



# **SALAMA Cooperative Insurance Company**

## **Annual Report 2022**



Custodian of the Two Holy Mosques  
**King Salman bin Abdulaziz Al Saud**



His Royal Highness Crown Prince  
**Mohammed bin Salman bin Abdulaziz Al Saud**



**“We have capabilities  
that we will double its role  
and increase its contribution  
to making this future”.**

His Royal Highness Crown Prince  
**Mohammed bin Salman bin Abdulaziz Al Saud**

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# 1

## About the Company

**SALAMA Cooperative Insurance Company** (formerly Saudi IAIC Cooperative Insurance Co.) is a Saudi Joint Stock Company established by Royal Decree No. M/60 Issued on 1427/09/18H corresponding to 2006/10/11G. The history of the company in fact dates back to 1979 with the registration of Islamic Arab Insurance Company (SALAMA) in UAE. SALAMA is one of the first cooperative insurance companies licensed under the Cooperative Insurance Regulations. The Company is well-known for the quality of service and the security it provides to its valued customers

## Company's Activity

**SALAMA Cooperative Insurance Company** provides integrated insurance solutions in the field of cooperative insurance. The number of insurance products provided by the Company is 32, divided into two main activities: general insurance and health insurance. The Company exercises all its activities in accordance with the cooperative insurance laws and regulations applicable in the Kingdom of Saudi Arabia.



**32** Insurance Products

## 2

### The Most Important Developments of the Company

The most important developments in infrastructure and business are as follows:

#### Human resources Department

##### Human capital and training

2022 witnessed a significant rise in the design and development of human resources systems, development programs, job recruitment, drawing paths for employees, initiating and implementing job replacement plans, which contributed to our maintaining the localization rate. %13 voluntary turnover. **SALAMA** contributed to the training of 179 employees in many training workshops, including (Anti-Money Laundering and Terrorism Financing. General Insurance Products. Awareness of Fraud Claims - Awareness of Cybersecurity. Governance in the Insurance Sector. Awareness of the Role of Internal Audit). 35 employees have been qualified to obtain an. In coordination with the ministry of human resources and development, salama has successfully trained 89 trainees under the national Tamher program (on job training) and attract %22 of the trainees.



# 179

Training Workshops

## Sales Department

The upgrading standards that were addressed by the Sales Department during 2022 have become now an approach that has been followed by the Company's business, which has contributed to supporting the diversity of insurance products, which amounted to 32 insurance products.

### Branch Sales: (Companies)

The Company focused on restructuring the corporate sales sector and attracting the most qualified cadres, and the Company sought to develop its relationships with insurance brokers, which was reflected in improving sales through such brokers, and contributed to further developing relationships with such insurance brokers, which helped improve sales and maintain customers.

### Point of Sale Sales:

#### (Individuals and Small Groups)

Evaluation is a key to success for institutions and companies when they are seeking to ensure that the goal is achieved, and the highest levels are maintained.



Therefore, the Sales Department was keen to evaluate the performance of points of sale during 2021 and 2022 by

supporting diversity in insurance products to achieve the desired profit balance in the past years. Today, the Company's aspiration is to develop points of sale and activate field marketing for the products of individuals and small- and medium-sized groups whose services are non-activated, through electronic sales in order to achieve good profitability rates.

### Electronic Sales

Our mission is clear, which is to conduct effective and direct electronic marketing through the Company's platforms or intermediaries authorized to work on the electronic platforms, such as insurance against occupational risks, travel insurance, ...etc.

The diversity of electronic sales products at the beginning of 2022 achieved significant meaningful profits that we see through the electronic activation of some insurance products; for example, comprehensive insurance for individuals' vehicles, comprehensive insurance for financial leasing companies and health insurance for small- and medium-sized groups, in addition to targeting customers with active profitability results for sales of third-party insurance.





## Marketing

During 2022, **SALAMA** focused on improving and developing its business and products, providing the best service to the clients, and working on many promotional and marketing Campaigns that focus on new products particularly, and on all SALAMA's products generally.

In addition, Marketing and Communication team worked on strengthening internal communication by organizing several events and celebrations related to national and international days.

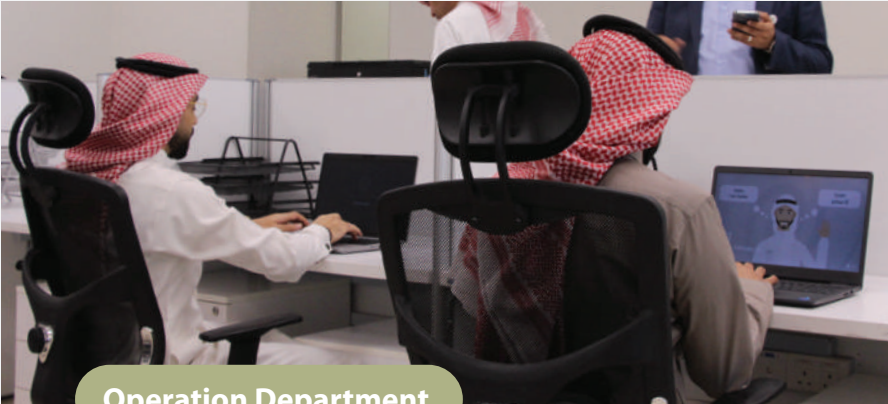


Before the end of 2022, Marketing and Communication team established (SALAMA Community) where all the team members are SALAMA's employees, this community emphasizes on three main objectives: Connect – Support – Share. It aims to spread internal awareness and promote optimal values to create a good work environment that reflects positively on the name and reputation of SALAMA in the Saudi insurance market.

## Strengthening internal and external







## Operation Department

### General Insurance

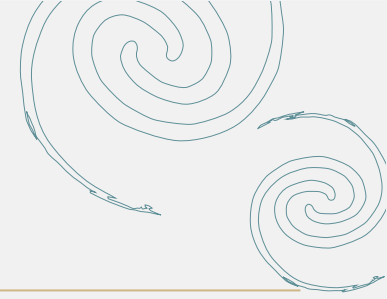
**SALAMA Cooperative Insurance Company** provides integrated insurance solutions in the field of cooperative insurance, and the number of general insurance products and branches provided by the Company has reached (29) products. In 2022, an operational plan was developed to increase the productivity in general insurance products while maintaining appropriate loss ratios to ensure profitability. **SALAMA Cooperative Insurance Company** exercises all its activities in accordance with the rules and regulations applicable to cooperative insurance in the Kingdom of Saudi Arabia and authorized by the Saudi Central Bank.

### Health insurance

**SALAMA Cooperative Insurance Company** aims to provide medical service and healthcare with the highest standards of quality and professionalism, as it seeks, in turn, in cooperation with GlobeMed, to ensure the fulfilment of the services required for all targeted segments. Further, the Company developed its (Raha) product to include more than one insurance category (A, B, C0222-, C0333-) to meet the requests of the owners of institutions and small- and medium-sized enterprises in line with the terms and conditions of the product.

Achieving the Saudi Vision

# 2030



## Underwriting

**SALAMA Cooperative Insurance Company** has considerable expertise and efficiency in assessing the insurance risks facing all segments of clients. The Company provides coverages matching the needs and requirements of individual clients and business owners based on the provisions of the Cooperative Insurance Law in the Kingdom of Saudi Arabia. One of the approved plans is to work to reduce the high rates of losses through the application of several procedures, including the automation of work systems in the Subscription Department and Claims Department in order to increase the credibility of the recorded data and to automatically link the two Departments, and the creation and review of analytical tables to verify the performance of the insurance portfolio and submit the necessary recommendations to the concerned departments in order to provide technical advice to clients. Among the Subscription Department's plans, is to attract qualified or new Saudi cadres to the insurance sector and prepare them to contribute to achieving the Company's current and future strategic vision and the Saudi Vision 2030.





## Reinsurance

The Company renewed reinsurance agreements with a group of the best international reinsurance companies with high credit ratings, as shown in the table. The Company succeeded in increasing its capacity by concluding several reinsurance agreements, enabling it to provide outstanding support and services to the Subscription Department and to promptly respond to the requirements of the local market.



### Reinsurers

### Rating

Swiss Re, Zurich.	AA-
Saudi Re, Riyadh.	A3
Hannover Re, Bahrain	A
SCOR, Paris	AA-
Aspen Re, Zurich	A
CCR, France	A
AXA XL- Dubai	A
Sirius , Sweden	A
Echo Re, Switzerland	A-
AXA Assistance, France	A
Helvetia, Switzerland	A
Korean Re	A

## Information Technology Department

The Information Technology Department at **SALAMA Company** enables the application of SAMA IT Framework issued by the Saudi Central Bank, as its application contributes to achieving **SALAMA Company's** vision of digitising and automating related processes and data archiving.

The Information Technology Department at **SALAMA Company** works tirelessly with the concept of digitization and has provided the best services to its customers, through a %100 operation rate, as well as to its employees in all fields. It also strives to be the best in the market according to the current and latest market trends.

One of the primary strategic goals of **SALAMA Company** is to develop a single and unique high-tech platform to achieve the following:

- 1 Supporting the Company's strategic plan and functions.
- 2 Effectively simplifying operations and automating workflow.
- 3 Delivering the Company's expansion plans and achieving goals.
- 4 Providing the best user experience and customer satisfaction.
- 5 Achieving Vision 2030 steadily and effectively.

**%100**  
**OPERATION RATE**



## Customer care Department

The initiative was taken by Salama Cooperative Insurance Company to establish an integrated customer care sector in implementation of SAMA's instructions in the circular issued on 2017/3/6 No. m. p 201703/111 and the establishment of a specialized department in the name of the customer care department to be referred to the CEO of the company directly, keeping pace with the developments of the Saudi insurance market, and the extent of the high importance of the customer to the company, to enable fair competition through the services provided. The Customer Care segment includes three departments:

### Call Center

### Complaints

### Quality and Development

It specializes in providing distinguished services to customers to receive all customer requests, inquiries and complaints through it, and work to solve them with the highest quality standards applied to us. The values of the sector's identity are framed in the success triangle of our mission:

### Sustainability

We sustain through our radical solutions

### Empowerment

We empower by hearing the voice of our employees

### Care

We take care of our employees, customers, and procedures

All support was provided to the sector represented by attracting young talented employees, who were trained and qualified to carry out the tasks due to them, and from the technical side, the company provided an electronic system to complete customer requests, to ensure the safety of customer service with the required speed and quality.

We have made qualitative leaps in meeting the desires of our customers, which resulted in achieving the performance standards set by legislators, our ambition is limitless in customer care, and we will continue to develop our performance to achieve the satisfaction of our customers and achieve the company's goals alike.

## Cybersecurity Department

The Cybersecurity Department enables **SALAMA Company** to implement the SAMA Cyber Security Framework issued by the Saudi Central Bank, as compliance with it contributes to enhancing the level of cyber maturity in the organization and protecting information against any type of risk. One of the main objectives of this Department is to maintain the CIA Triad, which represents (confidentiality, integrity and availability), where the confidentiality of information is maintained by preventing sensitive information from being accessed through unauthorized channels; the integrity of information is also maintained by ensuring that the data is accurate and not changed during transmission; and the availability of information is maintained through the 7/24 availability of information to all authorized users.





## Internal Audit

The Internal Audit Department is the company's third line of defense. It is an independent, objective assurance and consulting activity designed to add value and improve the company's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes.

The Internal Audit Department reports to the Audit and Risk Committee functionally. Thus, submits audit reports to the Committee. In the meantime, reports to the Chief Executive Officer administratively.

## “Awareness & Monitoring

### Compliance and Anti-Money Laundering and Terrorist

The Compliance Department is responsible for monitoring the Company's compliance with all laws, regulations and instructions issued by the relevant regulatory bodies and taking the necessary measures to improve the level of the Company's statutory compliance. The Compliance department is also, reports to the Audit and Risk Committee functionally. Thus, submits audit reports to the Committee. In the meantime, reports to the Chief Executive Officer administratively. The Compliance have two units which are Anti-Money Laundering Unit and Compliance Unit. The Anti-Money Laundering and Terrorist Financing unit was established to protect the Company from processes may carry out money laundering operations. Moreover, to ensure the integrity of the Company's clients and that they are not involved in money laundering activities, or terrorist-financing operations, to protect the Company from any statutory or legal penalties that may result from this, by providing advice to the Company's executive management and providing training lectures to all the Company's employees, including the Company's executive management and Board of Directors, on anti-money laundering.



## Governance Department

Since 2020, the Company has been keen to implement the highest standards of corporate governance through the establishment of an independent governance and investor relations department, to ensure an effective basis for the governance framework and ensure the rights of shareholders, stakeholders, and the insured persons to achieve better returns for shareholders. The Company is also interested in disclosure and transparency of all matters of interest to all shareholders and related parties to ensure the continuity and sustainability of the Company's business, in compliance with the application of all regulations and laws issued by the regulatory and supervisory authorities, and the best practices in the field of governance. The Company seeks to maximize its assets through the optimal application of corporate governance.

## DISCLOSURE & TRANSPARENCY

of all matters of interest  
to all shareholders

## Legal Department

The Department of Legal Affairs follows up on the progress of all the Company's legal procedures, including the reviewing of contracts, providing legal advice, pleading in cases filed by third parties against the Company or by the Company against others, and providing guidance in their regard. The Department of Legal Affairs also handles various types and degrees of legal cases or quasi-judicial cases (committees on the adjudication of insurance disputes and violations - conciliation committees) and gives the necessary due diligence in defenses to find fair and appropriate solutions for each case with complete impartiality, in order to reach fair settlements or reconciliation.

## Fraud Department

Fraud is one of the major problems facing insurance companies in the world, and it's not related to vehicles insurance only, but rather extending to other types of insurance such as medical and general insurances, and other different types of insurance. Fraud in insurance claims can overturn the profits of any insurance company to losses, and in year 2016 as precautionary action to protect the interest and rights of shareholders **SALAMA Insurance Company** has established Motor Claims Fraud unit which proved to reduce Motor Claims frauds in the previous years, in 2022 Salama Insurance company management decided to expand the unit and change it from Motor Claims Fraud Unit as Sub department to independent Fraud department reporting directly to Chief Executive Officer, to contribute in all types of fraud cases and acts inside and outside the company to make the work environment safer and preserving capabilities and company earnings.

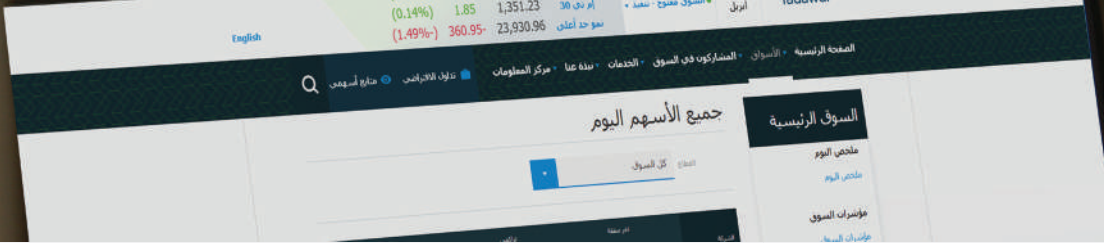
2022

Expand Motor  
Claims Fraud unit

2016

Established Motor  
Claims Fraud unit





## Investment

**SALAMA** owns shares in one company and other investments, the financial effects of these investments are expected to appear in the coming years, which are:

1

**SALAMA** owns %3.85 of the capital of Najm, which has a capital of 200 Million Riyals. Otherwise, there is no subsidiary of SALAMA Cooperative Insurance Company inside or outside the Kingdom.

2

**SALAMA** invests in Sukuk of the Kingdom of Saudi Arabia at an amount of 60 Million Riyals.

3

As for the rest of the investments, they are Islamic investment funds, DPM and deposits with local banks and financial institutions, with a value of 259.8 Million Riyals.

**Salama Cooperative Insurance Company** confirms that there are no loans on the company and there are no amounts paid by the company in repayment of loans during the year.



## Risk Management Department

### Risk Management

Risk is the probability of an event occurring that will have an impact on the achievement of the Company's objectives. The role of the Risk Management Department is to minimize the negative impact to ensure that we achieve our objectives and double our ability to realize potential opportunities to deal with such risks. The Risk Management Department follows a specific strategy and directly reports to the CEO and, potentially, to the Risk Committee.

### Risk Strategy

**SALAMA Company** develops and implements a common approach to risk management across the Company. This approach increases risk awareness, ensures appropriate risk management, and makes business unit risk profiles more transparent, enabling risk comparison and aggregation, and allowing individuals to follow a portfolio approach to risk management. The Company's business units constantly discover and manage its risks, take advantage of opportunities, and manage potential risks in line with risk tolerance thresholds.

### Expected Future Risks

#### Operational Risk

<b>Information Technology</b>	Risks that occur as a result of error or failure in the course of the Company's business
<b>Claims Settlement</b>	Risks related to the reimbursement of claims to policyholders on the basis of policy coverage.
<b>Credit</b>	Risks arising in general from the inability of other parties to fulfil their obligations on time.

#### Strategic Risks

<b>Cybersecurity</b>	Any risk that causes a malfunction or damage to the organization, such as risks related to data breaches and information security.
<b>Corporate Governance</b>	Risks related to the rules governing how rights and responsibilities are shared between the various shareholders of the Company, principal directors, managers, and other financial shareholders.

#### Underwriting Risks

<b>Pricing</b>	Pricing risk is the risk resulting from the process by which the Company tries to determine the appropriate premium price.
<b>Products</b>	Risks related to the changes that occurred to an existing product to meet the needs of clients. These changes may affect the product coverage and requirements, which may cause the risk.
<b>Reinsurance</b>	Reinsurance risk is the risk related to part of the risk being transferred to the reinsurer.

#### Compliance Risks

<b>Non Compliance</b>	Risks resulting from violating laws and regulations.
<b>Anti-Money Laundering</b>	Risks that affect the Company and its reputation by being misused in money laundering or terrorist financing operations.



## Corporate Governance

## Board's Statement

### *Peace And Blessings*

#### **M/S Shareholders of Salama Cooperative Insurance Company, Greetings,**

The Company's Board of Directors provide you with the Annual Report for the Financial Year ending on 2022/12/31, including the most important developments, financial results, operating activities and disclosures, accompanied by the audited financial statements, clarifications, and the report of the external auditors, in accordance with the provisions of the Company's Articles of Association and according to the rules and regulations.

We expect the Saudi insurance market to regain its balance in 2023 and create good opportunities for the growth of insurance companies during the coming period. All this will ensure that we have a good share of the Saudi insurance market.

We thank our shareholders for their trust and the members of the Board of Directors and its committees, and we promise our valued customers more achievements.

# 4

## The Board of Directors and Committees

**Member of the previous Board of Directors as  
of 2019/7/25 to 2022/07/24**



**Mr. Ahmed Tariq Murad**

Independent Member

**Current Positions:** Vice Chairman of the Board of Directors of Saudi United Fertilizer Co. Member of the Audit Committee of Anaam International Holding Group

**Previous Positions:** Member of the Board of Directors of the Salama Cooperative Insurance Company Vice Chairman of the Board of Directors, Saudi United Fertilizer Co. - From 2010 until now Member of the Board of Directors of United Cooperative insurance company Vice President of Investments, Nesma Holding - 2008-2010 Head of Product Development and Research, Alkhabeer Capital

2006-2008 Senior Director of Corporate Finance, Shamil Bank of Bahrain - 2000-2006

**Qualifications:** Bachelor of Civil Engineering, Worcester Polytechnic Institute, Massachusetts, USA, 1984 Master of Business Administration, the University of San Francisco, California, USA, 1988

**Experience:** Vice Chairman of Saudi United Fertilizer Co., 2010 to date; Vice President of Investments of Nesma Holding, 2008 to 2010; Head of Product Development and Research of Alkhabeer Capital, 2006 to 2008; and Senior Director of Corporate Finance at Shamil Bank of Bahrain, 2000 to 2006.



**Mr. Mazen Ibrahim Abdul Salam**

Independent Member

**Current Positions:** General Controller and Secretary of the Board of Directors at Dr. Samir Abbas Hospital

General Manager of Badir Modern Company for Operation and Maintenance Partner of the Arab Hudhud Company

**Previous Positions:** Member of the Board of Directors of the Salama Cooperative Insurance Company

Director of Strategic and Institutional Excellence Department, Al-Murjan Holding, 2014-2016

Director of Financial Operations, Dr. Erfan & Bagedo General Hospital, 2014

Director of the Western Region of Sanad Cooperative Insurance Company, 2013-2014

Several Different Positions: Director of Risk Management Department, Director of Marketing, Director of Quality Assurance, in addition to: Secretary of the Board of Directors, Salama Company, 2006-2013 Division Manager for Panda United Company, 2004-2006

**Qualifications:** Bachelor of Systems Engineering, King Fahd University of Petroleum and Minerals, 2004

MBA, Prince Mohammed Bin Salman College, 2019

**Experience:** General Controller and Secretary of the Board of Directors at Dr. Samir Abbas Hospital General Manager of Badir Modern Company for Operation and Maintenance (owned by the Hospital)

Director of Strategic and Institutional Excellence Department, Al-Murjan Holding

Director of Financial Operations, Dr. Erfan & Bagedo General Hospital

Director of the Western Region of Sanad Cooperative Insurance Company

Several Different Positions: Director of Risk Management Department, Director of Marketing, Director of Quality Assurance, in addition to:

Secretary of the Board of Directors, Salama Company

Division Manager for Panda United Company



## Mr. Raed Abdulmalik Al Qasim

Independent Member

### Current Positions: -

**Previous Positions:** Member of the Board of Directors of the Salama Cooperative Insurance Company General Manager of the Professional Group for Insurance Agency; General Manager of the Raed Abdul Malik Yahya Al Qasim Foundation; and Franchisee of the Cooperative Insurance Company - Marketer

**Qualifications:** Bachelor of Science, King Saud University, Kingdom of Saudi Arabia and Insurance of the Institute of Banking, Saudi Arabia, 2012 IFCE

**Experience:** General Manager of the Professional Group for Insurance Agency, 2012-2018 General Manager of Raed Abdul Malik Yahya Al Qasim Foundation, 2005-2012 Franchisee for the Cooperative Insurance Company, Marketer, 2003-2004



## Mr. Akram Omar Jad

Independent Member

### Current Positions: -

**Previous Positions:** Member of the Board of Directors of the Salama Cooperative Insurance Company Regional Director for the Western Region of Walaa Cooperative Insurance Company General Manager of Medad Al-Thiqa Insurance Agency

**Qualifications:** Bachelor of Arts and Humanities, Public Relations and Advertising, King Abdulaziz University, 1992 Certificate of Insurance Professionalism (COP), Insurance of the British Institute, Jeddah, 1996 Diploma in Insurance

Professionalism (BIBF), Insurance of Bahrain Institute of Banking and Finance, Jeddah, 2005

**Experience:** Regional Director of the Western Region of Walaa Cooperative Insurance Company, 2007-2009 General Manager of Medad Al-Thiqa Insurance Agency, 2019-2010



## Mr. Khaled Jaber Al-Zaidi

Independent Member

**Current Positions:** Freelance, Self-employed, Freelance Financial Analyst and Financial Coach

**Previous Positions:** Member of the Board of Directors of the Salama Cooperative Insurance Company  
Accountant for the Islamic Arab Insurance Company  
Head of Accounting Department and Acting Financial Manager, Islamic Arab Insurance Company  
Senior International Stockbroker, Riyadh Bank  
Senior Local Stockbroker, Riyadh Bank  
Senior Financial Analyst, Alkhabeer Capital  
Financial Advisor, Communications, and Information Technology Commission

**Qualifications:** Master of Engineering Management 2002, Florida Institute of Technology

Bachelor of Accounting, King Abdulaziz University, 1994

**Experience:** Accountant for the Islamic Arab Insurance Company, 1994-1997  
Head of Accounting Department and Acting Financial Manager, Islamic Arab Insurance Company, 1997-1998  
Senior International Stockbroker, Riyadh Bank, 2004-2006  
Senior Local Stockbroker, Riyadh Bank, 2006-2007  
Senior Financial Analyst, Alkhabeer Capital, 2009-2013  
Financial Advisor, Communications and Information Technology Commission, 2018-2019  
Freelance, Self-employed, Freelance Financial Analyst and Financial Coach, 2014 to date



Secretary of the Board of Directors

## Mr. Abdul Rahman Abdullah Al-Zahrani

**Qualifications:** Bachelor of Management, King Abdulaziz University, Jeddah  
MBA, Shippensburg University of Pennsylvania

**Current Positions:** Consultant to the Board of Directors and general supervisor of the secretariat and Head of Governance Department, Salama Cooperative Insurance Company  
Member of the Saudi Governance Association

**Previous Positions:** Secretary of the Board of Directors  
Assistant Manager of Governance Department,

Salama Cooperative Insurance Company  
Regional Director of the Western Region, AMPCO  
Executive Director, National Committee for the Welfare of Prisoners, Released and Their Families, Trahum  
Assistant CEO, Nesma Holding  
Administrator, Ministry of Education



## Members of the current Board of Directors as of 11\9\2022 - 10\9\2025



**Mr. Montaser Mohammed Foudah**

Independent Member

**Current Positions:** Chairman of Board of Directors at Salama Cooperative Insurance Company  
Head of Governance, Compliance & MLR  
Head of Risk, Compliance & MLR and Secretary of the Board.

**Previous Positions:** Head of Custody and Awqaf Division - Alkhabeer Capital  
Deputy Chief Risk and Compliance Officer - Alkhabeer Capital  
Head of Compliance and Governance department. - Alkhabeer Capital  
Vice president - Wealth Management - Alkhabeer Capital  
Senior Client Advisory Manager - The National Commercial Bank  
Client Advisory Manager - The National Commercial Bank

Investment Marketing Officer - Riyadh Bank

**Qualifications:** Bachelor of Science Degree in Business Administration - King Abdulaziz University

**Experience:** Head of Custody and Awqaf Division - Alkhabeer Capital 2007 - 2016  
Deputy Chief Risk and Compliance Officer - Alkhabeer Capital 2007 - 2016  
Head of Compliance and Governance department. - Alkhabeer Capital 2007 - 2016  
Vice president - Wealth Management - Alkhabeer Capital 2007 - 2016  
Senior Client Advisory Manager - The National Commercial Bank 2003 - 2007  
Client Advisory Manager - The National Commercial Bank 2003 - 2007  
Investment Marketing Officer - Riyadh Bank 1999 2003 -



**Mr. Adnan Jameel Khoja**

Non-Executive Member

**Current Positions:** Vice chairman of the Board of Directors at Salama Cooperative Insurance Company  
Insurance Consultant in Al Mamoon Overseas Insurance Broker Co.

**Previous Positions:** Insurance Consultant Cigalah Company  
Manager Medical Underwriting at Tawuniya Insurance Company  
Insurance Coordinator in Saudi Aramco  
Insurance Coordinator in SAMREC  
Assistant Legal Advisor in Petromin Jet Company

**Qualifications:** Bachelor of Political Science - King Abdulaziz University 1986

**Experience:**

Insurance Consultant Cigalah Company 2004 - 2011  
Manager Medical Underwriting at Tawuniya Insurance Company -1994 2003  
Insurance Coordinator in Saudi Aramco 1994 -1994  
Insurance Coordinator in SAMREC 1991 -1993  
Assistant Legal Advisor in Petromin Jet Company 1987 -1991



## Mr. Bader Khalid Alanzi

Executive Member

**Current Positions:** Member of the Board of Directors at Salama Cooperative Insurance Company  
Chief Executive Officer – Salama Cooperative Insurance Company

**Previous Positions:** Chief Executive Officer (CEO) - Solidarity Saudi Takaful Company  
Deputy CEO & Chief Financial Officer (CFO) - Solidarity Saudi Takaful Company  
Accounts Payable Manager - MAADEN

Payables Management Manager - Tawuniya Insurance Company  
Financial Controller & Treasury Analyst - Saudi Telecom Company (STC)  
Operations Officer - Riyadh Bank

**Qualifications:** Master of Science in Accounting, Oklahoma City University – United State  
Bachelor's in Accounting, Kuwait University  
Certified Insurance Diploma, Certified Insurance Institute

**Experience:** Chief Executive Officer (CEO) Solidarity Saudi Takaful Company 2016-2021  
Deputy CEO & Chief Financial Officer (CFO) Solidarity Saudi Takaful Company 2013-2016  
Accounts Payable Manager – MAADEN -2012  
2013  
Payables Management Manager - Tawuniya Insurance Company 2010-2012  
Financial Controller & Treasury Analyst - Saudi Telecom Company (STC) 2002 -2005  
Operations Officer - Riyadh Bank 2001 -2002



## Mr. Khalid Mohammed Salem Bajnaid

Independent Member

**Current Positions:** Member of the Board of Directors at Salama Cooperative Insurance Company.  
Head of finance and operation  
Arch Capital - Mar 2022 - present

**Previous Positions:** CFO – Salama Cooperative Insurance Company  
Head of Finance & Operation – Arch Capital  
VP of Finance operation & Custody Departments – Alawwal Capital  
Financial Controller – Saudi Economic & Development Company  
AVP For Financial & Administration Department – Project Management & development Co.  
Accounting Manager – Saudi Research & Publication Company

**Qualifications:** Bachelor of Economics & Administration: Accounting – king Abdulaziz University 1988

### Experience:

CFO – Salama Cooperative Insurance Company 2020- 2019  
VP of Finance operation & Custody Departments – Alawwal Capital -2010  
2019  
Financial Controller – Saudi Economic & Development Company 1999 -1993  
AVP For Financial & Administration Department – Project Management & development Co. 2006 -2001  
Accounting Manager – Saudi Research & Publication Company 2001 -1999





## Mr. Abdullah Adel Sultan

Independent Member

**Current Positions:** Member of the Board of Directors at Salama Cooperative Insurance Company  
Chief Executive Officer – Ittihad Insurance Brokers

**Previous Positions:** Chief Operation Officer – Authorized Policy Insurance Brokers  
Head of Corporate Sales – Deputy of Chief Sales Officer – Salama Cooperative Insurance Company  
Head of Non-Motors – Deputy Chief Operation Officer – Salama Cooperative Insurance Company  
Head of Medical Insurance – Salama Cooperative Insurance Company  
Western Regional Manager – WAFA Cooperative Insurance Company  
Senior underwriting Officer – Salama Cooperative Insurance Company

Underwriting Officer Al-Ahlia Cooperative Insurance Company

**Qualifications:** Bachelor of Economics & Administration: Insurance – King Abdulaziz University

**Experience:** Chief Operation Officer – Authorized Policy Insurance Brokers 2022-2020  
Head of Corporate Sales – Deputy of Chief Sales Officer – Salama Cooperative Insurance Company 2019-2020  
Head of Non-Motors – Deputy Chief Operation Officer – Salama Cooperative Insurance Company 2019-2019  
Head of Medical Insurance – Salama Cooperative Insurance Company 2017-2019  
Western Regional Manager – WAFA Cooperative Insurance Company 2015-2017  
Senior underwriting Officer – Salama Cooperative Insurance Company 2014-2015  
Underwriting Officer Al-Ahlia Cooperative Insurance Company 2011-2014



## Mr. Mohammed Taha Al-Safi

Independent Member

**Current Positions:** Member of the Board of Directors at Salama Cooperative Insurance Company  
Founder & CEO – TasHeel Arabia Co.  
Partner & Cofounder – Sea Star Network Co.

**Previous Positions:** Consultant for Chairman & Board Member – International Recruitment Co. (IRC)  
Administrative Consultant for CEO & Managing Director – Saudi Freyssintet Co.  
HR Director – Almajal – G4S Company  
General Manager, Shared Services Center (SSC) – KAB Holding Company  
General Manager for Group Administration – Mahmood Saeed Collective Co.  
Branch Manager – Arab National Bank  
Acting Branch Manager – Arab National Bank  
Credit Officer – Arab National Bank  
Executive trainee – Arab National Bank  
Co-op trainee – Arab National Bank

**Qualifications:** Bachelor of Management

Information System. – King Fahd University of Petroleum & Minerals (KFUPM)

**Experience:** Consultant for Chairman & Board Member – International Recruitment Co. (IRC) 2014-2013  
Administrative Consultant for CEO & Managing Director – Saudi Freyssintet Co. 2012-2007  
HR Director – Almajal – G4S Company -2007-2016  
General Manager, Shared Services Center (SSC) – KAB Holding Company 2006-2001  
General Manager for Group Administration – Mahmood Saeed Collective Co. 2001-1997  
Branch Manager – Arab National Bank 2001-1993  
Acting Branch Manager – Arab National Bank 2001-1993  
Credit Officer – Arab National Bank 2001-1993  
Executive trainee – Arab National Bank 2001-1993  
Co-op trainee – Arab National Bank 2001-1993



## Mr. Wael Abdulrahman Al-bassam

Independent Member

**Current Positions:** Member of the Board of Directors at Salama Cooperative Insurance Company

**Previous Positions:** VP & Head of Learning & Development - Bank Aljazira  
HR Consultant & Head of HR - Different companies  
VP Shared Services – Alrushaid Group  
Corporate HR Manager – Zamil Industrial  
HR Manager - Alturki Group  
Trainer then Senior Trainer – Bae Systems

**Qualifications:** Master of Business Administration – University College of Bahrain 2006  
Bachelor of Art English Literature 1997

Advanced Training in Leadership in digital Age 2018

**Experience:** HR Consultant & Head of HR - Different companies 2019-2016  
VP Shared Services – Alrushaid Group - 2013  
2016  
Corporate HR Manager – Zamil Industrial -2008  
2013  
HR Manager - Alturki Group 2008 -2006  
Trainer then Senior Trainer – Bae Systems -1997  
2006



# 5

## The Board Committees

### Executive Committee

### Audit Committee

### Nomination and Remuneration Committee

### Investment Committee

### Risk Committee



## Executive Committee

	Name	Membership Nature	Number of Meeting					
			First 20/02/2022	Second 11/05/2022	Third 15/6/2022	Fourth 13/11/2022	Fifth 13/12/2022	Sixth 25/12/2022
Previous Executive Committee Member as of 25/12/2019 - 24/12/2022	Ahmed Tariq Murad	Committee Chairman, Independent Member	✓	✓	✓	End of cycle	End of cycle	End of cycle
	Raed Abdulmalik Al Qasim	Independent Member	✓	✓	✓	End of cycle	End of cycle	End of cycle
	Mazen Ibrahim Abdul Salam	Independent Member	✓	✓	✓	End of cycle	End of cycle	End of cycle
	Bader Khalid Alanzi	Executive Member	✓	✓	✓	✓	✓	✓
Current Executive Committee Member as of 11/9/2022 - 10/9/2025	Montaser Mohammed Foudah	Committee Chairman, Independent Member	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	✓	✓	✓
	Bader Khalid Alanzi	Executive Member	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	✓	✓	✓
	Khalid Mohammed Salem Bajnaid	Independent Member	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	✓	✓	✓

### Brief Description of the Competence of the Executive Committee:

- Subject to any instructions set by the Saudi Central Bank or the Board of Directors, the Executive Committee exercises all the powers determined by the Saudi Central Bank or the Board, and the Executive Committee shall cooperate with the CEO and Managing Director.
- The Committee exercises all the powers granted to it to carry out its duties related to the meetings of the Board of Directors, and its members have the right to access confidential information of the Company.
- The Committee formulates, reviews, reports and manage the Company's strategy in relation to the interests of shareholders, customers, employees and other stakeholders.
- The Committee discusses and makes decisions related to urgent issues that require urgent decision-making.
- The Committee's responsibilities include making decisions related to the day-to-day business of the Company.

- The Committee approves the amendments to the budget items and grants final approval of the capital expenditure items according to the powers of the Committee stipulated in the Authority Matrix.
- The Committee approves of the Company's business policies and procedures.
- The Committee monitors the performance of the CEO and senior management and makes recommendations in this regard.
- The Committee performs the tasks listed below, which are related to the Company's strategy:

- Reviewing the Company's strategic planning procedures and processes in cooperation with the CEO.
- Ensuring the completion of strategic plans that achieve the Company's goals.
- Reviewing the CEO's recommendations regarding the allocation of the Company's resources aimed at achieving alignment between the Company's strategic plans and its long-term operational objectives.
- Periodically reviewing the strategic plans and operational objectives of the Company and its subsidiaries (if any) to ensure their consistency with the Company's objectives.
- Monitoring the implementation of the policies and procedures of the Board of Directors.

- The Committee prepares recommendations to the Board of Directors regarding the Company's operational priorities and the relevant strategies.
- The Company performs the tasks listed below, which are related to the Company's financial planning:

- Preparing and reviewing annual and long-term financial objectives and strategies and making the necessary recommendations to the Board of Directors.
- Reviewing the financial aspects of the Company, in cooperation with the Company's executive management and the Audit Committee.
- Preparing and reviewing dividend distribution policies and how to implement them and making recommendations thereon to the Board of Directors.
- Periodically reviewing the actual capital expenditures to match them with the budgets approved by the Board of Directors.

- The Committee submits a periodic report at least once every six (6) months on its work to the Board of Directors.
- Notifying the Board of Directors in the event of the existence or emergence of any conflict of interest as a result of the decisions made by the Committee.
- Preparing an annual audit and evaluation of the activities of the Committee and its members.
- The Board shall be provided with all the meetings minutes related to the Committee.



## Risk Committee

	Name	Membership Nature	Number of Meeting (2)	
			First 5/01/2022	Second 14/06/2022
Previous Risk Committee Members of 25/7/2019 - 24/7/2022	Mazen Ibrahim Abdul Salam	Committee Chairman, Independent Member	✓	✓
	Bader Khalid Alanzi	Executive Member	✓	✓
Current Risk Committee Member as of 11/9/2022 - 10/9/2025	Adnan Jamel Khoja	Committee Chairman, Independent Member	For the new member there is no meeting as of 2022	
	Montaser Mohammed Foudah	Independent Member		
	Wael Abdulrahman Albassam	Independent Member		

### Brief Description of the Competence of the Risk Committee:

- Determining the risks that the Company may face, and maintaining an acceptable level of risks related to the Company.
- Supervising risk management systems and evaluating their effectiveness.
- Verifying the feasibility of the Company's sustainability and the successful continuation of its activity, along with identifying the risks that threaten its continuation during the next twelve months.
- Developing a comprehensive risk management strategy for the Company, supervising its implementation, and periodically reviewing and updating it, taking into account the relevant internal and external variables.
- Reviewing risk management policies.
- Reviewing and reassessing, on a regular basis, the Company's level of risk appetite and the extent of its risk exposure.
- Submitting detailed reports to the Board of Directors about potential risks and making recommendations on how to manage them.
- Providing advice to the Board of Directors regarding risk management.
- Ensuring the availability of adequate resources and systems to manage risks.
- Reviewing the organisational structure of the Risk Management Department and making recommendations in this regard before it is approved by the Board of Directors.

- Verifying the independence of risk management personnel from activities that may expose the Company to risks.
- Verifying that the risk management personnel understand the risks of the Company, and working to increase awareness of the risk culture.
- Reviewing the issues raised by the Audit Committee, which may affect risk management in the Company.
- The Committee submits its reports to the Board of Directors on the results of its work in accordance with the controls and mechanisms set forth in the Risk Management Charter. The meeting minutes of the Risk Management Committee shall be presented to the Board of Directors for information and knowledge.
- When needed, the Committee has the right to seek external advisory services to perform its tasks, at the expense of the Company, after obtaining the approval of the Board of Directors.



## Audit Committee

	Name	Membership Nature	Number of Meeting					
			First	Second	Third	Fourth	Fifth	Sixth
			21/01/2022	21/03/2022	17/05/2022	04/05/2022	31/05/2022	23/06/2022
Previous Audit Committee Member as of 28/12/2020 - 24/7/2022	Khalheed Jaber AlZaidi	Committee Chairman, Independent Member	✓	✓	✓	✓	✓	✓
	Raed Fahad Al-Rusais	External Member	✓	✓	✓	✓	✓	✓
	Walid Muhammad Mari	External Member	✓	✓	✓	✓	✓	✓

### Brief Description of the Competence and Duties of the Audit Committee:

- The members of the Audit Committee shall be responsible before the Saudi Central Bank, the Company's shareholders and the Company's Board of Directors for implementing the provisions of this regulations, and for implementing the action plan of the Audit Committee issued by a resolution of the Board of Directors.
- Committee members, while performing their duties, shall give priority to the Company's interest over any other considerations that may affect their actions and decisions.
- The Audit Committee has the right to directly communicate with the Board of Directors and senior management in the Company, all employees, committees, legal advisors, internal and external auditors in the Company's headquarters and branches, as well as other parties related to the Company, and it has the right to access all records and private and confidential documents necessary for the performance of its duties. The Audit Committee may seek the assistance of any advisory body from outside the Company to carry out specific tasks in order to assist it in performing its duties.
- All members of the Audit Committee shall maintain the confidentiality of matters relating to the work of the Audit Committee, even after they cease to be members of the Committee.
- A member of the Audit Committee may not have a direct or indirect interest in the business and contracts that are made for the Company.
- A member of the Audit Committee may not participate in any business that would compete with the Company, or trade in the activities practised by the Company, and the Company may claim compensation for any damage incurred by it as a result of such act or conduct.
- The Company shall not issue or renew any insurance policy for any of the members of the Audit Committee or the parties related to it before paying the full due premium. If any of the members of the Audit Committee submits a claim for compensation for an insurance policy issued to him/her by the Company, such claim shall be dealt with according to the procedures set out in the regulations applicable to customer claims and without preferential treatment, and the statutory controller shall be notified of any compensation due to the member.



## Investment Committee

	Name	Membership Nature	Number of Meeting	
			First 14/06/2022	Second 20/11/2022
Previous Investment Committee Member as of 25/7/2019 - 24/7/2022	Ahmed Tariq Murad	Committee Chairman, Independent Member	✓	End of cycle
	Khaled Jabr Alzaydi	Independent Member	✓	End of cycle
	Akram Omar Jad	Independent Member	✓	End of cycle
Current Investment Committee Member as of 11/9/2022 - 10/9/2025	Khaled Muhammed Salem Bajnaid	Committee Chairman, Independent Member	Board cycle is not formed yet	✓
	Abdullah Adel Sultan	Independent Member	Board cycle is not formed yet	✓
	Bader Khalid Alanzi	Executive Member	Board cycle is not formed yet	✓

### Brief Description of the Competence of the Investment Committee:

- Subject to any instructions set by the Saudi Central Bank or the Board of Directors, the Investment Committee exercises all the powers delegated to it by the Board of Directors, and the Committee cooperates with the CEO and the Managing Director regarding the investment decisions.
- The Committee exercises all the powers granted to it to carry out its duties towards its shareholders and the Company's strategy.
- The Committee is responsible for preparing the Company's investment Policy, which shall be presented to the Saudi Central Bank, and obtains approval on it.
- The Committee prepares and formulates the Company's Investment Policy, follows up on its implementation, and annually obtains the Board of Directors approval on it. This Policy may be amended only after obtaining the approval of the Board of Directors on any amendment.

- The Committee supervises the implementation of the Investment Policy and the operations of the Company's investment portfolios within the stable practical frameworks of strategy and risks.
- The Committee reviews policies, objectives and special investment plans, and makes recommendations thereon.
- The Committee takes the necessary steps to inform the concerned employees, directly and indirectly, of investment activities and ensures that they understand them.
- The Committee conducts the strategic allocation of assets to major investment categories.
- The Committee reviews the performance of each asset category.
- The Committee sets limits for the allocation of assets according to geographical areas, financial markets, relevant sectors, securities and currencies.
- The Committee defines and identifies illiquid assets and sets restrictions on investing in them.
- The Committee continuously monitors the performance of the Company's investment portfolios and submits reports on a quarterly basis.
- The Committee periodically follows up on and monitors investment risks.
- The Committee's responsibilities include making investment-related decisions as per the delegation of authority granted by the Board of Directors.
- The Committee comprehensively reviews, on an annual basis, the adequacy of the general Investment Policy in light of the Company's activities, the general risk tolerance, the requirements for the return on long-term risks and the solvency ratio.
- The Committee reviews the due diligence reports prepared by external asset managers or any third party providing investment-related services.
- The Committee conducts a comprehensive evaluation of investment and asset management service providers and external parties related to investment on an annual basis to ensure the stability of the conditions on the basis of which such entities are appointed and that there are no fundamental changes that may lead the Company reconsidering its dealings with such entities.

- The Committee recommends the appointment of investment or asset managers or a portfolio manager licensed by the Capital Market Authority or any other authority or regulatory authority if the investments are outside the Kingdom.
- The Committee manages the relationship between the Company and the officially appointed asset managers.
- The Committee ensures that the Company's investments comply with the investment regulations issued by the Saudi Central Bank.
- The Committee monitors the performance of the CEO and senior management in relation to the Company's investments and makes recommendations in this regard.
- The Committee submits a quarterly periodic report on its work and on the performance of investment portfolios to the Board of Directors.
- The Committee notifies the Board of Directors in the event of the existence or emergence of any conflict of interest as a result of the decisions made by the Committee.
- The Committee prepares an annual review and evaluation of the activities of the Committee and its members.
- The Board shall be provided with all the meetings minutes related to the Committee.



## Nomination and Remuneration Committee

	Name	Membership Nature	Number of Meetings				
			First 21/02/2022	Second 10/04/2022	Third 11/4/2022	Fourth 16/05/2022	Fifth 31/10/2022
Previous Investment Committee Member as of 25/7/2019 - 24/7/2022	Raed Abdulmalik AlQasim	Independent Chairman	✓	✓	✓	✓	End of cycle
	Akram Omar Jad	Independent Member	✓	✓	✓	✓	End of cycle
	Mohammed Taha AlSafi	Executive Member	✓	✓	✓	✓	End of cycle
Current Investment Committee Member as of 11/9/2022 - 10/9/2025	Wael Abdulrahman Albassam	Committee Chairman, Independent Member	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	✓
	Abdullah Adel Sultan	Independent Member	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	✓
	Adnan Jamel Khoja	Non-Executive Member	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	✓



## Brief Description of the Competence of the Nomination and Remuneration Committee:

- The duties and responsibilities of the Nomination and Remuneration Committee are as follows
- Proposing clear policies and criteria for membership in the Board of Directors and Senior Executive Management.
- Recommending, to the Board of Directors, the nomination for membership of the Board of Directors and its committees in accordance with the legal requirements and approved policies and standards.
- Developing job descriptions for executive members, non-executive members, independent members and senior executives.
- Conducting annual review of the required appropriate skills for membership of the Board of Directors and its committees; preparing a description of the capabilities and qualifications required for filling the positions of the Senior Executive Management and the membership of the Board of Directors and its committees; determining the time that the member allocates for the work of the Board or its committees; evaluating the structure and composition of the Board and its committees; determining the relevant weaknesses on a regular basis; and proposing necessary steps for addressing them.
- Evaluating and monitoring the independence of the members of the Board of Directors and its committees, and ensuring the absence of conflict of interest, including checking, on an annual basis, the independence of the independent members.
- Developing clear policies for the compensation and remuneration of members of the Board of Directors, its committees, and members of Senior Management, and submitting them to the Board of Directors for approval by the General Assembly, taking into account that such policy follows performance-related standards, disclosing and verifying their implementation.
- Periodically reviewing the Remuneration Policy, and evaluating its effectiveness in achieving the desired objectives.
- Clarifying the relationship between the remuneration granted and the applicable remuneration policy, and identifying any substantial deviation from this Policy.
- Periodically supervising the evaluation of the performance of the Board members and committees.
- Making recommendations regarding the appointment and dismissal of senior management members.
- Establishing special procedures in the event that a position of a member of the Board of Directors or a senior executive becomes vacant.
- Proposing succession policy and procedures to the CEO and senior members of the senior management and monitoring the implementation of their succession plans and procedures.
- Reviewing compensation plans for senior management members.
- Supervising the induction programme and periodic training for the members of the Board of Directors.
- Making recommendations to the Board on issues related to nominations and remuneration of Board members, its committees and senior executives of the Company in accordance with the approved policy.



# 6

## Executive Management



### Bader Khaled Dhaar Al-Anzi

CEO of Salama Cooperative Insurance Company

#### Previous Positions:

CEO, Solidarity Saudi Takaful Company, September 2016 - March 2021

Executive Vice President and Chief Financial Officer, Solidarity Saudi Takaful Company, May 2013 - April 2016

Creditors Account Manager, Saudi Arabian Mining Company (Maaden), July 2012 - April 2013

Manager of Accounts Payable Department, Cooperative Insurance Company, May 2010 - June 2012

Financial Controller and Treasury Analyst, Saudi Telecom Company (STC), September 2010-2002  
Operations Manager, Riyad Bank, 2002-2001

#### Qualifications:

Master of Science in Accounting, the University of Oklahoma, 2008  
Bachelor's Degree in Accounting, Kuwait University, 2000  
Professional Insurance Diploma, 2017



### Ammar Ahmed Hamza Ghurab

Head of Operations, Salama Cooperative Insurance Company

#### Previous Positions:

Head of Vehicle Insurance, Salama Cooperative Insurance Company  
Vehicle Claims Manager, Salama Cooperative Insurance Company

#### Qualifications:

Bachelor Degree of Business Administration, King Abdulaziz University, 1998



## Mohammed Nasser Abdul Aziz Al-Wahbi

Customer Care Manager, Salama Cooperative Insurance Company

### Previous Positions:

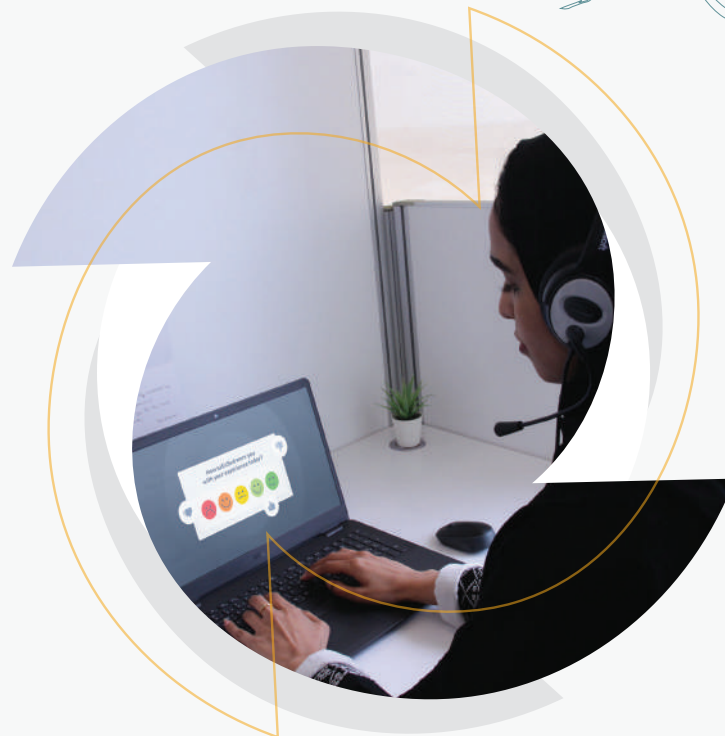
- Manager of Personnel Sales Branch, Al-Rajhi Company for Cooperative Insurance
- Branch Manager, the Saudi Investment Bank
- Customer Service, the Saudi Investment Bank
- Head of Support Services Department, Patients Affairs
- Supervisor of the Admission Office, Dallah Hospital

### Qualifications:

Bachelor's Degree in Business Administration, King Faisal University  
BIC, Principles of Investment

### Experience:

- Manager of Personnel Sales Branch, Al-Rajhi Company for Cooperative Insurance, 2010-2016
- Branch Manager, the Saudi Investment Bank, 2004-2010
- Head of Support Services Department, Patients Affairs, 2000-2004 ,Prince Abdulaziz bin Fahad Al Saud Office
- Supervisor of the Admission Office, Dallah Hospital, 1999-2000 Program





## Companies inside or outside the Kingdom wherein a Member of the Company's Board of Directors is a member of its current and previous boards of directors or one of its directors

Names of Previous board of directors as of 2019-07-25 to 2022-07-24

Current Membership in Boards of Other Companies	Inside/Outside the Kingdom	Legal Entity	Membership in the Previous Boards or Position as a Director	Inside/Outside the Kingdom	Legal Entity
<b>Ahmed Tariq Murad</b>  - Vice Chairman of the Board of Directors of the Saudi United Fertilizer Co.	Inside	Closed Shareholding	-Chairman of the board of director at Salama Cooperative Insurance Co -Vice President of Investments, Nesma Holding -Head of Product Development and Research, Alkhabeer Capital -Senior Manager of Corporate Finance, Shamil Bank of Bahrain	- Nesma Holding, inside KSA - Alkhabeer Capital, inside KSA - Shamil Bank of Bahrain, outside KSA	Holding Salama Insurance Company (Open Joint-Stock Company)
<b>Mazen Ibrahim Abdul Salam</b>  - Secretary of the Board of Directors of Dr. Samir Abbas Hospital	Inside the kingdom	Closed Shareholding	-Member of board of directors at Salama cooperative insurance co -Director of Strategic Planning and Institutional Excellence, Al-Murjan Holding	Inside the kingdom	Closed Shareholding
<b>Raed Al Qasim</b>  -	-	-	-Member of the board of director at Salama cooperative insurance Co. -General Manager, Professional Group for Insurance Agency -General Manager, Raed Abdul Malik Yahya Al Qasim Foundation -Franchisee of the Cooperative Insurance Company	Inside the kingdom	- Professional Group for Insurance Agency (LLC). - Raed Abdul Malik Yahya Al Qasim Foundation (Sole Proprietorship)

### Current Membership in Boards of Other Companies

#### Akram Omar Jad

-

Inside/Outside  
the Kingdom

-

Legal  
Entity

-

### Membership in the Previous Boards or Position as a Director

Inside/Outside  
the Kingdom

Legal  
Entity

Inside the  
kingdom

- Walaa Insurance Company  
(Open Joint-Stock Company)  
Medad Al-Thiqa Insurance  
Agency (LLC)

#### Khaled Jaber Al-Zaidi

-

-

-

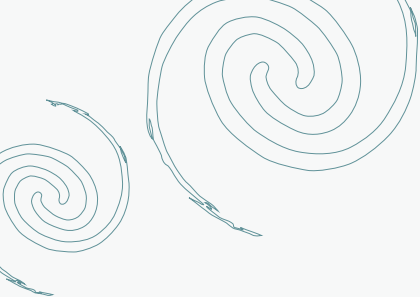
-Member of the board of director at Salama cooperative insurance Co.  
- Regional Director of the Western Region, Walaa Insurance Company.  
-General Manager, Medad Al-Thiqa Insurance Agency

Inside the  
kingdom

-Open  
shareholding  
-Open joint  
stock  
company

Names of the current board of directors as of 11 - 09 - 2022 to 10 - 09 - 2025

Current Membership in Boards of Other Companies	Inside/Outside the Kingdom	Legal Entity	Membership in the Previous Boards or Position as a Director	Inside/Outside the Kingdom	Legal Entity
<b>Montaser Mohammed Foudah</b> –Member of the Board of director at Salama Cooperative insurance company –Secretary of the board at Watani Wealth Management	Inside the kingdom	(Open Joint-Stock Company)	–	–	–
<b>Adnan Jamel Khoja</b> –Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	–	–	–
<b>Bader Khalid Alanzi</b> –Member of the Board of director at Salama Cooperative insurance company –Manafez company	Inside the kingdom	(Open Joint-Stock Company) Closed shareholding	–Najam for Insurance services	Inside the kingdom	Closed shareholding
<b>Khaled MuhammedSalem Bajnaid</b> –Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	–	–	–



Current Membership in Boards of Other Companies	Inside/Outside the Kingdom	Legal Entity	Membership in the Previous Boards or Position as a Director	Inside/Outside the Kingdom	Legal Entity
<b>Abdullah Adel Sultan</b> –Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	–	–	–
<b>Mohammed Taha Al-Safi</b> –Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	–	–	–
<b>Wael Abdulrahman Albassam</b> -Member of the board of director in Saudi paper manufacturing company -Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company) Closed shareholding	–	–	–





8

## Composition of the Board of Directors and Classification of its Members

### Composition of the previous Board of Directors as of 25/07/2019 – 24/07/2022

Member's Name	Membership Classification
Ahmed Tariq Murad	Independent
Mazen Ibrahim Abdul Salam	Independent
Raed Abdulmalik Al Qasim	Independent
Akram Omar Jad	Independent
Khaled Jabr Alzaydi	Independent

### Composition of the current Board of Directors 9/11/2022 – 10/11/2025

Member's Name	Membership Classification
Montaser Mohammed Foudah	Independent
Adnan Jamel Khoja	Non-executive
Bader Khalid Alanzi	Executive
Abdullah Adel Sultan	Independent
Khaled Mohammed Salem Bajnaid	Independent
Mohammed Taha Al-Safi	Independent
Wael Abdulrahman Albassam	Independent





## Action taken by the board of directors to inform its members of the shareholders'. Recommendations and comments regarding the company and its performance

Action taken by the board of directors to inform its members of the shareholders' recommendations and comments regarding the company and its performance. The company received inquiries, suggestions and observations from its shareholders via e-mail and phone call, and all inquiries, suggestions and observations of shareholders about the company were answered during the general assembly meetings in the presence of all members of Board of Directors.

### Penalties imposed on the company by the authority or any supervisory authority.

	Fiscal year 2021			Fiscal year 2022			Ways to treat and avoid its occurrence in the future
	Subject and reason f the violation	Number of executive decisions	Total fines amount in Saudi riyals	Subject and reason f the violation	Number of executive decisions	Total fines amount in Saudi riyals	
Saudi Central Bank	Violating SAMA's supervisory instruction	6	482,106	Violating SAMA's supervisory instruction	4	365,000	The company will comply with rules and regulation from the Saudi central bank
	Violating SAMA's instruction for protecting clients	-	-	Violation of the bank's instructions related to due diligence in combating money laundering and terrorist financing -- Violation of the Central Bank's instructions related to cybersecurity risks	1	500,000	The company will follow and comply with Saudi central bank instruction related to cybersecurity risks.
	Violating SAMA's instruction for conducting due diligence money laundering and terrorist financing	-	-				
Council of health insurance	The decision of the dispute settlement committee	1	19,000	Violation of the provisions of the Cooperative Health Insurance Law and its Executive Regulations	1	252,700	The company will adhere the rules and regulation of the council of health insurance.
Capital market authority.	Notice of violation of the delay in announcing the financial statements for the period 2020/31/12	1	None	-	-	-	-
	Warning of non-compliance with some of the requirements of the approved international accounting standards	1	None	-	-	-	-
	Violation of non-compliance with Paragraph No. (7) of Article No. (65) of the Corporate Governance Regulations	1	None	-	-	-	-
General Organization for Social Insurance	-	-	-	Fine for invalid dismissal of an employee	1	1,000	-
	-	-	-	Fine for late payment of dues for the month of March 2022	1	30,000	-
	-	-	-	Fine for late payment of dues for the month of May 2022	1	30,000	-
	-	-	-	Fine for late payment of dues for the month of July 2022	1	10,000	-
Jeddah Municipality	-	-	-	Municipality fine	1	700	-

### Ownership of major shareholders and members of the board of directors

Major shareholder	Board of directors
Islamic Arab Insurance Company (Salama UAE) was in previous period in the year of 2022 major shareholder	<ul style="list-style-type: none"> <li>•Eng. Ahmed Murad, the former Chairman of the Board of Directors, had a previous ownership in the year 2022.</li> <li>•Eng. Mazen Abdel Salam, a former member of the Board of Directors, had a previous ownership in the year 2022.</li> </ul>

## Disclosure of the Remunerations of the Members of the Board of Directors, its committees, and the Executive Management

### Previous Executive Committee from 25\7\2019 to 24\7\2022

Executive Committee	Fixed Remunerations	Attendance Bonus
Ahmed Tariq Murad	0	6,000
Bader Khalid Alanzi	0	6,000
Mazen Ibrahim Abdul Salam	0	6,000
Raed Abdulmalik Alqasim	0	6,000
<b>Total</b>	<b>0</b>	<b>24,000</b>

### Current Executive Committee from 11\9\2022 to 10\9\2025

Executive Committee	Fixed Remunerations	Attendance Bonus
Montaser Mohammed Foudah	0	6,000
Bader Khalid Alanzi	0	6,000
Khaled Mohammed Salem Bajnaid	0	6,000
<b>Total</b>		<b>18,000</b>

### Previous Investment Committee from 25\7\2019 to 24\7\2022

Investment Committee	Fixed Remunerations	Attendance Bonus
Ahmed Tariq Murad	0	2,000
Akram Omar Jad	0	2,000
Khaled Jabr Al-Zaydi	0	2,000
<b>Total</b>		<b>6,000</b>

### Current Investment Committee from 11\9\2022 to 10\9\2025

Investment Committee	Fixed Remunerations	Attendance Bonus
Khaled Mohammed Salem Bajnaid	0	2,000
Bader Khalid Alanzi	0	2,000
Abdullah Adel Sultan	0	2,000
<b>Total</b>		<b>6,000</b>

**Previous Nomination and Remuneration Committee from  
25\7\2019 to 24\7\2022**

Nomination and Remuneration Committee	Attendance Bonus	Fixed Remunerations
Raed Abdulmalik Al Qasim	0	8000
Akram Omar Jad	0	8000
Mohammed Taha AlSafi	0	8000
Total		24000

**Current Nomination and Remuneration Committee from  
11\9\2022 to 10\9\2025**

Nomination and Remuneration Committee	Attendance Bonus	Fixed Remunerations
Wael Abdulrahman Albassam	0	2,000
Abdullah Adel Sultan	0	2,000
Adnan Jamel Khoja	0	2,000
Total		6,000

**Previous Risk Committee from  
25\7\2019 to 24\7\2022**

Risk Committee	Attendance Bonus	Fixed Remunerations
Mazen Ibrahim Abdul Salam	0	4000
Bader Khalid Alanzi	0	4000
Total		8000

**Current Risk Committee from  
11\9\2022 to 10\9\2025**

Risk Committee	Attendance Bonus	Fixed Remunerations
Adnan Jamel Khoja	0	—
Mountasar Mohammed Foudah	0	—
Wael Abdulrahman Albassam	0	—
Total		—

**Previous Audit Committee from  
25\7\2019 to 24\7\2022**

Audit Committee	Attendance Bonus	Fixed Remunerations
Khaled Jabr Al-Zaydi	0	12000
Raed Alrasis	0	12000
Waled Marei	0	12000
Total		36000

## Independent Board Members

Certain amount	Meetings Allowances	Total meetings allowances	Fixed Remuneration								Long-term incentive plans	Granted Shares (value is entered)	Variable Remuneration			
			Benefits in kind	Statement of what board members received as workers or administrators, or received for technical or administrative work or consultations.	Remuneration of the Chairman of the Board, the Managing Director, or the Secretary of if he is a member.	Total	profits percentage	Periodic remuneration	Short-term incentive plans	Total			Severance package	total summation	expenses allowances	

### Previous Board members from 2019-07-25 to 2022-07-24

Ahmed Tariq Murad	-	15000	8000	-	-	-	23000	-	-	-	-	-	-	-	23000	-
MAzen Ibrahim Abdul Salam	-	15000	10000	-	-	-	25000	-	-	-	-	-	-	-	25000	-
Raed Abdulmalik Al Qasim	-	15000	14000	-	-	-	29000	-	-	-	-	-	-	-	29000	8419.63
Akram Omar Jad	-	15000	10000	-	-	-	25000	-	-	-	-	-	-	-	25000	-
Khaled Jabr Alzaydi	-	15000	14000	-	-	-	29000	-	-	-	-	-	-	-	29000	-
Total	-	75000	56000	-	-	-	131000	-	-	-	-	-	-	-	131000	8419.63

### current Board members as of 2022-09-11 to 2025-09-10

Montaser Mohammed Foudah	-	12000	6000	-	-	-	18000	-	-	-	-	-	-	-	18,000	-
Adnan Jamel Khoja	-	12000	2000	-	-	-	14000	-	-	-	-	-	-	-	14,000	-
Bader Khalid Alanzi	-	12000	8000	-	-	-	20000	-	-	-	-	-	-	-	20,000	-
Abdullah Adel Sultan	-	12000	4000	-	-	-	16000	-	-	-	-	-	-	-	20,000	-
Khaled MuhammedSalem Bajnaid	-	12000	8000	-	-	-	20000	-	-	-	-	-	-	-	16,000	-
Mohammed Taha Al-Safi	-	12000	-	-	-	-	12000	-	-	-	-	-	-	-	12,000	-
Wael Abdulrahman Albassam	-	12000	2000	-	-	-	14000	-	-	-	-	-	-	-	14,000	-
Total	-	84000	30000	-	-	-	114000	-	-	-	-	-	-	-	114,000	-

## Executive Management Remuneration

Description	Fixed Remuneration				Variable Remuneration						End of service indemnity	Total executive remuneration for the board, if any	Total Summation
	Salaries	Allowances	Benefits in kind	Total	Periodic remuneration	Profits	Short-term incentive plans	Long-term incentive plans	Granted Shares (value is entered)	Total			
Remunerations and compensations received by five of the company's senior executives, including the Chief Executive Officer and Chief Financial Officer	4,698	0	Health insurance for the employee and their dependents, and life insurance for the employees in the event of death and personal accidents, according to the company's policies	4,698	0	0	0	0	0	0	1,295	28	6,021

# 11

## Remuneration Policy

**The remunerating and nominating committee is specialized in rewarding the members of the council, the members of the committees and the senior executives in the company according to the approved standards as follows:**

- 1- The reimbursement is to be inconsistent with the activities of the company and the skills needed to manage it.
- 2- The variable part of the remunerate is to be linked with the long-term performance of the receiver.
- 3- The company is to take into account how coherent the remunerates are with the strategy of the company, its goals, and the nature and magnitude of the risk that might arise from its potential risks.
- 4- The company is to take into account the practices of other companies and the norm of the market regarding the determination of the remunerates. It is also to avoid what might arise due to this, such as overpricing and compensations.
- 5- It is to be prepared in coordination with the committee of remunerating and nominating when it comes to new recruitment.
- 6- The remunerates are to be determined based on the post's level, the duties, responsibilities of the rewards, academic qualifications, practical experiences, skills, and performance of the remunerated.
- 7- The remunerates are to be fair and incoherent with the specialty of the member and the duties of the members of the Board of Directors or the committees and the goals specified by the Board of Directors that were meant to be achieved throughout the financial year.
- 8- The sector to which the company belongs, and the size and experience of the Board of Directors are also to be taken into account.
- 9- The remunerate is to be of enough magnitude to grab the attention of competent and experienced members of the Board of Directors and to stimulate them and assure they remain interested in the job.

10- The remunerates of the members of the Board of Directors can vary if it reflects the amount of experience and how specialized each member is and how good they are at doing their job, and how independent they are, in addition to how many meetings they attend and other considerations.

11- If inaccurate information fed by a member of the Board of Directors or the executive management leads to a member being reimbursed, then the remunerates are to be stopped or regained in order to prevent any exploitation of status to get undeserved indemnified.

12- In case a program is to be developed to allow members of the Board of Directors, the executive management, or their staff to take shares in the company, whether these shares were new editions or claims that the company had bought. This procedure is to be performed under the committee's supervision of remunerating and nominating, and under the central guidelines, systems, company regulations, and the related capital market.

# 12

## The Relationship between the Remunerations Granted and the Remunerations Policy

**The remunerations were distributed based on the approved Remuneration Policy without any substantial deviation.**



# 13

## Annual Audit of the Effectiveness of the Company's Internal Control Procedures


### First:

The control procedures in the company are reviewed on an ongoing basis by the internal audit department by adopting a systematic and structured methods based on risks methodology to ensure the efficiency of the control procedures and to provide the necessary recommendations for improvement in order to enhance and protect the value of the company and help it to reach its objectives. The audit committee and the board of directors receive periodic reports on the results of the review that are discussed with the executive management and follow-up on the correction of the observations contained therein. Moreover, the internal audit department assess the internal control by completing questionnaire by all heads of functions across the company designed in line with the Internal Control-Integrated Framework published by the Committee of Sponsoring Organization (COSO) of the Treadway Commission and the result has been shared with the audit committee.

### Second:

#### The Committee's Opinion on the Adequacy of the Internal Control Systems

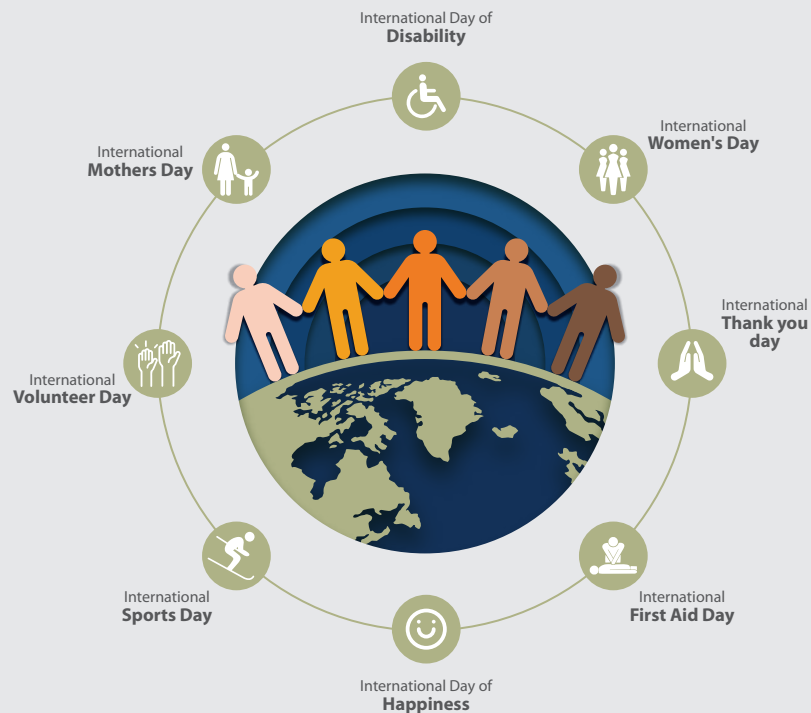
After reviewing the audit reports during the year 2022 submitted by the internal audit department, the external auditor and the Compliance Department, the Audit Committee found that there is a fundamental weakness in the internal control systems and procedures which established by the company and that the internal control system in the company needs to develop some of its components and it needs to develop appropriate risk control tools applied by the company to keep up with the volume of business and requirements of the company. Corrective and action plans have been prepared to improve these weaknesses. The internal audit and compliance departments will follow up on the implementation of these plans and ensure their implementation.





## 14 The Company's Social Contributions

Throughout the year of 2022, SALAMA continued to pay attention to Social Responsibility and was keen to present programs and initiatives that had an impact on strengthening internal and external connections. The marketing and communication team focused on activating the international days through internal activities, and social and digital communication channels.



# 15

## The General Assemblies of Shareholders Held during the Financial Year and the Names of the Board Members Attending these General Assemblies

Attendance Record	First meeting 26 - 6 - 2022	Second meeting 16 - 8 - 2022	Third meeting 11 - 9 - 2022
Ahmed Tariq Murad	Attended	Attended	Attended
Mazen Ibrahim Abdul Salam	Attended	Attended	Attended
Akram Omar Jad	Attended	Attended	Absentee
Raed Abdulmalik Al Qasim	Attended	Attended	Absentee
Khaled Jabr Al-Zaydi	Attended	Attended	Absentee

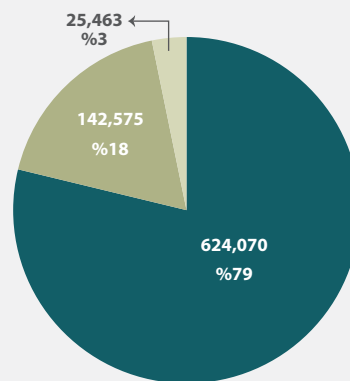
Attendance Record	Fourth meeting 15 - 12 - 2022
Montaser Mohammed Foudah	Attended
Adnan Jamel Khoja	Attended
Bader Khalid Alanzi	Attended
Abdullah Adel Sultan	Attended
Khaled Mohammed Salem Bajnaid	Attended
Mohammed Taha Alsafi	Attended
Wael Abdulrahman Albassam	Attended

# 16

## Description of the Main Activities of the Company

Activity	Total revenues for the year 2022 (Thousands of Saudi Riyals)	Percentage %	Total revenues for the year 2021 (Thousands of Saudi Riyals)	Percentage %
Activity (1) Motor insurance	624,070	%79	351,481	%75
Activity (2) Medical insurance	142,575	%18	86,350	%19
Activity (3) Other insurances	25,463	%3	29,700	%6
Total	792,108	%100	467,531	%100

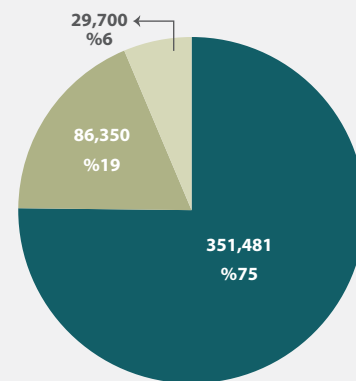
Total revenues for the year 2022  
(Thousands of Saudi Riyals)



Total 792,108

■ Motor insurance ■ Medical insurance ■ Other insurances

Total revenues for the year 2021  
(Thousands of Saudi Riyals)



Total 467,531

# 17

## The Company's Important Plans and Decisions

- Implementing new system.
- Reducing administrative and general expenses.
- Reducing corporate sales of loss-record activities and focusing on profitable corporate sales.

- Capital reduction by:

Capital before reduction	250,000,000 SAR
Capital after reduction	100,000,000 SAR
Reduce the company's capital by	%60
Number of shares before reduction	25000000 shares
Number of shares after capital reduction	10000000 shares
Reason of capital reduction	Increase in claims, increase in other technical reserves, increase in other underwriting expenses, increase in general and administrative expenses.
Methods of reduction	Cancel 15,000,000 shares
Date of reduction	By the end of second trading day, following the Extraordinary general Assembly Meeting.

- Recommendation to increase the company capital by:

Capital before increase	100,000,000 SAR
Capital after increase	200,000,000 SAR
Number of shares issued before the capital increase	10,000,000 shares
Number of shares issued after capital increase	20,000,000 shares
shares to be issued to the number of shares issued before the capital increase	%100
Methods of capital increase	Rights issue



## Future Outlook for the Company's Business

- Completing the transformation of the Company's internal systems.
- Expanding and increasing the volume of electronic sales.
- Increasing sales of insurance on financial leasing vehicles.
- Increasing diversity in the Company's portfolios by introducing new insurance products with high profitability.
- The Company's share of general insurance products increased.
- Developing the employee training programme and attracting talents.



## Workshops and Courses for Members of Board of Directors:

- Anti- Money Laundering and Terrorist Financing workshop.
- Governance in Insurance Companies.

### Technology and Business Continuity Risks

Salama Company is keen to achieve its objectives. In support of the Saudi Vision 2030; to enhance the reliability and continuity of electronic services; in view of the rapid changes and current events surrounding the operations of the Company; and although the Company takes appropriate security measures, information systems may be exposed to hacking operations, viruses, or human errors that could directly or indirectly affect the continuity of its business, negatively affecting the Company's financial results and the experience of its beneficiaries. Therefore, the Company has updated procedures that would increase its flexibility to respond to crises and restore its services in a flexible and smooth manner to ensure business continuity.

### Competition

Due to the high intensity of competition in the Saudi insurance market and the high number of insurance companies licensed and listed in the market, the opportunities and business of the Company may be affected in the future. Therefore, the Company has developed sales channels and is keen to gain the satisfaction of its customers.

### Application of the International Standard (IFR17)

The insurance sector has long been a special case in terms of financial reporting, and the complexity of insurance in terms of its long-term nature and the implied difficulty in determining "the return" as found in any other business makes it different.

This leads to a difference in the financial statements of the insurance company from any other statements. 2021 witnessed the start of the application of IFRS 17 aiming to standardise insurance accounting at the global level in order to improve the comparison process and raise the degree of transparency.

### Spread of Epidemics

Out of concern for the health of the Company's employees, Salama Company takes all precautionary and preventive measures necessary to create a healthy work environment, ensure the progress of work and commit to serving its customers to the fullest.



# 19 The Company's Assets and Liabilities

The following are the most important financial indicators of the company, which start from 01\01\2022 until 31\12\2022 (twelve months) as stated in the company's bylaws.

1- Net loss for the period amounted to SAR 58,327 thousand, and loss per share amounted to SAR 5.83 per share.

2- The company achieved Gross Written Premiums (GWP) of SAR 792,108 thousand.

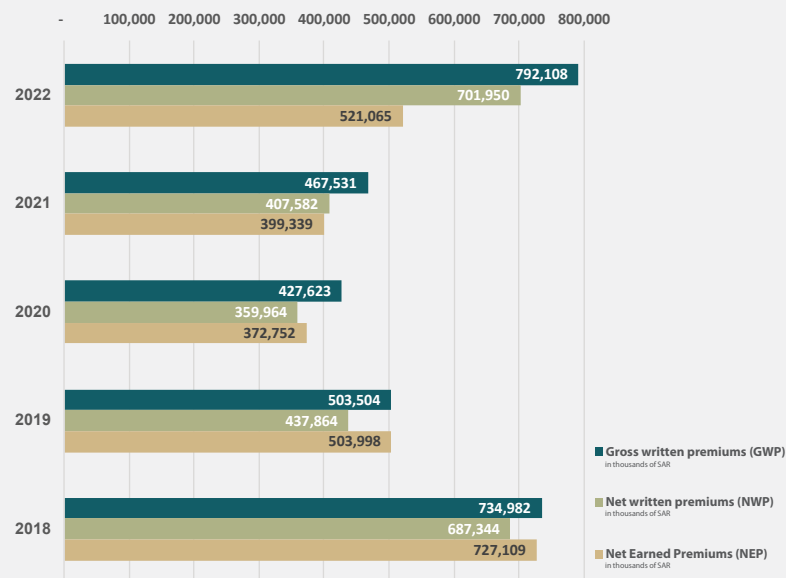
3- Net earned premiums (NEP) amounted to SAR 521,065 thousand.

4- Net claims incurred during the period amounted to SAR 448,500 thousand.

Comparison of business results or a assets and liabilities of the company in a graph:

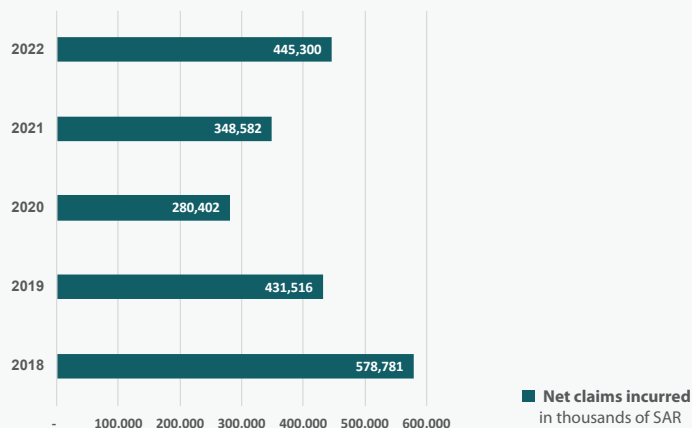
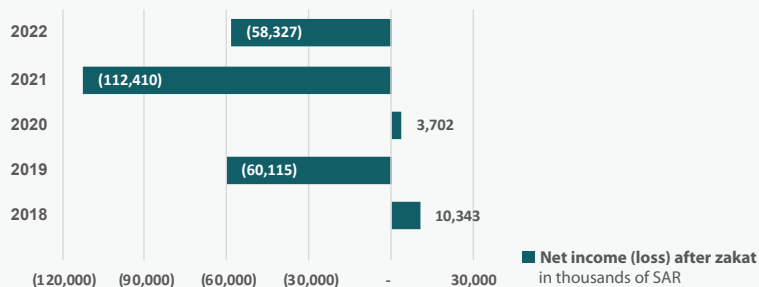
in thousands of SAR

	2022	2021	2020	2019	2018
Gross written premiums (GWP)	792,108	467,531	427,623	503,504	734,982
Net written premiums (NWP)	701,950	407,582	359,964	437,864	687,344
Net Earned Premiums (NEP)	521,065	399,339	372,752	503,998	727,109



Numbers are in thousands of riyals

	2018	2019	2020	2021	2022
Net claims incurred	578,781	431,516	280,402	348,582	445,300
Net income (loss) after zakat	10,343	(60,115)	3,702	(112,410)	(58,327)



## Comparison of the agenda in form of table:

Figures in thousands of Saudi riyals

Statement of business results (Statement of Income)	2018	2019	2020 (Restated)	2021	2022
Gross premiums written	734,982	503,504	427,623	467,531	792,108
Net premiums written	687,344	437,864	359,964	407,582	701,950
Net premiums earned	727,109	503,998	372,752	399,339	521,065
Net claims incurred	578,781	431,516	280,402	348,582	445,300
Surplus (Deficit) from insurance operations	14,392	26,692	76,794	(22,681)	4,690
Net income (Loss) for the year before zakat	16,343	(54,115)	12,924	(106,410)	(55,327)

## Comparison of assets and liabilities in form of table:

Figures in thousands of Saudi riyals

Statement of assets (Statement of Financial Position)	2018	2019 (Restated)	2020 (Restated)	2021	2022
<b>Insurance operations assets:</b>					
Cash and cash equivalents	395,539	329,572	309,231	273,127	388,858
Premiums and reinsurers' receivable – net	155,444	86,207	40,896	54,672	85,342
Other assets	96,957	115,773	152,645	128,640	180,873
<b>Total insurance operations assets</b>	<b>647,940</b>	<b>531,552</b>	<b>502,772</b>	<b>456,439</b>	<b>655,073</b>
<b>Shareholders' operations assets:</b>					
Cash and cash equivalents	211,657	177,062	167,207	116,342	67,661
Other assets	27,779	41,014	41,353	41,760	43,236
<b>Total shareholders' operations assets</b>	<b>239,436</b>	<b>218,076</b>	<b>208,560</b>	<b>158,102</b>	<b>110,897</b>
<b>Total assets</b>	<b>887,376</b>	<b>749,628</b>	<b>711,332</b>	<b>614,541</b>	<b>765,970</b>

## Comparison of assets and liabilities in form of table:

Figures in thousands of Saudi riyals

Satement of Liabilities and Shareholders' Equity (Statement of Financial Position)	2018	2019 (Restated)	2020 (Restated)	2021	2022
<b>Insurance operations liabilities:</b>					
Reinsurers' balances payable	6,547	7,811	4,429	984	13,214
Technical reserves	511,354	418,659	374,591	394,515	589,242
Other liabilities	69,782	77,568	73,458	75,881	74,654
<b>Total insurance operations liabilities</b>	<b>587,683</b>	<b>504,038</b>	<b>452,478</b>	<b>471,380</b>	<b>677,110</b>
Insurance operation surplus distribution payable	14,535	14,535	15,409	15,409	15,409
<b>Total insurance operations liabilities and surplus payable</b>	<b>602,218</b>	<b>518,573</b>	<b>467,887</b>	<b>486,789</b>	<b>692,519</b>
<b>Shareholders' liabilities and equity:</b>					
Shareholders' operation liabilities	22,447	28,459	34,799	31,516	35,542
Shareholders' equity	262,711	202,596	208,646	96,236	37,909
<b>Total shareholders' liabilities and equity</b>	<b>285,158</b>	<b>231,055</b>	<b>243,445</b>	<b>127,752</b>	<b>73,451</b>
<b>Total liabilities and shareholders' equity</b>	<b>887,376</b>	<b>749,628</b>	<b>711,332</b>	<b>614,541</b>	<b>765,970</b>



## Geographical Analysis of the Total Revenues of the Company and its Subsidiaries

### Schedule of the distribution of gross written premiums according to the geographical regions of the Kingdom of Saudi Arabia

Figures in thousands of Saudi riyals

Region	2021	2022
Eastern Region	41,298	44,367
Central Region	160,499	199,243
Western Region	214,681	431,162
Other Regions	51,053	117,336
<b>Total</b>	<b>467,531</b>	<b>792,108</b>

**Statement of insurance operations:** Figures in thousands of Saudi riyals

Revenues :	Change Percentage	2021	2022
Gross premiums written	%69	467,531	792,108
Less : Reinsurance premiums ceded and Excess of loss expenses	%50	(59,949)	(90,158)
Net premiums written	%72	407,582	701,950
Changes in unearned premiums, net	%2094	(8,243)	(180,885)
Net premiums earned	%30	399,339	521,065
Reinsurance commissions	%10	8,425	9,279
Other underwriting income	%2007	675	14,223
Investment income	%199	5,478	16,373
Other income	%1953	95	1,950
<b>Total revenues</b>	<b>%36</b>	<b>414,012</b>	<b>562,890</b>

**Costs And Expenses :**

Gross claims paid	%28	390,048	500,604
Reinsurers' share of claims paid	%28	(37,599)	(48,279)
Net claims paid	%28	352,449	452,325

Changes in outstanding claims, net	%23	(3,960)	(4,873)
Changes in claims incurred but not reported, net	%(2414)	93	(2,152)
Net claims incurred	%28	348,582	445,300
Changes in premium deficiency reserve	%(143)	6,700	(2,866)
Changes in other technical reserves	%(115)	4,795	(702)
Policy acquisition costs	%37	22,453	30,714
Other underwriting expenses	%39	48,590	67,431
Allowance for doubtful debts	%(20)	7,016	5,639
Operational general and administrative expenses	%(19)	92,582	74,738
<b>Total Costs And Expenses</b>	<b>%17</b>	<b>530,718</b>	<b>620,254</b>

Deficit from insurance operations	%(51)	(116,706)	(57,364)
Shareholders' share in deficit from insurance operations	%(51)	(116,706)	(57,364)
Policyholders' share in deficit from insurance operations	%0	-	-
<b>Accumulated Surplus at end of the year</b>	<b>%0</b>	<b>15,409</b>	<b>15,409</b>



## Statement of shareholder operations:

Figures in thousands of Saudi riyals

	Change Percentage	2021	2022
Shareholders' share in deficit from insurance operations	(51)%	(116,706)	(57,364)
Investment income	(80)%	12,601	2,559
Other income	%0	-	444
General and administrative expenses	(58)%	(2,305)	(966)
<b>NET LOSS FOR THE YEAR BEFORE ZAKAT</b>	<b>(48)%</b>	<b>(106,410)</b>	<b>(55,327)</b>
Zakat	(50)%	(6,000)	(3,000)
<b>NET LOSS FOR THE YEAR AFTER ZAKAT</b>	<b>(48)%</b>	<b>(112,410)</b>	<b>(58,327)</b>
Loss per share in Saudi Riyals per share	<b>(48)%</b>	<b>(11.24)</b>	<b>(5.83)</b>

The net loss before zakat for the current year decreased by %48 compared to the net loss before zakat for the last year, which is mainly attributed to the increase in the net written premiums by %72 for the current year compared to the last year. In addition, the company has booked other underwriting income of SAR 14.2 million during the current year compared to SAR 675 thousand for the last year. Also, operational general and administrative expenses were decreased by %19, reaching during the current year SAR 74.7 million compared to SAR 92.6 million for the last year. All these factors contributed to decrease the deficit/loss from insurance operations (Operations Results) for the current year by %39.65 despite the increase in net incurred claims by %27.75 for the current year compared to the last year and booking other underwriting expenses in the amount of SAR 67.4 million for the current year compared to SAR 48.6 million for the last year.

# 22

## Description of the Company's Policy in Distributing Dividends

- 1- Article (45) of the Company's Articles of Association states that: The Company shall:
- 2- Allocate the Zakat and legally prescribed income tax.
- 3- Allocate (%20) of the net profits to be a statutory reserve, and the Ordinary General Assembly may suspend this allocation when the total reserve reaches (%100) of the paid-up capital.
- 4- The Ordinary General Assembly, when determining the allocation of shares in the net profits, may decide to form other reserves, to the extent that considers the interest of the Company or ensures the distribution of fixed profits, as much as possible, to the shareholders.
- 5- The Company shall distribute the net annual profits as determined thereby after deducting all general expenses and other costs, and after the formation of the necessary reserves to face doubtful debts, investment losses and emergency obligations that the Board of Directors deems necessary in accordance with the provisions of the Cooperative Insurance Companies Control Law and the provisions issued by the Saudi Central Bank. After deducting the reserves established under the relevant regulations and Zakat, a percentage of no less than %5 of the paid-up capital shall be allocated out of the remainder of the profits, to be distributed to shareholders as proposed by the Board of Directors and as decided by the General Assembly. If the remaining percentage of the profits due to shareholders is not sufficient to pay such percentage, the shareholders may not demand for payment in the following year or years, and the General Assembly may not decide to distribute a percentage of the profits in excess of what was proposed by the Board of Directors.

# 23

## Board of Directors Meetings

		Number of Meetings									Total
	Member's Name	First 3/1/2022	Second 20/1/2022	Third 16/3/2022	Fourth 12/5/2022	Fifth 21/8/2022	Sixth 13/9/2022	Seventh 26/10/2022	Eighth 3/11/2022	Ninth 18/12/2022	9
Previous Board of Directors Meetings started from 25/7/2019 to 24/7/2022	Ahmed Tariq Murad	Attended	Attended	Attended	Attended	Attended	End of cycle	End of cycle	End of cycle	End of cycle	5
	Mazen Ibrahim Abdul Salam	Attended	Attended	Attended	Attended	Attended	End of cycle	End of cycle	End of cycle	End of cycle	5
	Khaled Jabr Al-Zaydi	Attended	Attended	Attended	Attended	Attended	End of cycle	End of cycle	End of cycle	End of cycle	5
	Raed Abdulmalik Al Qasim	Attended	Attended	Attended	Attended	Attended	End of cycle	End of cycle	End of cycle	End of cycle	5
	Akram Omar Jad	Attended	Attended	Attended	Attended	Attended	End of cycle	End of cycle	End of cycle	End of cycle	5
Current Board of Directors Meetings started from 11/9/2022 to 10/9/2025	Montaser Mohammed Foudah	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Attended	Attended	Attended	Attended	4
	Adnan Jameel Khoja	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Attended	Attended	Attended	Attended	4
	Bader Khalid Alanzi	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Attended	Attended	Attended	Attended	4
	Abdullah Adel Sultan	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Attended	Attended	Attended	Attended	4
	Khaled MohammedSalem Bajnaid	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Attended	Attended	Attended	Attended	4
	Mohammed Taha Al-Safi	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Attended	Attended	Attended	Attended	4
	Wael Abdulrahman Albassam	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Board cycle is not formed yet	Attended	Attended	Attended	Attended	4

# 24

## The Number of the Company's Requests Related to the Shareholders' Register, the Dates and Reasons for such Requests

Number of Request	Date of Request	Reasons for Request
1	2022/01/04	Other
2	2022/02/07	Other
3	2022/03/07	Company Procedures
4	2022/03/16	Company Procedures
5	2022/04/03	Company Procedures
6	2022/05/11	Company Procedures
7	2022/05/26	Company Procedures
8	2022/06/09	General Assembly
9	2022/06/16	General Assembly
10	2022/06/23	General Assembly
11	2022/06/26	General Assembly
12	2022/08/04	General Assembly
13	2022/08/11	General Assembly

Number of Request	Date of Request	Reasons for Request
14	2022/08/15	General Assembly
15	2022/08/16	General Assembly
16	2022/08/23	Company Procedures
17	2022/08/28	Company Procedures
18	2022/09/11	General Assembly
19	2022/09/28	Company Procedures
20	2022/11/08	Company Procedures
21	2022/12/08	General Assembly
22	2022/12/15	General Assembly

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## RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel [Key Management Personnel includes all directors, executive and non-executive, and senior management] of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors.

Party Name	Nature of transactions	Amount of transactions For the year ended 31 December	
		2021	2022
In thousands of Saudi riyals			

#### Major shareholder

Salama IAIC – UAE	Payment received on behalf	970	–
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#### Entities controlled, jointly controlled or significantly influenced by member of board of directors

Al Mamoon Insurance Brokers**	Commissions incurred	–	771
Ittihad Insurance Brokers**	Commissions incurred	–	8

\*\* These transactions are from the date of appointment of related directors i.e. 11 September 2022.

#### Related Parties Balances

(Payable) / receivable to the related parties

Salama IAIC – UAE		(970)	–
Al Mamoon Insurance Brokers		–	(884)
Ittihad Insurance Brokers		–	(36)
<b>Total</b>		<b>(970)</b>	<b>(920)</b>

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer and the Chief Financial Officer of the Company.

The following table shows the compensation to Board, committees and the key management personnel for the year ended :

Compensation to the key management personnel	2021	2022
	In thousands of Saudi riyals	
Salaries and other allowances	1,395	4,698
End of service indemnities	1,180	1,295
<b>Total</b>	<b>2,575</b>	<b>5,993</b>

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### Statement of the Value of the Statutory and Due Payments

Numbers are in thousands of riyals

Description	Amount paid	Due until the end of the annual fiscal period and has not been paid	Brief Description	Reasons
Zakat	3,000	30,629	Provision provided during the year	Mandatory
Value Added Tax	95,502	6,697	Value added tax	Mandatory
Withholding Tax	1,469	3	Withholding tax on foreign transfers	Mandatory
General Organization for Social Insurance	3,982	334	Subscription fees	Mandatory
Supervision Fees of Saudi Central Bank – SAMA	3,440	1,024	Supervision fees	Mandatory
Supervision Fees of Council of Health Insurance	1,264	406	Supervision fees	Mandatory
"Costs of visas, passports, labour office fees, and other government expenses"	680	-	Payment of employees fees	Mandatory
Sudi Exchange (Tadawul) service fees	476	3	Subscription fees	Mandatory

**Independent auditors' report  
To the shareholders of SALAMA Cooperative Insurance  
Company (A Saudi joint stock company)**

**Opinion**

We have audited the financial statements of Salama Cooperative Insurance Company (the "Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics, that are endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty related to Going Concern**

We draw attention to note 3(c) in the financial statements, which indicates that the Company accumulated losses reached to SR 62.09 million being %62.09 of its capital (31 December 2021: SR 158.77 million being %63.51 of its capital). The solvency of the Company as of 31 December 2022 has reached (%73.52 :2021) %45.16-. As stated in note 3(c), these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. On 16 August 2022, the Board of Directors recommended an increase in share capital through offering a rights issue with a total value of SR 200 million. Further, on 3 November 2022, Board of Directors have revised the increase in share capital through offering a right issue with a total value of SR 100 million rather than SR 200 million which approved by the shareholders in an extra-ordinary general meeting held on 15 December 2022. Our opinion is not modified in respect of this matter."

**A Note of Appreciation to the Shareholders  
of Salama Cooperative Insurance Company**

The Board of Directors expresses its thanks and appreciation to the Company's valued customers for their valuable trust and is pleased to express sincere thanks and gratitude to all the shareholders, whose shares have played a major role in enhancing the Company's leadership in the Saudi insurance market. The Board also appreciates the Company's management and employees for their sincere efforts during the year.

1. The Account records have been properly prepared.
2. The internal control system is well-built and is being implemented effectively in the best possible way. The Audit Committee found that there is a fundamental weakness in the internal control systems and procedures which established by the company and that the internal control system in the company needs to develop some of its components and it needs to develop appropriate risk control tools applied by the company to keep up with the volume of business and requirements of the company.
3. There is no doubt about the ability of SALAMA Company to continue its activity.
4. No loans on the company.
5. Application of the articles of Corporate Governance Regulations from the Saudi Central Bank. Salama Cooperative Insurance Company has applied all articles of the Corporate Governance Regulation issued by the Saudi Central Bank and the Corporate Governance Regulations issued by the Capital Market Authority (CMA), except for the following articles:

Article 87: The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community. The reason is guiding article not binding.

Article 93(4/B): Five Senior Executives who have received the highest remuneration from the Company, provided that the chief executive officer and chief financial officer are among them. This is partially complied. The company committed to disclose the total elements of the remuneration of the senior executive management in accordance with the statutory requirements of Article 93(4-b) of the Corporate Governance Regulations. To protect the interests of the Company, its shareholders, and its employees, and to avoid any damage that may result from the disclosure in details as per job titles and positions, hence description of remuneration is not presented. pursuant to Appendix (1) Remuneration Schedule of Corporate Governance Regulations related to Senior Executives and that is based on paragraph (B) article (60) of Rules on the offer of Securities and Continuing Obligations.



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