

**United Cooperative Assurance Company announces its interim condensed financial results for the three-months and six months period ended 30 Jun 2023**

Element List	Current Quarter	Similar Quarter for Previous Year	Change%	Previous Quarter	Change%
Insurance revenue	238,906	132,011	81%	196,651	21%
Insurance service expenses	(149,051)	(102,424)	46%	(157,545)	-5%
Net expenses from reinsurance contracts	(83,528)	(49,171)	70%	(52,872)	58%
Insurance Service results	6,327	(19,584)	-	(13,766)	-
Net investment income	2,022	2,131	-5%	2,729	-26%
Net financial result	4,804	(3,565)	-	(10,016)	-
Net Loss before Zakat	(53)	(14,590)	-100%	(9,879)	-99%
Total Comprehensive Loss	(1,544)	(14,590)	-89%	(9,960)	-84%
All figures are in (Thousands) Saudi Arabia, Riyals					

Elements	Current Period	Similar Period For Previous Year	% Change
Insurance revenue	435,557	237,271	84%
Insurance service expenses	(306,596)	(184,355)	66%
Net expenses from reinsurance contracts	(136,400)	(88,996)	53%
Insurance Service results	(7,439)	(36,080)	-79%
Net investment income	4,751	4,269	11%
Net financial result	(5,212)	(16,864)	-69%
Net Loss before Zakat	(9,932)	(34,176)	-71%
Total Comprehensive Loss	(11,504)	(36,176)	-68%
Total Share Holders Equity	244,647	271,495	-10%
Profit (Loss) per Share	(0.29)	(0.90)	-68%
All figures are in (Thousands) Saudi Arabia, Riyals			

Element List	Explanation
The reason of the increase (decrease) in the net loss during the current quarter compared to the same quarter of the last year is	<p>The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standards. As a result, the Company has only reflected the relevant financial information under the new standards in the above announcement. Items that are marked as "-" are no longer presented in the new financial statements under IFRS 17 and IFRS 9.</p> <p>The decrease in net loss before zakat for the current quarter compared with the same quarter of the previous year was due to the following reasons:</p> <ul style="list-style-type: none"> <li>Improvement in insurance service result with a total of SR 25,911K compared to the same quarter of the previous year. This was due to the increase in insurance revenue by SR 106,895K which is equivalent to an increase of 81%. There has been an increase in net expenses from reinsurance contracts by SR 34,357K, which corresponds to 70% compared with the same quarter of the previous year. In addition to that an increase in insurance service expense of SR 46,627K, equivalent to 46%, compared to the same quarter of the previous year.</li> <li>A decrease in operating expenses of SR 3,555K 28% compared to the same quarter of the previous year. Moreover, an increase in the other income of SR 2,613K in comparison to the same quarter of the previous year.</li> </ul> <p>As a result of the aforementioned, the company incurred a total net loss before zakat amounting of SR 53 thousand Saudi riyals during the current quarter of the current year, compared to loss of SR 14,590 thousand riyals for the same quarter of the previous year.</p>
The reason of the increase (decrease) in the net profit during the current quarter compared to the previous quarter of the current year is	<p>The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standards. As a result, the Company has only reflected the relevant financial information under the new standards in the above announcement. Items that are marked as "-" are no longer presented in the new financial statements under IFRS 17 and IFRS 9.</p> <p>Net loss before zakat decreased in the current quarter in comparison to the previous quarter of the current year by SR9,826K 99%, this was due to the improvement in insurance service results by SR20,093K as a result of the increase in insurance revenues by SR42,255K 21%, and a decrease in insurance services expenses amounting of SR8,494K 5%.</p>

<p>The reason of the increase (decrease) in the net profit during the current period compared to the same period of the last year is</p>	<p>The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standards. As a result, the Company has only reflected the relevant financial information under the new standards in the above announcement. Items that are marked as "-" are no longer presented in the new financial statements under IFRS 17 and IFRS 9.</p> <p>The net loss before zakat for the current period decreased by 71% compared to the same period last year. This decrease is mainly due to the increase in Insurance revenue by SR 198,286K 84%, increase in investment income by 11%, and decrease in other operating expenses by SR 3,822K which is equivalent to 20%.</p> <p>Moreover, Gross Written Premiums (GWP) increased by SR 110,683K compared with the same period of the previous year, an increase of 23%.</p>
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<p>Statement of the Type of external auditor's report</p>	<p>Unmodified Conclusion</p>
<p>Modification, Qualification or Emphasis of a Matter as Stated within the External Auditor Opinion</p>	<p>We draw attention to note 2b in the accompanying interim condensed financial statements, which indicates that the Company accumulated losses reached to SR 197.36 million being 49.34% of its capital (31 December 2022: SR 185.85 million being 46.46% of its capital). The solvency of the Company as of 30 June 2023 and 31 December 2022 is below the minimum requirement of the Insurance implementation regulations. Under Article 68(d) of the Implementing regulations for the Insurance Company. As stated in note 2b, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matters.</p>
<p>Reclassification of Comparison Items</p>	<p>The Company has reclassified and restated comparative information to meet the requirements of the newly implemented standards IFRS 17 and IFRS 9.</p>
<p>Additional Information</p>	<p>EPS/(LPS) has been calculated based on Net loss after zakat and income tax.</p>