AND RESPONSIBILITIES OF BOARD COMMITTEES →

#### Executive Committee

The General Assembly shall approve, based on proposals by the Board of Directors 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 are as follows:

- 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 monitoring the progress of the work plan and budget.
- Overseeing 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 alliances, mergers, acquisitions 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.
- Reviewing alliance, mergers, acquisition and other strategic agreements and making recommendations to the Board for approval.

Board Member Name	Designation	1st meeting held on 16.03.23	2nd meeting held on 09.05.23	3rd meeting held on 21.05.23	4th meeting held on 05.06.23	5th meeting held on 03.07.23	6th meeting held on 18.07.23	7th meeting held on 15.10.23	8th meeting held on 30.10.23	9th meeting held on 06.11.23	10th meeting held on 16.11.23	11th meeting held on 22.11.23	12th meeting held on 30.11.23	13th meeting held on 10.12.23	14th meeting held on 20.12.23	Total meetings attended in 2023
Mr Hesham al-Shaikh**	Chairman	✓	✓													2
Mr. Fahad Al-Hesni***	MD/CEO	✓	✓	✓	✓	✓										5
Mr Abdullatif Al-Fozan*	Chairman					✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	9
Mr Turki al-Sudairy	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	14
Mr Abdulrahman al-Jalal*	Member					✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr Waleed al-Monie*	Member					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Mr Jean-Luc Gourgeon**(*)	EXT. Member	✓	✓					✓	✓	✓	✓	✓	✓	✓	✓	10

\* Membership Started 22 June 2023

\*\* Membership has ended 10 May 2023

\*\*\* Membership has ended 10 July 2023

(\*) Membership started 22 June 2023

### Audit Committee

The Board of Directors implement the rules for the selection of Audit Committee members which is approved by the General Assembly, also the scope of their membership and the method of the Committee work.

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

- To supervise 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 report 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 Auditors' assessment of internal control procedures.
- Reviewing related parties' transactions.
- Reviewing, approving and monitoring the implementation of Compliance Plan.
- 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 actions taken.
- Ensuring independence of External Auditors from Company, Board Members and Senior Management.
- 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 recommendation thereto.
- Reviewing internal financial and non-financial controls and risk management system.
- Appointment and dismissal of Head of Internal 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 on their scope of work or any impediments that might negatively affect their work.
- 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 recommendations 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.
- Following up the reports issued by SAMA, and other relevant supervisory and control entities and making recommendations thereon to the Board.
- Monitoring the activities of Compliance Department and ensuring that Company's compliance with SAMA, CMA and other laws and regulations.
- Reviewing the actuary reports and making recommendations 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 period reports thereon to Boards.

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- Ensuring optimal use and control of information technology necessary to generate reliable information and data is in place.
- Authority to investigate any activity within its Terms of Reference and have access to any information it may need.
- The report of the audit shall include details of its performance of its competencies and duties stated in the Companies Law and its Implementing Regulations, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company. The Board shall make available sufficient copies of the Audit Committee's report at the Company's head office, and publish them on the Company's and the Exchange's websites when publishing the invitation to convene the General Assembly, to enable shareholders to get a copy thereof. Summary of the report shall be read at the General Assembly.
- The Audit Committee shall develop arrangements that enable the Company's employees to confidentially provide their remarks in respect of any inaccuracies in the financial or other reports. The Audit Committee shall ensure that such arrangements have been put into action through an adequate independent investigation in respect of the error or inaccuracy, and shall adopt appropriate follow-up procedures.

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's work.

**The duties and responsibilities of the Committee are as follows:**

- 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 Advisor.
- 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.

BOD Member Name		1st meeting held on 04.01.2023	2nd meeting held on 13.03.2023	3rd meeting held on 07.05.2023	4th meeting held on 01.06.2023	5th meeting held on 13.06.2023	6th meeting held on 09.08.2023	7th meeting held on 02.11.2023	8th meeting held on 02.12.2023	Total meetings attended in 2023
Mr Hisham Al-Akil**	Ext Chairman (Previously)	✓	✓	✓						3
Dr Peter Hugger**	Member	✓	✓	✓						3
Mr Abdullah Al Farraj	EXT. Chairman	✓	✓	✓	✓	✓	✓	✓	✓	8
Mrs Kubra Shehabi*	Member				✓	✓	✓	✓	✓	5
Mr Yanal Soudi*	EXT. Member				✓	✓	✓	✓	✓	5
Mr Tarik Zaino	EXT. Member	✓	✓	✓	✓	✓	✓	✓	✓	8

\*Membership started 11 May 2023

\*\*Membership has ended 10 May 2023

- Reviewing the decisions made by the management team and investment advisor(s).
- 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.
- Reporting to the Board, the performance of the Company's investments in terms of risk, returns, and allocations and on any major pertinent developments.

Mr Abdullatif Al-Fozan became an external member of the Investment Committee on November 2022 by approval from the Saudi Central Bank "SAMA".

The duties and responsibilities of the Committee are as follows:

- 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.

### Investment Committee

Board Member Name	Designation	1st meeting held on 14.03.2023	2nd meeting held on 08.05.2023	3rd meeting held on 07.08.2023	4th meeting held on 29.10.2023	5th meeting held on 06.12.2023	Total meetings attended in 2023
Mr Abdulaziz Al Bassam*	Chairman			✓	✓	✓	3
Eng Abdulaziz Al Shaikh*	Member			✓	✓	✓	3
Eng Hussam Al Suwailem	Member	✓	✗	✓	✓	✓	4
Mr Abdullatif Al-Fozan	Member	✗	✓	✓	✗	✓	3
Mr Mousa Binakresh *	Member			✓	✓	✓	3
Mr Hesham Al-Shaikh **	Chairman (Previously)	✓	✓				2
Mr Mishari Al Mishari **	Member	✓	✓				2

\*Membership started 11 May 2023

\*\*Membership has ended 10 May 2023

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

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- 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 cybersecurity governance documentation:
  - Cybersecurity Committee Charter
  - Cybersecurity Governance Framework
  - Cybersecurity Strategy
  - Cybersecurity policy
- Ensuring the cybersecurity 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 and 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 Committee

Board Member Name	Designation	1st meeting held on 03.04.2023	2nd meeting held on 29.05.2023	3rd meeting held on 16.08.2023	4th meeting held on 22.10.2023	5th meeting held on 05.12.2023	Total meetings attended in 2023
Ms Kubra Shehabi*	Chairman		✓	✓	✓	✓	4
Mr Mohamad Al-Otaibi**	Chairman (Previously)	✓					1
Dr Volker Lauff**	Member	✓					1
Mr Ahmad Sabbagh*	Member		✓	✓	✓	✓	4
Dr Peter Hugger	EXT. Member	✓	✓	✓	✓	✓	5

\*Membership started 11 May 2023

\*\*Membership has ended 11 May 2023



### Technical Committee

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

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

- Reviewing underwriting policies and guidelines.
- Reviewing pricing methodologies and tools used to price/rate risks.
- Reviewing the underwriting performance quarterly.
- Reviewing the claims activities quarterly.
- Reviewing the business plan assumptions annually and recommending the underwriting business plans to the Board.
- Recommending for Board approval new lines of business.
- Reviewing and recommending for Board approval the territories in which Company should or should not 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.

### Nomination and Remuneration Committee

The General Assembly shall approve, based on proposal by the Board of Directors, the rules for the selection of Nomination and Remuneration Committee members, the term of their membership and the method of the Committee's 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.
  - Setting procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant.
  - 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 and committees.
  - Reviewing the structure of the Board and its committees and determining their points of weakness and recommending changes where needed.
- Also providing job descriptions for the Executive, Non-Executive and Independent Directors and the Senior Executive Management.

BOD Member Name	Designation	1st meeting held on 07.03.2023	2nd meeting held on 16.03.2023	3rd meeting held on 09.05.2023	4th meeting held on 01.06.2023	5th meeting held on 15.06.2023	6th meeting held on 07.08.2023	7th meeting held on 24.10.2023	8th meeting held on 08.11.2023	9th meeting held on 29.11.2023	Total meetings attended in 2023
Mr Jean-Luc Gourgeon	Chairman	1	1	1	1	1	1	1	1	1	9
Mr Turki Al Sudairy	Member	1	1	1	1	1	1	1	1	1	9
Mr Fahad Al-Hesni*	Member				1	1	1	1	1	1	6
Mr Ahmad Sabbagh**	Member	1	1	1							3
Mr Marc Maupoux**	Member	1	1	1							3

\*Membership started 14 May 2023

\*\*Membership has ended 10 May 2023

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- 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 Management and/or promoting current employees to Senior Management 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 Management 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 programs 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.

### Responsibilities of the Board of Directors

The important functions of the Board are as follows:

- Providing strategic guidance to the Company, including setting objectives and formulating strategic plans.
- Supervising the implementation of strategic plans and major transactions and determining the most appropriate capital structure for the Company, its strategies and financial objectives, and approving all kinds of estimated budgets;
- 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.

Board Member Name	Designation	1st meeting held on 30.01.2023	2nd meeting held on 01.03.2023	3rd meeting held on 15.03.2023	4th meeting held on 04.05.2023	5th meeting held on 29.08.2023	6th meeting held on 30.10.2023	7th meeting held on 27.11.2023	Total meetings attended in 2023
Mr Marc Maupoux**	Chairman (Previously)	✓	✓	✓	✓				4
Mr Mohamad Al Otaibi**	Member	✓	✓	✓	✓				4
Mr Mishari Al Mishari**	Member	✓	✓	✓	✓				4
Mr Ahmad Sabbagh	Member	✓	✓	✓	✓	✓	✓	✓	7
Mr Abdulrahman Al Jalal*	Chairman					✓	✓	✓	3
Mr Waleed Al Monie*	Member					✓	✓	✓	3
Eng Abdulaziz Al al Sheikh*	Member					✓	✓	✓	3

\*Membership started 11 May 2023

\*\*Membership has ended 10 May 2023

- 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.
- The Board shall, based upon a proposal from the Audit Committee, develop the necessary policies and procedures to be followed by stakeholders when submitting complaints or reporting any violations, facilitating the method by which stakeholders (including company employees) report to the Board conducts and practices of the Executive Management’s that violate applicable laws, regulation’s and rules or raising doubts as to the financial statements or the internal audit controls or others, whether such conducts or practices are against them or not, and conducting the necessary investigation in that regard; also maintaining the confidentiality of reporting procedures through facilitating direct contact with an independent member of the Audit Committee or other specialized committees; appointing an employee to receive and address complaints or reports sent by stakeholders; dedicating a telephone number or an email address for receiving complaints; and providing the necessary protection to the stakeholders.

**11.10 SAUDI RE BOD MEETINGS ATTENDANCE 2023\***

Board Member Name	Designation	1st meeting held on 01.03.2023	2nd meeting held on 16.03.2023	3rd meeting held on 17.04.2023	4th meeting held on 09.05.2023	5th meeting held on 14.05.2023	6th meeting held on 15.06.2023	7th meeting held on 20.07.2023	8th meeting held on 20.08.2023	9th meeting held on 12.11.2023	10th meeting held on 12.12.2023	Total meetings attended in 2023
Mr Hesham Al-Shaikh**	Chairman (Previously)	⊗	✓	✓	✓							3
Mr Mishari Al-Mishari**	Vice Chairman (Previously)	✓	✓	✓	✓							4
Mr Fahad Al-Hesni	MD/CEO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Mr Ahmad Sabbagh	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Mr Mohamad Al-Otaibi**	Member	✓	✓	✓	✓							4
Mr Jean-Luc Gourgeon**	Member	✓	✓	✓	✓							4
Mr Marc Maupoux**	Member	✓	✓	✓	✓							4
Dr Peter Hugger**	Member	✓	✓	✓	✓							4
Mr Abdullatif Al-Fozan*	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Mr Turki Al Sudairy*	Vice Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Mr Waleed Al Monie*	Member					✓	✓	✓	✓	✓	✓	6
Ms Kubra Shehabi*	Member					✓	✓	✓	✓	✓	✓	6
Mr Mousa Binakresh*	Member					✓	✓	✓	✓	✓	✓	6
Mr Abdulrahman Al Jalal*	Member					✓	✓	✓	✓	✓	✓	6
Eng Abdulaziz Al Sheikh*	Member					✓	✓	✓	⊗	✓	✓	5
Mr Abdulaziz Al Bassam*	Member					✓	✓	✓	✓	✓	⊗	5
Eng Hussam Al-Suwailem	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10

\*Membership started 11 May 2023

\*\*Membership has ended 10 May 2023

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**11.11 ATTENDANCE RECORD OF GENERAL ASSEMBLY MEETINGS DURING 2023**

Name	Attendance Record		
	Ordinary General Assembly Meeting 09/06/1444 – 02/01/2023	Extraordinary General Assembly Meeting 28/07/1444 – 19/02/2023	Ordinary General Assembly Meeting 21/10/1444 – 11/05/2023
1. Mr Hesham Al-Shaikh (Chairman)	✓	✓	✓
2. Mr Mishari Al-Hussain (Vice Chairman)	✓	✓	✓
3. Mr Fahad Al-Hesni	✓	✓	✓
4. Mr Mohammad Al-Otaibi	✓	✓	✓
5. Mr Ahmed Sabbagh	✓	✓	✓
6. Mr Jean-Luc Gourgeon	✓	✓	✓
7. Eng. Hussam Al-Suwailem	✓	✓	✓
8. Dr Peter Hugger	✓	✓	✓
9. Mr Marc Maupoux	✓	✓	✓
10. Mr Abdullatif Al-Fozan*	✗	✗	✓
11. Mr Turki Al-Sudairy*	✗	✓	✓

\* Mr Abdullatif Al-Fozan and Turki Al-Sudairy has been elected as Board Members on 2 February 2023 corresponding to 09/06/1444 H.

**11.12 PERFORMANCE OF THE BOARD AND ITS COMMITTEES →****Board effectiveness evaluation**

The Board and committees undergo regular performance assessment using tools and forms approved by the Nomination and Remuneration Committee.

The Board made several decisions to adopt changes in its policies and procedures, in addition to introducing new programs and systems that will strengthen its governance.

**Results of the annual review of effectiveness of the internal control procedures of the Company and the opinion of the Audit Committee with respect to adequacy of Company's internal control system**

The Company's internal control system intends to ensure that control and monitoring tools are in place to ensure, at a reasonable level, the soundness of financial report and mitigation of risk. The results of annual audit conducted by the Internal Auditor have not revealed any material deficiency or weakness on the Company's internal control system.

The Audit Committee confirms that there was no conflict between the Audit Committee resolutions.

### 11.13 REMUNERATION OF BOARD MEMBERS AND EXECUTIVE MANAGEMENT →

The General Assembly has approved on 21 July 2021 an amended remuneration policy for the Board and members of committees and Executive Management. According to the policy, each member is entitled to SR 5,000 for each attended meeting of the Board and any Board committee meeting. The Company's Board Directors are entitled to a minimum amount of SR 200,000 as an annual remuneration against Board directorship and contribution to Board business. The

Chairman of the Board is entitled to a minimum amount of SR 300,000 per year. Each non-Board Member is entitled to an amount of SR 5,000 as an attendance fee per meeting per committee and is entitled to a lump sum of SR 100,000 per year as a remuneration for contribution to the committee functions. The Chairman of the Audit Committee is also entitled to an amount of SR 120,000. The remunerations of the members of the Board of Directors and its committees are presented to the Company's General Assembly for approval.

(SR '000)	BOD Members (Executives)	BOD Members (Non-Executive and Independent)	Five Top Executives including CEO and CFO
Salaries and benefits	–	–	9,208
Annual compensation	200	1,934	3,730
Meeting fees and expenses	105	2,181	–
Consultancy fees	–	–	–
Benefits in kind granted monthly or yearly	–	–	–
<b>Total</b>	<b>305</b>	<b>4,115</b>	<b>12,938</b>

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BOD Member Name		BOD meetings	EXCOM meetings	INVST COM meetings	TC COM meetings	Audit COM meetings
Mr Hesham Al Shaikh	Chairman	15,000	10,000	10,000	-	-
Mr Fahad Al Hesni	CEO/MD	50,000	25,000	-	30,000	-
Mr Mishari Al Mishari	Director	20,000	-	10,000	-	-
Mr Ahmad Sabbagh	Director	50,000	-	-	15,000	-
Mr Jean-Luc Gourgeon	Director	20,000	10,000	-	15,000	-
Mr Mohamad Al-Otaibi	Director	20,000	-	-	-	-
Mr Marc Maupoux	Director	20,000	-	-	15,000	-
Dr Peter Hugger	Director	20,000	-	-	-	15,000
Mr Abdullatif Al-Fozan	Chairman	50,000	45,000	10,000	-	-
Mr Turki Alsudairy	Director	50,000	70,000	-	30,000	-
Mr Waleed Almonie	Director	30,000	50,000	-	-	-
Ms Kubra Shehabi	Director	30,000	-	-	-	25,000
Mr Mousa Binakresh	Director	30,000	-	15,000	-	-
Mr Abdulrahman Aljalal	Director	30,000	45,000	-	-	-
Eng Abdulaziz Alsheikh	Director	25,000	-	15,000	-	-
Mr Abdulaziz Albassam	Director	25,000	-	15,000	-	-
Eng Hussam Al Suwailem	Director	50,000	-	20,000	-	-
<b>Total</b>		<b>535,000</b>	<b>255,000</b>	<b>95,000</b>	<b>105,000</b>	<b>40,000</b>

External Committee Members Name		EXCOM meetings	INVST COM meetings	TC COM meetings	Audit COM meetings
Mr Hisham Al-Akil	Ext. Chairman Audit	-	-	-	15,000
Dr Volker Lauff	Ext. member Risk Com	-	-	-	-
Mr Abdullah Al Farraj	Ext. Chairman Audit	-	-	-	-
Mr Abdullah Al Farraj	Ext. member Audit	-	-	-	40,000
Mr Tarik Zaino	Ext. member Audit	-	-	-	40,000
Mr Turki Al Sudairy	Ext. member Technical	-	-	15,000	-
Mr Abdullatif Al-Fozan	Ext. member Inv Com	-	5,000	-	-
Mr Jean-Luc Gourgeon	Ext. Chairman TC	-	30,000	-	-
Mr Jean-Luc Gourgeon	Ext. member EC	40,000	-	-	-
Mr Yanal Soudi	Ext. member	-	-	-	25,000
Dr Peter Hugger	Ext. member	-	-	-	-
<b>Total</b>		<b>40,000</b>	<b>5,000</b>	<b>45,000</b>	<b>120,000</b>

RMC meetings	N&R COM meetings	Total meetings fees	BOD Remuneration	<b>BOD Remuneration 2023</b>	Total amount to be paid
–	–	35,000	300,000	<b>106,849</b>	141,849
–	–	105,000	200,000	<b>200,000</b>	305,000
–	20,000	50,000	200,000	<b>71,232</b>	121,233
20,000	35,000	120,000	200,000	<b>200,000</b>	320,000
–	–	45,000	200,000	<b>71,233</b>	116,233
5,000	20,000	45,000	200,000	<b>71,232</b>	116,233
–	20,000	55,000	200,000	<b>71,232</b>	126,233
5,000	–	40,000	200,000	<b>71,232</b>	111,233
–	–	105,000	300,000	<b>193,150</b>	298,151
–	–	150,000	200,000	<b>128,767</b>	278,767
–	15,000	95,000	200,000	<b>128,767</b>	223,767
20,000	–	75,000	200,000	<b>128,767</b>	203,767
–	–	45,000	200,000	<b>128,767</b>	173,767
–	15,000	90,000	200,000	<b>128,767</b>	218,767
–	15,000	55,000	200,000	<b>128,767</b>	183,767
–	–	40,000	200,000	<b>128,767</b>	168,767
–	–	70,000	200,000	<b>200,000</b>	270,000
55,000	140,000	1,220,000	–	<b>2,157,534</b>	3,377,534

RMC meetings	N&R COM meetings	Total meetings fees	BOD Remuneration	<b>BOD Remuneration 2023</b>	Total amount to be paid
–	–	15,000	120,000	<b>42,740</b>	57,740
5,000	–	5,000	100,000	<b>35,616</b>	40,616
–	–	–	120,000	<b>63,123</b>	63,123
–	–	40,000	100,000	<b>47,397</b>	87,397
–	–	40,000	100,000	<b>100,000</b>	140,000
–	–	15,000	100,000	<b>35,616</b>	50,616
–	–	5,000	100,000	<b>35,616</b>	40,616
–	–	30,000	120,000	<b>63,452</b>	93,452
–	–	40,000	100,000	<b>52,877</b>	92,877
–	–	25,000	100,000	<b>64,383</b>	89,384
20,000	–	20,000	100,000	<b>52,877</b>	72,877
25,000	–	235,000	–	<b>593,699</b>	828,699

## 11. Governance →

## 11.14 DETAILS OF THE COMPANY'S SOCIAL CONTRIBUTIONS →

## Sanctions, penalties, precautionary restrictions imposed by regulatory authorities

Sanction/Penalty/Precautionary procedure/Preventive measure	Reasons for violation	Imposing authority	Measures undertaken to remedy and avoid such non-compliance in the future
Delayed announcement	Based on Saudi Re's announcement for the formation of audit committee, CMA observed that the company did not comply with the timing of disclosing the formation of the audit committee, as the Board of Directors' decision was dated 14 May 2023, central bank approval was obtained on 22 June 2023, and the announcement of the audit committee formation was made on 11 December 2023 on the Saudi Stock Exchange website.	Capital Market Authority	announce company's developments (whether material under Article 79 of these rules or not) on time without any delays.
Violation of Insurance Authority's supervisory and control instructions	Delay in submitting financial reporting templates for the pilot operation related to the fourth phase of the transition plan to the International Financial Reporting Standards (IFRS 17).	Insurance Authority's	financial reporting templates for the pilot operation on time

Subject of the penalty	2023		2022	
	Number of resolutions	Sum total for the penalty in SR	Number of resolutions	Sum total for the penalty in SR
Violation of Saudi Central Bank's/Insurance Authority supervisory and control instructions.*	1	40,000	1	20,000
Violation of Saudi Central Bank's/Insurance Authority customer protection instructions.	0	0	0	0
Violation of Saudi Central Bank's/Insurance Authority instructions on AML and CTF.	0	0	0	0

\*Delay in submitting financial reporting templates for the pilot operation related to the fourth phase of the transition plan to the International Financial Reporting Standards (IFRS 17).

## 11.15 THE COMPANY'S SIGNIFICANT PLANS, DECISIONS, AND FUTURE EXPECTATIONS →

- Approval of the Annual Financial statement ending 31 December 2022, and Quarterly Financial Statements ending 31 March, 2023, 30 June 2023 and 30 September 2023 including technical reserves.
- Approval of the Annual Financial Statements of Saudi Re Labuan Branch for the Financial Year ending 31 December 2022.
- Approval of Appointment of External Auditor.
- Approval of Agenda of General Assembly Meeting to be held on 11 May 2023.
- Approval of Appointment of Chair, Vice Chair, MD, Sub Committees Chair and Members, Company Representative to CMA & Tadawul, Secretary to the Board and Saudi Re Representatives to Probitas Holding, Bermuda Ltd. and Subsidiaries.
- Resolution of the Board "Not Proceeding" with the process of raising the capital through rights Issue offering.
- Approval of entering into a non-binding memorandum of understanding with the PIF.
- Approval of Aviva's revised Non-Binding offer, and authorizing the Chairman or Vice Chairman to sign the response letter.



- Approval of resignation of MD/CEO from Executive Committee and Jean-Luc Gourgeon Appointment to Executive Committee
- Approval of Retrocession Appropriateness Report submitted by the Appointed Actuary.
- Approval of Appointment of Appointed Actuary assignment.
- Approval of Appointment of Labuan External Auditor.
- Approval of Extension of PIF MoU.
- Approval of nomination of Mr Bader Alshaya as an additional member to the Technical Committee.

#### 11.16 DETAILS OF AFFILIATE COMPANY →

Affiliate Name	Capital	Company's ownership percentage	Main scope of business	Country of operation	Country of incorporation
Probitas Holding Ltd.	4,508,982 USD	49.9	Insurance	United Kingdom	Bermuda

#### Interest in a class of voting shares held by persons (other than the Company's Directors, Senior Executives and their relatives) who have notified the Company of their holdings pursuant to Article (45) of the Listing Rules, along with any change to such rights during the last fiscal year

Name of the person of interest	Number of shares at the beginning of the year	Number of shares at the end of the year	Net change	Change ratio
1. Ahmad Hamad Algosabi & Bros. Company	5%	5%	–	0 %

#### Details of any interest, contractual securities or rights issue of the Board members and their relatives on the shares or debt instruments of the Company or its affiliates, and any change on such interest or rights during the last fiscal year

Names of the persons of interest	Beginning of the year			End of the year			Net change	Change ratio %
	Number of shares	Percentage of ownership	Debt instruments	Number of shares	Percentage of ownership	Debt instruments		
<b>Board Members term ended 10 May 2023</b>								
1. Hesham Al-Sheikh** (Chairman)	8,910	0.010	–	–	–	–	–	–
2. Mishari Al-Hussain (Vice Chairman)	4,455	0.005	–	–	–	–	–	–
3. Fahad Al-Hesni	55,000	0.062	–	–	–	–	–	–
4. Mohammad Al-Otaibi	–	–	–	–	–	–	–	–
5. Ahmed Sabbagh	356,400	0.400	–	–	–	–	–	–
6. Jean-Luc Gourgeon	–	–	–	–	–	–	–	–
7. Eng. Hussam Al-Suwailem	–	–	–	–	–	–	–	–
8. Dr Peter Hugger	–	–	–	–	–	–	–	–
9. Marc Maupoux	–	–	–	–	–	–	–	–
10. Abdullatif Al-Fozan*	–	–	–	–	–	–	–	–
11. Turki Al-Sudairy*	–	–	–	–	–	–	–	–

\* Mr Abdullatif Al-Fozan and Turki Al-Sudairy has been elected as Board Members on 2 February 2023 corresponding to 09/06/1444 H.

## 11. Governance →

**Details of any interest, contractual securities or rights issue of the Senior Executives and their relatives on the shares or debt instruments of the Company or its affiliates, and any change on such interest or rights during the last fiscal year**

Names of the persons of interest	Beginning of the year			End of the year			Net change	Change ratio %
	Number of shares	Percentage of ownership	Debt instruments	Number of shares	Percentage of ownership	Debt instruments		
<b>Board Members term elected 11 May 2023</b>								
1. Abdullatif Al-Fozan (Chairman)	-	-	-	579,100	0.065	-	-	-
2. Turki Al-Sudairy (Vice Chairman)	-	-	-	233,635	0.26	-	-	-
3. Fahad Al-Hesni	-	-	-	55,000	0.062	-	-	-
4. Ahmed Sabbagh	-	-	-	356,300	0.400	-	-	-
5. Eng. Hussam Al-Suwailem	-	-	-	-	-	-	-	-
6. Abdulrahman Al-Jala	-	-	-	69,000	0.08	-	-	-
7. Kubra Ghulam Shehabi	-	-	-	-	-	-	-	-
8. Abdulaziz Al-Shiekh	-	-	-	-	-	-	-	-
9. Mosa bin Akresh	-	-	-	112,528	0.13	-	-	-
10. Waleed Al-Monie	-	-	-	-	-	-	-	-
11. Abdulaziz Al-Bassam	-	-	-	-	-	-	-	-

Names of the persons of interest	Beginning of the year			End of the year			Net change	Change ratio %
	Number of shares	Percentage of ownership	Debt instruments	Number of shares	Percentage of ownership	Debt instruments		
<b>Board Members relatives term elected 11 May 2023</b>								
1. Ali Al-Fozan	-	-	-	970,340	1.09	-	-	-
2. Sara Al-Rabia	-	-	-	156,990	0.18	-	-	-
3. Fawaz Al-Sudairy	-	-	-	150,830	0.17	-	-	-
4. Salman Al-Sudairy	-	-	-	52,579	0.06	-	-	-
5. Sara Bin Akresh	-	-	-	6,220	0.007	-	-	-
6. Fahad Al-Suwailem	-	-	-	8,132	0.009	-	-	-
7. Omar Al-Jalal	-	-	-	115,000	0.129	-	-	-
8. Halah Al-Isa	-	-	-	118,953	0.13	-	-	-

**Details of any interest, contractual securities or rights issue of the Senior Executives and their relatives on the shares or debt instruments of the Company or its affiliates, and any change on such interest or rights during the last fiscal year**

Names of the persons of interest	Beginning of the year			End of the year			Net change	Change ratio %
	Number of shares	Percentage of ownership	Debt instruments	Number of shares	Percentage of ownership	Debt instruments		
1. Fahad Al-Hesni	55,000	0.062	–	55,000	0.062	–	–	–
2. Ahmed Al-Jabr	–	–	–	–	–	–	–	–
3. Nilmin Pieries	–	–	–	–	–	–	–	–
4. Fadi Al-Qutub	–	–	–	–	–	–	–	–
5. Ahmed Al-Qarishi	–	–	–	–	–	–	–	–
6. Ms Dana Barhoumeh	–	–	–	–	–	–	–	–

**11.17 INFORMATION ON ANY LOANS, AND AMOUNTS PAID BY THE COMPANY IN REPAYMENT OF LOANS DURING THE YEAR →**

Creditor's Name	Amount of principal debt	Loan term	Amounts paid by the Company in repayments of loans during the year	Remaining amount	Total indebtedness of company and its affiliates
1. Arqaam capital	56,797,019	Open ended with annual renewal	1,677,423.08	56,797,019	56,797,019

## 11. Governance →

## 11.18 THE COMPANY'S REQUESTS OF SHAREHOLDERS REGISTRY, DATES, AND REASONS THEREOF →

Number of the Company's requests of shareholders registry	Request date	Request reasons
1.	28.12.2022	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 General Assembly Meeting convened on 02 January 2023
2.	05.01.2023	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.	01.02.2023	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.	07.02.2023	To comply with Article number 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law and to calculate the differences in the shareholder right
5.	19.02.2023	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 General Assembly Meeting convened on 19 February 2023
6.	01.03.2023	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.	31.03.2023	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.	30.04.2023	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.	08.05.2023	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 General Assembly Meeting convened on 11 May 2023
10.	02.07.2023	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.	01.08.2023	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.	28.08.2023	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.	30.09.2023	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
14.	30.09.2023	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
15.	03.12.2023	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

**11.19 TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES →**

1. Reinsurance contracts for one year with Probitas Corporate Capital Ltd. which is owned by Probitas Holding (Bermuda) Limited, and has an indirect interest for the Chairman of the Board of Directors Mr Hisham Abdulmalik Al-Shaikh, MD/CEO Mr Fahad Al-Hesni and Board Member Mr Jean-Luc Gourgeon for their membership in the Board of Directors of the parent company Probitas Holding (Bermuda) Ltd. Also, there is an indirect interest for Board Member Mr Jean-Luc Gourgeon for his membership in the Board of Directors of Probitas Corporate Capital Ltd. noting that the value of transactions during 2023 is estimated at SR 127,986,637 with no preferential conditions.

**During 2023 there have not been:**

- Any arrangement or agreement under which a Director or a Senior Executive of the Company has waived any remuneration.
- Any arrangement or agreement under which a shareholder of the Company has waived any rights to dividends.

**Investments or reserves for the benefit of employees**

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

The External Auditor's report does not contain any reservations on the financial statements, nor has the Board made any recommendation to replace the Auditor before the end of the term.

**11.20 DECLARATION →**

- 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 December 2023.
- 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 2023.
- 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 2023, there have not been any arrangement or agreement under which a Director or a Senior Executive of the Company has waived any remuneration.
- During 2023, 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.

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.

# 12. Risk Management

## 12.1 CURRENT AND FUTURE RISKS →

Saudi Re's Board sets levels for the Company's risk appetite and risk tolerance, and carries out strategic planning and business planning functions. The business is managed through the Board of Directors, Board 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 Note (31) to the financial statements, the Company is exposed to risks including to reinsurance risk, regulatory framework risk, claims management risk, reserving and ultimate reserves risk, credit risk, liquidity risk, currency risk, special commission rate risk, and capital management.

The Company's internal annual review of the risk in 2023 identified the following current and future risks:



### 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.



### RETROCESSION RISK

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



### 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.



### CLAIM RESERVING RISK

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



### 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.



### 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.



### 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.



### MARKET RISK

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



### LEGAL AND REGULATORY

#### COMPLIANCE RISKS

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



### CYBER RISK

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



### REPUTATION RISK

The Company's reputation is considered as important asset to gain the trust of the Company's

## 12. Risk Management →

existing and future clients, therefore, any information, news, associated with the Company directly or non-directly, can harm the reputation of the Company and might lead the clients to lose their trust in the Company as a reinsurance company. To mitigate this risk, the Company retains the trust of its partners in a good manner through a suitable communication channels, and demonstrating the strength of the Company and its brand in all times. The Company also has financial strength rating AA+ by SIMAH's Credit Rating Agency, Tassnief, and A3 rating from Moody's. The Company also has a financial strength rating of "A-" long-term issuer credit and insurer financial strength rating and a "gcAAA" regional scale rating with a Stable Outlook by Standard & Poor's Global (S&P) and "A3" Insurance Financial Strength Rating (IFSR) international scale and a A1.sa national scale IFSR rating with stable outlook by Moody's.



### RATING RISK

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



### EMERGING RISK

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

One of the emerging risks is non-adoption of ESG standards. An example of these standards is addressing climate change and its impact as reinsurance provides various levels of security over a long time period. Increased temperature variability and the resulting heatwaves can not only affect agriculture, productivity, water resources, health and mortality, but can also increase the unsuitability in certain regions. The Company is adopting different initiatives to ensure meeting ESG standards and has published Sustainability Reports since 2020 highlighting the Company initiatives towards ESG standards compliance.

In addition, global conflicts are considered emerging risks for the insurance sector as that may lead to increase the cost of insurance and reduce the availability of insurance protection. The current Russia & Ukraine conflict is one of the examples. However, the Company has limited exposure to the conflicted region, and it is continuously monitoring the exposure and will take any necessary actions to address any future impact of the current conflict.





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