

**GULF UNION ALAHLIA COOPERATIVE
INSURANCE COMPANY
(A Saudi Joint Stock Company)**

**INTERIM CONDENSED FINANCIAL
INFORMATION FOR THE THREE-MONTH
AND NINE-MONTH PERIODS ENDED 30
SEPTEMBER 2023 (UNAUDITED)
AND REPORT ON REVIEW OF
INTERIM CONDENSED FINANCIAL
INFORMATION**

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(UNAUDITED)

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Report on review of interim condensed financial information

To the shareholders of Gulf Union Alahlia Cooperative Insurance Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Gulf Union Alahlia Cooperative Insurance Company (the "Company") as of 30 September 2023 and the related interim condensed statements of income and comprehensive income for the three-month and nine-month periods then ended and the interim condensed statements of changes in equity and cash flows for the nine-month period ended 30 September 2023 and other explanatory notes. The Directors are responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

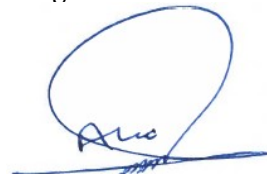
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

P.O. Box 467
Dhahran Airport 31932
Kingdom of Saudi Arabia



Ali H. Al Basri
License Number 409

8 November 2023
24 Rabi'II 1445 H

Al Kharashi & Co. Certified Accountants and Auditors.

P.O. Box 8306
Riyadh 11482
Kingdom of Saudi Arabia



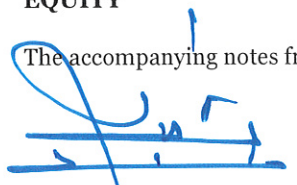
Abdullah AlMsned
License Number 456




GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(All amounts expressed in Saudi Riyals unless otherwise stated)

			31 December 2022 (Restated - Notes 3 and 4) (Unaudited)	1 January 2022 (Restated - Notes 3 and 4) (Unaudited)
	Note	30 September 2023 (Unaudited)		
ASSETS				
Cash and cash equivalents	6	55,112,775	100,318,382	114,978,248
Term deposits	7	286,991,544	160,086,124	40,032,877
Investments:				
Financial assets at fair value through profit or loss ("FVTPL")	8	127,266,508	126,929,573	117,362,818
Financial assets at fair value through other comprehensive income ("FVOCI")	8	79,406,254	79,406,254	74,065,119
Financial assets at amortised cost	8	156,101,058	155,998,139	161,262,083
Prepaid expenses and other assets		30,729,107	32,415,786	35,273,987
Reinsurance contract assets	10	45,451,674	74,727,022	106,535,108
Right-of-use assets		7,742,590	7,447,736	7,584,087
Property and equipment		8,327,583	7,565,938	8,854,908
Intangible assets		42,812,388	45,468,473	43,378,547
Goodwill	5	67,697,750	67,697,750	67,697,750
Statutory deposit	9	68,828,930	68,830,314	34,412,591
Accrued income on statutory deposit	9	2,144,736	8,954,696	7,738,807
TOTAL ASSETS		978,612,897	935,846,187	819,176,930
LIABILITIES				
Accrued and other liabilities		36,933,043	36,550,750	14,500,496
Insurance contract liabilities	10	386,739,748	427,798,430	550,287,559
Employee benefit obligations		18,256,354	18,256,354	16,927,680
Lease liabilities		6,775,940	6,776,329	6,732,810
Zakat and income tax payable	20	23,295,052	22,072,948	20,072,948
Accrued income payable to SAMA		2,144,736	8,954,696	7,738,807
TOTAL LIABILITIES		474,144,873	520,409,507	616,260,300
EQUITY				
Share capital	11	458,949,280	458,949,280	229,474,640
Statutory reserve	21	4,885,691	4,885,691	4,885,691
Accumulated losses		(33,695,172)	(122,726,516)	(101,494,313)
Fair value reserve		75,560,098	75,560,098	70,218,963
Remeasurement reserve of employee benefit obligations		(1,231,873)	(1,231,873)	(168,351)
TOTAL EQUITY		504,468,024	415,436,680	202,916,630
TOTAL LIABILITIES AND EQUITY		978,612,897	935,846,187	819,176,930

The accompanying notes from 1 to 28 form an integral part of this interim condensed financial information.


Abdulaziz Ali Al Turki
Chairman of the Board of
Directors

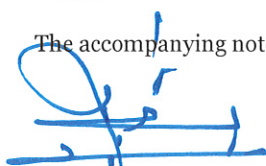

Mesheal I. Alshayea
Chief Executive Officer


Faris Al Habbad
Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF INCOME
(All amounts expressed in Saudi Riyals unless otherwise stated)

		Three-month period ended 30 September 2023 (Unaudited)	Three-month period ended 30 September 2022 (Restated - Notes 3 and 4) (Unaudited)	Nine-month period ended 30 September 2023 (Unaudited)	Nine-month period ended 30 September 2022 (Restated - Notes 3 and 4) (Unaudited)
	Note				
Insurance revenue	12	167,500,585	119,158,770	444,982,734	379,657,217
Insurance service expenses	12	(131,202,019)	(126,349,472)	(349,306,411)	(389,886,618)
Net expense from reinsurance contracts	12	(14,273,066)	(6,482,596)	(35,955,316)	(15,569,662)
Insurance service result		22,025,500	(13,673,298)	59,721,007	(25,799,063)
Interest income from financial assets not measured at FVTPL		6,878,888	5,187,425	18,234,127	14,490,032
Net (losses) gains on financial assets measured at FVTPL	8	(2,415,844)	(1,013,976)	336,935	(8,040,660)
Net reversal of impairment losses (impairment losses) on financial assets	6,7,8	8,611	(6,950)	(2,261)	(1,007)
Net investment income		4,471,655	4,166,499	18,568,801	6,448,365
Finance income (expenses) from insurance contracts issued	13	1,623,634	3,987,397	(602,071)	7,973,501
Finance income from reinsurance contracts held	13	876,248	(657,149)	1,051,269	(1,714,469)
Net insurance finance income		2,499,882	3,330,248	449,198	6,259,032
Net insurance and investment result		28,997,037	(6,176,551)	78,739,006	(13,091,666)
Finance costs on lease liabilities		(109,446)	(53,546)	(247,217)	(174,201)
Other operating expenses	14	(10,059,736)	(3,731,942)	(27,002,002)	(23,367,346)
Other income	15	12,027,811	9,798,190	39,041,557	13,057,555
Total profit (loss) for the period before zakat and income tax		30,855,666	(163,849)	90,531,344	(23,575,658)
Zakat expense	20	(500,000)	(500,000)	(1,500,000)	(1,500,000)
Income tax	20	-	-	-	-
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		30,355,666	(663,849)	89,031,344	(25,075,658)
					#
Earnings (losses) per share (expressed in Saudi Riyals per share)					#
Basic earnings (losses) per share	23	0.66	(0.01)	1.94	(0.70)
Diluted earnings (losses) per share	23	0.66	(0.01)	1.94	(0.70)

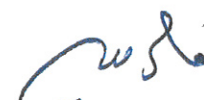
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Abdulaziz Ali Al Turki
Chairman of the Board of Directors



Mesheal I. Alshayea
Chief Executive Officer

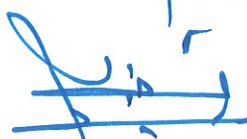


Faris Al Habbad
Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Three-month period ended 30 September 2023 (Unaudited)	Three-month period ended 30 September 2022 - (Restated - Notes 3 and 4) (Unaudited)	Nine-month period ended 30 September 2023 (Unaudited)	Nine-month period ended 30 September 2022 - (Restated - Notes 3 and 4) (Unaudited)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	30,355,666	(663,849)	89,031,344	(25,075,658)
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	30,355,666	(663,849)	89,031,344	(25,075,658)

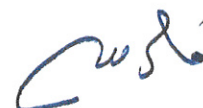
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Abdulaziz Ali Al Turki
Chairman of the Board of
Directors



Meshaal I. Alshayea
Chief
Executive Officer



Faris Al Habbad
Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	Share capital	Statutory reserve	Accumulated losses	Fair value reserve	Remeasurement reserve of employee benefit obligations	Total
Balance at 31 December 2022 (Audited)		458,949,280	4,885,691	(111,651,745)	(16,359,076)	(1,231,873)	334,592,277
Adjustment on adoption of IFRS 17	4	-	-	(14,597,661)	-	-	(14,597,661)
Adjustment on adoption of IFRS 9	4	-	-	3,522,890	91,919,174	-	95,442,064
Balance at 1 January 2023 (Restated - Notes 3 and 4) - (Unaudited)		458,949,280	4,885,691	(122,726,516)	75,560,098	(1,231,873)	415,436,680
Total comprehensive income for the period							
Net profit for the period attributable to the shareholders		-	-	89,031,344	-	-	89,031,344
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period attributable to the shareholders		-	-	89,031,344	-	-	89,031,344
Balance at 30 September 2023 (Unaudited)		458,949,280	4,885,691	(33,695,172)	75,560,098	(1,231,873)	504,468,024
Balance at 31 December 2021 (Audited)		229,474,640	4,885,691	(111,242,809)	9,075,951	(168,351)	132,025,122
Adjustment on adoption of IFRS 17	4	-	-	(4,010,075)	-	-	(4,010,075)
Adjustment on adoption of IFRS 9	4	-	-	13,758,571	61,143,012	-	74,901,583
Balance at 1 January 2022 (Restated - Notes 3 and 4) - (Unaudited)		229,474,640	4,885,691	(101,494,313)	70,218,963	(168,351)	202,916,630
Total comprehensive loss for the period (Restated - Note 3 and 4)							
Net loss for the period attributable to the shareholders		-	-	(25,075,658)	-	-	(25,075,658)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive loss for the period attributable to the shareholders		-	-	(25,075,658)	-	-	(25,075,658)
Issuance of share capital		229,474,640	-	(2,932,500)	-	-	226,542,140
Balance at 30 September 2022 (Restated - Notes 3 and 4) - (Unaudited)		458,949,280	4,885,691	(129,502,471)	70,218,963	(168,351)	404,383,112

The accompanying notes from 1 to 28 form an integral part of this interim condensed financial information.

Abdullah Ali Al Turki
Chairman of the Board of Directors

Meshaal I. Alshayea
Chief Executive Officer

Faris Al-Habbad
Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
(All amounts expressed in Saudi Riyals unless otherwise stated)

		For nine-month period ended 30 September 2023 (Unaudited)	For nine-month period ended 30 September 2022 (Restated - Notes 3 and 4) (Unaudited)
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Total profit (loss) for the period before zakat and income tax		90,531,344	(23,575,658)
<u>Adjustments for non-cash items:</u>			
Depreciation of property and equipment		1,974,603	2,050,666
Amortization of intangible assets		10,014,439	4,829,891
Depreciation of right-of-use assets		2,363,371	1,178,164
Finance costs on lease liabilities		247,217	174,201
Net impairment losses on financial assets		2,261	1,007
Net (gains) losses on financial assets measured at FVTPL		(336,935)	8,040,660
Interest income from financial assets not measured at FVTPL		(18,234,127)	(14,490,032)
Provision for employees benefit obligations		804,453	673,012
Gain on remeasurement of lease liabilities		(13,128)	-
<u>Changes in operating assets and liabilities:</u>			
Prepaid expenses and other assets		13,347,358	16,407,282
Changes in reinsurance contract assets		29,275,347	23,951,232
Accrued income on statutory deposit	9	(6,809,960)	(588,052)
Accrued and other liabilities		382,293	11,833,211
Changes in insurance contract liabilities		(41,058,682)	(116,832,374)
Accrued income payable to SAMA		6,809,960	588,052
Cash generated from (used in) operations		89,299,814	(85,758,738)
Employee benefit obligations paid		(804,453)	-
Zakat and income tax paid	20	(277,896)	-
Net cash generated from (used in) operating activities		88,217,465	(85,758,738)
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement in term deposits		(157,000,000)	(154,388,319)
Redemption in term deposits		30,092,750	-
Purchase of financial assets at FVTPL	8	-	(59,025,442)
Proceeds from sale of investments held at FVTPL		-	40,881,214
Proceeds from sale of investments held at amortised cost		-	6,460,340
Interest income received from financial assets not measured at FVTPL		3,667,920	4,869,879
Interest income received from financial assets measured at FVTPL		2,803,562	3,433,870
Payments for purchases of property and equipment		(2,736,248)	-
Additions to intangible assets		(7,358,354)	(5,106,080)
Proceeds from disposal of property and equipment		-	(287,243)
Net cash used in investing activities		(130,530,370)	(163,161,781)

(continued)

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY

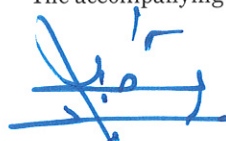
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (continued)

(All amounts expressed in Saudi Riyals unless otherwise stated)

		For nine-month period ended 30 September 2022 (Restated - Note 3 and 4) (Unaudited)	For nine-month period ended 30 September 2023 (Unaudited)
	Note		
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments		(2,645,485)	(903,870)
Finance cost paid on lease liabilities		(247,217)	(64,130)
Issue of share capital, net of expenses		-	226,542,140
Net cash (used in) generated from financing activities		(2,892,702)	225,574,140
Net decrease in cash and cash equivalents		(45,205,607)	(23,346,379)
Cash and cash equivalents at the beginning of the period	6	100,318,382	114,978,248
Cash and cash equivalents at end of the period	6	55,112,775	91,631,869

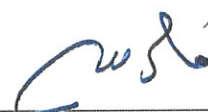
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Abdulaziz Ali Al Turki
Chairman of the Board of
Directors



Meshaal I. Alshayea
Chief Executive Officer



Faris Al Habbad
Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(All amounts expressed in Saudi Riyals unless otherwise stated)

1. General information - legal status and principal activities

(a) General information

Gulf Union Alahlia Cooperative Insurance Company (the “Company”) is a Saudi joint stock company registered on 13 Sha’aban 1428H (corresponding to 26 August 2007) under Commercial Registration (“CR”) number 2050056228. The Company’s principal place of business is in Dammam, Kingdom of Saudi Arabia.

The purpose of the Company is to transact cooperative insurance operations and all related activities. Its principal lines of business include medical, motor, marine, fire and engineering insurance.

On 2 Jumada II 1424H, (corresponding to 31 July 2003), the Law on the Supervision of Cooperative Insurance Companies (“Insurance Law”) was promulgated by Royal Decree Number (M/32). On 29 Shaban 1428 H, (corresponding to 11 September 2007), the Saudi Central Bank (“SAMA”), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license to transact insurance activities in the Kingdom of Saudi Arabia.

On 27 Jumada II 1435H, (corresponding to 27 April 2014), the Company received SAMA’s approval of its request to change its license of transacting insurance and reinsurance business to insurance business.

The Company operates through six main branches and various point-of-sale stores located in the Kingdom of Saudi Arabia. Following are the CR numbers of the six branches:

Branch type	Location	CR number
Regional branch	Dammam	2050118944
Regional branch	Riyadh	1010247518
Regional branch	Jeddah	4030177933
Regional branch	Riyadh	1010238441
Regional branch	Al Khobar	2051048012
Regional branch	Jeddah	4030224075

(b) Going concern assessment

On 8 June 2022, the Company completed its rights issue amounting to Saudi Riyals 229.5 million, gross of expenses of Saudi Riyals 2.9 million. As at 30 September 2023, the accumulated losses of the Company amounted to Saudi Riyals 33.7 million and were 7% of the share capital of the Company as of that date.

Management has performed an assessment of its going concern assumption and prepared this interim condensed financial information on a going concern basis. Based on the approved business plan of the Company, management believes that the Company will be able to continue its operations and meet its obligations as they fall due within the next 12 months.

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(All amounts expressed in Saudi Riyals unless otherwise stated)

1. General information - legal status and principal activities (continued)

(c) Shareholding percentage

The shareholding percentage of the Company at 30 September 2023 and 31 December 2022 was as follows:

	30 September 2023	31 December 2022
Shareholding percentage subject to zakat	91.7	91.7
Shareholding percentage subject to income tax	8.3	8.3
	100	100

(d) Merger agreement

On 23 Safar 1444H (corresponding to 19 September 2022), the Company signed a non-binding memorandum of understanding ("MoU") with Al Sagr Cooperative Insurance Company ("Al Sagr"), a company incorporated in the Kingdom of Saudi Arabia, to evaluate a potential merger between Al Sagr and the Company. The Company signed a merger agreement on 30 Sha'ban 1444H (corresponding to 22 March 2023), with Al Sagr, for which approvals from SAMA and Capital Market Authority were obtained on 29 Dhul Hijjah 1444H (corresponding to 17 July 2023) and 8 Muharram 1444H (corresponding to 26 July 2023), retrospectively. During the nine-month period ended 30 September 2023, the proposed merger was approved by the shareholders the Company, however, the shareholders of Al Sagr have not approved the proposal resulting in the merger being called-off.

2. Basis of preparation

a) Statement of Compliance

The interim condensed financial information of the Company has been prepared in accordance with the 'International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA"). This is the first set of the Company's interim condensed financial statements in which IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments", as endorsed in the Kingdom of Saudi Arabia have been applied and the resultant changes to the significant judgments, estimates and accounting policies are described in Note 3 and 4.

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for insurance operations and shareholders' operations and presents the financial information accordingly. Assets, liabilities, revenues and expenses clearly attributable to either activity is recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by management of the Company and the Board of Directors.

In accordance with the requirements of Implementing Regulation for Co-operative Insurance Companies (the "Regulations") issued by SAMA and as per by-laws of the Company, shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising from insurance operations is transferred to the shareholders' operations in full.

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(All amounts expressed in Saudi Riyals unless otherwise stated)

2. Basis of preparation (continued)

a) Statement of Compliance (continued)

In preparing the Company's financial information in compliance with IAS 34, as endorsed in the Kingdom of Saudi Arabia, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

(b) Basis of measurement

The interim condensed financial information is prepared under the historical cost convention, except for the measurement of financial assets at FVTPL, financial assets at FVOCI and employee benefit obligations.

The Company's interim condensed statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, financial assets at FVTPL, prepaid expenses and other assets, accrued income on statutory deposit, accrued and other liabilities, zakat and income tax payable and accrued income payable to SAMA. The following balances would generally be classified as non-current: financial assets at FVOCI, financial assets at amortised cost, property and equipment, right-of-use assets, goodwill, intangible assets, statutory deposit, and employee benefit obligations. The balances which are of mixed in nature i.e. include both current and non-current portions include term deposits, insurance contract liabilities, reinsurance contract assets and lease liabilities.

(c) Basis of presentation

The interim condensed financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2022.

(d) Functional and presentation currency

This interim condensed financial information is expressed in Saudi Arabian Riyals ("Saudi Riyals") which is the functional and presentation currency of the Company.

(e) Seasonality of operations

There are no seasonal changes that may affect insurance operations of the Company. The interim results may not represent a proportionate share of the annual results due to cyclical variability in premiums and uncertainty of claims occurrences.

(f) Changes in products and services

During the nine-month period ended 30 September 2023, there were no significant changes in products or services and their terms of the insurance contracts offered by the Company. Refer Note 3 for details regarding impact of adoption of IFRS 17 and IFRS 9.

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(All amounts expressed in Saudi Riyals unless otherwise stated)

3. Significant accounting policies

3.1 New standards, amendments and interpretations applied by the Company

The accounting policies, estimates and assumptions used in the preparation of this interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2022, except as explained below.

A number of new or amended standards became applicable for the current reporting period and the Company had to change its accounting policies as a result of adopting the following standards:

- a) IFRS 17 *Insurance contracts* ("IFRS 17"), and
- b) IFRS 9 *Financial Instruments* ("IFRS 9").

The new accounting policies and the impact of the adoption of these new standards are disclosed in Note 3.2, Note 3.3 and Note 4, respectively. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting the other new and amended standards.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2023 reporting periods and have not been early adopted by the Company. Management is in the process of assessing the impact of such new standards and interpretations on its financial statements.

3.2 Changes in accounting policies

3.2.1 IFRS 17

IFRS 17 replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF").

i. Classification and summary of measurement models

The Company issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Cash flows from insurance contracts are split into Liability for Incurred Claims ("LIC") and Liability for Remaining Coverage ("LRC"). As a general guideline, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include medical, motor, liability, engineering, property, general accident, marine and protection. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident. The Company does not issue any contracts with direct participating features.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

None of the insurance contracts issued by the Company contain embedded derivatives, investment components or any other goods and services.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.1 IFRS 17 (continued)

ii. Level of aggregation

The Company identifies portfolios of insurance contracts. Each portfolio comprises contracts that are subject to similar risks and managed together, and is divided into three groups:

- Any contracts that are onerous on initial recognition;
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts in the portfolio.

The portfolios are further divided by year of issue.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of: (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Company tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

The Company assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at a policyholder-pricing-groups level.

iii. Recognition

The Company recognises a group of insurance contracts issued from the earliest of the following:

- The beginning of the coverage period of the group of contracts.
- The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the policyholder.
- For a group of onerous contracts, the date when facts and circumstances indicate that the group to which an insurance contract will belong is onerous.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.1 IFRS 17 (continued)

iii. Recognition (continued)

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- For reinsurance contracts that provide proportionate coverage, at the later of:
 - (i) the beginning of the coverage period of the group of reinsurance contracts and
 - (ii) the initial recognition of any underlying contract.
- All other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts;

However, if the Company entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, the reinsurance contract held, in this case, is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

iv. Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services.

A substantive obligation to provide services ends when:

- i) The Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- ii) Both of the following criteria are satisfied
 - The Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and
 - the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The contract boundary is reassessed at each reporting date and, therefore, may change over time.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.1 IFRS 17 (continued)

v. Measurement

The general measurement model (GMM), also known as the building block approach, consists of the fulfilment cash flows and the contractual service margin. This is the default model under IFRS 17 to measure insurance contracts. However, the Premium Allocation Approach (PAA), which is a simplified measurement model, is permitted if, and only if, at the inception of the group:

- The entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the general measurement model requirements or
- The coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.

The Company uses the PAA to simplify the measurement of groups of contracts on the following bases:

- Insurance contracts:

The coverage period of medical, motor, liability, property, marine and protection contracts in the group of contracts is one year or less. PAA eligibility testing has been performed for the engineering and general accident group of contracts. The Company reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA would not differ materially from the measurement that would be produced applying the general measurement model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

- Reinsurance contracts:

The Company reasonably expects that the resulting measurement under the PAA measurement model would not differ materially from the result of applying the general measurement model.

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred.

Measurement on initial recognition under PAA:

On initial recognition of each group of contracts that are not onerous, the carrying amount of the liability for remaining coverage ("LRC") is measured at the premiums received on initial recognition less any acquisition cash flows paid.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.1 IFRS 17 (continued)

v. Measurement (continued)

Subsequent measurement under PAA:

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

- a. the LRC; and
- b. the LIC, comprising the fulfilment cash flows ("FCF") related to past service allocated to the group at the reporting date.

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

- a. the remaining coverage; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
- b. decreased for insurance acquisition cash flows paid in the period
- c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service
- e. expenses

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- a. increased for ceding premiums paid in the period;
- b. increased for broker fees paid in the period; and
- c. decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period

On initial recognition of each group of contracts, the Company expects that the time between providing each part of the coverage and the related premium due date is no more than a year.

Accordingly, for Engineering and General Accident, the liability for remaining coverage is discounted to reflect the time value of money and the effect of financial risk. For all other group of contracts, there is no allowance for time value of money as the premiums are received within one year of the coverage period.

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. Fulfilment cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows, and a risk adjustment for non-financial risk.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.1 IFRS 17 (continued)

v Measurement (continued)

The Company's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Company uses stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation, which are covered in Note 3.3.

The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates) if the liability for incurred claims is also adjusted for the time value of money and the effect of financial risk.

Some insurance contracts permit the Company to sell (usually damaged) assets acquired in settling a claim (for example, salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included as an allowance in the estimates of claims liability. The allowance is the amount that can reasonably be recovered from the disposal of the asset.

Onerous contract assessment:

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognises a loss in insurance service expense and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows, determined under the GMM, that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the liability for remaining coverage. A loss component will be established for the amount of the loss recognised. Subsequently, the loss component will be remeasured at each reporting date as the difference between the amounts of the fulfilments cash flows determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

The Company had identified onerous contracts on initial recognition from the motor and medical product lines on the basis of combined ratios of the past years.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.1 IFRS 17 (continued)

v Measurement (continued)

Non-performance risk (NPR) adjustment:

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

vi. De-recognition and contract modification

The Company derecognises a contract when it is extinguished i.e. when the specified obligations in the contract expire or are discharged or cancelled. The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in the estimates of fulfilment cash flows. There were no instances of modification or derecognition identified during the nine-month period ended 30 September 2023.

vii. Acquisition & Attributable Cost

Insurance acquisition cash flows are the costs that directly associated with selling and handling acquired businesses. The company considers underwriting, sales, and regulatory levies as acquisition costs. Acquisition costs are not expensed when incurred and are deferred over the life of the insurance contract. While attributable costs are the costs that can fully or partially attributed to the insurance operations. The company has in place allocation technique to allocate the costs based on direct to indirect costs ratio. Both acquisition and attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses.

viii. Risk adjustments for non-financial risk

The Company has decided to adopt the Value at risk method on incurred claims for the estimation of risk adjustment. The Company has chosen a confidence level based on the 80th percentile of the distribution of the claim reserves, considering this level is adequate to cover sources of uncertainty about the amount and timing of the cash flows. While for premium risk, Solvency II approach is used to derive the risk with the same percentile as the claim reserves.

ix. Presentation

Groups of insurance contracts that are assets and those that are liabilities, and groups of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. The Company recognised in the statement of income (a) an insurance service result, comprising insurance revenue, insurance service expenses and net income (expenses) from reinsurance contract, and (b) insurance finance income or expenses.

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.1 IFRS 17 (continued)

ix. Presentation (continued)

Insurance revenue

The insurance revenue for each period is the amount of expected premium receipts for providing coverage in the period. The Company allocates the expected premium receipts to each period on the passage of time.

The Company has developed impairment calculations based on provision matrix approach. LRC adjustment is recorded with corresponding impact recorded in Insurance Revenue.

Insurance service expenses

Insurance service expenses include the following:

- a. incurred claims for the period.
- b. other incurred directly attributable expenses.
- c. insurance acquisition cash flows amortization.
- d. changes that relate to past service – changes in the FCF relating to the LIC.
- e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Net expenses from reinsurance contracts:

Net expenses from reinsurance contracts comprise reinsurance expenses less amounts recovered from reinsurers. The Company recognises reinsurance expenses as it receives coverage or other services under groups of reinsurance contracts. For contracts measured under the PAA, the Company recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery

Insurance finance income and expenses:

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk, and changes therein.

The Company includes all insurance finance income or expenses for the period in profit or loss.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.1 IFRS 17 (continued)

x. *Changes to classification, recognition and measurement*

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- **Deferral of acquisition costs** – Under IFRS 17, insurance acquisition cash flows are costs directly attributable to selling or underwriting a portfolio of insurance contracts. The Company has elected to capitalise and amortise these costs over the coverage period based on the passage of time for all groups of contracts.
- **Discount rate** – Under IFRS 17, the liability for incurred claims is discounted at a rate that reflects the characteristics of the liabilities and the duration of each portfolio. The Company has established discount yield curves using risk-free rates adjusted to reflect the appropriate illiquidity characteristics of the applicable insurance contracts. Under IFRS 4, claims liabilities were discounted using a rate that reflected the estimated market yield of the underlying assets backing these claims liabilities at the reporting date.
- **Risk Adjustment** -Under IFRS 17, the liability for incurred claims includes an explicit risk adjustment for non-financial risk ("risk adjustment") which replaces the risk margin under IFRS 4. The IFRS 4 risk margin reflected the inherent uncertainty in the net discounted claim liabilities estimates, whereas the IFRS 17 risk adjustment is the compensation required for bearing the uncertainty that arises from non-financial risk.
- **Onerous contracts** – IFRS 17 requires the identification of groups of onerous contracts at a more granular level than the liability adequacy test performed under IFRS 4. For onerous contracts, the loss component based on projected profitability is recognized immediately in Net income, resulting in earlier recognition compared to IFRS 4.

xi. *Changes to presentation and disclosure*

Statement of financial position

Presentation is driven by portfolios which are composed of groups of contracts covering similar risks and which are managed together. Portfolios of insurance and reinsurance contracts are presented separately between:

- Portfolios of insurance and reinsurance contracts issued that are assets;
- Portfolios of insurance and reinsurance contracts issued that are liabilities;
- Portfolios of reinsurance contracts held that are assets; and
- Portfolios of reinsurance contracts held that are liabilities.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.1 IFRS 17 (continued)

xi. Changes to presentation and disclosure (continued)

Line items under IFRS 17	Line items under IFRS 4, now combined under one line item under IFRS 17
Insurance contract liabilities	Unearned premium reserves Premiums and Insurer's receivables Provision for doubtful debts on Premiums and Insurer's receivables Deferred acquisition costs Deferred Najm expenses Accounts payables Outstanding claims Claims incurred but not reported Other technical reserves Surplus distribution payable
Reinsurance contract assets	Reinsurer's share of unearned premiums Claims paid Unearned reinsurance commission Reinsurance premium payable Reinsurer's share of outstanding claims Reinsurer's share of claims incurred but not reported Reinsurer's share of other technical reserves Receivables from reinsurance companies Provision for doubtful debts on reinsurance receivables

Statements of income

The line item descriptions in the statement of income have been changed significantly compared to presentation in the latest annual financial statements.

Insurance revenue under IFRS 17 includes gross written premium, gross movement in unearned premiums and expected credit losses on policy holders.

Insurance service expense under IFRS 17 includes gross claims paid, changes in outstanding claims, changes in incurred but not reported claims, changes in loss component, policy acquisition costs, attributable expenses and the impact of release in the risk adjustment. The changes in additional premium reserve is eliminated and instead changes in loss component is taken.

Net income / (expenses) from reinsurance contracts held under IFRS 17 includes reinsurance premium ceded, changes in reinsurer's share of unearned premiums, reinsurance commission earned, reinsurance share of paid claims, reinsurance share of outstanding claims, reinsurance share of changes in claims incurred but not reported, change in reinsurance accrual reserve, expected credit losses on reinsurance receivables and the impact of loss adjustment the risk adjustment for non-financial risk.

Insurance service results are presented without the impact of discount unwinding and changes in discount rates which are shown separately under Net insurance financial result in Net income.

IFRS 17 resulted in presentation changes to IFRS 4's underwriting expenses since expenses are classified either as insurance acquisition cash flows and fulfilment cash flows within insurance service expense or as other expenses when they are not directly attributable to insurance contracts. As a result, a portion of expenses classified as underwriting expenses under IFRS 4 are now presented as other expenses under IFRS 17 in the line Other operating expense.

The following previously reported line items are no longer disclosed: direct premiums written, net earned premiums, net claims incurred, and underwriting expenses.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.2 IFRS 9

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after 1 January 2018. However, the Company has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023. For transition to IFRS 9, the Company applied a retrospective approach to be in line with transition option adopted under IFRS 17 while applying the relevant practical expedients under IFRS 9. The nature of the changes in accounting policies can be summarised, as follows:

3.2.2.1 Financial assets and liabilities

i. Initial recognition

At initial recognition, the Company measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss ("ECL") allowance is recognised for financial assets measured at amortised cost and investments measured at FVOCI.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- a. When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- b. In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Amortised cost and effective interest rate

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, contributions or discounts and fees and points paid or received that are integral to the effective profit rate, such as origination fees.

Interest income is recognised using the effective profit rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit impaired, profit income is recognised by applying the effective interest rate to the net carrying value of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.2 IFRS 9 (continued)

3.2.2.1 Financial assets and liabilities (continued)

ii. Classification and subsequent measurement of financial assets

The Company classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI)
- Held at amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Classification and subsequent measurement of debt instruments depend on:

- (i) the Company's business model for managing the financial assets; and
- (ii) the contractual cash flow characteristics of the financial assets.

Business model:

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the liquidity portfolio of assets, which is held by the Company as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

Solely payments of principal and profit:

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and profit. In making this assessment, the Company considers whether the contractual cash flows are consistent with the financing agreement i.e. profit includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.2 IFRS 9 (continued)

3.2.2.1 Financial assets and liabilities (continued)

ii. *Classification and subsequent measurement of financial assets (continued)*

Debt instruments (continued)

The Company exercises judgment in determining whether the contractual terms of financial assets it originates or acquires give rise on specific dates to cash flows that are solely payments of principal and profit income on the principal outstanding and so may qualify for amortised cost measurement. In making the assessment the Company considers all contractual terms, including any prepayment terms or provisions to extend the maturity of the assets, terms that change the amount and timing of cash flows and whether the contractual terms contain leverage. Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit, and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Profit income from these financial assets is included in 'Interest income' using the effective profit method.

Fair value through other comprehensive income ("FVOCI"):

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at FVTPL, are designated as FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, special interest income and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Profit income from these financial assets is included in 'Interest income' using the effective profit method. Currently no debt instrument is classified as FVOCI.

Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL presented in profit or loss in the period in which it arises. Currently investment in mutual funds and Sukuk which failed SPPI assessment are classified as FVTPL.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are not expected to be frequent and no such instances have occurred during the nine-month period ended 30 September 2023.

The Company determined that the business model for one of the portfolios of debt instruments, which is separately managed from the rest of the investments, should be hold to collect. This portfolio is expected to be held to maturity of the bonds and to collect the cash flows and there were no sales in either 2022 and 2021 in these portfolios and there are not expected to be any sales which would result in the business model not being considered hold to collect. The portfolio's fair values are not monitored nor are there expectation to manage the yield of these instruments. Furthermore, these investments are not part of the assets used for liquidity purposes of the insurance contracts.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.2 IFRS 9 (continued)

3.2.2.1 Financial assets and liabilities (continued)

ii. *Classification and subsequent measurement of financial assets* (continued)

Equity instruments:

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Company classifies all equity investments at FVTPL, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, transaction costs are made part of the cost at initial recognition and subsequent fair value gains and losses (unrealized) are recognized in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

Dividends, when representing a return on such investments, continue to be recognized in the statement of income as 'Dividend income' when the Company's right to receive payments is established. Currently all equity securities are designated as FVOCI.

Any gain or loss on the disposal of equity classified as FVOCI will be non-recycling i.e. on disposal, fair value movement residing in OCI will be moved directly from OCI to retained earnings.

iii. *Impairment of financial assets*

The Company assesses on a forward-looking basis the ECL associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Premiums receivable balances have been classified under insurance contract liabilities and the reinsurers' receivable balances and reinsurers' share of outstanding claims and claims incurred but not reported have been classified under reinsurance contract assets, as rights and obligations under insurance contracts are accounted for under IFRS 17 because the policyholder transfers significant insurance risk to the insurer rather than financial risk, which are in the scope of IFRS 17 for impairment.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.2 IFRS 9 (continued)

3.2.2.1 Financial assets and liabilities (continued)

iii. Impairment of financial assets (continued)

The Company applies the three-stage model for impairment of financial assets measured at amortised cost and FVOCI, based on changes in credit quality since initial recognition.

Stage 1 (“Performing”) includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these financial assets, 12-month expected credit losses (“ECL”) are recognised and financial income is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). A 12-month ECL is the ECL that results from default events that are possible within 12-months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12-months.

Stage 2 (“Under-performing”) includes financial assets that have had a significant increase in credit risk since initial recognition, but do not have objective evidence of impairment. A significant increase in credit risk is presumed if a receivable is more than 30 days past due. For these financial assets, lifetime ECL are recognised, but financial income is still calculated on the gross carrying amount of the asset. Lifetime ECL is the ECL that results from all possible default events over the maximum contractual period during which the Company is exposed to credit risk. ECL is the weighted average credit losses, with the respective risks of a default occurring as the weights.

Stage 3 (“Non-performing”) includes financial assets that have objective evidence of impairment at the reporting date. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. For these financial assets, lifetime ECL are recognised and financial income is calculated on the net carrying amount (that is, net of credit allowance).

The Company, when determining whether the credit risk on a financial asset has increased significantly, considers reasonable and supportable information available (e.g. days past due, customer credit scoring etc.), in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial asset.

Financial assets are written-off only when there is no reasonable expectation of recovery.

Where financial assets are written-off, the Company continues to engage enforcement activities to attempt to recover the receivable due. Recoveries made, after write-off, are recognized in profit or loss.

Impairment losses on financial assets are presented separately on the statement of income.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.2 IFRS 9 (continued)

3.2.2.1 Financial assets and liabilities (continued)

iv. Derecognition of financial assets

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of income.

v. Classification and subsequent measurement of financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using the effective profit method.

vi. Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of income.

3.2.2.2 Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics.

The IAS 39 measurement categories for financial assets (fair value through profit or loss (FVPL), available for sale (AFS), held-to-maturity (HTM) and loans and receivables (L&R) at amortised cost) have been replaced by:

- Financial assets at fair value through profit or loss, including equity instruments and derivatives;
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition (not used by the Company); and
- Debt instruments at amortised cost.

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3 Significant accounting policies (continued)

3.2 Changes in accounting policies (continued)

3.2.2 IFRS 9 (continued)

3.2.2.2 Changes to classification and measurement (continued)

IFRS 9 largely retains the requirements in IAS 39 for the classification and measurement of financial liabilities. However, under IAS 39 all fair value changes of financial liabilities designated as at FVTPL are recognised in the statement of income, whereas under IFRS 9 these fair value changes will generally be presented as follows:

- The amount of the change in the fair value that is attributable to changes in the credit risk of the liability will be presented in Other Comprehensive Income (OCI);
- The remaining amount of the change in the fair value is presented in the statement of income.

The Company has applied IFRS 9 retrospectively and restated comparative information for 2022 for financial instruments in the scope of IFRS 9. Differences arising from the adoption of IFRS 9 were recognised in retained earnings as of January 1, 2022. There is no impact expected on financial liabilities as a result of transition to IFRS 9.

3.2.2.3 Changes to the impairment calculation

Under IFRS 9, the Expected credit loss ("ECL") allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss); unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

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

ECL is computed based on the parameters namely Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) values. ECL is discounted to present value.

Probability of Default ('PD'): The probability of default is an estimate of the likelihood of default over a given time horizon.

Loss Given Default ('LGD'): Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data.

Exposure at Default ('EAD'): The exposure at default is an estimate of the exposure at a future default date.

Forward looking estimate: While estimating the ECL, the Company will review macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company will analyze the relationship between key economic trends with the estimate of PD.

IFRS 9 impairment applies to financial instruments that are not measured at fair value through profit or loss (FVTPL). Equity instruments measured at FVOCI are also excluded from the purview of impairment.

Financial assets that are subject to impairment consist of investment portfolio (debt instruments) and cash and cash equivalents.

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3 Significant accounting policies (continued)

3.3 Critical accounting judgments, estimates and assumptions

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2022, except for Points (i) to (vi) below, which changed upon adoption of IFRS 17 and IFRS 9.

Following are the accounting judgments and estimates that are critical in preparation of this interim condensed financial information:

(i) Estimates of future cash flows to fulfil insurance contracts

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Company estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Company uses information about past events, current conditions and forecasts of future conditions. The Company's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

When estimating future cash flows, the Company takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The Company derives cost inflation assumptions from the difference between the yields on nominal and inflation-linked government bonds. Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include claims handling, maintenance and administration costs, and recurring commissions payable on instalment premiums receivable within the contract boundary. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads. Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. Other costs are recognised in profit or loss as they are incurred.

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3 Significant accounting policies (continued)

3.3 Critical accounting judgments, estimates and assumptions (continued)

(i) *Estimates of future cash flows to fulfil insurance contracts* (continued)

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. The Company has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts in force within groups. The Company performs regular expense studies to determine the extent to which fixed and variable overheads are directly attributable to fulfill the insurance contracts.

(ii) *Discounting methodology*

Discount rates are primarily used to adjust the estimates of future cash flows to reflect the time value of money and other financial risks to accrete interest on the liability for incurred claims.

The bottom-up approach was used to derive the discount rate. Under this approach, the USD based risk free discount rates by The European Insurance and Occupational Pensions Authority (EIOPA) were used as a starting point for preparing the yield curve. The Company then further added a KSA country risk premium from the source to make the yield curve appropriate for application. The Company used the USD volatility adjustment reported by EIOPA for Solvency II as a proxy for illiquidity premium.

The Company had discounted the liability for incurred claims for all groups of insurance contracts.

(iii) *Risk adjustments for non-financial risks*

The Company adjusted the estimate of the present value of the future cashflows to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cashflows that arises from non-financial risk. So, the purpose of the risk adjustment for non-financial risk is to measure the effect of uncertainty in the cashflows that arise from insurance contracts, other than uncertainty arising from financial risk.

The risks covered by the risk adjustment for non-financial risk are insurance risk and other non-financial risks such as lapse risk and expense risk.

The Company adopted the PAA simplification for the calculation of liability for remaining coverage. Therefore, risk adjustment for liability for remaining coverage will only be estimated in case a group of contracts is recognized as onerous.

There is no prescribed approach for determining the risk adjustment for non-financial risk for each group of insurance contracts. Applying a confidence level technique, the Company estimated the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculated the risk adjustment for non-financial risk as the excess of the value at risk between the 70th and 80th percentile (the target confidence level) over the expected present value of the future cash flows.

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3 Significant accounting policies (continued)

3.3 Critical accounting judgments, estimates and assumptions (continued)

(iv) Onerosity determination

Under the PAA, the Company assumed no contracts in the portfolio are onerous at initial recognition unless “facts and circumstances” indicate otherwise. The Company performed the assessment of onerous contracts on an annual and underwriting year basis, in conjunction with updated information on product profitability. Furthermore, the assessment shall be repeated if “facts and circumstances” indicate that there are significant changes in product pricing, product design, plans and forecasts. This level of granularity determines sets of contracts. The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The Company established a process to determine onerous, potentially onerous and profitable contracts by assessing the profitability of the different portfolios at the start of the underwriting year. The profitability of each portfolio shall be assessed separately. Refer Note 3.2.1 (v) for further details in this regard.

(v) Estimates for expected premium receipts

The Company has developed a methodology for expected premium receipts based on provision matrix approach. Such balances have been reclassified to insurance contract liabilities in line with the requirements of IFRS 17. To measure the estimates, such balances have been grouped based on shared credit risk characteristics for respective policyholder base portfolio and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors, affecting the ability of the customers to settle the receivables. The Company has identified the Gross domestic product and the inflation rate of the country in which it operates to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

(vi) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and to make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(vii) Impairment of goodwill

The Company’s management tests, at each reporting date, whether goodwill arising on merger has suffered any impairment. This requires an estimation of the recoverable amount of the cash generating unit (“CGU”) to which goodwill has been allocated. The key assumptions used in determining the recoverable amounts are set out in Note 5.

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4. Impact of adoption of new accounting standards

As stated in note 2, this is the Company's first interim condensed consolidated financial statements prepared in accordance with the requirements of IFRS 17 and IFRS 9.

4.1 IFRS 17

On transition to IFRS 17, the Company has applied the full retrospective approach to all insurance contracts issued and reinsurance contracts held. Therefore, on transition date, 1 January 2022, the Company:

- has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied;
- derecognised any existing balances that would not exist had IFRS 17 always applied; and
- recognised any resulting net difference in equity.

The impact on total equity, total assets and total liabilities as at 1 January 2023 and 1 January 2022, arising from actuarial risk adjustment, discounting, loss component adjustment and estimates for expected premium receipts, is as follows. The overall decrease in net equity is principally on account of change in methodology for computing loss component adjustment and expected premium receipts under IFRS 17 requirements as compared to premium deficiency reserve under IFRS 4 and allowance for doubtful debts under IAS 39. Also see Note 3.2.1(x) for details regarding the methodology and assumptions used to determine such adjustments.

	Note	1 January 2023	1 January 2022
(Reduction) increase in the Company's accumulated losses and total equity			
Change in measurement of reinsurance contract assets	4.1.1	1,501,375	5,550,509
Change in measurement of insurance contract liabilities	4.1.2	(12,088,961)	(9,560,584)
Impact of adoption of IFRS 17 on accumulated losses and total equity		(10,587,586)	(4,010,075)
Impact on accumulated losses and total equity as of 1 January 2022		(4,010,075)	-
Total impact on accumulated losses and total equity as of 1 January 2023 and 2022		(14,597,661)	(4,010,075)
4.1.1			
Increase (reduction) in the Company's total assets			
Reinsurance share of loss component		2,015,426	1,708,878
Reinsurance share of risk adjustment		183,698	2,538,666
Reinsurance share of discounting		(2,161,015)	(264,622)
Estimates for expected recoveries from reinsurer		1,463,266	1,567,587
Impact of adoption of IFRS 17 on total assets		1,501,375	5,550,509
4.1.2			
(Increase) reduction in the Company's total liabilities			
Loss components, net of premium deficiency reserve		(6,676,717)	891,981
Risk adjustment		504,301	(9,376,908)
Discounting		7,853,583	1,752,785
Change in surplus distribution		306,389	-
Estimates for expected premium receipts		(14,076,517)	(2,828,442)
Impact of adoption of IFRS 17 on total liabilities		(12,088,961)	(9,560,584)

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4. Impact of adoption of new accounting standards (continued)

4.1 IFRS 17 (continued)

The impact on the net loss for the three-month and nine-month periods ended 30 September 2022 attributable to the shareholders, arising from actuarial risk adjustment, discounting, loss component adjustment and estimates for expected premium receipts recomputed for premiums receivable, reinsurers' receivable, reinsurers' share of outstanding claims and claims incurred but not reported, in line with the requirements of IFRS 17, is as follows:

	For the three- month period ended 30 September 2022	For the nine- month period ended 30 September 2022
(Increase) reduction in the Company's net loss		
Loss component, net of premium deficiency reserve	(286,641)	(2,724,711)
Risk adjustment	(169,183)	65,989
Discounting	3,119,748	7,105,852
Reinsurers' share of loss component	3,929,161	4,688,723
Reinsurers' share of risk adjustment	368,580	340,172
Reinsurers' share of discounting	(476,913)	(1,534,233)
Estimates for expected premium receipts	(8,270,425)	(8,895,425)
Estimates for expected recoveries from reinsurer	(1,370,531)	(14,915)
Other	(39,588)	-
Impact of adoption of IFRS 17 on net loss	(3,195,792)	(968,548)

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4. Impact of adoption of new accounting standards (continued)

4.2 IFRS 9

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied using a full retrospective approach. The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- the determination of the business model within which a financial asset is held;
- the designation and revocation of previous designated financial assets as measured at FVTPL This category includes financial assets that were previously designated as held for trading, sukuks having perpetual maturity and those that were classified as available for sale;
- the sukuks having a fixed term maturities were reclassified into amortised cost which were previously classified at available to sale;

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as of the date of application i.e. 1 January 2023 and 2022 is, as follows:

	Original classification under IAS 39	New classification under IFRS 9	Original New carrying carrying value value under under IAS 39 IFRS 9 As at 1 January 2023	Impact of ECL and change in classification	
Financial assets					
Cash and cash equivalents	Amortised cost	Amortised cost	100,322,227	100,318,382	(3,845)
Investments					
- Mutual funds	Available for sale at fair value (“AFS”)	FVTPL	76,746,369	76,746,369	-
- Ordinary shares	AFS	FVTPL	28,318,492	28,318,492	-
- Ordinary shares	AFS	FVOCI	3,846,156	79,406,254	75,560,098*
- Sukuk	AFS	Amortised cost	129,103,046	149,000,061	19,897,015**
- Sukuk	AFS	FVTPL	21,864,715	21,864,715	-
- Sukuk	Held to maturity at amortised cost	Amortised cost	7,000,000	6,998,075	(1,925)
Long term deposit	Amortised cost	Amortised cost	90,000,000	89,993,374	(6,626)
Statutory deposit	Amortised cost	Amortised cost	68,842,392	68,830,314	(12,078)
Other receivables	Loans and receivable:	Amortised cost	8,836,804	8,836,804	-
			534,880,201	630,312,840	95,432,639
	Original classification under IAS 39	New classification under IFRS 9	Original New carrying carrying value value under under IAS 39 IFRS 9 As at 1 January 2022	Impact of ECL and change in classification	
Financial assets					
Cash and cash equivalents	Amortised cost	Amortised cost	114,982,093	114,981,337	(756)
Investments					
- Mutual funds	Available for sale at fair value (“AFS”)	FVTPL	69,766,242	69,766,242	-
- Ordinary shares	AFS	FVTPL	396,941	396,941	-
- Ordinary shares	AFS	FVOCI	3,846,156	74,065,119	70,218,963*
- Sukuks	AFS	Amortised cost	144,555,643	149,257,630	4,701,987**
- Sukuks	AFS	FVTPL	45,741,214	45,741,214	-
- Sukuks	Held to maturity at amortised cost	Amortised cost	12,002,013	12,001,711	(302)
- Sukuks	Held to maturity at amortised cost	FVTPL	1,458,423	1,458,423	-
Long-term deposit	Amortised cost	Amortised cost	40,032,877	40,023,173	(9,704)
Statutory deposit	Amortised cost	Amortised cost	34,421,196	34,412,591	(8,605)
Other receivables	Loans and receivable:	Amortised cost	5,610,159	5,610,159	-
			472,812,957	547,714,540	74,901,583

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4. Impact of adoption of new accounting standards (continued)

4.2 IFRS 9

* Includes impact of revaluation of investments in Najm. Refer Note 8 for further details in this regard.

** Includes impact of reclassification of sukuks from AFS to amortised cost. Refer Note 4.2 for further details in this regard.

Most of the financial assets that were classified as loan and receivables and held to maturity under IAS 39 continues to be measured at amortised costs under IFRS 9 since these form part of business model hold to collect contractual cash flows which are SPPI.

The impact on opening fair value reserve and opening accumulated losses, as at 1 January 2023 and 2022, is as follows:

	Impact on opening accumulated losses	Impact on opening fair value reserve
Adjustment to opening fair value reserve under IFRS 9		
- Reclassification of investments from AFS to FVTPL - Mutual funds	3,459,307	(3,459,307)
- Reclassification of investments from AFS to amortised cost – Sukuks	-	19,818,383
- Revaluation of najm investments (Refer Note 8)	-	75,560,098
	3,459,307	91,919,174
Accrued interest on sukuks measured at amortised cost	88,057	-
Net ECL allowance on financial assets	(24,474)	-
Impact of initial application of IFRS 9 as at 1 January 2023	3,522,890	91,919,174
	Impact on opening accumulated losses	Impact on opening fair value reserve
Adjustment to opening fair value reserve under IFRS 9		
- Reclassification of investments from AFS to FVTPL - Mutual funds	13,451,162	(13,451,162)
- Reclassification of investments from AFS to amortised cost – Sukuks	-	4,375,211
- Revaluation of najm investments (Refer Note 8)	-	70,218,963
	13,451,162	61,143,012
Accrued interest on sukuks measured at amortised cost	329,216	-
Net ECL allowance on financial assets	(21,807)	-
Impact of initial application of IFRS 9 as at 1 January 2022	13,758,571	61,143,012

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4. Impact of adoption of new accounting standards (continued)

4.2 IFRS 9 (continued)

The impact on the net loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2022 upon adoption of IFRS 9, is as follows:

For the three-month period ended 30 September 2022:

	Impact on other comprehensive income
	Impact on net loss
Adjustment to other comprehensive income under IFRS 9	
- Reclassification of investments from AFS to FVTPL - Mutual funds	586,025
- Reclassification of investments from AFS to amortised cost – Sukuks	(586,025)
	-
	(675,973)
	586,025
	(1,261,998)
Accrued interest on sukuk measured at amortised cost	(1,654,205)
Net ECL allowance on financial assets	-
	(6,950)
Impact of initial application of IFRS 9 for the three-month period 30 September 2022	-
	(1,075,130)
	(1,261,998)

For the nine-month period ended 30 September 2022:

	Impact on other comprehensive income
	Impact on net loss
Adjustment to other comprehensive income under IFRS 9	
- Reclassification of investments from AFS to FVTPL - Mutual funds	(8,040,660)
- Reclassification of investments from AFS to amortised cost – Sukuks	8,040,660
	-
	8,120,867
	(8,040,660)
	16,161,527
Net ECL allowance on financial assets	(1,007)
Impact of initial application of IFRS 9 for the nine-month period 30 September 2022	-
	(8,041,667)
	16,161,527

Furthermore, the classification of financial liabilities has changed from 'Other financial liabilities at amortised cost' as per IAS 39 to 'amortised cost' as per IFRS 9, with no corresponding change in carrying value of such financial liabilities.

4 Overall impact on transition to IFRS 17 and IFRS 9

	Impact on opening accumulated losses	Impact on opening fair value reserve
(Decrease) increase on transition to:		
- IFRS 17 (see note 4.1)	(14,597,661)	-
- IFRS 9 (see note 4.2)	3,522,890	91,919,174
Impact of adoption of IFRS 17 and IFRS 9 as at 1 January 2023	(11,074,771)	91,919,174

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4. Impact of adoption of new accounting standards (continued)

4.3 Impact Overall impact on transition to IFRS 17 and IFRS 9 (continued)

	Impact on opening accumulated opening losses	Impact on opening fair value reserve
Increase on transition to:		
- IFRS 17 (see note 4.1)	(4,010,075)	-
- IFRS 9 (see note 4.2)	13,758,571	61,143,012
Impact of adoption of IFRS 17 and IFRS 9 as at 1 January 2022	9,748,496	61,143,012

For the three-month period ended 30 September 2022:

	Impact on net profit	Impact on other comprehensive income
Decrease on transition to:		
- IFRS 17 (see note 4.1)	(3,195,792)	-
- IFRS 9 (see note 4.2)	(1,075,130)	(1,261,998)
Impact of adoption of IFRS 17 and IFRS 9 for the three- month period 30 September 2022	(4,270,922)	(1,261,998)

For the nine-month period ended 30 September 2022:

	Impact on net loss	Impact on other comprehensive income
(Decrease) increase on transition to:		
- IFRS 17 (see note 4.1)	(968,548)	-
- IFRS 9 (see note 4.2)	(8,041,667)	16,161,527
Impact of adoption of IFRS 17 and IFRS 9 for the nine- month period 30 September 2022	(9,010,215)	16,161,527

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5. Goodwill

The goodwill arising from the merger is attributable to the expected synergies from combining the operations of the Gulf Union and Al Ahlia and cannot be assigned to any other determinable and separate provisional intangible asset. Goodwill is allocated to the Company as a single CGU, being the combined operations of the Company and Al Ahlia. Management's judgment to allocate goodwill to the Company considered the broader reason for which acquisition was made, i.e. synergies from combining the operations. The Company tests the goodwill for impairment at each reporting date, if there are impairment indicators. For the impairment testing, management determines the recoverable amount of the CGU based on value-in-use calculations. These calculations require the use of estimates in relation to the future cash flows, based on the most recent five years' approved business plan, and use of an appropriate discount rate applicable to the circumstances of the Company. Cash flows beyond the five-years period are extrapolated using the estimated growth rate stated below. This growth rate is consistent with the forecasts included in industry reports specific to the industry in which the CGU operates. As of 30 September 2023, there were no impairment indicators identified and hence no impairment testing was performed by management. The impairment testing was performed by management as of 30 June 2023 and 31 December 2022. As of 30 June 2023, the calculation of value in use was most sensitive to the assumptions of insurance revenue growth (31 December 2022: Gross written premium), insurance service expenses (31 December 2022: Average claims ratio) and discount rate. As of 30 June 2023, the key assumptions were changed from the annual financial statements for the year ended 31 December 2022, to align with the principles of IFRS 17. Since insurance service expenses consider both claims and directly attributable expenses the average claim ratio is not considered separately. Key assumptions underlying the projections were:

Key assumptions

	%
Insurance revenue growth	5.4
Insurance service expenses	93.1
Discount rate	11.3
Terminal value growth rate	2

Key assumptions - 31 December 2022

	%
Gross premium written growth	5.2
Average claims ratio	85
Discount rate	10.5
Terminal value growth rate	2

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6. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following:

	Insurance operations		Shareholders' operations		Total	
	30 September 2023	31 December 2022 - Restated	30 September 2023	31 December 2022 - Restated	30 September 2023	31 December 2022 - Restated
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash at bank						
- current accounts	23,517,085	28,585,816	1,596,963	31,736,411	25,114,048	60,322,227
Time deposits	-	-	30,000,000	40,000,000	30,000,000	40,000,000
	23,517,085	28,585,816	31,596,963	71,736,411	55,114,048	100,322,227
ECL allowance	-	-	(1,273)	(3,845)	(1,273)	(3,845)
	23,517,085	28,585,816	31,595,690	71,732,566	55,112,775	100,318,382

Cash at banks is placed with counterparties with sound credit ratings. As at 30 September 2023, deposit were placed with the local bank with original maturity of less than three months from the date of placement and earned commission income at the rate of 5.79% (31 December 2022: 3% to 6%) per annum.

The gross carrying amount of cash and cash equivalents represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized.

Movement in allowance for expected credit losses on cash and cash equivalents is as follows:

	30 September 2023	31 December 2022 - Restated
	(Unaudited)	(Unaudited)
Opening balance	3,845	-
Adjustment to opening accumulated losses under IFRS 9	-	756
Opening loss allowance as at 1 January - under IFRS 9	3,845	756
ECL allowance (reversed) recognised in profit or loss during the period / year	(2,572)	3,089
Closing balance	1,273	3,845

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7. Term deposits

Long-term deposits, amounting to Saudi Riyals 90 million (31 December 2022: Saudi Riyals 90 million), represents deposit with maturity of more than one year from the date of placement and is placed with the financial institution carrying commission income at the rate of 6% and 6.5% (31 December 2022: 6% and 6.5%) per annum, and will mature by September 2024 and August 2025, respectively.

The gross carrying amount of long-term deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized.

Movement in allowance for expected credit losses on long-term deposits is as follows:

	30 September 2023 (Unaudited)	31 December 2022 – Restated (Unaudited)
Opening balance	6,626	-
Adjustment to opening accumulated losses under IFRS 9	-	9,704
Opening loss allowance as at 1 January - under IFRS 9	6,626	9,704
ECL allowance recognised in profit or loss during the period / year	1,556	(3,078)
Closing balance	8,182	6,626

Short-term deposits, amounting to Saudi Riyals 197 million (31 December 2022: Saudi Riyals 70.1 million), are placed with local banks and financial institutions with an original maturity of more than three months but less than or equal to twelve months from the date of placement. These deposits earned commission income at a rate of 5.65% to 5.95% per annum for the period ended 30 September 2023 (31 December 2022: 6% and 6.5% per annum).

The gross carrying amount of short-term deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized.

Movement in allowance for expected credit losses on short-term deposits is as follows:

	30 September 2023 (Unaudited)	31 December 2022 - Restated (Unaudited)
Opening balance	-	-
Adjustment to opening accumulated losses under IFRS 9	-	-
Opening loss allowance as at 1 January - under IFRS 9	-	-
ECL allowance recognised in profit or loss during the period / year	274	-
Closing balance	274	-

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8. Investments

(a) *Investments are classified as follows:*

	Insurance operations		Shareholders' operations			Total
	30 September 2023	31 December 2022 - Restated	30 September 2023	31 December 2022 - Restated	30 September 2023	31 December 2022 - Restated
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Financial assets at FVTPL						
Mutual Funds	26,967,943	26,371,359	50,228,909	50,375,010	77,196,852	76,746,369
Ordinary shares	-	-	28,547,525	28,318,492	28,547,525	28,318,492
Sukuks	4,602,933	4,618,840	16,919,198	17,245,872	21,522,131	21,864,712
	31,570,876	30,990,199	95,695,632	95,939,374	127,266,508	126,929,573
Financial assets at FVOCI						
Ordinary shares	-	-	79,406,254	79,406,254	79,406,254	79,406,254
Financial assets at amortised cost						
Sukuks	102,984,446	102,984,447	53,120,156	53,015,617	156,104,602	156,000,064
Net ECL allowance	(350)	(246)	(3,194)	(1,679)	(3,544)	(1,925)
	102,984,096	102,984,201	53,116,962	53,013,938	156,101,058	155,998,139
	134,554,972	133,974,400	228,218,848	228,359,566	362,773,820	362,333,966

Investments in Sukuks are classified as investments measured at amortised cost, except for certain Sukuks amounting to Saudi Riyals 21.5 million which failed SPPI assessment on account of interest payment not constituting time value of money and so, were classified as FVTPL. The Company's business model for Sukuk classified as amortised cost is to hold to collect the contractual cash flows.

Investment in mutual funds are classified as investments measured at FVTPL since these are equity instruments. As a result, these funds were classified as FVTPL from the date of initial application.

The Company has classified its investments in ordinary shares at FVTPL, except for Najm investments which are being held at FVOCI. The Company holds an investment in the equity of Najm for Insurance Services (Najm) and in accordance with Company's accounting policy under Note 3.2, investments in equity instruments should be measured at fair value. During the nine-month period ended 30 September 2023, the Company has determined the fair value of its investment in Najm, which was previously carried at initial cost of Saudi Riyals 3.9 million until 31 December 2022, to be Saudi Riyals 74.1 million as at 31 December 2021 and Saudi Riyals 79.4 million as at 31 December 2022. Accordingly, the required adjustments to bring the carrying value of such investment to its fair value have been recorded in the opening equity as of 1 January 2022 and 31 December 2022.

The gross carrying amount of financial assets measured at amortised cost represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized.

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8. Investment (continued)

(b) *Movement in investments carried at fair value is as follows:*

	30 September 2023 (Unaudited)	31 December 2022 - Restated (Unaudited)
Balance at beginning of the period / year	206,335,827	191,427,937
Additions during the period / year	-	56,111,939
Withdrawal during the period / year	-	(36,704,320)
Changes in fair value of investments	336,935	(4,499,729)
Balance at end of the period / year	206,672,762	206,335,827

(c) *Movement in investments carried at amortised cost is as follows:*

	30 September 2023 (Unaudited)	31 December 2022 - Restated (Unaudited)
Balance at beginning of the period / year	140,604,661	136,093,624
Adjustment to opening retained earnings under IFRS 9 (Note 4.2) - Reversal of fair value reserve	15,307,830	19,818,383
Adjustment to opening retained earnings under IFRS 9 (Note 4.2) - Interest accreted	87,573	88,057
Opening balance as at 1 January - under IFRS 9	156,000,064	156,000,064
Interest accreted during the period / year	104,538	-
	156,104,602	156,000,064
Expected credit loss allowance	(3,544)	(1,925)
	156,101,058	155,998,139

(d) *Movement in allowance for expected credit losses on financial assets held at amortised cost is as follows:*

	30 September 2023 (Unaudited)	31 December 2022 - Restated (Unaudited)
Opening balance	1,925	-
Adjustment to opening accumulated losses under IFRS 9	-	2,742
Opening loss allowance as at 1 January - under IFRS 9	1,925	2,742
Allowance for (reversal of) ECL allowance recognised in profit or loss during the period / year	1,619	(817)
Closing balance	3,544	1,925

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9. Statutory deposit

In accordance with Article 58 of the Insurance Implementing Regulations of SAMA, the Company is required to maintain a statutory deposit of not less than 10% of its paid-up capital. The statutory deposit is maintained with a Saudi Arabian bank and can be withdrawn only with the consent of SAMA.

In accordance with the instruction received from SAMA vide their circular dated 1 March 2016, the Company has disclosed the interest due on the statutory deposit as at 30 September 2023 as an asset and a liability in this interim condensed financial information.

The gross carrying amount of statutory deposit represents the Company's maximum exposure to credit risk on these financial assets which are categorized under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized.

Movement in allowance for expected credit losses on statutory deposits is as follows:

	30 September 2023 (Unaudited)	31 December 2022 - Restated (Unaudited)
Opening balance	12,078	-
Adjustment to opening accumulated losses under IFRS 9	-	8,605
Opening loss allowance as at 1 January - under IFRS 9	12,078	8,605
ECL allowance recognised in profit or loss during the period / year	1,384	3,473
Closing balance	13,462	12,078

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10. Insurance and reinsurance contracts

10.1 Composition of the statement of financial position

An analysis of the amounts presented on the statement of financial position for insurance contracts and reinsurance contracts has been included in the table below along with the presentation of current and non-current portion of balances:

30 September 2023 (Unaudited)	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
Insurance Contracts									
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	145,792,969	166,671,819	42,655,887	11,061,459	5,436,955	4,839,147	8,921,382	1,360,130	386,739,748
									<u>386,739,748</u>
Reinsurance contracts									
Reinsurance contract assets	3,378,496	16,013,683	4,192,649	7,721,207	4,479,717	1,596,162	7,094,958	974,802	45,451,674
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
									<u>45,451,674</u>
31 December 2022 - Restated (Unaudited)	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
Insurance Contracts									
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	179,947,029	174,453,289	26,674,487	9,621,096	9,637,118	4,603,582	20,624,658	2,237,171	427,798,430
									<u>427,798,430</u>
Reinsurance contracts									
Reinsurance contract assets	4,828,756	34,888,803	2,370,797	7,836,040	6,370,238	1,899,505	14,981,762	1,551,121	74,727,022
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
									<u>74,727,022</u>

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10 Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims

10.2.1 Insurance contracts

	As at 30 September 2023 (unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	116,842,987	22,990,602	279,092,235	8,872,606	427,798,430
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net (unaudited)	116,842,987	22,990,602	279,092,235	8,872,606	427,798,430
Insurance revenue	(444,982,734)	-	-	-	(444,982,734)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	311,559,999	6,052,168	317,612,167
Reversal of onerous contracts	-	(9,698,835)	-	-	(9,698,835)
Changes that relate to past service - adjustments to the LIC	-	-	(47,098,645)	(5,978,510)	(53,077,155)
Insurance acquisition cashflows amortisation	94,470,234	-	-	-	94,470,234
Insurance service expenses	94,470,234	(9,698,835)	264,461,354	73,658	349,306,411
Finance expense from insurance contracts	-	(607,296)	1,209,367	-	602,071
Total changes in the statement of income	(350,512,500)	(10,306,131)	265,670,721	73,658	(95,074,252)
Cashflows					
Premiums received	433,452,675	-	-	-	433,452,675
Claims and other directly attributable expenses paid	(40,141,116)	-	(294,249,944)	-	(334,391,060)
Insurance acquisition cashflows paid	(45,046,045)	-	-	-	(45,046,045)
Total cash inflows (outflows)	348,265,514	-	(294,249,944)	-	54,015,570
Insurance contracts					
Insurance contract liabilities – closing	114,596,001	12,684,471	250,513,012	8,946,264	386,739,748
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net (unaudited)	114,596,001	12,684,471	250,513,012	8,946,264	386,739,748

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10 Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.1 Insurance contracts (continued)

	As at 31 December 2022 - Restated (unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	111,311,529	21,127,582	408,471,541	9,376,907	550,287,559
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net (unaudited)	111,311,529	21,127,582	408,471,541	9,376,907	550,287,559
Insurance revenue	(506,772,116)	-	-	-	(506,772,116)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	434,313,689	6,043,430	440,357,119
Onerous contracts recognized	-	1,863,020	-	-	1,863,020
Changes that relate to past service - adjustments to the LIC	-	-	(44,046,642)	(6,547,731)	(50,594,373)
Insurance acquisition cashflows amortisation	107,844,353	-	-	-	107,844,353
Insurance service expenses	107,844,353	1,863,020	390,267,047	(504,301)	499,470,119
Finance income from insurance contracts	-	-	(7,853,583)	-	(7,853,583)
Total changes in the statement of income	(398,927,763)	1,863,020	382,413,464	(504,301)	(15,155,580)
Cashflows					
Premiums received	511,850,455	-	-	-	511,850,455
Claims and other directly attributable expenses paid	(49,658,855)	-	(511,792,770)	-	(561,451,625)
Insurance acquisition cashflows paid	(57,732,379)	-	-	-	(57,732,379)
Total cash inflows / (outflows)	404,459,221	-	(511,792,770)	-	(107,333,549)
Insurance contracts					
Insurance contract liabilities – closing	116,842,987	22,990,602	279,092,235	8,872,606	427,798,430
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net (unaudited)	116,842,987	22,990,602	279,092,235	8,872,606	427,798,430

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10 Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.2 Reinsurance contracts held

	As at 30 September 2023 (unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	14,931,597	3,724,304	53,348,757	2,722,364	74,727,022
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net (unaudited)	14,931,597	3,724,304	53,348,757	2,722,364	74,727,022
Allocation of reinsurance premium	(66,698,989)	-	-	-	(66,698,989)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	40,104,330	1,288,877	41,393,207
Loss-recovery on onerous underlying contracts	-	(3,407,282)	-	-	(3,407,282)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(18,642,694)	(2,064,648)	(20,707,342)
Reinsurance acquisition cashflows amortisation	13,465,090	-	-	-	13,465,090
Amounts recoverable from reinsurers – net	13,465,090	(3,407,282)	21,461,636	(775,771)	30,743,673
Finance income from reinsurance contracts	-	(12,467)	1,063,737	-	1,051,270
Total changes in the statement of income	(53,233,899)	(3,419,749)	22,525,373	(775,771)	(34,904,046)
Cashflows					
Premiums ceded and acquisition cashflows paid	57,742,068	-	-	-	57,742,068
Recoveries from reinsurance	(12,572,233)	-	(39,541,137)	-	(52,113,370)
Total cash inflows / (outflows)	45,169,835	-	(39,541,137)	-	5,628,698
Reinsurance contracts					
Reinsurance contract assets – closing	6,867,533	304,555	36,332,993	1,946,593	45,451,674
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net (unaudited)	6,867,533	304,555	36,332,993	1,946,593	45,451,674

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.2 Reinsurance contracts held (continued)

As at 31 December 2022 - Restated (Audited)					
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding Loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	19,180,092	1,708,878	83,107,472	2,538,666	106,535,108
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net (unaudited)	19,180,092	1,708,878	83,107,472	2,538,666	106,535,108
Allocation of reinsurance premium	(86,994,947)	-	-	-	(86,994,947)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	66,179,916	1,720,400	67,900,316
Onerous contracts recognized	-	2,088,839	-	-	2,088,839
Loss-recovery on onerous underlying contracts	-	(73,413)	-	-	(73,413)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(3,730,716)	(1,536,702)	(5,267,418)
Amounts recoverable from reinsurers - net	-	2,015,426	62,449,200	183,698	64,648,324
Finance expenses from reinsurance contracts	-	-	(2,161,016)	-	(2,161,016)
Total changes in the statement of income	(86,994,947)	2,015,426	60,288,184	183,698	(24,507,639)
Cashflows					
Premiums ceded and acquisition cashflows paid	101,796,208	-	-	-	101,796,208
Recoveries from reinsurance	(19,049,756)	-	(90,046,899)	-	(109,096,655)
Total cash inflows / (outflows)	82,746,452	-	(90,046,899)	-	(7,300,447)
Reinsurance contracts					
Reinsurance contract assets – closing	14,931,597	3,724,304	53,348,757	2,722,364	74,727,022
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net (unaudited)	14,931,597	3,724,304	53,348,757	2,722,364	74,727,022

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11 Share capital

The authorized, issued and paid up capital of the Company was Saudi Riyals 458.9 million at 30 September 2023 (31 December 2022: Saudi Riyals 458.9 million) consisting of 45.8 million shares (31 December 2022: 45.8 million shares) of Saudi Riyals 10 each.

Shareholding structure of the Company as of 30 September 2023 and 31 December 2022 is as below:

	Authorized and issued		Paid up
	No. of Shares	Saudi Riyals	
30 September 2023			
Rawabi Holding Company	4,717,999	47,179,986	47,179,986
Gulf Union Insurance and Projects Management Holding Company B.S.C. (c.)	2,475,113	24,751,135	24,751,135
Others	38,701,816	387,018,159	387,018,159
	45,894,928	458,949,280	458,949,280

	Authorized and issued		Paid up
	No. of Shares	Saudi Riyals	
31 December 2022			
Yaqeen Capital	4,940,589	49,405,890	49,405,890
Rawabi Holding Company	4,717,999	47,179,986	47,179,986
Gulf Union Insurance and Projects Management Holding Company B.S.C. (c.)	2,475,113	24,751,135	24,751,135
Others	33,761,227	337,612,269	337,612,269
	45,894,928	458,949,280	458,949,280

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12. Insurance revenue and expenses

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for three-month and nine-month periods ended 30 September 2023 and 30 September 2022 is included in following tables respectively. Additional information on amounts recognized in statement of income is included in the insurance contract balances reconciliation.

For the three-month period ended 30 September 2023:

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
30 September 2023									
Insurance revenue from contracts measured under PAA	71,262,790	71,190,085	9,733,382	4,344,527	6,124,295	1,520,868	3,073,352	251,286	167,500,585
Incurring claims and other directly attributable expenses	(20,749,168)	(50,805,915)	(720,134)	22,071	(900,167)	(2,544,785)	(782,396)	(58,123)	(76,538,617)
Changes that relate to past service - adjustments to the LIC	(22,992,107)	4,443,231	(15,387)	2,331,806	1,417,004	946,009	5,729,632	(125,601)	(8,265,413)
Losses on onerous contracts and reversal of the losses	1,048,232	(3,084,657)	-	-	-	-	-	-	(2,036,425)
Insurance acquisition cash flows amortisation	(13,828,707)	(21,918,819)	(4,068,705)	(1,415,853)	(1,436,126)	(468,904)	(1,052,947)	(171,503)	(44,361,564)
Total insurance service (expenses) Income	(56,521,750)	(71,366,160)	(4,804,226)	938,024	(919,289)	(2,067,680)	3,894,289	(355,227)	(131,202,019)

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12. Insurance revenue and expenses (continued)

For the three-month period ended 30 September 2023: (continued)

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
Reinsurance income - contracts measured under the PAA									
Reinsurance premium ceded	(10,898,707)	(1,528,147)	(1,084,178)	(3,367,083)	(4,317,527)	(635,693)	(2,130,442)	(144,118)	(24,105,895)
Claims recovered	11,578,535	5,541,021	524,184	339,972	1,168,843	95,842	1,439,073	117,585	20,805,055
Effect of changes in the risk of reinsurers non- performance	-	-	-	-	-	-	-	-	-
Losses on onerous contracts and reversal of the losses	3,229	(712,875)	-	-	-	-	-	-	(709,646)
Changes that relate to past service - adjustments to incurred claims	(3,864,873)	(2,389,317)	284,789	(670,418)	(1,224,952)	(2,343,371)	(4,978,960)	864,796	(14,322,306)
Reinsurance acquisition cash flows amortisation	-	800,756	201,157	1,114,000	1,187,955	65,368	690,490	-	4,059,726
Total net (expenses) income from reinsurance contracts	(3,181,816)	1,711,438	(74,048)	(2,583,529)	(3,185,681)	(2,817,854)	(4,979,839)	838,263	(14,273,066)
Insurance service result	11,559,224	1,535,363	4,855,108	2,699,022	2,019,325	(3,364,666)	1,987,802	734,322	22,025,500

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12. Insurance revenue and expenses (continued)

For the three-month period ended 30 September 2022:

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
30 September 2022									
Insurance revenue from contracts measured under PAA	40,431,950	56,068,521	5,666,786	4,046,482	6,529,482	2,293,393	3,962,498	159,658	119,158,770
Incurring claims and other directly attributable expenses	(10,804,036)	(38,986,864)	(11,381,072)	(4,746,068)	(1,508,471)	(6,903,742)	(3,566,397)	(705,196)	(78,601,846)
Changes that relate to past service - adjustments to the LIC	(32,340,249)	(14,386,775)	11,335,290	4,996,647	3,703,901	5,899,569	5,010,837	(241,103)	(16,021,883)
(Losses) reversal of the losses on onerous contracts	(1,023,051)	(10,161,471)	-	-	-	-	-	-	(11,184,522)
Reversal of losses on onerous contracts	(767,009)	14,895,128	-	-	-	-	-	-	14,128,119
Insurance acquisition cash flows amortisation	(12,091,467)	(18,469,656)	(1,557,383)	(751,408)	(819,320)	(324,195)	(504,295)	(151,616)	(34,669,340)
Total insurance service expenses	(57,025,812)	(67,109,638)	(1,603,165)	(500,829)	1,376,110	(1,328,368)	940,145	(1,097,915)	(126,349,472)

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12. Insurance revenue and expenses (continued)

For the three-month period ended 30 September 2022: (continued)

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
Reinsurance income / (expenses) - contracts measured under the PAA									
Reinsurance premium ceded	(3,074,746)	(11,195,164)	(692,961)	(2,846,575)	(4,589,336)	(646,071)	(2,064,799)	(115,441)	(25,225,093)
Claims recovered	8,475,912	(6,144,214)	(1,548,622)	1,335,636	881,608	1,785,270	648,235	339,174	5,772,999
Effect of changes in the risk of reinsurers non- performance	-	-	-	-	-	-	-	-	-
Losses on onerous contracts and reversal of the losses	321,602	4,790,915	-	-	-	-	-	-	5,112,517
Onerous contracts recognized	-	(1,003,119)	-	-	-	-	-	-	(1,003,119)
Changes that relate to past service - adjustments to incurred claims	(4,285,816)	12,213,897	1,656,898	(1,178,769)	(2,077,520)	(1,605,256)	(980,211)	318,373	4,061,596
Reinsurance acquisition cash flows amortisation	-	1,923,799	47,479	858,230	1,124,324	232,608	609,209	2,855	4,798,504
Total net expenses from reinsurance contracts	1,436,952	586,114	(537,206)	(1,831,478)	(4,660,924)	(233,449)	(1,787,566)	544,961	(6,482,596)
Total insurance service result	(15,156,910)	(10,455,003)	3,526,415	1,714,175	3,244,668	731,576	3,115,077	(393,296)	(13,673,298)

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12. Insurance revenue and expenses (continued)

For the nine-month period ended 30 September 2023:

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
30 September 2023									
Insurance revenue from contracts measured under PAA	187,923,090	186,907,803	24,649,684	12,149,269	15,108,771	6,175,286	11,163,493	905,338	444,982,734
Incurring claims and other directly attributable expenses	(132,084,008)	(158,535,204)	(3,483,096)	(2,946,067)	(4,133,952)	(8,697,108)	(7,331,525)	(401,207)	(317,612,167)
Changes that relate to past service - adjustments to the LIC	26,188,197	9,820,885	(3,379,271)	3,209,380	2,506,337	5,649,907	8,611,671	470,049	53,077,155
Losses on onerous contracts and reversal of the losses	989,369	8,709,466	-	-	-	-	-	-	9,698,835
Insurance acquisition cash flows amortisation	(24,258,706)	(55,267,558)	(6,371,363)	(2,574,128)	(2,789,629)	(1,153,377)	(1,818,777)	(236,696)	(94,470,234)
Total insurance service expenses	(129,165,148)	(195,272,411)	(13,233,730)	(2,310,815)	(4,417,244)	(4,200,578)	(538,631)	(167,854)	(349,306,411)

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12. Insurance revenue and expenses (continued)

For the nine-month period ended 30 September 2023: (continued)

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine Protection	Total
Reinsurance income - contracts measured under the PAA								
Reinsurance premium ceded	(12,734,548)	(15,636,803)	(3,870,922)	(9,742,820)	(13,441,607)	(1,955,956)	(8,792,787)	(66,698,989)
Claims recovered	12,952,869	16,104,580	529,793	2,083,639	3,058,856	1,061,455	5,466,353	41,393,207
Effect of changes in the risk of reinsurers non- performance	-	-	-	-	-	-	-	-
Loss - Recovery on onerous underlying contracts	(32,461)	(3,374,821)	-	-	-	-	-	(3,407,282)
Changes that relate to past service - adjustments to incurred claims	(3,209,897)	(3,015,822)	(373,040)	(2,674,973)	(2,078,659)	(1,074,884)	(8,274,217)	(20,707,342)
Reinsurance acquisition cash flows amortisation	-	3,351,928	441,026	3,096,380	3,372,581	508,273	2,694,424	13,465,090
Total net (expenses) income from reinsurance contracts	(3,024,037)	(2,570,938)	(3,273,143)	(7,237,774)	(9,088,829)	(1,461,112)	(8,906,227)	(35,955,316)
Insurance service result	55,733,905	(10,935,546)	8,142,811	2,600,680	1,602,698	513,596	1,718,635	59,721,007

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12. Insurance revenue and expenses (continued)

For the nine-month period ended 30 September 2022:

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
30 September 2022									
Insurance revenue from contracts measured under PAA	145,480,143	163,193,538	13,745,115	11,890,997	21,202,296	5,477,965	17,666,577	1,000,586	379,657,217
Incurred claims and other directly attributable expenses	(159,704,774)	(171,845,282)	(16,172,017)	(6,547,599)	(4,173,105)	(7,995,294)	(6,496,319)	(1,059,632)	(373,994,022)
Changes that relate to past service - adjustments to the LIC	26,401,904	(15,653,372)	12,979,715	6,862,340	4,554,729	6,814,999	6,261,255	(125,811)	48,095,759
Losses on onerous contracts and reversal of the losses	(1,023,051)	(18,609,545)	-	-	-	-	-	-	(19,632,596)
Reversal of losses on onerous contracts	4,104,137	14,238,815	-	-	-	-	-	-	18,342,952
Insurance acquisition cash flows amortisation	(19,001,841)	(35,783,799)	(2,879,869)	(1,369,598)	(1,752,875)	(509,338)	(1,240,820)	(160,571)	(62,698,711)
Total insurance service expenses	(149,223,625)	(227,653,183)	(6,072,171)	(1,054,857)	(1,371,251)	(1,689,633)	(1,475,884)	(1,346,014)	(389,886,618)

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12. Insurance revenue and expenses (continued)

For the nine-month period ended 30 September 2022: (continued)

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
Reinsurance income / (expenses) - contracts measured under the PAA									
Reinsurance premium ceded	(7,551,196)	(38,051,542)	(2,267,354)	(7,957,235)	(14,195,083)	(1,772,394)	(9,982,472)	(426,721)	(82,203,997)
Claims recovered	13,583,746	19,844,721	17,743	2,894,558	3,022,205	2,395,485	3,482,240	399,634	45,640,332
Effect of changes in the risk of reinsurers non- performance	-	-	-	-	-	-	-	-	-
Reversal of losses on onerous contracts	78,045	4,790,915	-	-	-	-	-	-	4,868,960
Onerous contracts recognized	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to incurred claims	(3,753,260)	16,611,347	(199,636)	(3,349,120)	(4,230,172)	(1,928,105)	(3,451,756)	576,362	275,660
Reinsurance acquisition cash flows amortisation	-	6,295,163	179,676	2,476,265	3,344,394	615,240	2,931,951	6,694	15,849,383
Total net (expenses) income from reinsurance contracts	2,357,335	9,490,604	(2,269,571)	(5,935,532)	(12,058,656)	(689,774)	(7,020,037)	555,969	(15,569,662)
Total insurance service result	(1,386,147)	(54,969,041)	5,403,373	4,900,608	7,772,389	3,098,558	9,170,656	210,541	(25,799,063)

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13. Insurance finance expense - net

An analysis of the net insurance finance income (expenses) by product line for the nine-month and three-month periods ended 30 September 2023 and 30 September 2022 respectively is presented below:

For the three-month period ended 30 September 2023:

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
30 September 2023									
Finance income from insurance contracts issued									
Interest accreted	76,300	2,040,005	(1,367,420)	1,086,839	(100,642)	(241,913)	(448,357)	(37,924)	1,006,888
Effects of changes in interest rates and other financial assumptions	236,152	196,619	76,188	3,481	23,000	(4,205)	80,502	5,009	616,746
Foreign exchange differences	-	-	-	-	-	-	-	-	-
Finance income from insurance contracts issued	312,452	2,236,624	(1,291,232)	1,090,320	(77,642)	(246,118)	(367,855)	(32,915)	1,623,634
Finance expenses from reinsurance contracts held									
Interest accreted	(28,655)	621,398	56,269	(16,198)	45,957	(4,433)	127,367	(9,345)	792,360
Effects of changes in interest rates and other financial assumptions	3,009	(34,901)	(98)	(413)	6,100	(1,091)	110,797	485	83,888
Foreign exchange differences	-	-	-	-	-	-	-	-	-
Finance expenses from reinsurance contracts held	(25,646)	586,497	56,171	(16,611)	52,057	(5,524)	238,164	(8,860)	876,248
Net insurance finance income	286,806	2,823,121	(1,235,061)	1,073,709	(25,585)	(251,642)	(129,691)	(41,775)	2,499,882

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13. Insurance finance expense – net (continued)

For the three-month period ended 30 September 2022:

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
30 September 2022									
Finance income from insurance contracts issued									
Interest accreted	288,426	(1,925,706)	(272,834)	(12,993)	(12,209)	(47,605)	(4,192)	(2,118)	(1,989,231)
Effects of changes in interest rates and other financial assumptions	1,808,267	1,804,728	1,145,588	345,130	248,798	257,608	360,498	6,011	5,976,628
Foreign exchange differences	-	-	-	-	-	-	-	-	-
Finance income from insurance contracts issued	2,096,693	(120,978)	872,754	332,137	236,589	210,003	356,306	3,893	3,987,397
Finance expenses from reinsurance contracts held									
Interest accreted	(46,809)	310,050	36,741	59,692	68,384	19,890	(17,591)	(4,564)	425,793
Effects of changes in interest rates and other financial assumptions	(35,688)	(288,499)	(137,430)	(219,091)	(145,299)	(22,044)	(230,765)	(4,126)	(1,082,942)
Foreign exchange differences	-	-	-	-	-	-	-	-	-
Finance expenses from reinsurance contracts held	(82,497)	21,551	(100,689)	(159,399)	(76,915)	(2,154)	(248,356)	(8,690)	(657,149)
Net insurance finance income	2,014,196	(99,427)	772,065	172,738	159,674	207,849	107,950	(4,797)	3,330,248

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13. Insurance finance expense – net (continued)

For the nine-month period ended 30 September 2023:

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
30 September 2023									
Finance income from insurance contracts issued									
Interest accreted	541,995	(238,634)	527,684	(1,268,759)	(9,568)	115,833	(267,960)	35,736	(563,673)
Effects of changes in interest rates and other financial assumptions	(30,176)	24,805	(19,158)	(22,113)	457	(4,205)	13,337	(1,345)	(38,398)
Foreign exchange differences	-	-	-	-	-	-	-	-	-
Finance income from insurance contracts issued	511,819	(213,829)	508,526	(1,290,872)	(9,111)	111,628	(254,623)	34,391	(602,071)
Finance expenses from reinsurance contracts held									
Interest accreted	(25,917)	455,845	136,877	(36,024)	87,493	30,047	490,530	(6,607)	1,132,244
Effects of changes in interest rates and other financial assumptions	1,443	(47,384)	(4,969)	(628)	(4,181)	(1,091)	(24,414)	249	(80,975)
Foreign exchange differences	-	-	-	-	-	-	-	-	-
Finance expenses from reinsurance contracts held	(24,474)	408,461	131,908	(36,652)	83,312	28,956	466,116	(6,358)	1,051,269
Net insurance finance income	487,345	194,632	640,434	(1,327,524)	74,201	140,584	211,493	28,033	449,198

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13. Insurance finance expense – net (continued)

For the nine-month period ended 30 September 2022:

	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total
30 September 2022									
Finance income from insurance contracts issued									
Interest accreted	1,006,177	611,264	126,819	45,959	42,705	27,839	54,379	4,826	1,919,968
Effects of changes in interest rates and other financial assumptions	1,826,748	1,831,396	1,173,547	345,875	249,660	257,608	362,603	6,096	6,053,533
Foreign exchange differences	-	-	-	-	-	-	-	-	-
Finance income from insurance contracts issued	2,832,925	2,442,660	1,300,366	391,834	292,365	285,447	416,982	10,922	7,973,501
Finance expenses from reinsurance contracts held									
Interest accreted	(38,650)	(124,504)	(20,047)	(33,039)	(32,438)	(4,401)	(44,674)	(4,913)	(302,666)
Effects of changes in interest rates and other financial assumptions	(70,171)	(373,022)	(185,509)	(248,644)	(189,639)	(40,721)	(297,889)	(6,208)	(1,411,803)
Foreign exchange differences	-	-	-	-	-	-	-	-	-
Finance expenses from reinsurance contracts held	(108,821)	(497,526)	(205,556)	(281,683)	(222,077)	(45,122)	(342,563)	(11,121)	(1,714,469)
Net insurance finance income	2,724,104	1,945,134	1,094,810	110,151	70,288	240,325	74,419	(199)	6,259,032

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14. Other operating expenses - net

	Three-month period ended 30 September 2023 (Unaudited)	Three-month period ended 30 September 2022 (Restated - Notes 3 and 4) (Unaudited)	Nine-month period ended 30 September 2023 (Unaudited)	Nine-month period ended 30 September 2022 (Restated - Notes 3 and 4) (Unaudited)
Salaries and benefits	2,547,591	1,730,582	8,194,874	9,812,537
Professional fee	2,592,660	429,000	5,394,770	2,295,505
Depreciation and amortisation	1,461,416	1,086,724	3,863,649	4,284,326
Information technology	667,627	129,048	1,765,053	777,746
Insurance expense	571,277	164,225	1,510,326	989,753
Telephone and postage	361,410	89,685	955,485	540,516
Others	1,857,755	102,678	5,317,845	4,666,963
	10,059,736	3,731,942	27,002,002	23,367,346

15. Other income

Other income comprises of income from the Umrah product related to medical, general and accident insurance, under an agreement which was signed together with 28 other insurance companies. The compulsory Umrah product is offered by the Ministry of Hajj and Umrah and approved by SAMA for Insurance for pilgrims coming from outside the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and health benefits of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah.

16. Commitments and contingencies

1. The Company, in common with significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these cases will have a material impact on the Company's financial performance.
2. As at 30 September 2023 the Company has capital commitments amounting to Saudi Riyals 32.3 million pertaining to implementation of a new software (31 December 2022: Saudi Riyals 40.3 million).
3. See Note 20 for contingencies pertaining to zakat and income tax assessments.
4. The Company operates in the insurance industry and is subject to legal proceedings in the ordinary course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings. The Company, based on in-house legal advice, does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

17. Fair value of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- a) Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- b) Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- c) Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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17. Fair value of financial instruments (continued)

The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial asset and liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value, as these are either short-term in nature or carry interest rates which are based on prevalent market interest rates.

(a) Carrying amounts and fair value

30 September 2023				
(Unaudited)				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Mutual funds	77,196,852	-	-	77,196,852
Ordinary shares	28,547,525	-	79,406,254	107,953,779
Sukuks	21,522,131	-	-	21,522,131
Total investments	127,266,508	-	79,406,254	206,672,762

31 December 2022 - Restated				
(Unaudited)				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Mutual funds	76,746,369	-	-	76,746,369
Ordinary shares	28,318,492	-	79,406,254	107,724,746
Sukuks	21,864,712	-	-	21,864,712
Total investments	126,929,573	-	79,406,254	206,335,827

Significant unobservable inputs were used in the valuation of level 3 investments based on fair value estimates from reputable third-party valuer who use technique such as discounted cash flows and other sophisticated models. During the three-month and nine-month periods ended 30 September 2023, there have been no transfers between level 1, level 2 and level 3.

Cash and cash equivalents, deposits, statutory deposit, accrued income on statutory deposits and the financial liabilities except employee benefit obligations are measured at amortized cost.

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18. Information related to product lines

Results of product lines do not include general and administration expenses, allowances for doubtful debts, investment and commission income, realized gain (loss) on investments and other income.

Product lines' assets do not include cash and cash equivalents, prepaid expenses and other assets, term deposits, property and equipment, right-of-use assets, intangible assets, goodwill, statutory deposit, accrued income on statutory deposit. Accordingly, they are included in unallocated assets.

Product lines' liabilities do not include accrued and other liabilities, lease liabilities, employee benefit obligations, zakat and income tax, surplus distribution payable, accrued commission income payable to SAMA. Accordingly, they are included in unallocated liabilities.

The Company's information is presented into business units based on their products and services in the following product lines:

- Medical;
- Motor;
- Liability;
- Engineering;
- Property;
- General Accident;
- Marine; and
- Protection.

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18. Information related to product lines (continued)

30 September 2023 (Unaudited)	Insurance operations									Unallocated	Total
	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total		
Assets											
Reinsurance contract assets	3,378,496	16,013,683	4,192,649	7,721,207	4,479,717	1,596,162	7,094,958	974,802	45,451,674	-	45,451,674
Unallocated assets	-	-	-	-	-	-	-	-	-	933,161,223	933,161,223
Total assets	3,378,496	16,013,683	4,192,649	7,721,207	4,479,717	1,596,162	7,094,958	974,802	45,451,674	933,161,223	978,612,897
Liabilities											
Insurance contract liabilities	145,792,969	166,671,819	42,655,887	11,061,459	5,436,955	4,839,147	8,921,382	1,360,130	386,739,748	-	386,739,748
Unallocated liabilities and equity	-	-	-	-	-	-	-	-	-	591,873,149	591,873,149
Total liabilities and equity	145,792,969	166,671,819	42,655,887	11,061,459	5,436,955	4,839,147	8,921,382	1,360,130	386,739,748	591,873,149	978,612,897

31 December 2022 - Restated (Unaudited)	Insurance operations									Unallocated	Total
	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total		
Assets											
Reinsurance contract assets	4,828,756	34,888,803	2,370,797	7,836,040	6,370,239	1,899,505	14,981,762	1,551,120	74,727,022	-	74,727,022
Unallocated assets	-	-	-	-	-	-	-	-	-	861,119,165	861,119,165
Total assets	4,828,756	34,888,803	2,370,797	7,836,040	6,370,239	1,899,505	14,981,762	1,551,120	74,727,022	861,119,165	935,846,187
Liabilities											
Insurance contract liabilities	179,947,029	174,453,289	26,674,487	9,621,096	9,637,118	4,603,582	20,624,658	2,237,171	427,798,430	-	427,798,430
Unallocated liabilities and equity	-	-	-	-	-	-	-	-	-	508,047,757	508,047,757
Total liabilities and equity	179,947,029	174,453,289	26,674,487	9,621,096	9,637,118	4,603,582	20,624,658	2,237,171	427,798,430	508,047,757	935,846,187

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18. Information related to product lines (continued)
For the three-month period ended 30 September 2023:

Three-month period ended 30 September 2023 (Unaudited)	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total	Unallocated	Total
Insurance revenue	71,262,790	71,190,085	9,733,382	4,344,527	6,124,295	1,520,868	3,073,352	251,286	167,500,585	-	167,500,585
Insurance service expenses	(56,521,750)	(71,366,160)	(4,804,226)	938,024	(919,289)	(2,067,680)	3,894,289	(355,227)	(131,202,019)	-	(131,202,019)
Net (expenses) income from reinsurance contracts	(3,181,816)	1,711,438	(74,048)	(2,583,529)	(3,185,681)	(2,817,854)	(4,979,839)	838,263	(14,273,066)	-	(14,273,066)
Insurance service result	11,559,224	1,535,363	4,855,108	2,699,022	2,019,325	(3,364,666)	1,987,802	734,322	22,025,500	-	22,025,500
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	-	6,878,888	6,878,888
Net gains on FVTPL investments	-	-	-	-	-	-	-	-	-	(2,415,844)	(2,415,844)
Net impairment losses on financial assets	-	-	-	-	-	-	-	-	-	8,611	8,611
Net investment income									-	4,471,655	4,471,655
Finance income from insurance contracts issued	312,452	2,236,624	(1,799,758)	1,090,321	(77,642)	262,407	(367,855)	(32,915)	1,623,634	-	1,623,634
Finance income from reinsurance contracts held	1,050,097	178,036	(75,738)	20,041	(31,255)	(34,480)	(227,951)	(2,502)	876,248	-	876,248
Net insurance finance income	1,362,549	2,414,660	(1,875,496)	1,110,362	(108,897)	227,927	(595,806)	(35,417)	2,499,882	-	2,499,882
Net insurance and investment result	12,921,773	3,950,023	2,979,612	3,809,384	1,910,428	(3,136,739)	1,391,996	698,905	24,525,382	4,471,655	28,997,037
Finance costs on lease liabilities									-	(109,446)	(109,446)
Other operating expenses – net									-	(10,059,736)	(10,059,736)
Other income									-	12,027,811	12,027,811
Total profit for the period before zakat and income tax									24,525,382	6,330,284	30,855,666
Zakat expense									-	(500,000)	(500,000)
Income tax									-	-	-
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS									24,525,382	5,830,284	30,355,666

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18. Information related to product lines (continued)

For the three-month period ended 30 September 2022:

Three-month period ended 30 September 2022 (Unaudited)	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total	Unallocated	Total
Insurance revenue	40,431,950	56,068,521	5,666,786	4,046,482	6,529,482	2,293,393	3,962,498	159,658	119,158,770	-	119,158,770
Insurance service expenses	(57,025,812)	(67,109,638)	(1,603,165)	(500,829)	1,376,110	(1,328,368)	940,145	(1,097,915)	(126,349,472)	-	(126,349,472)
Net expenses from reinsurance contracts	1,436,952	586,114	(537,206)	(1,831,478)	(4,660,924)	(233,449)	(1,787,566)	544,961	(6,482,596)	-	(6,482,596)
Insurance service result	(15,156,910)	(10,455,003)	3,526,415	1,714,175	3,244,668	731,576	3,115,077	(393,296)	(13,673,298)	-	(13,673,298)
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	-	5,187,425	5,187,425
Net losses on FVTPL investments	-	-	-	-	-	-	-	-	-	(1,013,976)	(1,013,976)
Net impairment losses on financial assets	-	-	-	-	-	-	-	-	-	(6,950)	(6,950)
Net investment income	-	-	-	-	-	-	-	-	-	4,166,499	4,166,499
Finance (expenses) income from insurance contracts issued	2,096,693	(120,978)	(427,612)	332,137	236,589	1,510,369	356,306	3,893	3,987,397	-	3,987,397
Finance income (expenses) from reinsurance contracts held	(82,497)	21,551	104,867	(159,399)	(76,915)	(207,710)	(248,356)	(8,690)	(657,149)	-	(657,149)
Net insurance finance income (expenses)	2,014,196	(99,427)	(322,745)	172,738	159,674	1,302,659	107,950	(4,797)	3,330,248	-	3,330,248
Net insurance and investment result	(13,142,714)	(10,554,430)	3,203,670	1,886,913	3,404,342	2,034,235	3,223,027	(398,093)	(10,343,050)	4,166,499	(6,176,551)
Finance costs on lease liabilities									-	(53,546)	(53,546)
Other operating expenses – net									-	(3,731,942)	(3,731,942)
Other income									-	9,798,190	9,798,190
Total profit for the period before zakat and income tax									(10,343,050)	10,179,201	(163,849)
Zakat expense									-	-	-
Income tax									-	(500,000)	(500,000)
									-	-	-
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS									(10,343,050)	9,679,201	(663,849)

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18. Information related to product lines (continued)

For the nine-month period ended 30 September 2023:

Nine -month period ended 30 September 2023 (Unaudited)	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total	Unallocated	Total
Insurance revenue	187,923,090	186,907,803	24,649,684	12,149,269	15,108,771	6,175,286	11,163,493	905,338	444,982,734	-	444,982,734
Insurance service expenses	(129,165,148)	(195,272,411)	(13,233,730)	(2,310,815)	(4,417,244)	(4,200,578)	(538,631)	(167,854)	(349,306,411)	-	(349,306,411)
Net (expenses) income from reinsurance contracts	(3,024,037)	(2,570,938)	(3,273,143)	(7,237,774)	(9,088,829)	(1,461,112)	(8,906,227)	(393,256)	(35,955,316)	-	(35,955,316)
Insurance service result	55,733,905	(10,935,546)	8,142,811	2,600,680	1,602,698	513,596	1,718,635	344,228	59,721,007	-	59,721,007
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	-	18,234,127	18,234,127
Net gains on FVTPL investments	-	-	-	-	-	-	-	-	-	336,935	336,935
Net impairment losses on financial assets	-	-	-	-	-	-	-	-	-	(2,261)	(2,261)
Net investment income										18,568,801	18,568,801
Finance (expenses) income from insurance contracts issued	511,819	(213,829)	-	(1,290,871)	(9,111)	620,153	(254,623)	34,391	(602,071)	-	(602,071)
Finance income from reinsurance contracts held	1,051,269	-	-	-	-	-	-	-	1,051,269	-	1,051,269
Net insurance finance income	1,563,088	(213,829)	-	(1,290,871)	(9,111)	620,153	(254,623)	34,391	449,198	-	449,198
Net insurance and investment result	57,296,993	(11,149,375)	8,142,811	1,309,809	1,593,587	1,133,749	1,464,012	378,619	60,170,205	18,568,801	78,739,006
Finance costs on lease liabilities									-	(247,217)	(247,217)
Other operating expenses – net									-	(27,002,002)	(27,002,002)
Other income									-	39,041,557	39,041,557
Total profit for the period before zakat and income tax									60,170,205	30,361,139	90,531,344
Zakat expense									-	(1,500,000)	(1,500,000)
Income tax									-	-	-
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS									60,170,205	28,861,139	89,031,344

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18. Information related to product lines (continued)

For the nine-month period ended 30 September 2022:

Nine-month period ended 30 September 2022 (Unaudited)	Medical	Motor	Liability	Engineering	Property	General Accident	Marine	Protection	Total	Unallocated	Total
Insurance revenue	145,480,143	163,193,538	13,745,115	11,890,997	21,202,296	5,477,965	17,666,577	1,000,586	379,657,217	-	379,657,217
Insurance service expenses	(149,223,625)	(227,653,183)	(6,072,171)	(1,054,857)	(1,371,251)	(1,689,633)	(1,475,884)	(1,346,014)	(389,886,618)	-	(389,886,618)
Net expenses from reinsurance contracts	2,357,335	9,490,604	(2,269,571)	(5,935,532)	(12,058,656)	(689,774)	(7,020,037)	555,969	(15,569,662)	-	(15,569,662)
Insurance service result	(1,386,147)	(54,969,041)	5,403,373	4,900,608	7,772,389	3,098,558	9,170,656	210,541	(25,799,063)	-	(25,799,063)
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	-	14,490,032	14,490,032
Net losses on FVTPL investments	-	-	-	-	-	-	-	-	-	(8,040,660)	(8,040,660)
Net impairment losses on financial assets	-	-	-	-	-	-	-	-	-	(1,007)	(1,007)
Net investment income										6,448,365	6,448,365
Finance income from insurance contracts issued	2,832,925	2,442,660	-	391,834	292,365	1,585,813	416,982	10,922	7,973,501	-	7,973,501
Finance income (expenses) from reinsurance contracts held	(108,821)	(497,526)	-	(281,683)	(222,077)	(250,678)	(342,563)	(11,121)	(1,714,469)	-	(1,714,469)
Net insurance finance income (expenses)	2,724,104	1,945,134	-	110,151	70,288	1,335,135	74,419	(199)	6,259,032	-	6,259,032
Net insurance and investment result	1,337,957	(53,023,907)	5,403,373	5,010,759	7,842,677	4,433,693	9,245,075	210,342	(19,540,031)	6,448,365	(13,091,666)
Finance costs on lease liabilities									-	(174,201)	(174,201)
Other operating expenses – net									-	(23,367,346)	(23,367,346)
Other income									-	13,057,555	13,057,555
Total loss for the period before zakat and income tax									(19,540,031)	(4,035,627)	(23,575,658)
Zakat expense									-	(1,500,000)	(1,500,000)
Income tax									-	-	-
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS									(19,540,031)	(5,535,627)	(25,075,658)

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19. Related party transactions and balances

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them (affiliated entities). Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of the major related party transactions during the period and the related balances:

Nature of transactions	Transactions for the three-month period ended		Transactions for the nine-month period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Major shareholders				
Gross written premium	2,853,161	2,772,812	9,742,982	10,675,594
Claims paid	546,227	657,290	1,376,455	1,521,335
Directors' remuneration and meeting fee	2,492,646	2,495,689	4,705,541	3,527,689

Nature of transactions	Balance receivable / (payable) as at	
	30 September 2023	31 December 2022
	(Unaudited)	(Unaudited)
Major shareholders		
Insurance revenue	9,169,961	8,476,391
Insurance expenses	2,009,020	-

The compensation of key management personnel during the three-month and nine-month periods ended is as follows:

	Three-month period ended 30 September 2023	Three-month period ended 30 September 2022	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and benefits	1,442,140	932,543	4,158,920	3,500,193
Employee benefit obligations	189,768	47,915	310,957	143,745
	1,631,908	980,458	4,469,877	3,643,938

The transactions with related parties are carried out at commercial terms and conditions. Compensation to key management personnel is based on employment terms and as per the by-laws of the Company.

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20. Zakat and Income Tax

a) Zakat

Combined movement of zakat and income tax was as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Unaudited)
Opening balance	22,072,948	20,072,948
Provided during the period / year	1,500,000	2,000,000
Payments during the period / year	(277,896)	-
Closing balance	23,295,052	22,072,948

b) Status of assessments

The Company has obtained Zakat and income tax certificates from the Zakat, Tax and Customs Authority (ZATCA) for the years through 2022.

The ZATCA issued a final assessment for the year 2014 with an additional Zakat liability of Saudi riyals 7.0 million. The company filed an appeal against the final assessment and received a revised assessment with an additional Zakat liability of Saudi riyals 3.3 million. The company has further filed an appeal against the revised assessment with the Tax Violations and Dispute Resolution Committee (TVDRRC). The case was heard by the Committee and rendered its decision by partially accepting the Company's contention which resulted into a reduction in the Zakat liability to Saudi riyals 2.8 million. The Company filed an appeal against the TVDRRC decision on the items ruled in favor of ZATCA with the Tax Violations and Dispute Appellate Committee (TVDAC) and it is currently under their review.

During 2020, the Company also received zakat and income tax assessment for the year 2015 through 2018 amounting to Saudi riyals 10.3 million. The Company has recognized an additional provision amounting to Saudi riyals 1.9 million under protest and paid such amount to ZATCA, and in parallel filed an appeal against the ZATCA's final assessment. During the three-month period ended 31 March 2022, the Company received a revised assessment with an additional Zakat liability of Saudi riyals 8.4 million. The Company has further filed an appeal against the revised assessment with the TVDRRC. The case was heard by the Committee and rendered its decision by partially accepting the Company's contention which resulted into a reduction in the Zakat liability to Saudi riyals 7.2 million. The Company has filed an appeal against the TVDRRC decision on the items ruled in favor of ZATCA with TVDAC and the case is currently under their review.

The final assessments for the years 2019 through 2022 are not yet issued by ZATCA. The zakat and income tax liability as computed by the Company could be different from the zakat and tax liability as assessed by the ZATCA for these years.

In 2018, Al Ahlia received zakat and income tax assessments for the years 2011 and 2012 amounting to Saudi Riyals 2.1 million. Al Ahlia filed an appeal against the ZATCA's assessment to General Secretariat of the Tax Committees ("GSTC") for which the outcome is pending. Further, during 2020, Al Ahlia received zakat and income tax assessments for the years 2015 through 2018 amounting to Saudi Riyals 9.5 million against which Al Ahlia filed an appeal to the GSTC and the outcome is pending. The zakat differences as per the initial assessments for the years 2011, 2012 and 2015 through 2018 were mainly due to the disallowances by ZATCA of certain balances related to investments, statutory deposit and adjusted accumulated losses from the zakat base. Management believes that ZATCA will reconsider the initial assessments and will allow certain deductions from the zakat base in the final assessments.

However, Al Ahlia's management has submitted a settlement request to the ZATCA for all pending assessments with an amount of Saudi Riyals 7.8 million and is of the view that the level of the existing provisions for zakat is presently sufficient. Al Ahlia had obtained zakat and income tax certificates from the ZATCA for the years through 2019 and its zakat and income tax assessment for the year 2019 is currently under review by the ZATCA.

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21. Statutory reserve

In accordance with By-laws of the Company and Article 70(2)(g) of the Insurance Implementing Regulations issued by SAMA, the Company is required to transfer not less than 20% of its annual profits, after adjusting accumulated losses, to a statutory reserve until such reserve amounts to 100% of the paid-up share capital of the Company. This reserve is not available for distribution to the shareholders until the liquidation of the Company.

22. Capital risk management

Objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares.

The Company's objectives when managing capital are:

- To comply with the insurance capital requirements as set out in the Law. The Company's current paid-up share capital is in accordance with Article 3 of the Law;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

As per Article 66 of the Regulations, the Company shall maintain a solvency margin equivalent to the highest of the following three methods:

- Minimum capital requirement
- Premium solvency margin; or
- Claims solvency margin

As stated in Note 1, the Company completed its rights issue on 8 March 2022 amounting to Saudi Riyals 229.5 million. As a result and at 30 September 2023, the Company is in compliance with the solvency margin requirements as stipulated by the Law.

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23. Basic and diluted earnings per share

Basic and diluted earnings per share for the three-month and nine-month periods ended 30 September 2023 and 2022 are calculated by dividing total loss for the period attributable to the shareholders by the weighted average number of outstanding shares during the period.

The weighted average number of shares has been retrospectively adjusted for the prior period to reflect the bonus element of the right issue as required by IAS 33, 'Earnings per share' as follows:

	Three-month period ended 30 September 2023	Three-month period ended 30 September 2022	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
Issued ordinary shares at 30 September	45,894,928	22,947,464	45,894,928	22,947,464
Rights issue adjustment	-	22,947,464	-	13,112,683
Weighted average number of ordinary shares	45,894,928	45,894,928	45,894,928	36,060,147
Total income for the period attributable to the shareholders	30,355,666	(663,849)	89,031,344	(25,075,658)
Weighted average number of ordinary shares for basic and diluted income per share	45,894,928	45,894,928	45,894,928	36,060,147
Basic and diluted earnings per share	0.66	(0.01)	1.94	(0.70)

The weighted average number of ordinary shares for prior period is computed using an adjustment factor of 1.09 which is a ratio of the theoretical ex-rights of Saudi Riyals 10.94 and closing price per share of Saudi Riyals 11.88 on 8 May 2022, the last day on which the shares were traded before the rights issue.

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24. Gross written premium

Details relating to gross written premium are disclosed below to comply with the requirements of SAMA and are not calculated as per the requirements of IFRS 17.

For the three-month period ended:

30 September 2023						
Breakdown of GWP	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	10,726,829	38,842,245	12,236,467	-	-	61,805,541
Very small	8,523,637	583,836	384,068	-	-	9,491,541
Small	7,833,631	7,010,412	1,319,490	-	-	16,163,533
Medium	11,154,989	4,834,721	6,770,658	-	-	22,760,368
Corporate	23,386,210	16,694,197	8,047,951	-	-	48,128,358
Total	61,625,296	67,965,411	28,758,634	-	-	158,349,341

30 September 2022						
Breakdown of GWP	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	10,226,937	12,462,634	4,333,679	-	-	27,023,250
Very small	13,533,374	166,447	17,419	-	-	13,717,240
Small	10,329,620	5,307,488	786,358	-	-	16,423,466
Medium	7,840,437	14,429,409	6,055,267	-	-	28,325,113
Corporate	9,941,827	6,120,972	7,765,097	-	-	23,827,896
Total	51,872,195	38,486,950	18,957,820	-	-	109,316,965

For the nine-month period ended:

30 September 2023						
Breakdown of GWP	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	61,570,019	100,224,698	28,390,943	-	-	190,185,660
Very small	28,169,141	3,713,430	1,112,303	-	-	32,994,874
Small	19,303,030	18,004,339	4,668,498	-	-	41,975,867
Medium	24,267,573	38,252,535	23,522,379	-	-	86,042,487
Corporate	55,730,435	57,673,503	35,184,801	-	-	148,588,739
Total	189,040,198	217,868,505	92,878,924	-	-	499,787,627

30 September 2022						
Breakdown of GWP	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	33,212,341	55,657,833	15,885,085	-	-	104,755,259
Very small	35,289,636	1,728,663	591,976	-	-	37,610,275
Small	27,267,327	15,436,957	3,159,778	-	-	45,864,062
Medium	17,878,476	38,697,693	19,485,454	-	-	76,061,623
Corporate	29,856,560	40,472,445	31,940,271	-	-	102,269,276
Total	143,504,340	151,993,591	71,062,564	-	-	366,560,495

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25. Net written premium

Details relating to net written premium are disclosed below to comply with the requirements of SAMA and are not calculated as per the requirements of IFRS 17.

For the three-month period ended:

Item	30 September 2023					
	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Gross written premium	61,625,296	67,965,411	28,758,634	-	-	158,349,341
Reinsurance premium ceded – globally (including excess of loss)	(4,478,722)	(888,167)	(10,064,982)	-	-	(15,431,871)
Reinsurance premium ceded – locally (including excess of loss)	(2,093,933)	(110,124)	(3,564,460)	-	-	(5,768,517)
Net written premium – total	55,052,641	66,967,120	15,129,192	-	-	137,148,953
Item	30 September 2022					
	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Gross written premium	51,872,195	38,486,950	18,957,820	-	-	109,316,965
Reinsurance premium ceded – globally (including excess of loss)	(2,051,408)	(6,725,559)	(7,333,997)	-	-	(16,110,964)
Reinsurance premium ceded – locally (including excess of loss)	(1,023,335)	(383,090)	(2,151,738)	-	-	(3,558,163)
Net written premium - total	48,797,452	31,378,301	9,472,085	-	-	89,647,838

For the nine-month period ended:

Item	30 September 2023					
	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Gross written premium	189,040,198	217,868,505	92,878,924	-	-	499,787,627
Reinsurance premium ceded – globally (including excess of loss)	(5,700,871)	(3,321,156)	(37,478,733)	-	-	(46,500,760)
Reinsurance premium ceded – locally (including excess of loss)	(2,707,627)	(330,373)	(12,480,434)	-	-	(15,518,434)
Net written premium – total	180,631,700	214,216,976	42,919,757	-	-	437,768,433
Item	30 September 2022					
	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Gross written premium	143,504,340	151,993,591	71,062,564	-	-	366,560,495
Reinsurance premium ceded – globally (including excess of loss)	(5,556,429)	(24,821,331)	(30,320,429)	-	-	(60,698,189)
Reinsurance premium ceded – locally (including excess of loss)	(1,994,768)	(923,211)	(9,000,626)	-	-	(11,918,605)
Net written premium - total	135,953,143	126,249,049	31,741,509	-	-	293,943,701

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26. Sensitivity of assumptions

The risks under insurance contracts and the risk management policies are consistent with those as disclosed in the annual financial statements for the year ended 31 December 2022. The Company believes that the claim liabilities under insurance contracts outstanding at the reporting periods below are adequate. However, these amounts are not certain and actual payments may differ from the claim's liabilities provided in the interim condensed consolidated financial information. The insurance results are sensitive to various assumptions. It has not been possible to quantify the sensitivity specific variable such as legislative changes or uncertainties in the estimation process.

	Three-month period ended	
	30	30
	September	September
	2023	2022
	(unaudited)	(unaudited)
Impact on equity and net income of change in claims ratio		
5% Increase	5,852,812	5,840,900
5% Decrease	(5,852,812)	(5,840,900)
Impact on equity and net income of change in direct expense ratio – loss component		
2% Increase	247,598	303,040
2% Decrease	(247,598)	(303,040)
Impact on equity and net income of change in risk adjustment for non-financial risk		
5% Increase	349,984	321,604
5% Decrease	(349,984)	(321,604)

27. Subsequent event

No events have arisen subsequent to 30 September 2023, and before the date of signing the independent auditors' review report, that could have a significant effect on the interim condensed financial information as at 30 September 2023.

28. Approval of the interim condensed financial information

This interim condensed financial information has been approved by the Board of Directors on 17 Rabi'II 1445 H corresponding to 1 November 2023.