

Allianz Saudi Fransi Cooperative Insurance Company

Annual Report 2020

Chairman's Statements

Dear Shareholders,

On behalf of the Board of Directors, I present the 13th Annual Report and Financial Statements of Allianz Saudi Fransi Cooperative Insurance Company pertaining to the fiscal year ending 31 December 2020.

Market conditions were quite challenging in 2020 due to the local and global impacts of the COVID19 pandemic. As a result the company had to adapt to these conditions and kick start a transformation towards more agility and sustainability.

As a result of the challenging situation in 2020, the company reported a net loss of SAR 17.6 Million before Surplus, Zakat and Income Tax for the year ending 31 December 2020 compared to a Net Profit before Zakat & Tax of SAR 41.6 Million for the year ending 31 December 2019.

In 2021, the Company will further focus on profitability and growth while also enhancing the customer experience and digitalization of services and operations. Furthermore, we will continue to develop our multi-distribution channels strategy for both Retail and Corporate Customers.

Development and empowering our employees are an essential part of our renewal agenda in order to reinforce the culture of the Company where people and performance matter without excluding anyone.

I express my sincere gratitude to all of our employees and distribution partners for this outstanding achievement. I remain convinced that a motivated and well-qualified workforce is of utmost importance and the basis for our success. Likewise the positive results of our annual Allianz Engagement Survey show that our employees continue to value Allianz Saudi Fransi as an attractive employer.

I would also like to express my deepest gratitude to the Custodian of the Two Holy Mosques King Salman Bin Abdul Aziz Al Saud and his Crown Prince Mohammad Bin Salman Al Saud for their continuous support to the Insurance Industry. I would also like to thank the Saudi Arabian Monetary Agency, the Council of Cooperative Health Insurance, the Capital Market Authority and the Ministry of Commerce. I take this opportunity to thank the Board of Directors, the Management and the Staff for their support and dedication.

Al Waleed Abdulrazak Al Dryaan

Chairman

The Board of Directors' Report

The Board of Directors (BOD) of Allianz Saudi Fransi Cooperative Insurance Company has the pleasure to present to the shareholders, the Company's 13th Annual Report together with the audited financial statements for the fiscal year ending on 31st December 2020.

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

1. Introduction

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

The initial authorized and issued Capital of the Company was SAR 100 million. In April 2010, the Company increased its capital through rights issue. The share capital of the Company became SAR 200 million consisting of 20 million shares. In July 2020, the Company increased its capital again through rights issue. The share capital of the Company became 600 million consisting of 60 million shares. The ownership of Allianz Saudi Fransi's shares as of 31st December 2020 is as follows:

- 18.5% Allianz Europe B.V
- 16.25% Allianz France – (100% owned by Allianz SE)
- 16.25% Allianz MENA Holding Bermuda – (100% owned by Allianz SE)
- 14.00% Banque Saudi Fransi (BSF)
- Within the remaining 35% public shareholders, the following owns more than 1% share:
 - 1.69% Riyadh Abdullah Rashed Abunayyan
 - 1.18% Nuha Abdullah Hamad Al Shibil
 - 1.10% Abdulaziz Hamad Ibrahim Al Mishal

The Company has received its operational license (Ref: TMN/11/20083) from the Saudi Arabian Monetary Agency (SAMA) on 30/02/1429 H, 8th March 2008 and has successfully renewed it on 30/02/1432 H– 5th February 2011 on 29/02/1435 H - 1st January 2014 and on 28/02/1438 corresponding to 28th November 2016 and on 28/02/1441 corresponding to 28th October 2019 for a period of another 3 years.

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

Our Vision is

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

Our Mission Statement is

Create Trust by delivering Excellence.

Our Strategy is

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

- Banque Saudi Fransi: to provide Retail and Corporate Bancassurance products.
- Direct Sales Force: to provide individual insurance solutions.

- Selected brokers and dedicated account executives: to provide comprehensive solutions for corporate customers.

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

Our Values are

Expertise, Integrity and Sustainability.

3. Allianz Saudi Fransi Key Dates and Developments

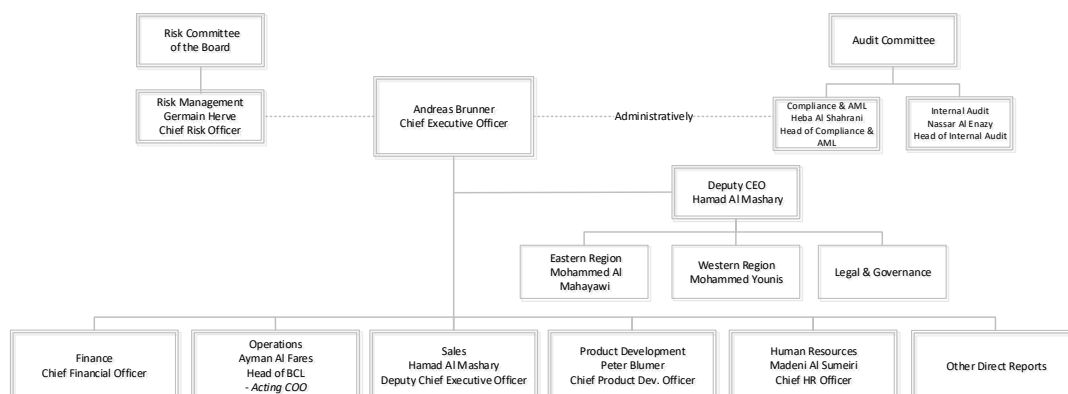
Allianz Saudi Fransi witnessed since its incorporation many significant developments:

- **October 2006** The founders received the authorization to establish the Company as per Royal Decree No. 60/M
- **March 2007** The Company went public through an Initial Public Offering.
- **June 2007** The Constituting General Assembly was held.
- **March 2008** The operational license from SAMA (Ref: TMN/11/20083) was obtained.
- **September 2008** The Company moved to the New Head Office in Riyadh and received its first products' approval.
- **November 2008** SAMA approved the transfer of Insaudi portfolio subject to no goodwill.
- **January 2009** Insaudi portfolio transfer was completed and integrated in the opening balance sheet for 2009.
- **March 2009** The individual Protection & Savings products approvals were received.
- **November 2009** Banque Saudi Fransi Bancassurance Protection & Savings products approvals are received.
- **April 2010** The Company completed its 10 million shares rights issue and the Capital became SAR 200 Million.
- **November 2010** Banque Saudi Fransi Bancassurance Portfolio transfer was completed.
- **February 2011** The Company obtained from SAMA the renewal of its operational license for another 3 years.
- **June 2011** The Company launched the Sharia Compliant Protection & Savings "Gold" Products.
- **January 2012** The Company restructured its Direct Sales Force for Retail Business as well as its branches.
- **August 2012** The Company restructured its Corporate Sales Force to better serve corporate and commercial customers.
- **January 2013** Launched common workflow platform for all Sales Channels including Sales Support function.
- **August 2013** Xavier Denys succeeded Antoine Issa as Chief Executive Officer.
- **January 2014** The Company obtained from SAMA the renewal of its operational license for 3 years.
- **May 2014** Mr. Ammar Al Khudairy appointed as new Chairman of the Company
- **September 2014** D&O Liability and Medical Malpractice Insurance Products approved by SAMA
- **November 2014** Mr. Oliver Bäte, Future CEO of Allianz SE (Effective 7th of May 2015) visited the company.

- **September 2015** Mr. Sergio Balbinot, Member of Allianz SE Board of Management, Insurance Western & Southern Europe, Middle East, Africa, India visited the company.
- **October 2015** The Company obtained from SAMA the Visitor insurance product approval.
- **October 2015** Claims Workflow launched in the H.O. and Branches
- **November 2015** Launching the new strategic initiatives (Renewal Agenda).
- **December 2015** The Company achieved the highest Net Profit - before zakat and tax since the establishment.
- **February 2016** Renewal Agenda official kick off and announcement to employees.
- **February 2016** The Company participated in the Janadriyah Festival as part of the German Guest of Honor Pavilion
- **November 2016** The Company obtained from SAMA the renewal of its operational license for 3 years.
- **December 2016** Fully Fledged Customer Call Center launched
- **March 2017** The Company opened Travel Insurance Points of Sale at the VFS Centers in Riyadh, Jeddah and Khobar
- **September 2017** Fast Quote online Motor Quotation Tool launched
- **October 2017** Allianz Group reached an agreement with Bank Saudi Fransi to purchase an 18.5% shareholding in Allianz Saudi Fransi from the Bank.
- **March 2018** Eng. Alwaleed Al Dryaan appointed as Chairman of the Board of Directors.
- **March 2018** Allianz Group completed an agreement with Bank Saudi Fransi to purchase an 18.5% shareholding in Allianz Saudi Fransi from the Bank.
- **June 2018** The Board recommends to increase capital through rights issue with a total value of SAR 400Mn
- **November 2018** The Company obtained SAMA's non-objection to proceed with the Rights Issue.
- **January 2019** Andreas Brunner succeeded Xavier Denys as Chief Executive Officer
- **October 2019** The Company obtained from SAMA the renewal of its operation license for three years.
- **November 2019** Mr. Niran Peiris, Member of the Board of Management of Allianz SE, Global Insurance Lines & Anglo Markets, Reinsurance, Middle East, Africa, visited the Company.
- **November 2019** Online TPL Insurance Portal Launched
- **July 2020** The Company completes its Capital Increase through Rights Issue and the new Capital becomes SAR 600 Million
- **December 2020** The Company launches its Visit Visa Travel Insurance product

4. Organization Chart

Allianz Saudi Fransi organization structure as of 31st December 2020 is shown here below:



5. Top Management

The members of the Top Management of the Company as of 31/12/2019 are:

Name	Position	Y.O.B	Latest Degree	Previous Experience
Andreas Brunner	Chief Executive Officer	1972	Masters in Business Administration	Worked in similar leadership positions within Allianz Group
Hamad Al Mashary	Deputy Chief Executive Officer	1978	Masters of Science in Risk Management & Insurance, Economics	Held various leadership from SAMA and other insurance companies
Mohammad Koubar*	Chief Financial Officer	1979	BA Finance & Accounting	Worked in the External Audit function in one of the big 4 firms
David Cook**	Chief Operations Officer	1958	Bachelor of Political Science and Public Administration	Worked in similar leadership positions within Allianz
Khalid Al-Ghamdi***	Chief Sales Officer	1972	BA in Mass Communication – Public Relations & Advertising	Worked in similar positions in the Saudi Insurance Industry
Germain Herve	Chief Risk Officer	1981	Masters in Management	Worked in similar leadership positions within Allianz Group
Madeni Al Sumeiri	Chief Human Resources Officer	1963	BA Business Administration, Diploma BSF PDP	Worked in the Human Resource & Government Relations in Banque Saudi Fransi
Peter Blumer	Chief Product Development Officer	1971	Masters Degree in Economics and PhD In Political Sciences	Worked in similar leadership positions within Allianz Group

* Resigned as of 31 December 2020 , ** Resigned as of 10 May 2020, *** Resigned as of 31 December 2020

6. Human Resources

As part of our Renewal Agenda, we introduced the Inclusive Meritocracy initiative to re-enforce a culture where both people and performance matter. We foster knowledge and strive for excellence at every point with the customer. Thus it's important that we empower our employees and provide them with purpose and direction, encourage them to take the initiative to improve our customer experience and move forward in their careers. In 2020 Allianz Saudi Fransi continued its efforts to preserve the ratio of Saudization. As of 31st December 2020 the percentage of Saudi nationals within the company represented 72.52%.

7. Geographical Presence

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

Office	Address	Telephone & Fax
Riyadh Head Office & Riyadh Branch	Al Safwa Commercial Building, Khorais Road, Al Khaleej Bridge, Malaz District, P.O. Box 3540, Riyadh 11481	Tel: +966 (11) 821 3000 Tel: +966 (11) 920028727 Toll Free: 800301001 Fax: +966 (11) 821 3999
Jeddah Regional Office	Ibrahim Juffali Street (intersection with Tahlia Street), Andalus District, P.O. Box 122901, Jeddah 21332	Tel: +966 (12) 283 0228 Fax: +966 (12) 283 0718
Khobar Branch (Corporate Sales & Claims)	Al Sharq Tower, 3 rd Floor Office No. 12, Al Dhahran Street, P.O. Box 15217, Khobar 31952	Tel: +966 (13) 898 2671 Fax: +966 (13) 898 2646
Hassa Branch (Retail Sales & Claims)	Al Harshan Tower, 1 st Floor, Al Dhahran Street, Al Mubarraz, Al Shroufiyah District P.O. Box 3996, Dammam 31429	Tel: +966 (13) 531 4521 Fax: +966 (13) 582 8118
Dammam Branch (Retail Sales)	Reviera Building, Al Khaleej Road, P.O. Box 36622, Dammam 31429	Tel: +966 (13) 802 0385 Fax: +966 (13) 802 0392
Madinah Branch (Retail Sales & Claims)	AlDiola Building, King Abdul Aziz Road P.O. Box 501, Madinah 41421	Tel: +966 (14) 834 0627 Fax: +966 (14) 834 3788

8. The Company's Products and Services

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

The Company provides corporate and individual solutions as listed hereunder:

Corporate Solutions	Individual Solutions	Bancassurance Solutions
Employee Benefits Group Protection & Health Workmen Compensation Group Personal Accidents (PA)	Protection & Savings Waad Al Ousra Gold (Protection) Waad Al Ajyal Gold (Education) Waad Al Isteqrar Gold (Retirement)	Protection & Savings Al Anjal (Education) Al Ghad (Retirement)
Engineering Contractors All Risks (CAR) Erection All Risks (EAR) Machinery Breakdown Electronic Equipment Boiler Pressure & Vessel Contractors Plant & Machinery	Property, Casualty & Health Property & House Occupants Comprehensive Motor Health Personal Accident Travel	Protection & Savings (Takaful) Takaful Al Anjal (Education) Takaful Al Ghad (Retirement)
Property & Casualty Property All Risks Fire, Theft, Money Sabotage and Terrorism Motor Fleet		Property, Casualty & Health
Liability Third Party Liability Public & Product Liability Public Liability Bankers Blanket Bond and Electronic and Computer Crime		Motor
Fidelity Guarantee		Travel
Comprehensive Crime		
Marine & Cargo		
Credit Insurance		
D&O Insurance		
Medical Malpractice Insurance		

9. Financial Highlights

a) Gross Written Premiums

The Gross Written Premiums amounted to SAR 674.7 Million for the twelve months ended December 2020 against SAR 1011.7 Million for the twelve months ended December 2019 showing a decrease of 33.3%. The split per line of business is as follows:

SAR Million	2020	2019	2018	2017	2016
▪ Property, Casualty & Health:	548.8	892.9	752.2	788.9	686.3
a) Motor	181.9	469.1	397.0	428.1	299.0
b) Engineering	48.8	41.5	52.3	50.4	74.0
c) Medical:	176.3	190.2	110.9	104.4	123.8
d) Other General	141.8	192.2	192.0	206	189.5
▪ Protection & Savings:	125.9	118.7	118.5	136.6	149.9

Gross Written Premiums in property, casualty and health decreased by 38.5% compared to 2019. This was driven by the decline in Motor business of 61.2% and in other general of 26.2% and in Medical of 7.3%. Engineering is showing 17.6% growth compared to 2019. Protection & Savings Gross Written Premiums are showing a growth of 6.1% compared to 2019.

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

The volumes generated in each region are summarized below:

SAR Million	2020	2019	2018	2017	2016
Central Region:	447.1	727.4	616.7	684.7	611.0
Western Region:	107.7	141.7	105.0	135.3	99.8
Eastern Region:	119.8	142.5	149.0	105.5	125.4

b) Net Premiums Earned

The Net Premiums Earned calculated after deducting the premiums ceded to reinsurers and the reserves for unearned premiums, amounted to SAR 519.3 Million for the year ended December 2020 against SAR 685.4 Million for the year ended December 2019.

As a result of the decline in the gross written premium, the net earned premium decreased by 24.2% in 2020 compared to the previous year.

c) Reinsurance Commissions

Reinsurance commissions amounted to SAR 9.8 Million compared to SAR 17.2 Million and showing a decrease of 43%. This is mainly driven by the negative performance in general lines.

d) Net Claims and Other Benefits Incurred

The Net Incurred Claims during the period after deducting the reinsurance shares and reserves amounted to SAR (394.9) Million for the twelve months ended December 2020 against SAR (515.9) Million for the twelve months ended December 2019, representing a decrease of 23.5%. This is mainly due to the decrease of Gross Written Premiums in 2020 compared to the previous year.

e) Unrealized Gain on Unit-Linked Investment

The unrealized gain on unit-linked investment related to Protection & Savings products amounted to SAR 14.2 Million for the twelve months ended December 2020 against SAR 19.7 Million in 2019. This is coming from the market fluctuation of the underlying funds.

f) Mathematical Reserve Change

The Mathematical Reserve Change applicable to Protection & Savings products amounted to SAR 17.3 Million for the twelve months ended December 2020 against SAR 22.3 Million in 2019 due to the net impact of written premiums, Surrenders and revaluation of Unit Link Investments.

g) Policy Acquisition Costs

The commissions paid to producers (policy acquisition costs) amounted to (55.1) Million compared to (65.1) Million showing a decrease of 15.5%. This is mainly influenced by the decline in gross written premium.

h) General Expenses

The Company has incurred during 2020 insurance operations expenses of SAR (135.3) Million, against insurance operations expenses of SAR (122.3) Million during 2019. The increase was driven by expenses incurred to reinforce the company's structure.

In addition, the Company incurred during 2020 inspection expenses of SAR (5.1) Million compared to SAR (7.0) Million in 2019. This is mainly influenced by the level of business booked during the year.

Also, the Company incurred during 2020 provision of doubtful debts of SAR (3.3) Million compared to SAR (3.0) Million in 2019.

i) Investments

The Company investments excluding investments from unit-linked Protection & Savings products as of December 2020 are summarized here below.

SAR Million	2020	2019	2018	2017	2016
Cash & cash equivalents:	325.0	148.9	93.1	133.3	93.5
Sukuk/Funds:	398.2	379.1	328.2	305.8	237.2
Subscription in Najm & NextCare Companies	3.2	3.2	3.2	3.2	3.2
Saudi Aramco	3.1	3.1	-	-	-
Held to maturity	-	-	-	-	-

The investment income excluding unrealized gain on investments from unit-linked Protection & Savings products and excluding Other Operational Income amounted to SAR 11.4 Million as of December 2020 against SAR 10.4 Million as of December 2019.

j) Other Income

Other Income represents mainly the income generated to the company from Manafeth arrangement which is amounting to SAR 5.1 Million vs. SAR 5.0 Million in 2019.

k) Net Income from insurance operations (Operating Results)

The technical result before shareholder investment income and before shareholder general expenses is showing a Net deficit of SAR (24.1) Million for the twelve months ended December 2020 against a Net Surplus of SAR 39.9 Million for the twelve months ended December 2019, representing a decrease by 160.5%.

This result was mainly driven by the decrease in total revenue is mainly driven by the decrease in motor business by 36.9% (289.1Mn vs. 458Mn)

Note: The operating result announced on Tadawul represents the operating results explained above and amounting to SAR (24.1) Million, minus the fair value change in policyholders' unit linked investments amounting to SAR 14.2 Million, and Insurance Operations' investment income amounting to SAR 4.0Million in 2020.

This is done only to comply with the announcement requirements on Tadawul and does not reflect the actual operating results.

l) Net Income before Zakat and Tax

The result for the twelve months ended 31st December 2020 is a Net loss before zakat & tax of SAR (17.6) Million against a Net Income of SAR 41.6 Million after a distribution of 10% of the Net Surplus from insurance operations amounting to SAR 4.0 Million for the twelve months ended 31st December 2019. The decrease in net profit before zakat is mainly due to the decrease in total revenue by 24.7% (SAR 529.1Mn vs. SAR 702.6Mn) while General and admin expenses increased by 10.6% (SAR 136.3Mn vs SAR 123.3Mn).The decrease in total revenue is mainly driven by the decrease in motor business by 36.9% (289.1Mn vs. 458Mn).

m) Assets

The total Assets of the Company as of 31st December 2019 amounted to SAR 2,631.9 Million divided as follows:

SAR Million	2020	2019	2018	2017	2016
Insurance Operations' Assets	1,911.7	1977.1	1,790.6	1,744.0	1,756.5
Shareholders' Assets	720.2	357.1	306.6	273.6	238.1

n) Shareholder's Equity

The Shareholder's Equity as of 31st December 2020 amounted to SAR 701.5 Million, split as follows:

SAR Million	2020	2019	2018	2017	2016
Share Capital	600.0	200.0	200.0	200.0	200.0
Retained Earnings (Accumulated Losses)	47.7	75.0	49.6	19.9	(0.4)
Statutory Reserve	20.7	20.7	14.4	7.0	-
Other Reserves	33.1	31.0	17.3	24.2	21.7

The share premium included in the other Reserves has decreased by transaction cost related to increase in share capital amounting to SAR 6.4 Million.

o) Profit Distribution Strategy

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

- Zakat & Tax allocations are to be withheld.
- As per bylaws of the Company, the Company shall allocate 20% of the Net Income of each period to the statutory reserve.
- The Ordinary General Assembly may, at the recommendation of the Board, set aside a specific percentage of net profits to build up reserves allocated for specific purposes.
- The remainder shall be distributed to shareholders as share profits or to be transferred to retained profits account.
- By resolution of the Board of Directors, periodic profits, deducted from the annual profits, may be distributed in accordance with applicable rules and regulations issued by competent authorities.

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

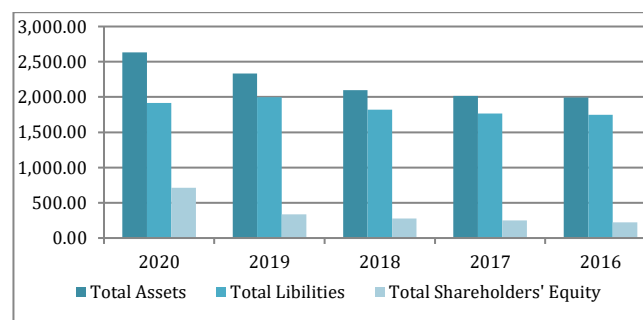
p) Financial highlights

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

SAR Million	2020	2019	2018	2017	2016
Gross Written Premium	674.7	1011.7	870.7	925.5	836.2
Net Premium Earned	519.3	685.4	601.1	639.3	500.0
Reinsurance Commission	9.8	17.2	16.6	25.7	17.5
Net Claims and other benefits incurred	(394.9)	(515.9)	(459.8)	(504.7)	(376.5)
Unrealized gain on UL	14.2	19.7	17.0	16.6	14.6
Mathematical Reserve Change	17.3	22.3	15.3	20.7	(0.9)
Policy acquisition costs	(55.1)	(65.1)	(54.2)	(57.9)	(48.9)
General Expenses Insurance operations (including Inspection and Supervision Fees)	(141.5)	(130.3)	(104.4)	(100.4)	(81.2)
Provision of doubtful debts	(3.3)	(3.0)	(5.6)	(11.9)	-
Investment income	11.4	10.4	10.8	7.9	-
Other Income	5.1	5.0	3.8	3.0	8
Net Income for the year before surplus, Zakat and income tax	(17.6)	45.6	40.5	38.3	26.5
Surplus attributed to insurance operations	-	(4.0)	(3.4)	(3.4)	(2.6)
Net income before Zakat and Income Tax	(17.6)	41.6	37.1	35.0	24.4

Balance Sheet "SAR Million"	2020	2019	2018	2017	2016
Total Assets	2,631.9	2,334.2	2,097.1	2,017.6	1,994.6
Total Liabilities	1,917.2	1,999.7	1,820.2	1,768.2	1,773.3
Total Shareholders' Equity	714.7	334.5	276.9	249.4	221.3

Balance Sheet "SAR Million"



10. Corporate Governance, Regulations & Committees

a) Compliance with Corporate Governance

In 2020, Allianz Saudi Fransi was in full compliance with the CMA corporate governance regulations, Insurance Corporate Governance regulations issued by SAMA, and other guidelines except the following issues- where the company has paid penalty for noncompliance:

- **50,000 SAR enforcement resolution from SAMA during Feb 20** for dealing with expired license third party "Loss Adjuster".
- **110,000 SAR enforcement resolution from SAMA during Sep 20** for
 - Noncompliance with signing anti-fraud agreements with losses adjustor company which is non-compliant with SAMA's Anti-Fraud regulations
 - Noncompliance as with SAMA's 41 \ Anti-Fraud regulations as the internal audit didn't assess the fraud risk of all contracted insurance services providers on an annual basis in a report to be submitted to BoD.
 - No clear or approved strategy for Anti-Fraud which is noncompliance with SAMA's article 12 \Anti-Fraud Regulations
 - No plan for antifraud for small and mega sized fraud which is non-compliant with Art.22\Ant Fraud
 - No training programs for Employee, BoD related to Anti-Fraud which is noncompliance with Art. 11 of the Anti-Fraud rules.
 - SAMA's approval has not been obtained to appoint the claims which is non-compliant with Art. 7\ Senior positions appointment rules o 5,000 SAR enforcement resolution from
- **5,000 SAR enforcement resolution from SAMA during Nov 20** for Non-Compliance w/MOH regarding Covid-19 rules "Not wearing Mask"
- **20,000 SAR enforcement resolution from SAMA during Dec 20** For Audit Committee is not Following-up on the important lawsuits by or against the Company and submit periodic reports thereon to the board of directors or following up with Head of Compliance

Certain paragraphs from the CMA regulations (listed below), are not applicable and accordingly no further disclosure is required on the related topics:

- Article 43 of the listing rules paragraphs (7),(8),(13),(14),(15), and (19)
- Article 6 of the Corporate Governance Regulations paragraph (d)

b) Board of Directors (up to 07 August 2019)

Name of the Board Members	No. of Shares beginning of year*	No. of Shares end of year*	Change in No. of Shares	Board Member	Rep.	Member Classification	Qualification	Experience
Alwaleed Al Dryaan	1,000	1,000	Nil	<ul style="list-style-type: none"> Al Khaleej Training and Education Al Enayah Medical Co. Saudi Telecom Co. Malaz Capital Co. Arabian Cement Co 	Public	Independent	B.S & M.S Electrical Engineering	<ul style="list-style-type: none"> MD of Al Khaleej Training Egypt MD of Fast Lane Co. Chairman of Online Trading Academy Dubai Chairman of Franklin Covey Co. Dubai
Hicham Raissi	Nil	Nil	Nil	<ul style="list-style-type: none"> Allianz Life Assurance Co. Allianz Morocco 	Allianz MENA Holding Bermuda	Non Executive	M.S. Engineering	<ul style="list-style-type: none"> Allianz SE: Head of Business Division Africa, MENA and India Allianz SE: Country Manager Africa
Antoine Issa	Nil	Nil	Nil	<ul style="list-style-type: none"> Allianz SNA SAL Lebanon Allianz Egypt Life Allianz Egypt P&C Al Nisr Al Arabi – Jordan MedGulf Takaful – Bahrain 	Allianz France	Non Executive	M.S. Engineering M.S. Finance	<ul style="list-style-type: none"> Allianz MENA CEO Allianz SNA Chairman Allianz Egypt Chairman Allianz SF MD
Adel Mallawi	Nil	Nil	Nil	Nil	Banque Saudi Fransi	Non Executive	B.S Education (Chemistry)	<ul style="list-style-type: none"> Chief Financial Officer - Banque Saudi Fransi Head of Global Markets Group – Treasurer - Banque Saudi Fransi
Mazen AlTamimi	Nil	Nil	Nil	<ul style="list-style-type: none"> Saudi Fransi Leasing Co. Saudi Fransi Capital Co. 	Banque Saudi Fransi	Non Executive	B.S Computer Science	<ul style="list-style-type: none"> Senior Executive Director Banque Saudi Fransi Western Region Manager - Banque Saudi Fransi
Abdullah Al-Hussaini	1,000	1,000	Nil	<ul style="list-style-type: none"> Saudi Advanced Industries Co. Deutsch Gulf Finance Co. 	Public	Independent	PhD in Accounting	<ul style="list-style-type: none"> Dean of Student Affairs Financial Manager Financial Advisor Financial Accountant and internal auditor

*Owned by Board of Directors, their spouses or their children in Allianz Saudi Fransi.

Board of Directors (Current term) 08 August 2019 to 07 August 2022

Name of the Board Members	No. of Shares beginning of year*	No. of Shares end of year*	Change in No. of Shares	Board Member	Rep.	Member Classification	Qualification	Experience
Alwaleed Al Dryaan	1,000	1,000	Nil	<ul style="list-style-type: none"> Al Khaleej Training and Education Al Enayah Medical Co. Saudi Telecom Co. Malaz Capital Co. Arabian Cement Co 	Allianz entities	Non-Executive	B.S & M.S Electrical Engineering	<ul style="list-style-type: none"> MD of Al Khaleej Training Egypt MD of Fast Lane Co. Chairman of Online Trading Academy Dubai Chairman of Franklin Covey Co. Dubai
Mazen AlTamimi	Nil	Nil	Nil	<ul style="list-style-type: none"> Saudi Fransi Leasing Co. Saudi Fransi Capital Co. 	BSF	Non-Executive	B.S Computer Science	<ul style="list-style-type: none"> Senior Executive Director Banque Saudi Fransi Western Region Manager - Banque Saudi Fransi
Antoine Issa	Nil	Nil	Nil	<ul style="list-style-type: none"> Allianz SNA SAL Lebanon Allianz Egypt Life Allianz Egypt P&C Al Nisr Al Arabi – Jordan MedGulf Takaful – Bahrain 	Allianz entities	Non-Executive	M.S. Engineering M.S. Finance	<ul style="list-style-type: none"> Allianz MENA CEO Allianz SNA Chairman Allianz Egypt Chairman Allianz SF CEO
Hicham Raissi (Until 30/09/2020)	Nil	Nil	Nil	<ul style="list-style-type: none"> Allianz Life Assurance Co. Allianz Morocco 	Allianz entities	Non-Executive	M.S. Engineering	<ul style="list-style-type: none"> Allianz SE: Head of Business Division Africa, MENA and India Allianz SE: Country Manager Africa
Andreas Brunner	Nil	Nil	Nil	<ul style="list-style-type: none"> Nil 	Allianz entities	Executive	M.S. Politics, Law, and Psychology B.S. Management Technology	<ul style="list-style-type: none"> Chief Executive Officer of Allianz Saudi Fransi Partner & Member of Executive Leadership Team (Allianz SE) Executive Assistant & Senior Project Manager (Allianz SE)
Abdullah Al-Hussaini	1,000	1,000	Nil	<ul style="list-style-type: none"> Saudi Advanced Industries Co. Deutsch Gulf Finance Co. 	Public	Independent	PhD in Accounting	<ul style="list-style-type: none"> Dean of Student Affairs Financial Manager Financial Advisor Financial Accountant and internal auditor
Kamel Al Munajjed	Nil	Nil	Nil	<ul style="list-style-type: none"> Tanmiah Food Group 	Public	Independent	M.S. Business Administration	<ul style="list-style-type: none"> General Manager of Urjuan Real Estate Development Vice President (Almunajem)

							B.S. Electrical Engineering	<ul style="list-style-type: none"> Head of Investment & Private Banking (Banque Saudi Fransi)
Basil Bin Jbr	Nil	Nil	Nil	<ul style="list-style-type: none"> Taiba Investment Co. Tayseer Finance Co. Jarir Marketing Co. 	Public	Independent	M.S. Business Administration B.S. Business Administration	<ul style="list-style-type: none"> Vice-President of Development Affairs (Bin Laden Group) President of Interactive Saudi Arabia Ltd.
Herve Gloaguen	Nil	Nil	Nil	<ul style="list-style-type: none"> Nil 	Allianz entities	Non-Executive	Executive Program Grand Ecole (Accounting)	<ul style="list-style-type: none"> Global Head of Internal Audit of the Allianz Group Member of the Board of Management of Allianz France Head of Internal Audit of AGF Group Deputy CEO of Banque AGF
Amine Benabbou (Starting from 23/11/2020)	Nil	Nil	Nil	<ul style="list-style-type: none"> Nil 	Allianz entities	Non-Executive	Master degree on Financial Engineering	<ul style="list-style-type: none"> Head of Business Division Africa & MENA at Allianz SE

*Owned by Board of Directors, their spouses or their children in Allianz Saudi Fransi.

Members of the Top Management		A. Brunner	H. Al Mashary	M. Koubar**	D. Cook***	K. Al Ghamdi****	G. Herve	M. Al Sumeiri	P. Blumer
Number of Shares*	beginning of year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	End of year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Owned by the Top Management, their spouses or their children in Allianz Saudi Fransi.

** Resigned as of 31 December 2020, *** Resigned as of 10 May 2020, **** Resigned as of 31 December 2020

BOD Responsibilities

Without prejudice to the competencies of the General Assembly, the Board shall have the broadest powers in managing the Company and guiding its activities to achieve its objectives. The Board of Directors is ultimately responsible for the policies and management of the Company. The Board of Directors approves strategic, accounting, organizational, and financing policies adopted by the Company as well as strategic plans and major transactions. Its responsibilities include the appointment and appropriate succession planning of executive officers and authorized signatories of the Company, in addition to supervision over the Company's management and performance. The Board of Directors also ensures the integrity of the accounting and financial reporting as well as the appropriateness of its disclosure. It promotes high standards of Corporate Governance and ensures compliance with applicable laws and regulation. It ensures that the interest of the policyholders is always protected. The Board of Directors is also entrusted with organizing the Shareholders' meetings and carrying out Shareholders' resolutions.

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

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

- The major duties and responsibilities of the Board of Directors are highlighted as follows:**

Relation with Stakeholders

- Representing the Company and acting on its behalf before others whether it is a private or public party. Those may include but are not limited to the following parties within or outside the Kingdom of Saudi Arabia (KSA).
 - Ministries and Governmental agencies.
 - Financial institutes.
 - All kind of courts and judicial parties.
 - Capital Market Authority (CMA)
 - Customs offices.
 - Police Departments.
 - Civil Affairs departments.
 - Etc.
- Ensure that systems are in place for communication and relations with stakeholder including the mentioned above, monitor system effectiveness and significant sensitive and legally required communications.
- Develop and adopt mechanisms for indemnifying the Company stakeholders in case of contravening their rights under the law and their respective contracts. Noting that the members of the Board, who had committed a mistake that harmed the interests of the shareholders and which resulted in a profit to them, shall return to the company all the profits they have gained from this mistake.
- Discuss any comment raised by any shareholder regarding the company and its performance. Such discussion must be minuted and circulated to all Board Members.

5. Preparing the Board Report and approving it before publishing it to the shareholders and CMA, addressing the following as a minimum:
- a) A description of the principal activities of the Company. If two or more activities are described, a statement must be included giving for each activity the turnover and contribution to trading results attributable to it;
 - b) A description of the Company's significant plans and decisions (including any restructuring, business expansion or discontinuance of operations of the Company), the future prospects of the Company's business and any risks facing the Company;
 - c) A summary, in the form of a table or a chart, of the assets and liabilities of the Company and of the Company's business results for the last five financial years or from incorporation, whichever is shorter;
 - d) A geographical analysis of the Company's gross revenues;
 - e) An explanation for any material differences in the operating results of the previous year or any announced forecast made by the Company;
 - f) An explanation for any departure from the accounting and financial reporting standards;
 - g) A description of the Company's dividend policy;
 - h) A description of any interest in a class of voting shares held by persons (other than the Company's Directors, senior executives and their relatives) that have notified the Company of their holdings together with any change to such interests during the last financial year;
 - i) A description of any interest, contractually based securities, and subscription rights of the Company's Directors, senior executives and their relatives in the shares or debt instruments of the Company, together with any change to such interest or rights during the last financial year;
 - j) Information relating to any borrowings of the Company (whether repayable on demand or otherwise), and a statement of the aggregate indebtedness of the Company together with any amounts paid by the Company as a repayment of loans during the year. In case there are no loans outstanding for the Company, it must provide an appropriate statement;
 - k) The number of meetings of the Directors held during the last financial year and the attendance record of each meeting listing names of the attendees;
 - l) A description of any transaction between the Company and any related party;
 - m) Information relating to any businesses or contract to which the Company is a party and in which a board Director of the Company, the CEO, COO, CFO or any person related to any of them is or was interested, or if there are no such businesses or contracts, the Company must submit an appropriate statement;
 - n) A description of any arrangement or agreement under which a Director or a senior executive of the Company has waived any salary or compensation;
 - o) A description of any arrangement or agreement under which a shareholder of the Company has waived any rights to dividends;
 - p) A statement of the value of any outstanding statutory payment on account of any zakat, taxes, fees or any other charges with a brief description and the reasons therefore;
 - q) A statement as to the value of any investments made or any reserves set up for the benefit of the employees of the Company;
 - r) Declaration that:
 - (i) *Proper books of account have been maintained;*
 - (ii) *The system of internal control is sound in design and has been effectively implemented; and*
 - (iii) *There are no significant doubts concerning the Company's ability to continue as a going concern; if any of the statements above cannot be made, the report must contain a statement clarifying the reasons thereof.*

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

2. Overseeing the Company's Operations

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

policy from time to time to ensure that it continues to be appropriate and in line with better practices.

6. Oversee corporate financial operations, including:
 - a) Capital structure management, maintaining reasonable financial flexibility and safety while achieving an appropriate return on equity;
 - b) Reviewing the Company's interim and annual financial statements to ensure sufficiency and reliability of applied financial reporting controls, and approving them before publishing them;
 - c) Allocation of Company assets;
 - d) Maintaining access to suitable sources of new capital;
 - e) Indemnity, social security and other major employee benefit programs;
 - f) Dividend pay-out policy and action; and
 - g) Propose selection of external auditors for approval by the General Assembly.
7. Maintenance of Systems Integrity:
 - a) Reviewing the effectiveness of the Company's internal control procedures on an annual basis by obtaining a report from and confirming with the Audit, Risk, & Compliance Committee that it has reviewed and discussed the adequacy of the Company internal controls;
 - b) Ensure that the Board of Directors has free and full access to management regarding all matters of compliance and performance; and,
 - c) Developing a written policy to remedy actual and potential conflicts of interest scenarios for each of the Board members, the Executive Management, and the shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties.
8. Oversee the conduct and performance of the Company and its divisions to ensure they are being properly and appropriately managed. To discharge this duty the Board of Directors will give specific and regular attention to:
 - a) Ensuring setting key performance indicators/objectives for the performance of the Company functions/departments, and approve the same;
 - b) Monitoring performance against the strategic and business plans, and key performance indicators;
 - c) Monitoring performance against peer and competitor companies; and,
 - d) Enquiring into and following up areas of poor performance and their cause.
9. Review and approve material transactions outside of the corporate budget, including but not limited to material licenses, long term contracts or obligations.
10. Sell, accept payment on behalf, mortgage, all the Company assets and properties with the following restrictions:
 - a) Documentation of reasons and purpose of sales;
 - b) The sale must be at least at market value;
 - c) Proper guarantee of all sales; and
 - d) Such sales do not affect the Company operations.
11. Enter in and obtain loan agreements from financial institutions.
12. Write off bad debts based on the following and in line with the approved authority matrix:
 - a) Bad debt has aged for over a year at minimum;
 - b) Write offs can only be performed once per year per debtor and not to exceed 1% of the Company's capital;
 - c) The total bad debt write off not to exceed SAR 4 million per year; and,
 - d) Bad debts write off shall not be delegated to anyone else by the Board.

3. Risk Management

The Board establishes, oversees and monitors internal controls and risk management framework including the Market Risk (Interest Rate Risk, Equity Risk, Property Risk,

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

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

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

4. Investment

1. The Board of Directors shall be responsible for the approval of the investment policy and activities, taking into account the analysis of the asset/liability relationship, the Company's overall risk tolerance, its long-term risk-return requirements, its liquidity requirements and its solvency position.
2. The Board of Directors is also responsible for approving policies on related issues of a more operational nature, including:
 - a) The criteria for selection of the external investment manager(s).
 - b) The selection and use of partners and brokers.
 - c) The nature of custodial arrangements.
 - d) The methodology and frequency of the performance and investment risk measurement
3. The Board of Directors authorizes the investment committee and the senior management to formulate the investment policy, review it and implement the overall investment activities.
4. The Board of Directors must also ensure that adequate reporting and internal control systems of the Company are in place, and designed to monitor that assets are being managed in accordance with the investment policy, and legal and regulatory requirements. This should be done by ensuring that:
 - a) The board receive quarterly information, including feedback from the Company's risk management function, on asset exposures, and the associated risks.
 - b) The systems provide accurate and timely information on asset risk exposure and are capable of generating ad-hoc requests.
 - c) Remuneration policies are structured to avoid potential incentives for unauthorized risk taking.

5. The Board of Directors must ensure that senior management is in a position to monitor the performance of the external investment manager(s) against Board approved policies and procedures. The Board of Directors should review on an annual base the adequacy of its overall investment policy in the light of the Company's activities, and its overall risk tolerance, long-term risk return requirements, and solvency position.

5. Compliance

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

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

6. Other Board Responsibilities

1. Forming specialized committees of the Board pursuant to resolutions that shall specify the term, powers and responsibilities of such committees as well as the manner used by the Board to monitor such committees. Such resolutions shall also specify the names of the members and their duties, rights and obligations and shall evaluate the performance and activities of these committees and their members.
2. Manage Board operations, including, without limitation:
 - a) Ensure adopting a transparent mechanism to orient new Board members on company and Board matters, including demonstrating Company strategy, accomplishments, threats, financial position, and Board working mechanism, in addition to developing briefing material on the same.
 - b) Influence the structuring of agendas and how meeting time is spent.

7. Duties of Individual Members / Directors

1. Tasks and Duties of the Board Members

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

- a) Providing proposals to develop the strategy of the Company;
- b) Monitoring the performance of the Executive Management and the extent to which it has achieved the objectives and purposes of the Company;
- c) Reviewing reports related to the performance of the Company;
- d) Ensuring the integrity and impartiality of the financial statements and information of the Company;
- e) Ensuring that the financial control and risk management systems are sound;

- f) Determining the appropriate level of remunerations of the members of the Executive Management;
- g) Expressing opinions as to the appointment and dismissal of members of the Executive Management;
- h) Participating in developing the succession and replacement plans of executive positions within the Company;
- i) Complying fully with the provisions of the Companies Law, Capital Market Law, their implementing regulations, the relevant regulations and the bylaws when performing his/her duties as a member of the Board and abstaining from taking or participating in any action that constitute mismanagement of the Company's affairs;
- j) Attending the Board and the General Assembly meetings, and not being absent except for legitimate excuse of which the chairman of the Board shall be notified by prior notice, or for emergency reasons;
- k) Allocating sufficient time to fulfil his/her responsibilities and preparing for the Board and its committees meetings and effectively participating therein, including raising relevant questions and carrying discussions with the Senior Executives;
- l) Studying and analysing all information related to the matters looked into by the Board before expressing an opinion on the same;
- m) Enabling other Board members to express their opinions freely, and encouraging the Board to deliberate on the subjects and obtain the views of the competent members of the Company's Executive Management and others, when necessary;
- n) Notifying the Board fully and immediately of any interest, either direct or indirect, in the businesses and contracts that are executed for the Company's account, the notification shall include the nature and extent of such interest, the names of concerned persons, and the expected benefit to be obtained directly or indirectly from interest whether financial or non-financial. the concerned member shall abstain from voting on any decisions issued in connection therewith in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
- o) Notifying the Board fully and immediately of his/her participation, directly or indirectly, in any businesses that may compete with the Company or lead to competing with the Company, directly or indirectly, in respect of any of its activities, in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
- p) Refraining from disclosing or announcing any secrets he/she came across through his/her membership in the Board to any shareholder of the Company, unless such disclosure is made during the meetings of the General Assembly, or to a third party, in pursuance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
- q) Working on the basis of complete information, in good faith and with the necessary care and diligence for the interest of the Company and all shareholders;
- r) Recognizing his/her duties, roles and responsibilities arising from the membership;
- s) Developing his/her knowledge in the field of the Company's business and activities and in the related financial, commercial and industrial fields; and
- t) Resigning from the membership of the Board if he/she is unable to fully fulfil his/her duties in the Board.

2. Tasks and Duties of the Independent Director

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

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

8. Matters Reserved for the Board of Directors

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

These matters include the following:

1. Temporary nomination and Remuneration of Directors (to fill the vacant position) for approval by the General Assembly.
2. Appointment of the Chief Executive Officer (CEO) / Managing Director (MD).
3. Appointment/resignation and termination and remuneration of the CEO supported with the recommendations of the Governance, Nomination & Remuneration Committee.
4. Membership and terms of reference of Board committees (apart from the Audit, Risk, & Compliance, and Governance, Nomination & Remuneration committees).
5. Providing recommendations to the Extraordinary General Assembly as to what it deems appropriate regarding the following:
 - a) Increasing or decreasing the share capital of the Company; and
 - b) Dissolving the Company before the end of its term as specified in its bylaws or deciding the continuity of the Company.
6. Providing recommendation to the Ordinary General Assembly as to what it deems appropriate regarding:
 - a) Using the consensual reserve of the Company, if such has been formed by the Extraordinary General Assembly and has not been allocated to a specific purpose;
 - b) Forming additional financial allocations or reserves for the Company; and
 - c) The method of distributing the net profits of the Company.
7. Approving the Company's interim and annual financial statements and approving them before publishing them.
8. Annual review and update (if necessary) of the Board of Director's Charter.
9. Matters referred to the Board of Directors by Board Committees.
10. Approve of the write offs as per the approved authority matrix and the Company's bylaws.
11. Approve loans and financing facilities as per the approved authority matrix and the Company's bylaws.
12. Conduct the Board annual performance self-assessment relative to the Board purpose, duties, and responsibilities outlined herein as well as those of its individual members.
13. Decide upon corporate governance matters relating to the Board of Directors and senior management, and matters of principle regarding corporate governance structure, such as developing/updating the Company's organizational structure and the underlying functional responsibilities as the need arise and which is recommended by the Governance, Nomination, & Remuneration Committee.
14. Review prior Board minutes of meeting and follow up on decisions taken and documented in the action sheet of prior Board meetings, in order to ensure that matters raised have been resolved.
15. The Board of Directors reserves the right to review and amend this list from time to time as considered necessary.

c) BOD Meetings

The BOD met six times during the year ended 31st December 2020 with attendance of 98.15%

BOD #	Date	Attendance	Percentage	Percentage with Proxy
66	20/01/2020	Alwaleed Al Dryaan, Mazen AlTamimi, Antoine Issa, Andreas Brunner, Herve Gloaguen, Abdullah Al-Hussaini, Kamel AlMunajjed, Basel BinJabr	88.9%	100.0%
67	23/03/2020	Alwaleed Al Dryaan, Mazen AlTamimi, Antoine Issa, Hicham Raissi, Andreas Brunner, Herve Gloaguen, Abdullah Al-Hussaini, Kamel AlMunajjed, Basel BinJabr	100.0%	100.0%
68	29/04/2020	Alwaleed Al Dryaan, Mazen AlTamimi, Antoine Issa, Hicham Raissi, Andreas Brunner, Herve Gloaguen, Abdullah Al-Hussaini, Kamel AlMunajjed, Basel BinJabr	100.0%	100.0%
69	15/07/2020	Alwaleed Al Dryaan, Mazen AlTamimi, Antoine Issa, Hicham Raissi, Andreas Brunner, Abdullah Al-Hussaini, Kamel AlMunajjed, Basel BinJabr	88.9%	88.9%
70	23/09/2020	Alwaleed Al Dryaan, Mazen AlTamimi, Antoine Issa, Hicham Raissi, Andreas Brunner, Herve Gloaguen, Abdullah Al-Hussaini, Kamel AlMunajjed, Basel BinJabr	100.0%	100.0%
71	03/11/2020	Alwaleed Al Dryaan, Mazen AlTamimi, Antoine Issa, Andreas Brunner, Herve Gloaguen, Abdullah Al-Hussaini, Kamel AlMunajjed, Basel BinJabr	88.9%	88.9%

The above BOD meetings covered the following major tasks:

- Discussed and approved the amendment of the Bylaw of the Company
- Discussed and completed the Capital Increase of the Company
- Discussed and agreed on postponing the company's building acquisition
- Reviewed and approved the quarterly and annual financial statements based on the Audit Committee recommendations (Q4 2019, Q1 2020, Q2 2020 and Q3 2020).
- Facilitated the Extraordinary General Assembly meeting in June 2020
- Facilitated the Ordinary General Assembly meeting in October 2020
- Discussed and approved the updated 2020 Reinsurance Strategy
- Regularly analyzed the Company performance and achievement versus plan including analysis of market information and Company Strategic positioning
- Approved the strategy and the business plan for the following years.
- Followed the activities of the Executive Committee, the Audit Committee, the Investment Committee, the Nomination & Remuneration Committee and the Risk Committee.
- Discussed and agreed to appoint the new Board Secretary.
- Approved the new and updated company policies following Committee recommendations
- Discussed and followed the Business Continuity Plan during the year.
- Discussed and followed the company's projects updates
- Discussed and approved the Digital Strategy of the company.
- Discussed and approved the proposed Regional Structure
-

d) Remuneration and Compensation of Board Members and Top Executives

The Remuneration and Compensation of Board Members and Top Executives (including the CEO, his Deputy, CFO, COO, CRO, CSO, CHRO, and CPDO) during the 12th fiscal year ending 31st December 2019 were:

BOD Executives' Remuneration

	2020				2019							
	Indp Board Members**	Non-Exec Board Members**	Exec Board Members	Top 8 Executives***	Indp Board Members**		Non-Exec Board Members**		Exec Board Members		Top 8 Executives**	
					1st Jan-7th Aug	8th Aug-31 Dec	1st Jan-7th Aug	8th Aug-31 Dec	1st Jan-7th Aug	8th Aug-31 Dec		
Salaries & Remuneration	-	-	-	5,765,986	72,000	144,000	396,000	264,000	-	48,000	5,244,326	
Allowances/ Attendance Fees	109,500.00	151,500.00	36,000.00		33,000	39,000	112,500	57,000	-	12,000	1,347,461	
Bonuses	0	0	0	1,823,954							1,711,515	
Other Expenses	0	0	0									
Other Benefits*	0	0	0	260,833							431,996	
Total	109,500	151,500	36,000	9,116,851	105,000	183,000	508,500	321,000	-	60,000	8,735,298	

* Other benefits include Global equity Incentive plan. The key management personnel of the Company are eligible for a Global Equity Incentive (GEI) plan of Allianz Group, a significant minority shareholder of the Company. The GEI plan consists of Restricted Stock Units (RSU). In accordance with the pre-requisites of these cash-settled equity plans, key management personnel (the eligible personnel) of the Company would be granted, a certain number of RSU's at the time of exercise, provided the eligible personnel were still employed within the Allianz Group.

** Including Chairman

*** CEO, DCEO, CFO, COO, CSO, CRO, CHRO, CPDO

The BOD Remunerations are detailed as follows:

Name of the Board Members	Member Classification	Attendance Fees	Annual Remunerations	Total Remunerations 2020
Alwaleed Al Dryaan	Non-Executive	18,000	-	18,000
Hicham Raissi (up to 30/09/2020)	Non-Executive	12,000	-	12,000
Amine Benabbou (effective 23/11/2020)	Non-Executive	-	-	-
Antoine Issa	Non-Executive	18,000	-	18,000
Mazen AlTamimi	Non-Executive	18,000	-	18,000
Abdullah Al-Hussaini	Independent	18,000	-	18,000
Andreas Brunner	Executive	18,000	-	18,000
Kamel Al Munajjed	Independent	18,000	-	18,000
Basil Bin Jbr	Independent	18,000	-	18,000
Herve Gloaguen	Non-Executive	15,000	-	15,000
Totals	-	153,000	-	153,000

Furthermore, one Top Executive received an advance from the Company during September 2019 amounting to SAR 142,500 with a last payback installment due in August 2020.

BOD Remuneration Policy:

The annual remuneration of the Chairman shall amount to SAR One Hundred Eighty Thousand (SAR 180,000) and for each members of the BOD SAR One Hundred Twenty Thousand (SAR 120,000). The maximum annual limit shall be SAR 500,000 (Five Hundred Thousand Saudi Riyals) in return of membership of the BOD and their participation in works thereof. The said amount shall include additional remunerations in case of members' participation in one of the committees emanating from BOD.

If the Company achieved profits, then a portion equal to 10% out of the net profit might be distributed after deduction of the reserves set by General Assembly, in accordance with the provisions of the Law on Supervision of Cooperative Insurance Companies and after the distribution of the dividend among shareholders not less than 5% of the paid share capital of the Company, provided that entitlement of such remuneration is proportional to the number of meetings attended. Any determination of the remunerations made in violation of the abovementioned shall be deemed null and void.

In all cases, the total amount received by a member of the BOD, including remunerations and financial benefits in kind shall not exceed SAR 500,000 (Five Hundred Thousand Saudi Riyals) annually.

Fees for attending the meetings of the BOD and its committees shall not exceed SAR (3,000) (Three Thousand Saudi Riyals) for each meeting. Such amount shall not include travel and accommodations expenses.

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

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

e) BOD Declaration of Related-Party Transactions

The Board of Directors confirms that during 2020 there was no contract in which the Company was a party and its Chief Executive Officer, Chief Financial Officer, Board Members or any other person who may have a relationship with any of them benefited from it. Moreover, there are no arrangements or agreements by which any of the members of the Board of Directors or any of the top executives or any of the shareholders of Allianz Saudi Fransi waived their interests or rights to receive dividends.

The Related-Party transactions and balances of shareholders and related affiliates during 2020 are related to the following activities:

Related Party & Shareholders	Relation Nature	Amount "SAR"	Period	Description
Bank Saudi Fransi and its related affiliates	Bank Saudi Fransi owns 14% in AzSF and is represented in the Board of Directors by and Mr. Mazen AlTamimi	524,059,821	N.A	Portfolio Asset management based on best quotes provided by the bank.
Bank Saudi Fransi and its related affiliates	Bank Saudi Fransi owns 14% in AzSF and is represented in the Board of Directors Mr. Mazen AlTamimi	331,195,331	N.A	Banking & Asset Custody balances. The relation is based on best quotes & services provided by the bank.
Bank Saudi Fransi and its related affiliates	Bank Saudi Fransi owns 14% in AzSF and is represented in the Board of Directors Mr. Mazen AlTamimi	68,646,390	Annual	Insurance contract mainly in Motor & Life based on best quotes provided by the company
Allianz Group & its affiliates	Allianz Europe BV owns 18.5 %& Allianz France owns 16.25% & Allianz MENA Holding Bermuda owns 16.25%. They are represented by Mr. Antoine Issa.	151,395,116	Annual	Reinsurance contracts based on best quotes provided by Allianz entities.
Saudi NextCare	Allianz Saudi Fransi is a shareholder in NextCare Saudi Arabia.	8,371,579	Annual	Claims Management "Medical"
DataQuest SAL	DataQuest SAL is a company of Allianz.	2,952,414	Annual	Insurance Management System Maintenance, Support and Development.

f) Regulatory Status

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

g) BOD Committees

BOD Executive Committee

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

Main responsibilities include:

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

The Committee comprises the following members:

BOD Executive Committee	As of 31 Dec 2020
Antoine Issa	Chairman
Alwaleed Al Dryaan	Member
Mazen AlTamimi	Member
Andreas Brunner	Member

The BOD Executive Committee met six times during 2020 with 100% attendance.

Date	Attendance	Percentage	Percentage with Proxy
20/01/2020	Antoine Issa, Alwaleed Al Dryaan, Mazen AlTamimi, Andreas Brunner	100%	100%
23/03/2020	Antoine Issa, Alwaleed Al Dryaan, Mazen AlTamimi, Andreas Brunner	100%	100%
29/04/2020	Antoine Issa, Alwaleed Al Dryaan, Mazen AlTamimi, Andreas Brunner	100%	100%
15/06/2020	Antoine Issa, Alwaleed Al Dryaan, Mazen AlTamimi, Andreas Brunner	100%	100%
15/07/2020	Antoine Issa, Alwaleed Al Dryaan, Mazen AlTamimi, Andreas Brunner	100%	100%
07/09/2020	Antoine Issa, Alwaleed Al Dryaan, Mazen AlTamimi, Andreas Brunner	100%	100%
21/09/2020	Antoine Issa, Alwaleed Al Dryaan, Mazen AlTamimi, Andreas Brunner	100%	100%
12/10/2020	Antoine Issa, Alwaleed Al Dryaan, Mazen AlTamimi, Andreas Brunner	100%	100%

The above Executive Committee meetings covered the following major tasks:

- Discussed and recommended the Capital Increase of the Company
- Regularly review the Key Performance Indicators of the Company.
- Discussed and recommended on postponing the company's building acquisition
- Discussed and recommended the updated 2020 Reinsurance Strategy
- Discussed and recommended the proposed Regional Structure
- Reviewed and recommended to the Board new and updated company policies
- Discussed the Business Continuity Management
- Discussed the Retail Strategy
- Discussed the Digital Strategy

The following summarizes the committee's remuneration as of 31st December 2020:

Executive Committee Members	Annual Fixed Remuneration	Attendance Fees	Total
Antoine Issa	-	12,000	12,000
Alwaleed Al Dryaan	-	12,000	12,000
Mazen AlTamimi	-	12,000	12,000
Andreas Brunner	-	12,000	12,000
Total	-	48,000	48,000

BOD Audit Committee

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

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

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

According to the Capital Market Authority "If a conflict arises between the recommendations of the audit committee and the Board resolutions, or if the Board refuses to put the committee's recommendations into action as to appointing or dismissal the company's external auditor or determining its remuneration, assessing its performance or appointing the internal auditor, the Board's report shall include the committee's recommendations and justifications, and the reasons for not following such recommendations"

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

1. External Audit

- a) Submit recommendations to the Board to approve the appointment or reappointment, dismissal and remuneration of external auditors. This recommendation requires having obtained SAMA's non-objection in writing.
- b) Ensure the independence of the external auditors from the Company, the Board members and the senior management of the company.
- c) Reviewing the audit plan of the external auditors.
- d) Supervising the activities of the external auditors and approve any activity beyond the scope of the audit work assigned to them during the performance of their duties.
- e) Reviewing the external auditors reports and submits the related recommendations to the Board.
- f) Pursues the implementation of the corrective measures in respect of the comments included in the reports.
- g) Reviewing the external auditors' assessment of the internal control of Saudi Arabian Monetary Authority, Insurance Supervision Department processes.
- h) Assessing the competence level, efficiency and objectivity of the external auditors.

- i) Discussing the annual and quarterly financial statements with the external auditors and the company's management before issuing them.
- j) Reviewing the external auditor's comments on the financial statements and follow up actions taken about them
- k) To review the following topics with the external auditors:
 - (i) Key amendments made by the Company to its accounting policies.
 - (ii) Material conflicts with the management regarding any issue pertaining to the safeguarding of invested assets.
 - (iii) Violations of Laws, Regulations and Instructions issued by the supervisory and control entities or non-compliance with the Company's policies and procedures.
 - (iv) Comments of other auditors (of external, non-Saudi Arabian, branches) on accounting procedures, reports and professional conduct.
 - (v) Deficiencies in the general structure and performance of internal control systems.
 - (vi) Material errors in financial statements.
 - (vii) Management decisions and the basis on which the external auditors relied to validate critical accounting estimates, such as technical provisions and reserves.
 - (viii) Accounting principles and standards and disclosure decisions related to extraordinary transactions.
 - (ix) Adequacy of technical provisions and reserves set by the Actuary.
 - (x) Actuary's Reports relevant to the Financial Statements.
 - (xi) Any major problems in dealing with the management that affected the working of the audit.
 - (xii) Internal control and the assessment of the Company's assets and solvency.
 - (xiii) Any other issues that the committee is aware of and falls within its responsibilities.
 - (xiv) Any amendments introduced to the audit scope and the reasons thereof.
 - (xv) Reviewing letters to management prepared by the external auditors and the Company's management comments thereon.

2. Financial Reports

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

3. Internal Audit

- a) Submit recommendations to the Board to appointing or dismissing the manager of the internal audit department or the internal auditor. This recommendation requires having obtained SAMA's non-objection in writing.
- b) Supervise the company's internal audit department to ensure its effectiveness in executing the activities and duties specified by the Board of Directors.
- c) To review the Internal Audit policies and procedures on annual or periodic basis and prepare a written report and its recommendations with respect to it.
- d) Ensure the independence of the internal audit department or the internal auditor in performing their tasks and ensure that there are no restrictions on their scope of work or any impediments that might negatively affect their work.

- e) Determining the monthly salary and bonus of the internal audit department manager or the internal auditor after obtaining the Board's written approval.
- f) Reviewing the audit plan of the internal auditors.
- g) Reviewing the reports of the internal audit department or the internal auditor and submits the related recommendations to the Board.
- h) Pursues the implementation of the corrective measures in respect of the comments included in the reports.
- i) Assessing the competence level, efficiency and objectivity of the internal audit department or the internal auditor.
- j) Reviewing the internal auditors' assessment of the internal control of Saudi Arabian Monetary Authority, Insurance Supervision Department processes.

4. Compliance

- a) Submit recommendations to the Board the appointing or dismissing of the manager, the compliance control department or the compliance officer. This recommendation requires having obtained SAMA's non-objection in writing.
- b) Ensure the independence of the compliance control department or the compliance officer in performing their tasks and ensure that there are no restrictions on their scope of work or any impediments that might negatively affect their work.
- c) Determining the monthly salary and bonus of the compliance control department manager or the compliance officer after obtaining the Board's written approval.
- d) Reviewing, approving and monitoring the implementation of the compliance plan and the reports of the compliance control department or the compliance officer including any high risk for fraud findings and submits the related recommendations to the Board.
- e) Reviewing the comments of SAMA and the related supervisory and control entities and submits the related recommendations to the Board.
- f) Assessing the competence level, efficiency and objectivity of the compliance control department or the compliance officer.
- g) Following up on the reports issued by SAMA and the related supervisory and control entities in addition to any international developments such as the guidelines of the International Association of Insurance Supervisors and submits the related recommendations to the Board.

5. Appointed Actuary

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

6. Overseeing Controls over Operations

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

7. Board of Directors

- a) Reports directly to the Board of Directors not less than quarterly about its activities, issues and related recommendations.

- b) Provide an open avenue of communication between internal audit, the external auditors, and Board of Directors.

8. Other Responsibilities

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

9. Responsibilities of Individual Committee Members

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

The Committee comprises the following members:

BOD Audit Committee	As of 31 Dec 2020
Abdullah Al-Hussaini	Chairman
Mohammad Helmi	Member
Mostafa Abdullatif	Member

The Audit Committee met 13 times during 2020 with 100% attendance

Date	Attendance	Percentage	Percentage with Proxy
13-02-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
11-03-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
23-03-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
04-06-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
25-06-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
27-07-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
17-08-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
04-10-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
13-10-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
26-10-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
02-11-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
25-11-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%
23-12-2020	Abdullah Al-Hussaini, Mohammad Helmi, Mostafa Abdullatif	100.0%	100.0%

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

The above Audit Committee meetings covered the following major tasks:

- Met with the external auditors to discuss their Management Report and recommendations.
- Reviewed and recommended the quarterly and annual financial statements and reports, including the Actuary and Risk management reports and the external auditors' reports and submitted the recommendations to the Board of Directors.
- Reviewed the Internal Audit Plan 2020
- Reviewed the Internal Audit Missions Report including the findings, recommendations and implementation progress.
- Reviewed the annual and quarterly reporting.
- Reviewed the Compliance Activity Reports including the findings and corrective actions as well as complaints and legal cases.
- Reviewed the activities of the Internal Auditors and Compliance Team and ensured their independency.
- Recommend the Internal Audit Manual, Policy and Charter to the Board of Directors for approval.
- Approved the AML Policy and monitored through Compliance the AML training of the employees.
- Reviewed important correspondences with authorities including their comments and submitted related actions to the Board of Directors.
- Reviewed external contracts including external auditors and consulting actuary and recommended the approval of the contracts to the Board of Directors.
-

The Internal Audit performed a total of 22 audit missions throughout the year 2020. The 22 missions correspond to the audit categories specified by IA: (3 Ad-Hoc, 13 Regulatory and 6 Practice). A total of 4 findings were raised under a 'High' risk level. The said findings are either solved or under the process of completion as per the agreed time frame. Internal Audit Department issued the corresponding reports including recommendations and agreed actions. These missions have covered most of the procedures in various Company's Departments including Risk Management, Sales, Bancassurance, Compliance, Finance, IT, Market Management, Operations and Surplus Distribution as well as subunits. The reports and implementation progress are regularly reviewed by the Audit Committee.

The internal controls have been effectively implemented and the Audit Committee is regularly reviewing the outcome of the internal audit on audited controls. No significant deficiencies noted.

The following summarizes the committee's remuneration as of 31st December 2020

Audit Committee Members	Annual Fixed Remuneration	Attendance Fees	Total
Abdullah Al-Hussaini	-	19,500	19,500
Mohammad Helmi	-	19,500	19,500
Mostafa Abdullatif	-	19,500	19,500
Total	-	58,500	58,500

BOD Investment Committee

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

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

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

- Reviewing also the Market risk, also referred to as asset liability mismatch risk, and arises in all cases in which assets deviate from liabilities or may deviate in adverse scenarios. Almost any type of investment has inherent market risk, like equity risk, spread risk, rate risk, property risk liquidity risk or currency risk, in addition to exposure to the risk free rate. Liabilities are also exposed at least to movements of the risk free rate used for discounting and may depend on other market risk factors in case of participating life business. Hence, market risk may arise due to underwriting activities as well as due to investment strategies in all portfolios.

The Committee comprises the following members:

BOD Investment Committee	As of 31 Dec 2020
Hicham Raissi up to 30/09/2020	Chairman
Adel Mallawi	Member
Kamel Al Munajjed	Member
Andreas Brunner	Member
Basel Bin Jbr	Member

The Investment Committee met four times during 2020 with 95% attendance.

Date	Attendance	Percentage	Percentage with Proxy
23/03/2020	Hicham Raissi, Adel Mallawi, Kamel Al Munajjed, Basel Bin Jbr, Andreas Brunner	100%	100%
28/04/2020	Hicham Raissi, Adel Mallawi, Kamel Al Munajjed, Basel Bin Jbr, Andreas Brunner	100%	100%
15/07/2020	Hicham Raissi, Adel Mallawi, Kamel Al Munajjed, Basel Bin Jbr, Andreas Brunner	100%	100%
03/11/2020	Adel Mallawi, Kamel Al Munajjed, Basel Bin Jbr, Andreas Brunner	80%	80%

The above Investment Committee meetings covered the following major tasks:

- Reviewed the Company's portfolio structure.
- Reviewed the Company's investment performance.
- Checked the Company's Year to Date transactions.
- Reviewed and approved Investment Policy.
- Discussed the Building Acquisition (real Estate proposals).

The following summarizes the committee's remuneration as of 31st December 2020

Investment Committee Members	Annual Fixed Remuneration	Attendance Fees	Total
Hicham Raissi	-	4,500	4,500
Adel Mallawi	-	6,000	6,000
Kamel Al Munajjed	-	6,000	6,000
Basel Bin Jbr	-	6000	6000
Andreas Brunner	-	6000	6000
Total	-	28,500	28,500

Nomination & Remuneration Committee

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

- Recommend appointments to the Board appointments of membership to the Board of Directors and of Top Executives in accordance with the approved policies and standards. The Committee shall ensure that no person who has been previously convicted or any offense affecting honor or honesty is nominated for such membership.
- Regularly review the structure and composition of the Board of Directors and recommend changes.
- Assess and monitor the independence of Board and Board committee members and ensure the absence of any conflict of interest, including ensuring the independence of the independent members, at least on an annual basis.
- Determine strengths and weaknesses of the BOD and the Committees and recommend remedies.
- Prepare description of required capabilities and qualifications for membership in the BOD, including the time that a Board member should reserve for the activities of the Board.
- Carve clear policies regarding the indemnities and remuneration of the Board Members, Board committees and senior activities.
- Evaluate the performance of the Board and Committee members on a regular basis (at least once per year).
- Approve and evaluate the compensation and succession plans, policies and programs of the Company.
- Make recommendations to the Board with regards to selecting and dismissing members of Senior Executives.
- Provide recommendations to the Board of Directors on various issues related to nomination and remuneration.
- Ensure that an annual remuneration review is conducted independently of executive management (by internal audit or external specialized firm).
- Review on annual or periodic basis the HR policies and procedures and recommend amendments to it.

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

BOD Nomination & Remuneration Committee	As of 31 Dec 2020
Kamel Almunajjed	Chairman
Abdullah Alhussaini	Member
Antoine Issa	Member
Hicham Raissi	Member
Mazen AlTamimi	Member

The N&R committee met six times during 2020 with 96.6% attendance.

Date	Attendance	Percentage	Percentage with Proxy
08-01-2020	Kamel Almunajjed, Abdullah Al-Hussaini, Antoine Issa, Hicham Raissi, Mazen Altamimi	100%	100%
19-01-2020	Kamel Almunajjed, Abdullah Al-Hussaini, Antoine Issa, Hicham Raissi, Mazen Altamimi	100%	100%
22-03-2020	Kamel Almunajjed, Abdullah Al-Hussaini, Antoine Issa, Hicham Raissi, Mazen Altamimi	100%	100%
29-04-2020	Kamel Almunajjed, Abdullah Al-Hussaini, Antoine Issa, Hicham Raissi, Mazen Altamimi	100%	100%
13-07-2020	Kamel Almunajjed, Abdullah Al-Hussaini, Antoine Issa, Hicham Raissi, Mazen Altamimi	100%	100%
30/09/2020	Kamel Almunajjed, Abdullah Al-Hussaini, Antoine Issa, Mazen Altamimi	80%	80%

The above NRC meetings covered the following major tasks:

- Reviewed the new Board members qualifications and profiles
- Reviewed the remuneration of Board Members that remained unchanged as well as the Independent Members and submitted the recommendations to the Board of Directors.
- Reviewed the remuneration of Top Executives for 2020 as well as the remuneration adjustment mechanism and amounts for the Company and discussed same with the BOD for approval.
- Reviewed the Bonuses of Top Executives as well as the bonuses mechanism and amounts for the Company and discussed same with the BOD for approval.
- Reviewed the remuneration and employee benefits.
- Reviewed the updates on the Company structure as well as the recruitment of new executives and key positions.
- Consistently monitored the Saudization status.
- Consistently monitored the training program of the Company.
- Initiated the BOD & Committees Self-Performance Assessment for 2019.

The following summarizes the committee's remuneration as of 31st December 2020

Remuneration Committee Members	Annual Fixed Remuneration	Attendance Fees	Total
Kamel Almunajjed	-	9,000	9,000
Abdullah Alhussaini	-	9,000	9,000
Antoine Issa	-	9,000	9,000
Hicham Raissi	-	7,500	7,500
Mazen Altamimi	-	9,000	9,000
Total	-	43,500	43,500

Risk Committee

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

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

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

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

The Risk Committee comprises the following:

BOD Risk Committee	As of 31 Dec 2020
Basel Bin Jbr	Chairman
Herve Gloaguen	Member
Adel Mallawi	Member

The Risk committee met four times during 2020 with 91.7% attendance.

Date	Attendance	Percentage	Percentage with Proxy
23/03/2020	Basel Binj Jbr, Herve Gloaguen, Adel Mallawi	100%	100%
28/04/2020	Basel Binj Jbr, Herve Gloaguen, Adel Mallawi	100%	100%
26/07/2020	Basel Bin Jbr, Adel Mallawi	66.7%	66.7%
03/11/2020	Basel Bin Jbr, Adel Mallawi, Herve Gloaguen	100%	100%

The above Risk Committee meeting covered the following topics:

- Monitored the Risk Profile and Exposure of the Company.
- Regularly reviewed the Implementation of the Risk Management.
- Regularly reviewed the Statutory Solvency status.
- Reviewed the Top Risk Assessment
- Discussed and reviewed the Operational Risk.
- Reviewed the Underwriting Risk

The following summarizes the committee's remuneration as of 31st December 2020

Risk Committee Members	Annual Fixed Remuneration	Attendance Fees	Total
Basel Bin Jbr	-	6,000	6,000
Adel Mallawi	-	6000	6000
Herve Gloaguen	-	4,500	4,500
Total	-	16,500	16,500

h) Risk Management

During 2020, Allianz Saudi Fransi succeeded in aligning risk management activities with corporate strategy and objectives to preserve the shareholders' value.

The Company has a comprehensive risk management strategy to understand and manage the types of risk arising from their core business operations. The strategy considers the impact of market conditions and available expertise on inherent risks to which the company is exposed. Consideration shall not be limited to the risks associated with one class of business but shall extend to risks from all other classes.

The Risks are mentioned here below:

Operational/ Process Risk

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

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity requirements are monitored on a timely basis and Management ensures that sufficient funds are available to meet any commitments as they arise.

Claims management risk

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

Reserving and ultimate reserves risk

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Interest Rate Risk

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

Currency Exchange Risk

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

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company limits market risk by maintaining a diversified portfolio and by monitoring the developments in financial markets.

Fund Price Risk

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

Insurance Risk

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Company faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated and subsequent development of long-term claims.

Capital management

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

Fair Value of Financial Instruments

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

i) Zakat and Legal Payments

Allianz Saudi Fransi allocated SAR 10.3 for Zakat and Tax in 2020 against SAR 10.2 allocated in 2019.

The following table shows a list of legal expenses for the year ended December 31st, 2020 (The amounts charged in 2020 & the related paid amounts as at December 31st, 2020).

SAR Million	2020		2019		2018		2017	2016
	Paid	Charged	Paid	Charged	Paid	Charged	Charged	
Customs Expenses	-	-	-	-	-	-	-	-
Zakat & Tax	24.0	10.3	5.6	10.2	5.5	7.9	7.6	5.3
GOSI Expenses	10.4	10.4	7.6	7.6	7.3	7.3	5.4	3.1
Visa & Passports	1.3	1.3	1.3	1.3	1.2	1.2	0.3	0.2
Inspection & Supervision Fees	5.1	5.1	7.0	7.0	6.5	4.9	6.1	5.4
Total	40.8	27.1	21.5	26.1	20.5	21.3	19.4	14.0

11. Future Plans

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

Motor and Health Profitability and development: In line with its Risk Strategy for 2021, the Company will continue to apply high-level technical standards and guidelines. It will review profitability per Line of Business and adjust the pricing strategy accordingly. Furthermore, the Company will ensure sound and prudent technical reserving practices.

Digitalization & Automation: In 2021 digital initiatives will be streamlined to enhance customer satisfaction and ensure a better customer experience, which should contribute to increasing the persistency of the portfolio.

Talent Management: During 2021 the Company will continue its investments in human resources to attract and develop young talents and prepare future managers. The company builds on defining career paths and training programs to achieve satisfaction and effectiveness among all employees.

Corporate: Corporate Business continues to remain a priority of the Company. In 2021, the Company will further increase the number of preferred Brokers and focus on global business lines such as credit insurance.

Direct Sales Force: In 2021, the Company will focus on growth in terms of number of sales people as well as Points of Sales. The Company will therefore expand its reach to various customer segments and continue to provide training to the sales force in order to ensure high level of service quality.

Bancassurance: In 2021, the focus of the Company will be on further improving the productivity of the Bancassurance agency and corporate business by leveraging the strong relations of our partner Banque Saudi Fransi with its corporate and commercial client base.

12. External Independent Auditors and Accounting Standard

In 2020, the Extraordinary General Assembly which convened on 16/06/2020 has approved the BOD recommendation of appointing Price Water House and the appointment of PKF as joint external auditors for the fiscal year ended 31st December 2020. The recommendation and approval of the above mentioned auditors were based on the Audit Committee recommendation which came of the filtering a number of biddings submitted by different audit firms.

The financial statements as at 31st December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as modified by SAMA for accounting of Zakat and Income Tax.

The external independent auditors are of the opinion that the financial statements present fairly, in all material respects, the financial position of the Company as at 31st December 2020 and the result of its operations and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as modified by SAMA for accounting of Zakat and Income Tax.

13. Shariah Committee

The Company has a Shariah Committee composed of:

- Sheikh Dr. Muhammad A. Elgari
- Sheikh Abdullah Al Manea
- Sheikh Dr. Abdul Sattar AbuGhuddah

The committee reviews and approves Shariah Compliant Protection & Savings products of the Company.

14. Company's Requests of Shareholders Records

#	Request Date	Ownership as at	Reason
18/02/2020	31/12/2019		Requested for the preparation of the BOD Report of 2019.
05/05/2020	05/05/2020		Requested for other procedures of the company related to the capital increase transactions.
14/06/2020	16/06/2020		Requested to support the preparation for the General Assembly meeting.
18/06/2020	18/06/2020		Requested for other procedures of the company related to the capital increase transactions.
21/06/2020	21/06/2020		Requested for other procedures of the company related to the capital increase transactions.
06/08/2020	06/08/2020		Requested for other procedures of the company related to the capital increase transactions.
18/10/2020	19/10/2020		Requested to support the preparation for the General Assembly meeting.

15. Company's Declarations

Allianz Saudi Fransi declares the following:

- During 2020, no loans were taken by the Company;
- No outstanding loans as at 2020;
- During the year the Company has increased the share capital through right issue by SAR 400 million. Such right issue has been approved by the regulatory authorities and the Extraordinary General Assembly of the Company and the current paid up capital of the Company is SAR 600 million.
- There were no redemption, purchase or cancellation by the company of any redeemable debt instruments;
- The Company does not own any treasury shares.

16. Board of Directors Declaration

The Board of Directors confirms the following:

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