



United Cooperative Assurance
Company "UCA"

Board of Directors' Annual Report

2022

Table of Content

1. INTRODUCTION AND COMPANY PROFILE	5
2. COMPANY STRATEGY	7
3. GENERAL DEVELOPMENTS DURING THE FY ENDING ON 31/12/2022	11
4. SPECIFICATION OF THE MAIN TYPES OF ACTIVITIES, PLANS, RESOLUTIONS AND FUTURE EXPECTATIONS OF THE COMPANY'S BUSINESS:	12
5. LOOKING AHEAD:	13
6. KEY FINANCIAL AXES:	14
6.1. THE COMPANY'S MAIN INSURANCE BUSINESS	14
6.2. REGIONAL DISTRIBUTION OF TOTAL INSTALLMENTS FOR 2022 AD	15
6.3. GEOGRAPHICAL DISTRIBUTION OF PREMIUMS WRITTEN DURING THE PAST FIVE FISCAL YEARS ENDING ON DECEMBER 31, 2022:	15
6.4. FINANCIAL INDICATORS:	16
6.5. STATUTORY RESERVE:	17
6.6. DIVIDEND POLICY:	17
6.7. ACCOUNTING STANDARDS:	18
6.8. APPOINTMENT OF COMPANY AUDITORS:	18
6.9. ZAKAT, INCOME TAX AND STATUTORY PAYMENTS:	18
7. SUBSIDIARIES AND THEIR MAIN ACTIVITIES:	22
8. RISK MANAGEMENT:	23
9. PENALTIES, PENALTIES AND LEGAL RESTRICTIONS:	27
10. LOCAL AND INTERNATIONAL REGULATORY AND SUPERVISORY REQUIREMENTS:	28
11. BOARD SECRETARIAT AND GOVERNANCE:	29
11.1. APPLICATION OF THE PROVISIONS OF CORPORATE GOVERNANCE REGULATIONS:	29
11.2. COMMUNITY PARTICIPATION:	32

12. MEETINGS OF THE GENERAL ASSEMBLY HELD IN 2022, AND THE NAMES OF ATTENDANT BOARD MEMBERS:	33
13. NOTICE CONCERNING OWNERSHIP OF KEY SHAREHOLDERS:	36
13.1. SPECIFICATION OF ANY INTEREST, OPTION RIGHTS AND SUBSCRIPTION RIGHTS BELONGING TO THE MAJOR SHAREHOLDERS:	36
13.2. SPECIFICATION OF ANY INTEREST OF THE BOARD MEMBERS, THEIR SPOUSES AND THEIR MINOR CHILDREN IN THE SHARES OR DEBT INSTRUMENTS OF THE COMPANY OR ANY OF ITS SUBSIDIARIES:	36
13.3. SPECIFICATION OF ANY INTEREST OF THE COMPANY'S SENIOR EXECUTIVES, THEIR SPOUSES AND MINOR CHILDREN IN THE SHARES OR DEBT INSTRUMENTS OF THE COMPANY OR ANY OF ITS SUBSIDIARIES:	36
14. TRANSACTIONS WITH RELATED PARTIES:	37
15. NUMBER OF THE COMPANY'S REQUESTS FOR THE SHAREHOLDER REGISTER DURING THE YEAR 2022 AND THE DATES OF THOSE REQUESTS:	38
16. UCA BOARD OF DIRECTORS:	39
16.1. BOARD OF DIRECTORS AND CLASSIFICATION OF ITS MEMBERS:	39
16.2. NAMES, QUALIFICATIONS AND EXPERIENCES OF THE BOARD MEMBERS:	40
16.3. BOARD MEETINGS FOR 2022 AD:	42
16.4. COMPANIES INSIDE AND OUTSIDE THE KINGDOM IN WHICH A UCA MEMBER IS A MEMBER OF A CURRENT OR EX MEMBER OF DIRECTOR THEREIN:	42
16.5. REMUNERATIONS FOR BOARD MEMBERS, COMMITTEES AND EXECUTIVE MANAGEMENT:	43
16.6. EVALUATION OF THE EFFECTIVENESS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES:	45
16.7. SPECIFICATION OF ANY PENALTY, PRECAUTIONARY RESTRICTION, OR SANCTION IMPOSED ON ANY OF THE BOARD MEMBERS, IF ANY:	45
17. BOARD SUBCOMMITTEES:	46
17.1. EXECUTIVE COMMITTEE:	46
17.2. AUDIT COMMITTEE:	48
17.3. NOMINATIONS AND REMUNERATIONS COMMITTEE:	50
17.4. INVESTMENT COMMITTEE:	52
17.5. RISK COMMITTEE:	53
18. NAMES, QUALIFICATIONS AND EXPERIENCES OF THE EXECUTIVE MANAGEMENT MEMBERS:	55

19. ANNUAL REVIEW OF THE EFFECTIVENESS AND PROCEDURES OF INTERNAL CONTROL AND ITS RESULTS:	58
19.1. THE AUDIT COMMITTEE'S EVALUATION OF THE ADEQUACY OF THE COMPANY'S INTERNAL CONTROLS	58
20. RECOMMENDATIONS OF THE AUDIT COMMITTEE THAT CONFLICT WITH THE RESOLUTIONS OF THE BOARD OF DIRECTORS, OR WHICH THE BOARD REFUSED TO TAKE INTO ACCOUNT REGARDING THE APPOINTMENT AND DISMISSAL OF THE COMPANY'S AUDITOR, DETERMINING HIS FEES, EVALUATING HIS PERFORMANCE, OR APPOINTING THE INTERNAL AUDITOR, AND THE JUSTIFICATIONS FOR THOSE RECOMMENDATIONS, AND THE REASONS FOR NOT TAKING THEM INTO ACCOUNT.	59
21. ACTIONS TAKEN BY THE BOARD OF DIRECTORS TO INFORM ITS MEMBERS OF THE SHAREHOLDERS' SUGGESTIONS AND OBSERVATIONS REGARDING THE COMPANY AND ITS PERFORMANCE:	59
22. INFORMATION RELATING TO ANY LOANS ON THE COMPANY (WHETHER REPAYABLE ON DEMAND OR OTHERWISE) IN ACCORDANCE WITH THE REQUIREMENTS OF THE CORPORATE GOVERNANCE REGULATIONS:	60
23. A STATEMENT OF ANY ARRANGEMENTS OR AGREEMENT UNDER WHICH A BOARD MEMBER OF THE COMPANY OR ONE OF ITS SENIOR EXECUTIVES WAIVED ANY REMUNERATION:	60
24. A STATEMENT OF ANY ARRANGEMENTS OR AGREEMENT UNDER WHICH A SHAREHOLDER OF THE COMPANY DEALS WITH ANY RIGHTS TO PROFITS:	60
25. DISCLOSURE OF TREASURY SHARES HELD BY UNITED COOPERATIVE ASSURANCE COMPANY AND DETAILS OF THEIR USE:	60
26. EMPLOYEE BENEFITS AND COMPENSATION:	60
27. BOARD CONFIRMATIONS:	61
28. A SUMMARY OF UCA ASSETS, LIABILITIES AND RESULTS FOR THE LAST FIVE FISCAL YEARS:	62
29. APPROVAL OF THE FINANCIAL STATEMENTS:	71

1. Introduction and Company Profile

UCA Board of Directors is pleased to present to its shareholders the annual report for the fiscal year ending on December 31, 2022 AD, including the results of insurance operations and shareholders' accounts, in addition to comparing them with the results of the previous year ending on December 31, 2021 AD, accompanied by the audited financial statements and related notes.

This report included the most important activities and developments that took place in the Company during the year 2022 AD, and the disclosures therein in accordance with the applicable cooperative insurance regulations and laws, and the disclosure requirements stipulated in the Insurance Companies' Governance Regulations issued by the Saudi Central Bank (SAMA) and the Corporate Governance Regulations issued by the Capital Market Authority to enable shareholders to evaluate the Company's assets, liabilities and financial position clearly and correctly.

Company profile

United Cooperative Assurance Company (UCA) is a Saudi public joint stock Company registered in the Kingdom of Saudi Arabia and listed on Tadawul. It was established by Council of Ministers Resolution No. 94 dated 14/3/1428 AH and based on Royal Decree No. M / 24 dated 15/3 / 1428 AH. UCA operates under Commercial Registration No. 4030179955 dated 6/6/1429 AH. The Company started its activity in the Kingdom in 2008 AD with a capital of (200) million Saudi riyals. Its current capital is (400) million riyals divided into (40) million share, and the nominal value of each share is 10 Saudi riyals.

The main objectives of UCA are to engage in cooperative insurance business and all related business. The Company may do all the work necessary to achieve its goals, whether in the field of insurance or investing its funds, in addition to its right to own fixed and cash funds and transfer, sell, replace or rent them directly or through companies it establishes or buy, or in partnership with other parties. UCA also has the right to own, have an interest, or participate in any way with entities that carry out activities similar to its business or financing activities, or that help it achieve its objectives, as well as its right to merge with or purchase these entities.

UCA operates from its headquarters and through its departments, business sectors and branches in the Kingdom of Saudi Arabia mentioned below. The Company does not have any branches, departments or subsidiaries operating outside the Kingdom of Saudi Arabia. And during the year 2022 AD, the company's extraordinary general assembly, which was held on 19 October, 2022 AD, agreed to move the company's headquarters to the city of Riyadh,

and during the year 2023 AD, the company will move the headquarters to Riyadh after completing the logistical preparations.

UCA Offices

Head office - Jeddah - Kingdom of Saudi Arabia

Prince Saud Al-Faisal Street (previously Al-Rawdah) - Al-Khalidiyah District - Al-Mukmal Tower (2)



Riyadh Branch

King Fahd Street - Al-Morouj District - Riyadh - 12264 - Al-Saedan Tower



Dammam Branch

Al-Safa district - Dammam - 3576 - Al-Athar Tower



Dammam Branch "Claims Center"

Abu Hadria Street - King Fahd Suburb - Dammam - 9312 - Jawharat Al Maarad Building



2. Company Strategy

The strategy of the Company is to invest in promising opportunities in the Saudi market in light of the developments taking place in the insurance market in the Kingdom of Saudi Arabia and based on Kingdom's Vision 2030 and national transformation programs. The company is keen to work on harnessing all the capabilities and resources available to achieve the aspects of its strategy, supported by a skilled team and accumulated experience in the fields of insurance, and supported by a number of distinguished insurance products that are consistent with the market needs in the areas of general insurance, medical, cars, engineering others, which are marketed through sales channels multiple direct and indirect services, in line with the digital and technical change taking place in the Kingdom.

The Company's strategy for the next five (5) years approved by the Board of Directors in 2022 AD, depends on keeping pace with the fundamental changes in the Saudi market in a way that contributes to supporting the national economy and serving the Saudi society. The Company looks forward to broad prospects that include the Company being among the leaders in the insurance industry in the local market through excellence in creating products that the market needs, as well as in providing services to its customers and dealers, with the relentless pursuit of providing technical solutions to facilitate the provision of its services, in a way that enables the Company to achieve sustainable growth and financial results reflected in satisfactory profits for its shareholders.

The Company applies an information system with a high degree of efficiency and performance that connects the main center of the Company with its branches. The Company develops this system from time to time to accommodate its plans permanently and continuously. The Company's management also focused on adopting that system in daily transactions with various internal departments and external bodies regarding electronic transactions and reducing non-electronic transactions as much as possible.

Despite the registered losses during FY 2022, the management of the United Cooperative Assurance Company was keen to work actively towards placing the Company among the elite assurance companies in the Kingdom of Saudi Arabia by focusing on the following four functional areas of business management:



Sales and Marketing

The Company worked actively to activate its sales and marketing activities during 2022 AD, especially indirect selling through media and technical platforms, in an effort to achieve a number of key initiatives initiated by the Company within a clear plan for outputs and timetable, in support of the Company's strategy, including:

- Enhancing UCA's sales/service offerings, and developing workflow standards, policies and procedures to ensure maximum levels of perseverance relating to all existing client base
- Enhancing product development/management capabilities at United Cooperative Assurance with the aim of establishing a list of diversified insurance products to support organic growth and target persistence levels
- Identifying and promoting customer segments/channel initiatives and creating opportunities in line with standard principles.

During the year, UCA Board of Directors approved the digital transformation strategy, which allowed the Company to sell electronically, and accordingly, the transition was made from traditional points of sale, where market penetration and better access to customers were enhanced.

UCA management studies the market comprehensively to spread through the modern model mixed sales points that provide a basket of services such as sales and claims and provide the beneficiary with the option of traditional or digital sale of several products according to its choice, after obtaining the necessary approvals from the regulatory authorities.

Financial Affairs

UCA financial department continued its ambitious plan to invest in enhancing financial management capabilities by acquiring expert skills, defining management policies and procedures, and investing in (ERP).

Human capital

UCA works towards developing the work environment, which resulted in the accreditation of the United Cooperative Assurance Company as one of the best work environments in KSA. Also, during the year, UCA attracted a number of national youth competencies and energies in line with the Vision 2030. The Company was keen to work on developing their skills through intensive training programs in addition to striving to empower females in society and raise the rate of Saudization, which reached as of the end of 2022 AD to 89% of the Company's employees.

Information Technology and Cyber Security

Aware of the opportunities and challenges posed by today's globalized economy, and to ensure the Company's sustainable contribution towards KSA's vision 2030, we have invested heavily in strengthening and securing our digital space. As a trustee towards our stakeholders, UCA's digital well-being has formed the core of our corporate strategy. Accordingly, a battery of digital transformation projects was initiated in tandem with cyber security projects to ensure top notch client service and data privacy.

The Company's endeavors in information technology and cybersecurity have already been recognized when the Chief Information Technology Officer (CIO) won the prestigious (ICD Excellence Award) as the best IT Chief of the Year 2021, and the Chief Information Technology Officer (CISO) won the (MENA E-) Award Crime & Cyber Resilience Summit) as the best information security chief in the Middle East and North Africa for FY 2022.

These efforts have directly contributed to the Company's implicit and explicit gains to enhance the Company's strategy that is based on driving organic growth through capacity enhancement, digital transformation, and financial restructuring. The management of UCA has taken key strategic initiatives in line with the Company's strategy to ensure adequate

market share and proper retention levels, while adhering to applicable regulatory requirements.

UCA has meticulously planned initiatives with a forward-looking approach, to prepare the Company for the ultimate transformation in the regulatory landscape of the insurance sector in the Kingdom of Saudi Arabia. The resulting business mix that the Company's witnessed during the FY 2022 AD was a deliberate product of careful planning to ensure the Company's long-term growth goals. As a result, the management strengthened its future expectations by seeking to increase its capital, and the desire to acquire or merge with other entities to enhance its market share and support its business, especially since the Company had previously announced its Board of directors' recommendation to increase the capital by issuing an appropriate issuance.

3. General Developments during the FY ending on 31/12/2022

General Developments: _____

UCA announced on the Tadawul website that on Tuesday 12 Jumada al-Awwal 1444 AH corresponding to December 06, 2022 AD, it signed a non-binding memorandum of understanding with Saudi Enaya Cooperative Insurance Company, in order to assess the feasibility of merging the two companies.

Key Developments of the Health Insurance Council: _____

During 2022 AD, the Company received from the General Secretariat of the Health Insurance Council on Tuesday 14/7/1443 AH corresponding to 15/2/2022 AD a notice including the renewal of the Company's qualification with the Health Insurance Council for a period of one year starting from 16/2/2022 AD until 15/2/ 2023 AD

Key Developments related to the strategic agreements concluded with the Company's most prominent clients: _____

During 2022 AD, the Company concluded a number of strategic agreements with its most prominent customers, including the following:

- On 30/3/2022, the Company entered into an agreement with Theeb Rent A Car Company, with an insurance coverage of 42.3 million Saudi riyals.
- On 01/01/2022, the Company entered into an agreement with Budget Saudi Arabia, with an insurance coverage of 19.8 million Saudi riyals.
- On 01/01/2022, the Company entered into an agreement with Al Jabr Finance Company, with an insurance coverage of 15.1 million Saudi riyals.

4. Specification of the main types of activities, plans, resolutions and future expectations of the Company's business:

The Company practices insurance activity inside the Kingdom of Saudi Arabia. Its business includes the following activities:



Vehicle insurance

This includes insurance coverage programs for vehicles, liability insurance towards third parties, and insurance for foreign vehicles in the Kingdom of Saudi Arabia.



Health insurance

It includes providing health insurance programs for groups in line with market needs and the requirements of the Cooperative Health Insurance Council.



General insurance

It includes a number of general insurance products, including (property insurance, engineering insurance, investigation, general accidents, marine insurance, and medical malpractice insurance).

5. Looking Ahead:

UCA is closely following the most important changes affecting the local and international markets and is keen to align its plans with the directions of the Kingdom's Vision 2030 and national transformation programs and projects. Therefore, UCA expresses its desire and determination to compete and succeed in the field of providing insurance products to the market as a whole in a way that serves the business community in the Kingdom of Saudi Arabia. The vision of the United Cooperative Assurance Company revolves around the relentless pursuit of being "the most innovative, professional and sustainable insurance company in the Kingdom",. The Company seeks to achieve its vision by focusing on the strengths of its resources through:

- Creating an environment that substantially promotes the development of young Saudi insurance employees
- Developing leading flexible platforms designed to meet the need and needs of our customers
- Strengthening our partnerships with regulators, brokers and global reinsurance companies
- Establishing sustainable and transparent business practices.

To achieve this, UCA seeks to better improve its competitive position by focusing strongly on offering the right service and products at competitive prices and ensuring that the overall customer experience is successful, in addition to enhancing its targeting of underwriting risks. The management also seeks to provide optimal technical prices in various productive sectors by taking into account the recommendations of actuaries. It is keen to employ technicians with experience and competence in the field of insurance and reinsurance to increase production goals and market share.

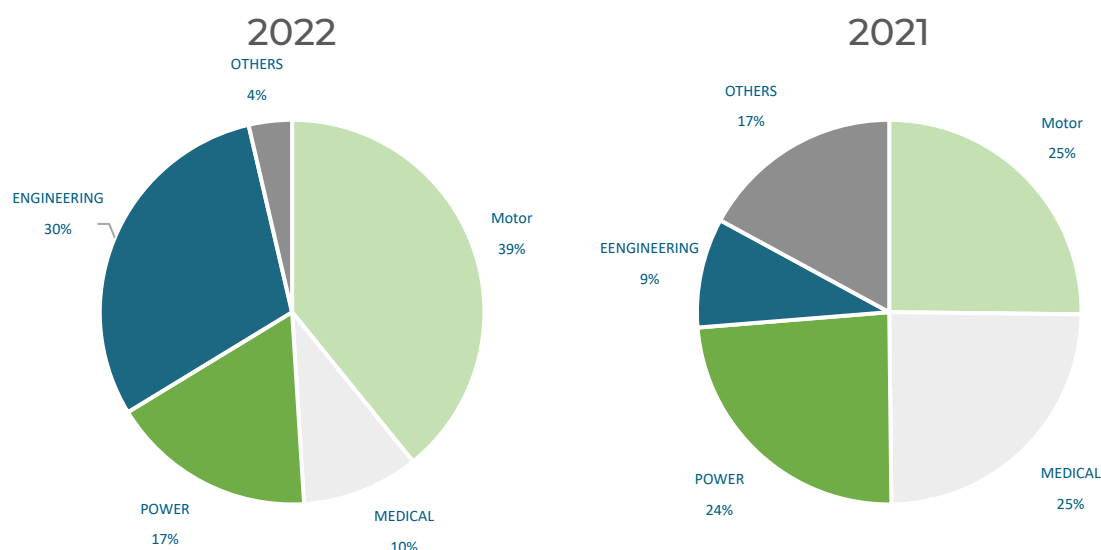
6. Key Financial Axes:

6.1. The Company's main insurance business

The total written premiums at the end of December 31, 2022 AD amounted to 821,844 thousand riyals in each of the following insurance branches (vehicles, engineering, energy, medical, and others).

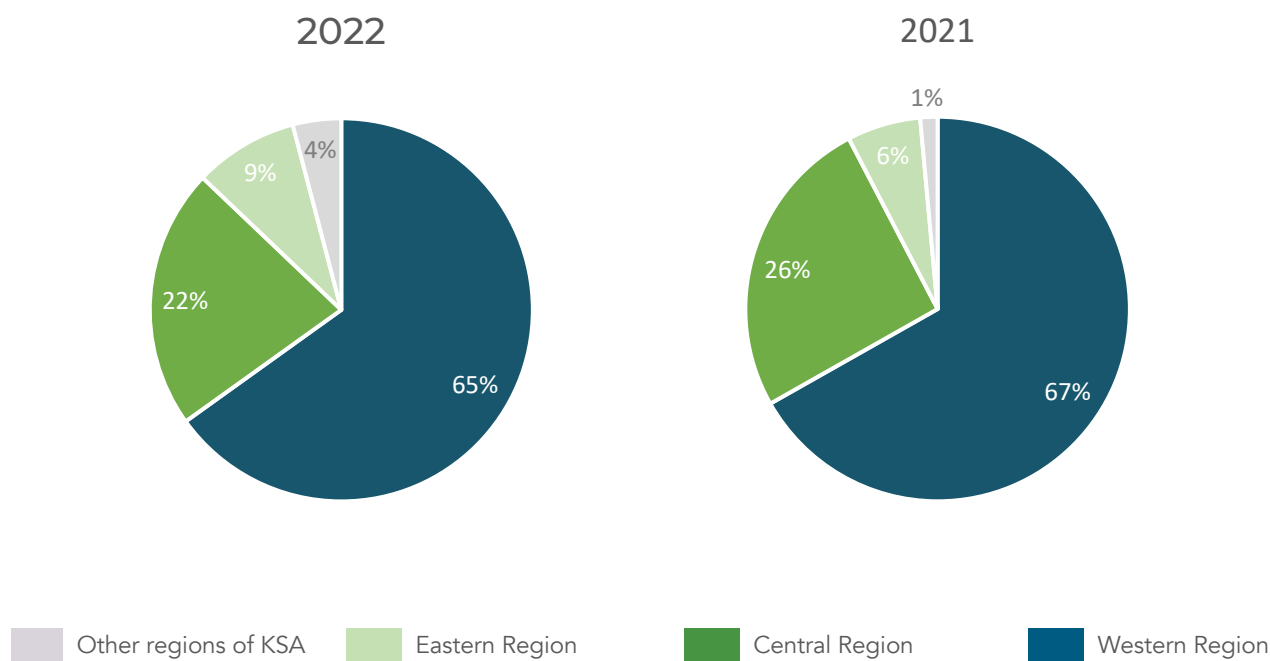
All figures are in (thousands) Saudi riyals

Insurance line	Total installments for 2022	Total installments for 2021
Motor	321,940	103,182
Medical	80,861	100,968
Energy	142,103	97,922
Engineering	247,142	37,722
Property and accident insurance	29,798	69,962
Total	821,844	409,756



6.2. Regional distribution of total installments for 2022 AD

The following chart shows the regional distribution of total insurance premiums written during the years ending on December 31, 2022 and December 31, 2021.



6.3. Geographical distribution of premiums written during the past five fiscal years ending on December 31, 2022:

The Company operates only in the Kingdom of Saudi Arabia. Below is the data for total written premiums by geographical sectors for the different reporting periods for the past five years ending on December 31, 2022.

All figures are in (thousands) Saudi riyals

Geographical sectors	2022	2021	2020	2019	2018
Western Region	535,018	273,760	407,671	370,955	317,388
Central Region	180,936	104,678	120,598	40,273	41,788
Eastern Region	72,289	25,363	21,228	6,632	10,951
Others - inside KSA	33,601	5,955	67,364	2,432	21,841
Total	821,844	409,756	616,861	420,292	391,968

6.4. Financial indicators:

The financial results of UCA for the fiscal year ending on December 31, 2022 compared to the results of the previous year ending on December 31, 2021

1. The net loss before zakat and tax during the current year amounted to 39,861 thousand riyals, compared to a net loss of 65,671 thousand riyals for the previous year.
2. The loss per share after zakat and tax during the current year amounted to 1.07 riyals, compared to a loss of 1.84 riyals for the previous year.
3. The deficit of insurance operations minus the returns of investments of insurance contract holders (operating results) during the current year amounted to 43,227 thousand riyals, compared to a deficit of 67,826 thousand riyals for the previous year.
4. The (total installments) during the current year amounted to 821,844 thousand riyals, compared to 409,756 thousand riyals for the previous year, an increase of 101%. The net written insurance premiums during the current year amounted to 305,877 thousand riyals, compared to 175,280 thousand riyals for the previous year, with an increase of 75%.
5. Net claims incurred during the current year amounted to 251,929 thousand riyals, compared to 182,436 thousand riyals for the previous year, with an increase of 38%.
6. The net profits of investments of insurance contract holders during the current year amounted to 3,623 thousand riyals, compared to 3,516 thousand riyals for the previous year, with an increase of 3%. The net profit of shareholders' investments during the current year amounted to 5,000 thousand riyals, compared to a net profit of 4,992 thousand riyals for the previous year, with an increase of 0.16%.
7. The net loss before zakat for the current year decreased by 39% compared to the same period of the previous year, due to the improvement in the net underwriting results. Due to the decrease in the net loss ratio, in addition to the increase in both other income and total investment income.
8. The share loss is calculated after zakat and income tax. Zakat and income tax for the period ending on December 31, 2022 (twelve months) are estimated at 3 million riyals, and zakat and income tax are estimated for the period ending on December 31, 2021 (twelve months) in the amount of 8 million Saudi riyals.
9. Total shareholder equity (without minority rights) as at December 31, 2022 amounted to 201,408 thousand riyals, compared to 250,115 thousand riyals as at December 31, 2021, with a decrease of 19%.
10. The total comprehensive loss for the year 2022 amounted to 48,707 thousand riyals, compared to the total comprehensive loss 82,823 thousand riyals for the previous year 2021.
11. The accumulated losses for the period ending on December 31, 2022 amounted to 192,613 thousand Saudi riyals, or 48% of the paid-up capital amounting to 400 million Saudi riyals, based on the annual financial statements ending on December 31, 2022, mainly due to the increase in the net claims incurred. The Company will continue to apply the procedures and instructions for companies whose shares are listed in Tadawul, whose accumulated losses amounted to 35% or more, and not exceeding 50% of its capital.

6.5. statutory reserve:

As required by the Insurance Regulations in the Kingdom of Saudi Arabia, 20% of the net income from shareholders' operations should be set aside as a statutory reserve until such reserve reaches 100% of the share capital. As the Company accumulated losses at the end of the year, no transfer was made to the statutory reserve during the year. This reserve may not be distributed to shareholders until the liquidation of the Company.

The authorized, subscribed and paid-up capital of the Company as of December 31, 2022 and December 31, 2021 amounted to 400,000,000 SAR, divided into 40,000,000 shares of SAR 10 each.

6.6. Dividend Policy:

The company's policy regarding the distribution of profits is based on Article (46) of the Company's Articles of Association, which states that "shareholders deserve their share of the profits according to the resolution of the General Assembly taken in this regard. This resolution should specify the maturity date and distribution date. Shareholders registered in the Shareholders Register are entitled to receive their shares of profits at the end of the day they become due. The Company shall inform the Capital Market Authority without delay of any resolutions to distribute profits or recommend them. The profits to be distributed shall be paid to the shareholders at the place and time determined by the Board of Directors, in accordance with the instructions issued from the competent authority, subject to the prior written approval of SAMA.

Article (45) of the Company's Articles of Association states that if the Company achieves profits:

1. Zakat and income tax are set aside.
2. 20% of the net profits are set aside to form a statutory reserve. The Ordinary General Assembly may stop this deduction when the total reserve reaches 100% of the paid-up capital.
3. When determining the shares in the net profits, the Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interest of the Company or guarantees the distribution of fixed profits as possible to the shareholders.
4. The company's annual net profits determined by the company shall be distributed after deducting all general expenses and other costs, and the necessary reserves shall be made to face doubtful debts, investments 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 SAMA. The remainder of the profits shall be allocated after deducting the prescribed reserves under the relevant regulations and zakat at a rate of no less than 5% of the paid-up capital for distribution to shareholders in

accordance with what the Board of directors proposes and the General Assembly decides. If the remaining percentage of the profits due to shareholders is not sufficient to pay this percentage, the shareholders may not demand payment of it in the following year or years. The General Assembly may not decide to distribute a percentage of the profits from what the Board of Directors has proposed.

During the year 2022 AD, the Company did not distribute any profits to shareholders.

6.7. Accounting standards: _____

The Company maintains books of accounts and records in an accurate and regular manner. The Company takes into account the preparation of financial statements in accordance with the requirements of the Central Bank of Saudi Arabia (SAMA) and the Capital Market Authority, where the financial statements are prepared in accordance with international standards for financial reports, as the Company adheres to the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia, as well as other standards and declarations approved by the Saudi Organization for Certified Public Accountants ("SOCPA") (referred to as "International Financial Reporting Standards approved in the Kingdom of Saudi Arabia"). The Company confirms that there are no material differences or financial impact on Financial Statements.

6.8. Appointment of Company auditors: _____

The Company's external auditors are responsible for reviewing the quarterly and annual financial statements. The Company's General Assembly held on 29 Dhu al-Qi'dah 1443 AH corresponding to June 28, 2022 AD, approved the recommendation of the Audit Committee to appoint KPMG, Al- Al Azem, Al Sudairy & Al-Sheikh Co and their partners as external auditors of the Company for the fiscal year ending on December 31, 2022 AD and Q1 of 2023.

6.9. Zakat, Income Tax and Statutory Payments: _____

The statutory payments due by the Company 2022 AD consist mostly of the due zakat and taxes, and the amounts due to the Central Bank and the General Organization for Social Insurance in return for insurance contributions for employees. The following table shows the data of those payments:

All figures are in (thousands) Saudi riyals

Entity	Description	2022	2021
ZATCA	Cumulative reserve	12,808	14,846
Cooperative Health Insurance Council	Subscription fee (paid)	954	766
SAMA	Supervision and control fees (paid)	3,760	2,530
Social Insurance	The Company's share in the Company's employees' subscription payments	3,667	3,426
Visas, residence permits and related services		434	508
(Trading)	Subscription fee (paid)	404	432

Status of Zakat and Vat:

The Zakat is applicable on 99% of the shareholders while income tax on 1% of the shareholders. The Company has filed its zakat and income tax declarations for the years ended 31 December 2009 to 2020 and obtained restricted zakat and tax certificates.

Assessment for 2005, 2006, 2007 and 2008

During the year 2017, the Company received the zakat assessments for the years 2005 to 2008 from the ZATCA with regards to the insurance operations transferred from UCA Insurance Bahrain BSC claiming zakat liability amounting to SAR 6.01 million and withholding tax liability amounting to SAR 16.09 million. Management has filed an objection against the above assessments and is confident of receiving a favorable outcome. Further, the Company has issued a bank guarantee in favor of ZATCA amounting to SAR 22.09 million (2021: SAR 22.09 million) against such assessments (see note 17). Management is of the view that any additional liability as a result of these assessments will eventually be charged to the shareholders of the UCA Insurance Bahrain BSC.

Assessment for 2009 - 2011

The Company has filed its Zakat/tax declarations for the years ended 31 December 2009 to 2011 and obtained the necessary Zakat/tax certificates. The ZATCA issued the amended assessment based on the decision of the Preliminary Objection Committee and claimed additional Zakat and tax and withholding tax for a total of SR 27.1 million. The Company had finalized its Zakat, tax and withholding tax status for the said years.

Assessment for 2012 and 2013

During the year 2018, ZATCA had issued assessments for the years 2012 and 2013 claiming additional zakat and income tax liability amounting to SAR 15.84 million. The Company will escalate the case to the GSTC in order to assign a hearing session and will proceed for final settlement with the Dispute Resolution Committee and expect to settle about SAR 7.05 million.

Assessment for 2014 and 2018

The Company has filed its Zakat/tax declarations for the years ended 31 December 2014 to 2018 and obtained the necessary Zakat/tax certificates.

ZATCA issued an assessment for the years 2014, 2015 and 2018 claiming additional Zakat and withholding tax liability in addition to the delay fine. The Company had finalized its Zakat, tax and withholding tax status for the said years.

Assessment for 2016 and 2017

ZATCA issued an assessment claiming additional Zakat, tax and delay fine for the years 2016 and 2017. The Company had finalized its Zakat, tax and withholding tax status for the said years.

Assessment for 2019 and 2020

During the year 2021, ZATCA has issued a final assessment for the years 2019 and 2020, which resulted in additional Zakat liability for the year 2019 of SR 1.46 million and credit balance for the year 2020 of SAR 1.732 million due to refund of Zakat on certain items. The Company has filed an objection for the said years against the ZATCA's amendments and waiting for ZATCA discussion. ZATCA rejected the Company's objection and accordingly the Company escalated the case to the Committee for Resolution of Tax Violations and Disputes ("CRTVD") through the General Secretariat of Tax Committee (GSTC) portal and hearing session has been assigned. The committee has issued its verdict in partially accepting the Company's objection and rejecting the remaining items which result in a total Zakat saving of SR 0.48 million due to the acceptance of the deferred policy acquisition cost. ZATCA filed an appeal against the CRTVD decision, the Company needs to reply to the appeal by 5th of March 2023.

Assessment of VAT

On 25 August 2020, the Company received an assessment from ZATCA to pay additional principal VAT of SAR 12.28 million for the years 2018 and 2019 as well as additional fines of SAR 20.25 million for those years. In order to avoid incurring additional fines the Company paid the principal VAT on 28 October 2020 without prejudice to its position and objected to the items issued for the evaluation. On 20 February 2021, the Company filed an appeal with the General Secretariat of Tax Committees (GSTC) against the decision of the ZATCA for

which management is confident of a favorable outcome. The objected items are zero rated supplies, self-invoicing, and reinsurance commission.

The fines imposed on the assessments amounting to SAR 20.25 million for the years 2018 and 2019 were subsequently canceled as the Company has taken advantage of ZATCA's initiative to stabilize the economy and boost the private sector.

The Company has booked a provision against VAT on zero rated supplies. On other objected items, the Company is confident that these will be recovered through input claim in the VAT return and from reinsurer.

7. Subsidiaries and their Main Activities:

The United Cooperative Assurance Company operates in the Kingdom of Saudi Arabia only and does not have any activity outside it. It does not have any subsidiaries, whether inside or outside the Kingdom, with the exception of its participation in Najm Insurance Services Company, which we provide a summary of as follows:

Company Name	Najm Insurance Services Company
Legal form	Closed joint stock Company
Country of incorporation	Kingdom of Saudi Arabia
Country of main operational activity	Kingdom of Saudi Arabia
Capital	55,769,320 Saudi riyals
The share of the United Cooperative Assurance Company in the ownership of the capital	3.85%

8. Risk Management:

UCA has adopted and adopted a solid, transparent and prudent method in risk management in general. The Company has invested in building an infrastructure that can effectively identify, evaluate, measure and control the potential risks it faces on a large scale. As a major risk measure, the Company continues to follow closely the main and emerging risks that are expected to emerge and threaten the global economies and the local market. The following shows the most important risks and their evaluation and treatment methods:

First: Current risks:

The Company's risk management has adopted a comprehensive strategy to understand and manage the various types of risks resulting from its activities. It also plays its role in identifying and addressing current risks and developing a plan to address the expected risks and mitigate their impact.

The risk management aims to monitor the risks related to the company represented in financial and non-financial risks, including market risks, credit and counterparty risk, liquidity risks, interest rate risks and Human resource risk, Information technical and cybersecurity risk, operational risks, Underwriting Risk (including pricing, actuarial, and product development), Claim Handling Risk, Compliance (Legal/Regulatory) Risk, reputation, and business continuity. The management also aims to ensure the extent of compliance with the laws and regulations in force through the following:

- Set, re-develop, revise and monitoring the UCA Risk Appetite and Statement Framework; that including financial and non-financial Key Risk Indicators KRIs.
- Updating the UCA Register and Controls.
- Develop and enhancing the Risk management policies, framework, and methodology.
- Increasing the Risk Management Culture Building and awareness.
- Submitting reports to the senior management regarding the general situation of risks in the various departments of the company that may affect its operational operations, in order to take the necessary actions and submit them to the supervisory authorities.
- Evaluating the capital requirements to ensure that the required solvency margin is achieved according to the statutory regulations. An annual report is prepared to review risk management and the company's financial position report and submitted to SAMA. Preparing an annual report to review risk management and the company's financial position report and submitting it to the Central Bank of Saudi Arabia.
- Reviewing procedures and policies for combating fraud periodically to ensure compliance with the new regulations issued or any additions thereto.
- Reviewing the statement of financial position and cash flows in relation to liquidity in accordance with the asset and liability management system.
- Commitment to standard operating standards for the various operating sectors of insurance.

Second: Anticipated future risks:

Anticipated future risks are the risks that have been identified and measures taken to prevent or limit the negative impact when it occurs.

Among the most prominent expected risks that insurance companies may face during their work are the following:

- **Risk of political wars and Contagious Disease Outbreak/Pandemic Risk:**

A pandemic/epidemic of infectious disease that has spread through human populations across a large region for six to ten weeks; this kind of risk may affect the company and led to other type of risk such as political or geographical wars; Pandemics can cause economic damage through multiple channels, including short-term fiscal shocks and longer-term negative shocks to economic growth. Successful contingency planning and response required in order to mitigate such risks... UCA have already updated their business contingency plan and have done the BIA (Business Impact Analyses).

- **Risks of Fraud and Financial Fraud Crimes:**

Fraud is one of the most complex crimes in terms of all activities, and the occurrence of fraud results in material and moral damages at all levels. Therefore, the company is interested in developing plans and strategies to avoid this risk in coordination with all internal departments. A special unit for combating fraud and financial crime has been established to counter this threat...

- **Insurance risks:**

It is the risk related to actual claims owed to policyholders that may exceed the carrying amount of insurance liabilities. Due to the nature of the insurance contract, the estimates may differ from the related statistics. Therefore, the more similar insurance contracts are, the closer the expectations are to the actual loss rate. UCA prepared a Mitigation Action Plan to mitigate this risk by develop the IT core system, the Claims Handling system and enhance/streaming the claims management process.

- **Liquidity risk:**

Liquidity risk is the difficulty that the company may encounter in providing cash The funds required to meet its financial obligations, liquidity risk may arise from the inability to sell a financial asset within a brief period at an amount close to its fair value. For this purpose, the company's needs are monitored on a monthly basis.

The management aims to ensure the availability of sufficient financial liquidity to meet any liabilities as soon as they arise, as all of the company's assets are current assets with the exception of furniture, office equipment, intangible assets, and statutory deposit as they are considered non-current in nature.

In addition, a large part of the company's funds is invested in short-term deposits with local banks to face liquidity crises in compliance with the applicable regulations issued by SAMA.

- **Capital Management Risks:**

Where capital risks are determined by the Central Bank of Saudi Arabia (SAMA) in order to provide sufficient liquidity in the event of the Company's bankruptcy, and the Company sets multiple goals to maintain the balance of capital ratios in order to support the Company's goals and enhance the aspirations of shareholders.

- **Legal risks:**

They are the risks that arise through the legal liabilities of the company for insurance policy holders, such as cases that are filed against the company as a result of third-party claims. As UCA evaluate the legal ground for any legal case and share with Audit Committee and BOD.

- **Risks of compliance with regulatory requirements**

These are the risks related to the company's operations being subject to regulatory requirements in the Kingdom of Saudi Arabia. These are the risks related to the company's operations being subject to regulatory requirements in the Kingdom of Saudi Arabia. These regulations not only provide for approval and monitoring of activities, but also impose some restrictive provisions (such as capital adequacy) to reduce the risks of default and insolvency on the part of insurance companies in Fulfill unexpected obligations as they arise. Risk and Compliance department in UCA evaluates compliance rates to make sure the company is applying regulatory requirements.

- **Technical and Cyber-attack risks:**

These are the risks that may expose the company to human errors, natural disasters, loss of energy, loss of data and customer privacy, or sabotage operations with high costs that negatively affect the financial results. It is worth mentioning that UCA has improved and established a well information technology system and an integrated framework for cyber-security.

- **Employee turnover risks:**

It is the risks related to the movement of employees and workers in the company during a short period. This movement includes the entry or exit of human cadres to and from the company, which may negatively affect the overall productivity of the company. UCA incorporate Human Resources retention, development, and attraction within its strategical objectives.

- **Reinsurance risk:**

It is the risk related to assigning part of the insurance company's obligations to reinsurance companies, in order to reduce the possibility of financial exposure resulting from a large number of claims or claims with high amounts. Therefore, one of the most important goals of reinsurance is to increase the insurance company's opportunity to diversify and expand in the field of business and its ability to grow, and to ensure the stability of underwriting results. Accordingly, UCA works to reduce the risks of emerging losses, assess the financial position of the reinsurance companies with which it is associated, and monitor the concentration of credit risks in specific geographical areas. Since insurance companies have agreements with reinsurance companies to protect them when losses exceed a certain limit, this agreement covers all individual and group contracts issued by insurance operations in the Kingdom of Saudi Arabia. To ensure the eligibility of the reinsurance company, insurance companies resort to assessing the financial position of reinsurers to avoid their exposure for large financial losses resulting from the insolvency of the reinsurance companies or their inability to fulfill their obligations.

9. Penalties, penalties and legal restrictions:

The Company confirms its full commitment to apply all provisions of the regulations, and regulatory rules issued by the supervisory and regulatory authorities regulating its work through its daily business. The table below shows the fines imposed on the Company according to the following:

Penalty Subject	2022		2021	
	No. of penalty resolutions	Penalty Total Amount	No. of penalty resolutions	Penalty Total Amount
Violation of the regulatory instructions of SAMA	3	510,000	1	40,000
Violations of the Central Bank of Saudi Arabia instructions related to customer service	1	50,000	1	60,000
Total	4	560,000	2	100,000

The Company has taken into account, under the guidance of the Audit Committee, to rectify the conditions of the above violations by requesting follow-up reports on the status of compliance with regard to the observations monitored by the Central Bank, in addition to a direct meeting with the Head of Information Security to review the mechanism for closing the monitored observations related to cybersecurity.

10. Local and international regulatory and supervisory requirements:

In line with the local regulatory and supervisory requirements and international standards, UCA has been keen to take several measures to monitor the implementation of business in accordance with the instructions of (SAMA), the Capital Market Authority, the Ministry of Commerce, the Health Insurance Council and the best local and international practices in this regard. The Company's Compliance Department plays an active role in ensuring the consistency of the Company's compliance aspects and systems with the applicable laws and regulations by virtue of being among the three lines of defense to the extent that enables UCA to achieve its strategic objectives that have been set.

The Company also implements the instructions of the regulatory authorities by setting sustainable control controls at the level of the Company and its various business sectors, which was greatly reflected in all aspects, including updating the know-your-customer policy and raising the level of awareness of the Company's employees of the risks associated with non-compliance, which was considered to be completed through training courses. In addition to reviewing all policies, procedures, products and services, as well as strengthening automated systems to monitor risks related to financial crimes, money laundering and terrorist financing, including bribery and corruption, and conducting frequent reviews to ensure the effectiveness of those policies and procedures to comply with regional and international developments.

The company is bound by the rules and regulations applicable in the Kingdom of Saudi Arabia, which include the following:

- Rules for registration and listing of the Market Behavior Regulations issued by the Capital Market Authority
- Regulations for the Cooperative Insurance Companies Control Law issued by the Central Bank of Saudi Arabia.
- The Regulation for Insurance Market Conduct issued by the Central Bank of Saudi Arabia.
- Anti-money laundering rules for insurance companies issued by the Central Bank of Saudi
- Regulations for combating fraud in insurance companies issued by the Central Bank of Saudi Arabia.
- The Implementing Regulations of the Cooperative Health Insurance Law issued by the Council of Cooperative Health Insurance.
- The unified document issued by the Cooperative Health Insurance Council.
- Rules for Zakat and Income Tax issued by ZATCA.
- Requirements of the Compulsory Third Party Liability Insurance Law arising from motor vehicle accidents.

11. Board Secretariat and Governance:

The secretariat of the Board of Directors and its subcommittees undertakes the tasks of arranging and organizing the workflow of the Board and its subcommittees, including preparation, holding meetings, keeping records, receiving correspondence, documenting resolutions related to the work of the Board and its subcommittees, and following up on their implementation. The Board Secretariat also leads and manages the governance aspects of the Company in line with the main governance principles included in the Insurance Companies Governance Regulations issued by the Saudi Central Bank (SAMA) and the Corporate Governance Regulations issued by the Capital Market Authority.

During the year 2022 AD, the Board Secretariat took into account the review and drafting of the frameworks of the Company's Governance Guide and its complementary policies related to addressing conflicts of interest, disclosure, related party dealings, in addition to harmonizing the work rules of the Board of Directors and its sub-committees, which include (Executive Committee, Audit Committee, Nominations and Remuneration Committee, Risk Committee investment committee).

11.1. Application of the provisions of Corporate Governance Regulations:

UCA is aware of the positive effects of adopting the principles and standards of good governance, which require the adoption of professional and ethical standards in UCA's dealings, through the application of the principles of disclosure and transparency, which contributes to the generalization and development of the efficiency of UCA's work and its relations with stakeholders. UCA also believes that adopting this approach enhances the confidence of investors in UCA on the one hand and in the insurance industry sector on the other hand, which will reflect positively on the safety of the insurance sector in the Kingdom of Saudi Arabia.

The Company's Articles of Association and its governance document have included the shareholders' right to obtain profits, attend General Assembly meetings, discuss, vote and dispose of shares according to the Company's policy for disclosure, updated information and data related to general assemblies, financial statements, budgets, the report of the Board of directors and the report of the Audit Committee are permanently provided to shareholders and published. In local newspapers, on the website of the Saudi Stock Exchange (Tadawul) and on the Company's website.

In compliance with the requirements of organizational governance developments, the Company took into account, during 2022, conducting comprehensive reviews to update and harmonize its Articles of Association, its governance regulations, and its related complementary policies, as follows:

First Aspect: Compatibility of the Articles of Association and corporate governance policies:

1. Compatibility of the Company's Articles of Association:

The Company took into account a comprehensive review of the provisions of its Articles of Association to ensure its consistency with regulatory developments. During the third quarter of the year 2022, the Company's Board of directors recommended to the General Assembly, which was held on October 19, 2022, to approve the compatibility of the provisions of the Company's Articles of Association "AOA", which was approved by the General Assembly.

2. compatibility the work rules of the Board of Directors and its subcommittees:

During the second and third quarters of the year 2022, the Company took into account the compatibility and updating of the rules and regulations of the work of the Board of Directors and its sub-committees, which include (Executive Committee, Audit Committee, Nominations and Remuneration Committee, Risk Committee, Investment Committee) as stipulated in the regulatory requirements, UCA General Assembly that was held approved On October 19, 2022, the Audit Committee and the Nominations and Remunerations Committee work regulations and rules.

3. Corporate governance policy and guide:

During the second and third quarters of 2022, UCA took into account to harmonize the rules and provisions of the Company's governance regulations and guide in line with regulatory requirements, and as stipulated in the provisions of the Insurance Companies' Governance Regulations. The Company's General Assembly, which was held on October 19, 2022, approved the Company's governance regulations.

4. Complementary Governance Policies:

During 2022, the Company was keen to harmonize the complementary governance policies that were approved by the Company's Board of directors, and they include:

- Disclosure policy
- The policy organizing the relationship with stakeholders.
- Policies and Procedural standards for membership in the Board of Directors and its subcommittees
- Remunerations and Compensation Policy for the Board, its sub-committees and the Company's employees

In view of the issuance of the new corporate law at the end of the year 2022 AD, and later the issuance of the corporate governance regulations issued by the Saudi Capital Market Authority, the company has taken into account a comprehensive review of the provisions of its governance guide and will, during the year 2023 AD, adapt it in line with the organizational changes included in the provisions of the rules and regulations of the Saudi Capital Market Authority.

Second Aspect: Evaluation of the effectiveness of the council, its members, and the activities of the council committees:

As stipulated in the supervisory directives included in the Insurance Companies Governance Regulations, the Corporate Governance Regulations and the United Cooperative Assurance

Company Governance Document, the Board of Directors of the Company annually evaluates the effectiveness of its members and the extent of their participation in its work, whether individually or as a group. During the fourth quarter of 2022 AD, the Company took into account, under the guidance and supervision of the Nominations and Remunerations Committee, the evaluation processes for 2022 AD. The evaluation outputs were submitted to the Nominations and Remunerations Committee, which recommended that they be submitted to the Board.

Third Aspect: Training programs for the Board and its committees:

Through the Company's approach to enhancing the skills of the Board Members and its subcommittees in various aspects of the insurance industry, it has become necessary to design direct and remote training programs that include the current session of the Board, which extends from January 2021 to January 2024. It included training programs designed on the following aspects which was partially delivered during 2022:

Aspects related to compliance and combating financial crimes.	Glimpses of the application of corporate governance regulations in the Kingdom.
On-going Business.	Operational risk mechanisms in insurance companies.
Cybersecurity and information security frameworks.	Glimpses of the applications of the provisions of the new Company's Law.

Fourth aspect: Shareholders' Equity:

Through the relevant supervisory directives, and as a general rule, the United Cooperative Assurance Company facilitates the shareholders' exercise of all their statutory equity related to the share properly, including facilitating receiving suggestions and observations regarding the Company and its performance.

In addition, the Company, according to its practices, facilitated receiving shareholders' questions and inquiries during the General Assembly meetings held during the year 2022 AD through the Shareholders Affairs Unit.

In general, UCA is committed in letter and spirit to all mandatory and guiding provisions and directives included in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of what is shown below. This commitment was reflected by including the requirements for the Company's AOA, its governance document, and the work regulations of the Board and its subcommittees in addition to the policies and frameworks of the Company's governance, internal policies, and work guides regulating the work of the various sectors of the Company, all of which include proving the rights of shareholders in shares, participating in general assemblies, providing information and data that guarantee them the exercise of their rights, disclosing financial and non-financial data, and fully complying with the requirements of transparency in accordance with the statutory limits, as well as determining the duties of the Board of Directors and the responsibilities of its members and the formation of its various committees:

Article	Requirement	Reasons for UCA's Non-compliance
87	Social Responsibility (Indicative Article)	UCA contributes to the aspects of social responsibility by carrying out some special activities
95	Formation of the governance committee (Indicative Article)	The Board of Directors and the Nomination and Remuneration Committee, in accordance with the limits of their work regulations, supervise the aspects of corporate governance and ensure compliance with them.

11.2. Community Participation:

During 2022 AD, UCA implemented a number of community initiatives in which a number of its employees participated in Jeddah, Riyadh and Dammam, and participated in several awareness campaigns through social media platforms. UCA also carried out several activities, including celebrations of the National Day and the Saudi Foundation Day, to spread awareness of the culture and civilization of the Saudi people in its main offices in Riyadh, Jeddah and Dammam.



International Women's Day



Global Money Week



Breast Cancer Awareness



Founding day

12. Meetings of the General Assembly held in 2022, and the names of Attendant Board Members:

During 2022, UCA held two meetings of the General Assembly according to the following:

First meeting:

The Ordinary General Assembly meeting held on Dhul Qidah 29 1443 AH corresponding to June 28 2022, which included the following business items:

- The Board of Directors' report for the fiscal year ending on December 31, 2021.
- Auditors' report for the financial year ending 31 December 2021
- Financial statements for the fiscal year ending on December 31, 2021.
- Works and contracts that will take place between the Company and Haji Haji Hussain AliReza & Co, who, thought Board Member, Mr. Khaled Hussein Ali Reza who indirect interest therein, which are insurance contracts and the duration of these contracts for multiple periods. The value of transactions for 2021, was 5,732,000 Saudi riyals.
- The Board of Directors resolved to appoint Mr. Khaled Muhammad Al-Qazlan as an independent Board Member, starting from the date of his appointment on November 17, 202 to complete the session of the Board of Directors until the end of the date of the current session on January 12, 2024, to succeed the outgoing member, Mr. / Khaled Bakr Alam.
- Absolving the Board Members from liability for the year ending on December 31, 2021.
- An amount of (1,800,127.03) riyals was paid as a reward to the Board Members for the fiscal year ending on December 31, 2021.
- Amending the UCA Governance Regulations.
- Conflict of Interest Policy.
- Evaluation and remuneration policy for Board Members, committees and senior management.
- Authority Matrix.
- Amending the Audit Committee charter.
- Nomination and Remuneration Committee Charter.
- Appointing the Company's auditors, who are KPMG, Al-Azm, Al-Sudairy, Al-Sheikh & Co

The Company considered the announcement of the results of the General Assembly meeting on (Tadawul) website on June 29, 2022, as well as on its website.

Second meeting:

The Extraordinary General Assembly meeting held on Rabi` Al-Thani 23, 1444 AH, corresponding to October 19, 2022, which included the following business items:

- Amending Article (4) of the Company's Articles of Association "AOA" related to (Participation and Ownership in Companies).
- Amending Article (5) of the Company's Articles of Association "AOA" related to (Company's Head Office).
- Amending Article (7) of the Company's Articles of Association "AOA" related to (Company's Investments).
- Amending Article (12) of the Company's Articles of Association "AOA" related to (Share Trading).
- Amending Article (13) of the Company's Articles of Association "AOA" related to (Capital Increase).
- Amending Article (14) of the Company's Articles of Association "AOA" related to (Capital Reduction).
- Amending Article (15) of the Company's Articles of Association "AOA" related to (Company Management).
- Amending Article (16) of the Company's Articles of Association "AOA" related to (Termination of Board Membership).
- Amending Article (17) of the Company's Articles of Association "AOA" related to (Board Vacancies).
- To amend Article (24) of the Company's Articles of Association "AOA" related to (Agreements and Contracts).
- Amendment of Article (27) of the Company's Articles of Association "AOA" related to (Competences of the Constituent Assembly).
- Amending Article (30) of the Company's Articles of Association "AOA" related to (Call for Assemblies).
- Amending Article (32) of the Company's Articles of Association "AOA" related to (Quorum for the Ordinary General Assembly Meeting).
- Amendment of Article (33) of the Company's Articles of Association "AOA" related to (Quorum for the Extraordinary General Assembly Meeting).
- Amending Article (43) of the Company's Articles of Association "AOA" related to (Financial Documents).
- Amending Article (45) of the Company's Articles of Association "AOA" related to (Dividends).
- Amending Article (46) of the Company's Articles of Association "AOA" related to (Entitlement to Profits).
- Amending Article (47) of the Company's Articles of Association "AOA" related to (Company Losses).
- The Board of Directors' report for the fiscal year ending on December 31, 2021.
- Absolving the Board Members from liability for the fiscal year ending on December 31, 2021.
- Amending the UCA Governance Regulations.
- Conflict of interest policy.

- Evaluation and remuneration policy for Board Members, committees and senior management.
- Amending Audit Committee Charter.
- Nomination and Remuneration Committee Charter.
- Delegating the Board of Directors with the powers of the Ordinary General Assembly with the authorization provided for in Paragraph (1) of Article 71 of the Companies Law, for a period of one year from the date of approval of the General Assembly or until the end of the session of the delegated Board of Directors, whichever is earlier, in accordance with the conditions stated in the regulatory controls and procedures issued for implementation of the Company's Law for Listed Joint Stock Companies.

The Company has taken into account the announcement of the results of the General Assembly meeting on (Tadawul) website on October 20, 2022 AD, as well as on UCA website.

The table below shows the attendance record of the Board Members in the above-mentioned General Assembly meetings:

Name of the Board member	The Extraordinary General Assembly 19/10/2022	Ordinary General Assembly 28/06/2022
Khaled Hussein Ali Reza	✓	✓
Khaled Ahmed Abdul Aziz Al-Hamdan	✓	✓
Mohammed Abdullah Al-Yahya	✓	✓
Mansour Abdulaziz Al- Saghayer	✓	✓
Bahaa Aldeen Omar Khashoggi	✓	✓

13. Notice Concerning Ownership of Key Shareholders:

During the year 2022 AD, UCA did not receive any notices from the relevant shareholders regarding a change in their percentage of ownership in UCA shares, according to what is included in the requirements of the rules for offering securities and continuing obligations issued by the Capital Market Authority. The tables below include a specification of the interests belonging to the major shareholders, Board Members and senior executives of UCA or their spouses and minor children in shares or debt instruments:

13.1. Specification of any interest, option rights and subscription rights belonging to the major shareholders: _____

Owner of the interest, contractual papers or subscription rights	Balance at the start of the period 2022 SAR		Balance at the end of the period 2022 SAR		Net change in the number of shares	% Change in the number of shares
	Debt instruments	Number of Shares	Debt instruments	Number of Shares		
United Cooperative Assurance Holding	-	12,529,819	-	12,532,000	2,181	0.017%

13.2. Specification of any interest of the Board Members, their spouses and their minor children in the shares or debt instruments of the Company or any of its subsidiaries: _____

Name	Balance at the start of the period 2022 SAR		Balance at the end of the period 2022 SAR		Net change in the number of shares	% Change in the number of shares
	Debt instruments	Number of Shares	Debt instruments	Number of Shares		
Khaled Hussein Ali Reza	-	48,571	-	270,816	222,245	858%

13.3. Specification of any interest of the Company's senior executives, their spouses and minor children in the shares or debt instruments of the Company or any of its subsidiaries: _____

N/A

14. Transactions with Related Parties:

During 2022 AD, the UCA carried out some regular transactions, which are classified as transactions with related parties, which took place in accordance with and in compliance with the provisions of the applicable laws and regulations. These transactions were completed without preferential conditions. The following table shows the important transactions that took place between UCA and related parties to the Board Members, which were included in the financial statements for the year ending on December 31, 2022 AD:

All figures are in (thousands) Saudi riyals

Contracting party	Contract Term	Transaction Nature	Balance at December 31, 2021	Balance at December 31, 2022	Interested party	adjective
Haji Hussein Ali Reza & Co	Multiple insurance contracts for multiple periods	Written installments	5,732	6,298	Khaled Hussein Reza	Ali Board Member
		Payment received	(6,306)	(1,978)		
		Paid claims	(2,780)	(4,847)		

The following table also shows the important transactions that took place between UCA and the main parties in which none of the Board Members or the executive management had any interest.

Contracting party	Contract Term	Transaction Nature	Balance at December 31, 2021	Balance at December 31, 2022
Saudi Bin Laden group	Multiple insurance contracts for multiple periods	Written installments	30,489	26,2009
		Payment received	(117,852)	(263,089)
		Paid claims	(140)	(1,358)
Construction Products Company	Multiple insurance contracts for multiple periods	Written installments	7,086	9,504
		Payment received	(23,226)	(6,891)
		Paid claims	(665)	(1,162)

15. Number of the Company's requests for the shareholder register during the year 2022 and the dates of those requests:

The Company requested shareholder records (11) times during the year 2022, through the electronic service provided by Tadawulaty. Below is a statement of the number of requests, their dates and reasons.

Application Date	Application Reason
April 14, 2022	Company procedures
June 12, 2022	Procedures and preparations for the General Assembly meeting
June 19, 2022	Procedures and preparations for the General Assembly meeting
June 23, 2022	Procedures and preparations for the General Assembly meeting
July 03, 2022	Company procedures
July 24, 2022	Company procedures
August 02, 2022	Company procedures
September 05, 2022	Company procedures
October 09, 2022	Company procedures
October 11, 2022	Procedures and preparations for the General Assembly meeting
October 16, 2022	Procedures and preparations for the General Assembly meeting

16. UCA Board of Directors:

16.1. Board of Directors and classification of its members:

The UCA Board of Directors consists of (7) members appointed by the General Assembly for a period of three (3) years. they are entrusted with the tasks of managing the Company. On January 13, 2022 the Company's General Assembly held its meeting dedicated to electing and choosing the Board Members for the fifth session through cumulative voting for a three-year period starting from January 13, 2021 and ending on January 12, 2024.

The terms of reference of UCA Board of Directors, according to the provisions of the Company's Articles of Association "AOA" and taking into account the terms of reference established for the General Assembly, include that the Board has the widest powers in managing the Company in a way that achieves its purpose. It also has the right, within the limits of its competence, to authorize one or more of its members or third parties to undertake a specific work or actions - in a manner that does not contradict the relevant laws and regulations. The Board of Directors has the right to represent the company in its relations with third parties and government and private agencies. The Board has the right to acknowledge, claim and defend Pleading, litigation, waiver, conciliation, acceptance and negation of judgments, arbitration, requesting execution of judgments and opposing them, receiving execution yields, discharging the debtors of UCA from their obligations, entering into tenders, selling, buying and mortgaging real estate. The Board also has the right to contract and sign in the name of the Company and on its behalf on all types of contracts, documents and papers. It also has the right, within the limits of its competence, to authorize one or more of its members or third parties to undertake a specific work or works - in a manner that does not conflict with the relevant laws and regulations.

After obtaining regulatory approvals from the Saudi Central Bank (SAMA), consideration was taken to select a chairman for the Board and to appoint members and chairs of the Board's subcommittees (executive, audit, nominations and remuneration, risks, investment) for the same session.

As of December 31, 2022, the formation of the Company's Board of directors was as follows:

Name of the Board member	Statement	Membership rating
Khaled Hussein Ali Reza	Chairman of the Board of Directors	Non-executive
Khaled Ahmed Al-Hamdan	Deputy Chairman of the Board of Directors	Independent
Mohammed Abdullah Al-Yahya	Board Member	Independent
Mansour Abdulaziz Al- Saghayer	Board Member	Independent
Bahaa Aldeen Omar Khashoggi	Board Member	Non-executive

According to the Company's Articles of Association "AOA", the provisions of its governance regulations, and the work rules of the Board of Directors, the Board meets at least four times

a year, at a rate of one meeting at least every three months, or whenever the need arises. The meeting takes place at the call of the Chairman of the Board or based on a request of two members. The quorum for the Board Meeting is complete with the presence of two-thirds of the members, provided that the number of members present is not less than four members.

In accordance with the provisions of the corporate governance regulations and the work rules of the Board of Directors, the Board approves the strategic, accounting, organizational and financing policies adopted by the company, the strategic plans and the main transactions. The responsibilities of the Board of Directors include appointing the company's senior executives and ensuring that there is a succession plan for the company's executives and authorized signatories, in addition to overseeing the company's management and performance. The Board of Directors also ensures the integrity of the financial and accounting reports, as well as the appropriateness of their disclosure. The Board promotes high standards of corporate governance and ensures compliance with applicable laws and regulations. It also ensures that the interests of shareholders and insurance contract holders are always protected. The Board of Directors is also charged with organizing shareholder meetings and implementing their resolutions. The Board of Directors is also responsible for reviewing and approving the Company's policies and procedures on an annual or periodic basis. The Board of Directors also evaluates the performance of its committees on a periodic basis.

16.2. Names, Qualifications and Experiences of the Board Members: _____

<p>Mohammed Abdullah Al-Yahya Board Member- Independent ----- Mr. Mohamed Al-Yahya has 31 years of practical experience, with various managerial positions in the banking sector.</p>	<p>Khaled Ahmed Abdulaziz Al-Hamdan Deputy Chairman of the Board- Independent ----- Mr. Khaled Al-Hamdan has held many positions on the Boards of directors of reputable institutions across the Kingdom and abroad.</p>	<p>Khaled Hussein Ali Reza Chairman of the Board - Non-Executive ----- Mr. Khaled Reza held several administrative positions, including a Board Member of Natco Computer Systems Company.</p>
Current positions		
<p>UCA- Board Member - Chairman of the Audit Committee - Member of the Nominations and Remunerations Committee</p>	<p>Al-Hama Al-Arabia Trading Co. Ltd. - Chief Executive Officer Aseer Foundation for Press and Publishing - Chairman of the Board Financial Brokerage Capital - Member of the Investment Committee Wafer Technology Company (Egypt) - Chairman of the Board</p>	<p>Haj Hussein Ali Reza & Co - Board Member Hertz - Board Member United Cooperative Assurance Company - Chairman of the Board of Directors - Chairman of the Executive Committee Natcom- Board Member</p>

	Arab House for Printing and Publishing - Board Member	Haji Hussain Ali Reza and & Co-Director of Financial Planning
Previous positions		
SABB Takaful - Chairman of the Board The Saudi British Bank - Head of Risk Management The Saudi British Bank - General Manager for Credit and Risk The Saudi British Bank - Chief Executive Officer - Lebanon Branch The Saudi British Bank - General Manager of Audit The Saudi British Bank - Regional General Manager - Central Region	Al-Qassim Construction and Development Company - Board Member Capital Brokerage Company - Board Member Onaizah Investment Company - Board Member Saudi Arabian Refineries Company - Vice Chairman UCA- Head of the Audit Committee	Banque Saudi Fransi - Corporate Relations Officer
Qualifications		
Bachelor's degree in Civil Engineering from Florida Agricultural and Mechanical University - USA	Bachelor of Business Administration - Cairo University.	Bachelor of Business Administration - University of California - USA. Master of Marketing - Pepperdian University - USA.

<p>Bahaa Aldeen Omar Khashoggi Board Member- No executive</p> <p>-----</p> <p>Mr. Bahaa Khashoggi has more than 20 years of experience in the field of management and banking services, which has earned him extensive experience in the field of management.</p>	<p>Mansour Abdulaziz Al-Saghayer Board Member- Independent</p> <p>-----</p> <p>Mr. Mansour Al Sagheer brings over 25 years of experience in credit, marketing, financial management and leadership.</p>
Current positions	
Banque Saudi Fransi - Head of Emerging, Small and Medium Enterprises Banking	National Bank of Bahrain - Chief Executive Officer
Previous positions	
Banque Saudi Fransi - Senior Manager - Corporate Banking Group Banque Saudi Fransi Director - Corporate Banking Group	The Saudi British Bank (SABB) - Regional Head of Corporate Banking National Commercial Bank - Senior Corporate Banker Banque Saudi Fransi - Head of Department Samba Financial Group - Assistant General Manager The Saudi Investment Bank - Senior Relationship Manager Saudi Hollandi Bank - Senior Manager of Commercial Relations Accounting officer in commercial banking services Accounting officer in the banking group of major companies
Qualifications	
Bachelor of Business Administration - Major in Accounting and Finance - TCU University / United States	Executive MBA - London Business School - University of London

Programs for preparing executive leaders from the London Business School and the Change Management Program from the University of Cambridge	Bachelor of Accounting - King Abdulaziz University
---	--

16.3. Board meetings for 2022 AD:

During 2022 AD, the Board of Directors held (9) meetings. The table below shows the attendance record of the Board members for these meetings:

Name	Meetings and attendance								
	First meeting 09/01/2022	Second meeting 06/03/2022	Third meeting 3/17/2022	Fourth meeting 3/22/2022	Fifth meeting 6/30/2022	Sixth meeting 9/19/2022	Seventh meeting 10/04/2022	Eighth meeting 12/05/2022	Ninth meeting 12/29/2022
1 Khaled Hussein Ali Reza	✓	✓		✓	✓	✓	✓	✓	✓
2 Khaled Ahmed Al-Hamdan	✓	✓	✓	✓	✓	✓	✓	✓	✓
3 Mohammed Abdullah Al-Yahya	✓	✓	✓	✓	✓	✓	✓	✓	✓
4 Mansour Abdulaziz Al- Saghayer	✓	✓	✓	✓	✓	✓	✓	✓	✓
5 Bahaa Aldeen Omar Khashoggi	✓	✓	✓	✓	✓	✓	✓	✓	✓

16.4. Companies inside and outside the Kingdom in which a UCA member is a member of a current or ex member of director therein:

Legal entity of the Company	Company Headquarters	Companies in which a Board Member was previously a member of its Board of Directors or a manager	Legal entity of the Company	Company Headquarters	Companies in which a Board Member is currently a member of its Board of Directors or one of its managers	Board Member
-	-	-	Closed Joint Stock	Within the kingdom	Haji Hussein Ali Reza and & Co. Ltd	Khaled Hussein Ali Reza
Public contribution	Within the kingdom	SABB Takaful Company	-	-	-	Mohammed Abdullah Al-Yahya
Public contribution	Within the kingdom	SABB Takaful Company	Public contribution	Within the kingdom	Saudi Fish Company	Mansour Abdulaziz Al- Saghayer
			Public contribution	Within the kingdom	Southern Region Cement Company	
				Within the kingdom	National Bank of Bahrain	
-	-	-	Public contribution	Within the kingdom	Banque Saudi Fransi	Bahaa Aldeen Khashoggi
Public contribution	Within the kingdom	Saudi Arabian Refineries Company	Ltd	Within the kingdom	Al-Hama Al-Arabia Trading Co. Ltd	Khaled Ahmed Al-Hamdan
	Within the kingdom	Qassim Construction and Development Company	Public contribution	Within the kingdom	Aseer Foundation for Press and Publishing	

	Within the kingdom	Capital brokerage firm		Outside the kingdom	Weaver Technology Company	
	Within the kingdom	Unaizah Investment Company		Within the kingdom	Al-Dar Al-Arabia Company for Printing and Publishing	

16.5. Remunerations for Board Members, Committees and Executive

Management:

UCA policy for Remuneration and Compensation has defined the framework of remunerations and compensation paid to Board Members and members of sub-committees from outside the Board in accordance with the frameworks included in the recommendations of the supervisory authorities, and are subject in general to the provisions of the Companies Law, the Cooperative Insurance Companies Control Law, as well as the Insurance Companies Governance Regulations issued by the Central Bank of Saudi Arabia (SAMA) and the corporate governance regulations and regulatory controls and procedures issued in implementation of the Companies Law for listed joint-stock companies issued by the Capital Market Authority, in accordance with and in line with the provisions of the Company's Articles of Association "AOA" and the approved Remuneration and Compensation policy.

During 2022 AD, none of the Board Members or the sub-committees did any work of a technical or advisory nature. Therefore they did not receive any compensation or special benefits in this regard. The tables below show data on the remunerations and compensations paid to the Board Members, members of the sub-committees and senior executives of UCA:

1. Remuneration and allowances framework for members of the UCA Board of directors and sub-committees:

The Board Members receive a fixed annual remuneration as a membership allowance as set out below:

Job position	Bonus amount/fixed annual membership allowance
Chairman of the Board of Directors	300,000
Each non-executive and independent Board Member	180,000
All members of the Board Committees if they are not Board Members (external member)	40,000

Allowance for attending meetings:

- Each Board Member receives an amount of three thousand riyals (3000) for each Board Meeting and one thousand five hundred riyals (1500) for each General Assembly they attend (excluding travel and accommodation expenses).
- Each Board Member receives one thousand five hundred riyals (1,500) for each meeting of the committee emanating from the Board of Directors.
- Committee members are entitled to compensation for expenses they may incur in attending meetings and performing their duties as committee members.

The following table shows the allowances and remunerations received by Board Members and committee members during 2022:

Name	Allowance for attending Board meetings	Allowance for attending General Assembly meetings	Allowance for attending committee meetings	Total
Khaled Hussein Ali Reza	24,000	3,000	7,500	34,500
Khaled Ahmed Al-Hamdan	27,000	3,000	13,500	43,500
Mohammed Abdullah Al-Yahya	27,000	3,000	18,000	48,000
Mansour Abdulaziz Al- Saghayer	27,000	3,000	12,000	42,000
Bahaa Aldeen Omar Khashoggi	27,000	3,000	7,500	37,500

Audit Committee Remunerations:

The Audit Committee members' remunerations, whether from the Board of Directors or outside it, are as follows:

Name	Job position	Fixed annual wage amount	Meeting attendance allowance	Total
Mohammed Abdullah Al-Yahya	Committee Head	60,000	13,500	73,500
Ahmed Tawfiq Al-Khamis	Committee member from outside the Board	120,000	27,000	147,000
Tariq Ali Al-Fayez	Committee member from outside the Board	120,000	27,000	147,000
Muhammad Hadi Al-Duwais	Committee member from outside the Board	120,000	24,000	144,000

Executive Management Remunerations:

Five senior executives, including the CEO and CFO	
4,311,000	Salaries
1,456,194	Fixed allowance
310,000	Annual remunerations based on performance

No remunerations or incentives were granted to the senior executive management, including the CEO and Chief Financial Officer, during 2021 or 2020.

16.6. Evaluation of the effectiveness of the Board of Directors and its committees:

As stipulated in the supervisory directives included in the Insurance Companies Governance Regulations, the Corporate Governance Regulations and the United Cooperative Assurance Company Governance Document, the Board of Directors of the Company annually evaluates the effectiveness of its members and the extent of their participation in its work, whether individually or as a group as well as Boards subcommittees. The fourth quarter 2022 AD, the Company took into account, under the guidance and supervision of the Nominations and Remunerations Committee, to conduct the evaluation processes for 2022 AD. The evaluation outputs were submitted to the Nominations and Remunerations Committee, which recommended to be submitted to the Board. According to the evaluation methodology, In the future the Company will take into account that the evaluation process is carried out by an independent external party.

16.7. Specification of any penalty, precautionary restriction, or sanction imposed on any of the Board Members, if any: _____

All UCA Board Members acknowledge that there is no penalty, reserve restriction, or penalty imposed on any of them during 2022 AD by any judicial, supervisory, or regulatory authority that has a relationship with the Company.

17. Board Subcommittees:

In line with the regulatory requirements, UCA has taken into account the formation of five sub-committees entrusted with the assistance of the Board of Directors in fulfilling their tasks, which are the committees (executive, audit, nominations and remunerations, risks, investment) held during 2022 AD:

17.1. Executive Committee:

The Executive Committee consists of three (3) Board Members. They have been entrusted with the tasks of contributing to supervising the management of UCA affairs, monitoring the implementation of UCA strategy and business plans, and following up on their implementation in accordance with the directives of the Board of Directors. The committee holds at least (6) meetings per year.

As of December 31, 2022 AD, the formation of the Executive Committee consisted of: Mr. / Khaled Hussein Ali Reza (Chairman) and the membership of each of Mr. Khaled Ahmed Al-Hamdan and Mr. Mansour Abdulaziz Al- Saghayer. Hereunder is a brief statement of the formation of the committee and the qualifications of its members:

<p>Mansour Abdulaziz Al-Saghayer Committee member Independent</p> <p>-----</p> <p>Mr. Mansour Al Sagheer brings over 25 years of experience in credit, marketing, financial management and leadership.</p>	<p>Khaled Ahmed Abdulaziz Al-Hamdan Committee member Independent</p> <p>-----</p> <p>Mr. Khalid Al-Hamdan has held a number of positions on the Boards of directors of reputable organizations across the Kingdom.</p>	<p>Khaled Hussein Ali Reza Committee Chairman Non-executive</p> <p>-----</p> <p>Mr. Khaled Reza held several administrative positions, including a Board Member of Natco Computer Systems Company.</p>
Current positions		
<p>National Bank of Bahrain - Chief Executive Officer.</p>	<p>Al-Hama Al-Arabia Trading Co. Ltd. - Chief Executive Officer Aseer Foundation for Press and Publishing - Chairman of the Board Financial Brokerage Capital - Member of the Investment Committee</p>	<p>Haj Hussein Ali Reza & Com - Board Member. Hertz - Board Member. United Cooperative Assurance Company - Chairman of the Board of Directors - Chairman of the Executive Committee Natcom- Board Member.</p>

	Wafer Technology Company (Egypt) - Chairman of the Board Arab House for Printing and Publishing - Board Member	Haji Hussain Ali Reza and & Co- Director of Financial Planning
Previous positions		
The Saudi British Bank (SABB) - Regional Head of Corporate Banking National Commercial Bank - Senior Corporate Banker Banque Saudi Fransi - Head of Department Samba Financial Group - Assistant General Manager The Saudi Investment Bank - Senior Relationship Manager Saudi Hollandi Bank - Senior Manager of Commercial Relations	Al-Qassim Construction and Development Company - Board Member Capital Brokerage Company - Board Member Onaizah Investment Company - Board Member Saudi Arabian Refineries Company - Vice Chairman UCA- Head of the Audit Committee	Banque Saudi Fransi - Corporate Relations Officer
Qualifications		
Executive MBA - London Business School - University of London Bachelor of Accounting - King Abdulaziz University	Bachelor of Business Administration - Cairo University.	Bachelor of Business Administration - University of California - USA. Master of Marketing - Pepperdian University - USA.

During 2022 AD, the committee held (6) meetings. Hereunder is the members attendance record:

	Name	Statement	Membership rating	Meetings and attendance					
				First meeting 03/21/2022	Second meeting 04/14/2022	Third meeting 06/22/2022	Fourth meeting 11/06/2022	Fifth meeting 11/13/2022	Sixth meeting 12/28/2022
1	Khaled Hussein Ali Reza	Committee Chairman	Non-executive		✓	✓	✓	✓	✓
2	Khaled Ahmed AlHamdan	Committee member	Independent	✓	✓	✓	✓	✓	✓

3	Mansour Abdulaziz AlSaghayer	Committee member	Independent	✓	✓	✓	✓	✓	✓
---	------------------------------	------------------	-------------	---	---	---	---	---	---

17.2. Audit Committee:

The Audit Committee is formed, according to its work regulations, from three to five members, most of whom are from outside the Board of Directors. It plays an essential and important role in assisting the Board of Directors to fulfill its supervisory duties with regard to the integrity of the Company's financial statements, the independence of the auditors, the performance and controls of disclosure, and the effectiveness of the internal audit and the Company's external auditors, evaluating the adequacy of the Company's accounting systems and financial controls, supervising the compliance department, reviewing transactions with related parties, and evaluating their consistency with approved policies.

UCA General Assembly, in its meeting held on October 19, 2022 AD, approved the conformity and amendment of the Articles of Association "AOA" and rules of work of the Audit Committee in line with regulatory requirements, and the committee holds at least (6) meetings per year.

As of December 31, 2022 AD, the Audit Committee consisted of: Mr. Mohamed Al-Yahya (Head) and the membership of Mr. Ahmed Al-Khamis, Mr. Tareq Al-Fayez, and Mr. Mohamed Al-Duwais. The following is a summary of the names, qualifications and experiences of the members of the Audit Committee:

The following is a brief statement of the committee and the qualifications of its members:

Muhammad Hadi Al-Duwais Committee Member - from outside the Board Independent ----- He previously held several positions that gained him extensive experience in the field of financial auditing and auditing.	Tariq Ali Al-Fayez Committee member - from outside the Board Independent ----- He previously worked in several positions that gained him extensive experience in the field of insurance and compliance.	Ahmed Tawfiq Al-Khamis Committee member Independent - from outside the Board ----- Previously, worked in several positions that gained him extensive experience in the field of insurance and risks.	Mohammed Abdullah Al-Yahya Committee Chairman Independent ----- Mr. Mohamed Al-Yahya has 31 years of practical experience, with various managerial positions in the banking industry.
Current positions			
Mohammed Al-Duwais Chartered Accountants Office - Owner.	National Bank of Bahrain - Saudi Arabia - Head of Compliance Department.	National Bank of Bahrain - Head of Operations Department.	UCA- Board Member - Chairman of the Audit Committee - Member of the Nominations and Remunerations Committee
Previous positions			

Kingdom Holding Company - Head of Accounts. SABB Takaful - Chief Financial Officer CFO. The Saudi British Bank - Vice President of Accounts.	SABB Takaful - Head of Sales and Marketing Department. SABB Takaful - Acting Head of Compliance Department. SABB Takaful - Head of Compliance Department and Company Secretary SABB Takaful - Secretary General of the Company's Board of Directors and Secretary of the Sharia Committee SABB Takaful - Senior Director of Business Development and Wealth Management and Secretary of the Company's Sharia Committee SABB Takaful - Senior Director of Wealth Management and Secretary of the Company's Sharia Committee	SABB Takaful - Head of Operations Department. SABB Takaful - Head of Risk Management. SABB Takaful - Senior Risk Manager.	SABB Takaful - Chairman of the Board. The Saudi British Bank - Head of Risk Management. The Saudi British Bank - General Manager for Credit and Risk. The Saudi British Bank - Chief Executive Officer - Lebanon Branch The Saudi British Bank - General Manager of Audit. The Saudi British Bank - Regional General Manager - Central Region
Qualifications			
Bachelor of Accounting - King Abdulaziz University, Saudi Arabia. Master - Banking Management - Institute of Public Administration, Kingdom of Saudi Arabia. Fellowship of the Saudi Organization for Certified Public Accountants - Saudi Organization for Certified Public Accountants, Kingdom of Saudi Arabia.	Bachelor of Marketing - King Fahd University of Petroleum and Minerals - Saudi Arabia. Advanced Certificate in Governance, Compliance and Risk Management - Merck - UAE. Certified Compliance Officer - Financial Academy. Governance - Euromoney - United Kingdom. Certified Wealth Manager - International Academy of Business and Financial Management - Emirates.	Bachelor of Finance - King Fahd University of Petroleum and Minerals. Risk Management Practitioner Certificate - Exelos, UK. General Certificate of Fundamentals of Insurance - Banking Institute, Saudi Arabia.	Bachelor's degree in Civil Engineering from Florida Agricultural and Mechanical University - USA.

During 2022 AD, the committee held (9) meetings. Hereunder is the members attendance record:

Name	Statement	Membership rating	Meetings and attendance									
			First meeting 03/16/2022	Second meeting 28/3/ 2022	Third meeting 15/5/2022	Fourth meeting 23/5/2022	Fifth meeting 08/17/2022	Sixth meeting 07/09/2022	Seventh meeting 03/11/2022	The eighth meeting 22/11/2022	Ninth meeting 28/12/ 2022	
1	Mohammed Abdullah Al-Yahya	Committee Chairman	Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Ahmed Tawfiq Al-Khamis	Committee member	Independent - from outside the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Tariq Ali Al-Fayez	Committee member	Independent - from outside the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Muhammad Hadi Al-Duwais	Committee member	Independent - from outside the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓

17.3. Nominations and Remunerations Committee:

The Nominations and Remunerations Committee consists of three to five members from or outside the Board. The committee's duties and competencies focus on recommending to the Board of Directors the membership of the Board and its committees in accordance with the approved policies and standards, the annual review of the required requirements of appropriate skills for membership, evaluation of the effectiveness of the Board and its subcommittees, reviewing the structure of the Board and making recommendations regarding secondments, in addition to ensuring the independence of the independent members on a regular basis and setting and supervising the policies of remunerations and compensations.

The General Assembly of the Company, in its meeting held on October 19, 2022 AD, approved the harmonization and amendment of the regulations and rules of work for the Nominations and Remuneration Committee in line with regulatory requirements, and the committee holds at least two meetings per year.

As of December 31, 2022 AD, the Nominations and Remunerations Committee consisted of: Mr. Khaled Al-Hamdan (Head) and the membership of each of Mr. Khaled Al-Qazlan and Mr. Muhammad Al-Yahya. Hereunder is brief statement of the formation of the committee and the qualifications of its members:

<p>Khaled Al-Qazlan Committee member Independent - from outside the Board</p> <p>-----</p> <p>Mr. Khaled Al-Qazlan has extensive practical experience, with multiple positions in management and human resources.</p>	<p>Mohammed Abdullah Al-Yahya Committee member Independent</p> <p>-----</p> <p>Mr. Mohamed Al-Yahya has 31 years of practical experience, with various managerial positions in the banking sector</p>	<p>Khaled Ahmed Abdulaziz Al-Hamdan Committee Chairman Independent</p> <p>-----</p> <p>Mr. Khalid Al-Hamdan has held a number of positions on the Boards of directors of reputable organizations across the Kingdom.</p>
Current positions		
<p>UCA- Member of the Nominations and Remunerations Committee (from outside the Board). UCA- Member of the Risk Committee (from outside the Board).</p>	<p>UCA- Board Member - Chairman of the Audit Committee - Member of the Nominations and Remunerations Committee</p>	<p>Al-Hama Al-Arabia Trading Co. Ltd. - Chief Executive Officer Aseer Foundation for Press and Publishing - Chairman of the Board</p>

		Financial Brokerage Capital - Member of the Investment Committee Wafer Technology Company (Egypt) - Chairman of the Board Arab House for Printing and Publishing - Board Member
Previous positions		
Ministry of Hajj and Umrah - Undersecretary for Shared Services. Gulf General Cooperative Insurance - Director of Human Resources and Support Services. Medgulf Insurance - Director of Human Resources and Administrative Services Sector. Al-Ahly Takaful - Director of Training and Development Department. Bank Albilad - Director of Training and Development Department.	SABB Takaful - Chairman of the Board The Saudi British Bank - Head of Risk Management. The Saudi British Bank - General Manager for Credit and Risk. The Saudi British Bank - Chief Executive Officer - Lebanon Branch The Saudi British Bank - General Manager of Audit. The Saudi British Bank - Regional General Manager - Central Region	Al-Qassim Construction and Development Company - Board Member. Capital Brokerage Company - Board Member. Onaizah Investment Company - Board Member. Saudi Arabian Refineries Company - Vice Chairman of the Board of Directors. UCA – Head of Audit Committee.
Qualifications		
Master of Science in Management - Majoring in Information Technology - Colorado Technology University, USA. MBA - Executive Business Administration - Colorado Technology University, USA MBA - Project Management - Colorado Technology University, USA Certified Compliance Officer - Banking Institute	Bachelor's degree in Civil Engineering from Florida Agricultural and Mechanical University - USA	Bachelor of Business Administration - Cairo University.

During 2022 AD, the committee held (3) meetings. Hereunder is the members attendance record:

Name	Statement	Membership rating	Meetings and attendance		
			First meeting 3/15/2022	Second meeting 11/10/2022	Third meeting 12/28/2022
1 Khaled Ahmed Al-Hamdan	Committee Head	Independent	✓	✓	✓
2 Mohammed Abdullah Al-Yahya	Committee member	Independent	✓	✓	✓
3 Khaled Mohammed Al-Qazlan	Committee member	Independent - from outside the Board	✓	✓	✓

17.4. Investment Committee:

The Investment Committee consists of three to five members from among and outside the Board. It has been entrusted with the tasks of supervising the Company's investment activities, reviewing the efficiency of assets, and providing recommendations to the Board of Directors on all matters related to investment, such as the Company's investment policy, asset distribution plans, and so on. The committee holds at least 2 meetings per year.

As of December 31, 2022 AD, the Investment Committee consisted of: Mr. Mansour Al-Saghayer (Head) and the membership of each of Mr. Bahaa Khashoggi and Mr. Saud Al-Nuaimi. During 2022 AD, the committee held two meetings. Hereunder is a brief statement of the committee and the qualifications of its members:

<p>Saud Al Nuaimi Committee member Independent - from outside the Board ----- Mr. Saud has a long and varied experience in the field of financial management in several different sectors.</p>	<p>Bahaa Aldeen Omar Khashoggi Committee member Non-executive ----- Mr. Bahaa Khashoggi has more than 20 years of experience in the field of management and banking services, which has earned him extensive experience in the field of management.</p>	<p>Mansour Abdulaziz Al- Saghayer Committee Chairman Independent ----- Mr. Mansour Al Sagheer brings over 25 years of experience in credit, marketing, financial management and leadership.</p>
Current positions		
Maaref Education and Training Company - Executive Director of Financial Affairs	Banque Saudi Fransi - Head of Emerging, Small and Medium Enterprises Banking	National Bank of Bahrain - Chief Executive Officer
Previous positions		
<p>The General Authority for Ports - Vice President for Finance. General Entertainment Authority - Executive Director of the Finance Sector. SABB Takaful - Chief Financial Officer. Kingdom Holding Company - Director of Finance. SABB Takaful - Head of Accounts.</p>	<p>Banque Saudi Fransi - Senior Manager - Corporate Banking Group. Banque Saudi Fransi Director - Corporate Banking Group.</p>	<p>The Saudi British Bank (SABB) - Regional Head of Corporate Banking. National Commercial Bank - Senior Corporate Banker. Banque Saudi Fransi - Head of Department. Samba Financial Group - Assistant General Manager. The Saudi Investment Bank - Senior Relationship Manager. Saudi Hollandi Bank - Senior Manager of Commercial Relations. Accounting officer in commercial banking services. Accounting officer in the banking group of major companies.</p>
Qualifications		
Bachelor of Accounting - King Fahd University of Petroleum and Minerals	Bachelor of Business Administration - Major in Accounting and Finance - TCU University / United States.	Executive MBA - London Business School - University of London

	Programs for preparing executive leaders from the London Business School and the Change Management Program from the University of Cambridge	Bachelor of Accounting - King Abdulaziz University
--	---	--

The following shows the attendance record of its members:

	Name	Statement	Membership rating	Meetings and attendance	
				First meeting 12/21/2022	Second meeting 27/12/2022
1	Mansour Abdulaziz Al-Saghayer	Committee Head	Independent	✓	✓
2	Bahaa Aldeen Omar Khashoggi	Committee member	Non-executive	✓	✓
3	Saud Abdulaziz Al Nuaimi	Committee member	Independent - from outside the Board	✓	✓

17.5. Risk Committee:

The Risk Committee consists of three to five members from among the Board members and outside it. It has been entrusted with the tasks of developing and supervising comprehensive risk management strategies and policies commensurate with the nature and size of the Company's activities, monitoring the implementation of specific risk management strategies and policies, and reviewing and updating them based on the relevant internal and external change factors, and supervising plans to ensure the continuity of the Company's business, and providing advice to the Board of Directors on issues related to risk management, and the committee holds at least two meetings a year.

As of December 31, 2022 AD, the Risk Committee was formed as follows: Mr. Bahaa Khashoggi (Head) and the membership of Mr. Khaled Al-Qazlan and Mr. Ahmed Al-Khamis. During 2022 AD, the committee held two meetings. Hereunder is a brief statement of the committee and the qualifications of its members:

<p>Khaled Al-Qazlan Committee member Independent - from outside the Board</p> <p>-----</p> <p>Mr. Khaled Al-Qazlan has extensive practical experience, with multiple positions in management and human resources.</p>	<p>Ahmed Al-Khamis Committee member Independent - from outside the Board</p> <p>-----</p> <p>Previously, worked in several positions that gained him extensive experience in the field of insurance and risks.</p>	<p>Bahaa Aldeen Khashoggi Committee Chairman Non-executive</p> <p>-----</p> <p>Mr. Bahaa Khashoggi has more than 20 years of experience in the field of management and banking services, which has earned him extensive experience in the field of management.</p>
Current positions		

UCA- Member of the Nominations and Remunerations Committee (from outside the Board). UCA- Member of the Risk Committee (from outside the Board).	National Bank of Bahrain - Head of Operations Department.	Banque Saudi Fransi - Head of Emerging, Small and Medium Enterprises Banking
Previous positions		
Ministry of Hajj and Umrah - Undersecretary for Shared Services. Gulf General Cooperative Insurance - Director of Human Resources and Support Services. Medgulf Insurance - Director of Human Resources and Administrative Services Sector. Al-Ahly Takaful - Director of Training and Development Department. Bank Albilad - Director of Training and Development Department.	SABB Takaful - Head of Operations Department. SABB Takaful - Head of Risk Management. SABB Takaful - Senior Risk Manager.	Banque Saudi Fransi - Senior Manager - Corporate Banking Group. Banque Saudi Fransi Director - Corporate Banking Group.
Qualifications		
Master of Science in Management - Information Technology Major - Colorado Technology University, USA MBA - Executive Business Administration - Colorado Technology University, USA MBA - Project Management - Colorado Technology University, USA Certified Compliance Officer - Banking Institute.	Bachelor of Finance - King Fahd University of Petroleum and Minerals. Risk Management Practitioner Certificate - Exelos, UK. General Certificate of Fundamentals of Insurance - Banking Institute, Saudi Arabia.	Bachelor of Business Administration - Major in Accounting and Finance - TCU University / United States. Programs for preparing executive leaders from the London Business School and the Change Management Program from the University of Cambridge

The following shows the attendance record of its members:

Name	Statement	Membership rating	Meetings and attendance	
			First meeting 9/26/2021	Second meeting 12/09/2021
1 Bahaa Aldeen Omar Khashoggi	Committee Head	Non-executive	✓	✓
2 Khaled Mohammed Al-Qazlan	Committee member	Independent - from outside the Board	✓	✓
3 Ahmed Tawfiq Al-Khamis	Committee member	Independent - from outside the Board	✓	✓

18. Names, qualifications and experiences of the executive management members:

Names and positions of the executive management:



Waheed Khayyat
Chief Information Officer
 Has over 18 years of experience in the field of digital and information technologies.



Shaher Al-Madani
Chief Operation Officer
 Has more than 15 years of experience in the insurance sector, in human resource management and operations.



Eng. Muhammad Basrawi
Chief Executive Officer
 Has over 25 years of international executive experience in the startups and transformation entities.



Abdulaziz Mirdad
Chief legal Officer
 Has worked in several law firms that have provided him with comprehensive knowledge in the legal field.



Marwan Al-Hazmi
Chief Sales and Marketing Officer
 Has more than 15 years of experience in business planning, sales and marketing management.



Abdullah Bayari
Chief information security Officer
 Has experience in developing cyber security strategy and governance.

Executive management experience and qualifications:

Name	Current positions	Previous positions	Qualifications
Eng. Muhammad bin Muhammad Saeed Basrawi	Chief Executive Officer	Allianz Saudi Fransi Cooperative Insurance - Vice CEO and COO Hushan Co., Ltd. - Director of Operations, Audio and Data Xenith, SARL - Principal Consultant Orbit Media Company - Executive Vice President Orbit Production Company - Operations Manager Arab Network America (ANA) - Executive Vice President The Ohio State University - Lecturer in the Graduate School Resource International - Consultant The Ohio State University- Statistical Consultant Worked on many private construction projects	PhD Researcher - The Ohio State University Geotechnical Civil Engineering and Materials Engineering Master of Science - Major in Construction Engineering and Management - Ohio State University Bachelor of Civil Engineering - The Ohio State University
Shaher Al-Madani	Chief Operation Officer	United Cooperative Assurance Company - Acting Chief Operating Officer United Cooperative Assurance Company - Head of Human Capital and Shared Services SABB Takaful - Vice President of Human Resources Allianz Saudi Fransi - Supervisor of Human Resources and Government Relations	Bachelor of Business Administration - King Faisal University.
Waheed Khayyat	Chief Information Officer	Research Center at King Faisal Specialist Hospital - Director of Information Technology Infrastructure	Professional Doctorate in Information Technology Management - European International University. Master of Business Administration - University of Manchester. Bachelor of Science in Computer and Electrical Engineering - King Abdulaziz University.

Marwan Al-Hazmi	Chief Sales and Marketing Officer	Global Insurance - Head of Sales and Marketing - Member of the Executive Committee Gulf General Cooperative Insurance Company - Head of Sales and Marketing Concord Insurance Brokerage - Vice President Ma'aden Real Estate Investment Company - Head of Sales and Marketing Solidarity Insurance - Regional Manager Emaar - Head of Sales and Operations UCA - Sales Operations Manager	Master of Business Administration in Marketing and Advanced Marketing Strategies - University of Leicester - UK Bachelor of Political Science - King Abdulaziz University.
Abdullah Bayari	Chief information security Officer	Salama Cooperative Insurance Group - Acting Head of Information Security King Abdulaziz University - Cyber Security Analyst	Master of Engineering and Applied Sciences - George Washington University Bachelor's degree in Management Information Systems - University of Business and Technology.
Abdulaziz Mirdad	Chief legal Officer	UCA - Head of Compliance, Governance and Legal Affairs. UCA - Secretary of the Board. UCA - Secretary of the Executive Committee. South Asia Foundation - General Manager of the Hajj season. Yasser Qazzaz Law Firm - Assistant Attorney. Dar Al-Farouk Law Firm - Trainee Lawyer Mohamed Ayed Al-Salami Law Firm - Trainee lawyer	Master of Business Administration - Saudi Electronic University. Bachelor of Law - King Abdulaziz University.

19. Annual review of the effectiveness and procedures of internal control and its results:

As a financial institution operating in the Kingdom of Saudi Arabia, UCA attaches great importance to the internal control environment and aspects of its effectiveness. Effective internal control procedures have been put in place at the level of the institution as a whole represented by applying the principle of the three lines of defense. This is done based on its suitability for the work mechanisms carried out by the company and taking into account the best practices and local and international standards in the financial sector, as well as in contracting with international institutions to provide consultancy with the aim of evaluating and raising the efficiency of the control systems in which the company operates. UCA results are reviewed at the level of the Board of Directors and its sub-committees. These procedures are also subject to periodic examinations by the company's auditors, in addition to the examinations conducted by the regulatory authorities on the company.

UCA Board of Directors and its committees, especially the Audit Committee and the Risk Committee, also play an important role in supporting and strengthening the Company's internal control environment, through continuous supervision of the work of the Company's control departments, such as compliance and risk, and since the concept of internal control adopted by the Company is mainly based on the effectiveness and efficiency of UCA control systems. Therefore, effective internal control is based on increasing confidence in financial reporting and auditing processes.

The results of the annual audit of the internal control environment procedures in UCA showed good and acceptable control levels, especially that the internal audit department in the Company implemented the annual internal audit plan approved by the Audit Committee, and important observations reports were submitted to the senior management and the Audit Committee. Accordingly, the executive management developed an action plan to implement and correct all observations contained in the internal audit reports.

19.1. The Audit Committee's evaluation of the adequacy of the Company's internal controls

During 2022 AD, the Audit Committee reviewed various reports to evaluate and measure the adequacy of internal control and rules, including financial statements, risk reports, compliance reports, and internal audits. The committee documented its discussions and resolutions in the minutes of the meetings, and raised issues that require attention to the Board of Directors and Executive Management.

The Audit Committee met with the heads of the activities of finance, compliance, risks, as well as internal audit and auditors, where it was briefed on the latest developments regarding issues that require the attention of the Committee. The Committee also received internal

audit reports and reports of supervisory and regulatory authorities in addition to the letters of the auditors. The Committee reviewed management action plans for the issues raised. The Audit Committee confirms to the Board of Directors and shareholders that, according to its full knowledge in all material respects, the Company's internal control system operates with acceptable effectiveness, with the need to improve some aspects of the system's effectiveness for the past fiscal year, bearing in mind that any internal control system, regardless of the extent of sound design and effectiveness of its application, does not provide absolute assurance. The Committee confirms that its recommendations related to the appointment, evaluation and determination of the fees of the external auditors have been approved by the Board.

20. Recommendations of the Audit Committee that conflict with the resolutions of the Board of Directors, or which the Board refused to take into account regarding the appointment and dismissal of the Company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor, and the justifications for those recommendations, and the reasons for not taking them into account.

The committee works in harmony with the Board of Directors, and there is no conflict between its decisions and those of the Board of Directors.

21. Actions taken by the Board of Directors to inform its members of the shareholders' suggestions and observations regarding the Company and its performance:

The company works to facilitate the shareholders' exercise of all their statutory rights related to the share to the fullest, such as facilitating receiving proposals and observations regarding the company and its performance. The phone number 0122602500 and the e-mail have been allocated to receive any inquiries from all shareholders, and the company has been accustomed to submitting any comments received in this regard to the Board of Directors.

22. Information relating to any loans on the Company (whether repayable on demand or otherwise) in accordance with the requirements of the Corporate Governance Regulations:

The Company has no debts

23. A statement of any arrangements or agreement under which a Board Member of the Company or one of its senior executives waived any remuneration:

The Company has no information about any arrangements or agreement under which a member of the Company's Board of directors or a senior executive waived any remunerations or compensation.

24. A statement of any arrangements or agreement under which a shareholder of the Company deals with any rights to profits:

UCA has no information about any arrangements or agreement under which one of the Company's shareholders waived any rights to the profits.

25. Disclosure of treasury shares held by United Cooperative Assurance Company and details of their use:

UCA does not hold any treasury shares.

26. Employee benefits and compensation:

In line with the supervisory directives issued by the Central Bank of Saudi Arabia (SAMA) and the main principles of the Financial Stability Board, the Company conducts periodic reviews to ensure the consistency of the compensation structure for the Company's employees, and reports are submitted on this to the Nominations and Remunerations Committee.

The level and size of employee compensation and benefits are determined by reviewing and comparing wages with the local market, which are organized and checked periodically, in addition to a number of other means related to research and investigation about levels of

salaries and benefits in the labor market. This is followed with the aim of enabling human resource management (human capital) Keeping abreast of local and regional market conditions, including taking into consideration the risks related to the Company's remunerations and compensation policy.

The compensation structure consists of fixed entitlements, allowances, and incentive programs in line with the standards and norms followed in the Saudi insurance market. There are no investments made for the benefit of the Company's employees, while the amount of end-of-service compensation for the Company's employees as of December 31, 2022 amounts to (9,072,467.76) Saudi riyals.

27. Board confirmations:

The Board of Directors and the Company confirm to the shareholders and other related parties, according to their full knowledge in all material respects, the following:

- the account records have been properly prepared.
- The internal control system was prepared on sound foundations and implemented effectively.
- There is no doubt about the Company's ability to continue its activities.

There are no business or contracts to which the company was a party and there is or was a substantial interest in any of the members of the Board of directors of the company or the CEO or senior executives of the company or any person related to any of them, except for those mentioned in the statement of transactions with related parties and shown in (transactions related parties) herein or the audited financial statements for 2022 .

- The Company has no loans as of December 31, 2022.
- There are no transferable debt instruments, any contractual securities, subscription right memos, or similar rights issued or granted by the Company during the fiscal year ending on December 31, 2022 .
- There is no conversion or subscription rights based on debt instruments convertible into contractual securities, subscription right memorandums, or similar rights issued or granted by the Company during the fiscal year ending on December 31, 2022 .
- There are no refunds, purchases or cancellations on the part of the Company for any recoverable debt instruments.
- The Board of Directors did not recommend changing the auditors before the end of their appointment period. There was no conflict between the recommendations of the Audit Committee and Board Resolutions.

28. A summary of UCA assets, liabilities and results for the last five fiscal years:

Statement of Financial Position

Insurance operations	2022	2021	2020	2019	2018
Cash and its equivalent	81,239	87,067	51,356	216,199	88,477
Short term deposits	0	0	22,656	23,496	0
Insurance premiums and reinsurance receivables	181,570	156,051	239,606	202,452	169,736
Reinsurers share of unearned premiums	229,048	91,978	209,598	137,914	94,750
Reinsurers' share of claims pending settlement	19,744	36,506	41,720	45,581	88,169
Reinsurers' share of claims incurred but not reported	33,408	114,849	126,264	112,881	135,637
Costs of purchasing deferred insurance contracts	23,824	10,571	12,645	6,444	5,699
Investments	75,948	86,401	115,088	227	160,159
due from insurance operations	83,744	37,315	0	-	0
Prepaid expenses and other assets	78,968	59,113	67,449	36,685	45,823
Property and equipment - net income	10,482	9,122	10,346	7,008	1,902
Intangible assets	12,715	9,813	4,598	0	0
Right to use assets - net	6,178	7,089	7,556	0	0
Minus the excluded internal processes	(83,744)	(37,315)	0	0	0
Total assets of insurance operations	753,124	668,560	908,882	788,887	790,352

Shareholder operations	2022	2021	2020	2019	2018
Cash and its equivalent	2,741	702	10,379	41,454	1,056
Investments	158,279	164,125	173,278	190,721	224,596
Prepaid expenses and other assets	1,636	1,222	1,038	1,071	1,378

due from insurance operations	0	0	32,675	33,493	4,700
Goodwill	78,400	78,400	78,400	78,400	78,400
Regular deposit	60,000	60,000	60,000	60,000	73,500
Income of commissions due on the statutory deposit	6,712	5,396	4,904	3,824	2,635
Minus the excluded internal processes	0	0	(32,675)	(33,493)	(4,700)
Total assets of shareholder operations	307,768	309,845	360,674	408,963	386,265
Total assets	1,060,892	978,405	1,269,556	1,197,850	1,176,617

Insurance liabilities	2022	2021	2020	2019	2018
Insurance contract holders payable	20,703	24,100	5,396	13,419	19,361
Accrued liabilities and other liabilities	94,228	66,816	45,533	66,957	55,253
Reinsurance balances payable	106,206	95,067	156,440	178,413	122,227
Unearned premiums	367,483	185,439	302,452	163,093	141,051
Unearned reinsurance commission	46,723	15,683	34,994	27,769	19,295
Pending claims	62,380	83,964	62,921	66,652	111,586
Claims incurred not reported	59,238	140,599	169,749	162,673	209,481
Premium deficit reserve	22,250	25,378	25,748	18,760	16,454
Other technical reserves	14,855	16,176	13,378	9,604	36,539
Due to shareholder operations	0	0	32,675	33,493	4,700
Employee defined benefit obligations	9,686	10,029	10,288	9,475	18,018
Lease liabilities	5,841	6,187	6,397	0	0
Surplus from insurance operations	37,053	37,053	37,053	37,053	36,037
Minus: Excluded internal processes	0	0	(32,675)	(33,493)	(4,700)
Investments fair value reserve - insurance operations	(13,999)	(3,546)	3,734	15	(86)
Total insurance operations liabilities	832,647	702,945	874,083	753,883	785,216

Shareholders' liabilities

Accrued liabilities and other liabilities	3,092	2,169	1,081	497	560
Due to a related party	0	0	0	270	270
Due to shareholder operations	83,744	37,315	0	0	0
Zakat and income tax payable	12,808	14,846	21,750	28,936	22,488
Income of commissions due on statutory deposits payable to the Central Bank of Saudi Arabia	6,712	5,396	4,904	3,824	2,635
Minus internal processes	(83,744)	(37,315)	0	0	0
Total shareholders' liabilities and insurance operations reserve	22,612	22,411	27,735	33,527	25,953
Total liabilities and insurance operations reserve	855,259	725,356	901,818	787,410	811,169
Financial value					
Capital	400,000	400,000	400,000	400,000	400,000
Statutory reserve			31,944	31,944	31,944
Accumulated losses	(192,613)	(149,752)	(108,025)	(64,145)	(71,684)
Fair value of the investments	(5,979)	(133)	9,020	7,637	52
Re-measurement of the employee defined benefit liability insurance operations reserve	4,225	2,934	2,124	1,511	436
Total stocks	205,633	253,049	335,063	376,947	360,748
Total reserve for insurance liabilities and equity operations	1,060,892	978,405	1,236,881	1,164,357	1,171,917

Revenue insurance operations

	2022	2021	2020	2019	2018
Total written premiums	821,844	409,756	616,861	420,292	391,968

Waived reinsurance premiums

Local	(62,929)	(26,743)	(30,604)	(21,537)	(12,271)
Foreign	(441,036)	(198,526)	(380,697)	(341,103)	(273,445)

	(503,965)	(225,269)	(411,301)	(362,640)	(285,716)
Reinsurance of excess loss expenses					
Local	(2,213)	(1,874)	(818)	(360)	(270)
Foreign	(9,789)	(7,333)	(4,635)	(3,014)	(2,383)
	(12,002)	(9,207)	(5,453)	(3,374)	(2,653)
Net written premiums	305,877	175,280	200,107	54,278	103,599
Change in net unearned premium	(44,974)	(607)	(67,675)	21,122	19,282
net premiums earned	260,903	174,673	132,432	75,400	122,881
Reinsurance commissions earned	50,002	44,202	39,872	41,233	49,640
Total revenue	310,905	218,875	172,304	116,633	172,521
Underwriting costs and expenses					
Total claims paid	356,370	264,721	151,457	153,228	212,946
Reinsurers' share of paid claims	(99,699)	(90,807)	(59,581)	(92,990)	(138,035)
Net claims paid	256,671	173,914	91,876	60,238	74,911
Change in net claims outstanding	(4,822)	26,257	130	(2,346)	(10,126)
Net change in claims incurred but not reported	80	(17,735)	(6,307)	(24,053)	(5,272)
net claims incurred	251,929	182,436	85,699	33,839	59,513
Premium deficit reserve	(3,127)	(370)	6,988	2,306	12,888
Other technical reserves	(1,321)	2,798	3,774	(26,935)	29,615
The costs of obtaining an insurance contract	37,052	23,082	16,521	9,868	13,885
Other subscription expenses	4,074	3,296	2,790	2,549	3,278
Total underwriting costs and expenses	288,607	211,242	115,772	21,627	119,179
net underwriting result	22,298	7,633	56,532	95,006	53,342

Other operating expenses / income insurance operations	2022	2021	2020	2019	2018
General and administrative expenses	(84,202)	(88,276)	(85,272)	(100,250)	(111,640)
Release / (Provision) for doubtful receivables	3,321	9,158	(5,823)	2,745	(11,080)
Investment income	3,623	4,364	4,409	4,558	4,760
Loss and gains realized from investments	0	(848)	0	4,346	(511)
Another source of income	15,356	3,659	7,030	3,753	3,701
Gross Other Operating Expenses/Income - Net	(61,902)	(71,943)	(79,656)	(84,848)	(114,770)
Annual loss before allocation	(39,604)	(64,310)	(23,124)	10,158	(61,428)

Other Operating Expenses/Operations Income Shareholders	2022	2021	2020	2019	2018
General and administrative expenses	(3,160)	(4,381)	(1,534)	(1,220)	(2,207)
Board remuneration	(2,097)	(1,972)	(1,441)	(883)	(1,225)
Investment income	5,000	4,992	5,973	6,435	7,109
Loss and gains realized from investments			4,246	2,065	(2,421)
Another source of income				0	
Gross Other Operating Expenses/Income - Net	(257)	(1,361)	7,244	6,397	1,256

Shareholder absorption of the loss	(39,604)	(64,310)	(23,124)	10,158	(61,428)
Loss for the year after absorbing the shareholders before zakat and income tax	(39,861)	(65,671)	(15,880)	16,555	(60,172)
Zakat	(3,000)	(7,600)	(27,900)	(7,900)	(3,900)
Income tax		(400)	(100)	(100)	(100)
Net loss for the year	(42,861)	(73,671)	(43,880)	8,555	(64,172)

Weighted average number of ordinary shares outstanding (in thousands of shares)	40,000	40,000	40,000	40,000	40,000
---	--------	--------	--------	--------	--------

Profits (loss) per share (expressed in SAR per share)	(1.07)	(1.84)	(1.10)	0.21	(1.60)
---	--------	--------	--------	------	--------

Comprehensive income and loss statements for insurance operations	2022	2021	2020	2019	2018
net loss for the year	0	0	0	1,016	0
Items that will not be reclassified to the income statement in subsequent periods					
Remeasurement of gains on defined benefit obligations	(1,291)	810	613	1,075	436
Items that may or may be reclassified to the income statement in subsequent periods					
On sale Investments:					
Net change in the fair value of available-for-sale investments	(10,453)	(7,280)	3,719	1,238	(189)
Net amounts transferred to the income statement		0	0	(1,137)	511
Total comprehensive loss and comprehensive income for the year	(11,744)	(4,449)	6,352	4,211	2,776

Comprehensive income/loss statements of shareholder operations	2022	2021	2020	2019	2018
Net loss for the year					
Another comprehensive loss	(42,861)	(73,671)	(43,880)	7,539	(64,172)
Items that will not be reclassified to the income statement in subsequent periods					
Remeasurement of gains on defined benefit obligations					
Items that may or may be reclassified to the income statement in subsequent periods					
On sale Investments:					

Net change in the fair value of available-for-sale investments	(5,846)	(9,153)	1,383	7,896	935
Net amounts transferred to the income statement				(311)	2,431
Total comprehensive income and loss for shareholders for the year	(48,707)	(82,824)	(42,497)	15,124	(60,806)
Total (loss) / comprehensive income for the year	(60,451)	(87,273)	(36,145)	19,335	(58,030)

Statement of cash flows insurance operations	2022	2021	2020	2019	2018
Loss for the year before zakat and income tax	0	0	0	1,016	0
Adjustments for Non-Monetary Items:					
Depreciation of property and equipment	4,162	3,973	2,736	2,095	1,328
Profits from disposal of property and equipment	0	0	0	(71)	0
Depreciation of right-of-use assets	2,798	3,206	2,052	0	0
Finance cost on lease liabilities	238	257	187	0	0
Loss of disposal of rents	98	83	0	0	0
(Release provision)/Provision for doubtful receivables	(3,321)	(9,158)	5,823	(2,745)	10,976
Loss and gains realized from the disposal of investments	0	848	0	(4,346)	511
Amortization of held-to-maturity investments	0	0	0	(111)	(205)
Provision for employee defined benefit obligations	2,464	2,730	4,077	5,650	2,426
provision for other receivables	2,000	4,572	0	0	0
Total	8,439	6,511	14,875	1,488	15,036
Changes in operating assets and liabilities:					
Insurance premiums and reinsurance receivables	(22,198)	92,713	(42,977)	(29,971)	72,909
Reinsurers share of unearned premiums	(137,070)	117,620	(71,684)	(43,164)	110,042
Reinsurers' share of claims pending settlement	16,762	5,214	3,861	42,588	1,215

Reinsurers' share of claims incurred but not reported	81,441	11,415	(13,383)	22,756	66,884
Costs of purchasing deferred insurance contracts	(13,253)	2,074	(6,201)	(745)	4,602
Prepaid expenses and other assets	(21,855)	3,764	(30,764)	9,138	6,821
Income of commissions due on the statutory deposit	0	0	0	-	0
Accounts payable to insurance contract holders	(3,397)	18,704	(8,023)	(5,942)	10,184
Accrued liabilities and other liabilities	27,412	21,283	(21,424)	11,704	(41,492)
Reinsurance balances payable	11,139	(61,373)	(21,973)	56,186	(55,918)
Unearned premiums	182,044	(117,013)	139,359	22,042	(129,323)
Unearned reinsurance commission	31,040	(19,311)	7,225	8,474	(12,165)
Pending claims	(21,584)	21,043	(3,731)	(44,934)	(11,341)
Claims incurred not reported	(81,361)	(29,150)	7,076	(46,808)	(72,157)
Premium deficit reserve	(3,128)	(370)	6,988	2,306	12,888
Other technical reserves	(1,321)	2,798	3,774	(26,935)	29,614
Income of commissions due on statutory deposits payable to the Central Bank of Saudi Arabia	0	0	0	0	0
Due to shareholder operations	(46,429)	(69,993)	(818)	28,793	41,756
Defined benefit obligation payments to employees	(1,516)	(2,179)	(2,651)	(13,118)	(4,648)
Pay zakat and income tax	0	0	0	0	0
Net cash used in operating activities	5,165	3,749	(40,471)	(6,142)	44,907

Cash flow from shareholder activities	2022	2021	2020	2019	2018
Loss for the year before zakat and income tax	(39,861)	(65,671)	(15,880)	15,539	(60,172)
Loss and gains realized from the disposal of investments	0	0	(4,246)	(1,932)	2,242
Prepaid expenses and other assets	(414)	(184)	33	307	(107)
Income of commissions due on the statutory deposit	(1,316)	(492)	(1,080)	(1,189)	(1,187)

Accrued liabilities and other liabilities	923	1,088	314	(63)	(57)
Income of commissions due on statutory deposits payable to the Central Bank of Saudi Arabia	1,316	492	1,080	1,189	1,187
due from insurance operations	46,429	69,993	818	(28,793)	(41,756)
Defined benefit obligation payments to employees	0	0	0	0	0
Pay zakat and income tax	(5,038)	(14,904)	(35,186)	(1,552)	(5,220)
Net cash used in operating activities	2,039	(9,677)	(54,147)	(16,494)	(105,070)

Cash flows from securing investment activities	2022	2021	2020	2019	2018
Short term deposits	0	22,656	840	(23,496)	0
Investment purchases	0	0	(111,142)	(20,000)	0
Proceeds from selling investments	0	20,559	0	184,490	180
Purchase of property and equipment	(5,522)	(2,749)	(6,074)	(7,201)	(563)
In addition to intangible assets	(2,902)	(5,215)	(4,598)	71	0
Net cash (used in) or generated from investing activities	(8,424)	35,251	(120,974)	133,864	(383)

Cash flows from insurance operations on shareholder activities	2022	2021	2020	2019	2018
Short term deposits	0	0	0	0	0
Investment purchases	0	0	(38,759)	(23,576)	11,283
Proceeds from selling investments	0	0	61,831	66,968	0
Purchase of property and equipment	0	0	0	0	0
In addition to intangible assets	0	0	0	0	0
Net cash (used in) or generated from investing activities	0	0	23,072	43,392	11,283

Cash flows from insurance operations on financing activities	2022	2021	2020	2019	2018
Lease payments	(2,569)	(3,289)	0	0	0
Net cash (used in) or generated from financing activities	(2,569)	(3,289)	0	0	0

Cash flows from insurance operations on shareholder activities	2022	2021	2020	2019	2018
Deficiency in the statutory deposit	0	0	0	13,500	0
Net cash (used in) or generated from financing activities	0	0	0	13,500	0
Net changes in cash and cash equivalents	(5,828)	35,711	(164,843)	127,722	44,524
Cash and cash equivalents at the beginning of the year	87,067	51,356	216,199	88,477	43,953
Cash and cash equivalents at the end of the year	81,239	87,067	51,356	216,199	88,477
Net changes in cash and cash equivalents	2,039	(9,677)	(31,075)	40,398	(93,787)
Cash and cash equivalents at the beginning of the year	702	10,379	41,454	1,056	94,843
Cash and cash equivalents at the end of the year	2,741	702	10,379	41,454	1,056

Total non-monetary information	2022	2021	2020	2019	2018
The net change in the fair value of available-for-sale investments	(16,299)	(16,433)	1,383	9,134	976
Remeasurement of gains on employee defined benefit obligations	(1,291)	810	0	0	0

29. Approval of the financial statements:

The Board of Directors approved the annual financial statements for the year 2022 on 28 Shaaban 1444 AH corresponding to 20 March 2023 AD.



U C A

المتحدة للتأمين التعاوني

UNITED COOPERATIVE ASSURANCE

Board of Directors' Annual Report

2022