

Annual Report  
2022



# Celebrating *your* journey





## Celebrating *your* Journey

Bupa Arabia's operations in the health insurance sector of Saudi Arabia began in 1997. From inception to this day, we walked in step with the stakeholder, which is why we celebrate 25 years of "travel"...together. It is our journey...It is your journey. Through the years, we've served the Kingdom and its people as a leading entity in the sector, providing prime healthcare services and solutions to millions across the land. The story continues, embracing a process that meets every one's need, every time.



**Over the past 300 years, and under all circumstances, our country has proven its ability to overcome all challenges with determination and to emerge from them victorious with the grace of God.**

Message from the Custodian of the Two Holy Mosques,  
**King Salman bin Abdulaziz**





**HIS ROYAL HIGHNESS  
PRINCE MOHAMMED BIN SALMAN  
BIN ABDULAZIZ AL-SAUD**

Crown Prince and Prime Minister

**KING SALMAN BIN ABDULAZIZ AL-SAUD**

Custodian of the Two Holy Mosques

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### About the Report

Bupa Arabia's Annual Report 2022 has been prepared in accordance with integrated reporting principles. In keeping with the Company's tradition of publishing its financial statements and board report, the purpose of this annual report is to communicate to stakeholders Bupa Arabia's strategy, governance and performance over the period in review.

### Report boundary and reporting period

The report covers Bupa Arabia's operations during the period from 01 January 2022 to 31 December 2022. The annual report is available in English and Arabic.

### Compliance

This report is in compliance with the applicable standards, rules and regulations of the Saudi Central Bank (SAMA), the Ministry of Commerce (MC), the Capital Market Authority and other regulatory agencies.

### Financial statements

The financial statements for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRS endorsed in the Kingdom of Saudi Arabia").



The end-to-end interactive online HTML version of our Report is identical to the PDF version, while it includes features for ease of finding, extracting, and sharing information.

<https://bupa.com.sa/en/annual-report>



# VIEW OF THE LEADERSHIP

Bupa Arabia continued to make decisions and evaluate strategies to improve its trajectory, which resulted in powerful results.



# Chairman's Message



## The Kingdom's Vision 2030 and our focus on including UN SDGs continued to create a conducive business climate.

### Celebrating 25 years of excellence

It is my greatest pleasure to be writing to you as our Company celebrates its 25th year anniversary in serving the insurance sector and the people of the Kingdom of Saudi Arabia. Over the years, Bupa Arabia has contributed to the development of the overall insurance sector of the country, with a particular focus on the health insurance sector, improving the quality and efficiency of health services within the country. I take this opportunity to thank our Bupa Arabia team and to remember those who have served our Company over these past years, strengthening its foundation to serve our customers for the years to come.

### Building on Strengths

Leaving behind two consecutive years of the pandemic, Bupa Arabia continued to build upon its strengths in 2022. Despite a number of global uncertainties in the backdrop, Saudi Arabia's economy recorded a healthy growth trajectory during the year, both from oil and non-oil related activities. In addition, the Kingdom's Vision 2030 and its focus on including UN SDGs goals such as gender equality, good health and wellbeing, climate change, and economic diversification – continued to create a conducive business climate.

During the year, the KSA insurance industry grew by approximately 26.0%, driven by the medical and non-medical insurance business lines. Bupa Arabia achieved a gross written premium of SR 13.9 billion in 2022, growing by 22.0% vs 2021. Bupa continued to maintain its market leadership position in the Health Insurance Line, maintaining its market share of +28% of insured lives. Our company earnings per share also improved to SR 5.75 in 2022(a), compared to SR 4.17 in 2021(a).

Using the momentum from the COVID-19 restrictions that resulted in a surge in demand for digital solutions, the Company stepped up its digital strategy and expanded its digital footprint to provide automation and digital solutions with optimized processes and increased efficiency. The initiatives resulted in a collective 97.7 million transactions via our mobile app, Robotic Process Automation (RPA), NPHIES System and the Pharmaceutical Benefits Management (PBM) system.



“Bupa Arabia continues to create strong bonds with the people that matter to us, and grow on its strengths, such as digitalization, maintaining both its growth trajectory and market leadership.”

The physical and mental well-being of our colleagues was of utmost importance and we partnered with a local firm to provide individualized mental wellness support to employees and their families. We also fully implement our flexi strategy where the entire workforce enjoys a degree of flexibility based on the nature of their work. In addition to the regular grievance policy provided by the Company, we also provide a hotline process “SPEAK UP” to raise any violations. This year’s annual employee engagement survey on overall satisfaction achieved its highest engagement score of 88%.

### Local and Regional Recognition

We are always pleased to see that our commitment to excellence and strong overall performance is recognized locally and regionally.

#### Brand Awards

- Best Insurance Brand – InsureTek
- Most Valuable Insurance Brand – Brand Finance
- 10th of the Strongest Saudi Brands – Brand Finance
- Top 10 Most Valuable Saudi Brands – Kantar BrandZ



#### General Insurance Awards

- Best Healthcare Insurance Innovation – InsureTek
- 3G Social Innovation – Global Good Governance
- 3G Commitment to Corporate Governance
- Celent Model Insurer Award 2022 for Customer Experience Transformation
- Ranked 79 Top Companies in the Middle East – Forbes

The Company actively seeks to build enduring partnerships with the local community and stakeholders. Special attention was given to the development of local content of suppliers, as well as sourcing through SMEs to contribute to the flourishing local market for supplies related to CSR. Measures such as revision of key contracts and utilizing Vendor Managed Inventory principles, were implemented to ensure excellent client experience.

Bupa Arabia’s Corporate Social Responsibility (CSR) flagship program to provide free insurance for orphans living in charities or foster houses, continues to thrive. Additionally, the annual blood donation initiative as well as the Ramadan initiative engages the community and provides for those in need. The Company also partners with a number of universities across the region that lead to training graduates and providing eventual employment.

On behalf of the Board of Directors, I would like to extend my gratitude and appreciation to our most valuable asset, our people, who were committed to strengthening our business over these past years. It is our people, who have enabled our Company to deliver strong results amidst numerous adverse macroeconomic conditions, maintaining our industry leadership position.

I also wish to thank all our stakeholders, including shareholders, clients, partners, regulators and service providers, for their continued support, and commitment. As the Board of Directors and as a Company, we continue to be committed to our strategic and governance frameworks, which enables us to retain our position of strength and leadership.

Our strengths and development as a whole are only possible thanks to our loyal and motivated people, who have displayed remarkable resilience in the face of challenges, and who continue to help Bupa Arabia grow.

By order of the Board

**Eng. Loay Hisham Nazer**  
Chairman

# Chief Executive Officer's Review

**Having navigated the post-pandemic economy in 2022, we continued to build on our strengths, whilst anticipating changing market demands. Our key assets – our people and our growing digital footprint – continue to serve us well as we head into a new financial year.**

## **25 years of growth through innovation**

The year 2022 marked a significant milestone in Bupa Arabia's history as we celebrate 25 years of serving the Kingdom as a leading healthcare insurance provider, and one of the most innovative and prominent companies in the country. Our commitment to innovation has been the center of this quarter century journey, enabling us to propel both the Company and the overall health insurance industry forward to the digital age. Along with the Board of Directors, I take this opportunity to thank the Bupa Family for their commitment to the Company's vision and to serve the people of the Kingdom of Saudi Arabia.

## **Another year of growth**

The Company recorded a year of strong results, with a gross written premiums growth of approximately 22.0%, our best results to-date. Including our cost management initiatives and strong investment income results, we recorded a Shareholders' net income before Zakat and income tax of SR 1.03 billion, a growth of 40.5% from 2021.

The strong result was driven by both improving macroeconomic conditions post-COVID and also our commitment to digitalizing our health insurance services.

However, we also faced a number of challenges during the year including rising healthcare costs – an estimated Record-high in the Kingdom – resulting in medical inflation, and the implications of the implementation of Article 11 and the upgraded coverage of the new Essential Benefits Package, both of which brought additional claims costs. While we also continued to see increased costs due to the NPHIES system migration, we were able to maintain a smooth customer experience.



**Key Wins – 2022**

- Increase in app downloads and registrations
- Record-high digital sales
- NPHIES integration with a smooth customer experience

**Key Challenges**

- Medical inflation
- Article-11 implementation

We continued to rise to these challenges by staying on course with our “1Bupa Strategy” with a focus on our digital strategy, being disciplined in our pricing strategy and continued investments in our value proposition to be the best in servicing our customers. Our customer communication during the year also included educating our members regarding new policies introduced by the Council of Health Insurance (CHI) and its benefits. Bupa Arabia Ventures, our venture capital arm, also continued to play a key role within the insurtech and healthtech space, focused on identifying new growth areas. Last but not least, we invested in our people – the core driver of our vision and growth strategy.

**Leading Strategies of 2022**

- Continued investments in digital transformation
- Disciplined pricing strategy
- Strengthening the Bupa service proposition
- Educating members regarding new policies
- Investments in employees

**Key Performance Indicators Snapshot**

**SR 13.9 billion** **SR 1.03 billion**

+22% vs 2021

+50% vs 2021

Gross written premiums

Profit before Zakat and income tax

**SR 553 million** **SR 14.3 billion**

+111% vs 2021

+15% vs 2021

Investment income

Assets under management

**80%**

Saudization

**Digital transformation is key**

Our market leadership is cemented by our digitalization strategy, and our commitment continued into 2022 with a number of initiatives in place. We expanded our digital footprint with the launch of three products for the mobile app catering to end-to-end purchasing, the Wathiq and Abshir integrations, expanding the Salma chatbot, and launching the GS chatbot. Further, a number of features were scaled upwards, including Pharmaceutical Benefits Management, NPHIES utilization, and the Digital Health Platform.

**Key digital highlights of 2022**

**2.5 million**

App downloads

**67.7 million**

App transactions

**4.4**

App ratings

**79**

App NPS

**NPHIES:** 210 providers, 3.85 million transactions

**PBM:** 1,080 live providers, 1.5 million transactions

**RPA:** 51 bots launched, 24.6 million transactions,

Bupa Arabia's digital transformation strategy in 2022 focused on four main pillars:

- Superior customer experience for our customers and employees
- Efficiency and automation to optimize processes
- Seamless and automated Provider Management Platform
- Big data and analytics

Internally, we revamped our career website, to reflect our branding and offer prospective candidates a seamless online experience. Moreover, the SME Broker Portal, and the Digital Sales Journey were both automated in 2022, thereby increasing efficiency and enhancing customer satisfaction.

In 2023, Bupa Arabia intends to roll out the pilot programs for Home Healthcare and Symptom Checker apps. Website revamp development will also continue, along with chatbot enhancements. Internally, we plan to implement an HR HCM system and Finance ERP platform, to streamline HR and finance activities, and increase transparency across the organization.

### Recognition of our efforts

Our continuous efforts to improve the quality and efficiency of health services and spread health awareness across the country have earned us numerous awards, the most recent of which were in three categories of the Health Insurance Excellence Award by the Council of Health Insurance in 2022. Bupa Arabia also ranked among the 10 most powerful brands in the country and topped the list of leading insurance companies in the GCC region.

### Healthy employee culture, the core of our high performance

At Bupa Arabia, we believe it is imperative that we enhance and preserve an organizational culture that attracts, engages, grows and retains the most talented people in the industry. In 2022, we revamped our grading structure, supported by a significant pay adjustment budget. Around 1,550 employees received an average of a 20% increase in pay and were positively impacted in terms of designation and compensation. Further, 209 employees were promoted, and 700 more were provided with a path for promotion within the next two years, implying a healthy succession pipeline of 81%.

We also achieved 100% work flexibility for all employees, by implementing new HR policies with regard to time, leave, and place of work. To enhance employee development, we provided training on personal, technical, and leadership skills, with an average of +19 training hours per employee. New recruits were also higher than the number of people who resigned, resulting in a turnover rate of 8% in 2022. The success of our employee initiative was evident in our employee engagement survey, which was tracked through Glint, our external partner, where we achieved our highest engagement score thus far, of 88%. These combined efforts have enabled us to achieve our financial targets, provide a superior customer experience, and maintain our market leader position in the industry.

### Key employee highlights of 2022

**88%**

Employee engagement

**81%**

Succession pipeline

### Best in Class Learning programs

**28,000**

Total learning hours

### Looking ahead into 2023

As we look towards 2023, we believe a number of factors - macroeconomic, industry development and policies, and changing behavioral factors - stand in our favor for continued growth.

On the Macroeconomic front, the General Authority for Statistics (GASTAT) estimates the real GDP of the Kingdom to have grown by 8.7% compared to 2021, bolstered by both oil and non-oil economic activities. Looking at 2023, the IMF expects the economy to grow at 2.6% year-over-year. While the comparatively lower growth mainly reflects the lower oil production estimates, the IMF expects non-oil growth to remain robust. In addition, sustained spending by the government, steady expansion in the local industrial space and the Government's commitment towards the Vision 2030 reforms, will result in further investment activities, strengthening non-oil activity in the country.

The insurance industry will also witness a number of changes in 2023 with the introduction of a new unified regulator which will be dedicated to the expected insurance industry. The Ministry of Finance in collaboration with the new regulator, is expected to work towards aiding the insurance sector and its key players to expand within the country and the region.

We expect the private health insurance sector to expand to SR 60 billion from its current SR 30 billion, by 2030. Through 2022, we saw the expansion of the insurable population grow with a number of giga projects launched by the government, thereby aiding our member growth. With the current health insurance penetration to GDP only at 0.73%, we believe the industry has further room for value unlocking.

In addition, we believe that changing behavioral factors such as increasing demand for medical checkups and preventive healthcare, particularly among the younger population will also aid industry growth. The country is also seeing a rapid adoption of technology, with the youth population aged between 15-34 years accounting for little over one-third of the total population (36.7% as of 2020). Including the adoption of 5G and its promotion of smart cities, this provides a stronger case for digitalization of the health insurance industry, in which Bupa Arabia has already made a number of strides ahead.

To this end, I believe that Bupa Arabia is well-equipped to both grab the opportunities and face any challenges presented by various industry changes and through wider macroeconomic conditions. The foundation we have built over the past quarter century through an unwavering focus on innovation, customer service, and strengthening our talent pool, will undoubtedly sustain Bupa Arabia's performance in 2023 and the years ahead.

### Tal Hisham Nazer

Chief Executive Officer and  
Executive Board Member



# BUSINESS REPORT

We provide healthcare solutions and services for businesses, individuals and families with a product and service portfolio that maximizes customer convenience.





# Our Global Presence

## Bupa Group

Founded in the UK in 1947, Bupa is an international healthcare company with a global footprint that includes Australia, Spain, Chile, Poland, New Zealand, Hong Kong SAR, Turkey, Mexico, the United States of America, the Middle East and Ireland, in addition to associate businesses in Saudi Arabia and India.

We are a private limited company, with a workforce of over 84,000 employees, with the primary focus of providing quality healthcare, benefitting both existing and future customers. Furthermore, given that it has no shareholders, all profits are reinvested into the Company to provide the same.

Bupa Group boasts over 38 million customers worldwide, which are categorized into three Market Units: Asia-Pacific, Europe and Latin America, and Bupa Global and UK. Additionally, the Group operates several associate health insurance ventures in the Kingdom of Saudi Arabia (KSA) and in India (Niva Bupa).

Health insurance accounts for a significant part of the business across all market regions, counting 21.1 million customers and yielding approximately 71% of the Group's revenue.

Furthermore, Bupa provides healthcare services to 16.9 million customers across some regions through its own clinics, dental centers and hospitals.

We also provide digital provision services, including digital GP services, care triage and consultation, mental health coaching and support, and chronic care management.

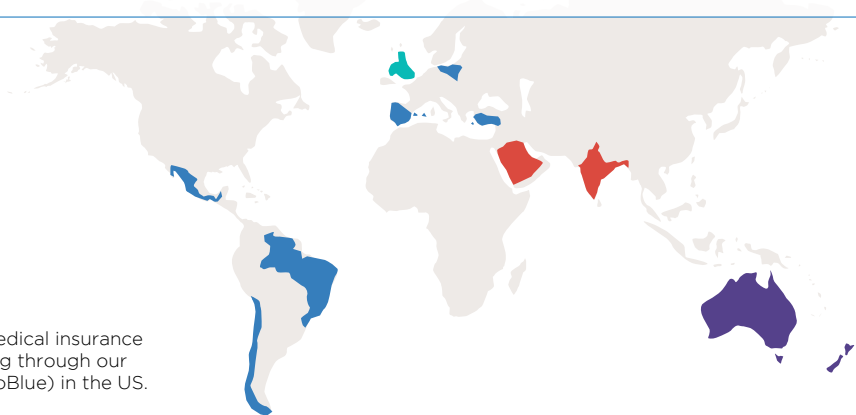
The Group also cares for around 20,000 residents in its aged care businesses in the UK, Australia, New Zealand, and Spain. Bupa Group's aged residential care portfolio comprises care homes, retirement villages, day centers and homecare.

### Bupa's purpose is helping people live longer, healthier, happier lives and making a better world.

- Founded in 1947, Bupa is a private company limited by guarantee. With no shareholders, we reinvest profits into providing more and better healthcare for the benefit of current and future customers.
- We are an international healthcare company serving over 43 million customers worldwide.
- Over the past 75 years, our global footprint has grown from our origins in the UK to Australia, Spain, Poland, Chile, Brazil, Mexico, Turkey, the Middle East, the US, Hong Kong, New Zealand and Ireland. We also have associate businesses in Saudi Arabia and India.

- Asia Pacific
- Europe and Latin America
- Bupa Global and UK
- Associate businesses in India and Saudi Arabia

IPMI: We also offer international private medical insurance (IPMI) for cover in most countries, including through our associate business Highway to Health (GeoBlue) in the US.



**75 years**

of healthcare and wellness

**84,000**

employees



**43 million**

customers

### 2022 financial results

Revenue in 2022:

**£ 14.0 billion**

**8.0%** ↑

2022 £ 14.0 billion

2021 £ 12.9 billion

Underlying profit before tax:

**£ 575 million**

**42%** ↑

2022 £ 575 million

2021 £ 405 million

Net cash generated:

**£ 966 million**

**5%** ↑

2022 £ 966 million

2021 £ 907 million

## Our Purpose and Ambition

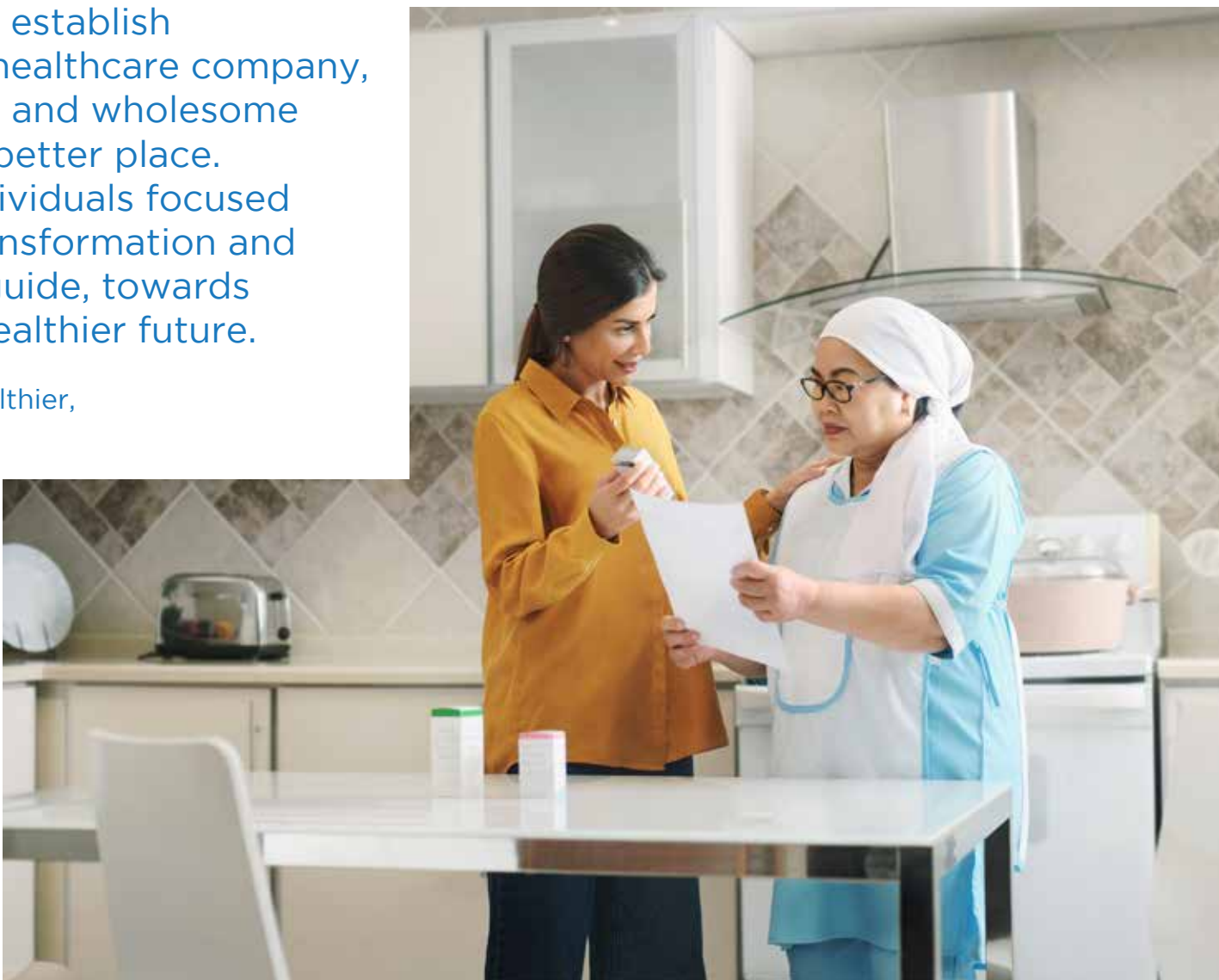
Our purpose and ambition is to establish a successful customer-centric healthcare company, that helps people live healthier, and wholesome lives while making the world a better place. Bupa comprises passionate individuals focused on precision and qualitative transformation and growth. Our values act as our guide, towards a purposeful innovation for a healthier future.

**Purpose** – Helping people live longer, healthier, happier lives, and making a better world

**Ambition** – To be the world's most customer-centric healthcare company

### Values

-  **Brave**  
Make new possibilities happen
-  **Caring**  
Act with empathy and respect
-  **Responsible**  
Own your decisions and actions



# Bupa Group Business Model

Bupa Group is a global healthcare company with an international reach that extends across multiple business operations, practices, and resources. These are aligned to meet our exemplary standards and customer needs, as well as manage the operating environment to ensure quality service.

## What we do

### Health insurance

**24.4 million**

insurance customers worldwide

**71%**

of revenue

- Health insurance accounts for 71% of our revenue, with 24.4 million customers. We have a strong domestic health insurance presence via our businesses in the UK, Australia, Spain, Chile, Hong Kong, Turkey, Brazil and Mexico, and our associate businesses in Saudi Arabia and India.
- We offer International Private Medical Insurance (IPMI) through our Bupa Global businesses.
- We provide dental insurance in Australia, the UK, Spain, Chile, Poland, Hong Kong, Brazil and through Bupa Global.

### Health provision

**19.2 million**

provision customers worldwide

**21%**

of revenue

- Health provision accounts for 21% of our total revenue, comprising 376 health clinics, 25 hospitals and 979 dental centers serving 19.2 million people globally.
- We operate health facilities in Spain, Chile, Poland, the UK, Brazil, Hong Kong and Australia, and in our associate business in Saudi Arabia.
- We run hospitals in Spain, Mexico, Chile, Poland and UK.

## Footprint and participation

Footprint and participation		Asia Pacific			Europe and Latin America				
		Australia	New Zealand	Hong Kong	Spain	Poland	Turkey	Chile	Brazil
Funding	Health insurance								
	Health subscription								
	Dental insurance								
	Dental subscription								
Health provision	Clinics								
	Hospitals								
	Dental centers								
	Optical and audiology								
Ages care provision	Care homes				3				
	Retirement villages								
		<b>Australia:</b> Bupa Health Insurance Bupa Health Services Bupa Villages and Aged Care Australia <b>New Zealand:</b> Bupa Villages and Aged Care New Zealand <b>Bupa Hong Kong:</b> Health Insurance and provision			<b>Spain:</b> Sanitas Seguros Sanitas Hospitales And New Services Sanitas Dental Sanitas Mayores	<b>Poland:</b> LuxMed <b>Turkey:</b> Bupa Acibadem Sigorta	<b>Chile:</b> Bupa Chilew <b>Brazil:</b> CarePlus <b>Mexico:</b> Bupa Mexico	<b>IPMI:</b> Bupa Global Latin America	

- Global international insurance available in most countries. Includes 49% stake in Health (GeoBlue) in the US.
- Bupa Arabia and Niva Bupa are associate businesses.
- In Spain, we also have daycare centers.
- We also operate dental clinics in the Republic of Ireland managed through Bupa Global and UK.

## Aged care








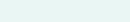



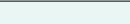







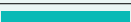



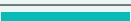



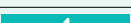
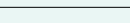
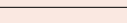
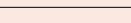
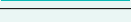
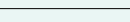














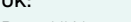
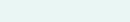
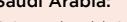


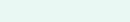
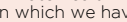
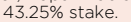
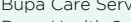
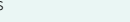
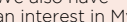

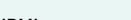
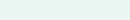
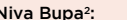


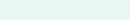
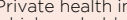
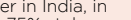
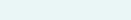
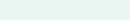


20,200

residents in our care homes

8%

of revenue

- We provide aged care services in the UK, Spain, Australia and New Zealand.
- Our portfolio comprises care homes, retirement villages, day centers and homecare.

		Bupa Global and UK		Other	
Bupa Global Latin America	Mexico	United Kingdom	Bupa Global <sup>1</sup>	Saudi Arabia <sup>2</sup>	India <sup>2</sup>
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					

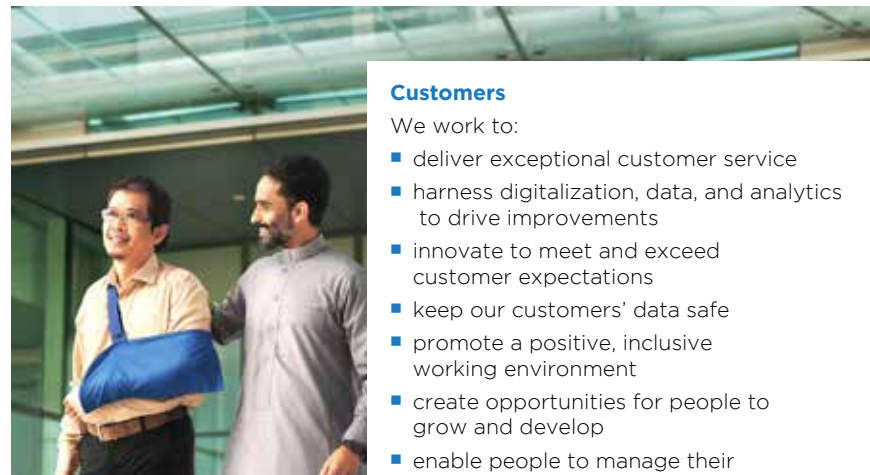


## Who we create value for

## Customers

We work to:

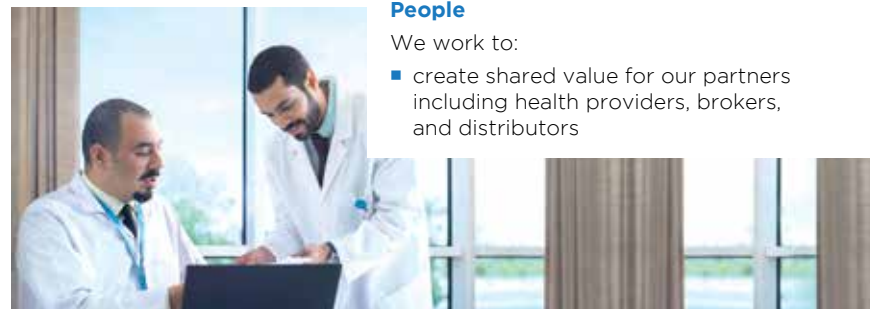
- deliver exceptional customer service
- harness digitalization, data, and analytics to drive improvements
- innovate to meet and exceed customer expectations
- keep our customers' data safe
- promote a positive, inclusive working environment
- create opportunities for people to grow and develop
- enable people to manage their health and well-being



## People

We work to:

- create shared value for our partners including health providers, brokers, and distributors



## Partners/Society

We work to:

- make a difference through volunteering, community partnerships, and contributions
- take care of the environment and address climate change and its health impacts



# Our Landscape

## About Bupa Arabia

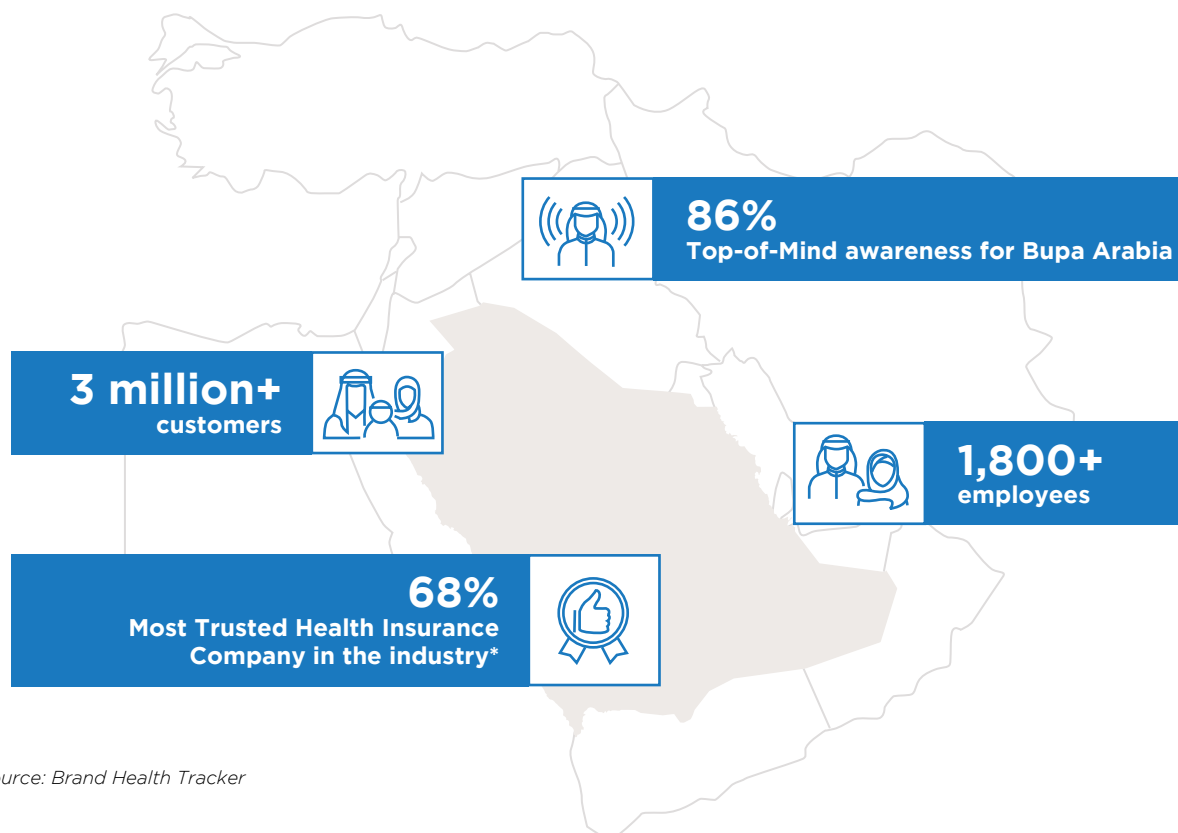
Bupa Arabia is a publicly held healthcare insurance company that was established in Saudi Arabia as a joint venture with Nazer Group in 1997. We have been listed on the Saudi Stock Exchange since 2008, after offering 40% of the Company's shares to the public in its IPO.

We provide healthcare solutions for businesses, individuals and families with a product portfolio that comprises of Bupa Munsha'at, Corporate and International Health plan, Bupa Parents, Bupa Family and Bupa Helpers. We also offer

a range of services such as Bupa Tebtom, Bupa Rahatkom, Bupa Live right, and Bupa Click. These service offerings cover pregnancy and maternity care, chronic disease management, international medical consulting, hospital delegate services, and fitness and wellness programs.

We have also digitized the customer experience through our mobile app, which has recorded over 2.5 million downloads.

The Company serves a customer base of more than three million customers through its eight offices and branches, which are located across the country in Jeddah, Riyadh, Khobar, Jubail, Madinah, Makkah and Buraidah.



\*Source: Brand Health Tracker

### 2022 financial results

Revenue in 2022:

**SR 13.4 billion** **23% ↑**

2022 SR 13.4 billion

2021 SR 10.9 billion

Net claims incurred:

**SR 10.9 billion** **21.1% ↑**

2022 SR 10.9 billion

2021 SR 9 billion

Net income before Zakat and income tax profit:

**SR 1.03 billion** **40.5% ↑**

2022 SR 1,027 million

2021 SR 731 million

Earnings per share:

**SR 5.78** **10.5% ↑**



# Our Year at a Glance



## EARNINGS

Gross Written Premiums (GWP) of

**SR 13.89 billion**

+22% growth vs 2021

Net Income before Zakat and Tax

**SR 1.03 billion**

+40.5% growth vs 2021

Basic earnings per share

**SR 5.78**

+10.5% growth vs 2021

Net Promoter Score

**NPS of 56.8**

vs 54 in 2021



## EMPLOYEES

**88**

People engagement score

**81**

succession rate



## DIGITAL

**2.5 million**

app downloads

**74 bots**

managed



## MILESTONES

Celebrated

**25 years** of services in  
the KSA insurance industry



# 25 years of excellence and leadership in the Saudi health insurance sector



**+30 million**

Lives touched by Bupa



**+6 million**

Home clinic services provided by Bupa



**+2 million**

Served by Rahalkom services



**+55 million**

Transactions through the Bupa App



**+500K**

Births covered by Bupa



**+1,400**

Healthcare providers in Bupa's network



**80%**

Saudization



**16K**

Orphans covered by Bupa

For 25 years, Bupa Arabia has served the Kingdom of Saudi Arabia as the leading health insurance company, uplifting the lives of millions of citizens across the country. Since our inception in October 1997, we have diligently contributed to the advancement of not only the health insurance sector, but also the overall insurance industry in the Kingdom.

Our Company was established through a partnership between Bupa Global International and Nazer Group, with the key focus to provide health insurance services with high quality and competitive prices, while ensuring a distinctive experience for customers.

Our core values to be BRAVE, CARING and RESPONSIBLE, have guided our strategy over the years, enabling Bupa Arabia to be at the forefront of digital transformation in the industry. Our market leadership is facilitated through the highest levels of innovation in products and services, and has enabled our company to deliver services with international standards to families, and the largest companies and establishments in the Kingdom.

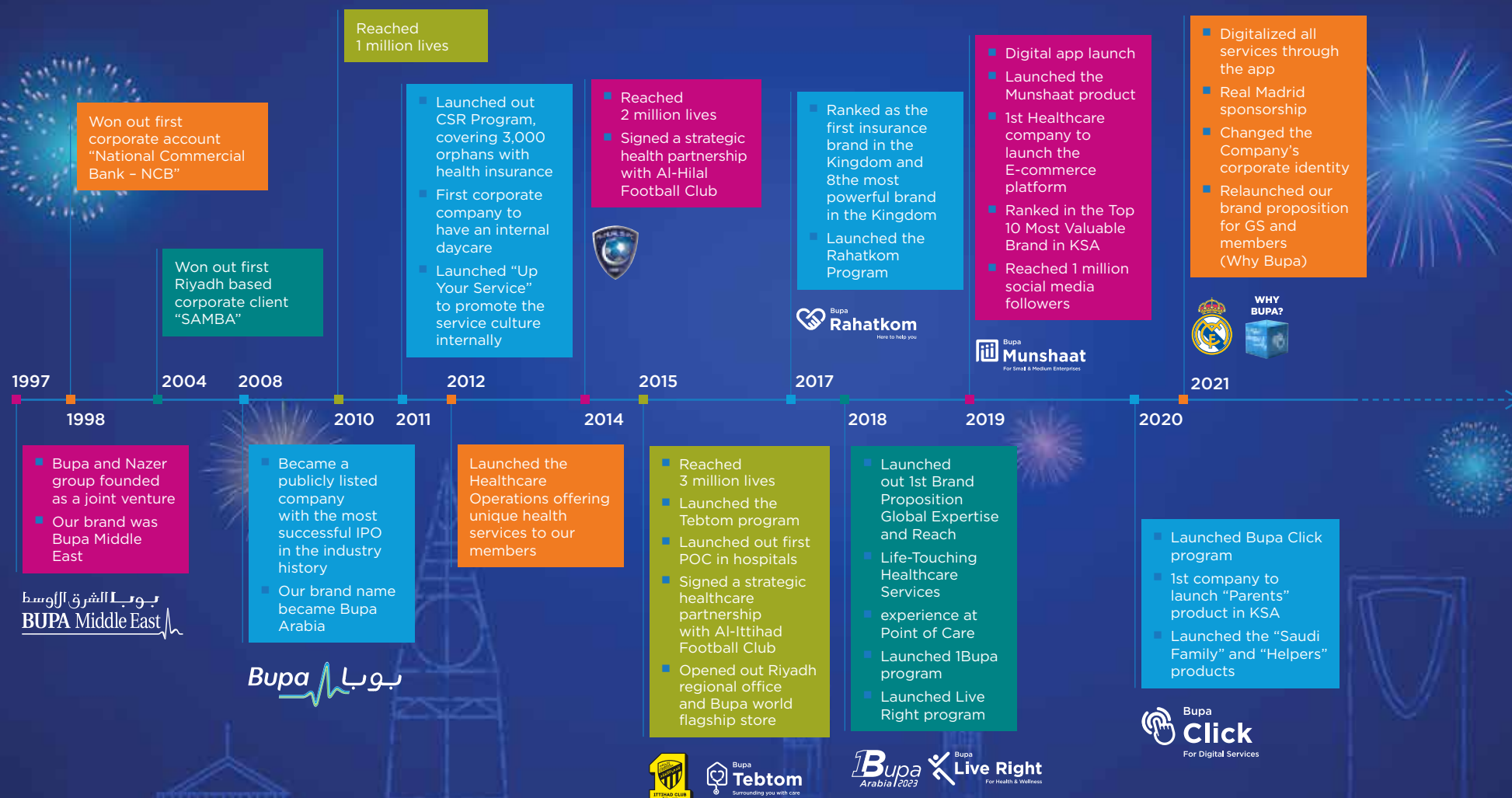
However, our core asset is our PEOPLE, who have enabled us to become the most valuable insurance company in the Middle East, and to be ranked among the 10 most powerful brands in Saudi Arabia.

As we celebrate this proud milestone in our service journey, we at Bupa Arabia look forward to serving our customers and the citizens of the Kingdom of Saudi Arabia for many more years to come!

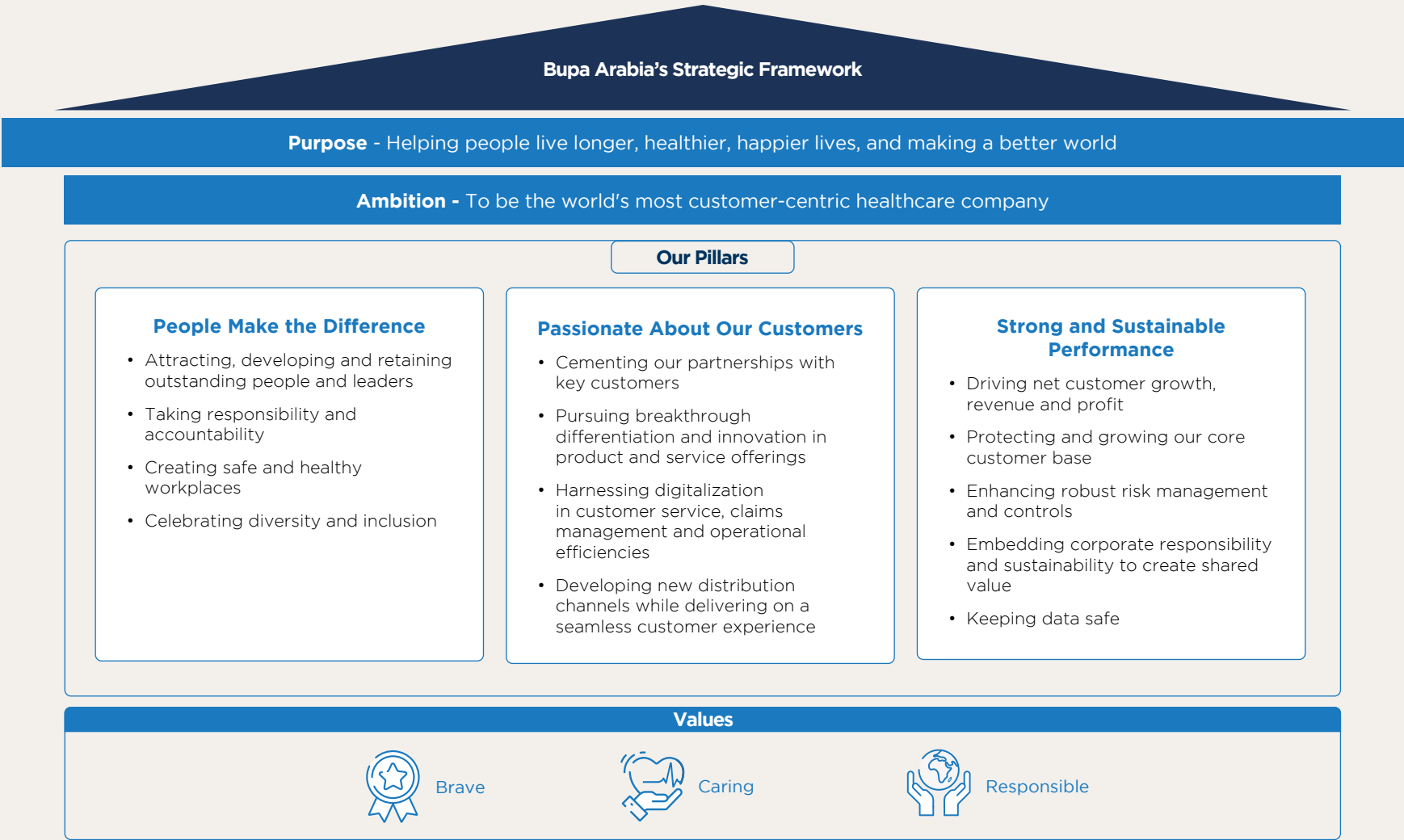


<https://bupa.com.sa/en/25th-anniversary>

# As Bupa Arabia celebrates its 25th year, we take a look back at our journey and our key milestones



# Strategic Framework



# 1Bupa Strategy

The 1Bupa Strategy was launched in 2019, with a focus on six strategic pathways to accelerate the Company's growth through 2023. As we reach the final lap, our 1Bupa Growth Strategy has helped the Company remain focused on our value proposition to be the best in servicing our customers. As a result, 1Bupa has enabled the Company to generate approximately SR 1.03 billion in profits ahead of the 2023 target, be ranked among the 10 most powerful brands in the Kingdom, and top the list of leading insurance companies in the GCC region.



## People

Attracting, growing, engaging, and retaining the best talent in the industry

**Protect and Grow the Core, Innovate our Way into More**



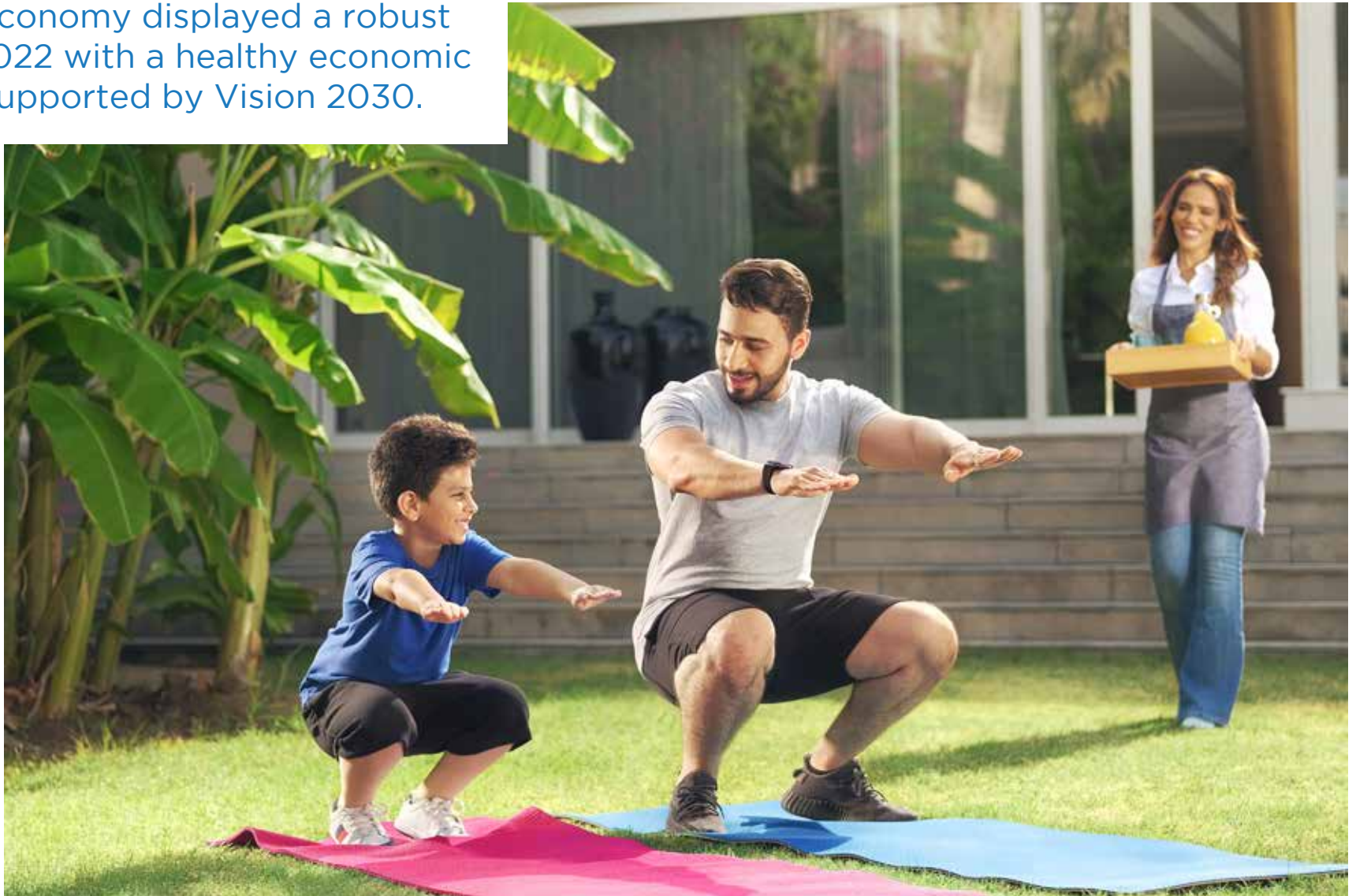
## Risk

To enable a risk aware and risk intelligent organization



# Operating Environment

The Saudi Economy displayed a robust growth in 2022 with a healthy economic expansion supported by Vision 2030.



In 2022, Saudi Arabia was able to successfully navigate the headwinds associated with the COVID-19 pandemic, positioning itself to leverage a period of high oil and gas prices to bolster revenue streams. As a result, Saudi Arabia's GDP grew at the fastest pace in a decade.

The long-term economic growth story of the Saudi economy remains intact, supported by a favorable policy environment in line with Vision 2030 and its core agenda of economic diversification. The Kingdom projects state expenditure in 2022 SR 1,114 billion, while total public revenues are forecast to remain elevated at SR 1,130 billion, backed by a healthy expansion in the domestic non-oil sector and high international energy prices.

According to General Authority for Statistics (GASTAT) data, the Kingdom recorded a healthy real GDP growth of 8.7% in 2022, aided by higher global oil prices and the expansion of non-oil economic activity amid improved consumer and business confidence. GDP growth has mainly come from Oil sector, which grew by 15.4% compared to 2021, whereas non-oil sector growth was 5.4%.

## 2023 Economy Outlook

Saudi Arabia has announced a SR 1.114 trillion budget for 2023, with expectations for SR 1.13 trillion in revenues and SR 16.0 billion in surplus, or 0.4% of GDP.

The Saudi economy is projected to record a 3.1% YoY growth in real terms in 2023 (IMF forecast 3.7%), primarily supported by an increase in non-oil activities and driven by private sector investments, which will lead to an increase in jobs in the labor market. Jobs will also be created through a number of initiatives as a part of the "Vision 2030" programs.

The major risk for 2023 is a global recession induced by policy interest rate hikes across major economies in an effort to combat inflationary pressure. Coupled with any resulting supply-demand imbalances in global oil markets, this could alter the projected growth outlook of the Kingdom.

## The Insurance Market in Saudi Arabia

*Note: 2022 results for the first 9 months are published. Does not contain the Q4 results yet.*

The insurance sector in the Kingdom continues to maintain its growth trajectory, recording total Gross Written Premiums (GWP) of SR 40.19 billion by the end of YTD Q3 2022, over the same period last year. Moreover, the health insurance, in which Bupa operates, GWP grew by 25.6% in the first nine months of 2022 (compared with the same period of 2021) reaching SR 23.86 billion.

Notably, demand for digital solutions remained healthy, facilitated by a broader product offering and digitization initiatives across the industry in line with the Saudi Central Bank's (SAMA) encouragement. Bupa Arabia, being at the forefront of the digitization drive, remains well positioned to benefit from digital-driven market penetration growth.

Below is the YTD-Q3 2022 overview of the insurance industry in KSA.

### GWP – Total insurance market

**25.1% YoY ↑**

2022 – 9 months: SR 40.2 billion  
2021 – 9 months: SR 32.1 billion

### GWP – Health insurance market

**25.6% YoY ↑**

2022 – 9 months: SR 23.9 billion  
2021 – 9 months: SR 18.9 billion

### Total insurance penetration

**1.26% ↑**

vs 1.20% as of 3Q 2021

### Health insurance penetration

**0.73%**

vs 0.73% as of 3Q 2021

### Loss ratio

**81.6% ↓**

vs 81.8% as of 3Q 2021

### Industry net profits

**19.8% YoY ↑**

2022 – 9 months: SR 559 million  
2021 – 9 months: SR 467 million

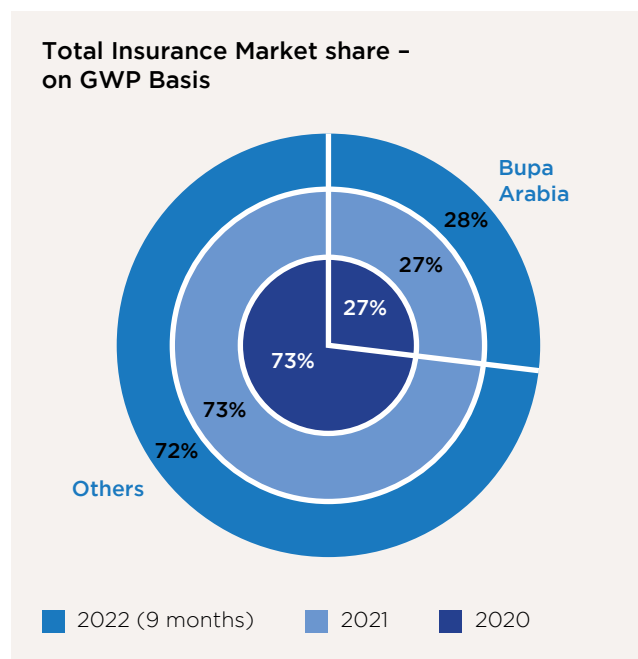


## Market Share Overview 2022

(Note: Overall results from Q4 2022 have not been published yet)

As of end 2022, Bupa holds a 28% share in the overall insurance sector of the Kingdom. This is mainly owing to its market leadership in the health insurance sub-sector which accounted for ~60.0% of the total GWP generated in the Kingdom by the end of 2022. The comparative performance of the Company in relation to its peers in the industry is illustrated below.

### Market share and positioning



\* Based on 3Q FY22 estimates

## Health Insurance Industry 2023 Outlook

We maintain a positive outlook for the industry and are cautiously optimistic. We expect the insurance sector to grow in 2023, albeit at a slower pace compared to 2022. We believe that the strength of the ongoing post-pandemic recovery and favorable market dynamics should augur well for the health insurance market, despite some macroeconomic risk in relation to high inflation.

Below are key factors which will propel the health insurance sector forward:

- Macroeconomic factors: KSA government has announced a SR 1.114 trillion budget for 2023, which is expected to result in job creation during the year. Moreover, budget spending on the healthcare sector is expected to be ~SR 80 billion in 2023, up 4.0% from 2022.
- Regulatory factors:
  1. The health insurance insured lives market has shown notable growth, driven by job creation as the Saudi economy managed to create over 1.8 million jobs during 2022.
  2. The enforcement of health insurance for the domestic helpers segment will bring in a new opportunities to the market. While the domestic helper-employer liability insurance has been announced by the Saudi Central Bank; the health insurance cover for domestic helpers is not yet enforced by regulators. This segment represents 3.5 million lives.
  3. Increase in travel and Hajj/Umrah visitors will also have positive impact on insurance GWP growth in 2023.
  4. In July 2022, the Council of Health Insurance (CHI) announced an Essential Benefits Package, aiming to provide better and higher benefits to insured members. It's implementation through 2023 will result in higher costs to insurance companies, resulting in price increases.
  5. Full impact of NPHIES roll-out will be at a price tag of 2.0% of claims, on top of existing regulatory levies of 1.5% of GWP.

6. The deletion of Article 117 of CHI bylaws will encourage health insurance companies to explore integrated healthcare model of provision-insurance to improve customer experience and manage claims better.
7. Full enforcement of CHI mandate on the insurable market. While we have seen improvement during 2022, the pace of job creation is ahead of the enforcement. We believe full enforcement will bring to the market additional 2.5-2.9 million lives.

### ■ Market behavioral factors:

1. Higher frequency of utilization/hospital visits was noticed in 2022 and it is likely to continue in 2023 as well.
2. Medical inflation remains highest at around 10.0% for Saudi Arabia compared to other middle eastern countries, as reported by Willis Tower Waston in its global medical survey report 2022.
3. Geographical expansion of leading high-end providers that will have an adverse impact on claim costs.
4. Operational income of Insurance sector has started to shrink. In 2022, the insurance sector recorded notable earnings from investments, compared to earnings from the core operations as a result of higher operational expenses.





# BUSINESS REVIEW

At Bupa Arabia, we believe and focus on providing services that ensure the overall well-being of our members.

# Intellectual Capital



Our Company, being a part of the largest global health network in the world, has access to global experience of over 70 years and awareness on how to serve our members in Saudi Arabia with the most appropriate and innovative health-care solutions.



As a leading healthcare insurance company in the Kingdom serving millions of people, we work each day with the motive of not only providing our members with access to a range of healthcare services but also facilitating their comfort, safety and satisfaction. Our healthcare solutions and services are forward-looking and we facilitate continuous care with automated and digitized systems and processes, delivering a seamless customer experience.

The intangible aspects of a business, such as brand identity, product enhancements, and research and development, make up its intellectual capital. In the context of Bupa Arabia, the advancements made to the Company's intellectual capital over the course of the year were significantly influenced by efforts to revitalize the brand and enhance its digital capabilities. Additionally, the Company uses cutting-edge analytics to collect customer feedback in order to improve products and processes.

## Brand-building

### Our Brand Proposition

We have developed and implemented a brand proposition that focuses on our key differentiated services and leverages our digital capabilities as a competitive edge throughout the

year. Our digital solutions – Bupa Click, Bupa Tebtom, Bupa Live Right, Bupa Rahatkom and Global Expertise – cater to diverse customer segments that require speedy and digital services, and enables members to receive the ongoing care they require through a variety of touchpoints.

### Marketing Campaigns

We were successful in completing a number of digital campaigns and events throughout 2022 to direct the brand, which enabled us to communicate key messages such as:

- Bupa Arabia's digital experience being at the forefront of the sector
- Our enhanced social media platform
- Bupa Arabia's role as a reliable healthcare specialist
- Our international experience
- Our focus on digital sales



## Large-scale Campaigns

Using a variety of communication and targeting strategies, Bupa Arabia completed a number of campaigns during the year that were strategically planned for a kingdom-wide takeover.

### 1. Why Bupa

A multi-pronged campaign was launched to promote the new Why Bupa proposition. The Company carried out an aspirational internal campaign, an outdoor advertising campaign across the Kingdom, a sales roadshow and video advertising.

The experience campaign launch consists of three phases, namely Maternity, Chronic and Vaccination. This includes online advertising and outdoor advertising across the Kingdom.

### 2. Real Madrid Sponsorship

Bupa Arabia was able to achieve a milestone of 1.5 million engagements with the help of the Real Madrid marketing and communication campaign, that included television, outdoor billboards, internal communication, social media and publicity in health lounges and on health kits.

### 3. Bupa App Awareness Roadshows

We organized major regional roadshows with more than eight in-person and six refresher sessions, 150 sales staff members, in all major cities across the Kingdom including Jeddah, Riyadh and Khobar. Moreover, we conducted service awareness programs both virtually and on the ground with digital health booths installed at clients' premises.

### 4. Bupa Live Right Activities

Multiple Live Right activities, such as mental well-being camps, health lounges, prevention, fitness and weight loss programs, were completed. We held four major events in 3 major cities, and communicated through emails, social media, SMS and WhatsApp, and flyers, with PR coverage across 8 outlets. Moreover, we increased the number of health lounges by 78% in 2022 compared to the previous year, and achieved a satisfaction rate of 98% across the Kingdom.

### Digitally-powered Healthcare

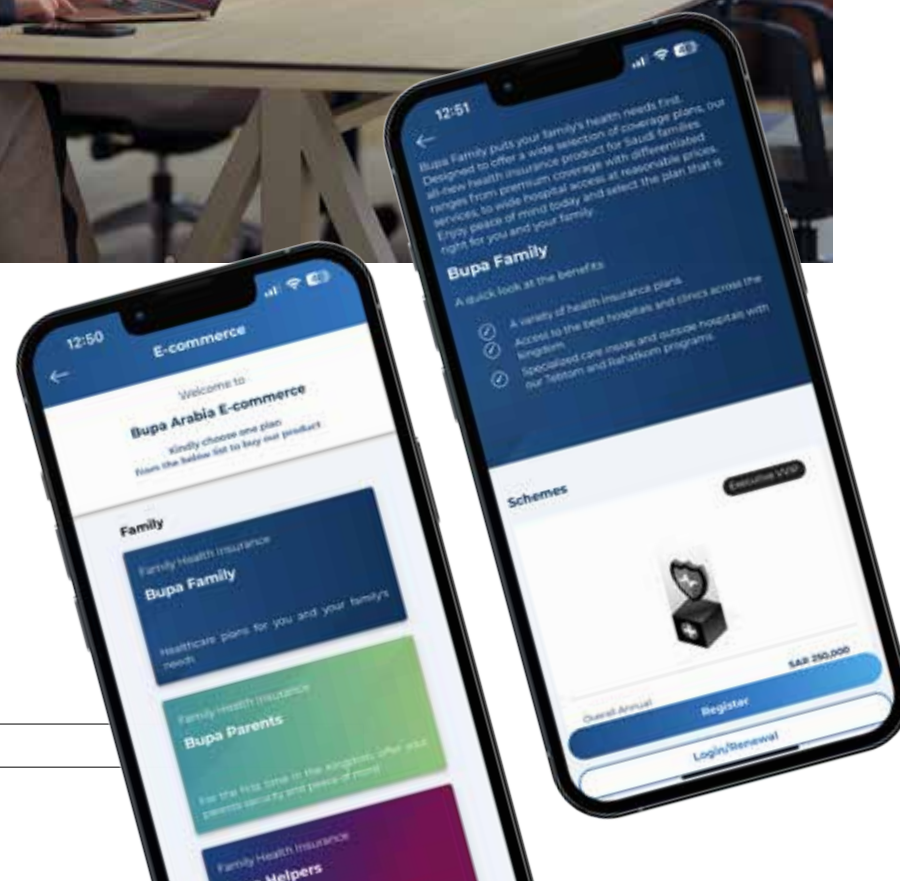
The creation of powerful platforms that use the latest technologies to shift members and employees from traditional channels and methods to digital solutions is one of the responsibilities of digital transformation. Our digital transformation strategy for the year 2022 was built on 4 main pillars that focused on providing the best customer experience for our members and employees, efficiency and automation to optimize processes on existing new platforms through automation and digital solutions, offering a seamless and automated provider management platform through integration, and the use of big data and analytics that enables the business to gain insights through analytics and artificial intelligence.

### Digital Initiatives in 2022

Bupa Arabia revamped its newly launched career website, adding new features, including simple steps and a seamless journey that reflects the branding and look of our website. Having automated the digital sales journey of our Company ('Medical Declaration' and 'Know Your Customer' – also known as MD and KYC respectively), we were successful in increasing efficiency and customer satisfaction, and accomplished major growth in digital sales during the year. In addition, we have automated our SME Broker Portal process in order to increase its efficiency.

### Our Accomplishments in 2022

- Launched three new products through the mobile app, offering an end-to-end shopping experience
- Expanded robotic process automation (RPA) to include more processes
- Automated the Digital Sales Process (MD and KYC)
- Expanded our "Salma" chatbot (for customer service and the Tebtom program)
- Launched Group Secretary (GS) on the app (after-sales platform)
- Launched the GS Chatbot
- Introduced Wathiq and Absher integration in the app
- Automated the SME Broker Portal



## Our Impact

### a. Mobile app

The initiatives implemented under the mobile app project include the Digital Health Platform and the release of health records, virtual consultations and to conduct end-to-end telemedicine services with high-quality doctors, as well as receive prescriptions, lab results and upload medical documents in the EHR. This has played a vital role in enhancing the customer experience and efficiency, where we reached 2.5 million app downloads, achieved an NPS of 79 and an app rating of 4.4.

### b. Robotic Process Automation (RPA)

We have implemented RPA in numerous crucial processes to increase productivity. During the year, we launched over 74 bots that managed more than 25 million transactions.

### c. Pharmaceutical Benefits Management (PBM)

With the expansion of the Pharmaceutical Benefits Management (PBM) system, we enabled patients to achieve better health results through greater access to appropriate medications and reduce drug spending within prescriptions. During 2022, we reached over 1,000 live providers with 1.5 million transactions year-to-date.

- Completed all the requirements recommended to achieve the ISO 27001:2013 certificate; the globally recognized standard for information security management.
- Secured Tier 2 uptime design certificate for the Data Center, enhancing the availability of cybersecurity for customers

Bupa Arabia has also invested in developing a comprehensive security awareness program, designed to educate employees and customers about the importance of information security and to promote safe and secure information practices.

The Company has implemented a comprehensive risk management program that includes regular risk assessments and the development of mitigation strategies to address identified risks. One of the key components of the program is the Business Continuity Management (BCM) program, which ensures that the Company can continue to provide its customers with critical services even in the event of a disaster or other disruptive event.

## Addressing Cybersecurity

Bupa Arabia is proud to announce its significant achievements in cybersecurity, risk management, and regulatory compliance for the year 2022. The Company has made significant investments in cybersecurity and risk management and has implemented comprehensive programs to ensure the protection of our customers' sensitive information.

- Upgraded the Security Operations Center (SOC) to enhance real-time monitoring and analysis and address security incidents faster.
- Completed a comprehensive security audit which confirmed that Bupa Arabia has implemented the best practices in information security.
- Implemented a real-time threat intelligence program which enables the Company to take effective measures and always stay up-to-date.





## BUSINESS REVIEW

Bupa Arabia is also fully committed to compliance with local regulations in the Kingdom of Saudi Arabia, by the SAMA Cybersecurity Framework, the National Cybersecurity Authority (NCA), and the Council of Cooperative Health Insurance (CCHI).

### Industry Recognitions for Bupa

With 25 years of experience, Bupa Arabia strives to continually create a one-of-a-kind customer experience and fulfil the promises made by our brand.

The following awards serve as evidence that we are moving forward in the right direction and we would like to express our sincere gratitude to the Bupa Arabia family for their tireless efforts in achieving our objectives.

#### Brand Awards

1. Best Insurance Brand  
(InsureTek Golden Shield Excellence Awards 2022)
2. Most Valuable Insurance Brand and ranked 10th among the Strongest Saudi Brands  
(Brand Finance 2022 ranking)
3. Top 10 Most Valuable Saudi Brands 2022  
(Kantar BrandZ)

#### General Insurance Awards

1. Best Healthcare Insurance Innovation  
(InsureTek Golden Shield Excellence Awards 2022)
2. 3G Social Innovation Award 2022 and 3G Commitment to Corporate Governance Award (Global Good Governance Awards 2022 – also known as the 3G Awards)
3. Customer Experience Transformation award  
(Celent Model Insurer 2022)
4. Ranked 79th among the Middle East's Top 100 Listed Companies in 2022 (Forbes)

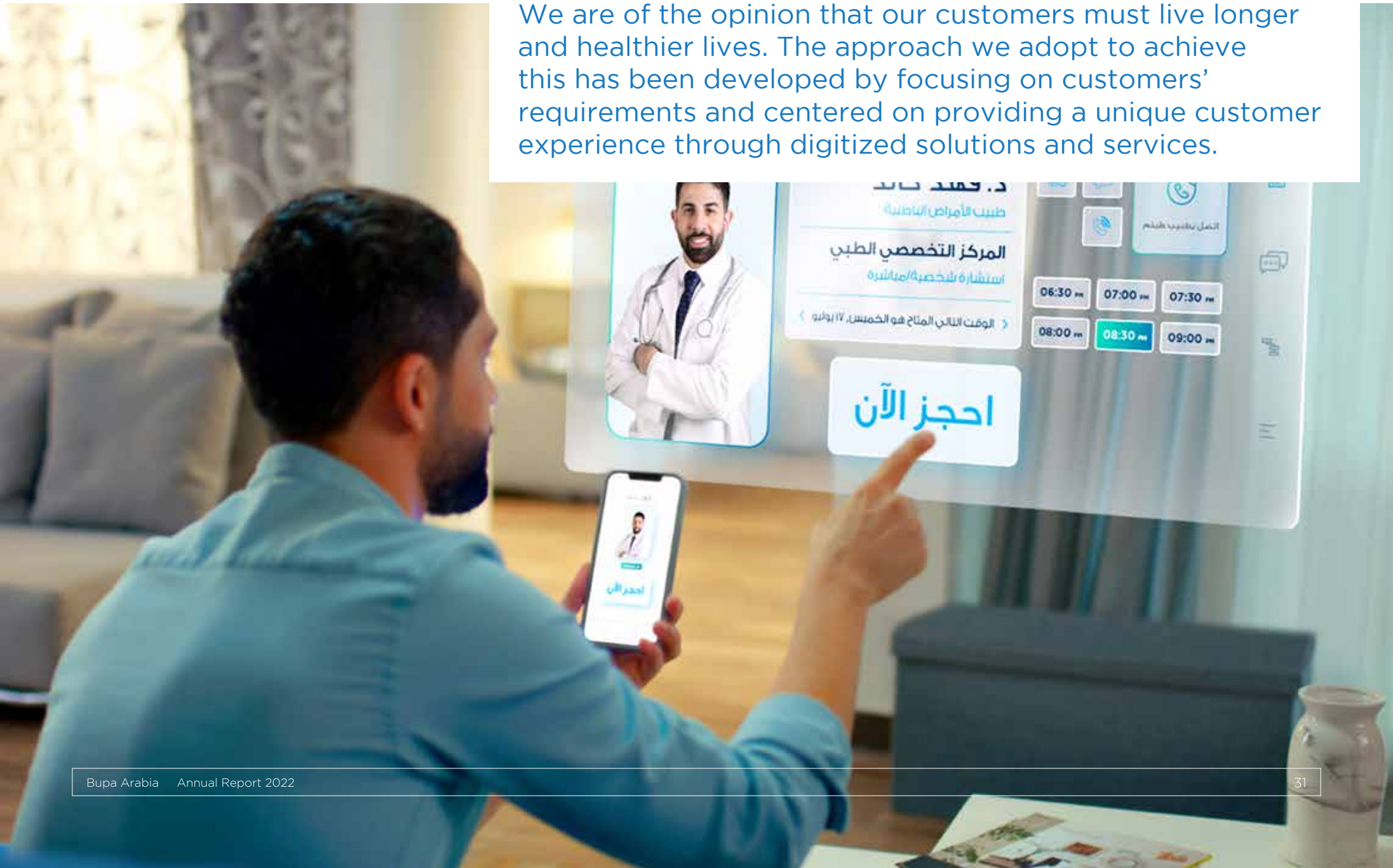
#### In addition to the above:

- We participated in the 6th edition of the Saudi Insurance Symposium
- Bupa Arabia won “Best Customer Service Award” in the health insurance companies track and was a winner in the “Insurance Transactions Award” category for transactions on the NPHIES platform in 2022 (CHI Excellence Awards)
- Our CEO won the “CEO of the Year Award” for health insurance companies (CHI Excellence Awards)
- Bupa Arabia was a Platinum Sponsor of the HR Tech Saudi Summit 2022.



# Customer Capital

We are of the opinion that our customers must live longer and healthier lives. The approach we adopt to achieve this has been developed by focusing on customers' requirements and centered on providing a unique customer experience through digitized solutions and services.





During the year, we introduced three new products through the mobile app, and were successful in increasing efficiency and customer satisfaction by automating the Company's digital sales journey.

### The Value We Deliver

We take a forward-looking approach in terms of healthcare, and most of our services are only a click away because we know that digital solutions are of high value to our members. Whether customers use Tebtom to access a wide range of healthcare services, Rahatkom to receive well-deserved hospital care, or Bupa Live Right for the best advice on living a healthy life, our ground-breaking healthcare solutions are simple to use and have set the stage for the Kingdom's healthcare revolution.

#### Bupa Corporates

For companies over 250 staff members

#### Bupa Munsha'at

For small and medium enterprises

#### Bupa International

For executives and individuals



### Highlights

+3 million members

56.8

NPS

### The Products We Offer

Bupa Arabia offers a variety of healthcare solutions to our business and individual customers.

Our business products include:

#### 1. Bupa Corporate

The Bupa Corporate program offers a choice of four customizable coverage schemes for companies with over 250 staff members. The Company's representatives are located on-site at the Kingdom's largest hospitals, and are ready to provide immediate assistance.

#### 2. Bupa Munsha'at

Bupa Munsha'at is considered to be one of the Company's significant contributors in terms of GWP. The product offers customizable choices across three programs for small and medium enterprises. Moreover, we have completed three product design cycles on Bupa Munsha'at to prepare its successors (Munsha'at 2.0) while still maintaining the new proposition of flexibility and customizability.

#### 3. Bupa International Health Plan

A private health insurance scheme for executives and other individuals living and working in the Kingdom of Saudi Arabia and worldwide. The scheme provides access to over one million healthcare providers across 190 countries.

Our products for individuals include:

#### 1. Bupa Family

Bupa Family is considered to be the fastest-growing product in the B2C portfolio due to its array of plans. With the introduction of modular health insurance that allows for the selection of coverage based on customers' health requirements and budgets, the product focuses on continuing to meet the diverse demands of Saudi families. Moreover, Bupa Family registrations recorded growth on a monthly basis, peaking in May last year with a growth rate of 106% compared to the beginning of 2022.

#### 2. Bupa Helpers

Bupa Helpers is positioned as the only health insurance product in the market that is designed specifically for domestic workers based on their needs. Moreover, the product is affordable so that it doesn't place financial burdens on employers. Bupa Helpers directly supports the Company's Bupa Strategy, given its strong potential.

#### 3. Bupa Parents

Bupa Parents is designed exclusively for Bupa Arabia members, and it enables them to insure their parents directly from our website or the Bupa App. The product was recognised as the 'Most Innovative Health Insurance Product' within the first year of its launch.

#### 4. Bupa Expat Individuals

This program covers the health insurance needs of second-degree dependents under the sponsorship of non-Saudi employees.

#### 5. Bupa Inbound Travel

This program safeguards the health and safety of individuals entering the Kingdom of Saudi Arabia by focusing on all risks associated with travel.

### Enhancing the Customer Experience

The customer experience has been further improved with a number of new features such as our live chat, consultations, the mobile app, web services, and more. We expanded our medical delivery services, improved our home-based laboratory tests and vaccination services, and launched local telemedicine services to make medicine more accessible to all Bupa Arabia clients.

Moreover, the Company launched Group Secretary (GS), an after-sales platform on the app, introduced Wathiq and Absher integrations, and three new products, offering an end-to-end shopping experience.



## Our Products that Improve the Customer Experience



The Bupa Tebtom program is a digitalized health service that is available through Bupa App or the designated hotline, which provides access to the Bupa Tebtom team who supports members during their healthcare journey.

The programme offers:

- Tebtom Team who are available 24/7, to provide healthcare guidance.
- Chronic Care provides continuous care, medication delivery, and blood tests for patients with chronic diseases.
- Maternity and Child Care to guide mothers during the pre- and postnatal journey.
- Telemedicine service help patients consult with doctors irrespective of their location.
- Specialized International Services in the form of International Second Medical Opinion (ISMO) services for members requiring international diagnoses from globally renowned centers.

The wellness services aim to improve members' well-being to adopt healthier lifestyles.

- Home Clinic: a new service created following COVID-19 pandemic to provide our members with medical care at their homes, including nursing care, doctors' visits, and physiotherapy.
- Tebtom Health Care Delivery Services (HCDS), or Tebtom HCDS, expanded its scope of work to include low networks during the pandemic and launched video teleconsultations.

The Bupa Tebtom program has touched over 15 million lives to date.



The Bupa Rahatkom program is designed to support our members with a seamless hospital experience.

The program offers:

- Bupa Hospital Delegates facilitate patients' journeys by guiding them through processes, tracking their requests, and expediting the approval process
- Reduced medical clinic waiting times by up to 50%.
- Continuity of Care to provide post-discharge guidance to patients.

The Bupa Rahatkom program has touched over 2 million lives to date.



The Bupa Click program is an all-in-one service for our digital innovation services available through our mobile app and website. With our 24/7 online presence, we provide healthcare services to our patients at any time with a single click (members can view our products, review their benefits, track their policies, or request Bupa Tebtom services).



The Live Right program is a collection of highly interactive wellness sessions and activities designed to improve our members' and the community's overall well-being. The program comprises around 200 Live Right activities focused on areas such as:

- Mental well-being
- Health lounges
- Prevention
- Fitness
- Weight loss programs





# Human Capital

Bupa Arabia, as a renowned service sector organization, recognizes the invaluable contribution of its employees in exceeding customer expectations and driving business success. We are relentless in our pursuit to attract, develop, engage and retain the best talent available, and continuously strive to be an employer of choice offering an open and equitable workplace.



At Bupa Arabia, we acknowledge that our employees are at the heart of operations, delivering exceptional services to our customers. As a result, we remain committed to both hiring and retaining top talent, while creating a conducive culture for growth. With this aim in mind, our Human Resources (HR) team continuously develops and implements policies which help our people to remain engaged and are groomed to become the next layer of future leaders.

Our HR team's hard work continued into 2022 as continued to deliver its targets of the IBupa 2023 business strategy.

Attracting top talent:



**80%** Saudization

Retaining talent:



**8% turnover**

+1 pt improvement over 2021

Developing top talent:



**81%** Succession rate

Engaging talent

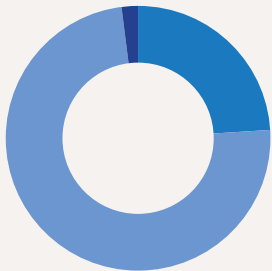


**88%**

Engagement score  
+8 pts above  
employer of choice

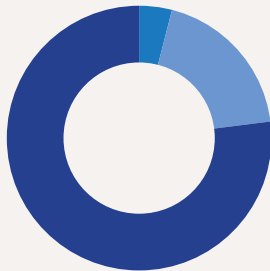
Overview of Bupa Arabia's workforce

Age distribution



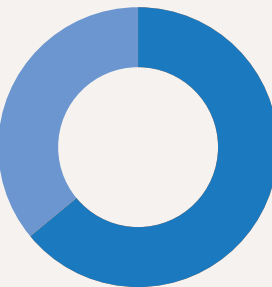
- 18-30 years - 24%
- 31-50 years - 74%
- 51+ years - 2%

Employee category



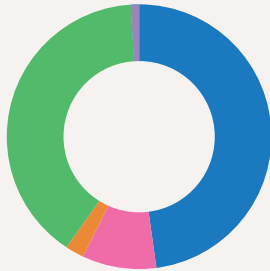
- Senior Management - 4%
- Middle Management - 19%
- Other Staff - 77%

Gender composition



- Male - 64%
- Female - 36%

Number of years of service



- 0-5 years - 48%
- 6-10 years - 10%
- 11-15 years - 2%
- 15-20 years - 39%
- Over 20 years - 1%



## Learning and Development Initiatives

In 2022, Bupa Arabia invested SR 6.9 million in employee training and development. Our focus remains on offering best-in-class leadership development programs across all management levels. We partnered with both internal and external vendors to offer a combined 28,000 man-hours of training spanning the dimensions of personal effectiveness, technical skills and leadership development during the year.

Moreover, Bupa Arabia undertook significant tangible reform initiatives to enhance employee career growth prospects, an area of concern among the workforce. A few key initiatives included:

- i. Adjustments in basic pay for junior level employees
- ii. An average 20% salary hike across 1,550 employees
  - 1230 employees participated in diverse development initiatives
  - +260 leadership development initiatives participants

## Employee Engagement, Benefits and Wellbeing

Bupa Arabia conducts bi-annual employee engagement surveys to gauge overall satisfaction and engagement across a wide spectrum of benchmarks including the 13 additional drivers including collaboration, empowerment, sustainability, personal growth, and wellbeing. We have achieved the highest engagement score (e-sat) at 88% and with 95% participation rate. This People Pulse survey is being handled by independent company, Glint. We also empower our people to raise grievances or resolve disputes through mechanisms such as the "SPEAK UP" hotline, which allows them to inform of any policy violations or concerns.

We offer our staff a wide range of benefits, some of which are:

- Service awards
- Recognition programs
- Relocation allowances
- Ticket allowances
- Business travel benefits

- Life insurance
- Children education allowance
- End of service

We recognize the growing importance of mental health and employee wellbeing, particularly following the COVID-19 pandemic, which enabled a rethinking of the workplace. We partnered with a reputed local entity to offer individualized mental wellness support to our employees.

Further, we are rolling out our flexi strategy across the organization, which would enable all employees of Bupa Arabia to enjoy a degree of flexibility based on the nature of their work. We have introduced 14 policies under the three categories of place, time and leave to guide the flexi initiative, and strongly believe it will offer greater work-life balance for our employees. In particular, we now provide an option for mothers to opt for 'work from home' flexibility for a month following the completion of maternity leave.



# Environmental, Social, and Corporate Governance (ESG)

Environmental, Social, and Corporate Governance (ESG) is a framework of non-financial performance indicators that facilitate the evaluation of an organization's combined conscientiousness and commitment towards its stakeholders, and the environment and communities in which it operates.



As a healthcare market leader in the country, Bupa Arabia is dedicated to implementing ethical and sustainable approaches and strategies in keeping with international standards while actively aligning with Saudi Vision 2030, which is a blueprint for ensuring that sustainability lies at the heart of everything the Kingdom does. We ensure that sustainability is adopted into activities and operations at every level of the Organization, with a focus on having a prominent impact on community members and the environment.

Although our environmental influences may be limited, Bupa Arabia strongly believes that a positive impact on the environment can only be achieved by adopting a proactive approach. The Company commenced building its strategic sustainability framework in collaboration with AccountAbility, a top-class global consulting and standards firm with over 35 years of experience in ESG consulting, assessed the current state of sustainability practices (Materiality Assessment) and determined the material sustainability topics for Bupa Arabia's business.

The sustainability work streams are the following:

1. ESG Health Check
2. Materiality Assessment
3. GHG Calculation

The conclusion of the assessment shall serve as the foundation in building Bupa Arabia's sustainability strategy in the next coming years.

Bupa Arabia's collaborative effort with the Ministry of Human Resources and Social Development (MOHRSD) enables us to further contribute to communities in a positive manner. Our One for One funding, which matches employee contributions with the Company's funds for charitable projects, in addition to wellness, care and health initiatives are some of the ways in which support is extended.

Our CSR projects, such as Live Right activities, diversity and inclusion, internship programs, partnerships with MOHRSD, the Human Resources Development Fund (HRDF) and universities enhance fresh graduates' skills and competencies, thus gearing them for greater job opportunities, which is highly commendable. These partnerships led us to train 300 graduates, while 70 of those were hired after the program.

Some of Bupa Arabia's projects and initiatives include:

- Providing free health insurance to 2,000+ orphans residing in foster and care homes managed by MOHRSD. This project has been ongoing since 2011.
- Annual blood donation drives that are held in our 4 main offices by the Ministry of Health (MOH).
- An annual Ramadan initiative where we provided 2,500 gifts amongst different beneficiaries.
- The Tamheer cooperative training program – a support and assistance program for job seekers that provides training opportunities in various fields.
- Participation in job career fairs to support job seekers in finding opportunities at Bupa Arabia.
- Hosting students' visits to Bupa Arabia HQ, to educate them about the nuances of the work environment and support their quests in finding suitable job opportunities.

## Sustainable Technology

In 2021, a few initiatives that were geared towards the efficient management of water and electricity consumption were developed and implemented. And in 2022, the Company continued implementing such initiatives by:

- Swapping conventional lighting with LEDs and installing water aerators at sales branches
- Installing timers within air conditioner and lighting panels in all Bupa Arabia buildings, thus, contributing to the reduction of building operation hours and energy consumption.

## Sustainable Relationships

### Employment Relations and Diversity

Bupa Arabia continued promoting healthy employee relations and maintaining diversity over the course of the year.

#### 1. Talent Councils

The biannual talent councils with Operations, Sales, Risk and Finance teams, in the presence of the Chief Executive Team (CET), selected Senior Manager Teams (SMTs), and with the support of the HR Leadership Teams to help resolve all problems, resulted in a marked improvement in employee morale and overall interactions and relations with their senior management.

#### 2. Female Inclusion

Achieved female representation targets within the workforce, across the entire staff and management.

## Building Community Relations

Bupa Arabia has launched a series of initiatives to further facilitate access to insurance, including through the introduction of instalment payment solutions for micro-SMEs and individuals, and supplemental flexible financial solutions for SMEs.

The Company has also prioritized the advancement of insurance literacy and awareness by providing clients with all the necessary information they need to make informed decisions.





### Strengthening Partnerships

At Bupa Arabia, we consider our business partners/suppliers to be among the most integral contributors towards the success of the business. As such, the Company has focused on establishing and maintaining strong relations with them, especially within the localities.

Some of the significant achievements in this regard include:

- Concentrating on the requirements of local suppliers instead of overseas vendors.
- Granting local SMEs the opportunity to bid to strengthen relationships. We aim to achieve this by supporting their progress and development, and implementing enhanced motivational strategies.
- Focusing on cost saving methods.
- Sharing requests for proposals (RFPs) with various local suppliers.

Bupa Arabia has also worked on implementing the strategies listed below to maintain the longevity of supply chain with marked results from its inception;

- Implementation of a demand planning function, to strengthen the supply chain that allows to provide timely and uninterrupted care for clients
- Revision of supply chain contracts for revamping Bupa Arabia's key clients' stations in hospitals, contributing to an excellent client experience through a wide range of products and services
- Application of proactive warehousing arrangements for bulky items used for clients' events, by utilizing Vendor Managed Inventory principles, facilitating timely transportation and set up of the items.

### Engagement with Investors

The Annual General Meetings (AGM) serve as a regular forum of communication for the Company and its shareholders. Moreover, quarterly webcasts and earnings announcements are held by the CFO and CBDO, presenting detailed information to the investor public about Bupa Arabia's most recent financial performance, and the latest trends and subsequent impacts to the insurance market.

# Annual Board Report 2022







# FINANCIAL REVIEW

Bupa Arabia continued to maintain a steady growth pace in 2022, further supported by the Healthcare Insurance sector recovery.



## FINANCIAL REVIEW

2022 saw a broad recovery in the healthcare insurance sector from 2021 with notable growth in premiums and contribution figures despite a surge in medical inflation and claims. Results were further supported by strong investment income results which benefited from the high interest rate environment as global central banks continue tightening their monetary policies to curb persistent inflationary pressures.

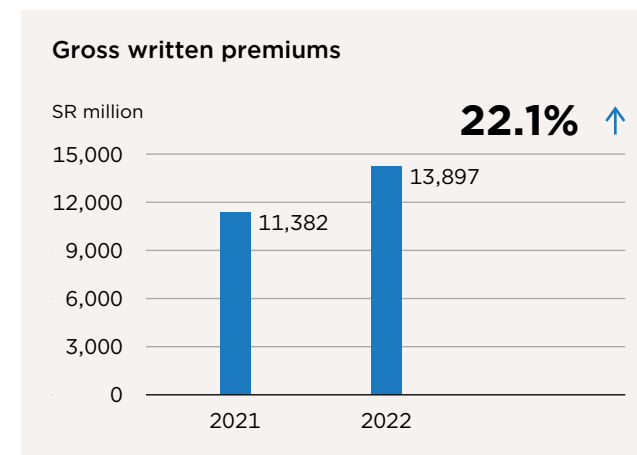
Bupa Arabia continued generating stellar financial results in 2022 with a **22% growth in GWP to SR 13.9 billion, and 40.5% growth in profit before zakat and tax to SR 1.03 billion.**

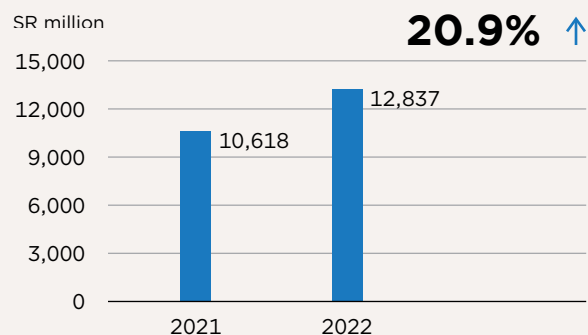
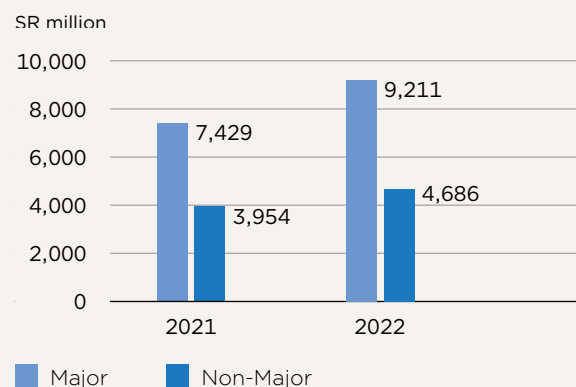
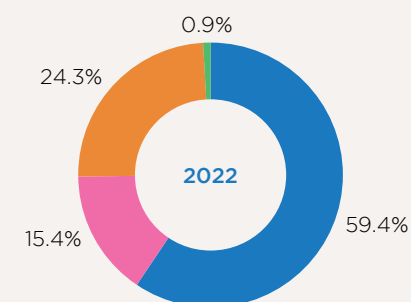
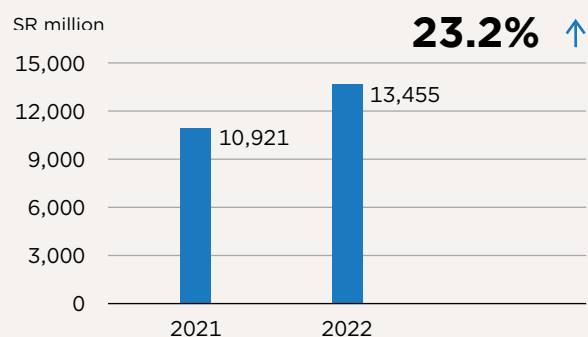
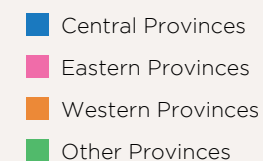
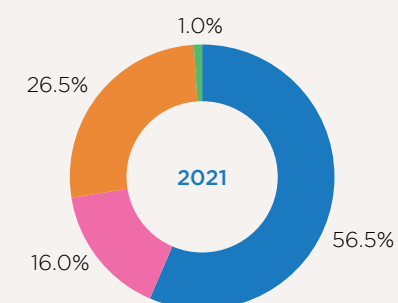
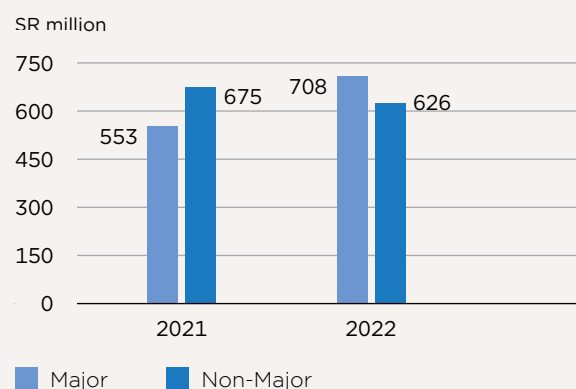
Total Revenue	Revenue growth	Gross written premiums
<b>SR 13,455 million</b>	<b>+23.3% YoY</b>	<b>SR 13,897 million</b>
Net earned premiums	Net claims incurred	Loss ratio
<b>SR 12,837 million</b>	<b>SR 10,925 million</b>	<b>85.1%</b>
Net profit before zakat and tax	Earnings per share	Dividend per share (for FY 2021)
<b>SR 1,027 million</b>	<b>SR 5.78</b>	<b>SR 4.5</b>
Cash and cash equivalents	Term deposits	Investments
<b>SR 1,288 million</b>	<b>SR 6,408 million</b>	<b>SR 3,374 million</b>

## Revenues and Segment Contribution

Bupa Arabia maintained its market leadership position within the healthcare insurance sector. In addition to healthy increases in new subscriptions, GWP growth was driven by price increases to minimize the impact of unprecedented medical inflation levels.

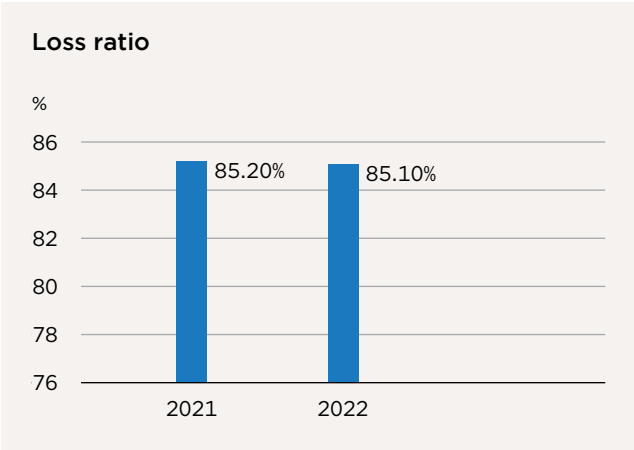
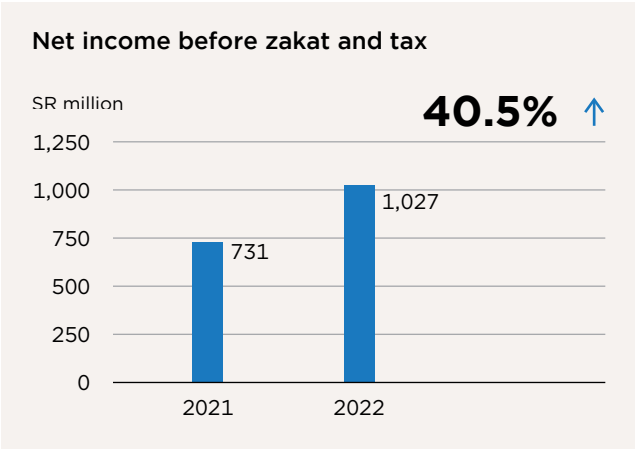
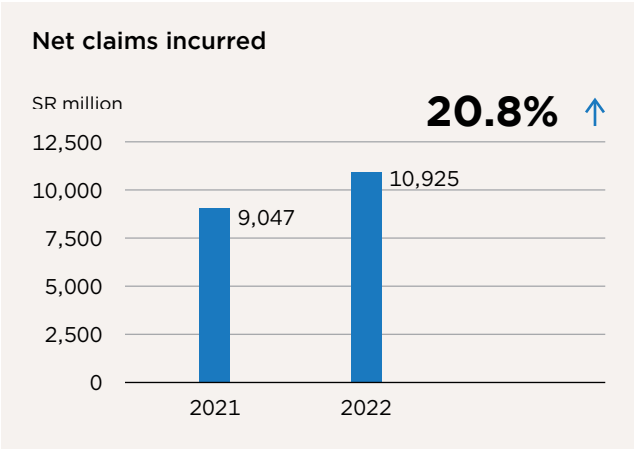
More than 66% of GWP was generated through our Major Customers segment (representing members of large corporates), which grew by 24%, while the Non-Major segment grew by more than 18% in 2022. Contribution results were very robust and grew by 22% across all customer segments.



**Net Earned premiums****Gross written premiums****Geographical analysis of gross written premiums****Total revenue****Net underwriting income**

Costs and Earnings

Despite the 21% surge in claims, Bupa Arabia managed to control its loss ratio, which remained relatively flat from 2021 levels at 85.1%. Price increases played a critical role in protecting our loss ratio and curbing inflationary pressures from regulatory-induced drivers such as new table of benefits, NPHIES fees, Covid coverage and government providers' billings, as well as notable increases in seasonal flu. Separately, net profit before zakat and tax grew by 40.5% and was driven by record investment income results of SR 553 million given higher deposits rates as well as capital gains from equity investments.



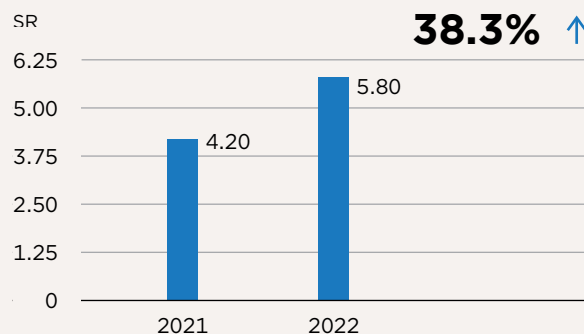


### Return to Shareholders

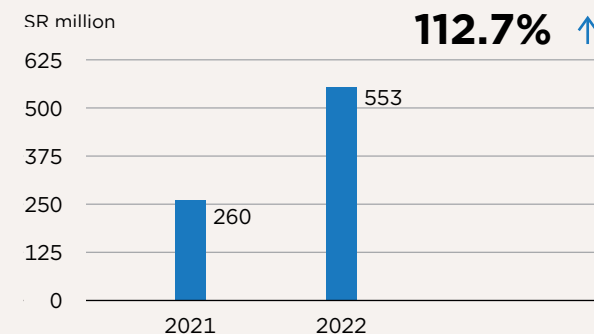
In 2022, Bupa Arabia reported a 38.3% growth in earnings per share (EPS) to SR 5.78 compared to SR 4.2 in 2021, supported by record earnings. Moreover, the Board of Directors has approved dividend distribution of SR 4.5 per share for the fiscal year 2021.

In 2022 Bupa Arabia increased its capital to SR 1,500 million by capitalizing SR 300 million from the retained earnings account, thereby increasing the capital by 25%, and thereby increasing the number of shares to 150 million shares by offering one bonus share for every four shares owned.

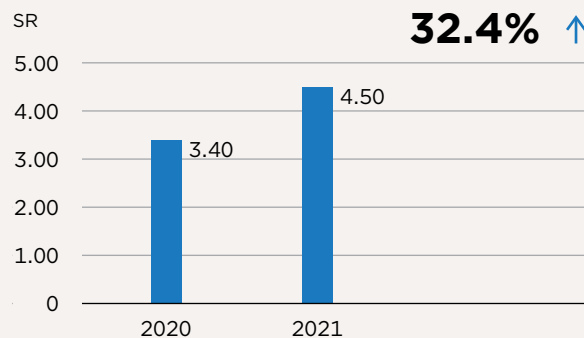
#### Earnings per share



#### Investment income



#### Dividend per share



## FINANCIAL REVIEW

### Five-Year Summary

Statement of Operations (12 Months)	2018 SR '000	2019 SR '000	2020 SR '000	2021 SR '000	2022 SR '000
Gross Written Premiums (GWP)	8,566,648	10,410,868	10,447,353	11,382,194	13,896,883
Net Earned Premiums (NEP)	8,150,242	9,371,291	10,734,482	10,617,715	12,836,761
Total Revenue	8,348,460	9,630,246	10,979,020	10,920,727	13,455,250
Gross Claims Paid	6,708,524	7,655,078	8,262,050	9,114,251	10,565,431
Net Claims Incurred (NCI)	6,788,985	7,749,297	8,719,928	9,046,569	10,924,527
Total Expenses	985,317	1,101,460	1,355,283	1,085,117	1,438,539
Surplus from Insurance Operations	487,272	668,341	801,410	583,469	653,031
Shareholders' Net Income before Zakat and Income Tax	525,431	712,654	823,669	730,701	1,026,881
Loss Ratio	83.30%	82.69%	81.23%	85.20%	85.10%
Earnings Per Share (EPS)*	3.51	3.98	4.66	4.18	5.78

\* EPS were adjusted retrospectively for the increase in outstanding shares due to the issuance of bonus shares in 2022.

### Summary of Financial Position

Assets	2018 SR '000	2019 SR '000	2020 SR '000	2021 SR '000	2022 SR '000
Cash and Cash Equivalents	290,413	665,709	633,251	960,758	1,288,297
Term Deposits	4,715,281	5,063,976	2,796,547	3,093,720	6,408,489
Investments	1,621,491	1,840,832	6,029,446	5,703,773	3,374,302
Prepayments and Other Assets	202,985	276,643	85,086	113,254	147,763
Premiums Receivable - Gross	1,119,902	1,886,564	1,542,567	1,992,656	2,403,549
Allowance for Doubtful Premiums Receivable	-169,231	-197,187	-222,524	-231,356	-244,366
Premiums Receivable - Net	950,671	1,689,377	1,320,043	1,761,300	2,159,183
Reinsurer's Share of Unearned Premium	6,320	20,625	20,108	27,935	48,265
Reinsurer's Share of Outstanding Claims	3,014	5,190	7,936	15,036	19,823
Deferred Policy Acquisition Costs (DAC)	118,323	134,022	68,214	201,042	264,931
Amount Due from Insurance Operations	-	-	-	-	-
Goodwill	98,000	98,000	98,000	98,000	98,000
Tangible and Intangible Assets (prev. furniture, fittings and equipment)	138,516	225,686	265,977	249,664	295,003
Accrued Interest on Statutory Deposit	6,882	10,820	13,806	14,885	16,235
Statutory Deposit	120,000	120,000	120,000	120,000	150,000
Deferred Tax Asset	25,552	30,216	37,941	39,735	40,151
<b>TOTAL ASSETS</b>	<b>8,271,896</b>	<b>10,181,096</b>	<b>11,496,355</b>	<b>12,399,102</b>	<b>14,310,442</b>

Bupa Arabia's total assets have seen a steady growth, reflecting its strong and expanding business activities. Total assets in 2022 grew by 15% to SR 14.3 billion with strong underwriting results reflected in the increase in premiums receivables and in term deposits. The reallocation from investments to term deposits reflects views to benefit from high interest rates expectations during 2022.

Liabilities and Surplus	2018 SR '000	2019 SR '000	2020 SR '000	2021 SR '000	2022 SR '000
Unearned Premiums (UEP)	3,428,131	4,376,219	4,023,331	4,709,555	5,695,725
Outstanding Claims Provision (OCP)	1,472,681	1,627,708	2,109,319	2,111,455	2,514,835
Reinsurance Balance Payable	50,636	54,413	4,873	25,397	2,605
Accrued Expenses and Other Liabilities	367,204	545,028	816,062	882,393	1,210,296
Amount Due to Shareholders' Operations	-	-	-	-	-
Policyholders' share of Surplus from Insurance Operations	139,755	168,454	200,391	190,060	208,021
Accrued Zakat and Income Tax	199,784	274,709	317,199	236,610	326,566
Accrued Interest on Statutory Deposit	6,882	10,820	13,806	14,885	16,235
Amount Due to Related Parties	41,095	78,848	108,521	33,723	42,280
<b>TOTAL LIABILITIES</b>	<b>5,706,168</b>	<b>7,136,199</b>	<b>7,593,502</b>	<b>8,204,078</b>	<b>10,016,563</b>
<b>TOTAL EQUITY</b>	<b>2,591,280</b>	<b>3,044,897</b>	<b>3,902,853</b>	<b>4,195,024</b>	<b>4,293,879</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,297,448</b>	<b>10,181,096</b>	<b>11,496,355</b>	<b>12,399,102</b>	<b>14,310,442</b>

Total liabilities grew by SR 1.8 billion in 2022 to SR 10.0 billion, due to the increase in unearned premiums and outstanding claims, while total equity grew by SR 99 million to reach SR 4.3 billion, supporting a strong solvency position well above regulatory thresholds.

### Statutory Payments and Payable to Regulatory Bodies

Description	Paid		Paid Change 2021 vs 2022 SR '000	Payable		Payable Change 2021 vs 2022 SR '000
	2021 SR '000	2022 SR '000		2021 SR '000	2022 SR '000	
ZATCA: Zakat and Income Taxes	187,515	74,770	-112,745	236,610	326,566	89,956
ZATCA: Value Added Tax (VAT)	591,517	728,158	136,641	85,516	116,160	30,644
ZATCA: Withholding Taxes (WHT)	11.7	25.6	13.9	7.4	8.2	0.8
<b>ZATCA: TOTAL</b>	<b>779,044</b>	<b>802,954</b>	<b>23,910</b>	<b>322,133</b>	<b>442,734</b>	<b>120,601</b>
SAMA: Levies	54,696	67,505	12,809	10,504	12,484	1,980
CHI: Levies and License Fees	162,586	135,009	-27,577	21,009	24,968	3,959
<b>TOTAL: LEVIES AND LICENSE FEES</b>	<b>217,282</b>	<b>202,514</b>	<b>-14,768</b>	<b>31,513</b>	<b>37,452</b>	<b>5,939</b>
CMA/Tadawul: Service and License Fees	1,221	1,418	197	0	0	0
GOSI	35,475	35,971	496	2,961	3,347	386
<b>TOTAL</b>	<b>36,696</b>	<b>37,389</b>	<b>693</b>	<b>2,961</b>	<b>3,347</b>	<b>386</b>

## FINANCIAL REVIEW

### Zakat, Tax and Customs Authority: Zakat and Income Tax (ZATCA)

Total zakat and income tax payments during 2022 were SR 74.7 million, of which SR 23.7 million was for the 2021 tax and zakat returns and SR 51 million for 2022 advance tax.

Bupa Arabia paid SR 728.2 million in 2022 to ZATCA for VAT payments with SR 116 million VAT payable at the end of the year. Additionally, SR 25.6 million was paid during 2022 for withholding taxes, and SR 8.2 million provided in the 2022 results was related to withholding taxes payable in 2023.

The SR 442.3 million payable to the ZATCA includes SR 162.5 million payable in 2023 for 2022 zakat and tax returns, while the remainder is predominantly additional provisions for zakat matters.

### Saudi Central Bank (SAMA)

Total levies paid to SAMA during 2022 were SR 67.5 million, of which SR 10.5 million were for the fourth quarter of 2021 while SR 57 million were for the three quarters of 2022. The SR 12.5 million payable amount for 2022 includes the normal provisioning for Q4 2022.

### Council of Health Insurance (CHI)

Total levies paid to the CHI for 2022 were SR 135 million, of which SR 21 million were for the settlement of Q4 levies of 2021, and SR 114 million were for the first three quarters of 2022. The SR 25 million payable amount for 2022 includes the normal provisioning for Q4 2022.

### The General Organization for Social Insurance (GOSI)

Total 2022 payments to GOSI were SR 36 million, of which SR 3 million was related to 2021. An amount of SR 3.3 million was provided for, reflecting 2022 related GOSI commitments, which are payable in 2023.

### Tadawul and the Capital Market Authority (CMA)

The Company paid SR 1.4 million to Tadawul/CMA during 2022, which included SR 400 thousand for service fees, SR 1 million for annual listing fees, and SR 17.2 thousand for other fees.

### Regulatory Penalties

During 2022, the Company paid to SAMA SR 100,000 for a fine imposed related to re-insurance rules violations.

### Dividends and the Company's Policy for the Distribution of Profits

The Company's By-Laws state the following with respect to the calculation and distribution of profits:

1. The exclusion of zakat and income tax
2. That 20% of net profits are allocated to form a statutory reserve. The General Assembly has the authority to cease this transfer once the statutory reserve is equivalent to the paid-up capital of the Company
3. Based on the Board's recommendation, the General Assembly can also hold a percentage of the annual net profit to form a reserve and may allocate it to purposes of its choosing
4. The balance shall be distributed as a first payment amounting to no less than 5% of paid-up capital to the shareholders

5. The remaining balance shall be distributed to the shareholders as a share in the profits or transferred to the retained profits account
6. The Board may issue a decision to distribute periodical profits to be deducted from annual profits as specified in point 4 above, and in accordance with the relevant regulatory rules issued by the concerned authorities

In addition to that stated within the Company By-Laws, during 2017, the Company approved the following as an added dividend policy:

In addition to the distribution of profits requirements, as reflected within the Company By-Laws (Articles of Association), the Company Dividend Policy is as reflected below:

To distribute any excess cash as dividends to shareholders subject to:

- a) maintaining a solvent position at the end of each quarter as per local laws and regulations,
- b) receiving the requisite regulatory and shareholder approvals for the dividend(s) wherever applicable and,
- c) having accounted for the Company's requirements in meeting its Capital Management Policy and relevant risk management policies; policies that cover the business and investment requirements

### Dividend History – Last Five Fiscal Years

Description	2017* SR '000	2018 SR '000	2019** SR '000	2020 SR '000	2021 SR'000
Retained Income (pre-Zakat and inc. taxes)	500,614	525,431	712,654	823,669	730,701
Dividend Amount	160,000	180,000	0	408,000	540,000
Pre-Zakat and inc. Taxes Dividend Pay-Out Ratio	32.0%	34.3%	N/A	49.5%	74.0%
Number of Shares in Issue	80,000*	120,000	120,000	120,000	120,000
Saudi Riyals Dividends per Share	2.00	1.50	N/A	3.40	4.50
Distribution Period	2019Q3	N/A	N/A	2021Q3	2022Q3

\* At the time of the dividends issue, there were 80 million shares in issue. Bonus shares were issued during November 2018, one bonus share for every two shares held, using SR 400 million of the 2017 retained earnings, to increase Bupa Arabia's share capital by 50%, resulting in 120 million shares in issue at 31 December 2018.

\*\* No dividends were declared in 2020 due to the uncertainties surrounding COVID-19.



# GOVERNANCE AND RISK MANAGEMENT REPORT

Bupa Arabia remains committed to robust corporate governance structure, which will facilitate prudent management to deliver long-term success to the Company.



# Our Board Members

The Company has nine members on its board. On 1 July 2022 a new three-year board term started. As of 31 December 2022 the board of directors consists of:



**Eng. Loay Hisham Nazer**  
Non-Executive Member (Chairman)



**Mr. David Fletcher**  
Non-Executive Member (Vice-Chairman)



**Mr. Tal Hisham Nazer**  
Executive Member – Managing Director and  
Chief Executive Officer



**Dr. Abdulla Elyas**  
Independent Member



**Ms. Huda Bin Ghoson**  
Independent Member



**Mr. Osamah Shaker**  
Independent Member



**Mr. Martin Houston**  
Non-Executive Member



**Mr. Nader Ashoor**  
Executive Member – Deputy Chief Executive Officer and  
Chief Financial Officer



**Mr. Nigel Sullivan**  
Non-Executive Member

**Eng. Loay Hisham Nazer**

Non-Executive Member (Chairman)

Chairman and board member of Bupa Arabia since its inception in 2008. Founder and chairman of the Nazer Group Ltd. and a board member of various Nazer companies. Former chairman of Al-Ittihad Football Club, former vice-chairman of the Saudi Olympic Committee, former chairman of the Saudi Arabian Judo Federation, and former CHI Board member.

Eng. Loay is not a board member in other Saudi PLCs. He is currently serving his sixth term as board member at Bupa Arabia, representing Nazer Group Company Ltd.

**Current Positions****Chairman**

- Bupa Arabia Board and Executive Committee.
- Nazer Group Company Ltd.
- Nazer Bupa for Medical Equipment Company (NBME)

**Other Positions**

- International Medical Clinics Company (Partner)
- Bupa Middle East Holdings Two W.L.L. (Board Member)
- UCLA Anderson School of Management Board of Advisors (Board Member)

**Previous Positions**

- Makkah Cluster Advisory Board – Ministry of Health (Chairman)
- Diaverum Arabia Company (Board Member)
- Nazer Dialysis and Advanced Healthcare Services Co. Ltd.
- Al-Ittihad Football Club (Chairman)
- National Unified Procurement Co. for medical supplies (NUPCO)
- Saudi Olympic Committee (Vice-Chairman)
- Saudi Arabian Judo Federation (Chairman)
- CHI (Board Member)

**Qualifications**

- MBA, Anderson Graduate School of Management, UCLA, USA (1989)
- BSc Mechanical Engineering, UCLA, USA (1987)

**Mr. David Fletcher**

Non-Executive Member (Vice-Chairman)

Representing the foreign shareholder: Bupa Investments Overseas Limited (BIOL)

Bupa Arabia Board member and Vice-Chairman, since 2014. Currently, Bupa Group Chief Risk Officer, and member of its Chief Executive Committee. He is also a non-executive director of Niva Bupa (previously known as Max Bupa), Bupa's associate health insurance business in India. Mr. Fletcher has extensive international experience in insurance and banking, having held various senior positions at Standard Chartered and Citibank, including the roles, Head of Audit, and Country CEO.

Mr. Fletcher is currently serving his fourth term as board member at Bupa Arabia, representing BIOL.

**Current Positions**

- Bupa Arabia (Board Member and Executive Committee Member)
- Bupa (Chief Risk Officer)
- Bupa (Chief Executive Committee Member)
- Bupa Middle East Holdings Two W.L.L. (Non-Executive Director)
- Niva Bupa Health Insurance Company Ltd. (Non-Executive Director)
- China Taiping Insurance UK (Non-Executive Director)

**Previous Positions**

- BUPA International Development Markets (CEO)
- Bupa (Chief Internal Auditor)
- Bank Permata Indonesia (Ex-President Director/CEO)

**Qualifications**

- BA Honors in Modern History, Durham University, UK (1985)

**Mr. Tal Hisham Nazer**

Executive Member – Managing Director and Chief Executive Officer

Bupa Arabia CEO/Board member since its inception in 2008.

Mr. Tal is not a board member in other Saudi PLCs. He is currently serving his sixth term as board member at Bupa Arabia.

**Current Positions****Board Member**

- Bupa Arabia
- Nazer Group Company Ltd.
- Cool Inc. Co.
- Ebda Co. ownership (25%)
- Modern Computer Program Co. Ltd. (MCPC)
- Arabian Medical Marketing Company (NAWAH)
- Quick Solutions for Trading Company (Under Liquidation)
- ASAS Health Care Co. Ltd.
- Bupa Middle East Holdings Two W.L.L. (Bahrain)
- Financial Academy
- Endeavor Saudi Arabia
- Arabian Address Real Estate Company

**Other Positions**

- Bupa Arabia Executive Committee and Investment Committee Member
- Najm for Insurance Services Company (Board Chairman)
- Cool Inc. Co. (Board Chairman – 47%)
- Chief Executive Committee of Bupa Group (Advisor)
- CHI's Private Health Insurance Strategic Committee (Member)
- SAMA Insurance Executive Committee (Member)
- Tal Hisham Nazer Company Limited (General Manager)
- Liyana Holding Company (General Manager)
- Young President Organization (Member)
- Young Global Leaders (Member)

**Previous Positions****Board Member**

- SAMA Insurance Companies General Committee
- Human Resources Development Fund (HRDF)
- Choate Rosemary Hall, New York, USA
- Nazer Dialysis and Advanced Healthcare Services Co. Ltd.
- Arab Conference Organizing Co. (ARC)
- Nazer Bupa for Medical Equipment Company (NBME)

**Qualifications**

- MBA Finance and Buyouts, Wharton, USA (2001)
- Bachelor of Economics, UCLA, USA (1996)



### Dr. Abdulla Elyas

Independent Member

Independent board member at Bupa Arabia since July 2019.

Dr. Abdulla Elyas is a co-founder of Careem, the ride hailing company and Super App acquired by Uber in 2019. He's currently chairman of its business in KSA. Prior to that, he co-founded Enwani, a cloud-based addressing and home delivery start-up that was acquired by Careem in 2014. He serves as a board member at the Saudi Arabian SME Authority, at Endeavor KSA, TAM Development Company, and at the EduTech start-up Noon. He's also an advisory Board Member of the VC firm Raed Ventures.

Abdulla chairs the governmental initiative to enable five Saudi unicorns by 2025 and is a regional angel investor. Previously, he led management consulting engagements in Europe, the US, South East Asia, and the Middle East.

Dr. Abdulla is not a board member in other Saudi PLCs. He is currently serving his second term as board member in Bupa Arabia.

#### Current Positions

- Bupa Arabia (Board Member, Audit Committee Member, and Risk Management Committee Member)
- Careem Inc. (Co-Founder and KSA-Chairman)
- Tam Development Company (Board Member)
- Small and Medium Enterprise Authority KSA (Board of Directors)
- Endeavor KSA (Board of Directors)
- Raed Venture Capital (Board of Advisors)
- Noon Academy Inc. (Board of Directors)

#### Previous Positions

- PIF (Investment Committee)
- Rocket Internet SE (Agent KSA)
- Enwani (Co-Founder and Managing Director)
- Scheer Management Consulting (Senior Management Consultant)

#### Qualifications

- PhD in Business Administration from RWTH Aachen, Germany
- MSc in Computer Science, from RWTH Aachen, Germany

### Ms. Huda Bin Ghoson

Independent Member

Bupa Arabia Independent Board Member since July 2019.

Ms. Huda was the Executive Director of Human Resources at Saudi Aramco. She retired in December 2017.

Ms. Huda is currently serving her second term as board member at Bupa Arabia.

#### Current Positions

- Bupa Arabia (Board Member and Nomination and Remuneration Committee Chairwoman)
- Saudi National Bank (SNB) (Board Member and NRC Member)
- Saudi Telecom Company (STC) (NRC Member)

#### Previous Positions

- Saudi Aramco (Executive Director)
- General Organization for Social Insurance (GOSI) (Board Member)
- Yanbu Aramco Sinopec Refining Company (YASREF) (Board Member)
- Johns Hopkins Aramco Healthcare Company (JHAH) (Board Member)
- Vela International Marine Ltd. (Board Member)
- Saudi Aramco Asia Company (SAAC) (Board Member)
- Board of Trustees of the Arabian Society of Human Resources Management (ASHRM) (Chairwoman)
- Saudi Aramco Development Company (SADCO) (Board Member)
- Saudi Aramco Investment Management Company (SAIMCO) (Board Member)
- Credit Suisse Saudi Arabia Bank (Board Member and Chair of NRC)
- Institute of Public Administration (Board Member and member of NRC and Excom)

#### Qualifications

- MBA from the American University of Washington, D.C., USA
- BA in English Literature from the King Saud University in Riyadh
- Executive training at Oxford University, Michigan Ross Business School, and Royal Academy of Dramatic Arts, London

### Mr. Osamah Shaker

Independent Member

An independent board member since 2022, and an independent Investment Committee Chairman since July 2019.

Mr. Osamah Shaker is CEO of GIB Capital, a company wholly owned by GIP Bank and based in Riyadh. Prior to joining GIB Capital, Mr. Shaker led the charge of banking control at the Saudi Central Bank (SAMA), overseeing and regulating all the commercial banks operating within Saudi Arabia. What's more, he possesses an excess of 16 years of banking and investment related experience in the Kingdom, having held multiple leadership positions at both the Saudi British Bank and HSBC Saudi Arabia.

Additionally, Mr. Shaker has roughly seven years working experience with the Institute of Public Administration (IPA) where he served as both a lecturer and statistical consultant. During his time at IPA, he also held the position of Head of the Department of Statistics.

Mr. Shaker is currently serving his first term at Bupa Arabia as board member.

#### Current Positions

- Bupa Arabia (Board Member and Investment Committee Chairman)
- GIB Capital (CEO and Board Member)

#### Previous Positions

- Saudi Central Bank (Director General of Banking Control and Senior Advisor)
- HSBC Saudi Arabia (Managing Director – Head of Financial Markets, Managing Director – Head of Investments, and Head of Asset Management)
- The Saudi British Bank (Head of Discretionary Portfolio Management, Manager of Advisory Services – Corporate Finance Department, and Manager of Equity Research – Investment Banking Group)
- Institute of Public Administration (Head of the Department of Statistics, Lecturer, and Assistant Teacher)

#### Qualifications

- Master of Science in Statistics from Colorado State University, Fort Collins, Colorado, USA (1994)
- Bachelor of Administrative Science in Quantitative Methods from King Saud University, Riyadh, KSA (1987)



**Mr. Martin Houston**

Non-Executive Member

Representing the foreign shareholder: Bupa Investments Overseas Limited (BIOL)

Bupa Arabia Board member since 1 October 2018 and served as a non-executive director on the main Board of Bupa, from January 2014 until 31 December 2019.

Mr. Houston was appointed as chairman of the board of the EnQuest PLC, effective 1 October 2019 and stepped down from the Board in December 2022.

He is also the vice-chairman of Tellurian Incorporated, and the advisory chairman of Moelis and the Company's Global Energy Group. He is also a non-executive director of CC Energy, a private exploration and production company.

Mr. Houston is currently serving his third term as board member at Bupa Arabia, representing BIOL.

**Current Positions**

- Bupa Arabia (Board Member and Risk Management Committee Chairman)
- Tellurian Inc (Vice-Chairman)
- Moelis and Company (Global Energy Group Chairman – Advisory Role)
- CC Energy Limited (Board Member)

**Other Positions**

- Fellow of the Geological Society of London
- Radia Inc (Advisory Board Member)

**Previous Positions**

- Bupa (Board Member)
- BG Group (Chief Operating Officer and Board Member)
- EnQuest PLC (Chairman)

**Qualifications**

- Bachelor of Geology, Newcastle University, UK (1979)
- Master of Science, Petroleum Geology, Imperial College, London, UK (1983)

**Mr. Nader Ashoor**

Executive Member – Deputy Chief Executive Officer and Chief Financial Officer

Bupa Arabia CFO since November 2016. In 2022, Mr. Nader was promoted to Deputy Chief Executive Officer in addition to his role as Chief Financial Officer.

Mr. Nader served previously on numerous boards and committees' memberships including the board of directors and audit committee of Saudi Steel Pipes, the board of Diaverum Saudi Arabia, and the investment committee of the Saudi Aramco Entrepreneurship Ventures Company. Mr. Nader has over 14 years' experience with Saudi Aramco in various professional, supervisory and leadership roles, including the role of Director, IPO Design and Readiness.

Mr. Nader holds CMA and CIA certifications and has successfully completed rigorous CPA examination requirements. He received multiple coveted awards, including the Prince Mohammad bin Fahd Academic Excellence Award, the IMA's Distinguished Performance Award, and the IIA's William S Smith Certificate of Honor Award.

Mr. Nader is currently serving his second term as board member at Bupa Arabia.

**Current Positions**

- Bupa Arabia (Board Member and Deputy CEO and CFO)
- Saudi Ground Services (Board Member)
- Middle East Paper Company (Audit Committee Chairman)
- D360 Bank (Audit Committee Member)
- Jeddah Airports Company (Risk and Audit Committee Member)
- Saudi Industrial Services Co. (Audit Committee Member)

**Previous Positions**

- Saudi Steel Pipe (Board Member)
- Saudi Steel Pipe (Audit Committee)
- Diaverum, Saudi Arabia (Board Member)
- Saudi Steel Pipe (Strategy Committee Member)
- Saudi Aramco Entrepreneurship Ventures Company (Investment Committee Member)
- Saudi Aramco (various roles, the final was Director of Finance Readiness-IPO)

**Qualifications**

- Bachelor's Degree in Accounting, KFUPM
- MBA, IMD International, Lausanne, Switzerland

**Mr. Nigel Sullivan**

Non-Executive Member

Representing the foreign shareholder: Bupa Investments Overseas Limited (BIOL)

Bupa Arabia Board member since 2021. Currently, Bupa Group Chief Sustainability and People Officer. He is a member of Bupa's Chief Executive Committee.

Mr. Sullivan has extensive international experience in Human Resources having started his career at the Rover Group and has held senior HR positions at Nortel Networks, Marconi and Wincanton PLC where he was Group HRD.

Mr. Sullivan is currently serving his second term as board member at Bupa Arabia, representing BIOL.

**Current Positions**

- Bupa Arabia (Board Member, Executive Committee Member, and Nomination and Remuneration Committee Member)
- Bupa (Chief Sustainability and People Officer)
- Bupa (Executive Team Member)
- Bupa Investments Overseas Limited (BIOL) (Non-Executive Director)

**Previous Positions**

- Noble Foods Ltd. (Non-Executive Director)
- Talk Talk Telecommunications Group PLC (Group Human Resources Director)
- Royal United Hospitals NHS Foundation Trust Bath (Non-Executive Director)
- Wincanton PLC (Group Human Resources Director and Board Member)
- Marconi Corporation PLC (Divisional Human Resources Director)
- Nortel Networks (Divisional Human Resources Director)

**Qualifications**

- Postgraduate Diploma in Personnel Mgt. (CIPD) (1990-1991)
- BSc Environmental Science (2i) (1985-1989)

# Our Chief Executive Team

The Board entrusts the day-to-day running of the Company to its Chief Executive Team, which includes the following members, along with our Chief Executive Officer, Mr. Tal Hisham Nazer, and our Deputy CEO and Chief Financial Officer, Mr. Nader Ashoor



**Ali Sheneamer**  
Chief Business Development Officer (CBDO)



**Tariq Alamoudi**  
Chief Human Resources Officer (CHRO)



**Atef M. Mufti**  
Chief Sales Officer (CSO)



**Mohamed El Missaoui**  
Chief Operations Officer (COO)



**Amro Shawli**  
Chief Governance, Risk and Control Officer (CGRCO)

**Ali Sheneamer**

Chief Business Development Officer (CBDO)

Ali Sheneamer joined Bupa Arabia in 2013 as Chief Commercial Officer. Previously, Ali held the position of Deputy Governor and Chief Operating Officer of SAGIA (currently known as – Ministry of Investment).

He also serves on the boards and committees of other organizations, including those of government entities.

**Current Positions**

- Bupa Arabia (Chief Business Development Officer)
- Tam Development Company (Board Member)
- Saudi Sports Medicine Federation (Board Member)
- CHI's Insurance Permanent Committee (Member)

**Previous Positions**

- Bupa Arabia (Chief Commercial Officer)
- SAGIA (Deputy Governor and Chief Operating Officer)
- National Commercial Bank (Group Marketing Head)

**Qualifications**

- Bachelor of Science in Computer Engineering from King Abdulaziz University, Saudi Arabia

**Tariq Alamoudi**

Chief Human Resources Officer (CHRO)

Tariq Alamoudi joined Bupa Arabia in 2017. Prior to his joining, he held a variety of leading roles in the Human Resources Department, on global and regional levels, at Proctor and Gamble.

Tariq also serves on the board of directors of KAFAA Efficiency Excellence and on a number of committees in other organizations. He is a member of the SAMA HR subcommittee, and a chartered fellow of the UK Chartered Institute of Personnel and Development (CIPD)

**Current Positions**

- Bupa Arabia (Chief Human Resources Officer)
- KAFAA Efficiency Excellence (Board Member and Audit and Governance Committee Member)
- Saudi Tourism Investment Company, STiC (Chairman of Nomination and Remunerations Committee)
- ACWA Power (Nomination and Remuneration Committee Member)
- Saudi Logistics Services, SAL (Nomination and Remuneration Committee Member)
- Jeddah Central Development Company (Nomination and Remuneration Committee Member)
- SAMA HR Subcommittee (Committee Member)

**Previous Positions**

- Proctor and Gamble
  - HR Director – Product Supply Function
  - Global HR Director, Switzerland
  - Country HR Head, Saudi Arabia

**Qualifications**

- Master of Business Administration in Strategy and HRM from Griffith Business School, Australia
- Bachelor's Degree in Marketing Management from Griffith University, Australia.

**Atef M. Mufti**

Chief Sales Officer (CSO)

Atef Mufti joined Bupa Arabia in 2017. Prior to his joining, he was the Chief Commercial Officer and a member of the board of directors of Panda Retail Co. (SAVOLA Group). Atef began his career with the Saudi British Bank (SABB) and has a collective of over 16 years working in the banking industry.

**Current Positions**

- Bupa Arabia (Chief Sales Officer)

**Previous Positions**

- Panda Retail Company – SAVOLA Group
  - Chief Commercial Officer and Member of the Board of Directors
  - Vice President – Commercial and Supply Chain
- Ahmed Mohamed Saleh Baeshen & Co. (Head of Corporate Services)
- Bank Albilad (GM Western Region)
- Saudi Distribution Company (Managing Director)
- SABB (Several senior executive positions)

**Qualifications**

- Bachelor's Degree in Marketing from King Fahad University of Petroleum and Minerals, Saudi Arabia with a minor degree in Management

### Mohamed El Missaoui

Chief Operations Officer (COO)

Possessing over 20 years of experience in the insurance, banking and FMCG sectors, Mohamed El Missaoui joined Bupa Arabia in 2011 as the Director of Total Quality Management, where he oversaw service operations areas related to customer service, mega accounts, membership fulfillment, and quality.

Mohamed also previously led a variety of assignments at Unilever MENA relating to the supply chain, ranging from distribution, logistics, and customer service to industrial engineering and quality.

#### Current Positions

- Bupa Arabia (Chief Operations Officer)

#### Previous Positions

- Bupa Arabia
  - Director – Operations
  - Director – Total Quality Management
- Unilever MENA
  - Head of Logistics, Service and Distribution
  - Senior Manager – Quality Assurance
  - Industrial Engineer
- Attijariwafa Bank (Senior Finance Projects Manager)
- Banque Centrale Populaire (BCP) (Junior Project Manager)

#### Qualifications

- Master of Business Administration in Finance from Oklahoma City University, USA
- Electro-Mechanical Engineering Degree from Ecole Nationale Supérieure des Mines de Rabat, Rabat

### Amro Shawli

Chief Governance, Risk and Control Officer (CGRCO)

Amro Shawli joined Bupa Arabia in 2022 as Chief Risk Officer. The role has been amended to a Chief Governance, Risk & Control Officer in December 2022.

Amro has a collective of 18+ years of multi-sector experience in the areas of risk and audit. Previously, Amro held the position of Chief Audit Officer of Vision International Investment Company, a leading development and investment company at the forefront of public and private sector partnerships in the GCC.

#### Current Positions

- Bupa Arabia (Chief Governance, Risk & Control Officer)
- Advanced Piping Solutions Company (Audit and Risk Committee Chairman)
- East Pipes Company (Audit and Risk Committee Member)

#### Previous Positions

- Vision Invest International (VII) (Chief Audit Executive)
- Aramco America (Chief Auditor)
- Audit & Risk Committee member of Saudi Tabreed, Air Products Qudra, Saudi Arabian Logistics and Miahona.

#### Qualifications

- Certified Internal Auditor (CIA)
- Certified Management Accountant (CMA).
- Certified Board of Director (Cert. Dir)
- Master of Business Administration in Accounting and Finance from Cox Business School, USA
- Bachelor of Science in Accounting and Marketing from Southern Illinois University, USA



# Audit Committee Report 2022

The Audit Committee (AC) is governed by its charter, which was most recently approved by the public shareholders in the 2019 fourth quarter General Assembly Meeting. The Committee held eleven (11) meetings during the fiscal year 2022.

The following table details AC meetings held and the respective attendance.

Committee member name	Role	26 January	04 February	02 March	10 April	01 May	31 July	05 September	12 September	30 October	28 November*	Percentage
Mr. David Hunt (Independent) (Till 30/06/2022)	Chairman	Y	Y	Y	Y	Y	N/A	N/A	N/A	N/A	N/A	100
Mr. Zaid Algwaiz (Independent)	Member, Chairman from 02/08/2022	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	100
Mr. Sulaiman Alhatlan (Independent) (Till 30/06/2022)	Member	Y	Y	Y	Y	Y	N/A	N/A	N/A	N/A	N/A	100
Mr. Walid Shukri (Independent) (Till 30/06/2022)	Member	Y	Y	Y	Y	Y	N/A	N/A	N/A	N/A	N/A	100
Dr. Abdulla Elyas (From 01/07/2022)	Member	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	100
Mr. Ibrahim M Alhusayni (From 01/07/2022)	Member	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	100
Ms. Zain Al Emam (From 01/07/2022)	Member	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	100
<b>OVERALL PERCENTAGE OF AC MEMBER ATTENDANCE (%)</b>		100	100	100	100	100	100	100	100	100	100	100

\*Meeting held on 28 November was the annual AC meeting with the Board of Directors

The Committee meetings are designed to facilitate and encourage communication among the Committee, the Company's management, the Company's risk functions, the Company's control functions (Compliance and Internal Audit) and the Company's independent external auditors. The Committee has discussed and confirmed with the Company's control functions and the independent external auditors the overall scope and plans for their respective reviews.

The Audit Committee recognizes the importance of maintaining the independence of the Company's external auditors, both in fact as well as in appearance.

Each year, the Committee evaluates the qualifications, performance and independence of the external auditors, and determines whether to re-engage them. In doing so, the Audit Committee considers the quality and efficiency of the services provided by the external auditors, their capabilities, their technical expertise, and knowledge of the Company's operations along with that of the insurance industry. Based on this evaluation, the Audit Committee made a recommendation to the Board of Directors to refer to the General Assembly for the selection of Ernst & Young and PricewaterhouseCoopers as external auditors to audit the Company's quarterly financial statements for the first,

second, and third quarters, the Annual Financial Statements for the fiscal year 2022 and first quarter for the fiscal year 2023.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board thereafter has approved, that the audited Annual Financial Statements and related schedules, and management's assessment of the effectiveness of the Company's internal control over financial reporting be included in the 2022 Annual Report.

The Audit Committee confirms that it has, during 2022, completed its tasks and activities, in accordance with the powers afforded to it, as per the regulations and as reflected within its latest Audit Committee Charter. In fulfilling these tasks and activities, the Committee is able to express an opinion on the Company's internal control framework; As required in terms of the Capital Market Authority (CMA) disclosure requirement, the Audit Committee noticed management's continuous efforts and focus on improving design and effectiveness of Bupa Arabia's internal control environment. Based on the results of the internal audit reviews and the planned activities to enhance the internal control environment and following discussion with the external auditor and management on the preliminary and Annual Financial Statements for the year ended 31 December 2022, nothing has been brought to the attention of the Committee that would indicate any significant deficiencies.

**Mr. Zaid Algwaiz**  
Chairman

**Dr. Abdulla Elyas**  
Member

**Mr. Ibrahim M. Alhusayni**  
Member

**Ms. Zain Al Emam**  
Member

# Board Purpose and Meetings

The purpose of the Board is to set strategy and deliver value to all shareholders and stakeholders, in compliance with the regulations and laws of the Kingdom in an ethical and transparent manner. The Board is responsible for the Company's values, mission and long-term vision, and for providing strategic direction and guidance for the Company's operations, including the ultimate responsibility of ensuring the Company follows exemplary corporate governance and ethics, and for the provision of a robust system of internal controls and procedures to be in place to fulfill compliance of the Company, in both content and timeliness, with all the requirements of all the applicable laws and regulations of the jurisdictions in which it operates.

The Board is responsible for establishing Board Committees, as stipulated by regulations, to support the Board in achieving its responsibilities, and to support the Executive Management. The Board is responsible for establishing and approving matters it deems significant enough to be reserved for only the Board's decision, and for those matters which it delegates to the relevant Board Committees [both as specified within the Board-approved Schedule of Matters Reserved for the Board (SMRB) and the Board Delegated Authorities Framework (BDAF)].

## Board of Directors Sixth Term, 1 July 2022 to 30 June 2025:

Membership role	Board member name	Nationality	Term number	For the current term representing:
Independent	Ms. Huda M. AlGhosen	Saudi	2nd	Not applicable
	Mr. Osamah Shaker	Saudi	1st	Not applicable
	Dr. Abdulla N. Elyas	Saudi	2nd	Not applicable
Non-Executive	Eng. Loay H. Nazer	Saudi	6th	Nazer Group
	Mr. David M. Fletcher	British	4th	Bupa Investments Overseas Limited (BIOL)
	Mr. Nigel Sullivan	British	2nd	Bupa Investments Overseas Limited (BIOL)
	Mr. Martin J. Houston	British	3rd	Bupa Investments Overseas Limited (BIOL)
Executive	Mr. Tal H. Nazer	Saudi	6th	Not applicable
	Mr. Nader Ashoor	Saudi	2nd	Not applicable

## Summary of Changes in Board of Directors in 2022:

Member leaving the Board	Date	Representation	Remarks
Mr. Zaid Algwaiz	30/06/2022	Independent	End of Board Term

Member joining the Board	Date	Representation	Remarks
Mr. Osamah Shaker	01/07/2022	Independent	New Board Term

The Board approves the Board Chairman, Board Vice-Chairman, CEO, and Company Board Secretary for each term, subject to regulatory approval where required and applicable, and for the sixth term, all were approved as reappointments.

The Board also appoints the Board Committees' secretaries for each new term, in which the current term has appointed the Sr. Director of the Internal Audit Department as the AC Secretary, the Sr. Director – Total Rewards as the NRC Secretary, the Sr. Director of Asset Management and Business Advisory as the IC Secretary, the Sr. Executive Manager of Company Secretariat as the RMC Secretary, and the Director of Company Secretariat as the Company Board Secretary and the EC Secretary.

## Board Meeting Attendance

During 2022, the Board held six (6) meetings. The following table details board meetings held and the respective attendance.

Board member name	07 March	11 April	22 June	06 September	26 September	28-29 November	Percentage
Eng. Loay Hisham Nazer	No	Y	Y	Y	Y	Y	83.3
Mr. David Martin Fletcher	Y	Y	Y	Y	Y	Y	100
Mr. Tal Hisham Nazer	Y	Y	Y	Y	Y	Y	100
Mr. Zaid A. Algwaiz (till 30 June 2022)	Y	Y	Y	N/A	N/A	N/A	100
Mr. Martin Houston	Y	Y	Y	No	Y	Y	83.3
Dr. Abdulla Elyas	Y	Y	Y	Y	Y	Y	100
Ms. Huda Bin Ghoson	Y	Y	Y	Y	Y	Y	100
Mr. Osamah Shaker (from 01 July 2022)	N/A	N/A	N/A	Y	Y	Y	100
Mr. Nigel Sullivan	Y	Y	Y	Y	Y	Y	100
Mr. Nader Ashoor	Y	Y	Y	Y	Y	Y	100
<b>TOTAL PERCENTAGE OF ATTENDANCE (%)</b>	88.8	100	100	88.8	100	100	96.3

## Assessment of the Board/Board Committees and the Members' Performance

The Company routinely assesses the performance of the Board/Board Committees, and the respective members, on an ongoing basis, through closed board sessions, through the NRC, via the Company Secretariat with the Committee Chairpersons, in liaison with the NRC and when required through a third party.

## Major Board Approvals/Resolutions

Amongst the major board resolutions/approvals during the year were the following:

- Approval of 2023 AOP
- Recommendation to the shareholders of the distribution of SR 540 million in cash dividends for the 2021 fiscal year
- Board and Audit Committee nominees for the new term
- Appointment of PwC and EY as the external auditors to audit the Company's quarterly financial statements for the second, and third quarters, the Annual Financial Statements for the fiscal year 2022, and first quarter for the fiscal year 2023
- Appointment of Deputy CEO and CFO
- Appointment of Mr. Yousef Bayazeed as TPA Company General Manager with the granted authorizations as per the General Manager Authorities
- Appointment of Mr. Nader Ashoor as Bupa Arabia Ventures General Manager to replace Mr. Tal Nazer
- Any approvals as required in terms of the Schedule of Matters Reserved for the Board (SMRB)

# Board Secretary



## **Abeer Albornu**

Director – Company Secretariat and Board Secretary

Ms. Abeer Albornu has a collective of 13+ years' experience in the areas of risk and compliance. Prior to joining Bupa Arabia in 2017, Abeer held a variety of senior roles at renowned companies, the most recent being, Senior Manager Compliance Advisory – Corporate and Treasury at Bank Al Jazira. In this capacity, she developed effective solutions and action-plans to ensure the organization's regulatory compliance.

As Director – Company Secretariat, Abeer serves as a link between the Board of Directors and the rest of the organization. She leads activities related to the Board of Directors and its various committees and is responsible for the Company's annual reports and disclosures. In this role, she also oversees all matters related to the Company's General Assembly meetings.

Since joining Bupa Arabia, Abeer has led the creation of enterprise policies and procedures that are still in place. Among her most notable achievements is her launching of the Company's Code of Conduct and whistle blowing system. What's more, she plays a pivotal role in leading corporate governance in the Company, ensuring its proper functioning through monitoring and assimilation of best practices.

Abeer holds a Bachelor of Science in Management Information Systems from Dar Al-Hekma University and an International Diploma Certification in Risk Management. She also holds various certifications in operational risk, risk management, and compliance.



# Board Committees

## Audit Committee (AC)

The principal role of the AC is to monitor the integrity of the Company's financial statements in accordance with the relevant financial reporting standards, while complying with laws and regulations, to review and where appropriate, make recommendations to the Board on internal financial controls, compliance, internal audit, and to review the external audit process and external auditors' performance. The Committee shall also have an oversight through the

Company's RMC, for ensuring that the risk management processes are adequate and effective, particularly with regard to the impact on the Company's financial reporting and its Code of Business Conduct. A further lead role responsibility of the AC is to monitor the effectiveness, performance, and objectivity of the compliance and the internal audit functions, through the direct compliance and internal audit functions reporting directly to the AC Chairman.

## Summary of Changes in the Audit Committee During 2022:

Member leaving the Audit Committee	Role	Date	Remark
Mr. David Hunt	Chairman (Independent)	30/06/2022	End of term
Mr. Sulaiman Alhatlan	Member (Independent)	30/06/2022	End of term
Mr. Walid Shukri	Member (Independent)	30/06/2022	End of term
Member joining the Audit Committee	Role	Date	Remark
Dr. Abdulla Elyas	Member (Independent)	01/07/2022	New term
Mr. Ibrahim M. Alhusayni	Member (Independent)	01/07/2022	New term
Ms. Zain Al Emam	Member (Independent)	01/07/2022	New term

During 2022, the AC held eleven (11) meetings. The following table details AC meetings held and the respected attendance.

Committee member name	Role	26 January	04 February	02 March	10 April	01 May	31 July	05 September	12 September	30 October	28 November*	Percentage
Mr. David Hunt (till 30/06/2022)	Chairman	Y	Y	Y	Y	Y	N/A	N/A	N/A	N/A	N/A	100
Mr. Zaid Algwaiz	Member. Chairman from 02/08/2022	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	100
Mr. Sulaiman Alhatlan (till 30/06/2022)	Member	Y	Y	Y	Y	Y	N/A	N/A	N/A	N/A	N/A	100
Mr. Walid Shukri (till 30/06/2022)	Member	Y	Y	Y	Y	Y	N/A	N/A	N/A	N/A	N/A	100
Dr. Abdulla Elyas (from 01/07/2022)	Member	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	100
Mr. Ibrahim M. Alhusayni (from 01/07/2022)	Member	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	100
Ms. Zain Al Emam (from 01/07/2022)	Member	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	100
<b>OVERALL PERCENTAGE OF AC MEMBER ATTENDANCE (%)</b>		100	100	100	100	100	100	100	100	100	100	100

\* Meeting held on 28 November was the annual AC meeting with the Board of Directors

### Mr. Zaid Algaiz

Audit Committee Chairman (Independent)

Chairman of the Audit Committee at Bupa Arabia since July 2022, and a member of the Risk Management Committee.

Zaid Algaiz previously served as independent board member at Bupa Arabia for three terms. During his time at Bupa Arabia, he also joined various committees including the Nomination and Remuneration Committee and the Investment Committee. Moreover, prior to his chairing of the Audit Committee, Zaid served as a member.

At present, Zaid is a member of a number of boards and committees in other organizations including the Saudi National Bank (SNB), and is currently serving his second term at the Audit Committee in Bupa Arabia.

#### Current Positions

- Bupa Arabia (Audit Committee Chairman and Risk Management Committee Member)
- Saudi National Bank (SNB) (Independent Board Member, Chairman of the Risk and Governance Committee, Nominations and Remunerations Committee Member)
- Mohammed Ibrahim AlSubaie and Sons Investment Company (MASIC) (Member of the ALCO and Risk Committee)

#### Previous Positions

- Thakher Real Estate Development Company (Audit Committee Member)
- Saudi British Bank (Nomination and Remuneration Committee Member)
- Al-Yusr Leasing and Financing Co. (Board Member and Risk Comm. Chairman)
- Al-Rajhi Steel (Board Member and Audit Comm. Member)
- Gulf Finance Company (Board Member and Chairman of the Audit Committee)
- AlAwwal Capital (Saudi Hollandi Capital) (Board Member and Chairman of the Audit Committee)
- Middle East Specialised Cables Company (Board Member)
- HSBC Mutual Funds (Board Member)

#### Qualifications

- Bachelor's degree in Accounting from King Saud University, Saudi Arabia

### Dr. Abdulla Elyas

Audit Committee Member (Independent)

Dr. Abdulla Elyas is a co-founder of Careem, He's currently chairman of its business in KSA. He serves as a board member at the Saudi Arabian SME Authority, at Endeavor KSA, TAM Development Company, He is currently serving his second term as board member in Bupa Arabia.

Please refer to page 54 for further details and profile.

### Mr. Ibrahim M Alhusayni

Audit Committee Member (Independent)

A member of the Audit Committee at Bupa Arabia since July 2022.

Ibrahim M Alhusayni currently holds the position of Chief Audit Executive for the multi-investment firm, Mohammad Al Habib Holding. Prior to that, Ibrahim served as Head of Finance Governance at BAE Systems, a defense contractor based in England. He is also a member of the Audit and Risk Committee at GIB Capital.

Ibrahim is currently serving his first term at Bupa Arabia.

#### Current Positions

- Bupa Arabia (Audit Committee Member)
- Mohammad Al Habib Holding (Chief Audit Executive)
- GIB Capital (Audit and Risk Committee Member)

#### Previous Positions

- BAE Systems (Head of Finance Governance)
- Ernst and Young (External Auditor)

#### Qualifications

Bachelor of Science in Accounting, from King Fahd University of Petroleum and Minerals, Saudi Arabia

### Ms. Zain Al Emam

Audit Committee Member (Independent)

Ms. Zain Al Emam is a recognized Saudi 2030 Leader. She is a seasoned Saudi Banker with over 15 years of experience in the banking industry, beginning with the Saudi National Commercial Bank (Now SNB), through Saudi Fransi Banque and ending at the Islamic Development Bank (IsDB) with a focus on investment banking.

Over the years, Ms. Al Emam has undertaken several committee/forum organization representation roles in regional and global arenas, such as AMF and G20-GPFI.

Additionally, Ms. Al Emam has extensive board/committee experience, having served as a board member and chair of the Audit Committee at Caspian Intl Investments Company, and GIB Capital amongst others.

#### Current Positions

- Bupa Arabia (Audit Committee Member)
- Islamic Development Bank Group (Senior Investments Officer)
- Caspian Intl Investments Company (Board Member and Chair of the Audit Committee)
- GIB Capital (Board Member and Chair of the Audit Committee)
- Saudi Coffee Company (Audit Committee Member)

#### Previous Positions

- Allied Cooperative Insurance (ACIG) (Board Member)
- Islamic Development Bank Group (Investments Specialist)
- Banque Saudi Fransi – Crédit Agricole (Treasury-Fx Dealer)
- Saudi National Bank:
  - Credit Administration and Control
  - Retail Banking

#### Qualifications

- Master of Master of Science in Finance and Management from University of Exeter, Exeter, UK (2008)
- Bachelor's Degree in Economics, Money, and Financial Institute from King AbdulAziz University, Jeddah, KSA (2003)

### Executive Committee (EC)

The purpose of the EC is to support the Board with the management of the business through the review and monitoring of all aspects of the operational performance of the Company, on a routine basis, ensuring that there are no barriers to achieving the strategy and the objectives in place.

The EC provides recommendations to the Board on annual income targets, and proposed dividends, accounting for solvency requirements, and also reviews and approvals as per the requirement of the SMRB with certain aspects of a commercial nature, including its charter. It also supports the Board and the business in ensuring that the Company is compliant with regulatory requirements.

During 2022, the EC held six (6) meetings. The following table provides details of EC meetings held and the respective attendance.

Committee member name	Role	07 March	11 April	22 June	26 September	28 November	21 December	Percentage
Eng. Loay Hisham Nazer	Chairman	No	Y	Y	Y	Y	Y	83.3
Mr. David Martin Fletcher	Member	Y	Y	Y	Y	Y	Y	100
Mr. Tal Hisham Nazer	Member	Y	Y	Y	Y	Y	Y	100
Mr. Nigel Sullivan	Member	Y	Y	Y	Y	Y	Y	100
<b>OVERALL TOTAL PERCENTAGE (%)</b>		75	100	100	100	100	100	95.8

#### Eng. Loay Nazer

Executive Committee Chairman (Non-Executive)

Chairman and board member of Bupa Arabia since its inception in 2008. Founder and chairman of the Nazer Group Ltd, He is currently serving his sixth term as board member at Bupa Arabia.

Please refer to page 53 for further details and profile.

#### Mr. David Fletcher

Executive Committee Member (Non-Executive)

Bupa Arabia Board member and Vice-Chairman, since 2014. Currently, Bupa Group Chief Risk Officer, and member of its Chief Executive Committee, Mr. Fletcher is currently serving his fourth term as board member at Bupa Arabia.

Please refer to page 53 for further details and profile.

#### Mr. Tal Hisham Nazer

Executive Committee Member (Executive – CEO)

Bupa Arabia CEO/board member since its inception in 2008, He is currently serving his sixth term as board member at Bupa Arabia.

Please refer to page 53 for further details and profile.

#### Mr. Nigel Sullivan

Executive Committee Member (Non-Executive)

Bupa Arabia Board member since 2021. Currently, Bupa Group Chief Sustainability and People Officer, Mr. Sullivan is currently serving his second term as board member at Bupa Arabia.

Please refer to page 55 for further details and profile.

## Investment Committee (IC)

The purpose of the IC is to assist the business in developing its investment policy and to thereafter, supervise its adherence to it. The Committee is tasked with overseeing the Company's investment process and strategic approach to optimize returns within the board-approved risk parameters while taking into account liquidity requirements and solvency constraints. The IC also monitors investment performance regularly, as well as the adherence to guidelines and limits as per the IPS, SAMA's Shariah requirements. Lastly, the IC approves investment decisions as per the IC Charter Authority Matrix.

### Summary of Changes in the Investment Committee During 2022:

Member leaving the Investment Committee	Role	Date	Remark
Mr. Selman Alfares	Member (Independent)	30/06/2022	End of term
Member joining the Investment Committee	Role	Date	Remark
Mr. Tal Nazer	Member (Executive)	24/08/2022	New term
Ms. Nora Al Sarhan	Member (Independent)	24/08/2022	New term
Ms. Adhwa Alabdulkarim	Member (Independent)	24/08/2022	New term

During 2022, the IC held five (5) meetings. The following table details the IC meetings held and the respective attendance.

Committee member name	Role	12 April	05 October	22 November	29 November*	20 December	Percentage
Mr. Osamah Shaker	Chairman	Y	Y	Y	Y	Y	100
Mr. Selman Alfares (till 30/06/2022)	Member	Y	N/A	N/A	N/A	N/A	100
Mr. Andrew Bailey	Member	Y	Y	Y	Y	No	80
Mr. Tal Nazer (from 24/08/2022)	Member	N/A	Y	Y	Y	Y	100
Ms. Adhwa Alabdulkarim (from 24/08/2022)	Member	N/A	Y	Y	Y	Y	100
Ms. Nora Al Sarhan (from 24/08/2022)	Member	N/A	Y	Y	Y	Y	100
<b>OVERALL TOTAL PERCENTAGE (%)</b>		100	100	100	100	80	96

\* Meeting held on 29 November was the annual IC meeting with the Board of Directors.

## Mr. Osamah Shaker

Investment Committee Chairman (Independent)

An independent board member since 2022, and an independent Investment Committee chairman since July 2019. Mr. Osamah Shaker is CEO of GIB Capital, a company wholly owned by GIB bank and based in Riyadh. Mr. Shaker is currently serving his first term at Bupa Arabia as board member.

Please refer to page 54 for further details and profile.

## Andrew Bailey

Investment Committee Member (Non-Executive)

Member of the Bupa Arabia Investment Committee, since 2019.

Currently, Andrew Bailey holds the role of Head of Asset Management for Bupa Group. Previously, he held various treasury and investment positions in several UK listed corporations.

Andrew is currently serving his second term at Bupa Arabia.

## Current Positions

- Bupa Arabia (Investment Committee Member)
- Bupa (Head of Asset Management)

## Previous Positions

- Brewin Dolphin PLC (Treasurer)
- Peninsula Petroleum Brokers Ltd. (Group Treasury Manager)
- National Grid PLC (Treasury Manager)

## Qualifications

- Bachelor of Arts in Economics and Philosophy from the University of Sheffield, United Kingdom
- Certificate in Chartered Financial Analyst from the Chartered Financial Analysts (CFA), United Kingdom
- Certificate in Corporate Treasury from the Association of Corporate Treasurers (ACT), United Kingdom



- Certificate in Investment Management from the Investment Management Certificate (IMC), United Kingdom
- Certificate in Technical Analysis from the Society of Technical Analysts, United Kingdom

### Mr. Tal Hisham Nazer

Investment Committee Member (Executive – CEO)

Bupa Arabia CEO/Board member since its inception in 2008, He is currently serving his sixth term as board member at Bupa Arabia.

Please refer to page 53 for further details and profile.

### Ms. Adhwa Alabdulkarim

Investment Committee Member (Independent)

Bupa Arabia Investment Committee member since July 2022.

Ms. Adhwa Alabdulkarim currently works at Brookfield Asset Management within their Infrastructure Investments team. Previously, Ms. Alabdulkarim worked at Saudi Aramco's Corporate M&A Department.

Ms. Adhwa is currently serving her first term at Bupa Arabia.

### Current Positions

- Bupa Arabia (Investment Committee Member)
- Brookfield Asset Management (Senior Associate – Infrastructure Investments)

### Previous Positions

- Saudi Aramco (Associate – Mergers and Acquisitions)
- Saudi Aramco (Analyst – Mergers and Acquisitions)

### Qualifications

- Master of Business Administration from Harvard Business School, USA
- Bachelor of Science in Finance from Prince Mohammed Bin Fahd University, Saudi Arabia

### Ms. Nora Al Sarhan

Investment Committee Member (Independent)

Bupa Arabia Investment Committee member since August 2022.

Ms. Nora Al Sarhan currently holds the position of Chief Investment Officer at Saudi Venture Capital Company (SVC), where she also previously served as the Investment Director.

Ms. Nora is currently serving her first term at Bupa Arabia.

### Current Positions

- Bupa Arabia (Investment Committee Member)
- Saudi Venture Capital Company (SVC) (Chief Investment Officer)

### Previous Positions

- Saudi Venture Capital Company (SVC) (Investment Director)
- Small and Medium Enterprise Authority (Monshaat) (Equity Funding Director and Equity Funding Manager)
- Saudi Venture Capital Investment Company (SVCIC) (Senior Associate)
- Ernst and Young, Transaction Advisory Services (Executive)

### Qualifications

- Master of Business Administration from Alfaisal University, Saudi Arabia
- Bachelor of Science in Information Systems from Prince Sultan University, Saudi Arabia

## Nomination and Remuneration Committee (NRC)

The purpose of the NRC is to effectively manage the Board, Board Committees, and carry out member appointments in accordance with both regulations and the approved policies and procedures, through recommendation to the Board, or regulators, where required. This includes ensuring the independence of the independent members, the absence of any conflict of interest, and that there are no reasons versus the regulatory requirements, preventing the proposed membership(s) of Board, and Board Committee members, prior to submission to SAMA by the Company.

The Committee's responsibilities also include the following.

- To evaluate the structure and composition of the Board, the Board Committees, and recommend changes to the same
- To annually review the requirements of suitable skills for membership of the Board, Board Committees, and reflect updates of the same within the Nomination and Appointment Policy and Procedure, for the approval of the public shareholders
- To develop clear policies regarding the compensation and remuneration of the Board and Board Committee members, following industry/market benchmarking, and to make such recommendations
- To recommend the Company's Long-Term Incentive Plan (LTIP) to the Board
- To recommend the Company's Chief Executive Team Remuneration Policy and Employee Remuneration Policy to the Board
- To review, recommend and approve the remuneration and incentive payments (short-term incentives/bonuses and Long-Term Incentive Plan (LTIP)) of the CEO, CET, and the Company
- To recommend succession plans for the Board and the Board Committees to the Board
- To establish and monitor succession plans for the CEO and the CET
- To annually assess/evaluate the performance of the Board, Committees, and their respective members

## Summary of Changes in the Nomination and Remuneration Committee During 2022:

Member leaving the Nomination and Remuneration Committee	Role	Date	Remark
Mr. Omar Najjar	Member (Independent)	30/06/2022	End of term
Mr. Martin Houston	Member (Non-Executive)	30/06/2022	End of term

Member joining the Nomination and Remuneration Committee	Role	Date	Remark
Mr. Nigel Sullivan	Member (Non-Executive)	24/08/2022	New term
Ms. Hawazen Nassief	Member (Independent)	24/08/2022	New term

During 2022, the NRC held five (5) meetings. The following table details the NRC meetings held and the respective attendance.

Committee member name	Role	19 January	28 February	28 March	07 November	29 November	Percentage
Ms. Huda Bin Ghoson	Chairwoman	Y	Y	Y	Y	Y	100
Mr. Omar Najjar (till 30/06/2022)	Member	Y	Y	Y	N/A	N/A	100
Mr. Martin Houston (till 30/06/2022)	Member	Y	Y	Y	N/A	N/A	100
Mr. Nigel Sullivan (from 24/08/2022)	Member	N/A	N/A	N/A	Y	Y	100
Ms. Hawazen Nassief (from 24/08/2022)	Member	N/A	N/A	N/A	Y	Y	100
<b>OVERALL TOTAL PERCENTAGE (%)</b>		100	100	100	100	100	100

\* Meeting held on 29 November was the annual NRC meeting with the Board of Directors.

### Ms. Huda Bin Ghoson

Nomination and Remuneration Committee Chairperson (Independent)

Ms. Huda was the Executive Director of Human Resources at Saudi Aramco. Ms. Huda is currently serving her second term as board member at Bupa Arabia.

Please refer to page 54 for further details and profile.

### Mr. Nigel Sullivan

Nomination and Remuneration Committee (Non-Executive)

Bupa Arabia Board member since 2021. Currently, Bupa Group Chief Sustainability and People Officer, Mr. Sullivan is currently serving his second term as board member at Bupa Arabia.

Please refer to page 55 for further details and profile.

**Ms. Hawazen Nassief**

Nomination and Remuneration Committee Member  
(Independent)

Bupa Arabia Nomination and Remuneration Committee  
member since August 2022.

At present, Ms. Hawazen Nassief holds the position of  
Acting Head – Sustainability and Stewardship at the Public  
Investment Fund (PIF).

Ms. Hawazen is currently serving her first term at  
Bupa Arabia.

**Current Positions**

- Bupa Arabia (Nomination and Remuneration  
Committee Member)
- Public Investment Fund (PIF) (Acting Head –  
Sustainability and Stewardship)
- Member of board of directors, chair of ESG committee,  
member of NRC at Tanmiah Food Company (Tanmiah)
- Member of board of directors, member of Risk,  
Compliance and ESG Committee at Middle East Paper  
Company (MEPCO)
- Member of the non-executive MENA board of Jones  
Lang LaSalle (JLL)

**Previous Positions**

- National Energy Services Reunited Corp. (NESR)  
(Vice-President – ESG and External Affairs)
- National Energy Services Reunited Corp. (NESR)  
(Environmental, Social and Governance Director)
- Future Investment Initiative Institute (Environmental,  
Social and Governance Advisor)
- Cummins Inc. (Middle East Corporate Responsibility  
(CR) and Technical Education for Communities  
(TEC) Manager)
- Christie's (Director – Middle East Relationship  
Management)
- Olayan Financing Company (Corporate Social  
Responsibility Officer)

**Qualifications**

- Master of Arts in Law and Diplomacy from Tufts  
University, USA
- Bachelor of Arts in International Relations from Boston  
University, USA

### Risk Management Committee (RMC)

The main purpose of the RMC is to assist the Board in its risk management strategy and risk oversight across Bupa Arabia. This includes overseeing the current risk exposures and risk strategy, development of the overall risk appetite and tolerance, monitoring the effectiveness of the risk management framework including related policies, process and controls, and the promotion of a risk awareness culture throughout Bupa Arabia.

The Committee is committed to excellence in risk management and enhancing Bupa Arabia by:

- Being sighted on risk and engaging risk management to deliver sustainable performance
- Owning the whole of Bupa Arabia's risk profile and acting on risk themes holistically
- Recognizing emerging risks and proposing risk appetite changes to the Board, as needed
- Defining and owning Bupa Arabia's risk culture and the mechanisms for installing it
- Recommending policies for the approval of the Board, as per its charter
- Oversight of the implementation of corporate governance, per the CMA Corporate Governance Regulations Articles 94 and 95

### Summary of Changes in the Risk Management Committee During 2022:

Member leaving the Risk Management Committee	Role	Date	Remark
Dr. Khalid Al-Faddagh	Chairman (Independent)	30/06/2022	End of term

Member joining the Risk Management Committee	Role	Date	Remark
Mr. Martin Houston	Chairman (Non-Executive)	24/08/2022	New Term
Mr. Zaid Algwaiz	Member (Independent)	24/08/2022	New Term

During 2022, the RMC held five (5) meetings. The following table details the RMC meetings held and the respective attendance.

RMC Member name	Role	23 March	06 June	27 October	28 November	28* November	Percentage
Dr. Khalid Al-Faddagh (till 30/06/2022)	Chairman	Y	Y	N/A	N/A	N/A	100
Dr. Abdulla Elyas	Member	Y	Y	Y	Y	Y	100
Mr. James O'Reilly	Member	Y	Y	Y	Y	Y	100
Mr. Rami Makarem	Member	Y	Y	Y	Y	Y	100
Mr. Martin Houston (from 24/08/2022)	Chairman	N/A	N/A	Y	Y	Y	100
Mr. Zaid Algwaiz (from 24/08/2022)	Member	N/A	N/A	Y	Y	Y	100
<b>OVERALL TOTAL PERCENTAGE (%)</b>		100	100	100	100	100	100

\*Meeting held on 28 November was the annual RMC meeting with the Board of Directors.

#### Mr. Martin Houston

Risk Management Committee Chairman (Non-Executive)

Bupa Arabia Board member since 1 October 2018 and served as a non-executive director on the main Board of Bupa. Mr. Houston was appointed as Chairman of the Board of the EnQuest PLC. Mr. Houston is currently serving his third term as board member at Bupa Arabia.

Please refer to page 55 for further details and profile.

#### Dr. Abdulla Elyas

Risk Management Committee Member (Independent)

Dr. Abdulla Elyas is a co-founder of Careem. He's currently chairman of its business in KSA. He serves as a board member at the Saudi Arabian SME Authority, at Endeavor KSA, TAM Development Company. He is currently serving his second term as board member in Bupa Arabia.

Please refer to page 54 for further details and profile.

**James O'Reilly**

Risk Management Committee Member (Non-Executive)

Member of the Bupa Arabia Risk Management Committee, since 2019.

Currently, James O'Reilly holds the position of Chief Risk and Sustainability Officer for Bupa Global & UK. Previously, he served as the Risk and Compliance Director of the Bupa Global Division.

James is currently serving his second term at Bupa Arabia.

**Current Positions**

- Bupa Arabia (Risk Management Committee Member)
- Bupa Global & UK (Chief Risk and Sustainability Officer)

**Previous Positions**

- Bupa (Risk and Compliance Director)
- Bank of England, Prudential Regulation Authority (Senior Manager)
- MGM Advantage (Head of Finance Operations)
- MetLife (Head of Finance and Operations)

**Qualifications**

- Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Chartered Certified Accountant from the Association of Chartered Certified Accountants (ACCA), United Kingdom

**Rami Makarem**

Risk Management Committee Member (Non-Executive)

A member of the Risk Management Committee at Bupa Arabia since 2016.

Rami Makarem is currently Nazer Holding Group Ltd.'s Chief Executive Officer, where he serves on various boards of directors of companies owned by the group. Prior to that, Rami held the position of Group Chief Finance Officer at Ittihad International Investment in the United Arab Emirates.

Rami is currently serving his fourth term at Bupa Arabia.

**Current Positions**

- Bupa Arabia (Risk Management Committee Member)
- Nazer Group (Group Chief Executive Officer)

**Previous Position**

- Ittihad International Investment (Group Chief Finance Officer)
- Sun Microsystems (Finance Manager)
- Ernst and Young (Auditor)

**Qualifications**

- Executive Master's degree in Business Administration from the London Business School, United Kingdom
- Postgraduate Diploma in Financial Strategies from Oxford University, United Kingdom
- Bachelor's degree in Business Administration from the American University of Beirut, Lebanon.

**Mr. Zaid Algwaiz**

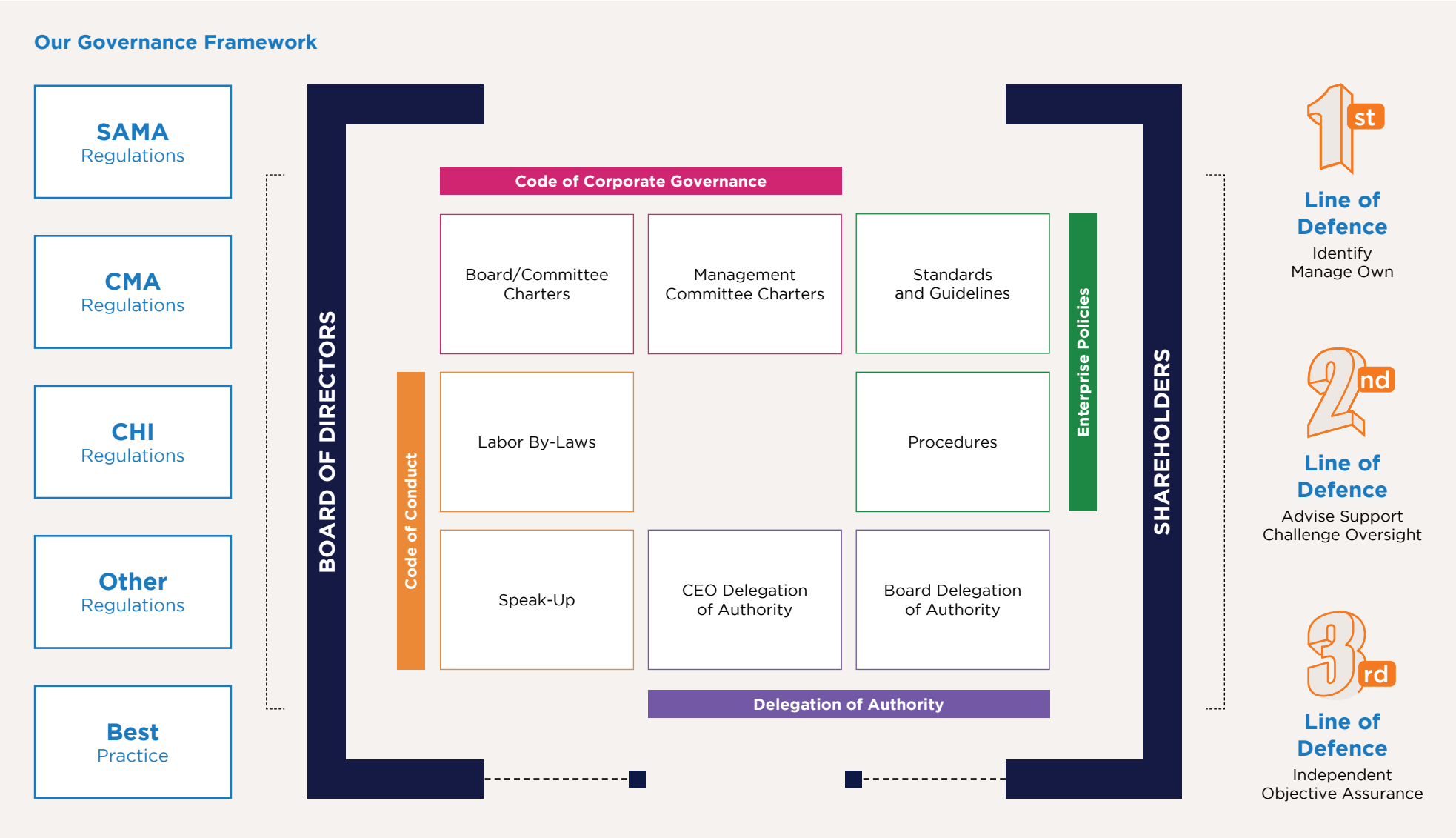
Risk Management Committee Member (Independent)

Chairman of the Audit Committee at Bupa Arabia since July 2022, and a member of the Risk Management Committee, Zaid Algwaiz previously served as independent board member at Bupa Arabia for three terms.

Please refer to page 64 for further details and profile.



# Risk Governance and Internal Controls



## Our Corporate Governance and Risk Intelligence

We remain committed to enhancing shareholders value by building and maintaining a risk intelligent organization, while increasing the transparency of our corporate governance practices, and strengthening the rights of our shareholders in alignment with the best-in-class governance standards. Our major shareholder Bupa Investment Overseas Limited (BIOL), is still one of the largest foreign strategic investors in the Saudi market. We continue to invest in our corporate governance, including further embedding the “Three Lines of Defence” (3LoD) risk management model within the ongoing recruitment and development of appropriate capabilities to ensure a world class governance environment with world-class controls.

## Our Code of Conduct

The Company’s Code of Conduct has been further embedded across the Organization during 2022, and all employees have received regular communication keeping them informed and updated. The Code covers the following areas and alongside our values, is a key contributor to Bupa Arabia’s company culture.

### Safeguarding Bupa Arabia’s assets:

- we work to high professional standards
- we declare conflicts
- we represent Bupa Arabia
- we prohibit insider trading and stock tipping
- we manage risk
- we protect our intellectual property

### Thriving through regulatory excellence:

- we play by the rules

### Adhering to competition laws:

- we respect competition laws
- we speak up

### Acting ethically and transparently with all our stakeholders:

- we put our customers first
- we act ethically
- we keep information safe
- we fight money laundering and terrorism financing
- we know our suppliers

### Preserving our community and our environment:

- we celebrate diversity
- we stay safe and well
- we are prepared for anything
- we take care of our planet

## Our Enterprise Policies

The Company has reviewed, assessed, enhanced, revamped, approved, and rolled out the Enterprise Policies Management Framework (EPMF) for 2022. Our Enterprise Policies (EP) are an important part of how we manage risks within Bupa Arabia, by explaining how we are exposed to risks, why they need to be managed, and provide a consistent approach towards the management of the same. They also help ensure business objectives are met, in compliance with legal and regulatory requirements of the jurisdictions in which we operate, and help us protect our environment while giving back to our communities. Our policies sustain and support our risk appetite.

The current suite of 33 enterprise-wide policies also supports our intent:

- To comply with the Saudi Central Bank (“SAMA”) requirements of the Insurance Corporate Governance Regulation;
- To comply with the Saudi Arabian Capital Market Authority (“CMA”) requirements of the Corporate Governance Regulation;
- To comply with legal and regulatory requirements of the jurisdictions in which we operate, including and not limited to the requirements of (Ministry of Commerce

“MOC”, the Council of Health Insurance “CHI”, Ministry of Health “MOH”, Ministry of Investment “MOI”, Zakat, Tax and Customs Authority “ZATCA”, Ministry of Human Resources and Social Development “MOHRSD”, and Anti Money Laundering and Combating Terrorist Financing Laws and Regulations “AML and CTF”;

- To comply with global best practices.

## Our Delegation of Authority

The Delegation of Authority (DOA) is an integral part of the governance and the internal control system of Bupa Arabia.

The DOA Matrix, governed by its own respective framework, outlines guidelines for the authorization and empowerment at appropriate levels of decisions having financial implications or impacting the interests of Bupa Arabia.

The DOA Framework and Matrix have been enhanced during 2022, consolidating the entirety of Bupa Arabia’s activities with the appropriate approval levels. The documents have been endorsed by the Audit Committee (AC) and Risk Management Committee (RMC), and approved by Bupa Arabia’s Board of Directors.

The purpose of setting limits of authority is to establish the financial commitments and operational decisions that various authorized bodies or personnel make on behalf of Bupa Arabia in the discharge of their responsibilities. Such authority limits are necessary to ensure that:

- Financial commitment and expenditures are only made by authorized bodies or personnel and such commitments/expenditures are within the approved limits;
- Authority given is consistent with duties and responsibilities assigned to management personnel;
- Adequate authority is given to the relevant individuals or group of individuals to facilitate business operations efficiently; and
- Clear understanding exists within Bupa Arabia of the authorities vested in each position, including those matters that are strictly reserved for the Board of Directors (BOD) and the Chief Executive Officer (CEO)

### Our Speak-Up (Whistleblowing) Policy

We are committed to maintaining the culture of governance and ethical behavior in the workplace. We, as a company and as its employees, comply with all rules and regulations further reinforced by the professional standards we set ourselves at Bupa Arabia. To achieve this, employees are encouraged to share any concerns, and doubts regarding inappropriate behavior, through the channels specified for this purpose.

We aim for Bupa Arabia to become a place where our employees feel safe to share their concerns in case of any inappropriate or unethical behavior in the workplace, without the fear of retaliation.

### Our Shariah Compliance

Bupa Arabia maintains its Shariah compliance. Bupa Arabia received the approval from the Shariah Review Bureau on its compliance and status as per the 2021 annual Shariah Audit Report (reference BPA-832-11-02-12-21) on 28 December 2022. The functions are as follows:

- Separation of accounts (shareholder and policyholder)
- Compliance of shareholder and policyholder investments with Shariah Guidelines, in support of achieving overall Shariah compliance in the future, the Company continues to develop its policies and evaluate its contracts

### Corporate Governance and Bupa Arabia Commitment

Bupa Arabia is fully committed through all levels of the Company hierarchy, including its Board and its Board Committees, to the implementation of world-class corporate governance standards, and to implementing the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority, Saudi Central Bank, and thereafter adhering to the Corporate Governance Regulations of all Saudi regulators. Bupa Arabia is developing and instituting corporate governance structures, frameworks, codes, policies, procedures, and

standards to support its achievement of best practices and adherence to the regulations. Bupa Arabia continues to update the relevant policies and procedures and ensures they are aligned with all the regulatory requirements.

This will ensure Bupa Arabia succeeds in fulfilling the five key elements of corporate governance:

- Strong commitment to corporate governance
- Strong commitment to world-class board practices
- Strong regime of disclosure, transparency, fairness, accountability, and responsibility
- Appropriate control of environments and processes
- Protection of all shareholders' rights, including minority shareholders

Bupa Arabia affirms its commitment to the implementation of the highest professional standards and best international practices for the prevention of bribery, corruption, fraud, financial crimes, and its commitment to preventing anti-competitive practices.

Bupa Arabia affirms its commitment to maintaining and developing its formal Corporate Governance Framework (CGF), including its Code of Corporate Governance (CCG), in alignment with international best practices, and in adherence to the regulators' corporate governance regulations. Bupa Arabia is planning to further enhance its key governance documents for the approval of the shareholders, during 2023.

### Control Functions

Bupa Arabia ensures the implementation of robust practices of legal affairs and corporate governance, internal controls, risk management which also includes cybersecurity and technology risk management, in adherence to the relevant Saudi Arabia regulatory requirements of insurance companies. The Company has established the below detailed control functions in addition to any other regulatory or supervisory requirements that the principal duties and responsibilities of these functions include, but are not limited to:

### The Legal Affairs and Corporate Governance Department (LACGD)

The LACGD is responsible for the frameworks, codes, policies, and procedures governing the management. This includes the sharing of associated information in accordance with the laws and regulations to and from the Company's management, shareholders, stakeholders, and further includes its regulators and employees. The LACGD reports to the CGRCO and is responsible for ensuring the Company complies and adheres to the laws and relevant regulations and responsible for ensuring the Company is protected from any conflict of interest. The LACGD also manages the Company's relationships with the Capital Market Authority (CMA) and Saudi Stock Exchange (Tadawul).

### Senior Director – Legal Affairs and Corporate Governance, General Counsel: Mr. Nasser AlQawas

Mr. Nasser AlQawas joined Bupa Arabia in May of 2016 and has over 25 years of substantial legal, compliance, corporate governance, and board secretariat experience. Throughout his career he has managed to build a solid acumen in driving organizations to act with the highest level of integrity in compliance with the local and international prevailing laws in the different regions of operation, in addition to administering efficient and transparent legal processes and documentation. Having begun his professional career in Arent Fox law firm, where he worked for six years, followed by his 20-year tenure at NCB, Mr. Nasser was responsible for a variety of different roles and responsibilities, which include Head of the Legal Enforcement Section, Manager of Legal Advisory and Research, General Board Secretary, the Group Chief Compliance Officer, and the Chief Legal Advisor.

Mr. Nasser was appointed by a Royal Decree to be a reserve committee member in the Banking Dispute Committee in Jeddah. He is also a board and committee member in a variety of companies.

Mr. Nasser holds a Master's Degree in Law, a Diploma in Regulation, Compliance and Anti-Money Laundering (from the University of Reading, England), a Certified Compliance Officer from the Financial Academy, and he holds Leadership Executive Certificates from INSEAD and IMD.

### The Risk Management Department (RMD)

The Risk Management Department is responsible for the overall risk management process across Bupa Arabia. They coordinate the development and implementation of the risk management framework and strategy, monitor the risk database/register, and report on material risks and action plans.

#### Senior Director – Risk Management Department: Mr. Ahmed Jaber

Mr. Ahmed Jaber joined Bupa Arabia during 2016. He holds a Bachelor's degree in Industrial Engineering from King Fahd University of Petroleum and Minerals and has over 21 years of experience in engineering, risk, credit control, operational risk, fraud prevention and investigations, and internal audit.

Prior to joining Bupa Arabia, Mr. Ahmed was Head of Investigations and Fraud Prevention at the National Commercial Bank (NCB) and previously, Head of Operational Risk Management and Acting Head of Retail Banking Audit. He was also the Western Regional Head of Country Credit and Risk Control in SAMBA and worked as a field engineer in Schlumberger Middle East.

Mr. Ahmed has an International Diploma in Risk Management (American Academy of Financial Management), an Executive Certificate from the London Business School and other certifications [Certified GRC Professional (GRCP), Certified GRC Auditor (GRCA), Certified Fraud Examiner (CFE), Certified Risk Analyst (CRA), Certified Operational Risk Manager (CORM), Project and Contract Risk Specialist (PCRS), and Certified Compliance Officer (CCO)].

### The Cybersecurity and Technology Risk Department (CSTRD)

The CSTRD is a second line of defense and is responsible for the overall cybersecurity and technology risk monitoring processes across Bupa Arabia. It focuses on coordinating the development of the related policy and frameworks, and assessing and monitoring the IT, cybersecurity and technology risks, and reporting on the associated material risks and mitigation plans.

The CSTRD is responsible for the alignment of the Company with the regulatory mandated cybersecurity and BCM frameworks, issued by the Saudi Central Bank and the National Cybersecurity Authority.

The CSTRD reports directly to the CGRCO, with access to the AC and RMC as required and its structure covers cybersecurity, information systems resilience, technology risk, data privacy, and BCM.

#### Senior Director – Cybersecurity and Technology Risk Department (The Chief Information Security Officer – CISO): Mr. Feras I. Alsubaihi

Mr. Feras Alsubaihi joined Bupa Arabia in 2020. He has over 18 years of experience in cybersecurity and information technology, which includes several assignments in the financial and banking sector most notably as the Head of IT Security and then Head of Security Operations Center (SOC), during his period at AlJazira Bank.

Additionally, he was appointed as the Chief Information Security Officer at Abdul Latif Jameel Financial Group and also served as Chairman of the Cybersecurity Committee of the Financial Sector at SAMA. The International Data Corporation "IDC Summit" also elected him as one of the top three Chief Information Security Executives for the 2020 edition in the Kingdom.

Mr. Feras holds a Bachelor's Degree in Computer Science from King Abdulaziz University, and is a Certified Chief Information Security Officer accredited by the EC-Council Headquarters in the United States. In addition, he holds a number of technical and management certificates

accredited in the field of cybersecurity management and information technology, the most significant of which is the Lead Implementer of ISO 27001, Microsoft Certified Systems Engineer, Cisco Certified Network Associate.

### Finance Pricing, Actuarial, Asset Management and Business Advisory Departments

The finance pricing and actuarial capabilities of the Company are essential control functions to ensure the accuracy of the Company's pricing and the claims reserving, in accordance with both international best practice and Saudi regulations. These roles further report to the Finance function, headed by the Deputy CEO and CFO, except for the Actuarial, who report to the CEO based on SAMA regulations. Additionally, the Asset Management and Business Advisory Department perform a key control function in relation to the management of investment assets, in accordance with the Board approved Investment Policy Statement (IPS), risk appetites, and in adherence to the SAMA regulatory investment guidelines.

#### Senior Director – Commercial Finance: Mr. Hatim Jamal

Mr. Hatim Jamal has over a decade of experience in several fields such as financial analysis and planning, accounting, tax, product/program development, strategy development, and operational excellence. Prior to joining Bupa Arabia, Mr. Jamal was a partner at Strategic Gears Management Consultancy, as an advisor within both the private and public sectors. He has covered multiple projects related to strategy development, economic impact assessment and operational excellence. Previously having worked at Procter & Gamble, he was also involved in different finance related assignments such as forecasting and planning, commercial finance, finance strategy, and finance control in the Saudi office covering all markets in Arabian Peninsula and in the Switzerland office covering India, Middle-East, and Africa markets.

Mr. Jamal joined Bupa Arabia in the first quarter of 2021. He holds a Bachelor's Degree in Finance and Economics from King Fahd University of Petroleum and Minerals, and is a candidate for Master of Business Administration from London Business School.

### **Director – Actuarial and Financial Analysis: Mr. Mahmoud Almalki**

Mr. Mahmoud Almalki joined Bupa Arabia in 2015, and since then has held several managerial positions within actuarial, pricing, and commercial finance. His responsibilities include: claims reserving and monitoring, product development, setting pricing strategy, mega accounts renewal, and provider control. Mahmoud is an associate of the society of actuaries (ASA), and is a proficient actuary, expected to be an FSA in 2023. He also holds a Bachelor's Degree from KFUPM in Actuarial Science and Financial Mathematics with Honors.

### **Senior Director – Asset Management and Business Advisory: Mr. Ahmed Bajunaid**

Mr. Ahmed Bajunaid has more than 16 years experience in investment management. He joined Bupa Arabia in 2018 to lead transformation activities related to the investment management function, and to assist with company-wide key strategic initiatives as part of the Business Advisory function. He was appointed as Director – Asset Management and Business Advisory in 2019. Mr. Ahmed has also previously worked at Sanabil Investments, where he was responsible for investing and managing its global private equity program. Prior to this, he spent nine years at the Saudi Aramco Investment Management Department conducting strategy analysis and as a fund manager, conducting due diligence and reporting for private and public equities, and hedge funds. Mr. Ahmed has also worked with Cambridge Associates as an investment consultant within the private equity research team between Boston and London.

Mr. Ahmed holds a Bachelor of Arts Degree in Business Finance from Durham University and an MBA from Columbia Business School.

### **Independent Functions**

In line with best practice corporate governance, and as a key part of the Bupa Arabia “Three Lines of Defence Model”, the Company has independent functions reporting directly to the AC, with a dotted line reporting to the CEO for day-to-day administration, and both functions are

completely accessible to the Board, and Board Committees when required. The Compliance Department forms part of the Company's Second Line of Defence and the Internal Audit Department is the Third Line of Defence.

### **The Compliance Department (COD)**

The COD is considered as an essential factor for Bupa Arabia's success and leading position in the health insurance market of the Kingdom of Saudi Arabia, due to the critical role it plays in effectively managing compliance risks, integrating a strong compliance culture into daily business activities and strategic planning of Bupa Arabia, maintaining the Organization's reputation, and protecting its stakeholders.

The COD is an independent function that reports directly to the Audit Committee (AC) and its structure, roles and responsibilities are authorized by the AC.

### **Director – Compliance Department: Mr. Luay Abumansour**

Mr. Luay Abumansour joined Bupa Arabia in December 2019, bringing more than 15 years of experience in the area of compliance, Anti-Money Laundering (AML), Counter Terrorist Financing (CTF), and corporate governance. Prior to joining Bupa, Mr. Luay was the Head of Compliance and AML/CTF at Abdul-Latif Jameel United Real Estate Financing Company for five years, where he established and built the compliance and AML/CTF function. Prior to that, he spent seven years in Bank Aljazira, where he played several roles in the area of AML/CTF compliance, with his last role being the Head of AML/CTF Investigations Division. Throughout his career, he has managed to build an effective and robust relationship with Saudi regulators.

### **The Internal Audit Department (IAD)**

The Internal Audit Department (IAD) provides independent and objective assurance and consulting services designed to add value and improve the operations of Bupa Arabia. IAD assists Bupa Arabia in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of systems of governance, risk management, and internal controls.

IAD Senior Director reports functionally to the Audit Committee, and operationally and administratively to the CEO, in order to maintain independence and objectivity. Furthermore, IAD executes the assurance and advisory activities in accordance with the risk-based annual plan approved and monitored by the Audit Committee.

IAD is currently aligning and collaborating with Risk Management and Compliance functions to ensure that Bupa Arabia's overall assurance activities are conducted more effectively and efficiently than in the previous periods.

### **Senior Director – Internal Audit: Mr. Omar Bahathiq**

Mr. Omar Bahathiq has over 10 years of experience in internal audit. Throughout his career, he built a solid acumen in governance, risk management, internal controls, project management, and investment activities.

Prior to joining Bupa Arabia, Mr. Omar was leading the Internal Audit function at Vision International Invest Company, a leading Saudi Arabian investment holding company at the forefront of public and private sector partnerships. He has also previously worked at Saudi Aramco and held several positions in the Projects Division under the Internal Audit function. Mr. Omar is an active member of the Audit Committee at Saudi Cable and has served as a member of the Audit and Risk Committee at Miahona Company.

Mr. Omar holds a Bachelor of Science in Accounting from the King Fahd University of Petroleum and Minerals.

### **Risk Culture**

In addition to the significant regulatory requirements changes, the medical insurance industry is going through a drastic shift in its consumer and competitive behavior. Our objective is to continuously monitor and anticipate current and emerging risks that may affect our business, operations, and customers. Our risk management framework is designed to enable a culture of business management accountability over day-to-day risks while being supported by control functions that monitor the Company's overall risk profile and the controls mitigating these risks.



## Progress in 2022

During the year 2022, as a response to our business growth and the increased regulatory requirements, we have enhanced our risk framework by accomplishing the following:

- Enhancing our risk profile and mitigation controls through extensive enterprise-wide risk assessments associated with new regulations and emerging market strategic risks.
- Capturing and analyzing operational and financial impact of risks associated with the implementation of new regulations, migration of talent, and digitization of the market landscape.
- Developing, approving, and rolling-out the Delegation of Authority Framework and the Enterprise Policy Framework across Bupa Arabia.
- Monitoring regulatory requirements and ensuring all issues are addressed in an effective and timely manner.
- Enhancing information security, business continuity, and data privacy controls.
- Completing an internal controls review by a third-party against the COSO framework receiving a “Generally Satisfactory” rating.

## Risk Management Approach

### Governance

The Board Risk Management Committee (RMC) supervises a structured governance model supported by the Executive Risk Committees (ERC) and Cyber Security Committee (CSC). These committees recommend risk appetite to the RMC and the Board for approval. Moreover, periodic reports from the Chief Governance, Risk and Control Officer (Chief GRCO) and minutes from relevant committees are shared with the RMC.

### Implementation

A structured process is constructed to identify risks as well as define and monitor strategies to mitigate the impact of these risks. This framework is underpinned by solid principles and activities that are central to Bupa Arabia's purpose of longer, healthier, and happier lives. To ensure

consistency and conformity, the Risk Management Department (RMD) has implemented the Risk and Control Self-Assessment (RCSA) system. RCSA reports are shared with senior management, risk management committees, regulators, and when necessary, the Board of Directors. The RCSA aims to build an enterprise-wide risk profile.

Risk Management works very closely with stakeholders providing assurance by identifying, escalating, managing, and mitigating significant risks that encircle Bupa Arabia. Detailed reviews and in-depth analyses are carried out on key risks to measure operational and financial impacts. Consolidated reports are provided to the CEO and several governance bodies within the organizations, highlighting the Management Team strategies and actions in managing its risk universe. Among those are the Audit Committee, Risk Management Committee, and the Board.

The table below reflects the themes of the most significant risks currently facing Bupa Arabia.

Risk Theme	Description	Impact
Economic Inflation	Material increases in the claims costs to the insurance companies due to regulatory changes (i.e., the new policy coverage of COVID-19, including the MOH providers under the Insurance Companies Coverage, the implementation of the new table of benefits, and adaptation of NPHIES.)	May lead to a pressure on premiums and underwriting pricing which could impact client's affordability. Consequently, this could impact the Company's retention rates and market share.
Geopolitical Volatility	Geopolitical pressure along with other economic changes pose direct and/or indirect impact on our business. The current Russian-Ukrainian war, the unprecedented energy crisis, employment cost to name a few, is increasing the pressure among major clients and insurance companies.	Possibility of increased erosion of profit margins.
Market and Competitive Landscape	The growth of large and premium medical providers.	May lead to inflation of medical/claims cost by members switching from lower and medium tiers to large providers.
Talent Management	Meeting the required Saudization recruitment target set by the Regulator.	Attrition of experienced non-Saudi talent and difficulty to secure Saudi talents in specific medical and digital disciplines.
Cybersecurity and Business Continuity	Risks of increased dependency on digital platforms and automation and regulatory pressure to implement measures of data privacy and cyber security.	Increased exposure to information security breaches and/or business disruption, potentially causing financial losses and reputational damage.

# Board Assurance

## Related Party Transactions

Related parties represent major shareholders, board members, and key management personnel of Bupa Arabia and companies of which they are principal owners and any other entities controlled, jointly controlled, or significantly influenced by them. Contract pricing policies and terms are conducted on an arm's length basis, and transactions are approved by the Company's Management or, if necessary, by the Company's Board of Directors.

In any instance where any board member was conflicted, whether personally or via a related party relationship, the conflicted board member did not vote.

The following are the details of the major related party transactions during the year and their related balances:

Legal Entity	Related Party	Description	2022 Period	2021 Period	2022	2021	Change
					SR '000	SR '000	
Bupa Global	Bupa	Reinsurance Premium Ceded (Bupa International Saudi Arabia Plan)	12 months January-December	12 months January-December	93,406	59,358	34,048
Various	Various	Other Expenses - net	12 months January-December	12 months January-December	2,068	1,575	493
Bupa Investments Overseas Limited (BIOL)	Bupa	Tax Equalization - net	12 months January-December	12 months January-December	68,431	14,241	54,190
Bupa Investments Overseas Limited (BIOL)	Bupa	Board and Committee Member Remuneration	12 months January-December	12 months January-December	915	833	82
Bupa Middle East Holdings Two. WLL (BMEH2)	Bupa and Nazer	Trade Mark Fees	12 months January-December	12 months January-December	32,094	26,611	5,483

All contracts are for a 12-month period for both 2021 and 2022.

## Related Party Transactions Relating to Insurance Contracts

Details of health insurance contracts associated with Bupa Arabia's Board members, or that of their first-degree relatives, are reflected below:

### Bupa Arabia Board Members' Personal/Family Health Insurance with Bupa Arabia

Board Member Name	Contract Description	Period	Saudi Riyals	Gross Written Premium (GWP)			
				2022	2021	2022 Change	2022 Percentage Change
Eng. Loay H Nazer	Nazer Group Ltd. Related Contracts (multiple contracts)	12 months	SR millions	18	10	8	80
Dr. Abdulla Elyas	Careem Contract Health Insurance Scheme	12 months	SR millions	1	1	0	0
Mr. Tal Nazer	Bupa Arabia Employees Health Insurance Scheme	12 months	SR millions	22	21	1	5
Mr. Nader Ashoor	Bupa Arabia Employees Health Insurance Scheme	12 months	SR millions	22	21	1	5
Mr. Osamah Shaker	Gulf International Bank (GIB) - (GIB Capital)	12 months	SR millions	17	1	16	1,600

The explanations for these contracts are available below:

Board Member Name	Contract Explanation
Eng. Loay H Nazer	Health cover for self and family as an employee of the Nazer Group Ltd. and the Nazer Group Ltd. settles to Bupa Arabia directly
Mr. Tal Nazer and Mr. Nader Ashoor	Health cover for self and family, as well as all employee members of the Bupa Arabia Health Insurance scheme, and reflected within the staff costs
Dr. Abdulla Elyas	Health cover for self and family is as an employee of Careem, and Careem settles to Bupa Arabia directly
Mr. Osamah shaker	Health cover for self and family is as an employee of GIB Capital, and Gulf International Bank (GIB) - (GIB Capital) settles to Bupa Arabia directly

#### Bupa Arabia Board Members' Other Related Party Health Insurance with Bupa Arabia

Board Member Name	Contract Description/Explanation	Period	Saudi Riyals	Gross Written Premium (GWP)			
				2022	2021	2022 Change	2022 Percentage Change
Mr. Zaid Algwaiz	Riyadh Cables Group Company	12 months	SR millions	10	7	3	42
Mr. David Fletcher	During 2022 there was a group of contracts which Bupa (England, UK) had an interest in	12 months	SR millions				
Mr. Martin Houston				1	1	0	0
Mr. Nigel Sullivan				107	N/A	N/A	100
Mr. Nader Ashoor	Saudi Ground Services	12 months	SR millions				
	Middle East Paper Company (MEPCO)			4	N/A	N/A	100
	SISCO - Saudi Industrial Services Co.			1	N/A	N/A	100
Mr. Tal Nazer	NAJM for Insurance Services Co.	12 months	SR millions	43	N/A	N/A	100
	Cool Inc. Hospitality Company (multiple contracts)	12 months	SR millions	3	N/A	N/A	100
Dr. Abdulla Elyas	Tam Development	12 months	SR millions				
Mr. Ali Sheneamer				1	N/A	N/A	100
Mr. Ali Sheneamer	AMS Baeshen Co.	12 months	SR millions	3	3	0	0

Any health insurance coverage which Bupa Arabia provides to any Bupa Arabia Board Member, and/or if applicable, his company, family, or other individuals with whom he may be associated or have an interest, is strictly on an arm's length basis, with no preferential treatment in any form, and in accordance with the pricing and loss ratio targets outlined in the Company's underwriting Policy/Manual. This is in full adherence to each of the SAMA medical pricing regulations, and the CHI medical insurance product regulations.

#### Declarations Relating to Waiver of Salary, Compensation and Rights to Dividends

The Company confirms the below declarations:

- That it has not issued, nor granted, any convertible debt instruments, options, warrants, or similar rights during the financial year and accordingly has not received any consideration for the same.
- That it has not converted, nor issued, nor granted, any subscription rights under any convertible debt instruments, contractually based securities, warrants, or similar rights during the financial year.
- That it has not redeemed, purchased, or cancelled any redeemable debt instruments during the financial year. The Company has no such securities outstanding so the value of the same is nil.

#### Our Shareholders and Our Disclosure of Information to All Stakeholders

As of 31 December 2022, the major shareholders were as per the table below:

Name of Shareholder	Shares	Shares Percentage
Bupa Investments Overseas Limited (BIOL)	64,875,000	43.25
Nazer Group Holding Company Ltd. (Nazer)	11,008,190	7.33
Major Shareholders	75,883,190	50.58
Public Shareholders	74,116,810	49.41
<b>TOTAL</b>	<b>150,000,000</b>	<b>100.00</b>

### Tadawul Shareholder Database Requests

During 2022, Bupa Arabia made thirteen (13) requests of Tadawul for its shareholder database, on a variety of dates, and they are as follows:

Request Date	Request Purpose
1. 25 January 2022	Corporate Action
2. 01 February 2022	Corporate Action
3. 08 February 2022	Corporate Action
4. 28 February 2022	General Assembly
5. 07 June 2022	Corporate Action
6. 30 June 2022	General Assembly
7. 04 July 2022	Dividend Entitlement
8. 23 August 2022	Corporate Action
9. 24 August 2022	Corporate Action
10. 25 August 2022	Corporate Action
11. 19 September 2022	Corporate Action
12. 22 December 2022	General Assembly
13. 31 December 2022	Corporate Action

### Other Disclosures and Information in Accordance with Laws and Regulations

#### Provision of Corporate Governance

Bupa Arabia is committed to and in full compliance with and adherence to the provisions of the SAMA Insurance Corporate Governance Regulations, as well as with the requirements of the Company's Code of Corporate Governance. There are a number of guiding requirements within the CMA regulations which Bupa Arabia has decided to either adopt, for example, within the RMC scope which is related to corporate governance, or to adopt them in the future, either when required as mandatory, or earlier if they are considered appropriate and best practice.

Article Number	Article Section and Narrative	Reason for Non-Compliance
Article 90: Disclosure of Remunerations	Article 90 paragraph (4) point (b) Disclosure of the five Senior Executives who have received the highest remuneration from the Company, provided that the chief executive officer and chief financial officer are among them.	Bupa Arabia has disclosed the top five executive payments, including the CEO and CFO, in totals under the Remuneration section of this report.
51 – Audit Committee Formation	Paragraph (c) The Chairman of the Audit Committee shall be an Independent Director.	Bupa Arabia's Audit Committee Chairman is an independent member, who is not a member of the Board of Directors as this article is a guiding article.

In terms of the CMA Corporate Governance Regulation Article Number 86, regarding policies that regulate the relationship with stakeholders to protect their respective rights, Bupa Arabia has enhanced its policies during 2022 to ensure a stronger alignment with regulations and the latest international best practice.

# Board Members and Senior Executives' Interests

## Description of the Bupa Arabia Equities of the Board Members and their Immediate Family Members

The Bupa Arabia equities held by the Bupa Arabia Board Members, and their immediate family members, in the shares or debt instruments of the Company or in any of its subsidiaries, are as detailed below as of 31 December 2022:

Name of Board Member	Opening 01 January 2022		Closing 31 December 2022		Change	
	Number of shares	Debt instruments	Number of shares	Debt instruments	In shares	Percentage
Eng. Loay Hisham Nazer	3,000	-	0	-	-3,000	-100.00
Nahla Mujaled (Loay's Wife)	0	-	275	-	275	100.00
Yousef Loay Nazer (Loay's Son)	0	-	1,168	-	1,168	100.00
Mr. David Fletcher	-	-	-	-	-	-
Mr. Martin Houston	-	-	-	-	-	-
Mr. Nigel Sullivan	-	-	-	-	-	-
Mr. Tal Hisham Nazer	1,000	-	1,250	-	250	25.00
Mr. Nader Ashoor	-	-	-	-	-	-
Dr. Abdulla Elyas	0	-	1,301	-	1,301	100.00
Ms. Huda Bin Ghoson	-	-	-	-	-	-
Mr. Osamah Shaker	-	-	-	-	-	-

## Description of the Bupa Arabia Equities of the Board Committees Members and their Immediate Family Members

The Bupa Arabia equities held by the Bupa Arabia Board Committees Members, and their immediate family members, in the shares or debt instruments of the Company or any of its subsidiaries, are as detailed below as of 31 December 2022:

Name of Board Committees' Member	Opening 01 January 2022		Closing 31 December 2022		Change	
	Number of shares	Debt instruments	Number of shares	Debt instruments	In shares	Percentage
Mr. Zaid Algwaiz	-	-	-	-	-	-
Mr. Ibrahim M. Alhusayni	-	-	-	-	-	-
Ms. Zain Al Emam	-	-	-	-	-	-
Mr. Andrew Bailey	-	-	-	-	-	-
Ms. Nora Al Sarhan	-	-	-	-	-	-
Ms. Adhwa Alabdulkarim	-	-	-	-	-	-
Mr. Rami Makarem	3	-	3	-	0	0.00
Mr. James O'Reilly	-	-	-	-	-	-
Ms. Hawazen Nassief	-	-	-	-	-	-
Mr. David Hunt	-	-	-	-	-	-
Mr. Sulaiman Alhatlan	-	-	-	-	-	-
Mr. Walid Shukri	-	-	-	-	-	-
Mr. Khalid Al-Faddagh	-	-	-	-	-	-
Mr. Omar Najjar	1,000	-	0	-	-1,000	-100.00
Mr. Selman Alfares	-	-	-	-	-	-



### Description of the Bupa Arabia Equities of the Senior Management Executives and their Immediate Family Members

The Bupa Arabia equities are held by senior management executives and senior/key management, as per the SAMA definition, which the Company interprets as the CET members, Director – Company Secretariat/Company Board Secretary, leaders of the control functions (Legal and Corporate Governance – General Counsel, Risk Management, Compliance and Internal Audit Departments) and other members of the senior management, and their immediate family members, in their personal capacity, in shares or debt instruments of the Company or any of its subsidiaries, are as detailed below:

Name of Board Committees' Member	Opening 01 January 2022		Closing 31 December 2022		Change	
	Number of shares	Debt instruments	Number of shares	Debt instruments	In shares	Percentage
Tal Nazer (CEO)	1,000	-	1,250	-	250	25.00
Nader Ashoor (Deputy CEO & CFO)	-	-	-	-	-	-
Amro Shawli (CGRCO)	-	-	-	-	-	-
Mohamed El Missaoui (COO)	-	-	3,393	-	3,393	100.00
Ali Sheneamer (CBDO)	-	-	6,875	-	6,875	100.00
Atef M. Mufti (CSO)	-	-	-	-	-	-
Tariq Alamoudi (CHRO)	-	-	-	-	-	-
Abeer Albornu (Company Secretary)	-	-	-	-	-	-
Bassel Gazzaz (Corporate Sales)	711	-	4,755	-	4,044	568.78
Yousef Bayazeed (TPA)	-	-	-	-	-	-
Nidal Saab (TPA)	0	-	125	-	125	100.00
Hatim Jamal (Pricing)	40	-	0	-	-40	-100.00
Mahmoud Almalki (Actuarial)	-	-	-	-	-	-
Nasser AlQawas (General Counsel)	5,029	-	8,822	-	3,793	75.42
Ahmed Jaber (Risk Management)	2,600	-	5,790	-	3,190	122.69
Luay Abumansour (Compliance)	-	-	-	-	-	-
Omar Bahathiq (Internal Audit)	110	-	300	-	190	172.73
Ahmed Bajunaid (IC Secretary)	0	-	2,148	-	2,148	100.00
Turki Albulwi (NRC Secretary)	-	-	-	-	-	-
Tareq Khafagy (RMC Secretary)	0	-	465	-	465	100.00
Feras Alsubaihi (Cyber Security)	18	-	22	-	4	22.22

### Description of any Interest in a Class of Voting Shares Held by Other Persons

Other than the equities and interests of the Board members, senior executives/managers, and their respective immediate family members as detailed within, Bupa Arabia is not aware of any other interest in a class of voting shares held by persons that have notified Bupa Arabia of their holdings.

# Remuneration

## Board and Board Committee Policies, Benefits and Emoluments of Board/Board Committee Members

### Board of Directors

The remunerations of the Board, Board Committees members, and the executive management, are determined by the respective remuneration policies which are approved by the shareholders in the General Assembly (GA) Meetings. These policies are periodically updated after applicable benchmarking. The benchmarking is made against appropriate remuneration levels of either or both local and international companies, and this process includes accounting for external third-party subject matter expertise, where considered appropriate.

The key policies determining the remunerations of the Board, and Board Committees members, which were updated and approved by 30 June 2020 at the Extraordinary General Assembly Meeting (EGM), as reflected within the Company's Terms of Engagement for Board and Board Committee members, are:

1. The Board Member Remuneration Policy, and
2. The Board Committee Member Remuneration Policy.

The duties and responsibilities of the Board, Board Committees, and their members, as defined within these policies and the various governance documents, including the Code of Corporate Governance, the Board and Board Committees' Charters, and the Terms of Engagement, and the remunerations are based on the fulfillment of their duties, and minimum meeting attendance levels.

Board/Board Committees members are remunerated per these policies, as aligned with the Company By-Laws and all relevant KSA regulations. Bupa Arabia's updated policy is to pay attendance fees for the Non-Executive Board and Board Committees members, for any Board, GA, or Board Committee meetings attended, to a maximum of SR 50,000 attendance fees per fiscal year, whether attendance is physically in person (SR 5,000/meeting) or by conference (SR 2,500/meeting), to settle customary related costs on a reimbursement of actual costs basis, and to settle the remuneration fees quarterly in arrears.

The Board of Directors 2022 remuneration and attendance fees are reflected below:

	Fixed remunerations						Total
	Specific amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial, and consultative work	Remunerations of the Chairman, Managing Director, or Secretary	
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
<b>FIRST: INDEPENDENT DIRECTORS</b>							
1. Mr. Zaid Algwaiz	194.5	12.5	45	-	-	-	252
2. Ms. Huda Bin Ghoson	349.2	25	10	-	-	-	384.2
3. Dr. Abdulla Elyas	375	30	27.5	-	-	-	432.5
4. Osamah Shaker	161.7	17.5	10	-	-	-	189.2
<b>TOTAL</b>	1,080.40	85.00	92.50	-	-	-	1,257.90
<b>SECOND: NON-EXECUTIVE DIRECTORS</b>							
1. Eng. Loay H Nazer	450	27.5	17.5	-	-	750*	1,245.00
2. Mr. David Fletcher**	285.2	25	20	-	-	-	330.20
3. Mr. Martin Houston	349.2	22.5	15	-	-	-	386.70
4. Mr. Nigel Sullivan**	285.2	20	20	-	-	-	325.20
<b>TOTAL</b>	1,369.60	95.00	72.50	-	-	750.00	2,287.10
<b>THIRD: EXECUTIVE DIRECTORS</b>							
1. Mr. Tal Nazer	300	-	-	-	-	-	300
2. Mr. Nader Ashoor	200	-	-	-	-	-	200
<b>TOTAL</b>	500	-	-	-	-	-	500

## GOVERNANCE AND RISK MANAGEMENT REPORT

	Variable remunerations						End of service award	Aggregate amount	Allowance
	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Total			
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000			
FIRST: INDEPENDENT DIRECTORS									
1. Mr. Zaid Algwaiz	-	-	-	-	-	-	-	244.5***	-
2. Ms. Huda Bin Ghoson	-	-	-	-	-	-	-	384.2	-
3. Dr. Abdulla Elyas	-	-	-	-	-	-	-	425.0***	-
4. Osamah Shaker	-	-	-	-	-	-	-	189.2	-
TOTAL	-	-	-	-	-	-	-	1,242.9	-
SECOND: NON-EXECUTIVE DIRECTORS									
1. Eng. Loay H Nazer	-	-	-	-	-	-	-	1,245.0	-
2. Mr. David Fletcher***	-	-	-	-	-	-	-	330.2	-
3. Mr. Martin Houston***	-	-	-	-	-	-	-	386.7	-
4. Mr. Nigel Sullivan***	-	-	-	-	-	-	-	325.2	-
TOTAL	-	-	-	-	-	-	-	2,287.1	-
THIRD: EXECUTIVE DIRECTORS									
1. Mr. Tal Nazer	-	-	-	-	-	-	-	300	-
2. Mr. Nader Ashoor	-	-	-	-	-	-	-	200	-
TOTAL	-	-	-	-	-	-	-	500	-

\* The Chairman's bonus for the year 2022 is to be paid upon the receipt of SAMA's no objection and the approval of shareholders in the General Assembly scheduled in June 2023.

\*\* The Board/Board Committee member remuneration fees for BIOL representatives who are employees of Bupa are received by the Bupa legal entity BIOL and not by the individual persons in their personal capacity.

\*\*\* An amount of SR 7,500 was deducted from both Dr. Abdulla and Mr. Zaid to maintain the SR 50,000 attendance fees cap.

Other than the above annual remuneration amounts and the reimbursement of actual expenses, which for 2022 amounts to SR 188,000, Bupa Arabia Board members do not receive any other benefits from Bupa Arabia.

Please refer to the 2022 AFS, Note 24a, and the table below for the salaries, emoluments, allowances, and bonuses, expensed/or provided for within the 2021-2022 result, by/for, the Board Members and the Senior Management:

Description	Executive Board Members (CEO/CFO) (Board Remuneration)	Independent and Non-Executive Board Members	Senior Management (Including CEO and CFO)		
	2022	2022	2022 SR '000	2021 SR '000	2022 (Change)
Salaries and emoluments	500	2450	19,168	17,481	1,687
Board allowances	-	518	N/A	N/A	N/A
Bonuses and LTIP	N/A	750	24,299	25,884	(1,585)
EOS	N/A	N/A	1,455	1,095	360
2022	500	3,718	44,922	44,460	462
2021	500	3,608	44,460		
2022 (Change) SR '000	0	110	462		

The annual bonus and LTIP remuneration entitlements for the Company's Senior Management are based on a combination of Company and individual performance-based measures, which both have to be fulfilled.

### Board Committees

Board Committee Member 2022 remuneration and attendance fees, excluding the Board member remunerations, are reflected below:

	Fixed remuneration (Except for the allowance for attending meetings) SR '000	Allowance for attending meetings SR '000	Total SR '000
<b>AUDIT COMMITTEE MEMBERS (AC)</b>			
1. Mr. David Hunt, AC Chairman	87.5	27.5	115.0
2. Mr. Suliman Alhatlan	75.0	15.0	90.0
3. Mr. Walid Shukri	75.0	20.0	95.0
4. Mr. Zaid Algwaiz	98.1	-	98.1
5. Mr. Ibrahim M Alhusayni	75.0	17.5	92.5
6. Ms. Zain Al Emam	75.0	17.5	92.5
<b>TOTAL</b>	485.6	97.5	583.1

## GOVERNANCE AND RISK MANAGEMENT REPORT

	Fixed remuneration (Except for the allowance for attending meetings) SR '000	Allowance for attending meetings SR '000	Total  SR '000
<b>NOMINATION AND REMUNERATION COMMITTEE MEMBERS (NRC)</b>			
1. Mr. Omar Najjar	50.0	7.5	57.5
2. Ms. Hawazen Nassief	35.2	7.5	42.7
<b>TOTAL</b>	85.2	15.0	100.2
<b>INVESTMENT COMMITTEE (IC)</b>			
1. Mr. Osamah Shaker	75.0	-	75.0
2. Mr. Selman Alfares	50.0	2.5	52.5
3. Mr. Andrew Bailey*	85.2	10.0	95.2
4. Ms. Nora Al Sarhan	35.2	10.0	45.2
5. Ms. Adhwa Alabdulkarim	35.2	10.0	45.2
<b>TOTAL</b>	280.6	32.5	313.1
<b>RISK MANAGEMENT COMMITTEE (RMC)</b>			
1. Mr. Khalid Al-Faddagh, RMC Chairman	75.0	7.5	82.5
2. Mr. Rami Makarem	85.2	17.5	102.7
3. Mr. James O'Reilly*	85.2	20.0	105.2
<b>TOTAL</b>	245.4	45.0	290.4

\*The Board/Board Committee member remuneration fees for BIOL representatives who are employees of Bupa are received by the Bupa legal entity BIOL and not by the individual persons in their personal capacity.

## Top Five Executives Senior Executive Remuneration (including CEO and CFO)

	Total SR '000
<b>FIXED REMUNERATIONS</b>	
Salaries	17,554
Allowances	1,614
In-kind benefits	-
<b>TOTAL</b>	19,168
<b>VARIABLE REMUNERATIONS</b>	
Periodic remunerations	-
Profits	-
Short-term incentive plans	10,077
Long-term incentive plans	14,222
Granted salaries	-
<b>TOTAL</b>	24,299
End-of-service award	1,455
Total remunerations for board executives	500
Aggregate amount	45,422



# General Assembly (GA) Meetings

In 2022, we held three (3) Extraordinary GA Meetings (EGM), and we included the highlights of our key Tadawul announcements, and the summary of the GA resolutions approved. Shareholders are referred to our fully detailed Tadawul announcements, our 2021 AFS, and our Company Website's Investor Relations Governance section, including the GA minutes, as we feel they contain sufficient information to keep shareholders fully informed to make their decisions:

## GA Meetings Attendance by the Board Members

Board Member	28 February	30 June	22 December
Eng. Loay Hisham Nazer	Yes	Yes	Yes
Mr. David Martin Fletcher	No	Yes	Yes
Mr. Tal Hisham Nazer	Yes	Yes	Yes
Mr. Zaid Abdulrahman Algwaiz	Yes	Yes	N/A
Mr. Martin Houston	No	Yes	Yes
Dr. Abdulla Nadeem Elyas	Yes	Yes	Yes
Ms. Huda Mohammed Bin Ghoson	No	Yes	Yes
Mr. Nigel Sullivan	No	No	Yes
Mr. Nader Ashoor	Yes	Yes	Yes
Mr. Osamah Shaker	N/A	N/A	Yes

## EGM Resolutions Approved on 28 February 2022 (results announced on 01 March 2022):

1. Approved the appointment of the external auditors, as Ernst and Young & Co. and PriceWaterhouseCoopers, from amongst the candidates recommended by the Audit Committee, to audit the Company's quarterly financial statements for the second and third quarters, the Annual Financial Statements for the fiscal year 2022, and the first quarter for the fiscal year 2023, along with determining their fees.

## EGM Resolutions Approved on 30 June 2022 (results announced on 03 July 2022):

1. Approved the Board of Directors Report for the year ended 31 December 2021G.
2. Approved the Auditors' Report for the year ended 31 December 2021G.
3. Approved the Annual Financial Statements for the fiscal year ended 31 December 2021G.
4. Approved the recommendation of the Board of Directors to distribute cash dividends for the fiscal year 2021G, (SR 4.50) per share in a total amount of (SR 540,000,000), or 45% of the nominal share value, provided that the shareholders owning the shares are eligible at the end of the trading day of the General Assembly meeting, and those registered in the Company's shareholders' register with the Securities Depository Center Company (Edaa Center) at the end of the second trading day following the approval date, the dividends distribution date will be released later.
5. Approved the purchase of the Long-Term Incentive Plan (LTIP) for its entitled LTIP employees, up to a maximum of 175,000 shares at a value of SR 17,551,122, the purchase will be financed through the Company's funds. Further, to authorize the Board of Directors to complete the purchase of the shares within (12 months) from the date of the Extraordinary General Assembly Meeting's Approval. The purchased shares will be kept no longer than (10 years) from the date of approval until it is allocated to the entitled employees. Noting that this program is a continuation of the current program, the conditions of which were previously determined by the Board of Directors, and the approval of the Extraordinary General Assembly was obtained on 12/08/1438 AH corresponding to 08/05/2017G.
6. Approved the Board member's remuneration at (SR 4,108,000) for the year ended 31 December 2021G.
7. Approved the absolving of the Board of Directors for the year ended 31 December 2021G.
8. Approved the delegation of the authority to the Board to approve an interim dividend to the shareholders, on a semi-annual or quarterly basis for the year 2022.

9. Approved the appointment of the members of the Board of Directors for the next cycle for a period of three years, starting from 01/07/2022G and ending on 30/06/2025G. They are as follows:
  - Mr. David Fletcher
  - Eng. Loay Hisham Nazer
  - Ms. Huda Bin Ghoson
  - Mr. Tal Hisham Nazer
  - Mr. Osamah Shaker
  - Mr. Nigel Sullivan
  - Mr. Martin Houston
  - Mr. Nader Mohammad Saleh Ashoor
  - Dr. Abdulla Nadeem Elyas
10. Resolution (10): Approved the formation of the Audit Committee, determining its tasks, its work rules, and the remuneration of its members for the next cycle for a period of three years, which will start from 01/07/2022G and which will end on 30/06/2025G. They are as follows:
  1. Mr. Zaid Abdulrahman Algwaiz.
  2. Dr. Abdulla Elyas.
  3. Ms. Zain Al Emam.
  4. Mr. Ibrahim Alhusayni.
11. Resolution (11): Approved delegating the Board of Directors the authority of the Ordinary General Assembly to the license mentioned in Paragraph (1) of Article 71 of the Companies Law, for a period of one year from the date of the approval of the General Assembly or until the end of the session of the authorized Board of Directors, whichever is earlier, in accordance with the conditions mentioned regarding the regulatory controls and procedures issued in implementation of the Companies Law of Listed Joint Stock Companies.
12. Resolutions (12-32) The ratification of related party transactions, business, and contracts, for the prior and future years.

### **EGM Resolutions Approved on 22 December 2022 (results announced on 25 December 2022):**

1. Approve increasing the share capital from SR 1,200 million to SR 1,500 million by capitalizing SR 300 million from the retained earnings account, thereby increasing the capital by 25%, and thereby increasing the number of shares from 120 million to 150 million shares through offering one bonus share for every four shares owned. The objective of this recommendation is based on the Board's desire to support and strengthen Bupa Arabia's capital base to enable it to achieve growth in the Company's business and expand its activities over the coming years. The date of entitlement to the bonus shares will be to any shareholders owning shares as per the Securities Depository Center shareholder registry two days after the date of the Extraordinary General Assembly Meeting. In the event of fractions of shares resulting from the capital increase, they will be grouped into one portfolio and sold at the market price and then the proceeds of the sale of the fractional shares will be distributed to the entitled parties on the date of entitlement, according to their shares and on the basis of the average selling price per share, which shall be completed within a period not exceeding 30 days from the date of distribution of the correct shares to the beneficiaries according to the regulations.
2. Approve the changes in Article 8 of the Company's By-Laws, which is the change to the Company's capital and the number of shares issued, provided Resolution 1 of this meeting has been approved.

# Additional Disclosures

The following sections contain additional disclosures in accordance with the laws and regulations of Saudi Arabia, including the SAMA Insurance Corporate Governance Regulations, and the CMA Corporate Governance regulations.

SAMA and other regulatory bodies executive orders:

Violation Subject	Previous Financial Year (2021)			Current Financial Year (2022)		
	Number of Executive Orders	Total Amount of Fines in Saudi Riyal	Correction and avoidance actions	Number of Executive Orders	Total Amount of Fines in Saudi Riyal	Correction and avoidance actions
1. SAMA's Supervisory and Monitoring Violation	3	80,000	The Company has developed a corrective plan to address and implement all requirements to ensure that they do not fall into the future	5	100,000	The Company has developed a corrective plan to address and implement all requirements to ensure that they do not fall into the future
2. SAMA's Consumers Protections Violation	-	-	-	-	-	-
3. SAMA's AML/CTF Due Diligence Violation	-	-	-	-	-	-
4. Cancellation of Municipal Licenses (Licenses of old branches under the main CR)	6	3,000	Licenses are cancelled	-	-	-
5. Violation from ejadh (Riyadh baladya) for Riyadh building (Violation of municipal visit at the time of COVID-19)	1	3,200	Violations were corrected	-	-	-
6. Non-Renewal of the Municipal License - Jeddah HQ)	1	200	A plan was developed to track and monitor licenses expiry dates to ensure renewal on time	-	-	-

## Subsidiaries

Subsidiary company	Capital (SR)	Ownership (%)	Purpose	Remarks	Country of main operations	Country of incorporation
1. Bupa Arabia for Third Party Administration	5,000,000	100	Provide third party administration services	-	Saudi Arabia	Saudi Arabia
2. Bupa Arabia Ventures	2,000,000	100	Invest in world-class business partners with solutions that can integrate with Bupa Arabia's digital ecosystem and accelerate its development	Under incorporation	Saudi Arabia	Saudi Arabia

## No Borrowings or Loans

The Company and the Board, confirm that it has no borrowings or loans outstanding at the end of the current twelve-month period, nor has it been required to make any payments against borrowings or loans.

## Declarations Relating to Debt Instruments, Options, Warrants, and Rights

As required in terms of the CMA disclosure requirements, the Company and the Board, confirm the below declarations:

- That it has not issued or granted, any convertible debt instruments, options, warrants, or similar rights during the financial year and accordingly has not received any consideration for the same.
- That it has not converted, nor issued, nor granted, any subscription rights under any convertible debt instruments, contractually based securities, warrants, or similar rights during the financial year.
- That it has not redeemed, purchased, or cancelled any redeemable debt instruments during the financial year. The Company has no such securities outstanding, so the value of the same is nil.

## Procedure taken to the Board to inform its members, Non-Executive Directors in particular, of the shareholders' suggestions and remarks on the Company and its performance

The Company records any recommendation or suggestion received during its General Assembly's meetings. In addition, the Company has two dedicated emails (BA.BAIR@bupa.com.sa) & (invest@bupa.com.sa) to receive any suggestions from its shareholders, where the Chairman of the Board is informed of these suggestions if required, for it to be included in the nearest board meeting.

## The Audit Committee recommendation with conflict with Board resolution or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor, as well as justifications for those recommendations and reasons for disregarding them

During 2022 there were no conflict between the Audit Committee recommendation and the Board.

## Any material differences in the operational results compared to the preceding year's results, along with any expectations announced by the Company

The Company confirm that there are no material differences in the operational results compared to the preceding year's results, along with any expectations announced by the Company

## Any potential cases of conflict of interest and how they were addressed

The Company confirm that there are no potential cases of conflicts. In case of any conflict, it will be addressed in accordance with the approved policies.

## Description of any Punishment, Penalty, or Statutory Reserve or Restriction Imposed on any of the Board Members by any Judicial, Supervisory, or Regulatory Authority in Respect of the Company

The Company declares that there is no punishment, penalty, statutory reserve, or restriction imposed on any of the Board Members by any judicial, supervisory, or regulatory authority in respect of the Company.

## Long-Term Incentive Plan (LTIP)

Bupa Arabia purchases shares held under the employee share scheme to hedge itself against adverse changes in the fair value of its shares between the grant date and the date on which these shares are transferred to employees. When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as shares held under an employee share scheme and are presented in the Statement of Changes in Equity. The Company secures advance GA approval for the annual purchase of the LTIP shares for each LTIP cycle.

In 2022, the 30 June General Assembly approved the purchase of the Long-Term Incentive Plan (LTIP) shares up to a maximum of 175,000 at a value of SR 17,551,122. As of 31 December 2022, the Company holds a total of 770,162 LTIP shares with a cost of SR 78.2 million on behalf of the LTIP participants.

### **Maintenance of Proper Records and Books of Account**

As stipulated by Saudi Arabian insurance regulations, the Company and the Board confirm that proper books of account have been maintained and that it maintains separate accounts for each of its insurance operations and shareholder operations, within its accounting records, and can confirm that it has maintained proper accounting records during the financial year with no inconsistency with the standards approved by the Saudi Organizations for Certified Public Accountant.

### **Unqualified Opinion of the Independent External Auditors**

The joint independent External Auditors' report contains an unqualified opinion that the financial statements, taken as a whole, present fairly in all material aspects the financial position of the Company comply with the requirements of the regulations for companies and the Company's By-Laws.

### **Internal Control System and Effectiveness**

As required in terms of the CMA disclosure requirement, the Audit Committee noticed the Management's continuous efforts and focus on improving the design and effectiveness of Bupa Arabia's internal control environment. Based on the results of the internal audit reviews and the planned activities to enhance the internal control environment, and following the discussion with the External Auditor and the Management on the preliminary and Annual Financial Statements for the year ended 31 December 2022, nothing has been brought to the Committee's attention that would indicate any significant deficiencies.

### **Continuation as a Going Concern**

The Company confirms there are no significant doubts about the Company's ability to continue as a going concern.

### **External Auditors**

The Extraordinary General Assembly of the Company held on 28 February 2022 approved the appointment of the external auditors Ernst and Young & Co. and PriceWaterhouseCoopers, from amongst the candidates recommended by the Audit Committee, to audit the Company's quarterly financial statements for the second and third quarters, the Annual Financial Statements for the fiscal year 2022, and the first quarter for the fiscal year 2023, along with determining their fees.

During 2022 the Board didn't recommend replacing the external auditors before the end of their term.

### **Independent External Actuary**

Bupa Arabia's independent external actuary, for the 2022 fiscal year was Lux Actuaries.





The background of the slide is a dark blue field with a grid of lighter blue lines. Overlaid on this are several data visualization elements: a yellow line graph with white circular markers that trends upwards from left to right; a blue line graph with white circular markers that fluctuates; and a series of vertical blue bars of varying heights, resembling a bar chart, positioned below the line graphs.

# FINANCIAL STATEMENTS

Bupa Arabia is an insurance business operating in the Kingdom of Saudi Arabia and the Consolidated Financial Statements have been presented in accordance with International Financial Reporting Standards that are endorsed in the Kingdom.

# Independent Auditors' Report



## To the Shareholders of Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

### Opinion

We have audited the consolidated financial statements of Bupa Arabia For Cooperative Insurance Company – a Saudi Joint Stock Company (“the Company”) and its subsidiary (collectively referred to as the “Group”), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (referred to as “IFRS as endorsed in Kingdom of Saudi Arabia”).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**Ernst & Young Professional Services (Professional LLC)**  
**Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)**  
 King's Road Tower – 13<sup>th</sup> Floor  
 King Abdulaziz Road (Malek Road)  
 P. O. Box 1994  
 Jeddah 21441  
 Kingdom of Saudi Arabia  
 Head Office – Riyadh  
 C.R. No. 4030276644  
 Tel: +966 12 221 8400  
 ey.ksa@sa.ey.com

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, a description of how our audit addressed the matter is provided in that context:

Key audit matter	How our audit addressed the key audit matter
<b>Valuation of ultimate claim liabilities arising from insurance contracts</b>  As at 31 December 2022, gross outstanding claims and reserves including claims incurred but not reported (IBNR) and premium deficiency reserve amounted to Saudi Riyals 2.51 billion (2021: Saudi Riyals 2.11 billion) as reported in Note 13.2 to the consolidated financial statements.  The estimation of insurance contract liabilities involves a significant degree of judgement. The liabilities are based on the best-estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with the related claims handling costs. Accordingly, this complexity arises from calculating the actuarial best estimate and the margin over best estimate using historical data which is sensitive to external inputs, such as claims cost inflation and medical trends, as well as the actuarial methodology that is applied and the assumptions on current and future events.	We performed the following procedures <ul style="list-style-type: none"> <li>Understood, evaluated and tested key controls around the claims handling and provision setting processes.</li> <li>Evaluated the competence, capabilities and objectivity of the management's expert based on their professional qualifications and experience and assessed their independence.</li> <li>Performed substantive tests on the amounts recorded for a sample of claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of outstanding claim reserves.</li> <li>Obtained sufficient audit evidence to assess the integrity of data used as inputs into the actuarial valuations, and tested on sample basis, the accuracy of underlying claims data utilized by the management's expert in estimating the IBNR by comparing it to the accounting and other records.</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p>The Group calculates its own estimate of the provision using standardized reserving methodology for comparing against the provision calculated by the independent actuary, and considers the impact of any significant differences.</p> <p>Due to the inherent estimation uncertainty and subjectivity involved in the assessment of valuation of ultimate claim liabilities arising from insurance contracts, we have considered this as a key audit matter.</p> <p><i>Refer to notes 3(xxi) for the accounting policy adopted by the Group and note 2d (i) for the significant accounting judgements, estimates and assumptions involved in the initial recognition and subsequent measurement of claims. Also, refer to note 13 for the movement in outstanding claims.</i></p>	<ul style="list-style-type: none"> <li>■ Challenged management's methods and assumptions, through assistance of our internal actuarial expert to understand and evaluate the Group's actuarial practices and provisions established and gained comfort over the actuarial report issued by management's expert, by performing the following:             <ol style="list-style-type: none"> <li>i. Evaluated whether the Group's actuarial methodologies were consistent with generally accepted actuarial practices and with prior years. We sought sufficient justification for any significant differences;</li> <li>ii. Assessed key actuarial assumptions including claims ratios and expected frequency and severity of claims. We challenged these assumptions by comparing them with our expectations based on the Group's historical experience, current trends and our own industry knowledge; and</li> <li>iii. Assessed the appropriateness of the calculation methods and approach along with the assumptions used and sensitivity analysis performed.</li> </ol> </li> <li>■ Assessed the adequacy and appropriateness of the related disclosures in the consolidated financial statements.</li> </ul>

### Other information included in the Group's 2022 Annual Report

The Board of Directors is responsible for the other information. Other information consists of the information included in the Group's 2022 Annual Report, other than the consolidated financial statements and our auditors' report thereon. The Group's Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### Responsibilities of those charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as endorsed in Kingdom of Saudi Arabia, the applicable requirements of the Regulations for Companies, and the Company's By-laws, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We solely remain responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for PricewaterhouseCoopers for  
Certified Public Accountants

**Mufaddal A. Ali**  
Certified Public Accountant,  
Licence No. 447

Ernst & Young  
Professional Services

**Hussain Saleh Asiri**  
Certified Public Accountant,  
Licence No. 414



Sha'ban 8, 1444H  
February 28, 2023  
Jeddah, Kingdom of Saudi Arabia





# Consolidated Statement of Financial Position

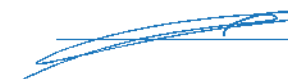
As at 31 December 2022 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

	Notes	2022 SR '000	2021 SR '000
<b>ASSETS</b>			
Cash and cash equivalents	5	1,288,297	960,758
Premiums receivable - net	6	2,159,183	1,761,300
Reinsurers' share of unearned premiums	13.1	48,265	27,935
Reinsurers' share of outstanding claims	13.2	7,221	7,207
Reinsurers' share of claims incurred but not reported	13.2	12,602	7,829
Deferred policy acquisition costs	14	264,931	201,042
Investments	7	3,374,302	5,703,773
Prepaid expenses and other assets	8	147,763	113,254
Term deposits	9	6,408,489	3,093,720
Fixtures, furniture and equipment - net	10.1	63,643	69,771
Right-of-use assets - net	10.2	165,947	112,616
Intangible assets - net	11	65,413	67,277
Deferred tax asset	26.b	40,151	39,735
Goodwill	4	98,000	98,000
Statutory deposit	12	150,000	120,000
Accrued income on statutory deposit	12	16,235	14,885
<b>TOTAL ASSETS</b>		<b>14,310,442</b>	<b>12,399,102</b>
<b>LIABILITIES</b>			
Accrued and other liabilities	18.1	871,560	604,774
Lease liability	18.2	184,682	125,333
Insurance operations' surplus payable	20	208,021	190,060
Reinsurers' balances payable	25	2,605	25,397
Unearned premiums	13.1	5,695,725	4,709,555
Outstanding claims	13.2	601,366	601,168
Claims incurred but not reported	13.2	1,867,017	1,413,888
Premium deficiency reserve	13.2	22,982	74,602
Claims handling reserve	13.2	23,470	21,797
Due to related parties	24	42,280	33,723
Provision for end-of-service benefits	21	154,054	152,286
Provision for zakat and income tax	26.c	326,566	236,610
Accrued income payable to SAMA	12	16,235	14,885
<b>TOTAL LIABILITIES</b>		<b>10,016,563</b>	<b>8,204,078</b>

	Notes	2022 SR '000	2021 SR '000
<b>EQUITY</b>			
Share capital	27	1,500,000	1,200,000
Statutory reserve	28	1,164,724	992,210
Share based payments reserve	29	54,268	43,500
Shares held under employees share scheme	29	(78,235)	(53,356)
Retained earnings		1,709,186	1,790,700
Re-measurement reserve for end-of-service benefits		(7,043)	(23,638)
Investments fair value reserve - related to shareholders		(25,054)	236,633
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>4,317,846</b>	<b>4,186,049</b>
Investments fair value reserve - related to policyholders		(23,967)	8,975
<b>TOTAL EQUITY</b>		<b>4,293,879</b>	<b>4,195,024</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>14,310,442</b>	<b>12,399,102</b>



**Chairman**  
Loay Hisham Nazer



**Director and Chief Executive Officer**  
Tal Hisham Nazer



**Director, Deputy CEO and CFO**  
Nader Mohammed Saleeh Ashoor

The accompanying Notes 1 to 38 form an integral part of these Consolidated Financial Statements.

# Consolidated Statement of Income

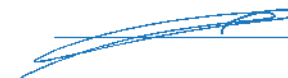
For the year ended 31 December 2022 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

	Notes	2022 SR '000	2021 SR '000
<b>REVENUES</b>			
Gross premiums written	13	13,896,883	11,382,194
Reinsurance premiums ceded - Local		(175)	(5,345)
Reinsurance premiums ceded - International		(94,107)	(80,737)
<b>NET PREMIUMS WRITTEN</b>		<b>13,802,601</b>	<b>11,296,112</b>
Changes in unearned premiums - net		(965,840)	(678,397)
<b>NET PREMIUMS EARNED</b>	13	<b>12,836,761</b>	<b>10,617,715</b>
Other revenues		42,633	-
<b>TOTAL REVENUES</b>		<b>12,879,394</b>	<b>10,617,715</b>
<b>UNDERWRITING AND OTHER DIRECT COSTS</b>			
Gross claims paid		(10,565,431)	(9,114,251)
Reinsurers' share of claims paid		39,497	62,718
<b>NET CLAIMS PAID</b>		<b>(10,525,934)</b>	<b>(9,051,533)</b>
Changes in outstanding claims		(198)	(154,649)
Changes in claims incurred but not reported		(453,129)	(35,594)
Changes in premium deficiency reserve		51,620	189,149
Changes in claims handling reserves		(1,673)	(1,042)
Reinsurance share of changes in outstanding claims		14	5,732
Reinsurance share of changes in claims incurred but not reported		4,773	1,368
<b>NET CLAIMS INCURRED</b>		<b>(10,924,527)</b>	<b>(9,046,569)</b>
Policy acquisition costs	14	(578,156)	(343,427)
Other costs		(16,378)	-
<b>TOTAL UNDERWRITING AND OTHER DIRECT COSTS</b>		<b>(11,519,061)</b>	<b>(9,389,996)</b>
<b>NET UNDERWRITING AND OTHER ACTIVITIES GROSS INCOME</b>		<b>1,360,333</b>	<b>1,227,719</b>
<b>OTHER OPERATING (EXPENSES)/INCOME</b>			
Allowance for doubtful receivables	6	(40,885)	(22,458)
General and administrative expenses	31	(667,145)	(598,594)
Selling and marketing expenses	32	(135,975)	(115,646)
Investment income - net	33	552,990	260,437
Other income - net		22,866	37,590
<b>TOTAL OTHER OPERATING (EXPENSES)/INCOME</b>		<b>(268,149)</b>	<b>(438,671)</b>

	Notes	2022 SR '000	2021 SR '000
<b>INCOME BEFORE SURPLUS, ZAKAT AND INCOME TAX</b>		<b>1,092,184</b>	<b>789,048</b>
<b>INCOME ATTRIBUTED TO THE INSURANCE OPERATIONS (TRANSFER TO SURPLUS PAYABLE)</b>	20	<b>(65,303)</b>	<b>(58,347)</b>
<b>INCOME ATTRIBUTED TO THE SHAREHOLDERS BEFORE ZAKAT AND INCOME TAX</b>		<b>1,026,881</b>	<b>730,701</b>
Zakat charge	26	(72,938)	(41,136)
Income tax charge	26	(91,374)	(63,995)
<b>NET INCOME ATTRIBUTED TO SHAREHOLDERS AFTER ZAKAT AND INCOME TAX</b>		<b>862,569</b>	<b>625,570</b>
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY OUTSTANDING SHARES (IN THOUSANDS)</b>	34	<b>149,316</b>	<b>149,558</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN SR PER SHARE)</b>	34	<b>5.78</b>	<b>4.18</b>



**Chairman**  
Loay Hisham Nazer



**Director and Chief Executive Officer**  
Tal Hisham Nazer



**Director, Deputy CEO and CFO**  
Nader Mohammed Saleeh Ashoor

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# Consolidated Statement of Comprehensive Income

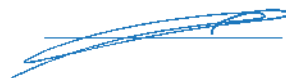
For the year ended 31 December 2022 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

	Notes	2022 SR '000	2021 SR '000
<b>NET INCOME ATTRIBUTED TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX</b>		862,569	625,570
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to consolidated statement of income in subsequent years</b>			
Actuarial gains on end-of-service benefits	21	16,595	7,535
<b>Items that are or may be reclassified to consolidated statement of income in subsequent years</b>			
Net changes in fair value of available-for-sale investments:		(261,687)	61,785
- related to shareholders		(32,942)	(15,083)
- related to policyholders		(294,629)	46,702
<b>TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME</b>		(278,034)	54,237
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		584,535	679,807



**Chairman**

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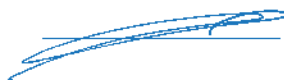
# Consolidated Statement of Changes in Equity

For the year ended 31 December 2022 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

2022	Related to shareholders' operations									
	Share capital	Statutory reserve	Share-based payments reserve	Shares held under employees share scheme	Retained earnings	Re-measurement reserve end-of-service benefits	Investments fair value reserve – related to shareholders' operations	Total shareholders' operations equity	Investments fair value reserve – related to policyholders operations	Total equity
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
<b>BALANCE AT 01 JANUARY 2022</b>	1,200,000	992,210	43,500	(53,356)	1,790,700	(23,638)	236,633	4,186,049	8,975	4,195,024
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>										
Net income for the year attributed to the shareholders after zakat and income tax	-	-	-	-	862,569	-	-	862,569	-	862,569
Other comprehensive income/(loss)	-	-	-	-	-	16,595	(261,687)	(245,092)	(32,942)	(278,034)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	-	-	862,569	16,595	(261,687)	617,477	(32,942)	584,535
Transfer to statutory reserves (Note 28)	-	172,514	-	-	(172,514)	-	-	-	-	-
Provision for employees share scheme	-	-	22,391	-	-	-	-	22,391	-	22,391
Delivery of shares under employees share scheme	-	-	(11,623)	11,623	-	-	-	-	-	-
Purchase of shares under employees share scheme	-	-	-	(36,502)	-	-	-	(36,502)	-	(36,502)
Bonus shares issued (Note 27)	300,000	-	-	-	(300,000)	-	-	-	-	-
Dividends (Note 37)	-	-	-	-	(540,000)	-	-	(540,000)	-	(540,000)
Income tax refundable from non-Saudi shareholders (Note 27)	-	-	-	-	68,431	-	-	68,431	-	68,431
<b>BALANCE AT 31 DECEMBER 2022</b>	1,500,000	1,164,724	54,268	(78,235)	1,709,186	(7,043)	(25,054)	4,317,846	(23,967)	4,293,879



**Chairman**  
Loay Hisham Nazer



**Director and Chief Executive Officer**  
Tal Hisham Nazer



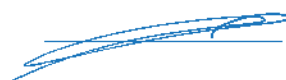
**Director, Deputy CEO and CFO**  
Nader Mohammed Saleeh Ashoor

The accompanying Notes 1 to 38 form an integral part of these Consolidated Financial Statements.

2021	Related to shareholders' operations									
	Share capital	Statutory reserve	Share-based payments reserve	Shares held under employees share scheme	Retained earnings	Remeasurement reserve end-of-service benefits	Investments fair value reserve – related to shareholders' operations	Total shareholders' operations equity	Investments fair value reserve – related to policyholders operations	Total equity
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
<b>BALANCE AT 01 JANUARY 2021</b>	1,200,000	867,096	32,800	(48,779)	1,684,003	(31,173)	174,848	3,878,795	24,058	3,902,853
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>										
Net income for the year attributed to shareholders after Zakat and income tax	-	-	-	-	625,570	-	-	625,570	-	625,570
Other comprehensive income/(loss)	-	-	-	-	-	7,535	61,785	69,320	(15,083)	54,237
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	-	-	625,570	7,535	61,785	694,890	(15,083)	679,807
Transfer to statutory reserves (Note 28)	-	125,114	-	-	(125,114)	-	-	-	-	-
Provision for employees share scheme	-	-	20,386	-	-	-	-	20,386	-	20,386
Delivery of shares under employees share scheme	-	-	(9,686)	9,686	-	-	-	-	-	-
Purchase of shares under employees share scheme	-	-	-	(14,263)	-	-	-	(14,263)	-	(14,263)
Dividends (Note 37)	-	-	-	-	(408,000)	-	-	(408,000)	-	(408,000)
Income tax refundable from non-Saudi shareholders (Note 27)	-	-	-	-	14,241	-	-	14,241	-	14,241
<b>BALANCE AT 31 DECEMBER 2021</b>	1,200,000	992,210	43,500	(53,356)	1,790,700	(23,638)	236,633	4,186,049	8,975	4,195,024


**Chairman**

Loay Hisham Nazer


**Director and Chief Executive Officer**

Tal Hisham Nazer


**Director, Deputy CEO and CFO**

Nader Mohammed Saleeh Ashoor

The accompanying Notes 1 to 38 form an integral part of these Consolidated Financial Statements.



# Consolidated Statement of Cash Flows

For the year ended 31 December 2022 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

	Notes	2022 SR '000	2021 SR '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		1,026,881	730,701
Net income attributed to the shareholders before Zakat and income tax			
<b>ADJUSTMENTS FOR NON-CASH ITEMS:</b>		65,303	58,347
Net income attributed to the insurance operations	20	15,734	15,216
Depreciation of fixtures, furniture and equipment	10	21,019	15,939
Amortization of right-of-use assets	10	13,105	14,446
Amortization of intangible assets	11	238	2,521
Loss on disposal of fixtures and furniture and equipment		326	-
Loss on disposal of intangible assets		22,391	20,386
Provision for employees share scheme		40,885	22,458
Allowance for doubtful receivables	6	(140,529)	(58,357)
Commission income on term deposits	9	(412,461)	(202,080)
Other investment income, net		25,799	27,495
Provision for end-of-service benefits	21	6,287	5,834
Finance cost			
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES:</b>			
Premiums receivable		(438,768)	(463,715)
Reinsurers' share of unearned premiums		(20,330)	(7,827)
Reinsurers' share of outstanding claims		(14)	(5,732)
Reinsurers' share of claims incurred but not reported		(4,773)	(1,368)
Deferred policy acquisition costs		(63,889)	(132,828)
Prepaid expenses and other assets		(34,439)	(28,168)
Accrued and other liabilities		266,786	64,324
Reinsurers' balances payable		(22,792)	20,524
Unearned premiums		986,170	686,224
Outstanding claims		198	154,649
Claims incurred but not reported		453,129	35,594
Premium deficiency reserve		(51,620)	(189,149)
Claims handling reserve		1,673	1,042
Due to related parties		76,988	(60,557)
		1,833,297	725,919
End-of-service benefits paid	21	(7,436)	(7,686)
Surplus paid to policyholders	20	(47,342)	(68,678)
Zakat and income tax paid	26	(74,842)	(187,514)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		1,703,677	462,041

	Notes	2022 SR '000	2021 SR '000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Placement in term deposits	9	(6,211,723)	(2,213,328)
Proceeds from maturity of term deposits	9	3,037,483	1,974,512
Additions to investments	7	(8,865,817)	(15,166,118)
Disposals of investments	7	11,187,974	15,541,136
Proceeds from commission and dividends		125,146	199,437
Increase in statutory deposit	12	(30,000)	-
Additions to fixtures, furniture and equipment	10	(9,902)	(9,115)
Proceeds from disposal of fixtures, furniture and equipment		58	-
Additions to intangible assets	11	(11,567)	(19,765)
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>		(778,348)	306,759
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	38	(540,000)	(408,000)
Purchase of shares held under employees share scheme		(36,502)	(14,263)
Lease liability paid	18	(21,288)	(19,030)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		(597,790)	(441,293)
Net change in cash and cash equivalents		327,539	327,507
Cash and cash equivalents at beginning of the year		960,758	633,251
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	5	1,288,297	960,758
<b>NON-CASH TRANSACTIONS</b>			
Recognition of Right-of-use assets/lease liability		74,350	2,929
Actuarial gains on end-of-service-benefits	21	16,595	7,535
Income tax refundable from non-Saudi shareholders		68,431	14,241

**Chairman**

Loay Hisham Nazer



**Director, Deputy CEO and CFO**

Nader Mohammed Saleeh Ashoor

The accompanying Notes 1 to 38 form an integral part of these Consolidated Financial Statements.

**Director and Chief Executive Officer**

Tal Hisham Nazer

# Notes to the Financial Statements

As at 31 December 2022 > Bupa Arabia for Cooperative Insurance Company (A Saudi Joint Stock Company)

## 1 Organization and Principal Activities

Bupa Arabia for Cooperative Insurance Company (the "Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per the Ministry of Commerce's resolution number 138/K dated 24 Rabi Thani 1429H (corresponding to 1 May 2008). The Commercial Registration number of the Company is 4030178881 dated 5 Jumad Awwal 1429H (corresponding to 11 May 2008). The Registered Office of the Company is situated at:

Al-Khaleidiyah District,  
Prince Saud Al Faisal Street,  
Front of Saudi Airlines Cargo Building,  
P.O. Box 23807, Jeddah 21436,  
Kingdom of Saudi Arabia.

The Company is licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. M/74 dated 29 Shabaan 1428H (corresponding to 11 September 2007) pursuant to the Council of Ministers' Resolution No. 279 dated 28 Shabaan 1428H (corresponding to 10 September 2007).

The objective of the Company is to transact cooperative insurance operations and related activities in the Kingdom of Saudi Arabia in accordance with its articles of association, and applicable regulations in the Kingdom of Saudi Arabia. The Company underwrites medical insurance only.

The Board of Directors approves the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by the Saudi Central Bank ("SAMA"), whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders' operations in full.

The Company has the following subsidiary:

Name of the subsidiary	Registration number	Country of incorporation	Ownership	Principal business activity
Bupa Arabia for Third Party Administration	4030605585	Saudi Arabia	100%	Claims management services

These Consolidated Financial Statements comprise the Company and its subsidiary (together referred to as the "Group"). The subsidiary has commenced operations in July 2022 and prior to that subsidiary was dormant.

## 2 Basis of Preparation

### (a) Basis of presentation and measurement

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") ("IFRS as endorsed by SOCPA").

The Consolidated Financial Statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their Fair Value through Statement of Income (FVSI), available-for-sale investments, liabilities for cash-settled-share based payments and defined benefit obligations [Employees' End of Service Benefits ("EOSB")] recorded at the present value. The Group's Consolidated Statement of Financial Position is presented in order of liquidity. Except for available-for-sale investments, fixtures, furniture and equipment, right-of-use assets, intangible assets, goodwill, statutory deposit, deferred tax, accrued income on statutory deposit, provision for end-of-service benefits and accrued income payable to SAMA, all other assets and liabilities are of short-term nature.

As required by the Saudi Arabian Insurance Regulations (The Implementation Regulations), the Company maintains separate books of accounts for "Insurance Operations" and "Shareholders' Operations". Accordingly, assets, liabilities, revenues and expenses attributable to either operation are recorded in the respective accounts. Note 36 to these Consolidated Financial Statements provides the Consolidated Statement of Financial Position, Consolidated Statement of Income, Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows of the insurance operations and shareholders operations, separately.

During 2018, SAMA issued illustrative Financial Statements for the insurance sector in the Kingdom of Saudi Arabia. In preparing the Financial Statements in compliance with IFRS as endorsed by SOCPA, the balances and transactions of insurance operations are combined with those of shareholders' operations. Inter-operation balances and transactions, if any, are eliminated in full. The accounting policies adopted for the insurance and shareholders' operations are uniform for like transactions and events in similar circumstances.

### (b) Functional and presentation currency

These Consolidated Financial Statements are presented in Saudi Arabian Riyals (SR), which is the Group's functional currency. All financial information presented in SR has been rounded off to the nearest thousand except where otherwise indicated.

**(c) Fiscal year**

The Group follows a fiscal year ending on 31 December.

**(d) Critical accounting judgments, estimates and assumptions**

The preparation of the Group's Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future years. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following are the accounting judgments and estimates that are critical in the preparation of these Consolidated Financial Statements:

**(i) The ultimate liability arising from claims made under insurance contracts**

Judgment by management is required in the estimation of amounts due to medical providers and third parties arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions derived from several factors involving varying degrees of judgment and uncertainty as well as actual results may differ from management's estimates resulting in future changes in estimated liabilities. The Group estimates its claims based on its previous experience of its insurance portfolio. The provision for claims incurred but not reported (IBNR) is an estimation of claims which are expected to be reported subsequent to the date of statement of financial position, for which the insured event has occurred prior to the date of Statement of Financial Position.

The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using the past claims settlement trends to predict future claims settlement trends. Claims requiring court or arbitration decisions, if any, are estimated individually. Management reviews its provisions for claims incurred, and claims incurred but not reported, on a monthly basis. Any difference between the provisions at the Statement of Financial Position date and actual settlement is included in provisions in the following year in the Statement of Income. The provision for outstanding claims, as at 31 December, is also verified by an independent actuary.

A range of methods such as the Chain Ladder Method, the Bornhuetter-Ferguson Method and the Expected Loss Ratio Method are used by the actuaries to determine these provisions. Also, the Actuaries have used a segmentation approach which includes analyzing the costs per member per year for the medical line of business. Underlying these methods are also a number of explicit or implicit assumptions relating to the expected settlement amount and the settlement patterns of the claims.

Estimation of premium deficiency for medical insurance is highly sensitive to a number of assumptions as to the future events and conditions. It is based on an expected loss ratio for the unexpired portion of the risks for active written policies. To arrive at the estimate of the expected loss ratio, the Group's actuarial team, and also the independent actuary, consider the claims and premiums relationship which is expected to apply on a month-to-month basis, and ascertain, at the end of the financial period, whether a premium deficiency reserve is required.

**(ii) Impairment of receivables**

A provision for impairment of premium and reinsurance receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtors, probability that the debtors will enter into bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired.

**(iii) Deferred acquisition costs**

Acquisition costs related to the sale of new policies are recorded as deferred acquisition costs and are amortized in the Statement of Income over the period of policy coverage. If the assumptions relating to future profitability of these policies are not realized, the amortization of these costs could be accelerated and this may also require additional impairment in the Statement of Income.

**(iv) Useful lives of fixtures, furniture and right-of-use assets**

The Group's management determines the estimated useful lives of its fixtures, furniture, and equipment and right-of-use assets for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews residual values and useful lives annually and future depreciation charges are adjusted where management believes the useful lives differ from previous estimates.

**(v) Fair value of financial instruments**

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price. Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values.

**(vi) Impairment of available for sale investments**

The Group exercises judgment to consider impairment on the available for sale investments at each reporting date. This includes determination of a significant or a prolonged decline in the fair value of equity securities below cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share prices. In addition, the Group considers impairment to be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational & financing cash flows.

The Group considers 30% or more, as a reasonable measure for significant decline below its cost, irrespective of the duration of the decline, which is recognized in the Statement of Income as an impairment charge on investments. A prolonged decline represents a decline below cost that persists for 1 year or longer irrespective of the amount and is recognized in the Statement of Income accordingly as an impairment charge on investments. The previously recognized impairment loss in respect of equity investments cannot be reversed through the Statement of Income. The Group reviews its debt securities classified as available for sale at each reporting date to assess whether they are impaired.

**(vii) Going concern**

The Group's Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

**(viii) Impairment of Goodwill**

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2022 and 2021 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated in note 4. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Goodwill is initially measured at cost being the excess of the net fair value of the identifiable assets and liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for

impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment for goodwill is determined by assessing the recoverable amount of the cash generating unit (or a group of cash generating units) to which the goodwill is related. When the recoverable amount of the cash-generating unit (or a group of cash generating units) is less than the carrying amount of the cash generating unit (or a group of cash generating units) to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The recoverable amount is the greater of its value in use or fair value less cost to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

**(e) Basis of consolidation**

The Consolidated Financial Statements include the Financial Statements of the Company and the Financial Statements of the subsidiary, as stated in Note 1. The Financial Statements of the subsidiary is prepared for the same reporting period as that of the Company, using consistent accounting policies. Adjustments have been made to the Consolidated Financial Statements of the subsidiary, where necessary, to align with the Company's Consolidated Financial Statements.

Subsidiary is the investee that is controlled by the Group. The Group controls an investee only when it has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect amount of its returns.

When the Group has less than a majority of the voting or similar rights of an investee entity, it considers relevant facts and circumstances in assessing whether it has power over the entity, including:

- The contractual arrangement with the other voters of the investee entity;
- Rights arising from other contractual arrangements; and
- The Group's current and potential voting rights granted by equity instruments such as shares.

The Group re-assesses whether or not it controls an investee entity if facts and circumstances indicate that there are changes to one or more elements of control. Subsidiaries are consolidated from the date on which the control is transferred to the Group and cease to be consolidated from the date on which the control is transferred from

the Group. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in the Consolidated Statement of Income; and
- Reclassifies the Group's share of components previously recognized in Other Comprehensive Income to the Consolidated Statement of Income or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Intra-group balances and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

### 3 Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are summarized below. These policies have been consistently applied to each of the years presented except new IFRS standards, IFRIC interpretations and amendments thereof, adopted by the Group as explained below:

#### (a) New IFRS Standards, IFRIC interpretations and amendments thereof, adopted by the Group:

Amendments to IAS 16	Property, plant and equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37
Amendments to IFRS 3	Reference to the Conceptual Framework

These amendments had no impact on the Consolidated Financial Statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

#### (b) Standards issued but not yet effective:

A number of new standards are effective for annual periods beginning after 01 January 2023 and earlier application is permitted. However, the Group has not early adopted the new standards in preparing these Consolidated Financial Statements.

Standard, interpretation	Description	Effective from periods beginning on or after the following date
IFRS 17	Insurance contracts	See Note below
IFRS 9	Financial instruments	See Note below
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	01 January 2023
Amendments to IAS 8	Definition of accounting estimates	01 January 2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	01 January 2023

The Group will apply IFRS 17 and IFRS 9 for the first time on 01 January 2023. These standards will bring significant changes to the accounting for insurance and reinsurance contracts and financial instruments and are expected to have a material impact on the Group's consolidated financial statements in the period of initial application.

#### IFRS 17 – Insurance contracts

IFRS 17 replaces IFRS 4 Insurance contracts and is effective for annual periods beginning on or after 01 January 2023, with early adoption permitted. The Group expects to first apply IFRS 17 on that date. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF").

#### Structure and status of the implementation project

The Group has significantly completed its implementation process which is managed internally through a dedicated IFRS 17 team and governed by a steering committee. The preparation for IFRS 17 has required significant changes to the Group's reporting systems. The Group is well prepared for the reporting requirements from 01 January 2023 onwards.

As part of the four-phase approach for the transition from IFRS 4 to IFRS 17 mandated by SAMA and concluded during the year ended 31 December 2022, the Group has submitted the operational gap assessment, financial impact assessment, implementation plan and multiple dry runs using the FY20, FY21 and June 2022 data to SAMA.

### Significant judgments and Accounting Policy Choices

The Group is expected to apply the following significant accounting policies in the preparation of Financial Statement on the effective date of this Standard i.e. 01 January 2023:

The Group issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Cash flows from insurance contracts are split into Liability for Incurred Claims ("LIC") and Liability for Remaining Coverage ("LRC").

#### Unit of account and measurement model

The Group operates as a mono-line insurer, operating in the Private Medical Insurance (PMI) business. The PMI business is further divided as Corporate and Retail & Others based on customer size.

The Premium Allocation Approach ("PAA") is a simplified approach for the measurement of the liability for remaining coverage, that an entity may choose to use when the premium allocation approach provides a measurement which is not materially different from that under the general measurement model or if the coverage period of each contract in the group of insurance contracts is one year or less. Under the premium allocation approach, the Liability for Remaining Coverage ("LRC") is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

The Group will be adopting the PAA measurement model for the measurement of LRC for the whole Private Medical Insurance (PMI) business. This is principally based on the eligibility test for fulfillment cash flows and that coverage period for most contracts are one year or less. Some contracts have coverage period more than one year, but passed the eligibility test.

#### Initial and subsequent measurement

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a. the LRC; and
- b. the Liability for Incurred Claims ("LIC"), comprising the Fulfillment Cash Flows ("FCF") related to past service allocated to the group at the reporting date.

There are no investment components within insurance contracts issued by the Group.

### LIC

The Group estimates the liability for incurred claims and expenses as the fulfillment cash flows related to incurred claims and expenses. The fulfillment cash flows are an explicit, unbiased, and probability-weighted estimate of the present value of the future cash flows, within the contract boundary of a group of contracts, that will arise as the entity fulfill its obligation under the insurance contracts, including a risk adjustment for non-financial risk. The Group presents the entire change in risk adjustment as part of insurance service results.

The Group has elected not to adjust the LRC for the effect of time value of money, as it expects the time between providing each part of the coverage and the related premium due date to be one year or less. Likewise, the Group has decided not to discount the LIC for the time value of money as most of the claims incurred are expected to be settled within a 12-month period. An insignificant portion of the LIC is expected to be carried over beyond 12 months, with an immaterial impact on LIC and statement of income. The Group will regularly monitor the time it takes in settling claims from the date they are incurred.

#### Insurance acquisition costs

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to a portfolio of insurance contracts.

Directly attributable expenses are the costs that can be fully or partially attributed to the fulfillment of the groups of insurance contracts. The Group allocates the attributable costs based on a number of drivers.

Both acquisition and attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses.

#### Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time.

Insurance revenue is adjusted to allow for policyholders' default on future premiums. The default probability is derived from IFRS 9 Expected Loss Model.

#### Insurance service expenses

Insurance service expenses include the following:

- a. incurred claims for the period.
- b. other incurred directly attributable expenses.
- c. insurance acquisition cash flows amortization.



- d. changes that relate to past service – changes in the FCF relating to the LIC.
- e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

#### Onerous contract

The Group assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones.

#### Disclosures

The new standard also introduces extended disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its insurance contracts particularly in the year of the adoption of the new standard.

In the statement of financial position, deferred acquisition costs and insurance related receivables will no longer be presented separately but as part of the insurance liabilities. This change in presentation will lead to a reduction in total assets, offset by a reduction in total liabilities.

The amounts presented in the Statement of Income need to include insurance service result, consisting of insurance revenue less insurance service expenses, and insurance finance income and expenses. Income or expenses from reinsurance contracts held need to be presented separately from the expenses or income from insurance contracts issued.

#### Transition impact

The Group estimates that, on adoption of IFRS 17, the impact before Zakat and Tax is a reduction in the Group's total equity by SR 20.3 million to SR 41.5 million (i.e. 0.5% to 1% of total equity) at 01 January 2022.

#### Impact on equity

Drivers of Changes in Equity	Impact on equity on transition to IFRS 17 on 01 January 2022
Changes in measurement of insurance contract liabilities	Decrease by SR 21 million to SR 42.2 million
Changes in measurement of reinsurance contract assets	Increase by SR 0.61 million to SR 0.75 million
<b>TOTAL IMPACT</b>	<b>DECREASE BY SR 20.3 MILLION TO SR 41.5 MILLION</b>

#### Impact on insurance contract liabilities

Drivers of Changes	Impact on liabilities on transition to IFRS 17 on 01 January 2022
Risk adjustment	Increase by SR 17.5 million to SR 21.3 million
Loss component	Decrease by SR 2.3 million to Increase by SR 13.9 million
Allowance for all possible outcomes	Increase by SR 8.9 million to SR 10.8 million
Other drivers	Decrease by SR 3.1 million to SR 3.8 million
<b>TOTAL IMPACT</b>	<b>INCREASE SR 21 MILLION TO SR 42.2 MILLION</b>

#### Impact on reinsurance contract asset

Drivers of Changes	Impact on assets on transition to IFRS 17 on 01 January 2022
Reinsurance risk adjustment	Increase by SR 0.61 million to SR 0.75 million

The impact on total equity at 01 January 2023 is currently being estimated and shall be disclosed in the interim condensed consolidated financial statements for the period ending 31 March 2023.

The assessment above is a point in time estimate and is not a forecast. The actual effect of the implementation of IFRS 17 on the Group could vary from this estimate. The Group continues to refine its models, methodologies and systems as well as monitoring regulatory developments ahead of the IFRS 17 adoption on 01 January 2023.

#### IFRS 9 – Financial instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after 01 January 2018, with early adoption permitted. However, the Group has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before 01 January 2023. Consequently, the Group will apply IFRS 9 for the first time on 01 January 2023.

#### Structure and status of the implementation project

The Group has significantly completed its implementation process which is managed internally through a dedicated IFRS 9 team and governed by a steering committee. The preparation for IFRS 9 has required some changes to the Group's reporting systems. The Group is well prepared for the reporting requirements from 01 January 2023 onwards.

As part of the two-phase approach for the transition from IAS 39 to IFRS 9 mandated by SAMA and concluded during the year ended 31 December 2022, the Group has submitted a gap analysis, financial impact assessment, implementation plan and multiple dry runs using the FY21 and June 2022 data.

## Significant judgments and accounting policy choices

### Financial assets – Classification

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

#### Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").

#### Financial assets at FVOCI

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in Other Comprehensive Income (OCI). Interest income and foreign exchange gains and losses are recognized in the Statement of Income.

For an equity investment that is not held for trading, the Group may irrecoverably elect to present subsequent changes in fair value in OCI. This election is made on an instrument-by-instrument basis on initial recognition.

### Financial assets at FVTPL

All other financial assets are classified measured at FVTPL. In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

The Company expects that majority of the term-deposits to be classified as financial assets at amortized cost while no significant change in the classification of Sukuk as a result of the adoption of IFRS 9. The Company expects that certain equities and mutual funds to be classified as fair value through income statement while the remaining to be classified as fair value through other comprehensive income.

### Business model assessment

The Group assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. Whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Group's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

For the purpose of the assessment of whether contractual cash flows are solely payments of principal and interest, 'principal' is the fair value of the financial asset on initial recognition. 'Interest' is the consideration for the time value of money, the credit and other basic lending risks associated with the principal amount outstanding during a particular period and other basic lending costs (e.g., liquidity risk and administrative costs), along with profit margin.

## Financial assets – Impairment

### Overview of Expected Credit Loss (“ECL”) principles

The Group will recognize loss allowances for ECL on the following financial instruments that are not measured at fair value:

- Financial assets that are debt instruments
- Deposits and Bank balances
- Other receivables balances

No impairment loss will be recognized on equity instruments. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss); unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime expected credit losses represent ECL that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of balance sheet date. Both lifetime ECLs and 12-month ECLs will be calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

The Group will measure loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group will consider debt securities to have low credit risk when their credit risk rating is equivalent to the globally understood definition of “investment grade”. The measurement of ECL for other receivables is carried out using the simplified ECL impairment model and is typically determined by using a matrix which uses historical credit loss experience of the Group.

### Staging of financial assets

#### Investments

The Group will categorize its investments portfolio classified as amortized cost and FVOCI into Stage 1, Stage 2 and Stage 3 as described below:

**Stage 1** – Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition;

**Stage 2** – Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition, but which are not credit-impaired; and

**Stage 3** – Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

### Credit impaired financial asset

At each reporting date, the Group will assess whether financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

### ECL methodology and measurement

ECL is computed based on the parameters namely Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) values. ECL is discounted by an appropriate rate to get the Present Value of ECL.

For the investment portfolio, a generalized approach is used, where assets are classified under 3 different stages based on the SICR criteria: Stage 1, Stage 2, and Stage 3 where 12-month ECL is computed for Stage 1 and lifetime ECL for Stage 2 and Stage 3. For other receivable portfolio, a simplified approach is used, for which staging is not required. For all contracts, lifetime ECL is computed.

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

### Probability of Default (“PD”)

The probability of default is an estimate of the likelihood of default over a given time horizon.

### Loss Given Default (“LGD”)

Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data.

**Exposure at Default (“EAD”)**

The exposure at default is an estimate of the exposure at a future default date.

**Forward looking estimate**

While estimating the ECL, the Group will review macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group will analyze the relationship between key economic trends with the estimate of PD.

**Presentation of allowance for ECL in the balance sheet**

Loss allowances for ECL are presented in the balance sheet as follows:

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
- debt instruments measured at FVOCI: no loss allowance is recognized in the Balance sheet because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve. Impairment losses are recognized in the statement of income and changes between the amortized cost of the assets and their fair value are recognized in OCI.

**Financial liabilities**

IFRS 9 largely retains the requirements in IAS 39 for the classification and measurement of financial liabilities. However, under IAS 39 all fair value changes of financial liabilities designated as at FVTPL are recognized in the Statement of Income, whereas under IFRS 9 these fair value changes will generally be presented as follows:

- The amount of the change in the fair value that is attributable to changes in the credit risk of the liability will be presented in OCI;
- The remaining amount of the change in the fair value will be presented in the statement of income.

**Transition**

The Group estimates that, on adoption of IFRS 9, the impact of these changes before zakat and tax is a reduction in the Group's total equity by SR 0.75 million up to SR 0.91 million (i.e. 0.018% to 0.022% of total equity) at 01 January 2022. Reclassification of certain financial assets will result in the transfer of respective fair value reserves from OCI to retained earnings with no impact on total equity. The transfer as at 01 January 2022 is expected to be an increase/decrease in retained earnings/OCI fair value reserve of SR 25.4 million up to SR 31.1 million, respectively.

Drivers of Changes in Equity	Impact on equity on transition to IFRS 9 on 01 January 2022
Impairment of financial assets	Decrease by SR 0.75 million up to SR 0.91 million

The estimated decrease in total equity includes the impact of the increase in credit impairment provisions compared to those applied at December 31, 2021 under IAS 39. The assessment above is a point in time estimate and is not a forecast. The actual effect of the implementation of IFRS 9 on the Group could vary from this estimate. The Group continues to refine models, methodologies and systems and monitor regulatory developments in advance of IFRS 9 adoption on 01 January 2023.

The impact on total equity at 01 January 2023 is currently being estimated and shall be disclosed in the interim condensed consolidated financial statements for the period ending 31 March 2023. The Company is not expecting material changes in the classification and measurement of financial assets.

**The significant accounting policies used in preparing these consolidated financial statements are set out below:****(i) Financial instruments – initial recognition and subsequent measurement**

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents, premiums receivable, investments, term deposits, statutory deposit and other receivables. Financial liabilities consist of insurance operations surplus payable, amounts due to related parties, and certain other liabilities.

**Date of recognition**

Regular way sale and purchase of financial instruments is recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Regular way purchases or sales are purchases or sales of financial instruments that require settlement of instrument within the time frame generally established by regulation or convention in the market place.

**Measurement of financial instruments**

All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through statement of income, any directly attributable incremental costs of acquisition or issue. The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. Subsequent to initial measurement, financial instruments are carried at amortized cost except for FVSI and AFS investments which are carried at fair value.

**(ii) Cash and cash equivalents**

Cash and cash equivalents consist of bank balances and term deposits that have original maturity periods not exceeding three months from the date of acquisition.

**(iii) Premiums receivable**

Premiums receivable are stated at gross written premiums receivable from insurance contracts, less an allowance for any uncollectible amounts. An allowance for uncollectible amount is established when there is an objective evidence that the Group will not be able to collect all amounts due according to their original terms. Bad debts are written off as incurred. Subsequent recoveries of amounts previously written off are credited in the Statement of Income.

**(iv) Policy acquisition costs**

Commission and incremental direct costs incurred in relation to the acquisition and renewal of insurance contracts are deferred. The deferred acquisition costs are subsequently amortized over the terms of the insurance contract as premiums are earned and reported in the Statement of Income. Changes in the contractual useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as a change in accounting estimate. If the assumptions relating to future profitability of these policies are not realized, the amortization of these costs could be accelerated and this may also require additional impairment write-offs in the Statement of Income. Deferred policy acquisition costs are also considered in the liability adequacy test for each reporting year.

**(v) Investments****(a) Financial assets at fair value through Statement of Income**

Investments are classified as at fair value through Statement of Income if they are classified as held-for-trading or are designated as such on initial recognition. The investments in sukuks, equities and mutual funds are held for trading and accordingly are classified as FVSI. Directly attributable transaction costs are recognized in the Statement of Income as incurred. Subsequently, such investments are re-measured at fair value, with all changes in fair value being recorded in the Statement of Income.

**(b) Available for sale investments**

Available for sale investments are non-derivative investments that are designated as available for sale or not classified as another category of financial assets, and are intended to be held for an unspecified period of time, which may be sold in response to needs for liquidity or changes in special commission rates, exchange rates or equity prices.

Investments which are classified as available for sale are initially recognized at fair value including direct and incremental transaction costs and subsequently measured at fair value except for unquoted equity securities where fair value cannot be reliably measured are carried at cost. Any unrealized gains or losses arising from changes in fair value are recognized through the Statement of Comprehensive Income until the investments are derecognized or impaired whereupon any cumulative gains or losses previously

recognized in equity are reclassified to Statement of Income for the period and are disclosed as gains/(losses) on non-trading investments.

**(c) Held to maturity investments**

Held to maturity investments are investments having fixed or determinable payments and fixed maturity that the management has the positive intention and ability to hold to maturity are classified as held to maturity. Investments are initially recognized at fair value including direct and incremental transaction cost. Subsequent to initial measurement, these are measured at amortized cost less impairment losses, if any.

**(vi) Term deposits**

Term deposits, with original maturity of more than three months, are initially recognized in the Statement of Financial Position at fair value and are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

**(vii) Fixtures, furniture and equipment**

Fixtures, furniture and equipment are initially recorded in the Statement of Financial Position at cost. Subsequent measurement is carried out at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

	Years
Office furniture and fixtures	5 to 20
Computer equipment	2.5 to 7
Motor vehicles	4
Leasehold improvements (civil, construction work and fixtures)	15 years or lease term

Residual values, useful lives and the methods of depreciation are reviewed and adjusted as appropriate at each financial year end. Impairment reviews take place when events or changes in circumstances indicate that the carrying value may not be recoverable. The depreciation charge for the year is recognized in the Consolidated Statement of Income on an actual basis. Similarly, impairment losses, if any, are recognized in the Statement of Income.

Expenditure for repairs and maintenance is charged to the Statement of Income. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Gain/loss on sale of fixtures, furniture and equipment and right-of-use assets is included in Consolidated Statement of Income.

**(viii) Intangible assets**

Separately acquired intangible assets (software) are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses. The Group amortizes intangible assets with a limited useful life using straight-line method over the following periods:

	Years
IT development and software	3 to 7

**(ix) Goodwill**

Goodwill is initially measured at excess of the fair value of the consideration paid over the fair value of the identifiable assets and liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment for goodwill is determined by assessing the recoverable amount of the cash generating unit (or a group of cash generating units) to which the goodwill is related. When the recoverable amount of the cash-generating unit (or a group of cash generating units) is less than the carrying amount of the cash generating unit (or a group of cash generating units) to which goodwill has been allocated, an impairment loss is recognized in the Statement of Income. Impairment losses relating to goodwill cannot be reversed in future periods.

**(x) Liability adequacy test**

At each reporting date the Group assesses annually whether its recognized insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of estimated future cash flows, the entire deficiency is immediately recognized in the Statement of Income and an unexpired risk provision is created.

**(xi) Accounts payable and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

**(xii) Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation amount.

**(xiii) Employee-end-of-service benefits (EOSB)**

Accruals are made at the present value of expected future payments in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Consideration is given to the expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. The benefit payments obligation is discharged as it falls due. Re-measurement (actuarial gains/losses) as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of other comprehensive income.

**(xiv) Share based payments and shares held under employees share scheme**

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. Grant date is the date at which the entity and an employee agree to a share based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. The cost of equity-settled transactions is recognized, together with a corresponding increase in equity as a reserve for a share based payment, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit in the Statement of Income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

In cases where an award is forfeited (i.e. when the vesting conditions relating to an award are not satisfied), the Group reverses the expense relating to such awards previously recognized in the Statement of Income. Where an equity-settled award is cancelled (other than forfeiture), it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately.

The value of the shares repurchased, including costs associated with the acquisition, is recognized as a deduction from equity. The Group retains shares under employees share scheme, which represents treasury shares.



**(xv) Impairment of financial assets**

The Group assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. If such evidence exists, an impairment loss is recognized in the Statement of Income. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing a significant financial difficulty, default or delinquency in repayments, the probability that they will enter bankruptcy or other financial re-organization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Impairment is determined as follows:

- (a) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset; and
- (b) For assets carried at amortized cost, impairment is the difference between the carrying amount and the present value of future cash flows discounted at the original effective commission rate.

For impaired available for sale securities any subsequent increase in fair value of these impaired securities is recognized in the Statement of Other Comprehensive Income and recorded in the investment fair value reserve unless this increase represents a decrease in the impairment loss that can be objectively related to an event occurring after the impairment loss was recognized in the Statement of Income. In such an event, the reversal of the impairment loss is recognized as a gain in the Statement of Income. Impairment relating to investments in available-for-sale equity instruments are not reversed through profit or loss.

**(xvi) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three to five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the Statement of Income.

For assets, excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Income.

**(xvii) De-recognition****Financial asset**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Financial liability**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

**(xviii) Revenue recognition****Premiums earned**

The Group only issues short-term insurance contracts for providing health care services ("medical insurance") in Saudi Arabia. Premiums are taken to income over the terms of the policies to which they relate on a pro-rata basis based on 365th method. Unearned premiums represent the portion of premiums written relating to the unexpired period of coverage. The change in the provision for unearned premiums is taken to the Statement of Income.

**Investment and commission income**

Investment income or loss comprises of unrealized and realized gains and losses on investments. Commission income on term deposits is recognized using the effective interest method in the Statement of Income.

**Other revenues**

Other revenues relate to revenue from claim management services. The revenue is recorded in accordance with the requirement of IFRS 15 "Revenue from Contracts with Customers". Revenue from providing services is recognized in the accounting period in which the services are rendered.

**(xix) Reinsurance premiums (ceded)**

Reinsurance premiums ceded are recognized as a reduction in net written premium when payable. Reinsurance premiums are charged to income over the terms of the policies to which they relate on a pro-rata basis.

**(xx) Claims**

Claims, comprising amounts payable to medical providers and other third parties are charged to income as incurred. Claims comprise the estimated amounts payable, in respect of claims reported to the Group and those not reported at each reporting date.

The Group estimates its claims based on previous experience. In addition, a provision based on the management's judgment and the Group's prior experience is maintained for the cost of settling claims incurred but not reported at each reporting date. Any difference between the provisions at the Statement of Financial Position date and actual settlement is charged to the Consolidated Statement of Income in the following year.

The Group does not discount its liability for unpaid claims as substantially all claims are expected to be paid within one year of the Statement of Financial Position date.

**(xxi) Insurance contracts**

Insurance contracts are those contracts where the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

**(xxii) Reinsurance contracts held**

In order to optimize financial exposure from large claims, the Group enters into reinsurance agreements with local and internationally reputable reinsurers. Claims receivable from reinsurers are estimated in a manner consistent with the claim liability and in accordance with the reinsurance contracts. These amounts, if any, are shown as "Reinsurers' share of outstanding claims" in the Statement of Financial Position until the claim is agreed and paid by the Group. Once the claim is paid, the amount due from the reinsurers in connection with the paid claim is transferred to amounts due from/(to) reinsurers.

At each reporting date, the Group assesses whether there is any indication that a reinsurance asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of a reinsurance asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**(xxiii) Expenses**

Selling and marketing expenses are those which specifically relate to sales promotion, sales agents, advertisements, regulatory levies, trademark fees and fulfillment costs. All other expenses are classified as general and administration expenses.

**(xxiv) Segment reporting**

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); and
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

**(xxv) Leases****Right-of-use assets**

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The Group applies the cost model, and measure right of use asset at cost;

- (1) less any accumulated depreciation and any accumulated impairment losses; and
- (2) adjusted for any re-measurement of the lease liability for lease modifications

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, generally, the initial carrying value of a right-of-use asset would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. it needs to be added to the right of use asset value.

The recognized right-of-use assets are amortized on a straight-line basis over the shorter of its estimated useful life and the lease term. right-of-use assets are subject to impairment. The estimated useful lives of the assets for the calculation of amortization are as follows:

	Years
Right-of-use assets	5 to 20

**Lease liabilities**

On initial recognition, the lease liability is the present value of all remaining payments to the lessor, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

After the commencement date, Group measures the lease liability by:

- (1) Increasing the carrying amount to reflect interest on the lease liability.
- (2) Reducing the carrying amount to reflect the lease payments made and;
- (3) Re-measuring the carrying amount to reflect any re-assessment or lease modification.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Short-term leases and leases of low-value assets**

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**(xxvi) Zakat and income tax****Zakat**

The Group is subject to zakat in accordance with the regulations of the zakat, Tax, and Customs Authority ("ZATCA"). Zakat is calculated based on higher of approximate zakat base and adjusted profit and charged to profit or loss. Additional zakat, if any, is accounted for when determined to be required for payment.

Amounts accrued for zakat expense in one year may have to be adjusted in a subsequent year if the estimate of the annual charge changes.

**Income tax**

The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

**Deferred Tax**

Deferred income tax is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and the credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax assets and liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

**(xxvii) Foreign currencies**

The accounting records of the Group are maintained in Saudi Riyals. Transactions in foreign currencies are recorded in Saudi Riyals at the approximate rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate at the reporting date. All differences are taken to the Statement of Income.

**(xxviii) Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Statement of Income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

**(xxix) Cash dividend to shareholders**

The Group recognizes a liability for cash distributions to shareholders of the Group when the distribution is authorized and is no longer at the discretion of the Group. A distribution is authorized when it is approved by the shareholders and SAMA. A corresponding amount is recognized in equity.

**(xxx) Statutory reserve**

The Group allocates 20% of its net income from shareholders operations each year to the statutory reserve until it has built up a reserve equal to the share capital, as mandated by relevant regulations. The reserve is not available for distribution.

**4 GOODWILL**

On 31 December 2008, the Group entered into an agreement with Bupa Middle East Limited E.C. (the "Seller"), a related party, pursuant to which it acquired the Seller's insurance operations in the Kingdom of Saudi Arabia, effective from 01 January 2009. The acquisition transaction was approved by SAMA and resulted in goodwill of SR 98 million. The entire amount was paid in the previous years, to the Seller, after obtaining the required regulatory approvals.

The Group's management annually carry out impairment test in respect of the above-mentioned goodwill. Management conducted the impairment exercise for the year ended 31 December 2022. The recoverable amount of operations has been determined based on value in use. The three key assumptions used in the test are the discount rate, estimated future cash flows from the business and EBITDA growth rate as follows:

- An average discount rate of 12% (2021: 12%) was used to discount future cash flows.
- EBITDA growth rate of 3% was used for the first three years. Thereafter, a growth rate of 3% was used in the terminal value calculation.
- A change in discount rate by +/- 3% with other variables held constant would not result in impairment of goodwill.
- A change in growth rate by +/- 3% basis point with other variables held constant would not result in impairment of goodwill.

## 5 Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

	2022 (SR '000)		
	Insurance operations	Shareholders' operations	Total
Bank balances	649,270	639,027	1,288,297
	2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total
Bank balances	430,300	30,067	460,367
Term Deposits	500,391	-	500,391
	930,691	30,067	960,758

The amount payable to/receivable from shareholders' operations is settled by transfer of cash at each reporting date. During the year ended 31 December 2022, the insurance operations transferred cash of SR 61 million to the shareholders' operations (31 December 2021: SR 435.3 million). The above deposits earned interest income nil during the year ended 31 December 2022 (2021: 0.95% to 4.30% per annum).

## 6 Premiums Receivable - Net

Receivables comprise amounts due from the following:

	2022 SR '000	2021 SR '000
Policyholders	1,304,499	1,401,823
Brokers	1,099,050	590,833
	2,403,549	1,992,656
Provision for doubtful receivables	(244,366)	(231,356)
<b>PREMIUMS RECEIVABLE - NET</b>	<b>2,159,183</b>	<b>1,761,300</b>

Movement in provision for doubtful debts during the year was as follows:

	2022 SR '000	2021 SR '000
Balance at the beginning of the year	231,356	222,524
Provision made during the year	40,885	22,458
Write-offs during the year	(27,875)	(13,626)
<b>BALANCE AT END OF THE YEAR</b>	<b>244,366</b>	<b>231,356</b>

The aging analysis of premiums receivable - net arising from insurance contracts is as follows:

	2022 (SR '000)				
	Not past due	Up to three months	Above three and up to six months	Above six and up to twelve months	Above twelve months
Policyholders	821,982	210,393	46,566	22,022	-
Brokers	768,648	237,513	40,262	11,797	-
	1,590,630	447,906	86,828	33,819	-

	2021 (SR '000)				
	Not past due	Up to three months	Above three and up to six months	Above six and up to twelve months	Above twelve months
Policyholders	829,825	262,290	63,756	54,340	-
Brokers	395,183	126,790	22,924	6,192	-
	1,225,008	389,080	86,680	60,532	-

Unimpaired receivables are estimated, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables.

The Group only enters into insurance and reinsurance contracts with recognized, creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables are monitored on an ongoing basis in order to reduce the Group's exposure to bad debts.

The five largest customers account for 25% (31 December 2021: 13%) of the premiums receivable as at 31 December 2022.

## 7 Investments

Investments are classified as follows:

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Held as FVSI	97,713	140,995	238,708	1,808,199	1,449,736	3,257,935
Available for sale	935,388	1,678,138	2,613,526	691,230	1,423,358	2,114,588
Held to maturity	250,000	272,068	522,068	100,000	231,250	331,250
	1,283,101	2,091,201	3,374,302	2,599,429	3,104,344	5,703,773

### (i) Investments held as FVSI comprise the following:

	2022 (SR '000)				
	Insurance operations		Shareholders' operations		Total
	Domestic	International	Domestic	International	
Sukuks	11,014	-	36,044	-	47,058
Funds	80,017	6,682	9,906	95,045	191,650
	91,031	6,682	45,950	95,045	238,708

	2021 (SR '000)				
	Insurance operations		Shareholders' operations		Total
	Domestic	International	Domestic	International	
Sukuks	18,014	-	55,045	-	73,059
Funds	1,782,875	7,310	1,372,761	21,930	3,184,876
	1,800,889	7,310	1,427,806	21,930	3,257,935

### (ii) Available-for-sale investments comprise the following:

	2022 (SR '000)				
	Insurance operations		Shareholders' operations		Total
	Domestic	International	Domestic	International	
Sukuks	753,201	147,356	1,267,859	110,387	2,278,803
Funds	-	34,831	153,036	34,572	222,439
Equities	-	-	52,634	16,408	69,042
Investments in discretionary portfolios	-	-	43,242	-	43,242
	753,201	182,187	1,516,771	161,367	2,613,526

	2021 (SR '000)				
	Insurance operations		Shareholders' operations		Total
	Domestic	International	Domestic	International	
Sukuks	470,858	183,613	793,312	105,726	1,553,509
Funds	-	36,759	127,646	17,287	181,692
Equities	-	-	316,826	12,372	329,198
Investments in discretionary portfolios	-	-	50,189	-	50,189
	470,858	220,372	1,287,973	135,385	2,114,588

### (iii) Held-to-maturity investments comprise the following:

	2022 (SR '000)				
	Insurance operations		Shareholders' operations		Total
	Domestic	International	Domestic	International	
Sukuks	250,000	-	200,497	71,571	522,068
	250,000	-	200,497	71,571	522,068



	2021 (SR '000)				
	Insurance operations		Shareholders' operations		Total
	Domestic	International	Domestic	International	
Sukuks	100,000	-	156,250	75,000	331,250
	100,000	-	156,250	75,000	331,250

The movements in the investments balance are as follows:

#### (i) Held as FVSI

	2022 (SR '000)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	1,808,199	1,449,736	3,257,935
Purchases during the year	3,838,031	3,575,000	7,413,031
Disposals during the year	(5,554,834)	(4,884,720)	(10,439,554)
Unrealized gains during the year, net	6,317	979	7,296
	97,713	140,995	238,708

	2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	2,869,628	825,133	3,694,761
Purchases during the year	7,880,130	6,741,192	14,621,322
Disposals during the year	(8,944,090)	(6,116,701)	(15,060,791)
Unrealized gains during the year, net	2,531	112	2,643
	1,808,199	1,449,736	3,257,935

#### (ii) Available-for-sale investments

	2022 (SR '000)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	691,230	1,423,358	2,114,588
Purchases during the year	494,440	764,091	1,258,531
Disposals during the year	(222,235)	(522,748)	(744,983)
Unrealized (losses) during the year, net	(28,047)	13,437	(14,610)
	935,388	1,678,138	2,613,526

	2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	698,553	1,504,882	2,203,435
Purchases during the year	152,630	192,166	344,796
Disposals during the year	(144,870)	(335,475)	(480,345)
Unrealized (losses)/gains during the year, net	(15,083)	61,785	46,702
	691,230	1,423,358	2,114,588

#### (iii) Held to maturity investments

	2022 (SR '000)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	100,000	231,250	331,250
Purchases during the year	150,000	44,255	194,255
Maturities during the year	-	(3,437)	(3,437)
	250,000	272,068	522,068

	2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	-	131,250	131,250
Purchases during the year	100,000	100,000	200,000
	100,000	231,250	331,250

## 8 Prepaid Expenses and Other Assets

Prepaid expenses and other assets comprise the following:

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Prepayments	56,515	-	56,515	54,034	-	54,034
Fee receivable	-	52,940	52,940	-	-	-
Accrued income	11,563	14,759	26,322	7,635	13,256	20,891
Other receivables	11,542	444	11,986	38,329	-	38,329
	79,620	68,143	147,763	99,998	13,256	113,254

## 9 Term Deposits

Term deposits are held with reputable commercial banks and financial institutions. These deposits are predominately in Murabaha structure with a small allocation in Mudaraba structure. They are mostly denominated in Saudi Arabian Riyals and have an original maturity ranging from more than three months to more than one year (2021: three months to more than one year) and yield financial income at rates ranging from 1.10% to 5.85% per annum (2021: 0.95% to 4.30% per annum). The movement in term deposits during the year ended 31 December 2022 is as follows:

	2022 (SR '000)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	2,007,922	1,085,798	3,093,720
Placed during the year	4,795,854	1,415,869	6,211,723
Matured during the year	(2,153,669)	(883,814)	(3,037,483)
Commission income earned during the year	102,993	37,536	140,529
	4,753,100	1,655,389	6,408,489

	2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	1,645,292	1,151,255	2,796,547
Placed during the year	1,839,000	374,328	2,213,328
Matured during the year	(1,507,552)	(466,960)	(1,974,512)
Commission income earned during the year	31,182	27,175	58,357
	2,007,922	1,085,798	3,093,720

## 10 Fixtures, Furniture and Right of Use Assets – Net

### 10.1 Fixtures, Furniture and Equipment

	2022 (SR '000)					
	Office, furniture, and fixtures	Computer equipment	Motor vehicles	Leasehold improvements	Capital work in progress	Total
<b>COST:</b>						
At 01 January 2022	87,050	67,380	404	39,435	2,472	196,741
Additions during the year	-	11	-	-	9,891	9,902
Transferred during the year	805	3,072	-	1,465	(5,342)	-
Disposals during the year	(317)	(1,407)	-	-	-	(1,724)
<b>AT 31 DECEMBER 2022</b>	87,538	69,056	404	40,900	7,021	204,919
<b>ACCUMULATED DEPRECIATION:</b>						
At 01 January 2022	(68,221)	(46,490)	(262)	(11,997)	-	(126,970)
Charge for the year	(4,905)	(6,806)	(101)	(3,922)	-	(15,734)
Disposal	202	1,226	-	-	-	1,428
<b>AT 31 DECEMBER 2022</b>	(72,924)	(52,070)	(363)	(15,919)	-	(141,276)
Net book value:						
<b>AT 31 DECEMBER 2022</b>	14,614	16,986	41	24,981	7,021	63,643

	2021 (SR '000)					
	Office, furniture, and fixtures	Computer equipment	Motor vehicles	Leasehold improvements	Capital work in progress	Total
<b>COST:</b>						
At 01 January 2021	86,232	60,005	404	42,572	2,764	191,977
Additions during the year	-	52	-	-	9,063	9,115
Transferred during the year	862	7,661	-	832	(9,355)	-
Disposals during the year	(44)	(338)	-	(3,969)	-	(4,351)
<b>AT 31 DECEMBER 2021</b>	87,050	67,380	404	39,435	2,472	196,741
<b>ACCUMULATED DEPRECIATION:</b>						
At 01 January 2021	(63,166)	(40,835)	(161)	(9,422)	-	(113,584)
Charge for the year	(5,062)	(5,985)	(101)	(4,068)	-	(15,216)
Disposal	7	330	-	1,493	-	1,830
<b>AT 31 DECEMBER 2021</b>	(68,221)	(46,490)	(262)	(11,997)	-	(126,970)
Net book value:						
<b>AT 31 DECEMBER 2021</b>	18,829	20,890	142	27,438	2,472	69,771

## 10.2 Right-of-Use Assets

The movement of right-of-use assets, which mainly include buildings are as follows:

	2022 SR '000	2021 SR '000
As at 01 January	112,616	125,626
Additions during the year	74,350	2,929
Amortization during the year	(21,019)	(15,939)
<b>AT 31 DECEMBER</b>	165,947	112,616

## 11 Intangible Assets

	2022 (SR '000)		
	Software	Capital work-in-progress	Total
<b>COST:</b>			
At 01 January 2022	152,540	25,247	177,787
Additions during the year	81	11,486	11,567
Transfers during the year	26,914	(26,914)	-
Disposals during the year	(326)	-	(326)
<b>AT 31 DECEMBER 2022</b>	179,209	9,819	189,028
Accumulated amortization:			
At 01 January 2022	(110,510)	-	(110,510)
Charge for the year	(13,105)	-	(13,105)
<b>AT 31 DECEMBER 2022</b>	(123,615)	-	(123,615)
Net book value:			
<b>AT 31 DECEMBER 2022</b>	55,594	9,819	65,413
	2021 (SR '000)		
	Software	Capital work-in-progress	Total
<b>COST:</b>			
At 01 January 2021	139,538	18,484	158,022
Additions during the year	100	19,665	19,765
Transfers during the year	12,902	(12,902)	-
<b>AT 31 DECEMBER 2021</b>	152,540	25,247	177,787
Accumulated amortization:			
At 01 January 2021	(96,064)	-	(96,064)
Charge for the year	(14,446)	-	(14,446)
<b>AT 31 DECEMBER 2021</b>	(110,510)	-	(110,510)
Net book value:			
<b>AT 31 DECEMBER 2021</b>	42,030	25,247	67,277

## 12 Statutory Deposit

As required by SAMA Insurance Regulations, the Group deposited an amount equivalent to 10% of its paid-up share capital, amounting to SR 150 million (2021: SR 120 million), in a bank designated by SAMA. Accrued income on this deposit is payable to SAMA amounting to SR 16.2 million (2021: SR 14.9 million) and this deposit cannot be withdrawn without approval from SAMA.

## 13 Technical Reserves

### 13.1 Movement in unearned premiums

Movements in unearned premiums are as follows:

	2022 (SR '000)		
	Gross	Reinsurance	Net
Balance at beginning of the year	4,709,555	(27,935)	4,681,620
Premium written/(ceded) during the year	13,896,883	(94,282)	13,802,601
Premium earned during the year	(12,910,713)	73,952	(12,836,761)
	5,695,725	(48,265)	5,647,460

	2021 (SR '000)		
	Gross	Reinsurance	Net
Balance at beginning of the year	4,023,331	(20,108)	4,003,223
Premium written/(ceded) during the year	11,382,194	(86,082)	11,296,112
Premium earned during the year	(10,695,970)	78,255	(10,617,715)
	4,709,555	(27,935)	4,681,620

### 13.2 Net outstanding claims and reserves

Net outstanding claims and other technical reserves consist of the following:

	2022 SR '000	2021 SR '000
Outstanding claims	601,366	601,168
Claims incurred but not reported	1,867,017	1,413,888
Premium deficiency reserve	22,982	74,602
Claims handling reserve	23,470	21,797
	2,514,835	2,111,455
Less:		
Reinsurers' share of outstanding claims	(7,221)	(7,207)
Reinsurers' share of claims incurred but not reported	(12,602)	(7,829)
	(19,823)	(15,036)
<b>NET OUTSTANDING CLAIMS RESERVE</b>	<b>2,495,012</b>	<b>2,096,419</b>

### 13.2 (a) Impact of Government Healthcare Providers

The Council of Health Insurance ("CHI") issued Circular 895, dated 17 December 2020, regarding the enforcement of Article 11 of the Cooperative Health Insurance Law, requesting medical insurance companies, effective 01 January 2021, to include all accredited government healthcare providers in their medical network while complying with the approved financial compensation structure. The circular is expected to have a material impact on future medical claims considering the mandated prices and protocols regulating the relationship between government health facilities and insurance companies. Given the many uncertainties surrounding the actual rollout and application of Circular 895, management continues monitoring the situation closely, while reassessing and updating its estimates and judgments on a regular basis.

### 13.2 (b) COVID-19 Expenses

CHI issued Circular 965, dated 14 March 2022, stating that insurance companies will be covering all expenses resulting from suspected and confirmed cases with COVID-19. The coverage will include all policies currently in force which results in deficiency in Unearned Premium Reserve ("UPR") and hence the Group will hold a Premium Deficiency Reserve ("PDR") balance of SR 23 million (2021: SR 75 million), as at the date of these consolidated financial statements. The PDR calculation follows SAMA Circular 173 dated 16 January 2019, which requires insurance companies to hold a PDR in case the relevant UPR is insufficient to cover related projected claims and expenses.

**14 Deferred Policy Acquisition Costs**

	2022 SR '000	2021 SR '000
Balance at beginning of the year	201,042	68,214
Deferred during the year	642,045	476,255
Amortization for the year	(578,156)	(343,427)
	264,931	201,042

**15 Claims Development Table**

The following table reflects the estimated ultimate claim cost, including claims notified and incurred but not reported for each successive treatment year at each financial position date, together with the cumulative payments to date. The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of the claims. The Group aims to maintain adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. As claims develop and the ultimate cost of claims becomes more certain, adverse claims experiences will be eliminated which results in the release of reserves from earlier treatment years. In order to maintain adequate reserves, the Group transfers much of this release to the current treatment year reserves when the development of claims is less mature and there is much greater uncertainty attached to the ultimate cost of claims.

**Treatment year – gross outstanding claims**

	2019 and prior SR '000	2020 SR '000	2021 SR '000	2022 SR '000	Total SR '000
<b>ESTIMATE OF ULTIMATE CLAIMS COST:</b>					
At the end of treatment year	36,431,182	8,742,056	9,775,177	11,384,093	66,332,508
One year later	36,430,144	8,048,412	9,355,664	-	53,834,220
Two years later	36,436,043	8,092,267	-	-	44,528,310
Three years later	36,398,894	-	-	-	36,398,894
<b>CURRENT ESTIMATE OF ULTIMATE CLAIMS</b>					
Ultimate payments to date	36,388,260	8,078,148	9,288,011	9,008,116	62,762,535

	2019 and prior SR '000	2020 SR '000	2021 SR '000	2022 SR '000	Total SR '000
<b>LIABILITY RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION</b>					
Premium deficiency reserve	10,634	14,119	67,653	2,375,977	2,468,383
Claims handling provision					22,982
					23,470
<b>BALANCE AT 31 DECEMBER</b>					2,514,835

**Treatment year – net outstanding claims**

	2019 and prior SR '000	2020 SR '000	2021 SR '000	2022 SR '000	Total SR '000
<b>ESTIMATE OF ULTIMATE CLAIMS COST:</b>					
At the end of treatment year	34,659,972	8,693,491	9,708,417	11,323,659	64,385,539
One year later	34,657,153	7,997,356	9,295,165	-	51,949,674
Two years later	34,659,094	8,045,584	-	-	42,704,678
Three years later	34,625,655	-	-	-	34,625,655
<b>CURRENT ESTIMATE OF ULTIMATE CLAIMS</b>					
Ultimate payments to date	34,615,022	8,031,478	9,227,799	8,967,204	60,841,503
<b>LIABILITY RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION</b>					
Premium deficiency reserve	10,633	14,106	67,366	2,356,455	2,448,560
Claims handling provision					22,982
					23,470
<b>BALANCE AT 31 DECEMBER</b>					2,495,012

## 16 Fiduciary Assets

During the year ended 31 December 2018, after obtaining SAMA's approval, the Group entered into a Third Party Administration agreement (TPA) with a customer under which the Group facilitates healthcare services to the employees of the customer with specific terms and conditions. The agreement is effective from 1 March 2018.

In order to fulfil the commitment relating to this agreement, the Group has received funds in advance from the customer to settle anticipated claims from medical service providers. As the Group acts as an agent, the relevant bank balance and outstanding claims at the reporting date, are excluded from the consolidated statement of financial position. The assets and liabilities held in fiduciary capacity amounted to SR 259 million as at 31 December 2022 (2021: SR 260 million).

## 17 Commitments and Contingencies

The Group's commitments and contingencies are as follows:

- (i) The Group is subject to legal proceedings in the ordinary course of business. There was no material change in the status of legal proceedings as at 31 December 2022.
- (ii) As of 31 December 2022, total letters of guarantee issued by banks amounted to SR 140 million (2021: SR 128 million).
- (iii) Refer to Note 26 for zakat and tax related matters.

## 18 Accrued and Other Liabilities and Lease Liability

**18.1** Accrued and other liabilities comprise the following:

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
VAT payable	116,160	-	116,160	85,516	-	85,516
VAT payable to providers	356,059	-	356,059	170,708	-	170,708
Accrued expenses	192,763	11,486	204,249	200,249	6,863	207,112
Advances from policyholders	86,052	-	86,052	80,578	-	80,578
Other liabilities	109,040	-	109,040	60,860	-	60,860
	860,074	11,486	871,560	597,911	6,863	604,774

## 18.2 Lease liability

As of 31 December 2022, lease liability amounted SR 184.7 million (2021: SR 125.3 million). Below is the movement during the year:

	2022 SR '000	2021 SR '000
Balance at the beginning of the year	125,333	135,600
Finance cost	6,287	5,834
Additions during the year	74,350	2,929
Lease settlement	(21,288)	(19,030)
	184,682	125,333

## 19 Trademark Fees

During 2010, the Group entered into an agreement with a related party for obtaining a license to use the trademark (the word Bupa with or without logo) of the related party. As per the terms of the agreement, the trademark fee is payable at different rates linked to the results of the Group, subject to a maximum of threshold. Accordingly, a sum of SR 32.1 million (2021: SR 26.6 million) payable to a related party has been accrued for during the year (see Notes 24 and 32).

## 20 Insurance Operations' Surplus Payable

	2022 SR '000	2021 SR '000
Balance at the beginning of the year	190,060	200,391
Income attributable to insurance operations during the year	65,303	58,347
Surplus paid to policyholders during the year	(47,342)	(68,678)
<b>NET SURPLUS PAYABLE TO POLICYHOLDERS</b>	<b>208,021</b>	<b>190,060</b>

As per SAMA's Surplus Distribution Policy, policyholders are eligible to 10% of the net surplus from the insurance operations, provided that certain conditions are met.



## 21 Employees' end of Service Benefits

Accruals are made in accordance with the actuarial valuation under the projected unit credit method while the benefit payments obligation is discharged as and when it falls due. The amounts recognized in the statement of financial position and movement in the obligation during the year based on its present value are as follows:

### 21.1 Movement of end-of-service benefits

	2022 SR '000	2021 SR '000
Balance at the beginning of the year	152,286	140,012
<b>CONSOLIDATED STATEMENT OF INCOME</b>		
Current service costs	21,940	24,251
Finance costs	3,859	3,244
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>		
Actuarial gains	(16,595)	(7,535)
<b>CASH MOVEMENT</b>		
Benefits paid during the year	(7,436)	(7,686)
Balance at the end of the year	154,054	152,286

### 21.2 Principal actuarial assumptions

The following range of significant actuarial assumptions was used by the Group for the valuation of end-of-service benefits:

	2022 %	2021 %
Valuation discount rate	4.70	2.65
Expected rate of increase in salary level across different age bands	4.5	4.5
Employee turnover rate	13	13
Mortality rate	0.06	0.06

The impact of changes in sensitivities on present value of employees' end-of-service (increase)/decrease) benefits is as follows:

	2022 SR '000	2021 SR '000
Valuation discount rate		
- Increase by 0.5%	6,130	6,883
- Decrease by 0.5%	(6,568)	(7,423)
Expected rate of increase in salary level across different age bands		
- Increase by 1%	(13,554)	(15,046)
- Decrease by 1%	12,027	13,216
Mortality rate		
- Increase by 50%	(35)	(66)
- Decrease by 50%	35	66
Employee turnover		
- Increase by 20%	1,430	3,322
- Decrease by 20%	(1,358)	(3,427)

The average duration of the employees' end-of-service benefits at the end of the reporting period is 9.4 years (2021: 10.6 years). The total expected payments of the liability, undiscounted, amount to SR 215 million (2021: SR 180 million) out of which SR 20.3 million (2021: SR 14.9 million) are expected to be paid within the next 12 months.

## 22 Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous accessible market for the asset or liability.

### (a) Determination of fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

**Level 1:** quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

**Level 2:** quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

**Level 3:** valuation techniques for which any significant input is not based on observable market data.

### (b) Carrying amounts and fair value

The following table shows the carrying amount and fair value of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value. There were no transfers in between levels during the years ended 31 December 2022 and 2021.

	Fair value				
	Level 1	Level 2	Level 3	Total	Carrying value
	SR '000	SR '000	SR '000	SR '000	SR '000
<b>2022</b>					
<b>FINANCIAL ASSETS MEASURED AT FAIR VALUE</b>					
- Investments held as FVSI	-	238,708	-	238,708	238,708
- Available-for-sale investments	1,787,420	775,126	50,980	2,613,526	2,613,526
	1,787,420	1,013,834	50,980	2,852,234	2,852,234
	Fair value				
	Level 1	Level 2	Level 3	Total	Carrying value
	SR '000	SR '000	SR '000	SR '000	SR '000
<b>2021</b>					
<b>FINANCIAL ASSETS MEASURED AT FAIR VALUE</b>					
- Investments held as FVSI	-	3,257,935	-	3,257,935	3,257,935
- Available-for-sale investments	1,421,562	670,903	22,123	2,114,588	2,114,588
	1,421,562	3,928,838	22,123	5,372,523	5,372,523

### (c) Measurement of fair value

#### Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 fair value at 31 December 2022 and 31 December 2021, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Floating rate sukuk and mutual funds	Valuations are based on quotations as received by the custodians at the end of each period and on published net asset value (NAV) closing prices.	Not applicable	Not applicable

## 23 Operating Segments

The Group only issues short-term insurance contracts for providing health care services ("medical insurance"). All the insurance operations of the Group are carried out in the Kingdom of Saudi Arabia. For management reporting purposes, the operations are monitored in two customer categories, based on the number of members covered. Major customers represent members of large corporations, and all others are considered as non-major. Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing the performance of operating segments in line with the strategic decisions. No inter-segment transactions occurred during the year.

Operating segments (i.e. major and non-major) do not include shareholders' operations of the Group.

Segment results do not include investment and commission income, other income, selling and marketing expenses, and general and administration expenses.

Segment assets do not include cash and cash equivalents, fixtures, furniture and equipment and right-of-use assets, term deposits, investments, prepaid expenses and other assets. Segment liabilities do not include reinsurance balance payable, accrued and other liabilities, share based payment and policyholders' share of surplus from insurance operations.

OPERATING SEGMENTS	31 December 2022				
	Insurance operations			Shareholders' operations	Total
	Major customers SR '000	Non-major customers SR '000	Total – Insurance operations SR '000		
<b>ASSETS</b>					
Premiums receivable – net	1,296,415	862,768	2,159,183	-	2,159,183
Reinsurers' share of unearned premiums	30,363	17,902	48,265	-	48,265
Reinsurers' share of outstanding claims	3,404	3,817	7,221	-	7,221
Reinsurers' share of claims incurred but not reported	5,768	6,834	12,602	-	12,602
Deferred policy acquisition costs	137,946	126,985	264,931	-	264,931
Unallocated assets			6,765,091	5,053,149	11,818,240
<b>TOTAL ASSETS</b>			9,257,293	5,053,149	14,310,442
<b>LIABILITIES</b>					
Unearned premiums	3,583,077	2,112,648	5,695,725	-	5,695,725
Outstanding claims	426,479	174,887	601,366	-	601,366
Claims incurred but not reported	1,320,278	546,739	1,867,017	-	1,867,017
Premium deficiency reserve	14,458	8,524	22,982	-	22,982
Claims handling reserve	16,621	6,849	23,470	-	23,470
Unallocated liabilities			1,070,700	735,303	1,806,003
<b>TOTAL LIABILITIES</b>			9,281,260	735,303	10,016,563

OPERATING SEGMENTS	31 December 2021				
	Insurance operations			Shareholders' operations	Total
	Major customers SR '000	Non-major customers SR '000	Total – Insurance operations SR '000		
<b>ASSETS</b>					
Premiums receivable – net	1,034,713	726,587	1,761,300	-	1,761,300
Reinsurers' share of unearned premiums	15,353	12,582	27,935	-	27,935
Reinsurers' share of outstanding claims	2,560	4,647	7,207	-	7,207
Reinsurers' share of claims incurred but not reported	2,623	5,206	7,829	-	7,829
Deferred policy acquisition costs	114,645	86,397	201,042	-	201,042
Unallocated assets			5,638,040	4,755,749	10,393,789
<b>TOTAL ASSETS</b>			7,643,353	4,755,749	12,399,102
<b>LIABILITIES</b>					
Unearned premiums	3,031,460	1,678,095	4,709,555	-	4,709,555
Outstanding claims	425,245	175,923	601,168	-	601,168
Claims incurred but not reported	1,000,536	413,352	1,413,888	-	1,413,888
Premium deficiency reserve	40,999	33,603	74,602	-	74,602
Claims handling reserve	15,421	6,376	21,797	-	21,797
Unallocated liabilities			813,368	569,700	1,383,068
<b>TOTAL LIABILITIES</b>			7,634,378	569,700	8,204,078

\* Shareholders' operations includes, amongst others, balances of the subsidiary of the Group, net of eliminations.

OPERATING SEGMENTS	2022		
	Major customers SR '000	Non-major customers SR '000	Total SR '000
<b>REVENUES</b>			
Gross premiums written	9,210,802	4,686,081	13,896,883
Reinsurance premiums ceded - Local	(111)	(64)	(175)
Reinsurance premiums ceded - International	(52,376)	(41,731)	(94,107)
<b>NET PREMIUMS WRITTEN</b>	9,158,315	4,644,286	13,802,601
Changes in unearned premiums - net	(536,607)	(429,233)	(965,840)
<b>NET PREMIUMS EARNED</b>	8,621,708	4,215,053	12,836,761
Other revenues (unallocated)	-	-	42,633
<b>TOTAL REVENUES</b>	8,621,708	4,215,053	12,879,394
<b>UNDERWRITING AND OTHER DIRECT COSTS</b>			
Gross claims paid	(7,338,807)	(3,226,624)	(10,565,431)
Reinsurers' share of claims paid	27,458	12,039	39,497
<b>NET CLAIMS PAID</b>	(7,311,349)	(3,214,585)	(10,525,934)
Changes in outstanding claims	(1,234)	1,036	(198)
Changes in claims incurred but not reported	(319,742)	(133,387)	(453,129)
Changes in premium deficiency reserve	26,541	25,079	51,620
Changes in claims handling reserves	(1,200)	(473)	(1,673)
Reinsurance share of changes in outstanding claims	844	(830)	14
Reinsurance share of changes in claims incurred but not reported	3,145	1,628	4,773
<b>NET CLAIMS INCURRED</b>	(7,602,995)	(3,321,532)	(10,924,527)
Policy acquisition costs	(310,407)	(267,749)	(578,156)
Other costs (unallocated)	-	-	(16,378)
<b>TOTAL UNDERWRITING AND OTHER DIRECT COSTS</b>	(7,913,402)	(3,589,281)	(11,519,061)

OPERATING SEGMENTS	2022		
	Major customers SR '000	Non-major customers SR '000	Total SR '000
<b>NET UNDERWRITING AND OTHER ACTIVITIES GROSS INCOME</b>			
<b>OTHER OPERATING (EXPENSES)/INCOME</b>	708,306	625,772	1,360,333
Allowance for doubtful receivables	-	-	(40,885)
Unallocated income	-	-	575,856
Unallocated expenses	-	-	(803,120)
<b>TOTAL OTHER OPERATING (EXPENSES)/INCOME</b>	-	-	(268,149)
Income before surplus, Zakat and income tax	-	-	1,092,184
Income attributed to the insurance operations (transfer to surplus payable)	-	-	(65,303)
<b>INCOME ATTRIBUTED TO THE SHAREHOLDERS BEFORE ZAKAT AND INCOME TAX</b>	-	-	1,026,881
Zakat charge	-	-	(72,938)
Income tax charge	-	-	(91,374)
<b>NET INCOME ATTRIBUTED TO SHAREHOLDERS AFTER ZAKAT AND INCOME TAX</b>	-	-	862,569
<b>GROSS WRITTEN PREMIUM DETAILS</b>			2022 SR '000
Corporates			10,252,338
Medium Enterprises			2,543,347
Small Enterprises			941,027
Micro Enterprises			118,231
Individuals			41,940
<b>TOTAL GROSS PREMIUM WRITTEN</b>			13,896,883

OPERATING SEGMENTS	2021		
	Major customers SR '000	Non-major customers SR '000	Total SR '000
<b>REVENUES</b>			
Gross premiums written	7,428,502	3,953,692	11,382,194
Reinsurance premiums ceded - Local	(3,286)	(2,059)	(5,345)
Reinsurance premiums ceded - International	(49,629)	(31,108)	(80,737)
<b>NET PREMIUMS WRITTEN</b>	7,375,587	3,920,525	11,296,112
Changes in unearned premiums - net	(231,768)	(446,629)	(678,397)
<b>NET PREMIUMS EARNED</b>	7,143,819	3,473,896	10,617,715
Other revenues (unallocated)	-	-	-
<b>TOTAL REVENUES</b>	7,143,819	3,473,896	10,617,715
<b>UNDERWRITING AND OTHER DIRECT COSTS</b>			
Gross claims paid	(6,461,243)	(2,653,008)	(9,114,251)
Reinsurers' share of claims paid	44,474	18,244	62,718
<b>NET CLAIMS PAID</b>	(6,416,769)	(2,634,764)	(9,051,533)
Changes in outstanding claims	(105,576)	(49,073)	(154,649)
Changes in claims incurred but not reported	(12,447)	(23,147)	(35,594)
Changes in premium deficiency reserve	148,018	41,131	189,149
Changes in claims handling reserves	(552)	(490)	(1,042)
Reinsurance share of changes in outstanding claims	2,070	3,662	5,732
Reinsurance share of changes in claims incurred but not reported	664	704	1,368
<b>NET CLAIMS INCURRED</b>	(6,384,592)	(2,661,977)	(9,046,569)
Policy acquisition costs	(206,056)	(137,371)	(343,427)
Other costs (unallocated)	-	-	-
<b>TOTAL UNDERWRITING AND OTHER DIRECT COSTS</b>	(6,590,648)	(2,799,348)	(9,389,996)

OPERATING SEGMENTS	2021		
	Major customers SR '000	Non-major customers SR '000	Total SR '000
<b>NET UNDERWRITING AND OTHER ACTIVITIES GROSS INCOME</b>	553,171	674,548	1,227,719
<b>OTHER OPERATING (EXPENSES)/INCOME</b>			
Allowance for doubtful receivables			(22,458)
Unallocated income			298,027
Unallocated expenses			(714,240)
<b>TOTAL OTHER OPERATING (EXPENSES)/INCOME</b>			(438,671)
Income before Surplus, Zakat and Income Tax			789,048
Income attributed to the insurance operations (transfer to surplus payable)			(58,347)
<b>INCOME ATTRIBUTED TO THE SHAREHOLDERS BEFORE ZAKAT AND INCOME TAX</b>			730,701
Zakat charge			(41,136)
Income tax charge			(63,995)
<b>NET INCOME ATTRIBUTED TO SHAREHOLDERS AFTER ZAKAT AND INCOME TAX</b>			625,570
<b>GROSS WRITTEN PREMIUM DETAILS</b>			2021 SR '000
Corporates			8,458,117
Medium Enterprises			2,019,303
Small Enterprises			803,492
Micro Enterprises			78,920
Individuals			22,362
<b>TOTAL GROSS PREMIUM WRITTEN</b>			11,382,194

## 24 Related Parties Transactions and Balances

Related parties represent major shareholders, Board members and key management personnel of the Group, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Contract pricing policies and terms are conducted on an arm's length basis and transactions approved by the Group's management, or where required and applicable the Group's Board of Directors. The following are the details of the major related party transactions during the year and their related balances:

Related party	Nature of transaction	Amount of transactions during the year income/(expense)		Receivable/(payable) balance as at	
		2022 SR '000	2021 SR '000	2022 SR '000	2021 SR '000
BALANCES INCLUDED IN PREMIUM RECEIVABLES					
Shareholders and affiliates	Insurance premium written	231,255	215,821	607	2,726
BALANCES INCLUDED IN OUTSTANDING CLAIMS					
Shareholders and affiliates	Claims paid	(154,876)	(196,241)	(17,725)	(17,289)
Shareholders	Medical costs charged by providers	(254,989)	(179,055)	(41,925)	(19,696)
				(59,650)	(36,985)
BALANCES INCLUDED IN DUE TO RELATED PARTIES					
Shareholders	Reinsurance premium ceded	(93,406)	(59,358)	(45,596)	(19,672)
Shareholders	Expenses charged to/(from) a related party-net	2,068	1,575	2,200	872

Related party	Nature of transaction	Amount of transactions during the year income/(expense)		Receivable/(payable) balance as at	
		2022 SR '000	2021 SR '000	2022 SR '000	2021 SR '000
Shareholders	Tax equalization - net	68,431	14,241	33,913	12,369
Shareholders	Board and committee member remuneration fees	(915)	(833)	(703)	(681)
Bupa Middle East Holdings Two W.L.L. (Affiliated company)	Trademark fee (Note 19)	(32,094)	(26,611)	(32,094)	(26,611)
				(42,280)	(33,723)

### a. Compensation to key management personnel:

	2022 SR '000	2021 SR '000
Short-term benefits	29,245	26,979
Long-term benefits	1,455	1,095
Share based payment transactions	14,222	16,386
	44,922	44,460

Short-term benefits include salaries, allowances, annual bonuses and incentives whilst long-term benefits include employees' end of service benefits and the shares-based payments.

### b. Board of Directors' remuneration and related expenses

	2022 SR '000	2021 SR '000
Board of Directors' remuneration	3,700	3,648
Board attendance fees	518	460
Other board and sub-committees' expenses	1,514	1,358
	5,732	5,466



**25 Reinsurers' Balance Payable**

Reinsurance payable represents amounts payable to reinsurers of SR 2.6 million (2021: SR 25.4 million), for the excess of loss (XOL) reinsurance contract.

**26 Zakat and Income Tax****(a) Zakat**

The Zakat payable by the Group has been calculated in accordance with Zakat regulations in Saudi Arabia.

Zakat is charged at the higher of net adjusted income or Zakat base as required by the Zakat, Tax and Custom Authority "ZATCA". The key elements of zakat base primarily include equity components, net income and liabilities adjusted for zakat purpose. Adjusted net income has been computed on a pro-rata basis taking into consideration certain items have been adjusted in accordance with the Saudi Zakat and income tax law.

The Zakat charge relating to the Saudi shareholders consists of:

	2022 SR '000	2021 SR '000
Provision for Zakat	72,938	65,333
Adjustment for prior years	-	(24,197)
	72,938	41,136

The movements in the Zakat provision during the year were as follows:

	2022 SR '000	2021 SR '000
Balance at beginning of the year	202,820	285,448
Opening balance assumed through consolidation	70	-
Charge for the year	72,938	41,136
Payments made during the year	(11,245)	(123,764)
	264,583	202,820

**(b) Income Tax**

	2022 SR '000	2021 SR '000
Current tax charge	91,790	65,789
Deferred tax income	(416)	(1,794)
	91,374	63,995

The reconciliation of deferred tax is as follows:

	2022 SR '000	2021 SR '000
Opening deferred tax asset	39,735	37,941
Deferred tax income	416	1,794
	40,151	39,735

The deferred tax asset has arisen on temporary differences between the accounting base and tax base. The effective deferred tax rate is 20% subject to the foreign shareholding ownership. These temporary differences are mainly provisions and differences of depreciation and amortization between accounting and tax base.

The movement in the income tax provision during the year was as follows:

	2022 SR '000	2021 SR '000
Balance at beginning of the year	33,790	31,751
Charge for the year	91,790	65,789
Payments made during the year	(63,597)	(63,750)
	61,983	33,790

**(c) Provision for Zakat and income tax**

	2022 SR '000	2021 SR '000
Zakat payable [Note (a) above]	264,583	202,820
Income tax payable [Note (b) above]	61,983	33,790
	326,566	236,610

**(d) Status of assessment****Bupa Arabia For Cooperative Insurance Company**

The Company has filed its zakat and income tax returns for the financial years up to and including the year 2021 with ZATCA.

The Company has finalized its corporate income tax, zakat and withholding tax with ZATCA for the fiscal periods 2008 through 2016 and 2018. For the year 2017 assessment, totaling SR 35.8 million in additional zakat and tax, the Company has escalated the matter to the General Secretariat of Tax Committees ("GSTC") with the Appeal Committee for Tax Violations and Disputes and their review is awaited. The management believes that these assessments are appropriately provisioned.

**Bupa Arabia For Third Party Administration**

The Company has filed its zakat and income tax returns for the financial years up to and including the year 2021 with ZATCA. The due zakat and tax under these years and these returns are still under ZATCA's review.

**27 Share Capital**

The authorized, issued and paid-up capital of the Company is SR 1,500 million at 31 December 2022 (31 December 2021: SR 1,200 million) consisting of 150 million shares (31 December 2021: 120 million shares) of SR 10 each.

During the year, there has been 25% increase in the share capital of the Company by way of issuance of bonus shares. The increase in share capital was funded from the retained earnings account by transferring an amount of SR 300 million which resulted in an increase in authorized, issued and paid up share capital to SR 1,500 million from SR 1,200 million. The number of issued shares has increased from 120 million shares to 150 million shares.

The Company received all required approvals from the authorities and the shareholders approved this capital increase, as well as the related changes in the By-laws of the Group, in the Extraordinary General Assembly meeting held on 22 December 2022. The new bonus shares capital was issued through Tadawul on 25 December 2022.

Subsequent to year end, the final formalities relating to updating the commercial registration and By-laws of the Company have been completed.

The shareholding structure of the Group as at 31 December 2022, was reflected as below:

	2022		2021	
	Holding Percentage (%)	SR '000	Holding Percentage (%)	SR '000
Major shareholders	50.6	758,850	52.3	628,066
General Public	49.4	741,150	47.7	571,934
	100	1,500,000	100	1,200,000

The major shareholders of the Company along with their holding percentages are as below:

	2022		2021	
	Holding Percentage (%)	SR '000	Holding Percentage (%)	SR '000
Bupa Investment Overseas Limited	43.3	648,750	43.3	519,000
Nazer Group Company Limited	7.3	110,100	9.0	109,066
	50.6	758,850	52.3	628,066

The total shareholders' equity as of 31 December 2022 for Saudi shareholders is SR 2,451 million (31 December 2021: SR 2,394 million) and foreign shareholder is SR 1,867 million (31 December 2021: SR 1,792 million) after incorporating their respective shareholding percentage and impact of zakat, income tax, reimbursement and other adjustments. The above shareholders' equity is arrived after allocating the net income after zakat of SR 509.8 million (31 December 2021: SR 373.5 million) and net income after income tax of SR 352.8 million (31 December 2021: SR 252 million) to Saudi and foreign shareholders, respectively. Retained earnings as of 31 December 2022 for Saudi shareholders is SR 970 million (2021: SR 1,035 million) and foreign shareholder is SR 739 million (2021: SR 756 million). Statutory reserve as of 31 December 2022 for Saudi shareholders is SR 661 million (2021: SR 563 million) and foreign shareholder is SR 504 million (2021: SR 429 million).

**28 Statutory Reserve**

As required by the Saudi Arabian Insurance Regulations, 20% of the shareholders' income shall be set aside as a statutory reserve until this reserve amounts to 100% of the paid-up share capital. The Company carries out this transfer on an annual basis at 31 December. As at 31 December 2022, SR 1,165 million (31 December 2021: SR 992.2 million) has been set aside as a statutory reserve, representing 77.6% (31 December 2021: 82.7%) of the paid-up share capital.

**29 Share-Based Payments**

The Group established a share-based compensation scheme for its key management that entitles them to Bupa Arabia shares subject to successfully meeting certain service and performance conditions. Under the share-based compensation scheme, the Group manages various plans. Significant features of these plans are as follows:

Maturity dates	Between March 2023 and March 2025
Total number of shares granted on the grant date	738,838 (2021: 497,769)
Vesting period	3-4 years (2021: same)
Method of settlement	Equity (2021: same)
Fair value per share on grant date	Average SR 102.91 (2021: average SR 105.86)

**30 Capital Management**

For the purpose of the Group's capital management, capital includes share capital and all other equity reserves attributable to the shareholders. Objectives are set by the Board of Directors of the Group to maintain healthy capital ratios to support its business objectives and maximize shareholders' value. The Group manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and the risk characteristics of the Group's activities. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue shares. Total capital amounted to SR 4,318 million (31 December 2021: SR 4,186 million).

In the opinion of the Board of Directors, the Group has fully complied with the regulatory capital requirements during the reported financial year. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021.

**31 General and Administrative Expenses**

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Employees' costs	464,407	-	464,407	418,898	-	418,898
Rents, IT and maintenance costs	77,216	-	77,216	60,171	-	60,171
Depreciation and amortization	49,858	-	49,858	45,601	-	45,601
Legal and professional fees	40,066	-	40,066	35,299	-	35,299
Communication expenses	12,458	-	12,458	12,696	-	12,696
Board expenses	-	5,732	5,732	-	5,466	5,466
Travelling and other expenses	7,914	9,494	17,408	13,339	7,124	20,463
	651,919	15,226	667,145	586,004	12,590	598,594

**32 Selling and Marketing Expenses**

	2022 SR '000	2021 SR '000
Employees' costs	57,245	51,508
Marketing expenses	33,084	32,255
Trade mark fee (see Note 19)	32,094	26,611
Others	13,552	5,272
	135,975	115,646

**33 Investment Income, Net**

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Commission income on held to maturity investments	103,241	63,804	167,045	35,355	35,040	70,395
Commission and dividend income on available for sale investments	22,360	40,367	62,727	22,923	81,606	104,529
Commission income on FVSI investments - net	9,073	32,869	41,942	15,853	8,182	24,035
Realized gains/(losses) on investment - net	11,150	262,830	273,980	8,182	50,654	58,836
Unrealized gains on FVSI investments - net	6,317	979	7,296	2,530	112	2,642
	152,141	400,849	552,990	84,843	175,594	260,437

**34 Earnings Per Share**

The basic and diluted earnings per share have been calculated by dividing "net income attributed to the shareholders after zakat and income tax" amounting to SR 862,569 thousand (2021: SR 625,570 thousand) for the year by the weighted average number of ordinary shares issued and outstanding shares amounting to 150 million shares (2021: 150 million shares) and treasury shares amounting to 684 thousand (2021: 442 thousand shares) at year end. The weighted average number of ordinary shares issued and outstanding at year end 31 December 2021 have been adjusted for the bonus shares issued during the year ended 31 December 2022.

**35 Risk Management****(a) Insurance risk**

The Group provides short-term health insurance contracts in Saudi Arabia. Accordingly, the main insurance risk within the Group is the claims reserve risk resulting from fluctuations in the estimated ultimate claims. The Group seeks to manage this through close monitoring of the claims' trend and payments' pattern to ensure that sufficient reserves are available to cover claim liabilities. The Group also have an external actuary to perform quarterly independent reviews of the reserves adequacy.

The Group has a reinsurance arrangement to reduce its exposure through transfer of risk. The reinsurance agreement is a quota share arrangement for certain group of contracts.

**(i) The ultimate liability arising from claims made under insurance contracts**

Claims reserves which are key components of the Group's ultimate liability are estimated amounts of the outstanding claims, incurred but not reported claims ("IBNR") and claims handling provisions. These reserves do not represent exact calculations but rather expectations based on historical claims' trend (frequency and severity), payments' pattern, medical inflation, members' behavior, seasonality and other factors.

The Group has a large insurance portfolio resulting in stable claims development patterns which relatively reduces the risk of fluctuations in the estimated ultimate claims. The short-tailed nature of the business is associated with higher consistency of the reserve estimates. The Group continually review the adequacy of claims reserves by conducting back-testing analysis, assessing the sufficiency of data, monitoring claims backlogs and settlement patterns. In addition, the external actuary runs independent valuation models after due reconciliation with consolidated financial statements to validate reserve adequacy.

**(ii) Concentration of insurance risk**

The insurance risk exposure related to policyholders is mainly concentrated in Saudi Arabia. However, through its underwriting strategy, the Group ensures that the portfolio is well diversified and not concentrated within few large clients. Its business is proportionally spread across all regions in the Saudi Arabia, and the Group targets both corporate and retail business. The insurance portfolio is not concentrated in a specific benefit level (diverse medical providers, different deductibles, annual limits and sub-limits)

**(iii) Process used to decide on assumptions**

The pricing team follows the Group's underwriting guidelines (approved by the Board of Directors) in setting premiums taking into consideration credible claims experiences for both new business and renewals or medical declarations.

Assumptions used in determining claims reserves are based on the best estimate. Ultimate claims are estimated using historical claim trends adjusted for inflation, seasonality, membership growth and any other external or internal factors that may have impact on claim costs. Given the nature of the business, the Group may still be exposed to risk of insufficiency of claim reserves for which actual claim cost may turn out to be higher than the initial estimated ultimate claims.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the outstanding claims which are received but not yet settled with the providers. For the case of outstanding claims, the Group uses payment information of settled batches with providers to estimate the expected settlement amounts of recently submitted batches, while it uses mainly pre-authorization data to estimate IBNR. The Group seeks to avoid inadequate reserve levels by adopting established processes in determining claim reserve and using updated information from both claims received and pre-authorization data.

The premium liabilities have been determined as such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve, if applicable and required as per the result of the liability adequacy test) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies. The expected future liability is determined using the Group's loss ratio adjusted for seasonality and portfolio mix for the remaining unearned period. The details of estimation of the outstanding claims and premium deficiency reserves are given under Notes 2(d)(i).

**(iv) Sensitivity analysis**

The Group believes that the claim liabilities under insurance contracts outstanding at year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the consolidated financial statements. The insurance claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process.

An assumed 5% change in the claims' ratio, net of reinsurance, would impact net underwriting income as follows:

	2022 SR '000	2021 SR '000
Impact of change in claims ratio by 5%	± 641,838	± 530,885

**(b) Reinsurance risk**

During the years ended 31 December 2021 and 2022, the Group had reinsurance arrangements, quota share and excess of loss, for certain group of contracts to reduce its exposure through partial transfer of insurance risk. The reinsurance premium ceded represents a minimal margin of the overall gross premium written. Reinsurance premium ceded reached 0.7% of gross premium written (2021: 0.75%).

The reinsurers selected met SAMA's minimum acceptable rating of BBB (S&P Rating).

Reinsurance ceded business does not relieve the Group from its obligations to policyholders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

**(c) Market risk**

Market risk refers to the potential impact of various market dynamics on the fair value or the expected cash flows of financial instruments. The Group adopts asset allocation guidelines and diversification limits on asset classes, geographies, currencies and securities to ensure that market risk is contained and kept to minimal levels.

The Board of Directors sets the overall risk appetite to a prudent level that does not impact the Group's operating results. The management prepares monthly and quarterly reports, highlighting deployment activities and exposure limits to ensure that appropriate monitoring and compliance with the approved guidelines. Management performs continuous assessment of developments in relevant markets to ensure that market risk is monitored and mitigated at the asset class and securities levels.

Market risk comprises three types: interest rate risk, price risk and currency risk.

**(i) Interest rate risk**

Interest rate risk is the potential change in the fair value of financial instruments and expected cash flows as a result of changes in interest rates. Management constantly monitors developments in global and local interest rates and accordingly allocates the durations of its term deposits and sukuk investments.

Investments in term deposits and sukuk instruments have various maturities in order to maximize investment returns while ensuring that liquidity requirements are continuously met. Details of maturities of interest-bearing securities as at 31 December are as follows:

	2022 (SR '000)				
	Less than 3 months	3 months to 1 year	More than 1 year to 3 years	More than 3 years	Total
Term deposits	1,000,000	1,945,000	2,945,989	517,500	6,408,489
Investments in Sukuk – AFS	93,715	142,359	436,916	1,605,813	2,278,803
Investments in Sukuk – FVSI	-	-	18,000	29,058	47,058
Investments in Sukuk – HTM	-	-	-	522,068	522,068
	1,093,715	2,087,359	3,400,905	2,674,439	9,256,418

	2021 (SR '000)				
	Less than 3 months	3 months to 1 year	1 year to 3 years	More than 3 years	Total
Term deposits	200,000	1,424,328	1,319,392	150,000	3,093,720
Investments in Sukuk – AFS	103,891	10,121	300,975	1,138,522	1,553,509
Investments in Sukuk – FVSI	26,001	-	18,000	29,058	73,059
Investments in Sukuk – HTM	-	-	-	331,250	331,250
	329,892	1,434,449	1,638,367	1,648,830	5,051,538

**(ii) Price risk**

Price risk is the potential change in the fair value of financial instruments as a result of instrument-specific developments or systemic factors affecting the overall market in which the instrument is being traded.

The total size of investments which are exposed to market price risk is SR 3,382 million (2021: SR 5,704 million). The Group manages this risk conducting thorough due diligence on each instrument prior to investing as well as maintaining exposure limits guidelines to minimize the potential impact of marking to market on the overall portfolio.

The potential impact of a 10% increase or decrease in the market prices of investments on Group's profit would be as follows:

	Fair value change %	Effect on Group's profit SR '000
2022	± 10%	± 14,878
2021	± 10%	± 32,586

The above sensitivity analysis is only on FVSI investments which directly impact the Group's profit.

**(iii) Currency risk**

Currency risk is the potential fluctuation of the value of a financial instrument due to changes in foreign exchange rates. All Group's transactions are in Saudi Arabian Riyals and US Dollar. Given the peg of Saudi Arabian Riyals and US Dollars, foreign exchange risk is minimal.

**(d) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group seeks to manage its credit risk with respect to customers by following the Group's credit control policy and monitoring outstanding receivables on an on-going basis in order to reduce the Group's exposure to bad debts. The management estimates specific impairment provisions on a case by case basis. In addition to specific provisions, the Group also makes an additional portfolio provision, estimated on a collective basis, based on the ageing profile of the premiums receivable. The Group seeks to limit its credit risk with respect to other counterparties by placing term deposits and investments with reputable financial institutions. The Group enters into reinsurance contracts with recognized, creditworthy third parties (minimum BBB).



The following table shows the maximum exposure to credit risk by class of financial asset:

	2022 SR '000	2021 SR '000
Cash and cash equivalents	1,288,297	960,758
Premiums receivable - net	2,159,183	1,761,300
Reinsurers' share of outstanding claims	7,221	7,207
Reinsurers' share of claims incurred but not reported	12,602	7,829
Investments	2,848,929	1,957,818
Other receivables and accrued income	91,258	59,220
Term deposits	6,408,489	3,093,720
Statutory deposit	150,000	120,000
Accrued income on statutory deposit	16,235	14,885
	12,982,214	7,982,737

The table below provides information regarding the credit risk exposure of the Group by classifying assets according to the Group's credit rating of counterparties. Investment grade ratings refers to companies with sound credit standing of AAA to BBB-(as per S&P) and/or Aaa to Baa3 (as per Moody's). Ratings below the mentioned threshold are considered sub-investment grade with a higher default risk.

	2022 (SR '000)			
	Non-investment grade			
	Investment grade	Not impaired	Impaired	Total
Cash and cash equivalents	1,288,297	-	-	1,288,297
Premiums receivable - net	-	2,159,183	-	2,159,183
Reinsurers' share of outstanding claims	-	7,221	-	7,221
Reinsurers' share of claims Incurred but not reported	-	12,602	-	12,602
Investments	2,848,929	-	-	2,848,929
Other receivables and accrued income	-	91,258	-	91,258
Term deposits	6,408,489	-	-	6,408,489
Statutory deposit	150,000	-	-	150,000
Accrued income on statutory deposit	16,235	-	-	16,235
	10,711,950	2,270,264	-	12,982,214

	2021 (SR '000)			
	Non-investment grade			
	Investment grade	Not impaired	Impaired	Total
Cash and cash equivalents	960,758	-	-	960,758
Premiums receivable - net	-	1,761,300	-	1,761,300
Reinsurers' share of outstanding claims	-	7,207	-	7,207
Reinsurers' share of claims Incurred but not reported	-	7,829	-	7,829
Investments	1,957,818	-	-	1,957,818
Other receivables and accrued income	-	59,220	-	59,220
Term deposits	3,093,720	-	-	3,093,720
Statutory deposit	120,000	-	-	120,000
Accrued income on statutory deposit	14,885	-	-	14,885
	6,147,181	1,835,556	-	7,982,737

**(e) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its operational or financial obligations when they are due. Liquidity requirements are monitored on monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

Unearned premiums, premium deficiency reserve and claims handling reserve have been excluded from the analysis as they are not contractual obligations. The table below summarizes the maturity profile of the financial liabilities of the Group based on remaining expected undiscounted contractual obligations:

	2022 (SR '000)		
	Up to one year	More than one year	Total
Accrued and other liabilities	871,560	-	871,560
Lease liability	18,717	165,965	184,682
Insurance operations' surplus payable	208,021	-	208,021
Reinsurers' balances payable	2,605	-	2,605
Outstanding claims	601,366	-	601,366
Claims incurred but not reported	1,867,017	-	1,867,017
Due to related parties	42,280	-	42,280
Accrued income payable to SAMA	-	16,235	16,235
	3,611,566	182,200	3,793,766
	2021 (SR '000)		
	Up to one year	More than one year	Total
Accrued and other liabilities	604,774	-	604,774
Lease liability	14,218	111,115	125,333
Insurance operations' surplus payable	190,060	-	190,060
Reinsurers' balances payable	25,397	-	25,397
Outstanding claims	601,168	-	601,168
Claims incurred but not reported	1,413,888	-	1,413,888
Due to related parties	33,723	-	33,723
Accrued income payable to SAMA	-	14,885	14,885
	2,883,228	126,000	3,009,228

**(f) Liquidity profile**

All assets excluding investments, fixtures, furniture and equipment and right-of-use assets, intangible assets, goodwill, statutory deposit and accrued income on statutory deposit, are expected to be recovered or settled before one year. Term deposits amounting to SR 2,945 million (31 December 2021: SR 1,624 million) mature within one year and the remaining balance have maturities greater than one year.

None of the financial liabilities on the statement of financial position are based on discounted cash flows, with exception of end-of-service benefits and are all payable on a basis as set out above. There are no differences between contractual and expected maturity of the financial liabilities of the Group.

**(g) Operation risk**

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

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

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

**36 Supplementary Information****Consolidated Statement of Financial Position**

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>ASSETS</b>						
Cash and cash equivalents	649,270	639,027	1,288,297	930,691	30,067	960,758
Premiums receivables – net	2,159,183	-	2,159,183	1,761,300	-	1,761,300
Reinsurers' share of unearned premiums	48,265	-	48,265	27,935	-	27,935
Reinsurers' share of outstanding claims	7,221	-	7,221	7,207	-	7,207
Reinsurers' share of claims Incurred but not reported	12,602	-	12,602	7,829	-	7,829
Deferred policy acquisition costs	264,931	-	264,931	201,042	-	201,042
Investments	1,283,101	2,091,201	3,374,302	2,599,429	3,104,344	5,703,773
Prepaid expenses and other assets	79,620	68,143	147,763	99,998	13,256	113,254
Term deposits	4,753,100	1,655,389	6,408,489	2,007,922	1,085,798	3,093,720
Fixtures, furniture and equipment – net	-	63,643	63,643	-	69,771	69,771
Right-of-use assets – net	-	165,947	165,947	-	112,616	112,616
Intangible assets – net	-	65,413	65,413	-	67,277	67,277
Deferred tax asset	-	40,151	40,151	-	39,735	39,735
Goodwill	-	98,000	98,000	-	98,000	98,000
Statutory deposit	-	150,000	150,000	-	120,000	120,000
Accrued income on statutory deposit	-	16,235	16,235	-	14,885	14,885
<b>TOTAL ASSETS</b>	<b>9,257,293</b>	<b>5,053,149</b>	<b>14,310,442</b>	<b>7,643,353</b>	<b>4,755,749</b>	<b>12,399,102</b>

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>LIABILITIES</b>						
Accrued and other liabilities	860,074	11,486	871,560	597,911	6,863	604,774
Lease liability	-	184,682	184,682	-	125,333	125,333
Insurance operations' surplus payable	208,021	-	208,021	190,060	-	190,060
Reinsurers' balances payable	2,605	-	2,605	25,397	-	25,397
Unearned premiums	5,695,725	-	5,695,725	4,709,555	-	4,709,555
Outstanding claims	601,366	-	601,366	601,168	-	601,168
Claims incurred but not reported	1,867,017	-	1,867,017	1,413,888	-	1,413,888
Premium deficiency reserve	22,982	-	22,982	74,602	-	74,602
Claims handling reserve	23,470	-	23,470	21,797	-	21,797
Due to related parties	-	42,280	42,280	-	33,723	33,723
Provision for end-of-service benefits (EOSB)	-	154,054	154,054	-	152,286	152,286
Provision for Zakat and income tax	-	326,566	326,566	-	236,610	236,610
Accrued income payable to SAMA	-	16,235	16,235	-	14,885	14,885
<b>TOTAL LIABILITIES</b>	<b>9,281,260</b>	<b>735,303</b>	<b>10,016,563</b>	<b>7,634,378</b>	<b>569,700</b>	<b>8,204,078</b>

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>EQUITY</b>						
Share capital	-	1,500,000	1,500,000	-	1,200,000	1,200,000
Statutory reserve	-	1,164,724	1,164,724	-	992,210	992,210
Share based payments reserve	-	54,268	54,268	-	43,500	43,500
Shares held under employees share scheme	-	(78,235)	(78,235)	-	(53,356)	(53,356)
Retained earnings	-	1,709,186	1,709,186	-	1,790,700	1,790,700
Re-measurement reserve for end-of-service benefits (EOSB)	-	(7,043)	(7,043)	-	(23,638)	(23,638)
Investments fair value reserve	(23,967)	(25,054)	(49,021)	8,975	236,633	245,608
<b>TOTAL EQUITY</b>	<b>(23,967)</b>	<b>4,317,846</b>	<b>4,293,879</b>	<b>8,975</b>	<b>4,186,049</b>	<b>4,195,024</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>9,257,293</b>	<b>5,053,149</b>	<b>14,310,442</b>	<b>7,643,353</b>	<b>4,755,749</b>	<b>12,399,102</b>

## Consolidated Statement of Income

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>REVENUES</b>						
Gross premiums written	13,896,883	-	13,896,883	11,382,194	-	11,382,194
Reinsurance premiums ceded - Local	(175)	-	(175)	(5,345)	-	(5,345)
Reinsurance premiums ceded - International	(94,107)	-	(94,107)	(80,737)	-	(80,737)
<b>NET PREMIUMS WRITTEN</b>	<b>13,802,601</b>	<b>-</b>	<b>13,802,601</b>	<b>11,296,112</b>	<b>-</b>	<b>11,296,112</b>
Changes in unearned premiums - net	(965,840)	-	(965,840)	(678,397)	-	(678,397)
<b>NET PREMIUMS EARNED</b>	<b>12,836,761</b>	<b>-</b>	<b>12,836,761</b>	<b>10,617,715</b>	<b>-</b>	<b>10,617,715</b>
Other revenues	-	42,633	42,633	-	-	-
<b>TOTAL REVENUES</b>	<b>12,836,761</b>	<b>42,633</b>	<b>12,879,394</b>	<b>10,617,715</b>	<b>-</b>	<b>10,617,715</b>
<b>UNDERWRITING AND OTHER DIRECT COSTS</b>						
Gross claims paid	(10,565,431)	-	(10,565,431)	(9,114,251)	-	(9,114,251)
Reinsurers' share of claims paid	39,497	-	39,497	62,718	-	62,718
<b>NET CLAIMS PAID</b>	<b>(10,525,934)</b>	<b>-</b>	<b>(10,525,934)</b>	<b>(9,051,533)</b>	<b>-</b>	<b>(9,051,533)</b>
Changes in outstanding claims	(198)	-	(198)	(154,649)	-	(154,649)
Changes in claims incurred but not reported	(453,129)	-	(453,129)	(35,594)	-	(35,594)

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Changes in premium deficiency reserve	51,620	-	51,620	189,149	-	189,149
Changes in claims handling reserves	(1,673)	-	(1,673)	(1,042)	-	(1,042)
Reinsurance share of changes in outstanding claims	14	-	14	5,732	-	5,732
Reinsurance share of changes in claims incurred but not reported	4,773	-	4,773	1,368	-	1,368
<b>NET CLAIMS INCURRED</b>	(10,924,527)	-	(10,924,527)	(9,046,569)	-	(9,046,569)
Policy acquisition costs	(578,156)	-	(578,156)	(343,427)	-	(343,427)
Other revenues	-	(16,378)	(16,378)	-	-	-
<b>TOTAL UNDERWRITING AND OTHER DIRECT COSTS</b>	(11,502,683)	(16,378)	(11,519,061)	(9,389,996)	-	(9,389,996)
<b>NET UNDERWRITING AND OTHER ACTIVITIES GROSS INCOME</b>	1,334,078	26,255	1,360,333	1,227,719	-	1,227,719
<b>OTHER OPERATING (EXPENSES)/ INCOME</b>						
Allowance for doubtful receivables	(40,885)	-	(40,885)	(22,458)	-	(22,458)
General and administrative expenses	(651,919)	(15,226)	(667,145)	(586,004)	(12,590)	(598,594)
Selling and marketing expenses	(135,975)	-	(135,975)	(115,646)	-	(115,646)
Investment income - net	152,141	400,849	552,990	84,843	175,594	260,437

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Other income/ (loss) - net	(4,409)	27,275	22,866	(4,985)	42,575	37,590
<b>TOTAL OTHER OPERATING (EXPENSES)/ INCOME</b>	(681,047)	412,898	(268,149)	(644,250)	205,579	(438,671)
<b>INCOME BEFORE SURPLUS, ZAKAT AND INCOME TAX</b>	653,031	439,153	1,092,184	583,469	205,579	789,048
<b>TRANSFER OF SURPLUS TO SHAREHOLDERS</b>	(587,728)	587,728	-	(525,122)	525,122	-
<b>INCOME ATTRIBUTED TO THE SHAREHOLDERS BEFORE ZAKAT AND INCOME TAX</b>	65,303	1,026,881	1,092,184	58,347	730,701	789,048
Zakat charge	-	(72,938)	(72,938)	-	(41,136)	(41,136)
Income tax charge	-	(91,374)	(91,374)	-	(63,995)	(63,995)
<b>NET INCOME ATTRIBUTED TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX</b>	65,303	862,569	927,872	58,347	625,570	683,917
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY OUTSTANDING SHARES (IN THOUSANDS)</b>		149,316			149,558	
<b>BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN SR PER SHARE)</b>		5.78			4.18	

## Consolidated Statement of Comprehensive Income

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>NET INCOME ATTRIBUTED TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX</b>	65,303	862,569	927,872	58,347	625,570	683,917
Other comprehensive income						
<b>ITEMS THAT WILL NOT BE RECLASSIFIED TO STATEMENTS OF INCOME IN SUBSEQUENT YEARS</b>						
Actuarial gains on employees' EOSB	-	16,595	16,595	-	7,535	7,535
<b>ITEMS THAT ARE OR MAY BE RECLASSIFIED TO STATEMENT OF INCOME IN SUBSEQUENT YEARS</b>						
Net changes in fair value of available-for-sale investments	(32,942)	(261,687)	(294,629)	(15,083)	61,785	46,702
<b>TOTAL COMPREHENSIVE INCOME</b>	32,361	617,477	649,838	43,264	694,890	738,154
Reconciliation:						
Less: Net income attributable to insurance operations transferred to surplus payable			(65,303)			(58,347)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			584,535			679,807

## Consolidated Statement of Cash flows

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	-	1,026,881	1,026,881	-	730,701	730,701
Net income attributed to the shareholders before Zakat and income tax						
<b>ADJUSTMENTS FOR NON-CASH ITEMS:</b>						
Net income attributed to the insurance operations	65,303	-	65,303	58,347	-	58,347
Depreciation of fixtures, furniture and equipment	15,734	-	15,734	15,216	-	15,216
Amortization of right-of-use assets	21,019	-	21,019	15,939	-	15,939
Amortization of intangible assets	13,105	-	13,105	14,446	-	14,446
Loss on disposal of fixtures and furniture and equipment	-	238	238	-	2,521	2,521
Loss on disposal of Intangible assets	-	326	326	-	-	-
Provision for employees share scheme	-	22,391	22,391	-	20,386	20,386
Allowance of doubtful receivables	40,885	-	40,885	22,458	-	22,458
Commission Income on term deposits	(102,993)	(37,536)	(140,529)	(31,182)	(27,175)	(58,357)
Other investment income, net	(49,148)	(363,313)	(412,461)	(24,079)	(178,001)	(202,080)
Provision for end-of-service benefits	-	25,799	25,799	-	27,495	27,495



	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Finance cost	6,287	-	6,287	5,834	-	5,834
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES:</b>						
Premiums receivable	(438,768)	-	(438,768)	(463,715)	-	(463,715)
Reinsurers' share of unearned premiums	(20,330)	-	(20,330)	(7,827)	-	(7,827)
Reinsurers' share of outstanding claims	(14)	-	(14)	(5,732)	-	(5,732)
Reinsurers' share of claims incurred but not reported	(4,773)	-	(4,773)	(1,368)	-	(1,368)
Deferred policy acquisition costs	(63,889)	-	(63,889)	(132,828)	-	(132,828)
Prepaid expenses and other assets	20,378	(54,817)	(34,439)	(28,831)	663	(28,168)
Accrued and other liabilities	262,163	4,623	266,786	63,710	614	64,324
Reinsurers' balances payable	(22,792)	-	(22,792)	20,524	-	20,524
Unearned premiums	986,170	-	986,170	686,224	-	686,224
Outstanding claims	198	-	198	154,649	-	154,649
Claims incurred but not reported	453,129	-	453,129	35,594	-	35,594
Premium deficiency reserve	(51,620)	-	(51,620)	(189,149)	-	(189,149)
Claims handling reserve	1,673	-	1,673	1,042	-	1,042
Due to related parties	-	76,988	76,988	-	(60,557)	(60,557)
Due to shareholders' operations	(56,508)	56,508	-	(90,923)	90,923	-
	1,075,209	758,088	1,833,297	118,349	607,570	725,919
End-of-service benefits paid	-	(7,436)	(7,436)	-	(7,686)	(7,686)
Surplus paid to policyholders	(47,342)	-	(47,342)	(68,678)	-	(68,678)
Zakat and income tax paid	-	(74,842)	(74,842)	-	(187,514)	(187,514)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	1,027,867	675,810	1,703,677	49,671	412,370	462,041

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Placement in term deposits	(4,795,854)	(1,415,869)	(6,211,723)	(1,839,000)	(374,328)	(2,213,328)
Proceeds from maturity of term deposits	2,153,669	883,814	3,037,483	1,507,552	466,960	1,974,512
Additions to investments	(4,482,471)	(4,383,346)	(8,865,817)	(8,132,760)	(7,033,358)	(15,166,118)
Disposals of investments	5,777,069	5,410,905	11,187,974	9,088,961	6,452,175	15,541,136
Proceeds from commission and dividends	38,299	86,847	125,146	61,035	138,402	199,437
Increase in statutory deposit	-	(30,000)	(30,000)	-	-	-
Additions to fixtures, furniture and equipment	-	(9,902)	(9,902)	-	(9,115)	(9,115)
Proceeds from disposal of fixtures, furniture and equipment	-	58	58	-	-	-
Additions to intangible assets	-	(11,567)	(11,567)	-	(19,765)	(19,765)
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	(1,309,288)	530,940	(778,348)	685,788	(379,029)	306,759
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Dividends paid	-	(540,000)	(540,000)	-	(408,000)	(408,000)
Dividends paid	-	(36,502)	(36,502)	-	(14,263)	(14,263)
Purchase of shares held under employees share scheme	-	(21,288)	(21,288)	-	(19,030)	(19,030)
Lease liability paid	-	(597,790)	(597,790)	-	(441,293)	(441,293)

	2022 (SR '000)			2021 (SR '000)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>NET CASH USED IN FINANCING ACTIVITIES</b>						
Net change in cash and cash equivalents	(281,421)	608,960	327,539	735,459	(407,952)	327,507
Cash and cash equivalents at beginning of the year	930,691	30,067	960,758	195,232	438,019	633,251
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	649,270	639,027	1,288,297	930,691	30,067	960,758

### 37 Dividends

During the year ended 31 December 2022, the Group's Board of Directors proposed to pay dividends for the year ended 31 December 2021 of SR 4.5 per share, totaling SR 540 million (2021: SR 408 million) to its shareholders. The dividends were approved by the shareholders in the Extraordinary General Assembly meeting and paid during the year.

### 38 Approval Of The Consolidated Financial Statements

The consolidated financial statements have been approved by the Board of Directors, on 29 Rajab 1444H corresponding to 20 February 2023.

# Regional Offices

## Branch Offices

### Madina Monawara Branch

Tel: 920 000 456 – 8380

Inside Tabbah Business Center, Al Aridh,  
Madinah 42313

### Makkah Branch

Tel: 920 000 456 – 8888

Inside Tujjar Makkah Center, Waly Al Ahd,  
Makkah 24354

### Buraidah Branch

Tel: 920 000 456 – 8386

Buraidah, 40 Street,  
in front of Jawazat

## Jeddah

Bupa Arabia Building,  
Prince Saud AlFaisal St.  
Al Khalediya District,  
P.O.Box 23807 Jeddah 21436,  
Saudi Arabia

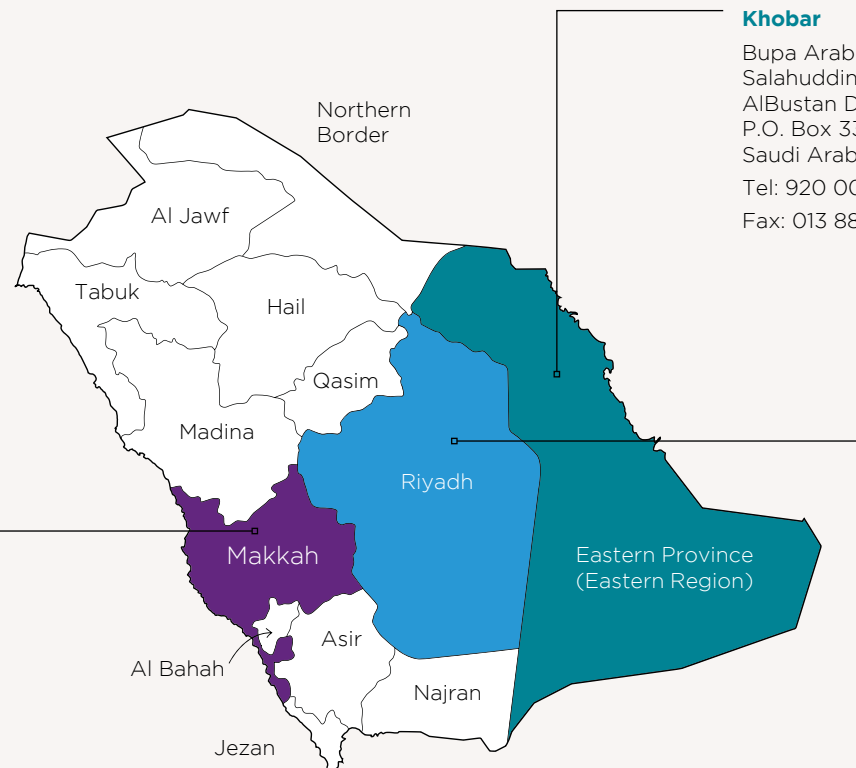
Tel: 920 000 456

Fax: 920 000 724

### Bupa Arabia North Office

Telephone: 920 000 456  
6th floor, Prince Sultan St.,  
Al-Mohammadiyah District  
(next to SACO)

P.O. Box 250 – Jeddah 21411



## Khobar

Bupa Arabia Building,  
Salahuddin Alayyubi Road,  
AlBustan District,  
P.O. Box 3339 Al Khobar 34422,  
Saudi Arabia

Tel: 920 000 456

Fax: 013 881 2240

## Riyadh

Bupa Arabia Building,  
King Fahad Road,  
Olaya District, Riyadh 11351,  
Saudi Arabia

Tel: 920 000 456

## Notes





## **This Annual Report is GHG-neutral**

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