

Chubb Arabia Cooperative Insurance Company
Board of Directors Report for the year ended

20
23



CHUBB[®]

1	Company profile and description of types of its main activities
2	Company's assets, liabilities and operation results for the last five financial years
3	Geographical analysis of the Company's revenues
4	Major variations in actual operating results and projections
5	Description of ownership
6	Description of important plans, decisions, prospects for the company's business and the most important risks
7	Position on the applicable provisions of Corporate Governance Regulations and their reasons
8	Names of members of the Board of Directors, members of the Committees and Executive Administration, their present, previous positions, their qualifications and experience
9	Names of companies inside or outside the Kingdom in which a member of the Board of Directors is a member of the Board of Directors
10	Formation of the Board of Directors and Category of its members
11	Actions taken by the Board to inform its members - especially non-executives - of the shareholders' proposals and their remarks about the company and its performance
12	Brief description of specializations and assignments of the committees
13	The means upon which the Board of Directors relied on evaluating its performance and the performance of the Members of Committees
14	Disclosure of remunerations of Members of the Board of Directors and Members of the Executive Administration committees
15	Penalties and constraints imposed on the company
16	Result of annual review of efficiency of measures of internal control at the company
17	Audit Committee Recommendation on the Need for Appointment of an Internal Auditor at the Company
18	The recommendations of the Audit Committee, which have a conflict with the Board
19	Details of the company's social contributions
20	Statement of dates of general meetings of shareholders convened
21	The most important risks which are facing the company
22	Accounting Standards
23	Subsidiary Companies
24	Shares details and debt tools issued to the subsidiary company
25	Profit Distribution Policy
26	Description of ownership of major shareholders, members of boards of directors, senior executives and their spouse and minor children
27	Loans on the Company
28	Description of instruments of debt, right of choice or document of subscription right and the like
29	Rights of transfer, subscription under instruments of debt convertible into shares, rights of choice or policies of subscription right
30	Redemption, purchase or cancellation by the Company of any instruments of debts subject to redemption.
31	Board of directors' meetings
32	Shareholders Report & Company's Announcements
33	Transactions of the Company and related parties
34	Business and contracts of the company have or used to have an interest of any person related
35	Value of statutory payments
36	Waiver by the members of Board of Directors or Senior Executives of any salary or compensation
37	Waiver of profits by any of the shareholders
38	Investments or reserves in favour of employees of the Company
39	Acknowledgements
40	Reservations of external accountants on annual financial statements
41	The recommendation of the Board of Directors to change the auditor
42	Details of the shares held and the details of their use
43	Conclusion

Board of Directors Report

For the Financial year

January 1, 2023 to

December 31, 2023



The Board of Directors of Chubb Arabia Cooperative Insurance are pleased to present to the esteemed shareholders its Annual Report accompanied with the Audited Financial Statements and notes for the year ending on 31/12/2023. In addition, the important developments, financial results, future outlook, operational activities and disclosures according to regulations and rules is presented as follows.

Company profile and description of types of its main activities:

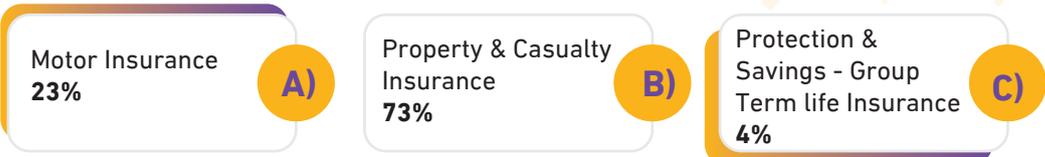
Chubb Arabia Cooperative Insurance Company a Saudi Joint Stock Company registered on 21 July 2009 (corresponding to 28 Rajab 1430H) under commercial registration number 2051043431, issued in Al-Khobar, Kingdom of Saudi Arabia. The Company has been licensed to conduct general insurance business in the Kingdom of Saudi Arabia under the Cooperative principles, in accordance with Royal Decree number 60/M dated 11 October 2006 (corresponding to 18 Ramadan 1427H), pursuant to Council of Ministers resolution number 233 dated 9th October, 2006 (corresponding to 16 Ramadan 1427H).

The Company provides the following general insurance products listed hereunder:

Property	Engineering	Casualty	Motor	Financial Lines	Marine	Group Life & PA	Accident & Health
Property All Risks (ABI)	Contractors All Risk	Comprehensive Crime	Motor Insurance TPL	Trade Credit	Marine Cargo (Open)	Group Term Life	Travel
Property All Risks (LM7)	Erection All Risk	Comprehensive General Liability	Motor Insurance Comprehensive	Professional Liability	Marine Cargo (Single Shipment)	Personal Accident	Business Travel
Property All Risks (standard)	Machinery Breakdown	Employers Liability	Chubb Arabia Standard Motor Insurance Plan	Bankers Blanket Bond	Marine Land Transit (Open)		Hemayati Travel insurance
Fire Insurance	Contractors Plant & Equipment	Fidelity Guarantee		Civil Liability for Financial Institutions	Marine Land Transit (Open)		Visa Card Travel
Householders & House owners Comprehensive	Loss of Profits Following Machinery Breakdown	Money		Directors & Officers Liability	Marine Land Transit (Single Shipment)		AMEX Card insurance
Business Interruption	Deterioration of Stock	Products Liability		Financial Services Industry Insurance	Hull Insurance		
Plate Glass	Electronic Equipment and Data Processing	Workmen's Compensation		Professional Indemnity for Financial Institutions	Truck men Cargo Liability		
Jewelers Block		Event Cancellation		Electronic & Computer Crime			
Political Violence				Cyber Insurance			

Following are the results of the operational segments, their effect on the volume of business and their contribution to the results of the Company, for the year ending 31/12/2023

The split of business for the year 2023 is follows:

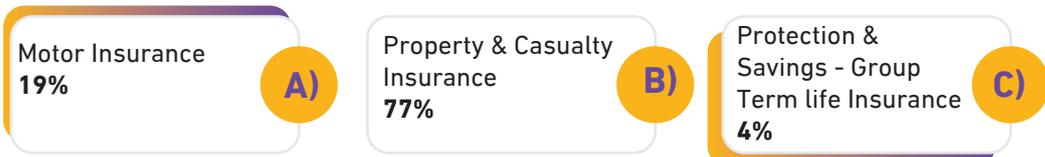


Financial year ending 31/12/2023

	Motor	Property & Casualty	Protection & Savings - Group Term life	Total
Gross Written Premium	81,758	254,996	14,116	350,870
Reinsurance premium ceded – globally (Including excess of loss)	-939	-197,157	-6,041	-204,137
Reinsurance premium ceded – locally (Including excess of loss)	0	-14,966	-1,405	-16,371
Net Written Premium	80,819	42,873	6,670	130,362

Following are the results of the operational segments, their effect on the volume of business and their contribution to the results of the Company, for the year ending 31/12/2022

The split of business for the year 2022 is follows:



Financial year ending 31/12/2022

	Motor	Property & Casualty	Protection & Savings - Group Term life	Total
Gross Written Premium	56,656	233,676	13,344	303,676
Reinsurance premium ceded – globally (Including excess of loss)	-861	-182,274	-6,981	-190,116
Reinsurance premium ceded – locally (Including excess of loss)	0	-10,032	-787	-10,819
Net Written Premium	55,795	41,370	5,576	102,741

Company's Assets, Liabilities for the last five years
IFRS4 standards

Description	2019	2020	2021
Insurance Operations Assets			
Investments and cash with banks	96,524	104,703	77,022
Net Receivables	102,145	134,981	151,583
Other assets	162,374	210,322	222,991
Total assets of insurance operations	361,043	424,672	451,596
Investments and cash with banks	239,647	259,012	270,341
Other Assets	78,973	76,199	87,280
Total Assets SH	318,620	335,211	357,621
Total Assets PH + SH	679,663	759,883	809,217
Reinsurance payables PH	64,807	86,038	85,044
Technical reserves	222,040	241,856	278,816
Other liabilities	39,432	54,057	59,862
Total liabilities of insurance operations	326,279	381,951	423,722
Shareholders' liabilities	30,970	25,230	25,630
Shareholders' equity	322,414	352,702	359,865
Total Shareholders' liabilities and equity	353,384	377,932	385,495
Total Liabilities	679,663	759,883	809,217

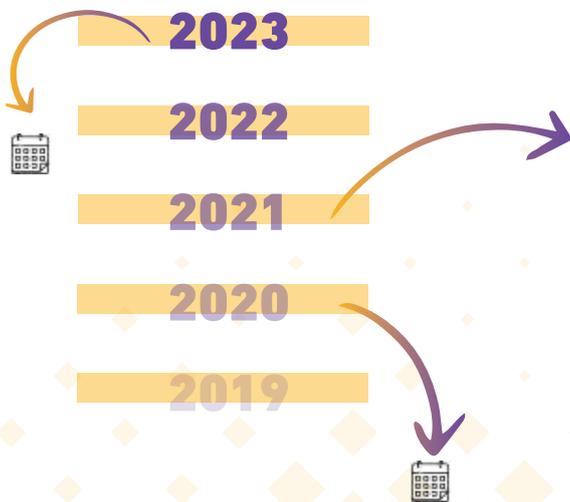
IFRS17 standards

Description	2022	2023
Cash & Investments	402,182	453,591
Other assets	298,009	304,811
Total Assets	700,191	758,402
Insurance contract liabilities	264,231	283,095
Other liabilities	41,158	51,467
Total liabilities	305,389	334,562
Total equity	394,802	423,840
Total Liabilities and Equity	700,191	758,402

Results of company's business during the last five years:

IFRS4 standards

	2019	2020	2021
Details of the results from the insurance operations and surplus			
Gross written premiums	258,223	274,663	290,582
Net earned insurance premiums	87,439	85,400	99,456
Re-insurance commission	22,967	22,967	25,818
Other insurance revenues	2,166	4,169	929
Investment and other revenues income	3,620	2,234	575
Total income (revenues)	115,440	114,770	126,778
Total paid liabilities	53,512	39,476	88,676
Total incurred liabilities	30,412	18,546	52,767
Costs of acquisition of insurance policies	14,970	24,498	20,270
Loss surplus insurance expenses	3,718	4,091	5,611
Other expenses	43,577	31,907	35,929
Total costs and expenses	92,677	79,043	114,577
Net surplus after shareholders shares	3,212	3,981	1,781
List of shareholders income			
Investment income and administration fees	8,918	6,766	3,359
Other income	-	-	-
Shareholder's share of net surplus	32,187	35,838	16,031
General and administrative expenses	5,636	5,781	5,855
Net profit (loss) for the period	32,187	36,823	13,535



Description	2022	2023
Insurance revenue	299,355	329,438
Insurance service expenses	-197,347	-154,433
Net expense from reinsurance contracts	-87,923	-152,992
Share of surplus from insurance pool	9,442	7,179
Insurance service result	23,527	29,192
Net insurance finance (expense) income	126	-1,552
Net insurance and investment result	22,491	39,904
Other operating expenses	-13,518	-15,090
Other income	10,719	7,488
Profit before zakat and income tax	19,692	32,302
Total comprehensive income	9,017	29,037

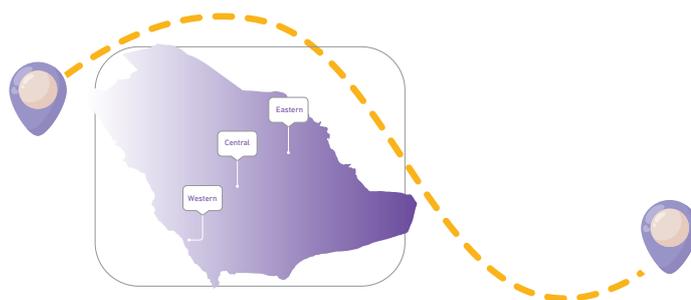
Cash flow	2019	2020	2021
Details of cash flows for the insurance operations			
Net cash of what is used at operational activities	4,092	(7,874)	(6,524)
Net cash of what is used at investment activities	(1,468)	(27,391)	20,495
Net cash of what is used at financing activities	(17,155)	16,019	(15,968)
Net increase (decrease) in cash	(14,532)	(19,246)	(1,997)
Cash at the beginning of the year	73,042	58,510	39,264
Cash by the end of the year	58,511	39,264	37,267
Details of shareholders cash flows			
Net cash used for operational activities	25,242	35,541	7,500
Net cash used for investment activities	(62,603)	30,989	39,901
Net cash used for financing activities	16,033	(17,141)	4,846
Net increase (decrease) in cash	(21,327)	49,389	52,247
Cash at the beginning of the year	68,467	47,140	96,529
Cash at the end of the year	47,140	96,529	148,776

Cash flow	2022	2023
Net cash (used in) generated from operating activities	25,229	43,106
Net cash generated from (used in) investing activities	-186,353	-29,546
Net change in cash and cash equivalents	-161,124	13,560
Cash and cash equivalents at the beginning of the year	186,043	24,919
Cash and cash equivalents at end of the year	24,919	38,479

Schedule of changes in Shareholders Equity as at 31/12/2023

Description	Share Capital	Statutory Reserve	Retained Earnings	Fair value reserve	Remeasurement reserve of employee benefit obligations	Total
Balance at 31 December 2022	300,000	40,867	23,694	-	(3,374)	361,187
Adjustment on adoption of IFRS 17	-	-	(4,155)	-	-	(4,155)
Adjustment on adoption of IFRS 9	-	-	4,686	33,084	-	37,770
Balance at 1 January 2023	300,000	40,867	24,225	33,084	(3,374)	394,802
Net income attributable to shareholders	-	-	24,817	-	-	24,817
Other comprehensive income (loss)	-	-	-	5,351	(1,130)	4,221
Transfer to statutory reserve	-	4,963	(4,963)	-	-	-
Balance at 31 December 2023	300,000	45,830	44,079	38,435	(4,504)	423,840
Balance at 31 December 2021	300,000	39,927	19,936	-	(3,163)	356,700
Adjustment on adoption of IFRS 17	-	-	(6,017)	-	-	(6,017)
Adjustment on adoption of IFRS 9	-	-	(1,292)	36,393	-	35,101
Balance at 1 January 2022	300,000	39,927	12,627	36,393	(3,163)	385,784
Net income attributable to shareholders	-	-	12,537	-	-	12,537
Other comprehensive income (loss)	-	-	-	(3,308)	(212)	(3,520)
Transfer to statutory reserve	-	940	(939)	-	-	-
Balance at 31 December 2022	300,000	40,867	24,225	33,085	(3,375)	394,802

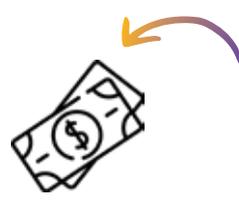
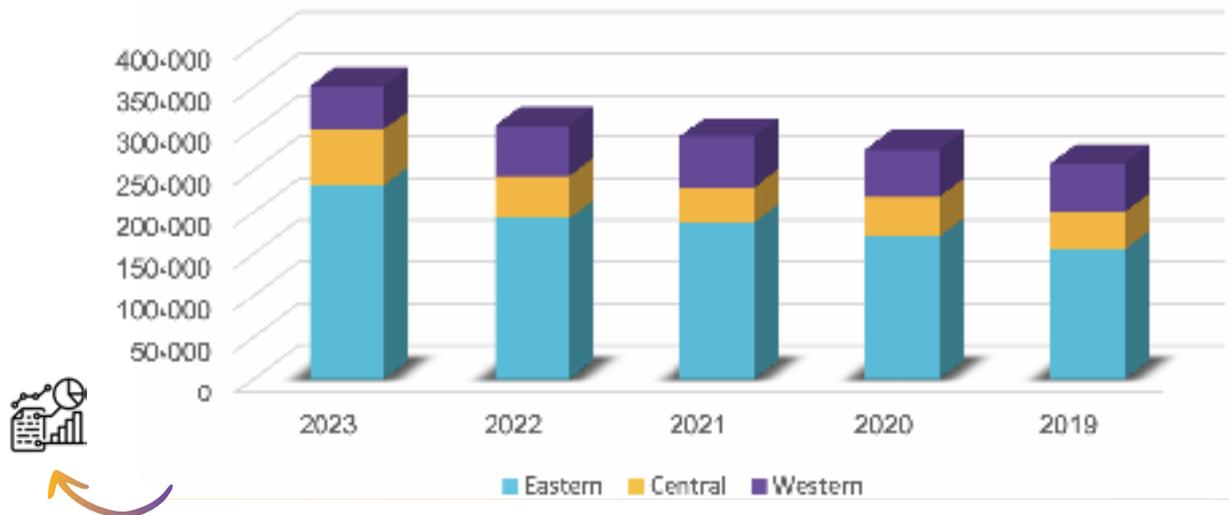
Geographical analysis of the Company's Gross written premium



The following table summarizes the geographical distribution of premiums within the Kingdom in comparison to the previous year. The company has no branch outside of the Kingdom

Region	Gross Premium Underwritten 2019	Gross Premium Underwritten 2020	Gross Premium Underwritten 2021	Gross Premium Underwritten 2022	Gross Premium Underwritten 2023
Eastern	154,508	169,965	187,445	192,446	232,260
Central	45,572	48,206	42,183	50,465	67,229
Western	58,143	56,491	60,954	60,766	51,381
Total	258,223	274,663	290,582	303,677	350,870

Geographical analysis of the revenues



Below are names of current owners of the Company, owning (5%) and more up to date of this report:

- Chubb INA International Holdings Limited **30%**
- El Khereiji Investment Company **25%**
- International Company for Trade and Contracting Services **5%**

Board Members Mr. Abdulaziz Abdelkarim El Khereiji and Mr. Mohamed Abdelkarim El Khereiji, together own 30% of shares of Chubb Arabia Cooperative Insurance Company, through the following shareholder companies:

- El Khereiji Investment Company **25%**
- International Company for Trade and Contracting Services **5%**



RISKS

Description of important plans, decisions, prospects for the company's business and risks:

The Board of Directors has approved the business plan for 2023 and accordingly, the business strategy is revisited and updated. The strategy and plan demonstrate a positive outlook for the company, which is aimed at expanding its competitive capabilities in order to grow sustainably.

Chubb Arabia continues to be one of the few companies in Saudi Arabia which have continued to maintain its A3 rating with a stable outlook from Moody's Investor Service, this demonstrates a strong level of strength and stability, which has been built through a focus on a disciplined underwriting philosophy, that will continue to be enriched going forward.

Chubb Arabia is committed to providing insurance solutions to selected brokers and direct customers and will strive to provide unmatched services, whilst maintaining its position as a reliable partner. The key objectives for next year continually strengthen the skill set of its people and expand the business where the Chubb brand can be leveraged alongside, keep a strong, fast-tracked focus on innovation, and operational efficiency, and increase Net Written Premiums. The emphasis is to lay the foundations for the sustained market presence of existing product lines, as well as the development of new and niche lines of the general insurance business in Saudi Arabia.

The breadth of the new IT structure will provide unprecedented access to information, allowing for greater operational efficiency, improved decision-making, and enhanced collaboration between departments. To further drive progress, Chubb Arabia is also working to deploy an automated distribution system to unlock the full potential Small and Medium Enterprise (SME) business segment – a major area of focus moving forward. By leveraging a versatile IT system, Chubb Arabia is working to advance future prospects and secure a long-term competitive edge.

Chubb Arabia views its employees as the greatest asset of the company. As such, significant resources continue to be deployed for employee training and development, with a focus on cultivating a strong culture and environment. From specialized training and employee recognition, employees are being enabled to reach their full potential and excel in their roles.

While the process of adapting to a changing landscape remains a challenge, the company is confident that its expertise, dedication, and innovation will ensure that it can navigate the road ahead and remain a significant player in the Saudi insurance market.

Position on the applicable provisions of Corporate Governance Regulations and their reasons:

The Company acknowledges implementation of all articles of Corporate Governance Regulations for companies issued by the Insurance Authority and Corporate Governance Regulations of companies issued by Capital Market Authority, except what is stated below:

Item Number	Item text	Reasons for non-application
37	<p>The Company shall pay adequate attention to the training and preparation of the Board members and the Executive Management, and shall develop the necessary programs required for the same, taking the following into account:</p> <ol style="list-style-type: none"> 1) preparing programs for the recently appointed Board members and Executive Management to familiarize them with the progress of the Company's business and activities, particularly the following: <ol style="list-style-type: none"> a. the strategy and objectives of the Company; b. the financial and operational aspects of the Company's activities; c. the obligations of the Board members and their duties, responsibilities and rights; d. the duties and competencies of the committees of the Board. 2) developing the necessary mechanisms for Board members and the Executive Management to continuously enroll in training programmers and courses in order to develop their skills and knowledge in the fields related to the activities of the Company. 	<p>Guidance - partially applied to the executive management, as the company has set extensive programs to develop and qualify the executive competencies within the company, and a training program is developed for members of the Board of Directors when needed and work is underway to meet the requirements of the article</p>
39	<p>The Assessment:</p> <ol style="list-style-type: none"> a) The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company. b) The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment. c) The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general. d) The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees' meetings and dedicating adequate time thereof. e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years. f) Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company. 	<p>Guidance - The Board of Directors have relied on internal evaluation methods so far and there is no external body that carries out the evaluation. It is expected that a mechanism for evaluation will be developed by an external body to evaluate the Board every three years during the next year.</p>
84	<p>Social Responsibility: 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.</p>	<p>Guidance - work is underway on preparing the policy, as it is expected to be approved by the General Assembly during the next year</p>

Item Number	Item text	Reasons for non-application
85	<p>Social Initiatives: The Board shall establish programs and determine the necessary methods for proposing social initiatives by the Company, which include:</p> <ol style="list-style-type: none"> 1) establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities; 2) disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility; 3) disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company's; and 4) establishing awareness programmers to the community to familiarize them with the Company's social responsibility. 	<p>Guidance - The company carrying out some social activities in previous periods and on an ongoing basis, a program will be developed and approved by the Board of Directors consistent with the social responsibility policy that will be approved in the future.</p>
92	<p>Formation of a Corporate Governance Committee: If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (94) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.</p>	<p>Guidance - The company does not currently see this as a necessity to form it</p>

Names of members of the Board of Directors, Members of the Committees and Executive administration, their present, previous positions, their qualifications and experience

Members of the Board of Directors

#	Name	Current Position	Previous Position	Qualifications	Years of Experience
1	Engr. Nabil Yousef Jamil Jokhdar (Chairman)	Chairman of the Board of Directors at Chubb Arabia Insurance Company.	General Manager of Saudi Consolidated Engineering Company. General Manager of Dar Al Riyadh Branch Manager of ZFP.	University Degree in Civil Engineering from University of North Arizona	41
2	Mr. Stephen Brian Dixon (Vice Chairman)	Board Member at Chubb Arabia	Regional Managing Director, ACE MENA. General Manager, ACE American Insurance Company, Bahrain Br. UK Commercial P&C Manager, ACE UK. Continental Europe Casualty Manager, ACE European Group.	Associate of Chartered Insurance Institute, London	47
3	Mr. Abdulaziz Abdulkarim El Khereiiji (Managing Director)	Managing Director and Board Member at Chubb Arabia, Vice Chairman at the Saudi Ceramic Co. Chairman of the Board of Directors of the Knowledge Enrichment Company	Chairman of the Board of Directors at Saudi Ceramic Co. CEO at Chubb Arabia General Manager of International Company for Trade & Contract Services. Director Bidaya Home Financing Director, Tayser	Bachelor's Degree in Administration Sciences, from King Fahd University for Petroleum and Minerals	24
4	Mr. Mohammed Abdulkarim El Khereiiji	Board Member of Chubb Arabia, Board Member at Saudi Paper Manufacture Co, CEO of Al-Khereiji Trading & Electronic, Board Member at Saudi Cement	Manager of Credit Facilities at Saudi Hollandi Bank, Saudi Arabia	Bachelor's Degree in information systems from California State University Long Beach	21

#	Name	Current Position	Previous Position	Qualifications	Years of Experience
5	Mr. Nikolay Dmitriev	Board Member at Chubb Arabia Regional Executive Officer, Central Region, at Chubb	Commercial Lines Manager, Central Region (Switzerland, Turkey, MENA) at Chubb P&C Manager, Eurasia and Africa Region at Chubb Country President, Russia and CIS at Chubb Country President, Russia and CIS at ACE (changed name to chubb)	International Business - MGIMO Russia Master of business administration - California State University Hayward USA	39
6	Mr. Giles Richard Ward	Board Member at Chubb Arabia	Regional President Chubb Eurasia & Africa Country President Australia & New Zealand, Chubb Regional Manager, MENA, ACE/Chubb Director of Distribution & Marketing AXA-Asia P&C President/CEO, AXA AFFIN Assurance Bhd Malaysia	BA Economics Degree from Manchester University ACII/Chartered Insurer	35
7	Mr. Christian Raymond Mounis	Board Member at Chubb Arabia Consultant, Reinsurance	President Europe, Life Operations, SCOR S.E. President Europe Operations, Transamerica Reinsurance Company Executive Vice President SCOR Life	ESSEC Business School, France The Wharton School Executive Education Program, University of Pennsylvania, USA	47
8	Mr. Wahdan Suleiman Al-Kadi	Board Member at Chubb Arabia Chief Commercial Officer in Ministry of Tourism.	Chairman of the Audit Committee of Chubb Arabia Insurance and Director of Business Development at Ras Al Salam Holding and a Strategic Advisor at the General Organization for Technical and Vocational Training.	Master's in business administration from King Fahd University of Petroleum and Minerals	23
9	Engr. Hisham Abdulrahman A. El Khereiji	Board Member at Chubb Arabia CEO, Al-Khereiji Company for Commerce & Contracting.	Deputy CEO, Al-Khereiji Company for Commerce & Contracting, Section Manager Fast Moving Consumer Goods, Savola Retail Division (PANDA)	MS Engineering Management & Leadership BS Systems Engineering	21

Members



Meeting

Members of Committee Outside the Board

#	Name	Current Position	Previous Position	Qualifications	Years of Experience
1	Mr. Abdullah Khalaf Al Yousef	Chairman of Audit Committee at CHUBB Arabia Manager of Smart Guide Office for Financial and Administrative Consultations	Member of Nomination & Remuneration and Investment Committees at CHUBB Arabia	Bachelor's degree of MIS from King Fahd University for Petroleum and Minerals	22
2	Mr. Diya Maghrabi	Member of Risk Committee at CHUBB Arabia CEO of Alma Express Company	Member of Audit Committee at CHUBB Arabia	Master's Degree in Industrial Engineering Bachelor Degree in international Commerce from Rensselaer Polytechnic Institute, USA	20
3	Mr. Hassan Tariq	Member of the Risk Committee at Chubb Arabia - Director of Tayser	Head of Internal Audit, Chubb Arabia Insurance Company Senior Manager, Deloitte & Touch, Bakr Abu al-Khair Director of Deloitte & Touch Bakr Abu al-Khair Assistant Director of Deloitte & Touch Bakr Abu al-Khair Supervisor of Deloitte & Touch Reviews, Bakr Abu Al Khair	Bachelor of Finance, Chartered Accountant	18
4	Mr. Bader Alreziza	Member of Audit committee at Chubb Arabia Chairman of Alsharqia Chamber	Chief Executive Officer and member of the Board of Directors of Al-Raziza Trading and Contracting Company, Member of the Board of Directors of Suleiman Al-Raziza Sons Investment Company, Vice Chairman of the Board of Directors of the Asharqia Chamber, Member of the Board of Directors of Zadek Culinary Arts Limited Company, Member of the Investment	Bachelor's degree in Information Systems Management at California State University - 2002 Master of Business Administration from California State University - 2005	22
5	Mr. Loay Fahad Dakheel	NCB Capital Senior Wealth Manager & Member of investment In Chubb Arabia	Associate Wealth Manager in NCB Capital & Manager Business Development in HSBC Saudi Arabia Ltd.	Bachelors Degree in Industrial Management (Marketing)	20

Executive Management

#	Name	Current Position	Previous Position	Qualifications	Years of experience
1	Mr. Abdulaziz Abdulkarim El Khereiji*	Managing Director Acting Chief Executive Officer	Chairman of the Board of Directors at Saudi Ceramic Co. CEO at Chubb Arabia General Manager of International Company for Trade & Contract Services. Director Bidaya Home Financing Director, Tayser	Bachelor's Degree in Administration Sciences from King Fahd University for Petroleum and Minerals	24
2	Mr. Talal Omar Bahafi**	Chief Executive Officer	- Product Development Manager at the National Commercial Bank - Regional Director for the Western Region at the Saudi United Cooperative Insurance Company - Regional Director for the Western Region of Development, Alinma Tokyo Marine - Head of Business Development in Alwataniya Cooperative Insurance Company - Deputy CEO at Marsh	Bachelor's degree in Industrial Engineering from King Fahd University Master's degree in Business Administration Management from London Business University	20
3	Mr. Nasir Jamel Shaikh ***	Acting Chief Financial Officer	- Senior accountant at ACE Arabia Cooperative Insurance Company - Assistant Finance Director at ACE Arabia Cooperative Insurance Company - Financial Director at Chubb Arabia Cooperative Insurance Company	Bachelor's Degree in Advanced Accounting, Cost Accounting, Business Law, Banking and Finance - University of the Punjab	31
4	Mr. Mohannad Badkook	Chief Operating Officer	Accountant at Ace Arabia Cooperative Insurance Company, KSA Risk Manager at Chubb Arabia	Bachelor's Degree in Accounts and Finance from Bentley University, USA.	9
5	Mohammed Nasser Aleissa	Chief technical Officer	Reinsurance Officer - Walaa Cooperative Insurance Assistant Director of the Reinsurance Department - Walaa Cooperative Insurance Director of Reinsurance Department Walaa Cooperative Insurance	BA Banking and Finance Bangor University, UK	8
6	Mr. Hussain Al Shaaban	Chief Marketing Officer	Manager Broker relations at Al Alamiya Insurance. Regional manager at Malath Company for Insurance.	Master Degree in of Human Resources Development from USA	23
7	Mr. Hamad AlHimeidi	General Claim Manager	Assistant Claims Manager Claims Handler at Chubb Arabia for Cooperative Insurance	Bachelor's degree in Business Administration from Prince Muhammad Bin Fahd University	7
8	Mr. Mohammed Alnajjar	Country Claims Manager Motor	Corporate Claims Manager	Bachelor degree in BA Associate Degree in Insurance	19
9	Mr. Yasser Alhabeeb	Internal Audit Manager	Acting Internal Audit Manager	Bachelor Degree in Finance and Accounting	8
10	Mr. AbdulElah S. Hassanain	Cyber Security Manager,	Information security specialist Director of Cyber Security for Raya Finance	Bachelor's degree in Information Technology from Saudi Electronic University	25

#	Name	Current Position	Previous Position	Qualifications	Years of experience
11	Mr. Thierry L Aidekon	Acting Head of Actuarial Function	Actuarial analyst Actuarial consultant Calorimetric actuarial	General Baccalaureate from the Academy of Creteil, France Diploma in Statistics from the Institute of Statistics in France - Master of Science and Technology, University of Paris VI, France	11
12	Mr. Ahmad Al Rebeh	Compliance Manager	Compliance Officer at Gulf Union Al Ahlia Cooperative Insurance Company Compliance Supervisor at Saudi Enayah Cooperative Insurance Company Compliance Supervisor at Chubb Arabia Cooperative Insurance	Bachelor's degree in Business Administration and Accounting from the Mount Saint Vincent University.	6
13	Mr. Hasan Alelaiwi	Risk Manager	Broker – Saudi Brokers Company Assistant Underwriter – Chubb Arabia Cooperative Company Underwriter – Chubb Arabia Cooperative Company Senior Underwriter – Chubb Arabia Cooperative Company	Bachelor's degree in Management information systems from King Fahd University of Petroleum and Minerals Master of Business Administration from King Fahd University of Petroleum and Minerals Master of Business Analytics from King Fahd University of Petroleum and Minerals	8
14	Mr.Tareq Salem Al Hazmi	IT Manager	Technical Information technician - Ibn Sina Medical College Technical Information Specialist - Gulf Union Cooperative Insurance Company Information Technology Engineer - Petronash Company Limited	Bachelor's Degree in Accounts and Finance from Bentley University, USA.	9
15	Mr. Mowafag Abdulaziz Nawab	Human Resources Manager	Senior Supervisor of Human Resources Wala Insurance. Senior supervisor of Human Resources at National Company for Petroleum Services.	University Degree in Business Administration.	17
16	Mr. Khalid Qatnan	Customer Care Manager	Motor Claim Manager at CHUBB Arabia	Administration, majoring in Accounting, from Al-Imam Muhammad Ibn Saud University.	24

***Acting period Start on 16\03\2023 End of Acting Period 01\10\2023**

****Appointed on 01\10\2023**

***** Acting period Start on 06\12\2023**

Names of companies inside or outside the Kingdom in which a member of the Board of Directors is a member of the Board of Directors:

#	Name of member	Legal Entity	Name of Company	Type of membership	Inside/ outside Kingdom	Nature of membership
1	Engr. Nabil Yousef Jokhdar	Non-listed	Saudi Industrial Resins Company	Independent	Inside kingdom	In his Personal capacity
2	Mr. Mohamed Abdulkarim El Khereiji	Listed Non-listed Non-listed	Saudi Cement Company Arabian Company for manufacturing paper Dar Alyoum	Independent Non-executive Independent	Inside kingdom Inside Kingdom inside the kingdom	In his Personal capacity In his personal capacity.
3	Mr. Abdulaziz Abdulkarim El Khereiji	Listed Non-listed Non-listed	Saudi Ceramics Company Taysers Insurance Brokerage Company Bidaya Company for Financing Houses	Independent Independent Independent	Inside Kingdom Inside Kingdom Inside Kingdom	Representative of Al Khereiji Investment Company Representative of Al Khereiji Investment Company In his personal capacity.
4	Mr. Wahdan Suleiman Al-Kadi	Non-listed	Teraz Arabian Company	Independent	Inside Kingdom Outside	In his personal capacity.
5	Mr. Giles Richard Ward	Non-listed Non-listed Non-listed Non-listed Non-listed	Chubb Insurance Company - Russia Chubb Russia Investments Limited – UK Chubb Underwriting (DIFC) Limited - UAE Chubb Insurance Company Limited – Pakistan Chubb Insurance Company Limited - Egypt Chubb Insurance Limited - South Africa	Non-executive Non-Executive Non-Executive Non-executive Non-executive	Outside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom	Representing Chubb Group. Representing Chubb Group Representing Chubb Group Representing Chubb Group. Representing Chubb Group. Representing Chubb Group. Representing Chubb Group.
6	Mr. Stephen Brian Dixon	Non-listed Non-listed	Chubb Insurance Pakistan Ltd. Pakistan Chubb Egypt	Non-executive Non-executive	Outside Kingdom Outside Kingdom Kingdom	In his Personal capacity Chubb Group. In his personal capacity
7	Mr. Christian Raymond Mounis	Non-listed	Societe Centrale de Reassurance (SCR), in Morocco	Independent	Outside Kingdom	In his personal capacity.

Formation of the Board of Directors and Category of its Members

P	Name of the Member	Category of membership		
		Executive	Non-executive	Independent
1	Engr. Nabil Yousef Jokhdar	-	√	-
2	Mr. Stephen Brian Dixon	-	√	-
3	Mr. Abdulaziz Abdulkarim El Khereiji	√	-	-
4	Mr. Mohamed Abdulkarim El Khereiji	-	√	-
5	Mr. Nikolay Dmitriev	-	√	-
6	Mr. Giles Richard Ward	-	√	-
7	Mr. Christian Raymond Mounis	-	-	√
8	Mr. Wahdan Suleiman Al-Kadi	-	-	√
9	Engr. Hisham Abdulrahman A. El-Khereiji	-	-	√

Actions taken by the Board to inform its members – particularly non-executives, on shareholders' proposals, remarks about the company and its performance:

The Company's Articles of Association ensures the basis of all shareholders rights in relation to their shares. The Company receives all proposals and notes of its shareholders by e-mail, telephone and through the General Assembly. The Board of Directors are notified by a summary of such proposals or notes, if any. The Board of Directors Terms of Reference stipulates that the Board Members are required to attend the General Assembly's meetings to hear and discuss the shareholders proposals, their remarks about the company and its performance.

The company did not receive any comments or suggestions from its shareholders during 2023.



Brief Description of Specializations and Assignments of the Committees

Executive Committee

Brief description of specialization of the committee

The Committee provides proposals to the Board of Directors on important issues such as strategic and work plans. The Board of Directors have delegated power to the Executive Committee to carry out its tasks in some cases.

Committee Members:

#	Name of the Member	Member of Board of Directors	Category
1	Mr. Abdulaziz Abdulkarim El Khereiji	Yes	Executive
2	Mr. Stephen Brian Dixon	Yes	Non-executive
3	Mr. Mohammed Abdulkarim El Khereiji	Yes	Non-executive
4	Mr. Giles Richard Ward	Yes	Non-executive
5	Mr. Kamran Mazhar*	No	Executive

- Resigned in 03\15\2023

Members of the committee met 8 times during the year of 2023 and the following statement shows date of meetings and attendance record:

#	Name of the Member	Nature of membership	1st Meeting 01\17\2023	2nd Meeting 03\08\2023	3rd Meeting 05\09\2023	4th meeting 06\12\2023	5th Meeting 08\08\2023	6thMeeting 09\12\2023	7thMeeting 11\06\2023	8thMeeting 12\12\2023
1	Mr. Abdulaziz El Khereiji	Chairman	√	√	√	√	√	√	√	√
2	Mr. Stephen Brian Dixon	Member	√	√	√	√	X	√	√	√
3	Mr. Mohammed El Khereiji	Member	√	√	√	√	√	√	√	√
4	Mr. Giles Richard Ward	Member	X	√	√	√	√	√	√	√
5	Mr. Kamran Mazhar*	Member	√	√	X	X	X	X	X	X

- Resigned in 03\15\2023

Investment Committee:

Brief description of specializations of committee

Investment committee carried out the tasks of controlling and review of investment policy, supervision of its implementation, approval of investment activities and control of performance of investment funds.

#	Name of the Member	Member of Board of Directors	Category
1	Mr. Mohammad Abdulkarim El Khereiji	Yes	Non-executive
2	Mr. Giles Richard Ward	Yes	Non-executive
3	Mr. Loay Fahad Dakheel	No	Independent

Members of the committee met 4 times during the year of 2023 and the following statement shows date of meetings and attendance record:

#	Member's name	Nature of Membership	Number of Meetings			
			1st Meeting 03\07\2023	2nd Meeting 06\15\2023	3rd Meeting 08\03\2023	4th Meeting 11\07\2023
1	Mr. Mohammed El Khereiji	Chairman	√	√	√	√
2	Mr. Giles Richard Ward	Member	√	√	√	√
3	Mr. Loay Fahad Dakheel	Member	√	√	√	√

Audit Committee:

Brief description of specialization of the committee:

Audit committee reviews the task to activate proposals for the Board of Directors with respect to supervision of the financial reports of the company, evaluation to the extent of sufficiency of internal and external audit operations, evaluation and control of internal audit administration processes and regulatory controls.

#	Name of the Member	Member of Board of Directors	Category
1	Mr. Abdullah Khalaf Al Yousef	No	Independent
2	Engr. Hisham Abdulrahman A. El-Khereiji	Yes	Independent
3	Mr. Bader Alreziza	No	Independent

Members of the committee met 7 times during the year of 2023 and the following statement shows date of meetings and attendance record:

#	Member's Name	Nature of Membership	Number of Meetings						
			1st Meeting 01\16\2023	2nd Meeting 03\13\2023	3rd Meeting 06\20\2023	4th Meeting 08\08\2023	5th Meeting 11\06\2023	6th Meeting 11\07\2023	7th Meeting 25\12\2023
1	Mr. Abdullah Al Yousef	Chairman	√	√	√	√	√	√	√
2	Engr. Hisham A. El-Khereiji	Member	√	√	√	√	√	√	√
3	Mr. Bader Alreziza	Member	√	√	X	√	√	√	√

Nomination and Remuneration Committee

Brief description of specializations of the committee

Nomination and Remuneration Committee are responsible for proposals of nomination for membership of Board of Directors and annual review of requirements of skills suitable for membership of Board of Directors. The Committee also reviews the structure of the Board of Directors and makes recommendations concerning the changes which could be made, as well as study the structuring of the company and supervising employment.

Members of the committee

#	Name of member	Member of the Board	Category
1	Mr. Wahdan Suleiman al-Kadi	Yes	Independent
2	Mr. Giles Richard Ward	Yes	Non-Executive
3	Eng. Hisham Abdulrahman A. Al-Khereiji	Yes	Independent

Members of the committee met 3 times during the year of 2023 and the following statement shows date of meetings and attendance record:

#	Member's Name	Nature of Membership	Number of meetings		
			1st Meeting 06/07/2023	2d Meeting 08/09/2023	3rd Meeting 11/02/2023
1	Mr. Wahdan Suleiman al-Kadi	Chairman	√	√	√
2	Mr. Giles Richard Ward	Member	√	√	√
3	Mr. Hisham Al-Khereiji	Member	√	√	√

Risk Management Committee

Brief description of specializations of the committee

The committee reviews tasks of the Risk Manager to advise and recommend relevant actions on management of the company's risks. The Committee also sets a system of policies for the management of risks and strategies to be adopted by the Board of Directors.

Members of the committee

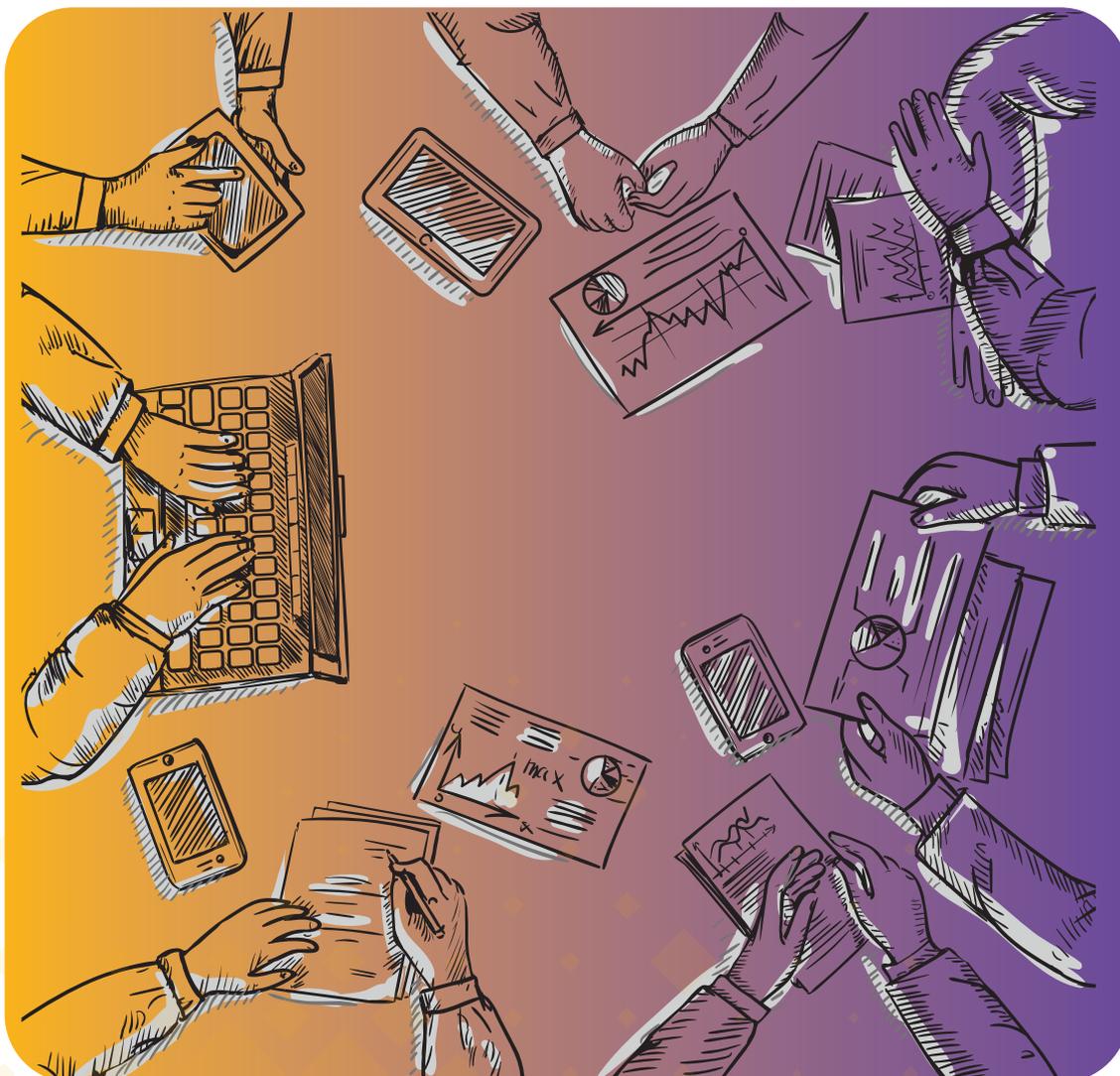
#	Name of member	Member of the Board	Category
1	Mr. Christian Raymond Mounis	Yes	Independent
2	Mr. Hassan Tariq	No	Independent
3	Engr. Nabil Yousuf Jamil Jokhdar	Yes	Non-executive
4	Mr. Diya Maghrabi	No	Independent
5	Mr. Stephen Brian Dixon	Yes	Non-executive

Members of the committee met 4 times during the year 2023 and the following statement shows date of meetings and attendance record:

#	Member's name	Nature of membership	Number of meetings			
			1st Meeting 03\09\2023	2nd Meeting 06\21\2023	3rd Meeting 08\09\2023	4th Meeting 11\07\2023
1	Mr. Christian Raymond Mounis	Chairman of the Committee	✓	✓	✓	✓
2	Engr. Nabil Yousuf Jamil Jokhdar	Member	✓	✓	✓	✓
3	Mr. Stephen Brian Dixon	Member	✓	✓	X	✓
4	Mr. Hassan Tariq	Member	✓	✓	✓	✓
5	Mr. Diya Maghrabi	Member	X	✓	✓	✓

The Board of Directors used Tools for evaluating their performance and the performance of the Members of Committees:

The Board of Directors have established procedures for evaluating the work of the Members of the Board of Directors and Members of the Board Committees on an annual basis.



Disclosure of remunerations of Members of the Board of Directors and Members of the Executive Administration committees

Remunerations of Members of the Board of Directors

Member Name	Variable Remuneration					Fixed remuneration							Expense allowance	Total
	Set Amount	Total attendance allowance	Benefits in kind	Allowance received by the members as workers or administrators, or what they received in return for technical, administrative or consulting works	Remuneration of the Chairman or Managing Director	Total	percentage of profits	Periodic bonuses	Short-term incentive	Long-term incentive plans	Granted shares	Total		
Independent Members														
Christian Mounis	150,000	30,000	0	0	0	180,000	0	0	0	0	0	0	80,151	260,151
Wahdan Elkadi	150,000	25,000	0	0	0	180,000	0	0	0	0	0	0	650	175,650
Hisham Elkhareiji	150,000	30,000	0	0	0	180,000	0	0	0	0	0	0	18,774	198,774
Total	450,000	85,000	0	0	0	535,000	0	0	0	0	0	0	99,575	634,575
Non-Executive Members														
Nabil Jokhdar	0	25,000	0	0	225,000	250,000	0	0	0	0	0	0	6,389	256,389
Mohammed Elkhareiji	150,000	30,000	0	0	0	180,000	0	0	0	0	0	0	8,122	188,122
Nikolay Dmitriev	150,000	30,000	0	0	0	180,000	0	0	0	0	0	0	60,002	240,002
Steve Dixon	150,000	25,000	0	0	0	175,000	0	0	0	0	0	0	63,642	238,642
Giles Ward	150,000	30,000	0	0	0	180,000	0	0	0	0	0	0	57,962	237,962
Total	600,000	140,000	0	0	225,000	965,000	0	0	0	0	0	0	196,117	1,161,117
Executive Members														
Abdulaziz Elkhareiji	0	30,000	0	0	150,000	180,000	0	0	0	0	0	0	25,914	205,914
Total	0	30,000	0	0	150,000	180,000	0	0	0	0	0	0	25,914	205,914

Remuneration of Committee Members

Name of Member	Fixed Benefits	Sessions Attendance Allowance	Total
Members of Audit Committee			
Mr. Abdullah Al Yousef	75,000	30,000	105,000
Mr. Bader Alreziza	50,000	25,000	75,000
Engr. Hisham Abdulrahman El Khereiji	50,000	30,000	80,000
Total	175,000	85,000	260,000
Members of Nomination & Remuneration Committee			
Mr. Giles Ward	18,750	15,000	33,750
Mr. Wahdan Suleiman Al Kadi	27,750	15,000	42,750
Engr. Hisham Abdulrahman El Khereiji	18,750	15,000	33,750
Total	65.250	45.000	110.250
Members of Risk Management Committee			
Mr. Christian Raymond Mounis	37,000	20,000	57,000
Mr. Diya Maghrabi	25,000	40,000	40,000
Engr. Nabil Yousef Jokhdar	25,000	20,000	45,000
Mr. Tariq Hassan	25,000	20,000	45,000
Mr. steve Dixon	25,000	15,000	40,000
Total	137,000	90,000	227,000
Members of Executive Committee			
Mr. Abdulaziz AlKhereiji	50,000	40,000	115,000
Mr. Mohammed El Khereiji	50,000	40,000	90,000
Mr. Giles Ward	75,000	35,000	85,000
Mr. Steve Dixon	50,000	35,000	85,000
Total	225,000	150,000	375,000
Members of Investment Committee			
Mr. Mohammed El Khereiji	37,000	20,000	57,000
Mr. Giles Richard Ward	25,000	20,000	45,000
Mr. Loay Fahad Dkheel	25,000	15,000	40,000
Total	87,000	55,000	142,000
Members of Reinsurance Committee			
Mr. Christian Raymond Mounis	37,000	20,000	57,000
Mr. Abdulaziz El Khereiji	25,000	20,000	45,000
Mr. Nikolay Dmitriev	25,000	20,000	45,000
Mr. Steve Dixon	25,000	20,000	45,000
Total	112,000	80,000	192,000

Remunerations of Senior Executives

Top.5 Senior Executives	Fixed remunerations				Variable remunerations						End of service rewards	Total remuneration for executives in the	Grand Total
	Salaries	Allowances	In Kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Equity grants	Total			
Total	3,893,787		0	3,893,787	0	0	0	690,787	0	690,787	420,070	0	5,004,644

Policy and criteria for setting the remunerations of the Members of Board of Directors and Executive Administration of the company.

The minimum limit for the annual remuneration of the Chairman and Members of the Board of Directors is SAR 120,000 and the maximum limit is SAR. 500,000, which is paid in compensation for the Board membership and the work. These amounts are inclusive of any additional remuneration paid to eligible members of the Board Committees.

In the event of realization of profits by the company, a rate equivalent to 10% of the remaining net profit may be distributed to the Members of Board of Directors, after deduction of reserves determined by the general assembly pursuant to the provisions of Cooperative Insurance Companies and after distribution of profit to shareholders not less than 5% of paid capital, provided that the entitlement of this benefit shall be commensurate with number of sessions attended by a member, however, every assessment contrary to that shall be invalid.

Members of the Board including and the Chairman are reimbursed value of actual expenses borne by them for attendance of meetings of the Board or the Committee emanating from Board of Directors, including travel expenses and accommodation.

The maximum remuneration and financial benefits rewarded to Members of the Board is capped at SAR. 500,000.

The maximum limit for the allowances paid to Members for attending the Board and Committees sessions is SAR 5,000 for each session, excluding travel and lodging expenses.

Relationship between the rewards granted and policies of remunerations of members of Board of Directors.

Board of Directors rewards disbursed are based on the implemented remuneration policy. The company confirms that there are no deviations from the policy.

Penalties and constraints imposed on the company

The company received Three violations during the year 2023 according to the following data:

Subject and reasons of the violation	Fisical year 2023			Fiscal Year2022		
	No. of Executive Decisions	Total amount of Fines (In SAR)	Ways of remedying it and avoiding its occurrence in the future	No. of Executive Decisions	Total amount of Fines (In SAR)	Ways of remedying it and avoiding its occurrence in the future
Violating the instructions of Insurance Authority	3	490,000	The company has developed a corrective plan to address and implement all requirements and to ensure that they do not occur in the future	2	40,000	The company has developed a corrective plan to address and implement all requirements and to ensure that they do not occur in the future

Result of annual review of efficiency of measures of internal controls at the company

Internal control measures have been prepared on the basis of soundness and efficiency and are supported through the following:

- The Audit Committee of the Board of Directors submits its reports periodically, identifying areas of weakness and recommendations for developing controls and measures to avoid reoccurrence in future.
- Departments specializing in internal audit and compliance have their annual plans approved by the Audit Committee and submit their reports to the Committee independently. These include audit observations and its respective recommendations.
- Revisions of some aspects of internal control are taken periodically by the External Auditors, as well as periodic and unplanned inspections by the Insurance Authority.

The Audit Committee conducted a comprehensive assessment of the effectiveness of internal control procedures for 2023, review results reflect their adequacy. The committee has also conducted a number of reviews to measure the effectiveness of risk management, compliance, corporate governance and the results confirmed that the procedures applied by the company are well-founded and implemented efficiently and effectively. The committee also reported some observations to the Board of Directors with their recommendations on specific corrective actions for the management to implement.

Overall, the Company's Board of Directors found that internal controls are effective and fulfill the required role that ensures no misuses and acknowledges the non-existence of material observations that may affect the company's business.

Audit Committee Recommendation on the need for appointment of an Internal Auditor at the Company:

The Company has an internal audit department and therefore the audit committee does not need to recommend the appointment of an internal auditor.

Recommendations of the Audit Committee which have any conflict with the Board of Directors' decisions, or which the Board has refused to take regarding the appointment of the Company's auditor, their dismissal, the determination of their fees, the performance evaluation or the appointment of the internal auditor; and the reasons for not taking them.

There was no conflict between the recommendations of the Audit Committee and the Board's decisions regarding the appointment of the auditors of the Company as they were recommended and submitted for the shareholders to vote.

Details of the company's social contributions:

Chubb Arabia Cooperative Insurance Company supports community programs as one of its important priorities and contributes by supporting related activities and programs which are of value and benefit to for individuals and society. The following are some of the examples of Chubb Arabia's engagement on various sectors of the society:

Students training program, where the company provided training for the graduating students and other students during summer holiday from a local university with the intention to provide them training and awareness of the insurance sector. The company also paid students a stipend during their training period.

The company strives to increase community programs in the coming years.

Statement of dates of general meetings of shareholders convened during 2023 and the names of Members of the Board of Directors who attended these meetings.

#	Name of member	Attendance record
		Meeting of 15th AGM 06\13\2023
1	Engr. Nabil Yousef Jokhdar	√
2	Mr. Stephen Brian Dixon	√
3	Mr. Abdulaziz Abdulkarim Al Khereiiji	√
4	Mr. Nikolay Dmitriev	√
5	Mr. Mohamed Abdulkarim Al Khereiiji	√
6	Mr. Giles Richard Ward	√
7	Mr. Wahdan Suleiman Al Kadi	√
8	Mr. Christian Raymond Mounis	√
9	Mr. Hisham Abdulrahman Al Khereiiji	√

The most important risks which are facing the company

The risks faced by the Company and the way these risks are mitigated by management are summarized as below:

Insurance and reinsurance risk management

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The principal risk that the Company faces under such contracts is the occurrence of the insured events and the severity of reported claims. The Company's risk profile is improved by diversification of these risks of losses to a large portfolio of contracts as a diversified portfolio is less likely to be affected by an unexpected event in a single subset.

Underwriting and retention policies, procedures and limits and clear underwriting authorities precisely regulate who is authorized and accountable for concluding insurance and reinsurance contracts and at what conditions. Compliance with these guidelines is regularly checked and developments in the global, regional and local markets are closely observed, reacting where necessary with appropriate measures that are translated without delay into underwriting guidelines if required.

The primary risk control measure in respect of the insurance risk is the transfer of risks to third parties via reinsurance. The reinsurance business ceded is placed on a proportional and non-proportional basis with retention limits varying by lines of business. The placements of reinsurance contracts are diversified so that the Company is not dependent on a single reinsurer or a reinsurance contract.

Although the Company has reinsurance arrangements, it does not, however, discharge the Company's liability as primary insurer and thus a credit risk exposure remains with respect to reinsurance ceded to the extent that any reinsurer may be unable to meet its obligations under such reinsurance arrangements. The Company minimizes such credit risk by entering reinsurance arrangements with reinsurers having good credit ratings, which are reviewed on a regular basis. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract. Reserve risks are controlled by regularly monitoring the provisions for insurance claims that have been submitted but not yet settled and by amending the provisions, if deemed necessary.

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The Company underwrites mainly property, engineering, motor, casualty, and marine classes. These classes of insurance except for long-tail engineering policies and certain type of casualty risk are generally regarded as annual insurance contracts where claims are normally intimated and settled within a short time span. This helps to mitigate insurance risk.



Property

Property insurance contracts, with the main perils being fire, accidental damage and other allied perils, are underwritten either on a replacement value or an indemnity basis with appropriate values for the interest insured. The cost of rebuilding or repairing the damaged properties, and the time taken to reinstate the operations to its pre-loss position in the case of business interruption, are the main factors that influence the level of claims.

In respect of accumulation of the retentions under the property business, this is covered by proportional as well as non-proportional treaties.



Engineering

Engineering business includes long tail Erection All Risks (“EAR”) and Contractor All Risk (“CAR”) policies and annual policies for Machinery Break Down (“MBD”), Machinery All Risk, Electronic Data Processing, Deterioration of Stock and Business Interruption in conjunction with MBD. The long tail EAR/CAR policies cover various projects for the whole project period. Selection of the risks and proper underwriting are the criteria for these positive results for this line of business.



Motor

For motor insurance contracts, the main elements of risk are claims arising out of insured vehicles as well as damage to third parties’ properties. Further, death claims compensation is payable in accordance with the laws as applicable in the Kingdom of Saudi Arabia. This risk is covered by per occurrence excess of loss treaties that cover involvement of more than one vehicle in an accident.



Casualty

For casualty class of insurance loss of money, personal accident, workmen’s compensation, travel, general third-party liability and professional indemnity are underwritten. The extent of loss or damage is the main factor that influences the level of claims.



Marine

In marine insurance, the main risk elements are loss or damage to insured cargo and hull due to various mishaps resulting in total or partial loss claims. The extent of the loss or damage is the main factor that influences the level of claims. The risk is covered through a combination of proportional treaties and non-proportional treaties.



Concentration of insurance risk

The Company, strictly adheres to the any one risk definition in its underwriting process, to control its exposure to concentration of risks. The elimination of location limit under the marine proportional treaty and having a third excess of losses (“XOL”) layer to protect accumulation on the net retention provides adequate coverage for concentration risk exposure. On the casualty side, concentration of risk is considered low and the XOL treaty provides adequate protection for the risk. The Company does not have any material claims where the amount and timing of payment is not resolved within one year of the statement of financial position date.



Reinsurance risk

Reinsurance is used to manage insurance risk. Although the Company has reinsurance arrangements, it does not, however, discharge the Company’s liability as primary insurer and thus a credit risk exposure remains with respect to reinsurance ceded to the extent that any reinsurer may be unable to meet its obligations under such reinsurance arrangements. The Company minimizes such credit risk by entering reinsurance arrangements with reinsurers having good credit ratings, which are reviewed on a regular basis. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract. Reserve risks are controlled by constantly monitoring the provisions for insurance claims that have been submitted but not yet settled and by amending the provisions, if deemed necessary.



Regulatory framework risk

The operations of the Company are subject to local regulatory requirements in the Kingdom of Saudi Arabia. Such regulations not only prescribe approval and monitoring of activities but also impose certain mandatory provisions e.g., capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise.



Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Company, the maximum exposure to credit risk of the Company is the carrying value as disclosed in the statement of financial position.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

- The Company only enters into insurance and reinsurance contracts with recognized credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.
- The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.
- The Company's investment portfolio is managed by the investment committee in accordance with the investment policy established by the investment committee.
- The Company, with respect to credit risk arising from other financial assets, is restricted to commercial banks having strong financial positions and credit ratings.
- There are no significant concentrations of credit risk within the Company.

The table below shows the maximum exposure to credit risk components of the statement of financial position:

	2022	2023
Cash and cash equivalents	24,919	38,480
Reinsurance contract assets	189,641	202,276
Investments carried at FVTPL	24,008	86,929
Investments carried at FVOCI	109,926	127,311
Term deposit	243,331	200,872
Statutory deposits	30,000	30,000
Accrued income on statutory deposit	2,863	4,457
Other asset	20,205	16,166
	644,893	706,491



Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise. A significant amount of funds is invested in time deposits, available for sale and held for trading investments.



Liquidity profile

None of the financial liabilities on the statement of financial position are based on discounted cash flows and are all payable on a basis as set out above.



Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars, during the year. As the Saudi Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.



Commission rate risk

Commission rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market commission rates. Floating rate instruments expose the Company to cash flow commission risk, whereas fixed commission rate instruments expose the Company to fair value interest risk.

The Company is exposed to commission rate risk on certain of its time deposits, term deposits, investments held for trading and investments available for sale. The Company limits commission rate risk by monitoring changes in commission rates.



Market price risk

Market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from commission rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company limits market risk by maintaining a diversified portfolio and by monitoring developments in equity market. The Company does not have significant market risk.



Equity price risk

Equity price risk arises from changes in the fair values of equity investments. Equity price risk is managed by the investment department of the Company. The unquoted equity price risk exposure arises from the Company's investment portfolio.



Capital management

Capital requirements are set and regulated by IA. These requirements are put in place to ensure enough solvency margins. Further objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders or issue shares. In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements during the reported financial period.



Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Ethical and business standards; and Risk mitigation policies and procedures.

Accounting Standards

Application of international standards:

These financial statements of the Company have been prepared 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"). This is the first full set of the Company's financial statements in which IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" as endorsed in Kingdom of Saudi Arabia have been applied.

Subsidiary Companies

The Company does not own any subsidiary.

Shares details and debt tools issued to the subsidiary company

There are no subsidiary companies.



Profit Distribution Policy

The Company's policy to distribute profits does not violate the rules stipulated in the Cooperative Insurance Companies Control Law issued by the Saudi Arabian Monetary Agency and the rules stipulated in the Articles of Association of the Company, which were approved by the constituent Assembly of the Company. Article 44 of the Company's Articles of Association stipulates the policy of distributing shareholders' profits as follows:

Hold the determined Zakat and income tax

Hold 20% of the net profit to form a statutory reserve. The Ordinary General Assembly may suspend this reserve when the above-mentioned reserve reaches up to total paid-up capital. Based on the proposal of the Board of Directors, a percentage of the net annual profits shall be set aside for the formation of an additional reserve to be allocated for a specific purpose or purposes decided by the General Assembly.

Then distribution from the rest a first payment to the shareholders at least 5% of the paid-up capital.

The residual value shall then be distributed to the shareholders as a share of the profits or post it to the retained earnings account.

Under a resolution of the Board of Directors, may distribute periodic profits deducted from the annual profits limited in paragraph (4) of this Article in accordance with the rules governing this and issued by the competent authorities

Noting that the company did not distribute dividends in 2023 for 2022 based on the shareholders' vote on the dividend distribution item in the General Assembly



Surplus proposed to be distributed to policy holders for the year 2023

The surplus realized from the insurance operations amounted to 29,010 thousand Saudi riyals, and according to the executive regulations of the cooperative insurance system, an amount of 26,096 thousand Saudi riyals, which represents 90% of the surplus of insurance operations, was transferred to the shareholders' account, to be added to the shareholders' income list, while the remaining percentage is distributed 10 % Of the surplus, which amounts to 2,913 thousand Saudi riyals for policyholders.

Description of ownership of major shareholders, members of boards of directors, senior executives and their spouse and minor children:

The Company acknowledges non-existence of persons (except members of board of directors, senior executives and their spouses and dependent children) informing the Company of any rights entitled under Article (45) of rules of registration and enrollment issued by Saudi Monetary Authority.

Each of the members, Mr. Stephen Brian Dixon, Mr. Nikolay Dmitriev and Mr. Giles Richard Ward represent Chubb INA International Holdings Limited which is founding shareholder with shareholding of 30% of the Company.

Description of any stake that belongs to members of board of directors, their spouses and dependent children of shares or instruments of debts of the company							
#	Name of stakeholder	At the beginning of the year		At the end of the year			
		Number of shares	Instruments of debt	Number of shares	Instruments of debts	Net of variation	Rate of variation
1	Nabil Yousef Jokhdar	972	0	972	0	0	0
2	Stephen Brian Dixon	0	0	0	0	-	-
3	Abdulaziz Al Khereiji	7,500	0	7,500	0	0	0
4	Mohamed Al Khereiji	0	0	0	0	0	-
5	Nikolay Dmitriev	0	0	0	0	0	-
6	Giles Richard Ward	0	0	0	0	0	-
7	Christian Raymond Mounis	0	0	0	0	0	-
8	Wahdan Suleiman al-Kadi	0	0	0	0	0	-
9	Hisham Al-Khereiji	0	0	0	0	0	-

Other than as disclosed above, none of the Senior Executives, their spouses and dependent children directly or indirectly own any shares of the Company.

Loans on the Company

The Company acknowledges non-existence of any loans on it whether payable on demand or otherwise.

Description of instruments of debt, right of choice or document of subscription right and the like:

The Company has initially investment in the Najm for insurance services company (A Saudi Limited Liability Company) amounted 1,932,078. After the implementation of IFRS-9 the investment in equity needs to be evaluated and keep it at fair value. As at December 31, 2023 the fair value of that investment become amount of SR. 43,484,252. The fair value is provided by the Najam for insurance services company and reviewed by the specialist

The Company acknowledges non-existence of any rights of transfer, subscription under instruments of debt convertible into shares, rights of choice or policies of subscription right or the like of the rights issued or granted by the Company.

The Company acknowledges non-existence of any redemption, purchase, or cancellation by the Company of any instruments of debts subject to redemption.

Board of directors' meetings:

The Board of Directors of the Company had 5 meetings during 2023

The following table shows time of the meetings and actual attendance record of the members:

Member's name	Number of meetings: 5									
	1st meeting 01\18\2023		2nd Meeting 03/14/2023		3rd Meeting 06\21\2023		4th Meeting 08\09\2023		5th Meeting 11\07\2023	
Engr. Nabil Yousef Jokhdar	√	-	√	-	√	-	√	-	√	-
Mr. Stephen Brian Dixon	√	-	√	-	√	-	√	-	√	-
Mr. Abdulaziz El Khereiji	√	-	√	-	√	-	√	-	√	-
Mr. Nikolay Dmitriev	√	-	√	-	√	-	√	-	√	-
Mr. Mohamed El Khereiji	√	-	√	-	√	-	√	-	√	-
Mr. Giles Richard Ward	√	-	√	-	√	-	√	-	√	-
Mr. Wahdan Suleiman al-Kadi	√	-	√	-	√	-	√	-	√	-
Mr. Christian Raymond Mounis	√	-	√	-	√	-	√	-	√	-
Eng. Hisham Al-Khereiji	√	-	√	-	√	-	√	-	√	-

Shareholders Report.

During the fiscal year ending 12/31/2023 AD, the company requested the shareholders records 2 times, and the following table shows the dates for requesting the shareholders' records and the reasons for the request:

#	Reason for the request	Date of report
1	General Assembly	03/16/2023
2	Company procedures	03/09/2023

Transactions of the Company and related parties

The Company issued different insurance policies for one year with a total amount of 1,190,953 SR. for companies whose ownership belongs directly or indirectly to related parties. The below schedule shows details of these policies.

Name of Company	Related party	Type of its relationship with the Company	Type of Transaction	Term	Amount
Al Khereiji Trading & Electronics Company	Abdulaziz El Khereiji	Members of the board	Insurance Contract	1 Year	24,391
	Mohamed El Khereiji				
Al Khwarizmi Actuarial Services Company	Abdulaziz El Khereiji	Members of the board	Insurance Contract	1 Year	59,524
	Mohamed El Khereiji				
El Khereiji Contracting Company	Abdulaziz El Khereiji	Members of the board	Insurance Contract	1 Year	26,465
	Mohamed El Khereiji				
Elkhereiji' Real Estate Company	Abdulaziz El Khereiji	Members of the board	Insurance Contract	1 Year	322,064
	Mohamed El Khereiji				
Saudi Ceramic	Abdulaziz El Khereiji	Members of the board	Insurance Contract	1 Year	736,899
	Mohamed El Khereiji				
Knowledge Enrichment Co.	Abdulaziz El Khereiji	Members of the board	Insurance Contract	1 Year	21,610
	Mohamed El Khereiji				

Business and contracts of the company have or used to have an interest of a Board member or the Chief Executive Officer or Chief Financial Officer or any person related to any of them

Company's Name	Nature of work or contract	Amount of work or contract (Riyals)	Term of work or contract	Conditions of work or contract	Name of member/ senior executives or any person related to any of them
Chubb INA International Holdings Company Ltd	Reinsurance Transactions	48,603,408	One year	There is no condition or advantages	Stephen Brian Dixon
					Giles Richard Ward
					Nikolay Demetriv
Taysers Broker Company	Reinsurance Transactions	2,832,251	One year	There is no condition or advantages	Abdulaziz Abdulkarim El Khereiji
					Mohamed Abdulkarim El Khereiji
General Maintenance Center for Vehicles Establishment	Provision of maintenance services to insured vehicles of the clients	3,178,504	One year/ automatically renewed	There is no condition or advantages	Abdulaziz Abdulkarim El Khereiji
					Mohamed Abdulkarim El Khereiji
Al Khwarizmi Actuarial Services Company	A contract to provide actuarial services	6,500	One year	There is no condition or advantages	Abdulaziz Abdulkarim Al Khereiji
					Mohamed Abdulkarim El Khereiji
Sahara Net	Cyber Security Services	137,160	One year	There is no condition or advantages	Mohamed Abdulkarim El Khereiji
					Abdulaziz Abdulkarim El Khereiji
Al-Khereiji Company for Trade and Electronics	Renting the company's buildings	1,661,227	One year	There is no condition or advantages	Mohamed Abdulkarim El Khereiji
					Abdulaziz Abdulkarim El Khereiji

Value of statutory payments:

We state below amounts of statutory payments during the physical year 2023

Statement	Payment Amount	Brief Description	Statement of reasons
Zakat & Income tax	7,484,702	Regular governmental charges	Charges of Zakat and income under Zakat & Income Tax regulations.
General Organization of Social Security	3,907,206	Regular governmental charges	Social insurance for the employees under regulations of social insurance.
Costs of visas, passports and Labor Office Depts.	285,377	Regular Governmental Charges	Costs of governmental payments.
Insurance Authority	1,672,501	Charges of inspection and supervision costs	Charges of inspection and supervision under regulation of control of insurance companies.
Capital Markets Authority (Tadawul)	358,362	Service charges	Agreement of management of registry of shareholders.
Total Payments		13,708,148	

Waiver by the members of Board of Directors or Senior Executives of any salary or compensation:

There is no arrangement or agreement whereby a member of the board of directors or senior executives waives any salary or compensation.

Waiver of profits by any of the shareholders:

There is no arrangement or agreement whereby shareholders waive any profits.

Investments or reserves in favor of employees of the Company:

Compensation for end of service of the employees by the end of the fiscal year 2023 has reached an amount of SAR 14,517,904.

Acknowledgements

The board of directors acknowledges the following:

- Records of accounts have been prepared correctly.
- Internal control systems were prepared on sound basis and implemented efficiently.
- There are no concerns about the Company's ability to continue its business.

Reservations of external accountants on annual financial statements:

It was stated in the independent auditors' report on the annual financial statements that the financial statements show fairly, in all material respects, the financial position of the company as of December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (standards) International Financial Reporting Standards "(approved in the Kingdom of Saudi Arabia and other standards and other statements issued by the Saudi Organization for Certified Public Accountants ("SOCPA").

The recommendation of the Board of Directors to change the auditor before the end of the designated period, indicating the reasons for recommending the change:

The Company acknowledges that there was no recommendation from the Board of Directors during the financial year ended 31/12/2023 regarding the change of the Auditor before the end of the period specified for it.

Details of treasury shares held by the company and details of the uses of these shares:

There are no treasury shares held by the company.

Conclusion:

The Board of Directors sincerely expresses appreciation to its valued business partners, and shareholders for their trust and confidence in supporting the company with its distinct development in the Saudi Arabian insurance market. The Board of directors also take this opportunity to acknowledge the dedication and hard work of its Senior Management, their teams and all employees who have enabled the Company in consistently delivering sustainable and profitable results.

The Board**of Directors**

CHUBB®