



SALAMA Cooperative Insurance Company

Annual Report 2023



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

Content

- 1 overview of the condition of the Saudi insurance company
- 2 The most important developments of the company
- 3 Corporate Governance
- 4 The Board of directors and committees
- 5 Council Committees for the current session
- 6 Executive management
- 7 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
- 8 Composition of the Board of Directors and Classification of its Members
- 9 Actions Taken by the Board of Directors to Inform its Members of the Shareholders' Recommendations and Comments Regarding the Company and its Performance
- 10 Disclosure of the Remunerations of the Board Members, its committees, and the Executive Management
- 11 Remuneration Policy
- 12 The Relationship between the Remunerations Granted and the Remunerations Policy
- 13 Annual Audit of the Effectiveness of the Company's Internal Control Procedures
- 14 The Company's Social Contributions
- 15 The General Assemblies of Shareholders Held during the Financial Year and the Names of the Board Members Attending these General Assemblies
- 16 Description of the Main Activities of the Company
- 17 The Company's Important Plans and Decisions
- 18 The Company's Risks
- 19 The Company's Assets and Liabilities
- 20 Geographical Analysis of the Total Revenues of the Company and its Subsidiaries
- 21 The Substantial Differences in Operational Results
- 22 Description of the Company's Policy in Distributing Dividends
- 23 Board of Directors Meetings
- 24 The Number of the Company's Requests Related to the Shareholders' Register, the Dates and Reasons for such Requests
- 25 Contracts and Business Relevant to Related Parties
- 26 A Statement of the Value of the Paid and Due Regular Payments
- 27 Auditor's Opinion
- 28 Conclusion
- 29 Representations

1

About the Company

SALAMA Cooperative Insurance Company is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030169661 dated 1428/05/06 AH, the company was established based on the Council of Ministers Resolution No. 223 dated 1427/09/16 AH and based on the Royal Decree No. M/60 dated 1427/9/18 AH with a capital of 250 million riyals fully paid. In 2023, the company increased its capital from 100 million to 200 million, after the approval of the extraordinary general assembly on 2023/11/05.

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 reached 33 products, divided into two main activities: general insurance and health insurance, and the company practices all its activities in accordance with the laws and regulations of cooperative insurance applied in the Kingdom of Saudi Arabia.



33 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

The year 2023 witnessed a qualitative leap in the design and development of human resources systems, development programs, job attraction and path-mapping for employees, initiating and implementing job replacement plans, which contributed to the high rate of Emiratization, and this contributed to achieving the annual target for the Emiratization percentage, Where the company was classified within the platinum range and elite customers at the Ministry of Human Resources and Social Development for the same year, The company contributed to the training of 179 employees in many training workshops, including (Personal Data Protection Law - General Insurance Products - Fraud Claims Raising Awareness - Cybersecurity Awareness - National Data Office Management - Governance in the Insurance Sector - Awareness of the work and role of internal auditing), 26 employees were qualified to obtain a certificate of practicing insurance, in cooperation with the Ministry of Human Resources within the support programs for the sons and daughters of the country with the aim of on-the-job training, and the company contributed to the training of 53 and attracted 26 of them. A voluntary turnover rate of %11 has also been maintained, reflecting the efficiency and attractiveness of the work environment in light of the company's expense reduction plan, and all of the above, along with other measures and policies taken by the company, have led to maintaining the overall level of performance.



179

Training Workshops

Customer Care Department:

The Customer Care Department is interested in keeping pace with the developments of the Saudi insurance market, at the level of the legislator (Insurance Authority) and competing insurance companies, and due to the high importance of the customer to the company, we are working to enable our team to compete fairly through the services provided.. The Customer Care segment includes two departments:

Call Center

Complaints

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:

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.

Sales

Overview:

Our vision has always been to expand and thrive in profitable segments, specifically in corporate and general lines accounts. Through our strategic business plan, we have successfully achieved our goals in both the corporate and retail channels. Our overall business plan has been surpassed by an impressive %116, with corporate accounts reaching %102 and retail accounts achieving %119. This remarkable accomplishment is a testament to our dedication and hard work in providing exceptional services to our clients. We will continue to strive towards growth and success in these key areas, as we believe they are crucial for the sustained growth of our company. We are proud of our achievements and look forward to further progress in the future.

Lines of business:

In the year 2023, the general lines witnessed a remarkable exponential growth of %81. This significant increase can be attributed to a combination of factors including effective sales strategies, economic developments leading to increased demand for various products, and technological advancements. However, two mandatory lines, medical and motor, experienced a decline of %1 and %4 respectively. This decline can be attributed to various factors such as increased competition, high loss ratios, and changing retail consumer preferences towards online platforms. Looking ahead, it is evident that the general lines and medical SME portfolios will play a crucial role in maintaining companies' profitability. As a result, we are continuously adapting our sales strategies to focus on these areas and capitalize on their potential for growth. With our strong commitment to innovation and customer-centric approach, we are confident in our ability to navigate these challenges and drive further success in the years to come.

Channels:

The channel-wise performance in 2023 indicates that the corporate sector has shown a significant growth of %29 in branch sales, while there has been a decline of %24 in retail point of sales and %3 in retail aggregator channel. However, the ECommerce and telesales has shown a remarkable growth of %88 and %65 respectively, indicating a clear shift towards digital transformation in the retail industry. This trend suggests that the future will see a major portion of retail sales being routed through digital channels. While this presents great opportunities, it also poses a major challenge as the digital market is highly competitive and price-driven. As a result, maintaining profitability in this sector will require innovative strategies and a strong focus on cost management. The key to success in this era of digital transformation will be to strike the right balance between price competitiveness and profitability.

Marketing and communications

In the Marketing and Communications department, we have focused heavily on using social media as a regular marketing tool for our products. This includes posting content related to the insurance products provided by SALAMA or participating in discounts and campaigns issued by the Central Bank, such as the "Najm Amen Taslam" campaign or discounts on the Foundation Day in general. But that is not all. We have also made it a point to keep up with international days, which have positively impacted internal communication and strengthened the bond between employees and other departments within the company. Furthermore, as part of our social responsibility, the Marketing and Communications team participated in several visits, the most notable being the visit to the First Autism Center and the Association for Disabled Children at the King Abdullah Center in Jeddah. SALAMA employees also took part in a blood donation campaign.

However, in 2023, SALAMA committed to enhancing its image in the market through the international awards it received throughout the year. These awards helped create a positive perception among clients.

Strengthening internal and external



Operation Department

A) Insurance Products:

SALAMA Cooperative Insurance Company has 33 insurance products that keep pace with the changes and developments in the Saudi insurance market to meet the different segments of customers and to achieve financial inclusion and provide insurance products compatible with the needs of customers and the company's strategy.

B) General Insurance:

Salama Cooperative Insurance Company provides integrated insurance solutions in the field of cooperative insurance, and the operational plan has been developed to increase productivity in general insurance products while maintaining appropriate loss ratios to ensure profitability, and where Salama Cooperative Insurance Company carries out all its activities in accordance with the rules and regulations in force in cooperative insurance in the Kingdom of Saudi Arabia and authorized by the Insurance Authority.

C) Health Insurance:

It is worth noting that Salama Cooperative Insurance Company aims to provide medical service and health care with the highest standards of quality and professionalism, as it seeks, in turn, with the Medical Claims Management Company GlobeMed to ensure that the required services are met for all target segments, and as the company has developed its products to meet the demands of the owners of institutions and small, medium and large companies in line with the terms and conditions of the product.

D) Motors Insurance:

The motor insurance management team has sufficient experience and competence to assess the insurance risks facing individuals and commercial fleets and meet the needs of various categories of customers, including the comprehensive insurance product in its typical form stipulated by the Insurance Authority and the compulsory motor insurance product (third-party insurance) in its official form issued by the Insurance Authority, and the Motor Insurance Department applies the best practices compatible with the Saudi market and provides its services to customers through most channels, including electronic channels, to facilitate the process of customer access For insurance services and products appropriate to their needs, the Motor Insurance Department works to automate work systems to increase productivity and raise the efficiency of national cadres in the field of motors insurance.

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	Credit Rating	
	S & P	A.M Best \Moody`
Swiss Re, Zurich.	AA-	
SCOR, Paris	AA-	
Hannover Re, Bahrain	A	
CCR, France	A	
Saudi Re, Riyadh		A3
Aspen Re, Zurich	A	
Chaucer, UK	A	
Echo Re, Zurich	A-	
RGA, Dubai	AA-	

Information Technology Department

The Information Technology Department at SALAMA Cooperative Insurance Company is an enabler and development of the technical future of all insurance requirements in the Kingdom of Saudi Arabia to reach a peak and beyond, through different stages of digital transformation and continuous change to adopt the volatile Saudi insurance market that meets the requirements of the Saudi Arabian Monetary Agency and beyond.

The objectives of information technology in Salama Cooperative Insurance Company lie in the following:

- Develop an effective practical environment to adopt variables
- Automate and optimize all workflows
- Manifestation to achieve the customer's goal
- Achieving Vision 2030 to the fullest

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.

Cybersecurity Department

Salama Cyber Security main objective is to maintain the CIA (Confidentiality, Integrity & Availability) triad in a 365/7/24 scale, as well as ensuring that all related policies and procedures are well-communicated with strong enforcement in alignment with SAMA CSF (Cyber Security Framework) to meet a certain maturity level. In addition, we bring the best-of-breed security solutions to protect all tangible and intangible assets of SALAMA along with qualified and high caliber professionals to mitigate the risk of emerging cyber threats. Lastly, cyber security works diligently with all stakeholders to educate all SALAMA employees as they are our first line of defense and provide them with the robust and sensible cyber security awareness training to protect themselves, their families and SALAMA in general against any types of cyber threats.



Internal Audit

The Internal Audit Department is the company's third line of defense. It 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.



Fraud Department

Salamah Cooperative Insurance Company places great emphasis on combating fraud, as it is a vital issue for insurance companies. Companies must work diligently to address this risk, both internally and externally, by raising awareness of the importance of combating fraud. This includes conducting training courses for employees and spreading awareness messages that highlight the danger of fraud.

The company continues its ongoing efforts to safeguard its capabilities and achievements by adhering to all regulatory requirements. The company is also seeking to innovate solutions that align with the evolving methods of fraud in all its forms. This aims to ensure the company's continuity and protect its assets and the interests of its clients.

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.

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.

Risk Management

SALAMA defines a risk as an event with either a positive or negative impact on SALAMA business, which may have internal or external sources and vary in complexity.

SALAMA operates by implementing a common approach to risk management across the company. Increases risk awareness. It ensures proper risk management through the participation of all individuals in the company in the risk management process.

Expected Future Risks

As Salama is operating in the insurance and investment, Salama may face various types of risks, such as:

Insurance Risk	It is the risk related to the assessment and acceptance of insurance risk.
Reinsurance Risks	It is the risk associated with when a reinsurer fails to meet its obligations.
Product development Risk	Risk related to changes to an existing product. These changes may affect product coverage and requirements.

Insurance Risk	It is the risk related to the assessment and acceptance of insurance risk.
Reinsurance Risks	It is the risk associated with when a reinsurer fails to meet its obligations.
Product development Risk	Risk related to changes to an existing product. These changes may affect product coverage and requirements.

Claims Management Risk	It is the risk related to the payment of claims to policyholders on the basis of policy coverage.
Pricing Risk	It is the risk resulting from the process by which the company tries to determine the appropriate premium price.

Liquidity Risk	It is the risk related to the inability to liquidate assets quickly enough without sacrificing part of the value of the assets.
IT Risk	It is the risk caused by the technology used by the company to operate its core operations such as sales, insurance and claims management.
Cybersecurity Risks	It is any risk that causes a defect or damage to the reputation of the organization from data breaches and the security of its information.
Outsourcing Risk	It is the risk related to the assessment and acceptance of insurance risk.

Corporate Governance Risks	Risks related to rules that dictate how rights and responsibilities are shared between different shareholders of companies, directors, core directors and other financial shareholders.
Business Continuity Risk	It is the risk related to business interruption due to fire or failure of systems and lack of readiness to restore them in sufficient time to avoid losses.
Non-Compliance Risk	The risk of regulatory sanctions, as a result of its failure to comply with laws and regulations.

Corporate Governance

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

Members of the current Board of Directors as of 2022/9/11



Mr. Montaser Mohammed Foudah

Independent Member

Current Positions:

Chairman of Board of Directors at Salama Cooperative Insurance Company
Chairman of the executive committee at Salama Cooperative Insurance Company
Member of the risk committee at Salama Cooperative Insurance Company
Chief Governance and Compliance Officer – sedco capital

Previous Positions:

Head of Governance, Compliance & MLR- NBK Wealth Management Company
Head of Risk, Compliance & MLR and Secretary of the Board- NBK Wealth Management Company
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 – Riyad Bank

Qualifications:

Bachelor of Science Degree in Business Administration – King Abdulaziz University

Experience:

Head of Governance, Compliance & MLR- NBK Wealth Management Company
Head of Risk, Compliance & MLR and Secretary of the Board- NBK Wealth Management Company
Head of Custody and Awqaf Division - Alkhabeer Capital 2016 - 2007
Deputy Chief Risk and Compliance Officer - Alkhabeer Capital 2016 - 2007
Head of Compliance and Governance department. - Alkhabeer Capital 2016 - 2007
Vice president – Wealth Management - Alkhabeer Capital 2016 - 2007
Senior Client Advisory Manager – The National Commercial Bank 2007 - 2003
Client Advisory Manager – The National Commercial Bank 2007 -2003
Investment Marketing Officer – Riyad Bank 1999 2003 -



Mr. Adnan Jameel Khoja

Non-Executive Member

Current Positions:

Vice chairman of the Board of Directors at Salama Cooperative Insurance Company

Chairman of the risk committee at Salama Cooperative Insurance Company

Member of the nomination and remuneration committee 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 2011-2004

Manager Medical Underwriting at Tawuniya Insurance Company -1994-2003

Insurance Coordinator in Saudi Aramco 1994-1994

Insurance Coordinator in SAMREC 1993-1991

Assistant Legal Advisor in Petromin Jet Company 1991-1987



Mr. Bader Khalid Alanzi

Executive Member

Current Positions:

Member of the Board of Directors at Salama Cooperative Insurance Company

Member of the executive committee at Salama Cooperative Insurance Company

Member of the investment committee 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 2021-2016

Deputy CEO & Chief Financial Officer (CFO) - Solidarity Saudi Takaful Company 2016-2013
Accounts Payable Manager – MAADEN -2012-2013

Payables Management Manager - Tawuniya Insurance Company 2012-2010

Financial Controller & Treasury Analyst - Saudi Telecom Company (STC) 2005-2002
Operations Officer - Riyadh Bank 2002-2001



Mr. Khalid Mohammed Salem Bajnaid

Independent Member

Current Positions:

Member of the Board of Directors at Salama Cooperative Insurance Company

Chairman of the investment committee at Salama Cooperative Insurance Company

Member of the executive committee at Salama Cooperative Insurance Company

Member of the audit committee – Saudi bio acids company

Previous Positions:

CFO – Arch capital company

Deputy CFO at Salama Cooperative Insurance Company

Deputy of Finance operation & Custody Departments – Alawwal Capital Company

Financial Controller – Saudi Economic & Development Company (SEDCO)

AVP For Financial & Administration Department – Project Management & development Co.

Accounting Manager – Saudi Research & Publication Company

Senior Expert at Arthur Anderson Financial Audit & Advisory- Arthur Andersen & Co.

Qualifications:

Bachelor of Economics & Administration: Accounting – King Abdulaziz University 1993

Experience:

CFO – Arch capital company

Deputy CFO at Salama Cooperative Insurance Company

Deputy of Finance operation & Custody Departments – Alawwal Capital Company

Financial Controller – Saudi Economic & Development Company (SEDCO)

AVP For Financial & Administration Department – Project Management & development Co.

Accounting Manager – Saudi Research & Publication Company

Senior Expert at Arthur Anderson Financial Audit & Advisory- Arthur Andersen & Co.



Mr. Abdullah Adel Sultan

Independent Member

Current Positions:

Member of the Board of Directors at Salama Cooperative Insurance Company

Member of the nomination and remuneration committee at Salama Cooperative Insurance Company

Member of the investment committee at Salama Cooperative Insurance Company

Chief Executive Officer- Kingdom Brokerage for Insurance

Previous Positions:

Chief Executive Officer – Ittihad Insurance Brokers

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 Executive Officer – Ittihad Insurance Brokers

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
Chairman of the audit committee 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
Chairman of the nomination and remuneration committee at Salama Cooperative Insurance Company
Member of the risk committee at Salama Cooperative Insurance Company
VP & Head of Learning & Development - Bank Aljazira

Previous Positions:

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

Risk Committee

Audit Committee

Investment Committee

Risk Committee



Executive Committee

	Name	Membership Nature	Number of Meeting 6					
			First 19/01/2023	Second 20/02/2023	Third 11/04/2023	Fourth 18/06/2023	Fifth 06/09/2023	Sixth 17/12/2023
Current Executive Committee Member as of 11/9/2022	Montaser Mohammed Foudah	Committee Chairman, Independent Member	✓	✓	✓	✓	✓	✓
	Bader Khalid Alanzi	Executive Member	✓	✓	✓	✓	✓	✓
	Khalid Mohammed Salem Bajnaid	Independent Member	✓	✓	✓	✓	✓	✓

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 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.



Risk Committee

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, considering 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.

- 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.

	Name	Membership Nature	Number of Meeting (3)		
			First 18/06/2023	Second 10/09/2023	Third 23/12/2023
Current Risk Committee	Adnan Jamel Khoja	Committee Chairman non-executive Member	✓	✓	✓
	Montaser Mohammed Foudah	Independent Member	✓	✓	✓
	Wael Abdulrahman Albassam	Independent Member	✓	✓	✓

Name	Membership Nature	Number of Meeting						
		First 14/02/2023	Second 08/03/2023	Third 08/05/2023	Fourth 20/06/2023	Fifth 06/08/2023	Sixth 27/11/2023	Seventh 20/12/2023
Mohammed taha alsafi	Committee Chairman Independent Member	✓	✓	✓	✓	✓		
Ayed mater alqethami	External Member	✓	✓	✓	✓	X		
Mater Saud AlAnzi	External Member	✓	✓	✓	✓	✓		

Current Audit Committee as of 20/11/2023

Mohammed taha alsafi	Committee Chairman Independent Member						✓	✓
Ghassan Omar Shuaibs	External Member						✓	✓
Salah Muhammad Barbara	External Member						✓	✓
Noha Abdulgani Slimani	External Member						✓	✓

Brief Description of the Competence 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 practiced 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 26/02/2023	Second 25/09/2023
Current Investment Committee Member	Khaled Muhammed Salem Bajnaid	Committee Chairman, Independent Member	✓	✓
	Abdullah Adel Sultan	Independent Member	✓	✓
	Bader Khalid Alanzi	Executive Member	✓	✓

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 09/05/2023	Second 23/12/2023
Current Committee Member	Wael Abdulrahman Albassam	Committee Chairman, Independent Member	✓	✓
	Abdullah Adel Sultan	Independent Member	✓	✓
	Adnan Jamel Khoja	Non-Executive Member	✓	✓

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 if 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 program 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, as of December 1, 2021

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, Riyadh 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

Chief Technical Officer, 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

Experiences:

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



Christopher Andrew Radcliffe

Internal Actuary Expert Cooperative Insurance Company

Previous Positions:

Senior Actuarial Manager, GIG Gulf, Bahrain. Chief Actuary, Takaud, Bahrain. Actuary, Aon, UK. Actuary, Mercer, UK.
Financial Controller and Treasury Analyst, Saudi Telecom Company (STC), September 2010-2002
Operations Manager, Riyad Bank, 2002-2001

Qualifications:

Fellow of the Institute and Faculty of Actuaries, UK. Fellow of the Society of Actuaries, USA. BSc (Hons) Mathematical Sciences, The Open University, UK/.

Experience :

2010 – 2002: Associate Consultant, WYG, Leeds, UK. Regulatory compliance specialist.
2011 – 2010: Oriental Consultants, seconded to Ministry of Municipalities and Urban Planning, Doha, Qatar.
Economic and Demographic studies:
2016 – 2011: Actuarial Analyst, Mercer, Leeds, UK. Actuarial Consulting

Services

2017 – 2016: Associate Actuary, Aon, Leeds, UK. Actuarial Consulting Services

2021 – 2017: Chief Actuary, Takaud, Bahrain. Investment Services Company
2023 – 2021: Senior Actuarial Manager, GIG Gulf, Bahrain. Motor, Medical and P&C Insurance. IFRS17 implementation.

2023 – present: Salama Cooperative Insurance Company, Head of Actuarial. Motor, Medical and P&C Insurance. IFRS17 implementation.

Education:

BSc (Hons) Mathematical Sciences, The Open University, UK, 2005
Certificate in Finance and Investment, Institute and Faculty of Actuaries, UK, 2014

Diploma in Actuarial Techniques, Institute and Faculty of Actuaries, UK, 2014

Fellow, Institute and Faculty of Actuaries, UK, 2017

Fellow, Society of Actuaries, USA, 2021.



Hani Ghazi Saeed Bahadi

Chief of Sales, Salama Cooperative Insurance Company

Previous Positions:

Regional Manager for the Western Region (Alinma Tokio Marine Company).

- Business Development Manager (Alinma Tokio Marine Company).

- Branch Manager (Takaful Al Rajhi Insurance Company).

Qualifications:

Bachelor of Marine Physical Sciences.

Experiences:

Regional Manager for the Western Region (Alinma Tokio Marine Company) for the period from February 2014 to April 2023.

Business Development Manager (Alinma Tokio Marine) for the period from November 2013 to February 2014.

Branch Manager (Al Rajhi Takaful Company) for the period from October 2011 to October 2013.



Noman Jamil Idris Benten

Chief Information Officer, Salama Cooperative Insurance Company

Previous Positions:

- IT Manager
- Director of the Master's Program in Information Systems
- IT Manager for Technical Units
- Director of Information Technology for governorates and sub-municipalities
- Director of Organizational Change Management in SAP System
- Director of Information and Communication Technology
- Service Manager
- Acting Director General
- Chief Information Technology Officer
- Senior Network Engineer
- Second Technical Analyst

Qualifications:

- PhD in Computer Science
- Masters in computer science
- Bachelor of Computer Science
- Bachelor of Mathematics

Experience:

- Salama Cooperative Insurance Company
- Director of Digital Information Department
- March 2023 – On the job
- Red Sea Cruise Company
- IT Manager
- January 2021 – February 2023

Dar Al-Hekma University

- Director of the Master's Program in Information Systems
- August 2018 – December 2020 Salama Cooperative Insurance Company
- Director of Digital Information Department
- June 2016 – February 2018 Blacksmith Company
- Director of Organizational Change Management in SAP System
- Director of Information and Communication Technology
- Service Manager
- June 2012 – May 2016 Jeddah Municipality
- IT Manager for Technical Units
- Director of Information Technology for governorates and sub-municipalities
- May 2009 – May 2012 Telecom Services Company
- Acting Director General
- Chief Information Technology Officer
- October 2007 – December 2008 Kent State University, USA
- Research Assistant
- March 2000 – December 2006 IBM Saudi Arabia
- Senior Network Engineer
- August 1996 – December 1999 Presidency of Civil Aviation
- Second Technical Analyst
- August 1994 – July 1996



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



Ali Jaafar Ahmed Altahaifa

Chief Finance Officer, Salama Cooperative Insurance Company

Previous Positions:

Chief Financial Officer, Head of Finance and Accounting, Chief Financial Officer, Chief Accountant, Chief Financial Officer, Credit Controller and Payments Manager.

Qualifications:

Bachelor of Finance, MBA, CFO

Experience:

Salama Cooperative Insurance Company, Jeddah, KSA| Chief Financial Officer (CFO) Aug'23 – till date Chief Financial Officer NextCare Saudi Arabia Nov'21 – July'23 Chief Financial Officer Middle East &

North Africa Olayan Saudi Holding Company – Food Sector Mar'21 – Nov'21
Chief Financial & Accounting Officer Najm Insurance Services Nov'18 – Mar'21
Senior Accountant and Financial Manager Saudi Technical Institute for Electricity Services Apr'15 – Oct'18
Credit Controller General Company for Equipment and Trading Jul'13 – Mar'15
Payments Manager Algozaibi Hotel Apr'12 – Jul

7

companies inside or outside the kingdom wherein a member of the company's board of directors is a member of its current of directors or one of its directors.

Names of the current board of directors as of 11-09-2022 to 10-09-2025	current membership in board of directors 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
Montaser Mohammed Foudah	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)	—	—	—
Adnan Jamel Khoja	Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	—	—	—
Bader Khalid Alanzi	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
Khaled Muhammed Salem Bajnaid	Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	—	—	—
Abdullah Adel Sultan	Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	—	—	—
Mohammed Taha Al-Safi	Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	—	—	—
Wael Abdulrahman Albassam	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)	—	—	—

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

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

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

9

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 2022				Fiscal year 2023			
	Subject and reason of the violation	Number of executive decisions	Total amount of fines Saudi riyals	Ways of remedying it and avoiding its occurrence in the future	Subject and reason of the violation	Number of executive decisions	Total fines amount in Saudi riyals	Ways to treat and avoid its occurrence in the future
Saudi Central Bank	Violating SAMA's supervisory instruction	4	360,000	The company will comply with rules and regulation from the Saudi central bank	Violating SAMA's supervisory instruction	1	45,000	The company will comply with rules and regulation from the Saudi central bank
	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.	—	—	—	—
Council of health insurance	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.	—	—	—	—

Ownership of major shareholders and members of the board of directors

Major shareholder	Board of directors
Abdullah Mohammed Abdulaziz Alruaitea	None

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

Current Executive Committee

Mountasar Mohammed Foudah	0	12,000
Bader Khalid Alanzi	0	12,000
Khaled Mohammed Salem Bajnaid	0	12,000
Total	0	36,000

Current Investment Committee

Khaled Mohammed Salem Bajnaid	0	4,000
Bader Khalid Alanzi	0	4,000
Abdullah Adel Sultan	0	4,000
Total		12,000

Current Risk Committee

Adnan Jamel Khoja	0	6,000
Mountasar Mohammed Foudah	0	6,000
Wael Abdulrahman Albassam	0	6,000
Total		18,000

Current Nomination and Remuneration Committee

Wael Abdulrahman Albassam	0	4,000
Abdullah Adel Sultan	0	4,000
Adnan Jamel Khoja	0	4,000
Total		12,000

Previous Audit Committee

Mohammed Taha Alsafi	0	10,000
Mater Alenazy	0	10,000
Ayed Algithami	0	8,000
Total		28,000

Current Audit Committee

Mohammed taha alsafi	0	4,000
Ghassan Omar Shuaib	0	4,000
Salah Muhammad Barbara	0	4,000
Noha Abdulgani Slimani	0	4,000
Total		16,000



Nomination and Remuneration Committee

Fixed Remuneration

Current Board members started as of 11-09-2022 to 10-09-2025	Certain amount	Total board Meeting allowance	Total committees meeting allowance	Benefits in kind	Statements of board members received as works or administrative or received for technical or administrative or consultation	Remuneration of the chairman of the board, the managing directors, or the secretary of if he is a member	Total
Montaser Mohammed Foudah	–	15000	18000	–	–	–	33000
Adnan Jamel Khoja	–	15000	10000	–	–	–	25000
Bader Khalid Alanzi	–	15000	16000	–	–	–	31000
Khaled MuhammedSalem Bajnaid	–	15000	16000	–	–	–	31000
Abdullah Adel Sultan	–	15000	8000	–	–	–	23000
Mohammed Taha Al-Safi	–	15000	10000	–	–	–	25000
Wael Abdulrahman Albassam	–	15000	10000	–	–	–	25000
Total	–	105000	88000	–	–	–	193000

Variable Remuneration

current Board members as of of 11-09-2022 to 10-09-2025	Profit percentage	Periodic remuneration	Short-term incentive plan	Long-term incentive plan	Granted shares (value is entered)	Total	Severance package	Total summation	Expenses allowance
Montaser Mohammed Foudah	–	–	–	–	–	–	–	33000	–
Adnan Jamel Khoja	–	–	–	–	–	–	–	25000	–
Bader Khalid Alanzi	–	–	–	–	–	–	–	31000	–
Khaled MuhammedSalem Bajnaid	–	–	–	–	–	–	–	31000	–
Abdullah Adel Sultan	–	–	–	–	–	–	–	23000	–
Mohammed Taha Al-Safi	–	–	–	–	–	–	–	25000	–
Wael Abdulrahman Albassam	–	–	–	–	–	–	–	25000	–
Total	–	–	–	–	–	–	–	193000	–

The previous session started on 2019/07/25 and ended on 2022/07/24

Member name	Fixed Remunerations					Amount received by the board members under their capacity as employees and administrators, or amount received by the board member due to their technical, administrative or consulting works	Remuneration to the Board Chairman, Managing Director or Board Secretary, if he is a member	Total	Variable Remunerations						End of service indemnity	Gross Total	Expenses allowance reimbursement
	Specified amount	Meeting attendance fees	Total committees attendance fees	In kind benefits	Percentage from income				Periodic rewards	Short term incentive plans	Long term incentive plans	Granted shares	Total				
Independent board members																	
Ahmed Tariq Murad	Chairman	-	-	-	-	-	144,983	144,983	-	-	-	-	-	-	-	144,983	-
Mazen Ibrahim Abdul Salam	Member	-	-	-	-	-	96,649	96,649	-	-	-	-	-	-	-	96,649	-
Raed Abdulmalik Al Qassim	Member	-	-	-	-	-	96,649	96,649	-	-	-	-	-	-	-	96,649	-
Akram Omar Jad	Member	-	-	-	-	-	96,649	96,649	-	-	-	-	-	-	-	96,649	-
Khaled Jaber Al Zaidi	Member	-	-	-	-	-	96,649	96,649	-	-	-	-	-	-	-	96,649	-
Gross total		-	-	-	-	-	531,579	531,579	-	-	-	-	-	-	-	531,579	-

The current session

started from 2022/09/11 till 2025/09/10

Member name	Fixed Remunerations						Amount received by the board members under their capacity as employees and administrators, or amount received by the board member due their technical, administrative or consulting works	Remuneration to the Board Chairman, Managing Director or Board Secretary, if he is a member	Total	Variable Remunerations						End of service indemnity	Gross Total	Expenses allowance reimbursement
	Specified amount	Meeting attendance fees	Total committees attendance fees	In kind benefits	Percentage from income	Periodic rewards				Short term incentive plans	Long term incentive plans	Granted shares	Total					

A - Independent board members

Mountasar Mohammed Foudah	Chairman	-	15,000	20,000	-	-	63,861	98,861	-	-	-	-	-	-	-	98,861	-
Abdullah Adel Sultan	Member	-	15,000	8,000	-	-	42,572	65,572	-	-	-	-	-	-	-	65,572	-
Khaled Mohammed Salem Bajnaid	Member	-	15,000	18,000	-	-	42,572	75,572	-	-	-	-	-	-	-	75,572	-
Wael Abdulrahman Albassam	Member	-	15,000	-	-	-	42,572	57,572	-	-	-	-	-	-	-	57,572	4,000
Mohammed Taha Alsafi	Member	-	15,000	14,000	-	-	42,572	71,572	-	-	-	-	-	-	-	71,572	-
Total		-	75,000	60,000	-	-	234,149	369,149	-	-	-	-	-	-	-	369,149	4,000

B – Non executive board members

Adnan Jameel Khoja	Member	-	15,000	10,000	-	-	42,572	67,572	-	-	-	-	-	-	-	67,572	-
Total		-	15,000	10,000	-	-	42,572	67,572	-	-	-	-	-	-	-	67,572	-

C – Executive board members

Bader Khalid Alanzi	Member	-	15,000	18,000	-	3,555,129	42,572	3,630,701	-	-	-	-	-	-	268,428	3,899,129	-
Total		-	15,000	18,000	-	3,555,129	42,572	3,630,701	-	-	-	-	-	-	268,428	3,899,129	-
Gross total		-	105,000	88,000	-	3,555,129	319,293	4,067,422	-	-	-	-	-	-	268,428	4,335,850	4,000

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	4,423	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	4,423	0	0	0	0	0	0	266	76	4,764

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.

Second:

The committee did not notice any significant issues that would necessitate disclosure regarding the safety of the financial and accounting systems and their relevance to financial reporting. Based on the committee's meetings with the external auditor, internal auditor, and executive management, as well as the reports and explanations received, the committee believes that the current internal control system is functioning acceptably, with a need to improve its effectiveness for the past fiscal year.

It should be noted that no matter how sound the design and effective the implementation of any internal control system, it cannot provide absolute assurance.

Third: The Committee's opinion on the adequacy of internal

control systems

The committee did not notice any significant issues that would necessitate disclosure regarding the safety of the financial and accounting systems and their relevance to financial reporting.

Based on the committee's meetings with the external auditor, internal auditor, and executive management, as well as the reports and explanations received, the committee believes that the current internal control system is functioning acceptably, with a need to improve its effectiveness for the past fiscal year.

It should be noted that no matter how sound the design and effective the implementation of any internal control system, it cannot provide absolute assurance.

14 The Company's Social Contributions

Throughout the year of 2023, 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

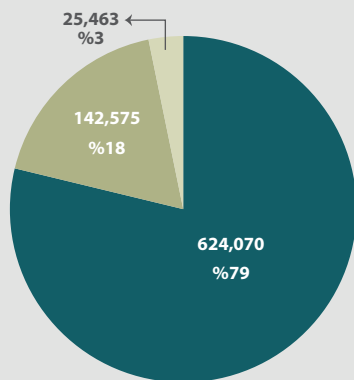
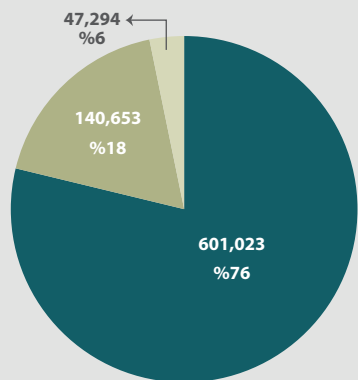
General Assembly			
Attendance Record	First meeting 2023/02/08	Second meeting 2023/06/06	Third meeting 2023/06/06
Mountasar Mohammed Foudah	Attended	Attended	Attended
Adnan Jamel Khoja	Attended	Attended	Attended
Bader Khalid Alanzi	Attended	Attended	Attended
Khaled Mohammed Salem Bajnaid	Attended	Attended	Attended
Abdullah Adel Sultan	Attended	Attended	Attended
Mohammed Taha Alsafi	Attended	Attended	Attended
Wael Abdulrahman Albassam	Attended	Attended	Attended

16 Description of the Main Activities of the Company

Activity	Total GWP for the year 2023 (Thousands of Saudi Riyals)	Percentage %	Total GWP for the year 2022 (Thousands of Saudi Riyals)	Percentage %
Activity (1) Motor insurance	601,023	%76	624,070	%79
Activity (2) Medical insurance	140,653	%18	142,575	%18
Activity (3) Other insurances	47,294	%6	25,463	%3
Total	788,970	%100	792,108	%100

Total revenues for the year 2023
(Thousands of Saudi Riyals)

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



Total 788,970

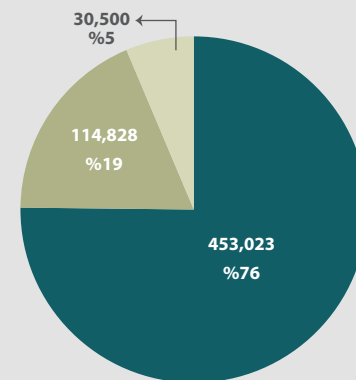
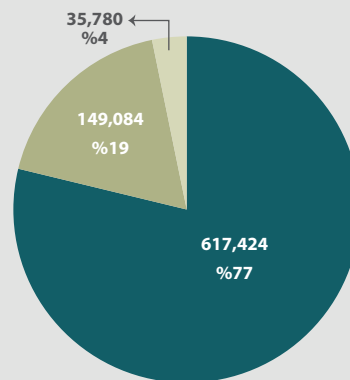
Total 792,108

■ Motor insurance ■ Medical insurance ■ Other insurances

Activity	Total revenues for the year 2023 (Thousands of Saudi Riyals)	Percentage %	Total revenues for the year 2022 (Thousands of Saudi Riyals)	Percentage %
Activity (1) Motor insurance	617,424	%77	453,023	%76
Activity (2) Medical insurance	149,084	%19	114,828	%19
Activity (3) Other insurances	35,780	%4	30,500	%5
Total	802,288	%100	598,351	%100

Total revenues for the year 2023
(Thousands of Saudi Riyals)

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



Total 802,288

Total 598,351

■ Motor insurance ■ Medical insurance ■ Other insurances

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:
- 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.

18 The Company's Risks

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

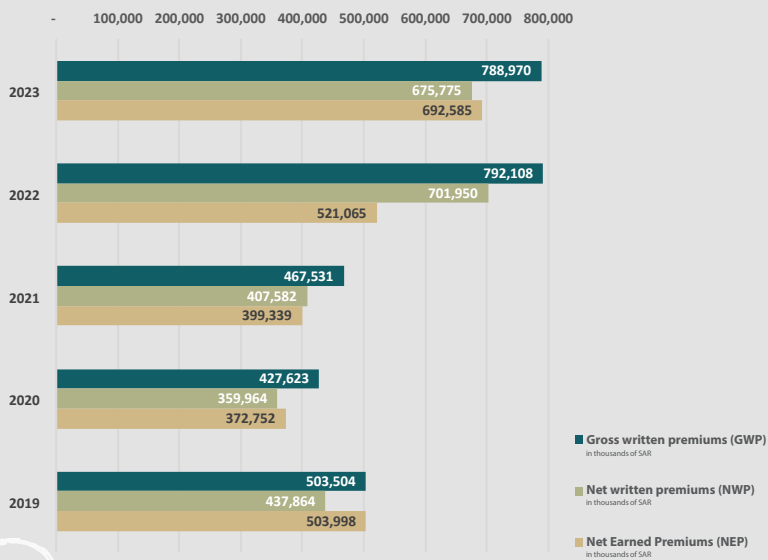
The following are the most important financial indicators of the company, which start from 01\01\2023 until 31\12\2023 (twelve months) as stated in the company's bylaws.

- 1- Net profit for the period amounted to SAR 51,302 thousand, and loss per share amounted to SAR 3.2 per share.
- 2- The company achieved Gross Written Premiums (GWP) of SAR 788,970 thousand.
- 3- Net earned premiums (NEP) amounted to SAR 675,775 thousand.
- 4- Net claims incurred during the period amounted to SAR 519,728 thousand.

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

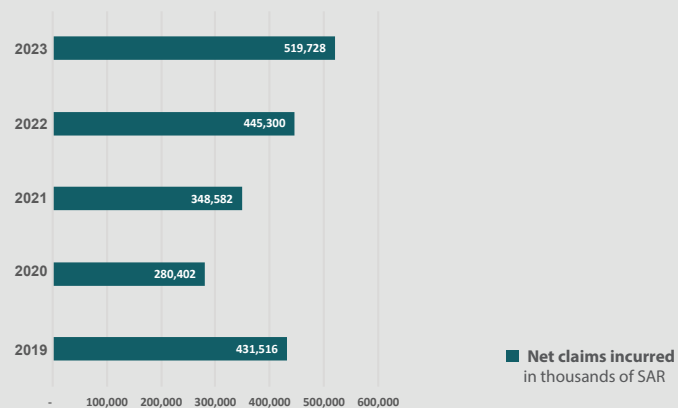
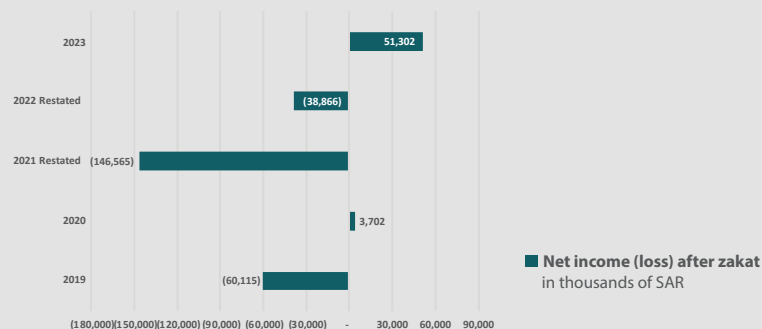
in thousands of SAR

	2023	2022	2021	2020	2019
Gross written premiums (GWP)	788,970	792,108	467,531	427,623	503,504
Net written premiums (NWP)	675,775	701,950	407,582	359,964	437,864
Net Earned Premiums (NEP)	692,585	521,065	399,339	372,752	503,998



Numbers are in thousands of riyals

	2019	2020	2021	2022	2023
Net claims incurred	431,516	280,402	348,582	445,300	519,728
Net income (loss) after zakat	(60,115)	3,702	(112,410)	(58,327)	51,302



in accordance with IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) currently implemented

Numbers are in thousands of riyals

Statement of business results (Statement of Income)	2023	2022 (Restated)
Insurance Revenues	802,288	598,351
Result of Insurance Services	78,322	(30,646)
Net Profit (Loss) of The Insurance Results	38,037	(38,004)
Net Profit (Loss) of The Investment Results	27,510	19,248
Net Insurance Financing Expenses	(1,994)	367
Net Profit (Loss), Before Zakat, Attributable To Shareholders	55,302	(35,866)
Net Profit (Loss), After Zakat, Attributable To Shareholders	51,302	(38,866)
Total Comprehensive Income (Loss)	54,369	(36,585)
Total Shareholders' Equity	205,813	60,997
Profit (Loss) per Share	3.25	(2.55)

in accordance with IFRS 4 (previously applied)

Numbers are in thousands of riyals

Statement of business results (Statement of Income)	2021	2020 (Restated)	2019
Gross premiums written	467,531	427,623	503,504
Net premiums written	407,582	359,964	437,864
Net premiums earned	399,339	372,752	503,998
Net claims incurred	348,582	280,402	431,516
Surplus (Deficit) from insurance operations	(22,681)	76,794	26,692
Net Profit (Loss), Before Zakat, Attributable To Shareholders	(106,410)	12,050	(54,115)
Net Profit (Loss), After Zakat, Attributable To Shareholders	(112,410)	6,050	(60,115)
Total Comprehensive Income (Loss)	(112,110)	6,798	(61,994)
Total Shareholders' Equity	96,236	208,646	202,596
Profit (Loss) per Share	(11.24)	0.24	(2.40)

The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standard. Therefore, International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments) were applied retrospectively to the statement of business results (statement of income) for the year 2022 only. whereas the previous years 2021, 2020, and 2019, are presented in accordance with the previously applied International Financial Reporting Standard 4.

in accordance with IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments)
currently implemented

Numbers are in thousands of riyals

Statement of assets (Statement of Financial Position)	2023	2022 (Restated)	2021 (Restated)
Insurance operations assets:			
Cash and cash equivalents	324,082	134,733	123,527
Reinsurance contract assets	62,331	75,029	63,348
Other assets	87,691	297,258	190,934
Total insurance operations assets	474,104	507,020	377,809
Shareholders' operations assets:			
Cash and cash equivalents	91,003	32	489
Other assets	241,142	159,758	192,568
Total shareholders' operations assets	332,145	159,790	193,057
Total assetst	806,249	666,810	570,866

in accordance with IFRS 4 (previously applied)

Statement of assets (Statement of Financial Position)	Numbers are in thousands of riyals		Shareholders' operations assets:	Numbers are in thousands of riyals	
	2020 (Restated)	2019 (Restated)		2020 (Restated)	2019 (Restated)
Insurance operations assets:					
Cash and cash equivalents	309,231	329,572	Cash and cash equivalents	167,207	177,062
Premiums and reinsurers' receivable – net	40,896	86,207	Other assets	41,353	41,014
Other assets	152,645	115,773	total shareholders' operations assets	208,560	218,076
Total insurance operations assets	502,772	531,552	Total assets	711,332	749,628

The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standard. Therefore, International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments) were applied retrospectively to the statement of Financial Position for the years 2022 and 2021. whereas the previous years 2020, and 2019, are presented in accordance with the previously applied International Financial Reporting Standard 4.

in accordance with IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments)
currently implemented

Numbers are in thousands of riyals

Statement of assets (Statement of Financial Position)	2023	2022 (Restated)	2021 (Restated)
Insurance operations liabilities:			
Insurance contract liabilities	508,116	524,418	389,729
Other liabilities	54,684	45,994	52,180
Total insurance operations liabilities	562,800	570,412	441,909
Shareholders' liabilities:			
Shareholders' operation liabilities	38,470	35,542	31,516
Total shareholders' liabilities	38,470	35,54	31,516
Total liabilities	601,270	605,954	473,425
Equity:			
Insurance operations equity	(834)	(141)	248
Shareholders' equity	205,813	60,997	97,193
Total shareholders' liabilities and equity	204,979	60,856	97,441
Total liabilities and equity	806,249	666,810	570,866

The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standard. Therefore, International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments) were applied retrospectively to the statement of Financial Position for the years 2022 and 2021. whereas the previous years 2020, and 2019, are presented in accordance with the previously applied International Financial Reporting Standard 4.

in accordance with IFRS 4 (previously applied)

Numbers are in thousands of riyals

Satatement of Liabilities and Equity (Statement of Financial Position)	2020 (Restated)	2019 (Restated)
Insurance operations liabilities:		
Reinsurers' balances payabl, Technical reserves and insurance operation surplus distribution payable	394,429	441,005
Other liabilities	73,510	78,368
Total insurance operations liabilities	467,939	519,373
Shareholders' liabilities:		
Shareholders' operation liabilities	34,799	28,459
Total shareholders' liabilities	34,799	28,459
Total liabilities	502,738	547,832
Equity:		
Insurance operations equity	(52)	(800)
Shareholders' equity	208,646	202,596
Total shareholders' liabilities and equity	208,594	201,796
Total liabilities and equity	711,332	749,628

The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standard. Therefore, International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments) were applied retrospectively to the statement of Financial Position for the years 2022 and 2021. whereas the previous years 2020, and 2019, are presented in accordance with the previously applied International Financial Reporting Standard 4.

20 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	2023	2022
Eastern Region	40,146	44,367
Central Region	250,027	199,243
Western Region	482,063	431,162
Other Regions	16,734	117,336
Total	788,970	792,108

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

	2023	2022	Change Percentage
Insurance revenue from contracts	802,288	598,351	%34
Insurance service expenses	(723,966)	(628,997)	%15
Net expense from reinsurance contracts	(40,285)	(7,358)	%447
Insurance service result from Company's directly written business	38,037	(38,004)	%200
Share of surplus from insurance pool	13,166	14,223	(7)%
Total insurance service result	51,203	(23,781)	%315
Commission income from financial assets not measured at FVTPL	18,845	11,374	%66
Net gains on financial assets measured at FVTPL	5,375	4,999	%8
Net (impairment losses) / reversal of impairment losses on financial assets	(83)	171	(149)%
Net investment income	24,137	16,544	%46
Finance (costs) / income from insurance contracts issued	(2,728)	674	(505)%
Finance income / (costs) from reinsurance contracts held	734	(307)	%339
Net insurance finance (costs) / income	(1,994)	367	(643)%
Net insurance and investment result	73,346	(6,870)	%1168
Other income	1,222	2,394	(49)%
Other operating expenses	(22,263)	(34,094)	(35)%
Net surplus from Operations	52,305	(38,570)	%236
Surplus transfer to shareholders	(52,305)	38,570	%236

Statement of shareholder operations:

Figures in thousands of Saudi riyals

	2023	2022	Change Percentage
Shareholders 'share in surplus / (deficit) from insurance operations	52,305	(38,570)	%236
Commission income from financial assets not measured at FVTPL	3,285	1,537	%114
Net income on financial assets measured at FVTPL	170	1,021	(83)%
Net (impairment losses) / reversal of impairment losses on financial assets	(82)	146	(156)%
Net investment income	3,373	2,704	%25
Other operating expenses	(376)	-	(100)%
Profit / (loss) for the year attributable to the shareholders before zakat	55,302	(35,866)	%254
Zakat expense	(4,000)	(3,000)	%33
NET PROFIT / (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	51,302	(38,866)	%232
Basic and diluted earnings / (losses) per share (expressed in Saudi Riyals per share)	3.25	(2.55)	%227

The net profit before zakat for this year amounted to SAR 55.30 million, compared to the net loss before zakat for the previous year, which amounted to SAR (35.87) million. The reason for the profit for this year is mainly attributed to the following:

(1) Net profits from insurance results for this year amounted to SAR 38 million, compared to net losses from insurance results for the previous year, which amounted to SAR (38) million. This profit is due to the growth in revenues and profits from insurance results for the health and motor insurance sectors for this year compared to the previous year.

(2) An increase in investment income of SAR 8 million for this year compared to the previous year.

(3) A decrease in other operating expenses for this year by SAR 11 million compared to the previous year.

This comes despite the increase in net insurance financing expenses by SAR 2 million for this year compared to the previous year and the decrease in other income related to the pool for Hajj and Umrah insurance for this year by SAR 1 million compared to the previous 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

Board of Directors Meetings						
Member's Name	First 9/3/2023	Second 21/6/2023	Third 17/9/2023	Fourth 31/10/2023	Fifth 23/12/2023	Total
Mountasar Mohammed Foudah	✓	✓	✓	✓	✓	5
Adnan Jameel Khoja	✓	✓	✓	✓	✓	5
Bader Khalid Alanzi	✓	✓	✓	✓	✓	5
Khaled Mohammed Salem Bajnaid	✓	✓	✓	✓	✓	5
Abdullah Adel Sultan	✓	✓	✓	✓	✓	5
Mohammed Taha Al-Safi	✓	✓	✓	✓	✓	5
Wael Abdulrahman Albassam	✓	✓	✓	✓	✓	5

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	2023/02/06	AGM
2	2023/03/12	Corporate Action
3	2023/03/15	Corporate Action
4	2023/06/05	AGM
5	2023/08/24	AGM
6	2023/09/20	Corporate Action
7	2023/10/01	Corporate Action
8	2023/10/15	Corporate Action
9	2023/20/18	AGM
10	2023/10/26	AGM
11	2023/10/30	AGM
12	2023/10/31	AGM
13	2023/11/01	AGM

Number of Request	Date of Request	Reasons for Request
14	2023/11/02	AGM
15	2023/11/05	AGM
16	2023/11/22	Corporate Action

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	
		2023	2022
In thousands of Saudi riyals			
Entities controlled, jointly controlled or significantly influenced by member of board of directors			
Al Mamoon Insurance Brokers	Commissions incurred	311	771
Ittihad Insurance Brokers	Commissions incurred	375	8
Najm for Insurance Services*	Najm fees	34,934	-
* No transactions are disclosed for the comparative period as these are from the date of appointment of related director i.e. May 2023			
Related Parties Balances			
(Payable) / receivable to the related parties			
Al Mamoon Insurance Brokers		441	884
Ittihad Insurance Brokers		-	36
Najm for Insurance Services		3,510	-
Total		3,951	920

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	2023	2022
	In thousands of Saudi riyals	
Salaries and other allowances	4,423	4,698
End of service indemnities	266	243
Total	4,689	4,941

Compensation to Board, committees and to those charged with governance	2023	2022
	In thousands of Saudi riyals	
Remuneration and attendance fees to the Board and to those charged with governance – Board of Directors	1,032	204
Remuneration and attendance fees to the Board Committees and to those charged with governance Board Committees	242	239
Total	1,274	443

26

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	1,187	33,442	Provision provided during the year	Mandatory
Value Added Tax	97,059	3,523	Value added tax	Mandatory
Withholding Tax	761	18	Withholding tax on foreign transfers	Mandatory
General Organization for Social Insurance	4,038	361	Subscription fees	Mandatory
Supervision Fees of Saudi Central Bank – SAMA	3,918	980	Supervision fees	Mandatory
Supervision Fees of Council of Health Insurance	1,444	369	Supervision fees	Mandatory
"Costs of visas, passports, labour office fees, and other government expenses"	827	-	Payment of employees fees	Mandatory
Sudi Exchange (Tadawul) service fees	221	-	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 – a Saudi Joint Stock Company (the “Company”), which comprise the statement of financial position as at 31 December 2023, statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (referred to as “IFRS as endorsed in the Kingdom of Saudi Arabia”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and

we have fulfilled our other ethical responsibilities in accordance with the Code's 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 1 to the accompanying financial statements which indicates that the Company had accumulated losses of Saudi Riyals 35.7 million as of 31 December 2023. Further, the Company's solvency margin is %32.8 as of 31 December 2023, which is below the minimum solvency requirements as mandated by the Saudi Central Bank (“SAMA”). The ability of the Company to improve its financial performance and meet the minimum solvency margin requirements is dependent on the favourable outcome and realisation of the Company's planned measures and actions detailed further in Note 1. These events and conditions, along with other matters as set forth in Note 1 to the accompanying financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter."

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.

29

Statements

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 Insurance Authority. Salama Cooperative Insurance Company has applied all articles of the Corporate Governance Regulation issued by the Insurance Authority 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.



www.salama.com.sa - @salamacic