AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE-MONTHS PERIOD ENDED 31 March 2023

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AS AT 31 MARCH 2023

INDEX

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El Sayed El Ayouty & Co.
Certified Public Accountants

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Certified Accountants And Auditors

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

To the Shareholders of
Amana Cooperative Insurance Company (ACIC)
(A Saudi Joint Stock Company)

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of **Amana Cooperative Insurance Company (ACIC)** - a Saudi Joint Stock Company (the "Company") as at 31 March 2023 and the related interim condensed statement of income and comprehensive income for the three-month period then ended and interim condensed statement of changes in equity and cash flows for the three-month period then ended and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is 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 are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

'We draw attention to Note 2 to the accompanying interim condensed financial information, which states that the Company's, posted a net cash outflow from operations amounting to SAR 16.58 million (March 31, 2022 (Restated): SAR 5 million) further as on March 31, 2023, the accumulated losses amounting to SAR 205.68 million which represents 47.8% (December 2022 (Restated): SAR 215.38 million which represents 50.1%) of the Company's share capital, and as of the same date, the Company's Insurance revenue decreased by SAR 9.2 million representing 13.86% as compared to the corresponding period of the prior year.

These events and conditions indicate a material uncertainty on the Company's ability to continue as a going concern. However, Management has in respect of this matter prepared three years forecast which exhibits net profits from the year 2024 onwards. Accordingly, these financial statements have been prepared on going concern assumption. Our conclusion is not modified in respect of this matter.

MOORE

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS - CONTINUED

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Dated: 2 July, 2023

corresponding to: 14 Dhu al-Hijjah, 1444H

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	As at 31 March, 2023 (Unaudited) SAR' 000	*Restated* As at 31 December, 2022 (Unaudited) SAR' 000
ASSETS			
Cash and cash equivalents	8	167,340	153,756
Insurance Contract Assets	4	31,488	18,979
Reinsurance Contract Assets	4	3,508	5,557
Investments designated as FVOCI	13	114,852	144,023
Investments held at amortised cost	13	12,532	12,525
Prepayments and other assets	11	51,129	31,738
Property and equipment	12	5,890	6,391
Intangible assets	12	531	667
Statutory deposit	17	64,500	64,500
Accrued commission income on statutory deposit		4,398	3,787
TOTAL ASSETS		456,178	441,923
LIABILITIES			
Insurance Contract liabilities	4	126,007	125,207
Reinsurance Contract liabilities	4	9,238	8,132
Accrued expenses and other liabilities	10	43,835	42,280
Employees' end-of-service benefits		5,524	5,022
Provision for zakat and income tax	18	6,509	7,009
Accrued commission income payable to SAMA		4,398	3,787
TOTAL LIABILITIES		195,511	191,437
EQUITY			
Share capital	19	430,000	430,000
Accumulated losses		(205,683)	(215,384)
Actuarial reserve on end-of-service benefits		(2,950)	(2,950)
Fair value reserve for investments at FVOCI		39,309	38,820
TOTAL EQUITY		260,667	250,486
TOTAL LIABILITIES AND EQUITY		456,178	441,923

*Comparative information has been restated (refer note 21).

The accompanying notes 1 to 27 form an integral part of these interim condensed financial statements.

Finance Manager | **Board Member** | **Managing Director**

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF INCOME
AS AT 31 MARCH 2023

	Note	31 March, 2023 (Unaudited) SAR' 000	*Restated* 31 March, 2022 (Unaudited) SAR' 000
REVENUES			
Insurance revenue	5	57,573	66,833
Insurance service expenses	6	(48,500)	(83,774)
Net expenses from reinsurance contracts	7	(605)	(6,597)
Insurance service result		8,468	(23,538)
Net investment income		1,154	647
Net impairment loss on financial assets		(10)	(11)
Net investment income		1,144	636
Other costs		(3,331)	-
Net insurance finance income/(expenses)		(3,331)	-
Net insurance and investment result		6,281	(22,902)
Other operating income		7,517	-
Other operating expenses	9	(4,037)	(5,725)
Total income for the period attributable to the shareholders before zakat		9,761	(28,627)
Provision for Zakat		-	(847)
Total income for the period attributable to the shareholders after zakat		9,761	(29,474)
Basic and diluted earnings per share (expressed in SAR per share)		0.23	(0.69)
Weighted average number of shares in issue throughout the period		43,000	43,000

*Comparative information has been restated (refer note 21)

The accompanying notes 1 to 27 form an integral part of these interim condensed financial statements

Finance Manager | Board Member | Managing Director

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 MARCH 2023

	31 March, 2023 (Unaudited) SAR' 000	*Restated* 31 March, 2022 (Unaudited) SAR' 000
NET INCOME / (LOSS) ATTRIBUTED TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX	9,701	(29,474)
Other comprehensive income / (loss):		
Items that may not be reclassified to statements of income in subsequent years		
Changes in fair value of investments measured at FVOCI	480	938
	480	938
Total comprehensive income for the period	480	938
Total comprehensive income / (loss) attributable to the shareholders	10,181	(28,536)

*Comparative information has been restated (refer note 21)

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Finance Manager | Board Member | Managing Director

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2023

	31 March, 2023 (Unaudited) SAR' 000				
	Share capital	Accumulated losses	Actuarial reserve on end-of-service benefits	Fair value reserve for investments at FVOCI	Total equity
Balance at 1 January 2022, as previously reported	130,000	(157,227)	(1,451)	2,594	(26,084)
Adjustment on initial application of IFRS 17, net of tax	-	(7,121)	-	-	(7,121)
Adjustment on initial application of IFRS 9, net of tax	-	-	-	35,109	35,109
Restated balance at 1 January 2022	130,000	(164,348)	(1,451)	37,703	1,904
Comprehensive income for the period (restated)					
Changes in fair value of investments measured at FVOCI	-	-	-	938	938
Sale of investments measured at fair value through OCI	-	2,660	-	(2,660)	-
Actuarial gain on end-of-service benefit	-	-	(1,499)	-	(1,499)
Total loss for the period attributable to the shareholders	-	(29,474)	-	-	(29,474)
Total comprehensive loss for the period (restated)	-	(26,814)	(1,499)	(1,722)	(30,035)
Transaction cost for Capital Reduction	-	(708)	-	-	(708)
Balance at 31 March 2022 (restated)	130,000	(191,870)	(2,950)	35,981	(28,839)
Balance at 1 January 2023	430,000	(215,384)	(2,950)	38,820	250,486
Comprehensive income for the period					
Profit for the period	-	9,701	-	-	9,701
Total comprehensive income for the period	-	9,701	-	-	9,701
Changes in fair value of investments measured at FVOCI	-	-	-	480	480
Sale of investments measured at fair value through OCI	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	480	480
Balance at 31 March 2023 (Unaudited)	430,000	(205,683)	(2,950)	39,300	260,667

*Comparative information has been restated (refer note 21).

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

Finance Manager

Managing Director

Director

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2023

	Note	31 March, 2023 (Unaudited) SAR' 000	*Restated* 31 March, 2022 (Unaudited) SAR' 000
Cash flows from operating activities			
Profit / loss for the period before zakat		9,701	(28,627)
Adjustments for non-cash items:			
Depreciation and amortization	12	472	494
Provision for end-of-service benefits		502	244
Investments held at amortised cost	13	(12)	(76)
ECL Provision for Sukuk		5	-
Investment Income		(359)	(2,660)
Changes in operating assets and liabilities:			
Insurance contracts assets		(12,509)	(3,229)
Reinsurance contracts assets		2,049	(7,600)
Insurance contracts liabilities		800	3,527
Reinsurance contracts liabilities		1,106	20,621
Prepayments and other assets		(19,391)	1,912
Accrued expenses and other liabilities		1,555	7,533
Zakat and income tax paid	18	(500)	-
Net cash outflow from operating activities		(16,581)	(7,661)
Cash flows from investing activities			
Proceeds from sale of investment held at FVOCI	13	30,000	12,313
Disposal in property, equipment and intangible assets	12	117	
Additions in property, equipment and intangible assets	12	(52)	(1,290)
Transaction cost paid for Capital Reduction		-	(708)
Net cash inflow from investing activities		30,065	10,315
Net change in cash and cash equivalents		13,484	2,654
Cash and cash equivalents at the beginning of the period		153,756	47,040
Cash and cash equivalents at the end of the period		167,240	49,694

*Comparative information has been restated (refer note 21).

The accompanying notes 1 to 27 form an integral part of these interim condensed financial statements.

Finance Manager   Board Member   Managing Director

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 17 – accounting policies, including key judgments and estimates (Continued)

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 fulfillment cash flows ("FCF") related to past service allocated to the Company 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 expenses.

Initial and subsequent measurement (Continued)
An insurance contract may contain one or more components that would be within the scope of another standard if they were separate contracts. IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. For example, an insurance contract may include an investment component or a service component (or both). The non-insurance components may need to be separated for the purposes of reporting under IFRS 17 if they are deemed to be distinct. Based on the Company assessment, there are no investment components within insurance contracts issued by the Company.

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

The Company holds quota share reinsurance contract that provide coverage on the PMI insurance contracts for claims incurred during an accident year and are accounted for under the PAA since the Company does not expect significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage under general measurement model. 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 and any amounts arising from the derecognition of any other relevant pre-recognition cash flows. The Company is presenting income/ expense from reinsurance as a net line item in the interim condensed statement of income.

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

The Company establishes insurance claims liabilities to cover the estimated liability for the cash flows associated with incurred losses as at the balance sheet date, including claims not yet reported ("IBNR") and loss adjustment expenses incurred with respect to insurance contracts underwritten and reinsurance contracts placed by the Company. The ultimate cost of claims liabilities is estimated by using generally accepted standard actuarial techniques.

The main assumption underlying these techniques is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim (severity) and average number of claims (frequency) based on the observed development of earlier years and expected loss ratios. Historical claims development is analyzed by accident year, geographical area, as well as claim type.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking into account all the uncertainties involved.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 17 – accounting policies, including key judgments and estimates (Continued)

Liability for Incurred Claims "LIC" (Continued)

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

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

a. The Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or

b. both of the following criteria are satisfied:

  i. The Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and

  ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance and financial risks, are considered; other risks, such as lapse or surrender and expense risk, are not included. Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts, form part of a single insurance contract with all of the cash flows within its boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

Insurance acquisition costs and directly attributable expenses

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

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

Both acquisition and attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses. The Company amortises the insurance acquisition costs over the contract period.

Other operating expenses

Other operating expenses include non-attributable expenses which are administrative expenses and are not linked to insurance contracts.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. The impact of seasonality is not considered material in relation to recording the insurance revenue.

Insurance revenue is adjusted to allow for policyholders' default on future premiums. The default probability is derived from the expected loss model prescribed under IFRS 9

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 17 – accounting policies, including key judgments and estimates (Continued)

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

Onerous Contract
The 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. A group of contracts is onerous at initial recognition if there is a net outflow of fulfilment cash flows. As a result, a liability for the net outflow is recognized as a loss component within the liability for remaining coverage and a loss is recognized immediately in the interim condensed statement of income in insurance service expense. The loss component is then amortized to condensed interim statement of income over the coverage period to offset incurred claims in insurance service expense. The loss component is measured on a gross basis but may be mitigated by a loss recovery component if the contracts are covered by reinsurance.

Risk adjustment for non-financial risk
The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. The Company has chosen a confidence level based on the 65th percentile of the distribution of the claim reserves, considering the confidence level is adequate to cover sources of uncertainty about the amount and timing of the cash flows.

ii) IFRS 9 – accounting policies, including key judgments and estimates

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. 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.

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

Financial assets at amortized cost
Debt Instruments:
A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- The asset is held within a business model whose objective is achieved by collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the

Financial assets at FVOCI
A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in Other Comprehensive Income (OCI). Interest income and foreign exchange gains and losses are recognized in the statement of income. For an equity investment that is not held for trading, the Company may irrecoverably elect to present subsequent changes in fair value in OCI. This election is made on an instrument-by- instrument basis on initial recognition.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 17 – accounting policies, including key judgments and estimates (Continued)

Business model assessment

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

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

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

Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

-Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in condensed interim statement of income and presented in other gains/(losses) together with foreign exchange gains and losses.

-FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in condensed interim statement of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to condensed interim statement of income and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

-Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of 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 is recognised in the interim condensed interim statement of income and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in condensed interim statement of income as investment income when the Company's right to receive payments is established.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 17 – accounting policies, including key judgments and estimates (Continued)

Equity instruments (Continued)

Changes in the fair value of financial assets at FVTPL are recognised in investment income in the condensed interim statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets – Impairment

Overview of Expected Credit Loss ("ECL") principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss); unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime expected credit losses represent ECL that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of balance sheet date. Both lifetime ECLs and 12-month ECLs will be calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

The Company recognizes loss allowances for ECL on the following financial instruments that are not measured at fair value:

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

No impairment loss is recognized on equity instruments

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

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

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

Staging of financial assets

The Company categorizes its investments portfolio classified as amortized cost and FVOCI into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 - Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition;

Stage 2 - Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition, but which are not credit-impaired; and

Stage 3 - Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

Credit impaired financial asset

At each reporting date, The Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

• significant financial difficulty of the borrower or issuer;
• a breach of contract such as a default or past due event (more than 90 days);
• it is becoming probable that the borrower or issuer will enter bankruptcy or other financial reorganization; or
• the disappearance of an active market for a security because of financial difficulties.

In assessing whether an investment in sovereign debt is credit-impaired, the Company considers the following factors.

• The market's assessment of creditworthiness as reflected in the bond yields.
• The rating agencies' assessments of creditworthiness.
• The country's ability to access the capital markets for new debt issuance.
• The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
• The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 17 – accounting policies, including key judgments and estimates (Continued)

Definition of default

In assessing whether an issuer is in default, the Company considers indicators that are:

• qualitative- e.g., breaches of covenant.

• quantitative- e.g., overdue status and non-payment on another obligation of the same issuer to the Company; and

• based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances

ECL methodology and measurement

ECL is computed based on the parameters namely Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) values. ECL is discounted by an appropriate rate to get the Present Value of ECL.

For the investment portfolio, a generalized approach is used, where assets are classified under 3 different stages based on the SICR criteria: Stage 1, Stage 2, and Stage 3 where 12-month ECL is computed for Stage 1 and lifetime ECL for Stage 2 and Stage 3. For other receivable portfolio, a simplified approach is used, for which staging is not required, based on a lifetime ECL computation.

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

• financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

• financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Probability of Default ('PD')

The probability of default is an estimate of the likelihood of default over a given time horizon.

Loss Given Default ('LGD')

Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data.

Exposure at Default ('EAD')

The exposure at default is an estimate of the exposure at a future default date.

Forward looking estimate

While estimating the ECL, The Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, The Company analyzes the relationship between key economic trends with the estimate of PD. The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on reports from economic experts and consideration of a variety of external actual and forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Kingdom and selected private-sector and academic forecasters. The base case represents a most-likely outcome and is aligned with information used by The Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

• financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.

• debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

Financial liabilities

Classification and derecognition of financial liabilities

The Company classifies its financial liabilities, other than financial guarantees if any, as measured at Amortized cost. Amortized cost is calculated by considering any discount or premium and costs that are an integral part of the Effective Interest Rate ("EIR"). A liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of income. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

4. INSURANCE AND REINSURANCE CONTRACTS UNDER IFRS-17

	31 March 2023 (Unaudited)	*Restated* 31 December 2022 (Unaudited)
	SAR' 000	
Insurance contracts		
Insurance contract balances		
– Insurance contract assets	31,488	18,979
– Insurance contract liabilities	(126,007)	(125,207)
	(94,519)	(106,228)
Reinsurance contracts		
– Reinsurance contract assets	3,508	5,557
– Reinsurance contract liabilities	(9,238)	(8,132)
	(5,730)	(2,575)

4.1 Movements in insurance and reinsurance contract balances

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the year

	31 March 2023 (Unaudited)	*Restated* 31 December 2022 (Unaudited)
	SAR' 000	
Opening Balance (Total)		
Insurance contract balances		
– Insurance contract assets	18,979	17,707
– Insurance contract liabilities	(125,207)	(168,645)
Reinsurance contracts		
– Reinsurance contract assets	5,557	20,595
– Reinsurance contract liabilities	(8,132)	(5,658)
Excluding loss component (LFRC)		
Insurance contract balances		
– Insurance contract assets	30,511	18,963
– Insurance contract liabilities	(37,298)	(25,077)
Reinsurance contracts		
– Reinsurance contract assets	1,464	908
– Reinsurance contract liabilities	(9,238)	(8,132)
Loss component (LFRC)		
Insurance contract balances		
– Insurance contract assets	-	-
– Insurance contract liabilities	(12,746)	(21,195)
Liabilities for incurred claims (LIC)		
Insurance contract balances		
– Insurance contract assets	977	16
– Insurance contract liabilities	(72,450)	(75,654)
Reinsurance contracts		
– Reinsurance contract assets	2,002	4,614

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.1 Movements in insurance and reinsurance contract balances (Continued)

4.1.1 Insurance contracts

	Period ended 31 March 2023 (unaudited)				
	Liabilities for remaining coverage		Liabilities for incurred claims for contracts under the PAA		
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
			SAR' 000		
Opening assets as at 01-01-2023	(18,963)	-	(16)	-	(18,979)
Opening liabilities as at 01-01-2023	25,077	21,195	75,654	3,281	125,207
Net opening balance	**6,114**	**21,195**	**75,638**	**3,281**	**106,228**
Changes in the statement of profit or loss and OCI					
Insurance revenue	(57,573)	-	-	-	(57,573)
Insurance service expenses					
Incurred claims	-	-	42,069	-	42,069
Incurred directly attributable expenses	-	-	6,520	-	6,520
Risk adjustment due to incurred	-	-	-	1,516	1,516
Changes that relate to past service - changes in the FCF relating to LIC	-	-	(4,914)	(1,284)	(6,198)
Losses on onerous contracts and reversals of those losses	-	(8,449)	-	-	(8,449)
Amortisation of insurance acquisition cash flows	13,042	-	-	-	13,042
Insurance service expenses	**13,042**	**(8,449)**	**43,675**	**232**	**48,500**
Insurance service results	(44,531)	(8,449)	43,675	232	(9,073)
Cash flows					
Premiums received	55,863	-	-	-	55,863
Claims and other directly attributable expenses paid	-	-	(47,840)	-	(47,840)
Insurance acquisition cash flows	(10,659)	-	-	-	(10,659)
Net closing balance	6,787	12,746	71,473	3,513	94,519
Closing liabilities as at 31-03-2023	37,298	12,746	72,450	3,513	126,007
Closing assets as at 31-03-2023	(30,511)	-	(977)	-	(31,488)
Net closing balance	6,787	12,746	71,473	3,513	94,519

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.1 Movements in insurance and reinsurance contract balances (Continued)

4.1.1 Insurance contracts

	Year ended 31 December 2022 (unaudited)				
	Liabilities for remaining coverage		Liabilities for incurred claims for contracts under the PAA		
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
			SAR' 000		
Opening assets as at 01-01-2022	(17,707)	-	-	-	(17,707)
Opening liabilities as at 01-01-2022	42,462	37,253	85,050	3,880	168,645
Net opening balance	**24,755**	**37,253**	**85,050**	**3,880**	**150,938**
Changes in the statement of profit or loss and OCI					
Insurance revenue	(239,767)	-	-	-	(239,767)
Insurance service expenses					
Incurred claims	-	-	217,879	-	217,879
Incurred directly attributable expenses	-	-	33,154	-	33,154
Risk adjustment due to incurred	-	-	-	2,887	2,887
Changes that relate to past service - changes in the FCF relating to LIC	-	-	(13,179)	(3,486)	(16,665)
Losses on onerous contracts and reversals of those losses	-	(16,058)	-	-	(16,058)
Amortisation of insurance acquisition cash flows	48,845	-	-	-	48,845
Insurance service expenses	**48,845**	**(16,058)**	**237,854**	**(599)**	**270,042**
Insurance service result	**190,922**	**16,058**	**(237,854)**	**599**	**(30,275)**
Cash flows					
Premiums received	220,794	-	-	-	220,794
Claims and other directly attributable expenses paid	-	-	(213,743)	-	(213,743)
Insurance acquisition cash flows	(48,513)	-	(33,523)	-	(82,036)
Net closing balance	**6,114**	**21,195**	**75,638**	**3,281**	**106,228**
Closing liabilities as at 31-12-2022	25,077	21,195	75,654	3,281	125,207
Closing assets as at 31-12-2022	(18,963)	-	(16)	-	(18,979)
Net closing balance	6,114	21,195	75,638	3,281	106,228

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.1 Movements in insurance and reinsurance contract balances (Continued)

4.1.2 Reinsurance contracts

	Period ended 31 March 2023 (unaudited)				
	Assets for remaining coverage		Assets for incurred claims for contracts under the PAA		
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
			SAR' 000		
Opening liabilities as at 01-01-2023	(8,132)	-	-	-	(8,132)
Opening assets as at 01-01-2023	908	-	4,614	35	5,557
Net opening balance	**(7,224)**	-	**4,614**	**35**	**(2,575)**
Changes in the statement of profit or loss and OCI					
Revenue allocated to Reinsurance	1,290	-	-	-	1,290
Income (expenses) from reinsurance contracts held					
Incurred claims recovery	-	-	301	4	305
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(959)	(31)	(990)
Net expense from reinsurance contracts held	-	-	**(658)**	**(27)**	**(685)**
Total changes in the statement of profit or loss and OCI	**(1,290)**	-	**(658)**	**(27)**	**(1,975)**
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses	(214)	-	-	-	(214)
Recoveries from reinsurance	-	-	1,945	-	1,945
Other Cash flows	(526)	-	9	(34)	(551)
Net closing balance	**(7,774)**	-	**2,002**	**42**	**(5,730)**
Closing liabilities as at 31-03-2023	(9,238)	-	-	-	(9,238)
Closing assets as at 31-03-2023	1,464	-	2,002	42	3,508
Net closing balance	**(7,774)**	-	**2,002**	**42**	**(5,730)**

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.1 Movements in insurance and reinsurance contract balances (Continued)

4.1.2 Reinsurance contracts

	Year ended 31 December 2022 (unaudited)				
	Assets for remaining coverage		Assets for incurred claims for contracts under the PAA		
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	SAR' 000				
Opening liabilities as at 01-01-2022	(5,637)	(21)	-	-	(5,658)
Opening assets as at 01-01-2022	888	-	19,649	58	20,595
Net opening balance	**(4,749)**	**(21)**	**19,649**	**58**	**14,937**
Changes in the statement of profit or loss and OCI					
Revenue allocated to Reinsurance	27,590	-	-	-	27,590
Income (expenses) from reinsurance contracts held					
Incurred claims recovery	-	-	545	20	565
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	11,749	(43)	11,706
Losses on onerous contracts and reversals of those losses	-	21	-	-	21
Net expense from reinsurance contracts held	-	**21**	**12,294**	**(23)**	**12,292**
Finance income from reinsurance contracts held	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(27,590)**	**21**	**12,294**	**(23)**	**(15,298)**
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses	(24,367)	-	-	-	(24,367)
Recoveries from reinsurance	-	-	27,700	-	27,700
Other Cash flows	(748)	-	(371)	-	(1,119)
Net closing balance	**(7,224)**	-	**4,614**	**35**	**(2,575)**
Closing liabilities as at 31-12-2022	(8,132)	-	-	-	(8,132)
Closing assets as at 31-12-2022	908	-	4,614	35	5,557
Net closing balance	**(7,224)**	-	**4,614**	**35**	**(2,575)**

5. INSURANCE REVENUE

	31 March 2023 (Unaudited)				*Restated* 31 March 2022 (Unaudited)			
	Motor	Medical / Health	Property & Casualty	Total	Motor	Medical / Health	Property & Casualty	Total
	SAR' 000				SAR' 000			
Contracts measured under the PAA	18,783	37,211	1,579	57,573	37,757	27,517	1,559	66,833
	18,783	37,211	1,579	57,573	37,757	27,517	1,559	66,833

6. INSURANCE SERVICE EXPENSES

	31 March 2023 (Unaudited)				*Restated* 31 March 2022 (Unaudited)			
	Motor	Medical / Health	Property & Casualty	Total	Motor	Medical / Health	Property & Casualty	Total
Incurred claims and other directly attributable expenses	SAR' 000				SAR' 000			
Net Incurred claims and direct attributable expenses	21,161	26,432	907	48,500	47,350	36,092	332	83,774
Insurance service expenses	21,161	26,432	907	48,500	47,350	36,092	332	83,774

7. NET (EXPENSES) / INCOME FROM REINSURANCE CONTRACTS HELD

	31 March 2023 (Unaudited)				*Restated* 31 March 2022 (Unaudited)			
	Motor	Medical / Health	Property & Casualty	Total	Motor	Medical / Health	Property & Casualty	Total
	SAR' 000				SAR' 000			
Allocation of reinsurance premiums	(568)	-	(723)	(1,291)	(757)	(10,588)	(1,615)	(12,960)
Amounts recoverable from reinsurers for incurred claims	785	238	(337)	686	(73)	6,262	174	6,363
Net (expenses) / income from reinsurance contracts held	217	238	(1,060)	(605)	(830)	(4,326)	(1,441)	(6,597)

8. CASH AND CASH EQUIVALENTS

	31 March 2023 (Unaudited)			*Restated* 31 December 2022 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
		SAR' 000			SAR' 000	
Cash at bank	29,216	93,011	122,227	56,141	2,601	58,742
Cash in hand	-	18	18	20	-	20
Deposits maturing within 3 months	-	45,000	45,000	-	95,000	95,000
Less credit loss allowance	-	(5)	(5)	-	(6)	(6)
	29,216	138,024	167,240	56,161	97,595	153,756

All bank balances and deposits are placed with SAMA regulated local banks with sound credit ratings under Standard and Poor's and Moody's rating methodology.

9. EXPENSES BY NATURE

	31 March 2023 (Unaudited)	*Restated* 31 March 2022 (Unaudited)
	Non-Attributable Expenses	Non-Attributable Expenses
	SAR' 000	SAR' 000
Employee expenses	1,018	962
Shareholder Expenses	596	2,127
IT Costs	685	191
Depreciation and amortisation	260	272
Investment related expenses	260	-
Governmental related expenses	221	627
Audit, legal and other professional fees	159	112
Office related expenses	151	322
Communication expenses	171	637
Other expenses	576	475
Total	4,097	5,725

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 March 2023 (Unaudited) SAR' 000	*Restated* 31 December 2022 (Unaudited) SAR' 000
Medical service providers' payables	11,139	-
Commission payable	8,983	10,338
Unallocated receipts	3,704	16,021
Accrual against stale cheques	3,095	3,095
Accrued BoD allowances	2,105	1,837
Provision for reinsurance withholding tax	2,022	1,976
Accrued employees' benefits	1,442	1,346
Value added tax	561	178
Others	10,784	7,489
	43,835	42,280

11. PREPAYMENTS AND OTHER ASSETS

	31 March 2023 (Unaudited) SAR' 000	*Restated* 31 December 2022 (Unaudited) SAR' 000
Medical service providers' receivable	16,663	14,009
Accrued hajj and umrah income	13,851	6,299
Rebate from provider services	6,000	-
Prepaid excess of loss expenses	873	1,622
Prepaid medical insurance premiums	622	1,328
Employees' receivables	652	606
Accrued interests	580	433
Prepaid rent	197	201
Others	11,691	7,240
Total	51,129	31,738

12. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

	31 March 2023 (Unaudited) SAR' 000						
	Leasehold improvements	**Furniture and fittings**	**Computer and office equipment**	**Motor Vehicles**	**Capital work in progress**	**Total property and equipment**	**Intangible assets**
Cost							
1 January	6,167	2,351	7,694	219	3,417	19,848	6,599
Additions	-	-	8	-	-	8	44
Disposal	-	-	-	-	(117)	(117)	-
31 December	6,167	2,351	7,702	219	3,300	19,739	6,643
Accumulated depreciation/amortisation							
1 January	5,021	1,910	6,307	219	-	13,457	5,932
Charge for the year	60	52	280	-	-	392	80
31 December	5,081	1,962	6,587	219	-	13,849	6,012
Net book value:							
31 December	**1,086**	**389**	**1,115**	-	**3,300**	**5,890**	**631**

	Restated 31 December 2022 (Unaudited) SAR' 000						
	Leasehold improvements	Furniture and fittings	Computer and office equipment	Motor Vehicles	Capital work in progress	Total property and equipment	Intangible assets
Cost							
1 January	6,167	2,350	7,556	219	1,642	17,934	6,179
Additions	-	1	138	-	1,775	1,914	420
Disposal	-	-	-	-	-	-	-
31 December	6,167	2,351	7,694	219	3,417	19,848	6,599
Accumulated depreciation/amortisation							
1 January	4,645	1,713	5,272	219	-	11,849	5,604
Charge for the year	376	197	1,035	-	-	1,608	328
31 December	5,021	1,910	6,307	219	-	13,457	5,932
Net book value:							
31 December	1,146	441	1,387	-	3,417	6,391	667

Capital work in progress represents cost incurred for Leasehold improvements.

13. INVESTMENTS

The table below discloses investments in debt securities at 31st March 2023 by measurement categories and classes:

As at 31 March 2023	Debt securities mandatorily measured at FVTPL	Debt securities designated as at FVTPL at initial recognition	Debt securities at FVOCI	Debt securities at AC	Total
			SAR' 000		
Cash & cash equivalent	-	-	-	167,245	**167,245**
Statutory deposits	-	-	-	64,500	**64,500**
Accrued commission income on statutory deposits	-	-	-	4,398	**4,398**
Other assets – Accrued interest	-	-	-	580	**580**
Sukuk	-	-	-	12,537	**12,537**
Total investments in debt securities at 31 March 2023 (fair value or gross carrying value)	-	-	-	249,260	**249,260**
Credit loss allowance	-	-	-	(10)	**(10)**
Total investments in debt securities at 31st March 2023 (carrying value)	-	-	-	**249,250**	**249,250**

Investments in debt securities at FVTPL

-Debt securities mandatorily classified as at FVTPL by the Company represent securities held for trading and securities in a 'held to sell' business model.
-On initial recognition, the Company has irrevocably designated some of its securities at FVTPL.
-Debt securities at FVTPL are carried at fair value, which also reflects any credit risk related write-downs and best represents Company's maximum exposure to credit risk
-The debt securities at FVTPL are not collateralised.

Investments in debt securities at FVOCI

The table below contains an analysis of the credit risk exposure of debt securities measured at FVOCI at 31 March 2023, for which an ECL allowance is recognised, based on credit risk grades.

As at 31 March 2023	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total
		SAR' 000		
Cash & cash equivalent				
Total AC gross carrying amount	167,245	-	-	**167,245**
Less credit loss allowance	(5)	-	-	**(5)**
Carrying value (fair value)	**167,240**	-	-	**167,240**
Statutory deposit				
Total AC gross carrying amount	64,500	-	-	**64,500**
Less credit loss allowance	(0)	-	-	**(0)**
Carrying value (fair value)	**64,500**	-	-	**64,500**
Accrued commission income on statutory deposit				
Total AC gross carrying amount	4,398	-	-	**4,398**
Less credit loss allowance	(0)	-	-	**(0)**
Carrying value (fair value)	**4,398**	-	-	**4,398**
Other assets (Financial assets)				
Total AC gross carrying amount	580	-	-	**580**
Less credit loss allowance	(0)	-	-	**(0)**
Carrying value (fair value)	**580**	-	-	**580**
Investment amortised cost (Sukuks)				
Total AC gross carrying amount	12,537	-	-	**12,537**
Less credit loss allowance	(5)	-	-	**(5)**
Carrying value (fair value)	**12,532**	-	-	**12,532**

13. INVESTMENTS (CONTINUED)

Maximum exposure to credit risk – financial instruments subject to ECL

The following tables contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets measured at amortised cost below also represents the Company's maximum exposure to credit risk on these assets.

i) Insurance operations

Financial statement line item	31 March 2023 (Unaudited)				*Restated* 31 December 2022 (Unaudited)			
	Stage 1 12-month	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	SAR' 000				SAR' 000			
Bank balances	**29,234**	-	-	**29,234**	56,161	-	-	56,161
Investments designated as FVOCI	**39,703**	-	-	**39,703**	39,703	-	-	39,703
Gross carrying amount	**68,937**	-	-	**68,937**	95,864	-	-	95,864
Loss allowance	-	-	-	-	-	-	-	-
Carrying amount	**68,937**	-	-	**68,937**	95,864	-	-	95,864

ii) Shareholders' operations

Financial statement line item	31 March 2023 (Unaudited)				*Restated* 31 December 2022 (Unaudited)			
	Stage 1 12-month	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	SAR' 000				SAR' 000			
Bank balances	**138,011**	-	-	**138,011**	97,601	-	-	97,601
Investments designated as FVOCI	**75,159**	-	-	**75,159**	104,320	-	-	104,320
Investments held at amortised cost	**12,537**	-	-	**12,537**	12,530	-	-	12,530
Statutory deposit	**64,500**	-	-	**64,500**	64,500	-	-	64,500
Gross carrying amount	**290,207**	-	-	**290,207**	278,951	-	-	278,951
Loss allowance	**(10)**	-	-	**(10)**	(11)	-	-	(11)
Carrying amount	**290,197**	-	-	**290,197**	278,940	-	-	278,940

13. INVESTMENTS (CONTINUED)

The Company's exposures to credit risk are not collateralized.

Investment Grade includes those investments having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. Non investment grade represents un-rated exposures.

	31 March 2023 (Unaudited)			*Restated* 31 December 2022 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
		SAR' 000			SAR' 000	
Investments designated as FVOCI	39,703	75,159	114,862	39,703	104,320	144,023
Investments held at amortised cost	-	12,537	12,537	-	12,530	12,530
ECL Provision	-	(5)	(5)	-	(5)	(5)
Total	39,703	87,691	127,394	39,703	116,845	156,548

The movements in Investments designated as FVOCI

	31 March 2023 (Unaudited)			31 December 2022 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
		SAR' 000			SAR' 000	
Opening balance	-	104,320	104,320	-	13,259	13,259
Additions	-	-	-	-	102,163	102,163
Disposals at cost	-	(29,641)	(29,641)	-	(9,548)	(9,548)
Changes in fair value of investments measured at FVOCI	-	839	839		560	560
Transferred from fair value reserve to income for the year	-	(359)	(359)	-	(2,114)	(2,114)
Closing balance	-	75,159	75,159	-	104,320	104,320

The movements in held at amortised cost

	31 March 2023 (Unaudited)			31 December 2022 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
		SAR' 000			SAR' 000	
Opening balance	-	12,525	12,525	-	44,198	44,198
Amortisation	-	12	12	-	127	127
Disposals at cost	-	-	-		(31,795)	(31,795)
ECL Provision	-	(5)	(5)	-	(5)	(5)
Closing balance	-	12,532	12,532	-	12,525	12,525

14. CLAIMS DEVELOPMENT TABLE

The following table shows the estimates of cumulative incurred claims, including both claims notified and incurred but not reported for each successive accident year at each statement of financial position date, together with cumulative payments to date. The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of the claims.

The Company aims to maintain adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. Claims triangular analysis is by accident years spanning a number of financial years.

A) Gross Claims development

	2018	2019	2020	2021	2022	2023	Total
As at 31 March 2023				SAR' 000			
Accident year							
Estimate of ultimate claim costs (gross of reinsurance, undiscounted, inclusive of other							
At end of accident year	80,907	198,298	247,147	304,043	222,550	41,620	41,620
1 year later	78,237	200,231	249,921	293,432	217,198	-	217,198
2 years later	77,721	198,481	249,207	294,302	-	-	294,302
3 years later	77,388	198,529	249,221	-	-	-	249,221
4 years later	77,259	198,593	-	-	-	-	198,593
5 years later	77,218	-	-	-	-	-	77,218
Cumulative gross claims and other directly attributable expenses paid	77,218	198,593	249,221	294,302	217,198	41,620	1,078,152
Gross cumulative claims liabilities – accident years from 2018 to 2023	(77,151)	(198,480)	(248,534)	(288,511)	(186,352)	(13,460)	(1,012,488)
Gross cumulative claims liabilities – prior accident years							-
Effect of discounting							-
Effect of the risk adjustment margin for non-financial risk							-
Gross LIC for the contracts originated	**67**	**113**	**687**	**5,791**	**30,846**	**28,160**	**65,664**

14. CLAIMS DEVELOPMENT TABLE (CONTINUED)

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the claims development disclosure below on a net of reinsurance basis as at 31 March 2023.

B) Net Claims development

	2018	2019	2020	2021	2022	2023	Total
As at 31 March 2023				SAR' 000			
Accident year							
Estimate of ultimate claim costs (net of reinsurance, undiscounted, inclusive of other							
At end of accident year	43,983	163,694	235,437	294,014	221,820	41,503	41,503
1 year later	43,587	175,872	249,912	285,280	216,204	-	216,204
2 years later	43,138	174,415	249,198	286,164	-	-	286,164
3 years later	42,955	174,496	249,212	-	-	-	249,212
4 years later	42,841	174,543	-	-	-	-	174,543
5 years later	42,777	-	-	-	-	-	42,777
Cumulative net claims and other directly attributable expenses paid	42,777	174,543	249,212	286,164	216,204	41,503	1,010,403
Net cumulative claims liabilities – accident years from 2018 to 2023	(42,740)	(174,453)	(248,525)	(280,659)	(186,352)	(13,460)	(946,189)
Net cumulative claims liabilities – prior accident years							-
Effect of discounting							-
Effect of the risk adjustment margin for non-financial risk							-
Net LIC for the contracts originated	**37**	**90**	**687**	**5,505**	**29,852**	**28,043**	**64,214**

15. 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. 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 year and the related balances:

DUE FROM RELATED PARTIES	*Amounts of transactions*		*Balances as at*	
	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)	**31 March 2023 (Unaudited)**	31 December 2022 (Unaudited)
	SAR' 000	SAR' 000	**SAR' 000**	SAR' 000
Entities controlled, jointly controlled or significantly influenced by related parties				
El Seif companies group				
- Premium issued	**425**	42	**623**	817
- Claims incurred	**-**	119	**-**	-
	425	161	**623**	817
Globe-Med				
- Volume rebate	**-**	-	**-**	6,000
	-	-	**-**	6,000
Total	**425**	**161**	**623**	**6,817**
Less: expected credit loss			**(613)**	(880)
Due from related parties, net			**10**	5,937

The movement in the provision for doubtful receivables regarding related parties was as following:

	31 March 2023 (Unaudited)	31 December 2022 (Unaudited)
	SAR' 000	SAR' 000
Opening balance	**880**	733
Charge / (reversal) during the period / year	**(267)**	147
Closing balance	**613**	880

DUE TO RELATED PARTIES

	Amounts of transactions		*Balances as at*	
	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)	**31 March 2023 (Unaudited)**	31 December 2022 (Unaudited)
	SAR' 000	SAR' 000	**SAR' 000**	SAR' 000
Board of Directors & related committee				
Bonus and other allowances	**359**	363	**2,105**	1,518
Globe-Med (Group entity)				
Administration fees for handling medical claims and others	**1,265**	1,961	**1,217**	5,677
	1,624	2,324	**3,322**	7,195

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer, and the Chief Operating Officer of the Company.

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

	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
	SAR' 000	SAR' 000
Salaries and other allowances	**509**	1,432
End of service indemnities	**34**	61
	543	1,493

16. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it is able to continue as going concern and comply with the SAMA's capital requirements while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to shareholders comprising paid capital and accumulated deficit.

The Company maintains its capital as per guidelines laid out by SAMA in Article 66 table 3 and 4 of the Implementing Regulations detailing the solvency margin required to be maintained. According to the article, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per SAMA Implementing Regulations:
- Minimum Capital Requirement of SAR 100 million
- Premium Solvency Margin
- Claims Solvency Margin

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

17. STATUTORY DEPOSIT

In accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia, the Company is required to maintain a statutory deposit at 10%. Further, SAMA has increased the statutory deposit by 5%. This statutory deposit cannot be withdrawn without the consent of SAMA. During the period ended 2022, the company increased its paid capital to SR 430 million by right issue shares. After the aforementioned amendments to the capital, the company increased the amount of deposit to SR 64.5 million to be fully compliant with regulatory requirements. The statutory deposit is currently maintained at 15% of the new paid-up capital, SR 430 million, amounting to SR 64.5 million.

The statutory deposit is placed with a counterparty having investment grade credit rating. Accrued commission income on statutory deposit is shown as an asset and liability in the statement of financial position.

18. PROVISION FOR ZAKAT AND INCOME TAX

	31 March 2023 (Unaudited)	31 December 2022 (Unaudited)
	SAR' 000	
Opening balance	**7,009**	3,559
Charge for the period / year	**-**	1,176
Paid during the period / year	**(500)**	-
(Reversal) / charge for prior periods / year	**-**	2,274
Closing balance	**6,509**	7,009

Status of assessments

The Company has filed its zakat return to Zakat, Tax and Customs Authority ("ZATCA") till the year 2020. All the assessments up to the year 2016 have been settled with ZATCA and a final clearance certificate has been obtained. During the year ended 31 December 2020, ZATCA issued zakat assessment for the years 2017 and 2018 amounting to 6.2 million. The Company has filed objection against the assessment and the management believes that the liability can be reduced to 3.7 million with a very high probability. During the year ended 31 December 2020, the Company has also received assessments along with penalties in respect of Value Added Tax ("VAT") for the years 2018 and 2019 amounting to 1.6 million. The Company objected to the penalties which have been reversed by ZATCA and are under process for refund.

During the year ended 31 December 2022, ZATCA issued zakat assessments for the years 2019 and 2020 amounted 4.997M (3.069M and 1.929M), the company objected against the assessments and paid 10% of the objected amounts (306K and 193K) as an objection requirement. The case is still under discussion with ZATCA.

19. SHARE CAPITAL

As of March 31, 2023, the authorized, subscribed and paid-up share capital of the Company was SR 430 million, divided into 43 million shares of SR 10 each. (December 31, 2022: SR 430 million share capital dividend into 43 million shares of SR 10 each).

On January 17, 2022, the Board of Directors had recommended an increased in the Company's capital through right issue with a total value of SR 300 million. The extra ordinary general meeting of shareholders was held on February 28, 2022, to approve the aforementioned capital increase and procedures for the issuance of right shares. On April 24, 2022, the Company obtained approval from SAMA. On May 23, 2022 the Capital Market authority (CMA)

Following the Shareholders' approval on May 29, 2022, the Company announced trading of 30 million right shares during the subscription period of the priority rights starting from June 06, 2022, to June 16, 2022. The remaining offering period for the subscription of new shares was set from June 21, 2022, to June 22, 2022. On June 30, 2022 subscribed securities were deposited into the Center's Accounts of eligible securities' holders.

20. RISK MANAGEMENT

The risks faced by the Company and the way these risks are mitigated by management are summarized below:

Risk governance
The Company's risk governance is manifested in a set of established policies, procedures and controls which uses the existing organizational structure to meet strategic targets, The Company's philosophy revolves on willing and knowledgeable risk acceptance commensurate with the risk appetite and a strategic plan approved by the Board of Directors. The Company is exposed to insurance, reinsurance, currency, commission rate, credit, liquidity, market price, and regulatory framework risks.

Risk management structure
Organizational structure is established within the Company in order to identify, assess, monitor and control risks.

Board of directors
The risk governance is the centralized oversight of the Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

Senior management
Senior management is responsible for the day to day operations towards achieving the strategic goals within the Company's pre-defined risk appetite.

Risk Management and Audit committees
Risk management processes throughout the Company examine both the adequacy of the procedures and the Company's compliance with such procedures. The risk and internal audit departments discusses the results of all assessments with senior management, and reports its findings and recommendations directly to the risk management and audit committees.

The risks faced by the Company and the way these risks are mitigated by management are summarized below.

Insurance risk

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim, The principal risk the Company faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities, This is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated and subsequent

Significant portion of reinsurance business ceded is placed on excess of loss treaty. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying policy benefits and are presented in the statement of financial position as reinsurance

Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance arrangements.

Frequency and severity of claims
The frequency and severity of claims can be affected by several factors like natural disasters, flood, environmental and economical, atmospheric disturbances, concentration of risks, civil riots etc. The Company manages these risk through the measures described above. The Company has limited its exposure to catastrophic and riot events by use of reinsurance arrangements.

Concentration of insurance risk
The Company monitors concentration of insurance risks primarily by class of business. The major concentration lies in medical segment.

The Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For flood or earthquake risk, a complete city is classified as a single location. For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk. The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.
Since the Company operates in Saudi Arabia only, hence, all the insurance risks relate to policies written in Saudi Arabia.

Sensitivity analysis
The Company believes that the claim liabilities under insurance contracts outstanding at the reporting date are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The insurance claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation
A hypothetical 10% change in the claim ratio, net of reinsurance, would impact net underwriting income/(loss) as follows:

20. RISK MANAGEMENT (CONTINUED)

Reinsurance risk

Similar to other insurance companies, in order to minimize financial exposure arising from large claims, the Company, in the normal course of business, enters into agreements with other parties for reinsurance purposes.

To minimize its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Reinsurers are selected using the following parameters and guidelines set by the Company's Board of Directors and Reinsurance Committee. The criteria may be summarized as follows:

- Minimum acceptable credit rating by recognized rating agencies that is not lower than (BBB).
- Reputation of particular reinsurance companies
- Existing or past business relationship with the reinsurer.

The exception to this rule is in respect of local companies who do not carry any such credit rating. This, however, is limited to those companies registered and approved by the Local Insurance Regulators.

Furthermore, the financial strength and managerial and technical expertise as well as historical performance, wherever applicable, are thoroughly reviewed by the Company and matched against a list of requirements pre- set by the Company's Board of Directors before approving them for exchange of

Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders and as a result the Company remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market commission rates (commission rate risk) and market prices (price risk).

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management assesses that there is minimal risk of significant losses due to exchange rate fluctuations.

Commission rate risk

The Company places deposits that are subject to commission rate risk, with the exception of restricted deposits which are required to be maintained in accordance with SAMA regulations on which the Company does not earn any commission. Commission rate risk to the Company is the risk of changes in commission rates reducing the overall return on its fixed commission rate bearing securities. The Commission rate risk is limited by monitoring changes in

	Commission bearing			Non-	
Insurance Operations	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**commission bearing**	**Total**
			SAR' 000		
31 March 2023	**29,234**	**-**	**-**	**39,703**	**68,937**
31 December 2022 (Restated)	56,161	-	-	39,703	95,864

	Commission bearing			Non-	
Shareholders Operations	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**commission bearing**	**Total**
			SAR' 000		
31 March 2023	**202,511**	**-**	**12,537**	**75,159**	**290,207**
31 December 2022 (Restated)	162,101	-	12,530	104,320	278,951

Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from commission rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they fall due. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

20. RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Company, the maximum exposure to credit risk to the Company is the carrying value as disclosed in the statement of

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

- The Company only enters into insurance and reinsurance contracts with recognized, credit worthy third parties, it is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.
- The Company with respect to credit risk arising from other financial assets, is restricted to commercial banks and counterparties having strong balance sheets and credit ratings.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is not broadly diversified however, transactions are entered into with credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Maturity Profiles

The table below summarizes the maturity profile of the financial assets and financial liabilities of the Company based on remaining contractual obligations. For insurance contract liabilities maturity profiles are determined based on the estimated timing of net cash outflows from the recognized insurance liabilities. The amount disclosed are the contractual undiscounted cash flows which equal their carrying balances as the impact of discounting is not

	31 March 2023 (Unaudited)			31 December 2022 (Restated)		
ASSETS	**Less than one year**	**More than one year**	**Total**	Less than one year	More than one year	Total
		SAR' 000			SAR' 000	
Cash and cash equivalents	**167,240**	**-**	**167,240**	153,756	-	153,756
Investments designated as FVOCI	**-**	**114,862**	**114,862**	-	144,023	144,023
Investments held at amortised cost	**-**	**12,532**	**12,532**	-	12,525	12,525
Statutory deposit	**-**	**64,500**	**64,500**	-	64,500	64,500
Accrued commission income on statutory deposit	**-**	**4,398**	**4,398**	-	3,787	3,787
	167,240	**196,292**	**363,532**	153,756	224,835	378,591
LIABILITIES						
Accrued expenses and other liabilities	**43,835**	**-**	**43,835**	42,280	-	42,280
Employees' end-of-service benefits	**-**	**5,524**	**5,524**	-	5,022	5,022
Surplus distribution payable	**-**	**-**	**-**	-	-	-
Provision for zakat and income tax	**6,509**	**-**	**6,509**	7,009	-	7,009
Accrued commission income payable to SAMA	**-**	**4,398**	**4,398**	-	3,787	3,787
	50,344	**9,922**	**60,266**	49,289	8,809	58,098
Total liquidity gap	**116,896**	**186,370**	**303,266**	104,467	216,026	320,493

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Ethical and business standards; and
- Risk mitigation policies and procedures.

Senior management ensures that the Company's staff has adequate training and experience and fosters effective communication related to operational risk management.

21. TRANSITION OF STATEMENTS

Statement of Financial Position

ASSETS	As at 31 December 2022 "under IFRS-4 & IAS-39"	Adjustments	As at 31 December 2022 "under IFRS-17 & IFRS-9"	As at 01 January 2022 "under IFRS-4 & IAS-39"	Adjustments	As at 01 January 2022 "under IFRS-17 & IFRS-9"
			SAR' 000			
Cash and cash equivalents	153,762	(6)	153,756	47,040	-	47,040
Short term deposits	-	-	-	10,000	-	10,000
Premiums and reinsurances' receivable	70,316	(70,316)	-	87,543	(87,543)	-
Reinsurers' share of unearned premiums	1,436	(1,436)	-	1,433	(1,433)	-
Reinsurers' share of outstanding claims	1,688	(1,688)	-	1,267	(1,267)	-
Reinsurers' share of claims incurred but not reported	744	(744)	-	1,205	(1,205)	-
Insurance Contract Assets	-	18,979	18,979	-	17,707	17,707
Reinsurance Contract Assets	-	5,557	5,557	-	20,595	20,595
Deferred policy acquisition costs	13,376	(13,376)	-	12,606	(12,606)	-
Available-for-sale investments	106,243	(106,243)	-	15,182	(15,182)	-
Held-to-maturity investments	12,530	(12,530)	-	44,198	(44,198)	-
Investments designated as FVOCI	-	144,023	144,023	-	50,291	50,291
Investments held at amortised cost	-	12,525	12,525	-	44,198	44,198
Prepayments and other assets	35,151	(3,413)	31,738	14,812	(3,682)	11,130
Property and equipment	6,391	-	6,391	6,085	-	6,085
Intangible assets	667	-	667	575	-	575
Statutory deposit	64,500	-	64,500	19,500	-	19,500
Accrued commission income on statutory deposit	3,787	-	3,787	2,989	-	2,989
TOTAL ASSETS	470,591	(28,668)	441,923	264,435	(34,325)	230,110
LIABILITIES						
Policyholders claims payable	3,582	(3,582)	-	3,488	(3,488)	-
Accrued expenses and other liabilities	42,280	-	42,280	42,013	-	42,013
Reinsurance balances payable	9,212	(9,212)	-	8,176	(8,176)	-
Unearned premiums	95,240	(95,240)	-	113,295	(113,295)	-
Insurance Contract Liabilities	-	125,207	125,207	-	168,645	168,645
Reinsurance Contract Liabilities	-	8,132	8,132	-	5,658	5,658
Unearned reinsurance commission	214	(214)	-	242	(242)	-
Outstanding claims	24,357	(24,357)	-	21,401	(21,401)	-
Claims incurred but not reported	46,210	(46,210)	-	58,250	(58,250)	-
Premiums deficiency reserve	14,318	(14,318)	-	27,167	(27,167)	-
Other technical reserve	1,228	(1,228)	-	3,818	(3,818)	-
Employees' end-of-service benefits	5,022	-	5,022	5,342	-	5,342
Surplus distribution payable	410	(410)	-	779	(779)	-
Provision for zakat and income tax	7,009	-	7,009	3,559	-	3,559
Accrued commission income payable to SAMA	3,787	-	3,787	2,989	-	2,989
TOTAL LIABILITIES	252,869	(61,432)	191,437	290,519	(62,313)	228,206
SHAREHOLDERS' EQUITY						
Share capital	430,000	-	430,000	130,000	-	130,000
Retained earnings / (Accumulated deficit)	(210,368)	(5,016)	(215,384)	(157,227)	(7,121)	(164,348)
Fair value reserve for investments at FVOCI	1,040	37,780	38,820	2,594	35,109	37,703
TOTAL SHAREHOLDERS'	220,672	32,764	253,436	(24,633)	27,988	3,355
Re-measurement reserve for end-of-service indemnities	(2,950)	-	(2,950)	(1,451)	-	(1,451)
TOTAL EQUITY	(2,950)	-	(2,950)	(1,451)	-	(1,451)
TOTAL LIABILITIES AND EQUITY	470,591	(28,668)	441,923	264,435	(34,325)	230,110

21. TRANSITION OF STATEMENTS (CONTINUED)

Statement of income and comprehensive income

	For the three months ended 31 March 2022 "under IFRS-4 & IAS-39"	Adjustments	For the three months ended 31 March 2022 "under IFRS-17 & IFRS-9"
		SAR' 000	
Revenues			
Gross premium written	76,942	(76,942)	-
Less: reinsurance ceded - Local	(278)	278	-
Less: reinsurance ceded - Foreign	(1,302)	1,302	-
Less: XOL	(10,106)	10,106	-
Net premium written	65,256	(65,256)	-
Changes in unearned premium - net	(11,129)	11,129	-
Net premium earned	54,127	(54,127)	-
Reinsurance commission income	262	(262)	-
Other underwriting income	(322)	322	-
Total revenues	54,067	(54,067)	-
Insurance revenue	-	66,833	66,833
Insurance service expenses	-	(83,774)	(83,774)
Net expenses from reinsurance contracts	-	(6,597)	(6,597)
Insurance Service result	-	(23,538)	(23,538)
Costs and expenses			
Gross claims paid (including settlement expense)	(66,240)	66,240	-
Less: Reinsurers' share	6,048	(6,048)	-
Net Claims Paid	(60,192)	60,192	-
Changes in outstanding claims	(569)	569	-
Changes in reinsurers' share of outstanding claims	230	(230)	-
Changes in IBNR	5,560	(5,560)	-
Changes in reinsurers' share of IBNR	(116)	116	-
Net Claims incurred	(55,087)	55,087	-
Changes in premiums deficiency reserve	(3,625)	3,625	-
Changes in other technical reserves	(23)	23	-
Policy acquisition costs	(5,613)	5,613	-
Inspection and supervision fees	(3,555)	3,555	-
Net income (expenses) from reinsurance contracts held	(12,816)	12,816	-
Total claims & other expenses	(67,903)	67,903	-
Net investment income	-	3,307	3,307
Credit loss allowance	-	(11)	(11)
Net investment income	-	3,296	3,296
Net underwriting income/(loss) / Insurance Service result	(13,836)	(9,702)	(20,242)
Charge of provision for doubtful debts	(2,995)	2,995	-
General and administrative expenses	(15,720)	15,720	-
Investment income	647	(647)	-
Realized loss from sale of available-for-sale investments	2,660	(2,660)	-
Other operating expenses	-	(5,725)	(5,725)
Total other operating income/ (expenses)	(15,408)	9,683	(5,725)
Operating income/(loss) for the period	(29,244)	(19)	(25,967)
Zakat charge	(847)	-	(847)
Income/(loss) for the period	(30,091)	(19)	(26,814)
Income/(loss) for the period - shareholder operation	(30,091)	(19)	(26,814)

21. TRANSITION OF STATEMENTS (CONTINUED)

The following tables explain the remeasurement impact on the interim condensed statement of financial position on adoption to IFRS 17

Impact on Equity:

Drivers of Changes in Equity	Impact on equity on transition to IFRS 17 on January 1, 2022
Changes in insurance contract liabilities	Decrease by SR 7.15 million
Changes in reinsurance contract assets	Increase by SR 0.05 million
Changes in fair Value of Najm Investment	Increase by SR 35.1 million
Total Impact	**Increase by SR 28 million**

Impact on Insurance Contract Liabilities:

Drivers of Changes	Impact on liabilities on transition to IFRS 17 on January 1, 2022
Additional Deferred Acquisition Costs	Decrease by SR 6.3 million
Risk Adjustment	Increase by SR 3.9 million
Loss Component	Increase by SR 9.5 million
Total Impact	**Increase by SR 7.1 million**

Impact on Reinsurance Contract Assets

Drivers of Changes	Impact on assets on transition to IFRS 17 on January 1, 2022
Reinsurance Risk Adjustment & Discounting	Increase by SR 0.07 million
Reinsurance Default Provision	Decrease by SR 0.02 million
Total Impact	**Increase by SR 0.05 million**

22. Changes in Accounting Policy

The company has adopted IFRS 9 as issued by IASB in July 2014 with the date of initial application of 1 January 2021 for insurer which was subsequently changed to 1 January 2023, which resulted in changes in accounting policies and adjustments to the previously recognised in the financial statements.

As permitted by the transitional provisions of IFRS 9, the company has elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and financial liabilities at the date of initial application were recognised in the opening retained earnings and fair value reserve of the current year.

Consequently, for the notes disclosures, the consequential amendments to IFRS 7 disclosures have only been applied to the current year. The adoption of IFRS 9 has resulted in changes in accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 "Financial Instruments: Disclosures"

Set out below are the disclosures relating to the impact of the adoption of IFRS 9 on the Company. Further details of the specific IFRS 9 accounting policies applied in the current year are described in more detail in Notes below

a) Classification and Measurement of financial instruments

		31 March 2023 (Unaudited)			
		IAS 39		IFRS 9	
		Measurement category	Carrying amount	Measurement category	Carrying amount
	Financial Assets		SAR' 000		
1	Cash and cash equivalents	Amortised cost	167,245	Amortised cost	167,240
2	Investments				
a)	Equity investments	Available for Sale	82,055	Fair Value through Other Comprehensive Income (FVOCI)	114,862
b)	Sukuk debt investments	Held to Maturity	12,537	Amortised cost	12,532
3	Statutory Deposit	Held to Maturity	64,500	Amortised cost	64,500
4	Accrued income on statutory deposit	Held to Maturity	4,398	Amortised cost	4,398
5	Other assets (Financial assets)	Held to Maturity	580	Amortised cost	580
	Total financial assets		331,315		364,112

22. Changes in Accounting Policy (Continued)

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

Determination of fair value and fair value hierarchy
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:
Level 1: Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities,
Level 2: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable), and

Level 3: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

b) Carrying amounts and fair value

The following table summarizes the fair values of financial assets as at 31 March 2023 and 31 December 2022 by level of the fair value hierarchy.

Insurance operations	31 March 2023 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
			SAR' 000		
Investments designated as FVOCI					
Shares	39,703	-	-	39,703	39,703
	39,703	-	-	**39,703**	**39,703**

	Restated 31 December 2022 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
			SAR' 000		
Investments designated as FVOCI					
Shares	39,703	-	-	39,703	39,703
	39,703	-	-	**39,703**	**39,703**

22. Changes in Accounting Policy (Continued)

Shareholders' operations

	31 March 2023 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
			SAR' 000		
Investments designated as FVOCI					
Shares and REIT	1,557	1,557	-	-	1,557
Murabaha Funds	73,602	-	73,602	-	73,602
	75,159	1,557	73,602	-	75,159

	Restated 31 December 2022 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
			SAR' 000		
Investments designated as FVOCI					
Shares and REIT	1,616	1,616	-	-	1,616
Murabaha Funds	102,704	-	102,704	-	102,704
	104,320	1,616	102,704	-	104,320

The fair value of other financial assets and liabilities, not included in the table above, are not materially different from the carrying values included in the financial statements.

b) Measurement of fair value

Investment designated at FVOCI at level 3 represents unquoted securities amounting to SAR 39.7 million in respect of the Company's share in the capital of Najm. As at 31 March 2023 and 31 December 2022, the investment has been measured at fair value reliably.

Fair value of Mudarba is computed based on net asset value of its investments at the date of Statement of financial position.

23. 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 their 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 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 surplus or deficit since December 31, 2022.

These unallocated assets and liabilities are not reported to chief operating decision maker under related segments and are monitored on a centralized basis.

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities at March 31, 2023, its total revenues, expenses, and net income for period ended, are as follows:

	31 March 2023 (Unaudited)			
Customers' category	**Motor**	**Medical / Health**	**Property & Casualty**	**Total**
	SAR' 000			
Insurance Revenue	18,783	37,211	1,579	57,573
Total Insurance Revenue	**18,783**	**37,211**	**1,579**	**57,573**

	Restated 31 March 2022 (Unaudited)			
Customers' category	**Motor**	**Medical / Health**	**Property & Casualty**	**Total**
	SAR' 000			
Insurance Revenue	37,757	27,517	1,559	66,833
Total Insurance Revenue	**37,757**	**27,517**	**1,559**	**66,833**

23. OPERATING SEGMENTS (Continued)

	31 March 2023 (Unaudited)						
Operating segments	Motor	Medical / Health	Property & Casualty	Unallocated	Total - Insurance operations	Shareholders' operations	Total
				SAR' 000			
Assets:							
Cash and cash equivalents	-	-	-	29,229	29,229	138,011	167,240
Insurance Contract Assets	19,574	10,586	1,328	-	31,488	-	31,488
Reinsurance Contract Assets	191	243	3,074	-	3,508	-	3,508
Investments designated as FVOCI	-	-	-	39,703	39,703	75,159	114,862
Investments held at amortised cost	-	-	-	-	-	12,532	12,532
Prepayments and other assets	651	20,486	75	28,675	49,887	1,242	51,129
Property and equipment	-	-	-	5,890	5,890	-	5,890
Intangible assets	-	-	-	631	631	-	631
Statutory deposit	-	-	-	-	-	64,500	64,500
Accrued commission income on statutory deposit	-	-	-	-	-	4,398	4,398
Total assets	20,416	31,315	4,477	104,128	160,336	295,842	456,178
Liabilities, accumulated surplus & equity:							
Insurance Contract liabilities	50,292	71,193	4,522	-	126,007	-	126,007
Reinsurance Contract liabilities	4,040	3,948	1,250	-	9,238	-	9,238
Accrued expenses and other liabilities	13,166	1,045	-	26,939	41,150	2,685	43,835
Employees' end-of-service benefits	-	-	-	5,524	5,524	-	5,524
Provision for zakat and income tax	-	-	-	-	-	6,509	6,509
Accrued commission income payable to SAMA	-	-	-	-	-	4,398	4,398
Total liabilities, accumulated surplus and equity	67,498	76,186	5,772	32,463	181,919	13,592	195,511

23. OPERATING SEGMENTS (Continued)

	Restated 31 December 2022 (Unaudited)						
Operating segments	Motor	Medical / Health	Property & Casualty	Unallocated	Total - Insurance operations	Shareholders' operations	Total
				SAR' 000			
Assets:							
Cash and cash equivalents	-	-	-	56,161	56,161	97,595	153,756
Insurance Contract Assets	6,390	11,898	691	-	18,979	-	18,979
Reinsurance Contract Assets	841	2,318	2,398	-	5,557	-	5,557
Investments designated as FVOCI	-	-	-	39,703	39,703	104,320	144,023
Investments held at amortised cost	-	-	-	-	-	12,525	12,525
Prepayments and other assets	-	-	-	30,943	30,943	795	31,738
Property and equipment	-	-	-	6,391	6,391	-	6,391
Intangible assets	-	-	-	667	667	-	667
Statutory deposit	-	-	-	-	-	64,500	64,500
Accrued commission income on statutory deposit	-	-	-	-	-	3,787	3,787
Total assets	7,231	14,216	3,089	133,865	158,401	283,522	441,923
Liabilities, accumulated surplus & equity:							
Insurance Contract liabilities	56,655	64,375	4,177	-	125,207	-	125,207
Reinsurance Contract liabilities	3,380	4,040	712	-	8,132	-	8,132
Accrued expenses and other liabilities	-	-	-	39,855	39,855	2,425	42,280
Employees' end-of-service benefits	-	-	-	5,022	5,022	-	5,022
Provision for zakat and income tax	-	-	-	-	-	7,009	7,009
Surplus distribution payable	-	-	-	-	-	3,787	3,787
Accrued commission income payable to SAMA	-	-	-	-	-	-	-
Total liabilities, accumulated surplus and equity	60,035	68,415	4,889	44,877	178,216	13,221	191,437

23. OPERATING SEGMENTS (CONTINUED)

	31 March 2023 (Unaudited)						
Operating segments	Motor	**Medical**	Property & Casualty	**Unallocated**	Insurance Operations	Shareholders' Operations	Total
				SAR' 000			
Insurance revenue	**18,783**	**37,211**	**1,579**	-	57,573	-	57,573
Insurance service expenses	(21,161)	(26,432)	(907)	-	(48,500)	-	(48,500)
Insurance service result before reinsurance contracts held	(2,378)	10,779	672	-	9,073	-	9,073
Allocation of reinsurance premiums	(567)	-	(723)	-	(1,290)	-	(1,290)
Amounts recoverable from reinsurance	785	238	(338)	-	685	-	685
Insurance service result	218	238	(1,061)	-	(605)	-	(605)
Net investment income	-	-	-	-	-	1,154	1,154
Net impairment loss on financial assets	-	-	-	-	-	(10)	(10)
Investment return	-	-	-	-	-	1,144	1,144
Movement in investment contract liabilities	-	-	-	(3,331)	(3,331)	-	(3,331)
Net insurance financial result	(2,160)	11,017	(389)	(3,331)	5,137	1,144	6,281
Other operating income	-	4,586	2,931	-	7,517	-	7,517
Other operating expenses	-	-	-	(3,501)	(3,501)	(596)	(4,097)
Total income for the period attributable to the shareholders before zakat	**(2,160)**	**15,603**	**2,542**	**(6,832)**	**9,153**	**548**	**9,701**
Provision for Zakat	-	-	-	-	-	-	-
Total income for the period attributable to the shareholders after zakat	(2,160)	15,603	2,542	(6,832)	9,153	548	9,701

23. OPERATING SEGMENTS (CONTINUED)

Operating segments	Motor	Medical	Property & Casualty	Unallocated	Insurance Operations	Shareholders' Operations	Total
	Restated 31 March 2022 (Unaudited)						
				SAR' 000			
Insurance revenue	37,757	27,517	1,559	-	66,833	-	66,833
Insurance service expenses	(47,350)	(36,092)	(332)		(83,774)	-	(83,774)
Insurance service result before reinsurance contracts held	(9,593)	(8,575)	1,227	-	(16,941)	-	(16,941)
Allocation of reinsurance premiums	(757)	(10,588)	(1,615)	-	(12,960)	-	(12,960)
Amounts recoverable from reinsurance	(73)	6,262	174	-	6,363	-	6,363
Insurance service result	(830)	(4,326)	(1,441)	-	(6,597)	-	(6,597)
Net investment income	-	-	-	-	-	647	647
Net impairment loss on financial assets	-	-	-	-	-	(11)	(11)
Investment return	-	-	-	-	-	636	636
Movement in investment contract liabilities	-	-	-	-	-	-	-
Net insurance financial result	(10,423)	(12,901)	(214)	-	(23,538)	636	(22,902)
Other operating expenses	-	-	-	(5,725)	(5,725)	-	(5,725)
Total income for the period attributable to the shareholders before zakat	(10,423)	(12,901)	(214)	(5,725)	(29,263)	636	(28,627)
Provision for Zakat	-	-	-	-	-	(847)	(847)
Total income for the period attributable to the shareholders after zakat	(10,423)	(12,901)	(214)	(5,725)	(29,263)	(211)	(29,474)

Gross premiums written	31 March 2023 (Unaudited)			31 March 2022 (Unaudited)		
	Medical	**Motor**	**Property & casualty**	Medical	Motor	Property & casualty
- Corporate enterprises	**1,320**	**2,642**	**425**	347	3,108	1,875
- Medium enterprises	**317**	-	**19**	2,949	1,650	3
- Small enterprises	1,832	**3,129**	**88**	3,167	58	19
- Very Small enterprises	24,522	65	-	34,305	29,440	21
	27,991	5,836	532	40,768	34,256	1,918

24. SUPPLEMENTARY INFORMATION

24.1 Statement of financial position

	31 March 2023 (Unaudited)			*Restated* 31 December 2022 (Restated)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	SAR' 000					
ASSETS						
Cash and cash equivalents	29,229	138,011	167,240	56,161	97,595	153,756
Insurance Contract Assets	31,488	-	31,488	18,979	-	18,979
Reinsurance Contract Assets	3,508	-	3,508	5,557	-	5,557
Investments designated as FVOCI	39,703	75,159	114,862	39,703	104,320	144,023
Investments held at amortised cost	-	12,532	12,532	-	12,525	12,525
Prepayments and other assets	49,887	1,242	51,129	30,943	795	31,738
Property and equipment	5,890	-	5,890	6,391	-	6,391
Intangible assets	631	-	631	667	-	667
Statutory deposit	-	64,500	64,500	-	64,500	64,500
Due from shareholders' operations	56,413	-	56,413	54,645	-	54,645
Accrued commission income on statutory deposit	-	4,398	4,398	-	3,787	3,787
TOTAL ASSETS	216,749	295,842	512,591	213,046	283,522	496,568
LIABILITIES						
Insurance Contract liabilities	126,007	-	126,007	125,207	-	125,207
Reinsurance Contract liabilities	9,238	-	9,238	8,132	-	8,132
Accrued expenses and other liabilities	41,150	2,685	43,835	39,855	2,425	42,280
Employees' end-of-service benefits	5,524	-	5,524	5,022	-	5,022
Provision for zakat and income tax	-	6,509	6,509	-	7,009	7,009
Accrued commission income payable to SAMA	-	4,398	4,398	-	3,787	3,787
Due to insurance operation	-	56,413	56,413	-	54,645	54,645
TOTAL LIABILTIES	181,919	70,005	251,924	178,216	67,866	246,082
EQUITY						
Share capital	-	430,000	430,000	-	430,000	430,000
Accumulated losses	-	(205,683)	(205,683)	-	(215,384)	(215,384)
Actuarial reserve on end-of-service benefits	(2,950)	-	(2,950)	(2,950)	-	(2,950)
Fair value reserve for investments at FVOCI	37,780	1,520	39,300	37,780	1,040	38,820
TOTAL SHAREHOLDERS' EQUITY						
TOTAL EQUITY	34,830	225,837	260,667	34,830	215,656	250,486
TOTAL LIABILITIES AND EQUITY	216,749	295,842	512,591	213,046	283,522	496,568

24. SUPPLEMENTARY INFORMATION (CONTINUED)

24.2 Statement of financial position

	31 March 2023 (Unaudited)			*Restated* 31 March, 2022 (Unaudited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
		SAR' 000			SAR' 000	
REVENUES						
Insurance revenue	57,573	-	57,573	66,833	-	66,833
Insurance service expenses	(48,500)	-	(48,500)	(83,774)	-	(83,774)
Insurance service result before reinsurance contracts held	**9,073**	-	**9,073**	(16,941)	-	(16,941)
Allocation of reinsurance premiums	(1,290)	-	(1,290)	(12,960)	-	(12,960)
Amounts recoverable from reinsurance	685	-	685	6,363	-	6,363
Net expenses from reinsurance contracts held	**(605)**	-	**(605)**	(6,597)	-	(6,597)
Insurance service result	8,468	-	8,468	(23,538)	-	(23,538)
Net investment income	-	1,154	1,154	-	647	647
Net impairment loss on financial assets		(10)	(10)	-	(11)	(11)
Investment return	-	1,144	**1,144**	-	636	636
Other costs	(3,331)	-	(3,331)	-	-	-
Net insurance finance income/(expenses)	**(3,331)**	-	**(3,331)**	-	-	-
Net insurance finance income/(expenses)	**5,137**	**1,144**	**6,281**	(23,538)	636	(22,902)
Other operating income	7,517	-	7,517	-	-	-
Other operating expenses	(4,097)	-	(4,097)	(5,725)	-	(5,725)
Total income for the period attributable to the shareholders before zakat	8,557	1,144	9,701	(29,263)	636	(28,627)
Provision for Zakat	-	-	-	-	**(847)**	**(847)**
Total income for the period attributable to the shareholders after zakat	8,557	1,144	9,701	(29,263)	(211)	(29,474)

24. SUPPLEMENTARY INFORMATION (CONTINUED)

24.3 Statement of cash flows

	31 March 2023 (Unaudited)			*Restated* 31 March, 2022 (Unaudited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
		SAR' 000			SAR' 000	
Cash flow from operating activities						
Profit / loss for the period before zakat	-	9,701	9,701	-	(28,627)	(28,627)
Adjustments for non-cash items:						
Depreciation and amortization	472	-	472	494	-	494
Provision for end-of-service benefits	502	-	502	244	-	244
Investments held at amortised cost	-	(12)	(12)	-	(76)	(76)
ECL Provision for Sukuk	-	5	5	-	-	-
Investment Income	-	(359)	(359)	-	(2,660)	(2,660)
Changes in operating assets and liabilities:						
Insurance contracts assets	(12,509)	-	(12,509)	(3,229)	-	(3,229)
Reinsurance contracts assets	2,049	-	2,049	(7,600)	-	(7,600)
Insurance contracts liabilities	800	-	800	3,527	-	3,527
Reinsurance contracts liabilities	1,106	-	1,106	20,821	-	20,821
Prepayments and other assets	(18,944)	(447)	(19,391)	1,912	-	1,912
Accrued expenses and other liabilities	1,295	260	1,555	8,167	(634)	7,533
Zakat and income tax paid	-	(500)	(500)		-	-
Net cash (used in) /generated from operating activities	(25,229)	8,648	(16,581)	24,336	(31,997)	(7,661)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of investment held at FVOCI	-	30,000	30,000	-	12,313	12,313
Disposal in property, equipment and intangible assets	117	-	117			
Additions in property, equipment and intangible assets	(52)	-	(52)	(1,290)	-	(1,290)
Transaction cost paid for Capital Reduction	-	-	-	-	(708)	(708)
Net cash generated from investing activities	65	30,000	30,065	(1,290)	11,605	10,315
Net change in cash and cash equivalents	(25,164)	38,648	13,484	23,046	(20,392)	2,654
Cash and cash equivalents, beginning of the period	56,161	97,595	153,756	21,368	25,672	47,040
Cash and cash equivalents, end of the period	30,997	136,243	167,240	44,414	5,280	49,694
					Restated	
Non-cash transactions :						
Change in fair value of investments held at FVOCI	-	480	480	-	938	938

25. COMPARATIVE FIGURES
Certain prior year figures have been reclassified to conform to the current year presentation.

26. EVENTS AFTER THE REPORTING DATE
There are no subsequent events to the period ended 31 March 2023.

27. APPROVAL OF FINANCIAL STATEMENTS
The financial statements have been approved by the Board of Directors on 21 June 2023 (corresponding to 3 Dhu'l-Hijjah 1444H).