THE MEDITERRANEAN & GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

FINANCIAL STATEMENTS TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

THE MEDITERRANEAN & GULF COOPERATIVEINSURANCE AND REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

FINANCIAL STATEMENTS TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF THE MEDITERRANEAN AND GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

Opinion

We have audited the financial statements of The Mediterranean & Gulf Cooperative Insurance and Reinsurance Company – a Saudi Joint Stock Company ("the Company"), which comprise the statement of financial position as at 31 December 2023, and the related statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (referred to as "IFRS as endorsed in Kingdom of Saudi Arabia").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the accompanying financial statements, which states that the Company did not meet the solvency margin requirements as at 31 December 2023. The deficiency in solvency margin along with other matters as set forth in note 2 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the accompanying financial statements are prepared using the going-concern assumption based on management's assessment on the company's abilities to continue as a going concern. Our opinion is not modified with respect to this matter.

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF THE MEDITERRANEAN AND GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

Key Audit Matters ***(Continued)***

Key audit matter	How our audit addressed the key audit matter
Valuation of estimates of present value of cashflows and risk adjustment for non-financial risk - insurance contract liabilities: As at 31 December 2023, estimate of present value of cash flows and risk adjustment for non-financial risk for insurance contracts issued amounted to SR 1,289.613 million and SR 56.383 million (2022: SR 1,198.375 million and SR 47.763 million) respectively, as reported in note 6 to the financial statements. The estimation of the liability for incurred claims involves a significant degree of judgement. This entails estimating the present value of future cash flows and the 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 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 present value of future cash flows is based on the best- estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with the related claims handling costs. Accordingly, this complexity arises from calculating the actuarial best estimate and the margin using historical data which is sensitive to external inputs, such as claims cost inflation and medical trends, as well as the actuarial methodology that is applied and the assumptions on current and future events.	We performed the following procedures: • Understood, evaluated and tested key controls around the claims handling and provision setting processes. • Evaluated the competence, capabilities and objectivity of the management's expert based on their professional qualifications and experience and assessed their independence. • Performed substantive tests, on sample basis, on the amounts recorded for claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of outstanding claim reserves. • Assessed the integrity of data used as inputs into the actuarial valuations, and tested on sample basis, the accuracy of underlying claims data utilized by the management's expert in estimating the present value of the future cashflows and the risk adjustment for non-financial risk by comparing it to the accounting and other records. • Involved our internal actuarial specialists to assess the Company's methods and assumptions and evaluate the Company's actuarial practices and provisions established including the actuarial report issued by management's expert, by performing the following:

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF THE MEDITERRANEAN AND GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
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Key Audit Matters ***(Continued)***

Key audit matter	How our audit addressed the key audit matter
Due to the inherent estimation uncertainty and subjectivity involved in the assessment of valuation of the liability for incurred claims arising from insurance contracts, we have considered this as a key audit matter. *Refer to notes 3(a)(vi) for the accounting policy and significant accounting judgements, estimates and assumptions adopted by the Company, involved in the initial recognition and subsequent measurement of insurance contract liabilities/ assets and reinsurance contract assets/ liabilities. Also, refer to note 6 for the movement in insurance contract liabilities.*	i. Evaluated whether the Company's actuarial methodologies were consistent with generally accepted actuarial practices and with prior years. We sought sufficient justification for any significant differences; ii. Assessed key actuarial assumptions including claims ratios and expected frequency and severity of claims. We tested these assumptions by comparing them with our expectations based on the Company's historical experience, current trends and our own industry knowledge; and iii. Assessed the appropriateness of the calculation methods and approach along with the assumptions used and sensitivity analysis performed. • Assessed the adequacy and appropriateness of the related disclosures in the financial statements.
Adoption of IFRS 17 and IFRS 9 During the year the Company has adopted IFRS 17 "Insurance Contracts", as endorsed in the Kingdom of Saudi Arabia (IFRS 17), which replaces IFRS 4 "Insurance Contracts", as endorsed in the Kingdom of Saudi Arabia (IFRS 4) and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF"). The Company has applied the full retrospective approach to each Company of insurance contracts. The adoption of IFRS 17 resulted in a transition adjustment to the Company's equity as at 1 January 2022 amounting to SAR 60.987 million. IFRS 17 introduced new nomenclature for significant insurance-related balances as well as new measurement principles for insurance-related liabilities and insurance revenue recognition.	We performed the following procedures: • Obtained an understanding of the Company's implementation process for determining the impact of adoption of the standards, including understanding of the changes to the Company's accounting policies, systems, processes and controls. • Evaluated and assessed management's process to identify insurance contracts, to determine the appropriate Companying for such contracts and to determine whether the use of the premium allocation approach (PAA) under IFRS 17 was appropriate. • Evaluated whether management's allocation of expenses under IFRS 17 was appropriate and tested, on a sample basis, such expenses. • Evaluated the risk adjustment for non-financial risk under IFRS 17 and tested, on a sample basis, the underlying data supporting the adjustment.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF THE MEDITERRANEAN AND GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
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Key Audit Matters ***(Continued)***

Key audit matter	How our audit addressed the key audit matter
Further, during the year the Company also adopted IFRS 9 "Financial Instruments", as endorsed in the Kingdom of Saudi Arabia (IFRS 9) which replaces IAS 39 "Financial Instruments: Recognition and Measurement", as endorsed in the Kingdom of Saudi Arabia (IAS 39). The Company has applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023. For the transition to IFRS 9, the Company applied a retrospective approach to be in line with the transition option adopted under IFRS 17 while applying the relevant practical expedients under IFRS 9. The adoption of IFRS 9 resulted in a transition adjustment to the Company's equity as at 1st January 2022 amounting to SAR 35.109 million. IFRS 9 also required the management to assess its business model with respect to different portfolios of investments that drive the measurement and disclosures of the Company's investments. It also introduced the concept of Expected Credit Loss (ECL) which is a forward-looking estimate of credit losses for the Company's financial assets. Due to first year adoption, which resulted in fundamental changes to classification and measurement of the main transactions and balances of the Company along with significant changes to presentation and disclosures that were required in the financial statements for the year ended 31 December 2023, we have considered this as a key audit matter. *Refer to note 3(b) for accounting policy and significant accounting judgements, estimates and assumptions adopted by the Company. The impact of transition is explained in note 5 to the financial statements.*	• Evaluated and assessed management's conclusions regarding the Company's business model for different portfolios of investments and the appropriateness of the Company's determination of ECL under IFRS 9. • Assessed the adequacy of the transition adjustments impact for both IFRS 17 and IFRS 9 on the opening retained earnings as at 1 January 2022. • Assessed the appropriateness of the transition and accounting policies disclosures in relation to IFRS 17 and IFRS 9 made in the financial statements. • Assessed the Company's methods, assumptions and accounting policies adopted under IFRS 17 and IFRS 9, with the assistance of our actuarial and accounting specialists and experts.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF THE MEDITERRANEAN AND GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
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Key Audit Matters ***(Continued)***

Key audit matter	How our audit addressed the key audit matter
Valuation of Goodwill At 31 December 2023, the Company had goodwill amounting to Saudi Riyals 480 million, which represents the fair value of the consideration paid in excess of the fair value of net assets or liabilities acquired. Management reviews goodwill for impairment annually, and assesses the recoverable amount of the cash generating unit (or a group of cash generating units) to which the goodwill is related. As per IAS 36, an impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. As management believes that fair value less cost to sell analysis provides higher value compared to value in use, therefore, fair value less cost to sell analysis are used for impairment valuation. Management uses its expert to perform fair value less cost to sell analysis that use market approach to determine the need for impairment. In arriving at the valuation under market approach, the expert applied certain judgments and factors including trends in share prices, stock index liquidity, book price multiple, comparable companies' analysis and comparable transaction analysis, etc. We considered this as a key audit matter as the estimation of recoverable value of the CGU involve the application of management judgment and estimation. *Refer to the note 3(g) to the financial statements for material accounting policies for goodwill and note 3(p)(iv) which explains the valuation methodology used by the Company and critical judgment and estimates.*	We performed the following procedures: We evaluated the competence, capabilities and objectivity of the management's expert by examining their professional qualifications and experiences and assessing their relationship with the entity. We evaluated the source data of significance to the management's expert's work for relevance, completeness and accuracy by performing the following procedures: - Inquired of the expert to determine how the expert has obtained satisfaction that the data used is relevant, complete and accurate; - Reviewed the data for completeness and internal consistency; and - Agreed the data to supporting documentation. We involved our specialists and assessed the reasonableness of the calculations and the underlying assumptions, including cash flow projections and discount rates used. We reviewed the annual operating plans and ensured they were consistently applied in the goodwill impairment assessment conducted by the management. We gained an understanding and evaluated methods and assumptions that are significant to the management's expert's work for their relevance and reasonableness by reviewing the expert's report and cross checked their consistency with other audit evidence.

Other information included in the Company's 2023 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Company's 2023 annual report, other than the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditors' report.

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

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

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Member Crowe Global

AlKharashi & Co.
Certified Accountants And Auditors

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF THE MEDITERRANEAN AND GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

Responsibilities of Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA"), the applicable requirements of the Regulations for Companies, the Cooperative Insurance Companies Control Law in the Kingdom of Saudi Arabia and the Company's by-laws and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF THE MEDITERRANEAN AND GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

Auditors' responsibilities for the audit of the financial statements *(Continued)*

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

As at year end, the solvency margin stands at 77.01% (31 December 2022: 12.4%). In compliance with the Article 68 of the Implementation Regulations for Insurance Companies, the Company has taken certain remedial measures on immediate basis that include increasing the share capital, adjusting insurance premiums and reducing costs (refer note 2).

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شركة حلول كرو للإستشارات المهنية
C.R. No. 1010466353
سجل تجاري رقم ١٠١٠٤٦٦٣٥٣
Crowe Solutions For Professional Consulting R

Dated: March 26, 2024
corresponding to: Ramadan 16, 1445H

الخراشي وشركاه
محاسبون و مراجعون قانونيون
س.ت: 1010327044 :C.R.
Certified Accountants & Auditors
AL-Kharashi Co.

THE MEDITERRANEAN & GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		SAR '000		
	Notes	December 31, 2023	December 31, 2022 (Restated)*	January 01, 2022 (Restated)*
ASSETS				
Cash and cash equivalents	7	**440,570**	430,931	597,682
Short term deposits	8	**233,267**	231,240	50,000
Insurance contract assets	6	**5,292**	23,677	22,886
Reinsurance contract assets	6	**692,487**	701,738	1,004,023
Prepayment and other assets, net	9	**115,306**	107,425	401,202
Investments carried at amortized cost	13 (b)	**503,050**	447,952	340,019
Investments carried at fair value through OCI	13 (a)	**46,489**	42,708	37,970
Investments carried at fair value through P&L	13 (c)	**342,307**	303,834	319,559
Right of use assets, net	10	**10,587**	3,624	8,129
Property and equipment, net	11	**51,270**	48,766	46,464
Intangible assets, net	11	**18,468**	23,193	12,108
Statutory deposit	14	**157,500**	157,500	120,000
Investment in an associate	12	**12,160**	12,147	11,799
Deferred tax asset	17 (c)	**7,286**	-	-
Accrued commission on statutory deposit	16	**3,967**	31,648	28,158
Goodwill	15	**480,000**	480,000	480,000
TOTAL ASSETS		**3,120,006**	3,046,383	3,479,999

*Comparative information has been restated (refer to note 5).

The accompanying notes 1 to 30 form an integral part of these financial statements.

Mr. Rakan Abdullah Abunayyan	**Mr. Umar Abdulrahman AlMahmoud**	**Mr. Georgi Markov**
Chairman of the Board of Directors	**Chief Executive Officer**	**Chief Financial Officer**

THE MEDITERRANEAN & GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2023

	Notes	SAR '000 December 31, 2023	December 31, 2022 (Restated)*	January 01, 2022 (Restated)*
LIABILITIES				
Accrued expenses and other liabilities		**104,695**	22,305	217,414
Insurance contract liabilities	6	**1,997,838**	2,228,263	1,901,780
Reinsurance contract liabilities	6	**76,143**	46,001	-
Accounts payable		**104**	338	196,905
Lease liability	18	**10,878**	3,633	8,534
Zakat & income tax	17 (a)	**8,961**	4,289	14,025
Deferred tax liability	17 (c)	**-**	3,188	2,438
Accrued commission income payable to IA	16	**3,967**	31,648	28,158
TOTAL LIABILITIES		**2,202,586**	2,339,665	2,369,254
EQUITY				
Share capital	23	**1,050,000**	1,050,000	1,050,000
Share premium		**70,000**	70,000	70,000
Statutory reserve		**26,135**	26,135	26,135
Accumulated losses		**(257,129)**	(458,601)	(61,731)
Re-measurement of defined benefit liability – employees benefits		**(13,147)**	(18,596)	(9,557)
Fair values reserve on investments		**41,561**	37,780	35,898
TOTAL EQUITY		**917,420**	706,718	1,110,745
TOTAL LIABILITIES AND EQUITY		**3,120,006**	3,046,383	3,479,999

COMMITMENTS AND CONTINGENCIES 24

*Comparative information has been restated (refer to note 5).

The accompanying notes 1 to 30 form an integral part of these financial statements.

Mr. Rakan Abdullah Abunayyan
Chairman of the Board of Directors

Mr. Umar Abdulrahman AlMahmoud
Chief Executive Officer

Mr. Georgi Markov
Chief Financial Officer

THE MEDITERRANEAN & GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	SAR '000 December 31, 2023	SAR '000 December 31, 2022 (Restated)*
Insurance revenue	21	3,332,154	2,643,129
Insurance service expense	21	(3,022,240)	(2,906,416)
Net expense from reinsurance contract held	21	(222,912)	(321,923)
Insurance service result		87,002	(585,210)
Investment income on financial assets at amortised cost		42,191	25,755
Investment income / (loss) on financial assets at fair value		56,748	(15,771)
Dividend income		7,652	6,784
Net impairment loss on financial assets		(152)	-
Net investment income		106,439	16,768
Insurance finance (expense) / income for insurance contracts issued	22	(22,476)	64,290
Reinsurance finance income / (expense) for reinsurance contracts held	22	12,617	(8,589)
Net insurance finance (expense) / income		(9,859)	55,701
Net insurance and investment result		183,582	(512,741)
Other income		24,144	106,691
Share of income from associate	12	3,773	3,920
Shareholders' general and admin expenses		(5,244)	(3,726)
Total other operating income		22,673	106,885
NET INCOME / (LOSS) FOR THE YEAR BEFORE APPROPRIATION AND BEFORE ZAKAT AND INCOME TAX		206,255	(405,856)
Net income attributed to insurance operation		(10,585)	-
NET INCOME / (LOSS) FOR THE YEAR AFTER APPROPRIATION AND BEFORE ZAKAT AND INCOME TAX		195,670	(405,856)
Zakat and income tax (expense) / reversal	17	(4,672)	9,736
Deferred tax	17	10,474	(750)
INCOME / (LOSS) ATTRIBUTED TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX		201,472	(396,870)
Earnings / (loss) per share (expressed in SAR per share)	23	1.92	(3.78)

*Comparative information has been restated (refer to note 5).

The accompanying notes 1 to 30 form an integral part of these financial statements.

Mr. Rakan Abdullah Abunayyan	Mr. Umar Abdulrahman AlMahmoud	Mr. Georgi Markov
Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer

THE MEDITERRANEAN & GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	SAR '000	
	December 31, 2023	December 31, 2022 (Restated)*
INCOME / (LOSS) ATTRIBUTED TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX	**201,472**	(396,870)
Other comprehensive income / (loss)		
Items that will not be reclassified to statement of income in subsequent periods		
Net changes in fair value of investments measured at FVOCI – equity instruments	**3,781**	1,882
Re-measurement gain / (loss) on end of service indemnities	**5,449**	(9,039)
Total other comprehensive income / (loss)	**9,230**	(7,157)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	**210,702**	(404,027)

*Comparative information has been restated (refer to note 5).

The accompanying notes 1 to 30 form an integral part of these financial statements.

Mr. Rakan Abdullah Abunayyan
Chairman of the Board of Directors

Mr. Umar Abdulrahman AlMahmoud
Chief Executive Officer

Mr. Georgi Markov
Chief Financial Officer

THE MEDITERRANEAN & GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

For the year ended December 31, 2023	Notes	Share capital	Share Premium	Statutory reserve	Accumulated losses	Fair values reserve on investments	Re-measurement of defined benefit liability – employees benefits	Total
					SAR '000			
Balance as at December 31, 2022		1,050,000	70,000	26,135	(462,817)	(19,662)	(18,596)	645,060
Transition adjustment on initial application of IFRS 17 & IFRS 9	5	-	-	-	4,216	57,442	-	61,658
Balance as at January 01, 2023 (restated) *		1,050,000	70,000	26,135	(458,601)	37,780	(18,596)	706,718
Total comprehensive income for the year								
-Net income for the year		-	-	-	201,472	-	-	201,472
-Other comprehensive income		-	-	-	-	3,781	5,449	9,230
Balance as at December 31, 2023		1,050,000	70,000	26,135	(257,129)	41,561	(13,147)	917,420

For the year ended December 31, 2022	Notes	Share capital	Share Premium	Statutory reserve	Accumulated losses	Fair values reserve on investments	Re-measurement of defined benefit liability – employees benefits	Total
					SAR '000			
Balance as at December 31, 2021		1,050,000	70,000	26,135	(147,611)	25,682	(9,557)	1,014,649
Transition adjustment on initial application of IFRS 17 & IFRS 9	5	-	-	-	85,880	10,216	-	96,096
Balance as at January 01, 2022 (restated)		1,050,000	70,000	26,135	(61,731)	35,898	(9,557)	1,110,745
Total comprehensive loss for the year								
-Net loss for the year		-	-	-	(396,870)	-	-	(396,870)
-Other comprehensive income / (loss)		-	-	-	-	1,882	(9,039)	(7,157)
Balance as at December 31, 2022 (restated)		1,050,000	70,000	26,135	(458,601)	37,780	(18,596)	706,718

*Comparative information has been restated (refer to note 5).

The accompanying notes 1 to 30 form an integral part of these financial statements.

Mr. Rakan Abdullah Abunayyan	Mr. Umar Abdulrahman AlMahmoud	Mr. Georgi Markov
Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer

THE MEDITERRANEAN & GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

		SAR '000	
CASH FLOWS FROM OPERATING ACTIVITIES	**Notes**	**December 31, 2023**	December 31, 2022 (Restated)*
Net income / (loss) for the period before zakat and income tax		**195,670**	(405,856)
Adjustments for non-cash items:			
Depreciation and amortization	11	**15,952**	13,418
Depreciation on right of use assets	10	**8,914**	7,895
Financial charges on lease liability	18	**509**	211
Net impairment loss on financial assets		**152**	-
Share of income from associate	12	**(3,773)**	(3,920)
Provision for end of service benefits	19	**7,956**	-
Investment income / (loss) on financial assets at fair value	13 (c)	**(56,748)**	15,771
		168,632	(372,481)
Changes in operating assets and liabilities:			
Insurance contract assets		**18,385**	(791)
Reinsurance contract assets		**9,251**	302,285
Prepayment and other assets, net		**(7,881)**	293,777
Insurance contract liabilities		**(230,425)**	326,483
Reinsurance contract liabilities		**30,142**	46,001
Accrued expenses and other liabilities		**91,774**	(195,109)
Accounts payable		**(234)**	(196,567)
		79,644	203,598
End-of-service benefits paid	19	**(11,891)**	(12,429)
Net cash generated / (used in) from operating activities		**67,753**	191,169
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend from associate		**3,760**	3,572
Additions to investments carried at amortised cost	13 (b)	**(113,433)**	(290,457)
Additions to investments carried at FVTPL	13 (c)	**(68,558)**	(212,175)
Additions to investments carried at FVTOCI	13 (a)	**-**	(2,856)
Proceeds from disposal of investments carried at FVTPL		**86,833**	212,129
Proceeds from disposal of investments carried at amortised cost		**58,183**	182,524
Additions in property, equipment and intangible	11	**(13,731)**	(26,805)
Increase in statutory deposit		**-**	(37,500)
Placements in short term deposits	8	**(2,027)**	(181,240)
Net cash used in investing activities		**(48,973)**	(352,808)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability paid		**(9,141)**	(5,112)
Net cash used in financing activities		**(9,141)**	(5,112)
Net change in cash and cash equivalents		**9,639**	(166,751)
Cash and cash equivalents, beginning of the year	7	**430,931**	597,682
Cash and cash equivalents, end of the year		**440,570**	430,931
NON-CASH INFORMATION			
-Change in fair value of investments at FVOCI		**3,781**	1,882
-Additions in right of use assets		**15,877**	3,390
-Actuarial gain / (loss) on end of service benefits		**5,449**	(9,039)

*Comparative information has been restated (refer to note 5).

The accompanying notes 1 to 30 form an integral part of these financial statements.

Mr. Rakan Abdullah Abunayyan	**Mr. Umar Abdulrahman AlMahmoud**	**Mr. Georgi Markov**
Chairman of the Board of Directors	**Chief Executive Officer**	**Chief Financial Officer**

1 General

The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010231925 dated 8 Rabi Thani 1428H (corresponding to 26 April 2007). The registered address of the Company's head office is as follows:

Medgulf Insurance
Futuro Tower
King Saud Road
P.O. Box 2302
Riyadh 11451, Saudi Arabia

The objectives of the Company are to transact in cooperative insurance and reinsurance business and related activities in the Kingdom of Saudi Arabia. Its principal lines of business include medical, motor and other general insurance. The Company was listed on the Saudi Arabian Stock Exchange (Tadawul) on 28 Rabi Al-Awal 1428H (corresponding to 16 April 2007).

2 BASIS OF PREPARATION

a) Basis of presentation and measurement

The financial statements have been prepared on a historical cost basis except for the measurement at fair value of investments at FVTPL and FVTOCI and investment in associates which is accounted for under equity method.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement that are endorsed by Saudi Organisation for Chartered and Professional Accountants ("SOCPA") ("IFRS as endorsed by SOCPA"). The Company adopted IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" as endorsed in Kingdom of Saudi Arabia and the resultant changes to the material accounting policies are described in note 3.

The financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit and loss (FVTPL) and fair value through other comprehensive income (FVOCI). The Company's statement of financial position is not presented using a current/non-current classification.

The Company's statement of financial position is presented in order of liquidity. Except for financial assets, property and equipment, right-of-use assets, intangible assets, goodwill, statutory deposit, accrued income on statutory deposit and accrued income payable to Insurance Authority, all other assets and liabilities are of short-term nature.

As required by the Saudi Arabian Insurance Regulations (The Implementation Regulations), the Company maintains separate books of accounts for "Insurance Operations" and "Shareholders' Operations". Accordingly, assets, liabilities, revenues and expenses attributable to either operation are recorded in the respective accounts. note 28 to these financial statements provides the statement of financial position, statement of income, statement of comprehensive income and statement of cash flows of the insurance operations and shareholders operations, separately. The accounting policies adopted for the insurance and shareholders' operations are in accordance with IFRS as endorsed by SOCPA.

In preparing the financial statements in compliance with IFRS as endorsed by SOCPA, the balances and transactions of insurance operations are combined with those of shareholders' operations. Inter-operation balances and transactions, if any, are eliminated in full. The accounting policies adopted for the insurance and shareholders' operations are uniform for like transactions and events in similar circumstances.

b) Functional and presentation currency

The functional and presentational currency of the Company is Saudi Arabian Riyals. The financial statements are presented in Saudi Riyal rounded to nearest thousand (SAR'000) unless otherwise stated.

2 BASIS OF PREPARATION (Continued)

Going concern

The Company's accumulated losses as of 31 December 2023 are 24.49% (31 December 2022: 43.67%) of its subscribed capital and as of the same date the Company's solvency coverage is below the prudential solvency requirements. The management has performed an assessment of its going concern assumption under different scenarios. Based on the underlying projections under such scenarios, the management believes that the Company will be able to continue the business and meet its obligations as and when they fall due over the next 12 months. As a result, the financial statements have been prepared on a going concern basis. Management`s assessment is based on number of estimates and assumptions including significant underwriting and pricing measures, improved recoveries from major policyholders, re insurers and related parties and other cost saving measures.
In March 2023, the Board of Directors of the Company has approved a Solvency Recovery Plan which foresees the re-establishing of the statutory solvency coverage above 100% through a series of re-capitalization measures.

c) In preparing the Company-level financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

The estimated solvency margin of the company as at 31 December 2023 is 77.01% (31 December 2022: 12.4%).

3 MATERIAL ACCOUNTING POLICIES

a) Insurance, reinsurance and investment contracts

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to insurance contracts are classified as reinsurance contracts held. Insurance and reinsurance contracts also expose the Company to financial risk.

The Company does not accept insurance risk from other insurers.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Company, unless otherwise stated. All of the Company's portfolios are eligible under PAA.

The coverage period of all the portfolios (primary and reinsurance) are assumed to be one year or less hence automatically qualifies for Premium Allocation Approach (PAA) except for engineering, liability, marine cargo (open cover), visa health insuracne and property for which PAA eligibility testing was performed. Based on the results no material difference observed in the measurement of liability for remaining coverage between PAA and General Model, therefore, these qualify for PAA.
Reinsurance contracts: the coverage period of the reinsurance contracts is one year or less hence all such contracts qualify for PAA.

i. Separating components from insurance and reinsurance contracts

At inception, the Company separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments:

• derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and
• distinct investment components – i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Company separates any promises to transfer distinct goods or non-insurance services to policyholders and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Company provides a significant service of integrating the good or service with the insurance component.

3 MATERIAL ACCOUNTING POLICIES (Continued)

a) Insurance, reinsurance and investment contracts (continued)

ii. Level of aggregation

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

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

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

Each group of insurance contracts is further divided by year of issue. The resulting groups represent the level at which the recognition and measurement accounting policies are applied. The groups are established on initial recognition and their composition is not reassessed subsequently.

iii. Recognition

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

- The beginning of the coverage period of the group of contracts. The coverage period is the period during which the Company provides coverage for insured events in respect of all premiums within the boundary of an insurance contract.
- The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the policyholder.
- The date when facts and circumstances indicate that the group to which a legally bound insurance contract belongs is onerous.

The Company recognises a group of reinsurance contracts initiated that provide proportionate coverage at the later of the beginning of the coverage period of the group of reinsurance contracts and the initial recognition of any underlying contract, and recognises all other groups of reinsurance contracts from the beginning of the coverage period of the group of reinsurance contracts. The coverage period is the period during which the Company receives coverage for claims arising from the reinsured portions of the underlying insurance contracts.

Subsequently, new contracts are added to the group when they are issued or initiated, provided that all contracts in the group are issued or initiated in the same year.

The Company recognises a group of contracts acquired at the date of acquisition.

iv. Contract boundaries

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

A substantive obligation to provide services ends when:

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

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

3 MATERIAL ACCOUNTING POLICIES (Continued)

a) Insurance, reinsurance and investment contracts (continued)

v. Presentation

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

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

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

Insurance revenue – Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing coverage in the period. The Company allocates the expected premium receipts to each period on the following bases:

- other contracts: the passage of time.

Net results from reinsurance contracts

Net results from reinsurance contracts comprise reinsurance service expenses less amounts recovered from reinsurers.

The Company recognises reinsurance service results as it receives coverage or other services under groups of reinsurance contracts. For contracts not measured under the PAA, the reinsurance service expenses relating to services received for each reporting period represent the total of the changes in the remaining coverage component that relate to services for which the Company expects to pay consideration.

For contracts measured under the PAA, the reinsurance service expenses for each period are the amount of expected premium payments for receiving coverage in the period.

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses.

vi. 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 non - acquisition 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.

3 MATERIAL ACCOUNTING POLICIES (Continued)

a) Insurance, reinsurance and investment contracts (continued)

vi. Liability for incurred claims "LIC" (continued)

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.

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.

vii. 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 groups 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.

viii. Other operating expenses

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

ix. 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.

x. 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.

3 MATERIAL ACCOUNTING POLICIES (Continued)

a) Insurance, reinsurance and investment contracts (continued)

xi. 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 statement of income in insurance service expense. The loss component is then amortized to 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.

xii. 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 75th 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.

b) Financial assets and financial liabilities

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 principal amount outstanding ("SPPI").

Financial assets at FVOCI

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in Other Comprehensive Income (OCI). Interest income and foreign exchange gains and losses are recognized in the statement of income.

For an equity investment that is not held for trading, the 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.

3 MATERIAL ACCOUNTING POLICIES (Continued)

b) Financial assets and financial liabilities (continued)

Financial assets – Classification (continued)

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.

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 statement of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to 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 statement of income and presented net within other gains/(losses) in the period in which it arises.

3 MATERIAL ACCOUNTING POLICIES (Continued)

b) Financial assets and financial liabilities (continued)

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 statement of income as investment income when the Company's right to receive payments is established.
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.

3 MATERIAL ACCOUNTING POLICIES (Continued)

b) Financial assets and financial liabilities (continued)

Financial assets – Impairment (continued)

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.

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.

3 MATERIAL ACCOUNTING POLICIES (Continued)

b) Financial assets and financial liabilities (continued)

Financial assets – Impairment (continued)

Forward looking estimate (continued)

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.

c) Provisions

Provisions are recognised when the Company has an obligation (legal or constructive) arising from past events, and the costs to settle the obligation are both probable and may be measured reliably. Provisions are not recognised for future operating losses.

d) Employees' end of service indemnities

The Company operates an end of service benefit plan for its employees based on the prevailing Saudi Labor Laws. Accruals are made at the present value of expected future payments in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. The benefit payments obligation is discharged as and when it falls due. Remeasurements (actuarial gains/ losses) as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of comprehensive income – insurance operations.

e) Dividend income

Dividend income is recognised when the right to receive dividend is established.

f) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and at banks and short-term time deposits with an original maturity of less than three months at the date of acquisition.

g) Goodwill

Goodwill represents the fair value of the consideration paid in excess of the fair value of net assets or liabilities acquired. Goodwill is tested for impairment by management at least once at the end of each financial year. Impairment for goodwill is determined by assessing the recoverable amount of the cash generating unit (or a group of cash generating units) to which the goodwill is related. When the recoverable amount of the cash-generating unit (or a group of cash generating units) is less than the carrying amount of the cash generating unit (or a group of cash generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses, if any, relating to goodwill cannot be reversed in future periods.

h) Statutory reserve

In accordance with its bylaws, the Company shall allocate 20% of its net income from shareholders' operations each year to the statutory reserve until it has built up a reserve equal to the share capital. In view of the accumulated losses, no such transfer has been made for the period ended 31 December 2023.

i) Accrued and other liabilities

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

3 MATERIAL ACCOUNTING POLICIES (Continued)

j) Leases

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The Company applies the cost model, and measure right of use asset at cost;
1.less any accumulated amortization and any accumulated impairment losses; and
2.adjusted for any re-measurement of the lease liability for lease modifications.
Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, generally, the initial carrying value of a right-of-use asset would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. it needs to be added to the right of use asset value.
The recognised right-of-use assets are amortized on a straight-line basis over the shorter of its estimated useful life and the lease term. right-of-use assets are subject to impairment.

Lease liabilities

On initial recognition, the lease liability is the present value of all remaining payments to the lessor, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

After the commencement date, Company measures the lease liability by:

1.Increasing the carrying amount to reflect interest on the lease liability.
2.Reducing the carrying amount to reflect the lease payments made and;
3.Re-measuring the carrying amount to reflect any re-assessment or lease modification.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

k) Zakat and income tax

Zakat

The Company is subject to zakat in accordance with the regulations of the Zakat, Tax, and Customs Authority ("ZATCA"). Zakat is calculated based on higher of approximate zakat base and adjusted profit and charged to profit or loss. Additional zakat, if any, is accounted for when determined to be required for payment if the estimate of the annual charge changes.

Amounts accrued for zakat expense in one year may have to be adjusted in a subsequent year if the estimate of the annual charge changes.

Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available and the credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

3 MATERIAL ACCOUNTING POLICIES (Continued)

l) Land, property and equipment

Land is stated at cost less any impairment and is not depreciated. Property and equipment are measured at cost less accumulated depreciation and any impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation is charged to the statement of profit or loss on a straight line basis at the following depreciation rates:

Class of Assets	Rates
Leasehold improvements	15% - 25%
Office equipment, furniture and fixtures	10% - 15%
Computers	25%
Motor vehicles	25%

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in statement of income

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying values of these assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

m) Intangible assets

IT development and software is shown at historical cost. It has a finite useful life and are subsequent carried at cost less accumulated amortization and impairment losses. The Company amortises intangible assets with a limited useful life using straight-line method over the following rates:

	Rates
IT development and software	15% - 25%

n) Investment in an associate

Associates are enterprises in which the Company generally holds 20% to 50% of the voting power and / or over which it exercises significant influence. Investments in an associates are carried in the statement of financial position at cost, plus post acquisition changes in the Company's share of net assets of the associate, less any impairment in the value of individual investments.

o) Segmental reporting

An operating segment is a component of the Company that is engaged in business activities from which it earns revenues and incurs expenses and about which discrete financial statement is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. For management purposes, the Company is organized into business units based on their products and services and has three reportable operating segments as follows:

- Medical insurance, which covers medical costs, medicines, and all other medical services and supplies.
- Motor Insurance, which provides coverage against losses and liability related to motor vehicles.
- Other classes, which covers any other classes of insurance not included above.

Shareholders' operations is a non-operating segment. Income earned from time deposits and investments is the only revenue generating activity. Certain direct operating expenses and other overhead expenses are allocated to this segment on an appropriate basis. The loss or surplus from the insurance operations is allocated to this segment on an appropriate basis.

Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from income or loss in the accompanying financial statements.

No inter-segment transactions occurred during the year. If any transaction were to occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expense and results will then include those transfers between operating segments which will then be eliminated at the level of financial statements of the Company.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3 MATERIAL ACCOUNTING POLICIES (Continued)

p) Critical accounting judgments, estimates and assumptions

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and the accompanying notes disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates.

i) Insurance contracts

The Company issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. In making this assessment, all substantive rights, and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis.

The measurement of these insurance contracts also requires significant judgement and estimates. These significant judgement and estimates include Risk Adjustment ("RA") and liability for incurred claims – estimate of future cash flows. Refer to note 3 for further details.

ii) Fair value of financial instruments

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

iii) Going concern

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

iv) Impairment of goodwill

The Company tests whether goodwill has suffered any impairment on an annual basis. For the 2023 and 2022 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

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

v) Expense attribution

The Company identifies expenses which are directly attributable towards acquiring insurance contracts (acquisition costs) and fulfilling /maintaining (other attributable expenses) such contracts and those expenses which are not directly attributable to the aforementioned contracts (non-attributable expenses). Acquisition costs, such as underwriting costs including other expenses except for initial commission paid, are no longer recognized in the consolidated statement of income when incurred and instead spread over the lifetime of the group of contracts based on the passage of time.

Other attributable expenses are allocated to the groups of contracts using an allocation mechanism considering the activity-based costing principles. The Company has determined costs directly identified to the groups of contracts, as well as, costs where a judgement is applied to determine the share of expenses as applicable to that group.

On the other hand, non-directly attributable expenses, overheads and one-off exceptional expenses are recognized in the statement of income immediately when incurred. The proportion of directly attributable and non-attributable costs at inception will change the pattern at which expenses are recognized.

vi) Expense allocation

It is again requested to incorporate the expense allocation note in the financial statements as it is an industry wide practice and more importantly it is also disclosed in the Illustrative financial statements by Insurance Authority.

q) Surplus distribution

The Company is required to distribute 10% of the net surplus from insurance operations to policyholders and the remaining 90% to be allocated to the shareholders of the Company in accordance with the Insurance Law and Implementation Regulations issued by the Insurance Authority ("IA"). In case of losses, losses are absorbed by shareholders. During 2023 the Company booked Surplus Distribution reserve for the years amounting to SAR 10.585m.

4 New and amended standards and interpretations

New currently effective requirements

IFRS 17 Insurance Contracts

The Company has initially applied IFRS 17 Insurance Contracts (IFRS 17), which replaces IFRS 4 Insurance Contracts (IFRS 4), including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the Company has restated certain comparative amounts for the prior year

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

Other new standards or amendments

The following are other new standards or amendments which do not have a significant impact on the Company's financial statements, when effective:

Other new standards or amendments	Effective date
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8 – Definition of Accounting Estimate	January 1, 2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Amendments to IAS 12 - International Tax Reform – Pillar Two Models Rules	May 23, 2023

Forthcoming requirements

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Company has not early adopted any of the forthcoming new or amended standards in preparing these financial statements.

New standards or amendments	Effective date
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current Effective date	January 1, 2024
Amendments to IAS 1 – Non-current liabilities with covenants	January 1, 2024
Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7 – Supplier Finance Agreement	January 1, 2024
Amendments to IAS 27 – Lack of exchangeability	January 1, 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	January 1, 2024
IFRS S2, 'Climate-related disclosures'	January 1, 2024
Amendments to IAS 21 – Lack of Exchangeability	January 1, 2025
Amendments to IFRS 10 and IAS 28 – Sale or Construction of Assets between an Investor and its Associate or Joint Venture	N/A*

*Available for optional adoption / effective date deferred indefinitely.

5 EXPLANATION TO TRANSITION TO IFRS 17, IFRS 9 AND OTHER CHANGES

This is the Company's first financial statements prepared in accordance with the requirements of IFRS 17 and IFRS 9.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the period ended 31 December, 2023 and in the preparation of an opening IFRS 17 and IFRS 9 statement of financial position at 1 January, 2022 (the Company's date of transition) and 31 December 2022.

In preparing its opening IFRS 17 and IFRS 9 statement of financial position, the Company has adjusted amounts reported previously in financial statements under IFRS 4 and IAS 39.

Reclassification impact on the statement of financial position on adoption of IFRS 17

Presentation changes in the statement of financial position are introduced by IFRS 17. The previously reported line items: premiums receivable - net, deferred policy acquisition costs, insurance operations' surplus payable, unearned premiums, outstanding claims, claims incurred but not reported, premium deficiency reserve, claims handling reserve are presented together by portfolio on a single line called insurance contract liabilities. The previously reported line items: reinsurers' share of unearned premiums, reinsurers' share of outstanding claims, reinsurers' share of claims incurred but not reported, reinsurers' balances payable are presented together by portfolio on a single line called reinsurance contract assets or liabilities.

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

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

Remeasurement impact on the statement of financial position on adoption of IFRS 17

Impact on equity:

Drivers of changes	Impact on equity on transition to IFRS 17 on 1 January 2022
Changes in measurement of insurance contract liabilities	28,054
Changes in measurement of reinsurance contract assets	32,933
Total impact	**60,987**

Impact on insurance contract liabilities:

Drivers of changes	Impact on liabilities on transition to IFRS 17 on 1 January 2022
Risk adjustment	(49,600)
Loss component on onerous contracts	(3,888)
Discounting	16,138
IFRS 9 receivables within insurance contract asset	65,404
Total impact	**28,054**

Impact on reinsurance contract asset:

Drivers of changes	Impact on liabilities on transition to IFRS 17 on 1 January 2022
Reinsurance risk adjustment	40,809
Discounting	(7,876)
Total impact	**32,933**

5 EXPLANATION TO TRANSITION TO IFRS 17, IFRS 9 AND OTHER CHANGES (Continued)

5.1 Reconciliation of statement of financial position

	As at 31 Dec 2022 "under IFRS-4"	Adjustments	As at 31 Dec 2022 "under IFRS-17"	As at 01 Jan 2022 "under IFRS-4"	Adjustments	As at 01 Jan 2022 "under IFRS-17"
ASSETS						
Cash and cash equivalents	430,931	-	430,931	597,682	-	597,682
Short term fixed income deposits	231,240	-	231,240	50,000	-	50,000
Premiums and reinsurances' receivable	644,748	(614,391)	30,357	838,577	(838,577)	-
Reinsurers' share of unearned premium	200,416	(200,416)	-	260,855	(260,855)	-
Reinsurers' share of outstanding claims	378,746	(378,746)	-	546,540	(546,540)	-
Reinsurers' share of reserves	123,270	(123,270)	-	179,028	(179,028)	-
Insurance contract assets	-	23,677	23,677	-	22,886	22,886
Reinsurance contract assets	-	701,738	701,738	-	1,004,023	1,004,023
Deferred policy acquisition costs	119,936	(119,936)	-	49,897	(49,897)	-
Investment in an associate	12,147	-	12,147	11,799	-	11,799
Investments	756,714	37,780	794,494	662,439	35,109	697,548
Due from related parties	4,384	-	4,384	1,994	-	1,994
Prepaid expenses and other assets	384,727	(312,043)	72,684	231,611	167,597	399,208
Property and equipment, net	47,579	1,187	48,766	46,464	-	46,464
Intangibles	24,380	(1,187)	23,193	12,108	-	12,108
Goodwill	480,000	-	480,000	480,000	-	480,000
Statutory deposit	157,500	-	157,500	120,000	-	120,000
Accrued income on statutory deposit	31,648	-	31,648	28,158	-	28,158
Right of use assets, net	3,624	-	3,624	8,129	-	8,129
TOTAL ASSETS	4,031,990	(985,607)	3,046,383	4,125,281	(645,282)	3,479,999
LIABILITIES						
Accrued & other liabilities	238,808	(216,503)	22,305	265,167	(47,753)	217,414
Reinsurers' balance payable	175,060	(175,060)	-	155,259	(155,259)	-
Unearned premium income	1,161,869	(1,161,869)	-	897,653	(897,653)	-
Unearned reinsurance commission income	14,576	(14,576)	-	18,034	(18,034)	-
Insurance contract liabilities	-	2,228,263	2,228,263	-	1,901,780	1,901,780
Reinsurance contract liabilities	-	46,001	46,001	-		-
Outstanding claims	684,833	(684,833)	-	743,807	(743,807)	-
Gross IBNR	734,281	(734,281)	-	463,364	(463,364)	-
Premium deficiency reserve	129,934	(129,934)	-	77,810	(77,810)	-
Other technical reserves	41,737	(41,737)	-	65,942	(65,942)	-
Due to related parties	1,259	(1,259)	-	2,048	(2,048)	-
Accounts payable	122,512	(122,174)	338	256,861	(59,956)	196,905
Deferred tax liability	3,188	-	3,188	2,438	-	2,438
End of service benefits	33,787	(33,787)	-	28,770	(28,770)	-
Policyholder's surplus distributable payable	5,516	(5,516)	-	82,762	(82,762)	-
Zakat & income tax	4,289	-	4,289	14,025	-	14,025
Lease liability	3,633	-	3,633	8,534	-	8,534
Accrued commission income payable to IA	31,648	-	31,648	28,158	-	28,158
TOTAL LIABILITIES	3,386,930	(1,047,265)	2,339,665	3,110,632	(741,378)	2,369,254
SHAREHOLDERS' EQUITY						
Share capital	1,050,000	-	1,050,000	1,050,000	-	1,050,000
Share premium	70,000	-	70,000	70,000	-	70,000
Statutory reserve	26,135	-	26,135	26,135	-	26,135
Accumulated losses	(462,817)	4,216	(458,601)	(147,611)	85,880	(61,731)
Fair values reserve gain on investments	(19,662)	57,442	37,780	25,682	10,216	35,898
TOTAL SHAREHOLDERS' EQUITY	663,656	61,658	725,314	1,024,206	96,096	1,120,302
Re-measurement reserve for end-of-service indemnities	(18,596)	-	(18,596)	(9,557)	-	(9,557)
TOTAL EQUITY	645,060	61,658	706,718	1,014,649	96,096	1,110,745
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,031,990	(985,607)	3,046,383	4,125,281	(645,282)	3,479,999

5 EXPLANATION TO TRANSITION TO IFRS 17, IFRS 9 AND OTHER CHANGES (Continued)

5.2 Reclassification impact on statement of income on adoption of IFRS 17

The line-item descriptions in the statement of income have been changed significantly compared with prior period.

Previously, the company reported the following line items:

- Gross written premium
- Reinsurance premiums ceded
- Excess of loss expenses
- Changes in unearned premiums, net
- Gross claims paid
- Reinsurer share of claims paid
- Changes in outstanding claims, net
- Changes in claims incurred but not reported, net
- Changes in premium deficiency reserves
- Changes in other technical reserves
- Policy acquisition costs
- Allowance for doubtful receivables
- General and administrative expenses

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Allocation of reinsurance premiums
- Amounts recoverable from reinsurance
- Other operating expenses

Reconciliation of statement of income for the year ended 31 December 2022

	31 December 2022 (restated) SAR (000)		
REVENUES	Pre adoption of IFRS 17 and IFRS 09	Adjustment	Post adoption of IFRS 17 and IFRS 09
Gross premiums written			
- Direct	2,854,602	(2,854,602)	-
- Reinsurance	-	-	-
	2,854,602	**(2,854,602)**	-
Reinsurance premiums ceded			
- Local	(26,826)	26,826	-
- International (includes ceded through local broker)	(357,023)	357,023	-
	(383,849)	**383,849**	-
- Excess of loss expenses - local	(1,835)	1,835	-
- Excess of loss expenses - foreign	(19,491)	19,491	-
Net premiums written	**2,449,427**	**(2,449,427)**	-
Changes in unearned premiums, net	(324,655)	324,655	-
Net premiums earned	**2,124,772**	(2,124,772)	-
Reinsurance commissions	5,383	(5,383)	-
TOTAL REVENUES	**2,130,155**	**(2,130,155)**	-
			-
Insurance revenue	-	2,643,129	2,643,129
Insurance service expense	-	(2,906,416)	(2,906,416)
Insurance service result before reinsurance contracts held	-	**(263,287)**	**(263,287)**
Net expense from reinsurance contract held	-	(321,923)	(321,923)
INSURANCE SERVICE RESULTS	-	**(585,210)**	**(585,210)**

5 EXPLANATION TO TRANSITION TO IFRS 17, IFRS 9 AND OTHER CHANGES (Continued)

5.2 Reconciliation of statement of income for the period ended 31 December 2022 (continued)

	31 December 2022 (restated) SAR 000		
	Pre adoption of IFRS 17 and IFRS 09	Adjustment	Post adoption of IFRS 17 and IFRS 09
UNDERWRITING COSTS AND EXPENSES			
Gross claims paid	(2,161,603)	2,161,603	-
Expenses incurred related to claims	(43,309)	43,309	-
Hospital discount	106,424	(106,424)	-
Reinsurers' share of claims paid	372,570	(372,570)	-
Net claims and other benefits paid	**(1,725,918)**	**1,725,918**	-
Changes in outstanding claims, net	(108,820)	108,820	-
Changes in incurred but not reported claims, net	(326,675)	326,675	-
Net claims and other benefits incurred	**(2,161,413)**	**2,161,413**	-
Changes in premium deficiency reserve	(52,124)	52,124	-
Other technical reserves	24,206	(24,206)	-
Policy acquisition costs	(180,178)	180,178	-
TOTAL UNDERWRITING COSTS AND EXPENSES	**(2,369,509)**	**2,369,509**	-
NET UNDERWRITING INCOME	**(239,354)**	**239,354**	
Investment income on financial assets at amortised cost	-	25,755	25,755
Investment loss on financial assets at fair value	-	(15,771)	(15,771)
Dividend income	-	6,784	6,784
Net investment income	-	**16,768**	**16,768**
Insurance finance expenses for insurance contracts issued	-	64,290	64,290
Reinsurance finance income for reinsurance contracts held	-	(8,589)	(8,589)
Net insurance finance expense	-	**55,701**	**55,701**
NET INSURANCE & INVESTMENT RESULTS	-	**72,469**	**72,469**
OTHER OPERATING (EXPENSES)/ INCOME			
Reversal for doubtful debts	1,168	(1,168)	-
General and administrative expenses	(251,485)	251,485	-
Special commission income	25,755	(25,755)	-
Income from investment in associate	3,920	(3,920)	-
Realized gain on available for sale investment	29,033	(29,033)	-
Dividend income	6,784	(6,784)	-
Other income	100,232	(100,232)	-
TOTAL OTHER OPERATING EXPENSES	**(84,593)**	**84,593**	-
NET (LOSS)/ INCOME FOR THE PERIOD BEFORE APPROPRIATION AND BEFORE ZAKAT AND INCOME TAX	**(323,947)**	**323,947**	-
Zakat and income tax			
Current zakat and income tax reversal	9,491	(9,491)	-
Deferred tax	(750)	750	-
Net loss for the year	**(315,206)**	**315,206**	-
Other income	-	106,691	106,691
General and admin expenses	-	(3,726)	(3,726)
TOTAL OTHER OPERATING EXPENSES	-	**106,885**	**106,885**
INCOME BEFORE SURPLUS, ZAKAT AND INCOME TAX	-	**(405,856)**	**(405,856)**
Attributable to Insurance Operations	-	-	-
SHAREHOLDERS' LOSS BEFORE ZAKAT AND INCOME TAX	-	**(405,856)**	**(405,856)**
Zakat reverse	-	9,736	9,736
Income tax charge	-	(750)	(750)
SHAREHOLDERS' LOSS AFTER ZAKAT AND INCOME TAX	-	**(396,870)**	**(396,870)**

5.3 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 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 comparative retained earnings and fair value reserve of the current period.

Set out below are the disclosures relating to the impact of the adoption of IFRS 9 on the Company as at January 1, 2022. Further details of the specific IFRS 9 accounting policies applied in the current period are described in more detail in Notes below

5.3.1 a) Classification and measurement of financial instruments

		IAS 39		IFRS 9	
		Measurement category	Carrying amount	Measurement category	Carrying amount
	Financial assets		SAR "000"		SAR "000"
1	Cash and cash equivalents	Amortised cost	597,682	Amortised cost	597,682
2	Short-term deposits	Amortised cost	50,000	Amortised cost	50,000
3	Accrued interest	Amortised cost	15,719	Amortised cost	15,719
4	**Investments**				
a)	Available for sale -equity securities	Available for Sale	176,520	FVTPL	176,520
b)	*Available for sale -equity securities	Available for Sale	2,861	FVTOCI	37,970
c)	Available for sale - mutual funds	Available for Sale	143,039	FVTPL	143,039
d)	Available for sale -sukuk	Available for Sale	340,019	Amortised cost	340,019
5	Statutory deposit	Amortised cost	120,000	Amortised cost	120,000
6	Accrued income on statutory deposit	Amortised cost	28,158	Amortised cost	28,158
7	Prepayment and other assets	Amortised cost	215,892	Amortised cost	215,892
	Total financial assets		1,689,890		1,724,999

*It includes the investment in Najm and Tachy Health.

5.3.1 b) Reconciliation of statement of financial position from IAS 39 to IFRS 9

The company performed a detailed analysis of its business models for managing financial assets particularly considering the cash flow characteristics of its debt instruments. Please refer to note below for more detailed information regarding the new classification requirements of IFRS 9

		Notes	IAS 39 carrying amount (31 Dec 2021)	Reclassification	Remeasurement-ECL allowance	IFRS 9 carrying amount (1 Jan 2022)
			SAR "000"			
1	*Cash and cash equivalents*		-	-	-	-
2	*Short term deposits*		-	-	-	-
3	*Statutory deposit*		-	-	-	-

6 INSURANCE AND REINSURANCE CONTRACTS

	December 31, 2023	December 31, 2022 (Re-stated)
	SAR'000	
Insurance contract assets	**5,292**	23,677
Insurance contract liabilities	**(1,997,838)**	(2,228,263)
Reinsurance contract assets	**692,487**	701,738
Reinsurance contract liabilities	**(76,143)**	(46,001)

6.1 Analysis by remaining coverage and incurred claims for insurance contracts

All portfolios / segments under PAA	**December 31, 2023 SAR'000**			
	Liability for remaining coverage		**Liability for incurred claim**	**Total**
	Excluding loss component	**Loss component**		
Opening insurance contract assets	(34,574)	-	10,897	(23,677)
Opening insurance contract liabilities	818,421	174,601	1,235,241	2,228,263
Net opening balance	**783,847**	**174,601**	**1,246,138**	**2,204,586**
Insurance revenue	**3,332,154**	**-**	**-**	**3,332,154**
Incurred claims and other directly attributable expenses	-	174,601	(2,899,989)	(2,725,388)
Amortization of Insurance acquisition cash flows	(295,275)	-	-	(295,275)
Changes that relate to future service: loss & reversal of onerous loss contracts	-	(20,517)	-	(20,517)
Changes that relate to past service: changes related to LIC	-	-	18,940	18,940
Insurance service expense	**(295,275)**	**154,084**	**(2,881,049)**	**(3,022,240)**
Insurance service result	**3,036,879**	**154,084**	**(2,881,049)**	**309,914**
Net finance expense from insurance contract	-	-	(22,476)	(22,476)
Total changes in statement of profit or loss	**3,036,879**	**154,084**	**(2,903,525)**	**287,438**
Cash flows				
Premium received	3,144,776	-	-	3,144,776
Claims and other expenses paid including investment component	-	-	(2,803,667)	(2,803,667)
Acquisition cash flows paid	(265,711)	-	-	(265,711)
Total cash flows	**2,879,065**	**-**	**(2,803,667)**	**75,398**
Net closing balance	**626,033**	**20,517**	**1,345,996**	**1,992,546**
Closing insurance contract assets	**(15,981)**	**997**	**9,692**	**(5,292)**
Closing insurance contract liabilities	**642,014**	**19,520**	**1,336,304**	**1,997,838**
Net Closing balance	**626,033**	**20,517**	**1,345,996**	**1,992,546**

All portfolios / segments under PAA	December 31, 2022 (Restated) SAR'000			
	Liability for remaining coverage		Liability for incurred claim	Total
	Excluding loss component	Loss component		
Opening insurance contract assets	(35,586)	-	47,434	11,848
Opening insurance contract liabilities	551,031	81,698	1,234,317	1,867,046
Net opening balance	515,445	81,698	1,281,751	1,878,894
Insurance revenue	2,643,129	-	-	2,643,129
Incurred claims and other directly attributable expenses	-	81,698	(2,746,801)	(2,665,103)
Amortization of Insurance acquisition cash flows	(244,204)	-	-	(244,204)
Changes that relate to future service: loss & reversal of onerous loss contracts	-	(174,601)	-	(174,601)
Changes that relate to past service: changes related to LIC	-	-	177,492	177,492
Insurance service expense	(244,204)	(92,903)	(2,569,309)	(2,906,416)
Insurance service result	2,398,925	(92,903)	(2,569,309)	(263,287)
Net finance expense from insurance contract	-	-	64,290	64,290
Total changes in statement of profit or loss	2,398,925	(92,903)	(2,505,019)	(198,997)
Cash flows				-
Premium received	2,928,074	-	-	2,928,074
Claims and other expenses paid including investment component	-	-	(2,540,632)	(2,540,632)
Acquisition cash flows paid	(260,747)	-	-	(260,747)
Total cash flows	2,667,327	-	(2,540,632)	126,695
Net closing balance	783,847	174,601	1,246,138	2,204,586
Closing insurance contract assets	(34,574)	-	10,897	(23,677)
Closing insurance contract liabilities	818,421	174,601	1,235,241	2,228,263
Net Closing balance	783,847	174,601	1,246,138	2,204,586

6 INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.1.1 Analysis by remaining coverage and incurred claims for insurance contracts - Health

Health	December 31, 2023 SAR'000			
	Liability for remaining coverage		Liability for incurred claim	Total
	Excluding loss component	Loss component		
Opening insurance contract assets	(961)	-	(459)	(1,420)
Opening insurance contract liabilities	335,869	28,696	561,061	925,626
Net opening balance	**334,908**	**28,696**	**560,602**	**924,206**
Insurance revenue	**2,334,384**	**-**	**-**	**2,334,384**
Incurred claims and other directly attributable expenses	-	28,696	(2,036,206)	(2,007,510)
Amortization of Insurance acquisition cash flows	(155,369)	-	-	(155,369)
Changes that relate to future service: loss & reversal of onerous loss contracts	-	-	-	-
Changes that relate to past service: changes related to LIC	-	-	(154,852)	(154,852)
Insurance service expense	**(155,369)**	**28,696**	**(2,191,058)**	**(2,317,731)**
Insurance service result	**2,179,015**	**28,696**	**(2,191,058)**	**16,653**
Net finance expense from insurance contract	-	-	(9,596)	(9,596)
Total changes in statement of profit or loss	**2,179,015**	**28,696**	**(2,200,654)**	**7,057**
Cash flows				
Premium received	2,436,683	-	-	2,436,683
Claims and other expenses paid including investment component	-	-	(2,117,230)	(2,117,230)
Acquisition cash flows paid	(167,584)	-	-	(167,584)
Total cash flows	**2,269,099**	**-**	**(2,117,230)**	**151,869**
Net closing balance	**424,992**	**-**	**644,026**	**1,069,018**
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	**424,992**	**-**	**644,026**	**1,069,018**
Net Closing balance	**424,992**	**-**	**644,026**	**1,069,018**

Health	December 31, 2022 (Restated) SAR'000			
	Liability for remaining coverage		Liability for incurred claim	Total
	Excluding loss component	Loss component		
Opening insurance contract assets	(405)	-	14,797	14,392
Opening insurance contract liabilities	255,046	29,014	500,042	784,102
Net opening balance	254,641	29,014	514,839	798,494
Insurance revenue	1,785,704	-	-	1,785,704
Incurred claims and other directly attributable expenses	-	29,014	(1,847,720)	(1,818,706)
Amortization of Insurance acquisition cash flows	(126,155)	-	-	(126,155)
Changes that relate to future service: loss & reversal of onerous loss contracts	-	(28,696)	-	(28,696)
Changes that relate to past service: changes related to LIC	-	-	4,560	4,560
Insurance service expense	(126,155)	318	(1,843,160)	(1,968,997)
Insurance service result	1,659,549	318	(1,843,160)	(183,293)
Net finance expense from insurance contract	-	-	26,104	26,104
Total changes in statement of profit or loss	1,659,549	318	(1,817,056)	(157,189)
Cash flows				
Premium received	1,856,192	-	-	1,856,192
Claims and other expenses paid including investment component	-	-	(1,771,293)	(1,771,293)
Acquisition cash flows paid	(116,376)	-	-	(116,376)
Total cash flows	1,739,816	-	(1,771,293)	(31,477)
Net closing balance	334,908	28,696	560,602	924,206
Closing insurance contract assets	(961)	-	(459)	(1,420)
Closing insurance contract liabilities	335,869	28,696	561,061	925,626
Net Closing balance	334,908	28,696	560,602	924,206

6 INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.1.2 Analysis by remaining coverage and incurred claims for insurance contracts - Motor

	December 31, 2023 SAR'000			
Motor	**Liability for remaining coverage**		**Liability for incurred claim**	**Total**
	Excluding loss component	**Loss component**		
Opening insurance contract assets	(2,216)	-	268	(1,948)
Opening insurance contract liabilities	327,501	144,268	151,954	623,723
Net opening balance	**325,285**	**144,268**	**152,222**	**621,775**
Insurance revenue	**579,843**	-	-	**579,843**
Incurred claims and other directly attributable expenses	-	144,268	(555,834)	(411,566)
Amortization of Insurance acquisition cash flows	(94,189)	-	-	(94,189)
Changes that relate to future service: loss & reversal of onerous loss contracts	-	(5,454)	-	(5,454)
Changes that relate to past service: changes related to LIC	-	-	22,875	22,875
Insurance service expense	**(94,189)**	**138,814**	**(532,959)**	**(488,334)**
Insurance service result	**485,654**	**138,814**	**(532,959)**	**91,509**
Net finance expense from insurance contract	-	-	(2,974)	(2,974)
Total changes in statement of profit or loss	**485,654**	**138,814**	**(535,933)**	**88,535**
Cash flows				
Premium received	337,724	-	-	337,724
Claims and other expenses paid including investment component	-	-	(577,355)	(577,355)
Acquisition cash flows paid	(72,046)	-	-	(72,046)
Total cash flows	**265,678**	-	**(577,355)**	**(311,677)**
Net closing balance	**105,309**	**5,454**	**110,800**	**221,563**
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	**105,309**	**5,454**	**110,800**	**221,563**
Net Closing balance	**105,309**	**5,454**	**110,800**	**221,563**

	December 31, 2022 (Restated) SAR'000			
Motor	Liability for remaining coverage		Liability for incurred claim	Total
	Excluding loss component	Loss component		
Opening insurance contract assets	(38,685)	-	16,203	(22,482)
Opening insurance contract liabilities	174,546	52,384	72,735	299,665
Net opening balance	135,861	52,384	88,938	277,183
Insurance revenue	598,479	-	-	598,479
Incurred claims and other directly attributable expenses	-	52,384	(705,090)	(652,706)
Amortization of Insurance acquisition cash flows	(89,571)	-	-	(89,571)
Changes that relate to future service: loss & reversal of onerous loss contracts	-	(144,268)	-	(144,268)
Changes that relate to past service: changes related to LIC	-	-	(16,732)	(16,732)
Insurance service expense	(89,571)	(91,884)	(721,822)	(903,277)
Insurance service result	508,908	(91,884)	(721,822)	(304,798)
Net finance expense from insurance contract	-	-	3,397	3,397
Total changes in statement of profit or loss	508,908	(91,884)	(718,425)	(301,401)
Cash flows				
Premium received	792,532	-	-	792,532
Claims and other expenses paid including investment component	-	-	(655,141)	(655,141)
Acquisition cash flows paid	(94,200)	-	-	(94,200)
Total cash flows	698,332	-	(655,141)	43,191
Net closing balance	325,285	144,268	152,222	621,775
Closing insurance contract assets	(2,216)	-	268	(1,948)
Closing insurance contract liabilities	327,501	144,268	151,954	623,723
Net Closing balance	325,285	144,268	152,222	621,775

6 INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.1.3 Analysis by remaining coverage and incurred claims for insurance contracts - Property and casualty

	December 31, 2023 SAR'000			
Property and casualty	**Liability for remaining coverage**		**Liability for incurred claim**	**Total**
	Excluding loss component	**Loss component**		
Opening insurance contract assets	(31,397)	-	11,088	(20,309)
Opening insurance contract liabilities	155,051	1,637	522,226	678,914
Net opening balance	**123,654**	**1,637**	**533,314**	**658,605**
Insurance revenue	**417,927**	**-**	**-**	**417,927**
Incurred claims and other directly attributable expenses	-	1,637	(307,949)	(306,312)
Amortization of Insurance acquisition cash flows	(45,717)	-	-	(45,717)
Changes that relate to future service: loss & reversal of onerous loss contracts	-	(15,063)	-	(15,063)
Changes that relate to past service: changes related to LIC	-	-	150,917	150,917
Insurance service expense	**(45,717)**	**(13,426)**	**(157,032)**	**(216,175)**
Insurance service result	**372,210**	**(13,426)**	**(157,032)**	**201,752**
Net finance expense from insurance contract	-	-	(9,906)	(9,906)
Total changes in statement of profit or loss	**372,210**	**(13,426)**	**(166,938)**	**191,846**
Cash flows				
Premium received	370,369	-	-	370,369
Claims and other expenses paid including investment component	-	-	(109,082)	(109,082)
Acquisition cash flows paid	(26,081)	-	-	(26,081)
Total cash flows	**344,288**	**-**	**(109,082)**	**235,206**
Net closing balance	**95,732**	**15,063**	**591,170**	**701,965**
Closing insurance contract assets	**(15,981)**	**997**	**9,692**	**(5,292)**
Closing insurance contract liabilities	**111,713**	**14,066**	**581,478**	**707,257**
Net Closing balance	**95,732**	**15,063**	**591,170**	**701,965**

	December 31, 2022 (Restated) SAR'000			
Property and casualty	Liability for remaining coverage		Liability for incurred claim	Total
	Excluding loss component	Loss component		
Opening insurance contract assets	3,504	-	16,434	19,938
Opening insurance contract liabilities	121,439	300	661,540	783,279
Net opening balance	124,943	300	677,974	803,217
Insurance revenue	258,946	-	-	258,946
Incurred claims and other directly attributable expenses	-	300	(193,991)	(193,691)
Amortization of Insurance acquisition cash flows	(28,478)	-	-	(28,478)
Changes that relate to future service: loss & reversal of onerous loss contracts	-	(1,637)	-	(1,637)
Changes that relate to past service: changes related to LIC	-	-	189,664	189,664
Insurance service expense	(28,478)	(1,337)	(4,327)	(34,142)
Insurance service result	230,468	(1,337)	(4,327)	224,804
Net finance expense from insurance contract	-	-	34,789	34,789
Total changes in statement of profit or loss	230,468	(1,337)	30,462	259,593
Cash flows				
Premium received	279,350	-	-	279,350
Claims and other expenses paid including investment component	-	-	(114,198)	(114,198)
Acquisition cash flows paid	(50,171)	-	-	(50,171)
Total cash flows	229,179	-	(114,198)	114,981
Net closing balance	123,654	1,637	533,314	658,605
Closing insurance contract assets	(31,397)	-	11,088	(20,309)
Closing insurance contract liabilities	155,051	1,637	522,226	678,914
Net Closing balance	123,654	1,637	533,314	658,605

6 INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Analysis by remaining coverage and incurred claims for reinsurance contracts

	December 31, 2023 SAR'000			
All portfolios / segments under PAA	**Asset for remaining coverage**		**Asset for incurred claim**	**Total**
	Excl loss component	**Loss recovery component**		
Opening reinsurance contract assets	-	22,958	678,780	701,738
Opening reinsurance contract liabilities	(49,164)	-	3,163	(46,001)
Net opening balance	**(49,164)**	**22,958**	**681,943**	**655,737**
Reinsurance expense	(523,250)	-	-	(523,250)
Acquisition Expenses	(12,354)	-	-	(12,354)
Claims recovered	-	-	610,242	610,242
Changes that relate to past service: Changes related to AIC	-	-	(278,484)	(278,484)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts hel	-	(22,619)	-	(22,619)
Effect of changes in the risk of reinsurers non-performance	-	-	3,552	3,552
Net income / (expenses) from reinsurance contracts held	**(535,604)**	**(22,619)**	**335,310**	**(222,913)**
Other - items attributable to the comprehensive income	-	-	-	-
Net Finance income from reinsurance contracts held	-	-	12,617	12,617
Total changes in statement of profit or loss	**(535,604)**	**(22,619)**	**347,927**	**(210,296)**
Cash flows				
Premium paid	299,900	-	-	299,900
Recoveries from reinsurance	-	-	(128,997)	(128,997)
Total cash flows	**299,900**	**-**	**(128,997)**	**170,903**
Net closing balance	**(284,868)**	**339**	**900,873**	**616,344**
Closing reinsurance contract assets	**(89,554)**	**316**	**781,725**	**692,487**
Closing reinsurance contract liabilities	**(195,314)**	**23**	**119,148**	**(76,143)**
Net Closing balance	**(284,868)**	**339**	**900,873**	**616,344**

	December 31, 2022 (Restated) SAR'000			
All portfolios / segments under PAA	Asset for remaining coverage		Asset for incurred claim	Total
	Excl loss component	Loss recovery component		
Opening reinsurance contract assets	98,266	-	905,757	1,004,023
Opening reinsurance contract liabilities	-	-	-	-
Net opening balance	98,266	-	905,757	1,004,023
Reinsurance expense	(438,974)	-	-	(438,974)
Other directly attributable expenses	(8,997)	-	-	(8,997)
Claims recovered	-	-	456,796	456,796
Changes that relate to past service: Changes related to AIC	-	-	(422,705)	(422,705)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts hel	-	22,958	-	22,958
Effect of changes in the risk of reinsurers non-performance	-	-	68,999	68,999
Net income (expenses) from reinsurance contracts held	(447,971)	22,958	103,090	(321,923)
Net finance expense/income from insurance contract	-	-	(8,589)	(8,589)
Other - items attributable to the comprehensive income	(28,041)	-	28,041	-
Total changes in statement of profit or loss	(476,012)	22,958	122,542	(330,512)
Cash flows				
Premium paid	328,582	-	-	328,582
Recoveries from reinsurance	-	-	(346,356)	(346,356)
Total cash flows	328,582	-	(346,356)	(17,774)
Net closing balance	(49,164)	22,958	681,943	655,737
Closing reinsurance contract assets	-	22,958	678,780	701,738
Closing reinsurance contract liabilities	(49,164)	-	3,163	(46,001)
Net Closing balance	(49,164)	22,958	681,943	655,737

6 INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2.1 Analysis by remaining coverage and incurred claims for reinsurance contracts - Health

	December 31, 2023 SAR'000			
Health	**Asset for remaining coverage**		**Asset for incurred claim**	**Total**
	Excl loss component	**Loss recovery component**		
Opening reinsurance contract assets	38,294	-	5,616	43,910
Opening reinsurance contract liabilities	-	-	-	-
Net opening balance	**38,294**	**-**	**5,616**	**43,910**
Reinsurance expense	(132,426)	-	-	(132,426)
Acquisition Expenses	(7,594)	-	-	(7,594)
Claims recovered	-	-	152,728	152,728
Changes that relate to past service: Changes related to AIC	-	-	21,887	21,887
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts hel	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	1,209	1,209
Net income / (expenses) from reinsurance contracts held	**(140,020)**	**-**	**175,824**	**35,804**
Other - items attributable to the comprehensive income	-	-	-	-
Net Finance income from reinsurance contracts held	-	-	40	40
Total changes in statement of profit or loss	**(140,020)**	**-**	**175,864**	**35,844**
Cash flows				
Premium paid	3,889	-	-	3,889
Recoveries from reinsurance	-	-	39,049	39,049
Total cash flows	**3,889**	**-**	**39,049**	**42,938**
Net closing balance	**(97,837)**	**-**	**220,529**	**122,692**
Closing reinsurance contract assets	**(97,837)**	**-**	**220,529**	**122,692**
Closing reinsurance contract liabilities	**-**	**-**	**-**	**-**
Net Closing balance	**(97,837)**	**-**	**220,529**	**122,692**

	December 31, 2022 (Restated) SAR'000			
Health	Asset for remaining coverage		Asset for incurred claim	Total
	Excl loss component	Loss recovery component		
Opening reinsurance contract assets	12,862	-	149,054	161,916
Opening reinsurance contract liabilities	-	-	-	-
Net opening balance	12,862	-	149,054	161,916
Reinsurance expense	46,126	-	-	46,126
Other directly attributable expenses	(1,497)	-	-	(1,497)
Claims recovered	-	-	(56,993)	(56,993)
Changes that relate to past service: Changes related to AIC	-	-	(90,460)	(90,460)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts hel	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	26,870	26,870
Net income (expenses) from reinsurance contracts held	44,629	-	(120,583)	(75,954)
Finance income from reinsurance contracts held	-	-	43	43
Other - items attributable to the comprehensive income	(28,041)	-	28,041	-
Total changes in statement of profit or loss	16,588	-	(92,499)	(75,911)
Cash flows				
Premium paid	8,844	-	-	8,844
Recoveries from reinsurance	-	-	(50,939)	(50,939)
Total cash flows	8,844	-	(50,939)	(42,095)
Net closing balance	38,294	-	5,616	43,910
Closing reinsurance contract assets	38,294	-	5,616	43,910
Closing reinsurance contract liabilities	-	-	-	-
Net Closing balance	38,294	-	5,616	43,910

6 INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2.2 Analysis by remaining coverage and incurred claims for reinsurance contracts - Motor

Motor	**December 31, 2023 SAR'000** Asset for remaining coverage: Excl loss component	Asset for remaining coverage: Loss recovery component	Asset for incurred claim	Total
Opening reinsurance contract assets	(28,976)	21,632	184,531	177,187
Opening reinsurance contract liabilities	(3,005)	-	1,327	(1,678)
Net opening balance	**(31,981)**	**21,632**	**185,858**	**175,509**
Reinsurance expense	(113,504)	-	-	(113,504)
Acquisition Expenses	(413)	-	-	(413)
Claims recovered	-	-	227,448	227,448
Changes that relate to past service: Changes related to AIC	-	-	(174,949)	(174,949)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts hel	-	(21,609)	-	(21,609)
Effect of changes in the risk of reinsurers non-performance	-	-	(23)	(23)
Net income / (expenses) from reinsurance contracts held	**(113,917)**	**(21,609)**	**52,476**	**(83,050)**
Other - items attributable to the comprehensive income	-	-	-	-
Net Finance income from reinsurance contracts held	-	-	2,665	2,665
Total changes in statement of profit or loss	**(113,917)**	**(21,609)**	**55,141**	**(80,385)**
Cash flows				
Premium paid	(21,989)	-	-	(21,989)
Recoveries from reinsurance	-	-	(127,679)	(127,679)
Total cash flows	**(21,989)**	**-**	**(127,679)**	**(149,668)**
Net closing balance	**(167,887)**	**23**	**113,320**	**(54,544)**
Closing reinsurance contract assets	-	-	-	-
Closing reinsurance contract liabilities	**(167,887)**	**23**	**113,320**	**(54,544)**
Net Closing balance	**(167,887)**	**23**	**113,320**	**(54,544)**

Motor	December 31, 2022 (Restated) SAR'000 Asset for remaining coverage: Excl loss component	Asset for remaining coverage: Loss recovery component	Asset for incurred claim	Total
Opening reinsurance contract assets	30,332	-	135,060	165,392
Opening reinsurance contract liabilities	-	-	-	-
Net opening balance	30,332	-	135,060	165,392
Reinsurance expense	(92,467)	-	-	(92,467)
Other directly attributable expenses	(4,251)	-	-	(4,251)
Claims recovered	-	-	195,751	195,751
Changes that relate to past service: Changes related to AIC	-	-	(59,822)	(59,822)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts hel	-	21,632	-	21,632
Effect of changes in the risk of reinsurers non-performance	-	-	127,232	127,232
Net income (expenses) from reinsurance contracts held	(96,718)	21,632	263,161	188,075
Finance income from reinsurance contracts held	-	-	580	580
Other - items attributable to the comprehensive income	-	-	-	-
Total changes in statement of profit or loss	(96,718)	21,632	263,741	188,655
Cash flows				
Premium paid	34,405	-	-	34,405
Recoveries from reinsurance	-	-	(212,943)	(212,943)
Total cash flows	34,405	-	(212,943)	(178,538)
Net closing balance	(31,981)	21,632	185,858	175,509
Closing reinsurance contract assets	(28,976)	21,632	184,531	177,187
Closing reinsurance contract liabilities	(3,005)		1,327	(1,678)
Net Closing balance	(31,981)	21,632	185,858	175,509

6 INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2.3 Analysis by remaining coverage and incurred claims for reinsurance contracts - Property and casualty

	December 31, 2023 SAR'000			
Property and casualty	Asset for remaining coverage			
	Excl loss component	Loss recovery component	Asset for incurred claim	Total
Opening reinsurance contract assets	(9,318)	1,326	488,633	480,641
Opening reinsurance contract liabilities	(46,159)	-	1,836	(44,323)
Net opening balance	**(55,477)**	**1,326**	**490,469**	**436,318**
Reinsurance expense	(277,320)	-	-	(277,320)
Acquisition Expenses	(4,347)	-	-	(4,347)
Claims recovered	-	-	230,066	230,066
Changes that relate to past service: Changes related to AIC	-	-	(125,422)	(125,422)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts hel	-	(1,010)	-	(1,010)
Effect of changes in the risk of reinsurers non-performance	-	-	2,366	2,366
Net income / (expenses) from reinsurance contracts held	**(281,667)**	**(1,010)**	**107,010**	**(175,667)**
Other - items attributable to the comprehensive income	-	-	-	-
Net Finance income from reinsurance contracts held	-	-	9,912	9,912
Total changes in statement of profit or loss	**(281,667)**	**(1,010)**	**116,922**	**(165,755)**
Cash flows				
Premium paid	318,000	-	-	318,000
Recoveries from reinsurance	-	-	(40,367)	(40,367)
Total cash flows	**318,000**	**-**	**(40,367)**	**277,633**
Net closing balance	**(19,144)**	**316**	**567,024**	**548,196**
Closing reinsurance contract assets	**8,283**	**316**	**561,196**	**569,795**
Closing reinsurance contract liabilities	**(27,427)**	**-**	**5,828**	**(21,599)**
Net Closing balance	**(19,144)**	**316**	**567,024**	**548,196**

	December 31, 2022 (Restated) SAR'000			
Property and casualty	Asset for remaining coverage			
	Excl loss component	Loss recovery component	Asset for incurred claim	Total
Opening reinsurance contract assets	55,072	-	621,643	676,715
Opening reinsurance contract liabilities	-	-	-	-
Net opening balance	55,072	-	621,643	676,715
Reinsurance expense	(392,633)	-	-	(392,633)
Other directly attributable expenses	(3,249)	-	-	(3,249)
Claims recovered	-	-	318,038	318,038
Changes that relate to past service: Changes related to AIC	-	-	(272,423)	(272,423)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts hel	-	1,326	-	1,326
Effect of changes in the risk of reinsurers non-performance	-	-	(85,103)	(85,103)
Net income (expenses) from reinsurance contracts held	(395,882)	1,326	(39,488)	(434,044)
Finance income from reinsurance contracts held	-	-	(9,212)	(9,212)
Other - items attributable to the comprehensive income	-	-	-	-
Total changes in statement of profit or loss	(395,882)	1,326	(48,700)	(443,256)
Cash flows				
Premium paid	285,333	-	-	285,333
Recoveries from reinsurance	-	-	(82,474)	(82,474)
Total cash flows	285,333	-	(82,474)	202,859
Net closing balance	(55,477)	1,326	490,469	436,318
Closing reinsurance contract assets	(9,318)	1,326	488,633	480,641
Closing reinsurance contract liabilities	(46,159)	-	1,836	(44,323)
Net Closing balance	(55,477)	1,326	490,469	436,318

7 CASH AND CASH EQUIVALENTS

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

	SAR'000		
	Insurance operations		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Cash and bank balances	**89,368**	219,632	87,035
Deposits maturing within 3 months from the acquisition date	**90,000**	-	-
Deposit against letter of guarantee	**169,696**	103,143	120,679
	349,064	322,775	207,714

	SAR'000		
	Shareholders' operations		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Cash and bank balances	**61,506**	68,156	54,968
Deposits maturing within 3 months from the acquisition date	**30,000**	40,000	335,000
	91,506	108,156	389,968
Cash and bank balances	**440,570**	430,931	597,682

Cash at banks are placed with counterparties who have credit ratings equivalent to A+ to BBB ratings under Standard and Poor's, Fitch and Moody's ratings methodology.

Deposits maturing within 3 months are placed with the local and licensed foreign banks' branches in Kingdom of Saudi Arabia and earned special commission income at an average rate of 5.49% per annum (2022: 2.49% per annum).

The carrying amounts disclosed above reasonably approximate the fair value at the statement of financial position date.

Deposits against letters of guarantee comprise amounts placed with a local bank against issuance of payment guarantees in favor of the Company's customers (also see note 24). Such deposits against letters of guarantee cannot be withdrawn before the expiration of guarantee (these are restricted in nature).

8 SHORT TERM DEPOSITS

Short term deposits are placed with counterparties that have credit ratings equivalent to BBB+ to BBB ratings under Standard and Poor's, Fitch and Moody's ratings methodology.

Short term deposits are placed with local and licensed foreign banks' branches in Kingdom of Saudi Arabia with a maturity of more than three months from the date of original acquisition and earned special commission income at an average rate of 5.53% per annum (2022: 4.12% per annum).

For the year ended 31 December 2023, the carrying amounts of the short term deposits reasonably approximate the fair value at the statement of financial position date.

	SAR'000		
	Insurance operations		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Placed during the year	**240,000**	300,178	-
Matured during the year	**(240,000)**	(300,178)	-
	-	-	-

	SAR'000		
	Shareholders' operations		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Balance at the start of the year	**231,240**	50,000	-
Placed during the year	**181,053**	1,109,263	50,000
Matured during the year	**(179,026)**	(928,023)	-
	233,267	231,240	50,000
Balance at the end of the year	**233,267**	231,240	50,000

9 PREPAYMENTS AND OTHER ASSETS, NET

	SAR'000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Security deposits and advances	**19,684**	28,011	24,363
Advances to employees	**8,871**	7,367	13,081
VAT	**63,267**	33,318	87,554
Accrued interest	**11,265**	15,719	5,946
Prepaid expenses	**121**	135	5,259
Other receivables	**12,098**	22,875	264,999
	115,306	107,425	401,202

10 RIGHT OF USE ASSETS - NET

Following are the details of right-of-use assets recognised and the movements during the year:

	SAR'000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Cost:			
Balance at 1 January	**40,042**	36,652	35,250
Additions during the year	**15,877**	3,390	1,402
Balance at 31 December	**55,919**	40,042	36,652
Accumulated amortization:			
Balance at 1 January	**36,418**	28,523	18,965
Charge for the year	**8,914**	7,895	9,558
Balance at 31 December	**45,332**	36,418	28,523
Net book value:			
At 31 December	**10,587**	3,624	8,129

11 PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

	Property and Equipment						Intangible Assets	
	Shareholders' Operations	Insurance Operations						
	Land	Leasehold improvements	Office equipment, furniture and fixtures	Computers	Motor vehicles	Total	Computer software	Total
	SAR '000							
Cost:								
Balance at January 1, 2023 - restated	30,000	44,385	44,701	37,839	2,760	159,685	49,990	209,675
Additions during the year	-	-	912	9,106	-	10,018	3,713	13,731
Balance at December 31, 2023	**30,000**	**44,385**	**45,613**	**46,945**	**2,760**	**169,703**	**53,703**	**223,406**
Accumulated depreciation:								
Balance at January 1, 2023 - restated	-	42,413	38,430	27,491	2,585	110,919	26,797	137,716
Charge for the year	-	558	1,578	5,291	87	7,514	8,438	15,952
Balance at December 31, 2023	-	**42,971**	**40,008**	**32,782**	**2,672**	**118,433**	**35,235**	**153,668**
Net book value as at December 31, 2023	**30,000**	**1,414**	**5,605**	**14,163**	**88**	**51,270**	**18,468**	**69,738**

	Property and Equipment						Intangible Assets	
	Shareholders' Operations	Insurance Operations						
	Land	Leasehold improvements	Office equipment, furniture and fixtures	Computers	Motor vehicles	Total	Computer software	Total
	SAR '000							
Cost:								
Balance at January 1, 2022	30,000	44,215	42,873	31,040	2,760	150,888	31,982	182,870
Additions during the year	-	170	1,828	6,799	-	8,797	18,008	26,805
Balance at December 31, 2022	30,000	44,385	44,701	37,839	2,760	159,685	49,990	209,675
Accumulated depreciation:								
Balance at January 1, 2022	-	41,732	36,738	23,456	2,498	104,424	19,874	124,298
Charge for the year	-	681	1,692	4,035	87	6,495	6,923	13,418
Balance at December 31, 2022	-	42,413	38,430	27,491	2,585	110,919	26,797	137,716
Net book value as at								
December 31, 2022	30,000	1,972	6,271	10,348	175	48,766	23,193	71,959
December 31, 2021	30,000	2,483	6,135	7,584	262	46,464	12,108	58,572

12 INVESTMENT IN AN ASSOCIATE

Investment in an associate comprises of an equity investment in Al-Waseel for Electronic Transportation amounting to SAR 12,160 thousand (a 25% equity interest) (2022: SAR 12,147 thousand), in an unquoted company (the "associate"), registered in the Kingdom of Saudi Arabia.

	SAR'000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
At the beginning of the year	12,147	11,799	9,734
Dividend received from investment in an associate	(3,760)	(3,572)	(1,706)
Income from investment in an associate	3,773	3,920	3,771
At the end of the year	12,160	12,147	11,799

13 INVESTMENTS

Investments are classified as set out below:

	SAR'000 Shareholders' operations			SAR'000 Insurance operations			SAR'000 Total		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Investments carried at fair value through OCI	46,489	42,708	37,970	-	-	-	46,489	42,708	37,970
Investments carried at amortized cost	503,050	447,952	320,019	-	-	20,000	503,050	447,952	340,019
Investments carried at fair value through P&L	342,307	303,834	308,770	-	-	10,789	342,307	303,834	319,559
	891,846	794,494	666,759	-	-	30,789	891,846	794,494	697,548

a) Investments carried at fair value through OCI

	SAR'000 Shareholders' operations			SAR'000 Insurance operations			SAR'000 Total		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Type of investments									
-Equity - unquoted	46,489	42,708	37,970	-	-	-	46,489	42,708	37,970
	46,489	42,708	37,970	-	-	-	46,489	42,708	37,970

The movements during the year in investments at fair value through OCI is as follows:

	SAR'000 Shareholders' operations			SAR'000 Insurance operations			SAR'000 Total		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Fair value at beginning of the year	42,708	37,970	1,923	-	-	-	42,708	37,970	1,923
Purchase during the year	-	2,856	-	-	-	-	-	2,856	-
Net change in fair values	3,781	1,882	36,047	-	-	-	3,781	1,882	36,047
Fair value at end of the year	46,489	42,708	37,970	-	-	-	46,489	42,708	37,970

The Company has classified equity investment in Najm and TachyHealth as fair value through other comprehensive income being strategic investment which is long term in nature and the Company does not intend to sell / liquidate these investments.

The fair value of Najm is based on the independent valuation report dated March 2024. The independent valuer has been appointed by the Najm.

13 INVESTMENTS (continued)

b) Investments carried at amortized cost

	SAR'000 Shareholders' operations			SAR'000 Insurance operations			SAR'000 Total		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	**December 31, 2023**	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	**December 31, 2023**	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Type of investments									
-Sukuks quoted- domestic	**440,203**	415,837	285,719	-	-	20,000	**440,203**	415,837	305,719
-Sukuks quoted- international	**62,999**	32,115	34,300	-	-	-	**62,999**	32,115	34,300
-Provision for ECL	**(152)**	-	-	-	-	-	**(152)**	-	-
	503,050	447,952	320,019	-	-	20,000	**503,050**	447,952	340,019

The movements during the year in investments measured at amortized cost is as follows:

	SAR'000 Shareholders' operations			SAR'000 Insurance operations			SAR'000 Total		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	**December 31, 2023**	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	**December 31, 2023**	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Opening balance at beginning of the year	**447,952**	320,019	259,921	-	20,000	-	**447,952**	340,019	259,921
Purchase during the year	**113,433**	290,457	60,098	-	-	20,000	**113,433**	290,457	80,098
Sold during the year	**(58,183)**	(162,524)	-	-	(20,000)	-	**(58,183)**	(182,524)	-
Provision for ECL	**(152)**	-	-	-	-	-	**(152)**	-	-
Closing balance at end of the year	**503,050**	447,952	320,019	-	-	20,000	**503,050**	447,952	340,019

Movement in the allowance for impairment if financial investments measured at amortized cost during the year is as follows:

	SAR'000 Shareholders' operations			SAR'000 Insurance operations			SAR'000 Total		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	**December 31, 2023**	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	**December 31, 2023**	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
At the beginning of the year	-	-	-	-	-	-	-	-	-
Charge during the year	**(152)**	-	-	-	-	-	**(152)**	-	-
Closing balance	**(152)**	-	-	-	-	-	**(152)**	-	-

c) Investments carried at fair value through P&L

	SAR'000 Shareholders' operations			SAR'000 Insurance operations			SAR'000 Total		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	**December 31, 2023**	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	**December 31, 2023**	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Type of investments									
-Equity	**170,406**	132,916	137,470	-	-	-	**170,406**	132,916	137,470
-Mutual fund	**171,901**	170,918	171,300	-	-	10,789	**171,901**	170,918	182,089
	342,307	303,834	308,770	-	-	10,789	**342,307**	303,834	319,559

13 INVESTMENTS (Continued)

c) Investments carried at fair value through P&L (Continued)

The movements during the period in investments at fair value through P&L were as follows:

	SAR'000			SAR'000			SAR'000		
	Shareholders' operations			Insurance operations			Total		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Fair value at beginning of the year	**303,834**	308,770	318,570	-	10,789	10,502	**303,834**	319,559	329,072
Purchase during the year	**68,558**	212,175	39,049	-	-	-	**68,558**	212,175	39,049
Sold during the year	**(86,833)**	(201,340)	(48,849)	-	(10,789)	-	**(86,833)**	(212,129)	(48,849)
Change in fair values	**56,748**	(15,771)	-	-	-	287	**56,748**	(15,771)	287
Fair value at end of the year	**342,307**	303,834	308,770	-	-	10,789	**342,307**	303,834	319,559

d) Determination of fair value and fair value hierarchy

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

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

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

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

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;
Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
Level 3: valuation techniques for which any significant input is not based on observable market data.

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value.

	SAR'000			
December 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity - unquoted	-	-	**46,489**	**46,489**
Sukuks quoted- domestic	-	**440,203**	-	**440,203**
Sukuks quoted- international	-	**62,999**	-	**62,999**
Equity - quoted	**170,406**	-	-	**170,406**
Mutual fund - quoted	**171,901**	-	-	**171,901**
Total	**342,307**	**503,202**	**46,489**	**891,998**

	SAR'000			
December 31, 2022	Level 1	Level 2	Level 3	Total
Equity - unquoted	-	-	42,708	42,708
Sukuks quoted- domestic	-	415,837	-	415,837
Sukuks quoted- international	-	32,115	-	32,115
Equity - quoted	132,916	-	-	132,916
Mutual fund - quoted	170,918	-	-	170,918
Total	303,834	447,952	42,708	794,494

	SAR'000			
January 01, 2022	Level 1	Level 2	Level 3	Total
Equity - unquoted	-	-	37,970	37,970
Sukuks quoted- domestic	-	285,719	-	285,719
Sukuks quoted- international	-	34,300	-	34,300
Equity - quoted	137,470	-	-	137,470
Mutual fund - quoted	171,300	-	-	171,300
Total	308,770	320,019	37,970	666,759

14 STATUTORY DEPOSIT

In accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia, the Company maintains a statutory deposit at 15% (31 December 2022: 15%). This statutory deposit cannot be withdrawn without the consent of Insurance Authority. During the year ended 31 December 2023, the statutory deposit is currently maintained at 15% of the paid up capital, SR 1,050 million, amounting to SR 157.5 million. The statutory deposit is placed at the commission rate of 5% per anum (2022 : 3.28%).

15 GOODWILL

The Company held an ordinary general assembly meeting on 22 December 2008 and approved the purchase of the insurance portfolio and the related net assets and liabilities of the Saudi Arabian Operations of the Mediterranean and Gulf Insurance and Reinsurance Company (MEDGULF) B.S.C (closed) ("Portfolio") effective 1 January 2009. The acquisition resulted in goodwill of SR 480 million.

The recoverable amounts were assessed based on their value in use, determined by discounting the future cash flows expected to be generated from the continuing use of this operating division. The assessment for goodwill impairment was based on a detailed five-year business plan, utilizing cash flow projections covering a five-year period, with a terminal growth rate of 2% applied thereafter. The forecasted cash flows were discounted at a rate of 15.4%. Additionally, an assessment was conducted using the 'Share Price' and 'Market' approach based on the trading activity of the Company's stock.

This assessment was carried out by a consultant appointed by the Company. According to management's assessment supported by the external valuation, there is no indication of impairment.

16 ACCRUED COMMISSION ON STATUTORY DEPOSIT

The interest on statutory deposit which is maintained in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia amounts to SAR 3,967 thousand (31 December 2022: SAR 31,648 thousand). This commission cannot be withdrawn without the consent of Insurance Authority.

17 ZAKAT AND INCOME TAX

a) Movement in the provision for zakat and income tax during the year

The movement in the provision for zakat and income tax for the year was as follows:

	SAR '000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
At the beginning of the year	**4,289**	14,025	12,767
Charge - current year	**4,672**	4,534	4,000
Reversal - prior year	**-**	(14,270)	-
Payments during the year	**-**	-	(2,742)
At the end of the year	**8,961**	4,289	14,025

The provision for zakat and income tax for the year is SR. 4,672 thousand (31 December 2022: Reversal of SR 14,025 thousand).

b) Status of zakat and tax assessments

The Company has filed its zakat and income tax declarations for the periods up to 31 December 2022 with the Zakat, Tax and Customs Authority (ZATCA). The Company has received final clearance certificate till 2016 and final assessments from the year 2017 and onwards are awaited from the ZATCA.

c) Deferred tax asset / (liability)

	SAR '000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Opening deferred tax (liability)	**(3,188)**	(2,438)	(1,438)
Origination of temporary differences	**10,474**	(750)	(1,000)
Closing deferred tax asset / (liability)	**7,286**	(3,188)	(2,438)

This deferred tax arises on the following temporary differences.

	SAR '000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
End of service indemnities	**(24,404)**	(33,787)	(28,770)
Expected credit loss (ECL)	**(104,307)**	(237,678)	(280,260)
accumulated depreciation	**(126,576)**	350,024	332,863
Fair value reserve	**41,561**	(19,662)	25,682
Net taxable temporary difference	**(213,726)**	58,897	49,515
Deferred tax asset / (liability)	**7,286**	(3,188)	(2,438)

18 LEASE LIABILITY

	SAR '000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Liability			
Balance at the beginning of the year	**3,633**	8,534	16,596
Additions for the year	**15,877**	-	-
Finance cost	**509**	211	401
At end of the year	**20,019**	8,745	16,997
Payments			
Paid during the year	**(9,141)**	(5,112)	(8,463)
Balance at the end of the year	**10,878**	3,633	8,534
Lease liability is break into maturity wise as follows:			
Less than one year	**9,790**	3,390	7,100
One to five years	**1,088**	243	1,434
Lease liabilities - net	**10,878**	3,633	8,534

19 END OF SERVICE INDEMNITIES

The Company operates an end of service benefit plan for its employees based on the prevailing Saudi Labor Laws. Accruals are made in accordance with the actuarial valuation under projected unit credit method while the benefit payments obligation is discharged as and when it falls due.

19.1 The amounts recognized in the statement of financial position and movement in the obligation during the year based on its present value are as follows:

	SAR '000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Present value of defined benefit obligation	**24,403**	33,787	28,770
	24,403	33,787	28,770

19.2 Movement of defined benefit obligation is as follows:

	SAR '000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Opening balance	**33,787**	28,770	24,405
Charge to statement of income–insurance operations & accumulated surplus	**7,956**	6,157	5,120
(Reversal) / Charge to statement of comprehensive income – insurance operations	**(5,449)**	9,039	4,052
Payment of benefits during the year	**(11,891)**	(10,179)	(4,807)
Closing balance	**24,403**	33,787	28,770

19.3 Reconciliation of present value of defined benefit obligation

	SAR '000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Present value of defined benefit obligation as at January 1	**33,787**	28,770	24,405
Current service costs	**6,729**	5,624	4,788
Financial costs	**1,227**	533	332
Actuarial (gain) / loss from experience adjustments	**(5,449)**	9,039	4,052
Benefits paid during the year	**(11,891)**	(10,179)	(4,807)
Present value of defined benefit obligation as at December 31	**24,403**	33,787	28,770

19.4 Principal actuarial assumptions

The following range of significant actuarial assumptions was used by the Company for the valuation of post-employment benefit liability:

	SAR '000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Valuation discount rate	**4.45%**	4.05%	2.25%
Short term salary increase rate (1 year)	**4.20%**	3.80%	3.00%
Long term salary increase rate	**4.50%**	3.80%	2.15%

19.5 Sensitivity analysis of actuarial assumptions

The impact of changes in sensitivities on present value of defined benefit obligation is as follows:

	SAR '000		
	December 31, 2023	December 31, 2022 (Re-stated)	January 01, 2022 (Re-stated)
Valuation discount rate			
-Increase by 1%	**(1,300)**	(1,451)	(1,555)
	-5.32%	-4.29%	-5.41%
-Decrease by 1%	**1,431**	1,592	1,757
	5.87%	4.71%	6.11%
Expected rate of increase in salary level across different age bands			
-Increase by 1%	**1,731**	1,750	2,168
	7.09%	5.18%	7.54%
-Decrease by 1%	**(1,603)**	(1,622)	(1,959)
	6.57%	-4.80%	-6.81%

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

20.a The following are the details of major related party transactions during the year and their balances at the end of the year:

Related parties	Nature of transaction	Transactions for the year ended		Balance receivable / (payable) as at	
		December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022 Restated
		SAR'000			
Due from a related party					
Medgulf BSC - Head office account (major shareholder)	-Balance due from at year end	-	-	**2,453**	2,453
	-Impairment loss	-	-	**(2,390)**	(2,390)
	-Net balance due from at year end	-	-	**63**	2,453
Due to a related party					
Medivisa KSA (affiliate)	-Insurance premium for employees of fellow subsidiary	-	-	-	-
	-Third party administration fees	-	-	-	-
	-Claim incurred	-	-	-	-
	-Payment received	-	-	-	-
	-Premium refundable	-	-	-	-
	-Payment on third party administration fees	-	-	-	-
	-Balance due to at year end	-	-	**715**	1,931
Other related parties transactions and balances – due from / (due to)					
The Saudi Investment Bank, (Founding shareholder)	-Current account and time deposits	-	-	-	165
	-Statutory deposit (refer note 20.a (i))	-	-	**161,467**	189,148
	-Gross written premiums	**4,966**	5,033	-	-
	-Premiums refundable	-	-	**(431)**	-
	-Claims incurred / adjustment	**(77)**	220	-	-
	-Outstanding claims	**1,529**	1,511	-	-

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Related parties	**Nature of transaction**	**Transactions for the year ended**		**Balance receivable / (payable) as at**	
		December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022 Restated
		SAR'000			
Other related parties transactions and balances – due from / (due to)					
Medivisa KSA (affiliate)	-Medical claim Jordan / balance	-	-	-	-
	-Medical claim Lebanon / balance	-	-	**(654)**	(654)
	-Medical claim Egypt / balance	-	-	**(81)**	(81)
Al Istithmar Capital (subsidiary of SIB-founding shareholder)	-Gross written premiums	**11**	-	-	-
	-Current account	**(2,029)**	-	**513**	2,542
	-Premiums receivable	-	8	**12**	-
	-Impairment loss	-	-	**(4)**	-
Abunayyan Trading Co (under common directorship)	-Gross written premiums	**3**	2	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	661	-	-
KSB Pumps Arabia (under common directorship)	-Gross written premiums	-	-	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	94	-	-
Toray Membrane Middle East (under common directorship)	-Gross written premiums	-	-	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	48	-	-
Tumpane Jubar (under common directorship)	-Gross written premiums	-	-	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	33	-	-

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Related parties	Nature of transaction	Transactions for the year ended		Balance receivable / (payable) as at	
		December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022 Restated
		SAR'000			
Other related parties transactions and balances – due from / (due to)					
Bayan Credit Bureau (Under common directorship)	-Gross written premiums	-	-	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	-	-	-
Medgulf BSC (major shareholder)	-Claim recoveries			-	-
	-Reinsurance recovery (refer 20.a(ii))	-	-	**5,203**	5,203
	-Impairment loss	-	-	**(3,902)**	(3,902)
	-Net balance receivable at year end	-	-	**1,301**	1,301
Addison Bradley Overseas / Addison Bradley & Co. (affiliate)	-Balance receivable at year end	-	-	**3,856**	3,856
	-Impairment loss	-	-	**(3,856)**	(3,856)
	-Net balance due from at year end	-	-	-	-
Citiscape (under common directorship)	-Gross written premiums	-	-	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	96	-	-
Middle East Agriculture (under common directorship)	-Gross written premiums	-	-	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	52	-	-

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Related parties	Nature of transaction	Transactions for the year ended		Balance receivable / (payable) as at	
		December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022 Restated
		SAR'000			
Other related parties transactions and balances – due from / (due to)					
Electronic and Electric Industry (under common directorship)	-Gross written premiums	-	-	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	11	-	-
Addison Bradley International / Medgulf Lebanon (affiliate)	-Reinsurance recovery				
	-Balance receivable at year end	-	-	59,498	59,498
	-Impairment loss	-	-	(59,498)	(59,498)
	-Net balance due from at year end	-	-	-	-
Arabian Qudra (under common directorship)	-Gross written premiums	-	-	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	17	-	-
Saudi Meter Company (under common directorship)	-Gross written premiums	-	-	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	5	-	-
Saudi Tumpane Co.(under common directorship)	-Gross written premiums	31	98	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	109	-	-

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Related parties	Nature of transaction	Transactions for the year ended		Balance receivable / (payable) as at	
		December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022 Restated
		SAR'000			
Other related parties transactions and balances – due from / (due to)					
Abunayyan Electrical (under common directorship)	-Gross written premiums	-	-	-	-
	-Premiums receivable	-	-	-	-
	-Claims incurred	-	13	-	-
Industrial Instrumentation and Control System (under common directorship)	-Gross written premiums	-	-	-	-
	-Premiums receivable	-	-	-	-
	-Impairment loss	-	-	-	-
	-Net balance receivable at year end	-	-	-	-
	-Claims incurred	-	35	-	-
Al Issa Group (under common directorship)	-Gross written premiums	**3**	(197)	-	-
	-Premiums receivable	-	-	**1,113**	1,304
	-Impairment loss	-	-	**(760)**	(876)
	-Net balance receivable at year end	-	-	**353**	428
	-Outstanding claims	**(25,372)**	-	-	-
	-Claims incurred	**929**	(11,168)	-	-
Saline Water Conversion Corporation (under common directorship)	-Gross written premiums	**(1)**	1,757	-	-
	-Premiums receivable	-	-	**(84)**	-
	-Impairment loss	-	-	-	-
	-Claims incurred	-	98,675	-	-

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Related parties	Nature of transaction	Transactions for the year ended		Balance receivable / (payable) as at	
		December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022 Restated
		SAR'000			
Other related parties transactions and balances – due from / (due to)					
Addison Bradley Arabia-KSA (affiliate)	-Payment received during the year	-	-	-	-
	-Reinsurance recoveries	-	-	-	-
	-Balance due from at year end	-	-	**15,623**	15,623
	-Impairment loss	-	-	**(11,718)**	(11,718)
	-Net balance due from at year end	-	-	**3,905**	3,905
Addison Bradley Arabia Holding LLC (UAE) (affiliate)	-Balance due from at year end	-	-	**1,472**	1,472
	-Impairment loss	-	-	**(1,472)**	(1,472)
	-Net balance due from at year end	-	-	-	-
Saudi Fransi Capital (under common directorship)	--Gross written premiums	**8,417**	**8,356**	-	-
	-Premiums receivable	-	-	-	-
	-Impairment loss	-	-	-	-
	-Net balance due from at year end	-	-	-	-
	-Claims incurred	**6,500**	**1,600**	-	-
	-Investment portfolio	-	-	-	-

20.a(i) Statutory deposit is placed with the Saudi Investment Bank, at the commission rate of 5% (2022: 3.28%) per annum.

20.a (ii) This represent overpayment of premium ceded to Medgulf Bahrain for reinsurance placement.

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

20.b Compensation of key management

The following table shows the annual salaries, remuneration and allowances pertaining to the Board members and top executives for the year ended December 31, 2023 and 2022:

For the year ended December 31, 2023	**BOD members (Non-Executive)**	**Top Executives including the CEO and CFO**
	SAR'000	
Salaries and compensation	**-**	**8,198**
Allowances	**286**	**-**
Annual remuneration	**2,678**	**-**
End of service indemnities	**-**	**1,177**
	2,964	**9,375**

For the year ended December 31, 2022	BOD members (Non-Executive)	Top Executives including the CEO and CFO
	SAR'000	
Salaries and compensation	-	7,463
Allowances	330	-
Annual remuneration	2,744	-
End of service indemnities	-	460
	3,074	7,923

20.c All reinsurance treaties up to the underwriting year 2014 were managed by the Medgulf Group Corporate Reinsurance Center ("CRC"), a related party, who dealt with the Company's transactions, along with those of other related parties, on a consolidated basis with the reinsurers and brokers. All transactions with reinsurers and brokers were routed through CRC and the settlement of balances with these reinsurers and brokers were also made by CRC. The Company, together with CRC carried out an exercise to separate the Company's transactions and balances with the respective reinsurers and brokers from those of other related parties. This exercise is completed and Saudi Riyals 59.4 million have been identified as receivable from related party. However, the Company has booked full provision for this balance.

21 INSURANCE REVENUE AND EXPENSES

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for the year ended 31 December 2023 and 2022 is included in the following tables. Additional information on amounts recognized in statement of income is included in the insurance contract balances.

	SAR '000	
Insurance revenue	**31 December 2023**	31 December 2022 (Restated)
Contracts not measured under the PAA		
Amounts relating to the changes in the LRC:		
Expected incurred claims and other expenses after loss component allocation	-	-
Experience adjustments (premium and acquisition costs not through CSM)	-	-
Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation	-	-
CSM recognised in profit or loss for the services provided	-	-
Insurance acquisition cash flows recovery	-	-
Insurance revenue from contracts not measured under the PAA	-	-
Insurance revenue from contracts measured under the PAA	**3,332,154**	2,643,129
Total insurance revenue	**3,332,154**	2,643,129

	SAR '000	
Insurance service expenses	**31 December 2023**	31 December 2022 (Restated)
Incurred claims and other directly attributable expenses	**(2,725,388)**	(2,665,103)
Changes that relate to past service - adjustments to the LIC	**18,940**	177,489
Losses on onerous contracts and reversal of the losses	**(20,517)**	(174,598)
Insurance acquisition cash flows amortisation	**(295,275)**	(244,204)
Total insurance service expenses	**(3,022,240)**	(2,906,416)

	SAR '000	
Net income / (expenses) from reinsurance contracts held	**31 December 2023**	31 December 2022 (Restated)
Reinsurance income (expenses) - contracts not measured under the PAA	-	-
Amounts relating to changes in the remaining coverage:	-	-
Expected claims and other expenses recovery	-	-
Changes in the risk adjustment recognised for the risk expired	-	-
CSM recognised for the services received	-	-
Reinsurance expenses - contracts not measured under the PAA	-	-
Reinsurance expenses - contracts measured under the PAA	**(523,250)**	(438,974)
Other incurred directly attributable expenses	**(12,354)**	(8,997)
Claims recovered	**610,242**	456,796
Movement in loss recovery component adjustment to reinsurance ARC	**(22,618)**	22,958
Effects of changes in the risk of reinsurers' non-performance	**61,552**	68,999
Changes that relate to past service - adjustments to incurred claims	**(336,484)**	(422,705)
Total net income from reinsurance contracts held	**(222,912)**	(321,923)
Total insurance service result	**87,002**	(585,210)

22 NET INSURANCE FINANCE INCOME / (EXPENSES)

An analysis of the net insurance finance expenses is presented below:

	SAR '000			
For the year ended December 31, 2023	**Medical**	**Motor**	**Property & casualty**	**Total**
Finance income / (expenses) from insurance contracts issued				
Interest accreted	(9,374)	(3,210)	(10,684)	(23,268)
Effect of changes in interest rates and other financial assumptions	(222)	236	778	792
Finance expenses from insurance contracts issued	(9,596)	(2,974)	(9,906)	(22,476)
Finance income / (expenses) from reinsurance contracts held				
Interest accreted	41	2,804	10,502	13,347
Effect of changes in interest rates and other financial assumptions	-	(139)	(591)	(730)
Finance income from reinsurance contracts held	41	2,665	9,911	12,617
Net insurance finance income / (expenses)	(9,555)	(309)	5	(9,859)
- recognized in statement of income	(9,555)	(309)	5	(9,859)
- recognized in other comprehensive income	-	-	-	-

	SAR '000			
For the year ended December 31, 2022 (restated)	Medical	Motor	Property & casualty	Total
Finance income / (expenses) from insurance contracts issued				
Interest accreted	(2,266)	(395)	(2,723)	(5,384)
Effect of changes in interest rates and other financial assumptions	28,371	3,792	37,511	69,674
Finance income / (expenses) from insurance contracts issued	26,105	3,397	34,788	64,290
Finance income / (expenses) from reinsurance contracts held				
Interest accreted	43	223	1,592	1,858
Effect of changes in interest rates and other financial assumptions	-	358	(10,805)	(10,447)
Finance income / (expenses) from reinsurance contracts held	43	581	(9,213)	(8,589)
Net insurance finance income	26,148	3,978	25,575	55,701
- recognized in statement of income	26,148	3,978	25,575	55,701
- recognized in other comprehensive income	-	-	-	-

23 SHARE CAPITAL AND EARNING / (LOSS) PER SHARE

a) Share capital

The authorized and paid up share capital of the Company is SAR 1,050 million divided into 105 million shares of SAR 10 each.

b) Earnings / (loss) per share

Earnings / (loss) per share has been calculated by dividing the net earnings / (loss) for the year by the weighted average number of shares outstanding as of the reporting date.

	31 December 2023	31 December 2022 (Restated)
Net income / (loss) for the year (SAR '000)	**201,472**	(396,870)
Weighted average number of ordinary shares ('000)	**105,000**	105,000
Earnings / (loss) per share(SAR / Share)	**1.92**	(3.78)

24 COMMITMENTS AND CONTINGENCIES

a) Legal proceedings

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

b) Contingencies and capital commitments

As at 31 December 2023, the Company's banker has issued letters of guarantee of SAR 169,696 thousand (31 December 2022: (SAR 103,143 thousand) to various customers as per the terms of the agreements with them. The Company had no capital commitments in 2023 (31 December 2022: nil).

c) Contingent liability

The Company, is subject to certain operationally related litigations. Based on the independent legal advice, the Company does not believe that the outcome of these court cases will have a material impact on the Company's income or financial position.

25 OPERATING SEGMENTS

Consistent with the Company's internal reporting process, operating segments have been approved by management in respect of the Company's activities, assets and liabilities as set out below.

Segment results do not include allocation of other income, dividend income, other operating expenses, impairment loss, to operating segments as these are reported and monitored on an overall basis.

Segment assets do not include allocation of cash and cash equivalents, time deposits, investments, prepayments and other assets, intangible assets, statutory deposit and property and equipment as these are reported and monitored on a total basis.

Segment liabilities do not include allocation of accrued expenses and other liabilities, account and commission payable, zakat and tax and commissions payable to IA.

	As at December 31, 2023			
	Medical	**Motor**	**Property & casualty**	**Total**
	SAR'000			
Gross premiums written				
- Large enterprise	**1,488,531**	**31,559**	**247,451**	**1,767,541**
- Medium enterprise	**434,252**	**14,057**	**52,107**	**500,416**
- Small enterprise	**339,114**	**36,157**	**49,498**	**424,769**
- Micro enterprise	**106,038**	**37,052**	**3,934**	**147,024**
- Individual	**23,569**	**271,011**	**1,195**	**295,775**
	2,391,504	**389,836**	**354,185**	**3,135,525**

	As at December 31, 2022 (restated)			
	Medical	Motor	Property & casualty	Total
	SAR'000			
Gross premiums written				
- Large enterprise	757,701	56,026	252,039	1,065,766
- Medium enterprise	740,150	16,679	35,365	792,194
- Small enterprise	197,923	14,141	16,498	228,562
- Micro enterprise	90,389	19,967	6,154	116,510
- Individual	15,411	634,827	1,332	651,570
	1,801,574	741,640	311,388	2,854,602

25 OPERATING SEGMENTS (continued)

	As at December 31, 2023					
Operating segments	**Medical**	**Motor**	**Property & casualty**	**Total - Insurance Operations**	**Shareholders' Operations**	**Total**
	SAR'000					
Assets						
Insurance contract assets	-	-	5,292	5,292	-	5,292
Reinsurance contract assets	122,691	-	569,796	692,487	-	692,487
Unallocated assets	-	-	-	1,580,122	842,105	2,422,227
Total assets	122,691	-	575,088	2,277,901	842,105	3,120,006
Liabilities						
Insurance contract liabilities	1,069,018	221,563	707,257	1,997,838	-	1,997,838
Reinsurance contract liabilities	-	54,542	21,601	76,143	-	76,143
Unallocated liabilities	-	-	-	115,998	12,607	128,605
Total liabilities	1,069,018	276,105	728,858	2,189,979	12,607	2,202,586

	As at December 31, 2022 (restated)					
Operating segments	Medical	Motor	Property & casualty	Total - Insurance Operations	Shareholders' Operations	Total
	SAR'000					
Assets						
Insurance contract assets	1,420	1,948	20,309	23,677	-	23,677
Reinsurance contract assets	43,910	177,187	480,641	701,738	-	701,738
Unallocated assets	-	-	-	1,579,371	741,597	2,320,968
Total assets	45,330	179,135	500,950	2,304,786	741,597	3,046,383
Liabilities						
Insurance contract liabilities	925,626	623,723	678,914	2,228,263	-	2,228,263
Reinsurance contract liabilities	-	1,678	44,323	46,001	-	46,001
Unallocated liabilities	-	-	-	25,261	40,140	65,401
Total liabilities	925,626	625,401	723,237	2,299,525	40,140	2,339,665

	As at January 01, 2022 (restated)					
Operating segments	Medical	Motor	Property & casualty	Total - Insurance Operations	Shareholders' Operations	Total
	SAR'000					
Assets						
Insurance contract assets	14,392	(22,482)	19,938	11,848	-	11,848
Reinsurance contract assets	161,916	165,392	676,715	1,004,023		1,004,023
Unallocated assets	-	-	-	1,395,218	1,068,910	2,464,128
Total assets	176,308	142,910	696,653	2,411,089	1,068,910	3,479,999
Liabilities						
Insurance contract liabilities	784,102	299,665	783,279	1,867,046	-	1,867,046
Reinsurance contract liabilities	-	-	-	-	-	-
Unallocated liabilities	-	-	-	456,715	45,493	502,208
Total liabilities	784,102	299,665	783,279	2,323,761	45,493	2,369,254

25 OPERATING SEGMENTS (continued)

	As at December 31, 2023					
Operating segments	**Medical**	**Motor**	**Property & casualty**	**Total Insurance Operations**	**Shareholders' Operations**	**Total**
	SAR'000					
Insurance revenue	2,334,384	579,842	417,928	3,332,154	-	3,332,154
Insurance service expense	(2,317,731)	(488,334)	(216,175)	(3,022,240)	-	(3,022,240)
Net (expense) / income from reinsurance contract held	35,802	(83,048)	(175,666)	(222,912)	-	(222,912)
Insurance service result	52,455	8,460	26,087	87,002	-	87,002
Investment income on financial assets at amortised cost	-	-	-	4,568	37,623	42,191
Investment income on financial assets at fair value	-	-	-	-	56,748	56,748
Dividend income	-	-	-	-	7,652	7,652
Net impairment loss on financial assets	-	-	-	-	(152)	(152)
Net investment income	-	-	-	4,568	101,871	106,439
Insurance finance expenses for insurance contracts issued	(9,596)	(2,974)	(9,906)	(22,476)	-	(22,476)
Reinsurance finance income for reinsurance contracts held	40	2,665	9,912	12,617	-	12,617
Net insurance finance (expense) / income	(9,556)	(309)	6	(9,859)	-	(9,859)
Net insurance and financial result	42,899	8,151	26,093	81,711	101,871	183,582
Other income	-	-	-	24,144	-	24,144
Share of income from associate	-	-	-	-	3,773	3,773
Shareholders' general and admin expenses	-	-	-	-	(5,244)	(5,244)
Total other operating income / (expense)	-	-	-	24,144	(1,471)	22,673
INCOME / (LOSS) ATTRIBUTED TO THE SHAREHOLDERS BEFORE ZAKAT AND INCOME TAX	42,899	8,151	26,093	105,855	100,400	206,255
Zakat charge	-	-	-	-	(4,672)	(4,672)
Income tax charge	-	-	-	-	10,474	10,474
INCOME / (LOSS) ATTRIBUTED TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX	42,899	8,151	26,093	105,855	106,202	212,057

	As at December 31, 2022 (Restated)					
Operating segments	Medical	Motor	Property & casualty	Total Insurance Operations	Shareholders' Operations	Total
	SAR'000					
Insurance revenue	1,785,704	598,479	258,946	2,643,129	-	2,643,129
Insurance expense	(1,968,997)	(903,277)	(34,142)	(2,906,416)	-	(2,906,416)
Net (expense) / income from reinsurance contract held	(49,833)	70,598	(342,688)	(321,923)	-	(321,923)
Insurance service result	(233,126)	(234,200)	(117,884)	(585,210)	-	(585,210)
Investment income on financial assets at amortised cost	-	-	-	1,694	24,061	25,755
Investment income on financial assets at fair value	-	-	-	-	(15,771)	(15,771)
Dividend income	-	-	-	-	6,784	6,784
Net impairment loss on financial assets	-	-	-	-	-	-
Net investment income / (expense)	-	-	-	1,694	15,074	16,768
Insurance finance income for insurance contracts issued	26,104	3,397	34,789	64,290	-	64,290
Reinsurance finance expense for reinsurance contracts held	43	580	(9,212)	(8,589)	-	(8,589)
Net insurance finance income	26,147	3,977	25,577	55,701	-	55,701
Net insurance and financial result	(206,979)	(230,223)	(92,307)	(527,815)	15,074	(512,741)
Other income	-	-	-	106,691	-	106,691
Share of income from associate				-	3,920	3,920
Shareholders' general and admin expenses	-	-	-	-	(3,726)	(3,726)
Total other operating income / (expenses)	-	-	-	106,691	194	106,885
INCOME / (LOSS) ATTRIBUTED TO THE SHAREHOLDERS BEFORE ZAKAT AND INCOME TAX	(206,979)	(230,223)	(92,307)	(421,124)	15,268	(405,856)
Zakat reversal	-	-	-	-	9,736	9,736
Income tax charge	-	-	-	-	(750)	(750)
INCOME / (LOSS) ATTRIBUTED TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX	(206,979)	(230,223)	(92,307)	(421,124)	24,254	(396,870)

26 CAPITAL MANAGEMENT

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

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

The Company manages its capital to ensure that it is able to continue as going concem and comply with the regulators' capital requirements of the markets in which the Company operates 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 equity holders comprising paid share capital, reserves and retained earnings.

As per guidelines laid out by Insurance Authority (IA) previously known as SAMA in Article 66 of the Insurance Implementing Regulations detailing the solvency margin required to be maintained, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per Insurance Implementing Regulations:

- Minimum capital requirement of SAR 200 million
- Premium solvency margin
- Claims solvency margin

The Company uses Premium Method for determining its solvency requirements. The Company's net admissible assets as of December 31, 2023 are 77.01% (2022: 12.4%) of the required minimum margin for solvency. Further, the Company is in compliance with all externally imposed capital requirements with sound solvency margin. The capital structure of the Company as of December 31, 2023 consists of paid-up share capital of SAR 1,050 million, share premium of SAR 70 million, statutory reserves of SAR 26 million and accumulated losses of SAR 240.7 million (December 31, 2022: paid-up share capital of SAR 1,050 million, share premium of SAR 70 million, statutory reserves of SAR 26 million and accumulated losses of SAR 458.60 million) in the statement of financial position.

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

27 RISK MANAGEMENT

Risk management covers mainly the followings:
- Insurance risks
- Financial risks

27.1 Insurance risks

For non-life insurance contracts, the most significant risks arise from climate changes, natural disasters and manmade accidents. For longer tail claims that take some years to settle, there is also inflation risk.

For life insurance contracts, the main risks that the Company is exposed to are, as follows:
- Mortality risk – risk of loss arising due to the incidence of policyholder death being different than expected
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
- Longevity risk – risk of loss arising due to the annuitant living longer than expected
- Expense risk – risk of loss arising from expense experience being different than expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

The objective of the Company is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly settling claims, to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

Reinsurance risks

The Company purchases reinsurance as part of its risk mitigation program. Reinsurance held (outward reinsurance) is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is quota–share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Retention limits for non-proportional excess–of–loss reinsurance vary by product line.

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 (e.g. S&P) that is not lower than BBB or equivalent
- Reputation of particular reinsurance companies
- Existing or past business relationship with the reinsurer.

Furthermore, the financial strength and managerial and technical expertise as well as historical performance of the reinsurers, wherever applicable, are thoroughly reviewed by the Company and agreed to pre-set requirements of the Company's Board of Directors and Reinsurance Committee before approving them for exchange of reinsurance business. As of December 31, 2023, December 31, 2022 and January 1, 2022, there is no significant concentration of reinsurance balances.

27 RISK MANAGEMENT (CONTINUED)

27.1 Insurance risks (Continued)

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.

The nature of the Company's exposure to insurance risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

The following table shows the concentration of net insurance contract liabilities by type of contract:

SAR '000'	December 31, 2023 Insurance contracts issued	December 31, 2023 Reinsurance contracts held	December 31, 2023 Net	December 31, 2022 Insurance contracts issued	December 31, 2022 Reinsurance contracts held	December 31, 2022 Net	January 01, 2022 Insurance contracts issued	January 01, 2022 Reinsurance contracts held	January 01, 2022 Net
Medical	(1,069,018)	122,691	(946,327)	(924,206)	43,910	(880,296)	(769,710)	161,916	(607,794)
Motor	(221,563)	(54,542)	(276,105)	(621,775)	175,509	(446,266)	(322,147)	165,392	(156,755)
Property and casualty	(701,965)	548,195	(153,770)	(658,605)	436,318	(222,287)	(763,341)	676,715	(86,626)
Total	(1,992,546)	616,344	(1,376,202)	(2,204,586)	655,737	(1,548,849)	(1,855,198)	1,004,023	(851,175)

Sensitivities on major assumptions considered while applying IFRS 17

The following sensitivity analysis shows the impact on gross and net liabilities, profit / loss before tax and equity for reasonably possible movements in key assumptions with all other assumptions in notes 2 and 3 held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear.

The method used for deriving sensitivity information and significant assumptions did not change from the previous year.

Following are the sensitivities derived for the portfolios computed under PAA approach before and after risk mitigation by reinsurance contracts held:

SAR '000'	December 31, 2023 Insurance contract liabilities	December 31, 2023 Impact on profit/(loss) before zakat and tax	December 31, 2023 Impact on equity	December 31, 2022 Insurance contract liabilities	December 31, 2022 Impact on profit/(loss) before zakat and tax	December 31, 2022 Impact on equity
Insurance contract liabilities	1,992,546	-	-	2,204,586	-	-
Non-acquisition expense increase by 5%	3,210	(17,438)	(17,438)	(2)	(7,950)	(7,950)
Non-acquisition expense decrease by 5%	(3,210)	17,438	17,438	2	7,950	7,950
10-y yield curve shift up by 2pp	(9,526)	9,526	9,526	32,225	(32,225)	(32,225)
10-y yield curve shift down by 2pp	9,526	(9,526)	(9,526)	(32,225)	32,225	32,225
Loss best estimate reserve increase by 6%	99,605	(99,605)	(99,605)	85,147	(85,147)	(85,147)
Loss best estimate reserve decrease by 6%	(99,605)	99,605	99,605	(85,147)	85,147	85,147

Following are the sensitivities derived for the portfolios computed under PAA approach after risk mitigation by reinsurance contracts held:

SAR '000'	December 31, 2023 Insurance contract liabilities	December 31, 2023 Impact on profit/(loss) before zakat and tax	December 31, 2023 Impact on equity	December 31, 2022 Insurance contract liabilities	December 31, 2022 Impact on profit/(loss) before zakat and tax	December 31, 2022 Impact on equity
Insurance contract liabilities	1,992,546	-	-	2,204,586	-	-
Reinsurance contract assets	616,344	-	-	655,737	-	-
Net insurance contract liabilities	1,376,202	-	-	1,548,849	-	-
Non-acquisition expense increase by 5%	3,210	(17,438)	(17,438)	(2)	(7,950)	(7,950)
Non-acquisition expense decrease by 5%	(3,210)	17,438	17,438	2	7,950	7,950
10-y yield curve shift up by 2pp	(4,179)	4,179	4,179	37,356	(37,356)	(37,356)
10-y yield curve shift down by 2pp	4,179	(4,179)	(4,179)	(37,356)	37,356	37,356
Net loss best estimate reserve increase by 6%	64,925	(64,925)	(64,925)	55,026	(55,026)	(55,026)
Net loss best estimate reserve decrease by 6%	(64,925)	64,925	64,925	(55,026)	55,026	55,026

27 RISK MANAGEMENT (CONTINUED)

27.1 Insurance risks (Continued)

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. As required by IFRS 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment.

In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

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 triangulation analysis is by accident years, spanning a number of financial years.

2023

Accident year	2018 & earlier	2019	2020	2021	2022	2023	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	24,020,512	2,154,612	3,312,541	1,903,945	2,287,228	2,560,154	36,238,992
1 year later	24,049,096	2,051,459	3,100,853	1,988,513	2,262,878	-	33,452,799
2 years later	24,017,114	1,991,875	3,081,443	1,955,863	-	-	31,046,295
3 years later	24,331,849	2,001,700	3,072,615	-	-	-	29,406,164
4 years later	24,141,904	2,004,603	-	-	-	-	26,146,507
5 years later	24,196,385	-	-	-	-	-	24,196,385
Gross estimates of the undiscounted amount of the claims	24,196,385	2,004,603	3,072,615	1,955,863	2,262,878	2,560,154	36,052,498
Cumulative gross claims and other directly attributable expenses paid	23,814,123	1,962,447	3,005,975	1,921,135	2,016,256	1,672,486	34,392,422
Gross undiscounted liabilities for incurred claims	382,262	42,156	66,640	34,728	246,622	887,668	1,660,076
Effect of discounting	11,233	1,239	1,958	1,021	7,249	26,090	48,790
Gross discounted liabilities for incurred claims excluding risk adjustment	371,029	40,917	64,682	33,707	239,373	861,578	1,611,286
Effect of the risk adjustment margin for non-financial risk	12,667	1,397	2,208	1,151	8,174	29,420	55,017
Gross liabilities for incurred claims	383,696	42,314	66,890	34,858	247,547	890,998	1,666,303

2023

Accident year	2018 & earlier	2019	2020	2021	2022	2023	Total
Undiscounted liabilities for incurred claims, net of reinsurance:							
At end of accident year	19,474,854	1,703,855	983,409	1,375,716	2,197,872	2,303,980	28,039,686
1 year later	19,459,871	1,490,363	957,535	1,433,923	2,213,547	-	25,555,239
2 years later	19,452,716	1,472,569	964,426	1,427,701	-	-	23,317,412
3 years later	19,521,145	1,486,938	969,145	-	-	-	21,977,228
4 years later	19,463,546	1,486,901	-	-	-	-	20,950,447
5 years later	19,447,450	-	-	-	-	-	19,447,450
Net estimates of the undiscounted amount of the claims	19,447,450	1,486,901	969,145	1,427,701	2,213,547	2,303,980	27,848,724
Cumulative Net claims and other directly attributable expenses paid	19,443,619	1,474,341	955,572	1,405,702	1,953,982	1,533,421	26,766,637
Net undiscounted liabilities for incurred claims	3,831	12,560	13,573	21,999	259,565	770,559	1,082,087
Effect of discounting	102	334	361	585	6,903	20,491	28,776
Net discounted liabilities for incurred claims excluding risk adjustment	3,729	12,226	13,212	21,414	252,662	750,068	1,053,311
Effect of the risk adjustment margin for non-financial risk	141	463	500	810	9,559	28,376	39,849
Net liabilities for incurred claims	3,870	12,689	13,712	22,224	262,221	778,444	1,093,160

27 RISK MANAGEMENT (CONTINUED)

27.1 Insurance risks (Continued)

Claims development table (Continued)

2022 Accident year	2018 & earlier	2019	2020	2021	2022	2023	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	22,035,215	1,776,365	2,154,612	3,312,541	1,903,945	2,287,228	33,469,906
1 year later	22,244,147	1,784,344	2,051,459	3,100,853	1,988,513	-	31,169,316
2 years later	22,264,752	1,780,524	1,991,875	3,081,443	-	-	29,118,594
3 years later	22,236,590	1,778,469	2,001,700	-	-	-	26,016,759
4 years later	22,553,380	1,783,166	-	-	-	-	24,336,546
5 years later	22,358,738	-	-	-	-	-	22,358,738
Gross estimates of the undiscounted amount of the claims	22,358,738	1,783,166	2,001,700	3,081,443	1,988,513	2,287,228	33,500,788
Cumulative gross claims and other directly attributable expenses paid	22,043,781	1,753,123	1,952,673	3,000,783	1,907,576	1,423,738	32,081,674
Gross undiscounted liabilities for incurred claims	314,957	30,043	49,027	80,660	80,937	863,490	1,419,114
Effect of discounting	7,134	680	1,111	1,827	1,833	19,563	32,148
Gross discounted liabilities for incurred claims excluding risk adjustment	307,823	29,363	47,916	78,833	79,104	843,927	1,386,966
Effect of the risk adjustment margin for non-financial risk	10,738	1,024	1,672	2,750	2,760	29,446	48,390
Gross liabilities for incurred claims	318,561	30,387	49,588	81,583	81,864	873,373	1,435,356

2022 Accident year	2018 & earlier	2019	2020	2021	2022	2023	Total
Undiscounted liabilities for incurred claims, net of reinsurance:							
At end of accident year	17,814,043	1,547,947	1,703,855	983,409	1,375,716	2,197,872	25,622,842
1 year later	17,926,907	1,541,857	1,490,363	957,535	1,433,923	-	23,350,585
2 years later	17,918,014	1,537,503	1,472,569	964,426	-	-	21,892,512
3 years later	17,915,213	1,530,344	1,486,938	-	-	-	20,932,495
4 years later	17,990,801	1,535,812	-	-	-	-	19,526,613
5 years later	17,927,734	-	-	-	-	-	17,927,734
Net estimates of the undiscounted amount of the claims	17,927,734	1,535,812	1,486,938	964,426	1,433,923	2,197,872	25,546,705
Cumulative Net claims and other directly attributable expenses paid	17,903,551	1,530,691	1,472,556	952,884	1,396,027	1,373,898	24,629,607
Net undiscounted liabilities for incurred claims	24,183	5,121	14,382	11,542	37,896	823,974	917,098
Effect of discounting	548	116	326	261	859	18,667	20,777
Net discounted liabilities for incurred claims excluding risk adjustment	23,635	5,005	14,056	11,281	37,037	805,307	896,321
Effect of the risk adjustment margin for non-financial risk	522	111	310	249	818	17,786	19,796
Net liabilities for incurred claims	24,157	5,116	14,366	11,530	37,855	823,093	916,117

27 RISK MANAGEMENT (CONTINUED)

27.2 Financial risks

Financial risk comprises of the followings:
- Liquidity risk
- Market risk
- Operational risk
- Credit risk

These risks have been briefly explained below:

a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

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

- The Company's liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs.

Maturity analysis for insurance and reinsurance contract liabilities (present value of future cash flows basis):
The following table summarizes the maturity profile of groups of insurance contracts issued and reinsurance contracts held that are liabilities of the Company based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	31 December 2023						
	Up to 1 year	1 -2 years	2 - 3 years	3 - 4 years	4 -5 years	>5 years	Total
	SAR'000						
Insurance contract liabilities							
Medical	736,960	68,713	3,817	311	-	-	809,801
Motor	57,644	14,352	5,694	3,005	2,148	6,049	88,892
Property and casualty	422,063	11,747	2,160	666	378	598	437,611
Reinsurance contract liabilities							
Medical	(13,296)	(683)	(31)	(4)	-	-	(14,014)
Motor	(1,583)	(291)	(146)	(111)	(77)	(81)	(2,289)
Property and casualty	(101,343)	(1,185)	(180)	(54)	(38)	(45)	(102,845)
Total	1,100,445	92,653	11,314	3,812	2,411	6,521	1,217,156

	31 December 2022						
	Up to 1 year	1 -2 years	2 - 3 years	3 - 4 years	4 -5 years	>5 years	Total
	SAR'000						
Insurance contract liabilities							
Medical	661,972	27,532	2,416	208	-	-	692,128
Motor	99,410	9,043	3,561	1,374	1,022	3,350	117,760
Property and casualty	412,967	7,442	4,428	454	56	6	425,353
Reinsurance contract liabilities							
Medical	(114)	(7)	(17)	-	-	-	(138)
Motor	(152)	(24)	(10)	(5)	(3)	(5)	(199)
Property and casualty	(2,724)	(74)	(25)	(3)	-	-	(2,826)
Total	1,171,359	43,912	10,353	2,028	1,075	3,351	1,232,078

Maturity analysis for financial assets (contractual undiscounted cash flow basis):
The following table summarizes the maturity profile of financial assets of the Company based on the remaining undiscounted contractual cash flows, including interest receivable:

	31 December 2023							
	Up to 1 year	1 -2 years	2 - 3 years	3 - 4 years	4 -5 years	>5 years	No Maturity	Total
	SAR'000							
Cash and cash equivalents`	484,668	-	-	-	-	-	-	484,668
Short term deposits	183,267	-	-	-	-	-	-	183,267
Prepayment and other assets, net	115,306	-	-	-	-	-	-	115,306
Investments carried at amrotized cost	148,721	100,242	95,798	50,984	107,305	-	-	503,050
Investments carried at fair value through OCI	-	-	-	-	-	-	43,484	43,484
Investments carried at fair value through P&L	-	50,000	-	18,000	-	-	274,307	342,307
Right of use assets, net	-	10,587	-	-	-	-	-	10,587
Property and equipment, net	-	51,270	-	-	-	-	-	51,270
Intangible assets, net	-	-	18,468	-	-	-	-	18,468
Statutory deposit	-	-	-	-	-	-	157,500	157,500
Investment in an associate	-	-	-	-	-	-	12,160	12,160
Accrued commission on statutory deposit	-	3,967	-	-	-	-	-	3,967
Total	931,962	216,066	114,266	68,984	107,305	-	487,451	1,926,034

	31 December 2022							
	Up to 1 year	1 -2 years	2 - 3 years	3 - 4 years	4 -5 years	>5 years		Total
	SAR'000							
Cash and cash equivalents`	430,931	-	-	-	-	-	-	430,931
Short term deposits	231,240	-	-	-	-	-	-	231,240
Prepayment and other assets, net	107,425	-	-	-	-	-	-	107,425
Investments carried at amrotized cost	117,477	-	127,186	75,590	69,101	58,598	-	447,952
Investments carried at fair value through OCI	-	-	-	-	-	-	42,708	42,708
Investments carried at fair value through P&L	-	-	50,000	-	18,000	-	235,834	303,834
Right of use assets, net	-	3,624	-	-	-	-	-	3,624
Property and equipment, net	-	48,766	-	-	-	-	-	48,766
Intangible assets, net	-	-	23,193	-	-	-	-	23,193
Statutory deposit	-	-	-	-	-	-	157,500	157,500
Investment in an associate	-	-	-	-	-	-	12,147	12,147
Accrued commission on statutory deposit	-	31,648	-	-	-	-	-	31,648
Total	887,073	84,038	200,379	75,590	87,101	58,598	448,189	1,840,968

27 RISK MANAGEMENT (CONTINUED)

27.2 Financial risks (Continued)

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument, insurance contract issued, or reinsurance contract held will fluctuate because of changes in market prices. Market risk comprises three types of risk:
- Currency risk (foreign exchange rates);
- Commission rate risk (market interest rates); and
- Price risk (market prices).

The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.

The Company stipulates diversification benchmarks by type of instrument and geographical area, as the Company is exposed to guaranteed bonuses, cash and annuity options when interest rates fall.

There is strict control over hedging activities (e.g., equity derivatives are only permitted to be held to facilitate portfolio management or to reduce investment risk).

The Board of Directors of the Company ensure that the overall market risk exposure is maintained at prudent levels and is consistent with the available capital. While the Board gives a strategic direction and goals, risk management function related to market risk is mainly the responsibility of Investment Committee team. The team prepares forecasts showing the effects of various possible changes in market conditions related to risk exposures. This risk is being mitigated through the proper selection of securities. Company maintains diversified portfolio and performs regular monitoring of developments in related markets. In addition, the key factors that affect stock and sukuk market movements are monitored, including analysis of the operational and financial performance of investees.

The nature of the Company's exposure to market risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

i) Currency risk

Currency risk is the potential fluctuation of the value of a financial instrument due to changes in foreign exchange rates. All transactions are in Saudi Arabian Riyals and US Dollar. Given the peg of Saudi Arabian Riyals and US Dollars, foreign exchange risk is minimal.

ii) Interest rate risk

Interest rate risk is the potential change in the fair value of financial instruments and expected cash flows as a result of changes in interest rates. Management constantly monitors developments in global and local interest rates and accordingly allocates the durations of its term deposits and sukuk investments. Investments in term deposits and sukuk instruments have various maturities in order to maximise investment returns while ensuring that liquidity requirements are continuously met. Details of maturities of interest-bearing securities using discounted cashflows as at 31 December are as follows:

	31 December 2023			
	Less than 3 months	**3 months to 1 year**	**more than 1 year**	**Total**
	SAR'000			
Cash and cash equivalents`	**120,000**	**-**	**-**	**120,000**
Short term deposits	**-**	**233,267**	**-**	**233,267**
Investments carried at amortized cost	**-**	**503,050**	**-**	**503,050**
Total	**120,000**	**736,317**	**-**	**856,317**

	31 December 2022			
	Less than 3 months	3 months to 1 year	more than 1 year	Total
	SAR'000			
Cash and cash equivalents`	40,000	-	-	40,000
Short term deposits	-	231,240	-	231,240
Investments carried at amortized cost	-	447,952	-	271,240
Total	40,000	679,192	-	542,480

27 RISK MANAGEMENT (CONTINUED)

27.2 Financial risks (Continued)

b) Market risk (Continued)

iii) Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments or insurance contract assets and/or liabilities will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar contracts or financial instruments traded in the market. The Company's price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices.

Also, only the insurance contract liability portfolio of unit linked contracts with participating feature is exposed to price risk. However, this risk is offset by the underlying investment for unit linked contracts.

The Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on individual and total equity instruments.

The impact of hypothetical change of a 10% increase and 10% decrease in the market prices of investment in financial assets on Company's profit would be as follows:

	Fair value change	Effect on Company's profit SAR'000
31 December 2023	**+ 10%**	**34,231**
	- 10%	**(34,231)**
31 December 2022	+ 10%	30,383
	- 10%	(30,383)

This analysis was performed for reasonably possible movements in the market index with all other variables held constant. The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on individual basis. It should be noted that movements in these variables are non- linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

c) Operational risks

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

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

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company seeks to manage its credit risk with respect to customers by following the Company's credit control policy and monitoring outstanding receivables on an on-going basis in order to reduce the Company's exposure to bad debts. The management estimates specific impairment provisions on a case by case basis. In addition to specific provisions, the Company also makes an additional portfolio provision, estimated on a collective basis, based on the ageing profile of the future premiums cashflow. The Company seeks to limit its credit risk with respect to other counterparties by placing term deposits and investments with reputable financial institutions.

The following table shows the maximum exposure to credit risk by class of financial asset:

	31 December 2023	31 December 2022
	SAR '000'	
Cash and cash equivalents*	**440,570**	430,931
Short term deposits	**233,267**	231,240
Insurance contract assets	**5,292**	23,677
Reinsurance contract assets	**692,487**	701,738
Prepayment and other assets, net	**115,306**	107,425
Investments carried at amortized cost	**503,050**	447,952
Investments carried at fair value through OCI	**46,489**	42,708
Investments carried at fair value through P&L	**342,307**	303,834
Statutory deposit	**157,500**	157,500
Accrued commission on statutory deposit	**3,967**	31,648
	2,540,235	2,478,653

27 RISK MANAGEMENT (CONTINUED)

27.2 Financial risks (Continued)

d) Credit risk (Continued)

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit rating of counterparties. Investment grade ratings refers to companies with sound credit standing of AAA to BBB- (as per a reputable credit agency) and/or AAA to BAA3 (as per Moody's). Ratings below the mentioned threshold are considered sub-investment grade with a higher default risk.

	31 December 2023			
	Investment grade	Non investment grade		Total
		Not impaired	Impaired	
	SAR '000'			
Cash and cash equivalents`	440,570	-	-	**440,570**
Short term deposits	233,267	-	-	**233,267**
Insurance contract assets	-	5,292	-	**5,292**
Reinsurance contract assets	692,487	-	-	**692,487**
Prepayment and other assets, net	-	115,306	-	**115,306**
Investments carried at amortized cost	503,050	-	-	**503,050**
Investments carried at fair value through OCI	46,489	-	-	**46,489**
Investments carried at fair value through P&L	342,307	-	-	**342,307**
Statutory deposit	157,500	-	-	**157,500**
Accrued commission on statutory deposit	3,967	-	-	**3,967**
Total	**2,419,637**	**120,598**	-	**2,540,235**

	31 December 2022			
	Investment grade	Non investment grade		Total
		Not impaired	Impaired	
	SAR '000'			
Cash and cash equivalents`	430,931	-	-	430,931
Short term deposits	231,240	-	-	231,240
Insurance contract assets	-	23,677	-	23,677
Reinsurance contract assets	701,738	-	-	701,738
Prepayment and other assets, net	-	107,425	-	107,425
Investments carried at amortized cost	447,952	-	-	447,952
Investments carried at fair value through OCI	42,708	-	-	42,708
Investments carried at fair value through P&L	303,834	-	-	303,834
Statutory deposit	157,500	-	-	157,500
Accrued commission on statutory deposit	31,648	-	-	31,648
Total	2,347,551	131,102	-	2,478,653

28 SUPPLEMENTARY INFORMATION
STATEMENT OF FINANCIAL POSITION

	SAR '000								
	December 31, 2023			December 31, 2022 (restated)			January 01, 2022 (restated)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
ASSETS									
Cash and cash equivalents`	349,064	91,506	440,570	322,775	108,156	430,931	207,714	389,968	597,682
Short term deposits	-	233,267	233,267	-	231,240	231,240	-	50,000	50,000
Insurance contract assets	5,292	-	5,292	23,677	-	23,677	22,886	-	22,886
Reinsurance contract assets	692,487	-	692,487	701,738	-	701,738	1,004,023	-	1,004,023
Prepayment and other assets, net	103,921	11,385	115,306	91,706	15,719	107,425	395,273	5,929	401,202
Investments carried at amortized cost	-	503,050	503,050	-	447,952	447,952	20,000	320,019	340,019
Investments carried at fair value through OCI	-	46,489	46,489	-	42,708	42,708	-	37,970	37,970
Investments carried at fair value through P&L	-	342,307	342,307	-	303,834	303,834	10,789	308,770	319,559
Right of use assets, net	10,587	-	10,587	3,624	-	3,624	8,129	-	8,129
Property and equipment, net	21,270	30,000	51,270	18,766	30,000	48,766	16,464	30,000	46,464
Intangible assets, net	18,468	-	18,468	23,193	-	23,193	12,108	-	12,108
Statutory deposit	-	157,500	157,500	-	157,500	157,500	-	120,000	120,000
Investment in an associate	-	12,160	12,160	-	12,147	12,147	-	11,799	11,799
Deferred tax asset	-	7,286	7,286	-	-	-	-	-	-
Accrued commission on statutory deposit	-	3,967	3,967	-	31,648	31,648	-	28,158	28,158
Due from / to shareholders` / insurance operation	968,354	(968,354)	-	1,095,430	(1,095,430)	-	616,818	(616,818)	-
Goodwill	-	480,000	480,000	-	480,000	480,000	-	480,000	480,000
TOTAL ASSETS	2,169,443	950,563	3,120,006	2,280,909	765,474	3,046,383	2,314,204	1,165,795	3,479,999
LIABILITIES									
Accrued expenses and other liabilities	97,627	7,068	104,695	21,270	1,035	22,305	216,542	872	217,414
Insurance contract liabilities	1,997,838	-	1,997,838	2,228,263	-	2,228,263	1,901,780	-	1,901,780
Reinsurance contract liabilities	76,143	-	76,143	46,001	-	46,001	-	-	-
Accounts payable	104	-	104	338	-	338	196,905	-	196,905
Lease liability	10,878	-	10,878	3,633	-	3,633	8,534	-	8,534
Zakat & income tax	-	8,961	8,961	-	4,289	4,289	-	14,025	14,025
Deferred tax liability	-	-	-	-	3,188	3,188	-	2,438	2,438
Accrued commission income payable to IA	-	3,967	3,967	-	31,648	31,648	-	28,158	28,158
TOTAL LIABILITIES	2,182,590	19,996	2,202,586	2,299,505	40,160	2,339,665	2,323,761	45,493	2,369,254
EQUITY									
Share capital	-	1,050,000	1,050,000	-	1,050,000	1,050,000	-	1,050,000	1,050,000
Share premium	-	70,000	70,000	-	70,000	70,000	-	70,000	70,000
Statutory reserve	-	26,135	26,135	-	26,135	26,135	-	26,135	26,135
Accumulated losses	-	(257,129)	(257,129)	-	(458,601)	(458,601)	-	(61,731)	(61,731)
Re-measurement of defined benefit liability –	(13,147)	-	(13,147)	(18,596)	-	(18,596)	(9,557)	-	(9,557)
Fair values reserve on investments	-	41,561	41,561	-	37,780	37,780	-	35,898	35,898
TOTAL EQUITY	(13,147)	930,567	917,420	(18,596)	725,314	706,718	(9,557)	1,120,302	1,110,745
TOTAL LIABILITIES AND EQUITY	2,169,443	950,563	3,120,006	2,280,909	765,474	3,046,383	2,314,204	1,165,795	3,479,999

28 SUPPLEMENTARY INFORMATION (Continued)
STATEMENT OF INCOME

	December 31, 2023			December 31, 2022 (restated)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	SAR'000					
Insurance revenue	3,332,154	-	3,332,154	2,643,129	-	2,643,129
Insurance service expense	(3,022,240)	-	(3,022,240)	(2,906,416)	-	(2,906,416)
Net income from reinsurance contract held	(222,912)	-	(222,912)	(321,923)	-	(321,923)
Insurance service result	87,002	-	87,002	(585,210)	-	(585,210)
Investment income on financial assets at amortised cost	4,568	37,623	42,191	1,694	24,061	25,755
Unrealised gain on Investments at FVTPL	-	56,748	56,748	-	(15,771)	(15,771)
Dividend income	-	7,652	7,652	-	6,784	6,784
Impairment reversal / (loss) on financial assets	-	(152)	(152)	-	-	-
Net Investment income	4,568	101,871	106,439	1,694	15,074	16,768
Insurance finance expenses for insurance contracts issued	(22,476)	-	(22,476)	64,290	-	64,290
Reinsurance finance income for reinsurance contracts held	12,617	-	12,617	(8,589)	-	(8,589)
Net Insurance finance expense	(9,859)	-	(9,859)	55,701	-	55,701
Net insurance and financial result	81,711	101,871	183,582	(527,815)	15,074	(512,741)
Other income	24,144	-	24,144	106,691	-	106,691
Share of income form associate	-	3,773	3,773	-	3,920	3,920
General and admin expenses	-	(5,244)	(5,244)	-	(3,726)	(3,726)
Total other operating income	24,144	(1,471)	22,673	106,691	194	106,885
INCOME / (LOSS) BEFORE APPROPRIATION AND ZAKAT AND INCOME TAX	105,855	100,400	206,255	(421,124)	15,268	(405,856)
Shareholders' appropriation from income / (loss)	(95,270)	95,270	-	421,124	(421,124)	-
INCOME / (LOSS) AFTER APPROPRIATION AND BEFORE ZAKAT AND INCOME TAX	10,585	195,670	206,255	-	(405,856)	(405,856)
Zakat charge / reversal	-	(4,672)	(4,672)	-	9,736	9,736
Income tax charge	-	10,474	10,474	-	(750)	(750)
INCOME / (LOSS) FOR THE YEAR	10,585	201,472	212,057	-	(396,870)	(396,870)

STATEMENT OF COMPREHENSIVE INCOME

	December 31, 2023			December 31, 2022 (restated)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	SAR'000					
Net profit / (loss) for the year	10,585	201,472	212,057	-	(396,870)	(396,870)
Other comprehensive (loss) / income						
Item that will not be reclassified to statement of income in subsequent period						
-Re-measurement of employees end of service indemnities	5,449	-	5,449	(9,039)	-	(9,039)
-Net changes in fair value of investments measured at FVOCI – equity instruments	-	3,781	3,781	-	1,882	1,882
TOTAL COMPREHENSIVE INCOME / (LOSS)	5,449	3,781	9,230	(9,039)	1,882	(7,157)
Reconciliation:						
Less: Net income attributable to insurance operations and transferred to surplus distribution payable.	(10,585)	-	(10,585)	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	5,449	205,253	210,702	(9,039)	(394,988)	(404,027)

28 SUPPLEMENTARY INFORMATION (Continued)
STATEMENT OF CASHFLOW

	SAR '000					
	For the year ended					
	December 31, 2023			December 31, 2022 (restated)		
CASH FLOWS FROM OPERATING ACTIVITIES	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Net profit / (loss) for the year before zakat and income tax	-	195,670	195,670	-	(405,856)	(405,856)
Adjustments for non-cash items:						
Depreciation and amortization	15,952	-	15,952	13,418	-	13,418
Depreciation on right of use assets	8,914	-	8,914	7,895	-	7,895
Financial charges on lease liability	509	-	509	211	-	211
Net impairment loss on financial assets	-	152	152	-	-	-
Share of loss from associate	-	(3,773)	(3,773)	-	(3,920)	(3,920)
Provision for end of service benefits	7,956	-	7,956	-	-	-
Unrealised / realised gain on Investments at FVTPL	-	(56,748)	(56,748)	-	15,771	15,771
	33,331	135,301	168,632	21,524	(394,005)	(372,481)
Changes in operating assets and liabilities:						
Insurance contract assets	18,385	-	18,385	(791)	-	(791)
Reinsurance contract assets	9,251	-	9,251	302,285	-	302,285
Prepayment and other assets, net	(12,215)	4,334	(7,881)	303,567	(9,790)	293,777
Due from related parties	-	-	-	-		-
Insurance contract liabilities	(230,425)	-	(230,425)	326,483	-	326,483
Reinsurance contract liabilities	30,142	-	30,142	46,001	-	46,001
Accrued expenses and other liabilities	85,741	6,033	91,774	(195,272)	163	(195,109)
Accounts payable	(234)	-	(234)	(196,567)	-	(196,567)
Due from / to shareholders' / insurance operation	127,076	(127,076)	-	(478,612)	478,612	-
	61,052	18,592	79,644	128,618	74,980	203,598
Zakat and income tax paid	-	-	-	-	-	-
End-of-service benefits paid	(11,891)	-	(11,891)	(12,429)	-	(12,429)
Net cash generated from operating activities	49,161	18,592	67,753	116,189	74,980	191,169
CASH FLOWS FROM INVESTING ACTIVITIES						
Dividend from associate		3,760	3,760	-	3,572	3,572
Additions to investments carried at amortised cost	-	(113,433)	(113,433)	-	(290,457)	(290,457)
Additions to investments carried at FVTPL	-	(68,558)	(68,558)	-	(212,175)	(212,175)
Additions to investments carried at FVTOCI	-	-	-	-	(2,856)	(2,856)
Proceeds from disposal of investments carried at FVTPL	-	86,833	86,833	10,789	201,340	212,129
Proceeds from disposal of investments carried at amortised cost	-	58,183	58,183	20,000	162,524	182,524
Additions in property, equipment and intangible, net	(13,731)	-	(13,731)	(26,805)	-	(26,805)
Increase in statutory deposit	-	-	-	-	(37,500)	(37,500)
Proceeds from / (placements in) from short term deposits, net	-	(2,027)	(2,027)	-	(181,240)	(181,240)
Net cash (used in) investing activities	(13,731)	(35,242)	(48,973)	3,984	(356,792)	(352,808)
CASH FLOWS FROM FINANCING ACTIVITIES						
Lease liability	(9,141)	-	(9,141)	(5,112)	-	(5,112)
Net cash generated from financing activities	(9,141)	-	(9,141)	(5,112)	-	(5,112)
Net change in cash and cash equivalents	26,289	(16,650)	9,639	115,061	(281,812)	(166,751)
Cash and cash equivalents, beginning of the period	322,775	108,156	430,931	207,714	389,968	597,682
Cash and cash equivalents, end of the period	349,064	91,506	440,570	322,775	108,156	430,931

29 COMPARATIVE FIGURES

Certain prior period amounts or balances may have been reclassified to conform with the current presentation.

30 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors of the Company, on 8 Ramadan 1445H, corresponding to 18 March 2024.