



شركة الخليج المتحد القابضة ش.م.ب.
United Gulf Holding Company B.S.C.



2023 ANNUAL REPORT

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**H.M. King Hamad
Bin Isa Al Khalifa**

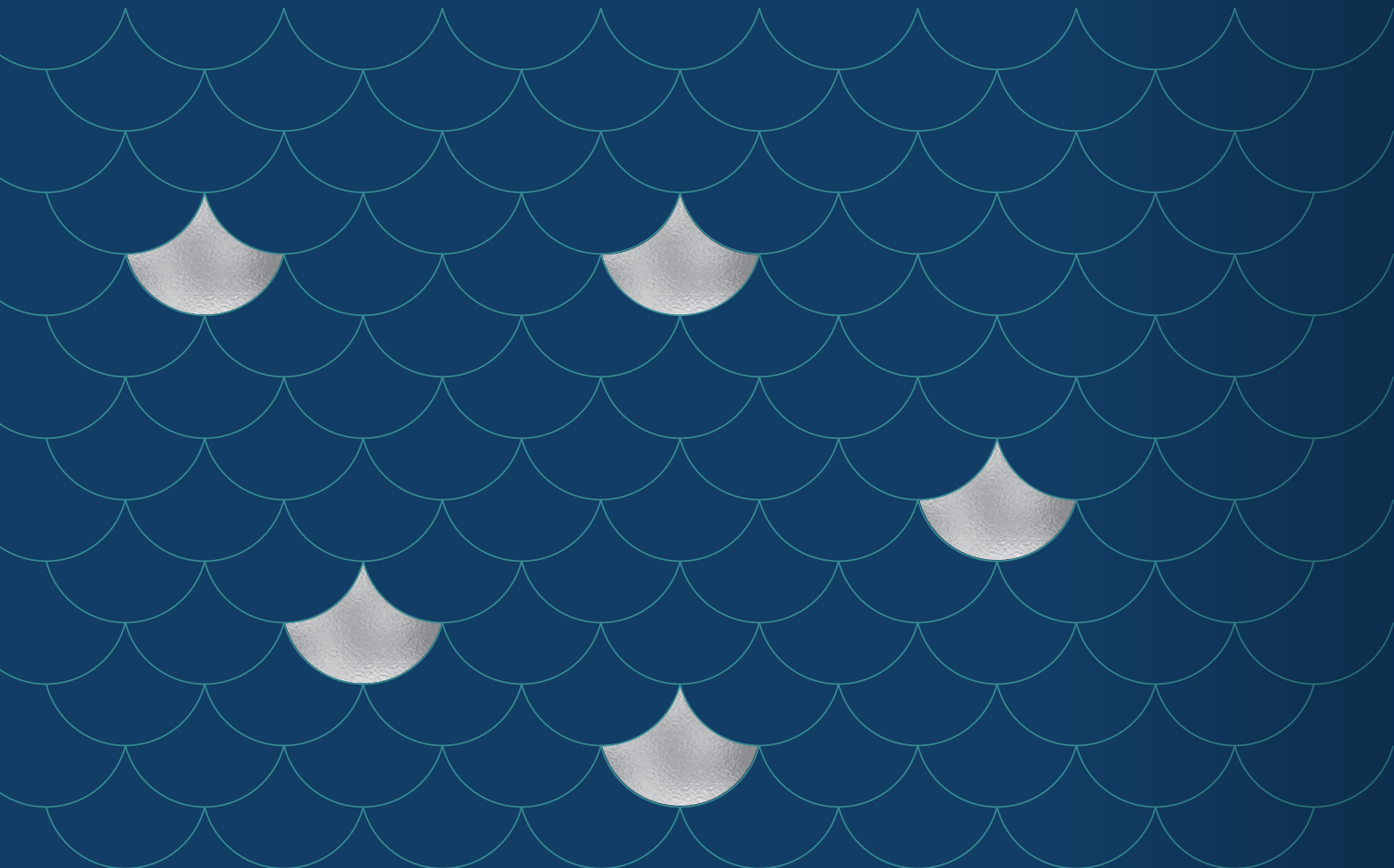
King of the Kingdom of Bahrain



**H.H. Sheikh Meshal Al-Ahmad Al-Jaber
Al Sabah**

Amir of the State of Kuwait

**UNITED GULF HOLDING
COMPANY B.S.C. IS A MEMBER
OF THE KIPCO GROUP, ONE
OF THE LARGEST HOLDING
COMPANIES IN THE MIDDLE
EAST AND NORTH AFRICA.**



CORPORATE PROFILE

United Gulf Holding Company B.S.C. (UGH, the Company)

A subsidiary of the KIPCO Group, UGH conducts merchant banking activities through its regional network of subsidiaries and associates. The Company's proprietary investments include assets in commercial banking, real estate, private equity, and quoted securities. As at 31 December 2023, assets under management held through its wholly-owned subsidiary, United Gulf Bank (UGB) B.S.C.(c), totaled US\$ 14.2 billion (31 December 2022: US\$ 14.2 billion).

The Company's core subsidiaries and associates include: United Gulf Bank B.S.C. (c), KAMCO Investment Company K.S.C.P., FIMBank plc, Burgan Bank K.P.S.C., North Africa Holding Company, United Gulf Financial Services - North Africa, United Capital Transport Company and United Real Estate Company K.S.C.P.

Incorporated on 28 June 2017 and licensed as a Holding Company by the Ministry of Industry and Commerce, UGH was listed on the Bahrain Bourse on 28 September 2017 under the ticker symbol UGH. The Company's authorized share capital is US\$ 252.7 million with an issued and paid-up capital of US\$ 219.5 million.

The Kipco Group

Kuwait Projects Company (Holding) K.S.C.P. – KIPCO – is a holding company that invests in the Middle East and North Africa. Its strategy of acquiring, building, scaling and selling companies in the MENA region has worked successfully for over 30 years.

KIPCO's main business sectors are financial services, food, petrochemicals & oil services, media, real estate and education. Its financial service interests include commercial banking, asset management and investment banking.

Major Subsidiaries and Affiliates:



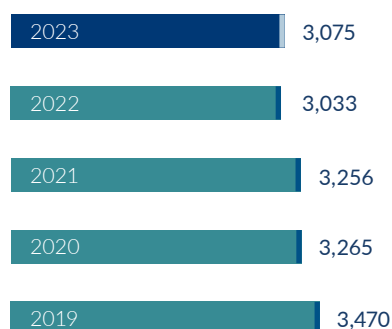
United Gulf Holding Company B.S.C.

PO Box 5565, Diplomatic Area, UGB Tower, Manama, Kingdom of Bahrain

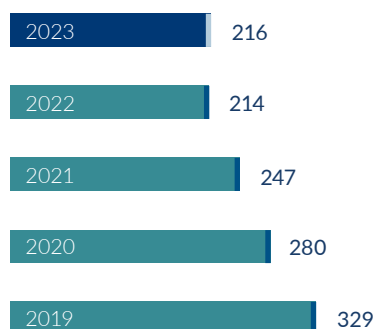
Tel: (+973) 17 533 233 Fax: (+973) 17 533 137, Email: info@ughbah.com, www.ughbh.com

FINANCIAL HIGHLIGHTS

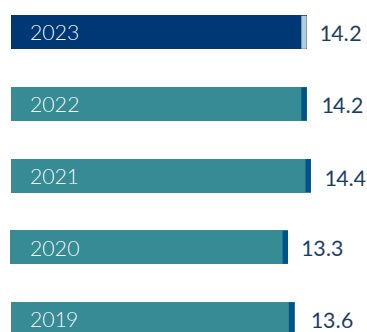
Total Assets
US\$ Million **3,075**



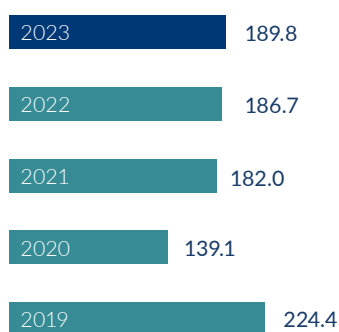
Shareholders' Equity
US\$ Million **216**



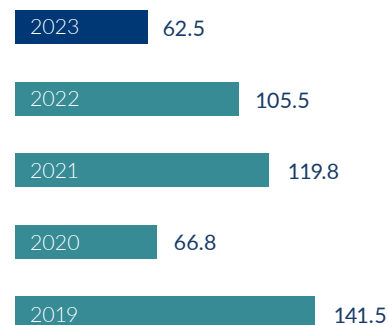
Assets Under Management
US\$ Billion **14.2**



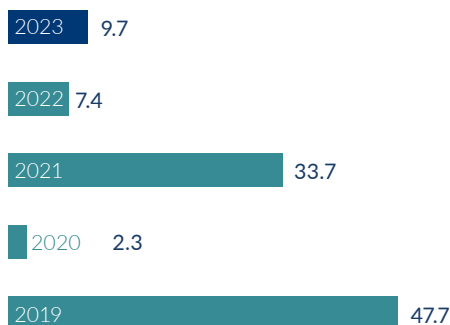
Total Income
US\$ Million **189.8**



Operating Income
US\$ Million **62.5**



Investment Income
US\$ Million **9.7**



FINANCIAL SUMMARY

Summary Financials	2023	2022	2021	2020	2019
US\$ million					
Total Income	189.8	186.7	182.0	139.1	224.4
Investment income	9.7	7.4	33.7	2.3	47.7
Operating income	62.5	105.5	119.8	66.8	141.5
Shareholders' Equity	216.0	214.0	247.1	279.8	328.6
Total Assets	3,075.0	3,032.7	3,255.5	3,264.9	3,470.2
Net (loss) Income	(41.9)	(21.3)	(8.3)	(70.3)	9.7

Key Ratios					
Return on Average Equity	-19.5%	-9.2%	-3.1%	-23.1%	2.8%
Return on Average Assets	-1.4%	-0.7%	-0.2%	-2.0%	28.0%
Operating Expense/ Operating Income	157.0%	94.3%	90.2%	148.2%	79.7%
Average Equity to Average Assets	7.0%	7.3%	8.0%	8.2%	10.1%

Key Values on per share basis					
Book Value per share (US\$)	0.49	0.49	0.56	0.64	0.80
Earnings per share (US cents)	(10.36)	(5.66)	(2.70)	(18.65)	(1.11)

Comparative Average Balances (based on quarterly averages) US\$ million					
Assets	3,048.8	3,265.8	3,314.5	3,265.7	3,376.6
Liabilities	2,664.7	2,851.3	2,882.0	2,839.7	2,847.0
Minority Interest	138.7	136.0	133.9	126.5	152.6
Perpetual Tier1 Capital	33.0	33.0	33.0	33.0	33.0
Shareholder's Equity	212.4	245.5	265.7	266.5	344.0
Guarantees and commercial LC	48.3	63.0	52.1	23.0	30.4
Commitments	112.3	79.9	106.6	128.0	172.2
Asset under management (US\$ billion)	14.3	14.6	14.2	12.7	13.4

CHAIRMAN'S STATEMENT



On behalf of the Board of Directors, it is my privilege to present to you the consolidated financial statements of United Gulf Holding Company, B.S.C.(UGH) for the year ended 31 December 2023.



US\$ 14.2 Billion
Assets Under Management

Economic Backdrop

The impact of tight monetary policies, challenging credit conditions and raised inflation contributed to the economic pressures in 2023, as did the weakening of global trade and investment. The conflict in Ukraine continued to overshadow the commodity market internationally, particularly in trade flows and supply chains, whilst the situation in Gaza late in the year has fostered concerns of possible escalation throughout the region. These concerns resulted in the World Bank reducing its forecast for economic growth in the Middle East and Africa region (MENA) from 5.6% in 2022 to 1.9% in 2023. The ongoing confrontation in the Red Sea has exacerbated the cost of transportation and the drop in the volume of trade that is being channeled through the Suez Canal. Trade, tourism, foreign direct investment, and capital flows are some of the areas which have been adversely impacted..

Business Performance

UGH continued to move towards derisking its balance sheet and diversifying income streams through its subsidiaries and associates. FIMBank profitability has been marred by write-offs and provisions during the past years. Driven by a comprehensive derisking exercise, FIMBank has now turned profitable in the year 2023. The Non-Performing Assets levels which had peaked during the COVID period have witnessed consistent decline and are currently at less than 5% in 2023. There have been significant cash recoveries in recent years. Overall, FIMBank is getting back on its profitability path by derisking the business model & improvement in its asset quality.

Burgan Bank generated net income attributable to shareholders of KD 43.5 million in FY'23, with income falling marginally due to the impact of Turkey's hyperinflation-related monetary loss and no income from Bank of Baghdad, which was sold in Q1 2023. On the other hand, Burgan's asset quality continues to be stable with a Non-performing Loan (NPL) ratio of 2% for 2023 and the cost of credit for the year falling to 10 bps, an improvement of 40 bps compared to last year. Burgan also continued to implement one of the key facets and top priorities of its new transformational roadmap, with the strategic reallocation of its asset portfolio. After having sold its stake in Bank of Baghdad in Q1'23, the Bank subsequently sold 52% of its stake in Burgan Bank Turkey (BBT) in Q4'23.

United Gulf Bank B.S.C (closed) along with its subsidiary Kamco Invest's (UGB Group) performance was impacted by the economic and geopolitical challenges, high interest rates, slower business environment, and market performance. Despite the challenges, UGB has been continuously in pursuit of sustainable growth and value creation through

CHAIRMAN'S STATEMENT

strategic initiatives. These include regional expansion of footprints in growth markets such as KSA and United Kingdom, technological innovation through digitization of wealth management offerings and a new Treasury system deployment bringing a more sustainable paperless environment optimizing operational efficiency.

UGB Group Equity funds and managed portfolios continued to outperform their peers and respective benchmarks. During the year, the equity funds managed continued to rank amongst the top performers. Kamco Investment Fund was ranked the second best performing conventional fund whereas Kamco Islamic Fund was the best performing Islamic equity fund in Kuwait according to the funds' performance information declared on the website of Boursa Kuwait. The Company successfully raised over US\$2.1 billion for several products and transactions and grew its assets under management by 7.8% to reach US\$14.9 billion as of 31 December 2023.

United Real Estate Company (URC), an associate company and leading real estate developer in Kuwait and the MENA region, also saw a return to operating profitability, with its gross profit increasing by a healthy 27%. With a few key exits earmarked for 2024, the Company is set to further enhance profitability.

Financial Results

UGH reported total income before interest and other expenses of US\$ 189.8 million for 2023, compared to US\$ 186.7 million the previous year. However, the impact of rising interest rates saw UGH's Operating Income reduced to US\$ 62.5 million from US\$ 105.5 million the previous year as interest expense recorded a rise of 57% to US\$ 127.3 million in comparison to

US\$ 81.3 million recorded in 2022. Total expenses reduced to US\$ 98.1 million compared to US\$ 99.5 million in 2022, with cost control measures continuing across the Group. Total consolidated provisions of US\$ 0.4 million were reversed during 2023 as compared to US\$ 22.3 million provisions charges being taken in 2022. As a result, the Company reported a net loss attributable to shareholders of US\$ 41.9 million compared with a net loss of US\$ 21.3 million a year earlier.

UGH's losses through the income statement were however offset by fair value and other gains accounted for through the statement of comprehensive income, as UGH recorded other comprehensive income of US\$ 43.5 million, compared to a loss of US\$ 9.5 million for 2022. Thus, UGH recorded a total comprehensive income of US\$ 2.4 million, compared to a loss of US\$ 28.8 million for 2022.

Total assets stood at US\$ 3.08 billion compared to US\$ 3.03 billion the previous year, with total equity at US\$ 404.9 million versus US\$ 374.7 million. Total assets under management held through UGB stayed consistent with 2022 at US\$ 14.2 billion.

Governance

UGH has adopted a robust set of governance guidelines and policies that guide various aspects of organizational behavior, with emphasis on strong controls and compliance with external regulatory requirements. These adhere to the requirements of the Ministry of Industry and Commerce, the Bahrain Bourse, and the Central Bank of Bahrain. In February 2023, the Company announced the opening of received nominations for the candidacy of eight Board members to be elected as Directors for the three-year term 2023 – 2026. Members of



the present Board of Directors were subsequently elected at the annual general assembly which was held in the presence of representatives of the MOIC, the Central Bank of Bahrain and the Bahrain Bourse.

2023 was also the year when there was a greater emphasis on ESG (Environment, Social and Governance). Each company's path towards sustainability is unique, but it is widely recognized that effective ESG strategies have something in common – they promote resiliency and help companies navigate the path of responsible corporate citizenship. UGH's primary subsidiary – UGB, has set up an ESG committee at the management level to set goals and targets and define the key performance indicators that need to be reported effective year end 2024. Enhanced corporate disclosure will be mandatory when communicating with investors, clients, employees and other stakeholders.

Future Outlook

The years of 2022 and 2023 witnessed an era of monetary tightening when the Federal Reserve Board of the United States, increased its short-term federal funds target rate eleven times between March 2022 and July 2023. Since that time, it has held rates steady. As most of the GCC currencies are pegged to the US dollar, the Fed's aggressive stance led to higher interest rates and increased cost of borrowings for the region. As we move into 2024, it is envisaged that the Fed will soften its interest rate stance. Such a move would provide a much-needed stimulus to increase economic activity in the GCC. Global growth is estimated at 2.4% by the World Bank, but it is hoped that as demand for oil and exports increase, the MENA region will grow at 3.5% due to more capital inflows.

We continue to remain focused on deleveraging our balance sheet and reducing interest costs. A comprehensive plan in coordination with the Group is in works, the objectives of which will include delivering sustained results in terms of enhancing revenues and optimizing operating costs. Digitization of our products and services across the Group for enhanced customer experience and cost optimization along with exiting unprofitable markets, remain the key focus for the year ahead.

Acknowledgements

On behalf of the Board of Directors, I take this opportunity to voice my gratitude and express my thanks to the Ministry of Industry and Commerce, the Bahrain Bourse, the Central Bank of Bahrain and the Bahrain Chamber of Industry and Commerce for the exceptional support and guidance that they have given to UGH. I also acknowledge the cooperation, diligence, and the efforts of my fellow Board members. Last but not the least, I extend my appreciation to the employees and executive management of the UGH Group. Their synergy and loyalty are key factors for the operations of the Company and we are confident that they will continue to strive for excellence in the years to come.

Masoud M. J. Hayat
Chairman of the Board



BOARD OF DIRECTORS

Masoud J. Hayat, Non - Executive Director

Chairman of the Board of Directors since 2017

Chairman of the Executive Committee

Bachelor Degree in Economics, Kuwait University

High Diploma in Banking Sciences, Institute of Banking Studies, Kuwait.

Over 47 years of experience in the financial sector

Other Positions Held:

- Advisor to the chairman - KIPCO
- Chairman, United Gulf Bank B.S.C. (closed) - Bahrain
- Chairman, Tunis International Bank - Tunisia
- Vice Chairman, Gulf Bank Algeria - Algeria
- Vice Chairman, Bank of Baghdad - Iraq
- Vice Chairman, FIMBank plc - Malta
- Board Member, Jordan Kuwait Bank - Jordan
- Board Member, KAMCO Investment Company K.S.C.P. - Kuwait
- Board Member, North Africa Holding Company - Kuwait
- Board Member, United Gulf Financial Services N.A. - Tunisia
- Board Member, Mashare'a Al Khair Establishment - Kuwait

Faisal Al Ayyar, Non - Executive Director

Vice Chairman of the Board of Directors since 2017

Member of the Executive Committee

Member of the Board Audit Committee

Graduated as a fighter pilot in the USA and joined with the Kuwait Air Force

Over 37 years of experience in the financial sector

Other Positions Held:

- Vice Chairman of Gulf Insurance Group - Kuwait
- Vice Chairman of United Gulf Bank B.S.C (closed) - Bahrain
- Vice Chairman of SADAFCO- Kingdom of Saudi Arabia
- Vice Chairman of Mashare'a Al-Khair Establishment - Kuwait
- Board member of Gulf Egypt Hotels and Tourism Company - Egypt

Khaled Al Sharrad, Non-Executive Director

Member of the Board of Directors since 2022

Member of the Executive Committee

BA, St. Edwards University, USA; Certified Professional in Personnel Management

Over 35 years of experience in finance and investments

Other Positions Held:

- Board Secretary, Kuwait Projects Company (Holding) K.S.C.P. - Kuwait
- Chairman, IKARUS United Marine Services Company - Kuwait
- Vice Chairman, Kuwait Furniture Manufacturing & Trading Company - Kuwait
- Vice Chairman & CEO, United Industries Company - Kuwait
- Member of American Management Association - USA

BOARD OF DIRECTORS

Mazen Hawwa, Non-Executive Director

Member of the Board of Directors since 2017

Member of the Executive Committee

EMBA, HEC Paris, France

Graduate of Lebanese American University, Lebanon

Chartered Global Management Accountant, Certified Public Accountant, and Certified Management Accountant – USA

Over 26 years of experience in the financial sector

Other Positions Held:

- Vice Chairman & Group CEO at United Real Estate Company K.S.C.P. – Kuwait
- Chairman at Mena Homes Real Estate Company K.S.C.P. – Kuwait
- Chairman at Insha'a Holding Company K.S.C.P. – Kuwait
- Board member at Burgan Bank K.P.S.C. – Kuwait
- Board Member at North Africa Holding Company – Kuwait
- Board Member at SSH International Consultants - Bahrain
- Chairman at Assoufid Group Companies – Morocco & Supervisory Executive Director at Assoufid BV – Netherlands
- Board member of several URC Group Companies in Jordan, Lebanon, Oman & Egypt

Sunny Bhatia, Non-Executive Director

Member of the Board of Directors since 2022

Member of the Executive committee

Chartered Accountant, Bachelor of Commerce (Honors), Delhi University, India.

Over 30 years of experience in the financial sector

Other Positions Held:

- Group Chief Financial Officer, Kuwait Projects Company (Holding) K.S.P.C. – Kuwait
- Board Member of FIMBank p.l.c. – Malta

Mubarak Al Maskati, Independent Director

Member of the Board of Directors since 2018

Chairman of the Nominating & Remuneration Committee

Member of the Board Audit Committee

BSc, Political Studies and Economics, Pennsylvania State University, USA

Over 37 years of experience in the financial sector

Other Positions Held:

- Director, Royal Aviation – Kuwait
- Consultant, Amiri Diwan / Amiri Fleet Manager – Kuwait

BOARD OF DIRECTORS

Bader Al Awadhi, Independent Director

Member of the Board of Directors since 2018

Member of the Nominating & Remuneration Committee

BSc, Industrial Engineering, University of Miami, USA

General Manager Program, Harvard Business School, USA

Program for Management Development, Harvard Business School, USA

Over 37 years of experience in the financial sector

Other Positions Held:

- Director, Member of the Board Corporate Governance Committee and Member of the Board Audit Committee, Tunis International Bank – Tunisia
- Independent Director, Assoufid B.V. – Netherlands

Mohamed Haroon, Independent Director

Member of the Board of Directors since 2018

Chairman of the Board Audit Committee

Member of the Nominating & Remuneration Committee

BSc (Hons), Peshawar University, Pakistan

Diploma in Banking, Pakistan

Over 54 years of experience in the financial sector

Other Positions Held:

- Chairman & CEO, Haroon Incorporated W.L.L. – Bahrain
- Member of Board of Trustees & Board of Directors, Pakistan Urdu School - Bahrain



EXECUTIVE MANAGEMENT



Hussain A. Lalani FCA CISA
Chief Executive Officer

Mr. Lalani joined UGB in 2002 and was appointed as the Acting CEO in September 2015, and subsequently CEO in April 2019. His career extends over 27 years. He has worked extensively with the Board of Directors on advisory transactions in his previous capacity as the Bank's Chief Financial Officer, and partnered with business divisions to support growth and business plans. Mr. Lalani was previously employed by Ernst & Young, Bahrain; and Price Waterhouse Coopers, Pakistan. He is a Board Member of United Gulf Financial Services – North Africa, Tunisia; FIMBank plc. – Malta; Assoufid B.V. – Netherlands; London Forfaiting Company - UK and North Africa Holding Company - Kuwait. A Chartered Accountant and a Certified Information Systems Auditor, Mr. Lalani holds a Bachelor of Commerce degree from the University of Karachi, Pakistan.



Mohammed Alqumaish CIA
Assistant General Manager,
Chief Audit Executive & Corporate Secretary

Mr. Alqumaish joined UGB in September 2001. He is a banking professional with more than 27 years of regional, commercial and investment banking experience in internal auditing, risk assessment, compliance, corporate governance and quality assurance services with high executive and board level exposure. He previously worked with Ahli United Bank and Shamil Bank in Bahrain. Mr. Alqumaish had held several Board and advisory roles to Boards within the group in Algeria, Tunis, Iraq, and Syria. Mr. Alqumaish is a Certified Internal Auditor (CIA) and holds an MBA from the University of Strathclyde Business School, UK.

EXECUTIVE MANAGEMENT



**Deepa Chandrasekhar APRM CAMS FICA CFE
Chartered MCSI**
Senior Vice President,
Chief Compliance Officer & MLRO

Mrs. Chandrasekhar joined UGB in 2008. She has over 35 years of experience in the areas of compliance, AML, risk management, treasury, operations, and internal audit. She holds a BA degree in Economics and an MBA from the University of Alberta, Canada as well as several professional qualifications. Mrs. Chandrasekhar is a member of the Steering Committee of the Professional Risk Managers International Association (PRMIA), Bahrain Chapter; and the Advisory Council of the Chartered Institute of Securities and Investment (CISI), Bahrain Chapter. She also serves as an International Moderator in the field of compliance and corporate governance for the Finance Accreditation Agency, Malaysia. Mrs. Chandrasekhar is a frequent speaker at professional forums and has published several financial articles.



Syed Rehan Ashraf FCA MBA
Senior Vice President, Chief Financial Officer

Mr. Ashraf joined UGB in 2005. He was appointed CFO in October 2015 after serving as Head of Credit and Risk Management since October 2007. He has more than 27 years of experience in the areas of credit, risk management, finance, advisory, compliance and assurance services – with Islamic and conventional banks – and the big four audit firms. He previously worked with Shamil Bank, Deloitte & Touche, Faysal Bank, and PricewaterhouseCoopers. A Fellow Chartered Accountant (FCA) from the Institute of Chartered Accountants of Pakistan, Mr. Ashraf holds an MBA from DePaul University of Chicago, USA.

EXECUTIVE MANAGEMENT

**Adel Al-Arab CRA****Senior Vice President, Head of Operations**

Mr. Al Arab joined UGB in 1994. He has 31 years of experience in the field of operations, credit and risk management. Mr. Al Arab holds a Bachelor of Science degree in Business Administration from the University of Bahrain. He is a Chartered Risk Analyst (CRA) from the Global Academy of Finance and Management, USA; and was awarded the Certificate of ISMA Foundation Program from the International Securities Market Association, Zurich. Mr. Al Arab has attended several professional courses in banking, finance, operations and risk management.

**Nirmal Parik CFA MBA****Senior Vice President, Head of Asset Management and Investment Banking**

Mr. Parik joined UGB in 2007. He has 20 years of experience in the financial services industry in investment management, asset management, investment banking and corporate banking. Prior to joining UGB, Mr. Parik worked in various capacities with multinational firms including ING Investment Management (I) Pvt. Ltd., the asset management arm of ING Group N.V. Netherlands. Mr. Parik currently manages portfolio of direct equity investments (primarily in the MENA region) as well as investments with third party investment managers, primarily in the US and European markets (with focus towards PE Funds). Mr. Parik serves as a Board Member of India Factoring and Finance Solutions Private Limited, India. He is a Chartered Financial Analyst (CFA), and holds an MBA degree with specialization in Finance.

EXECUTIVE MANAGEMENT



Abbas Al Tooq APRM, MBA
Assistant Vice President, Head of Credit & Risk Management

Mr. Al Tooq joined UGB in 1999. He assumed the role of Head of Credit and Risk Management in October 2015. He has more than 27 years of experience in the areas of credit, risk management, operations and audit. He previously worked with Jawad Habib Coopers & Lybrand, Daiwa Middle East Bank, and Arab Investment Company. Mr. Al Tooq holds an MBA degree from DePaul University, Chicago, USA; and is an Associate Professional Risk Manager (APRM) from the Professional Risk Managers International Association.



Hussain Khalil CQF
Vice President, Head of Treasury

Mr. Khalil joined UGB in September 2020. He is a seasoned banker with over 15 years of experience in the Treasury department, where he was intrinsically involved in managing liquidity through Money Market, Foreign Exchange and Capital Market products. He has managed Investment portfolios and dealt in Sukuk, GCC equities and structured products. He has also worked closely with regional and multinational financial institutions in trading different financial securities and regional debt issuances. Mr. Khalil holds an MSc in Finance from Loughborough University, UK.

BUSINESS REVIEW

Through its subsidiaries and associate companies, UGH engages primarily in asset and fund management, investment banking, real estate, private equity and corporate banking. Other business activities include commercial banking, proprietary investments, brokerage and treasury.

Strategy And Business Overview

The strategic objective of United Gulf Holding Company (UGH) is to create the MENA region's premier asset management, merchant banking and investment banking group. UGH seeks to be the preferred gateway to the region for its clients and global partners through the delivery of both conventional and Sharia'h compliant services, backed by world-class standards of support, infrastructure and processes. The Group works with its strategic partners to create opportunities that will position UGH as a leading financial institution for the region.

Asset Management And Investment Banking

Asset Management

Asset and fund management activities covering local, regional and international markets, comprise discretionary and non-discretionary portfolio management; securities trading; portfolio structuring and asset allocation advice; mutual funds; investments and structuring; and alternative and structured investments.

Investment Banking

Conventional and Islamic investment banking activities cover equity and debt underwriting, private placements, capital restructuring, and mergers and acquisitions.

Private Equity

Private equity activities focus on key growth or demand sectors such as telecommunications, media, technology, and energy.

Corporate Banking

Corporate banking advisory services include IPO and private placement advisory and execution; business valuation and financial feasibility studies; project finance; and due diligence.

Commercial Banking and Trade Finance

UGH works closely with its commercial banking subsidiary, FIMBank p.l.c and its associate Burgan Bank, which provide commercial banking services in various countries. UGH's subsidiary FIMBank p.l.c., provides trade commodity finance, forfaiting, and factoring products and services.

KEY BUSINESS DEVELOPMENTS IN 2023

- The Group's Assets under management were US\$ 14.2 billion at the end of 2023 compared with US\$ 14.2 billion at the end of the previous year.
- The main contributors to the share of results from the subsidiaries & associates in 2023 were UGB, Burgan Bank, FIMBank, KAMCO Invest and North Africa Holding Company.
- During 2023, UGH faced the challenge of rising interest rates leading to higher interest costs for itself as well as its investee companies. Pursuant to the challenging macro environment, UGH had to rationalize its investment portfolio to make it resilient to the current challenges. Accordingly, UGH made some strategic and opportunistic exits as well as investments during 2023.
- In July 2023, UGH through its primary subsidiary UGB, contributed to the first round of capital call in the Empower fund - a Tunisia-based Private Equity Fund. The fund is focused on investing in high-growth SMEs and start-ups in Tunisia. These will be managed by another of its subsidiaries - UGFS-NA.
- UGH exited its investment in a commercial bank based in the Middle East region via a block sale in May 2023.
- During the year 2023, UGH worked on certain strategic initiatives which will impact its business performance in the medium to long term. Discussions on these initiatives are ongoing.

BUSINESS REVIEW

UGH Subsidiaries and Associates



100%
→



Commercial Banking	Asset Management & Investment Banking	Real Estate	Other Core Assets
<p>Burgan Bank K.P.S.C. Commercial Bank, Kuwait</p>	<p>KAMCO Investment Company K.S.C.P. Asset Management, Kuwait</p>	<p>United Real Estate Company K.S.C.P. Real Estate, Kuwait</p>	<p>United Capital Transport Company K.S.C.C. Transport Company, Kuwait</p>
<p>FIMBank p.l.c Malta Commercial Bank, Malta</p>	<p>United Gulf Financial Services-North Africa Asset Management, Tunisia</p>	<p>Assoufid B.V. Real Estate, Netherlands.</p>	
	<p>North Africa Holding Company K.S.C.C. Investment Company, Kuwait</p>	<p>Manafae Holding Company K.S.C.C. Real Estate, Kuwait</p>	

BUSINESS REVIEW

ASSET MANAGEMENT & INVESTMENT BANKING

United Gulf Bank B.S.C. (c) Consolidated Subsidiary based in Bahrain

Established in 1980 and operating under a conventional wholesale banking licence from the Central Bank of Bahrain, United Gulf Bank is a leading asset management and investment group, with operations spanning the MENA region. Through its wide network of subsidiaries and affiliates, the Bank engages primarily in asset and fund management, investment banking, private equity and corporate finance. Other financial business activities include proprietary investments, treasury and brokerage. At the end of 2023, assets under management totaled US\$ 14.3 billion (2022: US\$ 14.2 billion). UGH owns 100 percent of UGB, whose shares are not listed.

KAMCO Investment Company K.S.C.P. (KAMCO, KAMCO Invest) Consolidated Subsidiary based in Kuwait

Established in 1998, KAMCO is a leading asset management and financial institution, with one of the largest private sector assets under management in the MENA region. Its three principal business lines are asset management, financial services, and investment advisory research services, which are offered to a diverse local, regional, and international client base. At the end of 2023, assets under management totalled US\$ 13.9 billion. UGH has a consolidated interest of 60 percent of KAMCO, which is listed on the Kuwait Stock Exchange.

United Gulf Financial Services Company North Africa (UGFS-NA) Consolidated Subsidiary based in Tunisia

Established in 2009, UGFS-NA is an asset management company regulated by the Tunisian Capital Market Authority – Conseil du Marché Financier. It is primarily involved in three main activities: fund services, portfolio management services, and corporate finance services. The company has a total consolidated interest of 84 percent in UGFS-NA, whose shares are unlisted.

North Africa Holding Company K.S.C. (c) (NorAH) Associate Company based in Kuwait

North Africa Holding Company (NorAH) was established in 2006 with the aim of capitalising on the significant investment opportunities arising within North African economies by building genuine partnerships with local businesses that have demonstrated the ability, or have the potential, to deliver real value. The Company's target market spans Morocco, Algeria, Tunisia, Libya and Egypt, which together account for a sizeable proportion of the MENA population and offer considerable untapped investment potential. Key growth sectors include real estate, industrial, logistics, healthcare, education, and agribusiness. UGH has a total consolidated interest of 47 percent in NorAH, whose shares are not listed.

COMMERCIAL BANKING

Burgan Bank K.P.S.C. (Burgan) Associate Company based in Kuwait

Established in 1975, Burgan Bank is a subsidiary of KIPCO. The Bank is Kuwait's second-largest lender in terms of assets, and over the years has acquired a leading role in the commercial banking sector in the MENA region, with operations spanning Kuwait, Turkey, Algeria, Tunisia, Iraq, Lebanon and the UAE. UGH has an equity stake of 15 percent in Burgan Bank, which is listed on the Kuwait Stock Exchange.

FIMBank p.l.c. (FIMBank) Consolidated Subsidiary based in Malta

Established in 1994, FIMBank is an international trade finance specialist. Its main business lines comprise trade commodity finance, forfaiting, factoring and treasury. FIMBank has branches in Dubai and Athens, and a representative office in London. It owns the UK registered London

Forfaiting Company, which is represented in four continents. Factoring subsidiaries and joint-ventures have been established in the UAE, Egypt, India, and Brazil. UGH owns an 80 percent stake in FIMBank, whose shares are listed on the Malta Stock Exchange.

NON-FINANCIAL ASSOCIATES

United Real Estate Company K.S.C.P. (URC) Associate Company based in Kuwait

Established in 1973, United Real Estate Company is involved in real estate activities that include the purchase, sale, lease and rental of land and buildings. URC handles the construction of private and public buildings and projects, and manages third party properties in Kuwait, Egypt, Lebanon, Oman, Morocco and Jordan. The Company's real estate portfolio includes commercial complexes, hotels and resorts, residential buildings, high-rise office buildings, and mixed-use developments. UGH owns an 8 percent stake in URC, which is listed on the Kuwait Stock Exchange.

United Capital Transport Company (UNICAP) Associate Company based in Kuwait

United Capital Transport Company (UNICAP) was established in 2011 as a joint venture between UGB's subsidiary KAMCO and ANHAM, a leading contracting firm active throughout the MENA region, Central Asia and Europe. The Company is a leasing solutions provider to governments, international oil companies, and businesses involved in various construction, mining and industrial services. Customised leasing, transportation and financing solutions are provided to vendors and customers to meet their specific needs within geographically-diverse and strategically-challenging markets. UGH owns 40 percent of UNICAP on a consolidated basis. The Company's shares are not listed.

Assoufid B.V. Associate Company based in Netherlands

Assoufid is a Netherlands-based real estate development company. Its prime property is the Assoufid high-end mixed-use development in Marrakech with its first phase being the award-winning Assoufid Golf Club, now completed. Infrastructure works have commenced on the second phase, which includes a 5-star hotel, luxury golf villas and other facilities. UGH holds a 40 percent stake in this unlisted company.

Manafae Holding Company K.S.C. (Closed). (Manafae) Consolidated Subsidiary based in Kuwait

Manafae is an investment holding company, which has ownership in real estate projects based in Bahrain. UGH owns 54 percent of Manafae on a consolidated basis through UGB & KAMCO. The company's shares are unlisted.



FINANCIAL REVIEW

This review provides a detailed description of the financial performance of United Gulf Holding Company B.S.C. for the year ended 31 December 2023.

The notes to UGH's Consolidated Financial Statements provide additional relevant details, with some of these notes being cross referenced here. Figures contained in the Financial Performance Summary are subject to rounding adjustments and in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. Comparative Information

Revenues

UGH's total revenues in 2023 were US\$ 189.8 million (2022: US\$ 186.7 million) as indicated below:

Total Revenues (US\$ million)	2023	2022
Management fees from fiduciary activities	40.9	53.5
Interest Income	115.9	71.4
Financial Services	20.4	40.6
Credit related fees and commission	0.3	14.8
Loss on investments carried at FVTPL	(1.4)	(3.7)
Real Estate	(5.0)	3.3
Advisory fees	7.5	4.6
Dividend income	2.6	6.3
Other income	3.0	0.7
Other Associates	(0.4)	(0.5)
Foreign currency gains / (losses) - net	6.0	(4.3)
Total	189.8	186.7

Revenues for the period mainly comprised interest income, credit-related fees and commissions from FIMBank and KAMCO, share of profits from the Group's associates and management and advisory fees from KAMCO. Management fees from fiduciary activities were recorded at US\$ 40.9 million in 2023 (2022: US\$ 53.5 million), mainly arising from KAMCO's assets under management portfolio.

Interest Income

The main source of interest income for UGH was derived from interest on loans and advances at FIMBank, and interest on interbank placements at UGB, KAMCO and FIMBank. Interest income for the period by portfolio was as follows:

Interest income (US\$ million)	2023	2022
Loans and receivables	81.7	61.2
Interest rate swaps	15.1	3.9
Placements with banks	13.8	3.1
Investments	3.2	2.2
Investments carried at amortised cost	2.6	1.5
Demand and call deposits with banks	2.1	1.0
Investments carried at FVTPL	0.6	0.7
Total	115.9	71.4

Financial Services

UGH's financial services related revenues were derived from investment in associates involved in asset management, investment banking and brokerage. Details of these entities are included in the Business Review section in this Annual Report.

Financial associates recorded a profit of US\$ 20.4 million (2022: US\$ 40.6 million). The table below indicates the performance of the Group's financial associates.

Revenue - Financial Associates (US\$ million)	2023	2022
Burgan Bank K.P.S.C.	21.3	25.6
Kamco Investment Fund	(0.9)	3.9
Syria Gulf Bank	-	11.1
Total	20.4	40.6

Management Fees from Fiduciary Activities

Management fee income decreased to US\$ 40.9 million in 2023 from US\$ 53.5 million in 2022, due to regional equity markets remaining depressed and KAMCO earning lower management fees on its managed funds.

Dividend Income

Dividend income for 2023 mainly comprised dividends of KAMCO's holding of quoted and unquoted equity investments through KAMCO Investment Fund and KAMCO Real Estate Yield Fund. Dividend income for 2022 at UGH consolidated level included US\$ 3.8 million dividends from FIMBank's funds (which were not paid out during 2023).

FINANCIAL REVIEW

Advisory Fees

Advisory fee income of US\$ 7.5 million was recorded in 2023 (2022: US\$ 4.5 million). The increase is mainly attributable to the additional mandates received at KAMCO level.

Other Associates

Results from other associates of UGH recorded a net loss of US\$ 0.4 million for 2023 (2022: net loss of US\$ 0.5 million).

Real Estate

UGH's real estate revenues were derived mainly from fair valuation of the Group's investment properties, share of results of associates involved in development and sale of real estate properties, and rental income from real estate properties in Kuwait and the USA.

Revenues - Real Estate (US\$ million)	2023	2022
Assoufid B.V.	(1.8)	-
United Real Estate Company	1.1	(2.3)
N.S. 88	(0.2)	0.1
KAMCO Real Estate Yield Fund	-	(1.1)
North Africa Holding Company	(9.6)	2.6
Rental income	4.2	3.4
Unrealised gain (loss) on investment properties	(0.6)	0.6
Gain on bargain purchase of Manafae Holding Company (closed)	1.9	-
Total	(5.0)	3.3

EXPENSES

Interest Expense

Interest expenses of US\$ 127.2 million were recorded in 2023 (2022: US\$ 81.2 million). The increase is mainly on account of increasing reference rates during the year. The details are as follows:

Interest Expense (US\$ million)	2023	2022
Loans payable	74.5	47.7
Due to banks and other financial institutions	30.8	18.8
Long term bonds	17.3	7.9
Deposits from customers	4.6	6.8
Total	127.2	81.2

Operating Expenses

Operating expenses were US\$ 98.1 million in 2023 (2022: US\$ 99.5 million) arising mainly from costs incurred by KAMCO Invest (US\$ 45.9 million), FIMBank p.l.c. (US\$ 43.8 million) and UGB (US\$ 7.0 million)

Operating expenses (US\$ million)	2023	2022
Salaries and benefits	59.5	65.9
General and administrative expenses	38.6	33.6
Total	98.1	99.5

Taxation

A net income tax expense of US\$ 5.9 million was recorded in 2023 (2022: US\$ 3.1 million), arising mainly from taxable net income at FIMBank p.l.c.

Provisions

During 2023, provisions were reversed by US\$ 0.4 million (2022: provisions expense of US\$ 22.3 million). Reversals for 2023 were primarily against stage 1 and 2 ECL of UGB. In 2022, the provisions made were mainly against the credit portfolio of FIMBank p.l.c.

Provisions for Impairment (US\$ million)	2023	2022
Impairment loss on debt investments	-	(0.4)
Reversals of (provisions for) expected credit losses	0.4	(21.9)
Net provisions reversal / (expense)	0.4	(22.3)

Net Loss Attributable to Parent

Net loss for the period attributable to parent was recorded at US\$ 41.9 million for the year ended 31 December 2023 (2022: net loss of US\$ 21.3 million), translating into a loss per share of US 10.36 cents (2022: loss per share of US 5.66 cents).

FINANCIAL REVIEW

CONSOLIDATED BALANCE SHEET

Consolidated Assets

UGH's consolidated assets stood at US\$ 3.1 billion at the end of 2023 (2022: US\$ 3.0 billion). A breakdown is provided below:

Assets (US\$ million)	2023	2022
Demand and call deposits with banks	271.1	338.0
Placements with banks	326.8	213.9
Investments at fair value through profit and loss	522.0	551.4
Investments at fair value through other comprehensive Income	317.4	312.3
Investments carried at amortised cost	28.4	39.6
Loans and receivables	495.6	486.2
Other assets	103.3	119.0
Investments in associates	755.1	739.1
Investment properties	149.6	121.6
Property and equipment	40.9	42.6
Goodwill and other intangible assets	64.8	66.7
Assets held for sale	-	2.3
Total	3,075.0	3,032.7

Demand deposits, call deposits and placements with banks

Demand deposits, call deposits and placements with banks were US\$ 597.9 million in 2023 (2022: US\$ 551.9 million), mainly comprising liquid funds at the FIMBank, UGB and KAMCO Invest. Total liquid assets comprising cash, deposits and liquid securities represented 36.3% of the balance sheet as at 31 December 2023 (2022: 37.7%).

Investments carried at fair value through the statement of income (FVTPL)

Investments carried at fair value through the statement of income were US\$ 522.0 million in 2023 (2022: US\$ 551.4 million).

Investments carried at fair value through the other comprehensive income (FVOCI)

Investments carried at FVOCI were US\$ 317.4 million in 2023 (2022: US\$ 312.3 million). The total portfolio mainly comprised unlisted equities of US\$ 146.8 million, listed equities of US\$ 29.2 million and listed debt securities of US\$ 140.8 million.

The major investments classified under the non-trading investment portfolio as at 31 December 2023 were:

Tunis International Bank (TIB)

TIB was created in June 1982 and was the first bank established in Tunisia as a fully licensed banking corporation. TIB operates under the supervision of the Central Bank of Tunisia (CBT) and is a member of Tunisia's Clearing House Association. TIB provides a range of international financial services for corporations, financial institutions, governments, and individuals both in Tunisia and abroad. The services include Forex and Money Market operations in all convertible currencies including Tunisian dinars,

International Trade Financing, Private Banking Facilities, Loan Syndications and Forfaiting, Commercial Banking, Investments, Visa Card, and American Express Card. UGH owns a 3.7% percent stake in TIB, whose shares are unlisted.

Advanced Technologies Company

UGH holds a consolidated 5.1% stake in ATC, which is a leading medical equipment and turnkey solution provider. It was established in Kuwait in 1981 and listed on the Kuwait Stock Exchange in 2007. It offers over 1,000 products to customers in the public and private sectors, focusing on medical, pharmaceutical, dental and laboratory equipment. ATC provides its products and services to over 500 healthcare facilities and has approximately a 45% share of the Kuwait medical sector.

United Networks

United Networks is a leading solutions and service provider in the communications, information technology and media sectors in the MENA region. Operating through its subsidiaries, United Networks strives to develop, deploy and deliver innovative products and services using state of the art technology platforms to advance connectivity, value and efficiency in the business and entertainment sectors. UGH holds a consolidated 18 percent stake in United Networks

Loans and Advances

Loans and advances in 2023 amounted to US\$ 593.7 million (2022: US\$ 657.2 million). Details of the loan book are as follows:

Loans and Advances (US\$ million)	2023	2022
Factoring assets	242.9	295.1
Loans to customers	177.4	213.0
Loans to banks	70.9	5.1
Syndication loans	23.9	51.8
Staff loans	5.7	5.2
Gross loans and advances	520.8	570.2
Less: Expected credit losses	(25.2)	(84.0)
Total	495.6	486.2

Past due and impaired loans amounted to US\$ 31.3 million (2022: US\$ 110.4 million) against which specific provisions of US\$ 19.2 million (2022: US\$ 77.4 million) and collective provisions of US\$ 6.0 million (2022: US\$ 6.6 million) were recorded.

FINANCIAL REVIEW

Investments in Associate

Investments in the Group's associated companies were US\$ 755.1 million in 2023 (2022: US\$ 739.1 million). The Group's associated companies contributed a total income of US\$ 9.5 million for the year (2022: US\$ 39.4 million), with Burgan Bank being the key contributor. Details of the income/(loss) booked are as follows:

Share of Results of Associates (US\$ million)	2023	2022
Burgan Bank	21.3	25.6
Syria Gulf Bank	-	11.1
Kamco Investment Fund	(0.9)	3.9
North Africa Holding Company K.S.C.C.	(9.6)	2.6
N.S. 88 S.P.C.	(0.2)	0.1
Manafae Holding Company K.S.C. (c)	(0.2)	-
United Capital Transport Company K.S.C.C.	(0.2)	(0.5)
KAMCO Real Estate Yield Fund	-	(1.1)
United Real Estate Company K.S.C.P.	1.1	(2.3)
Assoufid B.V.	(1.8)	-
Total	9.5	39.4

Investment Properties

The Group's investment properties mainly comprise real estate properties in Kuwait. Rental income on these investments amounted to US\$ 4.2 million for the year (2022: US\$ 3.4 million).

Consolidated Liabilities

The Group's consolidated liabilities were US\$ 2.67 billion at the end of 2023 (2022: US\$ 2.66 billion).

Liabilities (US\$ million)	2023	2022
Due to banks and other financial institutions	561.4	622.5
Deposits from customers	949.1	891.6
Loans payable	1,007.3	892.0
Long-term bonds	-	130.6
Subordinated debt	45.0	-
Other liabilities	107.3	121.2
Total	2,670.1	2,657.9

Loans payable and long-term bonds

Long-term bonds of US\$ 130.6 million matured during the year and were repaid in full by KAMCO Invest.

Subordinated debt

During 2023, KIPCO advanced a subordinated loan facility amounting to US\$ 45 million to UGH. This facility is interest free with a maturity date of 30 June 2024.

Total Equity

Equity(US\$ million)	2023	2022
Share capital	219.5	219.5
Share premium	169.6	169.1
Treasury shares	(0.3)	(0.3)
Treasury share reserve	(1.5)	(1.5)
Statutory reserve	3.3	3.3
Fair value reserve	(73.3)	(121.2)
Foreign currency translation reserve	(27.3)	(14.7)
Accumulated deficit	(73.9)	(40.7)
CAPITAL AND RESERVES ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	216.1	214.0
Perpetual Tier 1 capital	33.0	33.0
Non-controlling interests in equity	155.9	127.7
Total	405.0	374.7

OFF-BALANCE SHEET COMMITMENTS

The Group's off-balance sheet commitments comprise guarantees, letters of credit, credit commitments, undrawn investment commitments, and bankers' acceptances; financial instruments to cover foreign exchange risks, forward purchase and sales contracts; and interest rate and currency swaps. The Group's investments and credit related commitments aggregated to US\$ 181.9 million as at 31 December 2023 (2022: US\$ 110.4 million). Further details regarding off-balance sheet commitments are provided in Note 31 to the Consolidated Financial Statements as of 31 December 2023.

CORPORATE GOVERNANCE REVIEW

Description of the actions taken to complete the Corporate Governance Code during 2023.

United Gulf Holding Company (UGH, the Company) was incorporated in the Kingdom of Bahrain on 28 June 2017. It is registered with the Ministry of Industry and Commerce as a holding company under Commercial Registration (CR) 114160-1. The Company engages in asset and fund management, investment banking, private equity, and corporate banking activities through its principal subsidiaries, United Gulf Bank B.S.C. (closed) incorporated in Bahrain, FIMBank plc domiciled in Malta and UGFS – NA, operating in Tunisia. Other business activities include commercial banking, proprietary investments, brokerage, and treasury.

The Board of Directors (BOD) of United Gulf Holding Company B.S.C. (UGH) recognise the importance of good governance in promoting and strengthening the trust of their shareholders and the public. It is their firm belief that this enhances shareholder value. Members of UGH's Board of Directors affirm their consent to adhere to the:

- Laws of the Kingdom of Bahrain;
- the Code of Corporate Governance (Code) issued by the Kingdom of Bahrain's Ministry of Industry and Commerce (MOIC).
- Rules of Module High Level Controls (Module HC) issued by the Central Bank of Bahrain (CBB);
- Rules of the Bahrain Bourse (BHB) and
- Rules of the Share Registrar - Bahrain Clear (BHC).

In accordance with the requirements of the Code, the Chief Compliance Officer of the Company was appointed as the Corporate Governance Officer and registered with the MOIC in May 2018.

The Board of Directors' primary responsibility encompasses overseeing the conduct of the Company's financial and corporate governance affairs and protecting the rights of the Company's stakeholders including that of minority shareholders. The ethical vision that governs their role within the Company's Corporate Governance Framework, is outlined in a series of Corporate Governance Policies and Procedures (PPMs) that were last approved by the Board in March 2024. The PPMs have been updated to incorporate new rules and amendments made by the regulators in the past two years.

UGH's shares are listed on the Bahrain Bourse under the category of the Financials sector. As a listed company, UGH publishes the corporate governance report that shows the extent of compliance and its explanation of non-compliance to its shareholders based on the Code's "Comply or Explain philosophy". A copy of the same is available as part of the Annual Report on the Company's website: www.ughbh.com. Corporate Governance principles are also followed by several of the Company's subsidiaries, as applicable. The extent of the arrangements is however subject to the requirements of the regulators of the jurisdictions in which they operate.

In February 2023, UGH announced the opening of receiving nominations for the candidacy of eight Board members to be elected as Directors for the three year term 2023 – 2026. Candidates were invited to submit their application and their resumes, academic qualifications and their credentials. Fourteen applications were received during the two week open period and reviewed by the Nominating and Remuneration Committee for the positions of non Executive and Independent Directors. The profiles of the applicants were published on the Bahrain Bourse.

On 30th March 2023, shareholders elected the following members at the annual general assembly, that was held in the presence of representatives of the MOIC, the Central Bank of Bahrain and the Bahrain Bourse.

Non- Executive Directors

Mr. Masoud Hayat

Mr. Faisal Al Ayyar

Mr. Khalid Sharrad

Mr. Mazen Hawwa

Mr. Sunny Bhatia

Independent Directors

Mr. Mohammed Haroon

Mr. Mubarak Al Maskati

Mr. Bader Al Awadhi

CORPORATE GOVERNANCE REVIEW

The Code of Corporate Governance defines a non-executive director as 'A member of the Board of Directors who is not fully involved in the management of the company (i.e., not an employee therein) or does not receive a monthly or annual salary, except for the remuneration for the directorship on the board of directors and committees.' The Directors have hence been classified accordingly.

There were no women representatives on the Board of UGH for the year ended 2023. UGH also discloses that no applications from women were received during the open period in February 2023, when interested candidates were invited to send their applications for Board membership for the term 2023-2026.

In October 2023, UGH held an ordinary general meeting wherein the shareholders elected RSM Bahrain as the external auditors of the company. They replaced Ernst and Young who had been the auditors of the company since its inception in 2017.

There was no change in the ownership of UGH during the year ended 2023. Kuwait Projects Company (Holding) K.S.C.P. and its subsidiaries Overland Real Estate Company W.L.L., Burgan Bank K.P.S.C. and United Industries Company K.S.C.C. (together, "the Controller) continued to hold a combined 97.9% stake in UGH. Their individual ownership is mentioned in the following table. No government entity or sovereign fund owns any stake in UGH.

Name	%	# of Shares
Kuwait Projects Company (Holding) K.S.C.P.	60.2%	264,377,912
Overland Real Estate Company W.L.L.	21.2 %	93,055,441
Burgan Bank K.P.S.C.	9.9%	43,522,357
United Industries Company K.S.C.C.	6.6%	29,000,000
Total beneficial ownership of KIPCO Group entities in UGH	97.9%*	429,955,710

* Financial statements may indicate a rounded number of 98%.

In July 2023, the Bahrain Bourse notified UGH of its violation of not meeting the Listing rules by having a minimum 10% free float of the total issued outstanding shares. The Board of Directors are aware that this issue was raised previously in 2020. The Chairman of the Board has responded to the Bahrain Bourse, seeking a one year period to analyse and study the potential feasibility for the controller to reduce its stake. UGH has previously explained that KIPCO's shareholding will be reduced as and when suitable opportunities arise in an era of conducive capital markets.

The Bourse has responded in February 2024, requesting the KIPCO Group to provide a confirmation of the intention to increase the free float and provide a timeline for the same. Kipco has responded and provided a tentative timeframe.

Description of the transactions of the directors, their spouses, and sons on the Company's shares:

No transactions in the trading of UGH shares, was conducted by any member of the Board of Directors during the year ended 2023.

Non- Executive Directors	Shares held 1 January 2023	Total sales	Total purchases	Shares held 31 December 2023
Masoud M.H. J. Hayat- Chairman	-	-	-	-
Faisal Al Ayyar Vice-Chairman	-	-	-	-
Khalid Sharrad	-	-	-	-
Mazen Hawwa	-	-	-	-
Sunny Bhatia	-	-	-	-
Independent Directors				
Mubarak Al Maskati	-	-	-	-
Bader Al Awadhi	-	-	-	-
Mohammed Haroon	5,000			5,000

There were also no transactions conducted during this period by any members of the Management team.

CORPORATE GOVERNANCE REVIEW

Composition and Details of the Board and its Directors:

As at year end 2023, the Board of UGH comprised eight members comprising five non-executive directors and three independent directors. This met the requirement that in companies which have a controlling shareholder, at least one-third of the Board must be independent directors. It also met the guideline specified by the MOIC that there should be no more than fifteen members in the BOD.

Category	Number of Directors	Percentage of the Board
Non - Executive	5	62.5%
Independent directors	3	37.5%
Aggregate	8	100%

Gender	Number of Directors	Percentage of the Board
Male	8	100%
Female	-	-
Aggregate	8	100%

As mentioned earlier, there were no women representatives on the Board of UGH for the year ended 2023. There were also no applications received from women during the open period in 2023 when UGH invited the public to be considered for Board candidacy.

The profile of the individual directors is available on the Company's website <https://www.ughbh.com/board-of-directors/>.

All independent directors give an annual affirmation to their independence. It should be noted that Mr. Bader Al Awadhi serves as an independent Board member of Tunis International Bank, a subsidiary of Burgan Bank which in turn is a subsidiary of the Company's parent KIPCO. The NRC reviewed his declaration and deemed him independent given that he has no direct relationship with either Burgan Bank or KIPCO. Three out of eight directors hence meet the criteria of independence. No director holds any directorship in any public company in Bahrain.

The Board has approved a separate policy called 'Annual / Extraordinary General Assembly Meetings Procedures.' In accordance with the Commercial Companies Law, voting takes place on a cumulative basis. A cumulative vote implies that each shareholder shall have a number of votes equal to the number of shares he holds and shall have the right to vote for one candidate or to distribute them to his chosen candidates if the resolution concerns the election or dismissal of a member of the Board of Directors or filing an action against him, or when the Chairman of the Board or a number of shareholders representing at least one tenth of the number of votes present at the Meeting, request voting.

UGH's Board of Directors have approved the Directors' Induction Policy that requires each new Director to receive a formal and tailored induction with respect to the Company's vision, strategic direction, and core values including ethics, corporate governance practices, financial matters, and business operations. The familiarisation is aimed at ensuring that the new Director meets with representatives of Senior Management of the Company, and that he/she is provided with the necessary documents, brochures, reports and internal policies. The Charter of the Nominating & Remuneration Committee states that the Nominating & Remuneration Committee is responsible for the preparation of induction materials and orientation sessions for new Directors, in consultation with senior management and with the Board Secretary. However, no induction was conducted during 2023, as there were no new members. UGH's Board of Directors have also approved the Access to Professional Advice Policy which gives individual directors, access to independent legal or other professional advice at the Company's expense.

Appointment letters were issued to all the directors, following their re-election in March 2023. Their term is for three years; the new Board will be elected after elections are held during the AGM scheduled for March 2026.

The Company has a Code of Conduct that encompasses the criteria and determinants of professional conduct and ethical values. The Board of Directors have also approved a Disclosure of Conflict of Interest Policy that requires members to make every effort to arrange their matters such that they avoid personal interest in any transactions with UGH's management or its operations. A Director is deemed to have a personal interest if he or any member of his family has a material financial interest in any transaction that is entered to with the Company. Directors and officers inform the NRC on an annual basis on all companies in which they hold a stake or have directorship roles. Any conflict transaction or contract that could be considered material should be tabled at a shareholders meeting for approval.

UGH's Corporate Secretary ensures that all decisions involving transactions where Directors/ employees have disclosed material conflicts of interest, are formally and unanimously approved by the Board of Directors (excluding the conflicted directors). No Director reported any conflict of interest; there were also no such instances in 2023 that involved a member having to abstain from voting on

CORPORATE GOVERNANCE REVIEW

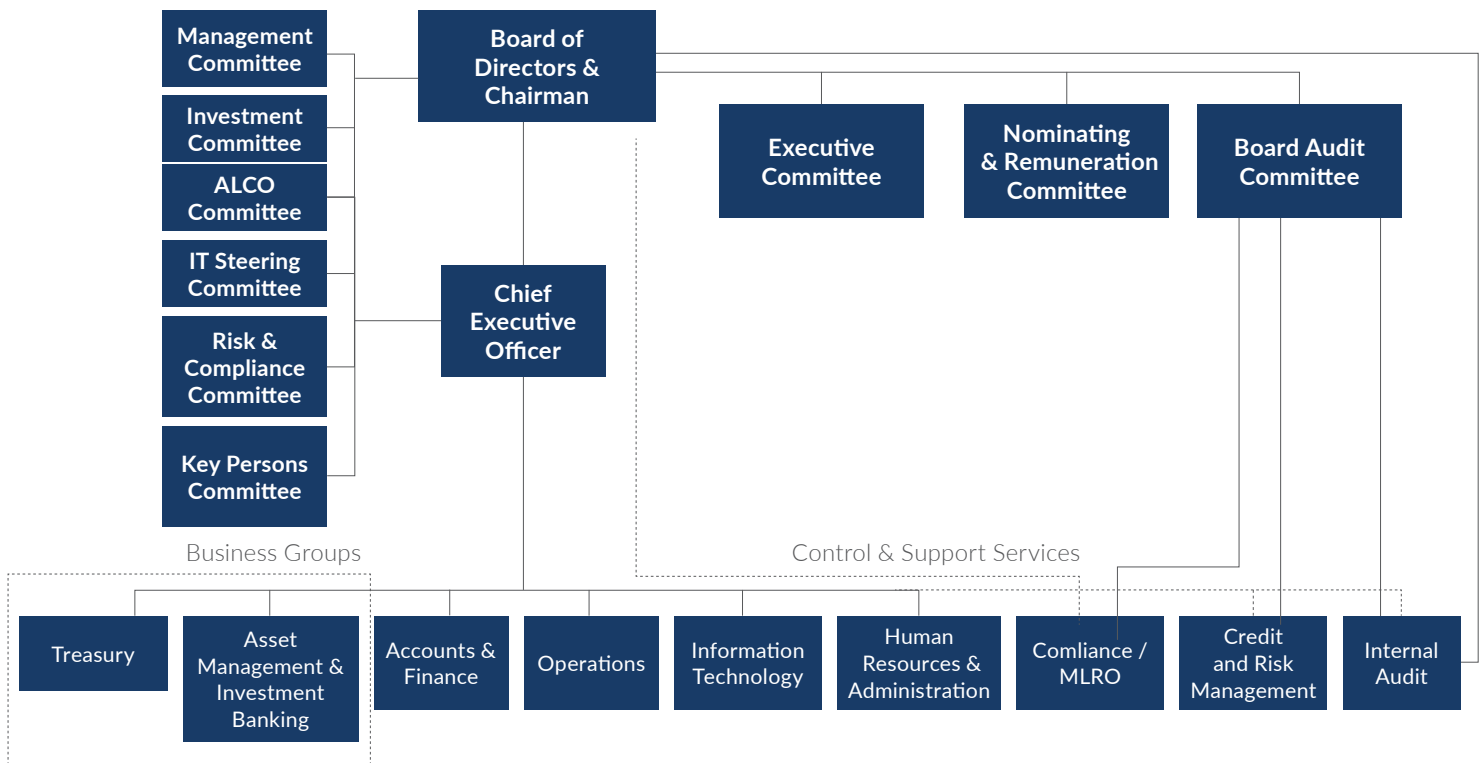
board matters due to disclosing a conflict of interest.

The Board, its Committees and individual directors are evaluated for their performance, effectiveness and contribution on an annual basis. This is in accordance with the Evaluation Methodology that has been approved by the Board of Directors. The annual evaluations of the Board, its individual directors and its committees were reviewed by the NRC at its meeting held on 15 February 2024. No abstentions or declarations of dissent concerns of the running of UGH, proposed actions or conflicts of interest were received by the Chairman or the Corporate Secretary during the year ended 31 December 2023.

Details of Management

UGH signed a Service Level Agreement with its primary subsidiary United Gulf Bank B.S.C. (c) on 24 August 2017. Under the terms of the service level agreement, the scope of services provided by UGB to UGH encompasses the Financial Control, Risk Management, Internal Audit, Corporate Governance, Anti Money Laundering, Compliance, Information Technology, Operations, Administration, Treasury, Investment Banking, Personnel and any other services as deemed necessary. There are hence no separate employees employed by UGH. The delegation of limits and the Payment Authority Matrix of UGB hence apply to UGH as well.

The Company’s organizational structure as at 31 December 2023 is illustrated in the figure below. The Compliance, Credit & Risk Management and Internal Audit Functions report directly to the BAC.



CORPORATE GOVERNANCE REVIEW

Under the terms of the Service Level Agreement, the employees of UGB undertake and perform the above-mentioned services for UGH on an on-going basis. UGB provides at its own cost, all staff, facilities, premises, systems, data, information and equipment to facilitate the operations of the Company in lieu of a fee received from the latter. The NRC of UGB however has the prerogative to remunerate certain executives for the additional responsibilities that they discharge for UGH. This is approved by the Board of UGB.

The list of Senior Management and their respective profiles are available in the Annual Report of the Company and the website <https://www.ughbh.com/executive-management/>. Details of the movement of UGH shares held by Senior Management as at December 2023 were as follows:

	Position	Shares held 1 January 2023	Total sales	Total purchases	Shares held 31 December 2023
Hussain Lalani	Chief Executive Officer	67	-	-	67
Mohammed Al Qumaish	Chief Audit Executive & Corporate Secretary	-	-	-	-
Deepa Chandrasekhar	Senior Vice President, Chief Compliance Officer & MLRO	-	-	-	-
Rehan Ashraf	Senior Vice President, Chief Financial Officer	-	-	-	-
Adel Al Arab	Senior Vice President, Head of Operations	-	-	-	-
Nirmal Parik	Senior Vice President, Head of Asset Management & Investment Banking	-	-	-	-
Abbas Al Tooq	Assistant Vice President, Head of Credit & Risk Management	-	-	-	-
Hussain Khalil	Vice President, Head of Treasury	-	-	-	-
Aggregate		67	-	-	67

The Chief Audit Executive is the Corporate Secretary of the Company. This is a position that is mandated by the Code of Corporate Governance Code. The incumbent has particular responsibilities towards the conduct of the Board process, ensuring that statutory requirements are met, registration of information, documents and reports and supporting the Board. The Charter of the Board of Directors reiterates that all individual directors will have access to the Corporate Secretary. The appointment and removal of the Secretary is a matter for the Board as a whole, and not for the Chairman or the CEO or any other officer.

The Corporate Secretary assists the Chairman in discharging his duties as being the major point of contact between the Board and Management and also the Board and the Shareholders. His responsibilities are listed in the Charter of the Board of Directors.

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Remuneration Details:

Remuneration of Directors:

In line with the regulatory requirements on transparency and disclosure, the details of the Directors' fees for the year ended 2023 is indicated below

Board of Directors' remuneration

Name	Fixed remunerations				Variable remunerations						
	Remuneration of the Chairman and BOD	Total allowance for attending Board and committee meeting	Others	Total	Remuneration of the Chairman and BOD	Incentive plans	Others	Total	End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
First: Independent Directors:											
Mubarak Al Maskati	-	6,283	-	6,283	-	-	-	-	-	6,283	-
Bader Al Awadhi	-	6,283	-	6,283	-	-	-	-	-	6,283	-
Mohamed Haroon	-	6,283	-	6,283	-	-	-	-	-	6,283	-
Second: Non Executive Directors:											
Masoud M. J. Hayat	-	-	-	-	-	-	-	-	-	-	-
Faisal Al Ayyar	-	-	-	-	-	-	-	-	-	-	-
Khaled Al Sharrad	-	-	-	-	-	-	-	-	-	-	-
Mazen Hawwa	-	-	-	-	-	-	-	-	-	-	-
Sunny Bhatia	-	-	-	-	-	-	-	-	-	-	-
Total	-	BD18,849	-	BD18,849	-	-	-	-	-	BD18,849	-

Note: All amounts are stated in Bahraini Dinars.

Other remunerations:

* It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any).

** It includes the board member's share of the profits - Granted shares (insert the value) (if any).

Remuneration to the Board of Directors' is based on collective discretion and comprises the total allowance for attending Board and Committee Meetings. No separate remuneration was paid to any Director. The same was the case for the year 2022. None of the independent directors received any performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses, or pension benefits.

Remuneration of Management

In line with the Service Level Agreement signed between UGB and UGH on 24 August 2017, the CEO, CFO, Chief Audit Executive and Corporate Secretary, the Chief Compliance Officer and other officers of UGB including the AML, risk management and shareholders/investor relations functions, perform their corresponding roles for UGH. There are hence no employees hired separately by UGH.

The details of aggregate remuneration paid by UGH during 2023 to the six largest earning members of the executive team, including the Chief Executive Officer and the Chief Financial Officer are shown in the table below.

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Executive management	Total paid salaries and allowances (USD)	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration paid during the year	Aggregate Amount Total (USD)
Remuneration paid to top six executives, including the CEO and Senior Financial Officer	-	-	-	-

During the year 2023, none of the employees of UGB who undertook responsibilities for UGH or any Director or officer received any performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses, or pension benefits. There is no employee stock option plan.

Each listed company is expected to have a succession plan. As the staff of UGB assume the same responsibilities for UGH, a detailed succession plan documenting the skills, career paths and short- and long-term backups for each function is presented to the NRC of UGB on an annual basis. The scope of the plan covers both UGB and UGH.

Details of the Responsibilities of the Board, the Chairman, its Committees and its Meetings:

The Board of Directors is the collegial, deliberative apex body constituted by the shareholders for the overall supervision and governance of the Company. The Board's mandate is to approve, assess and evaluate the strategic direction of the Company, management policies and their effectiveness such that the long-term interest of the shareholder is being served. Each director brings his independent judgement while taking decisions.

The Board's arrangements for election, termination and duties and responsibilities and the responsibilities of the Chairman and the Corporate Secretary, are enumerated in detail in the Charter of the Board of Directors

The Board's role and responsibilities include but are not limited to :

1. Adopting the commercial and financial policies associated with UGH's business performance and achievement of its objectives.
2. Drawing, overseeing and approving UGH's material decisions that involve budgets, plans, policies, strategies and key objectives.
3. Setting and generally supervising the regulations and systems of UGH's internal control.
4. Determining UGH's optimal capital structure, strategies, financial objectives and approving annual budgets.
5. Monitoring UGH's major capital expenditures, and possessing and disposing assets.
6. Approving UGH's quarterly and annual financial statements and presenting them to the general assembly.
7. Monitoring the executive management's activities, and ensuring that the operations run smoothly to achieve UGH's objectives.
8. Forming specialized committees emerging from the BOD as required by the nature of the company's activity as provided in the regulatory requirements, and issuing the regulations of these committees.
9. Determining the types of remuneration for senior executives and directors, subject to the approval of the shareholders' general assembly, taking into consideration the provision of Article (188) of the Commercial Companies Law.
10. Setting a mechanism to regulate transactions with related parties in order to minimize conflicts of interest.
11. Setting standards and values governing UGH's business.
12. Ensuring the application of an appropriate control and risk management systems by setting framework of the risks that the company might face, creating an environment that is aware of risk management knowledge at the company level, and transparently presenting it to company's related parties and stakeholders.
13. Assuring equitable treatment of shareholders, including the minority shareholders.
14. Setting internal regulations which determine the Board's duties and responsibilities, including the obligations and responsibilities of the directors, which the Board shall not be exempt therefrom even if it forms committees or delegates certain duties to other bodies or individuals. The BOD shall avoid issuance of general authorizations or authorizations with an unlimited duration.
15. Ensuring compliance with the relevant rules and requirements relating to the issuing and offering of securities.
16. Complying with the company's founding documentation, including but not limited to its Memorandum and Articles of Association and other relevant by-laws and resolutions.
17. Ensuring that any loans provided by the company are approved by the board in accordance with their authority for such

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items, including the respective limits and other relevant terms.

18. Providing approval in respect of the relevant fees, charges, subscriptions, commissions and other business and administrative sanctions, where relevant.
19. Ongoing obligations in respect of the listing requirements, including but not limited to issues relating to disclosure, dissemination of price sensitive information and other communication, and the prevention of market abuse and insider trading.

The responsibilities assigned to Board members are in line with the spirit of the care and loyalty expected from them vis a vis the Company and its shareholders. The need for all directors and officers to have full loyalty to the company is also mentioned in the appointment letters given to the Directors. It should also be noted that each of the Directors and Officers of the company has signed an undertaking with the Bahrain Bourse, agreeing to abide by their regulations as well.

The Charter was originally approved in December 2017 and was updated to incorporate changes made by the MOICT to the Corporate Governance Code and Module HC (High Level Controls) of the CBB's rulebook. The reviewed document and the Corporate Governance Guidelines were approved by the Board of Directors at their meeting held in May 2021. A copy of this is available in the Company's website www.ughbh.com.

The Chairman's role and responsibilities include but are not limited to:

1. Represent the Company before others;
2. To prepare agendas for the Board meetings and the general assembly meetings, taking into consideration any matter proposed by other Directors;
3. To encourage all Directors to fully and effectively exercise their roles in the best interest of UGH;
4. To ensure that the directors receive accurate, timely and clear information, including that on UGH's current performance, to enable the Board to take sound decisions, discuss all information and items stated in the agendas, monitor effectively and provide advice to promote the success of the Company;
5. To ensure that all Directors receive the agenda, minutes of prior meetings, and adequate background information in writing before the Board meeting and whenever necessary between meetings. All directors will receive the same board information;
6. To take proper action for ensuring effective communication with UGH's shareholders and communicating their opinions to the Board of Directors;
7. To allow efficient participation of non-executive / independent directors in particular and to promote constructive relations between executive and non-executive/independent directors who can constructively scrutinize and challenge management. This also involves managing the Board to allow enough time for discussion of complex, divergent or contentious issues and ensuring that directors (particularly non-executive directors) have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making;
8. To hold meetings with non-executive and independent directors, without the attendance of the executives to take their views on matters related to UGH's activity;
9. To circulate written statements provided by non-executive directors, to the rest of the Board;
10. To create an environment that encourages constructive criticism and encourages mutual trust, open discussion, constructive dissent and support for decisions after they have been made;
11. To notify other Board members if a Director has sought access to independent advice or voiced his concerns regarding the running of UGH or a proposed action;
12. To review the board's role and duties, particularly covering the legal and regulatory requirement and the Corporate Governance requirements with newly elected members to the Board, and arrange the induction program;
13. To evaluate requests from current Directors of minutes of meetings prior to their term, and approve these on a 'need to know' basis;
14. To confirm to shareholders when proposing re-election of a director (either after three years or after six years), that following a formal performance evaluation, the member's performance continues to be effective and continues to demonstrate commitment to the role;
15. To ensure that each new director receives a formal and tailored training and induction to ensure his contribution to the Board from the beginning of his term. This induction includes meetings with officers, visits to the Company, presentations regarding strategic plans, significant financial, accounting and risk management issues, compliance programs, internal and external auditors and legal counsel. The Chairman will review the Board's roles and duties with the new Director, particularly

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covering legal and regulatory requirements and the High Level Controls of the CBB's rulebook;

16. To request members to step down from the Board if they are unable to attend three or more consecutive Board meetings, or at least 75% of the meetings conducted in a financial year;
17. To conduct the Annual General Meeting in accordance with the regulatory requirements of the Ministry of Industry and Commerce and the CBB;
18. To report to the general assembly, the results of the related-party transactions approved by the Board that is accompanied by a report from the external auditor; and
19. Both controlling and non-controlling shareholders of UGH are aware of the controllers' specific responsibilities regarding their duty of loyalty to the Company and managing conflicts of interest. They are also aware of the rights that minority shareholders may have to elect specific directors under the Commercial Companies Law. The Chairman of the Board is expected to take the lead in clarifying such matters, with the help of professional advisors / lawyers / officers.

The current Chairman - Mr. Masoud J. Hayat, has been associated with UGH's Parent - KIPCO and with the company's primary subsidiary - UGB, for over 34 years. He has a thorough understanding of the Bank, the Company, its history, its functioning style and its operations. He represents the interests of the Company's main controller - KIPCO. As with all Directors, the Chairman is also required to comply with the requirement to manage conflict of interest.

The Board has approved three standing Committees – namely, the Executive Committee, the Board Audit Committee and the Nominating & Remuneration Committee. Each of these has its own charter that outlines the responsibilities of its members. The Board is authorised to constitute additional functional Committees from time to time, depending on the business needs. The hierarchy of the committees is illustrated below



The Board or the standing committee may invite non directors to participate in a committee's meetings, so that the committee may gain the benefit of their advice and expertise in financial or other subject areas.

All members of UGH's Board of Directors met the minimum 75% attendance threshold, as they personally attended all five Board meetings that were held during 2023. Details of these are given in the table below. Members who are standing for re-election have attended 100% of the Board meetings over the past three years (since the date of their election/appointment). It should be noted that voting and attendance proxies for board meetings are prohibited at all times.

Attendance in 2023	28 Feb	27 Mar	11 May	13 Aug	13 Nov
Masoud J. Hayat	x	x	x	x	x
Faisal Al Ayyar	x	x	x	x	x
Khalid Sharrad	x	x	x	x	x
Mazen Hawwa	x	x	x	x	x
Sunny Bhatia	x	x	x	x	x
Mohammed Haroon	x	x	x	x	x
Mubarak Al Maskati	x	x	x	x	x
Bader Al Awadhi	x	x	x	x	x

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In addition to these meetings eight Board resolutions were passed by written consent on 29 March, 28 September, 3 October, 16 October 2023, 23 October, 26 October, 5 November and 21 December. All Directors received the agenda, minutes of prior meetings, and adequate background information in writing before the Board meeting, and whenever necessary between the meetings.

Meetings of the Board of Directors are held abroad and/or conducted by telephone or through video conferencing or other approved modes of real-time communication. All Board meetings were organized from Bahrain and conducted 'virtually'. Detailed minutes of the meetings of the Board of Directors are maintained by the Corporate Secretary. UGH's strategy is reviewed by the Board as part of the long-range plan.

During the year ended 31 December 2023, there were no decisions wherein, there were any reservations or objections voiced by any individual or a group of directors.

Executive Committee:

Composition: UGH's Executive Committee was constituted on 28 March 2018 and comprises five non-Executive Directors as its members. Executive Committee's Resolutions are passed through circulation, as and when warranted.

Responsibilities: The Executive Committee (EC) is delegated authority by the Board to take decisions in the interim periods between Board Meetings, and by circulation when a full meeting of the Board is not possible. The EC is also empowered by the Board to act on its behalf, if an immediate decision is required on any matters falling outside the authority of Management. The basic responsibility of the EC is to consider and approve/amend the overall impact of the policy recommended by the CEO in the key areas of strategy planning, investment and asset and liability management.

Resolutions:

One Executive Committee resolution related to a business decision was passed on 25 June 2023. These were signed by all the members of the EC.

Date	Masoud J. Hayat Chairman Non - Executive Director	Faisal Al Ayyar Member Non - Executive Director	Khalid Al Sharrad Non - Executive Director	Sunny Bhatia Member Non-Executive Director	Mazen Hawwa Member Non- Executive Director
25 June	X	X	X	X	X

The above EC decision was presented to the Board for ratification on 13 August 2023. No significant issue or dissent was expressed in the resolution.

Audit Committee:

Composition: UGH's Board Audit Committee (BAC) was constituted on 28 March 2018 after the appointment of the independent directors. It comprises one non-executive director (Mr. Faisal Al Ayyar) and two independent directors (Mr. Mohammed Haroon - Chairman and Mr. Mubarak Al Maskati). The Chairman of the BAC is an independent director. All members are financially literate and have sufficient technical expertise and exposure to the financial industry that enable them to discharge their responsibilities cited below. UGH's CEO is not a member of this Committee.

The Code of Corporate Governance states that the Chairman of the Audit Committee should not participate as a member of any other committee. Its Chairman – Mr. Haroon, is also a member of the Nominating and Remuneration Committee. No conflict of interest is perceived, as he is an independent member of the Board of Directors.

Responsibilities: The BAC assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of UGH, supervising the internal and external auditors and the Company's compliance with the legal and regulatory requirements. Its main functions as enumerated in its Charter which was last approved by the Board of Directors, encompasses:

- the quality and integrity of financial reporting and the audit thereof;
- the recommendation for the appointment, compensation and oversight of the Company's external auditor;
- the recommendation for the appointment of the internal auditor;
- the soundness of internal controls of the Company;
- the measurement system of risk assessment and relating these to UGH's capital;
- the methods for monitoring compliance with laws, regulations and supervisory and internal policies; and

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- the business practices and ethical standards of the company including the implementation of a whistleblowing policy.

Meetings: The mandate of the BAC is to meet at least four times a year and have two meetings with the external auditors. No sitting fees were paid in 2023 to members of the committee for their attendance

During the year 2023, the Board Audit Committee met in virtual meetings for a total number of seven times; the attendance on these was as follows:

Date	Mohammed Haroon Chairman Independent Director	Faisal Al Ayyar Member Non-Executive Director	Mubarak Al Maskati Member Independent Director
27 February	x	x	x
26 March	x	x	x
11 May	x	x	x
10 August	x	x	x
12 November	x	x	x
22 November	x	x	-
31 December	x	x	x

Note: All BAC minutes are presented to the Board for ratification.

At the ordinary general assembly held on 30 October 2023, the shareholders approved the appointment of RSM Bahrain as the external auditors of UGH. They replaced Ernst and Young who had been the auditors for over five years, since the company's inception in 2017.

Only one meeting was held with the external auditors in 2023 as there was a change in auditors. Ernst & Young did not meet with the BAC. RSM met with the BAC on 22 November 2023. It is envisaged that two meetings will be held in 2024. No significant issue or dissent was expressed in any of the BAC meetings.

Nomination and Remuneration Committee (NRC):

Composition: As permitted by the CBB rulebook, the Nominating Committee of UGH has been combined with the Remuneration Committee. It is also in charge of corporate governance. No conflict of interest has been perceived between the duties of such committees. UGH's Nominating & Remuneration Committee (NRC) was hence constituted on 28 March 2018 after the appointment of the independent directors. It comprises three independent directors - (Mr. Mubarak Al Maskati – Chairman, Mr. Bader Al Awadhi, and Mr. Mohammed Haroon). The Chairman of the NRC is an independent director. The CEO is not a member of this Committee.

Responsibilities: The NRC assists the Board in assessing the skill sets of Board members and ensures that there is an appropriate mix of eminent persons having an independent standing in their respective field/profession and who can effectively contribute to UGH's business and policy decisions. It oversees the appointment, training, and evaluation of the Board. Its main functions as enumerated in its Charter which was last approved by the Board of Directors, encompasses:

- Oversee the Corporate Governance processes of the Company.
- Nominate the persons eligible for directorship or chief executive officer, chief financial officer or secretary position, except for the internal auditor who is nominated by the audit committee.
- Make recommendations to the Directors of the Board from time to time regarding changes that the committee believes are desirable to the size of the Board or any committee of the Board.
- Review the preparation of appropriate nomination documents and notifications of candidates for Directorships. This includes ensuring that appropriate appointment documents, regulatory approvals and notifications are made on new directors.
- Supervise the evaluation process of the Board, the Directors and the Committees.
- Review the independence of Directors
- Recommend/ review the remuneration of the Board of Directors and certain senior executives, if it decides to compensate them for the additional responsibilities which they undertake on behalf of the company. Senior Management (if applicable).

Meetings : UGH's Nominating and Remuneration Committee (NRC) was constituted on 28 March 2018 after the three independent Directors were appointed to the Board at the AGM. The mandate of the NRC is to meet at least twice a year.

During 2023, the NRC met twice as follows:

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Date	Mubarak Al Maskati Chairman Independent Director	Bader Al Awadi Member Independent Director	Mohammed Haroon Member Independent Director
14 February	x	x	x
27 November	x	x	x

Note: All NRC minutes are presented to the Board for ratification. No significant issue or dissent was expressed in any of the NRC meetings.

Governance Committee:

The NRC is responsible for the supervision of corporate governance activities and the adherence to the tenets of the MOIC's Code of Corporate Governance. For the year ended 2023, the NRC completed the following activities related to the oversight of corporate governance.

- Review of Disclosure of Interest and other Directorships held by the Board of Directors.
- Review of Directors' annual affirmation of adherence to the Code of Conduct and Independent Directors' annual affirmation of independence. All the Directors signed this for the year ended 2023.
- Review of the annual evaluation of the Board, Committees and Individual Directors.
- Review of membership and structure of Board committees.
- Review of Key Persons' Trading for the year 2023.
- Review of Directorships representing UGH on the Boards of other companies.
- Review of the 14 applications received for membership to the Board of Directors, and providing a recommendation on the suitability of the candidates.
- Review this Corporate Governance Report for the year ended 2023. The report will be part of the Annual Report of the Company, when it is published within four months of year end. A copy of the report is uploaded on UGH's website.
- Review of the external auditor's agreed upon procedures for the corporate governance report. This is required by the MOIC.

No significant issue or dissent was expressed in any of the NRC meetings.

Corporate governance officer's name, qualifications, date of appointment, and contact details.

In accordance with the requirements of the MOIC's directives, the Board of Directors of UGH ratified the decision of the Chairman to appoint the Chief Compliance Officer and MLRO of the Company as the Corporate Governance Officer. This was done at their meeting held on 14 May 2018. The Corporate Governance Officer's details are given below:

Name	Nationality	Date of Appointment	Qualifications	Contact Details
Deepanjali Chandrasekhar	Bahraini	May 2018	<ul style="list-style-type: none"> • Masters of Business Administration (MBA) – University of Alberta, Canada • Fellow of the International Compliance Association – UK • Certified Anti-Money Laundering Specialist – Financial Crime (CAMS – FCI and CAMS) – USA • Certified Fraud Examiner (CFE) – USA • Chartered Member of the Chartered Institute of Securities and Investment - UK 	+973 17520186 dchandrasekhar@ugbbah.com

Details of Transactions with related parties (stakeholders):

Related parties represent the parent, associates and directors and key management personnel and entities which are controlled, jointly controlled or significantly influenced by any of the above-mentioned parties. The following is an extract of Note 30 of the UGH Financial Statements for the year ended 2023.

RELATED PARTY TRANSACTIONS

The details of the income and expenses with respect to related parties' transactions during the year and the balance sheet items are included in Note 30 of the consolidated financial statements. A summary of these is reproduced below:

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2023				
Income and expenses	Major shareholder US\$ 000	Associates US\$ 000	Other related parties US\$ 000	Total US\$ 000
Investment income - net	-	-	708	708
Fees and commissions - net	5,239	3,788	487	9,514
Dividend income	-	-	1,224	1,224
Rental income	1,100	-	-	1,100
Interest income	660	511	870	2,041
Interest expense	-	(37,489)	(9,407)	(46,896)
General and administrative expenses	-	(80)	(2,773)	(2,853)
2022				
Income and expenses	Major shareholder US\$ 000	Associates US\$ 000	Other related parties US\$ 000	Total US\$ 000
Investment income - net	-	-	702	702
Fees and commissions - net	8,770	2,842	2,083	13,695
Dividend income	-	-	477	477
Rental income	1,106	-	-	1,106
Interest income	402	335	5,034	5,771
Interest expense	(1,608)	(25,465)	(6,793)	(33,866)
General and administrative expenses	-	-	(3,039)	(3,039)
Others	-	-	112	112

Equity transactions with related parties during the year included in the consolidated statement of changes in equity are as follows:

Income and expenses	2023 US\$ 000	2022 US\$ 000
Interest payment on Perpetual Additional Tier 1 Capital	(1,062)	(1,070)

All related party transactions are on terms that are mutually agreed between the counterparties.

The year-end balances in respect of related parties included in the consolidated financial statements are as follows:

2023				
Balance Sheet	Parent US\$ 000	Associates US\$ 000	Other related parties US\$ 000	Total US\$ 000
Demand and call deposits with banks	-	10,371	514	10,885
Placements with banks	-	-	33,179	33,179
Investments carried at FVTPL	15	2,013	19,614	21,642
Investments carried at FVOCI	-	31,475	114,853	146,328
Investments carried at amortized cost	9,771	-	-	9,771
Loans and receivables	-	7,368	4,090	11,458
Other assets	3,275	706	1,583	5,564
Due to banks and other financial institutions	-	(36,878)	(60,348)	(97,226)
Deposits from customers	(18)	(14)	(4,804)	(4,836)
Loans payable	-	(509,812)	(53,900)	(563,712)
Sub-ordinated debt	(45,000)	-	-	(45,000)

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Other liabilities	-	(7,231)	(1,746)	(8,977)
Perpetual Additional Tier 1 Capital	-	-	(10,000)	(10,000)

Off statement of financial position items:

Letters of guarantee	-	-	150	150
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Balance Sheet	2022			
	Parent US\$ '000	Associates US\$ '000	Other related parties US\$ '000	Total US\$ '000
Demand and call deposits with banks	-	16,744	15,375	32,119
Placements with banks	-	-	23,255	23,255
Investments carried at FVTPL	16	1,739	326	2,081
Investments carried at FVOCI	-	-	122,022	125,935
Investments carried at amortized cost	9,806	-	-	9,806
Loans and receivables	-	9,529	47,056	56,585
Other assets	1,694	6,810	3,215	11,719
Due to banks and other financial institutions	-	(11,308)	(78,596)	(89,904)
Deposits from customers	(42,364)	(369)	(5,478)	(48,211)
Loans payable	-	(501,812)	(53,900)	(555,712)
Other liabilities	-	(10,012)	(3,692)	(13,704)
Perpetual Additional Tier 1 Capital	-	-	(10,000)	(10,000)

Off statement of financial position items:

Letters of guarantee	-	-	157	157
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All related party exposures are performing and are free of any provision for expected credit losses.

The Parent has committed to acquire an FVOCI investment of the Group at its carrying value of US\$ 65.7 million or higher (2022: US\$ 79 million).

The summary of transactions conducted with related parties that is submitted to the BAC during the year 2023 are as follows:

Entity	Financial Classification	Counterparty	US\$ '000
UGB	Investment Income	Bank Of Baghdad	707
KAMCO	Investment Income	Gulf Insurance Group	523
UGB	Investment Income	Adv Technology Co	501
UGB	Investment Income	Commercial Tower	404
UGB	Investment Income	Al Sharq Real Estate	365
UGB	Investment Income	Chairman's Club	331
Various	Investment Income	Individually below US\$ 250 thousand	275
FIMBank	Financing Income	Kuwait Projects Company (Holding)	660
FIMBank	Financing Income	Brasifactors S.A.	440
UGB	Financing Income	Tunis International Bank	366
UGB	Financing Income	Panther Media Group	265
Various	Financing Income	Individually below US\$ 250 thousand	310

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Various	Commission & Fees	Kuwait Projects Company Holding)	5,239
KAMCO	Commission & Fees	United Real Estate Company	1,593
KAMCO	Commission & Fees	Kamco Investment Fund	1,188
KAMCO	Commission & Fees	North Africa Holding	517
UGB	Commission & Fees	Burgan Private Equity	457
KAMCO	Commission & Fees	Napesco	325
Various	Commission & Fees	Individually below US\$ 250 thousand	195
Various	Interest Expenses	Individually below US\$ 250 thousand	(259)
UGB	Interest Expenses	Jordan Kuwait Bank	(349)
UGB	Interest Expenses	Syria Gulf Bank	(562)
UGB	Interest Expenses	Tunis International Bank	(1,193)
UGB	Interest Expenses	Bank Of Baghdad	(2,806)
UGH	Interest Expenses	Jordan Kuwait Bank	(4,802)
Various	Interest Expenses	Burgan Bank	(36,926)
KAMCO	Staff Salaries and benefits	Gulf Insurance Group	(834)
Various	General and administrative expenses	Individually below US\$ 250 thousand	(160)
KAMCO	General and administrative expenses	UFM Car Company.	(331)
KAMCO	General and administrative expenses	Gulf Insurance Group	(427)
KAMCO	General and administrative expenses	Shaheed Tower	(1,174)

2022

Entity	Financial Classification	Counterparty	US\$ '000
Various	Investment Income	Individually below US\$ 250 thousand	702
UGB	Dividend income	Advanced Technology Co.	377
UGH	Dividend income	Tunis International Bank	100
UGB	Rental Income	Commercial Tower	406
UGB	Rental Income	Al Sharq Real Estate	367
UGB	Rental Income	Chairman's Club	333
UGB	Interest income	Panther Media Group	3,229
FIMBank	Interest income	Gulf Dth Fz Llc	1,517
FIMBank	Interest income	Kuwait Projects Company (Holding)	402
FIMBank	Interest income	Brasilfactors S.A.	301
Various	Interest income	Individually below US\$ 250 thousand	322
KAMCO	Fees and commissions	Kuwait Projects Company (Holding)	8,777
KAMCO	Fees and commissions	Kamco Investment Fund	2,151
UGB	Fees and commissions	Burgan Private Equity Fund	511
KAMCO	Fees and commissions	Burgan Bank Turkey	429
Various	Fees and commissions	Individually below US\$ 250 thousand	1,827
UGH	Interest expenses	Burgan Bank	(24,890)
UGH	Interest expenses	Jordan Kuwait Bank - Cyprus	(3,138)
UGB	Interest expenses	Bank of Baghdad	(2,989)
UGB	Interest expenses	Kuwait Projects Company (Holding)	(1,602)

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UGB	Interest expenses	Tunis International Bank	(525)
UGB	Interest expenses	Syria Gulf Bank	(395)
Various	Interest expenses	Individually below US\$ 250 thousand	(327)
KAMCO	General and administration expenses	Gulf Insurance Group	(780)
KAMCO	General and administration expenses	Shaheed Tower	(1,178)
KAMCO	General and administration expenses	Gulf Insurance Group	(419)
UGB	General and administration expenses	Directors' Remuneration	(325)
Various	General and administration expenses	Individually below US\$ 250 thousand	(337)
Various	Others	Individually below US\$ 250 thousand	112

It is noted that the Code of Corporate Governance requires all transactions between UGH and related parties to be approved by the Board of Directors prior to implementation. As this is not practically feasible, a report at the end of each year on all related party transactions is presented to the BAC which approves them on a post facto basis. This was done on 27 February 2024.

In accordance with Article 189 of the Commercial Companies Law, the external auditor has issued an agreed upon procedures assurance report on related party transactions that confirms that all such transactions conducted during 2023 were approved by the Board of Directors and were traceable to the underlying accounting records of UGH. This is submitted to the shareholders at the Annual General Meeting of the Shareholders that is scheduled for 28 March 2024.

External Auditors:

There was a change in UGH's audit firm during the year 2023. At the onset, the shareholders approved the appointment of Ernst and Young (EY) at the annual general assembly held on 30 March 2023. EY is a global leader in assurance, tax, transaction and advisory services and is a member firm of Ernst & Young Global Limited, a UK company and one of the Big Four accounting firms. EY Bahrain is a specialised partnership company and is part of the Middle East & North Africa (MENA) Region. It is the largest professional services firm in the country with an operational experience of more than 8 decades. The audit firm has over 300 professionals in Bahrain and various specialists' teams spread across the regions operating as one seamless firm globally.

EY served as the company's auditor until 30 October 2023, when the shareholders approved the appointment of RSM as UGH's external auditors at the Ordinary General Assembly meeting, held in the presence of representatives from the MOIC, CBB and the Bahrain Bourse. In line with the requirements of Article 221 of the Commercial Companies Law, Mr. Mohammed Haroon, a member of UGH's Board of Directors and the Chairman of the Board Audit Committee – on behalf of the Chairman, read the letter sent to EY on 8 October 2023, containing the Company's request to terminate the relationship with them. He also read the external auditors response letter that was sent to the Company's Board of Directors on 19 October 2023. The reasons for the replacement of auditors were explained to the CMSD in the CEO's letter addressed to them dated 8 October 2023. This included the need to adhere to the Code of Corporate Governance that required the replacement of external auditors every five years, the streamlining of audit processes with the parent, and EY's observations on the accounting treatment of the bond portfolio held by UGH's subsidiary FIMBank plc.

The CBB's no objection to appoint RSM as the external auditors subject to receiving the shareholders' approval at the OGM, was received on 4 October 2023. RSM is the 6th largest global network of audit, tax, and consulting firms. RSM Bahrain, is the Bahrain member firm of RSM International. The firm has over 42 professionals in Bahrain and has access to resources and knowledge from its group offices which operate in over 820 offices in 120 countries with over 64,000 partners and staff. RSM have subsequently liaised extensively with the officers of UGH and have reviewed this CG report, the related parties report, and other internal control processes and procedures as part of their audit.

The fees and charges for the audit and non-audit services provided by EY during the period when they served as the external auditor, is provided in the following table.

Name of the audit firm (EY) : 31 March 2023 to 30 October 2023	Ernst & Young
Years of service as the Company's external auditor	6.5 years
Name of the partner in charge of the Company's audit	Kazim Merchant
The partner's years of service as the partner in charge of the Company's audit	4.5 years
Total audit fees for the financial statements during the period (US\$)	40,985
Other special fees and charges for non-audit services during the period (US\$)	20,492
Aggregate fees paid to Ernst & Young (including VAT) during the period	61,477

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Name of the audit firm (RSM) : October 2023 to December 2023	RSM
Years of service as the Company's external auditor	2 months
Name of the partner in charge of the Company's audit	Majed Al Rasromani
The partner's years of service as the partner in charge of the Company's audit	2 months
Total audit fees paid to RSM (including fees for the statutory audit and group reporting for the year ended 2023) - (US\$)	68,200
Other special fees and charges for non-audit services during the period (US\$)	-
Aggregate fees paid/payable to RSM (including VAT) during the period (US\$)	68,200

The External auditor reviewed the controls and internal processes of UGH, during the scope of their audit.

The Company's Board Audit Committee reviewed the non-audit services performed by external auditors during the year 2023. It was determined that they were in line with the Bank's policies and regulatory requirements.. Furthermore, the Company has not provided its External Audit firm or its auditors with lending or credit facilities and has not entered into any contracts of professional indemnity insurance with the External Auditors. The BAC received a certificate of affirmation from the current external auditors RSM Bahrain that was signed on 22nd February 2024 confirming their adherence to the Company's "External Audit Independence policy" and non audit services pre-concurrence list that are permissible under International Code of Ethics for Professional Accountants Code.

In line with the Ministry of Industry and Commerce Corporate Governance code the "Audit Firm" and the position of "Audit Partner" must not be undertaken by the same firm for five consecutive years and the same partner for more than three consecutive years respectively. RSM Bahrain was appointed by the Company' shareholders on the 30th of October 2023 and Mr. Majed Al Rasromani has taken over the position of the company's designated Audit Partner and will be responsible for the annual December 31st, 2023, financial statements audit. This will be RSM's first year as the Company's audit firm and Mr. Rasromani's first year as audit partner.

Details of any disclosures required by the regulatory authorities:

Nil

Description of the contributions made by UGH for community development

The Board of Directors of UGH recognize that in recent years, financial markets have taken measures aimed at improving environment, social and governance (ESG) practices. This is based on evidence that institutions which implement sustainable practices are widely respected and outperform the market across key sectors.

During 2023, UGH' primary subsidiary United Gulf Bank B.S.C. (c) (UGB, the Bank) established an ESG Committee as a management forum, to oversee the implementation of the ESG framework and requirements. Although the framework is currently implemented at the UGB level, by extension it applies to UGH in certain areas.

UGH's primary subsidiary UGB also took certain initiatives that are in line with areas of sustainable development goals published by the United Nations. A summary of these is provided below:

Environment related initiatives - Environmental Oversight



- Conscious effort to reduce water wastage.
- Sanitation spray machine



- Use of capacitors to reduce electricity consumption
- Closure of hot water valves when not in use

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- Regular greenery maintenance within UGB Tower
- Donation to greenery projects in the Kingdom of Bahrain

Social Related Initiatives – CSR Oversight and commitment



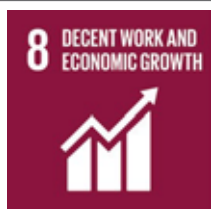
- Comprehensive health coverage inclusive of critical illnesses
- Financial assistance in case of emergencies



- 19th year of support of the Tradequest – the Trading Challenge
- Financial support to children of staff and employees for higher education



- Gender Equality - Staff Benefits and training.
- Considerable number of female staff



- Safe working environment
- < 3% employee turnover
- 0% injury rate



- 81% nationalization
- 32% diversity – employment of women



- Financial assistance to orphanages
- Arab Regional Centre for World heritage

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- Elimination of single use plastic – bottles and cups
- Go Green / Go digital campaigns – reduction in paper printing.

Governance Related Aspects And Board Oversight



- Code of Conduct – Board and Management
- Comprehensive Corporate Governance framework with Board approved policies and procedure



- Transparent Disclosure Policy
- Corporate Governance Disclosure



- Whistleblowing Policy
- Customer Complaints Mechanism

UGH's donations are made through its primary subsidiary UGB. In its capacity as being the 100% shareholder of UGB, UGH approved donations amounting to US\$ 200 thousand from the Bank's net profits to charitable and educational institutions, at the Bank's AGM held on 30 March 2023.

The final distribution of donations made during 2023 was as follows:

Recipients	Amount US\$
Charitable and Community Welfare Activities	71,354
Cultural Institutions	83,552
Education	29,178
Health	7,958
Sports & Training	7,958
Aggregate	200,000

Breakdown of Ownership

UGH has signed a share registrar agreement with Bahrain Clear, a subsidiary of the Bahrain Bourse that maintains shareholder records and handles the transfer of shares. Information obtained from Bahrain Clear indicate the following:

The breakdown of shareholders' equity by nationality as at 31 December 2023 is indicated below:

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Nationality	#	%	Shares	%
Bahrain	1,165	64.4	3,746,268	0.9
Kuwait	614	34.0	434,783,038	99.9
GCC	23	1.3	495,067	0.1
Other	6	0.3	69,690	0.02
Total	1,808	100.0	439,094,063	100.0

Source : Bahrain Clear

Major Shareholders:

The following are the names and nationalities of the major shareholders and the number of equity shares held, that exceed 5% of the Company's capital.

Name	Nationality	Shares	%
Kuwait Projects Company (Holding) K.S.C.P.	Kuwait	264,377,912	60.21
Overland Real Estate Company W.L.L.	Kuwait	93,055,441	21.19
Burgan Bank K.P.S.C.	Kuwait	43,522,357	9.91
United Industries Company K.S.C.C	Kuwait	29,000,000	6.60
		429,955,710	97.91

Source : Bahrain Bourse

No government or sovereign funds hold any shares of UGH. All shareholders have equal voting rights. The Ultimate Beneficial Owner are members of the ruling family of Kuwait.

Ownership Categories:

Distribution of Shareholding	Number of shareholders	Number of shares held	Shareholding %
Less than 1%	1,804	8,148,453	1.9%
1% up to less than 5%	0	0	0.0%
5% up to less than 10%	2	72,522,357	16.5%
Greater than 10%	2	358,423,253	81.6%
Total	1,808	439,094,063	100 %

Source : Bahrain Bourse

The share registry of UGH is maintained by Bahrain Clear (a subsidiary of the Bahrain Bourse), with whom the company has an electronic registry agreement. They maintain the shareholders' register that records the names of shareholders, their nationalities, the number of shares that they hold and any transactions that they make. The contact details are as follows:

Bahrain Clear B.S.C. (c)

PO Box 3203,
Manama, Kingdom of Bahrain
Tel : +97317108833
Fax: +973 17228061
info@bahrainclear.com
www.bahrainclear.com

Other Matters:

Disclosure and Transparency Policy

As a publicly listed company, UGH is aware of the importance of communicating with its minority shareholders and its controllers. All shareholders are treated equally and have the same voting rights. Relevant information and material information to shareholders is disseminated promptly through the Bahrain Bourse' website and the Company's website. This includes invitations to the

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general assembly meetings. In order to facilitate shareholders who are unable to attend the AGM, proxy forms are available on the Company's website www.ughbh.com. This gives them the opportunity to participate in the general assembly meetings. Votes cast by custodians or nominees must be given in a manner agreed upon with the beneficial owner of the shares i.e., the person who authorized the proxy. Other rights of the shareholders and the process of holding a general assembly meeting is documented in the Annual / Extraordinary General Assembly Meetings Procedures. These include:

- Secure methods of ownership registration that is facilitated through the Share Registrar – Bahrain Clear;
- The transfer of shares that is facilitated through the Share Registrar – Bahrain Clear;
- Obtaining relevant and material information on UGH in a timely and regular basis;
- Participating and voting in general shareholder meetings;
- Electing and removing members of the Board of Directors
- Sharing in the profits of UGH through the receipt of dividends
- Presentations by independent advisers as and when warranted
- Participating in corporate events eg. Rights issue, dividend etc.

The Company has a Disclosure Policy that reiterates its commitment to disclose all relevant information to stakeholders on a timely basis and emphasises:

- Adequate documentation and definition of the key components of UGH's disclosure controls and procedures and the standards to which they are designed and implemented.
- Information with respect to the steps that UGH will take when it has material information to release to the public.
- Approval of the limited group of authorised spokespersons who are entitled to speak on behalf of the Company when material information may be disclosed.
- Adequate awareness for Directors and officers of UGH for understanding the disclosure practices and policies.

Means of Communication

- **Annual General Meeting:** The Company schedules an annual general assembly for its shareholders within three months of year-end. This provides the forum for shareholders to approve the Board of Directors' report and financial statements for the year, appoint the external auditor, review the external auditor's report, review the corporate governance report and the related party transactions and other matters which require their approval. The AGM is conducted in line with the MOIC, the CBB's and the Bahrain Bourse's requirements and standards. Invitations are sent to all Directors. The AGM is conducted in line with the MOIC, the CBB's and the Bahrain Bourse's requirements and standards. Invitations are sent to all Directors. The Chairman and four Directors attended the last annual general assembly held on 30 March 2023, alongside representatives of the CBB, the Bahrain Bourse, the MOIC and the external auditors. The ordinary general assembly meeting that was held on 30 October 2023 was attended by three directors. The invitation to attend general assembly meetings are sent to all directors; attendance of Board members is however primarily dependent on each member's availability.
- **Annual and Quarterly Results:** In accordance with the CBB's Disclosure Standards, the financial results of UGH are published in an English newspaper and an Arabic Newspaper and are in line with International Financial Reporting Standards. They include the balance sheet, income statement, cash flow statement and changes in shareholders' equity. The complete set of financial statements in English and Arabic including the name of the external auditor, the external auditor's signature date and the signature of the Chairman, Vice Chairman and CEO are also available on the Bahrain Bourse's website and the Company's website www.ughbh.com. Note 1 of the Financial Statements discloses the date of Board Approval and also reiterates their responsibility with regard to the preparation. The CEO and CFO certify to the Board of Directors that to the best of their knowledge, the financial statements present a true and fair view in all material respects of UGH's financial condition and results of operations, in accordance with applicable accounting and financial reporting standards
- **News Releases, Presentations, etc.:** Official news releases, detailed presentations made to the shareholders etc. are available on the Company's website www.ughbh.com, after they have been released to the CBB and the Bahrain Bourse. The external auditor's signature and date, as well as the Board's approval date, are disclosed either in the financial statements or through press releases.
- **Website:** The Company maintains a website www.ughbh.com which contains information related to its profile. It also has an investor relations section along with financial information including the Annual Report which has the Management Discussion and Analysis that identifies and comments on principal risks and uncertainties faced by the business and this Corporate governance report.
- **Copies of the Dispute Resolution Policy and the Whistleblowing Policy,** are available on the Company's website. There is also a whistleblowing form alongside procedures to highlight complaints and wrongdoing.

There is a separate section on the website (under Investor Relations) where the company posts relevant shareholders' information e.g., AGM agenda, proxies etc. The company has an email (info@ughbah.com) which is already in place to allow shareholders to obtain the above information – shareholders who require more such information, can always raise their

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queries using this email address. In accordance with the CBB's disclosure standards, all agendas, notices of meetings and proxies are reviewed and approved by the CMSD before they are published or loaded onto the Company's website. This ensures that the standards are met.

Compliance with the provisions of the Corporate Governance Code:

Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.		X		The current Chairman - Mr. Masoud J. Hayat, has been associated with UGH's Parent - KIPCO and with the company's primary subsidiary - UGB, for over 34 years. He has a thorough understanding of the Bank, the Company, its history, its functioning style and its operations. He represents the interests of the Company's main controller - KIPCO.
Principle 2: The directors and executive management shall have full loyalty to the company.			X	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			X	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors.			X	
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.			X	
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles, and responsibilities.			X	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.			X	
Principle 8: The Company shall disclose its corporate governance.			X	
Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a.	NA	NA	NA	NA

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Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			X	
Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.			X	

* Applicable only to the companies offering Islamic services.

Name	Hussain Lalani	Deepa Chandrasekhar
Position	Chief Executive Officer	Corporate Governance Officer
Date	7 March 2024	7 March 2024

GROUP DIRECTORY

United Gulf Holding B.S.C.

PO Box 5565, Diplomatic Area
 UGB Tower, Manama, Kingdom of Bahrain
 Tel: (+973) 17 533233 Fax: (+973) 17 533137
 Email: info@ughbah.com
 Website: www.ughbh.com

Parent Company

Kuwait Projects Company (Holding) K.S.C.P.

KIPCO Tower, Khalid Bin Al Waleed Street, Sharq, Kuwait
 City
 P.O. Box 23982, Safat 13100, Kuwait
 Tel: +965 1805 885
 Fax: +965 2243 5790
 Email: kipco@kipco.com
 Website: www.kipco.com

Asset Management & Investment Banking

United Gulf Bank B.S.C. (c)

P O Box 5964, Diplomatic Area
 UGB Tower, Manama, Kingdom of Bahrain
 Tel: +973 17 533233
 Fax: +973 17 533137
 Email: info@ugbbah.com
 Website: www.ugbbh.com

KAMCO Investment Company (KAMCO) K.S.C.P.

Al Shaheed Tower, Khalid Bin Al Waleed Street, Sharq,
 Kuwait
 P O Box 28873, Safat 13149, Kuwait
 Tel: +965 1852 626
 Fax: +965 2244 5918
 Email: info@kamcoinvest.com
 Website: www.kamcoinvest.com

North Africa Holding Company K.S.C.C.

Al Shaheed Tower, Khaled Bin Al Waleed Street, Sharq,
 P O Box 1246, Dasman 15463, Kuwait
 Tel: +965 2291 3733
 Fax: +965 2245 0371
 Email: info@northafricaholding.com
 Website: www.northafricaholding.com

United Gulf Financial Services - North Africa

Rue du Lac Biwa ImmFraj 2 ème Etage, 1053 Les Berges du
 Lac, Tunis, Tunisia
 Tel: + 216 71 167 500
 Fax: +216 71 965 181
 Email: contact@ugfsnorthafrica.com.tn
 Website: www.ugfsnorthafrica.com.tn

Brokerage

Al Sharq Financial Brokerage Company K.S.C.C.

P O Box 187, Kuwait Souk Al Dakhelely
 15252, Kuwait
 Tel: +965 2224 8444
 Fax: +965 2242 4378
 Email: webmaster@sharqetrade.com
 Website: www.sharqetrade.com

Commercial Banking

FIMBank p.l.c.

Mercury Tower, The Exchange Financial & Business Centre
 Elia Zammit Street, St. Julian's STJ 3155, Malta
 Tel: +356 2132 2100
 Fax: +356 2132 2122
 Email: info@fimbank.com
 Website: www.fimbank.com

Burgan Bank K.P.S.C.

Burgan Tower, Al Sharq, Abdullah Al Ahmed Street,
 P O Box 5389, Safat 12170, Kuwait
 Tel: +965 2298 8000
 Fax: +965 2241 7926
 Email: info@burgan.com
 Website: www.burgan.com

Syria Gulf Bank SA

P O Box 373, 29 Ayyar Street, Damascus, Syria
 Tel: +963 (11) 119721
 Fax: +963 (11) 232 6112
 Email: info@sgbsy.com
 Website: www.sgbsy.com

Major Non-Financial Operating Companies

United Real Estate Company K.S.C.P.

P O Box 2232, Safat 13023, Kuwait
 Tel: +965 2295 3500
 Fax: +965 2244 1003
 Email: info@urc.com.kw
 Website: www.urc.com.kw



شركة الخليج المتحد القابضة
ش.م.ب.
United Gulf Holding Company B.S.C.

United Gulf Holding Company B.S.C.

PO Box 5565, Diplomatic Area UGB Tower, Manama,
Kingdom of Bahrain Tel: (+973) 17 533 233, Fax: (+973) 17
533 137 Email: info@ughbah.com Website: www.ughbh.com