



United Cooperative Assurance Company
“UCA”

Board of Directors' Annual Report

2023

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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, 2023 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, 2022 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 2023 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)/ Insurance Authority 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 company is subject to the supervision of the Saudi Arabian Insurance Authority and complies with all regulations issued by the Insurance Authority regulating the insurance sector and adheres to them.

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



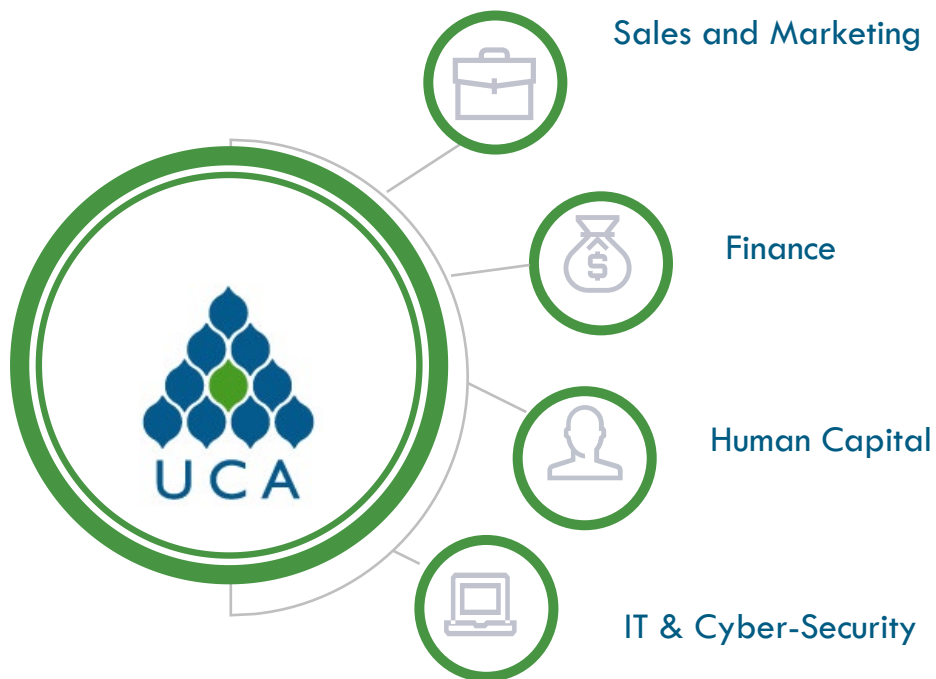
2. Company Strategy

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 Saudi nationals 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 and raise the rate of Saudization, which reached as of the end of 2023 AD to 89% of the Company's employees.

Driven by a commitment to attract and develop young Saudi leaders, the company continued to implement the second edition of the Insurance Leadership Development Program "ILDLP" during the year 2023. This program aims to attract an elite group of graduates from Saudi universities and abroad, providing them with an intensive on-job training program that covers all aspects of the insurance business.

Another aspect that the United Company sought to achieve in order to create an attractive work environment was to encourage active participation of employees and maintain continuous communication with them at all levels of the company. This was accomplished by providing various ways for employees to share their opinions, ideas, visions, and suggestions.

Information Technology and Cyber Security

Recognizing the opportunities and challenges posed by today's globalized economy, and to ensure the company's sustainable contribution to the Saudi Vision 2030, the company has heavily invested in enhancing and securing its digital space. Accordingly, a series of digital transformation projects were launched alongside cybersecurity projects to ensure first-class customer service and data privacy.

The company's efforts in information technology and cybersecurity have been recognized, as it received the award for The Most Innovative Online Insurance Portal – Saudi Arabia 2023, The Award is given by "Global Business Outlook (GBO)". honored at Middle East Technology Excellence Awards, as UCA bagged the Online Services - General Insurance category win at the Middle East Technology Excellence Award 2023 for its Unified Web Service Portal & Mobile App that provides a great customer experience and innovative design to cover the entire customer journey.

Additionally, UCA received Certificate of Honor- United Cooperative Assurance- Digital Initiative of the Year.

the Chief of Cybersecurity was awarded Best CISO of the year 2023 presented in Riyadh-GEC Media & Leap Media. Finally, ISO 27001 Information Security Management System- Presented to UCA Cyber Security Department for achieving the requirements of the international standard.

These efforts have directly contributed to implicit and explicit gains for the company, enhancing the company's strategy which is based on driving organic growth through capability enhancement, digital transformation, and financial restructuring. The management of the United Cooperative Assurance Company took key strategic initiatives in line with the company's strategy to ensure an adequate market share and proper retention levels, while complying with applicable regulatory requirements.

The company meticulously planned these initiatives with a forward-looking approach, preparing for the ultimate transformation in the regulatory landscape of the insurance sector in Saudi Arabia. The business mix witnessed by the company during the fiscal year 2023 was a result of precise planning to ensure the company's long-term growth objectives. As a result, the management enhanced its future outlook by seeking to increase its capital and showing an interest in acquiring or merging with other entities to enhance its market share and strengthen its business, especially as the company had previously

announced at the end of 2023 a board recommendation to increase capital through an appropriate issue.

3. General Developments during the FY ending on 31/12/2023

Merger of United Cooperative Assurance Company with Saudi Enaya Cooperative Insurance Co. The United Cooperative Assurance Company had previously announced on the Tadawul website that on Tuesday, 12 Jumada Al-Awwal 1444 AH corresponding to December 6, 2022, it signed a non-binding memorandum of understanding with Saudi Enaya Cooperative Insurance Company. This was for the purpose of evaluating the feasibility of merging the two companies. Progress on discussing the merger topics continued throughout the year, and a binding merger agreement was signed on 12 Dhul-Qi'dah 1444 AH corresponding to June 1, 2023. Furthermore, the company also announced its confirmed intention on Tadawul on 12 Muharram 1445 AH corresponding to July 30, 2023, to present a share swap offer to acquire all the shares of Saudi Enaya Cooperative Insurance Company shareholders.

On 18 Rabi' Al-Thani 1445 AH corresponding to November 2, 2023, the company announced the publication of the shareholders' circular, and the offer document presented to the shareholders of Saudi Enaya Cooperative Insurance Company and the timetable for the basic stages to complete the merger transaction in connection with the capital increase for the purpose of merging Saudi Enaya Cooperative Insurance Company into United Cooperative Assurance Company.

On 21 Jumada Al-Awwal 1445 AH corresponding to December 5, 2023, the extraordinary general assemblies of both United Cooperative Assurance Company and Saudi Enaya Cooperative Insurance Company were held. Saudi Enaya Cooperative Insurance Company shareholders did not approve the offer made by United Cooperative Assurance Company to merge the companies according to the provisions of the company law.

Aligning the Company's Activities and Practices with Shariah Controls and Rules:

desire to align its business and activities with the Shariah guidelines and rules for Islamic Financial Institutions issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI),

on Sunday, 23 Rabi' Al-Awwal 1445 AH corresponding to October 8, 2023, the company adopted the appointment of "Dar Al-Sharia Audit" to conduct the auditing and evaluation of the company's activities, operations, and products to ensure their compliance with Shariah controls and rules. The completion of this alignment was announced on Tadawul

Significant Developments Related to the Health Insurance Council:

In the year 2023, the company received on Tuesday, 16 Rajab 1444 AH corresponding to February 7, 2023, a notification from the Council of Cooperative Health Insurance (CCHI) via electronic gate services of its approval of the company's qualifications for the annual renewal of its CCHI's license, for one year period starting on February Ending 2024.

Alignment of the Company Bylaws in Accordance with the Amendments to the Company Law:

The company wished to align the company's bylaws with the amendments the new company's law. During the year 2023, the company reviewed and amended the provisions of the basic system, which were approved at the extraordinary general assembly meeting held on 21 Jumada Al-Awwal 1445 AH, corresponding to December 5, 2023.

Significant Developments Related to Strategic Agreements with the Company's Major Clients:

During the year 2023, the company entered into a number of strategic agreements with some of its major clients, which included signing insurance coverage agreements for various projects across several sectors, including energy, engineering, medical, vehicle, and others.

Significant Developments Related to the Company's Capital:

Supporting the company's future growth plans and supporting the solvency margin, the board of directors decided and issued its recommendation to increase the company's capital through the issuance of priority rights shares amounting to 300,000,000 Saudi Riyals. This would raise the new capital of

the company to 700,000,000 Saudi Riyals. The board's recommendation was announced on the Tadawul website on 27 Jumada Al-Awwal 1445 AH corresponding to December 11, 2023, noting that the company would seek approval from the Insurance Authority, the Capital Market Authority, and other related regulatory bodies, as well as the approval of the company's extraordinary general assembly.

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. Future Outlook:

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.

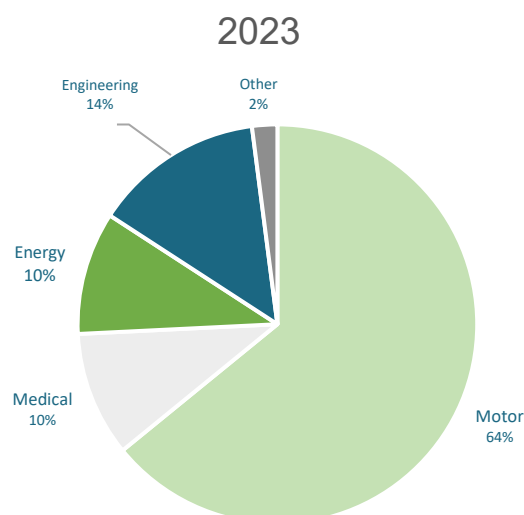
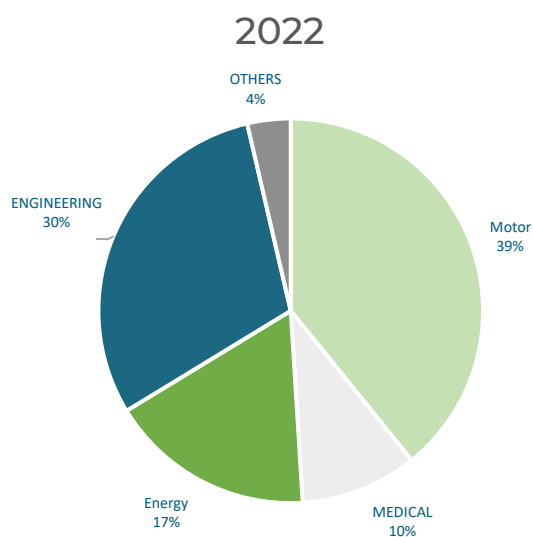
6. Key Financial Highlights:

6.1.1. Main Insurance Operations

The total written premiums at the end of December 31, 2023 amounted to 1,029,420 thousand riyals in each of the following insurance branches (Motor, engineering, energy, medical, and others).

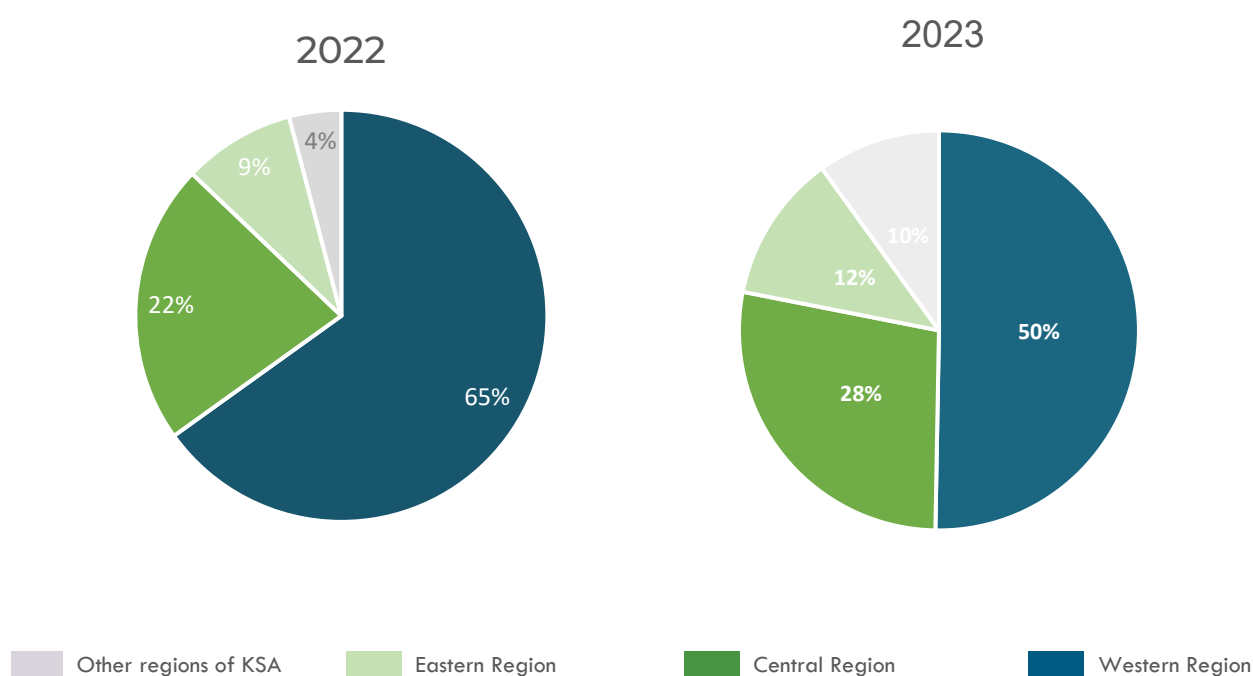
All figures are in (thousands) Saudi riyals

Line of Business	GWP for 2022	GWP for 2023
Motor	321,940	660,016
Medical	80,861	104,038
Energy	142,103	102,363
Engineering	247,142	141,971
Others	29,798	21,032
Total	821,844	1,029,420



6.2. Regional distribution of total premiums for the year 2023.

The following chart shows the regional distribution of total insurance premiums written during the years ending on December 31, 2022 and December 31, 2023.



6.3. Geographical distribution of underwritten premiums over the past five fiscal years ending on December 31, 2023:

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, 2023.

All figures are in (thousands) Saudi riyals

Geographical sectors	2023	2022	2021	2020	2019
Western Region	517,632	535,018	273,760	407,671	370,955
Central Region	286,319	180,936	104,678	120,598	40,273
Eastern Region	123,004	72,289	25,363	21,228	6,632
Others - inside KSA	102,465	33,601	5,955	67,364	2,432
Total	1,029,420	821,844	409,756	616,861	420,292

6.4. Financial indicators:

The financial results of UCA for the fiscal year ending on December 31, 2023, compared to the results of the previous year ending on December 31, 2022.

The company achieved a net income before zakat amounted to SR 9,562k during the current year compared to a net loss amounted to SR 52,482k of the restated results of previous year. While the net income after Zakat amounted to SR 5,292k during the current year compared to a net loss amounted to SR 55,482k of the restated results of previous year, this positive transition was primarily influenced by the following:

1. Improvement in results of insurance services by SR 141,787K from the previous year, reflecting a 48% growth driven by greater insurance revenues and enhanced claims management resulting in reduced incurred claims.
2. Net profit of insurance service results for the current year stood at SR 27,117K, compared to a net loss of SR 42,970K for the previous year, which was principally driven by business growth and improvement in the overall loss ratios.
3. Net investment results for the current year amounted to SR 10,154K, compared to SR 6,977K of the restated results of previous year, an increase of 46%, which was influenced by the increase in the investment return.
4. Gross Written Premiums (GWP) for the current year amounted to SR 1,029,420K compared to SR 821,844K during the previous year, an increase of 25%.
5. The earnings per share after zakat and tax during the current year amounted to 0.13 riyals, versus loss per share of SR 1.39 for the previous year.
6. The EPS/LPS is calculated after zakat and income tax. Zakat and income tax for the period ending on December 31, 2023 (twelve months) is 4.2 million riyals, and zakat and income tax for the period ending on December 31, 2022 (twelve months) is 3 million Saudi riyals.
7. Total comprehensive income for the current year is SR 9,004K compared to a total comprehensive loss of SR 51,520K for the previous year.
8. Total shareholders' equity (no minority interest) as at the end of the current year is SR 265,155K versus SR 256,151K as at the end of the previous year, an increase of 3.52%.
9. As of 31 Dec 2023, the Company's accumulated losses dropped to 180,562 thousand representing 45.15% of the paid-up capital amounting to SR 400 million, based on the annual financial statements ending on December 31, 2023. The company will continue to apply procedures and instructions for companies listed in Saudi Capital Market whose accumulated losses are equal to or more than 35% and less than 50% of its share capital.

6.5. Statutory Reserve:

In accordance with the insurance regulations in Saudi Arabia, 20% of the net income from shareholder operations must be set aside as a statutory reserve until this reserve reaches 100% of the capital. Due to the company's accumulated losses at the end of the year, no transfer to the statutory reserve was made during the year. This reserve is not distributable to shareholders until the company is liquidated.

The authorized, subscribed, and paid-up capital of the company as of December 31, 2023, amounted to SAR 400,000,000, divided into 40,000,000 shares with a nominal value of SAR 10 per share.

6.6. Dividend Policy:

The general framework for the company's policy regarding the distribution of profits is based on Article (44) of the company's articles of association, which states that "shareholders are entitled to their share

of the profits according to the resolution of the General Assembly taken in this regard. This resolution must specify the date of entitlement and the date of distribution. Shareholders registered in the shareholders' register are entitled to their share of the profits at the end of the day they are due. The company must immediately notify the Capital Market Authority of any resolutions or recommendations to distribute dividends, and the dividends to be distributed to shareholders are paid at the time and place determined by the Board of Directors, in accordance with instructions issued by the competent authority, subject to prior written approval from the Saudi Central Bank."

Article (43) of the company's articles of association addresses that in the event the company realizes profits:

Zakat and income tax due are to be set aside.

(20%) of the net profits are to be set aside to form a statutory reserve. The ordinary General Assembly may stop this deduction once the total reserve reaches 100% of the paid-up capital.

When determining the net profit shares, the ordinary General Assembly may decide to create other reserves, to the extent that serves the company's interest or guarantees as constant a dividend distribution as possible to the shareholders.

The net profits of the company's annual earnings, as determined by the company after deducting all general expenses, other costs, and necessary reserves for doubtful debts, investment losses, and contingent liabilities deemed necessary by the Board of Directors in accordance with the provisions of the Cooperative Insurance Companies Control Law and the provisions issued by the Saudi Central Bank. The remainder of the profits after deducting the reserves prescribed by the relevant regulations and Zakat shall be allocated at a rate of not less than 5% of the paid-up capital for distribution to shareholders according to what is proposed by the Board of Directors and decided by the General Assembly. If the remaining percentage of the profits due to shareholders is insufficient to pay this percentage, shareholders may not claim payment in the following year or years. The General Assembly may not decide to distribute a percentage of the profits other than what is proposed by the Board of Directors.

During the year 2023, the company did not distribute any profits to the shareholders.

6.7. Accounting standards:

The company maintains accurate and regular accounting books and records, and prepares financial statements in accordance with the requirements of the Insurance Authority (IA) and the Capital Market Authority. The financial statements are prepared according to the International Financial Reporting Standards (IFRS), which the company is committed to comply with, as adopted 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 adopted in the Kingdom of Saudi Arabia.")

The company has applied the International Financial Reporting Standard No. 17 - Insurance Contracts ("IFRS 17") and International Financial Reporting Standard No. 9 - Financial Instruments ("IFRS 9"), which are adopted in the Kingdom of Saudi Arabia as of January 1, 2023. The disclosures and clarifications of the changes in terms of provisions, estimates, and significant accounting policies about the impact of the application and the cumulative effects on the financial statements ending December 31, 2023, have been made.

6.8. Appointment of Company auditors:

The external auditors of the company are responsible for reviewing the quarterly and annual financial statements. The General Assembly of the company, which was held on 14 Dhul-Hijjah 1444H corresponding to July 2, 2023, approved the Audit Committee's recommendation to appoint both the office of Ibrahim Ahmad Al-Bassam and Partners (PKF) and Al Azem & Al Sudairy CPA (Al Azem, Al Sudairy, Al Elsheikh & Their Partners) as external auditors for the company's accounts for the fiscal year ending December 31, 2023, and for the first quarter of the year 2024.

6.9. Zakat, Income Tax and Statutory Payments:

The regulatory payments due by the company for the year 2023 mainly consist of the due Zakat and Taxes, and the amounts due to the Central Bank / Insurance Authority and the General Organization for Social Insurance in exchange for employee insurance subscriptions. The following table details those payments:

All figures are in (thousands) Saudi riyals

Entity	Description	2022	2023
ZATCA	Cumulative reserve	12,808	13,867
Cooperative Health Insurance Council	Subscription fee (paid)	954	1,000
SAMA/Insurance Authority	Supervision and control fees (paid)	3,760	5,030
Social Insurance	The Company's share in the Company's employees' subscription payments	3,667	3,755
Visas, residence permits and related services		434	518
Edaa - tadawl	Annual listing fees (paid)	404	475

Status of Zakat and Vat:

The Zakat is applied to 99.89 of the shareholders, while the income tax is applied to 0.11 of the shareholders. The company has submitted its declarations to the Zakat, Tax and Customs Authority for the years ending on December 31, from 2009 to 2022, and has obtained the registered Zakat and tax certificates.

Assessment for 2005, 2006, 2007 and 2008

In 2017, the company received the Zakat assessment for the years from 2005 to 2008 from the Zakat, Tax, and Customs Authority ("the Authority") concerning the insurance operations transferred from United Cooperative Insurance Bahrain B.S.C., which claims a Zakat liability of SAR 6.01 million and withholding tax liability of SAR 16.09 million. The management has objected to the above assessments and is confident of receiving a favorable judgment. Nevertheless, the company issued a bank guarantee in favor of the Authority for SAR 22.09 million (2021: SAR 22.09 million) against these assessments. The management believes that any additional liabilities resulting from these assessments will ultimately be charged to the shareholders of United Cooperative Insurance Bahrain B.S.C.

Assessment for 2009 - 2011

The company submitted its Zakat/tax returns for the years ending December 31, 2009, to 2011 and obtained the necessary Zakat/tax certificates. The Zakat, Tax, and Customs Authority issued the amended assessment based on the decision of the Preliminary Objection Committee and demanded additional Zakat and income tax and withholding tax totaling SAR 27.1 million. The company has settled the Zakat, taxes, and withholding tax for the mentioned years.

Assessment for 2012 and 2013

In 2018, the Zakat, Tax, and Customs Authority issued an assessment for the years 2012 and 2013, demanding additional Zakat and income tax liabilities of SAR 15.84 million. The company has objected to the assessment to the General Secretariat of Tax Committees to determine a hearing date and will work towards a final settlement with the Dispute Resolution Committee, expecting to reach a settlement around SAR 7.05 million.

Assessment for 2014 and 2020

The company submitted its Zakat/tax returns for the years ending December 31, 2014, to 2020 and obtained the necessary Zakat/tax certificates. The Authority has completed the review of the Zakat and tax declarations for the mentioned year, which are considered final.

Assessment for 2021 and 2022

The company has submitted the Zakat and tax returns for the years 2021 and 2022 and obtained the necessary certificates. The Authority has not completed the review of the company's returns for the mentioned years to date.

VAT Assessment

On August 25, 2020, the company received an assessment from the authority for an additional basic Value-Added Tax (VAT) due of SAR 12.28 million for the years 2018 and 2019, along with additional fines totaling SAR 20.25 million for those years.

To avoid incurring further fines, the company paid the basic VAT amount on October 28, 2020, without prejudice to its position and objected to the items issued for the assessment. On February 20, 2021, the company filed an appeal to the General Secretariat of the Tax Committees against the authority's decision, which management is confident of resolving favorably. The contested items include zero-rated resources, self-invoicing, and reinsurance commissions.

The fines imposed for the assessments amounting to SAR 20.25 million for the years 2018 and 2019 were canceled after the company benefited from the authority's initiative aimed at stabilizing the economy and enhancing the private sector. The company has made a provision against the VAT on zero-rated resources. As for the other contested items, the company is confident that they will be recovered through VAT input claims and from reinsurers.

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	200,000,000 Saudi riyals
The share of the United Cooperative Assurance Company in the ownership of the capital	3.45%

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 actuarial, conduct of business, counterparty default, market, underwriting, operational, oversight, regulatory and AML, and strategic risks. 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 monitor the UCA Risk Appetite and Statement Framework; that includes financial and non-financial Key Risk Indicators (KRIs).
- Update the UCA Risk Register and Controls.
- Develop and enhance the Risk Management policies, framework, and methodology.
- Build and increase Risk Management culture and awareness.
- Submit reports to the senior management regarding the general situation of risks in the various departments and their affect on its operations, and increase oversight to take necessary actions, and communicate with supervisory authorities.
- Reviewing anti-fraud policies and procedures periodically to ensure compliance with the new regulations issued or any additions thereto.
- 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:

- **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. 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 is required in order to mitigate such risks. UCA has already updated its business continuity management framework and its business continuity plans and has carried out a BIA (Business Impact Analysis).

- **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 has developed an anti-fraud framework, including plans and strategies, to control fraud risks 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 enhancing its IT core system, developing its Claims Handling system and enhancing/streamlining 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.

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.

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 and Insurance Authority.

- **Capital Management Risks:**

Where capital risks are determined by the Insurance Authority 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 policyholders, such as cases that are filed against the company as a result of third-party claims. UCA evaluates the legal ground for any legal case and shares records of all cases with the 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 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, and to fulfill unexpected obligations as they arise. Risk and Compliance departments in UCA evaluate compliance rates to make sure the company is complying with 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 its information technology systems and integrated frameworks for cybersecurity.

- **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 employees to and from the company, which may negatively affect the overall productivity. UCA incorporated Human Resources retention, development, and attraction within its strategic 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. 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, assesses the financial position of the reinsurance companies with which it is associated, and monitors the concentration of credit risks in specific geographical areas.

9. Penalties, Sanctions and Regulatory Restrictions:

The company affirms its full commitment to applying all provisions of the regulations, rules, and regulatory guidelines issued by the supervisory and regulatory bodies governing its operations through its daily business practices. In the year 2023, the company confirms that, by the grace of God, no fines or sanctions were imposed on it by any supervisory or regulatory entity. The table below details the fines that were imposed on the company during the past year, which have been duly corrected at the time, according to the following:

Penalty Subject	2022		2023	
	No. of penalty resolutions	Penalty Total Amount	No. of penalty resolutions	Penalty Total Amount
Violation of the regulatory instructions of SAMA	3	510,000	0	0
Violations of the Central Bank of Saudi Arabia instructions related to customer service	1	50,000	0	0
Total	4	560,000	0	0

The company, guided by the Audit Committee, has taken care to rectify the violations that were imposed in the year 2022. This was achieved by requesting follow-up reports on the state of compliance concerning the observations noted by the Saudi Central Bank, in addition to direct meetings with the Chief Information Security Officer to review the mechanisms for closing the observed notes related to cybersecurity.

10. Local and International Regulatory and Supervisory Requirements:

In alignment with local supervisory requirements and international standards, United Cooperative Assurance Company has taken several measures to ensure that its operations comply with the instructions of the Saudi Central Bank (SAMA)/Insurance Authority, Capital Market Authority, Ministry of Commerce, Health Insurance Council, and the best local and global practices in this regard.

The company's Compliance Management plays an active role in ensuring the consistency of the company's compliance aspects and systems with the regulations and rules, considering that it is among the three lines of defense. This enables United Cooperative Insurance to achieve its strategic objectives, ensuring consistency with regulatory requirements and directives issued by supervisory bodies.

The company has also ensured the implementation of regulatory authorities' instructions by establishing sustainable supervisory controls at the company level and across its various business sectors. This has greatly reflected on all aspects, including updating the Know Your Customer (KYC) policy and raising the company staff's awareness of the risks associated with non-compliance, which were addressed through intensive training courses held during the year. It also includes the review of all policies, procedures, products, and services, as well as strengthening automated systems for monitoring financial crime, money laundering, and terrorism financing risks, including bribery and corruption. The company performs repeated reviews to ensure the effectiveness of these policies and procedures in compliance with regional and international developments.

Generally, the company takes care to comply, both in letter and spirit, with all the rules and regulations in force in the Kingdom of Saudi Arabia. The annual compliance plan is submitted to the Audit Committee for approval, while the Compliance Management provides the committee with quarterly reports on its performance and an annual report that includes all the audit and evaluation activities carried out.

11. Board Secretariat and Governance:

The Corporate Secretariat and its subcommittees of the company take on the responsibility of arranging and organizing the functioning of the board and its subcommittees. This includes preparing and holding meetings, maintaining records, receiving correspondence, documenting decisions related to the board's and subcommittees' work, and monitoring their implementation. Furthermore, the Corporate Secretariat leads and manages aspects of governance within the company in line with the core principles of governance included in the Insurance Companies Governance Regulations issued by the Saudi Central Bank (SAMA)/Insurance Authority and the Corporate Governance Regulations issued by the Capital Market Authority.

During the year, the Corporate Secretariat took care to review and draft the framework of the company's governance manual and its supplementary policies related to conflict of interest, disclosure, related party transactions, business competition standards, and the criteria and standards for membership, as well as aligning the rules of the board's and subcommittees' operations which include (the Executive Committee, Audit Committee, Nominations and Remunerations Committee, Risk Committee, and Investment Committee.

11.1. Application of the provisions of Corporate Governance Regulations:

United Cooperative Assurance Company recognizes the positive impacts of adhering to the principles and standards of good governance, which necessitates following professional and ethical standards in the company's dealings. This is achieved by applying principles of disclosure and transparency, contributing to deepening and developing the company's operational efficiency and its relationships with stakeholders. The company also believes that proceeding in this manner enhances investors' trust in the company on the one hand and in the insurance sector on the other, positively reflecting on the health of the insurance sector in the Kingdom of Saudi Arabia.

The company's articles of association and governance document include shareholders' rights to receive profits, attend general assembly meetings, discuss, vote, and dispose of shares. According to the company's disclosure policy, updated information and data related to the general assemblies, financial statements, balance sheets, board of directors' reports, and audit committee reports are permanently provided to shareholders and published in local newspapers or on the Saudi Stock Exchange (Tadawul) and the company's website.

In compliance with the latest governance requirements, the company has conducted comprehensive reviews during 2023 to update and align its basic system, governance regulation, and related supplementary policies as follows:

First Aspect: Compatibility of the Articles of Association and Corporate Governance Policies:

1. Aligning the company's articles of association:

The company conducted a comprehensive review of the provisions of the articles of association to ensure consistency with the regulatory updates included in the new Corporate Law, which was approved by the extraordinary general assembly held on 21 Jumada Al-Awwal 1445H corresponding to December 5, 2023.

2. Aligning the rules of the board of directors and its subcommittees:

In 2023, the company ensured the alignment and updating of the rules and regulations of the board of directors and its subcommittees, which include the Executive Committee, Audit Committee, Nominations and Remunerations Committee, Risk Committee, and Investment Committee. The general assembly of the

company, held on November 21, 2023, approved the regulations and operating rules of the Audit Committee after their alignment.

3. Company's governance policy and manual:

During 2023, the rules and provisions of the governance regulation and manual were aligned with regulatory requirements.

4. Supplementary governance policies:

During 2023, the company focused on drafting and reviewing the alignment of supplementary governance policies adopted by the company's board of directors, which include:

- Disclosure policy
- Policy regulating the relationship with stakeholders
- Policies and procedural standards for membership in the board of directors and its subcommittees
- Remuneration and compensation policy for the board of directors, its subcommittees, and company employees
- Business competition standards policy

Considering the issuance of the new Corporate Law at the end of 2022 and subsequently the Corporate Governance Regulations issued by the Capital Market Authority, the company conducted a comprehensive review of the provisions of its governance manual and other supplementary policies. During 2023, the company aligned them with the regulatory changes included in the provisions of the law and the regulations of the Capital Market Authority.

Second Aspect: Assessing the Effectiveness of the Board, Its Members, and the Activities of the Board Committees:

In accordance with the supervisory directives included in the Insurance Companies Governance Regulation, the Corporate Governance Regulation, and the governance document of United Cooperative Insurance Company, the board of directors annually evaluates the effectiveness of its members and their participation in its work, individually or as a group, as well as the subcommittees of the board.

During the fourth quarter of 2023, under the guidance and supervision of the Nominations and Remunerations Committee, the company carried out the assessment processes for the board and committees for the year 2023, and the evaluation outcomes were raised to the Nominations and Remunerations Committee, which recommended elevating them to the board.

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

Through the company's approach to enhancing the skills of the members of the board of directors and its subcommittees in various aspects of the insurance industry, direct and remote training programs were designed for the current board cycle from January 2021 to January 2024. The designed training programs focused on the following aspects, some of which were implemented during 2023:

Aspects related to compliance and combating financial crimes
Determinants and mechanisms of business continuity
Cybersecurity and information security frameworks
Insights into the application of corporate governance regulations in the Kingdom
Operational risk mechanisms in insurance companies
Insights into the applications of the new Corporate Law provisions

Fourth aspect: Shareholders' Rights:

In accordance with relevant regulatory directives and as a general rule, United Cooperative Assurance Company facilitates shareholders in exercising all their statutory rights related to shares to the fullest extent. This includes facilitating the receipt of proposals and comments regarding the company and its

performance. A telephone number, 0122602500, and email address, Shareholder.affairs@uca.com.sa, have been allocated to receive any inquiries from shareholders. The company is committed to forwarding any relevant comments to the Board of Directors.

Additionally, the company, in line with its practices, facilitates the receipt of questions and inquiries from shareholders during the general meetings held in 2023 through the Shareholders Affairs Unit.

Overall, United Cooperative Assurance Company adheres both in letter and in spirit to all mandatory and advisory provisions included in the Corporate Governance Regulations issued by the Capital Market Authority, except as clarified below. This commitment is reflected through the inclusion of requirements in the company's articles of association, its governance document, board working regulations, and its subsidiary committees, as well as the company's governance policies, internal policies, and organized work guides for its various sectors. All of these encompass the proof of shareholders' rights in shares, participation in general meetings, provision of information and data to ensure the exercise of their rights, disclosure of financial and non-financial data, and full compliance with transparency requirements within regulatory limits. Additionally, it delineates the duties of the board of directors, the responsibilities of its members, and the formation of its various committees.

Article	Requirement	Reasons for UCA's Non-compliance
7-(4)	Appointment of a Responsible Officer for Shareholder Communication (Guideline)	Although this requirement is advisory, the company has entrusted the tasks of shareholder communication and oversight to the Shareholder Affairs Unit within the Compliance and Governance framework.
26 -(8)	Responsibilities of the Chairman of the Board of Directors and his tasks - Special Meetings for Non-Executive Directors	All members of the Board of Directors, including non-executive and independent members, therefore, there was no need to hold separate meetings for independent and non-executive members.
29- ◦	Evaluation of an External Specialist Entity for the Performance of the Board of Directors	Despite this being an advisory requirement, all evaluation processes conducted in previous periods, including in 2023, for the Board of Directors and its subcommittees were carried out internally by the company under the supervision of the Nomination and Remuneration Committee.
95	Formation of the Governance Committee (Guideline)	The Board of Directors and the Nomination and Remuneration Committee oversee aspects of corporate governance within the limits of their charters to ensure compliance.

11.2. Social Responsibility:

Throughout the year 2023, United Cooperative Assurance Company continued its commitment and contribution to several community and humanitarian initiatives as part of its corporate social responsibility pillars, involving its employees in cities such as Riyadh, Jeddah, and Dammam. The company contributed financially through the King Salman Center for Relief and Humanitarian Aid as part of the popular campaign to aid the Palestinian people. Additionally, the company participated in various community activities through charitable and social associations in the Kingdom, including contributing to blood donation campaigns coordinated with several hospitals in the Kingdom.

The company also fully complied with the Saudi nationalization program as part of Vision 2030, focusing its efforts in 2023 on the recruitment, employment, and training of Saudi citizens. This resulted in an increase in the percentage of Saudi employees in the company to 89% by the end of the year.

In terms of awareness, the company and its employees participated in several awareness campaigns directly and through social media platforms, including the #Safe_Driving campaign aimed at promoting insurance awareness among vehicle owners and drivers, the #United_for_Support campaign aimed at supporting cancer patients, and participation in general public health awareness programs, school health, family health, cybersecurity, financial literacy, savings, and others. The company also conducted various activities at its headquarters, including National Day celebrations and Foundation Day, to promote awareness of Saudi culture and civilization.

12. Meetings of the General Assembly held in 2023, Attendance Record for Board Members:

During the year 2023, the company held three general meetings according to the following:

First meeting:

The Ordinary General Assembly meeting held on 14 Dhu al-Hijjah 1444 AH corresponding to July 2, 2023 AD, which included the following agenda items:

- Reviewing the Board of Directors' report for the fiscal year ending December 31, 2022, and discussing it.
- Approving the report of the company's auditors for the fiscal year ending December 31, 2022, after discussion.
- Reviewing the financial statements for the fiscal year ending December 31, 2022, and discussing them.
- Approving the discharge of the members of the Board of Directors for the fiscal year ending December 31, 2022.
- Approving the procedural policy document for membership in the Board of Directors and its subcommittees.
- Authorizing the Board of Directors to exercise the powers of the Ordinary General Assembly as specified in Article 27(1) of the Companies Regulations, for a period of one year from the date of the Ordinary General Assembly's approval or until the end of the term of the authorized Board of Directors, whichever is earlier, in accordance with the conditions set forth in the implementing regulations of the Companies Regulations for listed joint-stock companies.
- Approving the appointment of the firms Ibrahim Ahmed Al Bassam & Partners (PKF) and Al-Othman Al-Sedairy & Al-Al-Sheikh & Partners (Crowe) as auditors for the company's accounts from among the nominees based on the recommendation of the Audit Committee, for the examination, review, and auditing of the financial statements for the second, third, and annual quarters of the fiscal year 2023, and the first quarter of the fiscal year 2024, and determining their fees.
- The company announced the results of the General Assembly meeting on the Saudi Stock Exchange (Tadawul) website on July 3, 2023, as well as on its own website.

Second meeting:

The Ordinary General Assembly meeting held on 07 Jumada al-Awwal 1445 AH corresponding to November 21, 2023 AD, which included the following agenda items:

- Voting on the election of members of the Board of Directors from among the nominees for the upcoming term, starting from January 13, 2024, for a period of three years, ending on January 12, 2027.
- Voting on the amendment of the working regulations of the Audit Committee.
- The company announced the results of the General Assembly meeting on the Saudi Stock Exchange (Tadawul) website on November 22, 2023, as well as on its own website.

Thirds meeting:

The Extraordinary General Assembly meeting held on 21 Jumada al-Awwal 1445 AH corresponding to December 5, 2023 AD, which included the following agenda items:

- Voting on the merger of Saudi Care Cooperative Insurance Company ("Saudi Care") into United Cooperative Assurance Company ("United") or "the Company," and the transfer of all assets and liabilities of Saudi Care Cooperative Insurance Company to United Cooperative Assurance Company through a securities exchange offer, by issuing nineteen million two hundred and sixty thousand one hundred and sixty-seven (19,260,167) new ordinary fully paid shares representing 48.15% of the share capital of United Cooperative Assurance Company in favor of the shareholders of Saudi Care Cooperative Insurance Company in exchange for the merger of Saudi Care Cooperative Insurance Company into United Cooperative Assurance Company at a nominal value of ten (10) Saudi Riyals, and 0.8373985652173910 shares will be issued in United Cooperative Assurance Company for each share owned in Saudi Care Cooperative Insurance Company, in accordance with the terms and conditions of the merger agreement with Saudi Care Cooperative Insurance Company ("Merger Deal") signed on 11/11/1444 AH, corresponding to 31/5/2023 AD, and amended on 31/07/2023 AD. This includes voting on the following matters related to the merger deal:
 - A. Increasing the share capital of United Cooperative Assurance Company from four hundred million (400,000,000) Saudi Riyals to five hundred ninety-two million six hundred and one thousand six hundred and seventy (592,601,670) Saudi Riyals, in accordance with the terms and conditions of the merger agreement and compliance with the new Companies Regulations.
 - B. Amending Article 8 of the Company's Articles of Association related to the share capital.
 - C. Authorizing the Board of Directors of United Cooperative Assurance Company or any person authorized by the Board of Directors of United Cooperative Assurance Company to issue any resolution or take any action necessary to implement any of the decisions mentioned related to the merger deal.
- Voting on amending several articles of the Company's Articles of Association to comply with the provisions of the new Companies Regulations.
- The company announced the results of the General Assembly meeting on the Saudi Stock Exchange (Tadawul) website on December 6, 2023, as well as on its own website.

The table below illustrates the attendance record of the members of the Board of Directors at the aforementioned General Assembly meetings:

Name of the Board member	Ordinary General Assembly 02/07/2023	Ordinary General Assembly 21/11/2023	Extraordinary General Assembly 05/12/2023
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:

The company did not receive any notifications during the year 2023 from related parties regarding changes in their ownership percentage in the company's shares, as per the requirements of the securities listing rules and continuous disclosure obligations issued by the Capital Market Authority. The tables below provide a description of the interests attributable to major shareholders, members of the Board of Directors, and senior executives of the company 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 2023 SAR		Balance at the end of the period 2023 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	-	12,532,000	-	12,100,000	-432,000	-0.034%

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 2023 SAR		Balance at the end of the period 2023 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 Alireza (Chairman)	-	370,816	-	400,821	30,005	%0.08

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:

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		
Shaher Mahmoud Almadani (Deputy CEO)	-	-	-	12,118	12,118	100%

14. Related Parties Transactions:

During the year 2023, United Company conducted some routine transactions classified as related party transactions, which were conducted in accordance with and in compliance with the provisions of applicable regulations and executive regulations. It was ensured that these transactions were completed without preferential terms. The following table illustrates the significant transactions between the company and related parties for members of the Board of Directors, which were included in the financial statements for the year ended December 31, 2023.

All figures are in (thousands) Saudi riyals

Contracting party	Contract Term	Transaction Nature	Balance at December 31, 2022	Balance at December 31, 2023	Interested party	adjective
Haji Hussein Ali Reza & Co	Multiple insurance contracts for multiple periods	Written installments	6,298	7,315	Khaled Hussein Ali Reza	Board Member
		Payment received	(1,978)	(8,155)		
		Paid claims	(4,847)	(825)		

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, 2022	Balance at December 31, 2023
Saudi Bin Laden group	Multiple insurance contracts for multiple periods	Written installments	262,009	147,707
		Payment received	(263,089)	(138,856)
		Paid claims	(1,358)	(2140)
Construction Products Company	Multiple insurance contracts for multiple periods	Written installments	9,504	1,741
		Payment received	(6,891)	(727)
		Paid claims	(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
٢٠٢٣/٠٥/١٨	Procedures and preparations for the General Assembly meeting
٢٠٢٣/٠٦/١٥	Procedures and preparations for the General Assembly meeting
٢٠٢٣/٠٦/٢١	Procedures and preparations for the General Assembly meeting
٢٠٢٣/٠٦/٣٠	Company procedures
٢٠٢٣/٠٧/٠٢	Procedures and preparations for the General Assembly meeting
٢٠٢٣/٠٨/٢٨	Others
٢٠٢٣/٠٩/٣٠	Procedures and preparations for the General Assembly meeting
٢٠٢٣/١٠/٠٨	Company procedures
٢٠٢٣/١١/٠٩	Company procedures
٢٠٢٣/١١/٢١	Procedures and preparations for the General Assembly meeting
٢٠٢٣/١١/٣٠	Company procedures
٢٠٢٣/١٢/٠٥	Procedures and preparations for the General Assembly meeting

16. UCA Board of Directors:

16.1. Board of Directors and classification of its members:

The Board of Directors of United Cooperative Assurance Company consists of (7) members appointed by the General Assembly for a term of three years, entrusted with the management tasks of the company. On January 13, 2021, the company's General Assembly held its meeting dedicated to the election and selection of Board of Directors members for the fifth term through cumulative voting for a term of three years starting from January 13, 2021, and ending on January 12, 2024.

The responsibilities of the Board of Directors of United Company, as stipulated by the provisions of the Company's Articles of Association and considering the authorities specified for the General Assembly, include granting the broadest powers to manage the company to achieve its objectives. Within its jurisdiction, the Board may delegate one or more of its members or outsiders to undertake certain tasks - provided they do not conflict with relevant regulations and laws. The Board represents the company in its relations with third parties, governmental and private entities. It has the right to approve, demand, defend, plead, litigate, settle, accept judgments, appeal, oppose, receive execution proceeds, discharge the company's debtors from their obligations, participate in tenders, and buy, sell, or mortgage real estate. Additionally, the Board has the right to contract and sign on behalf of the company and, within its jurisdiction, to delegate one or more of its members or outsiders to undertake certain tasks - provided they do not conflict with relevant regulations and laws.

After obtaining regulatory approvals from the Saudi Arabian Monetary Authority (SAMA), a Chairman for the Board was selected, and members and heads of the Board's subcommittees (Executive, Audit, Nominations and Remuneration, Risks, Investments) were appointed for the same term. As of December 31, 2023, the composition 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	Borad Member	Non-executive

According to the Company's Articles of Association, its governance regulations, and the rules of operation of the Board of Directors, the Board convenes no less than four meetings per year, with an average of one meeting every three months or whenever necessary. The meeting is convened by the Chairman of the Board or upon the request of two members. The legal quorum for a Board meeting is achieved with the attendance of two-thirds of the members, provided that the number of attending members is not less than four.

In accordance with the governance regulations and the rules of operation of the Board of Directors, the Board approves the strategic, accounting, regulatory, and financial policies adopted by the company, as well as the strategic plans and major transactions. Its responsibilities include appointing senior executives of the company and ensuring the availability of a succession plan for executive and signing authorities within the company, in addition to supervising the management and performance of the company.

The Board also ensures the integrity and appropriateness of financial and accounting reports and disclosures, promotes high corporate governance standards, and ensures compliance with applicable

laws and regulations. It also always safeguards the interests of shareholders and insurance policyholders. The Board is also responsible for organizing shareholder meetings and implementing their decisions. Furthermore, the Board is tasked with reviewing and approving the company's policies and procedures periodically. It also periodically evaluates the performance of its committees.

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		
UCA- Board Member - Chairman of the Audit Committee - Member of the Nominations and Remunerations Committee	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 Arab House for Printing and Publishing - Board Member	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 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 ----- 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 ----- 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 Programs for preparing executive leaders from the London Business School and the Change Management Program from the University of Cambridge	Executive MBA - London Business School - University of London Bachelor of Accounting - King Abdulaziz University

16.3. Board meetings for 2023 AD:

During 2023 AD, the Board of Directors held (6) meetings. The table below shows the attendance record of the Board members for these meetings:

	Name	Meetings and attendance					
		First meeting 20/3/2023	Second meeting 28/5/2023	Third meeting 19/9/2023	Fourth meeting 21/11/2023	Fifth meeting 5/12/2023	Sixth meeting 6/12/2023
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	
	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	Khaled Ahmed Al-Hamdan
	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:

The United Cooperative Assurance Company has defined a policy regarding rewards and compensation, outlining the framework for rewards and compensation paid to members of the Board of Directors and members of subcommittees from outside the board. This policy aligns with the directives of regulatory authorities and generally complies with the provisions of the Companies Law, Cooperative Insurance Companies Supervision System, Insurance Companies Governance Regulation, Companies Governance Regulation, and the Executive Regulations of the Companies Law for joint-stock companies issued by the Saudi Arabian Monetary Authority. It is also consistent with the Company's Articles of Association and approved rewards and compensation policy.

During the year 2023, none of the members of the Board of Directors or subcommittees performed any technical or consultancy work, and therefore they did not receive any compensation or benefits related to such work. The tables below provide details of the rewards and compensation paid to members of the Board of Directors, members of subcommittees, and senior executives of the company.

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 2023:

Name	Allowance for attending Board meetings	Allowance for attending General Assembly meetings	Allowance for attending committee meetings	Total
Khaled Hussein Ali Reza	18,000	3,000	9,000	30,000
Khaled Ahmed Al-Hamdan	18,000	4,500	18,000	40,500
Mohammed Abdullah Al-Yahya	18,000	4,500	22,500	45,000
Mansour Abdulaziz Al- Saghayer	18,000	4,500	15,000	27,500
Bahaa Aldeen Omar Khashoggi	18,000	4,500	15,000	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	27,000	147,000

Executive Management Remunerations:

Five senior executives, including the CEO and CFO	
4,474,794	Salaries
1,511,377	Fixed allowance
1,447,774	Annual remunerations based on performance

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

In accordance with the supervisory directives outlined in the regulations governing insurance companies' governance, as well as the regulations governing corporate governance and the governance document of United Cooperative Insurance Company, the Board of Directors conducts an annual assessment of the effectiveness of its members and their contribution to its activities, both individually and collectively, as well as the subsidiary committees of the board.

During the fourth quarter of 2023, the company, under the guidance and supervision of the Nominations and Remuneration Committee, conducted the evaluation process for the year 2023. The evaluation

outcomes were submitted to the Nominations and Remuneration Committee, which recommended their submission to the board. Following the evaluation methodology, the company will consider conducting future assessments 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.

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

In accordance with regulatory rules and the provisions of the company's articles of association, the company announced on August 17, 2023, through the "Tadawul" website the opening of nominations for membership of the Board of Directors for the term extending from January 13, 2024, to January 12, 2027. Nominations were received from several candidates and were evaluated by the Nominations and Remuneration Committee.

The names of the candidates for the Board membership were considered at the General Assembly Meeting of the company's shareholders held on November 21, 2023. The assembly approved the formation of the company's Board of Directors for its term extending from January 13, 2024, to January 12, 2027, consisting of:

Name of the Board member	Statement	Membership rating
Khaled Hussein Ali Reza	Chairman of the Board of Directors	Non-executive
Khaled Ahmed Al-Hamdan	Vice 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	Borad Member	Non-executive
Khaled Mohammed Alqezlan	Borad Member	Independent
Bedour Ibrahim Altwaijry	Borad Member	Independent

After obtaining regulatory approvals from the Insurance Authority, the company took into consideration the selection of the Chairman of the Board and the appointment of members and heads of the Board's subcommittees (Executive, Audit, Nominations and Remuneration, Risk, Investment) for the same term. The company announced on the "Tadawul" website on February 19, 2024, the selection of Mr. Khalid Hussein Alireza as the Chairman of the company's Board of Directors, and the selection of Mr. Khalid Ahmed Al-Hamdan as the Vice Chairman of the company's Board of Directors for its term extending from January 13, 2024, to January 12, 2027.

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 2023 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, 2023 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>----- 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>----- 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>----- 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 Wafer Technology Company (Egypt) - Chairman of the Board Arab House for Printing and Publishing - Board Member</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. Haji Hussain Ali Reza and & Co-Director of Financial Planning</p>
Previous positions		
<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</p>	<p>Al-Qassim Construction and Development Company - Board Member Capital Brokerage Company - Board Member Onaizah Investment Company - Board Member Saudi Arabian Refineries Company - Vice Chairman</p>	<p>Banque Saudi Fransi - Corporate Relations Officer</p>

The Saudi Investment Bank - Senior Relationship Manager Saudi Hollandi Bank - Senior Manager of Commercial Relations	UCA- Head of the Audit Committee	
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 2023 AD, the committee held (6) meetings. Hereunder is the members attendance record:

Name	Statement	Membership rating	Meetings and attendance					
			First meeting 20/03/2023	Second meeting 28/05/2023	Third meeting 19/09/2023	Fourth meeting 29/10/2023	Fifth meeting 05/12/2023	Sixth meeting 26/12/2023
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, 2023 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, 2023 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	Tariq Ali Al-Fayez Committee member - from outside the Board Independent ----- He previously worked in several positions that gained him extensive	Ahmed Tawfiq Al-Khamis Committee member Independent - from outside the Board ----- Previously, worked in several positions that gained him	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.
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extensive experience in the field of financial auditing and auditing.	experience in the field of insurance and compliance.	extensive experience in the field of insurance and risks.	
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 25/1/2023	Second meeting 19/3/2023	Third meeting 22/3/2023	Fourth meeting 22/6/2023	Fifth meeting 27/7/2023	Sixth meeting 8/8/2023	Seventh meeting 02/11/2023	The eighth meeting 29/11/2023	Ninth meeting 27/12/2023	
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, 2023 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, 2023 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 Financial Brokerage Capital - Member of the Investment Committee Wafer Technology Company (Egypt) - Chairman of the Board Arab House for Printing and Publishing - Board Member</p>
Previous positions		
<p>Almasafi- CEO 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.</p>	<p>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</p>	<p>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.</p>
Qualifications		
<p>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</p>	<p>Bachelor's degree in Civil Engineering from Florida Agricultural and Mechanical University - USA</p>	<p>Bachelor of Business Administration - Cairo University.</p>

Certified Compliance Officer - Banking Institute		
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During 2023 AD, the committee held (6) meetings. Hereunder is the members attendance record:

Name	Statement	Membership rating	Meetings and attendance					
			First meeting 12/3/2023	Second meeting 17/8/2023	Third meeting 20/9/2023	Fourth meeting 18/10/2023	Fifth meeting 21/11/2023	Sixth meeting 25/12/2023
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, 2023 AD, the Investment Committee consisted of: Mr. Mansour Al- Saghayer (Head) and the membership of each of Mr. Bahaa aldeen Khashoggi and Mr. Saud Al-Nuaimi. During 2023 AD, the committee held four meetings. Hereunder is a brief statement of the committee and the qualifications of its members:

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.	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.	Mansour Abdulaziz Al- Saghayer Committee Chairman Independent ----- Mr. Mansour Al Sagheer brings over 25 years of experience in credit, marketing, financial management and leadership.
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		
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.	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 Accounting - King Fahd University of Petroleum and Minerals	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	Executive MBA - London Business School - University of London Bachelor of Accounting - King Abdulaziz University

The following shows the attendance record of its members:

	Name	Statement	Membership rating	Meetings and attendance			
				First meeting 16/8/2023	Second meeting 19/10/2023	Second meeting 4/12/2023	Second meeting 14/12/2023
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, 2023 AD, the Risk Committee was formed as follows: Mr. Bahaa Aldeen Khashoggi (Head) and the membership of Mr. Khaled Al-Qazlan and Mr. Ahmed Al-Khamis. During 20223 AD, the committee held six meetings. Hereunder is a brief statement of the committee and the qualifications of its members:

Khaled Al-Qazlan Committee member Independent - from outside the Board ----- Mr. Khaled Al-Qazlan has extensive practical experience, with multiple positions in management and human resources.	Ahmed 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.	Bahaa Aldeen Khashoggi Committee Chairman 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.
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 18/1/2023	Second meeting 1/3/2023	First meeting 3/5/2023	Second meeting 13/6/2023	First meeting 9/8/2023	Second meeting 15/11/2023
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:



Eng. Muhammad Basrawi
Chief Executive Officer

Has over 25 years of international executive experience in the startups and transformation entities.



Shaher Al-Madani
Deputy CEO

Has more than 15 years of experience in the insurance sector, in human resource management and operations.



Sultan Sindi
CFO

Mr. Sultan possesses over 17 years of experience in financial management, diversified across various sectors.



Waheed Khayyat
Chief Information Officer

Has over 18 years of experience in the field of digital and information technologies.



Abdulrahman Al-Dakheel Allah
Chief Technical officer

Mr. Abdulrahman has diversified experience exceeding 13 years in the insurance sector.



Seraj Al-Hemaly
Chief Sales Officer

Mr. Seraj has diversified experience of more than 15 years in the banking and insurance sectors.



Hanan Al-Manea
Chief Operation Officer

Ms. Hanan has diversified experience of more than 16 years in the insurance sector



Abdullah Bayari
Chief information security Officer

Has experience in developing cyber security strategy and governance.



Syed Waqar Ahmed
Chief Actuary Officer

Mr. Syed Waqar has experience exceeding 28 years in the actuarial sciences, both inside and outside the Kingdom



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



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

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	Deputy CEO	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.
Sultan Sindi	Chief Financial Officer	General Manager of Planning and Financial Analysis at the Royal Commission of AlUla Deputy Head of Financial Affairs at The National Company for Insurance Head of Financial Planning, Collection and Solutions at Bupa Arabia - Manager of Financial Planning, Policies and Solutions Finance Manager at Chalhoub Group - Radwa Trading Company	Master's in Business Administration - London Business School Bachelor's in Financial Sciences - American University of Sharjah

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.
Abdulrahman Al-Dakheel Allah	Chief Technical Officer	Head of Underwriting - Deputy Head of Technical Affairs at United Cooperative Insurance Company Protection and Savings Manager at Solidarity Saudi Takaful Company Senior Underwriting Manager (General Takaful) at SABB Takaful Underwriting Manager at Allianz Saudi Fransi Cooperative Insurance	Associate Degree in Insurance Business from King Saud University
Seraj Hemaly Al-	Chief Sales Officer	Deputy Chief Sales Officer- Regional Manager (Central Region) at United Cooperative Insurance Company Technical Manager at Shadid and Partners Insurance Brokering Corporate Sales Manager at SABB Bank - Insurance Business Development Manager at Tawuniya	Bachelor's in Business Administration - King Faisal University
Hanan Manea Al-	Chief Operations Officer	Deputy Head of Operations - Senior Operations Manager at United Cooperative Insurance Company Deputy Head of Reinsurance - Operations Team Manager at Marsh Saudi Arabia Corporate Relations Manager at Al Ahli Takaful Customer Experience Manager at SABB Takaful	Master's in Business Administration - Saudi Electronic University Bachelor's in English Literature - Imam Mohammad Ibn Saud Islamic 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.
Syed Waqar Ahmed	Chief Actuary Officer	Executive Director, SHMA Consulting DMCC, UAE Director & Principal Actuary, SWA Global Consultants Limited, UK Head of Product & Pricing-Legal & General, UK	MBA, London Business School, UK Fellow of the Society of Actuaries (USA) / Fellow of the Institute & Faculty of Actuaries (UK)
Marwan Hazmi Al-	Chief Product Development and Marketing Research	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	Master of Business Administration in Marketing and Advanced Marketing Strategies - University of Leicester - UK Bachelor of Political Science - King Abdulaziz University.

		Solidarity Insurance - Regional Manager Emaar - Head of Sales and Operations UCA - Sales Operations Manager	
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, the United Cooperative Insurance Company attaches significant importance to the internal control environment and its effectiveness. Effective internal control procedures have been established at the institutional level, represented by the application of the three lines of defense principle, based on their suitability for the company's operational mechanisms and taking into consideration the best practices and local and international standards in the financial sector. The company also contracts with global institutions to provide consultations for the purpose of evaluating and enhancing the efficiency of the regulatory systems in place. The results of these are reviewed at the level of the Board of Directors and its subcommittees, and these procedures are subject to periodic review by the company's auditors in addition to the inspections carried out by the regulatory authorities on the company

The Board of Directors and its committees, especially the Audit Committee and the Risk Committee, play an important role in supporting and enhancing the internal control environment of the company through continuous supervision of the company's control departments, such as compliance and risk. The concept of internal control adopted by the company is based primarily on the effectiveness and efficiency of the company's regulatory systems, and therefore, effective internal control depends on increasing confidence in financial reports and audit processes

The annual audit results of the internal control environment at the United Cooperative Insurance Company showed good and acceptable regulatory levels. The company's Internal Audit Department executed the annual internal audit plan approved by the Audit Committee and raised significant observation reports to senior management and the Audit Committee. Consequently, the executive management developed an action plan to implement and correct all observations noted in the internal audit reports

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

During the year 2023, the Audit Committee reviewed various reports to assess and measure the adequacy of internal controls and systems, including financial statements, risk reports, compliance reports, and internal audits. The discussions and decisions of the committee were documented in the minutes of meetings and matters requiring attention were raised to the Board of Directors and executive management

The Audit Committee met with the heads of finance, compliance, risk, as well as internal audit and auditors, where it was updated on the latest developments regarding issues requiring the committee's attention. The committee also received internal audit reports and reports from supervisory and regulatory bodies, in addition to letters from the auditors, and the committee reviewed the management's action plans for the issues that were raised.

The Audit Committee assures the Board of Directors and the shareholders that, to its full knowledge from all material respects, the internal control system of the company operates with acceptable effectiveness, with the need to improve certain aspects of effectiveness in the system compared to the previous financial year. The committee notes that any internal control system, regardless of how well it is designed and how effectively it is implemented, cannot provide absolute assurance. The committee confirms that its recommendations regarding the appointment, evaluation, and determination of the fees of external auditors have been adopted 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 shareholders exercising all their statutory rights related to the share in the best possible way. This includes facilitating the reception of proposals and observations regarding the company and its performance. The telephone number 0122602500 and the email address Shareholder.affairs@uca.com.sa have been designated to receive any inquiries from all shareholders, and it is the company's practice to bring any comments received in this regard to the attention of 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 loans from any entity.

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 Saudi Central Bank (SAMA)/Insurance Authority and the main principles of the Financial Stability Board, the company conducts periodic reviews to ensure the consistency of the compensation structure for its employees. Reports on this are submitted to the Nominations and Remuneration Committee.

The level and scale of employee compensation and benefits are determined through the review and comparison of wages in the local market, which is organized and examined regularly in addition to several other means related to research and investigation of salary and benefit levels in the labor market. This is done with the aim of enabling the Human Resources Management (Human Capital) to keep up with local and regional market conditions, including taking into account the risks associated with the company's policy for rewards and compensations.

The compensation structure consists of fixed entitlements, allowances, and incentive programs in line with the standards and customs followed in the Saudi insurance market, and there are no investments created for the benefit of the company's employees. As of December 31, 2023, the total end-of-service compensation for the company's employees amounts to 11.5 million Saudi Riyals.

27. Board confirmations:

The Board of Directors and the company assure the shareholders and other related parties, according to their full knowledge from all material aspects, the following:

- The accounting records were prepared correctly.
- The internal control system was established on a sound basis and implemented effectively.
- There is no doubt about the company's ability to continue its operations.
- There are no acts or contracts in which the company was a party and in which there is or was a substantial interest for any of the company's Board members, the CEO, senior executives of the company, or any person related to any of them, except as mentioned in the statement of transactions with related parties outlined in (Transactions with Related Parties) of this report or the financial statements reviewed for the year 2023.
- The company has no loans as of December 31, 2023.
- There are no convertible debt instruments, contractual securities, subscription right memoranda, or similar rights issued or granted by the company during the fiscal year ended December 31, 2023.
- There are no conversion or subscription rights under any convertible debt instruments into contractual securities, subscription right memoranda, or similar rights issued or granted by the company during the fiscal year ended December 31, 2023.
- There are no redemptions, purchases, or cancellations by the company of any redeemable debt instruments.

- The Board of Directors did not recommend changing the auditors before the end of their appointment period, and there was no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.

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

Statement of financial position

All figures are in (thousands) Saudi riyals

Insurance Operations	2023	2022	2021	2021	2020	2019
	-	Restated	Restated	-	-	-
Cash & Cash equivalent	122,279	83,964	87,753	87,769	61,735	257,653
Short Term Deposit	101,041	-	-	-	22,656	23,496
Premiums and reinsurers' receivables	-	-	-	156,051	239,606	202,452
Reinsurers' share of unearned premiums	-	-	-	91,978	209,598	137,914
Reinsurers' share of outstanding Claims	-	-	-	36,506	41,720	45,581
Reinsurers' share of claims incurred but not reported	-	-	-	114,849	126,264	112,881
Deferred policy acquisition costs	-	-	-	10,571	12,645	6,444
Investments	173,822	292,809	291,824	250,526	288,366	190,948
Prepaid expenses and other assets	58,059	48,912	42,016	60,335	68,487	37,756
Reinsurance contract assets	-	147,386	158,827	-	-	-
Property and equipment - net	7,343	10,482	9,122	9,122	10,346	7,008
Intangible assets	23,194	12,715	9,813	9,813	4,598	0
Right-of-use asset-net	4,161	6,178	7,089	7,089	7,556	0
Goodwill	78,400	78,400	78,400	78,400	78,400	78,400
Statutory deposit	59,989	59,989	59,989	60,000	60,000	60,000
Accrued commission income on statutory deposit	1,558	6,711	5,395	5,396	4,904	3,824
Total Assets	629,846	747,546	750,228	978,405	1,236,881	1,164,357

Liabilities	2023	2022	2021	2021	2020	2019
Policyholders payable	-	-	-	24,100	5,396	13,419
Accrued and other liabilities	20,352	16,534	19,694	68,985	46,614	67,724
Reinsurers balances payable	-	-	-	95,067	156,440	178,413
Unearned premiums	-	-	-	185,439	302,452	163,093
Unearned reinsurance commission	-	-	-	15,683	34,994	27,769
Outstanding claims	-	-	-	83,964	62,921	66,652
Claims Incurred but not reported	-	-	-	140,599	169,749	162,673
Premium deficiency reserve	-	-	-	25,378	25,748	18,760
Other technical reserves	-	-	-	16,176	13,378	9,604
Insurance contract liabilities	285,885	439,815	386,406	-	-	-
Reinsurance Contract liabilities	27,709	-	-	-	-	-
Employees' defined benefit obligations	11,543	9,686	10,029	10,029	10,288	9,475
Lease liabilities	3,777	5,841	6,187	6,187	6,397	-
Surplus from insurance operations	-	-	-	37,053	37,053	37,053
Zakat and Income tax payable	13,867	12,808	14,846	14,846	21,750	28,936
Accrued commission income on statutory deposit payable to SAMA	1,558	6,711	5,395	5,396	4,904	3,824
Fair value reserve on investments - insurance operations	-	-	-	(3,546)	3,734	15
Total Liabilities	364,691	491,395	442,557	725,356	901,818	787,410

Equity	2023	2022	2021	2021	2020	2019
Share Capital	400,000	400,000	400,000	400,000	400,000	400,000
Statutory reserve	-	-	-	-	31,944	31,944
Accumulated losses	(180,562)	(185,854)	(130,372)	(149,752)	(108,025)	(64,145)
Fair value on investments	41,540	37,780	35,109	(133)	9,020	7,637
Re-measurement reserve of employees' defined benefit obligations insurance operations	4,177	4,225	2,934	2,934	2,124	1,511
Total Equity	265,155	256,151	307,671	253,049	335,063	376,947
Total Liabilities Insurance operations Reserve and Equity	629,846	747,546	750,228	978,405	1,236,881	1,164,357

Statement of Income	2023	2022	Statement of Income	2021	2020	2019
		Restated				
Insurance revenue from contracts	1,061,771	634,333	Gross premiums written	409,756	616,861	420,292
Insurance service expenses	(625,322)	(339,671)	Reinsurance premiums ceded	(225,269)	(411,301)	(362,640)
Net expense from reinsurance contracts	(409,332)	(337,632)	Reinsurance excess of loss expenses	(9,207)	(5,453)	(3,374)
Insurance service result from Company's directly written business	27,117	(42,970)	Net premiums written	175,280	200,107	54,278
Share of surplus from insurance pool	13,833	14,196	Change in unearned premiums-net	(607)	(67,675)	21,122
Total insurance service result	40,950	(28,774)	Net premiums earned	174,673	132,432	75,400
Net investment income	10,154	6,977	Reinsurance commissions earned	44,202	39,872	41,233
Net insurance finance (costs) / income	(2,693)	1,600	Total Revenues	218,875	172,304	116,633
Net insurance and investment result	48,411	(20,197)	Gross claims paid	264,721	151,457	153,228
Other income	4,767	1,160	Reinsurers' share of claims paid	(90,807)	(59,581)	(92,990)
Other operating expenses	(43,616)	(33,445)	Net claims paid	173,914	91,876	60,238
Profit / (loss) for the year before zakat and income tax	9,562	(52,482)	Change in outstanding claims-net	26,257	130	(2,346)
Zakat and income tax expense	(4,270)	(3,000)	Change in IBNR	(17,735)	(6,307)	(24,053)
Net Profit/Loss for the year attributable to shareholder	5,292	(55,482)	Net claims incurred	182,436	85,699	33,839
EPS/LPS (expressed in Saudi Riyals per share)	0.13	(1.39)	Premium deficiency reserve	(370)	6,988	2,306
			Other technical reserves	2,798	3,774	(26,935)
			Policy acquisition costs	23,082	16,521	9,868
			Other underwriting expenses	3,296	2,790	2,549
			Total Underwriting Costs & Expenses	211,242	115,772	21,627
			Net Underwriting Result	7,633	56,532	95,006
			Other operating (Expenses)/Income	2021	2020	2019
			General & administrative expenses	(92,657)	(86,806)	(101,470)
			Release/ (provision) for doubtful receivables	9,158	(5,823)	2,745
			Board remuneration	(1,972)	(1,441)	(883)
			Investments income	9,356	10,382	10,993
			Realized (loss)/gain on investments	(848)	4,246	6,411
			Other income	3,659	7,030	3,753
			Total Other Operating (expenses)/Income - Net	(73,304)	(72,412)	(78,451)
			Loss for the year before allocation	(65,671)	(15,880)	16,555
			Net Profit/Loss attributable to shareholder before Zakat & Tax	(65,671)	(15,880)	15,539
			Zakat	(7,600)	(27,900)	(7,900)
			Income Tax	(400)	(100)	(100)
			Net loss for the year	(73,671)	(43,880)	7,539
			EPS/LPS (expressed in Saudi Riyals per share)	(1.84)	(1.10)	0.19

29. Approval of the financial statements:

The Board of Directors approved the annual financial statements for the year 2023 on 07 Ramadan 1445 corresponding to 17 March 2024.



المتحدة للتأمين التعاوني

UNITED COOPERATIVE ASSURANCE

Board of Directors' Annual Report

2023