

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT**  
**AUDITORS' REVIEW REPORT**  
  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER**  
*Expressed in Saudi Riyals*

---

<b>INDEX</b>	<b>Page</b>
Independent auditors' review report	2
Interim condensed statement of financial position	3
Interim condensed statement of income	4
Interim condensed statement of comprehensive income	5
Interim condensed statement of changes in shareholders' equity	6
Interim condensed statement of cash flows	7
Notes to the interim condensed financial statements	8-35

**Crowe**

Al Azem, Al Sudairy, Al Shaikh & Partners  
For Professional Consulting  
Member Crowe Global

**MOORE**

El Sayed El Ayouty & Co.  
Certified Public Accountants  
An Independent Member Firm of Moore Global

## INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

To The Shareholders of  
Buruj Cooperative Insurance Company  
(A Saudi Joint Stock Company)  
Al Riyadh  
Kingdom of Saudi Arabia

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of Buruj Cooperative Insurance Company (A Saudi Joint Stock Company) ("the Company") as at September 30, 2023, the related interim condensed statements of income and comprehensive income for the three and nine month periods then ended, and the interim condensed statements of changes in equity and cash flows for the nine month period then ended, and the related notes which form integral part of these interim condensed financial statements. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements 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 that are 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 statements of Buruj Cooperative Insurance Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia.

Al Azem & Al Sudairy, Al Shaikh & Partners  
For Professional Consulting  
P. O. Box 10504  
Riyadh 11443  
Kingdom of Saudi Arabia

El Sayed El Ayouty & Co.  
Certified Public Accountants  
P. O. Box 780  
Jeddah 21421  
Kingdom of Saudi Arabia

Abdullah M. Al Azem  
License No. 335

Abdullah Ahmed Balamash  
License No. 345




24 Rabi ul Thani 1445H  
8 November 2023 G





**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
*Expressed in Saudi Riyals*

	Note	30 September 2023 (Unaudited)	31 December 2022 (Restated – Unaudited)	1 January 2022 (Restated – Unaudited)
<b>ASSETS</b>				
Cash and cash equivalents	4	120,058,344	254,568,440	237,206,233
Term deposits		269,947,163	184,963,655	331,997,995
Investments	5	273,172,060	187,616,899	192,367,751
Insurance contract assets	10	79,334,420	-	-
Reinsurance contract assets	10	37,950,510	29,202,456	27,824,729
Statutory deposit		29,994,682	29,998,817	29,996,867
Accrued commission income on statutory deposit		2,912,412	2,582,066	2,353,079
Right-of-use assets		587,536	1,334,056	5,701,429
Property and equipment, net		4,259,392	3,539,910	4,129,551
Accrued income		6,825,974	8,776,537	8,592,050
Prepaid expenses and other assets		49,273,312	45,828,733	20,187,973
<b>TOTAL ASSETS</b>		<b>874,315,805</b>	<b>748,411,570</b>	<b>860,357,657</b>
<b>LIABILITIES</b>				
Insurance contract liabilities	10	373,005,332	277,520,829	353,736,099
Reinsurance contract liabilities	10	15,381,409	-	-
Accrued income payable to SAMA		2,912,412	2,582,066	2,353,079
Accrued expenses and other liabilities		16,764,258	12,154,465	11,049,086
Lease Liabilities		552,029	1,092,627	5,196,480
Provision for end-of-service benefits		8,472,651	8,227,890	12,311,821
Provision for zakat and income tax	8	22,807,590	26,560,287	32,841,217
<b>TOTAL LIABILITIES</b>		<b>439,895,681</b>	<b>328,138,164</b>	<b>417,487,782</b>
<b>EQUITY</b>				
Share capital	12	300,000,000	300,000,000	300,000,000
Fair value reserve for investments		37,780,049	37,780,049	35,109,482
Statutory reserves		51,584,068	51,584,068	51,584,068
Foreign Currency translation adjustments		(365,168)	(350,885)	181,433
Actuarial gain / (loss) on retirement benefit schemes		2,971,159	2,971,159	(1,069,338)
Retained earnings		42,450,016	28,289,015	57,064,230
<b>TOTAL EQUITY</b>		<b>434,420,124</b>	<b>420,273,406</b>	<b>442,869,875</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>874,315,805</b>	<b>748,411,570</b>	<b>860,357,657</b>
Commitments and contingencies	6	-	-	-

  
Board Member


  
General Manager

  
Finance Manager

The accompanying notes 1 to 16 form part of these unaudited interim condensed financial statements.

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**UNAUDITED INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
*Expressed in Saudi Riyals*

		For the three months period ended		For the nine months period ended	
		30 September 2023 (Unaudited)	30 September 2022 (Restated – Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Restated – Unaudited)
	Note				
<b>REVENUES</b>					
Insurance revenue	9	98,280,953	125,178,636	267,201,312	314,858,320
Insurance service expense	9	(85,695,250)	(93,937,444)	(239,585,663)	(334,313,344)
Net expenses from reinsurance contracts held	9	(10,527,732)	(10,210,825)	(24,401,920)	(20,392,511)
<b>Insurance service result</b>		<b>2,057,971</b>	<b>21,030,367</b>	<b>3,213,729</b>	<b>(39,847,535)</b>
Fair value change on FVTPL investments		(1,071,498)	(3,243,240)	1,186,622	(5,850,717)
Net gains from sale of investments		-	1,121,118	-	1,121,118
Interest revenue from financial assets measured at amortised cost		5,937,812	5,196,577	12,648,134	13,467,450
Interest revenue from financial assets measured at FVTPL		766,173	1,054,576	2,344,037	2,938,702
Dividend from financial assets measured at FVTPL		892,639	534,124	2,609,218	1,808,653
Net (impairment) reversal on financial assets		116,525	(372,331)	72,931	1,548,918
Other investment income / (loss)		(80,950)	424,744	(84,739)	640,600
<b>Net investment income</b>		<b>6,560,701</b>	<b>4,715,568</b>	<b>18,776,203</b>	<b>15,674,724</b>
Finance expense from insurance contracts issued	9	(699,886)	-	(1,480,050)	(2,957,815)
Finance income from reinsurance contracts held	9	232,255	-	125,289	318,586
<b>Net insurance finance expense</b>		<b>(467,631)</b>	<b>-</b>	<b>(1,354,761)</b>	<b>(2,639,229)</b>
<b>Net insurance and investment results</b>		<b>8,151,041</b>	<b>25,745,934</b>	<b>20,635,171</b>	<b>(26,812,040)</b>
Other operating expenses		(3,888,127)	(2,919,506)	(10,322,484)	(9,223,008)
Other income / (expense) net		(261,396)	6,062,185	11,331,614	10,678,253
<b>Net profit / (loss) attributed to the shareholders before zakat</b>		<b>4,001,518</b>	<b>28,888,613</b>	<b>21,644,301</b>	<b>(25,356,795)</b>
Provision for zakat & tax	8	(2,500,000)	(2,557,234)	(7,483,300)	(7,195,513)
<b>NET PROFIT / (LOSS) ATTRIBUTED TO THE SHAREHOLDERS AFTER ZAKAT</b>		<b>1,501,518</b>	<b>26,331,379</b>	<b>14,161,001</b>	<b>(32,552,308)</b>
<b>Earning/(Loss) per share (Basic and diluted)</b>	13	<b>0.05</b>	<b>0.88</b>	<b>0.47</b>	<b>(1.09)</b>

  
Board Member

  
General Manager


  
Finance Manager

The accompanying notes 1 to 16 form part of these unaudited interim condensed financial statements.

**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
UNAUDITED INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

	For the three months period		For the nine months period	
	30 September 2023 (Unaudited)	30 September 2022 (Restated – Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Restated – Unaudited)
<b>NET INCOME / (LOSS) ATTRIBUTED TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX</b>	<b>1,501,518</b>	<b>26,331,379</b>	<b>14,161,001</b>	<b>(32,552,308)</b>
Items that will not be reclassified to the interim condensed statement of income in subsequent period	-	-	-	-
Net changes in fair value of investments measured at FVOCI – equity instruments	-	-	-	-
Items that will be reclassified to the interim condensed	-	-	-	-
Changes in foreign currency translation	(214,646)	(374,548)	(14,283)	(918,121)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>1,286,872</b>	<b>25,956,831</b>	<b>14,146,718</b>	<b>(33,470,429)</b>

  
**Board Member**

  
**Finance Manager**

The accompanying notes 1 to 16 form part of these unaudited interim condensed financial statements.



**BURJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
*Expressed in Saudi Riyals*

**30 September 2023**

**Balance at the beginning of the period (Restated – Unaudited)**

**Total comprehensive income for the period:**

Net income for the period attributable to the shareholders  
Foreign currency translation  
**Total comprehensive income for the period attributed to the shareholders**  
  
**Balance at the end of the period (Unaudited)**

**30 September 2022**

**Balance at the beginning of the period as previously reported (Audited)**

Transition adjustment on initial application of IFRS 17, net of Zakat and tax  
Transition adjustment on initial application of IFRS 09, net of Zakat and tax  
  
**Balance as at 1 January 2022 (Restated – Unaudited)**

Net loss for the period attributable to the shareholders

Foreign currency translation

**Total comprehensive income for the period attributed to the shareholders**

**Balance at the end of the period (Restated – Unaudited)**

Share capital	Statutory reserves	Retained earnings	Fair value reserve for investments	Actuarial gain / (loss) on retirement benefit schemes	Foreign Currency translation	Total equity
300,000,000	51,584,068	28,289,015	37,780,049	2,971,159	(350,885)	420,273,406
<b>Total comprehensive income for the period:</b>						
-	-	14,161,001	-	-	-	14,161,001
-	-	-	-	-	(14,283)	(14,283)
-	-	14,161,001	-	-	(14,283)	14,146,718
<b>300,000,000</b>	<b>51,584,068</b>	<b>42,450,016</b>	<b>37,780,049</b>	<b>2,971,159</b>	<b>(365,168)</b>	<b>434,420,124</b>
Share capital	Statutory reserves	Retained earnings	Fair value reserve for investments	Actuarial gain / (loss) on retirement benefit schemes	Foreign Currency translation adjustments	Total equity
300,000,000	51,584,068	83,268,715	3,702,737	(1,069,338)	181,433	437,667,615
-	-	(27,458,960)	-	-	-	(27,458,960)
-	-	1,254,475	31,406,745	-	-	32,661,220
<b>300,000,000</b>	<b>51,584,068</b>	<b>57,064,230</b>	<b>35,109,482</b>	<b>(1,069,338)</b>	<b>181,433</b>	<b>442,869,875</b>
<b>Total comprehensive income for the period attributed to the shareholders</b>						
-	-	(32,552,308)	-	-	-	(32,552,308)
-	-	-	-	-	(918,121)	(918,121)
-	-	(32,552,308)	-	-	(918,121)	(33,470,429)
<b>300,000,000</b>	<b>51,584,068</b>	<b>24,511,922</b>	<b>35,109,482</b>	<b>(1,069,338)</b>	<b>(736,688)</b>	<b>409,399,446</b>

*Zair Aswag*  
**General Manager**

*[Signature]*  
**Finance Manager**

**Board Member**

The accompanying notes 1 to 16 form part of these unaudited interim condensed financial statements.

**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS  
FOR NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 23**

*Expressed in Saudi Riyals*

	30 September 2023 (Unaudited)	30 September 2022 (Restated – Unaudited)
<b>Cash Flow From Operating Activities</b>		
Gross income / (loss) for the period before zakat and tax	21,644,301	(25,356,795)
<b>Adjustments For Non-Cash Items:</b>		
Depreciation and amortisation of property and equipment	1,136,387	1,188,347
Net fair value gain on sale of investments at FVTPL	-	(1,121,118)
Interest revenue from financial assets measured at amortised cost	(12,648,134)	(13,467,450)
Interest revenue from financial assets measured at FVTPL	(2,344,037)	(2,938,702)
Dividend from financial assets measured at FVTPL	(2,609,218)	(1,808,653)
Change in fair value	(1,186,622)	5,850,717
Finance charges on lease liabilities	9,402	25,718
Share of loss/(profit) of associate	84,739	(640,600)
Gain on disposal of property and equipment	-	(6,631)
Provision for employee benefits obligation	1,009,582	1,258,288
Depreciation of Right-of-use assets	746,520	981,459
Expected credit loss/(gain)	4,135	(976,669)
	5,847,055	(37,012,089)
<b>Changes In Operating Assets And Liabilities:</b>		
Prepaid expenses and other assets	(3,444,579)	(16,060,414)
Accrued expenses and other liabilities	4,609,793	(5,675,373)
Insurance contracts net	16,150,083	(8,613,305)
Reinsurance contracts net	6,633,355	(10,279,266)
<b>Cash Generated/(used) from Operating Activities</b>	29,795,707	(77,640,447)
Zakat and income tax paid	(11,235,997)	(10,546,668)
Payment of employee benefits obligation	(764,821)	(1,832,995)
<b>Net Cash Generated/(used) in Operating Activities</b>	17,794,889	(90,020,110)
<b>Cash Flow From Investing Activities</b>		
Additions to property and equipment	(1,857,085)	(1,084,577)
Proceeds from disposal fixed assets	1,217	21,152
Additions to investments	(89,347,795)	(58,162,118)
Investment income received	19,551,952	14,591,004
Proceeds from sale of investments	4,880,233	65,708,475
Additions in term deposits	(84,983,508)	(93,503,490)
<b>Net Cash used In Investing Activities</b>	(151,754,985)	(72,429,554)
<b>Cash Flow From Financing Activities</b>		
Lease liabilities paid	(550,000)	(446,258)
<b>Net Cash used in Financing Activities</b>	(550,000)	(446,258)
Net increase in cash and cash equivalents	(134,510,096)	(162,895,923)
Cash and cash equivalents at the beginning of the period	254,568,440	237,206,233
<b>Cash And Cash Equivalents At The End Of The Period</b>	120,058,344	74,310,310
<b>Supplemental Schedule Of Non-Cash Information</b>		
Foreign currency translation adjustments	(14,283)	(918,121)

 Board Member

 General Manager

 Finance Manager

The accompanying notes 1 to 16 form part of these unaudited interim condensed financial statements.



**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**Expressed in Saudi Riyals**

---

**1. ORGANISATION AND PRINCIPAL ACTIVITIES**

Buruj Cooperative Insurance Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010280606 dated 10 Safar 1431H, corresponding to 26 January 2010. The registered office address of the Company is P.O. Box 51855, Riyadh 11553, Kingdom of Saudi Arabia. The objective of the Company is to transact cooperative insurance business and related activities in the Kingdom of Saudi Arabia. Its principal lines of business include all classes of general insurance. The Company was listed on the Tadawul (the Saudi Arabian Stock Market) on 15 February 2010.

The Company was licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree numbered 72/M dated 28 Shawal 1429H (corresponding to 29 October 2008), pursuant to Council of Ministers resolution numbered 313 dated 27 Shawal 1429H (corresponding to 28 October 2008). On 10 Muharram 1431H (corresponding to 27 December 2009), the Ministry of Commerce and Industry issued a resolution declaring the incorporation of the Company.

On 15 Jumada Thani 1431H (corresponding to 29 May 2010), the Saudi Central Bank (“SAMA”) issued a formal approval to transact insurance business. The Company launched its insurance operations on 1 July 2010 after receipt of an authorisation from SAMA to commence insurance operations as product approval and related formalities were completed.

The Company is required to distribute 10% of the net surplus from insurance operations to policyholders and the remaining 90% to the shareholders of the Company in accordance with the Insurance Law and Implementation Regulations issued by SAMA. Any deficit arising on insurance operations is transferred to the shareholders’ operations in full.

**2. BASIS OF PREPARATION**

**a) Basis of presentation:**

The interim condensed financial statements of the company have been prepared in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (IAS 34) as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The interim condensed financial statements of the company were prepared for the period ended on September 30, 2023 in accordance with International Accounting Standard 34 adopted in the Kingdom of Saudi Arabia and the Insurance Control Law and Regulations for Companies in the Kingdom of Saudi Arabia.

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 statements accordingly. Revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of revenues and expenses from joint operations is determined and approved by the management and the Board of Directors.

The interim condensed financial statements are prepared on the going concern basis and on the historical cost basis, except for certain investments that are measured at fair value and end of service benefits are measured at present value. The balance sheet is not displayed using the current / non-current classification.

Effective January 1, 2023, the Company adopted IFRS 17 – Insurance Contracts, and IFRS 9 – Financial Instruments. The adoption of IFRS 17 and IFRS 9 had a significant impact on the accounting of insurance and reinsurance contracts, and the accounting of financial instruments, respectively.

**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023  
Expressed in Saudi Riyals**

---

**2. BASIS OF PREPARATION (CONTINUED)**

**a) Basis of presentation: (CONTINUED)**

The interim condensed statement of financial position, interim condensed statements of income, interim condensed comprehensive income and cash flows of the insurance operations and shareholders' operations which are presented in Note 9 of the financial statements have been provided as supplementary financial information to comply with the requirements of the guidelines issued by SAMA implementing regulations.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and must be read in conjunction with the annual financial statements of the company as they are on December 31, 2022, taking into consideration the impact of applying IFRS 17, and IFRS 9 on the financial statements, and related footnotes, as stated in note 3.

The interim condensed financial statements are expressed in Saudi Riyals.

**b) Significant accounting judgements, estimates and assumptions**

The preparation of the interim condensed financial statements requires the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results ultimately may differ from those estimates.

**Claims and Future Cash Flows**

The estimates of 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.

The Company estimates insurance liabilities in relation to claims incurred on an accident year basis, with further allocation to cohorts in proportion to the gross or reinsurance premiums earned by the respective cohort of contracts in a given accident year.

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. In certain instances, different techniques or a combination of techniques have been selected for individual accident years or groups of accident years within the same type of contract. Actuarial models are utilized to analyse and project related claims estimates

**Expense Attribution**

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, such as activity-based costing method. 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.

## **2. BASIS OF PREPARATION (CONTINUED)**

### **Expense Attribution (CONTINUED)**

The Company projects estimates of future expenses relating to fulfilment of contracts within the scope of IFRS 17 using current expense levels adjusted for inflation, where applicable. Expenses comprise expenses directly attributable to the groups of contracts, including an allocation of fixed and variable overheads. Claims settlement-related expenses are allocated based on the claims costs.

### **Calculation of Expected Credit Losses**

Expected credit losses (ECL) utilize model based assumptions to estimate impairment of financial assets and premiums receivable. ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

As for expected credit losses for reinsures and contracts held, the company adopted a specific model for reinsures where by credit losses are estimated based on the credit ratings of reinsures, as published by international rating agencies at the measurement date.

## **3. NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

### **3.1 IFRS 17 - Insurance Contracts**

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, and an explicit risk adjustment for non-financial risk.

Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows.

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after January 1, 2023. The Company has restated comparative information applying the transitional provisions to IFRS 17. Differences arising from the adoption of IFRS 17 were recognised in retained earnings as of January 1, 2022.

Under IFRS 17, the Company's insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the premium allocation approach (PAA). The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

#### **(a) Recognition**

Recognition requirements are slightly different for issued contracts and held contracts. For groups of issued contracts, a group should be recognized at the earliest of the following:

- Beginning of the coverage period;
- Date when the first payment from a policyholder becomes due; and
- For a group of onerous contracts, when the group becomes onerous.

Reinsurance contracts held by an entity are recognized on the earlier of:

- Beginning of the coverage period of the group of reinsurance contracts held; and
- Date the entity recognizes an onerous group of underlying insurance contracts provided the reinsurance contract was in force on or before that date.

Regardless of the first point above, the recognition of proportional reinsurance contracts held shall be delayed until the recognition of the first underlying contract issued under that reinsurance contract.



**3. NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)**  
**3.1 IFRS 17 - Insurance Contracts (CONTINUED)**

**(b) Level of Aggregation**

Portfolios will be split by sub line of business. This grouping meets the portfolio requirement of “similar risks” due to the following:

- Sub lines of business are grouped based on the risks covered under the contracts; and
- Contracts written within particular sub lines of business will cover similar perils and thus risks.

Furthermore, the portfolio requirement of “management together” is met as:

- Each line of business is generally underwritten and monitored separately, with separate underwriter for each main line of business; and

The current actuarial valuation is done at a sub-line of business level, with these more granular results provided for internal management reporting.

**(c) Risk Adjustment**

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled.

As the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company’s degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates. The Company does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The risk adjustment was calculated at the issuing entity level and then allocated down to each group of contracts in accordance with their risk profiles. The Value at Risk (VAR) method was used to derive the overall risk adjustment for non-financial risk is based on a 75% level of confidence in relation of the Company’s overall risk thresholds.

**(d) Discounting Methodology**

The Company has adjusted the estimates of future cash flows to reflect the time value of money and the financial risks related to those cash flows. The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows.

Discount rates are derived using a bottom up approach utilizing the EIOPA (European insurance and occupational pension authority) rate as the risk free rate, adjusted for country risk and illiquidity.

Discounting is applied on liability for incurred claims components within the groupe of contracts considering the duration of payment (whether direct or reinsurance) of claims can exceed a one-year period.

**(e) Premium Allocation Approach (PAA)**

PAA is an optional simplification that an entity can apply to contracts that have a coverage period of up to 12 months or to contracts for which it can demonstrate that the liability for remaining coverage will not be materially different under PAA and General Model Measurement ("GMM"). In terms of computations, the major simplification relates to Liability for Remaining Coverage ("LRC").

**3. NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)**  
**3.1 IFRS 17 - Insurance Contracts (CONTINUED)**

**(e) Premium Allocation Approach (PAA) (CONTINUED)**

Under PAA, it is not required to consider each component of the premium separately instead a single liability can be set up. The components of liability under PAA as at any valuation date can be summarized as follows:

Liability for Remaining Coverage:

- Excluding loss component
- Loss component, if any

Liability for Incurred Claims:

- Estimates of future cash flows
- Risk adjustment
- Discounting of cash flows

The Company's portfolios were assessed as eligible to be measured under the premium allocation approach based on the actuarial analysis whereby most groups automatically eligible for having coverage duration of 12 months or less, or the results of applying PAA were not materially different from those under GMM.

**Transition to IFRS 17**

The adoption of IFRS 17 will have a material impact on the accounting and reporting of financial figures of insurance and reinsurance contracts due to the change in recognition, measurement and presentation methodology as detailed in these interim financial statements. Below is a summary of the impact on assets and liabilities:

	1-Jan-2022 SR
<b>Drivers of Changes in</b>	
ECL Impact on Premium Receivables under LRFC	2,456,697
Loss Component, net of contribution deficiency reserve	(32,264,081)
Additional DAC related to Insurance Contract Liability	1,431,481
Discounting Impact on LIC	2,210,334
Risk adjustments, net	(4,141,766)
NPR Impact on Claims Reinsurance Receivables under AIC	3,236,433
Discounting Impact on AIC	(388,162)
Other Differences	104
<b>Total Impact</b>	<b>(27,458,960)</b>

In the statement of financial position, deferred acquisition costs and premiums receivable will no longer be presented separately as they are part of liability for remaining coverage. Similarly, receivables from reinsurers and deferred reinsurance commissions will be part of reinsurance assets. This will lead to the reduction of assets and liabilities previously presented.

### **3. NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)**

#### **3.2 IFRS 9 - Financial Instruments**

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement as of January 1, 2023. Consequently, the Company applied IFRS 9 retrospectively. Differences arising from the adoption of IFRS 9 were recognised in retained earnings as of January 1, 2022. The nature of the changes in accounting policies can be summarised, as follows:

##### **(a) 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, available for sale, held-to-maturity, and loans and receivables, 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 income/loss for valuation and on derecognition;
- Debt instruments at amortised cost; and
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition.

IFRS 9 largely retains the requirements in IAS 39 for the classification and measurement of financial liabilities. There is no impact expected on financial liabilities as a result of transition to IFRS 9.

##### **(b) 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 expected to occur within 12 months of balance sheet date. Both lifetime ECLs and 12-month ECLs will be calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

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

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 probability of default.

IFRS 9 impairment applies to financial instruments that are not measured at Fair Value through the statement of income. Equity instruments measured at fair value through other comprehensive income are also excluded from the purview of impairment.



**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
Expressed in Saudi Riyals

**3. NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)**

**3.2.1 Transition to IFRS 9**

The changes to the impairment calculation methodology adopted based on IFRS 9 resulted in changes to the valuation and carrying amounts of investments were market value is not applied. Additionally, the investment in Najm Company for Insurance Services, which was previously valued at cost of SR 1.9 million was independently valued as of year-end 2021 (SR 37.0 million), and again as of year-end 2022 (SR 39.7 million). The carrying amount of Najm (initially held at cost of SR 1.9 million) was adjusted retroactively retrospectively to coincide with the adoption of IFRS 9.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities, as at 1 January 2022:

	IAS 39 31-Dec-2021		IFRS 9 1-Jan-2022	
	Measurement category	SR	Measurement category	SR
Cash and cash equivalents	Amortised cost	237,886,895	Amortised cost	237,206,233
Time Deposits	Amortised cost	333,742,623	Amortised cost	331,997,996
Mutual Funds	Available for sale (AFS)	65,827,812	Fair Value through profit and loss (FVTPL) (Mandatory)	65,827,812
Quoted equity shares	AFS	12,702,270	Fair Value through profit and loss (FVTPL) (Mandatory)	12,702,270
Un-Quoted Local equity shares	AFS	1,923,078	FVTOCI	1,923,078
Quoted Fixed Income Securities	AFS	71,226,988	Fair Value through profit and loss (FVTPL) (Mandatory)	71,226,988
Sukuks	Held to Maturity (HTM)	5,000,000	Amortized cost	4,980,161
Statutory Deposit	Amortised cost	30,000,000	Amortised cost	29,996,869
<b>Total</b>		<b>758,309,666</b>		<b>755,861,407</b>

The financial assets which have been meet the criteria of held to collect business model are measured through profit and loss. There are no changes in the classification of financial liabilities in the transition from IAS 39 to IFRS 9.

Below is a summary of the overall impact for IFRS 9

	1-Jan-2022 SR
Classification of financial assets Fair value reserves transferred to P&L (PH & SH)	3,702,737
ECL Impairment effect on Cash & Cash Equivalent – Retained Earnings Impact	(680,662)
ECL Impairment effect on Time Deposit – Retained Earnings Impact	(1,744,628)
ECL Impairment effect on Sukuk – Retained Earnings Impact	(19,839)
ECL Impairment effect on Statutory Deposit – Retained Earnings Impact	(3,133)
Najm Valuation Impact on Fair Value Reserve Through OCI	35,109,482
Reversal of Opening through OCI	(3,702,737)
<b>Total Impact for IFRS 9</b>	<b>32,661,220</b>

**3.3 Transition Impact of the adoption IFRS 17 and IFRS 9**

The overall impact on the Company's equity as a result of the adoption of IFRS 17 and IFRS 9 is as follows:

	1-Jan-2022 SR
<b>Transition To</b>	
IFRS 17	(27,458,960)
IFRS 9	32,661,220
<b>Total Impact</b>	<b>5,202,260</b>

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

4.CASH AND CASH EQUIVALENTS	30-Sep-23 (Unaudited)		
	<i>Insurance operations</i>	<i>Shareholders' Operations</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
Cash on hand and in Banks	14,928,936	37,636,383	52,565,319
Time deposits	41,955,824	25,785,256	67,741,080
Impact of ECL	(7,161)	(240,894)	(248,055)
	<u>56,877,599</u>	<u>63,180,745</u>	<u>120,058,344</u>
	31-Dec-22 (Restated - Unaudited)		
	<i>Insurance operations</i>	<i>Shareholders' Operations</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
Cash on hand and in Banks	199,115,005	35,093,550	234,208,555
Time deposits	-	20,701,497	20,701,497
Impact of ECL	(7,691)	(333,921)	(341,612)
	<u>199,107,314</u>	<u>55,461,126</u>	<u>254,568,440</u>
	1-Jan-22 (Restated - Unaudited)		
	<i>Insurance operations</i>	<i>Shareholders' Operations</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
Cash on hand and in Banks	170,713,065	66,232,040	236,945,105
Time deposits	941,790	-	941,790
Impact of ECL	(21,781)	(658,881)	(680,662)
	<u>171,633,074</u>	<u>65,573,159</u>	<u>237,206,233</u>

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

**5. INVESTMENTS**

Investments comprise of the following:

	<b>30 September 2023(Unaudited)</b>			<b>31 December 2022 (Restated - Unaudited)</b>			<b>1 January 2022 (Restated - Unaudited)</b>		
	<b>Insurance operations</b>	<b>Shareholders' Operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Shareholders' Operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Shareholders' Operations</b>	<b>Total</b>
	SR			SR			SR		
Investments in Quoted fixed income securities through FVTPL	-	<b>61,064,630</b>	<b>61,064,630</b>	-	65,459,680	65,459,680	-	76,226,988	76,226,988
Investments in Unquoted Equity carried at Fair value through O	-	<b>39,703,127</b>	<b>39,703,127</b>	-	39,703,127	39,703,127	-	37,012,721	37,012,721
Investments in associate	-	<b>1,049,832</b>	<b>1,049,832</b>	-	1,134,571	1,134,571	-	597,960	597,960
Investments in Equity carried thought FVTPL	-	<b>15,026,270</b>	<b>15,026,270</b>	-	12,528,405	12,528,405	-	12,702,270	12,702,270
Investments in Funds carried through FVTPL	<b>51,161,071</b>	<b>105,167,131</b>	<b>156,328,201</b>	24,998,366	43,792,750	68,791,116	25,044,590	40,783,222	65,827,812
<b>Total</b>	<b>51,161,071</b>	<b>222,010,990</b>	<b>273,172,060</b>	<b>24,998,366</b>	<b>162,618,533</b>	<b>187,616,899</b>	<b>25,044,590</b>	<b>167,323,161</b>	<b>192,367,751</b>

- The movement in investments is as follows:

	<b>Insurance operations</b>		
	<b>September 2023 (Unaudited)</b>	<b>31 December 2022 (Restated – Unaudited)</b>	<b>1 January 2022 (Restated – Unaudited)</b>
	SR		
Beginning balance	<b>24,998,366</b>	25,044,590	52,732,939
Additions	<b>25,000,000</b>	34,021,648	62,793,195
Disposals	-	(34,700,822)	(97,909,152)
	<b>49,998,366</b>	24,365,416	17,616,982
Changes in fair value FVTPL	<b>1,177,362</b>	654,599	7,405,959
Change in fair value FVTOCI	-	-	-
Foreign currency translation adjustments	<b>(14,658)</b>	(21,649)	21,649
Movement in allowance for expected credit losses	-	-	-
<b>Ending balance</b>	<b>51,161,071</b>	<b>24,998,366</b>	<b>25,044,590</b>



**BURUJ COOPERATIVE INSURANCE COMPANY****(A SAUDI JOINT STOCK COMPANY)****NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)****FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023***Expressed in Saudi Riyals***5. INVESTMENTS (CONTINUED)**

	<b>Shareholders' operations</b>		
	<b>30 September 2023 (Unaudited)</b>	<b>31 December 2022 (Restated – Unaudited)</b>	<b>1 January 2022 (Restated – Unaudited)</b>
	<b>SR</b>	<b>SR</b>	<b>SR</b>
Beginning balance	<b>161,483,962</b>	166,725,201	199,708,514
Additions	<b>64,347,795</b>	39,390,770	7,511,929
Disposals	<b>(4,880,233)</b>	(39,306,099)	(78,006,493)
Impairments	<b>-</b>	(1,031,278)	(1,218,783)
	<b>220,951,524</b>	165,778,594	127,995,167
Changes in fair value FVTPL	<b>9,259</b>	(6,474,369)	3,689,336
Change in fair value FVTOCI	<b>-</b>	2,690,406	35,089,643
Foreign currency translation	<b>375</b>	(510,669)	(48,945)
Movement in allowance for expected	<b>-</b>	-	-
<b>Ending balance</b>	<b>220,961,158</b>	161,483,962	166,725,201
<b>Movement in investments in associate is as follows:</b>			
Balance, January 1	<b>1,134,571</b>	597,960	700,618
Share of profit /(loss)	<b>(84,739)</b>	536,611	(102,658)
<b>Ending balance</b>	<b>1,049,832</b>	1,134,571	597,960
<b>Total Ending balance</b>	<b>222,010,990</b>	162,618,533	167,323,161

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in the interim condensed financial information.

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

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

**Fair value**

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
*Expressed in Saudi Riyals*

**5. INVESTMENTS (CONTINUED)**

30 September 2023 (Unaudited)	Fair value			
	Level 1	Level 2	Level 3	Total
	SR			
- Equities	26,988,182	-	39,703,127	66,691,309
- Fixed income securities	61,064,630	-	-	61,064,630
- Units in investment and real estate	-	144,366,289	-	144,366,289
ECL provision	-	-	-	-
Total	88,052,812	144,366,289	39,703,127	272,122,229
31 December 2022 (Restated –	Fair value			
	Level 1	Level 2	Level 3	Total
	SR			
- Equities	12,528,405	-	39,703,127	52,231,532
- Fixed income securities	65,459,680	-	-	65,459,680
- Units in investment and real estate	-	68,791,116	-	68,791,116
Total	77,988,085	68,791,116	39,703,127	186,482,328
1 January 2022 (Restated – Unaudited)	Fair value			
	Level 1	Level 2	Level 3	Total
	SR			
- Equities	12,702,270	-	37,012,721	49,714,991
- Fixed income securities	76,226,988	-	-	76,226,988
- Units in investment and real estate	-	65,827,812	-	65,827,812
Total	88,929,258	65,827,812	37,012,721	191,769,791

**6. COMMITMENTS AND CONTINGENCIES**

**Litigations and lawsuits**

The company operates in the insurance business and is vulnerable to lawsuits during its normal business cycle. While it is impractical to predict or know the final outcome of all lawsuits, management believes that these lawsuits (including the cases) will not have any material impact on the company's results or its financial position. The company does not have any material lawsuit on the date of preparing the interim condensed financial statements.

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

**7. RELATED PARTY TRANSACTIONS AND BALANCES**

The related parties represent the main shareholders, directors, and senior management employees of the company, the companies that they are their main owners, and any other companies that are subject to their control or are jointly controlled or have effective control over them. Pricing policies and terms of these transactions are approved by the company's management and the Board of Directors. Details of major related party transactions and their balances are as follows:

Related party	Nature of transactions	30 September 2023 (Unaudited) SR	30 September 2022 (Unaudited - SR
Major Shareholders	Insurance premium written Claims paid Reinsurance premium ceded	7,622,157 (1,723,098) (149,518)	8,556,915 (1,510,055) (280,404)
Board of Directors and committees' members	Remuneration fees, allowances and other expense Insurance premium written Claims paid Insurance brokerage contracts	(1,599,750) 20,050,827 (6,122,674) (2,649,459)	(1,304,696) 18,688,939 (1,925,189) (3,582,061)

The above transactions with the related parties resulted in the following balances:

	Nature of balances	30 September 2023 (Unaudited) SR	31 December 2022 (Restated – Unaudited) SR	1 January 2022 (Restated – Unaudited) SR
Major Shareholders	Insurance premium written receivable Reinsurance premium ceded payable	12,013,160 (1,104,481)	9,259,420 (1,330,678)	5,712,102 (4,094,797)
Board of Directors and committees' members	Remuneration fees, allowances and other expense payable Insurance premium written receivable Insurance brokerage contracts	(1,648,387) 7,446,568 (3,107,279)	(1,757,690) 5,527,970 (2,219,320)	(2,091,840) 4,900,875 (1,549,720)
Associate	General and administrative expenses payable	-	-	510,973

**Compensation of key management personnel**

The compensation of the key management personnel during the period were as follows:

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited - Restated)
Short-term benefits	2,774,800	3,210,060
End of service benefit	120,572	130,258
	<b>2,895,372</b>	<b>3,340,318</b>

## **8. ZAKAT AND INCOME TAX ACCRUED**

### ***Zakat charge for the period***

The zakat provision consists of the zakat charged during the period in the amount of SR 7,483,300 (Sep 30, 2022: SAR 7,195,513). The zakat provision is calculated on the 100% capital.

### ***Status of assessment***

The Company has filed zakat returns with the General Authority of Zakat and Tax ("ZATCA") for the years from 2010 to 2022.

On review of the zakat returns by the ZATCA for the years 2010 to 2012, ZATCA issued assessments and the company objected to it, the final decisions have been issued for the objection cases resulting credit amounts in the company's interest with SR 64,738 , 340,868 and 325,000 respectively. The company submitted a letter to refund and still under review.

On review of the zakat returns by the ZATCA for the years 2015 to 2018, ZATCA issued assessments and the company objected to it, the liability decreased to SR 13,288,746 after the decision of the Resolution Committee for tax violations and disputes. The company raised an appeal to the Appellate Committee and still under review.

On review of the withholding tax returns by the ZATCA for the years 2014 to 2018, ZATCA issued assessments and the company objected to it, the company paid the assessments amount and cancelled penalties according zatca initiatives. The Resolution Committee for tax violations and disputes rejected the case. The company raised an appeal to the Appellate Committee and still under review.

On review of the zakat returns by the ZATCA for the years 2019 to 2020, ZATCA issued assessments and the company objected to it, the liability decreased to SR 4,146,940 after the decision of the Resolution Committee for tax violations and disputes. The company raised an appeal to the Appellate Committee and the final decision resulted in rejecting the case. The company in procedure to do settlement for the dues.

On review of the value added tax returns by the ZATCA for the years 2018 to 2019, ZATCA issued assessments and the company objected to it, the company paid the assessments amount and cancelled penalties according zatca initiatives. The Resolution Committee for tax violations and disputes rejected the case. The company raised an appeal to the Appellate Committee and still under review.

## **9. OPERATING SEGMENTS**

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company's Board of Directors in their function as chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the condensed income statement. Segment assets and liabilities comprise operating assets and liabilities.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2022, with the exception of the impact of adopting IFRS 17 as previously discussed.

Segment assets do not include property and equipment, prepaid expenses and other assets, investments, time deposits, cash and cash equivalents, amounts due from a related party, statutory deposit, and investment returns from the statutory deposit, and thus they are included in the unallocated assets.

Segments' liabilities do not include end-of-service benefits provision, payables and accrued expenses and other liabilities, other provisions, surplus payable distributions, actuarial loss for specific benefit plans, accrued zakat and income tax, and due statutory deposit investment returns and thus they are included in the unallocated liabilities.

General and administrative expenses, commission income were allocated as per IFRS 17 requirements.

**BURUJ COOPERATIVE INSURANCE COMPANY****(A SAUDI JOINT STOCK COMPANY)****NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)****FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023***Expressed in Saudi Riyals***9. OPERATING SEGMENTS (CONTINUED)****Statement of Financial Position**

	30 September 2023			
	Motor	Medical	Property & Casualty	Total
<b>Assets</b>				
Insurance contract assets	50,009,700	10,472,811	18,851,910	79,334,420
Reinsurance contract assets	3,070,596	2,945,338	31,934,576	37,950,510
Unallocated Assets	-	-	-	757,030,875
<b>Total</b>	<b>53,080,296</b>	<b>13,418,149</b>	<b>50,786,486</b>	<b>874,315,805</b>
<b>Liabilities</b>				
Insurance contract Liabilities	263,751,526	56,803,408	52,450,398	373,005,332
Reinsurance contract Liabilities	391,784	972,964	14,016,661	15,381,409
Unallocated Liabilities	-	-	-	51,508,940
<b>Total</b>	<b>264,143,310</b>	<b>57,776,372</b>	<b>66,467,059</b>	<b>439,895,681</b>
31 December 2022 (Restated – Unaudited)				
	Motor	Medical	Property & Casualty	Total
<b>Assets</b>				
Insurance contract assets	-	-	-	-
Reinsurance contract assets	2,650,666	4,098,058	22,453,732	29,202,456
Unallocated Assets	-	-	-	719,209,114
<b>Total</b>	<b>2,650,666</b>	<b>4,098,058</b>	<b>22,453,732</b>	<b>748,411,570</b>
<b>Liabilities</b>				
Insurance contract Liabilities	204,174,311	50,404,185	22,942,333	277,520,829
Reinsurance contract Liabilities	-	-	-	-
Unallocated Liabilities	-	-	-	50,617,335
<b>Total</b>	<b>204,174,311</b>	<b>50,404,185</b>	<b>22,942,333</b>	<b>328,138,164</b>



**BURUJ COOPERATIVE INSURANCE COMPANY****(A SAUDI JOINT STOCK COMPANY)****NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)****FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023***Expressed in Saudi Riyals***9. OPERATING SEGMENTS (CONTINUED)****Statement of Financial Position**

	1 January 2022 (Restated – Unaudited)			
	Motor	Medical	Property & Casualty	Total
<b>Assets</b>				
Insurance contract assets	-	-	-	-
Reinsurance contract assets	5,750,626	1,248,401	20,825,702	27,824,729
Unallocated Assets	-	-	-	832,532,928
Total	5,750,626	1,248,401	20,825,702	860,357,657
<b>Liabilities</b>				
Insurance contract Liabilities	233,161,229	94,376,676	26,198,194	353,736,099
Reinsurance contract Liabilities	-	-	-	-
Unallocated Liabilities	-	-	-	63,751,683
Total	233,161,229	94,376,676	26,198,194	417,487,782

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

**9. OPERATING SEGMENTS (CONTINUED)**  
**Statement of Income**

	<b>Three-month period ended 30 September 2023 (Unaudited)</b>			
	<b>Motor</b>	<b>Medical</b>	<b>Property &amp; Casualty</b>	<b>Total</b>
<b>REVENUES</b>				
Insurance revenue	65,613,190	21,100,391	11,567,372	98,280,953
Insurance service expenses	(67,083,916)	(15,525,096)	(3,086,238)	(85,695,250)
Income / (expenses) from reinsurance contracts held	(289,641)	236,789	(10,474,879)	(10,527,732)
<b>Insurance service result</b>	<b>(1,760,367)</b>	<b>5,812,084</b>	<b>(1,993,746)</b>	<b>2,057,971</b>
Fair value change on FVTPL investments	-	-	-	(1,071,498)
Net gains from sale of investments	-	-	-	-
Interest Revenue from financial assets measured at amortised cost	-	-	-	5,937,812
Interest Revenue from financial assets measured at FVTPL	-	-	-	766,173
Dividend from financial assets measured at FVTPL	-	-	-	892,639
Net (impairment) reversal on financial assets	-	-	-	116,525
Other investment income / (loss)	-	-	-	(80,950)
<b>Net investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,560,701</b>
Finance income / (expense) from insurance contracts issued	(399,248)	(119,877)	(180,760)	(699,886)
Finance (expenses) / income from reinsurance contracts held	11,729	14,375	206,150	232,255
<b>Insurance finance results</b>	<b>(387,519)</b>	<b>(105,502)</b>	<b>25,390</b>	<b>(467,631)</b>
<b>Net insurance and investment results</b>				<b>8,151,041</b>
Other operating expenses				(3,888,127)
Other income				(261,396)
<b>Gross Income for the period</b>				<b>4,001,518</b>
Provision for Zakat and Income Tax				(2,500,000)
<b>Income for the period after Zakat and Income Tax</b>				<b>1,501,518</b>

**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

**9. OPERATING SEGMENTS (CONTINUED)  
Statement of Income**

	Three-month period ended 30 September 2022 (Restated - Unaudited)			
	Motor	Medical	Property & Casualty	Total
<b>REVENUES</b>				
Insurance revenue	79,560,977	29,451,910	16,165,749	125,178,636
Insurance service expenses	(83,531,389)	(6,903,884)	(3,502,171)	(93,937,444)
Income / (expenses) from reinsurance contracts held	(1,546,331)	2,655,275	(11,319,769)	(10,210,825)
<b>Insurance service result</b>	(5,516,743)	25,203,301	1,343,809	21,030,367
Fair value change on FVTPL investments	-	-	-	(3,243,240)
Net gains from sale of investments	-	-	-	1,121,118
Interest Revenue from financial assets measured at amortised cost	-	-	-	5,196,577
Interest Revenue from financial assets measured at FVTPL	-	-	-	1,054,576
Dividend from financial assets measured at FVTPL	-	-	-	534,124
Net (impairment) reversal on financial assets	-	-	-	(372,331)
Other investment income / (loss)	-	-	-	424,744
<b>Net investment income</b>	-	-	-	4,715,568
Finance income / (expense) from insurance contracts issued	-	-	-	-
Finance (expenses) / income from reinsurance contracts held	-	-	-	-
<b>Insurance finance results</b>	-	-	-	-
<b>Net insurance and investment results</b>				25,745,935
Other operating expenses				(2,919,506)
Other income				6,062,185
<b>Gross Income for the period</b>				28,888,613
Provision for Zakat and Income Tax				(2,557,234)
<b>Income for the period after Zakat and Income Tax</b>				26,331,379

**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

**9. OPERATING SEGMENTS (CONTINUED)**

**Statement of Income**

	<b>Nine-month period ended 30 September 2023 (Unaudited)</b>			
	<b>Motor</b>	<b>Medical</b>	<b>Property &amp; Casualty</b>	<b>Total</b>
<b>REVENUES</b>				
Insurance revenue	180,789,276	56,020,877	30,391,159	267,201,312
Insurance service expenses	(186,428,005)	(37,681,379)	(15,476,279)	(239,585,663)
Income / (expenses) from reinsurance contracts held	(2,546,674)	(2,375,304)	(19,479,941)	(24,401,920)
<b>Insurance service result</b>	<b>(8,185,403)</b>	<b>15,964,194</b>	<b>(4,565,062)</b>	<b>3,213,729</b>
Fair value change on FVTPL investments	-	-	-	1,186,622
Net gains from sale of investments	-	-	-	-
Interest Revenue from financial assets measured at amortised cost	-	-	-	12,648,134
Interest Revenue from financial assets measured at FVTPL	-	-	-	2,344,037
Dividend from financial assets measured at FVTPL	-	-	-	2,609,218
Net (impairment) reversal on financial assets	-	-	-	72,931
Other investment income / (loss)	-	-	-	(84,739)
<b>Net investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,776,203</b>
Finance income / (expense) from insurance contracts issued	(939,513)	(338,472)	(202,065)	(1,480,050)
Finance (expenses) / income from reinsurance contracts held	47,706	47,238	30,344	125,289
<b>Insurance finance results</b>	<b>(891,807)</b>	<b>(291,234)</b>	<b>(171,721)</b>	<b>(1,354,762)</b>
<b>Net insurance and investment results</b>				<b>20,635,170</b>
Other operating expenses				(10,322,484)
Other income				11,331,614
<b>Gross Income for the period</b>				<b>21,644,301</b>
Provision for Zakat and Income Tax				(7,483,300)
<b>Income for the period after Zakat and Income Tax</b>				<b>14,161,001</b>

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

**9. OPERATING SEGMENTS (CONTINUED)**

**Statement of Income**

	Nine-month period ended 30 September 2022 (Restated - Unaudited)			
	Motor	Medical	Property & Casualty	Total
<b>REVENUES</b>				
Insurance revenue	196,647,992	82,570,922	35,639,406	314,858,320
Insurance service expenses	(234,785,322)	(78,077,164)	(21,450,858)	(334,313,344)
Income / (expenses) from reinsurance contracts held	(5,467,805)	3,822,308	(18,747,014)	(20,392,511)
<b>Insurance service result</b>	(43,605,135)	8,316,066	(4,558,466)	(39,847,535)
Fair value change on FVTPL investments	-	-	-	(5,850,717)
Net gains from sale of investments	-	-	-	1,121,118
Interest Revenue from financial assets measured at amortised cost	-	-	-	13,467,450
Interest Revenue from financial assets measured at FVTPL	-	-	-	2,938,702
Dividend from financial assets measured at FVTPL	-	-	-	1,808,653
Net (impairment) reversal on financial assets	-	-	-	1,548,918
Other investment income / (loss)	-	-	-	640,600
<b>Net investment income</b>	-	-	-	15,674,724
Finance income / (expense) from insurance contracts issued	(1,406,954)	(408,716)	(1,142,145)	(2,957,815)
Finance (expenses) / income from reinsurance contracts held	96,066	64,702	157,818	318,586
<b>Insurance finance results</b>	(1,310,888)	(344,014)	(984,327)	(2,639,229)
<b>Net insurance and investment results</b>				(26,812,040)
Other operating expenses				(9,223,008)
Other income				10,678,253
<b>Gross loss for the period</b>				(25,356,795)
Provision for Zakat and Income Tax				(7,195,513)
<b>loss for the period after Zakat and Income Tax</b>				<u>(32,552,308)</u>

**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

**10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES**

	30 September 2023 (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Insurance contracts - 1 January 2023					
Insurance contract liabilities	73,415,222	43,628,954	155,725,384	4,751,269	277,520,829
Changes in the statement of income and OCI:					
Insurance revenue	267,201,312	-	-	-	267,201,312
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	217,604,679	2,144,576	219,749,254
Insurance acquisition cashflows amortization	46,701,711	-	-	-	46,701,711
Losses and reversals of losses on onerous contracts	-	(29,413,123)	1,610,427	-	(27,802,695)
Changes that relate to past service - adjustments to the LIC	-	-	3,642,218	(2,704,825)	937,393
Insurance service expenses	46,701,711	(29,413,123)	222,857,324	(560,249)	239,585,663
Insurance service result	220,499,601	29,413,123	(222,857,324)	560,249	27,615,649
Finance expense from insurance contracts	-	-	(1,480,050)	-	(1,480,050)
Total changes in the statement of income and OCI	220,499,601	29,413,123	(224,337,375)	560,249	26,135,598
Cashflows					
Premiums received	319,092,395	-	-	-	319,092,395
Claims and other directly attributable expenses paid	-	-	(229,767,454)	-	(229,767,454)
Insurance acquisition cashflows paid	(47,039,260)	-	-	-	(47,039,260)
Total cash inflows / (outflows)	272,053,135	-	(229,767,454)	-	42,285,681
Net closing balance	124,968,756	14,215,831	150,295,305	4,191,020	293,670,912
Insurance contracts assets - 30 September 2023	(43,278,604)	(36,055,816)	-	-	(79,334,420)
Insurance contracts Liabilities - 30 September 2023	168,247,360	50,271,648	150,295,305	4,191,020	373,005,332
	124,968,756	14,215,832	150,295,305	4,191,020	293,670,912



**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

**10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)**

	30 September 2023 (Unaudited)			
	Asset for remaining coverage		Asset for incurred claims	
	Excluding loss component	Loss recovery component	PVCF, Contracts measured under PAA	Risk adjustment, Contracts measured under PAA
Total				
<b>Reinsurance contracts - 1 January 2023</b>				
reinsurance contract assets	(4,084,647)	-	32,804,001	483,102
<b>Changes in the statement of income and OCI:</b>				
<b>Amounts Allocated to Reinsurance</b>	(24,224,067)	-	-	-
Incurred Claims Amounts Recoverable from Reinsurance	-	-	4,003,152	77,285
Changes that relate to past service: changes related to AIC	-	-	(3,527,923)	(98,262)
Losses and reversals of losses on onerous contracts	-	-	(632,105)	-
Investment component: change in profit commission	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	-	-	(156,875)	(20,977)
<b>Insurance service result</b>	(24,224,067)	-	(156,875)	(20,977)
<b>Finance income from reinsurance contracts</b>		-	125,289	-
<b>Total changes in the statement of income and OCI</b>	(24,224,067)	-	(31,586)	(20,977)
<b>Cashflows</b>				
Premiums ceded and acquisition cashflows paid	(20,844,405)	-	374,566	-
Recoveries from reinsurance	2,886,072	-	(59,508)	-
<b>Total cash inflows / (outflows)</b>	(17,958,333)		315,058	-
<b>Net closing balance</b>	(10,350,381)	-	32,457,357	462,125
<b>Reinsurance contracts assets - 30 September 2023</b>	4,611,619	-	32,876,764	462,127
<b>Reinsurance contracts Liabilities - 30 September 2023</b>	(14,962,000)	-	(419,406)	(3)
	(10,350,381)	-	32,457,357	462,125

**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

**10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (contin**

31 December 2022 (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	
<b>Insurance contracts - 1 January 2022</b>					
Insurance contract liabilities	149,199,500	58,576,871	141,375,925	4,583,803	353,736,099
<b>Changes in the statement of income and OCI:</b>					
<b>Insurance revenue</b>	417,020,295	-	-	-	417,020,295
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	453,346,791	3,646,263	456,993,054
Insurance acquisition cashflows amortization	73,664,917	-	-	-	73,664,917
Losses and reversals of losses on onerous contracts	-	(14,947,917)	-	-	(14,947,917)
Changes that relate to past service - adjustments to the LIC	-	-	(69,413,659)	(3,478,797)	(72,892,456)
<b>Insurance service expenses</b>	73,664,917	(14,947,917)	383,933,132	167,466	442,817,598
<b>Insurance service result</b>	343,355,378	14,947,917	(383,933,132)	(167,466)	(25,797,303)
Finance expense from insurance contracts	-	-	4,869,421	-	4,869,421
<b>Total changes in the statement of income and OCI</b>	343,355,378	14,947,917	(379,063,711)	(167,466)	(20,927,882)
<b>Cashflows</b>					
Premiums received	338,301,713	-	-	-	338,301,713
Claims and other directly attributable expenses paid	-	-	(364,714,252)	-	(364,714,252)
Insurance acquisition cashflows paid	(70,730,613)	-	-	-	(70,730,613)
<b>Total cash inflows / (outflows)</b>	267,571,100	-	(364,714,252)	-	(97,143,152)
<b>Net closing balance</b>	73,415,222	43,628,954	155,725,384	4,751,269	277,520,829

**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

**10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)**

	31 December 2022 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss component	Loss recovery component	PVCF, Contracts measured under PAA	Risk adjustment, Contracts measured under PAA	Total
<b>Reinsurance contracts - 1 January 2022</b>					
<b>reinsurance contract assets</b>	368,454	-	27,014,238	442,037	27,824,729
<b><i>Changes in the statement of income and OCI:</i></b>					
<b>Amounts Allocated to Reinsurance</b>	(40,033,569)	-	-	-	(40,033,569)
Incurred Claims Amounts Recoverable from Reinsurance	-	-	16,487,269	401,235	16,888,504
Changes that relate to past service: changes related to AIC	-	-	(7,750,181)	(360,170)	(8,110,351)
Losses and reversals of losses on onerous contracts	-	-	456,512	-	456,512
Investment component: change in profit commission	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	-	-	9,193,600	41,065	9,234,665
<b>Insurance service result</b>	(40,033,569)	-	9,193,600	41,065	(30,798,904)
Finance expense from reinsurance contracts	-	-	(325,251)	-	(325,251)
<b>Total changes in the statement of income and OCI</b>	(40,033,569)	-	8,868,349	41,065	(31,124,155)
<b><i>Cashflows</i></b>					
Premiums ceded and acquisition cashflows paid	(40,330,266)	-	2,410,739	-	(37,919,527)
Recoveries from reinsurance	4,749,798	-	667,847	-	5,417,645
<b>Total cash inflows / (outflows)</b>	(35,580,468)	-	3,078,586	-	(32,501,882)
<b>Net closing balance</b>	(4,084,647)	-	32,804,001	483,102	29,202,456

**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

*Expressed in Saudi Riyals*

---

**11.CAPITAL MANAGEMENT**

The Company manages its capital to ensure that it is able to continue as going concern and comply with the regulator's capital requirements of the market in which the Company operates while maximizing the return to stakeholders through the optimization of equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital and reserves. The operations of the Company are subject to local regulatory requirements in the Kingdom of Saudi Arabia. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g., capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise. In order to maintain or adjust the capital structure, the Company may issue right shares. As per guidelines laid out by SAMA in Article 66 table 3 and 4 of the Implementing Insurance Regulations detailing the solvency margin required to be maintained, the Company maintains solvency margin equivalent to the highest of the three methods as per SAMA Implementing Regulations.

In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements during the reported financial year.

**12.SHARE CAPITAL**

The authorized, issued and paid-up share capital of the Company is SAR 300 million divided into 30 million shares of SAR 10 each (31 December 2022: SAR 300 million divided into 30 million shares of SAR 10 each).

The shareholders of the Company are subject 100% to Zakat.

**13.EARNINGS PER SHARE**

Basic and diluted earnings / (loss) per share for the nine months period ended 30 September 2023 and 30 September 2022 have been calculated by dividing the net (loss)/ income for the period attributable to shareholders' by the weighted average number of ordinary shares issued and outstanding shares (30 million shares) at the period end.

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
*Expressed in Saudi Riyals*

**14. PREMIUMS WRITTEN AND CEDED BY TYPE OF CUSTOMERS**

**For the three months period ended 30 September 2023**

**(Unaudited)**

	Medical	Motors	Property & Casualty	Total
	SR			
Individual clients	4,829,189	39,235,781	90,671	44,155,641
Very small size entities	15,713,278	2,579,782	155,446	18,448,507
Small size Entities	471,993	4,694,730	4,252,673	9,419,397
Medium size entities	35,432	3,501,568	4,466,677	8,003,677
Large size entities	2,731	4,233,023	12,314,391	16,550,146
<b>Total</b>	<b>21,052,623</b>	<b>54,244,885</b>	<b>21,279,859</b>	<b>96,577,368</b>

For the three months period ended 30 September 2022  
(Restated – Unaudited)

	Medical	Motors	Property & Casualty	Total
	SR			
Individual clients	406,879	16,979,149	145,593	17,531,621
Very small size entities	13,074,479	946,819	322,619	14,343,917
Small size Entities	244,684	6,272,431	5,029,448	11,546,563
Medium size entities	-	728,095	(4,087,545)	(3,359,450)
Large size entities	3,731	4,675,430	12,544,696	17,223,857
<b>Total</b>	<b>13,729,773</b>	<b>29,601,924</b>	<b>13,954,811</b>	<b>57,286,508</b>

**For the nine months period ended 30 September 2023**

**(Unaudited)**

	Medical	Motors	Property & Casualty	Total
	SR			
Individual clients	24,679,070	160,837,069	313,661	185,829,800
Very small size entities	52,082,855	7,746,568	622,404	60,451,828
Small size entities	1,626,199	13,050,860	6,141,599	20,818,658
Medium size entities	35,432	16,273,785	7,964,050	24,273,266
Large size entities	3,308	31,049,290	20,046,819	51,099,417
<b>Total</b>	<b>78,426,864</b>	<b>228,957,572</b>	<b>35,088,534</b>	<b>342,472,970</b>

For the nine months period ended 30 September 2022  
(Restated – Unaudited)

	Medical	Motors	Property & Casualty	Total
	SR			
Individual clients	486,010	136,060,989	148,477	136,695,476
Very small size entities	64,701,574	2,812,200	881,520	68,395,294
Small size entities	593,714	11,750,494	6,736,571	19,080,779
Medium size entities	2,042	5,028,805	9,689,342	14,720,189
Large size entities	25,961	36,175,300	22,333,271	58,534,532
<b>Total</b>	<b>65,809,301</b>	<b>191,827,788</b>	<b>39,789,181</b>	<b>297,426,270</b>

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
*Expressed in Saudi Riyals*

**14. PREMIUMS WRITTEN AND CEDED BY TYPE OF CUSTOMERS (continued)**

**For the three months period ended 30 September 2023**

**(Unaudited)**

	Medical	Motors	Property & Casualty	Total
	SR			
Gross written premiums	21,052,623	54,244,885	21,279,860	96,577,368
Reinsurance premiums ceded				-
- Foreign	(447,620)	(778,373)	(13,932,418)	(15,158,411)
- Local	(111,905)	(194,593)	(2,928,193)	(3,234,691)
<b>Net premiums written</b>	<b>20,493,098</b>	<b>53,271,919</b>	<b>4,419,248</b>	<b>78,184,265</b>

For the three months period ended 30 September 2022  
(Restated – Unaudited)

	Medical	Motors	Property & Casualty	Total
	SR			
Gross written premiums	13,729,773	29,601,924	13,954,811	57,286,508
Reinsurance premiums ceded				-
- Foreign	(270,840)	(635,078)	(10,246,262)	(11,152,180)
- Local	(67,710)	(158,770)	(2,113,469)	(2,339,948)
<b>Net premiums written</b>	<b>13,391,223</b>	<b>28,808,077</b>	<b>1,595,080</b>	<b>43,794,380</b>

**For the nine months period ended 30 September 2023**  
**(Unaudited)**

	Medical	Motors	Property & Casualty	Total
	SR			
Gross written premiums	78,426,864	228,957,572	35,088,534	342,472,970
Reinsurance premiums ceded				-
- Foreign	(2,335,119)	(2,372,877)	(22,831,547)	(27,539,543)
- Local	(583,779)	(593,221)	(4,433,513)	(5,610,514)
<b>Net premiums written</b>	<b>75,507,966</b>	<b>225,991,474</b>	<b>7,823,473</b>	<b>309,322,913</b>

For the nine months period ended 30 September 2022  
(Restated – Unaudited)

	Medical	Motors	Property & Casualty	Total
	SR			
Gross written premiums	65,809,301	191,827,788	39,789,181	297,426,270
Reinsurance premiums ceded				-
- Foreign	(812,519)	(1,905,234)	(27,855,882)	(30,573,636)
- Local	(203,130)	(476,309)	(4,567,968)	(5,247,406)
<b>Net premiums written</b>	<b>64,793,652</b>	<b>189,446,246</b>	<b>7,365,331</b>	<b>261,605,228</b>



**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
*Expressed in Saudi Riyals*

---

**15.COMPARATIVE FIGURES**

In addition to change in presentation requirements as per IFRS 17 and IFRS 9, which resulted in the restatement of prior period financial statements, certain prior period figures which have not been impacted by the transition have been reclassified to conform to the current period presentation.

**16.APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements have been approved by the Board of Directors on 1 November 2023 corresponding to 15 Rabi Al-Akhar, 1445.