

ARABIAN SHIELD COOPERATIVE INSURANCE COMPANY

A SAUDI JOINT STOCK COMPANY

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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COMPANY DETAILS

Chairman

HH Prince Naif Bin Sultan Bin Saud Al Kabeer

Vice Chairman

Mr. Sameer Al Wazzan

Board of Directors

HH Prince Naif Bin Sultan Bin Saud Al Kabeer

Mr. Sameer Al Wazzan

Mr. Abdallah Al Obeikan

Mr. Turki Al Mutawa

Mr. Mohammed Bin Ali

Mr. Raed Al Saif

Mr. Abdullah Al Meshal

Chief Executive Officer

Mr. Bassel Al Abdulkarim

Board Secretary

Mr. Abdulaziz Bin Saeed

Head Office

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PO Box 61352

Riyadh 11565

Saudi Arabia

Telephone + 966 11 250 5400

Website www.der3.com

Commercial Registration

CR No. 1010234323

Principal Bankers

The Saudi British Bank (SABB)

Riyadh, Saudi Arabia

Auditors

Dr. Mohamed Al-Amri & Co.
Member BDO International Limited
Riyadh, Saudi Arabia

Al Kharashi & Co.
Member Mazars
Riyadh, Saudi Arabia

Independent Auditors' Report on the Audit of the Financial Statements

To the Shareholders of Arabian Shield Cooperative Insurance Company (A Saudi Joint Stock Company)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arabian Shield Cooperative Insurance 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 IFRS Accounting Standards 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 requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the “Code”), that are relevant to our audit of the Company’s financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code’s requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 period. 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.

Independent Auditors' Report on the Audit of the Financial Statements

To the Shareholders of Arabian Shield Cooperative Insurance Company (A Saudi Joint Stock Company) (Continued)

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of Insurance Contract assets and Liabilities, and Reinsurance Contract Assets and Liabilities</p> <p>Insurance contract assets/liabilities and reinsurance contract assets/liabilities as at 31 December 2023 involve:</p> <p>➤ Complex accounting requirements, including the inputs, assumptions, estimates and techniques used for contract assets and liabilities and measuring components of insurance contract assets and liabilities that include:</p> <ul style="list-style-type: none"> - The estimate of future cash flows within the asset and liability for remaining coverage and asset and liability for incurred claims. - Discounting applied to the estimates of future cash flows to reflect the time value of money and financial risk. - Estimation of the non-financial risk adjustment. - Contractual service margin (CSM), loss component, and loss recovery component. - Asset and liability for remaining coverage for contracts measured under PAA. 	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Understand, evaluated and tested key controls around the claims and premium administration and valuation of technical insurance reserves; • Engaged our actuarial specialists to assess the methodology and reasonableness of the key assumptions and judgments used by the management in determining the technical insurance reserves; • Evaluated the competence, capabilities and objectivity of the management's actuarial expert based on their professional qualifications and experience and assess their independence; • Performed substantive tests, on a sample basis, on the amounts recorded for claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation; • Tested and reconciled key data inputs into the IFRS 17 engine with primary insurance data and reconciled IFRS 17 engine output numbers to the financial statements and actuarial reports; • Inspected the reconciliation between investments held to cover unit-linked liabilities and the unit reserves; and

Key Audit Matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> ➤ Susceptibility to management bias and estimation uncertainty when making judgements to determine insurance contract liabilities; and ➤ Complex disclosure requirements. 	<ul style="list-style-type: none"> • Assessed the adequacy and appropriateness of disclosures made in the financial statements.
<p>Adoption of IFRS 17 and IFRS 9</p> <p>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 (IFRS4) 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 group of insurance contracts.</p> <p>The adoption of IFRS 17 resulted in a transition adjustment to the Company's equity as at 1 January 2022 amounting to SAR 22.4 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.</p> <p>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.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • 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 grouping 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. • Evaluated and assessed management’s conclusion regarding the Company’s business model for different portfolios of investments and appropriateness of the Company’s determination of ECL under IFRS 9. • Assessed the adequacy of the transition adjustments impact for IFRS 17 and IFRS 9 on the opening retained earnings as at 1 January 2022.

Key Audit Matter	How our audit addressed the key audit matter
<p>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 1 January 2022 amounting to SAR 43.8 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.</p> <p>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.</p> <p>Refer to note 3 (i), (ii) and (iii) for accounting policy and significant accounting judgements, estimates and assumptions adopted by the Company. The impact of transition is explained in note 4 to the financial statements.</p>	<ul style="list-style-type: none"> 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.
<p>Impairment of Goodwill</p> <p>The carrying value of the Company's goodwill amounted to SAR 369 million as of 31 December 2023 (2022: SAR 365 million).</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> Obtained an understanding of management's process and the methodology for the impairment assessment of goodwill;

Key Audit Matter	How our audit addressed the key audit matter
<p>Management engaged an independent expert to carry out an impairment exercise as at 31 December 2023 in respect of goodwill by determining a recoverable amount based on the value-in-use derived from a discounted cashflow model, which was based on the most recent business plan prepared by the management.</p> <p>We considered the impairment assessment of goodwill as a key audit matter due to significant judgments and assumptions made by the management in determining the appropriate carrying values.</p> <p>The Company's principal accounting policy on goodwill is on page 38 and the critical accounting estimates and judgements on impairment are on page 23.</p>	<ul style="list-style-type: none"> Assessed the methodology applied in independent expert's report and the conclusions reached therein; Evaluated the competence, capabilities and objectivity of the management's external expert based on their professional qualifications and experience and assessed their independence; Involved our specialists for assessing the reasonableness of the key assumptions used in the value-in-use (VIU) calculations; and Assessed the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards.

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. Management is responsible for the other information. 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 do 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.

Independent Auditors' Report on the Audit of the Financial Statements

To the Shareholders of Arabian Shield Cooperative Insurance Company (A Saudi Joint Stock Company) (Continued)

Responsibilities of Management and Those Charged with the Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA, the applicable requirements of the Regulations for Companies, and the Company's By-laws, and for such internal control as management 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e., the Company's Board of Directors, 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 are 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 the

Independent Auditors' Report on the Audit of the Financial Statements

To the Shareholders of Arabian Shield Cooperative Insurance Company (A Saudi Joint Stock Company) (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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.
- 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, related safeguards.

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 the key audit matters. We describe these matters in our auditor's report unless law or

Independent Auditors' Report on the Audit of the Financial Statements

**To the Shareholders of Arabian Shield Cooperative Insurance Company
(A Saudi Joint Stock Company) (Continued)**

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

regulation precludes 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.

**For Dr. Mohamed Al-Amri
& Co.**
P. O. Box 8736
Riyadh 11491
Kingdom of Saudi Arabia

Maher AL-Khatieb
Partner
Registration No. 514

For AlKharashi & Co.
**Certified Accountants and
Auditors**
P. O. Box 8306
Riyadh 11482
Kingdom of Saudi Arabia

Abdullah S. Al Msned
Partner
Registration No. 456



Date: 24 March 2024
Corresponding to: 14 Ramadan 1445



	Note	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Assets				
Cash and cash equivalents	10	160,971	146,733	365,754
Insurance contract assets	5	44	266	0
Reinsurance contract assets	5	421,725	224,163	149,184
Prepayments and other receivables	12	84,099	24,727	10,866
Due from shareholders'/insurance operations		191,159	59,159	16,619
Investments	11	1,499,284	1,022,486	361,473
Investment for unit linked contracts	11 & 11(f)	664,217	557,968	0
Statutory deposit	25	79,815	63,852	40,000
Accrued income on statutory deposit	25	3,659	6,781	3,134
Right of use assets	13	1,845	0	0
Property and equipment, net	14	5,999	5,978	2,713
Intangible assets	15	49,979	43,711	10,667
Goodwill	16 & 32	368,755	364,948	46,794
Total assets		3,531,551	2,520,772	1,007,204
Liabilities and equity				
Liabilities				
Insurance contract liabilities	5	1,535,772	1,084,348	298,794
Reinsurance contract liabilities	5	2,954	896	100
Accrued expenses and other liabilities	17	157,766	92,643	77,596
Due to shareholders' / insurance operations		191,159	59,159	16,619
Provision for zakat and income tax	17 & 22	56,853	50,714	40,716
Lease liabilities	17	1,752	0	0
Accrued income payable to Insurance Authority (IA)	25	3,659	6,781	3,134
Provision for end-of-service benefits (EOSB)	17 & 23	20,861	12,165	10,207
Policyholders' surplus distribution payable		31,784	28,894	5,120
Total liabilities		2,002,560	1,335,600	452,286
Equity				
Share capital	24	798,153	638,525	400,000
Share premium		478,473	355,879	0
Statutory reserve	26	40,518	31,681	26,097
Retained earnings		160,665	121,228	95,481
Fair value reserve for FVOCI investments		52,995	39,277	36,100
Total shareholders' equity		1,530,804	1,185,590	557,678
Re-measurement of EOSB related to insurance operations		(1,813)	(1,418)	(2,760)
Total equity		1,528,991	1,185,172	554,918
Total liabilities and equity		3,531,551	2,520,772	1,007,204



Mohammed Atef Abdullatif

CFO



Bassel Abdullah Abdulkarim

CEO

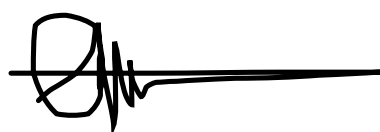


Mohammed Ahmed bin Ali

Board Member, Chairman of Audit Committee

The accompanying notes 1 to 34 form an integral part of these financial statements.

	Notes	2023	Restated 2022
Insurance revenue	6	1,145,711	918,720
Insurance service expense	6	(1,017,142)	(824,186)
Insurance service result before reinsurance contracts held		128,569	94,534
Allocation of reinsurance premiums	6	(332,080)	(316,137)
Amounts recoverable from reinsurers for incurred claims	6	226,369	212,900
Net expense from reinsurance contracts held		(105,711)	(103,237)
Insurance service result		22,858	(8,703)
Investment income	27	23,534	20,060
Interest revenue calculated using the effective interest method for debt securities measured at amortized cost	27	38,552	16,086
Net credit impairment losses (or reversal of those losses) on financial assets		(555)	120
Net investment income		61,531	36,266
Net finance income from insurance contracts issued	7	11,007	0
Net finance (expenses) / income from reinsurance contracts held	7	(5,050)	417
Net insurance finance income		5,957	417
Net insurance and investment result		90,346	27,980
Other expenses			
Non-attributable expenses	9	(21,604)	(24,693)
Total other expenses		(21,604)	(24,693)
Income before surplus, zakat and income tax		68,742	3,287
Attributable to Insurance Operations		(3,606)	(2,881)
Net income for the year attributable to the shareholders before zakat & tax		65,136	406
Provision for zakat	22	(20,600)	(18,492)
Provision for tax	22	(348)	(139)
Net income / (loss) for the year attributable to the shareholders after zakat & tax		44,188	(18,225)
Earnings / (loss) per share (expressed in SAR per share)		0.67	(0.29)
Weighted average number of ordinary outstanding shares (in 'thousands)		66,039	63,134



Mohammed Atef Abdullatif

CFO



Bassel Abdullah Abdulkarim

CEO

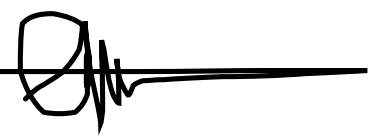


Mohammed Ahmed bin Ali


Board Member, Chairman of Audit Committee

The accompanying notes 1 to 34 form an integral part of these financial statements.

	Notes	2023	Restated 2022
Total income/ (loss) for the year attributable to the shareholders		44,188	(18,225)
Other comprehensive income/ (loss):			
<i>Items that may be reclassified to the statement of income in subsequent years</i>			
Net changes in fair value of investments measured at FVOCI – debt instruments		3,188	5,496
<i>Items that will not be reclassified to the statement of income in subsequent years</i>			
Net changes in fair value of investments measured at FVOCI – equity instruments		14,616	1,971
Re-measurement (loss) / gain on defined benefit obligations	23.2	(395)	1,342
Total comprehensive income/(loss) for the year		61,597	(9,416)

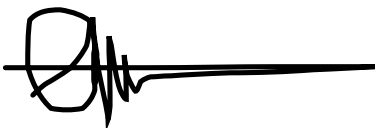

Mohammed Atef Abdullatif
CFO


Bassel Abdullah Abdulkarim
CEO


Mohammed Ahmed bin Ali
Board Member, Chairman of Audit Committee

The accompanying notes 1 to 34 form an integral part of these financial statements.

2023	Notes	Share Capital	Share Premium	Statutory Reserve	Retained Earnings	Fair value reserve for investments	Total Shareholders' Equity	Re-measurement of EOSB obligations	Total Equity
Balance as at 01 January 2023, Restated		638,525	355,879	31,681	121,228	39,277	1,186,590	(1,418)	1,185,172
Comprehensive income/ (loss) for the year:									
Total income/ (loss) for the year attributable to the shareholders					44,188	-	44,188	-	44,188
Re-measurement gain/ (loss) on defined benefit obligations					-	-	-	(395)	(395)
Unrealized changes in fair value of investments measured at FVOCI, net	11(b)				-	17,804	17,804	-	17,804
Total comprehensive income/ (loss) for the year attributable to shareholders					44,188	17,804	61,992	(395)	61,597
Disposal of investments measured at FVOCI – equity instruments	11(b)	-	-	-	4,086	(4,086)	-	-	0
Issuance of share capital	32	159,628	-	-	-	-	159,628	-	159,628
Issuance of share premium	32	-	122,594	-	-	-	122,594	-	122,594
Transfer to statutory reserve		-	-	8,837	(8,837)	-	0	-	0
Balance as at 31 December 2023		798,153	478,473	40,518	160,665	52,995	1,530,804	(1,813)	1,528,991



Mohammed Atef Abdullatif
CFO



Bassel Abdullah Abdulkarim
CEO



Mohammed Ahmed bin Ali
Board Member, Chairman of Audit Committee

The accompanying notes 1 to 34 form an integral part of these financial statements.

2022	Notes	Share Capital	Share Premium	Statutory Reserve	Retained Earnings	Fair value reserve for investments	Total Shareholders' Equity	Re-measurement of EOSB obligations	Total Equity
Balance as at 31 December 2021 - (Audited)		400,000	-	26,097	64,386	990	491,473	(2,760)	488,713
Transition impact IFRS-17		-	-	-	22,357	-	22,357	-	22,357
Transition impact IFRS- 9		-	-	-	8,738	35,110	43,848	-	43,848
Balance as at 01 January 2022, Restated		400,000	0	26,097	95,481	36,100	557,678	(2,760)	554,918
Transition adjustment on initial application of IFRS 17 (ATC Acquisition Impact)					45,266	-	45,266	-	45,266
Comprehensive income/ (loss) for the year:									
Total income/ (loss) for the year attributable to the shareholders					(18,225)	-	(18,225)	-	(18,225)
Re-measurement gain/ (loss) on defined benefit obligations					-	-	-	1,342	1,342
Net amounts transferred to retained earnings on derecognition of investments measured at FVOCI – debt instruments	11(b)				-	986	986	-	986
Unrealized changes in fair value of investments measured at FVOCI, net	11(b)				-	6,481	6,481	-	6,481
Total comprehensive income/ (loss) for the year attributable to shareholders					(18,225)	7,467	(10,758)	1,342	(9,416)
Disposal of investments measured at FVOCI – equity instruments	11(b)	-	-	-	4,290	(4,290)	0	-	0
Issuance of share capital	32	238,525	-	-	-	-	238,525	-	238,525
Issuance of share premium	32	-	355,879	-	-	-	355,879	-	355,879
Transfer to statutory reserve		-	-	5,584	(5,584)	-	0	-	0
Balance as at 31 December 2022		638,525	355,879	31,681	121,228	39,277	1,186,590	(1,418)	1,185,172



Mohammed Atef Abdullatif
CFO



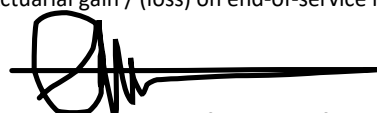
Bassel Abdullah Abdulkarim
CEO



Mohammed Ahmed bin Ali
Board Member, Chairman of Audit Committee

The accompanying notes 1 to 34 form an integral part of these financial statements.

	Notes	2023	Restated 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year attributable to the shareholders before zakat & tax		65,136	406
Adjustments for non-cash and non-operating items:			
Depreciation of property and equipment	14	2,649	2,262
Amortization of intangible assets	15	7,595	6,539
Amortization of right of use assets	13	144	0
Investment income		(23,507)	(19,984)
Interest revenue calculated using the effective interest method for debt securities measured at amortized cost		(33,722)	(11,077)
Net credit impairment losses (or reversal of those losses) on financial assets		552	68
Provision for end-of-service indemnities	23.2	3,612	2,734
Changes in operating assets and liabilities:			
Insurance contract assets		260	19,650
Insurance contract liabilities		6,724	17,492
Reinsurance contract assets		18,128	21,612
Reinsurance contract liabilities		959	(36,493)
Investment for unit linked contracts		9,167	118,164
Prepayments and other assets		(21,393)	1,710
Accrued expenses and other liabilities		31,497	(17,440)
Policyholders' surplus		3,606	2,881
Payments:			
End-of-service indemnities paid	23.2	(2,358)	(2,896)
Surplus paid to policyholders		(1,916)	(1,677)
Zakat and income tax paid	22	(18,713)	(18,561)
Net cash generated from operating activities		48,420	85,390
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in investments excluding unit-linked investments		(772,233)	(444,644)
Proceeds from disposal of investments excluding unit-linked investments		711,065	90,747
Commission income received		22,228	6,454
Dividend income received		10,561	10,090
Additions in intangible assets	15	(6,848)	(4,509)
Additions in property and equipment	14	(2,369)	(2,260)
Proceeds from disposal of property and equipment		0	87
Cash & cash equivalent acquired through business combination	32	19,369	63,476
Increase in Statutory deposit		(15,963)	(23,852)
Net cash (used in) investing activities		(34,190)	(304,411)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability paid		8	0
Net cash used in financing activities		8	0
Net change in cash and cash equivalents		14,238	(219,021)
Cash and cash equivalents, beginning of the year		146,733	365,754
Cash and cash equivalents, end of the year		160,971	146,733
NON-CASH INFORMATION			
Net change in unrealised fair value of financial assets at FVOCI		17,804	7,467
Actuarial gain / (loss) on end-of-service indemnities		(395)	1,342



Mohammed Atef Abdullatif

CFO



Bassel Abdullah Abdulkarim

CEO



Mohammed Ahmed bin Ali

Board Member, Chairman of Audit Committee

The accompanying notes 1 to 34 form an integral part of these financial statements.

1. GENERAL

Arabian Shield Cooperative Insurance Company ("Company") is a Saudi Joint Stock Company incorporated in Riyadh, Saudi Arabia through Ministerial Resolution issued on 19 May 2007 with Commercial Registration No. 1010234323 issued on 13 June 2007 following on from Royal Decree No. M60 dated 18 Ramadan 1427 corresponding to 11 October 2006. The Commercial Registration Certificate was amended with effect from 12 August 2021 to reflect the increase in share capital following the bonus share issue. The Company was listed on the Saudi Stock Exchange (Tadawul) on 26 June 2007. The registered address of the head office is as follows: 5th Floor, Cercon Building No. 15, Olaya Street, PO Box 61352, Riyadh 11565, Saudi Arabia.

The principal activities for which the Company was licensed were the conducting of insurance and reinsurance business in general and medical classes in Saudi Arabia in accordance with License No. TMN/6/20079 issued on 11 September 2007 by Insurance Authority and the License was renewed for three year periods on 10 August 2010, 07 July 2013, 03 June 2016, 28 January 2020, and 27 October 2022. Insurance Authority gave approval to the Company to conduct business in the protection and savings class on 26 April 2018. At the Company's request, Insurance Authority approved an amendment to the License to exclude reinsurance business with effect from 30 September 2013.

As per the Articles of Association ("Articles"), the Company may undertake all activities required to transact cooperative insurance operations and related activities and to invest its funds. Its principal lines of business include motor, medical, marine, property, engineering, casualty and protection and savings.

The insurance industry in Saudi Arabia is regulated by the Law on Supervision of Cooperative Insurance Companies ("Cooperative Insurance Law") together with the Implementing Regulations ("Implementing Regulations") promulgated by Royal Decree No. M32 dated 22 Jumad Thani 1424 corresponding to 21 August 2003. Supervision is under the auspices of the Saudi Central Bank ("Insurance Authority" or "Regulator").

In accordance with the Implementing Regulations, within six months from the date of publication of the annual financial statements each year, the Board of Directors approve the distribution of the surplus from insurance operations as follows:

- The shareholders of the Company receive 90% of the surplus from insurance operations including any surplus from investment activities of the policyholders' invested funds and the policyholders retain the remaining 10%.
- Any deficit arising on insurance operations is transferred to shareholders' operations in full.

The Company and its shareholders own and retain custody of all net assets related to both insurance operations and shareholders' operations and funds are allocated to insurance operations as required.

The fiscal year of the Company runs from 1 January to 31 December.

Cooperative insurance operations commenced with effect from 1 January 2009 following acquisition of the insurance portfolio and related business, assets and liabilities from Arabian Shield Insurance Company EC.

During the year, the share capital increased from 638,525 to 798,153 by issuing 15,962,833 new shares to acquire Alinma Tokio Marine Co. (refer to Note 5 & 32).

2. BASIS OF PREPARATION

(a) Statement of Compliance

These financial statements of the Company for the year ended 31 December 2023, have been prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and in compliance with Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Company.

This is the annual first set of the Company's financial statements in which IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" as endorsed in the Kingdom of Saudi Arabia have been applied and the resultant changes to the significant accounting policies are described in note 3.

The Company's statement of financial position is presented in order of liquidity but not using current / non-current classification. However, except for property and equipment, intangible assets, statutory deposit, accrued income on statutory deposit, some components of investments (measured at amortized cost, investments measured at FVOCI, long-term deposits), goodwill, right of use assets, lease liabilities, end-of-service indemnities and accrued commission income payable to Insurance Authority (IA), all other assets and liabilities are of short-term nature, unless, stated otherwise.

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

The statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 30 of the financial statements have been provided as supplementary financial information to comply with the requirements of the Insurance Implementing Regulations and is not required under IFRSs. The implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention, except for the measurement of investments carried at fair value through profit or loss (FVTPL) and investments carried at fair value through other comprehensive income (FVOCI), defined benefits obligation recorded at the present value using the projected unit credit method and liability of incurred claims (LIC) and assets for incurred claims (AIC) recorded at the present value at the current discount rates.

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 unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

(c) Functional & presentation currency

Amounts in these financial statements are expressed in Saudi Arabian Riyals (SAR) and are rounded off to the nearest thousands except where otherwise mentioned. Saudi Arabian Riyals (SAR) is the functional currency of the Company as well.

(d) Seasonality of operations

There are no seasonal changes that may affect the insurance operations of the Company.

(e) Critical accounting judgments, estimates and assumptions

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

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Following are the accounting judgments and estimates that are critical in preparation of these financial statements:

Insurance and reinsurance contracts

i. PAA Eligibility Assessment

The Company carried out the eligibility assessment for Premium Allocation Approach in 2023 and concluded that all insurance and reinsurance portfolios are PAA Eligible except for Individual Life. The PAA Eligibility test will be repeated going forward in the event of significant external or internal changes impacting the Company's product mix, product strategy or invalidating the assumptions used in the PAA eligibility test.

ii. Liability for remaining coverage

Acquisition cash flows

For insurance acquisition cash flows, the Company is eligible to recognize the payments as an expense immediately (coverage period of a year or less). However, the Company has opted to capitalize the insurance acquisition cash flows.

The effect of recognizing insurance acquisition cash flows as an expense on initial recognition of group of insurance contracts is to increase the liability for remaining coverage on initial recognition and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on initial recognition, due to expensing acquisition cash flows, offset by an increase in profit released over the coverage period.

Significant financing component

The Company has assessed its Liability for Remaining Coverage (LRC) and Assets for remaining coverage (ARC) and concluded that no significant financing component exists within LRC and ARC respectively. Therefore, the Company has not adjusted the carrying amount of the LRC and ARC to reflect the time value of money and the effect of financial risk using the discount rates.

Expected premium receipts adjustment

Insurance revenue will be adjusted with the amounts of expected premium receipts adjustment calculated on premiums not yet collected as of the date of the statement of financial position. The computation is performed using IFRS 9 simplified approach to calculate Expected Credit Loss (ECL) allowance. The corresponding impact of this adjustment is recorded in the LRC.

iii. Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in 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, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

Other key circumstances affecting the reliability of assumptions include variation in interest rates and delays in settlement.

iv. Onerosity determination

For contracts measured under GMM and VFA, 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.

For contracts measured under PAA, the Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

The Company also considers facts and circumstances to identify whether a group of contracts are onerous based on the following key inputs:

- Pricing information: Underwriting combined ratios and price adequacy ratios. This input is most relevant for the Medical insurance portfolio;
- Historical combined ratio of similar and comparable sets of contracts for Motor and P&C portfolios in particular;
- Any relevant inputs from underwriters;
- Other external factors such as inflation and change in market claims experience or change in regulations; and
- For subsequent measurement, the Company also relies on the same group of contracts' weighted actual emerging experience.

The outcome of the above-mentioned points is then discussed with the Profitability Assessment Committee (the "Committee") which is chaired by the CFO and includes other relevant stakeholders as members. The objective of the Committee is to formulate the management's view of the profitability of new and in-force contracts. The Committee, based on aforementioned inputs, classifies all new contracts as either onerous or profitable and produces the estimated combined loss ratio. For existing contracts, the Committee also produces a view of the combined ratio for such contracts. The expected combined loss ratio is then fed into the loss component and loss recovery component calculation.

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 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 and overheads 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. Estimates of future cash flows

The Company primarily uses deterministic projections to estimate the present value of future cash flows.

The following assumptions were used when estimating future cash flows:

Mortality and morbidity rates (insurance risk and reinsurance business)

Assumptions are based on rate tables provided by the reinsurers. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. Assumptions are differentiated by policyholder gender. An increase in expected mortality and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Company.

Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the expected level of expenses will reduce future expected profits of the Company.

The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics.

Lapse and surrender rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends.

vii. Discount rates

The bottom-up approach was used to derive the discount rate for the future cash flows. Under this approach, the discount rate is determined as the risk-free yield adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an illiquidity premium). Management uses judgement to assess liquidity characteristics of the liability cash flows.

The yield curves that were used to discount the estimates of future cash flows are as follows:

Insurance contracts issued	Curr	1	5	10	20	30	1	5	10	20	30
		year	years	years	years	years	year	years	years	years	years
Life Insurance	SAR	6.26%	4.71%	4.99%	4.68%	4.30%	5.59%	4.07%	4.33%	3.64%	2.64%
General	SAR	6.26%	4.71%	4.99%	4.68%	4.30%	5.59%	4.07%	4.33%	3.64%	2.64%

Reinsurance contracts held	Curr	1	5	10	20	30	1	5	10	20	30
		year	years	years	years	years	year	years	years	years	years
Life Insurance	SAR	6.26%	4.71%	4.99%	4.68%	4.30%	5.59%	4.07%	4.33%	3.64%	2.64%
General	SAR	6.26%	4.71%	4.99%	4.68%	4.30%	5.59%	4.07%	4.33%	3.64%	2.64%

viii. Risk adjustment for non-financial risk

Risk adjustment reflects the compensation that is required for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

The Company has elected to apply the Value at Risk (VaR) method in line with Solvency II framework for the determination of the Risk Adjustment. The method is structured around particular modules of the standard formula of the Solvency II framework with some modifications to account for the unique characteristics of the Company and requirements of the standard. The risk adjustment is calibrated to reflect the 75th percentile confident level. □

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

ix. Amortization of the Contractual Service Margin

Under GMM/ VFA approach, the CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Company will recognize as it provides services in the future. The amount of the CSM for a group of insurance contracts is recognized in the statement of income as insurance revenue in each period to reflect the services provided under the group of insurance contracts in that period. The amount is determined by:

Identifying the coverage units in the group

Allocating the CSM at the end of the period (before recognizing any amounts in statement of income to reflect the services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future

Recognizing in statement of income the amount allocated to coverage units provided in the period.

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, which the Company determines by considering the quantity of the benefits provided and the expected coverage duration. For groups of life insurance contracts, the quantity of benefit is the contractually agreed sum insured over the duration of the contracts. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. The Company then allocates them based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts held, the CSM amortization is similar to the reinsurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force.

x. Sensitivities on major assumptions considered while applying IFRS 17

The sensitivity analysis is done to evaluate 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 nonlinear.

The sensitivity analysis performed during the year and has been presented under Note 29.

xi. Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios, and the relevant inputs used.

xii. Recognition of Deferred Tax Assets

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither the accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; these reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

xiii. Impairment of Non-Financial Assets and CGUs Containing Goodwill

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than insurance and reinsurance contract assets, investment property, intangible assets, deferred tax assets and employee benefit assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The Company's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. Impairment losses recognized for a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies applied in the preparation of these financial statements are summarized below.

i) New IFRS Standards, IFRIC interpretations and amendments thereof, adopted by the Company

The Company has applied following standards/IFRIC 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:

- IFRS 17 "Insurance Contracts"
- IFRS 9 "Financial Instruments"

The nature and effects of the key changes in the Company's accounting policies prepared for IFRS 9 and 17 are summarized below:

ii) IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Company has restated comparative information for 2022 applying the transitional provisions in to IFRS 17. The nature of the changes in accounting policies can be summarized, as follows:

Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts. IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

Under IFRS 17, the Company's insurance contracts issued, and reinsurance contracts held are eligible to be measured by applying the PAA except individual life insurance contracts on which VFA has been applied. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

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

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognized in revenue for insurance services provided. [In case, the company is expensing the acquisition costs],
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision)
- Measurement of the liability for incurred claims (previously claims outstanding, incurred-but-not-reported (IBNR) claims and other technical reserves, claims payable and surplus distribution) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

The Company capitalizes insurance acquisition cash flows for all product lines. The Company allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognized applying another IFRS standard) before the related group of insurance contracts is recognized, an asset for insurance acquisition cash flows is recognized. When insurance contracts are recognized, the related portion of the asset for insurance acquisition cash flows is derecognized and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.

Changes to presentation and disclosure

For presentation in the statement of financial position, the Company aggregates the following line items as presented in previous statement of financial positions:

- Premiums and reinsurers' receivable – net
- Reinsurers' share of unearned premiums
- Reinsurers' share of outstanding claims
- Reinsurers' share of claims incurred but not reported
- Reinsurers' share of mathematical reserves
- Deferred policy acquisition costs
- Certain balances from Prepaid and other assets
- Policyholders claims payable
- Reinsurers' balances payable
- Unearned premiums
- Unearned reinsurance commission
- Outstanding claims
- Claims incurred but not reported
- Gross mathematical reserves
- Additional premium reserves
- Other technical reserves
- Certain balances from Accrued and other liabilities

The above-mentioned line items have been merged into insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately as follows:

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

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements. Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line-item descriptions in the statement of profit or loss and other comprehensive income have changed significantly compared with last year.

Previously, the Company reported the following line items:

- Gross premium written
- Reinsurance premiums ceded – local
- Reinsurance premiums ceded – international
- Other underwriting income
- Changes in unearned premiums – net
- Gross claims paid
- Surrenders and Maturities
- Reinsurer's share of claims paid
- Changes in outstanding claims
- Changes in claims incurred but not reported
- Changes in premium deficiency reserve
- Changes in claims handling reserves
- Reinsurance share of changes in outstanding claims
- Reinsurance share of changes in claims incurred but not reported
- Changes in reserves for takaful activities
- Changes in unit linked reserves
- Policy acquisition costs
- Other underwriting expenses
- 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 reinsurers for incurred claims
- Finance income/(expenses) from insurance contracts issued
- Finance income/(expenses) from reinsurance contracts held

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognized in its financial statements from insurance and reinsurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

Transition

On transition date, 1 January 2022, the Company:

- Has identified, recognized, and measured each group of insurance contracts as if IFRS 17 had always applied
- Has identified, recognized, and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed, and no impairment loss was
- Derecognized any existing balances that would not exist had IFRS 17 always applied
- Recognized any resulting net difference in equity

Definition and classification

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. 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 Company uses judgement to assess whether a contract transfers insurance risk (i.e., 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.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. Some investment contracts without DPF issued by the Company fall under this category.

Some investment contracts issued by the Company contain discretionary participation feature (DPF), whereby the investor has the right and is expected to receive, as a supplement to the amount not subject to the Company's discretion, potentially significant additional benefits based on the return of specified pools of investment assets. The Company accounts for these contracts under IFRS 17

The Company issues certain insurance contracts that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders. The Company's policy is to hold such investment assets.

An insurance contract with direct participation features is defined by the Company as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholders participate in a share of a clearly identified pool of underlying items;
- the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Investment components in Savings and Participating products comprise policyholder account values less applicable surrender fees.

The Company uses judgement to assess whether the amounts expected to be paid to the policyholders constitute a substantial share of the fair value returns on the underlying items.

Insurance contracts with direct participation features are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the Company's share of the fair value of the underlying items, which is based on a fixed percentage of investment management fees (withdrawn annually from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders) less the FCF that do not vary based on the returns on underlying items. The measurement approach for insurance contracts with direct participation features is referred to as the VFA.

The VFA modifies the accounting model in IFRS 17 (referred to as the GMM) to reflect that the consideration an entity receives for the contracts is a variable fee.

Direct participating contracts issued by the Company are contracts with direct participation features where the Company holds the pool of underlying assets and accounts for these Groups of contracts under the VFA.

Fair Value Gains on Unit-Linked Investments: In accordance with our accounting policies, fair value gains on unit-linked investments have been included within the "Finance expenses from insurance contracts issued" section of the statement of income. These gains are directly related to insurance contracts issued and may not represent realized gains on investments. Their presentation aims to provide a more comprehensive view of our financial performance.

All other insurance contracts originated by the Company are without direct participation features.

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

All references to insurance contracts in these financial statements apply to insurance contracts issued or acquired, reinsurance contracts held and investment contracts with DPF, unless specifically stated otherwise.

Unit of account

The Company manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into Groups of contracts that are issued within a calendar year (annual cohorts) and are:

- contracts that are onerous at initial recognition
- contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
- a Group of remaining contracts. These Groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Such Groups are not subsequently reconsidered.

For each portfolio of contracts, the Company determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same Group without performing an individual contract assessment.

For life risk and savings product lines, sets of contracts usually correspond to policyholder pricing Groups that the Company determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Company monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of these pricing Groups with no information available at a more granular level.

Contracts issued within participating product lines are always priced with high expected profitability margins, and thus, such contracts are allocated to Groups of contracts that have no significant possibility of becoming onerous at the time of initial recognition.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of

- contracts for which there is a net gain at initial recognition, if any;
- contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and
- remaining contracts in the portfolio, if any.

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

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct non-insurance services.

The Company applies IFRS 17 to all remaining components of the contract. The Company does not have any contracts that require further separation or combination of insurance contracts.

Recognition

Groups of insurance contracts issued are initially recognized from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Company determines that a Group of contracts becomes onerous.

Insurance contracts acquired in a business combination, or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

Investment contracts with DPF are initially recognized at the date the Company becomes a party to the contract.

A Group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) is recognized at the later of:

- the beginning of the coverage period of the group; or
- the initial recognition of any underlying insurance contract.

The Company does not recognize a group of quota share reinsurance contracts held until it has recognized at least one of the underlying insurance contracts.

A Group of reinsurance contracts held that covers aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) is recognized at the beginning of the coverage period of that Group.

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

Contract modification and derecognition

An insurance contract is derecognized when it is:

- extinguished (i.e., when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified, and certain additional criteria are met.

When an insurance contract is modified by the Company as a result of an agreement with the counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Company derecognizes the original contract and recognizes the modified contract as a new contract if any of the following conditions are present:

- a. if the modified terms had been included at contract inception and the Company would have concluded that the modified contract:
 - i. is not in scope of IFRS 17;
 - ii. results in different separable components;
 - iii. results in a different contract boundary; or
 - iv. belongs to a different group of contracts;
- b. the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
- c. the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When an insurance contract not accounted for under the PAA is derecognized from within a Group of insurance contracts, the group:

- a. Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the Group.
- b. Adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the Group) in the following manner, depending on the reason for the derecognition:
 - i. If the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service.
 - ii. If the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party.
 - iii. If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in a. adjusted for the premium the Company would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognizing the new contract in this case, the Company assumes such a hypothetical premium as actually received.
- c. Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognized, adjustments to the FCF to remove relating rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- a. if the contract is extinguished, any net difference between the derecognized part of the LRC of the original contract and any other cash flows arising from extinguishment;
- b. if the contract is transferred to the third party, any net difference between the derecognized part of the LRC of the original contract and the premium charged by the third party;
- c. if the original contract is modified resulting in its derecognition, any net difference between the derecognized part of the LRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

Fulfilment cash flows

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a Group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- a. are based on a probability weighted mean of the full range of possible outcomes.
- b. are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
- c. reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the Groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Risk of the Company's non-performance is not included in the measurement of Groups of insurance contracts issued.

In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to Groups of contracts. The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the Groups of underlying insurance contracts.

Contracts Combination

The Company has certain insurance contracts that are originated and reinsured 100% with the same party. As these contracts do not transfer any insurance risk or credit risk to the Company hence, these contracts qualify for contract combination as per para 9 of IFRS 17 and guidance provided by Transition Resource Group (TRG). The Company only entitled to an administration service fee for servicing the portfolio and reinsurance ceding commission. Under the contracts combination approach, the Company is offsetting the direct and reinsurance parts of premiums written/ceded, unearned parts, and related claims including claims reserves. The resultant revenue earned from administration service fee and reinsurance fee is presented as other revenue.

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of Groups of insurance contracts. This assessment is reviewed every reporting period.

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

- a. the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b. both of the following criteria are satisfied:
 - i. the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - ii. the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all the cash flows within its boundary.

Some insurance contracts issued by the Company provide policyholders with an option to buy an annuity upon the initially issued policies maturity. The Company assesses its practical ability to reprice such insurance contracts in their entirety to determine if annuity-related cash flows are within or outside of the insurance contract boundary. As a result of this assessment, non-guaranteed annuity options are not measured by the Company until they are exercised.

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

Cash flows are within the boundaries of investment contracts with DPF if they result from a substantive obligation of the Company to deliver cash at a present or future date.

For Groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive services from the reinsurer.

The Company's quota-share life reinsurance agreements held have an unlimited duration but are cancellable for new underlying business with a one-year notice period by either party. Thus, the Company treats such reinsurance contracts as a series of annual contracts that cover underlying business issued within a year. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within a one-year boundary are included in each of the reinsurance contracts' measurement.

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts may include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognized in other operating expenses as incurred.

Measurement Model Application

The Company applies the Premium Allocation Approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds for which the coverage period is less than one year. For other contracts issued and held where the coverage period is more than one year, the Company performs PAA Eligibility testing as mentioned in section 2 to confirm whether the PAA may be applied. Subject to passing the PAA eligibility testing, the Company applied PAA on contract issued and reinsurance contracts held that pass the testing.

When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Initial measurement – Groups of contracts not measured under the PAA -contractual service margin (CSM)

The CSM is a component of the carrying amount of the asset or liability for a Group of insurance contracts issued representing the unearned profit that the Company will recognize as it provides coverage in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a Group of contracts is onerous) arising from:

- a. the initial recognition of the FCF;
- b. the derecognition at the date of initial recognition of any asset or liability recognized for insurance acquisition cash flows; and
- c. cash flows arising from the contracts in the Company at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognized in statement of income immediately with no CSM recognized on the balance sheet on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognized as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognizes the net cost immediately in statement of income. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognize as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired through business combination, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

- a. the initial recognition of the FCF; and
- b. cash flows arising from the contracts in the Company at that date, including the fair value of the Groups of contracts acquired at the acquisition date as a proxy of the premiums received.

No contracts acquired were assessed as onerous at initial recognition.

Subsequent measurement – Groups of contracts not measured under the PAA

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

- a. the LRC, comprising:
 - i. the FCF related to future service allocated to the Company at that date; and
 - ii. the CSM of the Company at that date; and
- b. the LIC, comprising the FCF related to past service allocated to the Company at the reporting date.

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

- a. the remaining coverage, comprising:
 - i. the FCF related to future service allocated to the Company at that date; and
 - ii. the CSM of the Company at that date; and
- b. the incurred claims, comprising the FCF related to past service allocated to the Company at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Company for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- a. changes that relate to current or past service are recognized in statement of income; and
- b. changes that relate to future service are recognized by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- a. experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- b. changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
- c. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
- d. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments a, b and c above are measured using the locked-in discount rates as described in the section Interest accretion on the CSM below.

For insurance contracts under the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:

- a. changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- b. changes in the FCF relating to the LIC; and
- c. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

For investment contracts with DPF that are measured under the GMM and provide the Company with discretion as to the timing and amount of the cash flows to be paid to the policyholders, a change in discretionary cash flows is regarded as relating to future service and accordingly adjusts the CSM. At inception of such contracts, the Company specifies its commitment as crediting interest to the policyholder's account balance based on the return on a pool of assets less a spread. The effect of discretionary changes in the spread on the FCF adjusts the CSM while the effect of changes in assumptions that relate to financial risk on this commitment are reflected in insurance finance income or expenses.

When no commitment is specified, the effect of all changes in assumptions that relate to financial risk and changes thereof on the FCF is recognized in insurance finance expenses.

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

- a. changes in the Group's share of the fair value of the underlying items; and
- b. changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
 - ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
 - iii. changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
 - iv. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
 - v. changes in the risk adjustment for non-financial risk that relate to future service. Adjustments ii.-v. are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:

- a. changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- b. changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the FCF relating to the LIC; and
 - ii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

The Company does not have any products with complex guarantees and does not use derivatives to economically hedge the risks.

Changes in fulfilment cash flows

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- a. The effect of any new contracts added to the Group.
- b. For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- c. Changes in the FCF relating to future service are recognized by adjusting the CSM. Changes in the FCF are recognized in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognized in insurance service expenses and a loss component is recognized within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- d. The effect of any currency exchange differences.
- d. The amount recognized as insurance revenue for services provided during the period determined after all other adjustments above.

For a Group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a Group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognized in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognized in the insurance service result.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items (locked-in discount rates). If more contracts are added to the existing Groups in the subsequent reporting periods, the Company revises the locked-in discount curves by calculating weighted-average discount curves over the period that contracts in the Company are issued. The weighted-average discount curves are determined by multiplying the new CSM added to the Company and their corresponding discount curves over the total CSM.

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF measured applying the discount rates as specified above in the Changes in fulfilment cash flows section.

Release of the CSM to statement of income

The amount of the CSM recognized in statement of income for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the Group of insurance contracts based on coverage units.

For contracts issued, the Company determines the coverage period for the CSM recognition as follows:

- a. for term life and universal life insurance contracts, the coverage period corresponds to the policy coverage for mortality risk;

The total number of coverage units in a Group is the quantity of coverage provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

- a. the quantity of benefits provided by contracts in the Group;
- b. the expected coverage duration of contracts in the Group; and
- c. the likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the Group.

The Company uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits.

For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period.

Coverage units for the proportionate term life reinsurance contracts are based on the insurance coverage provided by the reinsurer and are determined by the ceded policies' sum insured.

The coverage period for these contracts is determined based on the coverage of all underlying contracts whose cash flows are included in the reinsurance contract boundary.

Onerous contracts – Loss component on GMM/VFA

When adjustments to the CSM exceed the amount of the CSM, the Group of contracts becomes onerous, and the Company recognizes the excess in insurance service expenses and records it as a loss component of the LRC.

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective Group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- a. expected incurred claims and expenses for the period;
- b. changes in the risk adjustment for non-financial risk for the risk expired; and
- c. finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in a. and b. above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Initial and subsequent measurement – Groups of contracts measured under the PAA

The Company uses the PAA for measuring contracts with a coverage period of one year or less and on contracts that pass the eligibility testing as mentioned in section 2.

For insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the prepaid acquisition cash flows asset.

For reinsurance contracts held on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid.

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

- a. the LRC; and
- b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

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

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

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

- a. increased for premiums received in the period;
- b. decreased for insurance acquisition cash flows paid in the period;
- c. decreased for the amounts of expected premiums received recognized as insurance revenue for the services provided in the period; and
- d. increased for the amortization of insurance acquisition cash flows in the period recognized as insurance service expenses.

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

- a. increased for ceding premiums paid in the period; and
- b. decreased for the amounts of ceding premiums recognized as reinsurance expenses for the services received in the period.

The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. Future cash flows are adjusted for the time value of money since automobile insurance contracts issued by the Company and measured under the PAA typically have a settlement period of over one year.

Onerous contract - Loss component on PAA

For all contracts measured under PAA, the Company assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise.

For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

In addition, if facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. Once a Group of contracts is determined as onerous on initial or subsequent assessment, 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. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Company remeasures the same and adjusts the loss component as required until the loss component is reduced to zero. 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.

Insurance acquisition costs

The Company includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a Group of insurance contracts and that are:

- a. costs directly attributable to individual contracts and Groups of contracts; and
- b. costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

Before a group of insurance contracts is recognized, the Company could pay directly attributable acquisition costs to originate them. When such prepaid costs are refundable in case of insurance contracts termination, they are recorded as a prepaid insurance acquisition cash flows asset within other assets and allocated to the carrying amount of a Group of insurance contracts when the insurance contracts are subsequently recognized.

The acquisition costs are generally capitalized and recognized in the statement of income over the life of the contracts. However, for contracts under PAA approach, there is an option to recognize any insurance acquisition cash flows as an expense when the Company incurs those costs. The company has elected not to choose the option and has capitalized the costs which would then be recognized over the life of contracts. No separate asset is recognized for deferred acquisition costs. Instead, qualifying insurance acquisition cash flows are subsumed into the insurance liability for remaining

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 to calibrate the risk adjustment to correspond to a confidence level of 75th percentile, considering the confidence level is adequate to cover sources of uncertainty about the amount and timing of the cash flows.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

VAT treatment

Transaction-based taxes (such as premium taxes, value added taxes and goods & services taxes) and levies that arise directly from existing insurance contracts, or that can be attributed to them on a reasonable and consistent basis are included within insurance contract liabilities as part of fulfilment cash flows within the boundary of insurance contracts.

Amounts recognized in comprehensive income for Insurance service result from insurance contracts issued

Insurance revenue

As the Company provides services under the group of insurance contracts, it reduces the LRC and recognizes insurance revenue. The amount of insurance revenue recognized in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Company expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:
 - a. insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - i. amounts related to the loss component;
 - ii. repayments of investment components;
 - iii. amounts of transaction-based taxes collected in a fiduciary capacity; and
 - iv. insurance acquisition expenses;
 - b. changes in the risk adjustment for non-financial risk, excluding:
 - i. changes included in insurance finance income (expenses);
 - ii. changes that relate to future coverage (which adjust the CSM); and
 - iii. amounts allocated to the loss component;
 - c. amounts of the CSM recognized in statement of income for the services provided in the period; and
 - d. experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.
- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a Group of contracts.

For Groups of insurance contracts measured under the PAA, the Company recognizes insurance revenue based on the passage of time over the coverage period of a Group of contracts.

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.

Insurance service expenses

Insurance service expenses include the following:

- a. incurred claims and benefits excluding investment components;
- b. other incurred directly attributable insurance service expenses;
- c. Insurance acquisitions costs incurred and amortization of insurance acquisition cash flows;
- d. changes that relate to past service (i.e. changes in the FCF relating to the LIC); and
- e. changes that relate to future service (i.e. losses/reversals on onerous Groups of contracts from changes in the loss components).

For contracts not measured under the PAA, amortization of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue as described above.

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

Other expenses not meeting the above categories are included in other operating expenses in the statement of income.

Amounts recognized in comprehensive income for Insurance service result from reinsurance contracts held

Net income (expenses) from reinsurance contracts held

The Company presents financial performance of Groups of reinsurance contracts held separately between the amounts recoverable from reinsurers and allocation of the premiums for reinsurance contracts held, comprising the following amounts:

- a. reinsurance expenses;
- b. incurred claims recovery;
- c. other incurred directly attributable insurance service expenses;
- d. effect of changes in risk of reinsurer non-performance;
- e. for contracts measured under the GMM, changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the Group of underlying insurance contracts); and
- f. changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognized similarly to insurance revenue. The amount of reinsurance expenses recognized in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Company expects to pay in exchange for those services.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

- a. insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
- b. changes in the risk adjustment for non-financial risk, excluding:
 - changes included in finance income (expenses) from reinsurance contracts held; and
 - changes that relate to future coverage (which adjust the CSM);
- c. amounts of the CSM recognized in statement of income for the services received in the period; and
- d. ceded premium experience adjustments relating to past and current service.

For Groups of reinsurance contracts held measured under the PAA, the Company recognizes reinsurance expenses based on the passage of time over the coverage period of a Group of contracts.

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

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- a. the effect of the time value of money and changes in the time value of money; and
- b. the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- a. interest accreted on the FCF and the CSM;
- b. the effect of changes in interest rates and other financial assumptions; and
- c. foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the VFA, the main amounts within insurance finance income or expenses are:

- a. changes in the fair value of underlying items;
- b. interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
- c. the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

- a. interest accreted on the LIC; and
- b. the effect of changes in interest rates and other financial assumptions.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

For the contracts measured using the VFA, the P&L option is applied. As the Company holds the underlying items for these contracts, the use of the P&L option results in the elimination of accounting mismatches with income or expenses included in profit or loss on the underlying assets held. This is applied because the amounts of income or expenses for the underlying assets are recognized in profit or loss.

iii) IFRS 9 Financial Instruments

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

- (a) Financial assets carried at amortized cost;
- (b) Financial assets carried at fair value through other comprehensive income (FVOCI); and
- (c) Financial assets carried at fair value through profit or loss (FVTPL)

(a) Financial assets at amortized cost:

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- (i) The asset is held within a "business model" whose objective is to hold assets to collect contractual cash flows;
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

(i) Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

(ii) SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of profit within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

(b) Financial assets at fair value through other comprehensive income (FVOCI):

Debt instruments at FVOCI

The Company applies the category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial
- The contractual terms of the financial asset meet the SPPI test.

This category only includes debt instruments, which the Company intends to hold for the foreseeable future, and which may be sold in response to needs for liquidity or in response to changes in market conditions. The Company classified its debt instruments at FVOCI. Debt instruments at FVOCI are subject to an impairment assessment under IFRS 9.

Equity instruments at FVOCI

Upon initial recognition, the Company may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

(c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. In addition, on initial recognition the Company may irrevocably designate a financial asset as FVTPL that otherwise meets the requirements to be measured at amortized cost or at FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

For unit linked investments for insurance contracts issued with discretionary participation features, the Company has elected to measure those investments at FVTPL in order to compensate insurance finance income/ expense. That election is irrevocable and made on an instrument-by-instrument basis.

Recognition, subsequent measurement and derecognition

Debt instrument at amortized cost

After initial measurement, financial assets are measured at amortized cost, using the effective interest rate (EIR) method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. Financing income, foreign exchange gains and losses and impairment when the investments are impaired are recognized in the profit or loss.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition is recognized in the profit or loss.

Financial assets at fair value through other comprehensive income

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset.

Debt instruments that are measured at FVOCI category are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in the statement of comprehensive income. Interest income and foreign exchange gains and losses are recognized in the statement of income in the same manner as for financial assets measured at amortized cost.

On derecognition, cumulative gains or losses previously recognized in the statement of comprehensive income are reclassified from the statement of comprehensive income to the statement of income.

Equity instruments that are measured at FVOCI category are subsequently measured at fair value. Dividends are recognized as income in the statement of income when the Company's right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognized in the statement of comprehensive income and are never reclassified to the statement of income. Cumulative gains and losses recognized in the statement of comprehensive income are transferred to retained earnings on disposal of an investment.

Financial assets at fair value through other comprehensive income

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets that are measured at FVTPL category are subsequently measured at fair value. Changes in fair value are recorded in the statement of income. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using a contractual interest rate. Dividend income is recorded in the statement of income when the right to the payment has been established.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all of the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Company's continuing involvement, in which case, the Company also recognizes an associated liability. The transferred assets and the associated liabilities are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of income or statement of comprehensive income as the case may be.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost and debt investments measured at FVOCI.

The measurement of ECL reflects:

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

Expected credit losses are recognized in two stages, 12-month expected credit losses and Lifetime expected credit losses.

The Company measures 12-month expected credit losses in following cases:

- debt securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) for which credit risk has not increased significantly since initial recognition

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument, whereas 12-month expected credit losses are the portion of expected credit losses that results from default events that are possible within the 12 months after the reporting date. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Credit impaired financial assets:

At each reporting date, the Company assesses whether financial assets measured at amortized cost and debt investments at FVOCI are credit impaired. The Company considers a financial asset to be in default (credit impaired) when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. It is the Company's policy to measure such instruments on a 12-month ECL (12mECL) basis.

The Company does, however, consider that there has been a significant increase in credit risk for a previously assessed low credit risk investment when any contractual payments on these instruments are more than 30 days past due or there is a downgrade in credit ratings by two notches or more compare to the credit rating at the beginning of the financial reporting period.

Recognition:

Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset (either partially or in full), the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease is related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed in profit or loss.

Presentation of loss allowances in the statement of financial position:

Loss allowances for expected credit losses are presented as follows:

- financial assets measured at amortized cost: the loss allowance is deducted from the gross carrying amount of the assets;
- the ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in the statement of comprehensive income with a corresponding charge to the statement of income.

The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

The Company allocates its assets subject to ECL calculations to one of these categories, determined as follows:

Stage 1- 12-month ECL (12mECL):

The 12mECL is calculated as the portion of lifetime ECLs (LTECLs) that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an appropriate effective interest rate (EIR).

Stage 2- LTECL:

When an instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected losses are discounted by an appropriate EIR.

Stage 3- Credit impaired:

For debt instruments considered credit-impaired, the Company recognizes the lifetime expected credit losses for these instruments. The method is similar to that for LTECL assets, with the PD set at 100%.

Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Inflation

iv) Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to expected credit loss expense. There were no write-offs over the period reported in these financial statements.

v) Receivable from agents

Insurance contracts sold via agents where agents have collected the premiums from the insured and not yet paid to the Group are classified as "receivable from agents". The balances are outside the contract boundary of insurance contracts issued and are subject to impairment assessment based on simplified approach of IFRS 9. Under IFRS 9 simplified approach, the Group measures the loss allowance at an amount equal to lifetime expected credit losses for Insurance receivables embedded within the LRC.

vi) Liability adequacy test

At each statement of financial position date, liability adequacy tests are performed to ensure the adequacy of the insurance contracts liabilities net of related deferred policy acquisition costs. In performing these tests management uses current best estimates of future contractual cash flows and claims handling and administration expenses. Any deficiency in the carrying amounts is immediately charged to the statement of income by establishing a premium deficiency reserve arising from liability adequacy tests accordingly.

vii) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense is not offset unless required or permitted by any accounting standard or interpretation.

viii) Trade date accounting

All regular way purchases and sales of financial assets are recognized / derecognized on the trade date (i.e. the date that the Group commits to purchase or sell the assets). Regular way purchases or sales are purchases or sales of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the marketplace.

ix) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. Land is not depreciated. The cost of other items of property and equipment is depreciated on the straight-line method to allocate the cost over estimated useful lives, as follows:

	Years
Leasehold fixtures	6
Furniture and fixtures	5
Office equipment	4
IT equipment	3 - 4
Vehicles	5
Right of use assets	5 - 10

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 an 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.

Capital work-in-progress includes property that is being developed for future use. When commissioned, capital work-in-progress will be transferred to the respective category within property and equipment, and depreciated in accordance with the Company's policy.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in "Other income, net" in the statement of income.

x) Intangible assets

Separately acquired intangible assets are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses. The Company amortizes intangible assets with a limited useful life using straight-line method over the following periods:

	Years
IT development and software	5
Customer relationship - Group life	13
Customer relationship - Individual life	12

xi) 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 recognized. Impairment losses, if any, relating to goodwill cannot be reversed in future periods.

xii) Impairment of non-financial assets

Assets that have an indefinite useful life – for example, land – are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment testing of goodwill: The Company's management tests, on an annual basis, whether goodwill arising on merger has suffered any impairment. This requires an estimation of the recoverable amount of the CGU to which goodwill has been allocated. The key assumptions used in determining the recoverable amounts are set out in Note 16.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

xiii) Provisions, accrued expenses and other liabilities

Provisions are recognized when the Company has an obligation (legal or constructive) arising from past events, and the costs of settling the obligation are both probable and may be measured reliably. Provisions are not recognized for future operating losses. Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

xiv) Employees' end-of-service benefits

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 the expected future wages and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds like dollar denominated KSA Sovereign 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. Re-measurements (actuarial gains/ losses) as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of comprehensive income.

xv) Leases

The details of accounting policies under both IAS 17 and IFRS 16 are presented separately below.

Policies applicable prior to 01 January 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Policies applicable from 01 January 2019

The Company assesses whether the contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these short-term leases and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The Company did not make any such adjustments during the periods presented.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

xvi) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

xvii) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with banks including certain time deposits with less than three months maturity from the date of acquisition.

xviii) Short-term deposits

Short-term deposits comprise of time deposits with banks with maturity periods of more than three months and less than one year from the date of acquisition.

xix) Cash flow statement

The Company's main cash flows are from insurance operations which are classified as cash flow from operating activities. Cash flows generated from investing and financing activities are classified accordingly.

xx) Foreign currencies

Transactions in foreign currencies are recorded in Saudi Riyals at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to Saudi Arabian Riyals at the rate of exchange prevailing at the statement of financial position date. All differences are taken to the statements of income and comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as of the date of the initial transaction and are not subsequently restated. Foreign exchange gains or losses on available-for-sale investments are recognized in "Other income, net" in the statement of income and statement of comprehensive income. As the Company's foreign currency transactions are primarily in US dollars, foreign exchange gains and losses are not significant.

xxi) Zakat and taxes

Zakat and income tax are provided in accordance with the Regulations of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia. Zakat provision is charged to the statement of income. Zakat is computed on the Saudi shareholder's share of the zakat base, while income tax is calculated on the foreign shareholder's share of adjusted net income. Income tax is charged to the statement of income. The Company is settling the zakat and income tax annually to ZATCA whereas Zakat and income tax is accrued on a quarterly basis.

Withholding tax

The Company withholds taxes on certain transactions with non-resident parties in the KSA, including dividend payments to the non-resident shareholders, as required under Saudi Arabian Income Tax Law.

Value added tax

Expenses and assets are recognized net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Deferred income 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 the taxation purposes. The amount of deferred tax is based on the expected manner of realization 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 recognized only to the extent that it is probable that future taxable profits will be available and the credits can be utilized. The deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

xxii) Statutory reserve

In accordance with the Company's by-laws, the Company shall allocate 20% of its annual net income from shareholders' operations each year to the statutory reserve until it has built up a reserve equal to the share capital. The reserve is not available for distribution.

xxiii) Operating segments

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment), which is subject to risk and rewards that are different from those of other segments. For management purposes, the Company is organized into business units based on their products and services and has the following reportable segments:

- Medical insurance provides coverage for health insurance.
- Motor insurance provides coverage for vehicles' insurance.
- Property insurance provides coverage for property insurance.
- Engineering insurance provides coverage for engineering and contract works.
- Protection and savings insurance non-linked provides coverage for life insurance
- Protection and savings insurance linked provides coverage for life insurance
- Other insurance provides coverage for marine and other general insurance.

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

No inter-segment transactions occurred during the year. If any transaction was to occur, transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties.

Shareholders' income 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.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the chief executive officer that makes strategic decisions.

4. TRANSITIONAL NOTE

The accounting policies set out in note 3 have been applied in preparing the financial statements for year ended 31 December 2023 and 31 December 2022 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 statement of financial position, the Company has adjusted amounts reported previously in financial statements under IFRS 4.

At 1 January 2022, the Company applied full retrospective approach (FRA) to identify and measure certain groups of contracts in the Protection & Savings, Property & Casualty, Motor and Medical / Health segments on transition to IFRS 17.

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

Reconciliation of statement of financial position as at 01 January 2022:

	01 January 2022 - Restated					
	Pre-adoption of	IFRS 17		IFRS 9		Post-adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
Assets						
Cash and cash equivalents	365,555	0	0	404	(205)	365,754
Premiums and reinsurers' receivable – net	149,465	(149,465)	(8,488)	0	8,488	0
Reinsurers' share of unearned gross premiums	41,373	(41,373)	0	0	0	0
Reinsurers' share of outstanding gross claims	57,553	(57,553)	0	0	0	0
Reinsurers' share of gross claims incurred but not reported	41,599	(41,599)	0	0	0	0
Deferred policy acquisition costs	10,126	(10,126)	0	0	0	0
Deferred withholding tax	1,973	(1,973)	0	0	0	0
Deferred regulators' levies	2,199	(2,199)	0	0	0	0
Investments	325,638	0	0	770	35,065	361,473
Insurance contract assets	0	138,170	(138,170)	0	0	0
Reinsurance contract assets	0	140,526	8,158	0	500	149,184
Due from related parties – net	12,949	(12,949)	0	0	0	0
Prepaid expenses and other assets	36,884	(24,844)	0	(1,174)	0	10,866
Due from shareholders'/insurance operations	16,619	0	0	0	0	16,619
Property and equipment – net	2,713	0	0	0	0	2,713
Intangible assets – net	10,667	0	0	0	0	10,667
Goodwill	46,794	0	0	0	0	46,794
Statutory deposit	40,000	0	0	0	0	40,000
Accrued income on statutory deposit	3,134	0	0	0	0	3,134
Total Assets	1,165,241	(63,385)	(138,500)	0	43,848	1,007,204

	01 January 2022 - Restated					
	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Reclassification	Remeasurement	Reclassification	Remeasurement	
Liabilities and Equity						
Accrued and other liabilities	72,385	5,211	0	0	0	77,596
Reinsurers' balances payable	13,874	(13,874)	0	0	0	0
Unearned gross premiums	189,910	(189,910)	0	0	0	0
Unearned reinsurance commission	8,792	(8,792)	0	0	0	0
Outstanding gross claims	87,531	(87,531)	0	0	0	0
Gross claims incurred but not reported	160,342	(160,342)	0	0	0	0
Premium deficiency reserve	11,250	(11,250)	0	0	0	0
Other technical reserves	6,700	(6,700)	0	0	0	0
Insurance contract liabilities	0	473,570	(174,776)	0	0	298,794
Reinsurance contract liabilities	0	(13,819)	13,919	0	0	100
Due to shareholders' / insurance operations	16,619	0	0	0	0	16,619
Due to related parties	566	(566)	0	0	0	0
Accounts payable	43,864	(43,864)	0	0	0	0
Withholding tax provision	3,863	(3,863)	0	0	0	0
Regulators' levies provision	1,655	(1,655)	0	0	0	0
Provision for end-of-service benefits (EOSB)	10,207	0	0	0	0	10,207
Policyholders' surplus distribution payable	5,120	0	0	0	0	5,120
Provision for zakat and income tax	40,716	0	0	0	0	40,716
Accrued income payable to Insurance Authority (IA)	3,134	0	0	0	0	3,134
Total Liabilities	676,528	(63,385)	(160,857)	0	0	452,286
Equity						
Share capital	400,000	0	0	0	0	400,000
Statutory reserve	26,097	0	0	0	0	26,097
Retained earnings	64,386	0	22,357	0	8,738	95,481
Fair value reserve gain on investments	990	0	0	0	35,110	36,100
Total Shareholders' Equity	491,473	0	22,357	0	43,848	557,678
Re-measurement reserve for end-of-service indemnities	(2,760)	0	0	0	0	(2,760)
Total Equities	488,713	0	22,357	0	43,848	554,918
Total Liabilities and Equities	1,165,241	(63,385)	(138,500)	0	43,848	1,007,204

Reconciliation of statement of financial position as of 31 December 2022:

	31 December 2022 - Restated					
	Pre-adoption of	IFRS 17		IFRS 9		Post-adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
Assets						
Cash and cash equivalents	146,094	0	0	656	(17)	146,733
Short term fixed income deposits	342,815	0	0	(342,815)	0	0
Premiums and reinsurers' receivable – net	182,099	(182,099)	(4,163)	0	4,163	0
Reinsurers' share of unearned gross premiums	43,073	(43,073)	0	0	0	0
Reinsurers' share of outstanding gross claims	149,381	(149,381)	0	0	0	0
Reinsurers' share of gross claims incurred but not reported	63,670	(63,670)	0	0	0	0
Deferred policy acquisition costs	16,074	(16,074)	0	0	0	0
Deferred withholding tax	1,458	(1,458)	0	0	0	0
Investment for unit linked contracts	554,861	0	3,107	0	0	557,968
Investments	636,612	0	(1)	348,208	37,667	1,022,486
Insurance contract assets	0	191,926	(191,660)	0	0	266
Reinsurance contract assets	0	256,123	(32,609)	0	649	224,163
Due from related parties – net	21,972	(21,972)	0	0	0	0
Prepaid expenses and other assets	35,256	(4,480)	0	(6,049)	0	24,727
Due from shareholders'/insurance operations	59,159	0	0	0	0	59,159
Property and equipment – net	5,978	0	0	0	0	5,978
Intangible assets – net	43,711	0	0	0	0	43,711
Goodwill	364,948	0	0	0	0	364,948
Statutory deposit	63,852	0	0	0	0	63,852
Accrued income on statutory deposit	6,781	0	0	0	0	6,781
Total Assets	2,737,794	(34,158)	(225,326)	0	42,462	2,520,772

	31 December 2022 - Restated					
	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Reclassification	Remeasurement	Reclassification	Remeasurement	
Liabilities and Equity						
Accrued and other liabilities	83,523	6,013	3,107	0	0	92,643
Reinsurers' balances payable	40,887	(40,887)	0	0	0	0
Unearned gross premiums	270,374	(270,374)	0	0	0	0
Unearned reinsurance commission	8,601	(8,601)	0	0	0	0
Outstanding gross claims	230,080	(230,080)	0	0	0	0
Gross claims incurred but not reported	214,139	(214,139)	0	0	0	0
Premium deficiency reserve	13,525	(13,525)	0	0	0	0
Unit reserves	557,968	(557,968)	0	0	0	0
Other technical reserves	5,318	(5,318)	0	0	0	0
Insurance contract liabilities	0	1,310,242	(225,894)	0	0	1,084,348
Reinsurance contract liabilities	0	33,259	(32,363)	0	0	896
Due to shareholders' / insurance operations	59,159	0	0	0	0	59,159
Due to related parties	1,994	(1,994)	0	0	0	0
Accounts payable	37,834	(37,834)	0	0	0	0
Withholding tax provision	2,952	(2,952)	0	0	0	0
Provision for end-of-service benefits (EOSB)	12,165	0	0	0	0	12,165
Policyholders' surplus distribution payable	28,894	0	0	0	0	28,894
Provision for zakat and income tax	50,714	0	0	0	0	50,714
Accrued income payable to Insurance Authority (IA)	6,781	0	0	0	0	6,781
Total Liabilities	1,624,908	(34,158)	(255,150)	0	0	1,335,600
Equity						
Share capital	638,525	0	0	0	0	638,525
Share premium	355,879	0	0	0	0	355,879
Statutory reserve	31,681	0	0	0	0	31,681
Retained earnings	86,722	0	29,824	0	4,682	121,228
Fair value reserve gain on investments	1,497	0	0	0	37,780	39,277
Total Shareholders' Equity	1,114,304	0	29,824	0	42,462	1,186,590
Re-measurement reserve for end-of-service indemnities	(1,418)	0	0	0	0	(1,418)
Total Equities	1,112,886	0	29,824	0	42,462	1,185,172
Total Liabilities and Equities	2,737,794	(34,158)	(225,326)	0	42,462	2,520,772

Reconciliation of statement of income and statement of comprehensive income for the year ended 31 December 2022:

For the year 31 December 2022	Pre-adoption of	IFRS 17		IFRS 9		Post-adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
Insurance revenue	0	0	918,720	0	0	918,720
Insurance service expense	0	0	(824,186)	0	0	(824,186)
Allocation of reinsurance premiums	0	0	(316,137)	0	0	(316,137)
Amounts recoverable from reinsurers for incurred claims	0	0	212,900	0	0	212,900
Insurance service result	0	0	(8,703)	0	0	(8,703)
Gross premiums written	1,106,285	(1,106,285)	0	0	0	0
Reinsurance premiums ceded – local	(115,118)	115,118	0	0	0	0
Reinsurance premiums ceded – foreign	(229,963)	229,963	0	0	0	0
Excess of loss expenses	(4,136)	4,136	0	0	0	0
Net premiums written	757,068	(757,068)	0	0	0	0
Change in unearned gross premiums	(78,379)	78,379	0	0	0	0
Change in reinsurers' share of unearned gross premiums	316	(316)	0	0	0	0
Net premiums earned	679,005	(679,005)	0	0	0	0
Reinsurance commissions	35,070	(35,070)	0	0	0	0
Other underwriting income	29,300	(29,300)	0	0	0	0
Total revenues	743,375	(743,375)	0	0	0	0

	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Reclassification	Remeasurement	Reclassification	Remeasurement	
Underwriting costs and expenses						
Gross claims paid	(596,118)	596,118	0	0	0	0
Reinsurers' share of claims paid	173,713	(173,713)	0	0	0	0
Net claims paid	(422,405)	422,405	0	0	0	0
Changes in outstanding gross claims	(58,577)	58,577	0	0	0	0
Changes in reinsurers' share of outstanding gross claims	34,027	(34,027)	0	0	0	0
Changes in gross IBNR	(21,079)	21,079	0	0	0	0
Changes in reinsurers' share of gross IBNR	(3,680)	3,680	0	0	0	0
Net claims incurred	(471,714)	471,714	0	0	0	0
Investible Contribution, Net	(114,273)	114,273	0	0	0	0
Premium deficiency reserve	(2,275)	2,275	0	0	0	0
Other technical reserves	1,819	(1,819)	0	0	0	0
Policy acquisition costs	(26,060)	26,060	0	0	0	0
Third party administrator expenses	0	0	0	0	0	0
Withholding tax	(8,090)	8,090	0	0	0	0
Regulators' levies	(2,198)	2,198	0	0	0	0
Other underwriting expenses	(23,076)	23,076	0	0	0	0
Total underwriting costs and expenses	(645,867)	645,867	0	0	0	0
Investment income	0	0	0	20,060	0	20,060
Interest revenue calculated using the effective interest method for debt securities measured at amortized cost	0	0	0	16,086	0	16,086
Net credit impairment losses (or reversal of those losses) on financial assets	0	0	0	120	0	120
Net investment income	0	0	0	36,266	0	36,266
Net finance (expenses) / income from reinsurance contracts held	0	0	0	417	0	417
Net insurance finance income / (expenses)	0	0	0	417	0	417

	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Reclassification	Remeasurement	Reclassification	Remeasurement	
Other operating income / (expenses)						
Reversal of / (allowance for) doubtful debts	2,866	0	0	(2,866)	0	0
General and administrative expenses	(82,493)	57,800	0	0	0	(24,693)
Depreciation and amortization	(8,885)	8,885	0	0	0	0
Profit on deposits	11,229	0	0	(11,229)	0	0
Profit on sukuk	6,808	0	0	(6,808)	0	0
Dividend income	10,293	0	0	(10,293)	0	0
Unrealised gain on FVIS investments	6,674	0	0	(6,674)	0	0
Realised gain on FVIS investments	156	0	0	(156)	0	0
Realised gain on Available for Sale investments	5,276	0	0	(5,276)	0	0
Total other operating income / (expenses)	(48,076)	66,685	0	(43,302)	0	(24,693)
Income before surplus, zakat & income tax	49,432	(30,823)	(8,703)	(6,619)	0	3,287
Attributable to Insurance Operations	(2,881)	0	0	0	0	(2,881)
Income attributed to the shareholders before zakat and income tax	46,551	(30,823)	(8,703)	(6,619)	0	406
Zakat charge	(18,492)	0	0	0	0	(18,492)
Income tax charge	(139)	0	0	0	0	(139)
Net income attributed to the shareholders after zakat and income tax	27,920	(30,823)	(8,703)	(6,619)	0	(18,225)

	Pre-adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post-adoption of IFRS 17 & IFRS 9
		Reclassification	Remeasurement	Reclassification	Remeasurement	
Shareholders' income after zakat and income tax	27,920	(30,823)	(8,703)	(6,619)	0	(18,225)
Other comprehensive income / (loss)						
<i>Items that will not be reclassified to statements of income in subsequent periods:</i>						
Actuarial gain / (loss) on end-of-service indemnities	1,342					1,342
<i>Items that are or may be reclassified to statements of income in subsequent years:</i>						
Available for sale investments:						
Net change in fair value of investments	5,783	0	0	(5,783)	0	0
Realised gains transferred to statement of income	(5,276)	0	0	5,276	0	0
Net change in unrealised fair value of investments	507	0	0	(507)	0	0
FVOCI Investments:						
Net changes in fair value of investments measured at FVOCI – debt	0	0	0	1,971	0	1,971
Net changes in fair value of investments measured at FVOCI – equity	0	0	0	5,496	0	5,496
Total comprehensive income	29,769	(30,823)	(8,703)	341	0	(9,416)

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

Impact on Equity:

Drivers of changes in Equity

Changes in measurement of insurance contract liabilities

Changes in measurement of reinsurance contract assets

Total Impact

Impact on equity on transition to IFRS 17

on 1 January 2022

30,405

(8,048)

22,357

Impact on Insurance Contract Liabilities:

Drivers of changes

Risk Adjustment

Loss Component on onerous contracts

Re-measurement Adjustments

Others

Total Impact

Impact on liabilities on transition to IFRS

17 on 1 January 2022

(6,844)

(10,905)

48,151

3

30,405

Impact on Reinsurance Contract Assets:

Drivers of changes

Risk Adjustment

Loss Component on onerous contracts

Re-measurement Adjustments

Total Impact

Impact on assets on transition to IFRS 17

on 1 January 2022

3,708

1,998

(13,754)

(8,048)

Reclassification impact on the statement of financial position on adoption of IFRS 9

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities, inclusive of the expected credit losses, as of 01 January 2022:

Particulars	Classification	IAS 39		Classification	IFRS 9	
		31 Dec 2022	01 Jan 2022		31 Dec 2022	01 Jan 2022
Cash and cash equivalents	Amortised cost	146,094	365,555	Amortised cost	146,733	365,754
Short term fixed income deposits	Held to maturity	342,815	0	Amortised cost	0	0
Investments:						
Sukuks	Available for Sale	129,878	121,346	Amortised cost	131,139	122,071
Term Deposit	Available for Sale	0	0	Amortised cost	346,834	0
Sukuks	Available for Sale	50,000	35,000	FVOCI	50,000	35,000
Funds	Available for Sale	77,064	84,069	FVOCI	77,064	84,069
Equity	Available for Sale	78,015	80,333	FVOCI	78,015	80,333
Funds	Available for Sale	339,434	40,000	FVTPL	339,434	40,000

Impact on retained earnings on transition to IFRS 9 at 01 January 2022

Expected credit loss allowance on financial instruments	8,738
	8,738

5. INSURANCE AND REINSURANCE CONTRACTS

The breakdown of the Company's insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

Insurance contract assets & liabilities	Valuation Approach	31 December 2023		31 December 2022		01 January 2022	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
5.1.1.1 Medical	PAA	0	226,560	0	207,904	0	110,089
5.1.1.2 Motor	PAA	0	191,702	0	123,036	0	123,236
5.1.1.3 Property	PAA	0	58,886	0	5,700	0	11,024
5.1.1.4 Engineering	PAA	0	38,406	0	15,179	0	21,302
5.1.1.5 P&S - non-linked	PAA	44	143,243	45	184,262	0	9,810
5.1.1.6 Others	PAA	0	221,284	0	19,551	0	23,333
5.1.1 Total – PAA		44	880,081	45	555,632	0	298,794
5.2.1.1 P&S - linked	VFA	0	655,691	221	528,716	0	0
5.2.1 Total – VFA		0	655,691	221	528,716	0	0
Total insurance contract assets & liabilities		44	1,535,772	266	1,084,348	0	298,794

Reinsurance contract assets & liabilities	Valuation Approach	31 December 2023		31 December 2022		01 January 2022	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
5.1.2.2 Motor	PAA	38,460	2,947	71,430	525	92,234	100
5.1.2.3 Property	PAA	53,457	0	4,731	0	13,193	0
5.1.2.4 Engineering	PAA	25,709	0	11,011	0	17,529	0
5.1.2.5 P&S - non-linked	PAA	115,636	7	120,891	7	5,875	0
5.1.2.6 Others	PAA	185,987		14,390	364	20,353	0
5.1.2 Total – PAA		419,249	2,954	222,453	896	149,184	100
5.2.2.1 P&S - linked	VFA	2,476	0	1,710	0	0	0
5.2.2 Total – VFA		2,476	0	1,710	0	0	0
Total reinsurance contract assets & liabilities		421,725	2,954	224,163	896	149,184	100

5.1.1 Analysis of insurance contract assets and liabilities for contracts measured under PAA

All portfolios / segments under PAA	31 December 2023					31 December 2022				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)			Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening liabilities	96,168	30,744	410,160	18,560	555,632	65,457	10,902	215,591	6,844	298,794
Acquired liabilities	205,552	4,877	98,728	2,187	311,344	(18,501)	0	113,333	7,640	102,472
Opening assets	0	0	(45)	0	(45)	0	0	0	0	0
Acquired assets	(357)	0	319	0	(38)	(43)	0	6	0	(37)
Net opening balance	301,363	35,621	509,162	20,747	866,893	46,913	10,902	328,930	14,484	401,229
Changes in the statement of income										
Insurance revenue	(1,123,941)	0	0	0	(1,123,941)	(902,125)	0	0	0	(902,125)
Insurance service expenses										
Incurred claims	0	0	1,017,639	7,895	1,025,534	0	0	773,448	10,243	783,691
Directly attributable non-acquisition expenses	0	0	55,685	0	55,685	0	0	0	0	0
Changes relating to liabilities for incurred claims	0	0	(134,281)	(11,445)	(145,726)	0	0	(72,710)	(6,421)	(79,131)
Losses / (loss reversals) on onerous contracts	0	(3,684)	0	0	(3,684)	0	19,843	0	0	19,843
Insurance acquisition costs incurred	73,123	0	0	0	73,123	88,944	0	0	0	88,944
Surplus distribution to policyholders	0	0	0	0	0	0	0	0	0	0
Insurance service expenses	73,123	(3,684)	939,043	(3,550)	1,004,932	88,944	19,843	700,738	3,822	813,347
Insurance service result	(1,050,818)	(3,684)	939,043	(3,550)	(119,009)	(813,181)	19,843	700,738	3,822	(88,778)
Other movements	(8,581)	0	8,581	0	0	3,429	0	(3,682)	253	0
Net finance expense/(income) from insurance contracts	0	0	(11,014)	9	(11,005)	0	0	0	0	0
Total changes in the statement of income	(1,059,399)	(3,684)	936,610	(3,541)	(130,014)	(809,752)	19,843	697,056	4,075	(88,778)
Investment components	0	0	0	0	0	0	0	0	0	0
Cash flows										
Premiums received	1,196,347	0	0	0	1,196,347	949,616	0	0	0	949,616
Claims paid	0	0	(907,565)	0	(907,565)	0	0	(595,828)	0	(595,828)
Directly attributable non- acquisition expenses paid	0	0	(55,685)	0	(55,685)	0	0	(20,043)	0	(20,043)
Insurance acquisition cash flows	(83,629)	0	0	0	(83,629)	(90,610)	0	0	0	(90,610)
Other cash flows	(7,614)	0	1,304	0	(6,310)	1	(1)	0	1	1
Total cash flows	1,105,104	0	(961,946)	0	143,158	859,007	(1)	(615,871)	1	243,136
Net closing balance	347,068	31,937	483,826	17,206	880,037	96,168	30,744	410,115	18,560	555,587
Closing liabilities	347,068	31,937	483,870	17,206	880,081	96,168	30,744	410,160	18,560	555,632
Closing assets	0	0	(44)	0	(44)	0	0	(45)	0	(45)
Net closing balance	347,068	31,937	483,826	17,206	880,037	96,168	30,744	410,115	18,560	555,587

	31 December 2023					31 December 2022				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)			Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Medical										
Opening liabilities	60,410	25,023	119,319	3,152	207,904	24,281	7,572	76,955	1,281	110,089
Acquired liabilities	2,894	0	1,819	33	4,746	0	0	0	0	0
Opening assets	0	0	0	0	0	0	0	0	0	0
Acquired assets	0	0	0	0	0	0	0	0	0	0
Net opening balance	63,304	25,023	121,138	3,185	212,650	24,281	7,572	76,955	1,281	110,089
Changes in the statement of income										
Insurance revenue	(532,385)	0	0	0	(532,385)	(420,568)	0	0	0	(420,568)
Insurance service expenses										
Incurred claims	0	0	453,306	2,395	455,701	0	0	398,467	1,346	399,813
Directly attributable non-acquisition expenses	0	0	23,437	0	23,437	0	0	0	0	0
Changes relating to liabilities for incurred claims	0	0	24,068	(2,707)	21,361	0	0	(11,019)	524	(10,495)
Losses / (loss reversals) on onerous contracts	0	(3,349)	0	0	(3,349)	0	17,452	0	0	17,452
Insurance acquisition costs incurred	36,767	0	0	0	36,767	47,458	0	0	0	47,458
Surplus distribution to policyholders	0	0	0	0	0	0	0	0	0	0
Insurance service expenses	36,767	(3,349)	500,811	(312)	533,917	47,458	17,452	387,448	1,870	454,228
Insurance service result	(495,618)	(3,349)	500,811	(312)	1,532	(373,110)	17,452	387,448	1,870	33,660
Other movements	5,074	0	(5,074)	0	0	2,510	0	(2,510)	0	0
Net finance expense/(income) from insurance contracts	0	0	(1,472)	0	(1,472)	0	0	0	0	0
Total changes in the statement of income	(490,544)	(3,349)	494,265	(312)	60	(370,600)	17,452	384,938	1,870	33,660
Investment components	0	0	0	0	0	0	0	0	0	0
Cash flows										
Premiums received	566,128	0	0	0	566,128	455,554	0	0	0	455,554
Claims paid	0	0	(481,066)	0	(481,066)	0	0	(334,212)	0	(334,212)
Directly attributable non- acquisition expenses paid	0	0	(23,437)	0	(23,437)	0	0	(8,362)	0	(8,362)
Insurance acquisition cash flows	(42,065)	0	0	0	(42,065)	(48,825)	0	0	0	(48,825)
Other cash flows	(5,710)	0	0	0	(5,710)	0	(1)	0	1	0
Total cash flows	518,353	0	(504,503)	0	13,850	406,729	(1)	(342,574)	1	64,155
Net closing balance	91,113	21,674	110,900	2,873	226,560	60,410	25,023	119,319	3,152	207,904
Closing liabilities	91,113	21,674	110,900	2,873	226,560	60,410	25,023	119,319	3,152	207,904
Closing assets	0	0	0	0	0	0	0	0	0	0
Net closing balance	91,113	21,674	110,900	2,873	226,560	60,410	25,023	119,319	3,152	207,904

Motor	31 December 2023					31 December 2022				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)			Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening liabilities	25,703	5,628	90,523	1,182	123,036	29,714	3,328	86,453	3,741	123,236
Acquired liabilities	17,310	4,715	22,279	637	44,941	0	0	0	0	0
Opening assets	0	0	0	0	0	0	0	0	0	0
Acquired assets	(357)	0	319	0	(38)	0	0	0	0	0
Net opening balance	42,656	10,343	113,121	1,819	167,939	29,714	3,328	86,453	3,741	123,236
Changes in the statement of income										
Insurance revenue	(174,767)	0	0	0	(174,767)	(108,792)	0	0	0	(108,792)
Insurance service expenses										
Incurred claims	0	0	187,797	697	188,494	0	0	147,185	2,924	150,109
Directly attributable non-acquisition expenses	0	0	11,344	0	11,344	0	0	0	0	0
Changes relating to liabilities for incurred claims	0	0	(58,607)	(117)	(58,724)	0	0	(42,051)	(5,483)	(47,534)
Losses / (loss reversals) on onerous contracts	0	(925)	0	0	(925)	0	2,300	0	0	2,300
Insurance acquisition costs incurred	14,479	0	0	0	14,479	15,014	0	0	0	15,014
Surplus distribution to policyholders	0	0	0	0	0	0	0	0	0	0
Insurance service expenses	14,479	(925)	140,534	580	154,668	15,014	2,300	105,134	(2,559)	119,889
Insurance service result	(160,288)	(925)	140,534	580	(20,099)	(93,778)	2,300	105,134	(2,559)	11,097
Other movements	(4,559)	0	4,559	0	0	364	0	(364)	0	0
Net finance expense/(income) from insurance contracts	0	0	(4,402)	3	(4,399)	0	0	0	0	0
Total changes in the statement of income	(164,847)	(925)	140,691	583	(24,498)	(93,414)	2,300	104,770	(2,559)	11,097
Investment components	0	0	0	0	0	0	0	0	0	0
Cash flows										
Premiums received	210,416	0	0	0	210,416	104,302	0	0	0	104,302
Claims paid	0	0	(131,111)	0	(131,111)	0	0	(97,488)	0	(97,488)
Directly attributable non- acquisition expenses paid	0	0	(11,344)	0	(11,344)	0	0	(3,212)	0	(3,212)
Insurance acquisition cash flows	(17,790)	0	0	0	(17,790)	(14,899)	0	0	0	(14,899)
Other cash flows	(1,904)	0	(6)	0	(1,910)	0	0	0	0	0
Total cash flows	190,722	0	(142,461)	0	48,261	89,403	0	(100,700)	0	(11,297)
Net closing balance	68,531	9,418	111,351	2,402	191,702	25,703	5,628	90,523	1,182	123,036
Closing liabilities	68,531	9,418	111,351	2,402	191,702	25,703	5,628	90,523	1,182	123,036
Closing assets	0	0	0	0	0	0	0	0	0	0
Net closing balance	68,531	9,418	111,351	2,402	191,702	25,703	5,628	90,523	1,182	123,036

Property	31 December 2023					31 December 2022				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)			Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening liabilities	1,837	2	3,827	34	5,700	(699)	2	11,366	355	11,024
Acquired liabilities	15,609	0	29,437	489	45,535	0	0	0	0	0
Opening assets	0	0	0	0	0	0	0	0	0	0
Acquired assets	0	0	0	0	0	0	0	0	0	0
Net opening balance	17,446	2	33,264	523	51,235	(699)	2	11,366	355	11,024
Changes in the statement of income										
Insurance revenue	(79,320)	0	0	0	(79,320)	(69,204)	0	0	0	(69,204)
Insurance service expenses										
Incurred claims	0	0	46,223	230	46,453	0	0	2,571	0	2,571
Directly attributable non-acquisition expenses	0	0	5,297	0	5,297	0	0	0	0	0
Changes relating to liabilities for incurred claims	0	0	(31,387)	105	(31,282)	0	0	(7,279)	(320)	(7,599)
Losses / (loss reversals) on onerous contracts	0	(2)	0	0	(2)	0	0	0	0	0
Insurance acquisition costs incurred	7,141	0	0	0	7,141	5,579	0	0	0	5,579
Surplus distribution to policyholders	0	0	0	0	0	0	0	0	0	0
Insurance service expenses	7,141	(2)	20,133	335	27,607	5,579	0	(4,708)	(320)	551
Insurance service result	(72,179)	(2)	20,133	335	(51,713)	(63,625)	0	(4,708)	(320)	(68,653)
Other movements	(1,852)	0	1,852	0	0	50	0	(50)	0	0
Net finance expense/(income) from insurance contracts	0	0	(162)	2	(160)	0	0	0	0	0
Total changes in the statement of income	(74,031)	(2)	21,823	337	(51,873)	(63,575)	0	(4,758)	(320)	(68,653)
Investment components	0	0	0	0	0	0	0	0	0	0
Cash flows										
Premiums received	72,727	0	0	0	72,727	71,626	0	0	0	71,626
Claims paid	0	0	(399)	0	(399)	0	0	(94)	0	(94)
Directly attributable non- acquisition expenses paid	0	0	(5,297)	0	(5,297)	0	0	(2,688)	0	(2,688)
Insurance acquisition cash flows	(7,507)	0	0	0	(7,507)	(5,516)	0	0	0	(5,516)
Other cash flows	0	0	0	0	0	1	0	1	(1)	1
Total cash flows	65,220	0	(5,696)	0	59,524	66,111	0	(2,781)	(1)	63,329
Net closing balance	8,635	0	49,391	860	58,886	1,837	2	3,827	34	5,700
Closing liabilities	8,635	0	49,391	860	58,886	1,837	2	3,827	34	5,700
Closing assets	0	0	0	0	0	0	0	0	0	0
Net closing balance	8,635	0	49,391	860	58,886	1,837	2	3,827	34	5,700

Engineering	31 December 2023					31 December 2022				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)			Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening liabilities	4,990	19	10,086	84	15,179	8,102	0	12,796	404	21,302
Acquired liabilities	11,954	0	3,435	64	15,453	0	0	0	0	0
Opening assets	0	0	0	0	0	0	0	0	0	0
Acquired assets	0	0	0	0	0	0	0	0	0	0
Net opening balance	16,944	19	13,521	148	30,632	8,102	0	12,796	404	21,302
Changes in the statement of income										
Insurance revenue	(16,840)	0	0	0	(16,840)	(13,355)	0	0	0	(13,355)
Insurance service expenses										
Incurred claims	0	0	6,725	(173)	6,552	0	0	2,446	86	2,532
Directly attributable non-acquisition expenses	0	0	1,043	0	1,043	0	0	0	0	0
Changes relating to liabilities for incurred claims	0	0	(6,672)	279	(6,393)	0	0	(4,294)	(407)	(4,701)
Losses / (loss reversals) on onerous contracts	0	4	0	0	4	0	19	0	0	19
Insurance acquisition costs incurred	1,306	0	0	0	1,306	1,363	0	0	0	1,363
Surplus distribution to policyholders	0	0	0	0	0	0	0	0	0	0
Insurance service expenses	1,306	4	1,096	106	2,512	1,363	19	(1,848)	(321)	(787)
Insurance service result	(15,534)	4	1,096	106	(14,328)	(11,992)	19	(1,848)	(321)	(14,142)
Other movements	391	0	(391)	0	0	(264)	0	264	0	0
Net finance expense/(income) from insurance contracts	0	0	(595)	0	(595)	0	0	0	0	0
Total changes in the statement of income	(15,143)	4	110	106	(14,923)	(12,256)	19	(1,584)	(321)	(14,142)
Investment components	0	0	0	0	0	0	0	0	0	0
Cash flows										
Premiums received	25,911	0	0	0	25,911	10,501	0	0	0	10,501
Claims paid	0	0	(883)	0	(883)	0	0	(743)	0	(743)
Directly attributable non- acquisition expenses paid	0	0	(1,043)	0	(1,043)	0	0	(383)	0	(383)
Insurance acquisition cash flows	(1,288)	0	0	0	(1,288)	(1,356)	0	0	0	(1,356)
Other cash flows	0	0	0	0	0	(1)	0	0	1	0
Total cash flows	24,623	0	(1,926)	0	22,697	9,144	0	(1,126)	1	8,019
Net closing balance	26,424	23	11,705	254	38,406	4,990	19	10,086	84	15,179
Closing liabilities	26,424	23	11,705	254	38,406	4,990	19	10,086	84	15,179
Closing assets	0	0	0	0	0	0	0	0	0	0
Net closing balance	26,424	23	11,705	254	38,406	4,990	19	10,086	84	15,179

	31 December 2023					31 December 2022				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)			Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Protection and Saving (P&S) – Non-linked										
Opening liabilities	2,813	0	167,576	13,873	184,262	3,322	0	6,327	161	9,810
Acquired liabilities	297	162	17,700	487	18,646	(18,501)	0	113,333	7,640	102,472
Opening assets	0	0	(45)	0	(45)	0	0	0	0	0
Acquired assets	0	0	0	0	0	(43)	0	6	0	(37)
Net opening balance	3,110	162	185,231	14,360	202,863	(15,222)	0	119,666	7,801	112,245
Changes in the statement of income										
Insurance revenue	(289,005)	0	0	0	(289,005)	(272,778)	0	0	0	(272,778)
Insurance service expenses										
Incurred claims	0	0	290,552	4,734	295,286	0	0	218,487	5,711	224,198
Directly attributable non-acquisition expenses	0	0	11,923	0	11,923	0	0	0	0	0
Changes relating to liabilities for incurred claims	0	0	(30,654)	(9,191)	(39,845)	0	0	(2,426)	109	(2,317)
Losses / (loss reversals) on onerous contracts	0	(162)	0	0	(162)	0	0	0	0	0
Insurance acquisition costs incurred	9,885	0	0	0	9,885	17,834	0	0	0	17,834
Surplus distribution to policyholders	0	0	0	0	0	0	0	0	0	0
Insurance service expenses	9,885	(162)	271,821	(4,457)	277,087	17,834	0	216,061	5,820	239,715
Insurance service result	(279,120)	(162)	271,821	(4,457)	(11,918)	(254,944)	0	216,061	5,820	(33,063)
Other movements	(6,233)	0	6,233	0	0	(173)	0	(80)	253	0
Net finance expense/(income) from insurance contracts	0	0	(3,002)	2	(3,000)	0	0	0	0	0
Total changes in the statement of income	(285,353)	(162)	275,052	(4,455)	(14,918)	(255,117)	0	215,981	6,073	(33,063)
Investment components	0	0	0	0	0	0	0	0	0	0
Cash flows										
Premiums received	270,429	0	0	0	270,429	291,208	0	0	0	291,208
Claims paid	0	0	(293,638)	0	(293,638)	0	0	(163,643)	0	(163,643)
Directly attributable non- acquisition expenses paid	0	0	(11,923)	0	(11,923)	0	0	(4,474)	0	(4,474)
Insurance acquisition cash flows	(10,924)	0	0	0	(10,924)	(18,057)	0	0	0	(18,057)
Other cash flows	0	0	1,310	0	1,310	1	0	1	(1)	1
Total cash flows	259,505	0	(304,251)	0	(44,746)	273,152	0	(168,116)	(1)	105,035
Net closing balance	(22,738)	0	156,032	9,905	143,199	2,813	0	167,531	13,873	184,217
Closing liabilities	(22,738)	0	156,076	9,905	143,243	2,813	0	167,576	13,873	184,262
Closing assets	0	0	(44)	0	(44)	0	0	(45)	0	(45)
Net closing balance	(22,738)	0	156,032	9,905	143,199	2,813	0	167,531	13,873	184,217

Others	31 December 2023					31 December 2022				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)			Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening liabilities	415	72	18,829	235	19,551	737	0	21,694	902	23,333
Acquired liabilities	157,488	0	24,058	477	182,023	0	0	0	0	0
Opening assets	0	0	0	0	0	0	0	0	0	0
Acquired assets	0	0	0	0	0	0	0	0	0	0
Net opening balance	157,903	72	42,887	712	201,574	737	0	21,694	902	23,333
Changes in the statement of income										
Insurance revenue	(31,624)	0	0	0	(31,624)	(17,428)	0	0	0	(17,428)
Insurance service expenses										
Incurred claims	0	0	33,036	12	33,048	0	0	4,292	176	4,468
Directly attributable non-acquisition expenses	0	0	2,641	0	2,641	0	0	0	0	0
Changes relating to liabilities for incurred claims	0	0	(31,029)	186	(30,843)	0	0	(5,641)	(844)	(6,485)
Losses / (loss reversals) on onerous contracts	0	750	0	0	750	0	72	0	0	72
Insurance acquisition costs incurred	3,545	0	0	0	3,545	1,696	0	0	0	1,696
Surplus distribution to policyholders	0	0	0	0	0	0	0	0	0	0
Insurance service expenses	3,545	750	4,648	198	9,141	1,696	72	(1,349)	(668)	(249)
Insurance service result	(28,079)	750	4,648	198	(22,483)	(15,732)	72	(1,349)	(668)	(17,677)
Other movements	(1,402)	0	1,402	0	0	942	0	(942)	0	0
Net finance expense/(income) from insurance contracts	0	0	(1,381)	2	(1,379)	0	0	0	0	0
Total changes in the statement of income	(29,481)	750	4,669	200	(23,862)	(14,790)	72	(2,291)	(668)	(17,677)
Investment components	0	0	0	0	0	0	0	0	0	0
Cash flows										
Premiums received	50,736	0	0	0	50,736	16,425	0	0	0	16,425
Claims paid	0	0	(468)	0	(468)	0	0	352	0	352
Directly attributable non- acquisition expenses paid	0	0	(2,641)	0	(2,641)	0	0	(924)	0	(924)
Insurance acquisition cash flows	(4,055)	0	0	0	(4,055)	(1,957)	0	0	0	(1,957)
Other cash flows	0	0	0	0	0	0	0	(2)	1	(1)
Total cash flows	46,681	0	(3,109)	0	43,572	14,468	0	(574)	1	13,895
Net closing balance	175,103	822	44,447	912	221,284	415	72	18,829	235	19,551
Closing liabilities	175,103	822	44,447	912	221,284	415	72	18,829	235	19,551
Closing assets	0	0	0	0	0	0	0	0	0	0
Net closing balance	175,103	822	44,447	912	221,284	415	72	18,829	235	19,551

5.1.2 Analysis of reinsurance contract assets and liabilities for contracts measured under PAA

All portfolios / segments under PAA	31 December 2023					31 December 2022				
	Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims			Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening liabilities	(184)	0	(712)	0	(896)	0	0	(100)	0	(100)
Acquired liabilities	(1,455)	0	355	0	(1,100)	0	0	0	0	0
Opening assets	(63,847)	3,431	271,424	11,445	222,453	3,301	1,999	135,580	8,304	149,184
Acquired assets	110,561	70	105,222	1,517	217,370	(31,920)	0	86,271	0	54,351
Net opening balance	45,075	3,501	376,289	12,962	437,827	(28,619)	1,999	221,751	8,304	203,435
Changes in the statement of income										
Allocation of reinsurance premiums	(330,278)	0	0	0	(330,278)	(314,553)	0	0	0	(314,553)
Amounts recoverable from reinsurers										
Incurred claims & other expenses	0	0	368,619	4,097	372,716	0	0	218,342	6,662	225,004
Changes in amounts recoverable on incurred claims	0	0	(137,659)	(6,611)	(144,270)	0	0	(9,899)	(8,117)	(18,016)
Loss recovery / (loss recovery reversals)	0	(2,820)	0	0	(2,820)	0	1,432	0	0	1,432
Change in provision for risk of non-performance	0	0	56	0	56	0	0	103	0	103
Change in profit commission / sliding scale commission	0	0	0	0	0	0	0	0	0	0
Total amounts recoverable from reinsurers	0	(2,820)	231,016	(2,514)	225,682	0	1,432	208,546	(1,455)	208,523
Net expense from reinsurance contracts held	(330,278)	(2,820)	231,016	(2,514)	(104,596)	(314,553)	1,432	208,546	(1,455)	(106,030)
Net finance income/(expense) from reinsurance contracts	0	0	(4,966)	6	(4,960)	0	0	0	0	0
Total changes in the statement of income	(330,278)	(2,820)	226,050	(2,508)	(109,556)	(314,553)	1,432	208,546	(1,455)	(106,030)
Other movements	5,626	0	(5,626)	0	0	(931)	0	(3,665)	4,596	0
Cash flows										
Premiums paid	358,677	0	0	0	358,677	334,564	0	0	0	334,564
Claims and other recoveries	347	0	(232,071)	0	(231,724)	(25,459)	0	(155,920)	0	(181,379)
Reinsurance commission received	(39,070)	0	0	0	(39,070)	(29,033)	0	0	0	(29,033)
Profit / sliding scale commission received	0	0	141	0	141	0	0	0	0	0
Total cash flows	319,954	0	(231,930)	0	88,024	280,072	0	(155,920)	0	124,152
Net closing balance	40,377	681	364,783	10,454	416,295	(64,031)	3,431	270,712	11,445	221,557
Closing liabilities	0	0	(2,954)	0	(2,954)	(184)	0	(712)	0	(896)
Closing assets	40,377	681	367,737	10,454	419,249	(63,847)	3,431	271,424	11,445	222,453
Net closing balance	40,377	681	364,783	10,454	416,295	(64,031)	3,431	270,712	11,445	221,557

Motor	31 December 2023					31 December 2022				
	Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims			Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening liabilities	0	0	(525)	0	(525)	0	0	(100)	0	(100)
Acquired liabilities	0	0	0	0	0					0
Opening assets	(12,107)	3,377	79,562	598	71,430	228	1,997	87,889	2,120	92,234
Acquired assets	0	0	0	0	0					0
Net opening balance	(12,107)	3,377	79,037	598	70,905	228	1,997	87,789	2,120	92,134
Changes in the statement of income										
Allocation of reinsurance premiums	(25,493)	0	0	0	(25,493)	(38,890)	0	0	0	(38,890)
Amounts recoverable from reinsurers										
Incurring claims & other expenses	0	0	20,609	(11)	20,598	0	0	50,894	1,661	52,555
Changes in amounts recoverable on incurred claims	0	0	(15,155)	(4)	(15,159)	0	0	(4,720)	(3,183)	(7,903)
Loss recovery / (loss recovery reversals)	0	(3,377)	0	0	(3,377)	0	1,380	0	0	1,380
Change in provision for risk of non-performance	0	0	14	0	14	0	0	14	0	14
Change in profit commission / sliding scale commission	0	0	0	0	0	0	0	0	0	0
Total amounts recoverable from reinsurers	0	(3,377)	5,468	(15)	2,076	0	1,380	46,188	(1,522)	46,046
Net expense from reinsurance contracts held	(25,493)	(3,377)	5,468	(15)	(23,417)	(38,890)	1,380	46,188	(1,522)	7,156
Net finance income/(expense) from reinsurance contracts	0	0	(1,391)	0	(1,391)	0	0	0	0	0
Total changes in the statement of income	(25,493)	(3,377)	4,077	(15)	(24,808)	(38,890)	1,380	46,188	(1,522)	7,156
Other movements	2,465	0	(2,465)	0	0	(1)	0	1	0	0
Cash flows										
Premiums paid	42,703	0	0	0	42,703	32,323	0	0	0	32,323
Claims and other recoveries	347	0	(45,485)	0	(45,138)	0	0	(54,941)	0	(54,941)
Reinsurance commission received	(8,149)	0	0	0	(8,149)	(5,767)	0	0	0	(5,767)
Profit / sliding scale commission received	0	0	0	0	0	0	0	0	0	0
Total cash flows	34,901	0	(45,485)	0	(10,584)	26,556	0	(54,941)	0	(28,385)
Net closing balance	(234)	0	35,164	583	35,513	(12,107)	3,377	79,037	598	70,905
Closing liabilities	0	0	(2,947)	0	(2,947)	0	0	(525)	0	(525)
Closing assets	(234)	0	38,111	583	38,460	(12,107)	3,377	79,562	598	71,430
Net closing balance	(234)	0	35,164	583	35,513	(12,107)	3,377	79,037	598	70,905

Property	31 December 2023					31 December 2022				
	Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims			Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening liabilities	0	0	0	0	0	0	0	0	0	0
Acquired liabilities	0	0	0	0	0					0
Opening assets	(876)	2	5,570	35	4,731	776	2	11,971	444	13,193
Acquired assets	(10,778)	0	40,965	489	30,676					0
Net opening balance	(11,654)	2	46,535	524	35,407	776	2	11,971	444	13,193
Changes in the statement of income										
Allocation of reinsurance premiums	(62,750)	0	0	0	(62,750)	(54,540)	0	0	0	(54,540)
Amounts recoverable from reinsurers										
Incurring claims & other expenses	0	0	54,632	228	54,860	0	0	478	48	526
Changes in amounts recoverable on incurred claims	0	0	(41,134)	144	(40,990)	0	0	(6,698)	(457)	(7,155)
Loss recovery / (loss recovery reversals)	0	(2)	0	0	(2)	0	0	0	0	0
Change in provision for risk of non-performance	0	0	0	0	0	0	0	4	0	4
Change in profit commission / sliding scale commission	0	0	0	0	0	0	0	0	0	0
Total amounts recoverable from reinsurers	0	(2)	13,498	372	13,868	0	0	(6,216)	(409)	(6,625)
Net expense from reinsurance contracts held	(62,750)	(2)	13,498	372	(48,882)	(54,540)	0	(6,216)	(409)	(61,165)
Net finance income/(expense) from reinsurance contracts	0	0	(78)	2	(76)	0	0	0	0	0
Total changes in the statement of income	(62,750)	(2)	13,420	374	(48,958)	(54,540)	0	(6,216)	(409)	(61,165)
Other movements	(1,655)	0	1,655	0	0	(63)	0	63	0	0
Cash flows										
Premiums paid	62,863	0	0	0	62,863	66,044	0	0	0	66,044
Claims and other recoveries	0	0	15,675	0	15,675	0	0	(248)	0	(248)
Reinsurance commission received	(11,530)	0	0	0	(11,530)	(13,093)	0	0	0	(13,093)
Profit / sliding scale commission received	0	0	0	0	0	0	0	0	0	0
Total cash flows	51,333	0	15,675	0	67,008	52,951	0	(248)	0	52,703
Net closing balance	(24,726)	0	77,285	898	53,457	(876)	2	5,570	35	4,731
Closing liabilities	0	0	0	0	0	0	0	0	0	0
Closing assets	(24,726)	0	77,285	898	53,457	(876)	2	5,570	35	4,731
Net closing balance	(24,726)	0	77,285	898	53,457	(876)	2	5,570	35	4,731

	31 December 2023					31 December 2022				
	Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims			Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
Engineering										
Opening liabilities	0	0	0	0	0	0	0	0	0	0
Acquired liabilities	0	0	0	0	0					0
Opening assets	71	15	10,841	84	11,011	4,056	0	12,962	511	17,529
Acquired assets	7,217	0	3,131	64	10,412					0
Net opening balance	7,288	15	13,972	148	21,423	4,056	0	12,962	511	17,529
Changes in the statement of income										
Allocation of reinsurance premiums	(12,262)	0	0	0	(12,262)	(9,957)	0	0	0	(9,957)
Amounts recoverable from reinsurers										
Incurring claims & other expenses	0	0	7,135	(594)	6,541	0	0	(191)	172	(19)
Changes in amounts recoverable on incurred claims	0	0	(6,247)	774	(5,473)	0	0	(1,895)	(599)	(2,494)
Loss recovery / (loss recovery reversals)	0	3	0	0	3	0	15	0	0	15
Change in provision for risk of non-performance	0	0	5	0	5	0	0	3	0	3
Change in profit commission / sliding scale commission	0	0	0	0	0	0	0	0	0	0
Total amounts recoverable from reinsurers	0	3	893	180	1,076	0	15	(2,083)	(427)	(2,495)
Net expense from reinsurance contracts held	(12,262)	3	893	180	(11,186)	(9,957)	15	(2,083)	(427)	(12,452)
Net finance income/(expense) from reinsurance contracts	0	0	(520)	0	(520)	0	0	0	0	0
Total changes in the statement of income	(12,262)	3	373	180	(11,706)	(9,957)	15	(2,083)	(427)	(12,452)
Other movements	320	0	(320)	0	0	(282)	0	282	0	0
Cash flows										
Premiums paid	17,658	0	0	0	17,658	8,181	0	0	0	8,181
Claims and other recoveries	0	0	877	0	877	0	0	(320)	0	(320)
Reinsurance commission received	(2,543)	0	0	0	(2,543)	(1,927)	0	0	0	(1,927)
Profit / sliding scale commission received	0	0	0	0	0	0	0	0	0	0
Total cash flows	15,115	0	877	0	15,992	6,254	0	(320)	0	5,934
Net closing balance	10,461	18	14,902	328	25,709	71	15	10,841	84	4,007
Closing liabilities	0	0	0	0	0	0	0	0	0	0
Closing assets	10,461	18	14,902	328	25,709	71	15	10,841	84	11,011
Net closing balance	10,461	18	14,902	328	25,709	71	15	10,841	84	11,011

	31 December 2023					31 December 2022				
	Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims			Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
Protection and Saving (P&S) – Non-linked										
Opening liabilities	0	0	(7)	0	(7)	0	0	0	0	0
Acquired liabilities	(1,455)	0	355	0	(1,100)					0
Opening assets	(48,838)	0	159,125	10,604	120,891	9	0	1,225	4,641	5,875
Acquired assets	(8,973)	70	17,308	487	8,892	(31,920)		86,271	0	54,351
Net opening balance	(59,266)	70	176,781	11,091	128,676	(31,911)	0	87,496	4,641	60,226
Changes in the statement of income										
Allocation of reinsurance premiums	(206,869)	0	0	0	(206,869)	(201,755)	0	0	0	(201,755)
Amounts recoverable from reinsurers										
Incurred claims & other expenses	0	0	237,896	3,808	241,704	0	0	165,381	4,717	170,098
Changes in amounts recoverable on incurred claims	0	0	(30,640)	(7,073)	(37,713)	0	0	6,609	(3,350)	3,259
Loss recovery / (loss recovery reversals)	0	(70)	0	0	(70)	0	0	0	0	0
Change in provision for risk of non-performance	0	0	38	0	38	0	0	79	0	79
Change in profit commission / sliding scale commission	0	0	0	0	0	0	0	0	0	0
Total amounts recoverable from reinsurers	0	(70)	207,294	(3,265)	203,959	0	0	172,069	1,367	173,436
Net expense from reinsurance contracts held	(206,869)	(70)	207,294	(3,265)	(2,910)	(201,755)	0	172,069	1,367	(28,319)
Net finance income/(expense) from reinsurance contracts	0	0	(2,247)	2	(2,245)	0	0	0	0	0
Total changes in the statement of income	(206,869)	(70)	205,047	(3,263)	(5,155)	(201,755)	0	172,069	1,367	(28,319)
Other movements	3,999	0	(3,999)	0	0	(438)	0	(4,158)	4,596	0
Cash flows										
Premiums paid	216,571	0	0	0	216,571	215,612	0	0	0	215,612
Claims and other recoveries	0	0	(220,663)	0	(220,663)	(25,459)	0	(96,289)	0	(121,748)
Reinsurance commission received	(3,800)	0	0	0	(3,800)	(4,887)	0	0	0	(4,887)
Profit / sliding scale commission received	0	0	0	0	0	0	0	0	0	0
Total cash flows	212,771	0	(220,663)	0	(7,892)	185,266	0	(96,289)	0	88,977
Net closing balance	(49,365)	0	157,166	7,828	115,629	(48,838)	0	159,118	10,604	84,090
Closing liabilities	0	0	(7)	0	(7)	0	0	(7)	0	(7)
Closing assets	(49,365)	0	157,173	7,828	115,636	(48,838)	0	159,125	10,604	120,891
Net closing balance	(49,365)	0	157,166	7,828	115,629	(48,838)	0	159,118	10,604	120,884

Others	31 December 2023					31 December 2022				
	Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims			Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening liabilities	(184)	0	(180)	0	(364)	0	0	0	0	0
Acquired liabilities	0	0	0	0	0					0
Opening assets	(2,097)	37	16,326	124	14,390	(1,768)	0	21,533	588	20,353
Acquired assets	123,095	0	43,818	477	167,390					0
Net opening balance	120,814	37	59,964	601	181,416	(1,768)	0	21,533	588	20,353
Changes in the statement of income										
Allocation of reinsurance premiums	(22,904)	0	0	0	(22,904)	(9,411)	0	0	0	(9,411)
Amounts recoverable from reinsurers										
Incurring claims & other expenses	0	0	48,347	666	49,013	0	0	1,780	64	1,844
Changes in amounts recoverable on incurred claims	0	0	(44,483)	(452)	(44,935)	0	0	(3,195)	(528)	(3,723)
Loss recovery / (loss recovery reversals)	0	626	0	0	626	0	37	0	0	37
Change in provision for risk of non-performance	0	0	(1)	0	(1)	0	0	3	0	3
Change in profit commission / sliding scale commission	0	0	0	0	0	0	0	0	0	0
Total amounts recoverable from reinsurers	0	626	3,863	214	4,703	0	37	(1,412)	(464)	(1,839)
Net expense from reinsurance contracts held	(22,904)	626	3,863	214	(18,201)	(9,411)	37	(1,412)	(464)	(11,250)
Net finance income/(expense) from reinsurance contracts	0	0	(730)	2	(728)	0	0	0	0	0
Total changes in the statement of income	(22,904)	626	3,133	216	(18,929)	(9,411)	37	(1,412)	(464)	(11,250)
Other movements	497	0	(497)	0	0	(147)	0	147	0	0
Cash flows										
Premiums paid	18,882	0	0	0	18,882	12,404	0	0	0	12,404
Claims and other recoveries	0	0	17,525	0	17,525	0	0	(4,122)	0	(4,122)
Reinsurance commission received	(13,048)	0	0	0	(13,048)	(3,359)	0	0	0	(3,359)
Profit / sliding scale commission received	0	0	141	0	141	0	0	0	0	0
Total cash flows	5,834	0	17,666	0	23,500	9,045	0	(4,122)	0	4,923
Net closing balance	104,241	663	80,266	817	185,987	(2,281)	37	16,146	124	1,564
Closing liabilities	0	0	0	0	0	(184)	0	(180)	0	(364)
Closing assets	104,241	663	80,266	817	185,987	(2,097)	37	16,326	124	14,390
Net closing balance	104,241	663	80,266	817	185,987	(2,281)	37	16,146	124	14,026
						0	0	0	0	

5.2.1 Analysis of insurance contract assets and liabilities for contracts measured under VFA

	31 December 2023					31 December 2022				
	LRC		LIC			LRC		LIC		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Protection and Savings (P&S) – linked										
Opening liabilities	525,061	0	3,607	48	528,716	0	0	0	0	0
Acquired liabilities	112,768	75	0	0	112,843	643,011	0	3,892	49	646,952
Opening assets	0	0	(221)	0	(221)	0	0	0	0	0
Acquired assets	0	0	0	0	0	0	0	0	0	0
Net opening balance	637,829	75	3,386	48	641,338	643,011	0	3,892	49	646,952
Expected claims expenses	0	0	0	0	0	0	0	0	0	0
Expected directly attributable non-acquisition expenses	(13,899)	0	0	0	(13,899)	(10,082)	0	0	0	(10,082)
Loss component run off	51	0	0	0	51	0	0	0	0	0
Expected other insurance service expenses incurred	(4,026)	0	0	0	(4,026)	(3,530)	0	0	0	(3,530)
Change in risk adjustment for non-financial risk	(236)	0	0	0	(236)	(178)	0	0	0	(178)
Experience adjustments	0	0	0	0	0	0	0	0	0	0
Amount of CSM recognized in statement of income	(3,058)	0	0	0	(3,058)	(2,353)	0	0	0	(2,353)
Allocation of premium for recovery of acquisition cash flows	(603)	0	0	0	(603)	(452)	0	0	0	(452)
Insurance revenue	(21,771)	0	0	0	(21,771)	(16,595)	0	0	0	(16,595)
Incurred claims	0	0	1,348	(4)	1,344	0	0	842	3	845
Directly attributable non-acquisition expenses	0	0	5,663	0	5,663	0	0	10,383	0	10,383
Losses / (loss reversals) on onerous contracts	0	4,059	0	0	4,059	0	0	0	0	0
Insurance acquisition costs incurred	603	0	0	0	603	452	0	0	0	452
Changes relating to liabilities for incurred claims	0	0	537	2	539	0	0	(836)	(4)	(840)
Surrenders and maturities	(207,716)	0	207,716	0	0	(196,727)	0	196,727	0	0
Insurance service expenses	(207,113)	4,059	215,264	(2)	12,208	(196,275)	0	207,116	(1)	10,840
Insurance service result	(228,884)	4,059	215,264	(2)	(9,563)	(212,870)	0	207,116	(1)	(5,755)
Net finance expense/(income) from insurance contracts	87,420	0	0	3	87,423	(45,078)	0	0	0	(45,078)
Total changes in the statement of income	(141,464)	4,059	215,264	1	77,860	(257,948)	0	207,116	(1)	(50,833)
Other movements	0	0	0	0	0	0	0	0	0	0
Cash flows										
Premiums received	146,513	0	0	0	146,513	150,061	0	0	0	150,061
Claims paid	0	0	(209,001)	0	(209,001)	0	0	(197,018)	0	(197,018)
Directly attributable non- acquisition expenses paid	0	0	(5,663)	0	(5,663)	0	0	(10,383)	0	(10,383)
Insurance acquisition cash flows	(7,003)	0	0	0	(7,003)	(10,063)	0	0	0	(10,063)
Other cash flows	11,426	0	221	0	11,647	0	0	(221)	0	(221)
Total cash flows	150,936	0	(214,443)	0	(63,507)	139,998	0	(207,622)	0	(67,624)
Net closing balance	647,301	4,134	4,207	49	655,691	525,061	0	3,386	48	528,495
Closing liabilities	647,301	4,134	4,207	49	655,691	525,061	0	3,607	48	528,716
Closing assets	0	0	0	0	0	0	0	(221)	0	(221)
Net closing balance	647,301	4,134	4,207	49	655,691	525,061	0	3,386	48	528,495

5.2.2 Analysis of reinsurance contract assets and liabilities for contracts measured under VFA

	31 December 2023					31 December 2022				
	Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims (AIC)			Assets for remaining coverage (ARC)		Assets for amounts recoverable on incurred claims (AIC)		
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
Protection and Savings (P&S) – linked										
Opening liabilities	0	0	0	0	0	0	0	0	0	0
Acquired liabilities	0	0	0	0	0	2,057	0	2,108	(60)	4,105
Opening assets	462	0	(2,109)	(63)	(1,710)	0	0	0	0	0
Acquired assets	4	0	0	0	4	0	0	0	0	0
Net opening balance	466	0	(2,109)	(63)	(1,706)	2,057	0	2,108	(60)	4,105
Changes in the statement of income										
<i>Allocation of reinsurance premiums</i>										
Expected claims recoverable in the year	1,657	0	0	0	1,657	1,418	0	0	0	1,418
Changes in risk adjustment for non-financial risk	9	0	0	0	9	6	0	0	0	6
Experience adjustments	0	0	0	0	0	0	0	0	0	0
CSM (net gain/loss) release	136	0	0	0	136	160	0	0	0	160
Total allocation of reinsurance premiums	1,802	0	0	0	1,802	1,584	0	0	0	1,584
<i>Amounts recoverable from reinsurance</i>										
Incurring claims & other expenses	0	0	(656)	(22)	(678)	0	0	(363)	0	(363)
Changes in amounts recoverable on incurred claims	0	0	(18)	34	16	0	0	(4,012)	(3)	(4,015)
Loss recovery / (loss recovery reversals) for onerous contracts	0	(26)	0	0	(26)	0	0	0	0	0
Change in provision for risk of non-performance	0	0	0	0	0	0	0	0	0	0
Changes in profit commission/ sliding scale commission	0	0	0	0	0	0	0	0	0	0
Total amounts recoverable from reinsurance	0	(26)	(674)	12	(688)	0	0	(4,375)	(3)	(4,378)
Net expense from reinsurance contracts held	1,802	(26)	(674)	12	1,114	1,584	0	(4,375)	(3)	(2,794)
Net finance income/(expense) from reinsurance contracts	94	0	0	(4)	90	(416)	0	0	0	(416)
Total changes in the statement of income	1,896	(26)	(674)	8	1,204	1,168	0	(4,375)	(3)	(3,210)
Other movements	0	0	0	0	0	0	0	0	0	0
<i>Cash flows</i>										
Premiums paid	(2,722)	0	0	0	(2,722)	(2,763)	0	0	0	(2,763)
Claims and other recoveries	0	0	748	0	748	0	0	158	0	158
Reinsurance commission received	0	0	0	0	0	0	0	0	0	0
Total cash flows	(2,722)	0	748	0	(1,974)	(2,763)	0	158	0	(2,605)
Net closing balance	(360)	(26)	(2,035)	(55)	(2,476)	462	0	(2,109)	(63)	(1,710)
Closing liabilities	0	0	0	0	0	0	0	0	0	0
Closing assets	(360)	(26)	(2,035)	(55)	(2,476)	462	0	(2,109)	(63)	(1,710)
Net closing balance	(360)	(26)	(2,035)	(55)	(2,476)	462	0	(2,109)	(63)	(1,710)

5.3 Reconciliation of insurance and reinsurance balances by components for contracts measured under VFA

5.3.1 Reconciliation of insurance contract assets and liabilities by components for contracts measured under VFA

	31 December 2023				31 December 2022			
Protection and Savings (P&S) - linked	Estimates of the present value of future cash flows	Risk Adjustment for non-financial risk	Contractual Service Margin (CSM)	Total	Estimates of the present value of future cash flows	Risk Adjustment for non-financial risk	Contractual Service Margin (CSM)	Total
Opening liabilities	476,657	2,028	50,031	528,716	0	0	0	0
Acquired liabilities	112,151	255	437	112,843	573,797	3,263	69,892	646,952
Opening assets	(221)	0	0	(221)	0	0	0	0
Acquired assets	0	0	0	0	0	0	0	0
Net opening balance	588,587	2,283	50,468	641,338	573,797	3,263	69,892	646,952
Changes in the statement of income								
<i>Changes that relate to current services</i>								
CSM recognized in statement of income for services provided	0	0	(3,058)	(3,058)	0	0	(2,353)	(2,353)
Changes in risk adjustment for risks expired	0	(235)	0	(235)	0	(178)	0	(178)
Experience adjustments	(10,108)	0	0	(10,108)	(2,652)	0	0	(2,652)
	(10,108)	(235)	(3,058)	(13,401)	(2,652)	(178)	(2,353)	(5,183)
<i>Changes that relate to future services</i>								
Contracts initially recognized during the year	(12,686)	602	12,135	51	(13,452)	272	13,180	0
Changes in estimates that adjust the CSM	(19,566)	394	19,172	0	32,842	(1,350)	(31,492)	0
Changes in estimates that do not adjust the CSM	4,115	(55)	0	4,060	0	0	0	0
	(28,137)	941	31,307	4,111	19,390	(1,078)	(18,312)	0
<i>Changes that relate to past services</i>								
Changes relating to liabilities for incurred claims	(268)	(2)	0	(270)	(571)	(2)	0	(573)
Insurance service result	(38,513)	704	28,249	(9,560)	16,167	(1,258)	(20,665)	(5,756)
Net finance expense/(income) from insurance contracts	82,438	145	4,839	87,422	(45,905)	24	804	(45,077)
Total changes in the statement of income	43,925	849	33,088	77,862	(29,738)	(1,234)	(19,861)	(50,833)
Other movements	0	0	0	0	0	0	0	0
Cash flows								
Premiums received	146,513	0	0	146,513	150,060	0	0	150,060
Claims paid	(209,001)	0	0	(209,001)	(197,018)	(1)	0	(197,019)
Directly attributable non- acquisition expenses paid	(5,663)	0	0	(5,663)	(10,383)	0	0	(10,383)
Insurance acquisition cash flows	(7,004)	0	0	(7,004)	(10,063)	0	0	(10,063)
Other cash flows	11,646.00	0	0	11,646	(219)	0	0	(219)
Total cash flows	(63,509)	0	0	(63,509)	(67,623)	(1)	0	(67,624)
Net closing balance	569,003	3,132	83,556	655,691	476,436	2,028	50,031	528,495
Closing liabilities	569,003	3,132	83,556	655,691	476,657	2,028	50,031	528,716
Closing assets	0	0	0	0	(221)	0	0	(221)
Net closing balance	569,003	3,132	83,556	655,691	476,436	2,028	50,031	528,495

5.3.2 Reconciliation of reinsurance contract assets and liabilities by components for contracts measured under VFA

	31 December 2023				31 December 2022			
	Estimates of the present value of future cash flows	Risk Adjustment for non-financial risk	Contractual Service Margin (CSM)	Total	Estimates of the present value of future cash flows	Risk Adjustment for non-financial risk	Contractual Service Margin (CSM)	Total
Protection and Savings (P&S)-linked								
Opening liabilities	0	0	0	0	0	0	0	0
Acquired liabilities	0	0	0	0	7,344	(177)	(3,062)	4,105
Opening assets	1,859	(160)	(3,409)	(1,710)	0	0	0	0
Acquired assets	3	0	1	4	0	0	0	0
Net opening balance	1,862	(160)	(3,408)	(1,706)	7,344	(177)	(3,062)	4,105
Changes in the statement of income								
<i>Changes that relate to current services</i>								
CSM recognized in statement of income for services transferred	0	0	136	136	0	0	160	160
Changes in risk adjustment for non-financial risks	0	9	0	9	0	6	0	6
Experience adjustments	527	0	0	527	1,055	0	0	1,055
	527	9	136	672	1,055	6	160	1,221
<i>Changes that relate to future services</i>								
Contracts initially recognized during the year	0	0	0	0	0	0	0	0
Changes in estimates that adjust the CSM	(65)	13	52	0	472	15	(486)	1
Reversal of loss-recovery component	0	0	0	0	0	0	0	0
Changes that do not adjust the CSM	0	0	(26)	(26)	0	0	0	0
	(65)	13	26	(26)	472	15	(486)	1
<i>Changes that relate to past services</i>								
Changes in amounts recoverable on incurred claims	457	12	0	469	(4,012)	(3)	0	(4,015)
Change in provision for risk of non-performance	0	0	0	0	0	0	0	0
Net expenses from reinsurance contracts held	919	34	162	1,115	(2,485)	18	(326)	(2,793)
Net finance income / (expenses) from reinsurance contracts	149	(9)	(50)	90	(395)	(1)	(21)	(417)
Total changes in the statement of income	1,068	25	112	1,205	(2,880)	17	(347)	(3,210)
Other movements	0	0	0	0	0	0	0	0
Cash flows								
Premiums paid	(2,723)	0	0	(2,723)	(2,763)	0	0	(2,763)
Claims and other recoveries	748	0	0	748	158	0	0	158
Reinsurance commission received	0	0	0	0	0	0	0	0
Profit / sliding scale commission received	0	0	0	0	0	0	0	0
Other cash flows	0	0	0	0	0	0	0	0
Total cash flows	(1,975)	0	0	(1,975)	(2,605)	0	0	(2,605)
Net closing balance	955	(135)	(3,296)	(2,476)	1,859	(160)	(3,409)	(1,710)
Closing liabilities	0	0	0	0	0	0	0	0
Closing assets	955	(135)	(3,296)	(2,476)	1,859	(160)	(3,409)	(1,710)
Net closing balance	955	(135)	(3,296)	(2,476)	1,859	(160)	(3,409)	(1,710)

5.4 Impact of contracts recognized in the year for contracts measured under GMM / VFA

31 December 2023

Impact on insurance contract liabilities

Estimates of the present value of future cash outflows

- insurance acquisition costs
- claims incurred
- directly attributable non-acquisition expenses

Estimates of the present value of future cash inflows

Investment Component

Risk adjustment for non-financial risk

CSM

Increase in insurance contract liabilities from contracts recognized in the year

Contracts acquired through business combinations		Contracts written by the Company		Total
Non-onerous contracts originated	Onerous contracts originated	Non-onerous contracts originated	Onerous contracts originated	
0	2,839	3,020	0	5,859
0	2,380	2,743	0	5,123
0	7,482	5,720	0	13,202
0	12,701	11,483	0	24,184
0	(11,465)	(27,911)	0	(39,376)
0	125,182	6,054	0	131,236
0	231	684	0	915
0	0	16,989	0	16,989
0	126,649	7,299	0	133,948

31 December 2023

Impact on reinsurance (RI) contract assets

Estimates of the present value of future cash outflows

Estimates of the present value of future cash inflows

Risk adjustment for non-financial risk

CSM

Increase in reinsurance contract liabilities from contracts recognized in the year

Contracts acquired through business combinations		Contracts written by the Company		Total
Non-onerous contracts originated	Onerous contracts originated	Non-onerous contracts originated	Onerous contracts originated	
0	31	1,087	0	1,118
0	(21)	(1,204)	0	(1,225)
0	0	(14)	0	(14)
0	(31)	(23)	0	(54)
0	(21)	(154)	0	(175)

31 December 2022, Restated

Impact on insurance contract liabilities

Estimates of the present value of future cash outflows

- insurance acquisition costs
- claims incurred
- directly attributable non-acquisition expenses

Estimates of the present value of future cash inflows

Increase in insurance contract liabilities from contracts recognized in the year

Contracts acquired through business combinations		Contracts written by the Company		Total
Non-onerous contracts originated	Onerous contracts originated	Non-onerous contracts originated	Onerous contracts originated	
2,914	0	0	0	2,914
18,825	0	0	0	18,825
65,983	0	0	0	65,983
87,722	0	0	0	87,722
(169,253)	0	0	0	(169,253)
(81,531)	0	0	0	(81,531)

31 December 2022, Restated

Impact on reinsurance (RI) contract assets

Estimates of the present value of future cash outflows

Estimates of the present value of future cash inflows

Increase in reinsurance contract liabilities from contracts recognized in the year

Contracts acquired through business combinations		Contracts written by the Company		Total
Non-onerous contracts originated	Onerous contracts originated	Non-onerous contracts originated	Onerous contracts originated	
12,713	0	0	0	12,713
(8,745)	0	0	0	(8,745)
3,968	0	0	0	3,968

5.5 Insurance revenue and the CSM by transition method for contracts measured under VFA

31 December 2023	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total
Insurance revenue	<u>4,012</u>	<u>17,759</u>	<u>0</u>	<u>21,771</u>
Opening CSM as of 1 January 2023	0	50,031	0	50,031
			0	0
CSM recognized in statement of income for the services provided	(270)	(2,788)	0	(3,058)
Changes in estimates that adjust the CSM	4,535	15,074	0	19,609
Contracts initially recognized in the year	12,135	0	0	12,135
	<u>16,400</u>	<u>12,286</u>	<u>0</u>	<u>28,686</u>
Finance expenses from insurance contracts issued	589	4,250		4,839
Total amounts recognized as income	<u>16,989</u>	<u>16,536</u>	<u>0</u>	<u>33,525</u>
Closing CSM as of 31 December 2023	<u>16,989</u>	<u>66,567</u>	<u>0</u>	<u>83,556</u>

31 December 2022, Restated	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total
Insurance revenue	<u>0</u>	<u>16,595</u>	<u>0</u>	<u>16,595</u>
Opening CSM as of 1 January 2023	0	69,892	0	69,892
			0	0
CSM recognized in statement of income for the services provided	0	(2,353)	0	(2,353)
Changes in estimates that adjust the CSM	0	(31,492)	0	(31,492)
Contracts initially recognized in the year	0	13,180	0	13,180
	<u>0</u>	<u>(20,665)</u>	<u>0</u>	<u>(20,665)</u>
Finance expenses from insurance contracts issued	0	804		804
Total amounts recognized as income	<u>0</u>	<u>(19,861)</u>	<u>0</u>	<u>(19,861)</u>
Closing CSM as of 31 December 2022	<u>0</u>	<u>50,031</u>	<u>0</u>	<u>50,031</u>

5.6 Expected recognition of the contractual service margin for contracts measured under VFA

31 December 2023

Number of years until expected to be recognized

1 year
2 years
3 years
4 years
5 years
6 to 10 years
More than 10 years
Total

Insurance contracts issued	
Protection & Savings-linked	Total CSM for insurance contracts issued
2,582	2,582
2,513	2,513
2,518	2,518
2,487	2,487
2,459	2,459
12,760	12,760
58,237	58,237
83,556	83,556

Reinsurance contracts held	
Protection & Savings-linked	Total CSM for reinsurance contracts held
113	113
109	109
108	108
105	105
102	102
499	499
2,227	2,227
3,263	3,263

31 December 2022, Restated

Number of years until expected to be recognized

1 year
2 years
3 years
4 years
5 years
6 to 10 years
More than 10 years
Total

Insurance contracts issued	
Protection & Savings-linked	Total CSM for insurance contracts issued
2,032	2,032
1,965	1,965
1,910	1,910
1,902	1,902
1,863	1,863
9,352	9,352
31,007	31,007
50,031	50,031

Reinsurance contracts held	
Protection & Savings-linked	Total CSM for reinsurance contracts held
138	138
133	133
130	130
130	130
127	127
637	637
2,112	2,112
3,407	3,407

5.8 Insurance premium receivables analysis

	31 December 2023			31 December 2022			01 January 2022		
	Receivables	ECL	Net Total	Receivables	ECL	Net Total	Receivables	ECL	Net Total
Medical	129,901	(25,729)	104,172	127,317	(4,920)	122,397	101,847	(3,938)	97,909
Motor	84,779	(8,576)	76,203	38,158	(1,640)	36,518	13,297	(1,312)	11,985
Property	27,115	0	27,115	3,820	0	3,820	6,730	0	6,730
Engineering	6,100	0	6,100	166	0	166	1,031	0	1,031
Protection & Savings - non-linked	35,394	0	35,394	4,936	0	4,936	3,425	0	3,425
Others	26,355	0	26,355	4,503	0	4,503	3,144	0	3,144
Total	309,644	(34,305)	275,339	178,900	(6,560)	172,340	129,474	(5,250)	124,224

6. INSURANCE SERVICE RESULT

	2023	2022
Insurance Revenue		
Contracts not measured under PAA		
Expected directly attributable non-acquisition expenses incurred	13,899	10,082
Loss component run off	(51)	0
Expected other insurance service expenses incurred	4,026	3,530
Change in risk adjustment for the risks expired after loss component	235	178
CSM recognized in statement of income for the services provided	3,058	2,353
Allocation of premium relating to recovery of insurance acquisition costs	603	452
Insurance revenue from contracts not measured under PAA	21,770	16,595
Contracts measured under PAA		
Premium earned on insurances contracts issued	1,131,555	903,330
Movement in expected credit loss for the year	(7,614)	(1,205)
Insurance revenue from contracts measured under PAA	1,123,941	902,125
Total Insurance Revenue	1,145,711	918,720
Insurance Service Expenses		
Incurred claims	(1,026,881)	(540,216)
Directly attributable non-acquisition expenses	(61,348)	(30,425)
Changes relating to liabilities for incurred claims	99,901	(224,009)
Losses on onerous contracts and reversal of the losses	(374)	(19,843)
Changes that relate to past service - adjustments to the LIC	45,287	79,703
Insurance acquisition costs incurred	(73,727)	(89,396)
Total Insurance Service Expenses	(1,017,142)	(824,186)
Insurance service result before reinsurance contracts held	128,569	94,534
Allocation of reinsurance premiums		
Contracts not measured under PAA		
Expected claims and other expenses recovery	(1,657)	(1,418)
Changes in risk adjustment for recognized for the risks expired	(9)	(6)
CSM recognized for the services received during the year	(136)	(160)
Allocation of reinsurance premiums from contracts not measured under the PAA	(1,802)	(1,584)
Contracts measured under PAA		
Premium ceded on reinsurance contracts held	(355,646)	(346,726)
Commission earned on reinsurance contracts held	25,368	32,173
Amounts allocated to reinsurance from contracts measured under the PAA	(330,278)	(314,553)
Total Allocation of reinsurance premiums	(332,080)	(316,137)
Amounts recoverable from reinsurers for incurred claims		
Incurred claims & other expenses	382,739	174,635
Changes relating to amounts recoverable on incurred claims	(144,286)	36,730
Losses recovered on onerous contracts and reversal of those loss recoveries	(2,793)	1,433
Movement in non-performing assets related to reinsurance contracts held	56	103
Other adjustments to incurred claims	(9,347)	(1)
Total amounts recoverable from reinsurance for incurred claims	226,369	212,900
Net expense from reinsurance contracts held	(105,711)	(103,237)
Insurance Service Result	22,858	(8,703)

7. NET INSURANCE FINANCE INCOME / (EXPENSES)

An analysis finance income / expenses from insurance contracts issued and reinsurance contracts held along with the corresponding investment income recognized in statement of income and statement of other comprehensive income by product line for the year ended 31 December 2023 and 31 December 2022 respectively is presented below:

For the year ended 31 December 2023

Finance income/expenses from insurance contracts issued

Interest accreted using locked-in interest rates	373	3,568	116	505	1,982	(87,422)	1,194	(79,684)
Effects of changes in interest rates and other financial assumptions	1,098	838	44	89	1,017	0	185	3,271
Fair value gain / loss on financial assets for unit linked contracts	0	0	0	0	0	87,420	0	87,420
Finance income/expenses from insurance contracts issued	1,471	4,406	160	594	2,999	(2)	1,379	11,007

Finance income/expenses from reinsurance contracts held

Interest accreted using locked-in interest rates	0	(950)	(32)	(440)	(1,445)	(139)	(618)	(3,624)
Effects of changes in interest rates and other financial assumptions	0	(441)	(44)	(79)	(801)	(3)	(110)	(1,478)
Foreign exchange differences	0	0	0	0	0	52	0	52
Finance income/expenses from reinsurance contracts held	0	(1,391)	(76)	(519)	(2,246)	(90)	(728)	(5,050)

Net insurance finance income / (expenses)

	1,471	3,015	84	75	753	(92)	651	5,957
- recognized in statement of income	1,471	3,015	84	75	753	(92)	651	5,957
- recognized in Other comprehensive income	0	0	0	0	0	0	0	0

For the year ended 31 December 2022

Finance income/expenses from insurance contracts issued

Interest accreted using locked-in interest rates

Fair value gain / loss on financial assets for unit linked contracts

Finance income/expenses from insurance contracts issued

Finance income/expenses from reinsurance contracts held

Interest accreted using locked-in interest rates

Effects of changes in interest rates and other financial assumptions

Foreign exchange differences

Finance income/expenses from reinsurance contracts held

Net insurance finance income / (expenses)

- recognized in statement of income

- recognized in Other comprehensive income

Medical	Motor	Property	Engineering	(P&S) – Non-linked	(P&S) – linked	Others	Total
0	0	0	0	0	45,078	0	45,078
0	0	0	0	0	(45,078)	0	(45,078)
0	0	0	0	0	0	0	0
0	0	0	0	21	(10)	0	11
0	0	0	0	(21)	(28)	0	(49)
0	0	0	0	0	455	0	455
0	0	0	0	0	417	0	417
0	0	0	0	0	417	0	417
0	0	0	0	0	417	0	417
0	0	0	0	0	0	0	0

8. GROSS PREMIUM WRITTEN AND REINSURANCE PREMIUMS CEDED

Premium written during the year is as follows:

	For the year ended 31 December 2023					
Class	Corporate				Individual	Total
	Micro	Small	Medium	Large		
Medical	20,083	33,927	87,084	316,084	53,538	510,716
Motor	6,013	47,667	36,729	58,217	59,755	208,381
Property	33	1,285	6,347	66,024	65	73,754
Engineering	0	7,487	13,623	4,718	0	25,828
Protection & Savings - non-linked	0	0	198	290,962	0	291,160
Protection & Savings - linked	0	0	0	0	146,513	146,513
Others	287	1,754	9,422	20,523	8,791	40,777
Total	26,416	92,120	153,403	756,528	268,662	1,297,129

Premium written during the year ended 31 December 2022 is as follows:

	For the year ended 31 December 2022					
Class	Corporate				Individual	Total
	Micro	Small	Medium	Large		
Medical	44,225	21,999	56,228	294,023	42,993	459,468
Motor	1,521	15,318	13,158	54,006	44,568	128,571
Property	40	349	2,468	65,778	81	68,716
Engineering	80	2,584	1,615	5,357	0	9,636
Protection & Savings - non-linked	0	(38)	10	272,067	0	272,039
Protection & Savings - linked	0	0	0	0	150,061	150,061
Others	105	916	3,355	7,865	5,553	17,794
Total	45,971	41,128	76,834	699,096	243,256	1,106,285

Premium ceded during the year with local and foreign entities as follows:

	For the year ended 31 December 2023		
	Local	Foreign	Total
Motor	1,212	5,335	6,547
Property	4,752	66,050	70,802
Engineering	9,489	14,435	23,924
Protection & Savings - non-linked	94,944	117,755	212,699
Protection & Savings - linked	0	2,722	2,722
Others	2,790	29,991	32,781
Total	113,187	236,288	349,475

	For the year ended 31 December 2022		
	Local	Foreign	Total
Motor	13,045	39,441	52,486
Property	4,156	62,697	66,853
Engineering	1,695	7,245	8,940
Protection & Savings - non-linked	94,252	111,005	205,257
Protection & Savings - linked	0	2,763	2,763
Others	1,970	10,948	12,918
Total	115,118	234,099	349,217

9. EXPENSE ALLOCATION ANALYSIS

9.1 Following is the breakdown of expenses by category:

For the year ended 31 December 2023						
	ECL on premiums receivable	Insurance acquisition costs	Attributable non- acquisition expenses	Total attributable expenses	Non- attributable expenses	Total
Expenses pertaining to insurance operations						
Commissions incurred on premium written	0	43,163	0	43,163	0	43,163
Claims handling and other expenses	0	0	8,954	8,954	0	8,954
Other underwriting expenses	0	22,693	0	22,693	0	22,693
Expected credit loss on premium receivables	7,851	0	0	7,851	0	7,851
Total	7,851	65,856	8,954	82,661	0	82,661
Common general and administrative expenses						0
Staff cost	0	24,164	32,525	56,689	2,829	59,518
Depreciation and amortization	0	0	6,981	6,981	703	7,684
Professional and legal costs	0	0	1,324	1,324	411	1,735
Communication and technology	0	0	5,810	5,810	589	6,399
Rents	0	0	2,151	2,151	219	2,370
Advertisement and marketing expenses	0	0	0	0	456	456
Others	0	0	2,299	2,299	2,989	5,288
Total	0	24,164	51,090	75,254	8,196	83,450
Expenses pertaining to shareholders' operations						
Others	0		1,304	1,304	13,408	14,712
Total	0	0	1,304	1,304	13,408	14,712
Total expenses	7,851	90,020	61,348	159,219	21,604	180,823

For the year ended 31 December 2022						
	ECL on premiums receivable	Insurance acquisition costs	Attributable non- acquisition expenses	Total attributable expenses	Non- attributable expenses	Total
Expenses pertaining to insurance operations						
Commissions incurred on premium written	0	35,241	0	35,241	0	35,241
Claims handling and other expenses	0	0	4,922	4,922	0	4,922
Other underwriting expenses	0	15,067	0	15,067	0	15,067
Expected credit loss on premium receivables	1,205	0	0	1,205	0	1,205
Total	1,205	50,308	4,922	56,435	0	56,435
Common general and administrative expenses						
Staff cost	0	48,835	0	48,835	10,626	59,461
Depreciation and amortization	0	0	4,960	4,960	1,125	6,085
Professional and legal costs	0	0	6,103	6,103	430	6,533
Communication and technology	0	0	7,024	7,024	671	7,695
Rents	0	0	1,621	1,621	117	1,738
Advertisement and marketing expenses	0	0	0	0	333	333
Others	0	0	2,063	2,063	1,356	3,419
Total	0	48,835	21,771	70,606	14,658	85,264
Expenses pertaining to shareholders' operations						
Others	0		974	974	10,035	11,009
Total	0	0	974	974	10,035	11,009
Total expenses	1,205	99,143	27,667	128,015	24,693	152,708

9.2 The breakdown of the expenses attributed and allocated to insurance operations by major product line of business is presented below:

For the year ended 31 December 2023				
	ECL on premiums receivable	Insurance acquisition costs	Attributable non- acquisition expenses	Total
Medical	5,888	42,403	23,437	71,728
Motor	1,963	16,927	11,344	30,234
Property	0	7,293	5,297	12,590
Engineering	0	1,777	1,043	2,820
Protection & Savings - non-linked	0	11,099	11,923	23,022
Protection & Savings - linked	0	6,681	5,663	12,344
Others	0	3,840	2,641	6,481
Total	7,851	90,020	61,348	159,219

For the year ended 31 December 2022				
	ECL on premiums receivable	Insurance acquisition costs	Attributable non- acquisition expenses	Total
Medical	982	44,502	8,362	53,846
Motor	223	15,734	3,212	19,169
Property	0	5,637	2,688	8,325
Engineering	0	1,420	383	1,803
Protection & Savings - non-linked	0	18,037	4,474	22,511
Protection & Savings - linked	0	12,067	7,625	19,692
Others	0	1,746	923	2,669
Total	1,205	99,143	27,667	128,015

10. CASH AND CASH EQUIVALENTS

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Insurance operations			
Cash and bank balances	31,604	41,081	50,146
Deposits maturing within 3 months from the acquisition date	126,250	65,000	180,916
Accrued commission income	1,134	245	20
ECL on cash and cash equivalents	(28)	(11)	(135)
Total	158,960	106,315	230,947
Shareholders' operations			
Cash and bank balances	2,016	13	326
Deposits maturing within 3 months from the acquisition date	0	40,000	134,167
Accrued commission income	0	411	384
ECL on cash and cash equivalents	(5)	(6)	(70)
Total	2,011	40,418	134,807
Total cash and cash equivalents	160,971	146,733	365,754

Deposits are maintained with financial institutions and have a maturity of three months or less from the date of acquisition. These earn commission at an average rate of 5.75% per annum as of 31 December 2023 (31 December 2022: 4.00% per annum).

Both bank balances and murabaha deposits (including off-balance sheet exposures) are placed with counterparties with sound credit ratings under Standard and Poor's and Moody's ratings methodology.

11. INVESTMENTS

Investments are classified as follows:

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Insurance operations			
Investment measured at amortized cost	196,410	230,463	0
Unit-linked investments	664,217	557,968	0
Total	860,627	788,431	0
Shareholders' operations			
Investments measured at FVTPL	218,719	339,434	40,000
Investment measured at FVOCI	301,000	205,079	199,402
Investment measured at amortized cost	783,155	247,510	122,071
Total	1,302,874	792,023	361,473
Combined balances			
Investments measured at FVTPL	218,719	339,434	40,000
Investment measured at FVOCI	301,000	205,079	199,402
Investment measured at amortized cost	979,565	477,973	122,071
Unit-linked investments	664,217	557,968	0
Total	2,163,501	1,580,454	361,473

11(a). The movement in investments measured at FVTPL is as follows:

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Insurance operations			
Opening balance	0	0	0
Acquired through business combination	27,635	21,890	0
Disposals	(27,723)	(21,971)	0
Changes in fair value of investments, net	88	81	0
Closing balance	0	0	0
Shareholders' operations			
Opening balance	339,434	40,000	0
Acquired through business combination	36,695	248,798	0
Purchases / reclassification	45,000	41,667	40,000
Disposals / reclassification	(215,680)	2,295	0
Changes in fair value of investments, net	13,270	6,674	0
Closing balance	218,719	339,434	40,000

11(b). The movement in investments measured at FVOCI is as follows:

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Shareholders' operations			
Opening balance	205,079	199,402	141,635
Acquired through business combination	59,703	0	0
Purchases	82,500	65,000	130,000
Disposals	(60,000)	(62,500)	(108,333)
Changes in fair value of investments, net	13,718	3,177	36,100
Closing balance	301,000	205,079	199,402

The investment measured at FVOCI includes investment in Najm that has been valued as follows:

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Opening balance	1,923	1,923	1,923
Acquired through business combination	39,703	0	0
Cost of investment	41,626	1,923	1,923
Fair value reserve			
At the beginning of the year	37,780	35,110	0
Changes in fair value	0	2,670	35,110
Fair value reserve - closing balance	37,780	37,780	35,110
Total investment at fair value	79,406	39,703	37,033

Breakdown of financial assets at FVOCI

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Non listed equities			
Najm	79,406	39,703	37,033
Listed equities	71,340	38,311	43,300
Unlisted debt instruments	150,254	127,065	119,069
Total	301,000	205,079	199,402

11(c). The movement in investments measured at amortised costs is as follows:

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Insurance operations			
Opening balance	230,463	0	0
Acquired through business combination	90,533	0	0
Purchases	100,000	227,815	0
Disposals/matured	(227,815)	0	0
	193,181	227,815	0
Add: Accrued Commission Income	2,978	2,683	0
Less: Impairment loss	(4)	(35)	0
Add/Less: amortization of discount/premium	255	0	0
Closing balance	196,410	230,463	0

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Shareholders' Operations			
Opening balance	247,510	122,071	107,346
Acquired through business combination	159,056	0	0
Purchases	544,340	124,533	45,000
Disposals/matured	(175,761)	(1,000)	(31,000)
	775,145	245,604	121,346
Add: Accrued Commission Income	8,515	1,940	770
Less: Impairment loss	(649)	(34)	(45)
Add/Less: amortization of discount/premium	144	0	0
Closing balance	783,155	247,510	122,071

11(d). Movement in the allowance for impairment of financial investments measured at amortized cost during the year was as follows:

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
At the beginning of the year	112	250	0
Acquired through business combination	100	0	0
Charge / (release) during the year	555	(138)	250
Closing balance	767	112	250

11(e). The breakdown of investments measured at amortised costs is as follows:

Breakdown of Investments after considering accrued commission income and ECL adjustments is as follows:

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Insurance operations			
Sukuk	25,057	0	0
Bonds	0	0	0
Term deposits	171,353	230,463	0
Murabaha deposits	0	0	0
Others debt instruments	0	0	0
Total	196,410	230,463	0

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Shareholders' operations			
Sukuk	195,363	131,139	122,071
Bonds	0	0	0
Term deposits	587,792	116,371	0
Murabaha deposits	0	0	0
Others debt instruments	0	0	0
Total	783,155	247,510	122,071

The term deposits having original maturity exceeding three months have been placed with reputable commercial banks and financial institutions both local and foreign. They are mostly denominated in Saudi Arabian Riyals and US Dollars. These deposits earn yield at rates ranging from 5.6% to 6.3% per annum (2022: 4.6% to 6.6%). 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 rating Methodology.

11(f). The movement in unit-linked investments is as follows:

Unit-linked investments measured at FVTPL

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Opening balance	557,968	0	0
Acquired through business combination	115,416	676,132	0
Purchased during the period	21,634	0	0
Other adjustments - Cash in transit	7,761	3,107	
Disposals	(125,034)	(80,730)	0
Changes in fair value of investments, net	86,472	(40,541)	0
Balance at end of the period	664,217	557,968	0

Breakdown of unit-linked investments is as follows:

AIAhli Multi-Asset Conservative Fund	235,861	287,464	0
AIAhli Multi-Asset Moderate Fund	141,535	151,499	0
AIAhli Multi-Asset Growth Fund	159,964	119,005	0
Alinma DPM - Balanced	65,258	0	0
Alinma DPM - Strategy	11,803	0	0
Alinma DPM - Aggressive	49,796	0	0
Total	664,217	557,968	0

12. PREPAYMENTS AND OTHER RECEIVABLES

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Prepaid rent	229	29	53
Prepaid expenses, subscription and fees	2,943	1,886	2,093
Prepaid salaries / receivables from employees	138	30	52
Other receivables	80,789	22,782	8,668
Total	84,099	24,727	10,866

13. RIGHT OF USE ASSETS AND LEASES

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

	Leasedhold Property		
	31 Dec 2023	31 Dec 2022	01 Jan 2022
Cost			
Opening balance	0	0	0
Additions	0	0	0
Additions through business combination	7,948	0	0
Disposals	0	0	0
Closing balance	7,948	0	0
Accumulated depreciation			
Opening balance	0	0	0
Depreciation for the year	(144)	0	0
Additions through business combination	(5,959)	0	0
Impairment	0	0	0
Disposals	0	0	
Closing balance	(6,103)	0	0
Net book value	1,845	0	0

14. PROPERTY AND EQUIPMENT, NET

	Vehicles	Furniture and fixtures	Leasehold fixtures	Computers	IT equipment	Capital work in progress	Total 2023	Total 2022
Cost								
01 January	527	2,672	7,153	21,985	4,839	117	37,293	21,089
Additions	0	19	147	831	354	1,018	2,369	2,260
Acquired	0	2,054	6,914	8,862	1,120	0	18,950	14,418
Disposals	0	0	0	0	0	0	0	(474)
Transfers	0	0	0	614	0	(614)	0	0
31 December	527	4,745	14,214	32,292	6,313	521	58,612	37,293
Accumulated depreciation								
01 January	(76)	(2,257)	(6,684)	(18,037)	(4,261)	0	(31,315)	(18,376)
Depreciation	(105)	(78)	(322)	(1,925)	(219)	0	(2,649)	(2,347)
Acquired	0	(2,035)	(6,743)	(8,755)	(1,116)	0	(18,649)	(11,063)
Impairment	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	471
31 December	(181)	(4,370)	(13,749)	(28,717)	(5,596)	0	(52,613)	(31,315)
Net book value								
31 Dec 2023	346	375	465	3,575	717	521	5,999	0
31 Dec 2022	451	415	469	3,948	578	117	0	5,978

15. INTANGIBLE ASSETS

	Softwares	Capital work in progress	Customer relationship	Total 2023	Total 2022
Cost					
01 January	42,909	448	34,244	77,601	28,442
Additions	2,850	3,998	0	6,848	4,509
Acquired	19,306	2,925	0	22,231	44,650
Disposals	0	0	0	0	0
Transfers	655	(655)	0	0	0
31 December	65,720	6,716	34,244	106,680	77,601
Accumulated amortization					
01 January	(31,090)	0	(2,800)	(33,890)	(17,775)
Amortization charge	(4,879)	0	(2,716)	(7,595)	(6,539)
Acquired	(15,216)	0	0	(15,216)	(9,576)
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
31 December	(51,185)	0	(5,516)	(56,701)	(33,890)
Net book value					
31 Dec 2023	14,535	6,716	28,728	49,979	0
31 Dec 2022	11,819	448	31,444	0	43,711

16. IMPAIRMENT TESTING OF GOODWILL ACQUIRED IN BUSINESS COMBINATION

The goodwill acquired through business combinations will be reviewed annually, and assessed 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 ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

IAS 36 defines an asset's cash generating unit as the smallest group of assets that generate cash inflows largely independent of the cash inflows from other assets or groups of assets. Each CGU or group of CGUs to which goodwill is allocated must: (1) represent the lowest level within the entity at which the goodwill is monitored for internal management purposes; and (2) not be larger than an operating segment (IFRS 8.5).

As such for the purpose of impairment assessment performed, the Company's CGUs are identified as the four (4) operating segments: Motor, Medical, Property & Casualty ('P&C'), and Protection & Saving ('P&S').

Valuation approach and methodologies

The recoverable amount of the cash-generating units has been determined based on a value in use calculation, using cash flow projections covering a three-year (3) period and by applying a terminal growth rate thereafter. The calculation of value in use in the cash-generating units is most sensitive to the following assumptions:

- Future cash flows available from operations;
- Weighted average cost of capital at 10.80%
- Terminal growth rate at 3%

Based on the current impairment assessment, goodwill is not impaired as at 31 December 2023.

This assessment was carried out by an independent evaluator appointed by the Company in their report dated 29 February 2024. This includes a forecast of cash flows discounted using the WACC ('Weighted Average Cost of Capital') in the jurisdiction where the Company operates. As per this assessment, the recoverable value of the CGU is 1,847,394. A half-percentage point change in the discount rate or the terminal growth rate keeping other factors constant would impact the recoverable amount of the CGUs as mentioned in the table below:

Change in WACC	Change in Terminal Growth Rate		
	2.50%	3.00%	3.50%
11.80%	1,679,543	1,720,255	1,765,849
11.30%	1,734,184	1,780,262	1,832,219
10.80%	1,794,883	1,847,394	1,907,059
10.30%	1,862,790	1,923,095	1,992,218
9.80%	1,939,366	2,009,234	2,090,124

17. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Payable - General Authority of Zakat and Tax	56,853	50,714	40,716
Accrued expenses	127,627	67,675	64,480
Provision for leave encashment	1,500	1,050	1,500
Lease liabilities	1,752	0	0
Other liabilities	49,500	36,083	21,823
Total	237,232	155,522	128,519

18. COMMITMENTS AND CONTINGENCIES

At 31 December 2023 Letters of Guarantee were outstanding in favour of various beneficiaries as follows:

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Medical provider / Workshop	2,415	801	1,000
Capital commitments for systems software	1,738	295	1,884
Total	4,153	1,096	2,884

The Company is subject to legal proceedings in the ordinary course of business.

The Company, in common with significant majority of insurers, is subject to litigation in the normal course of its business. The Company's management, based on independent legal advice, believes that the outcome of court cases will not have a material impact on the Company's income or financial condition.

19. FAIR VALUES OF FINANCIAL INSTRUMENTS

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 advantageous accessible market for the asset or liability

The management assessed that cash and cash equivalents, receivables from agents, insurance and reinsurance contract assets and liabilities, deferred tax assets and liabilities, due from and to related parties, investments in associates and joint ventures, deposits and investments held at amortized costs, accrued commission income on investments, statutory deposits, accrued commission income on statutory deposits and payable to Insurance Authority (IA), and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments or they are repayable on demand.

Determination of fair value and fair value hierarchy

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

Level 1: quoted 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.

a. Carrying amounts and fair value

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

Insurance and shareholders' operations

31 December 2023

Financial assets measured at fair value

	Carrying value	Level 1	Level 2	Level 3	Total
Investments measured at FVTPL	882,936	563	664,217	218,156	882,936
Investment measured at FVOCI	301,000	141,340	0	159,660	301,000
Total	1,183,936	141,903	664,217	377,816	1,183,936

Insurance and shareholders' operations

31 December 2022

Financial assets measured at fair value

	Carrying value	Level 1	Level 2	Level 3	Total
Investments measured at FVTPL	897,402	22,006	557,968	317,428	897,402
Investment measured at FVOCI	205,079	88,311	0	116,768	205,079
Total	1,102,481	110,317	557,968	434,196	1,102,481

Insurance and shareholders' operations

01 January 2022

Financial assets measured at fair value

	Carrying value	Level 1	Level 2	Level 3	Total
Investments measured at FVTPL	40,000	0	0	40,000	40,000
Investment measured at FVOCI	199,402	78,300	0	121,102	199,402
Total	239,402	78,300	0	161,102	239,402

20. OPERATING SEGMENTS

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

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

Segment assets do not include cash and cash equivalents, short term deposits, long term deposits, due from shareholders' operations, investments except unit linked investments, accrued commission income, prepaid expenses & other assets, property and equipment and intangible assets. Accordingly, these are included in unallocated assets.

Segment liabilities do not include accrued and other liabilities, due to shareholders' operations, end-of-service indemnities and accrual gain/ (loss) thereon. Accordingly, these are included in unallocated liabilities.

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

Segments do not include shareholders' assets and liabilities and equity hence, these are presented under unallocated assets / liabilities accordingly.

The segment information provided to the Company's chief executive officer for the reportable segments for the Company's total assets and liabilities as of 31 December 2023 and 31 December 31 2022, its total revenues, expenses, and net income for the year then ended, are as follows:

Financial Position

An analysis of the amounts presented on the balance sheet for insurance contracts and reinsurance contracts has been included in the table below:

31 December 2023	Medical	Motor	Property	Engineering	P&S – non-linked	P&S – linked	Others	Total insurance operations	Shareholders operation	Total
Assets										
Insurance contract assets	0	0	0	0	44	0	0	44	0	44
Reinsurance contract assets	0	38,460	53,457	25,709	115,636	2,476	185,987	421,725	0	421,725
Receivables from agents	0	0	0	0	0	0	0	0	0	0
Financial assets for unit linked contracts	0	0	0	0	0	664,217	0	664,217	0	664,217
Unallocated assets	0	0	0	0	0	0	0	656,430	1,789,135	2,445,565
Total Assets	0	38,460	53,457	25,709	115,680	666,693	185,987	1,742,416	1,789,135	3,531,551
Liabilities and Equity										
Insurance contract liabilities	226,560	191,702	58,886	38,406	143,243	655,691	221,284	1,535,772	0	1,535,772
Reinsurance contract liabilities	0	2,947	0	0	7	0	0	2,954	0	2,954
Unallocated liabilities and shareholders' equity	0	0	0	0	0	0	0	203,690	1,789,135	1,992,825
Total Liabilities and shareholders' equity	226,560	194,649	58,886	38,406	143,250	655,691	221,284	1,742,416	1,789,135	3,531,551

31 December 2022 (Restated)	Medical	Motor	Property	Engineering	P&S – non-linked	P&S – linked	Others	Total insurance operations	Shareholders operation	Total
Assets										
Insurance contract assets	0	0	0	0	45	221	0	266	0	266
Reinsurance contract assets	0	71,430	4,731	11,011	120,891	1,710	14,390	224,163	0	224,163
Receivables from agents	0	0	0	0	0	0	0	0	0	0
Financial assets for unit linked contracts	0	0	0	0	0	0	557,968	557,968	0	557,968
Unallocated assets	0	0	0	0	0	0	0	431,472	1,306,903	1,738,375
Total Assets	0	71,430	4,731	11,011	120,936	1,931	572,358	1,213,869	1,306,903	2,520,772
Liabilities and Equity										
Insurance contract liabilities	207,904	123,036	5,700	15,179	184,262	528,716	19,551	1,084,348	0	1,084,348
Reinsurance contract liabilities	0	525	0	0	7	0	364	896	0	896
Unallocated liabilities and shareholders' equity	0	0	0	0	0	0	0	128,625	1,306,903	1,435,528
Total Liabilities and shareholders' equity	207,904	123,561	5,700	15,179	184,269	528,716	19,915	1,213,869	1,306,903	2,520,772

01 January 2022 (Restated)	Medical	Motor	Property	Engineering	P&S – non-linked	P&S – linked	Others	Total insurance operations	Shareholders operation	Total
Assets										
Insurance contract assets	0	0	0	0	0	0	0	0	0	0
Reinsurance contract assets	0	92,234	13,193	17,529	5,875	0	20,353	149,184	0	149,184
Receivables from agents	0	0	0	0	0	0	0	0	0	0
Financial assets for unit linked contracts	0	0	0	0	0	0	0	0	0	0
Unallocated assets	0	0	0	0	0	0	0	253,981	604,039	858,020
Total Assets	0	92,234	13,193	17,529	5,875	0	20,353	403,165	604,039	1,007,204
Liabilities and Equity										
Insurance contract liabilities	110,089	123,236	11,024	21,302	9,810	0	23,333	298,794	0	298,794
Reinsurance contract liabilities	0	100	0	0	0	0	0	100	0	100
Unallocated liabilities and shareholders' equity	0	0	0	0	0	0	0	104,271	604,039	708,310
Total Liabilities and shareholders' equity	110,089	123,336	11,024	21,302	9,810	0	23,333	403,165	604,039	1,007,204

Statement of Income:

For the year ended 31 December 2023	Medical	Motor	Property	Engineering	P&S – non-linked	P&S – linked	Others	Un-allocated	Total
Insurance revenue	532,385	174,767	79,320	16,840	289,005	21,770	31,624	0	1,145,711
Insurance service expense	(533,917)	(154,668)	(27,607)	(2,512)	(277,087)	(12,210)	(9,141)	0	(1,017,142)
Insurance service result before reinsurance contracts held	(1,532)	20,099	51,713	14,328	11,918	9,560	22,483	0	128,569
Allocation of reinsurance premiums	0	(25,493)	(62,750)	(12,262)	(206,869)	(1,802)	(22,904)	0	(332,080)
Amounts recoverable from reinsurers for incurred claims	0	2,076	13,868	1,076	203,959	687	4,703	0	226,369
Net expense from reinsurance contracts held	0	(23,417)	(48,882)	(11,186)	(2,910)	(1,115)	(18,201)	0	(105,711)
Insurance service result	(1,532)	(3,318)	2,831	3,142	9,008	8,445	4,282	0	22,858
Investment income	0	0	0	0	0	0	0	23,534	23,534
Interest revenue calculated using the effective interest method for debt securities measured at amortized cost	0	0	0	0	0	0	0	38,552	38,552
Net credit impairment losses (or reversal of those losses) on financial assets	0	0	0	0	0	0	0	(555)	(555)
Net investment income	0	0	0	0	0	0	0	61,531	61,531
Net finance (expenses) / income from insurance contracts issued	1,472	4,399	160	595	3,000	2	1,379	0	11,007
Net finance (expenses) / income from reinsurance contracts held	0	(1,391)	(76)	(520)	(2,245)	(90)	(728)	0	(5,050)
Net insurance finance income / (expenses)	1,472	3,008	84	75	755	(88)	651	0	5,957
Net insurance and investment result	(60)	(310)	2,915	3,217	9,763	8,357	4,933	61,531	90,346
Other expenses									
Non-attributable expenses	0	0	0	0	0	0	0	(21,604)	(21,604)
Total other expenses	0	0	0	0	0	0	0	(21,604)	(21,604)
Income / (loss) before surplus, zakat and income tax	(60)	(310)	2,915	3,217	9,763	8,357	4,933	39,927	68,742
Attributable to Insurance Operations	0	0	0	0	0	0	0	(3,606)	(3,606)
Net income / (loss) for the year attributable to the shareholders before zakat & tax	(60)	(310)	2,915	3,217	9,763	8,357	4,933	36,321	65,136
Provision for zakat	0	0	0	0	0	0	0	(20,600)	(20,600)
Provision for tax	0	0	0	0	0	0	0	(348)	(348)
Net income / (loss) for the year attributable to the shareholders after zakat & tax	(60)	(310)	2,915	3,217	9,763	8,357	4,933	15,373	44,188

For the year ended 31 December 2022	Medical	Motor	Property	Engineering	P&S – non-linked	P&S – linked	Others	Un-allocated	Total
Insurance revenue	420,568	108,792	69,204	13,355	272,778	16,595	17,428	0	918,720
Insurance service expense	(454,228)	(119,889)	(551)	787	(239,715)	(10,839)	249	0	(824,186)
Insurance service result before reinsurance contracts held	(33,660)	(11,097)	68,653	14,142	33,063	5,756	17,677	0	94,534
Allocation of reinsurance premiums	0	(38,890)	(54,540)	(9,957)	(201,755)	(1,584)	(9,411)	0	(316,137)
Amounts recoverable from reinsurers for incurred claims	0	46,046	(6,625)	(2,495)	173,436	4,377	(1,839)	0	212,900
Net expense from reinsurance contracts held	0	7,156	(61,165)	(12,452)	(28,319)	2,793	(11,250)	0	(103,237)
Insurance service result	(33,660)	(3,941)	7,488	1,690	4,744	8,549	6,427	0	(8,703)
Investment income	0	0	0	0	0	0	0	20,060	20,060
Interest revenue calculated using the effective interest method for debt securities measured at amortized cost	0	0	0	0	0	0	0	16,086	16,086
Net credit impairment losses (or reversal of those losses) on financial assets	0	0	0	0	0	0	0	120	120
Net investment income	0	0	0	0	0	0	0	36,266	36,266
Net finance (expenses) / income from insurance contracts issued	0	0	0	0	0	0	0	0	0
Net finance (expenses) / income from reinsurance contracts held	0	0	0	0	0	417	0	0	417
Net insurance finance income / (expenses)	0	0	0	0	0	417	0	0	417
Net insurance and investment result	(33,660)	(3,941)	7,488	1,690	4,744	8,966	6,427	36,266	27,980
Other expenses									
Non-attributable expenses	0	0	0	0	0	0	0	(24,693)	(24,693)
Total other expenses	0	0	0	0	0	0	0	(24,693)	(24,693)
Income / (loss) before surplus, zakat and income tax	(33,660)	(3,941)	7,488	1,690	4,744	8,966	6,427	11,573	3,287
Attributable to Insurance Operations	0	0	0	0	0	0	0	(2,881)	(2,881)
Net income / (loss) for the year attributable to the shareholders before zakat & tax	(33,660)	(3,941)	7,488	1,690	4,744	8,966	6,427	8,692	406
Provision for zakat	0	0	0	0	0	0	0	(18,492)	(18,492)
Provision for tax	0	0	0	0	0	0	0	(139)	(139)
Net income / (loss) for the year attributable to the shareholders after zakat & tax	(33,660)	(3,941)	7,488	1,690	4,744	8,966	6,427	(9,939)	(18,225)

21. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors, and key management personnel [Key Management Personnel includes all directors, executive and non-executive, and senior management] of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of the major related party transactions during the year and the related balances:

Salaries and Allowances	2023	2022
Provided and paid for key executives	7,329	6,997

Transactions with and amounts due to and from related parties

Transactions with related parties	2023	2022
Gross written premiums from related parties		
Shareholders	271,902	254,306
Committees, board secretary and key executives	19	17
Entities controlled or significantly influenced	239,873	211,183
Ceded written premiums to related parties		
Shareholders	9	0
Entities controlled or significantly influenced	191	128
Commissions from related parties		
Shareholders	3	0
Entities controlled or significantly influenced	37	13
Commissions to related parties		
Entities controlled or significantly influenced	349	0
Gross claims paid by related parties		
Shareholders	283,354	104,980
Committees, board secretary and key executives	2	0
Entities controlled or significantly influenced	169,332	137,775
Ceded claims paid to related parties		
Entities controlled or significantly influenced	0	3
Investment assets		
Entities controlled or significantly influenced	664,217	554,861
Investment assets fees (Rebate)		
Entities controlled or significantly influenced	3,430	4,204
Investment portfolio - Shareholders		
Entities controlled or significantly influenced	433,246	274,434
Investment portfolio income - Shareholders		
Entities controlled or significantly influenced	15,715	6,749
Marketing agency commission		
Entities controlled or significantly influenced	34	110

Amounts due to and from related parties	2023	2022
Amounts due from related parties		
Shareholders	30,361	12,927
Entities controlled or significantly influenced	15,789	11,770
Provision	0	(2,725)
Total due from related parties, net	46,150	21,972
Amounts due to related parties		
Shareholders	5,931	0
Entities controlled or significantly influenced	7,395	1,994
Total due to related parties	13,326	1,994

22. ZAKAT AND INCOME TAX

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
Provision for Zakat	56,623	49,895	39,216
Provision for Income Tax	230	819	1,500
	56,853	50,714	40,716

Zakat and income tax have been provided in accordance with regulations currently in force in Saudi Arabia.

The temporary and permanent differences between financial and adjusted taxable results are mainly due to adjustments to depreciation, provisions and other items in accordance with the income tax regulations. Deferred tax arising out of these differences is not significant and accordingly was not provided for.

Zakat is calculated on Saudi shareholders' share of adjusted equity subject to a minimum base equal to the relevant share of adjusted net profit. Foreign shareholders are subject to income tax calculated on the relevant share of adjusted net profit.

	31 Dec 2023	31 Dec 2022	01 Jan 2022
Percentages applicable to zakat and income tax			
Shareholding percentage subject to zakat	99%	92%	94%
Shareholding percentage subject to income tax	1%	8%	6%

Movement on zakat account

Balance at the start of year	49,895	39,216	36,483
Acquired through business combination	3,881	9,928	0
Provided	20,600	18,492	9,713
Paid / Adjustment	(17,753)	(17,741)	(6,980)
Balance at the end of year	56,623	49,895	39,216

Movement on income tax account

Balance at the start of year	819	1,500	1,752
Acquired through business combination	23	0	0
Provided	348	139	741
Paid / Adjustment	(960)	(820)	(993)
Balance at the end of year	230	819	1,500

Status of assessments

The Company has filed zakat and income tax returns for the period from incorporation to 31 December 2008 and for each of the years ended 31 December 2009 to 31 December 2022.

The returns filed covering periods to 31 December 2014 and 31 December 2020 have been agreed and finalized with Zakat, Tax and Customs Authority (ZATCA) and zakat and income tax liabilities arising thereon have been discharged in full. Final assessments are awaited for the remaining outstanding years.

2014 & prior	Settled and finalized
2016 to 2019	On going assessment with GSTC
2020	Settled and closed
2021 to 2022	On going audit by ZATCA

Zakat

The current year's zakat provision is based on the following:

	2023	2022
Share capital	798,153	638,525
Reserves, opening provisions and other adjustments	760,783	155,422
Book value of long term assets	(681,837)	(143,533)
	877,099	650,414
Adjusted income for the year	83,801	52,004
Zakat base	960,900	702,418
Saudi Shareholder's share of Zakat base	948,889	679,976
Zakat due at 2.50%	23,722	16,999

The differences between the financial and zakatable results are mainly due to over-provisions from prior years which are written off this year.

Income tax			
		2023	2022
Net income/ (loss) for the year		65,136	47,325
Provisions charged during the year for end of service benefits		3,612	2,734
Withholding tax expense during the year		6,545	7,576
Difference in depreciation on fixed assets		0	(1,110)
Others		8,508	(4,521)
		83,801	52,004
Foreign shareholders' share of tax base		1,048	1,662
Payments of end of service benefits		(1,568)	(2,896)
Payments of withholding tax		0	0
Others		0	0
		(1,568)	(2,896)
Foreign shareholders' share of tax payments		(20)	(93)
Tax base		1,028	1,569
Tax at 20%		206	314

Income tax charge for the current year is calculated at 20% of the adjusted taxable income on the portion of equity owned by the foreign shareholders.

The difference between the calculation above and the statement of income is due to additional provision to cover prior years shortage.

23. EMPLOYEE END OF SERVICE BENEFITS

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. 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:

23.1 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:

	2023	2022
Present value of defined benefit obligation	20,861	12,165

23.2 Movement of defined benefit obligation

	2023	2022
Opening balance	12,165	10,207
Acquired through business combination	7,047	3,462
Charge to statement of income	3,612	2,734
Charge to statement of other comprehensive income	395	(1,342)
Payment of benefits during the year	(2,358)	(2,896)
Closing balance	20,861	12,165

23.3 Reconciliation of present value of defined benefit obligation

	2023	2022
Present value of defined benefit obligation as of January 1	12,165	10,207
Acquired through business combination	7,047	3,462
Current service costs	3,112	2,010
Financial costs	500	724
Actuarial (loss)/ gain from experience adjustments	395	(1,342)
Benefits paid during the year	(2,358)	(2,896)
Present value of defined benefit obligation as of December 31	20,861	12,165

23.4 Principal actuarial assumptions

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

	2023	2022
Valuation discount rate	4.70%	4.05%
Expected rate of increase in salary level across different age bands	3.50%	3.50%

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

	Impact on defined benefit obligation	
	2023	2022
Valuation discount rate		
- Increase by 1%	(1,468)	(740)
- Decrease by 1%	1,683	840
Expected rate of increase in salary level across different age bands		
- Increase by 1%	1,791	940
- Decrease by 1%	(1,593)	(849)
Mortality rate		
- Increase by 10%	0	(1)
- Decrease by 10%	1	1
Employee turnover		
- Increase by 10%	(217)	(195)
- Decrease by 10%	216	204

24. SHARE CAPITAL

The Board of Directors resolved in their meeting held on 12 January 2021 to increase the share capital subject to receiving the required approvals of the relevant authorities and thereafter the approval of shareholders.

The resolution provided for a share capital increase from 300,000 to 400,000 by issuing one bonus share for every three shares held thereby increasing the number of shares in issue from 30,000,000 shares to 40,000,000 shares with the additional 100,000 share capital generated by capitalising 80,000 from retained earnings and 20,000 from statutory reserve.

Approval was received from the Saudi Central Bank (Insurance Authority) and the Capital Market Authority (CMA) on 08 April 2021 and 06 May 2021, respectively. Approval from shareholders was obtained in the general assembly meeting held on 09 June 2021 and the bonus shares were issued on 10 June 2021. The total transaction costs relating to the bonus share issue amounted to 35.

The shareholders of the Company in their Extraordinary General Assembly meeting ("EGAM") held on 09 December 2021 (corresponding to 05 Jumada Al Oula 1443) approved increasing share capital to acquire Al Ahli Takaful Company. The Company has announced the effectiveness of the merger of ATC into the Company on 12 January 2022 (corresponding to 09 Jumada Al-Thani 1443) after satisfying the Merger conditions agreed between the two companies in the Merger agreement and set out in the Shareholder Circular and the Offer Document issued by the Company with respect to the Merger, including the expiry of the creditors' objection period with no outstanding or unsettled objections. The merger resulted in the increase of the paid-up capital from 400,000 to 638,525.

The shareholders of the Company in their Extraordinary General Assembly meeting ("EGAM") held on 24 October 2023 (corresponding to 09 Rabi Al Thani 1445) approved increasing share capital to acquire Alinma Tokio Marine Company. The Company has announced the effectiveness of the merger of ATMC into the Company on 15 November 2023 (corresponding to 01 Jumada Al Oula 1445) after satisfying the Merger conditions agreed between the two companies in the Merger agreement and set out in the Shareholder Circular and the Offer Document issued by the Company with respect to the Merger, including the expiry of the creditors' objection period with no outstanding or unsettled objections. The merger resulted in the increase of the paid-up capital from 638,525 to 798,153.

Major Shareholding structure of the Company is as below:

	31 December 2023		
	Authorized and issued		Paid up
	No. of Shares	Amount	
Saudi National Bank	7,155,738	71,557,380	71,557,380
Bahrain National Holding Co BSC	6,000,000	60,000,000	60,000,000
Sultan Holding Company	5,700,000	57,000,000	57,000,000
Tokio Marine & Nichido Fire Insurance Company	4,589,314	45,893,140	45,893,140
Alinma Bank	4,589,313	45,893,130	45,893,130
Total	28,034,365	280,343,650	280,343,650

Saudi National Bank
Bahrain National Holding Co BSC
HH Prince Sultan Bin Mohamed Bin Saud Al Kabeer
Mr. Nasser Al Mutawa
Total

31 December 2022		
Authorized and issued		Paid up
No. of Shares	Amount	
7,155,738	71,557,380	71,557,380
6,000,000	60,000,000	60,000,000
5,700,000	57,000,000	57,000,000
2,850,000	28,500,000	28,500,000
21,705,738	217,057,380	217,057,380

HH Prince Sultan Bin Mohamed Bin Saud Al Kabeer
Bahrain National Holding Co BSC
Mr. Nasser Al Mutawa
Mr. Christopher Ledwidge
Total

01 January 2022		
Authorized and issued		Paid up
No. of Shares	Amount	
5,700,000	57,000,000	57,000,000
6,000,000	60,000,000	60,000,000
2,850,000	28,500,000	28,500,000
800,000	8,000,000	8,000,000
15,350,000	153,500,000	153,500,000

25. STATUTORY DEPOSIT

In compliance with the Insurance Implementation Regulation of Insurance Authority, the Company maintains a deposit of 79,815 (31 December 2022: 63,852) in a deposit account at The Saudi British Bank. This deposit cannot be withdrawn without Insurance Authority's consent and the Company does not earn commission from the deposit.

The accrued income on the deposit as at 31 December 2023 is 3,659 (31 December 2022: 6,781) and has been disclosed as "Accrued income on statutory deposit" and the corresponding commission is shown in liabilities as "Accrued income payable to Insurance Authority (IA)".

As per Insurance Authority instruction dated 30 August 2023, the accrued income of 6,781 as at 31 December 2022 was remitted accordingly.

26. STATUTORY RESERVE

In accordance with the Law, the Company is required to transfer not less than 20% of its annual net income, after adjusting accumulated losses if any, to a legal reserve until such reserve amounts to 100% of the paid-up share capital of the Company.

27. INVESTMENT INCOME

	2023	Restated 2022
Realized gain/(loss) on investments measured at FVTPL		
Equity securities	0	156
Debt securities	733	0
Others	1	0
	734	156
Un-realized gain/(loss) on investments measured at FVTPL		
Equity securities	9,950	6,674
Debt securities	2,703	0
	12,653	6,674
Dividend Income		
Equity securities	724	499
Others	9,423	11,745
	10,147	12,244
Commission income on investments and deposits		
Short term deposits (< 3 months)	4,830	5,009
Long term deposits (> 3 months)	25,479	6,220
Sukuks	8,243	4,857
	38,552	16,086
Others		
Net fair value gains/ (losses) on derecognition of non-equity based financial assets measured at FVOCI		986
	0	986
Total Investment Income	62,086	36,146

28. CAPITAL MANAGEMENT

Objectives are set by the Company to optimise the structure and sources of capital and maintain healthy capital ratios to support its business objectives and consistently maximise returns to shareholders and policyholders.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Company is equity shareholders' funds. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company manages its capital to ensure that it is able to continue as going concern and comply with the regulators' capital requirements of the markets in which the Company operates while maximising the return to stakeholders. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital, statutory reserves, retained earnings and fair value reserve on investments.

The Implementing Regulations detail a minimum solvency margin requirement calculated as the highest of the following:

- Minimum net assets of 100,000 – calculated after adjusting for admissibility factors
- Premium solvency margin calculation
- Claims solvency margin calculation

The Company is in compliance with all externally imposed capital requirements. The capital structure of the Company as shown in the statement of financial position as at 31 December 2023 totals 1,528,991 consisting of paid-up share capital 798,153, share premium 478,473, statutory reserves 40,518, retained earnings 160,665, fair value reserve gain on investments 52,995 and re-measurement reserve for end of service indemnities (1,813), 31 December 2022 totals 1,185,172 consisting of paid-up share capital 638,525, share premium 355,879, statutory reserves 31,681, retained earnings 121,228, fair value reserve gain on investments 39,277 and re-measurement reserve for end of service indemnities (1,418), 01 January 2022 totals 554,918 consisting of paid-up share capital 400,000, statutory reserves 26,097, retained earnings 95,481, fair value reserve gain on investments 36,100 and re-measurement reserve for end of service indemnities (2,760).

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

29. RISK MANAGEMENT

Risk management covers mainly the followings:

- Insurance Risks
- Financial Risks

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

For the life insurance and life reinsurance contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. Company-wide reinsurance limits of 5,000 on any single life insured, and XOL treaty reinsurance support up to 8,000 on all high-risk individuals insured are in place.

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 31 December 2023, 31 December 31 2022 and 01 January 2022, there is no significant concentration of reinsurance balances.

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.

There is no single counterparty exposure that exceeds 44% of total reinsurance assets at the reporting date.

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 tables show the concentration of net insurance contract liabilities by type of contract:

	31 December 2023			31 December 2022			01 January 2023		
	Insurance contracts issued	Reinsurance contracts held	Net	Insurance contracts issued	Reinsurance contracts held	Net	Insurance contracts issued	Reinsurance contracts held	Net
Medical	226,560	0	226,560	207,904	0	207,904	110,089	0	110,089
Motor	191,702	(38,460)	153,242	123,036	(71,430)	51,606	123,236	(92,234)	31,002
Property	58,886	(53,457)	5,429	5,700	(4,731)	969	11,024	(13,193)	(2,169)
Engineering	38,406	(25,709)	12,697	15,179	(11,011)	4,168	21,302	(17,529)	3,773
Protection & Savings - non-linked	143,243	(115,636)	27,607	184,262	(120,891)	63,371	9,810	(5,875)	3,935
Protection & Savings -linked	655,691	(2,476)	653,215	528,716	(1,710)	527,006	0	0	0
Others	221,284	(185,987)	35,297	19,551	(14,390)	5,161	23,333	(20,353)	2,980
Total	1,535,772	(421,725)	1,114,047	1,084,348	(224,163)	860,185	298,794	(149,184)	149,610

The geographical concentration of the Company's insurance contract liabilities is noted below. The disclosure is based on the region where the business is written.

31 December 2023	Medical	Motor	Property	Engineering	(P&S) – Non-linked	(P&S) – linked	Others	Total
Western region	545	10,821	137	147	124,220	373,515	6,511	515,896
Eastern region	898	8,546	14	179	0	131,884	386	141,907
Central region	223,010	163,783	58,735	38,081	19,023	73,191	214,357	790,180
Other regions inside KSA	2,107	8,551	0	0	0	77,101	30	87,789
Total	226,560	191,701	58,886	38,407	143,243	655,691	221,284	1,535,772

	Medical	Motor	Property	Engineering	(P&S) – Non-linked	(P&S) – linked	Others	Total
31 December 2022								
Western region	1,058	6,986	14	51	166,116	278,074	1,261	453,560
Eastern region	84	5,503	1	129	0	106,207	109	112,033
Central region	203,269	110,492	5,684	14,999	18,146	70,406	18,181	441,177
Other regions inside KSA	3,492	55	0	0	0	74,031	0	77,578
Total	207,903	123,036	5,699	15,179	184,262	528,718	19,551	1,084,348
01 January 2022								
Western region	123	6,470	15	245	254	0	1,608	8,715
Eastern region	13	6,675	4	131	0	0	207	7,030
Central region	109,634	110,046	11,006	20,926	9,556	0	21,518	282,686
Other regions inside KSA	318	45	0	0	0	0	0	363
Total	110,088	123,236	11,025	21,302	9,810	0	23,333	298,794

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:

	31 December 2023			31 December 2022		
	Insurance contract liabilities	Impact on profit/(loss) before zakat and tax	Impact on equity	Insurance contract liabilities	Impact on profit/(loss) before zakat and tax	Impact on equity
Insurance contract liabilities	880,081			555,632		
Expenses increase by 2%	4,738	(4,738)	(4,158)	4,078	(4,078)	(3,578)
Expenses decrease by 2%	(4,694)	4,694	4,119	(4,078)	4,078	3,578
Yields curve shift up by 0.5 %	(1,627)	1,627	1,428	0	0	0
Yields curve shift down by 0.5 %	1,648	(1,648)	(1,446)	0	0	0
Loss reserve increase by 5 %	9,540	(9,540)	(8,371)	9,770	(9,770)	(8,573)
Loss reserve decrease by 5 %	(9,540)	9,540	8,371	(9,770)	9,770	8,573

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

	31 December 2023			31 December 2022		
	Net insurance contract liabilities	Impact on profit/(loss) before zakat and tax	Impact on equity	Net insurance contract liabilities	Impact on profit/(loss) before zakat and tax	Impact on equity
Insurance contract liabilities	880,081			555,632		
Reinsurance contract Assets	(419,249)			(222,453)		
Net insurance contract liabilities	460,832			333,179		
Expenses increase by 2%	4,628	(4,628)	(4,061)	3,384	(3,384)	(2,970)
Expenses decrease by 2%	(4,583)	4,583	4,022	(3,384)	3,384	2,970
Yields curve shift up by 0.5 %	(800)	800	702	0	0	0
Yields curve shift down by 0.5 %	816	(816)	(716)	0	0	0
Loss reserve increase by 5 %	6,692	(6,692)	(5,872)	7,117	(7,117)	(6,245)
Loss reserve decrease by 5 %	(6,692)	6,692	5,872	(7,117)	7,117	6,245

Following are the sensitivities derived for the portfolios computed under VFA approach before risk mitigation by reinsurance contracts held

	31 December 2023			31 December 2022		
	Insurance contract liabilities	Impact on profit/(loss) before zakat and tax	Impact on equity	Insurance contract liabilities	Impact on profit/(loss) before zakat and tax	Impact on equity
Insurance contract liabilities	655,691			528,716		
Lapse/surrenders scenario increase by 20%	724	(724)	(635)	708	(708)	(621)
Lapse/surrenders scenario decrease by 20%	(1,000)	1,000	878	(734)	734	644
Mortality increase by 10%	306	(306)	(268)	80	(80)	(70)
Mortality decrease by 10%	(307)	307	269	(73)	73	64
Expenses increase by 5%	401	(401)	(352)	61	(61)	(54)
Expenses decrease by 5%	(401)	401	352	(58)	58	51
Yields curve shift up by 0.5%	165	(165)	(144)	143	(143)	(125)
Yields curve shift down by 0.5%	(170)	170	149	(149)	149	131

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

	31 December 2023			31 December 2022		
	Net insurance contract liabilities	Impact on profit/(loss) before zakat and tax	Impact on equity	Net insurance contract liabilities	Impact on profit/(loss) before zakat and tax	Impact on equity
Insurance contract liabilities	655,691			528,716		
Reinsurance contract Assets	(2,476)			(1,710)		
Net insurance contract liabilities	653,215			527,006		
Lapse/surrenders scenario increase by 20%	721	(721)	(633)	702	(702)	(616)
Lapse/surrenders scenario decrease by 20%	(997)	997	875	(729)	729	639
Mortality increase by 10%	408	(408)	(358)	193	(193)	(169)
Mortality decrease by 10%	(409)	409	359	(175)	175	154
Expenses increase by 5%	399	(399)	(350)	61	(61)	(54)
Expenses decrease by 5%	(399)	399	350	(58)	58	51
Yields curve shift up by 0.5%	110	(110)	(97)	66	(66)	(58)
Yields curve shift down by 0.5%	(114)	114	100	(70)	70	62

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	2018 & earlier	2019	2020	2021	2022	2023	Total
Accident year							
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	3,433,072	410,537	256,313	311,432	852,194	1,060,980	
1 year later	3,492,192	449,867	315,117	502,402	690,978		
2 years later	3,489,999	437,475	312,497	478,431			
3 years later	3,471,725	434,191	318,937				
4 years later	3,463,297	438,581					
5 years later	3,475,710						
Gross estimates of the undiscounted amount of the claims	3,475,710	438,581	318,937	478,431	690,978	1,060,980	6,463,617
Cumulative gross claims and other directly attributable expenses paid	(3,429,713)	(428,253)	(309,280)	(453,989)	(663,473)	(666,951)	(5,951,659)
Gross undiscounted liabilities for incurred claims	45,997	10,328	9,657	24,442	27,505	394,029	511,958
Effect of discounting							(16,178)
Gross discounted liabilities for incurred claims excluding risk adjustment							495,780
Effect of the risk adjustment margin for non-financial risk							17,258
Effect of LRC - LIC Transfers							(7,749)
Gross liabilities for incurred claims							505,289

2023	2018 & earlier	2019	2020	2021	2022	2023	Total
Accident year							
Undiscounted liabilities for incurred claims , net of reinsurance:							
At end of accident year	1,788,229	334,481	187,818	283,367	426,051	670,409	
1 year later	1,844,794	372,820	189,535	396,869	409,922		
2 years later	1,845,238	371,482	189,278	387,846			
3 years later	1,842,975	371,193	191,032				
4 years later	1,842,187	371,809					
5 years later	1,850,706						
Net estimates of the undiscounted amount of the claims	1,850,706	371,809	191,032	387,846	409,922	670,409	3,881,724
Cumulative Net claims and other directly attributable expenses paid	(1,832,856)	(369,435)	(187,994)	(380,385)	(468,605)	(515,191)	(3,754,466)
Net undiscounted liabilities for incurred claims	17,850	2,374	3,038	7,461	(58,683)	155,218	127,258
Effect of discounting							(5,814)
Net discounted liabilities for incurred claims excluding risk adjustment							121,444
Effect of the risk adjustment margin for non-financial risk							6,828
Effect of LRC - LIC Transfers							(310)
Net liabilities for incurred claims							127,962
2022	2017 & earlier	2018	2019	2020	2021	2022	Total
Accident year							
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	3,059,638	337,050	410,537	256,313	311,432	852,194	
1 year later	3,096,022	396,610	449,867	315,117	502,402		
2 years later	3,095,582	395,357	437,475	312,497			
3 years later	3,094,642	386,304	434,191				
4 years later	3,085,421	379,094					
5 years later	3,084,204						
Gross estimates of the undiscounted amount of the claims	3,084,204	379,094	434,191	312,497	502,402	852,194	5,564,582
Cumulative gross claims and other directly attributable expenses paid	(3,056,292)	(373,658)	(427,056)	(308,271)	(428,252)	(450,807)	(5,044,336)
Gross undiscounted liabilities for incurred claims	27,912	5,436	7,135	4,226	74,150	401,387	520,246
Effect of discounting							0
Gross discounted liabilities for incurred claims excluding risk adjustment							520,246
Effect of the risk adjustment margin for non-financial risk							18,609
Effect of LRC - LIC Transfers							(5,510)
Gross liabilities for incurred claims							533,345

2022	2017 & earlier	2018	2019	2020	2021	2022	Total
Accident year							
Undiscounted liabilities for incurred claims , net of reinsurance:							
At end of accident year	1,510,442	253,177	334,481	187,818	283,367	426,051	
1 year later	1,535,052	309,369	372,820	189,535	396,869		
2 years later	1,535,425	308,957	371,482	189,278			
3 years later	1,536,281	308,765	371,193				
4 years later	1,534,210	308,533					
5 years later	1,533,654						
Net estimates of the undiscounted amount of the claims	1,533,654	308,533	371,193	189,278	396,869	426,051	3,225,578
Cumulative Net claims and other directly attributable expenses paid	(1,526,025)	(306,924)	(368,962)	(187,604)	(370,602)	(319,670)	(3,079,787)
Net undiscounted liabilities for incurred claims	7,629	1,609	2,231	1,674	26,267	106,381	145,791
Effect of discounting							0
Net discounted liabilities for incurred claims excluding risk adjustment							145,791
Effect of the risk adjustment margin for non-financial risk							7,203
Effect of LRC - LIC Transfers							(11,072)
Net liabilities for incurred claims							141,922

2. Financial risk

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:

- a. 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.
- b. 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.

i. Maturity profiles

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. This analysis is exclusive of the liabilities for remaining coverage measured applying the PAA approach:

	2023					
	Up to 1 Year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	>5 years
Insurance contract Liabilities						
<i>Liabilities for Incurred Claims for contracts measured under PAA:</i>						
Medical	110,793	81	19	7	0	0
Motor	77,607	21,343	8,817	3,389	412	(216)
Property	39,621	4,778	1,944	2,278	561	210
Engineering	8,008	1,764	1,084	544	160	145
Protection & Savings - non-linked	143,253	7,870	3,912	996	0	0
Others	32,458	5,763	3,177	2,073	569	407
<i>Liabilities for contracts measured under VFA:</i>	0	0	0	0	0	0
Protection & Savings -linked - PVFCFs - LIC	4,208	0	0	0	0	0
Protection & Savings -linked - PVFCFs - LRC	652,935	(13,518)	(11,347)	(9,972)	(8,441)	(44,859)
Total	1,068,883	28,081	7,606	(685)	(6,739)	(44,313)
Reinsurance contract liabilities						
<i>Liabilities for Incurred Claims for contracts measured under PAA:</i>						
Medical	0	0	0	0	0	0
Motor	26,299	5,573	2,386	898	70	(64)
Property	66,347	5,356	2,127	2,595	635	226
Engineering	11,519	1,616	975	513	148	130
Protection & Savings - non-linked	146,521	6,672	3,156	818	0	0
Others	68,198	5,854	2,798	2,453	633	334
<i>Liabilities for contracts measured under VFA:</i>	0	0	0	0	0	0
Protection & Savings -linked - PVFCFs - LIC	2,035	0	0	0	0	0
Protection & Savings -linked - PVFCFs - LRC	(747)	(588)	(448)	(312)	(220)	(675)
Total	320,172	24,483	10,994	6,965	1,266	(49)

*Includes the underlying assets for Protection & Savings -linked business

	2022 - Restated						
	Up to 1 Year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	>5 years	Total
Insurance contract Liabilities							
<i>Liabilities for Incurred Claims for contracts measured under PAA:</i>							
Medical	119,317	2	0	0	0	0	119,319
Motor	58,736	19,562	8,774	3,446	279	(275)	90,522
Property	2,361	667	455	206	66	72	3,827
Engineering	6,483	1,640	1,117	506	163	176	10,085
Protection & Savings - non-linked	152,935	8,345	5,000	1,250	0	0	167,530
Others	11,559	3,309	2,254	1,021	329	356	18,828
<i>Liabilities for contracts measured under VFA:</i>	0	0	0	0	0	0	0
Protection & Savings -linked - PVFCFs - LIC	3,387	0	0	0	0	0	3,387
Protection & Savings -linked - PVFCFs - LRC	543,852	(11,251)	(9,222)	(7,322)	(6,358)	(36,651)	473,048
Total	898,630	22,274	8,378	(893)	(5,521)	(36,322)	886,546
Reinsurance contract liabilities							
<i>Liabilities for Incurred Claims for contracts measured under PAA:</i>							
Medical	0	0	0	0	0	0	0
Motor	62,167	10,383	4,657	1,829	148	(146)	79,038
Property	4,237	606	413	187	60	65	5,568
Engineering	7,630	1,462	996	451	145	157	10,841
Protection & Savings - non-linked	148,183	6,253	3,746	936	0	0	159,118
Others	12,134	1,826	1,244	563	182	196	16,145
<i>Liabilities for contracts measured under VFA:</i>	0	0	0	0	0	0	0
Protection & Savings -linked - PVFCFs - LIC	2,109	0	0	0	0	0	2,109
Protection & Savings -linked - PVFCFs - LRC	(908)	(705)	(561)	(428)	(294)	(1,071)	(3,967)
Total	235,552	19,825	10,495	3,538	241	(799)	268,852

*Includes the underlying assets for Protection & Savings -linked business

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:

	2023						
	Up to 1 Year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	>5 years	Total
Insurance Operations - Financial assets							
Cash and cash equivalents	126,250	0	0	0	0	0	158,960
Investment measured at amortized cost	145,432	0	31,194	0	19,784	0	196,410
Unit-linked investments	0	0	0	0	0	0	664,217
Prepayments and other assets	80,806	0	0	0	0	0	80,806
Due from shareholders'/insurance operations	191,159	0	0	0	0	0	191,159
Total	543,647	0	31,194	0	19,784	0	1,291,552

	2023							
	Up to 1 Year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	>5 years	No maturity	Total
Shareholders' Operations - Financial assets								
Cash and cash equivalents	0	0	0	0	0	0	2,011	2,011
Investments measured at FVTPL	0	0	20,000	0	0	0	198,719	218,719
Investment measured at FVOCI	0	0	0	0	0	0	301,000	301,000
Investment measured at amortized cost	459,374	128,220	10,109	0	185,452	0	0	783,155
Prepayments and other assets	3,293	0	0	0	0	0	0	3,293
Others	83,474	0	0	0	0	0	0	83,474
Total	546,141	128,220	30,109	0	185,452	0	501,730	1,391,652
TOTAL	1,089,788	128,220	61,303	0	205,236	0	1,198,657	2,683,204

	2022 - Restated							
	Up to 1 Year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	>5 years	No maturity	Total
Insurance Operations - Financial assets								
Cash and cash equivalents	65,234	0	0	0	0	0	41,081	106,315
Investment measured at amortized cost	0	230,463	0	0	0	0	0	230,463
Unit-linked investments	0	0	0	0	0	0	557,968	557,968
Prepayments and other assets	17,290	0	0	0	0	0	0	17,290
Due from shareholders'/insurance operations	59,159	0	0	0	0	0	0	59,159
Total	141,683	230,463	0	0	0	0	599,049	971,195

	2022 - Restated							
	Up to 1 Year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	>5 years	No maturity	Total
Shareholders' Operations - Financial assets								
Cash and cash equivalents	40,405	0	0	0	0	0	13	40,418
Investments measured at FVTPL	25,000	0	20,000	0	0	0	294,434	339,434
Investment measured at FVOCI	0	0	0	0	0	0	205,079	205,079
Investment measured at amortized cost	116,408	0	0	0	253	130,849	0	247,510
Prepayments and other assets	7,437	0	0	0	0	0	0	7,437
Others	70,633	0	0	0	0	0	0	70,633
Total	259,883	0	20,000	0	253	130,849	499,526	910,511
TOTAL	401,566	230,463	20,000	0	253	130,849	1,098,575	1,881,706

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 risk that the fair value of future cash flows of a financial instrument, insurance contract assets and/or liabilities will fluctuate because of changes in foreign exchange rates. The Company's principal transactions are carried out in Saudi Arabian Riyals (SAR) and its exposure to foreign exchange risk arises primarily with respect to the US dollar. The Company's financial assets are primarily denominated in the SAR.

The Company mitigates some of the foreign currency risk associated with insurance contracts by holding reinsurance contracts denominated in the same currencies as its insurance contract liabilities.

The table below summarises the Company's financial assets and insurance contract assets and liabilities by major currencies:

	2023				2022 Restated			
	Saudi Riyals	US Dollars	Others	Total	Saudi Riyals	US Dollars	Others	Total
Insurance Operations - Financial assets								
Cash and cash equivalents	146,764	11,924	272	158,960	105,221	821	273	106,315
Insurance contract assets	44	0	0	44	266	0	0	266
Reinsurance contract assets	421,725	0	0	421,725	224,163	0	0	224,163
Investment measured at amortized cost	196,410	0	0	196,410	230,463	0	0	230,463
Unit-linked investments	126,856	537,361	0	664,217	0	557,968	0	557,968
Prepayments and other assets	80,806	0	0	80,806	17,290	0	0	17,290
Due from shareholders'/insurance operations	191,159	0	0	191,159	59,159	0	0	59,159
Total	1,163,764	549,285	272	1,713,321	636,562	558,789	273	1,195,624

	2023				2022 Restated			
	Saudi Riyals	US Dollars	Others	Total	Saudi Riyals	US Dollars	Others	Total
Shareholders' Operations - Financial assets								
Cash and cash equivalents	2,011	0	0	2,011	40,418	0	0	40,418
Investments measured at FVTPL	138,927	79,792	0	218,719	267,845	71,589	0	339,434
Investment measured at FVOCI	242,821	58,179	0	301,000	148,570	56,509	0	205,079
Investment measured at amortized cost	777,607	5,548	0	783,155	247,510	0	0	247,510
Prepayments and other assets	3,293	0	0	3,293	7,437	0	0	7,437
Others	83,474	0	0	83,474	70,633	0	0	70,633
Total	1,248,133	143,519	0	1,391,652	782,413	128,098	0	910,511
TOTAL	2,411,897	692,804	272	3,104,973	1,418,975	686,887	273	2,106,135

	2023				2022 Restated			
	Saudi Riyals	US Dollars	Others	Total	Saudi Riyals	US Dollars	Others	Total
Insurance Operations - Financial Liabilities								
Insurance contract liabilities	1,535,772	0	0	1,535,772	1,084,348	0	0	1,084,348
Reinsurance contract liabilities	2,954	0	0	2,954	896	0	0	896
Accrued expenses and other liabilities	151,106	0	0	151,106	88,984	0	0	88,984
Lease liabilities	1,752	0	0	1,752	0	0	0	0
Provision for end-of-service benefits (EOSB)	20,861	0	0	20,861	12,165	0	0	12,165
Total	1,712,445	0	0	1,712,445	1,186,393	0	0	1,186,393

	2023				2022 Restated			
	Saudi Riyals	US Dollars	Others	Total	Saudi Riyals	US Dollars	Others	Total
Shareholders' Operations - Financial Liabilities								
Accrued expenses and other liabilities	6,660	0	0	6,660	3,659	0	0	3,659
Due to shareholders' / insurance operations	191,159	0	0	191,159	59,159	0	0	59,159
Provision for zakat and income tax liabilities	56,853	0	0	56,853	50,714	0	0	50,714
Others	3,659	0	0	3,659	6,781	0	0	6,781
Total	258,331	0	0	258,331	120,313	0	0	120,313
TOTAL	1,970,776	0	0	1,970,776	1,306,706	0	0	1,306,706

The following analysis is performed for reasonably possible movements in key variables, with all other variables held constant, showing the impact on profit/(loss) before tax and impact on equity due to changes in fair value of currency-sensitive monetary assets and liabilities, including those relating to insurance and reinsurance contracts. The correlation of variables will have a significant effect in determining the ultimate impact of currency risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. The method used for deriving sensitivity information and significant variables did not change from the previous period.

	2023			2022 Restated		
	Change in exchange rate	Impact on profit/(loss) before tax	Impact on equity	Net insurance contract liabilities	Impact on profit/(loss) before zakat and tax	Impact on equity
US dollar / SAR exchange rate						
Insurance and reinsurance contract liabilities	5%	0	0	5%	0	0
Financial assets	5%	34,640	30,397	5%	34,344	30,137
Euro / SAR exchange rate						
Insurance and reinsurance contract liabilities	5%	0	0	5%	0	0
Financial assets	5%	14	12	5%	14	12
GBP / SAR exchange rate						
Insurance and reinsurance contract liabilities	5%	0	0	5%	0	0
Financial assets	5%	1	1	5%	1	1

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

There is no direct contractual relationship between financial assets and insurance and reinsurance contracts. However, the Company's interest rate risk policy requires it to manage the extent of net interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments to support the insurance contract liabilities. The Company has no significant concentration of interest rate risk.

The Company is exposed to interest rate risk through its debt instruments held, deposits and in respect of liabilities or assets for incurred claims where cash flows are not expected to be settled within a year from when claims are incurred.

The Company's exposure to interest rate risk sensitive insurance and reinsurance contracts, deposits and debt instruments are, as follows:

	2023	2022 Restated
Insurance contract liabilities, net		
Medical	226,560	207,904
Motor	191,702	123,036
Property	58,886	5,700
Engineering	38,406	15,179
Protection & Savings - non-linked	143,199	184,217
Protection & Savings -linked	655,691	528,495
Others	221,284	19,551
Reinsurance contract assets, net		
Motor	35,513	70,905
Property	53,457	4,731
Engineering	25,709	11,011
Protection & Savings - non-linked	115,629	120,884
Protection & Savings -linked	2,476	1,710
Others	185,987	14,026
Debt instruments at FVOCI	150,253	127,065
Debt instruments at amortized cost	979,565	477,973

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit/(loss) before tax and impact on equity. The correlation of variables will have a significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an 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.

	Changes in interest rate	2023		2022	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Insurance contract liabilities, net	5%	76,786	67,380	54,204	47,564
Reinsurance contract assets, net	5%	20,939	18,374	11,163	9,796
Debt instruments at FVOCI	5%	7,513	6,592	6,353	5,575
Debt instruments at amortized cost	5%	48,978	42,978	23,899	20,971
Insurance contract liabilities, net	-5%	(76,786)	(67,380)	(54,204)	(47,564)
Reinsurance contract assets, net	-5%	(20,939)	(18,374)	(11,163)	(9,796)
Debt instruments at FVOCI	-5%	(7,513)	(6,592)	(6,353)	(5,575)
Debt instruments at amortized cost	-5%	(48,978)	(42,978)	(23,899)	(20,971)

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 investments 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 Company has no significant concentration of price risk.

At the reporting date, the Company's exposure to interest rate risk sensitive insurance contracts and equity instruments are, as follows:

	2023	2022 Restated
Net Insurance contract liabilities for Unit Linked investment contracts	664,217	557,968
Investment for unit linked contracts	664,217	557,968
Equity investments listed in local market	14,168	11,389
Debt instruments carried at FVOCI	150,253	127,065

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

	Fair value change	Effect on Company's profit
31 December 2023	+ / - 5,300	+ / - 6,209
31 December 31 2022 - Restated	+ / - 3,928	+ / - 3,615

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 operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- 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, insurance contract issued in an asset position or reinsurance contract held will cause a financial loss for the other party by failing to discharge an obligation.

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

- The Company's credit risk policy sets out the assessment and determination of what constitutes credit 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.
- Credit risk relating to financial instruments is monitored by the Company's investment team. It is their responsibility to review and manage credit risk, including environmental risk for all counterparties.
- The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.
- It is the Company's policy to invest in high quality financial instruments with a low risk of default. If there is a significant increase in credit risk, the policy dictates that the instrument should be sold and amounts recovered reinvested in high quality instruments.
- Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy.
- The credit risk in respect of customer balances incurred on non-payment of premiums will only persist during the grace period specified in the policy document.
- Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of default.

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

i. The Company's internal rating process

The Company's investment team prepares internal ratings for instruments held in which its counterparties are rated using internal grades (high grade, standard grade, sub-standard grade, past due but not impaired and individually impaired). The ratings are determined incorporating both qualitative and quantitative information that builds on information from leading Credit Agencies, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behavior. These information sources are first used to determine whether an instrument has had a significant increase in credit risk.

The Company's internal credit rating grades:

Internal rating grade	Internal rating description	Credit Agency's rating
1-2	High grade	Very good +
3-4	High grade	Very good
5-7	High grade	Very good -
8-9	Standard grade	Good +
10	Standard grade	Good
11	Standard grade	Good -
12	Standard grade	Average +
13	Standard grade	Average
14	Sub-standard grade	Average -
15	Sub-standard grade	Bad +
16	Past due but not impaired	Bad
17-19	Past due but not impaired	Bad -
20	Individually impaired	Very bad

ii. Credit exposure

The table below provides information regarding the credit risk exposure of the Company by classifying Very good+ as the highest possible rating. Assets that fall outside the range of Very good+ to Good are classified as non-investment grade. The amounts represent the maximum amount exposure to credit risk. The credit risk analysis below is presented in line with how the Company manages the risk. The Company manages its credit exposure based on the carrying value of the financial instruments and insurance and reinsurance contract assets.

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the company by classifying assets according to the Company's credit ratings of counterparties.

	2023				
	High grade	Standard grade	Past due but not impaired	Not rated	Total
Insurance Operations - Financial assets					
Cash and cash equivalents	158,857	0	0	103	158,960
Insurance contract assets	0	0	0	44	44
Reinsurance contract assets	0	0	0	421,725	421,725
Investment measured at amortized cost	196,410	0	0	0	196,410
Unit-linked investments	0	0	0	664,217	664,217
Prepayments and other assets	0	0	0	80,806	80,806
Due from shareholders'/insurance operations	0	0	0	191,159	191,159
Total	355,267	0	0	1,358,054	1,713,321
Shareholders' Operations - Financial assets					
Cash and cash equivalents	2,011	0	0	0	2,011
Investments measured at FVTPL	70,939	28,749	0	119,031	218,719
Investment measured at FVOCI	70,000	0	0	231,000	301,000
Investment measured at amortized cost	767,499	15,656	0	0	783,155
Prepayments and other assets	0	0	0	3,293	3,293
Others	0	0	0	83,474	83,474
Total	910,449	44,405	0	436,798	1,391,652
TOTAL	1,265,716	44,405	0	1,794,852	3,104,973

	2022 Restated				
	High grade	Standard grade	Past due but not impaired	Not rated	Total
Insurance Operations - Financial assets					
Cash and cash equivalents	40,411	0	0	65,904	106,315
Insurance contract assets	0	0	0	266	266
Reinsurance contract assets	0	0	0	224,163	224,163
Investment measured at amortized cost	0	230,463	0	0	230,463
Unit-linked investments	0	0	0	557,968	557,968
Prepayments and other assets	0	0	0	17,290	17,290
Due from shareholders'/insurance operations	0	0	0	59,159	59,159
Total	40,411	230,463	0	924,750	1,195,624
Shareholders' Operations - Financial assets					
Cash and cash equivalents	40,405	0	0	13	40,418
Investments measured at FVTPL	78,793	25,747	0	234,894	339,434
Investment measured at FVOCI	50,000	0	0	155,079	205,079
Investment measured at amortized cost	247,510	0	0	0	247,510
Prepayments and other assets	0	0	0	7,437	7,437
Others	0	0	0	70,633	70,633
Total	416,708	25,747	0	468,056	910,511
TOTAL	457,119	256,210	0	1,392,806	2,106,135

iii. Impairment assessment

The Company's ECL assessment and measurement method is set out below.

1. Significant increase in credit risk, default, and cure

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12m ECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition.

The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Company also considers a variety of instances that may indicate unlikelihood to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees.
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection.
- Counterparty's listed debt or equity suspended at the primary exchange because of rumors or facts about financial difficulties.

The Company considers a financial instrument defaulted and, therefore, credit impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognizes a lifetime ECL.

In rare cases when an instrument identified as defaulted, it is the Company's policy to consider a financial instrument as 'cured' and, therefore, re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

There has been no significant increase in credit risk or default for financial assets during the year.

2. Expected credit loss

The Company assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%.

In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

iv. Impairment losses on financial investments subject to impairment assessment

1. Debt instruments measured at FVOCI

The table below shows the fair value of the Company's debt instruments measured at FVOCI by credit risk, based on its internal credit rating system.

	2023			2022 Restated		
	12m ECL	LTECL	Total	12m ECL	LTECL	Total
Internal rating grade						
Performing						
High grade	70,000	0	70,000	50,000	0	50,000
Standard grade	0	0	0	0	0	0
Past due but not impaired	0	0	0	0	0	0
Total Gross Amount	70,000	0	70,000	50,000	0	50,000
ECL	0	0	0	0	0	0
Total Net Amount	70,000	0	70,000	50,000	0	50,000

An analysis of changes in the fair value and the corresponding ECLs is, as follows:

	2023			2022 Restated		
	12m ECL	LTECL	Total	12m ECL	LTECL	Total
Fair value as at 01 January	50,000	0	50,000	35,000	0	35,000
New assets originated or purchased	20,000	0	20,000	15,000	0	15,000
Assets derecognized or matured	0	0	0	0	0	0
Accrued interest capitalized	0	0	0	0	0	0
Change in fair value	0	0	0	0	0	0
Movement between 12mECL and LTECL	0	0	0	0	0	0
At 31 December	70,000	0	70,000	50,000	0	50,000

	2023			2022 Restated		
	12m ECL	LTECL	Total	12m ECL	LTECL	Total
ECL as at 01 January	0	0	0	0	0	0
New assets originated or purchased	0	0	0	0	0	0
Assets derecognized or matured (excluding write-offs)	0	0	0	0	0	0
Unwind of discount	0	0	0	0	0	0
Net foreign exchange expense/(income)	0	0	0	0	0	0
Movement between 12mECL and LTECL	0	0	0	0	0	0
At 31 December	0	0	0	0	0	0

2. Debt instruments measured at amortized cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	2023			2022 Restated		
	12m ECL	LTECL	Total	12m ECL	LTECL	Total
Internal rating grade						
Performing						
High grade	964,677	0	964,677	247,589	0	247,589
Standard grade	15,655	0	15,655	230,498	0	230,498
Past due but not impaired	0	0	0	0	0	0
Total Gross Amount	980,332	0	980,332	478,087	0	478,087
ECL	(767)	0	(767)	(114)	0	(114)
Total Net Amount	979,565	0	979,565	477,973	0	477,973

An analysis of changes in the fair value and the corresponding ECLs is, as follows:

	2023			2022 Restated		
	12m ECL	LTECL	Total	12m ECL	LTECL	Total
Gross amount as at 01 January	478,087	0	478,087	122,116	0	122,116
New assets originated or purchased	893,929	0	893,929	352,348	0	352,348
Assets derecognized or matured (excluding write-offs)	(403,576)	0	(403,576)	(1,000)	0	(1,000)
Accrued interest capitalized	11,892	0	11,892	4,623	0	4,623
Movement between 12mECL and LTECL	0	0	0	0	0	0
At 31 December	980,332	0	980,332	478,087	0	478,087

	2023			2022 Restated		
	12m ECL	LTECL	Total	12m ECL	LTECL	Total
ECL as at 01 January	(113)	0	(113)	(250)	0	(250)
New assets originated or purchased	(712)	0	(712)	(65)	0	(65)
Assets derecognized or matured (excluding write-offs)	58	0	58	201	0	201
Unwind of discount	0	0	0	0	0	0
Movement between 12mECL and LTECL	0	0	0	0	0	0
At 31 December	(767)	0	(767)	(114)	0	(114)

Below is the table showing the movement in the Expected Credit Loss (ECL) computed on all the applicable insurance, reinsurance, investments and other assets:

	2023			2022 Restated		
	Gross	ECL	Net	Gross	ECL	Net
Insurance Operations - Financial assets						
Cash and cash equivalents	158,988	(28)	158,960	106,326	(11)	106,315
Investment measured at amortized cost	196,449	(39)	196,410	230,498	(35)	230,463
Unit-linked investments	664,217	0	664,217	557,968	0	557,968
Prepayments and other assets	80,806	0	80,806	17,290	0	17,290
Due from shareholders'/insurance operations	191,159	0	191,159	59,159	0	59,159
Total	1,291,619	(67)	1,291,552	971,241	(46)	971,195
	2023			2022 Restated		
	Gross	ECL	Net	Gross	ECL	Net
Shareholders' Operations - Financial assets						
Cash and cash equivalents	2,016	(5)	2,011	40,424	(6)	40,418
Investments measured at FVTPL	218,719	0	218,719	339,434	0	339,434
Investment measured at FVOCI	301,000	0	301,000	205,079	0	205,079
Investment measured at amortized cost	783,883	(728)	783,155	247,589	(79)	247,510
Prepayments and other assets	3,293	0	3,293	7,437	0	7,437
Others	83,474	0	83,474	70,633	0	70,633
Total	1,392,385	(733)	1,391,652	910,596	(85)	910,511
TOTAL	2,684,004	(800)	2,683,204	1,881,837	(131)	1,881,706

30. SUPPLEMENTARY INFORMATION

STATEMENT OF FINANCIAL POSITION	31 Dec 2023			Restated 31 Dec 2022			Restated 01 Jan 2022		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Assets									
Cash and cash equivalents	158,960	2,011	160,971	106,315	40,418	146,733	230,947	134,807	365,754
Insurance contract assets	44	0	44	266	0	266	0	0	0
Reinsurance contract assets	421,725	0	421,725	224,163	0	224,163	149,184	0	149,184
Prepayments and other receivables	80,806	3,293	84,099	17,290	7,437	24,727	9,654	1,212	10,866
Due from shareholders'/insurance operations	191,159	0	191,159	59,159	0	59,159	0	16,619	16,619
Investments	196,410	1,302,874	1,499,284	230,463	792,023	1,022,486	0	361,473	361,473
Investment for unit linked contracts	664,217	0	664,217	557,968	0	557,968	0	0	0
Statutory deposit	0	79,815	79,815	0	63,852	63,852	0	40,000	40,000
Accrued income on statutory deposit	0	3,659	3,659	0	6,781	6,781	0	3,134	3,134
Right of use assets	1,845	0	1,845			0	0	0	0
Property and equipment, net	5,999	0	5,999	5,978	0	5,978	2,713	0	2,713
Intangible assets	21,251	28,728	49,979	12,267	31,444	43,711	10,667	0	10,667
Goodwill	0	368,755	368,755	0	364,948	364,948	0	46,794	46,794
Total assets	1,742,416	1,789,135	3,531,551	1,213,869	1,306,903	2,520,772	403,165	604,039	1,007,204
Liabilities and equity									
Liabilities									
Insurance contract liabilities	1,535,772	0	1,535,772	1,084,348	0	1,084,348	298,794	0	298,794
Reinsurance contract liabilities	2,954	0	2,954	896	0	896	100	0	100
Accrued expenses and other liabilities	151,106	6,660	157,766	88,984	3,659	92,643	75,085	2,511	77,596
Due to shareholders' / insurance operations	0	191,159	191,159	0	59,159	59,159	16,619	0	16,619
Provision for zakat and income tax	0	56,853	56,853	0	50,714	50,714	0	40,716	40,716
Lease liabilities	1,752	0	1,752	0	0	0	0	0	0
Accrued income payable to Insurance Authority (IA)	0	3,659	3,659	0	6,781	6,781	0	3,134	3,134
Provision for end-of-service benefits (EOSB)	20,861	0	20,861	12,165	0	12,165	10,207	0	10,207
Policyholders' surplus distribution payable	31,784	0	31,784	28,894	0	28,894	5,120	0	5,120
Total liabilities	1,744,229	258,331	2,002,560	1,215,287	120,313	1,335,600	405,925	46,361	452,286
Equity									
Share capital	0	798,153	798,153	0	638,525	638,525	0	400,000	400,000
Share premium	0	478,473	478,473	0	355,879	355,879	0	0	0
Statutory reserve	0	40,518	40,518	0	31,681	31,681	0	26,097	26,097
Retained earnings	0	160,665	160,665	0	121,228	121,228	0	95,481	95,481
Fair value reserve for FVOCI investments	0	52,995	52,995	0	39,277	39,277	0	36,100	36,100
Total shareholders' equity	0	1,530,804	1,530,804	0	1,186,590	1,186,590	0	557,678	557,678
Re-measurement of EOSB related to insurance operations	(1,813)	0	(1,813)	(1,418)	0	(1,418)	(2,760)	0	(2,760)
Total equity	(1,813)	1,530,804	1,528,991	(1,418)	1,186,590	1,185,172	(2,760)	557,678	554,918
Total liabilities and equity	1,742,416	1,789,135	3,531,551	1,213,869	1,306,903	2,520,772	403,165	604,039	1,007,204

STATEMENTS OF INCOME	31 December 2023			Restated 31 December 2022		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Insurance revenue	1,145,711	0	1,145,711	918,720	0	918,720
Insurance service expense	(1,017,142)	0	(1,017,142)	(824,186)	0	(824,186)
Insurance service result before reinsurance contracts held	128,569	0	128,569	94,534	0	94,534
Allocation of reinsurance premiums	(332,080)	0	(332,080)	(316,137)	0	(316,137)
Amounts recoverable from reinsurers for incurred claims	226,369	0	226,369	212,900	0	212,900
Net expense from reinsurance contracts held	(105,711)	0	(105,711)	(103,237)	0	(103,237)
Insurance service result	22,858	0	22,858	(8,703)	0	(8,703)
Investment income	88	23,446	23,534	81	19,979	20,060
Interest revenue calculated using the effective interest method for debt securities measured at amortized cost	15,370	23,182	38,552	8,724	7,362	16,086
Net credit impairment losses (or reversal of those losses) on financial assets	(20)	(535)	(555)	89	31	120
Net investment income	15,438	46,093	61,531	8,894	27,372	36,266
Net finance (expenses) / income from insurance contracts issued	11,007	0	11,007	0	0	0
Net finance (expenses) / income from reinsurance contracts held	(5,050)	0	(5,050)	417	0	417
Net insurance finance income / (expenses)	5,957	0	5,957	417	0	417
Net insurance and investment result	44,253	46,093	90,346	608	27,372	27,980
Other expenses						
Non-attributable expenses	(8,196)	(13,408)	(21,604)	(14,658)	(10,035)	(24,693)
Total other expenses	(8,196)	(13,408)	(21,604)	(14,658)	(10,035)	(24,693)
Income / (loss) before surplus, zakat and income tax	36,057	32,685	68,742	(14,050)	17,337	3,287
Attributable to Insurance Operations	(32,451)	32,451	0	16,931	(16,931)	0
Net income / (loss) for the year attributable to the shareholders before zakat & tax	3,606	65,136	68,742	2,881	406	3,287
Provision for zakat	0	(20,600)	(20,600)	0	(18,492)	(18,492)
Provision for tax	0	(348)	(348)	0	(139)	(139)
Net income / (loss) for the year attributable to the shareholders after zakat & tax	3,606	44,188	47,794	2,881	(18,225)	(15,344)
Earnings/ (loss) per share (expressed in SAR per share)		0.67			(0.29)	
Weighted average number of ordinary outstanding shares (in 'thousands)		66,039			63,134	

STATEMENTS OF COMPREHENSIVE INCOME	31 December 2023			Restated 31 December 2022		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Total income/ (loss) for the year attributable to the	3,606	44,188	47,794	2,881	(18,225)	(15,344)
Other comprehensive income/ (loss):						
<i>Items that may be reclassified to the statement of income in subsequent years</i>						
Net changes in fair value of investments measured at FVOCI – debt instruments	0	3,188	3,188	0	5,496	5,496
<i>Items that will not be reclassified to the statement of income in subsequent years</i>						
Net changes in fair value of investments measured at FVOCI – equity instruments	0	14,616	14,616	0	1,971	1,971
Re-measurement gain/ (loss) on defined benefit obligations	(395)	0	(395)	1,342	0	1,342
Total comprehensive income/(loss) for the year	3,211	61,992	65,203	4,223	(10,758)	(6,535)

STATEMENTS OF CASH FLOWS	31 December 2023			Restated 31 December 2022		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income / (loss) for the year attributable to the shareholders before zakat & tax	3,606	65,136	68,742	2,881	406	3,287
Adjustments for non-cash and non-operating items:						
Depreciation of property and equipment	2,649	0	2,649	2,262	0	2,262
Amortization of intangible assets	4,879	2,716	7,595	3,739	2,800	6,539
Amortization of right of use assets	144	0	144	0	0	0
Investment income	(88)	(23,419)	(23,507)	(81)	(19,903)	(19,984)
Interest revenue calculated using the effective interest method for debt securities measured at amortized cost	(10,640)	(23,082)	(33,722)	(4,834)	(6,243)	(11,077)
Net credit impairment losses (or reversal of those losses) on financial assets	4	548	552	35	33	68
Provision for end-of-service indemnities	3,612	0	3,612	2,734	0	2,734
Changes in operating assets and liabilities:						
Insurance contract assets	260	0	260	19,650	0	19,650
Insurance contract liabilities	6,724	0	6,724	(27,774)	45,266	17,492
Reinsurance contract assets	18,128	0	18,128	21,612	0	21,612
Reinsurance contract liabilities	959	0	959	(36,493)	0	(36,493)
Investment for unit linked contracts	9,167	0	9,167	118,164	0	118,164
Prepayments and other assets	(25,326)	3,933	(21,393)	1,231	479	1,710
Accrued expenses and other liabilities	32,397	(900)	31,497	(17,024)	(416)	(17,440)
Payments:						
End-of-service indemnities paid	(2,358)	0	(2,358)	(2,896)	0	(2,896)
Surplus paid to policyholders	(1,916)	0	(1,916)	(1,677)	0	(1,677)
Zakat and income tax paid	0	(18,713)	(18,713)	0	(18,561)	(18,561)
Net cash generated from operating activities	42,201	6,219	48,420	81,529	3,861	85,390
CASH FLOWS FROM INVESTING ACTIVITIES						
Additions in investments excluding unit-linked investments	(100,255)	(671,978)	(772,233)	(227,815)	(216,829)	(444,644)
Proceeds from disposal of investments excluding unit-linked investments	255,538	455,527	711,065	21,971	68,776	90,747
Commission income received	7,662	14,566	22,228	2,151	4,303	6,454
Dividend income received	0	10,561	10,561	0	10,090	10,090
Additions in intangible assets	(6,848)	0	(6,848)	(4,509)	0	(4,509)
Additions in property and equipment	(2,369)	0	(2,369)	(2,260)	0	(2,260)
Proceeds from disposal of property and equipment	0	0	0	87	0	87
Cash & cash equivalent acquired through business combination	17,684	1,685	19,369	63,463	13	63,476
Increase in Statutory deposit	0	(15,963)	(15,963)	0	(23,852)	(23,852)
Net cash generated from / (used in) investing activities	171,412	(205,602)	(34,190)	(146,912)	(157,499)	(304,411)
CASH FLOWS FROM FINANCING ACTIVITIES						
Due from insurance / shareholders' operations	(160,976)	160,976	0	(59,249)	59,249	0
Lease liability paid	8	0	8	0	0	0
Net cash (used in) / generated from financing activities	(160,968)	160,976	8	(59,249)	59,249	0
Net change in cash and cash equivalents	52,645	(38,407)	14,238	(124,632)	(94,389)	(219,021)
Cash and cash equivalents, beginning of the year	106,315	40,418	146,733	230,947	134,807	365,754
Cash and cash equivalents, end of the year	158,960	2,011	160,971	106,315	40,418	146,733
NON-CASH INFORMATION						
Net change in unrealised fair value of financial assets at FVOCI	0	17,804	17,804	0	7,467	7,467
Actuarial gain / (loss) on end-of-service indemnities	(395)	0	(395)	1,342	0	1,342

31. EARNING/ (LOSS) PER SHARE ("EPS")

Earnings per share is calculated by dividing shareholders' net profit (as defined below) by the weighted average number of issued shares during the period.

In calculating earnings per share, shareholders' net profit is stated after deducting zakat and income tax charges and excludes unrealised investment gains.

Earnings per share is calculated based on the revised number of shares following the business combination share issue on 15 November 2023. The weighted average number of issued shares in 31 December 2023 is 66,039,154 (31 December 2022: 63,133,621).

32. BUSINESS COMBINATIONS

Al Ahli Takaful Company

The Company entered into a Memorandum of Understanding ("MoU") on 11 April 2021 (corresponding to 29 Sha'ban 1442) with Al Ahli Takaful Company ("ATC") to begin a reciprocal due diligence process and to negotiate the final terms and conditions of the potential Merger ("Merger" or "Transaction") between ATC and the Company.

Later on 12 July 2021 (corresponding to 02 Dhul Hijjah 1442), the Company announced its entry into a binding merger agreement with ATC ("Merger Agreement") in an effort to acquire all shares held by the shareholders of ATC through the submission of an offer to exchange shares without any cash considerations, such exchange to be effected by way of increasing the capital of the Company through the issuance of new ordinary shares to all shareholders in ATC. Accordingly, the Company received a no-objection from Insurance Authority and other regulatory authorities on the merger transaction on 29 October 2021 (corresponding to 23 Rabi Al Awwal 1443).

The shareholders in the Extraordinary General Assembly meeting ("EGAM") held on 09 December 2021 (corresponding to 05 Jumada Al Oula 1443) approved the proposed merger of the Company and ATC to be affected by way of a merger pursuant to Article 191, 192, and 193 of the Companies Law issued under Royal Decree No. M3 dated 10 November 2015 (corresponding to 28 Muharram 1437), through the issuance of 1,431,147,691,377,05 new shares in the Company for each share in ATC subject to the terms and conditions of the Merger Agreement.

The Company has announced the effectiveness of the merger of ATC into the Company on 12 January 2022 (corresponding to 09 Jumada Al-Thani 1443) after satisfying the Merger conditions agreed between the two companies in the Merger agreement and set out in the Shareholder Circular and the Offer Document issued by the Company with respect to the Merger, including the expiry of the creditors' objection period with no outstanding or unsettled objections. The merger resulted in the increase of the paid-up capital from 400,000 to 638,525.

The merger has been accounted for using the acquisition method under IFRS 3 – Business Combinations (the "Standard") with the Company being the acquirer and ATC being the acquiree. The Company has accounted for the acquisition based on provisional fair values of the acquired assets and assumed liabilities as at 12 January 2022 "acquisition date". Adjustment to the provisional values and their impact on the goodwill and acquired net assets of the Company will be finalised within twelve months of the date of acquisition as allowed by the Standard.

Purchase consideration

The purchase consideration was determined to be 594,404 which consisted of the issue of 23,852,462 new shares to the shareholders of ATC.

The fair value of the new issued shares of the Company was determined on the basis of the closing market price of the ordinary shares of SAR 24.92 per share on the Tadawul on the last trading date prior to the acquisition date of 12 January 2022. Issue costs which were directly attributable to the issue of the shares were not material. As a result, there was an increase in share capital and share premium of 238,525 and 355,879, respectively.

The management has carried out a comprehensive Purchase Price Allocation undertaking wherein the provisional amounts could be finalised. Following the application of Purchase Price Allocation Methodology, in the final report dated 17 March 2023, the previously recognised goodwill amounting to 352,398 has been divided between intangibles and goodwill by 34,244 and 318,154 respectively. The said revisions are within the aforementioned measurement period.

Identifiable assets acquired and liabilities assumed

The following table summarises the fair value of assets acquired and liabilities assumed as at 12 January 2022.

	Amount
ASSETS	
Cash and cash equivalents	63,476
Premiums and reinsurers' receivable – net	31,571
Reinsurers' share of unearned gross premiums	1,384
Reinsurers' share of outstanding gross claims	57,801
Reinsurers' share of gross claims incurred but not reported	25,751
Unit-linked investments	676,132
Investments	270,688
Prepaid expenses and other assets	13,417
Property and equipment – net	3,354
Intangible assets – net	830
Statutory deposit	16,667
Accrued income on statutory deposit	2,295
TOTAL ASSETS	1,163,366
LIABILITIES	
Accrued and other liabilities	31,813
Reinsurers' balances payable	37,289
Unearned gross premiums	2,085
Outstanding gross claims	83,972
Gross claims incurred but not reported	32,718
Unit reserves	691,337
Other technical reserves	437
Due to related parties	229
Accounts payable	446
Withholding tax provision	2,779
End-of-service indemnities	3,462
Policyholders' surplus distribution payable	22,570
Zakat	9,928
Accrued commission income payable to Insurance Authority	2,295
TOTAL LIABILITIES	921,360
ATC's net assets as at acquisition date	242,006
Goodwill arising from the acquisition	318,154
Intangibles recognised from the acquisition	34,244
Purchase consideration	594,404

Purchase price allocation

The Company has undertaken a comprehensive purchase price allocation and has identified the following intangible assets and their valuation approach and methodologies are further detailed below:

Goodwill	318,154
Intangible Assets acquired in merger	
Customer relationships (Group Life)	8,348
Customer relationships (Individual Life)	25,896
Total	352,398

Valuation approach and methodology

IAS 38 specifies that if an entity can evidence that it can control economic benefits from non-contractual relationships, those customer relationships are identified as separable and can be recognized as an intangible asset. Alahli Takaful Company's customer base has historically contributed a consistent revenue stream for the Company with various insurance agreements. Hence, the relationship has been regarded to represent a Customer Relationship intangible.

Customer relationships reflect the value derived from future GWP payments expected from underwriting insurance contracts with the existing customer base. Customers have been categorised into group and individual life customers due to differences in attrition rates, GWP per customer and profit margin of the portfolios. The Management has employed "Multi Period Excess Earnings Method" for valuing the customer relationship and is considered to have a useful life of:

- thirteen (13) years for Group Life
- twelve (12) years for Individual Life.

Alinma Tokio Marine Insurance Company

Arabian Shield Cooperative Insurance Company (the "Company" or "ASCIC") announces the signing of a non-binding Memorandum of Understanding (the "MOU") with Alinma Tokio Marine Insurance Company (the "ATMC") on 13 December 2022 (corresponding to 19 Jumada Al-Ula 1444) to evaluate a potential merger between the two companies.

The Company signed a binding merger agreement with ATMC on 14 June 2023 (corresponding to 25 Dhu al-Qa'dah 1444) reflecting the agreement of both companies to merge through a share swap transaction, whereby ASCIC shall issue 0.53209443333333330000 ordinary shares in ASCIC against each issued share in ATMC ("Exchange Ratio"), to the benefit of the entitled shareholders in ATMC as consideration for the transfer of assets and liabilities of ATMC to ASCIC and without any cash consideration being paid ("Merger Transaction" or "Transaction" or "Merger").

The Company announced the effectiveness of the Merger of ATMC into the Company on 15 November 2023 (corresponding to 01 Jumada Al-Awwal 1445) after satisfying the Merger conditions agreed between the two companies in the Merger agreement and set out in the Shareholder Circular and the Offer Document issued by the Company with respect to the Merger, including the expiry of the creditors' objection period with no outstanding or unsettled objections and approving the transaction by the two companies in the Extraordinary General Assemblies.

From the Merger's effective day, the rights, liabilities, assets, and contracts of ATMC shall be transferred to the merging entity, and the merging entity shall become the legal successor of ATMC.

ASCIC increased its share capital by issuing fifteen million nine hundred sixty-two thousand eight hundred thirty-three (15,962,833) new ordinary shares with a nominal value of ten (10) Saudi Riyals per share (the "New Shares") to ATMC's entitled shareholders based on the Exchange Ratio. The value of ASCIC's share capital accordingly became seven hundred ninety-eight million one hundred fifty-two thousand nine hundred fifty (798,152,950) Saudi Riyals divided into seventy-nine million eight hundred fifteen thousand two hundred ninety-five (79,815,295) ordinary shares.

Purchase consideration

The purchase consideration was determined to be 282,223 which consisted of the issue of 15,962,833 new shares to the shareholders of ATMC.

The fair value of the new issued shares of the Company was determined on the basis of the closing market price of the ordinary shares of SAR 17.68 per share on the Tadawul on the last trading date prior to the acquisition date of 15 November 2023. Issue costs which were directly attributable to the issue of the shares were not material. As a result, there was an increase in share capital and share premium of 159,628 and 122,594, respectively.

The management has not yet carried out a comprehensive Purchase Price Allocation undertaking wherein the provisional amounts could be finalised.

Identifiable assets acquired and liabilities assumed

The following table summarises the fair value of assets acquired and liabilities assumed as at 15 November 2023.

	Amount
ASSETS	
Cash and cash equivalents	19,369
Investments	158,587
Murabaha deposits	169,937
Insurance contract assets	38
Reinsurance contract assets	215,691
Prepayments and other assets	36,862
Property and equipment	302
Intangible assets	7,016
Right to use assets	1,989
Due from related party	1,529
Statutory deposit	45,000
Unit linked investments	115,416
TOTAL ASSETS	771,736
LIABILITIES	
Accrued expenses and other liabilities	34,828
Insurance contract liabilities	444,700
Reinsurance contract liabilities	1,101
Lease liabilities	1,744
Zakat and income tax payable	3,904
Retirement benefit obligation	7,047
TOTAL LIABILITIES	493,324
ATMC's net assets as at acquisition date	278,412
Goodwill arising from the acquisition (provisionary)	3,810
Purchase consideration	282,222

33. COMPARATIVE FIGURES

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

34. BOARD OF DIRECTORS' APPROVAL

The financial statements have been approved by the Board of Directors on 12 March 2024, corresponding to Ramadan 2, 1445.